

DELIVERING
CLEAN ENERGY
TO THE WORLD



1Q20 Financial Results

IR Presentation – 21st April 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.

This presentation has been prepared in the English language. In case of discrepancies if translated, the English language document is the sole authoritative and universally valid version.

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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

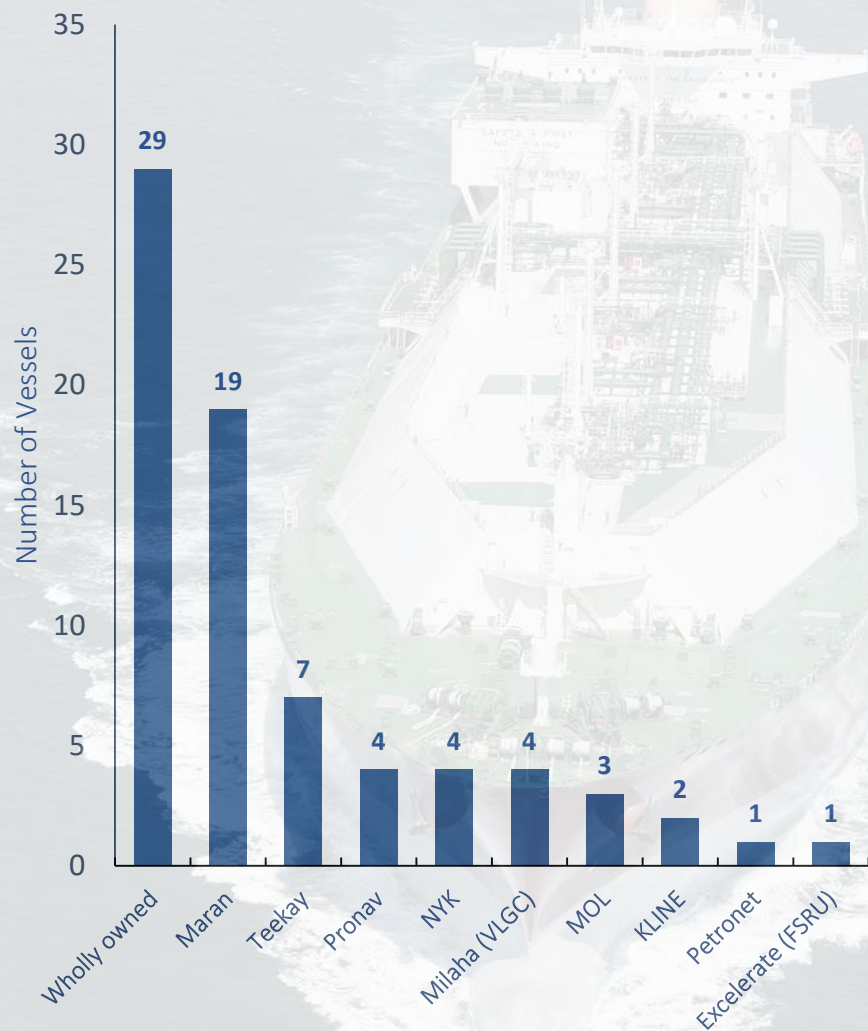
M-type, Electronically Controlled, Gas Injection

DSME

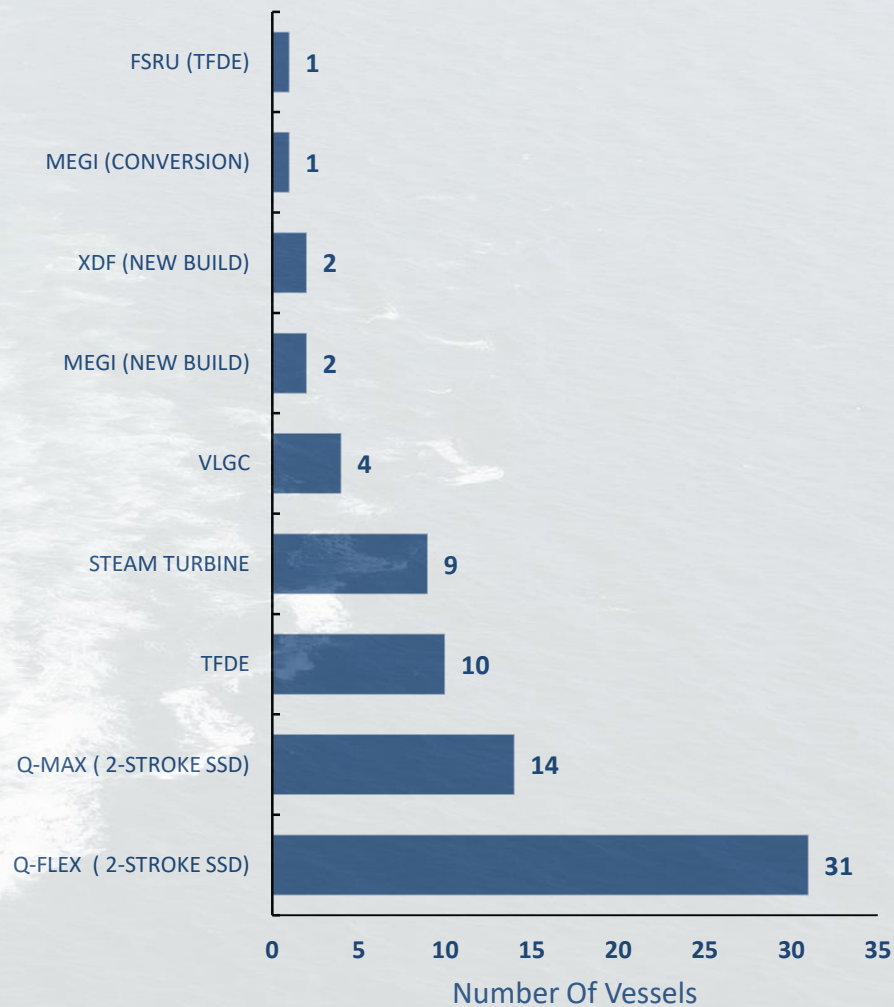
Daewoo Shipbuilding & Marine Engineering



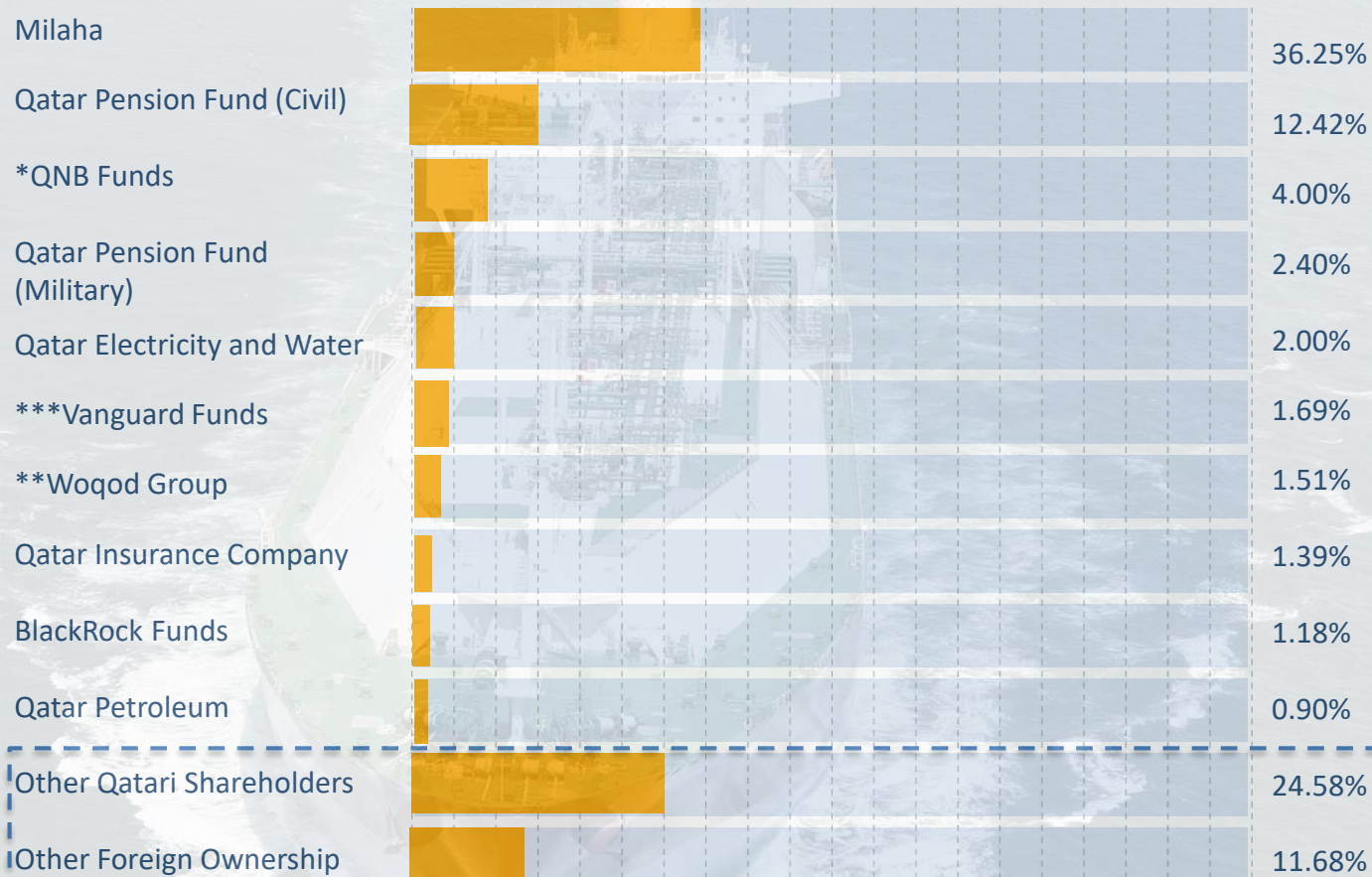
Wholly & Jointly-Owned Fleet



Vessels' Type / Propulsion



Nakilat's Ownership Structure (As of 31 March 2020)



*QNB Funds
13 Funds (Al Watani and Wadi Alseel), EMFR limited

**Woqod Group
6 Companies

***Vanguard Fund
11 Funds

****BlackRock Funds: 10 Funds

Profit: QAR 280M

Financial Results for 1Q-2020



QAR 1Bn

Revenue

QAR 802M

EBITDA*

QAR 280M

Net Profit

QAR 0.05

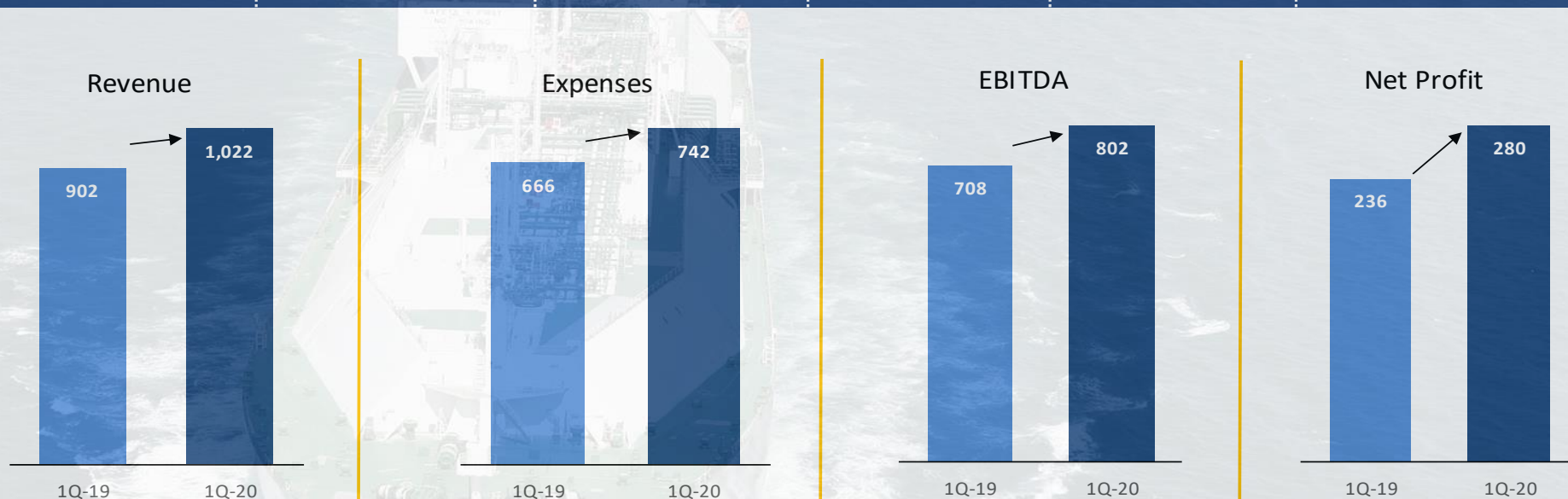
EPS

11.84%

RoE**

1.11

Current Ratio



- **Total revenue increased** by 13.2%. Mainly due to acquisition of 49.9% stake of INSW in Oct'19, higher profits from LPG and towage JV, higher profit from NAC business.
- **Expenses increased** by 11.4% due to costs related to 4 JV vessels fully acquired in Oct 2019.
- **EBITDA higher** by 13.1% due to increase in revenue.
- **Net Profit increase of** 18.3% 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")

** Note : RoE is annualized

Items (QAR - M)	1Q-20	1Q-19	YoY %
Revenue from operations	997	867	15.0%
Interest, dividend and other income	25	35	-28.6%
Total Revenue	1,022	902	13.2%
Operating costs	190	163	16.5%
G & A expenses	31	31	-1.6%
Amort. & Depr. of PPE	222	185	20.2%
Finance charges	299	287	4.3%
Total Expenses	742	666	11.4%
Net profit for the period	280	236	18.3%

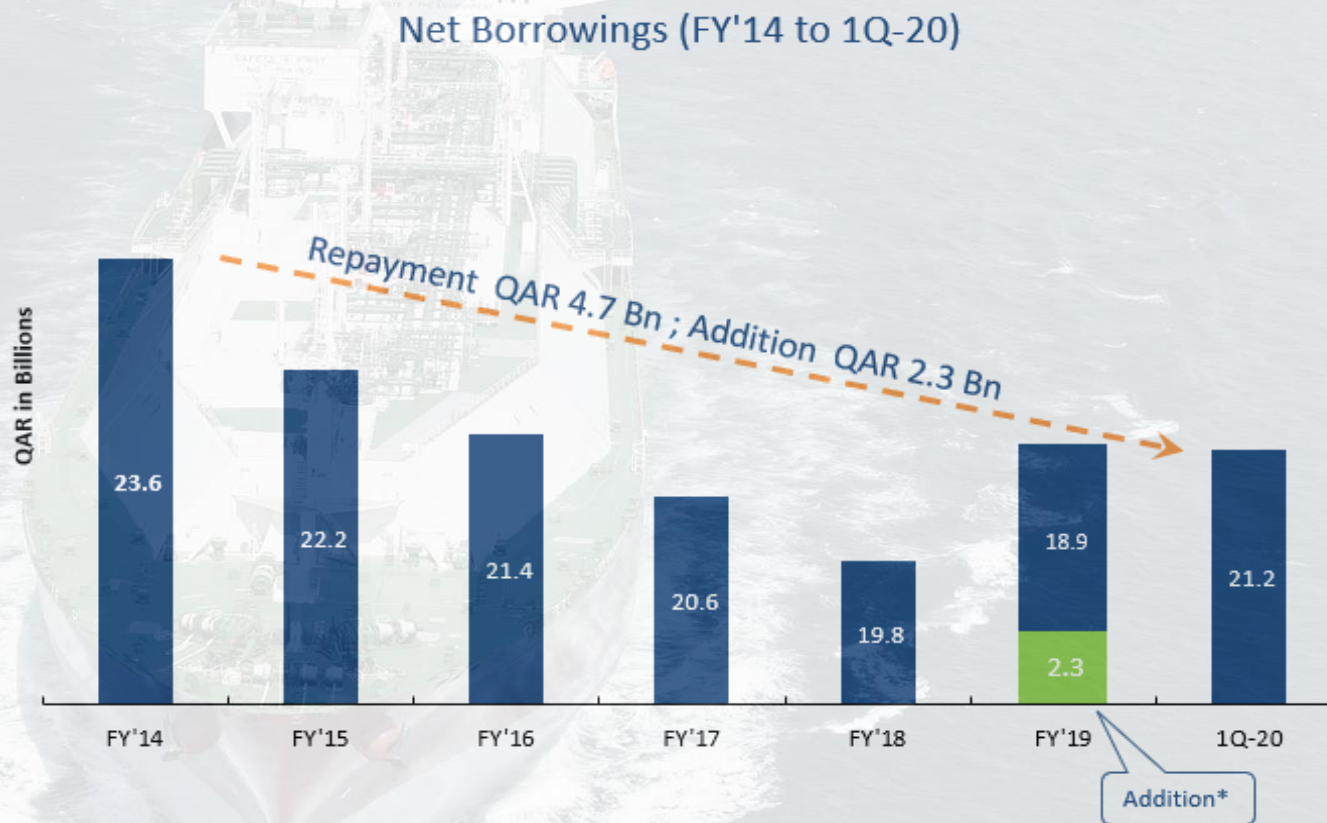
Highlights :

- **Total Revenue increased by 13.2%** mainly due to acquisition of 49.9% stake of INSW in Oct'19, higher profits from LPG and towage JV, higher profit from NAC business
- **Operating costs increased by 16.5%** due to operating costs of 4 JV vessels fully acquired in Oct'19
- **General and administration expenses decreased by 1.6%** as a result of process enhancement and cost optimization initiatives
- **Amort. & Depr. of PPE increased by 20.2%** due to 4 vessels fully acquired in Oct'19
- **Finance charges increased by 4.3%** as a result of finance charges of 4 JV vessels fully acquired in Oct'19 partly offset by scheduled repayment of loan

Items (QAR - M)	Mar-20	Dec-19	% Change
Property and equipment	23,992	24,144	-0.6%
Investment in joint venture companies	4,400	4,378	0.5%
Cash and bank balances	2,497	2,397	4.2%
Trade and other receivables	1,509	1,347	12.0%
Equity investments	76	113	-32.7%
Total Assets	32,474	32,379	0.3%
Borrowings	21,202	21,242	-0.2%
Equity after hedge reserve and before non-controlling interests	5,789	6,851	-15.5%
Fair value of interest rate swaps	3,151	2,477	27.2%
Accounts payable, accruals and other liabilities	2,325	1,803	29.0%
Non-controlling interests	7	6	16.7%
Total Equity & Liabilities	32,474	32,379	0.3%

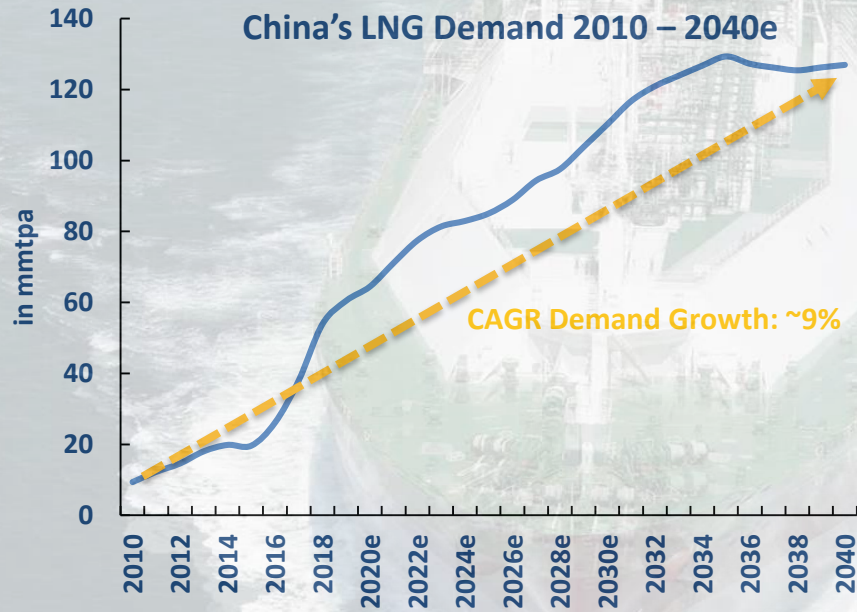
Highlights :

- **Cash and bank balances increased by 4.2%** mainly due to cash generated from operations
- **Trade and other receivables increased by 12%** mainly due to advances of Hub business (Port Agency)
- **Equity investments decreased by 32.7%** due to lower share prices of shares held for investment
- **Fair value of interest rate swaps increased by 27.2%** due to decrease in LIBOR
- **Accounts payable, accruals and other liabilities increased by 29%** mainly due to loan interest accruals, advances of Hub business (Port Agency) and deferred income liability

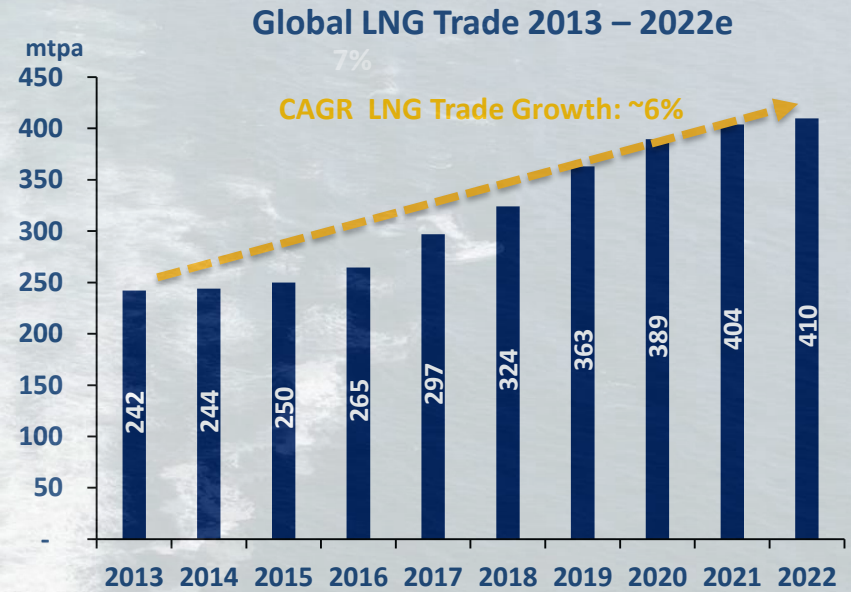


* QAR 1.8 Bn - for JV fully acquired in Oct'19 & QAR 0.5 Bn for new business opportunities



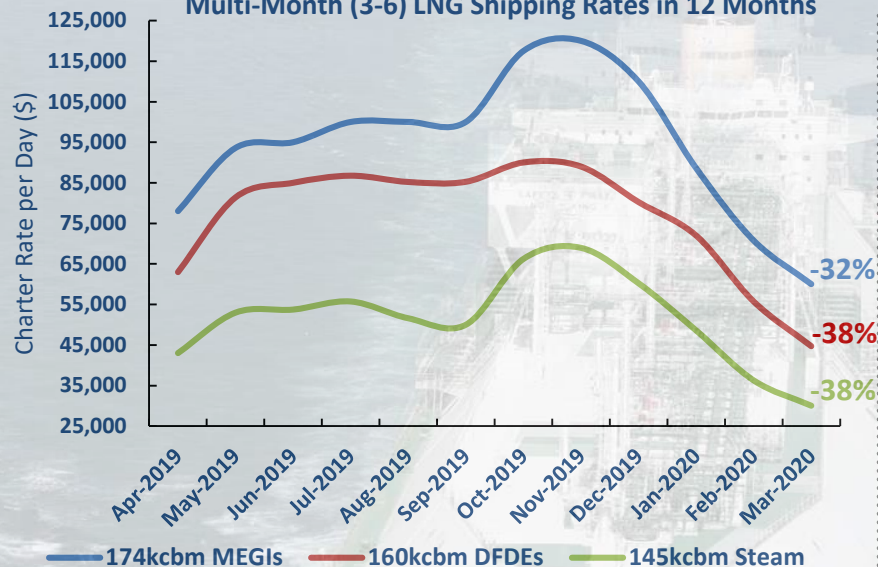


Source: WoodMac



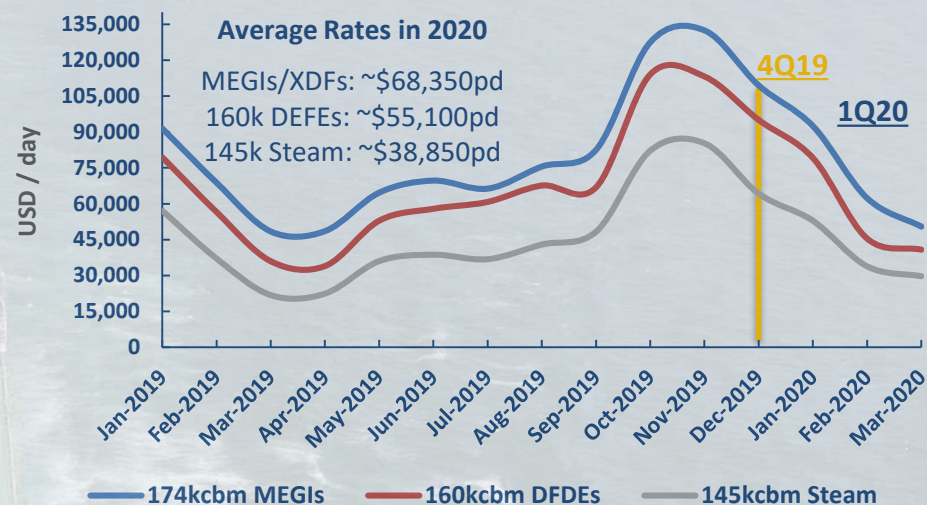
Source: Kpler and Woodmac

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



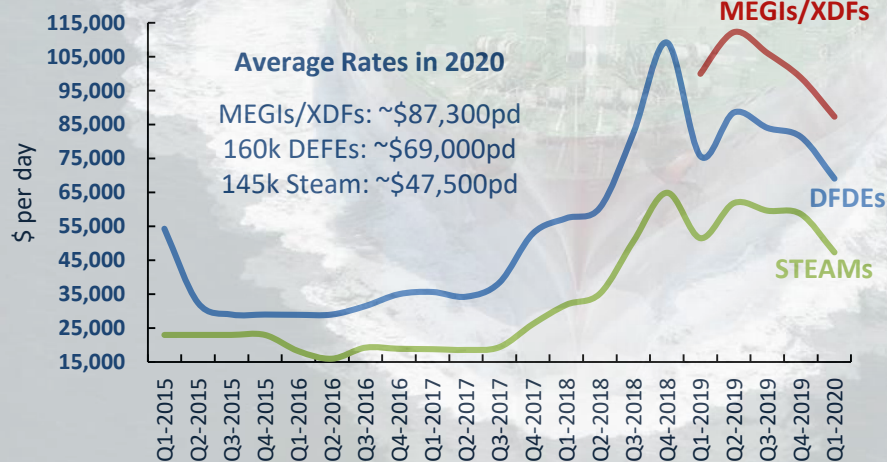
Source: Clarksons

Spot Rates (MEGI Vs DFDEs Vs Steam) 2019-20



Source: Clarksons

1 Year Time-Charter Rate in 2015-20

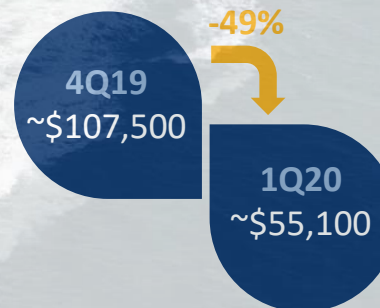


Source: Clarksons

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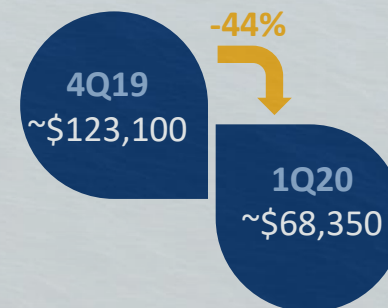
Spot LNG Shipping Market Rates

Average DFDEs Day Rates



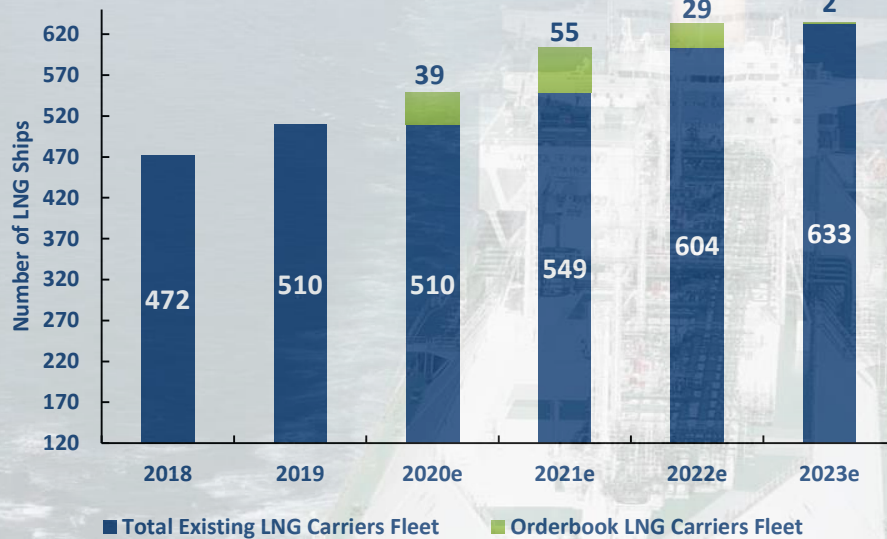
Source: Clarksons

Average MEGIs Day Rates



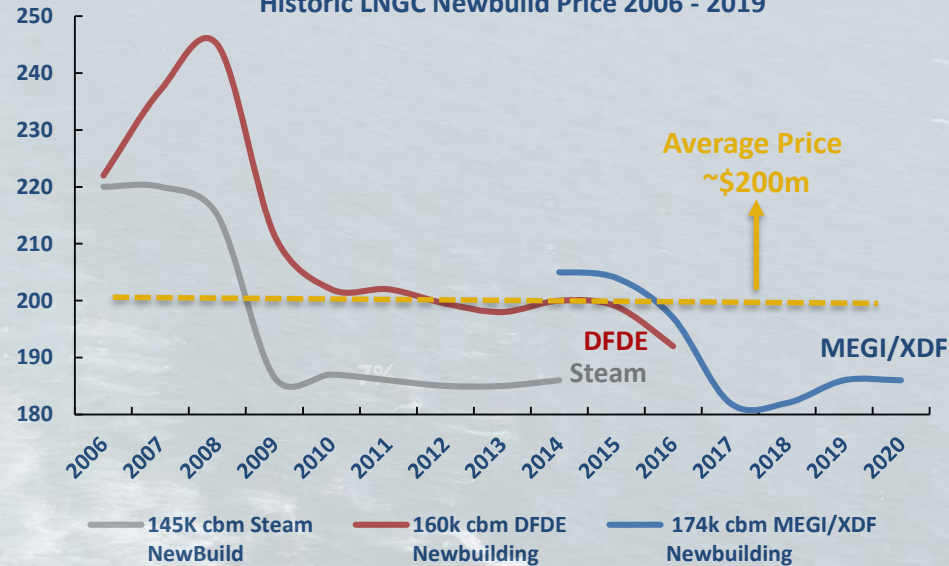
Source: Clarksons

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



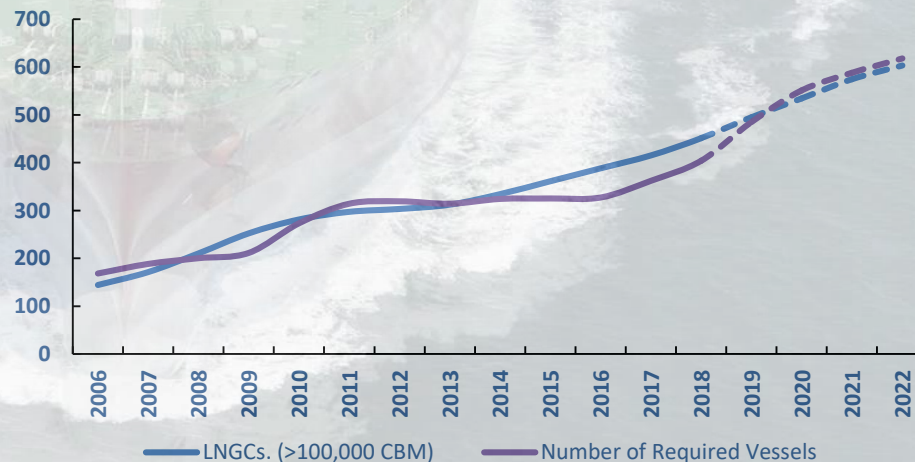
Source: Clarksons Note: *As of 1Q20, World live LNG fleet (excl. vessels <125,000cbm, FSRUs, FSUs, and FLNG, no assumption for scrapping, or LNGC conversion to FSRUs)

Historic LNGC Newbuild Price 2006 - 2019



Source: Clarksons

LNGC Shipping Balance 2012-2022







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 minimize the impact of COVID-19 of this business segment.



Market Fundamentals

According to Wood Mackenzie, global liquefaction capacity should grow by ~159mts until 2025.

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

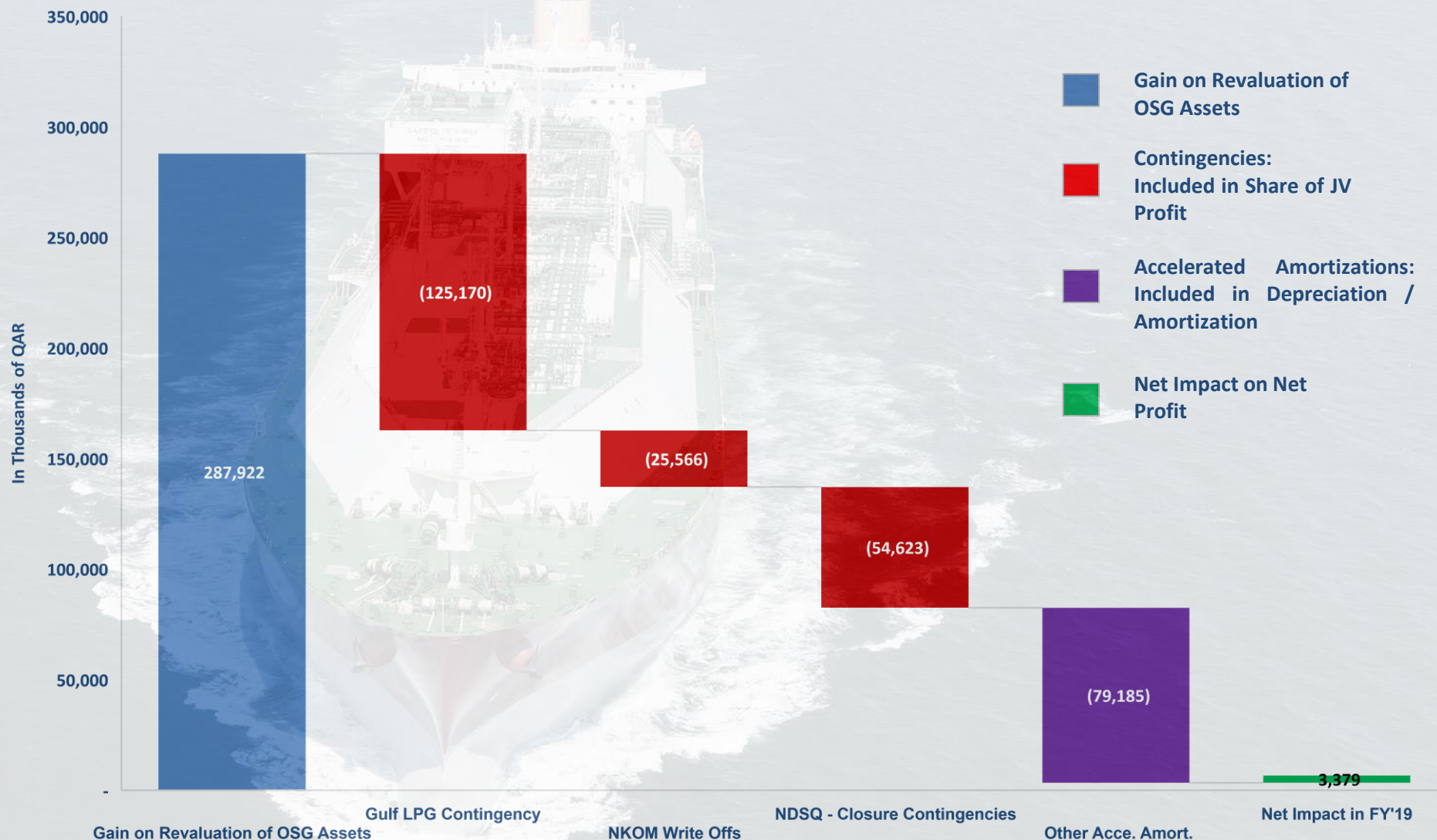
Priority for
safety &
environment

1Q20 Earnings Results:

- Strong profitability results (+18.3% YoY), momentum continues
- As of 1Q20, Covid-19 did not have any negative financial impact on Nakilat's quarterly financial performance
- Nakilat's defensive and solid business model provides the flexibility to navigate sustainably through extreme volatile markets
- Nakilat's EBITDA was up by 13.1% year-over-year to reach QAR 802 million
- 1Q20 – LTIF* Yearly Data: (0.15 Nakilat in 1Q19 Vs 0.45 Industrial Average 2019)



Net Impact of Gain on OSG Acquisition in FY'19 Earnings Results





Q&A



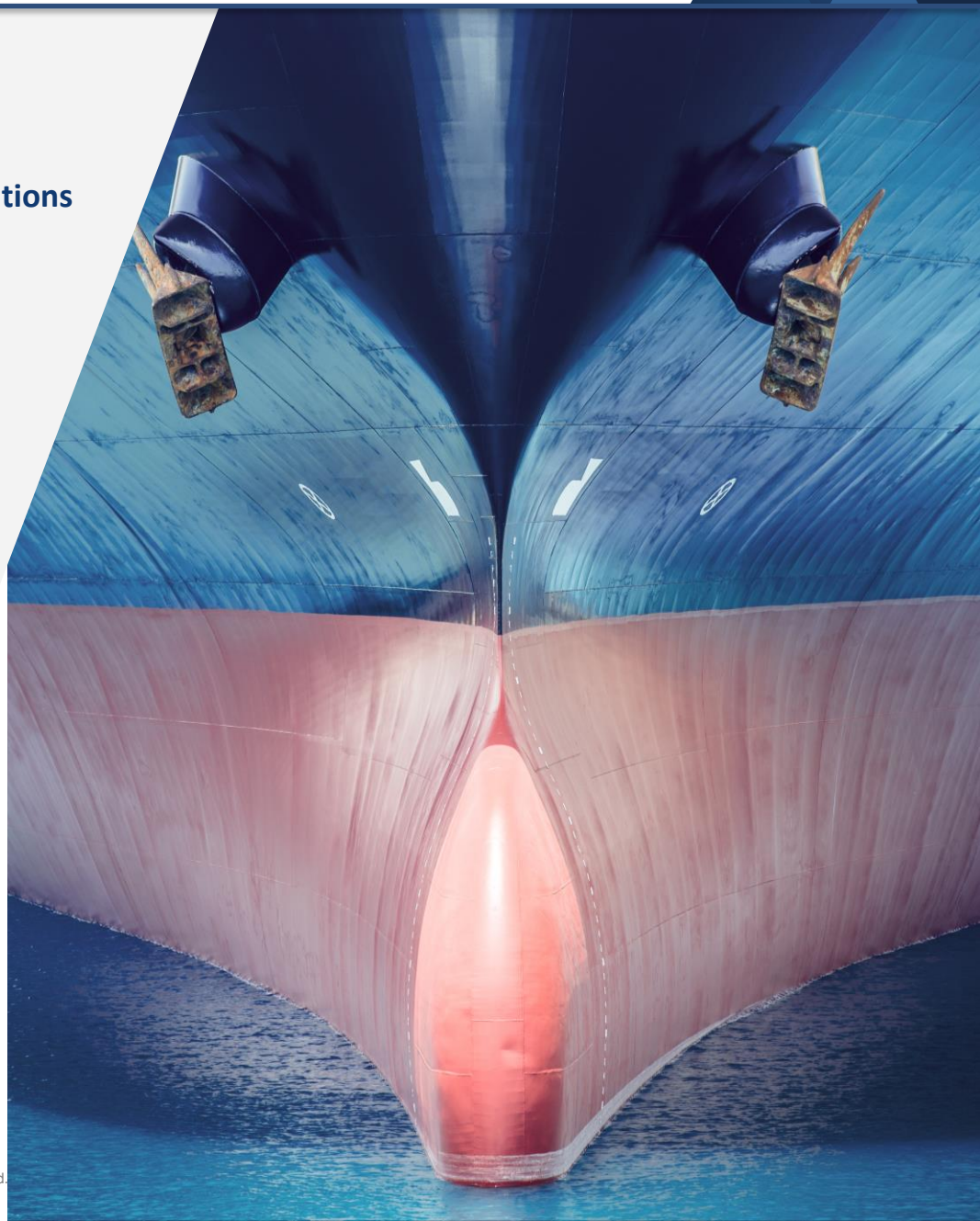
Any Further Investor Questions?

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Thank You

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