

DELIVERING
CLEAN ENERGY
TO THE WORLD



FY'19 Financial Results

IR Presentation – 18th February 2020

“CROSSING OCEANS, BROADENING HORIZONS”



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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▪ Glossary	4
▪ Nakilat's Fleet	5
▪ Nakilat's Shareholding Structure	6
▪ FY19 Financial Highlights	7-8
▪ FY19 Income Statement Highlights	9
▪ FY19 Balance Sheet Highlights	10
▪ Net Borrowing (FY19)	11
▪ Global LNG Trade (2013 – 2022e)	12-13
▪ China's LNG demand (2010 – 2030e)	12-13
▪ LNG Shipping Market Update (FY19)	14
▪ LNG Shipping Supply (FY19)	15
▪ Global LNG Shipping Balance (FY19)	15
▪ Nakilat's Business Outlook	16-17
▪ FY19 Earnings Results – Summary	18-19
▪ Q & A	20



LNGC

Liquefied Natural Gas Carrier

Charter Free

Vessel which is not attached with charter party

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

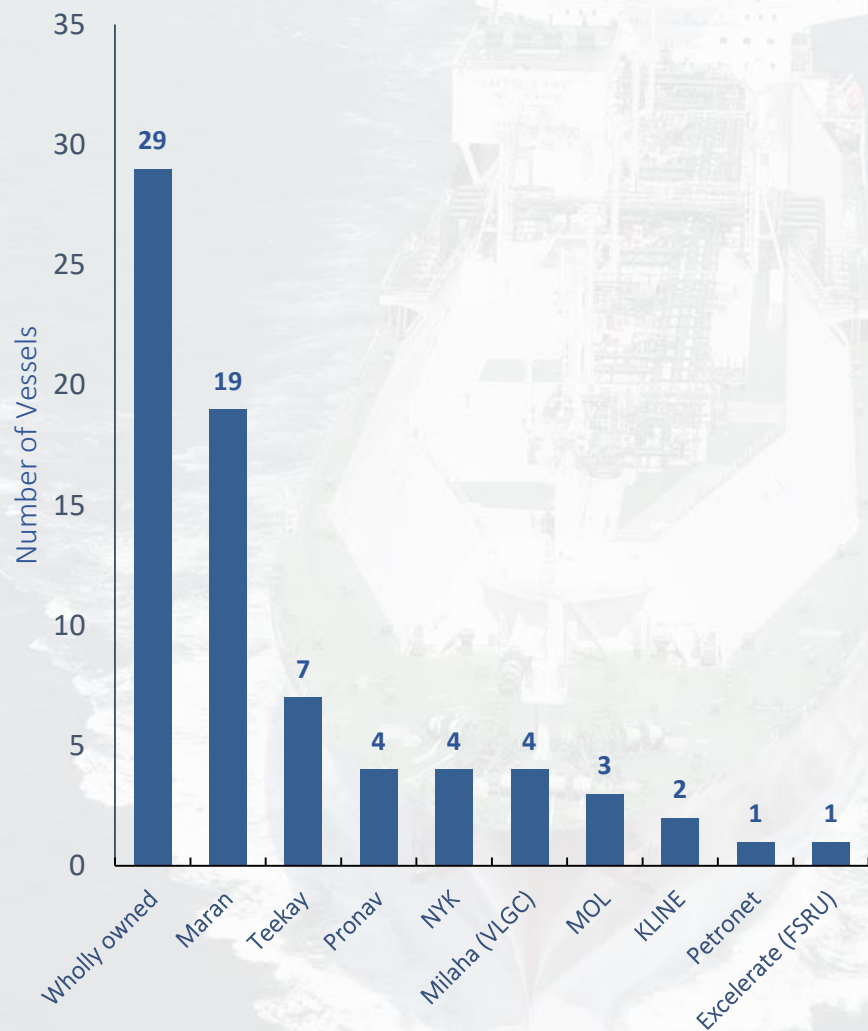
M-type, Electronically Controlled, Gas Injection

DSME

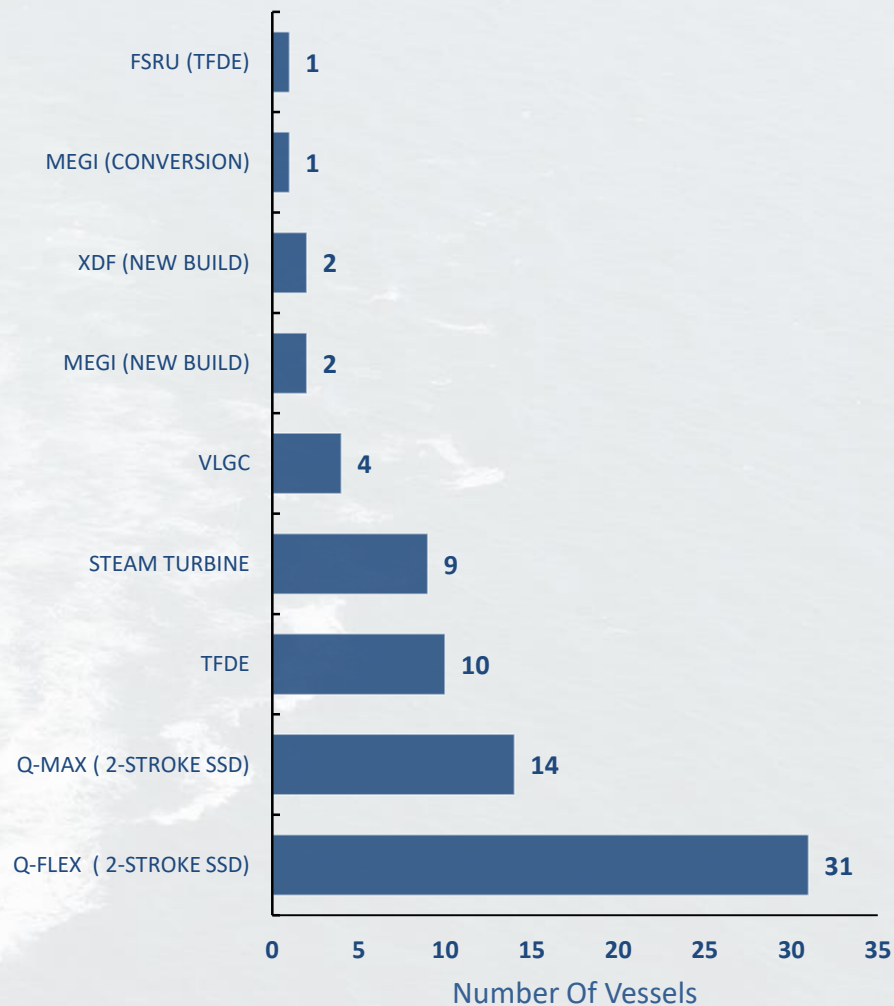
Daewoo Shipbuilding & Marine Engineering



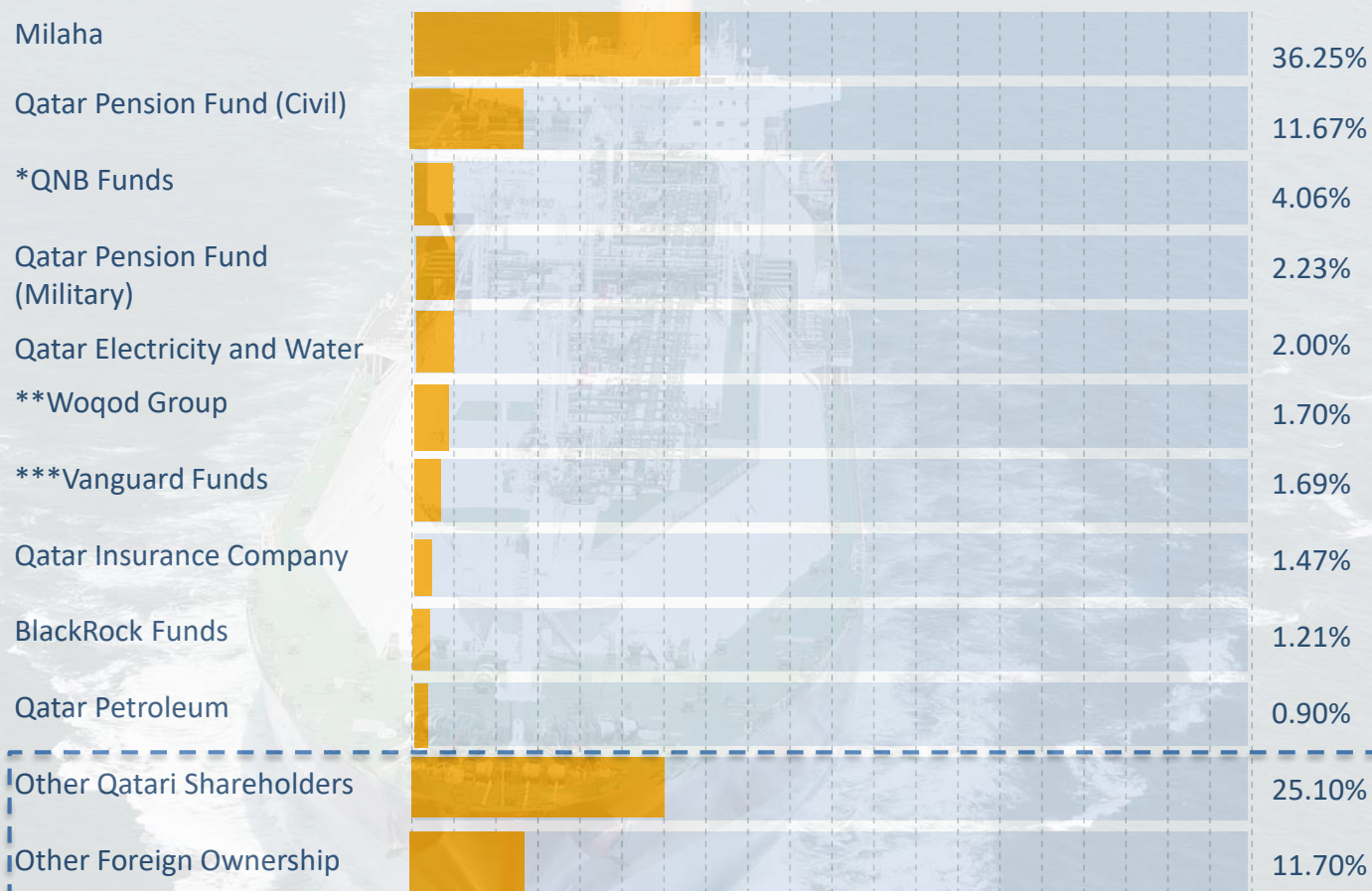
Wholly & Jointly-Owned Fleet



Vessels' Type / Propulsion



Nakilat's Ownership Structure (As of 31 December 2019)



*QNB Funds
13 Funds (Al Watani and Wadi Alseel)

**Woqod Group
6 Companies

***Vanguard Fund
9 Funds

****BlackRock Funds: 10 Funds

Profit: QAR 1 Billion

Financial Results for FY'19



QR 3.9Bn
Revenue

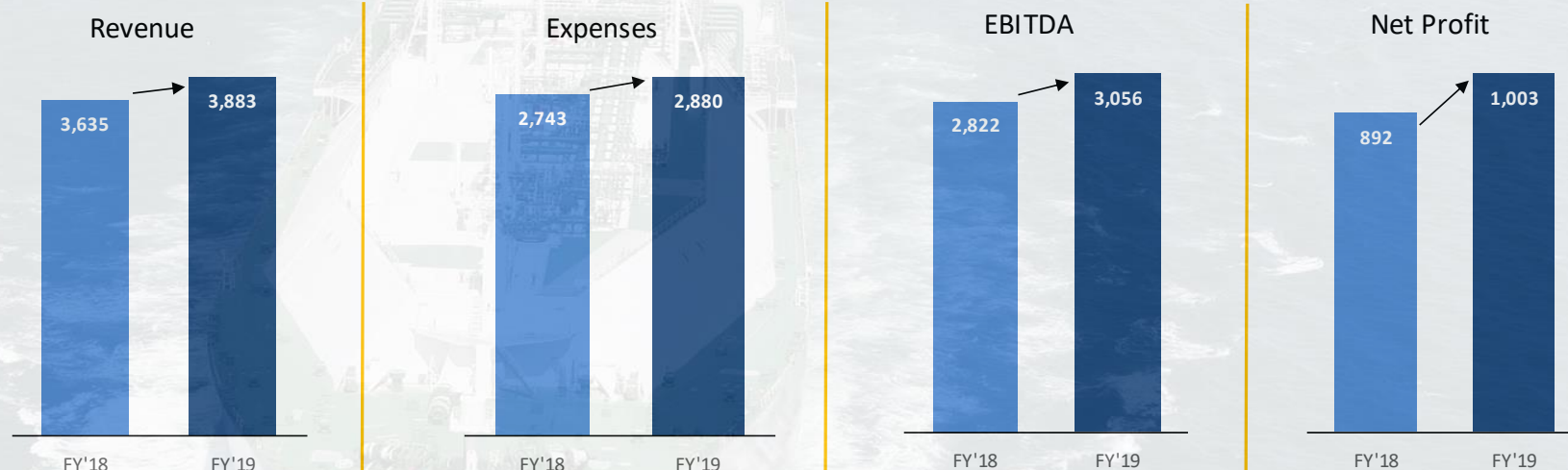
QR 3.1Bn
EBITDA*

QR 1Bn
Net Profit

QR 0.18
EPS

11%
RoE

1.22
Current Ratio



- **Total revenue increased** by 6.8%. Mainly due to acquisition of 49.9% stake of INSW in Oct'19, better performance by LNG & LPG vessels.
- **Expenses increased** by 5% due to Opex of 4 JV vessels fully acquired in Oct 2019.
- **EBITDA higher** by 8.3% due to increase in revenue and lower G&A
- **Net Profit increase of 12.4%** was driven by higher EBITDA

**Note: 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")*

Items (QAR - M)	FY'19	FY'18	YoY %
Revenue from operations	3,779	3,513	7.6%
Interest, dividend and other income	104	122	-14.8%
Total Revenue	3,883	3,635	6.8%
Operating costs	697	679	2.7%
General and administrative expenses	130	134	-3.2%
Amort. & Depr. of PPE	882	757	16.5%
Finance charges	1,171	1,173	-0.1%
Total Expenses	2,880	2,743	5.0%
Net profit for the period	1,003	892	12.4%

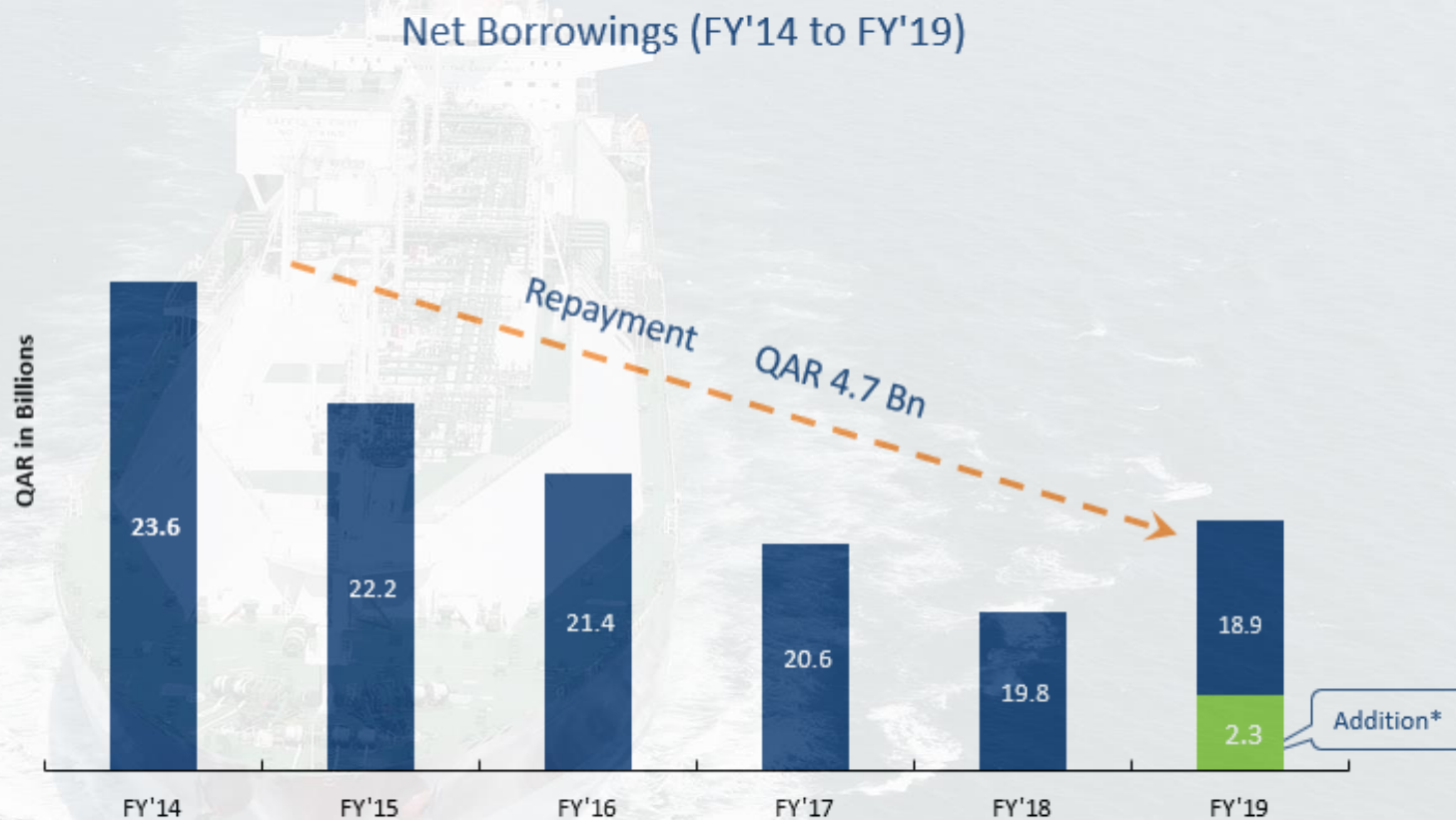
Highlights :

- **Total Revenue increased by 6.8%** mainly due to acquisition of 49.9% stake of INSW, better performance by LNG & LPG vessels and Towage JV, partly offset by lower profits from Shipyard JVs.
- **Operating costs increased by 2.7%** due to operating costs of 4 JV vessels fully acquired in Oct'19. Excluding these costs, operating costs were lower by 0.9%
- **General and administration expenses decreased by 3.2%** as a result of process enhancement and cost optimization initiatives
- **Amort. & Depr. of PPE increased by 16.5%** due to 4 vessels fully acquired in Oct'19 and accelerated amortization of intangible assets
- **Finance charges decreased by 0.1%** as a result of scheduled repayment of loan (2.4%) offset by finance charges of 4 JV vessels fully acquired in Oct'19

Items (QAR - M)	Dec-19	Dec-18	YoY %
Property and equipment	24,144	21,840	10.5%
Investment in joint venture companies	4,378	4,613	-5.1%
Cash and bank balances	2,397	2,463	-2.7%
Trade and other receivables	1,346	504	167.1%
Equity investments	113	144	-21.5%
Total Assets	32,378	29,564	9.5%
Borrowings	21,242	19,794	7.3%
Equity after hedge reserve and before non-controlling interests	6,851	6,934	-1.2%
Fair value of interest rate swaps	2,477	1,943	27.5%
Accounts payable, accruals and other liabilities	1,802	888	102.9%
Non-controlling interests	6	5	20.0%
Total Equity & Liabilities	32,378	29,564	9.5%

Highlights :

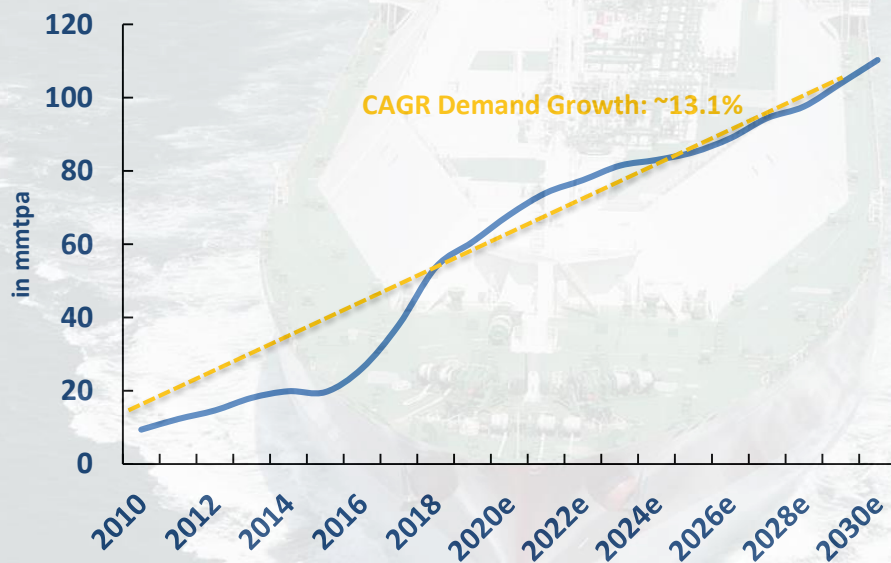
- **Property and equipment increased by 10.5%** as 4 JV vessels fully acquired in Oct'19
- **Investment in JVs decreased by 5.1%** derecognition of a JV, fair value hedge losses, contingency provisions; offset by share of profits for the year
- **Trade and other receivables increased by 167.1%** mainly due to advances increased as a result of new Hub business in the Port Agency business line
- **Equity investments decreased by 21.5%** due to lower share prices of shares held for investment
- **Fair value of interest rate swaps increased by 27.5%** due to decrease in swap rate (LIBOR)
- **Accounts payable, accruals and other liabilities increased by 102.9%** mainly due to new Hub business in the Port Agency business line



* QAR 1.8 Bn - for JV fully acquired in Oct'19 & QAR 0.5 Bn for new business opportunities

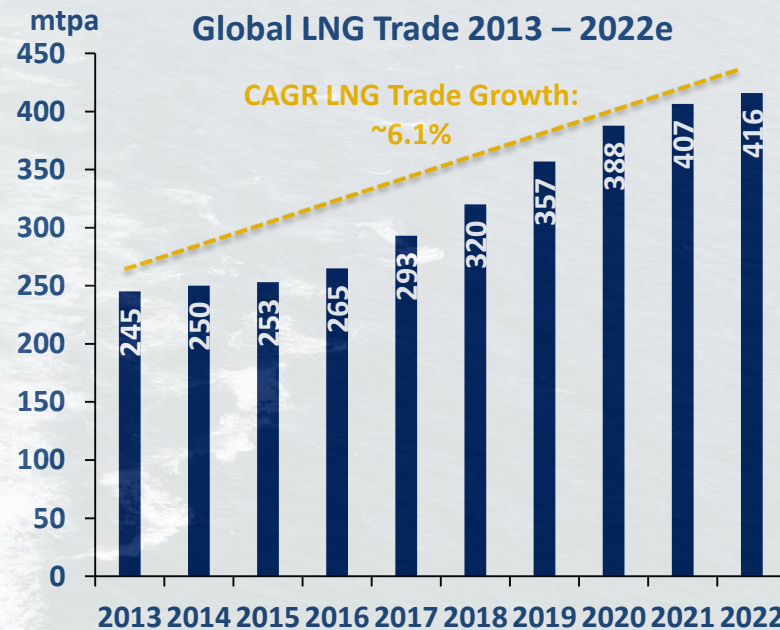


China's LNG Demand 2010 – 2030e



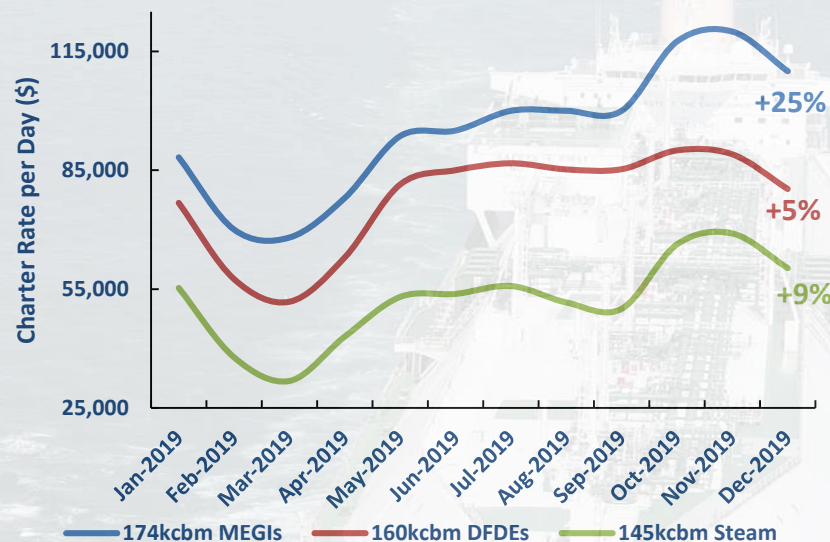
Source: WoodMac

Global LNG Trade 2013 – 2022e



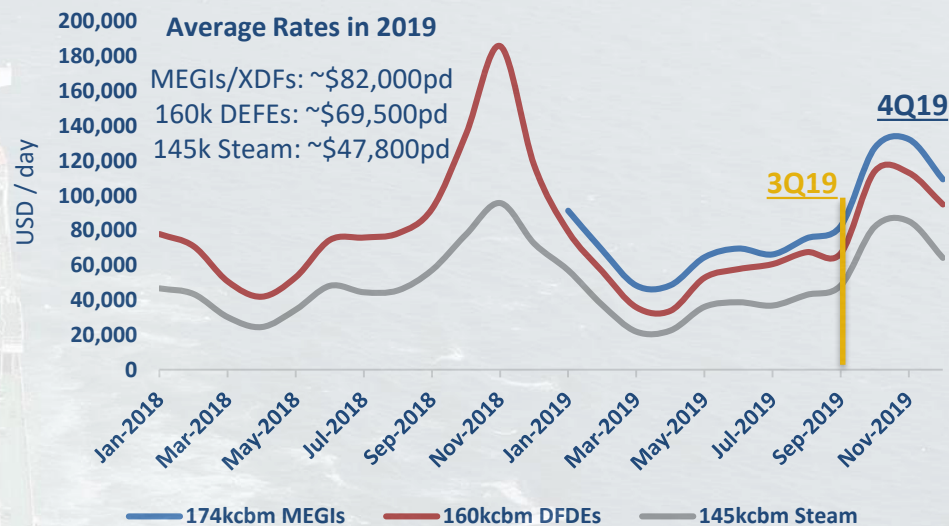
Source: Kpler and Woodmac

Multi-Month (3-6) LNG Shipping Rates in 2019



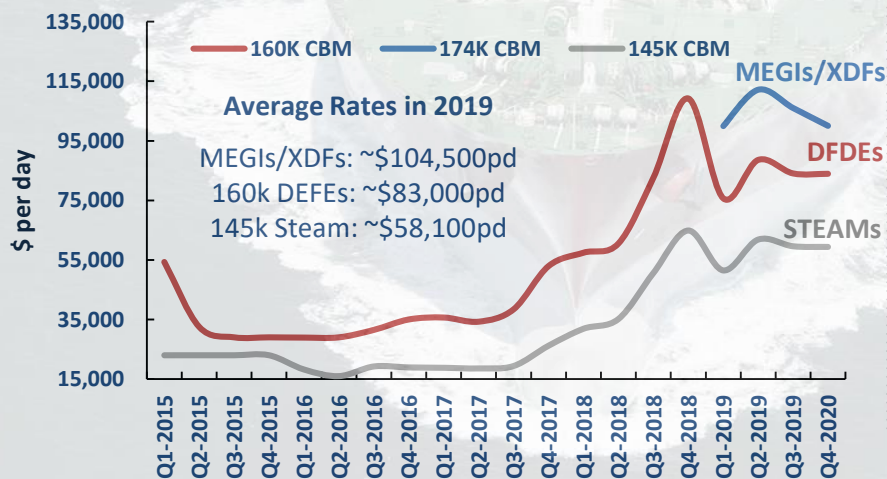
Source: Clarksons

Spot Rates (MEGI Vs DFDEs Vs Steam) 2018 - 2019



Source: Clarksons

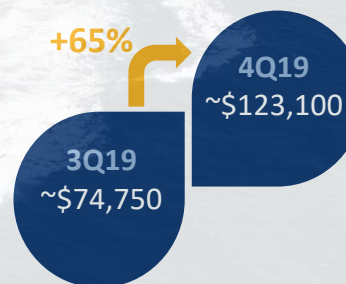
1 Year Time-Charter Rate in 2019



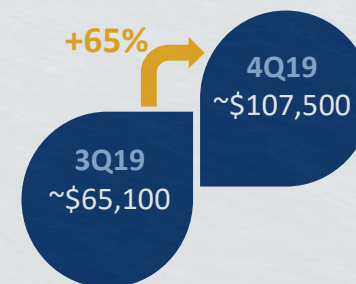
Source: Clarksons

Spot LNG Shipping Market Rates

Average MEGI/XDF Day Rates Average DFDEs Day Rates

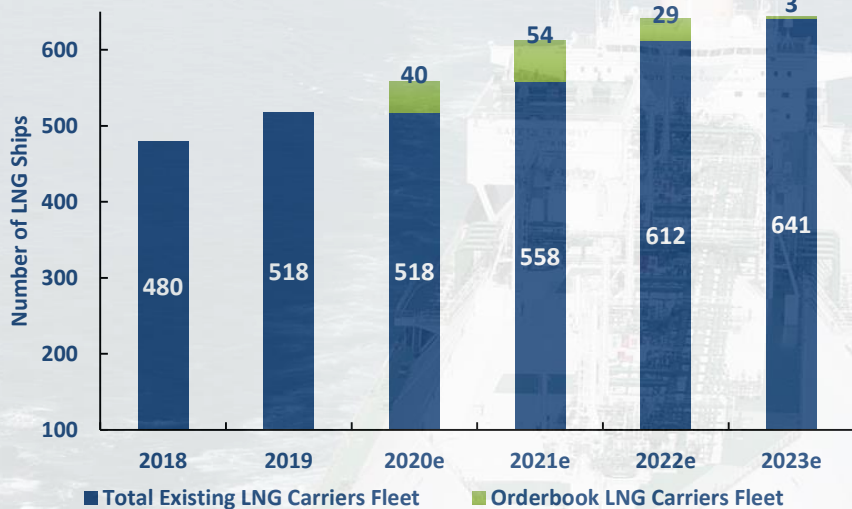


Source: Clarksons



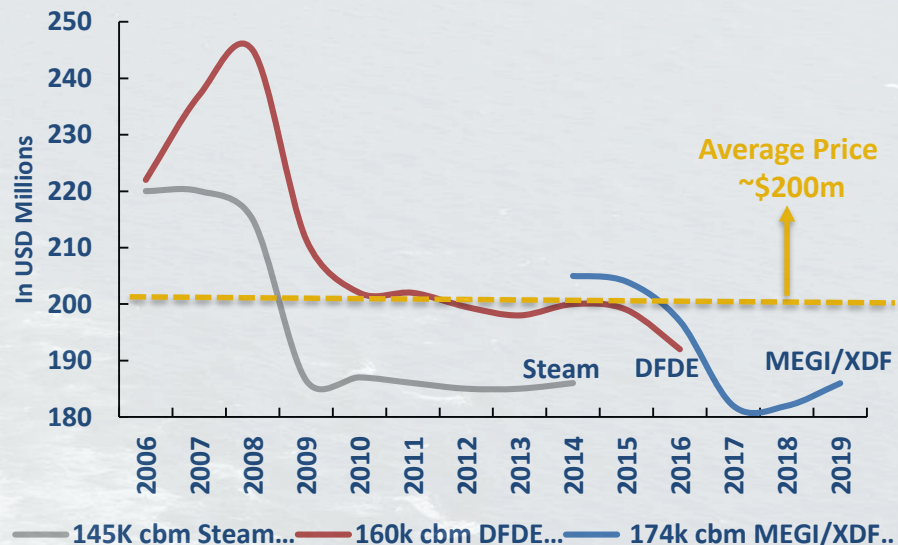
Source: Clarksons

Development of Global LNG Fleet* (2018 - 2023e)



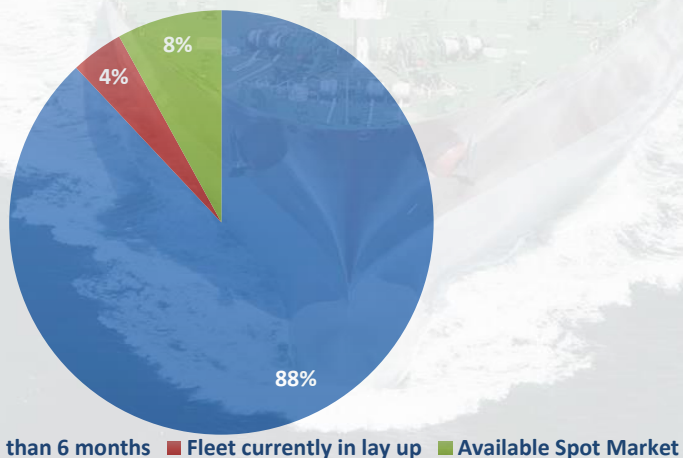
Source: Clarksons Note: *As of 4Q19, World live LNG fleet (excl. vessels <125,000cbm, FSRUs, FSUs, and FLNG, no assumption for scrapping, or LNGC conversion to FSRUs)

Historic LNGC Newbuild Price 2006 - 2019

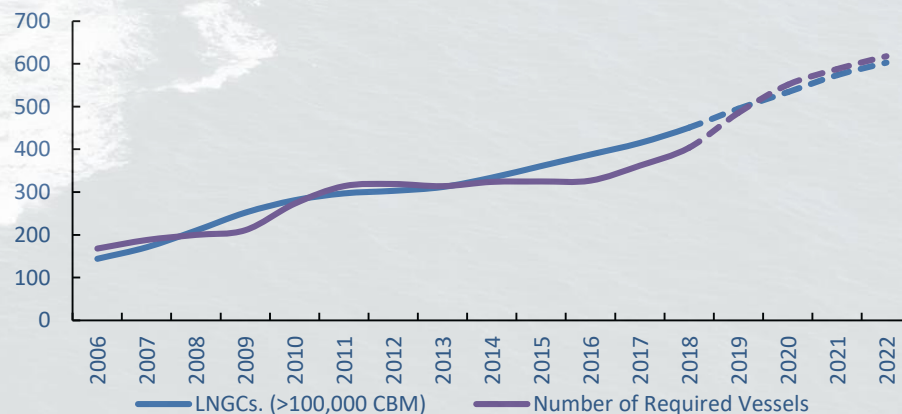


Source: Clarksons

% of Global LNG Fleet by Chartered, Open (>100,000cbm)



LNG Shipping Balance 2012 – 2022e



Source: SSY

Source: SSY

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LNG Shipping Fleet

Expect to see the full impact of the 49.9% stake acquisition of 4 Q-Flexs in the following quarters

Continue to conduct structural commercial negotiations with charterers for the 4 Newbuild LNGCs with delivery on 2020-21.



Shipyard & Marine Services

Shipyard is a cyclical business with a strategic importance for Nakilat.

We are working to achieve the best results of this business segment.



Market Fundamentals

According to Drewry Maritime Research, global liquefaction capacity should grow by ~280mts between 2020 and 2024.

The substantial LNG supply will trigger further LNG shipping requirements which will keep the global market fundamentals at healthy and prolific levels for shipowners



Portfolio growth

Nakilat expands its global LNG shipping capacity with the 49.9% stake acquisition of 4 Q-Flexs LNGCs (217,000cbm per vessel) owned by INSW.

The 4 LNG carriers have been on 25-year time-charters to Qatargas since their delivery in 2007 and 2008.



Global leader
for energy
transportation

Maximize
shareholder
return

Priority for
safety &
environment

FY'19 Earnings Results:

- Strong profitability results (+12.4 YoY), momentum continues
- Expanding its wholly-owned LNG fleet from 25 to 29 LNG carriers with the 49.9% stake acquisition of 4 Q-Flexs LNG carriers owned by International Seaways in 4Q19
- Continuous rationalization of group's G&As by 3.2%
- The BoD recommends a cash dividend of QAR 0.1 per share
- 4Q19 – LTIF* Yearly Data: (0.38 Nakilat in 2019 Vs 0.45 Industrial Average 2019)



Q&A



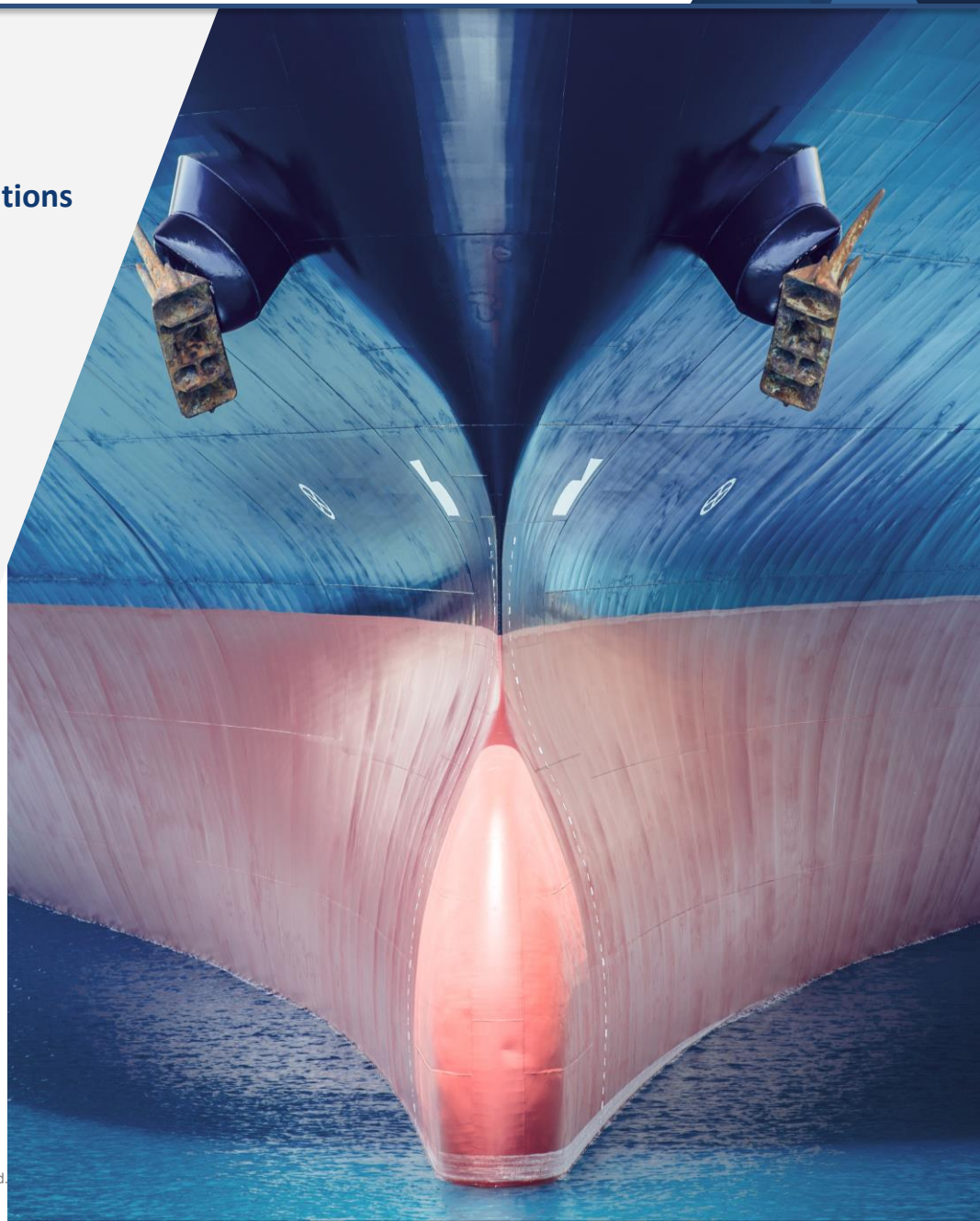
Any Further Investor Questions?

21

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Thank You

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