



Avance Gas

Fourth Quarter Results 2024

February 12, 2025



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Q4 HIGHLIGHTS



RESULTS

Q4-24 Net profit of \$210 million & Earnings per Share (EPS) of \$2.74
Q4-24 adjusted Net profit of \$13 million & adjusted EPS of \$0.18¹
FY 2024 Net profit of \$443 million and EPS of \$5.78 – boosted by sale of 16x VLGCs



SALE OF VLGC FLEET

Sale of the remaining VLGC fleet to BW LPG for \$1.05bn completed in December 2024
Gain on sale of \$287 million and net cash proceeds of \$242 million + 19.282 million BW LPG shares
Avance Gas is thus the second largest shareholder in BW LPG, owning 12.7% net of treasury shares



SALE OF MGC FLEET

Sale of the four MGC newbuildings to Exmar for \$282.4 million or \$70.6 million per vessel
In January 2025, we have signed a novation agreement to transfer the MGCs to Exmar
Reimbursement of \$62.1 million in process and the remaining \$34.2 million scheduled in April



DISTRIBUTION & WIND-UP

Declaring quarterly cash dividend of \$153 million or \$2.00 per share as return of capital
Extraordinary dividend of \$0.75 per share once yard reimbursement received
Share distribution of BW LPG shares: One BW LPG share per four Avance Gas shares
Remaining cash and proceeds from the sale of the MGCs to be distributed prior final wind-up

1) Excluding gain on sale, fair value adjustment of the BW LPG investment and \$6m dividend income on BW LPG shares

THANK YOU FOR THE JOURNEY – FLEET SOLD WITH ~\$490M PROFIT



2008/2009 class



#3 vessels sold in 2022

2015 eco class



DF class



MGC/MACs



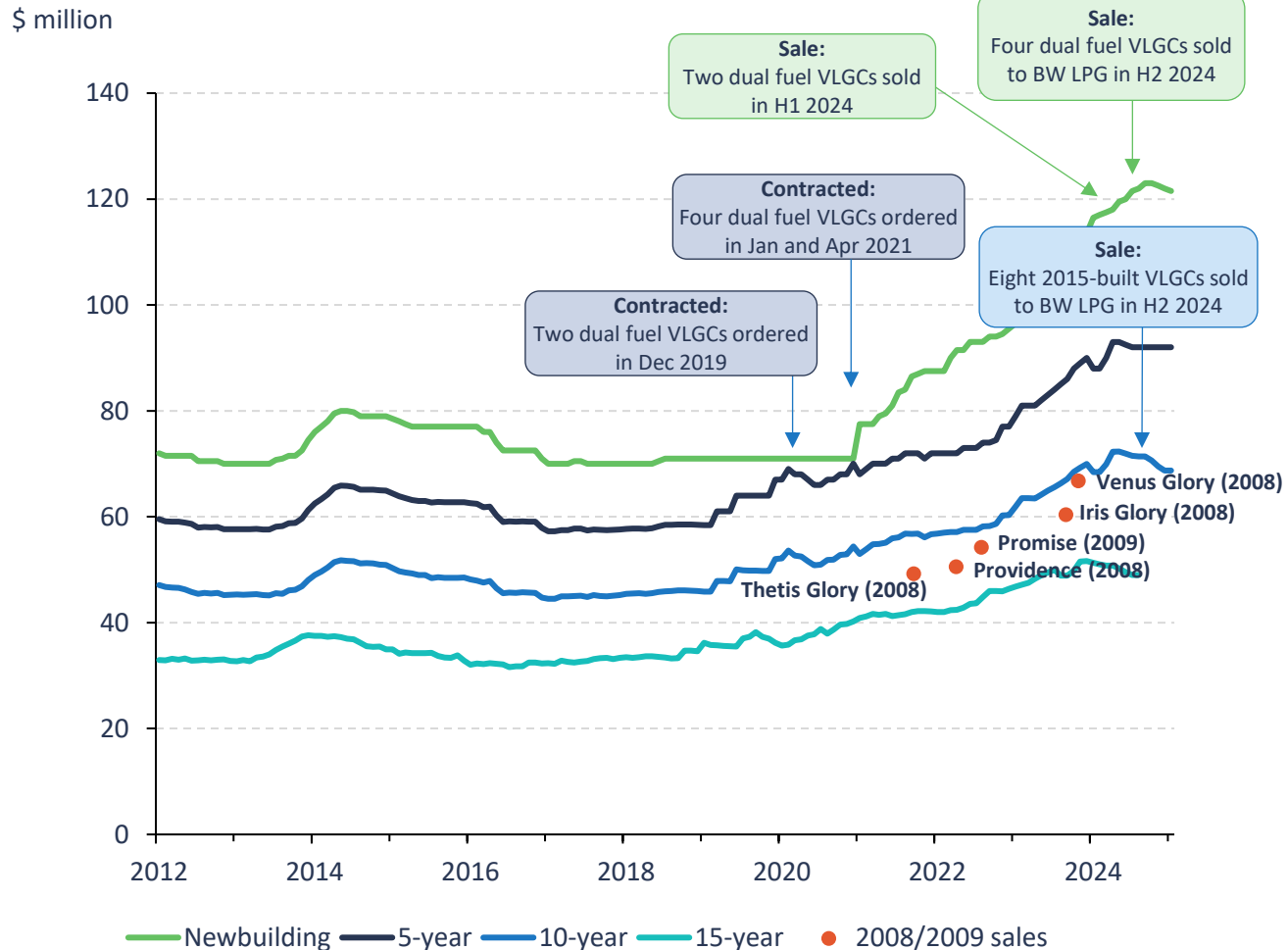
Proceeds: \$1,841m
 Gains: ~\$490m¹
 Cash release: \$588m + \$333m²
 in BW LPG shares

1) Based on a BW LPG share price of \$17.25/share and including \$12 million in lower depreciation from the sale of the VLGC fleet, excluding \$6m in dividend from BW LPG
 2) BW LPG's share price based on transaction consideration of \$17.25/share

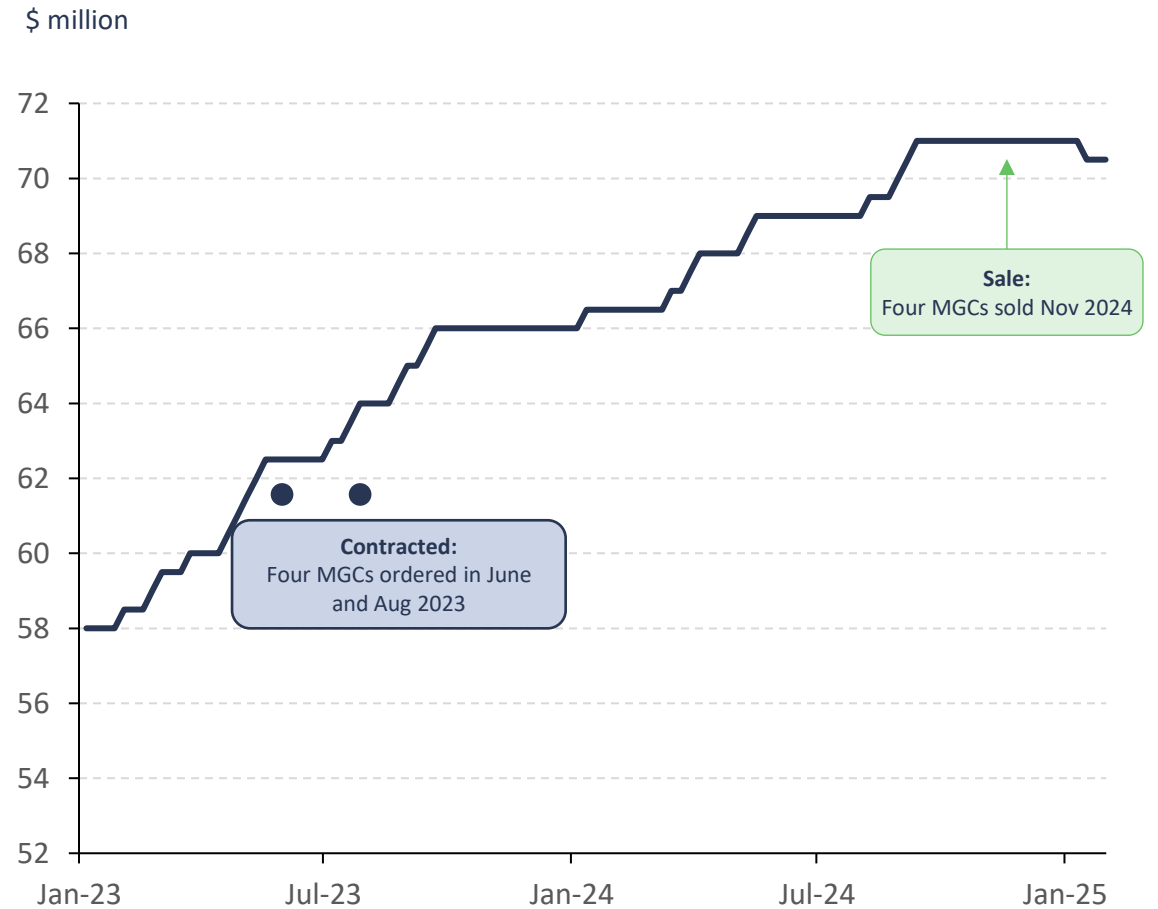
BUY LOW – SELL HIGH



VLGCs – Investment vs divestment point¹



MGCs – Investment vs divestment point



Source: Clarksons SIN

(1) The 5, 10, and 15-year series are derived from implied values, specifically newbuilding prices with linear depreciation to scrap value over a 25-year period from 2012 to March 2019. From March 2019 onwards, the 5-year values are based on Clarksons SIN secondhand values, while the 10 and 15-year values are calculated using 5-year secondhand values with linear depreciation to scrap value

TRANSACTION RECAPS



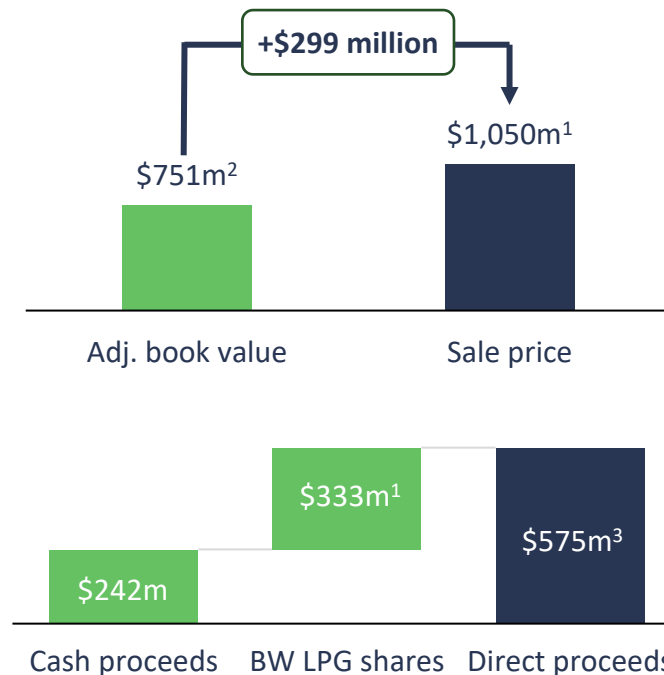
Description

Gain on sale

Proceeds

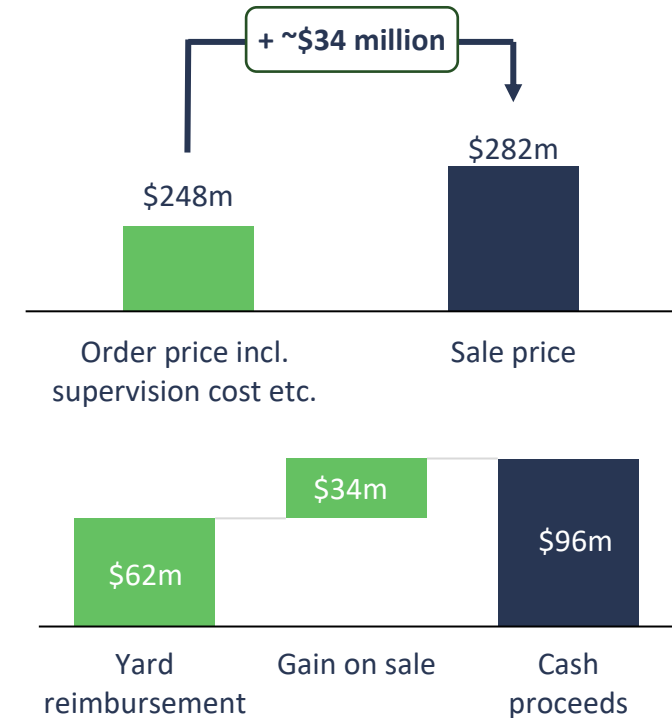
Sale of 12 VLGCs

- August 15, 2024: Announced sale of the remaining 12 VLGCs to BW LPG for \$1,050 million
- Settlement: \$589 million in cash, \$333 million in BW LPG shares¹, and \$129 million in novation of debt
- December 31, 2024: Last vessel delivered to BW LPG



Sale of 4 MGCs

- November 27, 2024: Announced sale of four MGCs to Exmar for \$282 million
- Yard reimbursement of \$62 million consisting of \$56 million paid year-end and \$6m paid in January 2025
- April 2025 (expected): Additional final compensation of \$34 million to be paid to Avance Gas



1) Sale price based on BW LPG share price of \$17.25/share, representing BW LPG's NAV according to Company estimate
 2) \$299 million in our books due to BW LPG share price trading at NAV discount (\$287 million in gain on sale + \$12million in lower depreciation)
 3) In addition, free cashflow due to operating the vessels from August 15, 2024, to November/December 2024

COMPANY IS PREPARING FOR WIND UP

**CLOSING
DOWN**

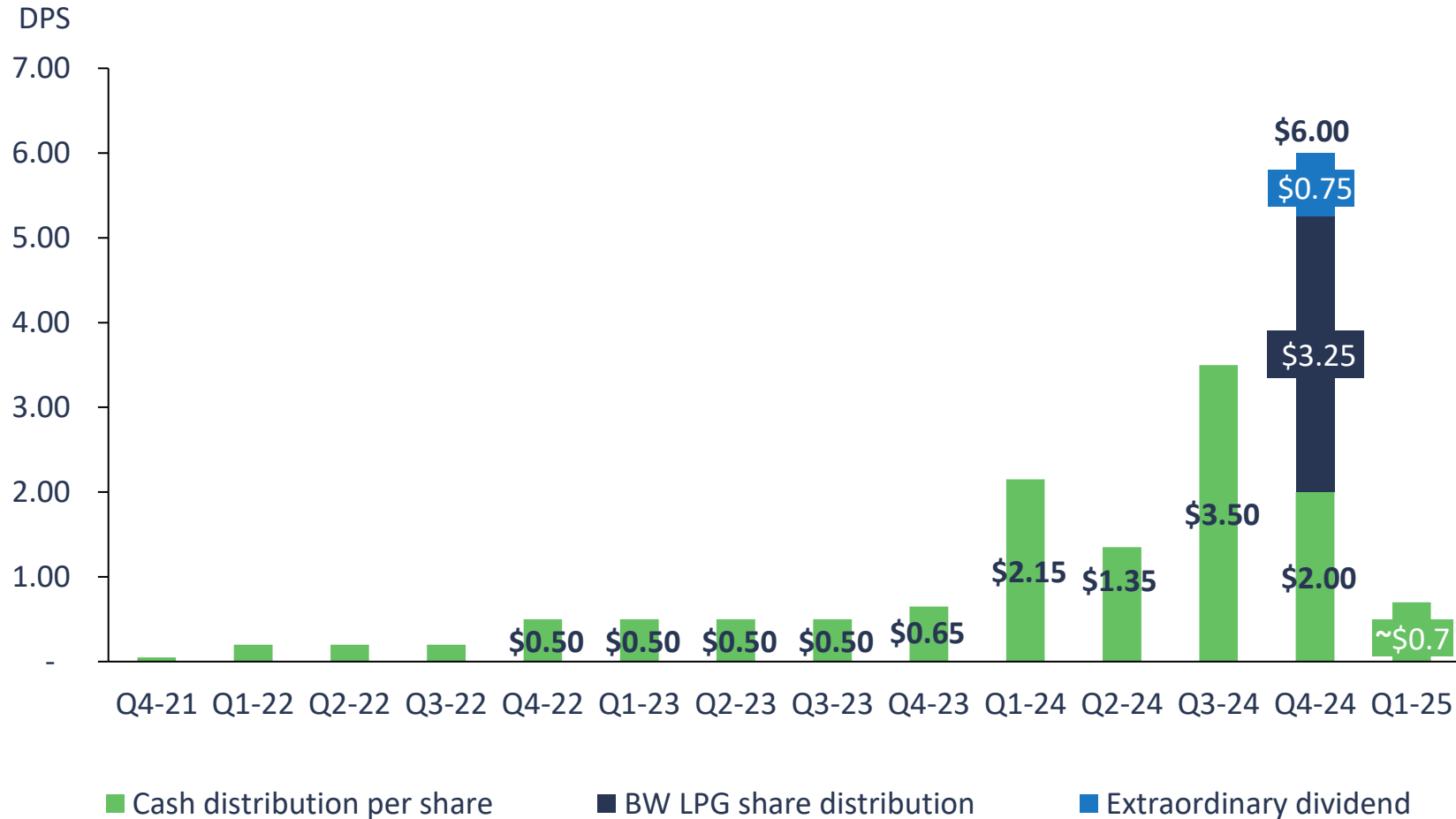


1) Distributed Q3 dividends of \$3.50 per share in December 2024, equal to \$268 million, as we were prepaying some of the gains recorded in Q4 from vessel sales	✓
2) During December 2024, we delivered the remaining VLGCs to BW LPG. In connection with these deliveries, we collected the remaining freight, most of the working capital, as well as cash proceeds and BW LPG shares. The 40-day lock-up period for the BW LPG shares expired on February 9, 2025, and these shares will be distributed to Avance Gas' shareholders	✓
3) A special general meeting was held on February 5, 2025, with the objective of reducing capital to pay out the capital in a tax-efficient manner to our shareholders. However, tax rules might differ depending on the jurisdiction	✓
<p>4) Closing the MGC sale</p> <ul style="list-style-type: none"> a. In January 2025, a novation agreement was signed to transfer the MGC newbuildings to Exmar b. Once new refund guarantees are issued, cash proceeds of \$62 million will be received c. Once steel cutting takes place for the last MGC newbuilding, scheduled for April 2025, we will receive an additional compensation of \$34 million 	<p>a. ✓</p> <p>b. Expected Feb / March 2025</p> <p>c. Expected April 2025</p>
5) Report Q4 and FY 2024 results in February 2025 where we will distribute surplus cash and BW LPG shares - we then only require cash for working capital including cash buffer as well as costs associated with the wind-up process	✓
6) Collect the remaining settlement from Exmar, totaling \$34 million, in connection with the sale of MGCs, expected April 2025	
7) Annual general meeting to authorize the wind up of the company. In connection with the sale of the VLGC fleet, we have terminated all employment contracts to reduce costs to minimum level. No strategic review is required; our strategy is to repay the cash to investors as quickly as possible	
8) Report Q1 results in April/May and pay out residual cash to shareholders	
9) Wind up of Avance Gas – The End!	

2024 DIVIDEND PER SHARE OF ~\$13 EQUAL TO ~\$1 BILLION



Dividend distributions¹



Comments:

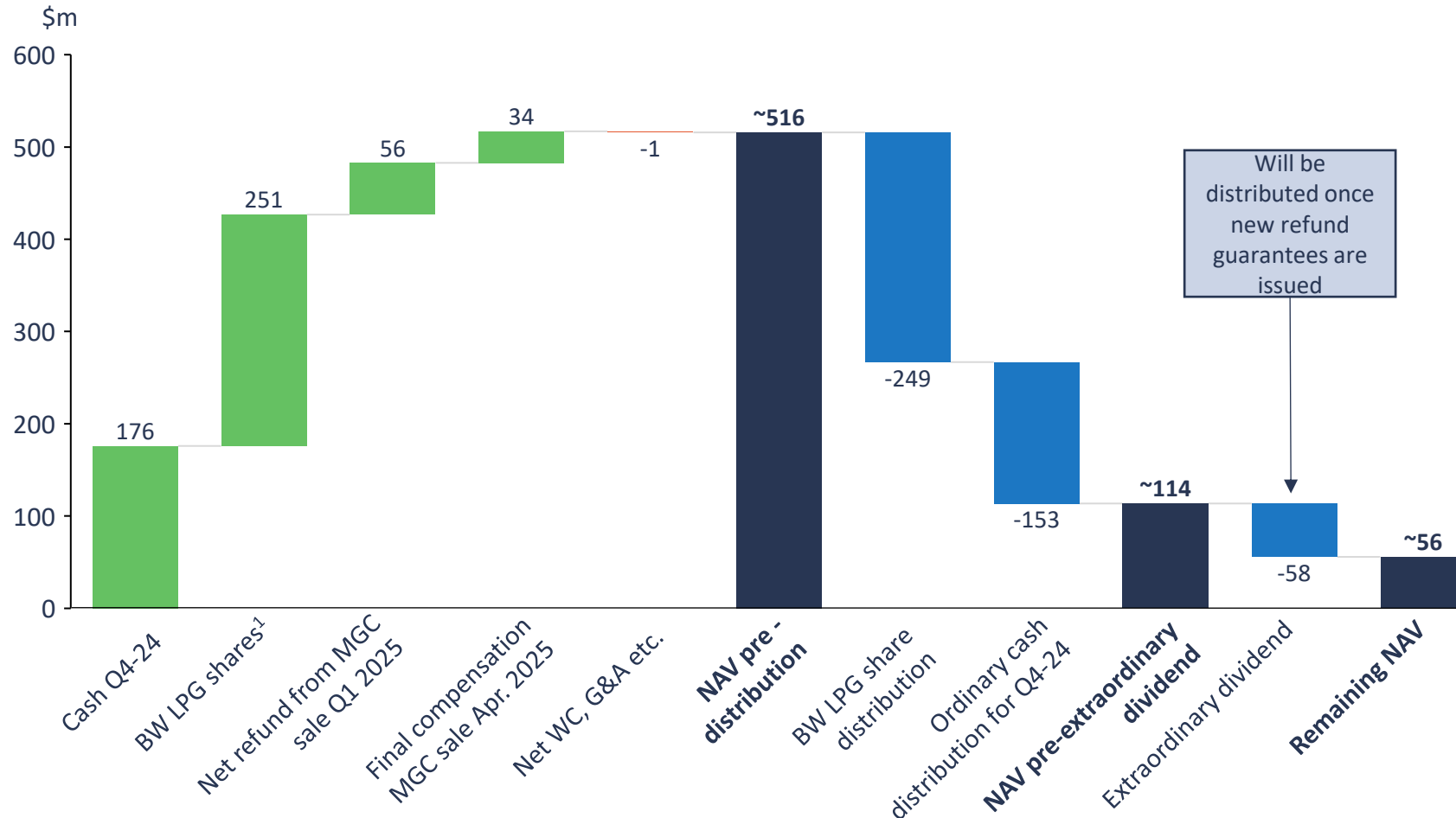
- Total Q4 distributions, including distribution of BW LPG shares and extraordinary dividend of \$6.0/share
- Q4 return of capital of \$153 million or \$2.0/share
- An additional extraordinary dividend payment of \$54 million or \$0.75/share to be distributed once reimbursement from the MGC sale received
- BW LPG shares to be distributed to shareholders
 - One BW LPG share per four Avance Gas shares
 - Fractional shares will be rounded down (e.g., One to three shares → zero BW LPG shares; five to seven shares → one BW LPG share etc.)
- Final dividend expected in April/May once remaining proceeds are collected

1) BW LPG share distribution based on a share price of \$13.0 divided by 4

SOURCES AND USES



Overview of value pro forma cash and BW LPG share distribution



Comments:

- NAV pre any distribution of \$516 million
- Following the ordinary cash distribution of \$2.0/share and BW LPG share distribution, NAV is approximately \$114 million, corresponding to \$1.5/share or NOK17/share²
- Once the extraordinary dividend of \$0.75/share is paid, remaining NAV is ~\$55 million corresponding to \$0.7-0.75/share or NOK8 per share
- The remaining NAV will be distributed in May when the final compensation from the MGC sale is received and all working capital collected

1) Based on a BW LPG share price of \$13.0/share. Approximately 130,000 BW shares will remain with Avance Gas following the share distribution

2) USD/NOK of 11.21 as of February 11, 2025

INCOME STATEMENT AND KEY FINANCIAL FIGURES Q4 2024



Income statement (in million \$)	Q4 2024 3-months	Q3 2024 3-months	Var.\$	FY2024	FY2023	Var. \$
TCE earnings	26	46	(20)	215	274	(59)
EBITDA	14	34	(20)	165	227	(62)
Depreciation	-	(5)	5	(25)	(44)	19
Gain on sale	287	-	287	408	-	408
Net finance expense	(91)	(3)	(88)	(105)	(19)	(86)
Net profit	210	26	184	443	164	279
Net profit adjusted ¹	13	26	13	125	164	(39)
EPS (\$)	2.74	0.34	2.40	5.78	2.14	3.64
EPS (\$) adjusted ¹	0.18	0.34	(0.16)	1.64	2.14	(0.50)
Per day figures (in \$)						
TCE (Load-to-Discharge)	35,300	41,900		52,500	57,200	
TCE (Discharge-to-Discharge)	28,200	38,700		46,200	59,600	
Operating expense ('OPEX')	10,100	9,400		8,900	8,200	

Comments:

- TCE on a discharge-to-discharge basis was \$28,200/day for Q4. For reference, our guidance was \$27,900/day. TCE on a load-to-discharge basis was \$35,300/day for Q4
- Significant impact from sale of the VLGC fleet:
 - Gain on vessel sales of \$287 million
 - Unrealised MTM loss of \$97 million² on BW LPG shares
 - Dividend received of \$6 million coming from BW LPG shares
- Termination of IRS swaps resulting in a book gain of \$8 million
- Fully repaid all our outstanding debt prior delivery, thus debt issuance cost of \$4.6 million was recognised
- Q4-24 Net profit of \$210 million and EPS of \$2.74
- FY 2024 Net profit of \$443 million - the best full year result ever, much attributable to vessel sales

1) Adjusted for gain on vessel sales, changes in fair value and dividend income of the BW LPG investment

2) The BW LPG shares are measured at fair value at the reporting date. The share price decreased from \$16.18/share from the VLGC sale announcement date (August 15, 2024) to \$11.16/share on December 31, 2024, resulting in the negative fair value adjustment

BALANCE SHEET AND PRO FORMA FINANCIAL KEY FIGURES 2025

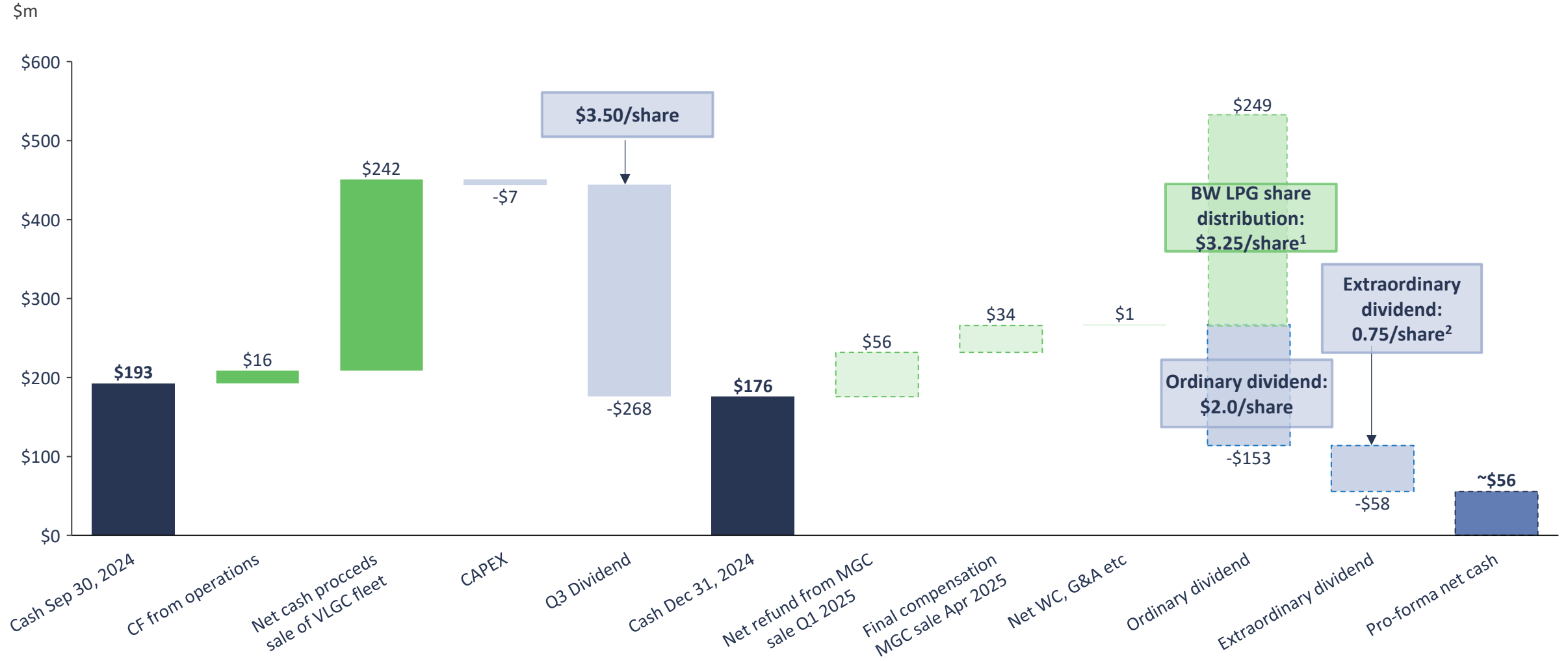


Balance sheet (million \$)	Dec. 31,2024	Dec. 31,2023	Comments
Cash and cash equivalents	176	132	Paid out dividend of \$586 million during the year
VLGCs & newbuildings	-	934	Sold 16 VLGCs during the year, four in H1 and twelve in H2
Assets held for sale - MGCs	57	-	Four MGCs sold to Exmar to be closed in 2025
Shares in BW LPG	215	-	30% share settlement as a part of the VLGC fleet sale to BW LPG
Other assets	9	88	Majority of the outstanding freight payments have been received
Total assets	457	1,154	
Current liabilities	3	26	Accounts payable to vendors
Interest bearing loan	-	524	All interest-bearing debt has been repaid following VLGC fleet sale
Total shareholders' equity	454	604	99% equity ratio
Total liabilities and shareholders equity	457	1,154	

Pro forma financial key figures 2025 (million \$)	1H 2025	Comments
G&A	(7)	Cost cutting already implemented and will continue into 2025
Gain on disposal of assets	34	Gain on MGC sale of \$34 million to be booked in Q1
Finance income	1	Interest income on cash deposit
Fair value adjustment BW LGP shares ¹	35	FV adjustment of the ~19.3 million BW LPG shares from 31.12.24
Net profit	63	

1) BW LPG share price year end: \$11.16/share. As of February 11, 2025: \$13.0/share

CASH FLOW BRIDGE

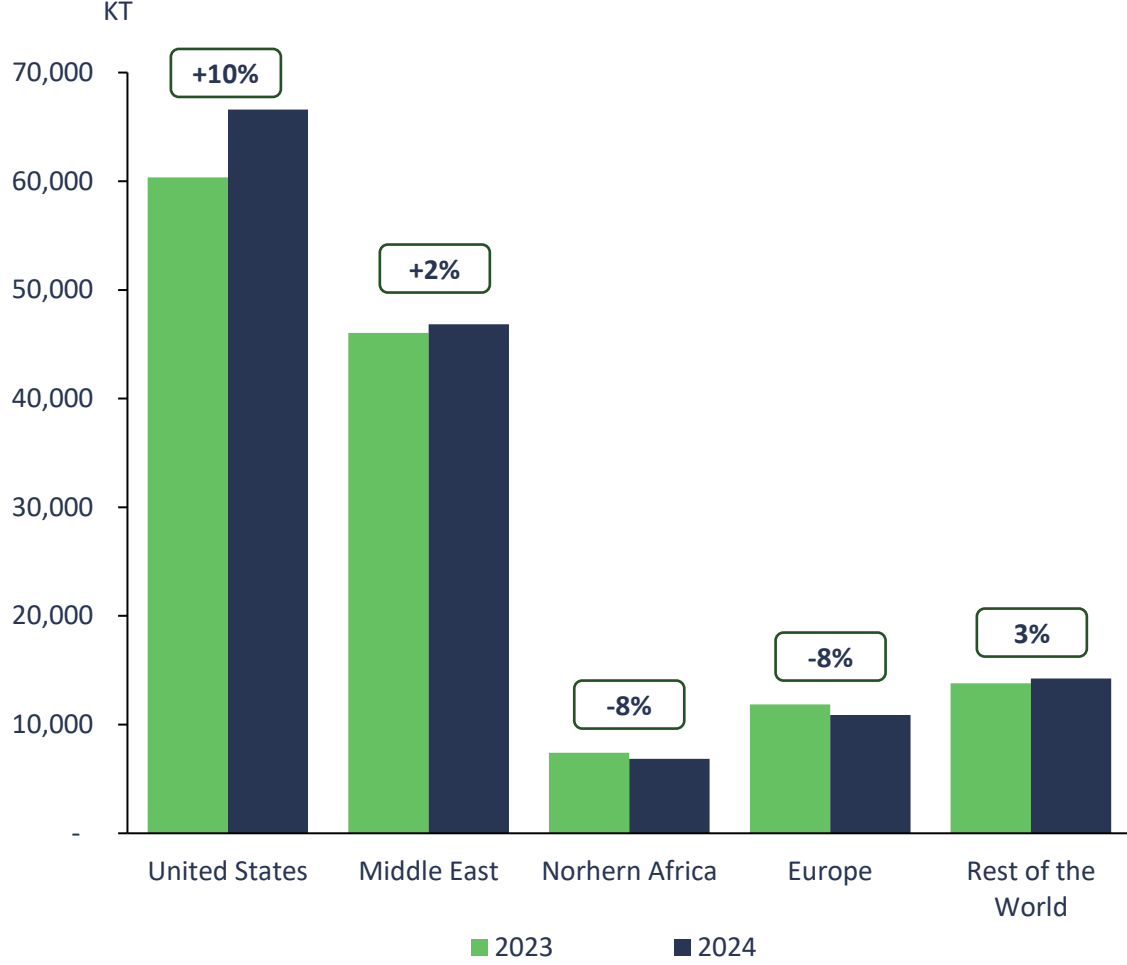


1) The BW LPG share distribution does not have any cash flow effect
 2) Timing dependent on when the reimbursement is received

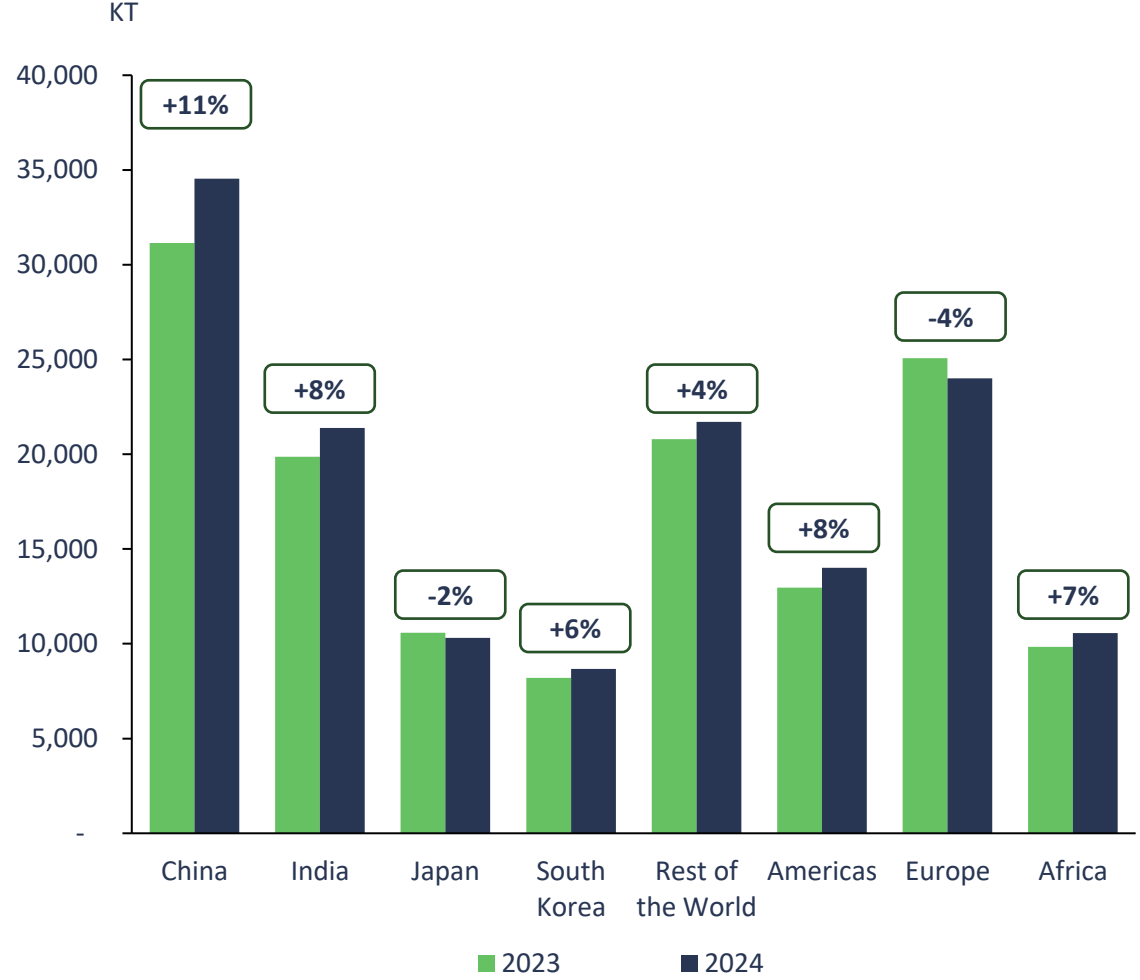
US PRODUCTION GROWTH REMAINS THE KEY DRIVER



Seaborne LPG export¹



Seaborne LPG Import²



Source: Kpler, as of January 23, 2025

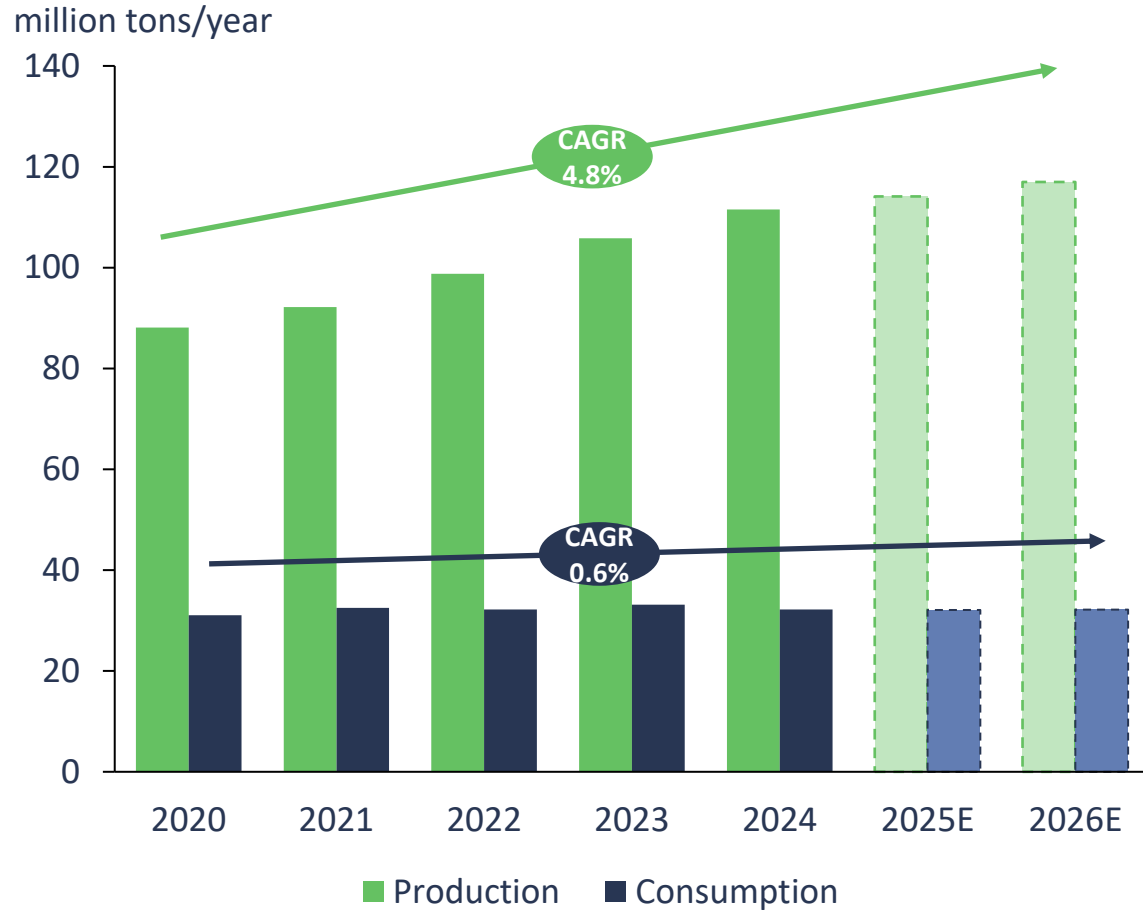
(1) Kpler export data for all vessel classes

(2) Kpler import data based on cargo destination for all vessel classes

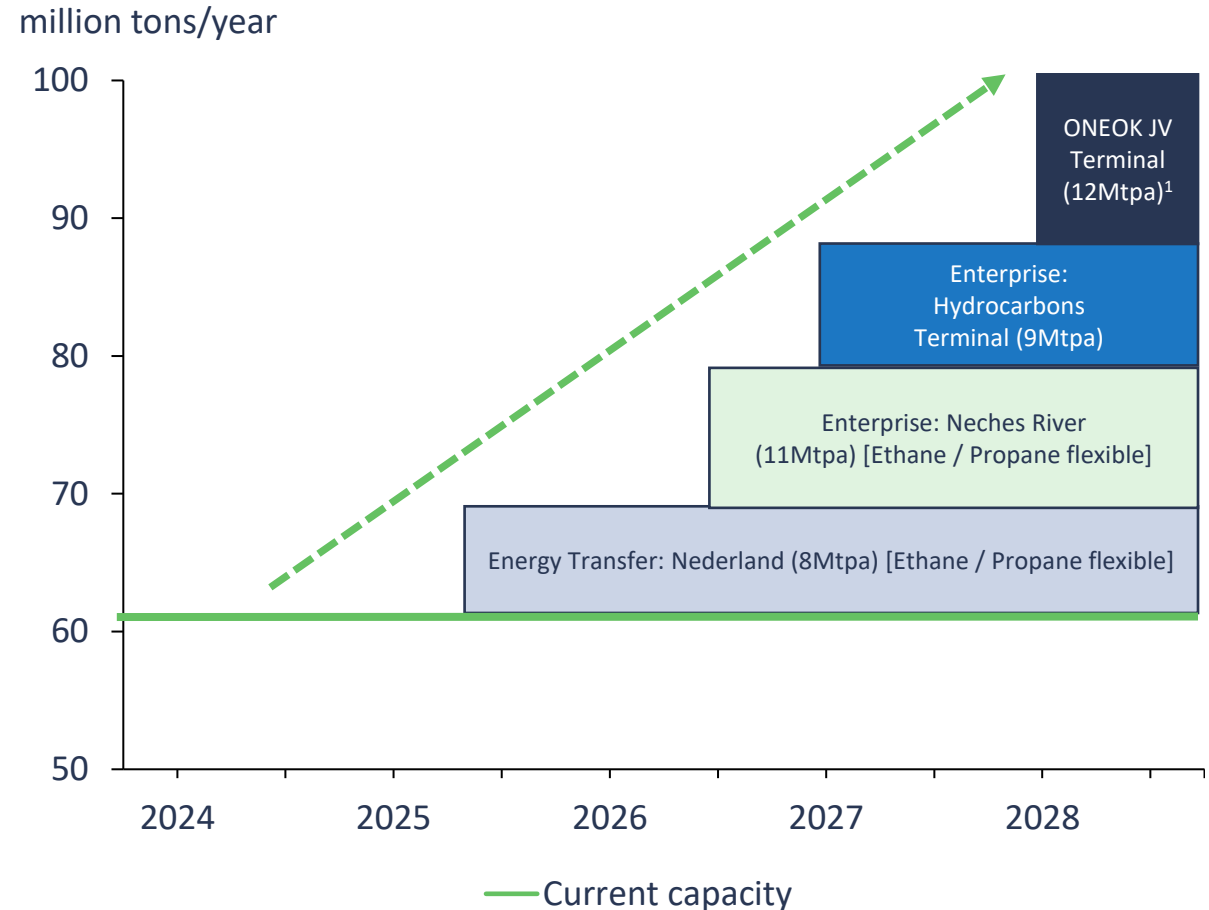
US EXPORT CAPACITY SET TO RAMP UP



US LPG production and consumption



US LPG export capacity



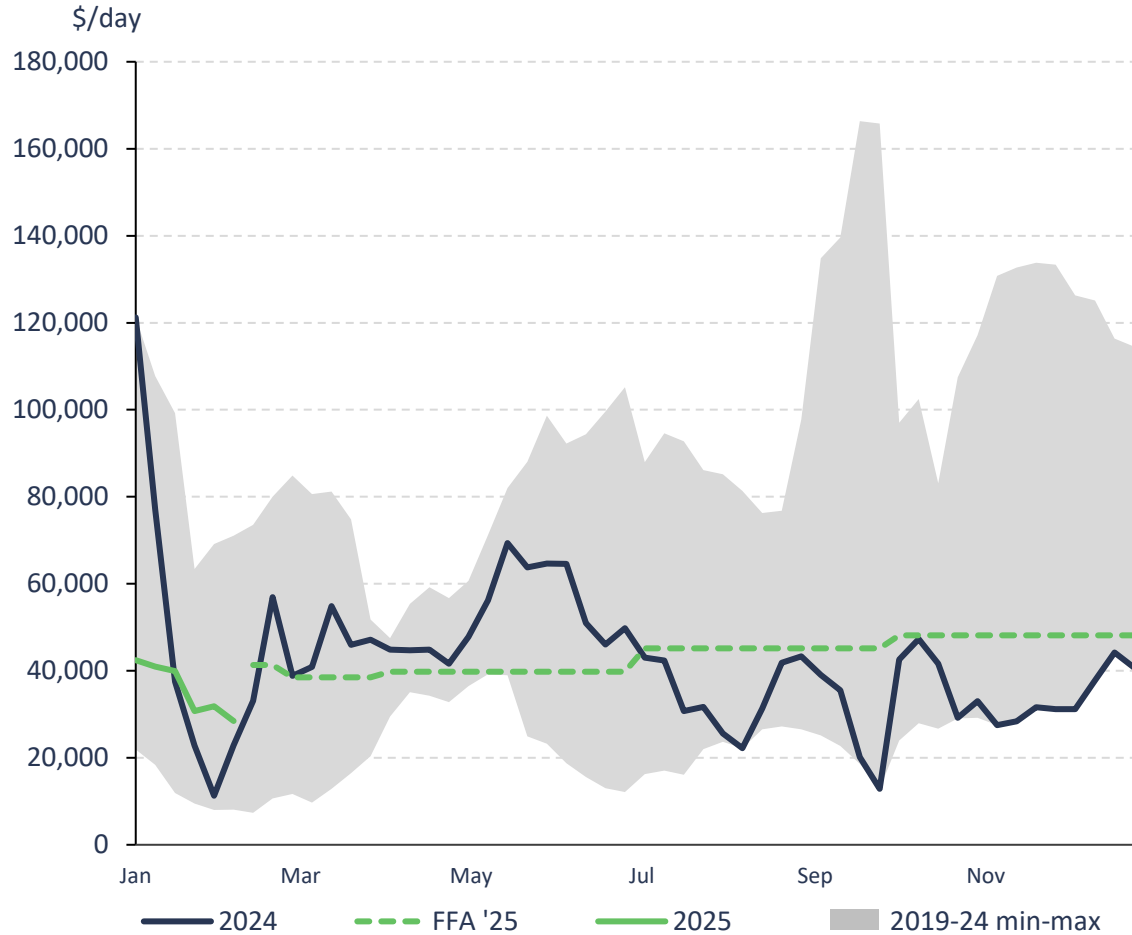
Source: EIA STEO January 2025, propane and butane from Natural Gas Processing Plants and Refinery, conversion factor barrels/tons 12.4 propane and 10.8 butane. US Consumption basis propane and butane. BW LPG, ONEOK

1) Loading throughput is expected to be primarily low ethane propane (LEP) and normal butane

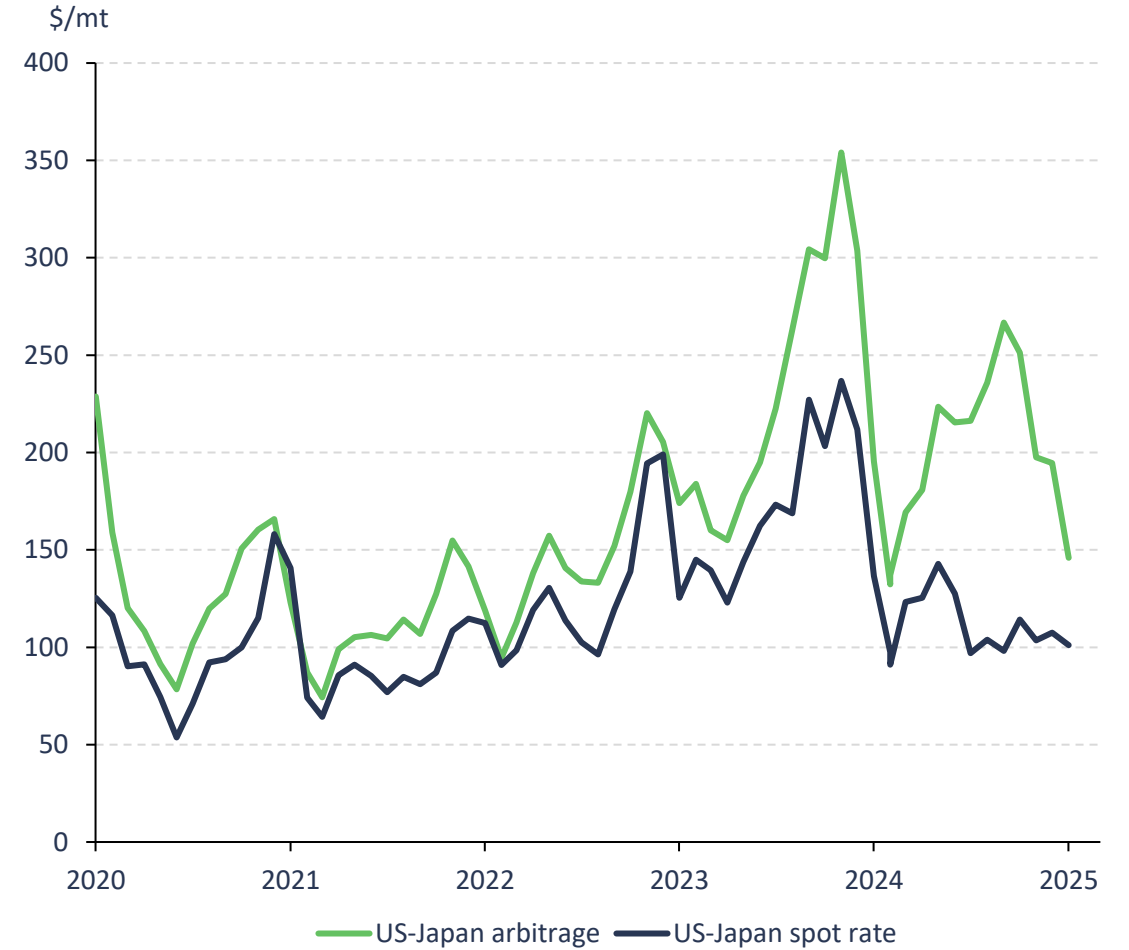
FREIGHT MARKET STABILIZED BUT STILL GAP TO ARBITRAGE LEVELS



US Spot freight rates in TCE/day



US-EAST price arbitrage vs rate



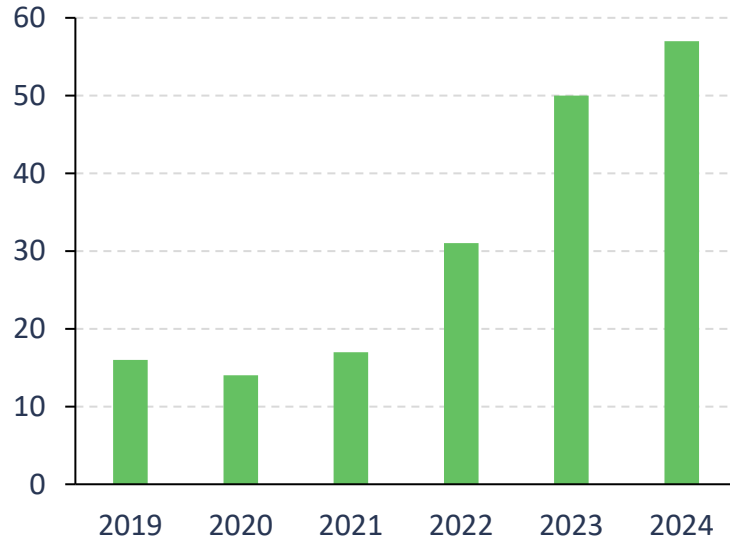
Source: Fearnleys, Clarkson, Braemar and Company estimates

WATCH OUT FOR US SANCTIONS ON FLEET INVOLVED IN IRANIAN TRADE



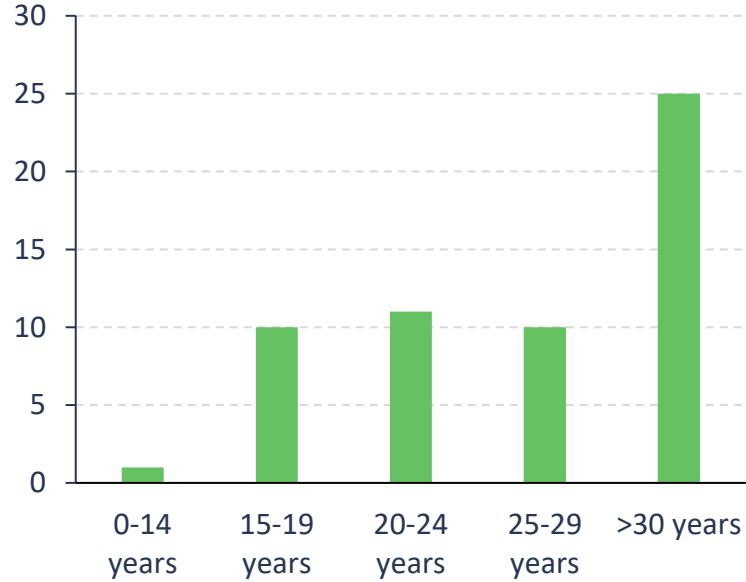
VLGCs involved in the Iranian trade

~14% of the global VLGC fleet involved in the Iranian trade. 7% of global LPG seaborne export from Iran



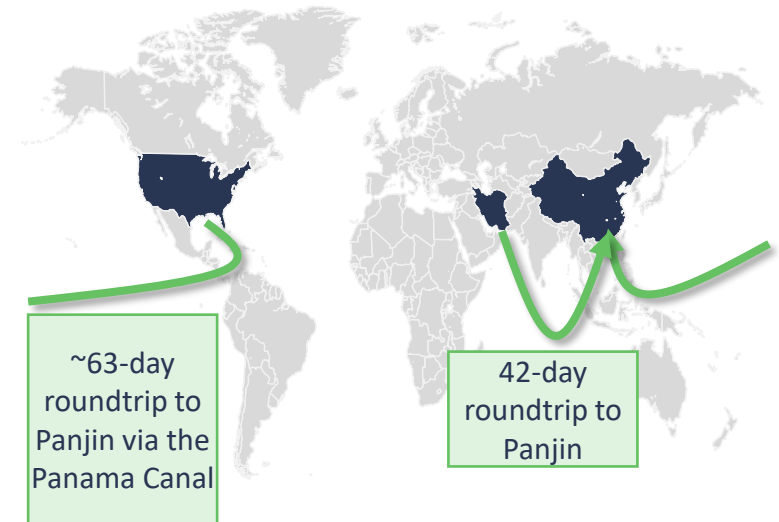
Age of fleet involved in Iran trade

~35 vessels older than 25 years have been involved in Iran trade



Ton-mile

~78% of Iranian oil transported to China. Volume likely to be replaced by US/Saudi in event of shut-ins



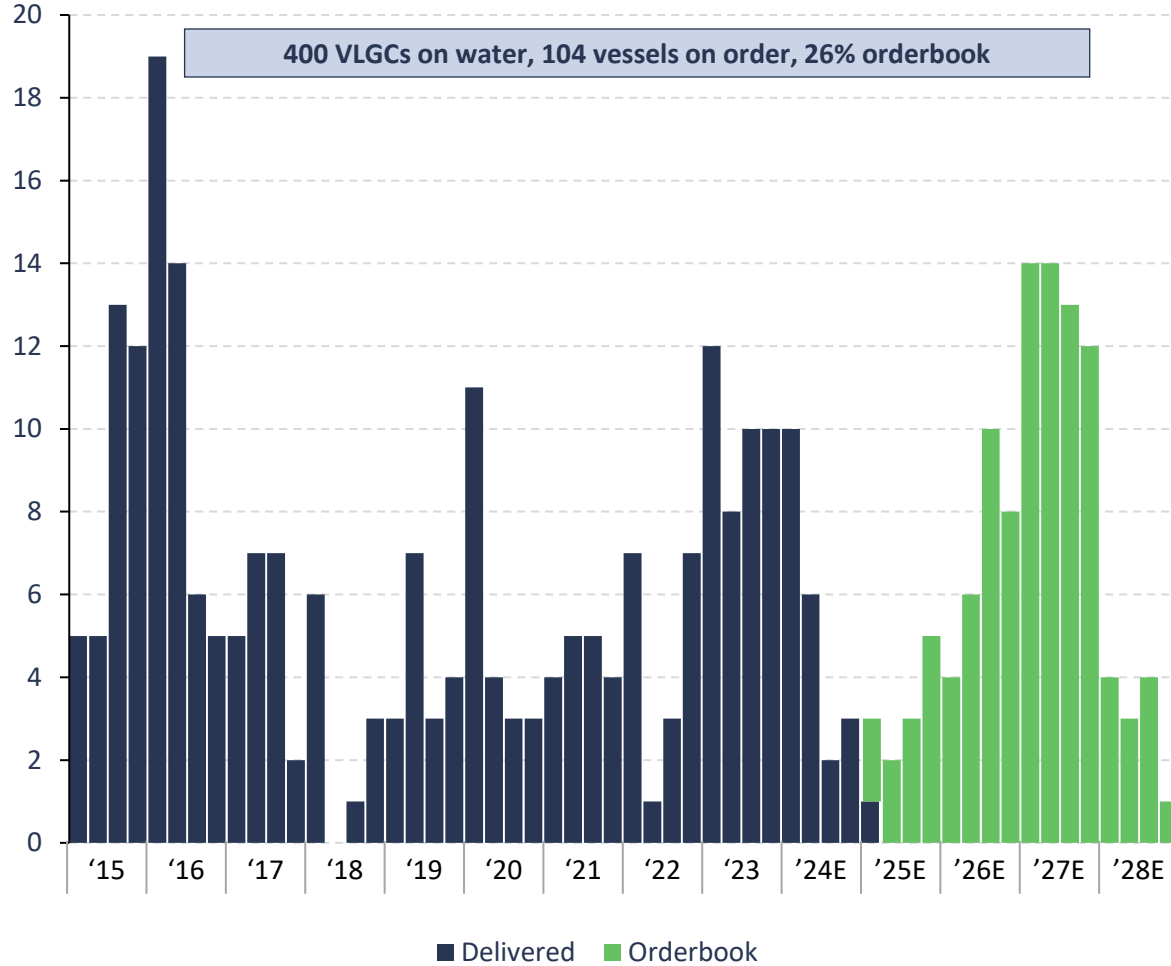
If Maximum pressure 2.0 force out Iranian volumes, we will likely see both increased scrapping and increased ton-mile demand

Source: Fearnelys, Gibsons, Kpler

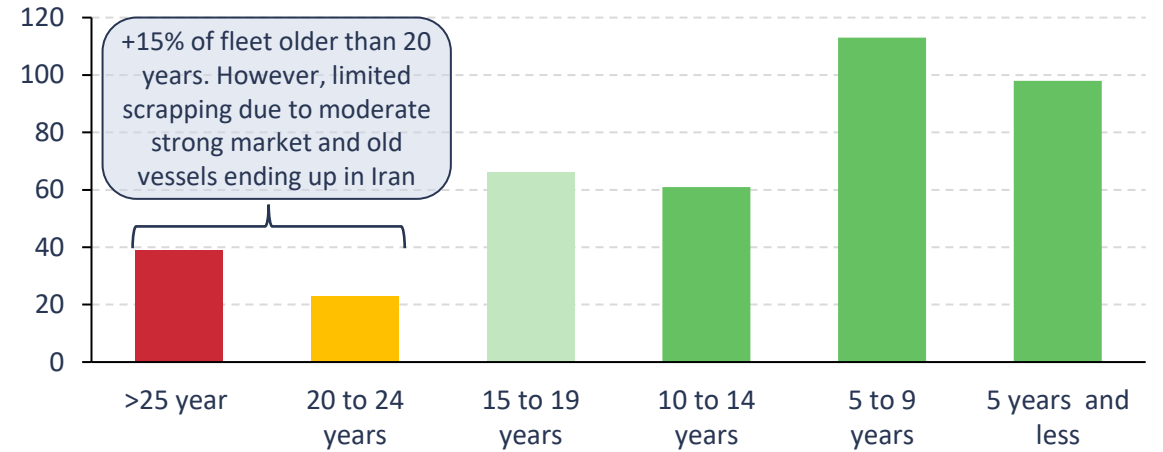
MODERATE FLEET GROWTH UNTIL 2027



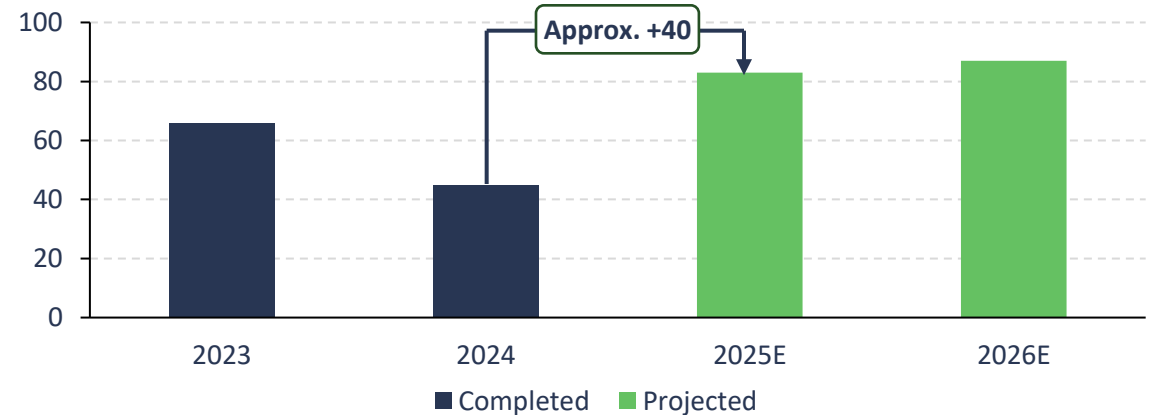
Delivery schedule



Aging fleet



Expected dry-dockings



Source: Clarksons SIN as of February 7, 2025, VesselsValue

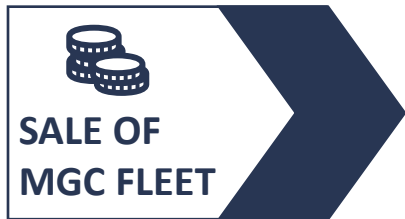
Q4 HIGHLIGHTS



Q4-24 Net profit of \$210 million & Earnings per Share (EPS) of \$2.74
Q4-24 adjusted Net profit of \$13 million & adjusted EPS of \$0.18¹
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1) Excluding gain on sale, fair value adjustment of the BW LPG investment and \$6m dividend income on BW LPG shares



Avance Gas

Q&A and Appendix



APPENDIX – COMMENTS TO THE INCOME STATEMENT



Income Statement (in thousands \$)	Q4 2024 3-months	Q3 2024 3-months	Variance 3-months
Operating revenue	44,764	62,590	(17,826)
Voyage expenses	(18,631)	(16,951)	(1,680)
Operating expenses	(7,735)	(10,336)	2,601
Administrative and general expenses	(4,256)	(1,458)	(2,798)
Operating profit before depreciation expense	14,142	33,845	(19,703)
Depreciation and amortisation expense	(4)	(5,021)	5,017
Gain on sale	287,428	-	287,428
Operating profit	301,566	28,824	272,742
Finance Expense	(2,115)	(5,464)	(3,349)
Change in fair value adjustment	(96,723)	-	(96,723)
Finance Income	7,644	2,381	5,263
Foreign currency exchange gains (losses)	(91)	50	(141)
Tax expense	(117)	-	(117)
Net profit	210,164	25,791	184,373
Earnings per share:			
Basic	2.74	0.34	2.40
Diluted	2.73	0.33	2.40

- TCE earnings of \$26.1 million, compared to \$45.6 million for the third quarter. Adjustment related to the IFRS 15 resulted in an increase in TCE earnings of \$5.3 million or \$7,100/day compared to an increase in TCE earnings of \$3.4 million or \$3,200/day for the third quarter 2024. The TCE increased by \$0.3 million FFA and bunker hedges gains during the quarter compared to a gain of \$1.4 million for the third quarter
- Operating expenses (OPEX) were \$7.7 million, equalling a daily average of \$10,100/day. This compares to \$10.3 million or \$9,400/day for the third quarter. Operating expenses decreased due to less calendar days while the increase per day is explained by an increase in unbudgeted expenses.
- Administrative and general (A&G) expenses for the quarter were \$4.3 million, compared to \$1.5 million in the third quarter, representing an average per ship of \$5,600/day and \$1,300/day respectively. The increase in A&G relates to settlement of lapsing employee share options during the fourth quarter. Excluding this non-recurring effect, the A&G/day was \$1,900 for the fourth quarter, with the increase explained by less calendar days.
- Non-operating expenses, consisting of finance expenses, finance income and foreign exchange gain, were \$91.3 million, compared to \$3.0 million in the third quarter. The significant increase is due to financial loss from the equity investment in BW LPG, as the shares are measured at fair value at the reporting date. The share price decreased from \$16.18/share on August 15 to \$11.16/share on December 31, resulting in a fair value adjustment of \$96.7 million
- Avance Gas reported a net profit of \$210.2 million for the fourth quarter 2024, or \$2.74 per share, compared with a net profit of \$25.8 million, or \$0.34 per share for the third quarter. The net profit adjusted (excluding gain on vessel sales, changes in fair value and dividend income of the BW LPG investment) for the fourth quarter was \$13.5 million, or \$0.18 per share.

APPENDIX – COMMENTS TO THE BALANCE SHEET



Balance Sheet (in thousands \$)	31.12.2024	30.09.2024	Variance 3-months
ASSETS			
Cash and cash equivalents	176,021	192,585	(16,564)
Trade and other receivables	7,816	6,763	1,053
Inventory	-	7,621	(7,621)
Prepaid expenses and other current assets	1,597	11,530	(9,933)
Derivative financial instruments (current)	-	2,783	(2,783)
Assets held for sale	56,744	745,242	(688,498)
Shares in BW LPG	215,180	-	215,180
Total current assets	457,358	966,524	(509,166)
Property, plant and equipment (PPE)	-	52	(52)
Newbuildings	-	50,223	(50,223)
Derivative financial instruments (non-current)	-	1,029	(1,029)
Total non-current assets	-	51,304	(51,304)
Total assets	457,358	1,017,828	(560,470)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current portion of interest-bearing debt	-	362,835	(362,835)
Trade and other payables	803	5,378	(4,575)
Derivative financial instruments	-	59	(59)
Other current liabilities	2,623	7,444	(4,812)
Total current liabilities	3,435	375,716	(372,281)
Long-term debt	-	122,712	(122,712)
Total non-current liabilities	-	122,712	(122,712)
Share capital	774	774	-
Paid-in capital	432,191	432,191	-
Contributed capital	94,574	94,884	(310)
Retained (loss)/income	(62,301)	(4,325)	(57,976)
Treasury shares	(11,351)	(11,351)	-
Accumulated other comprehensive income	36	7,227	(7,191)
Total shareholders' equity	453,923	519,400	(65,477)

- Assets held for sale reduced by \$688.5 million due to the sale of the VLGC fleet partly offset by the MGCs being reclassified from Newbuildings to Assets held for sale in the quarter.
- The 19.282 million shares in BW LPG were recorded as current asset measured at fair value of \$215.2 million on December 31, 2024, based on the quoted share price of \$11.16/share.
- All remaining derivative positions were terminated during the quarter.
- Total outstanding interest-bearing debt was fully repaid or novated in the quarter. Avance Gas has no loan covenants on December 31, 2024.
- Total shareholders' equity was \$453.9 million at quarter end and decreased by \$65.5 million during the quarter mainly due to paid dividend of \$268.1 million and decrease in other comprehensive income of \$7.2 million, which was partly offset by net profit of \$210.1 million

APPENDIX – COMMENTS TO THE CASH FLOW



Cash flow statement (in thousands \$)	Q4 2024 3-months	Q3 2024 3-months	Variance 3-months
Cash flows from operating activities:			
Cash generated from operations	27,984	51,145	(23,161)
Interest paid	(6,993)	(6,144)	(849)
Payment of cash settled share option	(3,145)	(797)	(2,348)
Net cash flows from operating activities	17,846	44,204	(26,358)
Cash flows from (used in) investing activities:			
Net cash proceeds from sale of asset	592,224	(1,000)	593,224
Capital expenditures	(6,732)	(6,528)	(204)
Net cash flows from (used in) investing activities	585,492	(7,528)	593,020
Cash flows from (used in) financing activities:			
Dividends Paid	(268,076)	(103,401)	(164,675)
Repayment of long-term debt	(361,416)	(9,796)	(351,620)
Proceeds from loans and borrowings, net of transaction costs	-	(2)	2
Dividends received	5,962	-	5,962
Cash settlement on terminated derivatives	4,400	700	3,700
Net cash flows (used in) financing activities	(619,130)	(112,500)	(506,630)
Net (decrease) in cash and cash equivalents	(15,792)	(75,824)	60,032
Cash and cash equivalents at beginning of period	192,585	268,287	(75,702)
Effect of exchange rate changes on cash	(772)	122	(894)
Cash and cash equivalents at end of period	176,021	192,585	(16,564)

- Cash and cash equivalents were \$176.0 million on 31 December 2024, compared to \$192.6 million on 30 September 2024.
- Cash flows from operating activities was \$17.8 million for the fourth quarter, compared with \$44.2 million for the third quarter. The reduction is explained by a combination of lower freight rates and fewer operating days due to the delivery of the VLGC fleet during the quarter.
- Net cash flows from investing activities was \$585.5 million due to the sale of the VLGC fleet to BW LPG. We had capital expenditures of \$6.7 million primarily related to pre-delivery instalment for MGC 3. This compares with a net cash flow used in investing activities of \$7.5 million for the third quarter which was due to broker commission from a vessel sale of \$1.0 million and capital expenditures of \$6.5 million relating to pre-delivery instalment for MGC 2.
- Net cash flow used in financing activities was \$619.1 million, primarily driven by repayment of debt of \$361.4 million and payment of dividend of \$268.1 million, offset by dividends received of \$6.0 million and cash settlement on terminated interest rate swaps of \$4.4 million.



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