

1H23 Financial Results

IR Presentation – 3rd August 2023



“PURSUING SUSTAINABLE GROWTH”






All statements in this presentation (other than those of historical fact) contain reference to our future business and financial performance and future events or developments that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate" "intend," "plan," "believe," "seek," "estimate," "will," "project", "may", "forecast" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of NAKILATs' management, of which many are beyond NAKILATs' control. These are subject to several risks, uncertainties and factors that might cause future results and outcomes to differ including, but not limited to the following:

- general LNG shipping market conditions and trends, including spot and long-term charter rates, ship values, factors affecting supply and demand of LNG and LNG shipping, technological advancements
- and opportunities for the profitable operations of LNG carriers;
- fluctuations in spot and long-term charter hire rates and vessel values;
- changes in our operating expenses, including crew wages, maintenance, dry-docking and insurance costs and bunker prices;
- number of off-hire days and dry-docking requirements including our ability to complete scheduled dry-dockings on time and within budget;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- may no longer have the latest technology which may impact the rate at which we can charter such vessels;
- increased exposure to the spot market and fluctuations in spot charter rates;
- fluctuations in prices for crude oil, petroleum products and natural gas, including LNG;
- changes in the ownership of our charterers;
- our customers' performance of their obligations under our time charters and other contracts;
- our future operating performance and expenses, financial condition, liquidity and cash available for dividends and distributions;
- our ability to obtain financing to fund capital expenditures, acquisitions and other corporate activities, funding by banks of their financial commitments, and our ability to meet our restrictive covenants
- future, pending or recent acquisitions of or orders for ships or other assets, business strategy, areas of possible expansion and expected capital spending;
- the time that it may take to construct and deliver new buildings and the useful lives of our ships;
- fluctuations in currencies and interest rates;
- the expected cost of and our ability to comply with environmental and regulatory conditions, including changes in laws and regulations or actions taken by regulatory authorities, governmental



- 
- organizations, classification societies and standards imposed by our charterers applicable to our business;
 - risks inherent in ship operation, including the risk of accidents, collisions and the discharge of pollutants;
 - our ability to retain key employees and the availability of skilled labor, ship crews and management;
 - potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists;
 - potential liability from future litigation;
 - any malfunction or disruption of information technology systems and networks that our operations rely on or any impact of a possible cybersecurity breach

Should one or more of these risk factors or uncertainties materialize or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of NAKILAT may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. NAKILAT neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated except if required by law. Accordingly, you should not unduly rely of any forward-looking statements. NAKILAT makes no representation or warranty, expressed or implied, with respect to any forecast, projection or predictive statements in this presentation.

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LNGC

Liquefied Natural Gas Carrier

Charter Free

Vessel which is not attached

Steam

Steam Turbine Propulsion System)

BoG

Boil-off Gas

HHI

Hyundai Heavy Industries

FSRU

Floating Storage Regasification Unit

DFDE

Dual Fuel Diesel Electric Propulsion System

MEGI

M-type, Electronically Controlled, Gas Injection

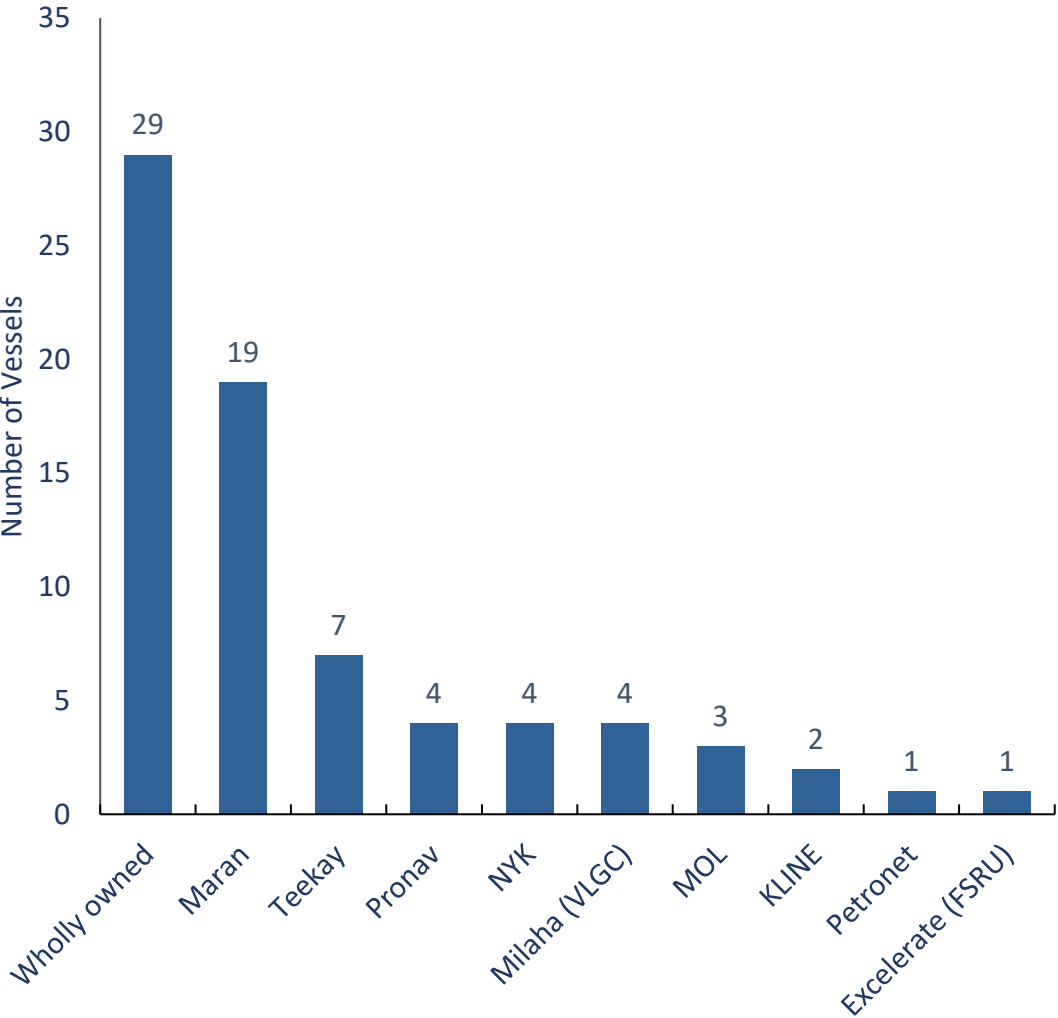
DSME

Daewoo Shipbuilding & Marine Engineering

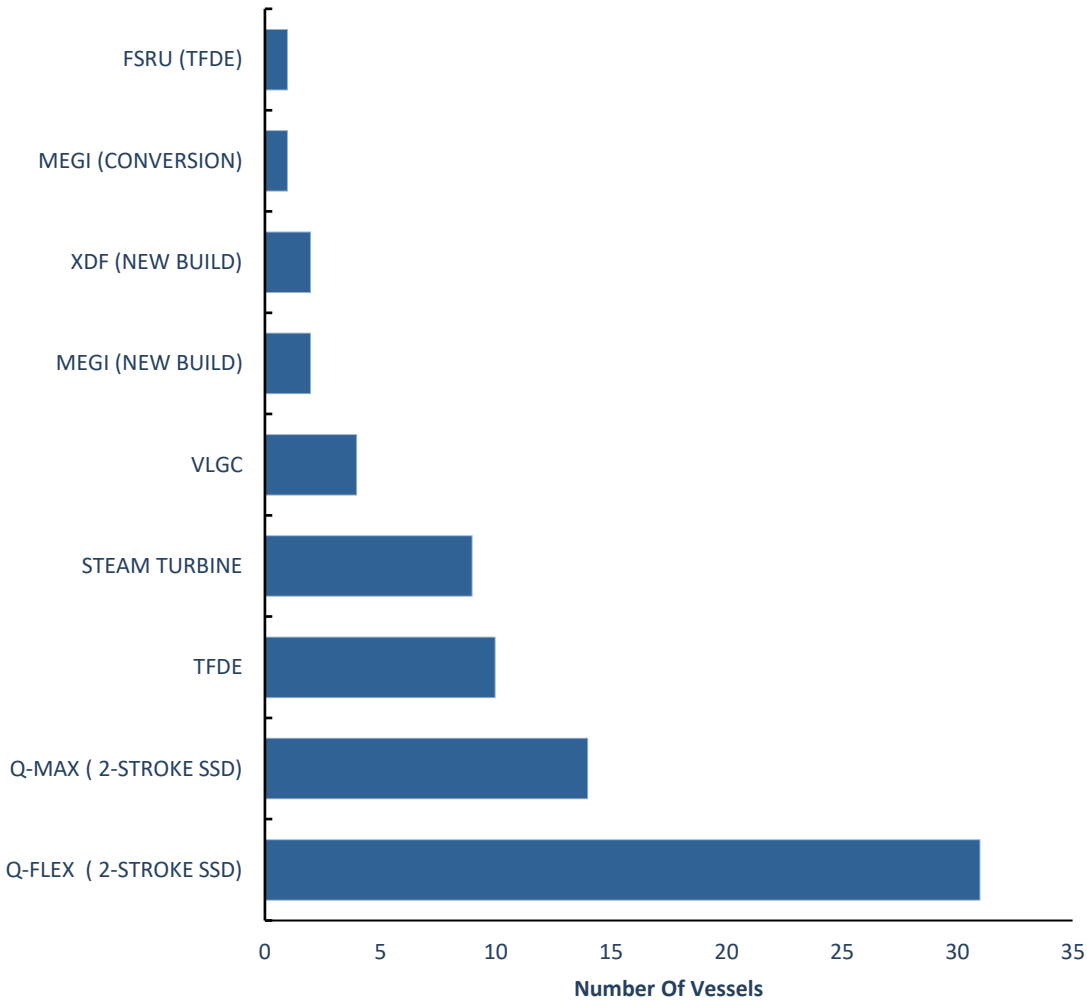




Wholly & Jointly-Owned Fleet



Vessels' Type / Propulsion





Profit: QAR 775M

Financial Results for 1H23

Financial Highlights (1H23)



**QAR
2.29B**
Revenue

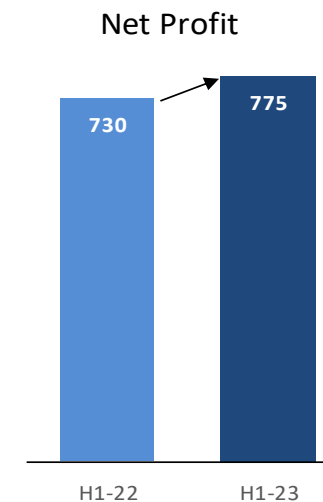
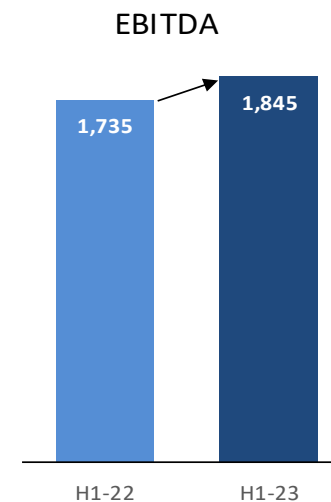
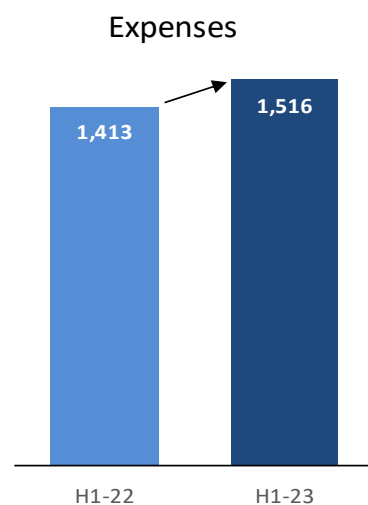
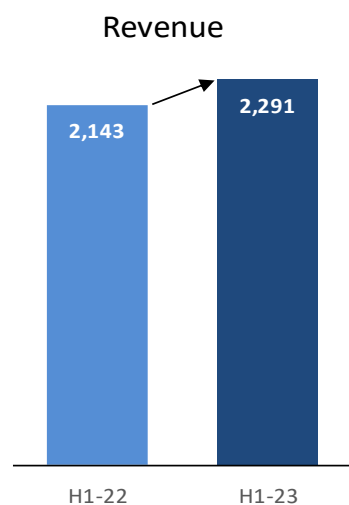
**QAR
1.85B**
EBITDA⁽¹⁾

**QAR
775M**
Net Profit

**QAR
0.14**
EPS

13.5%
RoE

1.03
Current Ratio



- **Total revenue increased** by 6.9% mainly due to higher results from joint ventures and higher interest income
- **Expenses higher** by 7.3% mainly due to higher finance charges

- **EBITDA increased** by 6.3% due to increase in revenues
- **Net profit increase of** 6.1% was driven by higher revenues offset by higher finance charges

(1) EBITDA is a non-IFRS financial measure and should not be used in isolation or as substitute for Nakilat's financial results presented in accordance with International Financial Reporting Standards ("IFRS")

Income Statement (1H23)



Items (QAR -Thousand)	H1-23	H1-22	YoY %
Revenue from operations	2,176,737	2,109,502	3.2%
Interest, dividend and other income	113,791	33,633	238.3%
Total Revenues	2,290,528	2,143,135	6.9%
Operating costs	396,175	363,430	9.0%
G & A expenses	49,221	44,224	11.3%
Amort. & Depr. of PPE	449,940	439,410	2.4%
Finance charges	620,309	565,969	9.6%
Total Expenses	1,515,645	1,413,033	7.3%
Net profit for the period	774,883	730,102	6.1%

Highlights :

- **Revenue from operations increased by 3.2%** due to higher results of LNG & LPG joint ventures and a robust performance in shipyard joint ventures
- **Interest, dividend and other income increased by 238.3%** due to higher interest rates on term deposits
- **Operating costs increased by 9%** due to the execution of planned operating activities comparing to prior year
- **General and administration expenses increased by 11.3%** in line with the increase in planned activities comparing to prior year
- **Amort. & Depr. of PPE increased by 2.4%** due to higher depreciable value of new drydock cycle and accounting of initial drydock component
- **Finance charges increased by 9.6%** as a result of the increase in average variable interest rates on the unhedged portion of debt, offset by scheduled repayment of loans

Balance Sheet (as of 30 June 2023)



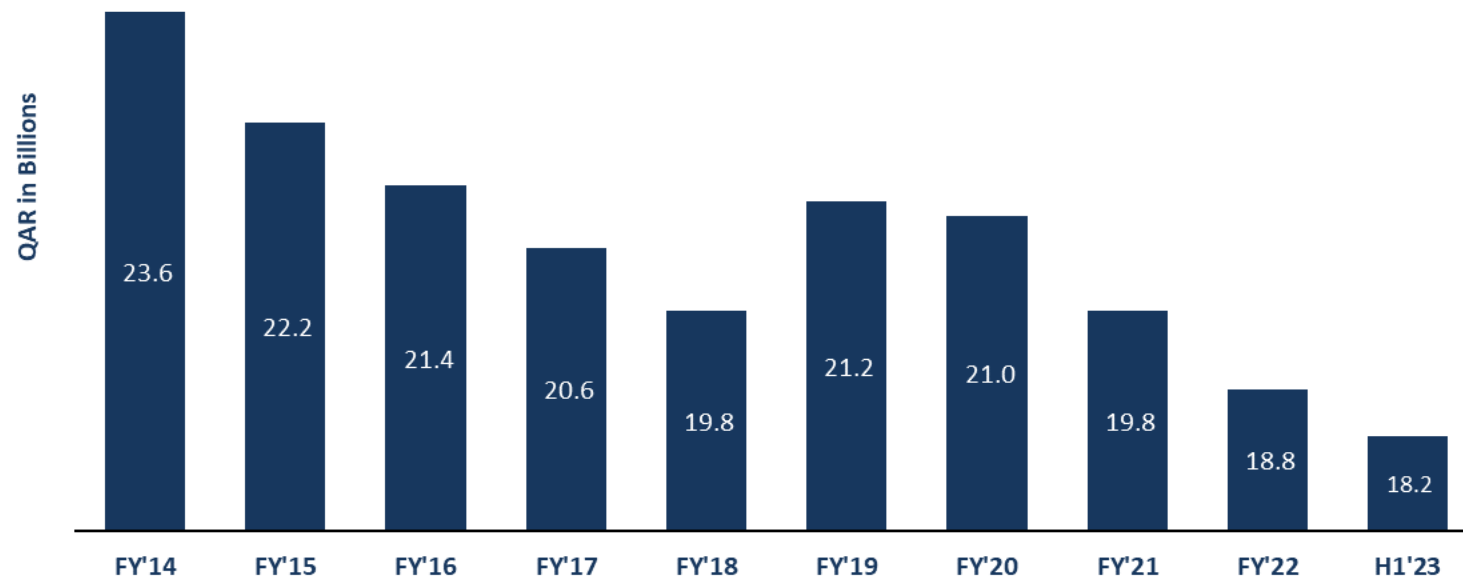
Items (QAR -Thousand)	Jun-23	Dec-22	% Change
Property and equipment	20,973,612	21,327,349	-1.7%
Investment in joint venture companies	5,578,411	5,289,960	5.5%
Cash and bank balances	3,935,152	4,560,044	-13.7%
Trade and other receivables	983,676	880,225	11.8%
Equity investments	123,520	138,687	-10.9%
Fair value of interest rate swaps	24,637	-	100.0%
Total Assets	31,619,008	32,196,265	-1.8%
Borrowings	18,279,774	18,806,787	-2.8%
Equity after hedge reserve and before non-controlling interests	11,373,844	11,248,966	1.1%
Fair value of interest rate swaps	438,542	509,785	-14.0%
Accounts payable, accruals and other liabilities	1,521,640	1,625,018	-6.4%
Non-controlling interests	5,208	5,709	-8.8%
Total Equity & Liabilities	31,619,008	32,196,265	-1.8%

Highlights :

- **Investment in joint venture companies increased by 5.5%** due to higher share of JVs' results
- **Cash and bank balances decreased by 13.7%** mainly due to dividend paid to shareholders, offset by cash generated from operations
- **Trade and other receivables increased by 11.8%** mainly due to timing difference between issuing the invoices and the subsequent collection at the reporting date
- **Equity investments decreased by 10.9%** based on the market prices of shares held for investment at reporting date
- **Fair value of interest rate swaps (Asset) increased by 100%** The mark-to-market valuation is positively influenced by the rise in variable interest rates, resulting in a favorable current portion
- **Borrowings decreased by 2.8%** due to scheduled repayment of loans
- **Fair value of interest rate swaps (Liability) decreased by 14%** due to decrease in notional amounts in line with loan scheduled repayments, coupled with the rise in variable interest rates, leads to a reduction in the non-current portion of the mark-to-market liability
- **Accounts payable, accruals and other liabilities decreased by 6.4%** mainly due to the reduced advances received from the hub business, and the strong performance of shipyard joint ventures resulting in a decrease in the deferred liabilities



Net Borrowings (FY'14 TO H1'23)



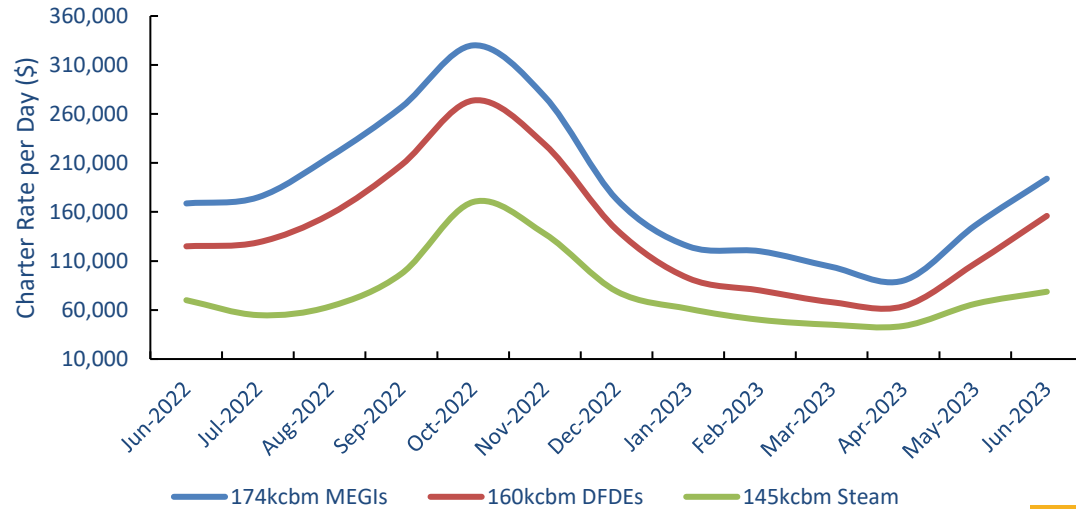
LNG SHIPPING OVERVIEW



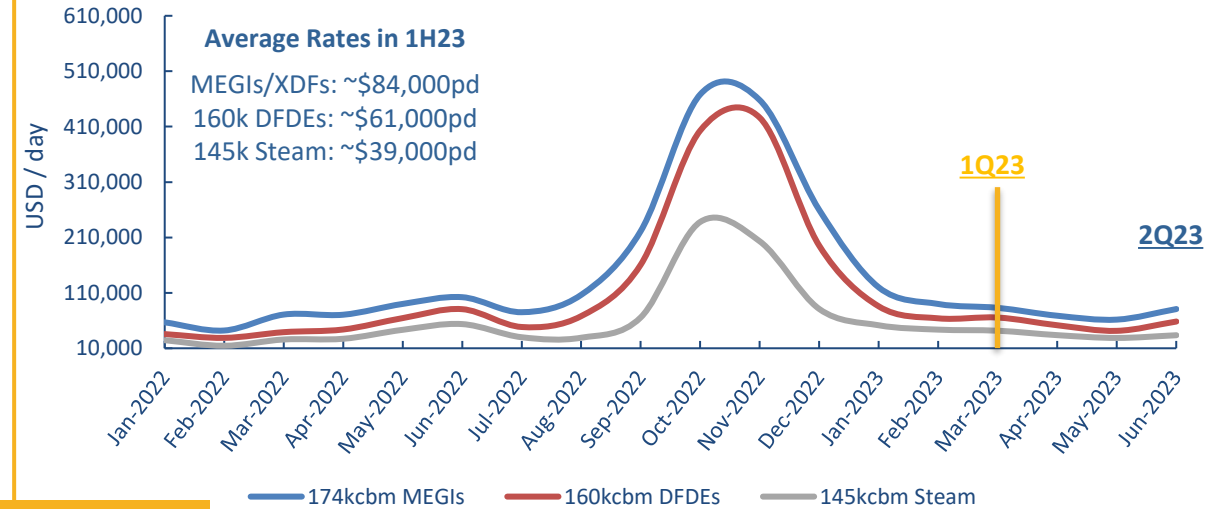
1H23 - LNG Shipping Market Update



Multi-Month (3-6) LNG Shipping Rates 12 Months

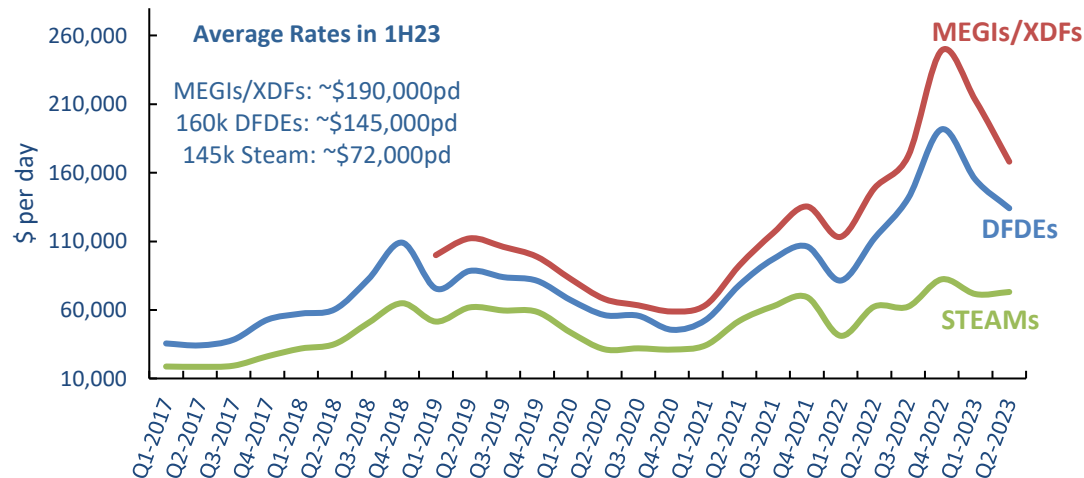


Spot Rates (MEGI Vs DFDEs Vs Steam) 2022 – 2Q23



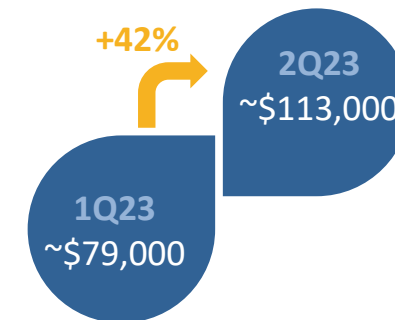
Source: Clarksons

1 Year Time-Charter Rate in 2017 – 2Q23

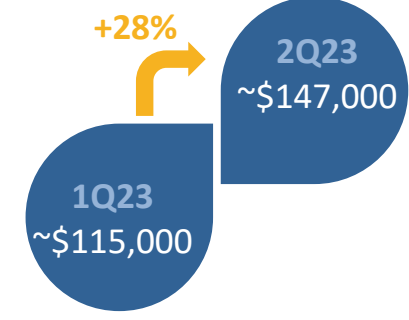


Spot LNG Shipping Market Rates

Average DFDEs Day Rates



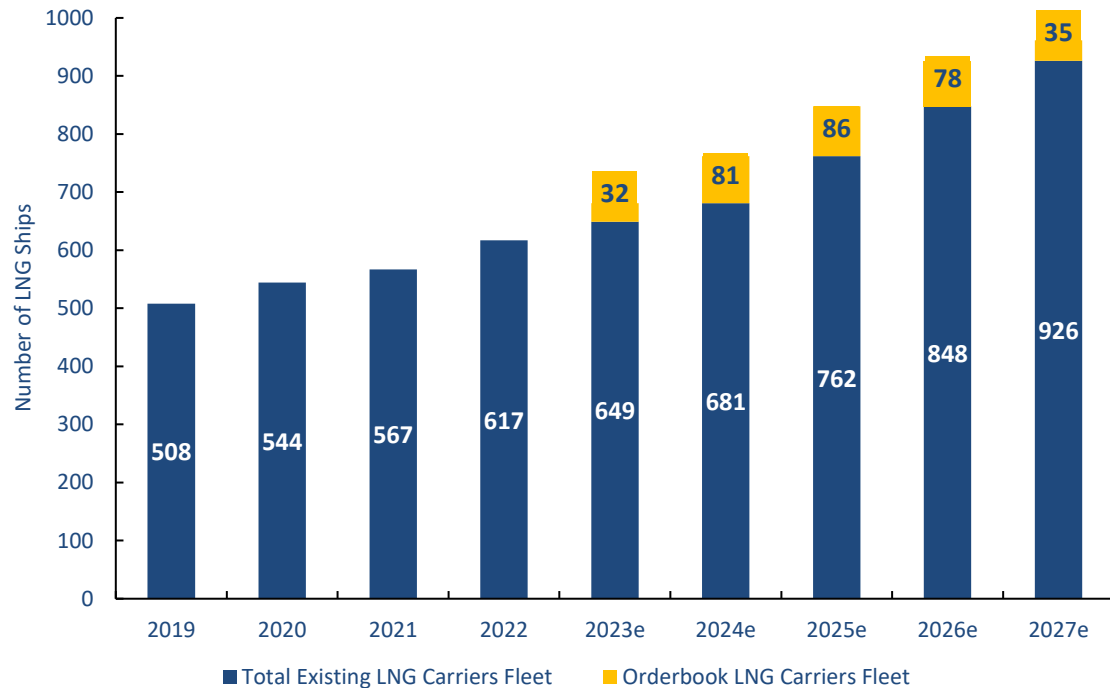
Average MEGIs Day Rates



1H23 - LNG Shipping Supply – LNGC Newbuild Price

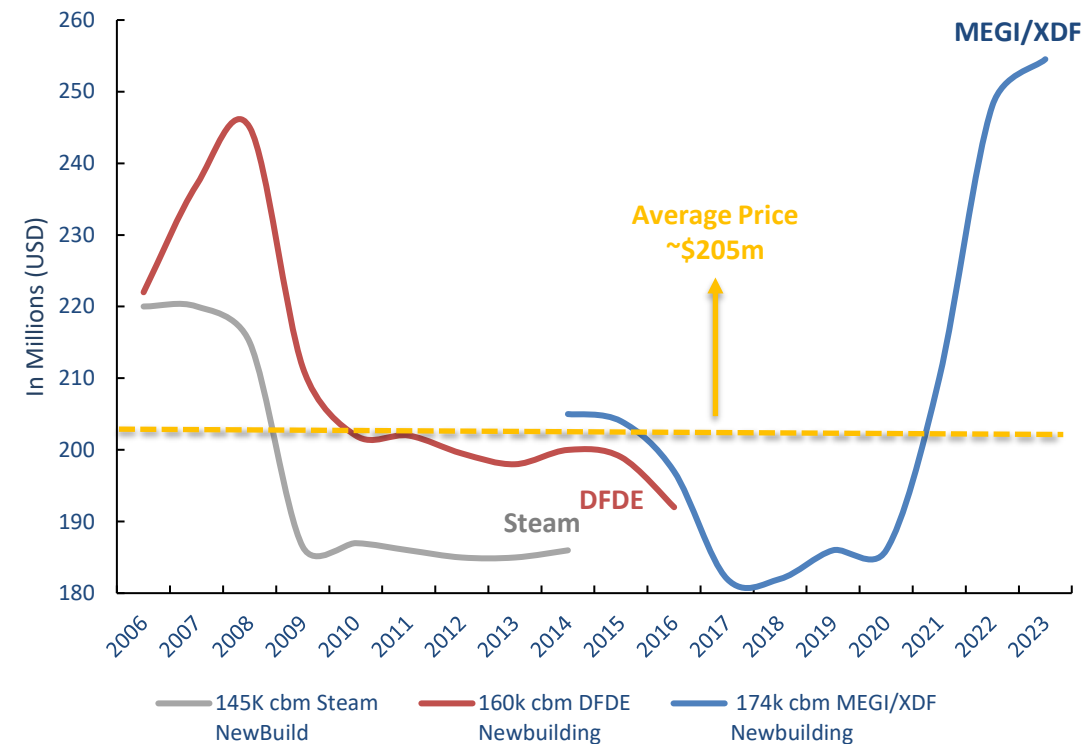


Development of Global LNG Carriers Fleet* (2019 - 2027e)



Source: Clarksons

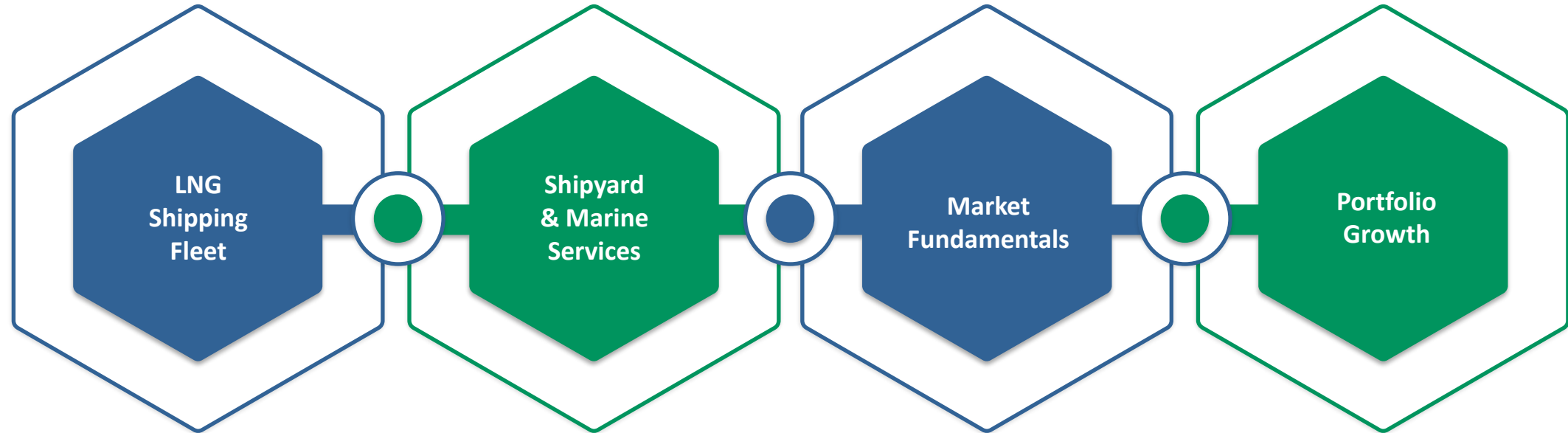
Historic LNGC Newbuild Price 2006 - 2023



Note: *As of 2Q23, World live LNG fleet (excl. vessels <100,000cbm, FSRUs, FSUs, and FLNG, no assumption for scrapping, or LNGC conversion to FSRUs).

BUSINESS OVERVIEW





The 4 newbuild LNG Carriers have been fixed on term contracts with international world-class charterers.

All of the 4 newbuild LNG vessels are commercially and technically managed by Nakilat.

The shipyard has a strategic importance for Nakilat.
Shipyard segment will generate sustainable profit going forward.

WoodMac projects that the total liquefaction capacity is expected to increase from 402.61 mmtpa in 2022 to 757.66 mmtpa in 2030 which is an additional liquefaction capacity of 355.05 mmtpa. This upcoming of LNG supply would require LNG transportation

Nakilat continues to pursue attractive LNG shipping business opportunities worldwide in order to expand its current asset portfolio.

1H23 - Earnings Results - Summary





1H23 Earnings Results:

- Stellar profitability results (+6.1% YoY), momentum continues
- Nakilat's defensive and solid business model provides the flexibility to navigate sustainably through volatile markets
- Nakilat's EBITDA reached QAR 1.85 billion



Any Further Investor Questions?



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Thank You

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