



## Business Update Presentation

31 May 2022

# Forward looking statements

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# Speakers

## **Karl Fredrik Staubo**

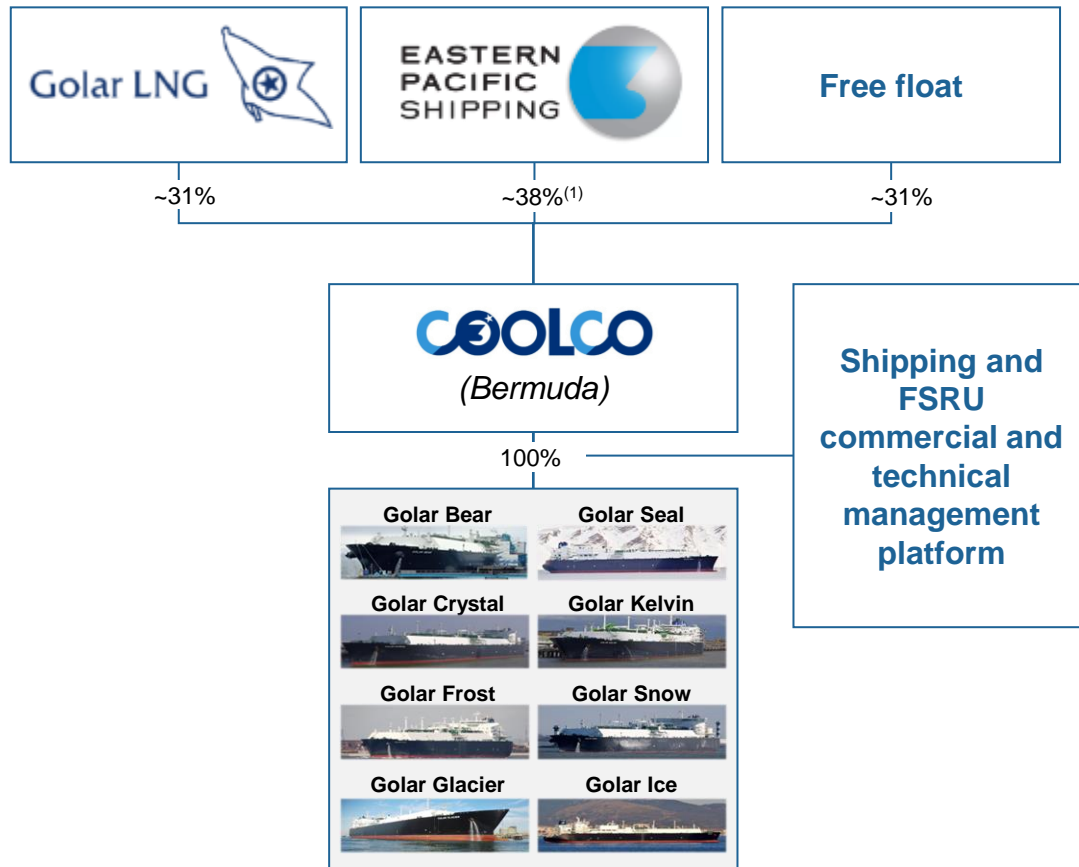
Interim Chief Executive Officer

## **John Boots**

Chief Financial Officer

# Cool Company Ltd. overview

## Fleet overview



## About CoolCo

- 8 x modern Tri-Fuel LNGCs on water
- Listed on Euronext Growth
- Attractive cash breakeven of ~\$50k/day
- Increasing market exposure to anticipated strengthening of LNGC freight market
- Experienced commercial and technical ship management
- Strong sponsors with 135+ years of combined shipping experience
- Target market consolidation

# CoolCo a leading LNG carrier company

## Market leading exposure to LNG freight

- Market leading LNG freight market exposure with significant backlog and increasing spot market exposure, 20% end 2022 to 50% end 2023
- Energy security provided by LNG set to underpin demand for many years to come
- Future proof modern fleet of sister vessels, fully compliant with new EEXI regulations CII ratings

## Structural tightening of LNGC market

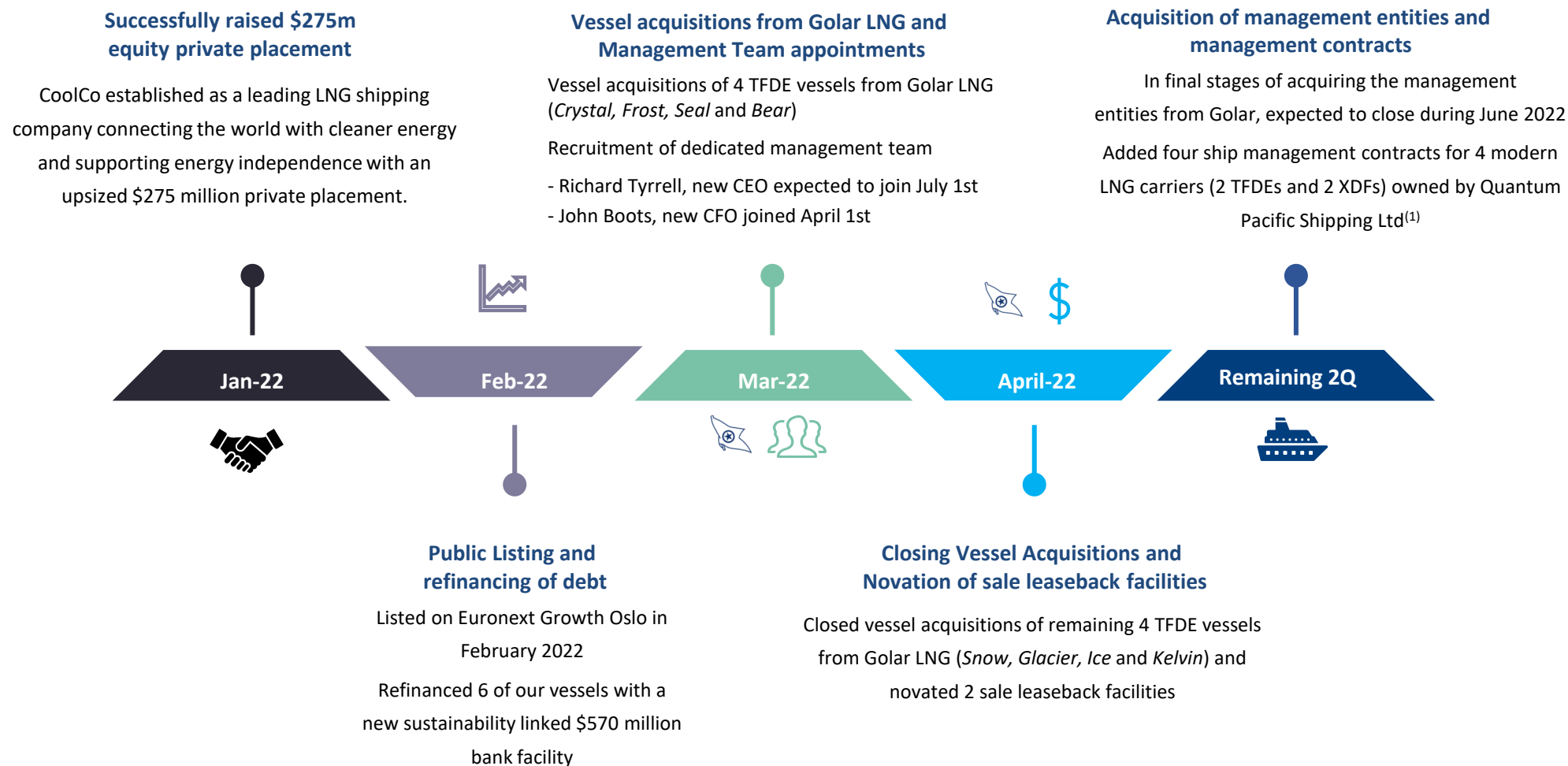
- Global LNG trade expected to increase by ~40% to 2030 as LNG is a key part of the global energy transition
- New environmental regulations will impact supply as older tonnage is likely to be operationally limited
- Current orderbook filled through 2025 with limited unchartered newbuilds

## Platform for growth and consolidation

- First class in-house commercial and technical ship management
- Management of 3rd party vessels generating additional revenue and allows for scalability
- Committed to market consolidation

# Key company developments

## Timeline of key events (in 2022)



<sup>(1)</sup> Quantum Pacific Shipping Ltd. is a company affiliated with Eastern Pacific Shipping Pte. Ltd.”

# Revenue backlog and charter update

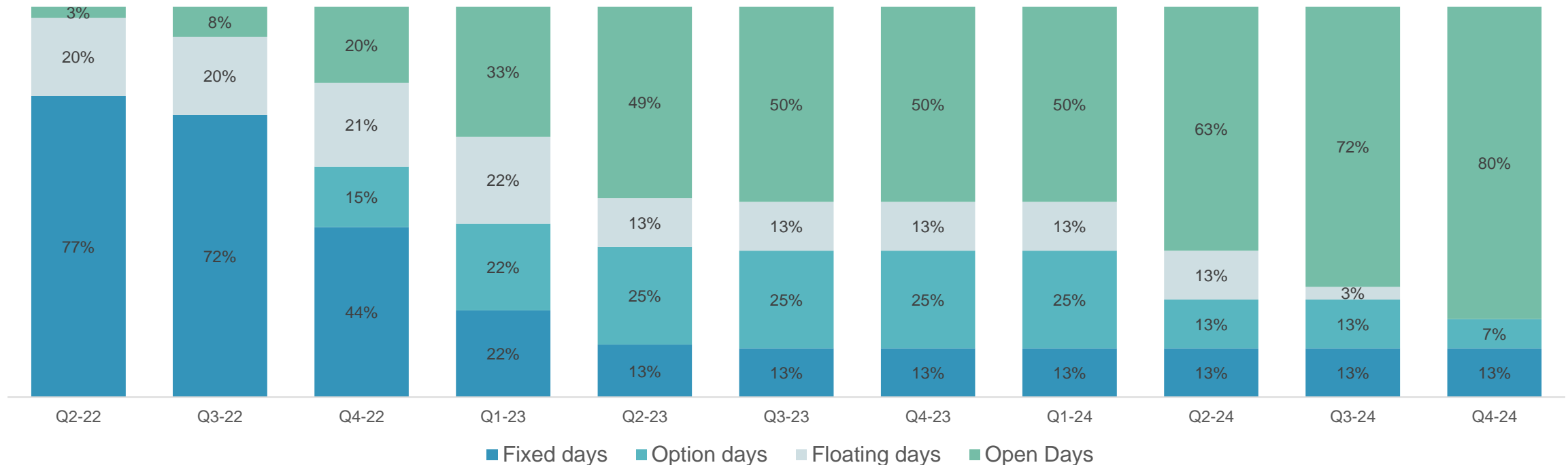
- Average achieved commercial TCE rate of \$56k/day during 1Q'22
  - Achieved TCE affected by seasonal weakness in two spot linked charters
  - Additional revenue generation from management contracts on additional 20 vessels
- Secured a 12-month charter at \$120k/day from April 2022
- Secured another multi-month charter with an increasing rate from ~\$60k to ~\$100k per day
- Current contractual revenue backlog<sup>(1)</sup> at ~\$320 million (incl. ~\$90 million in backlog extension options), where ~80% is based on fixed rates and ~20% on floating rate charters
- TFDE charter rates for 1-3 year terms are currently being discussed between \$100k-\$150k/day, subject to timing and vessel specifics; vs. current spot rates of around \$90-100k/day



# Positioned to benefit from improving LNG shipping market

Fleet with 20% spot exposure by end of 2022, increasing to 50% by end of 2023

## CoolCo chartering exposure 2022-2024<sup>(1)</sup>





# Q1 financials (not reflective of a full quarter of operations)

**Due to sequential execution of the vessel and management companies' acquisitions pre- and post-quarter**

## Q1 Result of Operations

- Vessel revenues and vessel operating expenses include only 4 vessels (on average 20 days)
- G&A expenses include certain full quarter and one-off expenses

## Q1 Balance Sheet

- Asset balance reflects only 4 acquired vessels during March'22
- Debt balance reflects full draw-down of new \$570m bank facility (6 x \$95m)
- Debt balance not inclusive of VIE debt on sale-leaseback facilities given sale of Ice and Kelvin post-Q1

## **April 30, 2022 balance sheet data post completion of all vessel acquisitions**

- Cash balance ~\$68m (inclusive of net cash inflows/outflows from 8 acquired vessels since 1st Jan 2022)
- Contractual gross debt ~\$802m

# First Quarter 2022 summary of financial results

<i>Statement of Operations Summary</i> <sup>1</sup>	Q1'22 (USD in millions)
Total operating revenue	4.3
EBITDA	2.0
Operating income	1.0

<i>Balance Sheet Summary</i> <sup>1</sup>	As of 31 March 2022 (USD in millions)
Current Assets	336.7
Non-Current Assets	601.2
Total Assets	937.9
Current Liabilities	63.2
Long-Term Liabilities	546.0
Total Liabilities	609.2
Equity	328.7

<sup>1</sup> Q1'22 financials do not reflect a full quarter of vessel activities. Refer to page 9.

# Debt overview and cash break-even

## Overview of financing facilities

- New sustainability-linked bank financing secured against 6 LNGCs from existing US and European relationship banks.
  - **Amount:** \$570 million (\$95 million/LNGC)
  - **Maturity:** March 2027
  - **Margin:** SOFR + 275bps (+/- 5bps subject to sustainability target<sup>(1)</sup>)
  - Amortization: 22 years to zero (age adjusted)
- Novated existing attractive sale & leaseback debt facilities on 2 LNGCs (*Ice* and *Kelvin*)
  - **Contractual Debt:** \$242 million (as of 31<sup>st</sup> Dec-21)
  - **Maturity:** January 2025
  - **Fixed bareboat rate** of ~\$54,000/day per vessel (\$39.4 million per year) covering interest cost and amortization
- Golar RCF
  - **Amount:** \$25 million (*currently undrawn*)
  - **Maturity:** January 2024
  - **Cost:** 5% fixed
  - **Commitment fee:** 50bps on undrawn amount
- Strong support from relationship banks with potential for attractive debt financing for future consolidation targets

## Cash break-even per vessel

Item	\$/day
OPEX	~16,000
G&A	~1,500
Interest	~8,000
Amortization	~24,500
<b>Cash Break-even</b>	<b>~50,000</b>

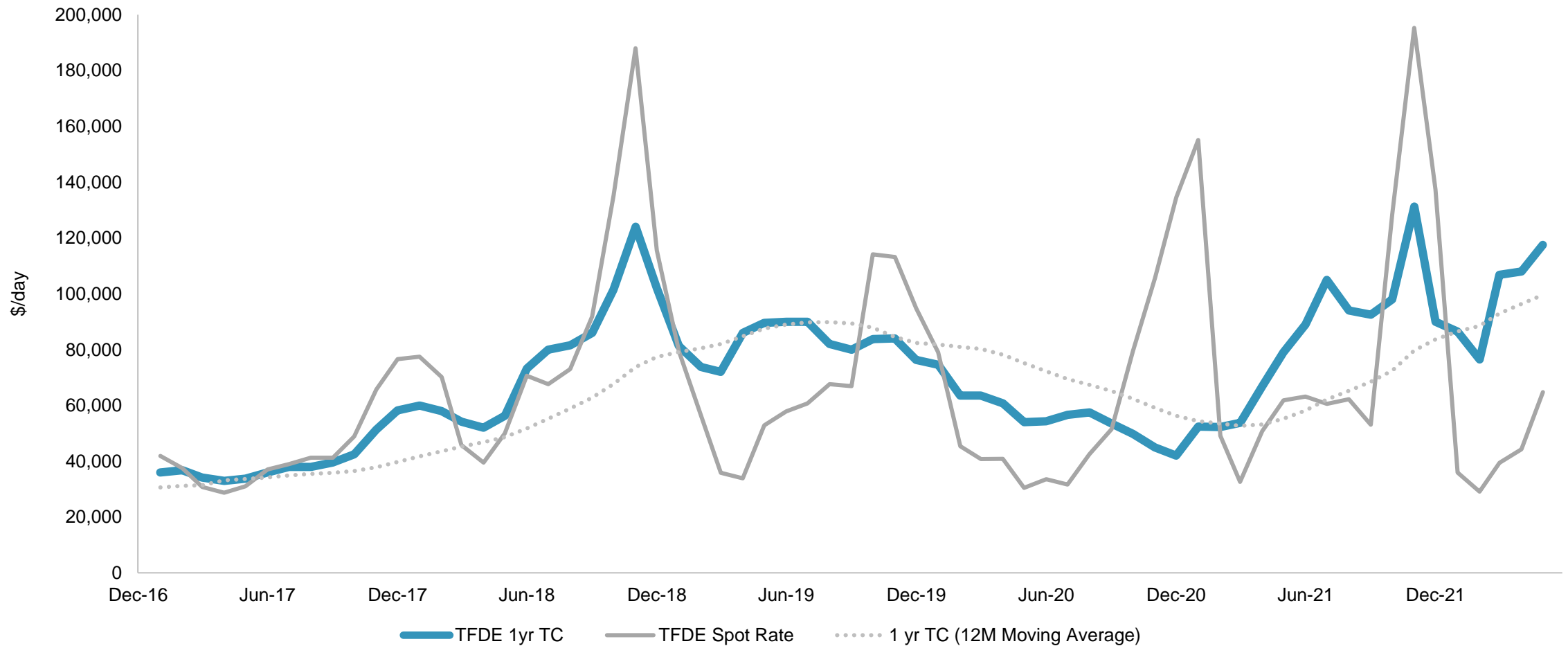
- All vessels have undergone their 5-year cycle docking in 2018 and 2019, hence there are no dry-docking expenses on current fleet expected until 2023-2024

(1) Sustainability-linked targets are based on a defined AER trajectory in accordance with IMO emissions targets

# LNGC Market Fundamentals

# Upward trend in LNGC rates

12M term market continues to strengthen despite seasonal weakness in the spot market

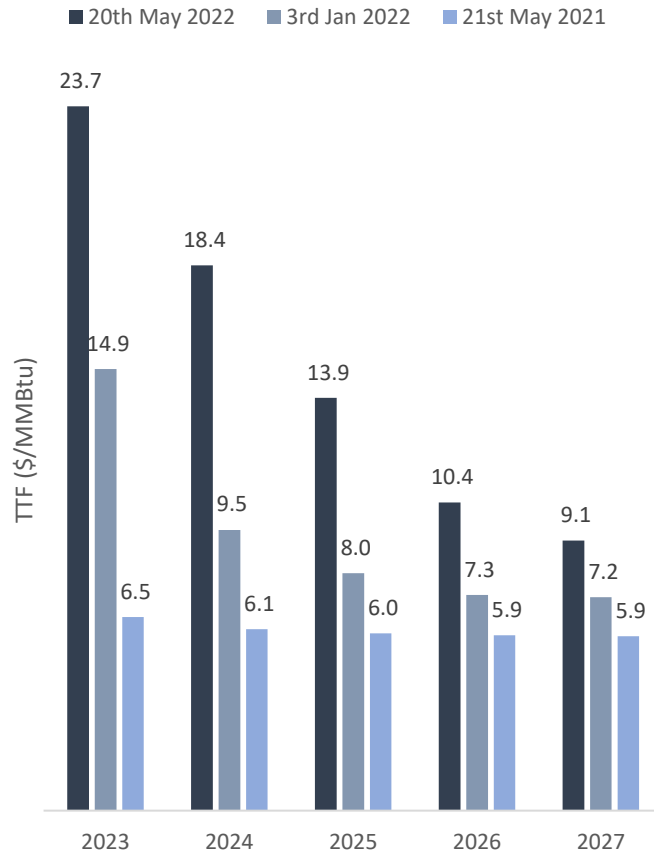


Sources: Clarksons Platou

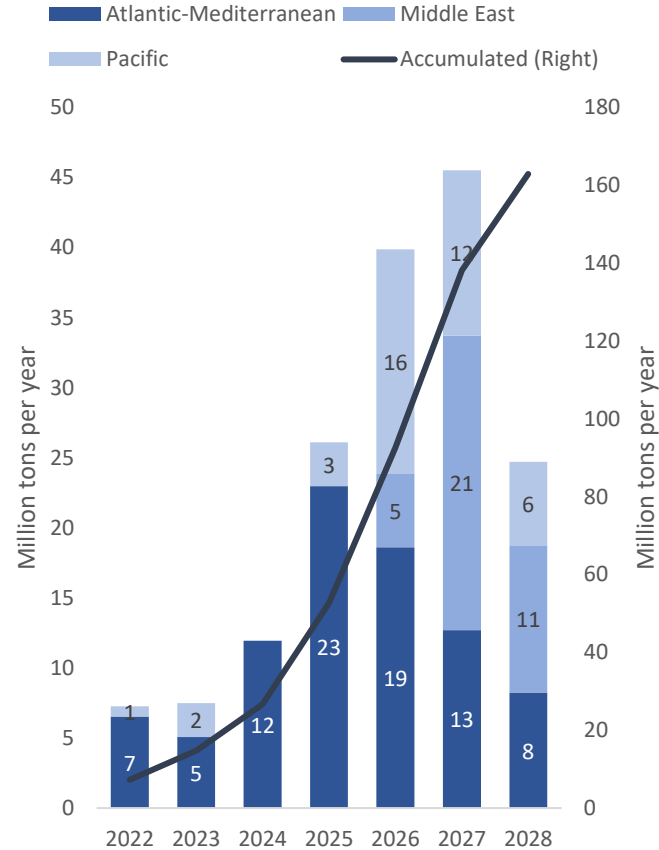
# LNG Market: Stronger for longer

LNG market is in the midst of a transformation that will lift demand as focus is shifted to diversification of supply

## European gas forward market



## LNG Supply: Up to 150+ mtpa by 2028



## Ukraine/Russia effects on the LNG market

Global LNG Market (2021)  
~400 million tons













Russian pipeline gas exports to Europe(2021)  
~115 million tons LNG  
= ~25% of global LNG market

Focus on **energy security** drives  
**diversified gas supply**

# Energy security producing a strong supply-side reaction

Momentum for new liquefaction is building with new SPAs and fast track projects

## New liquefaction FIDs

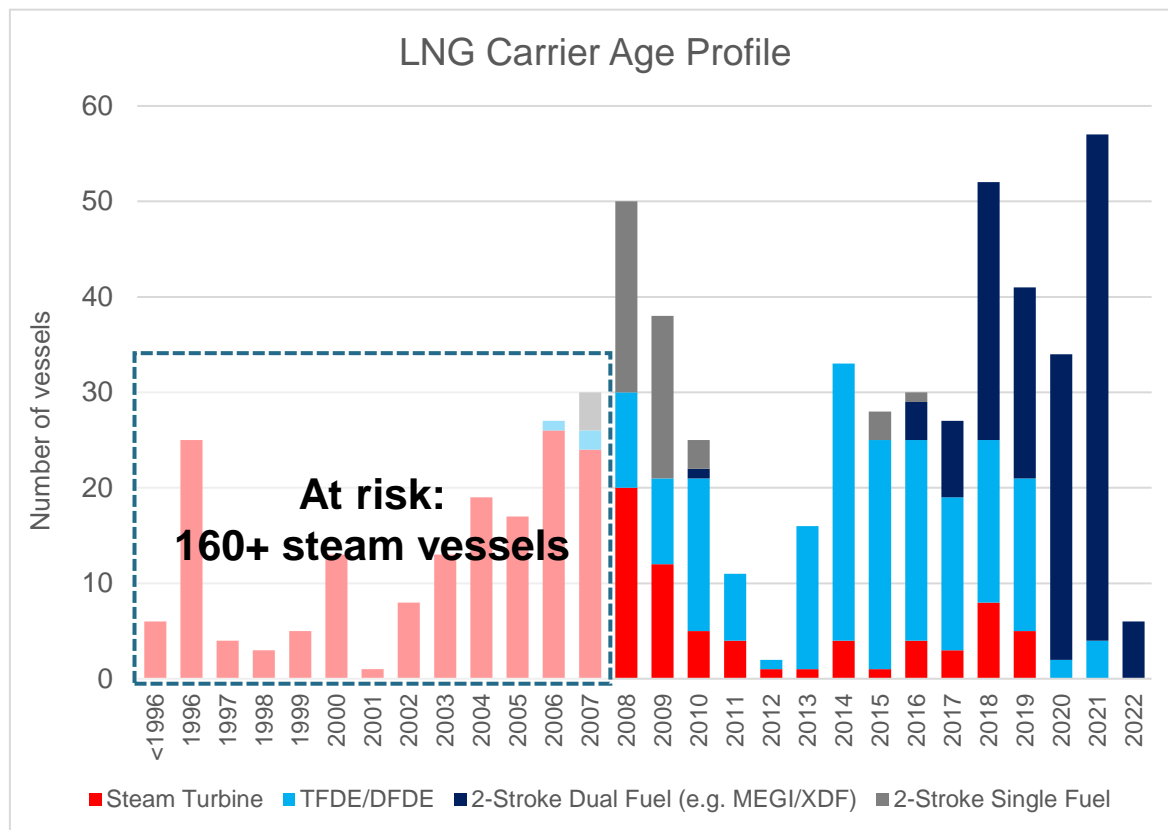
	Driftwood	26
	Plaquemines	20
	Various GoM	11
	Corpus Christi Stage 3 Expansion	10
	Fujairah	10
	NFE train 7	8
	Lake Charles LNG	5
	Vista Pacifico LNG	4
	Rio Grande LNG	3
	Congo	3
	Greater Tortue Ahmeyim project	2.5
		
		<b>+100 MTPA after 2025</b>



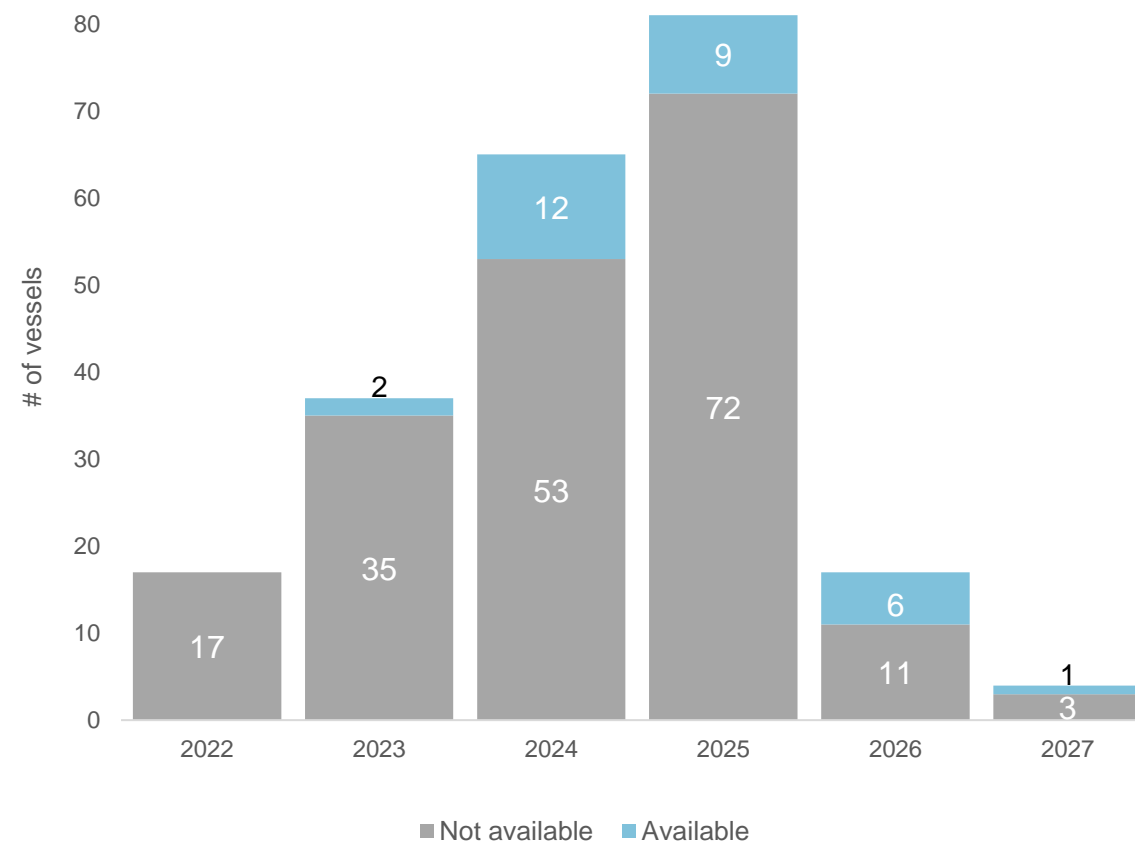
# LNG fleet orderbook insufficient for future growth

Both energy security and fleet renewal (LNG prices and IMO) driving demand

Fleet age profile (~600): Older steamers likely to struggle



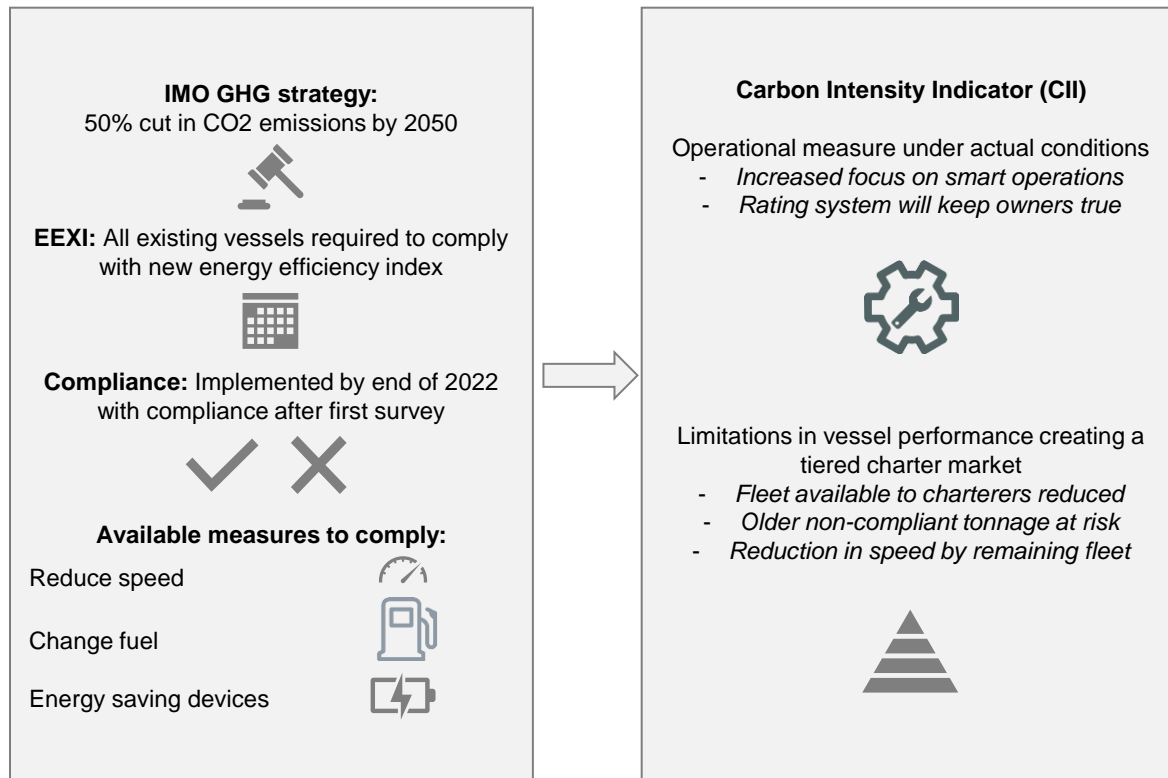
Orderbook: 221x vessels on order with limited availability



Sources: Clarkson's Research Services (Note: Excluding small scale, multigas, FLNG units and LNG/C with capacity less than 100,000 cbm)

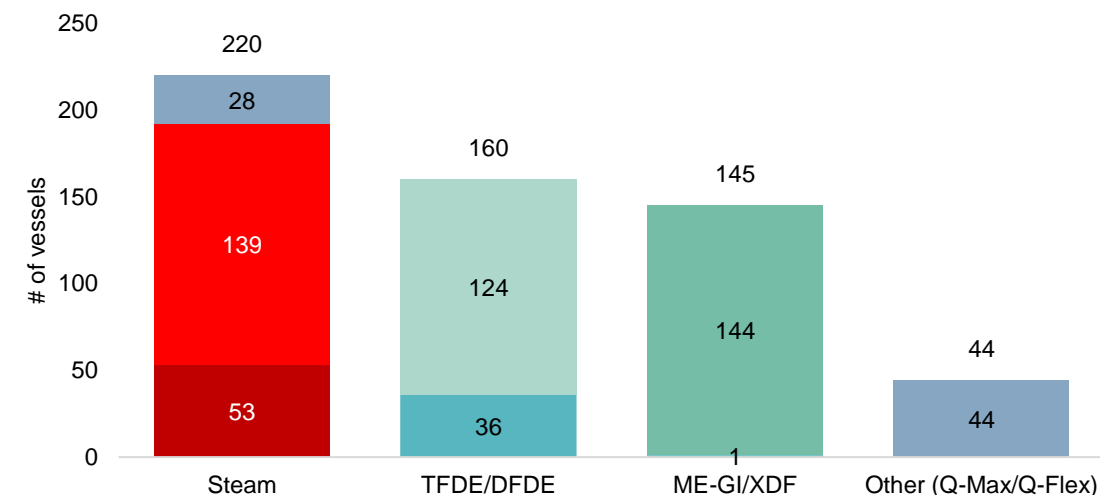
# Regulatory changes puts supply of LNGCs at risk

## EEXI/CII will inevitably impact the LNGC market...



EEXI, CII and environmental regulations will impact effective vessel supply

## ...and the large number of steamers are first to feel the pain



Machinery	Pre-2001	2001-2010	2011-2021	TOTAL
Steam	53	139	28	220
TFDE/DFDE	0	36	124	160
ME-GI/XDF	0	1	144	145
Other (Q-Max/Q-Flex)	0	44	0	44
TOTAL	53	220	296	569

# Summary and outlook









- CoolCo established as a leading LNG carrier company with ambition to combine shareholder returns and fleet growth through consolidation
- Increasingly visible pipeline of growth opportunities
- LNG a fast-growing energy source connecting the world with cleaner energy and supporting energy independence
- Increasing spot market exposure positioned to benefit from favourable market conditions and strengthening LNGC freight market
- First class in-house commercial and technical ship management capabilities
- Strong sponsors with 135+ years of combined shipping experience

# Appendices














# Fleet overview










## 8 Sister vessels with low boil-off and operational synergies

	Vessel name	Cargo capacity / Containment system	Delivered	Yard	Machinery	Boil-Off Rate (%)	Ice class	Latest docking window (year)
	Bear	160,000 Membrane (Mark III)	Sep-2014	Samsung	TFDE	0.10 %	No	2024
	Crystal	160,000 Membrane (Mark III)	May-2014	Samsung	TFDE	0.10 %	No	2023
	Frost	160,000 Membrane (Mark III)	Oct-2014	Samsung	TFDE	0.10 %	No	2024
	Glacier	162,000 Membrane (Mark III)	Oct-2014	Hyundai	TFDE	0.10 %	No	2024
	Ice	160,000 Membrane (Mark III)	Feb-2015	Samsung	TFDE	0.10 %	Class 1C	2025
	Kelvin	162,000 Membrane (Mark III)	Jan-2015	Hyundai	TFDE	0.10 %	No	2025
	Seal	160,000 Membrane (Mark III)	Oct-2013	Samsung	TFDE	0.10 %	No	2023
	Snow	160,000 Membrane (Mark III)	Jan-2015	Samsung	TFDE	0.10 %	Class 1C	2025

# Managed fleet overview

Currently managing 11 LNGCs and 9 FSRUs in addition to owned fleet

	Vessel name	Vessel Type	Owner
	Golar Celsius	LNG Carrier	New Fortress Energy
	Golar Penguin	LNG Carrier	New Fortress Energy
	Golar Grand	LNG Carrier	New Fortress Energy
	Golar Maria	LNG Carrier	New Fortress Energy
	Golar Mazo	LNG Carrier	New Fortress Energy
	Methane Princess	LNG Carrier	New Fortress Energy
	Golar Arctic	LNG Carrier	Golar LNG
	Kool Orca	LNG Carrier	Quantum Pacific Shipping Ltd
	Kool Firn	LNG Carrier	Quantum Pacific Shipping Ltd
	Kool Boreas	LNG Carrier	Quantum Pacific Shipping Ltd
	Kool Baltic	LNG Carrier	Quantum Pacific Shipping Ltd

	Vessel name	Vessel Type	Owner
	Golar Spirit	Floating Storage & Regasification Unit	New Fortress Energy
	Golar Winter	Floating Storage & Regasification Unit	New Fortress Energy
	Nusantara Regas S	Floating Storage & Regasification Unit	New Fortress Energy
	Golar Freeze	Floating Storage & Regasification Unit	New Fortress Energy
	Golar Eskimo	Floating Storage & Regasification Unit	New Fortress Energy
	Golar Igloo	Floating Storage & Regasification Unit	New Fortress Energy
	Golar Nanook	Floating Storage & Regasification Unit	New Fortress Energy
	LNG Croatia	Floating Storage & Regasification Unit	LNG Croatia
	Golar Tundra	Floating Storage & Regasification Unit	Golar LNG





# COOLCO



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Ticker: COOL

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