



FIRST QUARTER 2024 RESULTS

HIGHLIGHTS ¹⁾

- Awilco LNG achieved a net result of USD 7.2 million and earnings per share of USD 0.05 in the first quarter 2024, down from a net result of USD 14.9 million and USD 0.11 per share in the fourth quarter 2023 which was positively impacted by a USD 5 million one-off insurance settlement.
- Net freight income of USD 21.9 million in first quarter 2024, compared to USD 22.2 million in fourth quarter 2023.
- EBITDA in first quarter 2024 ended at USD 17.6 million, down from USD 22.8 million in fourth quarter 2023.
- Vessel utilization was 100% for first quarter 2024 with net TCE at USD 120,600, the same as for fourth quarter 2023.
- In February the Company declared a dividend of NOK 1.00 per share for the fourth quarter. The dividend, corresponding to USD 12.2 million was paid in April 2024.
- In May the Company signed documentation for refinancing of both vessels and exercised the purchase option under the existing financing. The refinancing will reduce the Company's finance cost and cash break even substantially. Closing of the refinancing is expected during second quarter 2024
- On May 22, 2024, the Board authorized a cash dividend payment of NOK 0.75 per share to be paid in July 2024. The Company has thus declared a total of NOK 3.35 per share in dividends since March 2023.

KEY FINANCIAL FIGURES ¹⁾

<i>In USD millions, unless stated otherwise</i>	Q1 2024	Q4 2023	2023
Freight income	22.1	22.4	80.7
Voyage related expenses	0.2	0.2	1.3
EBITDA	17.6	22.8	68.9
Net profit/(loss)	7.2	14.9	38.3
Total assets	353.9	349.9	349.9
Total equity	139.7	144.7	144.7
Gross interest-bearing debt	187.5	192.2	192.2
Cash and cash equivalents	38.3	27.1	27.1
Book equity ratio (in %)	39.5%	41.4%	41.4%

¹ Please refer to definitions in Appendix A for descriptions of alternative performance measures

Jon Skule Storheill, Chief Executive Officer, commented:

“We are pleased to report another strong quarterly profit as both vessels have traded on their fixed rate contracts with no off-hire throughout the entire quarter. Progress has been made on the refinancing and we aim to close this transaction within the second quarter as it will significantly reduce our costs and cash break-even level. With WilForce coming open this summer we are pleased to see activity picking up after the shoulder season although rates have yet to improve significantly. The fixed earnings contracts through second quarter enable the company to continue to return capital to our shareholders and the board resolved and declared a dividend of NOK 0.75 per share for first quarter, payable in July 2024”.

FINANCIAL REVIEW

Income statement first quarter 2024

Both vessels traded on their fixed rate contracts with 100% utilization in first quarter 2024 resulting in full earnings from their charter contracts and TCE earnings for first quarter ended at USD 120,600 per day, the same as for fourth quarter 2023.

Freight income for the quarter ended at USD 22.1 million compared to USD 22.4 million in fourth quarter 2023. Voyage related expenses were USD 0.2 million, the same as for fourth quarter 2023. Net freight income for the quarter ended at USD 21.9 million compared to USD 22.2 million in fourth quarter 2023.

Operating expenses came in at USD 3.5 million in first quarter 2024 compared to USD 3.1 million in previous quarter and administration expenses were USD 0.9 million in first quarter 2024 compared to USD 1.3 million in fourth quarter 2023. EBITDA for the quarter ended at USD 17.6 million, down from USD 22.8 million in fourth quarter 2023 which was affected by settlement of the insurance claim related to a collision in 2019 involving WilForce. As a result of The Group's annual reassessment at the end of 2023 the normal useful life of our vessels has from January 1, 2024, been revised from an estimation of 40 years to an estimate of 35 years from delivery. For this reason, depreciation charges for the quarter increased to USD 3.9 million, up from USD 3.4 million in the previous quarter. We expect the full annual effect of this change to be approximately USD 1.7 million.

Net financial expenses were USD 6.5 million in first quarter 2024, up from USD 4.5 million in fourth quarter 2023. The main reason for the change is a one-time modification loss of USD 2.2 million in capitalized transaction costs as a result of the change in contractual maturity of repayment of the existing financing. Interest expense on the vessels' financing in first quarter 2024 amounted to USD 4.4 million, down from USD 4.8 million in the previous quarter.

Profits and earnings per share for the quarter ended at USD 7.2 million and USD 0.05 respectively, down from USD 14.9 million and USD 0.11 per share in fourth quarter 2023.

Liquidity and financial position

Cash and cash equivalents increased to USD 38.3 million at the end of first quarter 2024, up from USD 27.1 million at the end of fourth quarter 2023. Cash flow from operations was USD 20.9 million in first quarter, up from USD 19.6 million in fourth quarter. Investment in vessels ended at USD 0.4 million in the quarter. The dividend of USD 12.2 million that was declared in first quarter 2024 was paid in April 2024.

Interest-bearing debt net of capitalized and amortizing transaction costs was reduced by USD 2.3 million in the quarter to USD 187.2 million on March 31, 2024 in accordance with the repayment profile of the leases, net of expensed capitalized transaction cost as mentioned above. The current portion of the interest-bearing debt constituted USD 18.8 million at quarter-end and represents the scheduled amortization for the 12 months after March 31, 2024. This is based on existing financing of the vessels per March 31, 2024 and does not incorporate any changes resulting from the ongoing refinancing.

The total book value of WilForce and WilPride was on March 31, 2024, USD 313.8 million after a depreciation of USD 3.9 million and capitalization of USD 0.5 million related to overhaul of one main engine completed in first quarter 2024.

Book equity on March 31, 2024 was USD 139.7 million and total assets were USD 353.9 million, resulting in an equity ratio of 39.5% at quarter-end, down from 41.4% as of December 31, 2023.

Corporate development

On May 22, 2024 the Board authorized a cash dividend payment of NOK 0.75 per share to the shareholders on record as of June 20, 2024. The shares in Awilco LNG ASA will be traded ex. dividend from and including June 19, 2024, and dividend will be paid on or about July 2, 2024. The dividend is classified as return of paid in capital.

The Annual General Meeting has given the Board authority to declare quarterly dividends according to the Company's cash flow, subject to debt covenants, capital requirements, and a robust cash buffer.

MARKET UPDATE

Charter rates continued to fall throughout first quarter on the back of a relatively mild winter, comfortable storage levels of gas and high availability of vessels globally. The list of vessels available for prompt delivery has consistently been 10-15 vessels according to Fearnley LNG. Most of these available vessels were sublets, the majority of which have become available due to production disruptions at certain liquefaction plants. The effect of disruptions of both the Suez Canal and the Panama Canal have been offset by the production problems and have therefore had very little effect on the charter rates. The US continue to be the largest exporter with 22 MT loaded in first quarter followed by Qatar, while China was the largest importer with 20 MT followed by Japan with 18 MT.

Gas prices stayed at a significantly lower level than experienced in 2022, but still at a higher level than in the historical past for this time of the year. Both the European (TTF) and Asian (JKM) prices are hovering around USD 10 per MMBTU resulting in limited arbitrage for shipping between the two regions.

Charter rates started to drop late fourth quarter 2023 and the drop continued well into first quarter 2024 and has remained at low levels since. Spot rates are currently quoted at around USD 40,000 per day for TFDE vessels. The fundamentals of the two/three tier market that we saw develop during last year is still existing but the rate differentials between TFDE and 2-stroke vessels have come down to between USD 10-15k per day due to lower gas prices. Term charter rates for 1-3 years have been fairly steady over the last quarter with 1-year TC for a TFDE vessel currently quoted at USD 60-65,000 per day. The activity level of medium-term contracts (1-3 years) has slowed significantly from the previous years and is at the lowest level seen in several years.

Spot fixing activity in first quarter 2024 was the highest since 2021 with almost 40 fixtures in February according to Fearnley LNG.

Volume of traded LNG continues to increase; 105 MT were loaded in the first quarter 2024 compared to 104 MT in same quarter last year despite some production disruptions. The Indian sub-continent (India, Bangladesh and Pakistan) have increased imports with 35% year-over-year while imports to Europe are down. This shows the unparalleled flexibility the LNG market has in balancing varying energy demand geographically supporting the expected increase in LNG demand going forward.

The fleet of LNGC's grew by 10 ships in first quarter according to Fearnley LNG, which is a slow start to a year that looked to be a record year in deliveries. At the end of the quarter the order book stood at 337 vessels compared to a live fleet, excluding vessels in layup, of 640 vessels. 44 newbuilding orders were placed during the quarter of which 35 orders are part of the second phase of ordering for the Qatar expansion according to Fearnelys LNG. Following this the orderbook to fleet ratio stood at 52% at the end of the first quarter 2024. The next three years are set to be record high with respect to deliveries although some delays to the schedule can be expected. Limited new LNG production is expected until 2nd half of 2025 and 2026 so the high delivery schedule during this period may point to a challenging period going forward unless ton-miles increase. Some of these newbuildings will however replace some of the more than 200 smaller and inefficient steam vessels in the current fleet of which 95 are older than 20 years and 89 are smaller than 140k cbm.

Newbuilding prices are still high. Currently contract prices for Korean built vessels are quoted around USD 265 million for 2027/2028 delivery.

ORGANISATION

The principal activity of Awilco LNG ASA and its subsidiaries is to invest in and operate LNG transportation vessels. Technical and commercial management of the fleet is performed from the Group's office in Oslo, Norway. The Group had six employees as per the end of first quarter and Awilco LNG purchases certain administrative and sub-management technical services from companies in the Awilhelmsen Group, see note 5 for further details.

VESSEL STATUS

Both WilForce and WilPride traded the entire first quarter 2024 with no off-hire. WilForce comes open in third quarter 2024 and the company is actively exploring possibilities for next employment. For WilPride the current charter party lasts until late 2025, while the charterer has an option to extend the charterparty for two more years at the existing rate. Notice to be given approximately six months prior to expiry of the fixed period.

OUTLOOK

Seasonal low demand following a softer world economic growth in addition to a relatively mild winter behind us have led to lower charter rates. Lately we have seen some increased activity and we see charterers starting to position for the next winter, trying to take advantage of the current weak sentiment. The short-term market has somewhat improved from the recent lows although the large orderbook and limited new production capacity in 2024 does give some concern short term. WilForce is coming open in the third quarter 2024, and the company is working on her next employment. With reduced cash break even from the new financing and with WilPride fixed at least until the end of 2025 at a good rate the company is in a comfortable financial situation and will continue to focus on excellent technical and operational performance and to return cash to our shareholders.

Oslo, May 22, 2024

Synne Syrrist

Chairman of the Board

Jon-Aksel Torgersen

Board member

Ole Christian Hvidsten

Board member

Annette Malm Justad

Board member

Jens-Julius R. Nygaard

Board member

Jon Skule Storheill

CEO

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

<i>In USD thousands, except per share figures</i>	Note	Q1 2024 (unaudited)	Q4 2023 (unaudited)	Q1 2023 (unaudited)	2023 (audited)
Freight income	2	22,133	22,362	20,655	80,723
Voyage related expenses	5	191	177	178	1,279
Net freight income		21,942	22,185	20,477	79,444
Other income		-	4,998	-	4,998
Operating expenses		3,486	3,130	2,989	11,307
Administration expenses	5	875	1,254	888	4,241
Earnings before interest, taxes, depr. and amort. (EBITDA)		17,580	22,800	16,600	68,895
Depreciation and amortisation		3,897	3,427	3,156	12,906
Earnings before interest and taxes (EBIT)		13,683	19,373	13,444	55,989
Finance income		260	293	189	1,232
Finance expenses		6,776	4,808	4,587	18,929
Net finance income/(expense)		(6,516)	(4,515)	(4,398)	(17,697)
Profit/(loss) before taxes		7,167	14,858	9,046	38,292
Income tax expense		-	-	-	-
Profit/(loss) for the period		7,167	14,858	9,046	38,292
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:					
Basic, profit/(loss) for the period		0.05	0.11	0.07	0.29
Diluted, profit/(loss) for the period		0.05	0.11	0.07	0.29

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit/(loss) for the period	7,167	14,858	9,046	38,292
Other comprehensive income:				
Other comprehensive income items	-	-	-	-
Total comprehensive income/(loss) for the period	7,167	14,858	9,046	38,292

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In USD thousands</i>	Note	31.03.2024 (unaudited)	31.12.2023 (audited)	31.03.2023 (unaudited)
ASSETS				
Non-current assets				
Vessels		313,800	317,310	315,305
Pension assets		522	497	525
Other fixed assets incl right-of-use assets		12	12	14
Total non-current assets		314,335	317,819	315,843
Current assets				
Trade receivables		-	2,806	3,687
Inventory		137	204	144
Other short term assets		1,118	1,946	337
Cash and cash equivalents		38,307	27,094	28,032
Total current assets		39,562	32,050	32,200
TOTAL ASSETS		353,897	349,869	348,043
EQUITY AND LIABILITIES				
Equity				
Share capital	3	1,976	1,976	1,976
Share premium	3	101,249	113,418	127,004
Other paid-in capital		65,588	65,588	65,588
Retained earnings		(29,102)	(36,270)	(65,516)
Total equity		139,710	144,712	129,053
Non-current liabilities				
Pension liabilities		573	544	599
Long-term interest bearing debt	4	168,443	170,782	184,349
Total non-current liabilities		169,016	171,326	184,948
Current liabilities				
Short-term interest bearing debt	4	18,750	18,750	18,750
Trade payables		1,737	1,649	1,466
Provisions and accruals	6	24,682	13,431	13,827
Total current liabilities		45,170	33,831	34,042
TOTAL EQUITY AND LIABILITIES		353,896	349,869	348,043

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

<i>In USD thousands</i>	Q1 2024 (unaudited)	Q4 2023 (unaudited)	Q1 2023 (unaudited)	2023 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	7,167	14,858	9,046	38,292
Interest and borrowing costs expensed	6,768	4,772	4,566	18,835
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	3,897	3,427	3,156	12,906
<i>Changes in pension assets, operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	3,676	(2,220)	235	(526)
Trade payables, provisions and accruals	(623)	(1,203)	1,437	943
i) Net cash provided by/(used in) operating activities	20,885	19,634	18,439	70,450
Cash Flows from Investing Activities:				
Investment in vessels	(388)	(3,869)	(1,353)	(13,107)
ii) Net cash provided by/(used in) investing activities	(388)	(3,869)	(1,353)	(13,107)
Cash Flows from Financing Activities:				
Dividends paid	-	(4,355)	(6,380)	(19,967)
Repayment of borrowings	(4,688)	(4,688)	(4,709)	(18,772)
Interest and borrowing costs paid	(4,598)	(4,639)	(4,023)	(17,568)
iii) Net cash provided by/(used in) financing activities	(9,285)	(13,682)	(15,112)	(56,306)
Net change in cash and cash equivalents (i+ii+iii)	11,213	2,083	1,974	1,036
Cash and cash equivalents at start of period	27,094	25,011	26,058	26,058
Cash and cash equivalents at end of period	38,307	27,094	28,032	27,094

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2024

<i>In USD thousands</i>	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2024	1,976	113,417	65,588	(36,270)	144,712
Profit/(loss) for the period	-	-	-	7,167	7,167
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	7,167	7,167
Dividends	-	(12,169)	-	-	(12,169)
Balance as at March 31, 2024 (unaudited)	1,976	101,248	65,588	(29,103)	139,711

For the period ended March 31, 2023

<i>In USD thousands</i>	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2023	1,976	133,384	65,588	(74,562)	126,387
Profit/(loss) for the period	-	-	-	9,046	9,046
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	9,046	9,046
Dividends paid	-	(6,380)	-	-	(6,380)
Balance as at March 31, 2023 (unaudited)	1,976	127,004	65,588	(65,516)	129,053

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Corporate information, basis for preparation and accounting policies

Corporate information

Awilco LNG ASA (the Parent Company) is a public limited liability company incorporated and domiciled in Norway. The Parent Company's registered office is Beddingen 8, 0250 Oslo, Norway.

The interim consolidated financial statements (the Statements) comprise the Parent Company and its subsidiaries, together referred to as the Group. The principal activity of the Group is the investment in and operation of LNG transportation vessels. The Group owns and operates two modern TFDE LNG carriers.

Basis of preparation

The Statements for the three months ended March 31, 2024 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The interim consolidated financial statements are unaudited. The consolidated financial statements are presented in US Dollars (USD) rounded off to the nearest thousands, except as otherwise indicated.

The accounting policies adopted in the preparation of the Statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023. The Statements do however not include all the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and the Statements should be read in conjunction with the Group's annual consolidated financial statements for the period ended December 31, 2023, which includes a detailed description of the applied accounting policies.

Changes in estimates from January 1, 2024

The useful life of the vessels has in the past been estimated to 40 years, and the vessels are depreciated accordingly. As a result of The Group's annual reassessment at the end of 2023 the normal useful life of LNG vessels has from the 1st of January 2024 been revised from an estimation of 40 years to an estimate of 35 years from delivery. The main reason is prevailing longer-term market trends and all else equal this will increase annual depreciation with approximately USD 1.7 million.

Note 2 – Segment information

Operating segments

Awilco LNG owns and operates two LNG vessels. For internal reporting and management purposes the Group's business is organized into one operating segment, LNG transportation. Performance is not evaluated by geographical region as the vessels trade globally and revenue is not dependent on any specific country. Revenue from the Group's country of domicile, Norway, was NIL in first quarter 2024, same as in fourth quarter 2024.

Information about major customers

The Group had two customers contributing with more than 10 per cent of the Group's freight income in first quarter 2024, at 63 and 37% of total revenue, the same as in fourth quarter 2023.

Note 3 – Share capital

There were no changes in the number of issued shares during first quarter 2024. The number of issued shares was 132,548,611 on March 31, 2024. The share capital is denominated in NOK and all issued shares are of equal rights.

On February 27, 2024 the Company declared a dividend of NOK 1.00 / USD 0.10 per share, payable in April 2024, with a total amount of NOK 132.5 million / USD 12.2 million.

Note 4 – Financing and liquidity

Under the existing sale/leaseback arrangements with CCB Financial Leasing Co. Ltd. (CCBFL), commencing in January 2020, WilForce and WilPride are chartered back on bareboat basis to wholly owned subsidiaries of the Company for a period of up to 10 years from the commencement. The bareboat hire is payable quarterly in arrears and has a 14-year straight line amortisation profile. The Group has rolling repurchase options that started in January 2023, repurchase obligations upon termination of the arrangements, and same at maturity of the facilities at USD 37.5 million per vessel.

In December the Company signed a Term Sheet for refinancing both vessels at significantly improved terms. Documentation of the refinancing was signed in May 2024 and the Company declared the options to purchase the vessels on the same day. Closing of the new financing is expected during second quarter 2024.

The sale/leaseback facilities provided by CCBFL contain a minimum value clause in addition to financial covenants that require the Group to maintain consolidated minimum cash and cash equivalents of USD 10.0 million and positive consolidated working capital. The positive working capital financial covenant excludes the short-term portion of long-term debt including lease liabilities. Under the existing financing, the Company is restricted from declaring or paying dividends if the consolidated cash position of the Group is lower than USD 20.0 million. This restriction will no longer exist when the refinancing is completed.

At March 31, 2024 the Group had cash and cash equivalents of USD 38.3 million compared to USD 27.1 million on December 31, 2023. The Group complies with all financial covenants regarding the lease facilities.

Note 5 – Related party transactions

Contracts with related parties

Awilco LNG has service contracts and transactions with the following related party:

- 1) Awilhelmsen Management AS (AWM) - *Administrative services and office rent*

1) AWM provides the Group with administrative and general services including accounting, payroll, legal, secretary function and IT. The Group pays AWM NOK 2.5 million in yearly management fee (USD 0.23 million) based on AWM's costs plus a margin of 5%. The fee is subject to semi-annual evaluation and is regulated according to the consumer price index in Norway. The agreement can be terminated by both parties with three months' notice. AWM is 100% owned by Awilhelmsen AS, which owns 100% of Awilco AS.

The Company have entered into an agreement to rent offices from AWM at an annual cost of NOK 1.2 million (USD 0.11 million), including common cost and to be adjusted annually according to the consumer price index in Norway. The agreement can be terminated by both parties with six months' notice and is booked as Administration expenses and no right-of-use assets or lease liability is booked in relation to this agreement. AWM is 100% owned by Awilhelmsen AS, which owns 100% of Awilco AS.

Purchases from related parties

<i>In USD thousands</i>	Q1 2024	Q4 2023	Q1 2023	2023
Awilhelmsen Management AS	87	84	57	288

Purchases from related parties are included as part of Administration expenses in the income statement.

Note 6 – Provisions and accruals

Provisions and accruals as of March 31, 2024, were USD 24.7 million (USD 13.4 million as of December 31, 2023), of which deferred income constituted USD 7.3 million (USD 7.5 million as of December 31, 2023), accrued interest towards the CCBFL lease obligations was USD 4.2 million (USD 4.4 million as of December 31, 2023), accrued dividend USD 12.2 million and other provisions were USD 1.0 million (USD 1.5 as of December 31, 2023).

Note 7 – Events after the balance sheet date

On May 22, 2024 the Board authorized a cash dividend payment of NOK 0.75 per share to the shareholders on record as of June 20, 2024. The shares in Awilco LNG ASA will be traded ex. dividend from and including June 19, 2024, and dividend will be paid on or about July 2, 2024. The dividend is classified as return of paid in capital.

In May the Company signed documentation for refinancing of both vessels and exercised the purchase option under the existing financing. The refinancing will reduce the Company's finance cost and cash break even substantially. Closing of the refinancing is expected during second quarter 2024.

APPENDIX 1 – ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APMs), i.e. financial performance measures not within the applicable financial reporting framework, are used by Awilco LNG to provide supplemental information. Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and it is Awilco LNG's experience that these are frequently used by analysts and investors.

These measures are adjusted IFRS measures defined, calculated, and used consistently. Operational measures such as, but not limited to, volumes, utilisation and prices per MMBTU are not defined as financial APMs. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Awilco LNG's financial APMs:

- Net freight income¹⁾: Freight income – Voyage related expenses
- EBIT: Net freight income - Operating expenses - Administration expenses - Vessel repair expenses - Depreciation and amortisation – Impairments
- EBITDA: EBIT + Depreciation and amortisation + Impairments
- Interest bearing debt: Long-term interest-bearing debt + Short-term interest-bearing debt + Pension liabilities + Other non-current liabilities
- Gross interest-bearing debt: Interest-bearing debt before deduction for unamortized transaction costs
- Book equity ratio: Total equity / Total assets
- TCE (time charter equivalent): Net freight income including loss of hire insurance divided by the number of calendar days less off-hire days not covered by loss of hire insurance

The reconciliation of Net freight income, EBIT and EBITDA with IFRS figures can be derived directly from the Group's consolidated Income Statement.

¹⁾ When vessels operate in the spot market, freight income includes bunkers compensation and the fuel element of ballast bonuses, whereas voyage related expenses include the corresponding bunkers costs and other repositioning costs. The APM net freight income adjusts for this grossing up and provides improved comparability of the Group's performance between periods.