

Golar LNG



MAY 20, 2021

# FIRST QUARTER 2021 RESULTS

# Forward Looking Statements

*This press release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflects management's current expectations, estimates and projections about its operations. All statements, other than statements of historical facts, that address activities and events that will, should, could or may occur in the future are forward-looking statements. Words such as "may," "could," "should," "would," "will," "expect," "plan," "anticipate," "intend," "forecast," "believe," "estimate," "predict," "propose," "potential," "continue," or the negative of these terms and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Golar undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise.*

*Among the important factors that could cause actual results to differ materially from those in the forward-looking*

*statements are: our inability and that of our counterparty to meet our respective obligations under the Lease and Operate Agreement entered into in connection with the BP Greater Tortue / Ahmeyim Project ("Gimi GTA Project"); continuing uncertainty resulting from potential future claims from our counterparties of purported force majeure under contractual arrangements, including but not limited to our construction projects (including the Gimi GTA Project) and other contracts to which we are a party; claims made or losses incurred in connection with our continuing obligations with regard to Hygo Energy Transition Ltd ("Hygo") and Golar LNG Partners LP ("Golar Partners"); the ability of Hygo, Golar Partners and New Fortress Energy, Inc. ("NFE") to meet their respective obligations to us, including indemnification obligations; challenges by authorities to the tax benefits we previously obtained under certain of our leasing agreements; changes in our ability to retrofit vessels as floating storage and regasification units ("FSRUs") or floating liquefaction natural gas vessels ("FLNGs") and in our ability to obtain financing for such conversions on acceptable terms or at all; changes in our ability to obtain additional financing on acceptable terms or at all; the length and severity of outbreaks of pandemics, including the recent worldwide outbreak of the novel coronavirus ("COVID-19") and its impact on demand for liquefied natural gas ("LNG") and natural gas, the timing of completion of our conversion projects, the*

*operations of our charterers, our global operations and our business in general; failure of our contract counterparties to comply with their agreements with us or other key project stakeholders; changes in LNG carrier, FSRU, or FLNG including charter rates, vessel values or technological advancements; our vessel values and any future impairment charges we may incur; our ability to close potential future sales of additional equity interests in our vessels, including the Hilli ("Hilli") and FLNG Gimi on a timely basis or at all; our ability to contract the full utilization of the Hilli or other vessels; changes in the supply of or demand for LNG carriers, FSRUs or FLNGs; a material decline or prolonged weakness in rates for LNG carriers, FSRUs or FLNGs; changes in the performance of the pool in which certain of our vessels operate; changes in trading patterns that affect the opportunities for the profitable operation of LNG carriers, FSRUs or FLNGs; changes in the supply of or demand for LNG or LNG carried by sea; continuing volatility of commodity prices; changes in the supply of or demand for natural gas generally or in particular regions; changes in our relationships with our counterparties, including our major chartering parties; changes in our relationship with our affiliates and the sustainability of any distributions they pay to us; a decline or continuing weakness in the global financial markets; changes in general domestic and international political conditions, particularly where we operate; changes in*

*the availability of vessels to purchase and in the time it takes to construct new vessels; failure of shipyards to comply with delivery schedules or performance specifications on a timely basis or at all; changes to rules and regulations applicable to LNG carriers, FSRUs, FLNGs or other parts of the LNG supply chain; our inability to achieve successful utilization of our fleet or inability to expand beyond the carriage of LNG and provision of FSRU and FLNGs, particularly through our innovative FLNG strategy; actions taken by regulatory authorities that may prohibit the access of LNG carriers, FSRUs and FLNGs to various ports; increases in costs, including, among other things, wages, insurance, provisions, repairs and maintenance; and other factors listed from time to time in registration statements, reports or other materials that we have filed with or furnished to the Securities and Exchange Commission, or the Commission, including our most recent annual report on Form 20-F.*

*As a result, you are cautioned not to rely on any forward-looking statements. Actual results may differ materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by law.*

**Karl Fredrik Staubo**

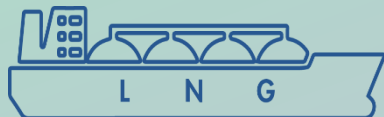
Chief Executive Officer, Golar LNG

**Eduardo Maranhão**

Chief Financial Officer, Golar LNG

# Q1 2021 Highlights

## SHIPPING



- Revenue of \$63m
- Q1 TCE<sup>1</sup> of \$61.7k
- Revenue backlog<sup>1</sup> of \$187m

## FLNG



- Hilli 100% uptime
- 56<sup>th</sup> cargo being offloaded
- Gimi construction 69% technically complete

## CORPORATE & INVESTMENTS



- Closed Hygo and GMLP transactions with a book profit in excess of \$650m increasing liquid assets by ~\$900m
- Buyback program initiated, 1.2m shares bought back
- Q1 cash balance<sup>1</sup> of \$245m

Adj. EBITDA<sup>1</sup>: \$78 million  
Net income: \$25 million

# Agenda

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## **Group results**

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Shipping

FLNG

Corporate and strategic focus

# First Quarter 2021 Financial Results

## Summary highlights

	Q1 2021	Q4 2020		Q1 2020		
	\$m	\$m	% Δ	\$m	% Δ	
GAAP	Shipping	63	51	24%	63	-%
	FLNG	54	62	-13%	55	-2%
	Corporate and other	9	5	80%	5	80%
	<b>Total Operating revenues</b>	<b>126</b>	<b>118</b>	<b>7%</b>	<b>123</b>	<b>2%</b>
	Shipping	40	32	25%	41	8%
	FLNG	42	49	-14%	42	-
	Corporate and other	(4)	(3)	33%	(7)	-43%
	<b>Adjusted EBITDA</b>	<b>78</b>	<b>78</b>	<b>-%</b>	<b>76</b>	<b>3%</b>
Net Income/(Loss)	25	8	213%	(104)	516%	
NON GAAP <sup>1</sup>	<b>Net Debt</b>	<b>2,075</b>	<b>2,060</b>	<b>-1%</b>	<b>2,254</b>	<b>8%</b>
	Unrestricted cash	150	128	17%	131	15%
	Golar restricted cash	95	126	-25%	104	-9%
	<b>Total Golar cash</b>	<b>245</b>	<b>254</b>	<b>-4%</b>	<b>235</b>	<b>4%</b>

## Highlights

### Operating results Q1 21 v Q4 20

#### Shipping

TCE<sup>1</sup> up \$10k due to seasonality and execution of shipping strategy

#### FLNG

Catch up of 2019 & 2020 over-production revenue resulting in additional \$8m of Q4 20 adjusted EBITDA<sup>1</sup>

#### Corporate and other

Revenue increased by 80% following commencement of the operation and maintenance agreement with LNG Hrvatska.

#### Net income

Net income increases driven by an improved performance of our derivative instruments partly offset by increased losses from our former affiliate, Hygo.

#### Financing and cash

##### Q1 21 net debt and cash position key movements:

- \$45m drawdown on the Gimi facility
- \$10m drawdown on the Golar Bear facility
- \$35m release of restricted cash for LNG Croatia
- \$10m increase in restricted cash due to performance guarantee for LNG Croatia

# Liquidity and focus areas

## Strong liquidity position

Liquidity outlook	\$m
Q1 2021 Balance sheet free cash	150
Cash proceeds from NFE transaction	131
Forecasted transaction costs <sup>1</sup>	(13)
<b>Pro forma cash after transaction</b>	<b>268</b>
- Share buybacks executed to date	(14)
+ Liquid shareholding in NFE <sup>2</sup>	<u>781</u>
<b>Pro forma liquid assets after transaction</b>	<b>1,035</b>

## 2021 Focus areas

*Refinancing of Apr-22 Convertible Bond*

*Focus on FLNG & Upstream growth*

*Further group simplification*

*Debt optimization*

# Agenda

Group results

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**Shipping**

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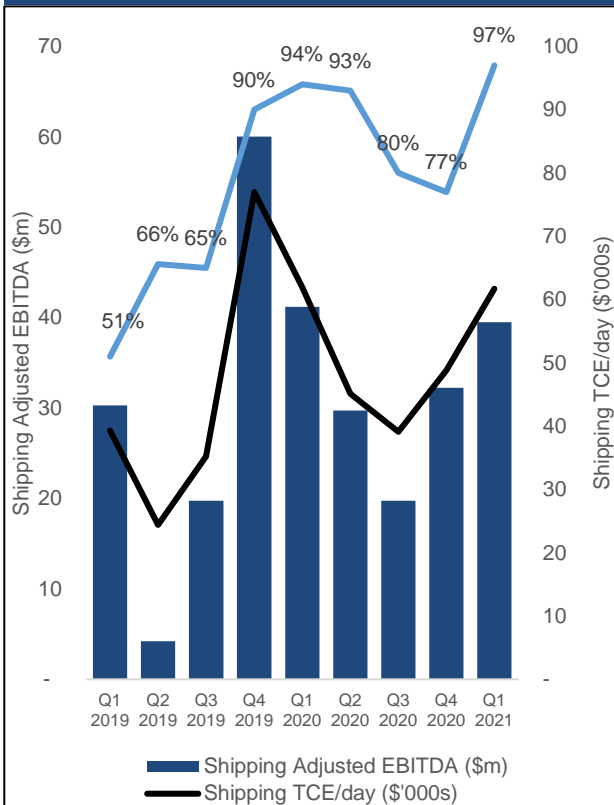
FLNG

Corporate and strategic focus

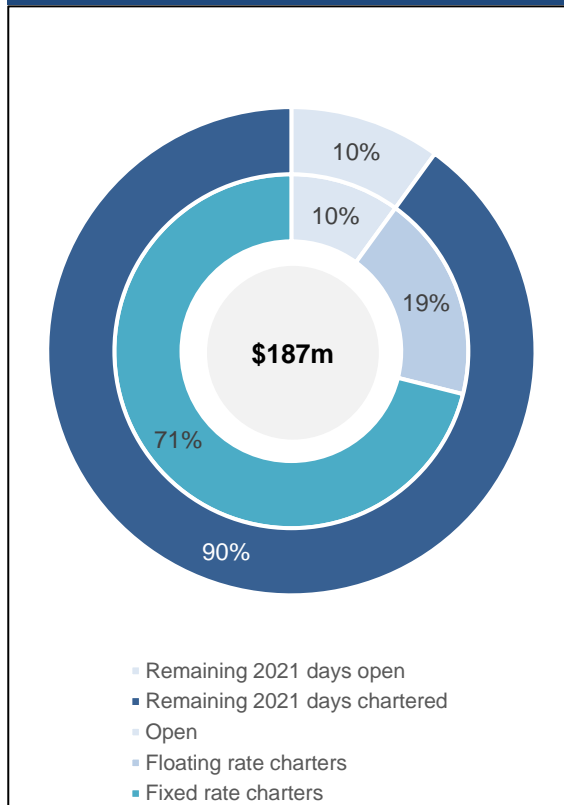


# Near-term visibility with increasing exposure to winter market

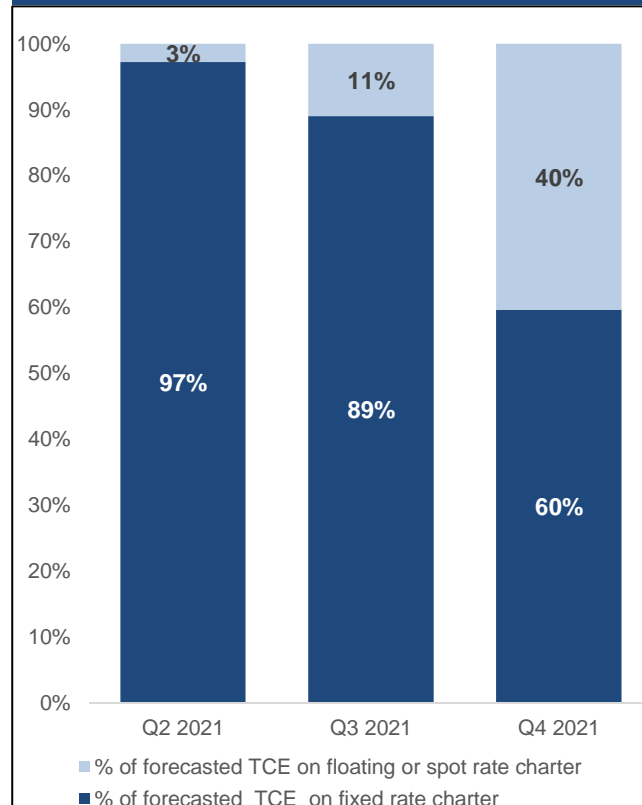
## Evolution of Shipping Adjusted EBITDA



## Shipping Revenue Backlog<sup>1 2</sup>



## 2021 Forecasted TCE from fixed v spot<sup>1 3</sup>

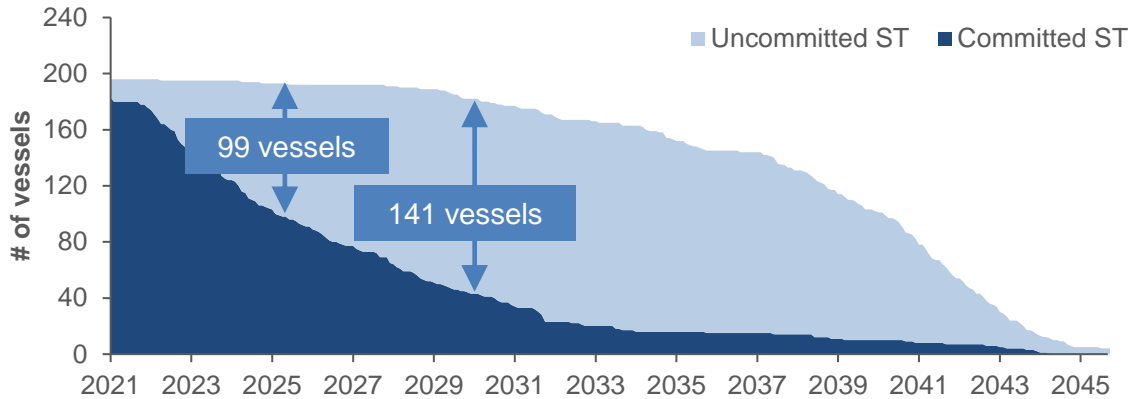


- Q2 2021 TFDE TCE<sup>1</sup> rate expected to be around \$47k<sup>4</sup> per day based on today's rates
- Utilization is expected to be around 98% in Q2 2021

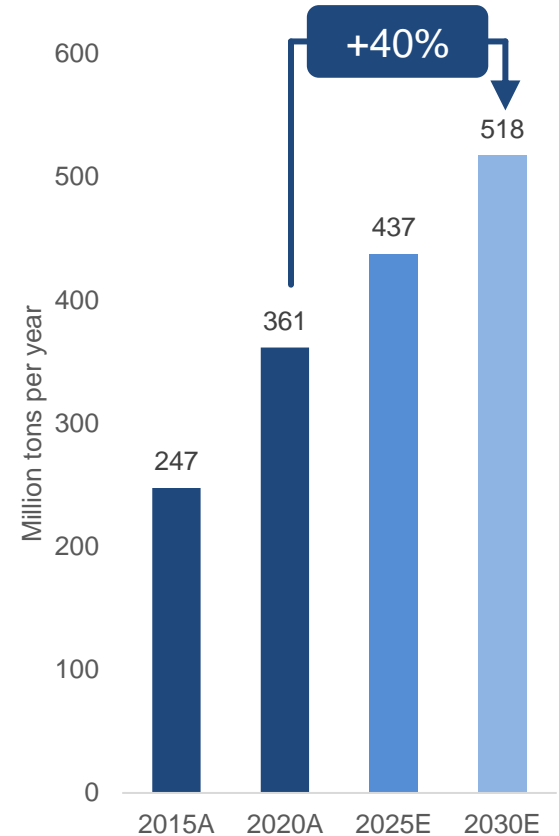
(1) Please see appendix for the definition of the non-GAAP measures.  
 (2) Additional exposure from spot traded vessels not included in shipping revenue backlog.  
 (3) Forecasted TCE includes the average of the Baltic Exchange's three routes; BLNG1, BLNG2, BLNG3 at 75% utilisation as at 11<sup>th</sup> May 2021  
 (4) If *Golar Ice* loss of hire income is included, Q2 2021 forecasted TCE will be \$51k per day

# Attractive supply/demand outlook fuelled by environmental regulations (EEXI)

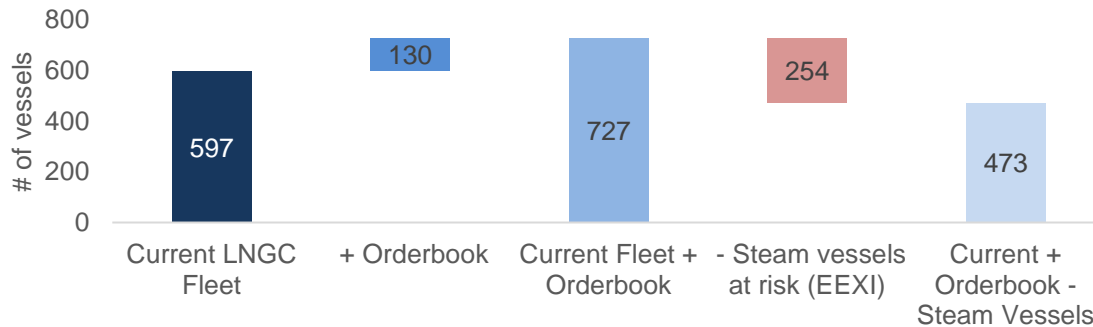
## Close to 100 Steam vessels are coming off charters by 2025



## Continued robust demand growth



## LNG fleet development facing regulatory constraints



IMO targeting reduction carbon intensity by 40% within 2030

CAGR 2020-2030: ~4%

# EEXI & environmental regulations impact on LNG shipping



## IMO GHG strategy:

50% cut in CO2 emissions by 2050



**EEXI:** All existing vessels required to comply with new energy efficiency index



**Compliance<sup>1)</sup>:** Implemented by end of 2022 with compliance after first survey



## Available measures to comply:

Reduce speed



Change fuel



Energy saving devices



Expected impact varies by propulsion type

**MEGI / X-DF: Limited**



**TFDE/DFDE: Marginal**



**Steamers: Significant**



## Potential effects on market<sup>2</sup>

Reduced available shipping capacity

- *Scrapping of older non-compliant tonnage (Steamers)*
- *Reduction in speed by remaining fleet*

Limitations in vessel performance creating a tiered charter market

- *Fleet available to charterers reduced*

Lack of visibility for new orders

- *Owners uncertain on future regulatory changes*

Despite high uncertainty, EEXI and environmental regulations are likely to lead to a tighter shipping market for a period of time

# Agenda

Group results

Shipping

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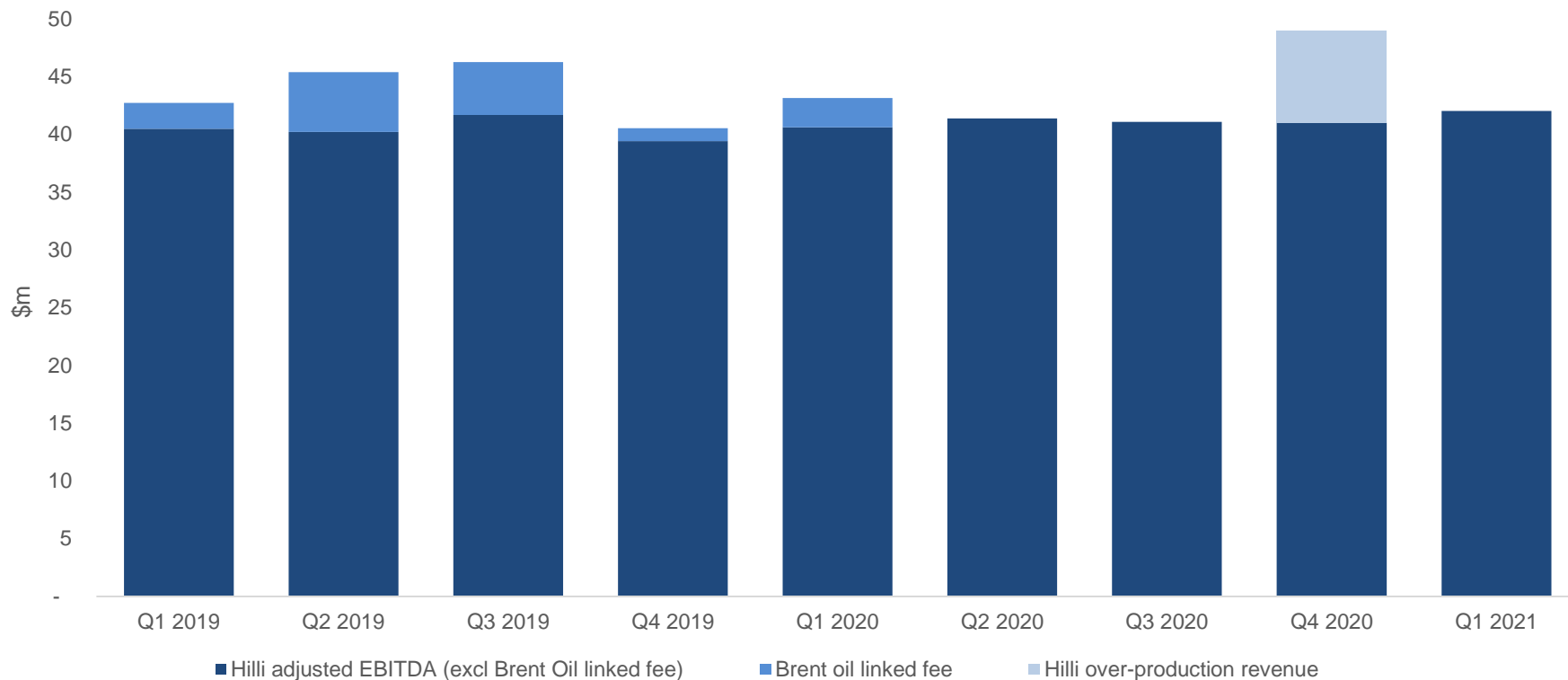
**FLNG**

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Corporate and strategic focus

# FLNG Hilli with continuous 100% uptime

## Evolution of Hilli Adjusted EBITDA<sup>1</sup> per quarter



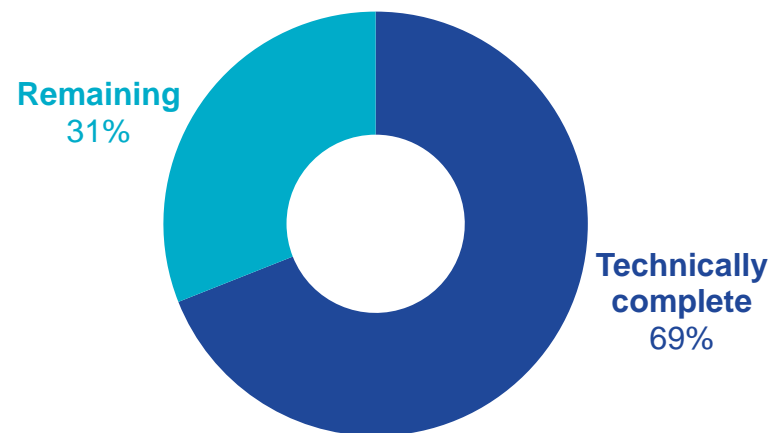
- Continues to operate with 100% commercial up-time with the 56th cargo currently being offloaded.
- Discussions on increasing production utilization in an advanced stage
- Brent crude linked fee will be recognized in Q2 2021




# Gimi: On time and on budget

## Conversion update



## Key statistics

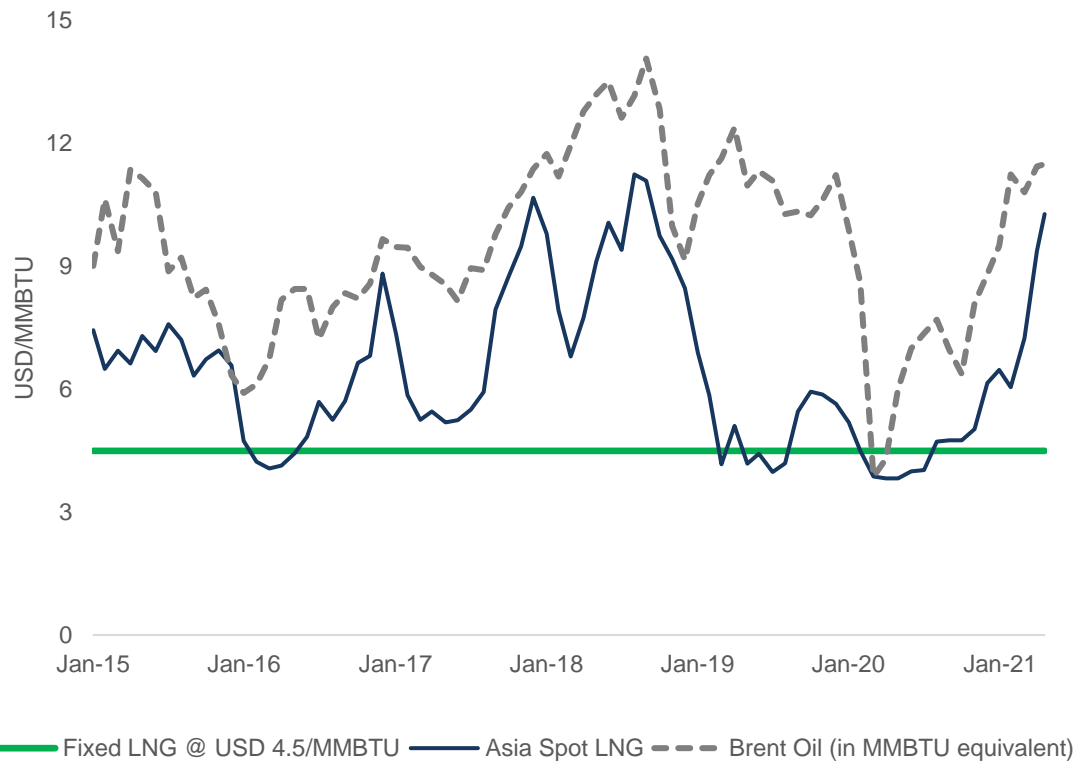
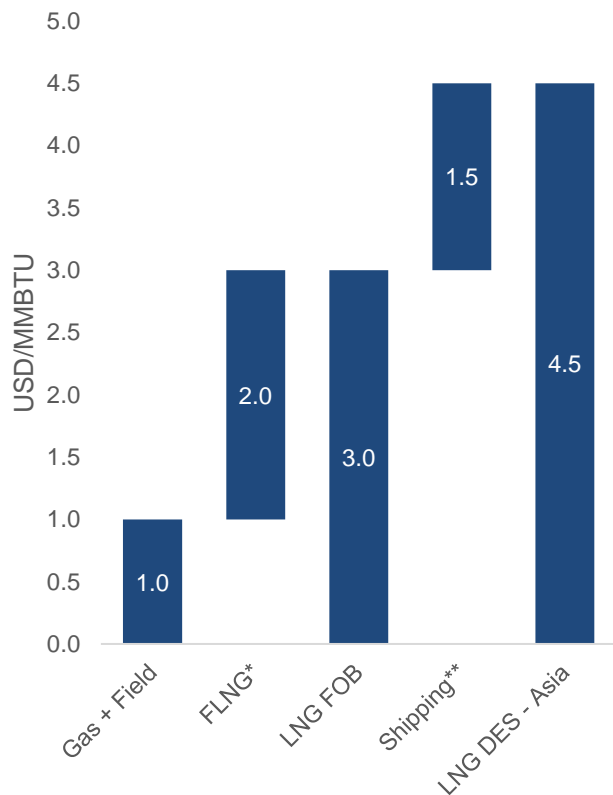


	<b>Target sail-away</b>	Q1/23
	<b>Contract start up</b>	Q4/23
	<b>Annual EBITDA<sup>1</sup></b>	\$215m (100% basis)
	<b>Contract duration</b>	20 years
	<b>EBITDA backlog<sup>1</sup></b>	\$ 4.3bn

# Upstream: Low-cost LNG production supports FLNG growth

FLNG + Stranded Gas = Low-Cost Gas

Our competitive advantage: 'Always' cheaper than market



Indicative structure based on current discussions

Average JKM price last 5 years: USD 7/MMBTU

# Potential for superprofit in integrated upstream LNG production

Golar LNG's FLNG Mark III deployed on stranded gas field

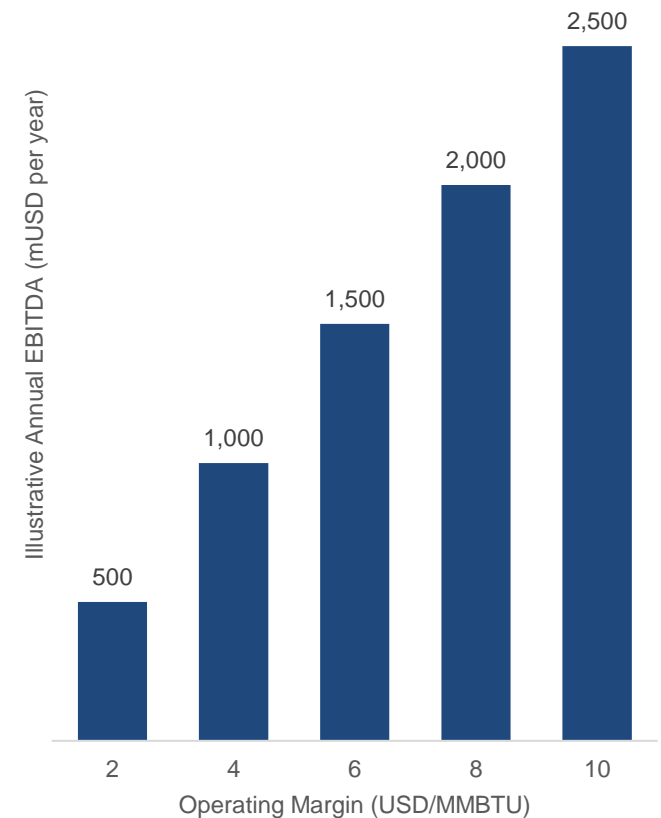
Enables generation of super-profits



Estimated CAPEX of ~USD 500/ton = USD 2.5bn

Nameplate capacity: 5mtpa (250 Million MMBTU / year)

Life of asset: 25+ years





# Agenda

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FLNG

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**Corporate and strategic focus**

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# ESG performance highlights

## Continued high safety standards



### SAFETY PERFORMANCE



## Progress on carbon and air quality



- CO2 per tonne mile (AER)
- Significant reduction v 2019 (9.95)



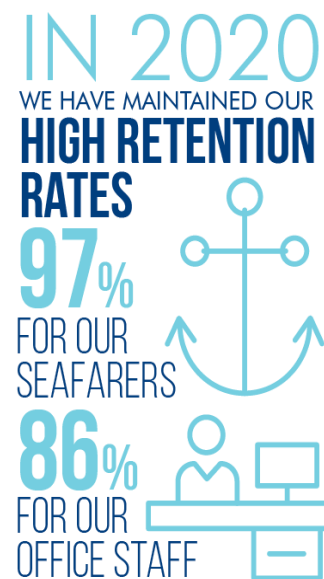
- CO2e per tonne LNG
- Maintain competitive position with shore based "mega" projects



## First thought leadership paper on blue ammonia



## Supporting our people and communities



# Earnings power from existing asset portfolio

	SHIPPING	HILLI (67%) <sup>5</sup>	GIMI (70%)	CORPORATE & INVESTMENTS	TOTAL
<b>LTM adjusted EBITDA<sup>1</sup></b>	\$121m <sup>2</sup>	\$93m	\$151m <sup>3</sup>	\$(13)m	\$352m
<b>Potential upside</b>	+/- \$10,000/day = \$ 32m/yr	+ Oil upside + T3 Production	+ Uptime bonus		
<b>Contractual debt<sup>1</sup></b>	\$1,102m	\$381m	\$242m	\$ 248m <sup>7</sup>	\$1,973m
<b>Remaining capex</b>	\$0m	\$0m	\$506m	\$0m	\$506m
	<b>OPERATIONAL</b>	<b>OPERATIONAL</b>	<b>69% COMPLETE</b>	<b>OPERATIONAL</b>	

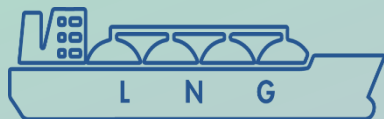
1) Please see appendix for definition and reconciliation  
 2) LTM TCE of \$48.7k/day  
 3) Forecasted EBITDA, please see appendix. Due to start contract Q4/23

4) NFE shares at FV (18.6m shares at \$42 on May 19, 2021), Avenir at carrying value \$44m as of March 31, 2021  
 5) 44.5% of T1 & T2 89.1% T3 & T4/oil indexed revenue

6) Includes \$20m relating to the Gandria  
 7) Includes pro forma cash proceeds from NFE transaction and cash outflow from the share buyback programme.

# Summary and outlook

## SHIPPING



- Shipping rates with seasonal strength
- Shipping supply/demand outlook, boosted by environmental regulations, supportive of healthy market outlook

## FLNG



- Hilli increased production utilization potential for start-up in Q1 2022
- Gas prices support incremental FLNG growth
- Attractive return potential in developing stranded and associated gas fields

## CORPORATE & INVESTMENTS



- Strong liquidity position and crystalized value following closing of the NFE transactions
- Debt optimization
- Further group simplification

# Contact Us



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# Appendices

## Non-GAAP Measures

### Non-GAAP measure

Hilli Adjusted EBITDA

### Closest equivalent US GAAP measure

FLNG Adjusted EBITDA

### Rationale for adjustments

Increases the comparability of our operational FLNG, Hilli from period to period and against the performance of other companies by removing the costs of early stage FLNG projects and the Gandria and Gimi operating costs.

### Quantitative reconciliation

	Jan-Mar 2021	Oct-Dec 2020	Jan-Mar 2020
<i>(in \$M)</i>			
<b>FLNG Adjusted EBITDA</b>	<b>41.8</b>	<b>48.6</b>	<b>41.7</b>
Adjusted for:			
Vessel operating costs	0.2	0.2	0.2
Administrative expenses	-	0.1	0.1
Project development expenses	-	0.1	1.1
<b>Hilli Adjusted EBITDA</b>	<b>42.0</b>	<b>49.0</b>	<b>43.1</b>

### Non-GAAP measure

**Total Golar cash balance and Golar restricted cash**

### Closest equivalent US GAAP measure

Cash, cash equivalents and restricted cash at end of period based on GAAP measures:

- Cash and cash equivalents
- Restricted cash and short-term deposits (current and non-current)

### Rationale for adjustments

Increases the comparability of our cash position with other companies by removing the lessor VIEs' cash over which we have no control or ability to access.

	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
<i>(in \$M)</i>			
Cash and cash equivalents	149.9	127.7	131.0
Restricted cash and short-term deposits - current and non-current portion	149.0	188.4	172.4
Adjusted for:			
VIE restricted cash	(54.1)	(62.1)	(68.3)
<b>Total Golar cash balance</b>	<b>244.8</b>	<b>254.0</b>	<b>235.1</b>
Adjusted for:			
Cash and cash equivalents	(149.9)	(127.7)	(131.0)
<b>Golar restricted cash</b>	<b>94.9</b>	<b>126.3</b>	<b>104.1</b>

# Appendices

## Non-GAAP Measures

### Non-GAAP measure

#### Golar's share of contractual net debt

#### Closest equivalent US GAAP measure

Total debt (current and non-current)

### Rationale for adjustments

Increases the comparability of our liquidity based on our underlying contractual obligations against our competitors.

### Quantitative reconciliation

<i>(in \$M)</i>	Shipping <sup>1</sup>	Hilli	Gimi	Corporate <sup>2</sup>	Total
Golar's share of contractual debt as at March 31, 2021	1,102	381	242	488	2,213
Less: Cash and cash equivalents	-	-	-	(150) <sup>3</sup>	(150)
<b>Golar's share of contractual net debt as at March 31, 2021</b>	<b>1,102</b>	<b>381</b>	<b>242</b>	<b>338</b>	<b>2,063</b>
Post Q1 transactions					
Less: Cash proceeds from NFE transaction	-	-	-	(131)	(131)
Add: Cash outflow for NFE transaction costs	-	-	-	13	13
Add: Interest accretion on Convertible Bond upon maturity	-	-	-	14	14
Add: Cash outflow from share buyback programme	-	-	-	14	14
<b>Golar's share of contractual net debt post Q1 transactions</b>	<b>1,102</b>	<b>381</b>	<b>242</b>	<b>248</b>	<b>1,973</b>

1. Shipping segment comprises of the following facilities: Golar Arctic, Golar Frost, Golar Glacier, Golar Kelvin, Golar Ice, Golar Snow, Golar Crystal, Golar Tundra, Golar Seal and Golar Bear.  
 2. Corporate segment comprises of the following: Convertible bond and revolving credit facility.  
 3. Cash and cash equivalent as of March 31, 2021 had been allocated to the Corporate segment for simplicity.

# Appendices

## Non-GAAP Measures

### Definitions

Please see our Q1 2021 earnings release for a reconciliation to the most comparable US GAAP measure and the rationale for the adjustments: <https://www.golarlng.com/investors/quarterly-reports/2021>

#### Non-GAAP measure

- Average daily TCE
- Earnings backlog
- Adjusted net debt
- Net debt
- Contractual debt
- Illustrative gain on disposals
- Revenue backlog

#### Gimi annual and LTM Adjusted EBITDA Adjusted EBITDA backlog Run rate EBITDA

Gimi annual and LTM Adjusted EBITDA represents the share of contracted liquefaction revenue less forecasted operating expenses for the executed contract. Gimi Adjusted EBITDA backlog represents the entire contracted period of 20 years multiplied by the annual Adjusted EBITDA. In order to calculate our proportionate share of LTM Adjusted EBITDA for Gimi, management has removed the amount attributable to Keppel (30%). Adjusted EBITDA is not intended to represent future cashflows from operations or net income/(loss) as defined by US GAAP. financial results calculated in accordance with US GAAP and reconciliations from these results should be carefully evaluated. This measure should be seen as a supplement to and not a substitute for our US GAAP measures of performance and the

#### LTM Adjusted EBITDA for Hilli LLC

LTM Adjusted EBITDA for Hilli LLC is calculated by taking the trailing 12 months net income before interest, tax, unrealized mark-to-market movements on the oil derivative instrument, depreciation and amortization. In order to calculate our proportionate share of LTM Adjusted EBITDA for Hilli, management has removed the amount attributable to Golar Partners (50% of the Common Units in Golar Hilli LLC to Golar Partners – now owned by NFE) and minority interests (5.44% of the Common Units and 10.89% of the Series A and B special units in Golar Hilli LLC to the Keppel and B&V). Management believes that that the definition of LTM Adjusted EBITDA provides relevant and useful information to investors. Adjusted EBITDA is not intended to represent future cashflows from operations or net income/(loss) as defined by US GAAP. This measure should be seen as a supplement to and not a substitute for our US GAAP measures of performance and the financial results calculated in accordance with US GAAP and reconciliations from these results should be carefully evaluated.

#### Asset book value

Asset book value refers to the underlying value of assets presented within “Vessels and equipment, net”, “Asset under development” or “Investments in affiliates” on our consolidated balance sheet as of March 31, 2021.

#### Unrestricted cash

Unrestricted cash refers to our cash and cash equivalents.