

DNB ENERGY & SHIPPING CONFERENCE



Oslo
March 7, 2024



Avance Gas

FORWARD LOOKING STATEMENTS



Matters discussed in this announcement may constitute forward-looking statements. All statements other than statements of historical facts included in this announcement, including those regarding Avance Gas' plans, strategies, business prospects, changes and trends in its business and the markets which it operates are forward-looking statements. These forward-looking statements may, but not necessarily, be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will", "would", "can", "could" or, in each case, their negative, or other variations or comparable terminology and similar expressions. The forward-looking statements in this release are based upon various assumptions and may not be guaranteed, many of which are based, in turn, upon further assumptions. Although Avance Gas believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice. Avance Gas undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for Avance Gas to predict all of these factors. Further, Avance Gas cannot assess the impact of each such factors on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statements.

This information is subject to disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act

RECENT HIGHLIGHTS



Q4-23 TCE (discharge-to-discharge) of \$76,200/day, slightly ahead guidance ~\$70-75,000/day
Q4 Net Profit of \$61 million and EPS of \$0.80, second best quarterly results ever
FY-23 Net Profit of \$164 million and EPS of \$2.14, second best full year results ever



Two vessel (2008-built) sales completed in January & February at sales price of \$60m and \$66m respectively
Sale of Avance Castor & Pollux - Sales price en bloc \$240 million, profit \$72 million & cash release \$120 million
Entered one-year variable Time Charter for the dual fuel Avance Polaris (2022) until Q1-24 with energy major



Declared Q4 dividends of \$0.65 per share - annualized dividend yield of ~24%⁽¹⁾
Dividend for FY2023 of \$2.15 per share - annualized ~20% dividend yield⁽¹⁾
Mgt plan to seek AGM authorization to reduce paid-in capital in relation to sale of DF VLGC newbuildings



Cold weather in the US caused a slump in freight rates beginning of 2024
Freight market has since rebounded and FFA rates are currently at \$46,300⁽²⁾ for Q2-Q4 2024
Guided Q1-24 ~70% booked at an average TCE of ~\$70,000/day on discharge-to-discharge incl. FFA hedges

(1) Annualised yield given share price of NOK 115 with USDNOK 10.55

(2) Average FFA BLPG1 (Ras Tanura/AG) and BLPG3 (Houston/Chiba) as of March 6, 2024

THE EVOLVING LIFE OF THE AVANCE FLEET





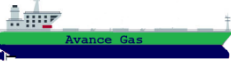

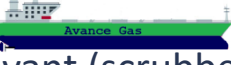
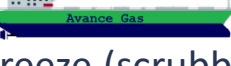


16 Vessels ¹	8 Dual-fuel vessels
Avg. Age ~ 4.7 years ²	6 Scrubber fitted vessels

2008/2009 class

	SOLD
Venus Glory (2008)	
	SOLD
Iris Glory (2008)	
	SOLD
Promise (2009)	
	SOLD
Providence (2008)	
	SOLD
Thetis Glory (2008)	



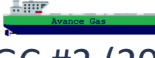
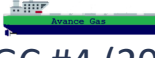
2015 eco class

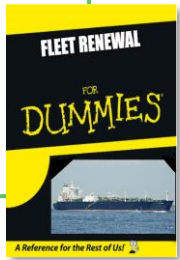
	
Chinook	Mistral (scrubber)
	
Pampero	Monsoon (scrubber)
	
	Passat (scrubber)
	
	Sirocco (scrubber)
	
	Levant (scrubber)
	
	Breeze (scrubber)

DF class

	Polaris (2022)
	Capella (2022)
	Rigel (2023)
	Avior (2023)
	Castor (2024)
	Pollux (2024)

MGC/MACs

	MGC #1 (2025)
	MGC #2 (2026)
	MGC #3 (2026)
	MGC #4 (2026)



(1) Including vessels under construction, but excluding vessels held for sale
 (2) Incl. VLGC and MGC newbuilds (assumed zero age), but excluding vessel held for sale

EMPLOYMENT OVERVIEW



Vessel	Size (CBM)	Built	EGCS	LPG	NH3	2024				2025			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Iris Glory	83 700	2008			v	Vessel sold at \$60m							
Venus Glory	83 700	2008			v	Vessel sold at \$66m							
Breeze	83 000	2015	v			[Green]				[Green]			
Chinook	83 000	2015				[Blue]		[Green]		[Green]			
Levant	83 000	2015	v			[Green]				[Green]			
Mistral	83 000	2015	v			[Green]				[Green]			
Monsoon	83 000	2015	v			[Green]				[Green]			
Pampero	83 000	2015				[Dark Blue]				[Green]			
Passat	83 000	2015	v			[Green]				[Green]			
Sirocco	83 000	2015	v			[Green]				[Green]			
Polaris	91 000	2022		v		[Blue]				[Green]			
Capella	91 000	2022		v		[Green]				[Green]			
Rigel	91 000	2023		v	v*	[Green]				[Green]			
Avior	91 000	2023		v	v*	[Green]				[Green]			
Castor	91 000	2024		v	v	Vessel sold ex-yard at \$120m							
Pollux	91 000	2024		v	v	Vessel sold ex-yard at \$120m							
MGC Newbuild #1	40 000	Q4-2025			v	[Grey]				[Grey]			
MGC Newbuild #2	40 000	Q1-2026			v	[Grey]				[Grey]			
MGC Newbuild #3	40 000	Q2-2026			v	[Grey]				[Grey]			
MGC Newbuild #4	40 000	Q4-2026			v	[Grey]				[Grey]			

FFA 1: one scrubber vessel (HFO)

FFA 2: % of one scrubber vessel (HFO)

*Can run on NH3 (ammonia) subject main engine modification, but not carry NH3

\$60k/day

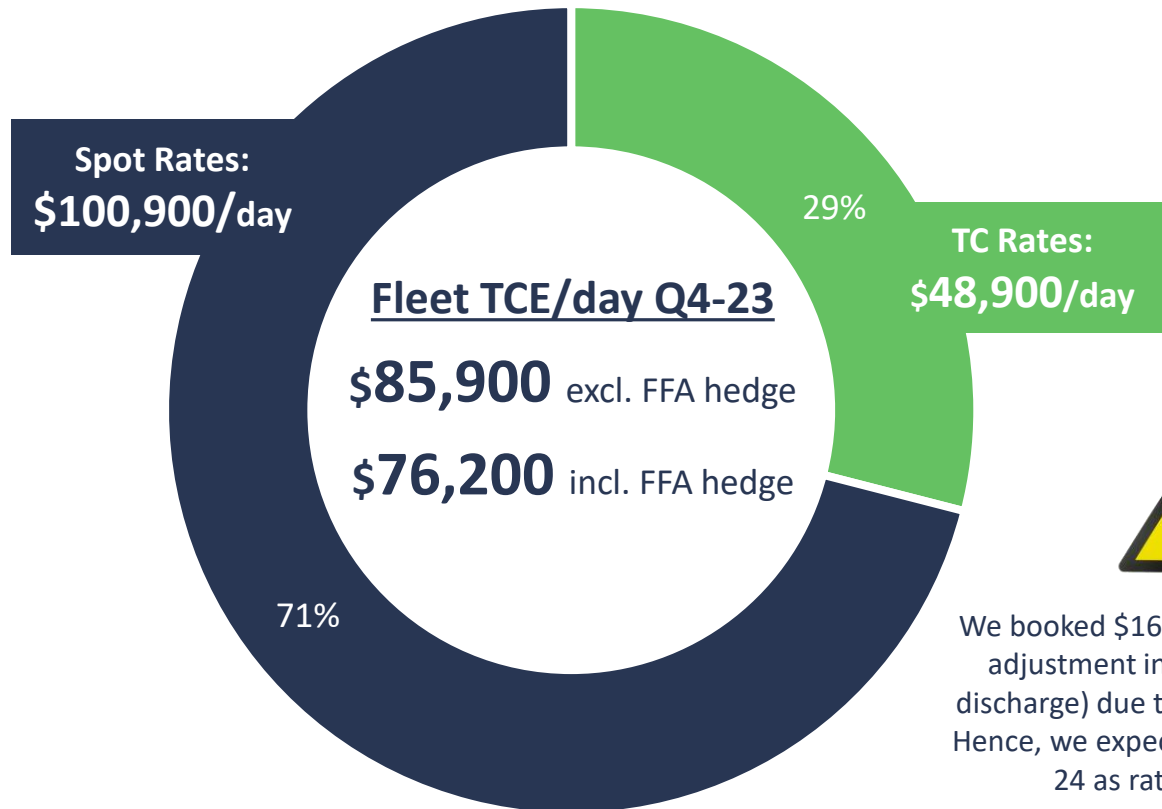
50% at \$70k/day

■ Spot
 ■ Fixed TC
 ■ Variable TC
 ■ FFA
 ■ Yard

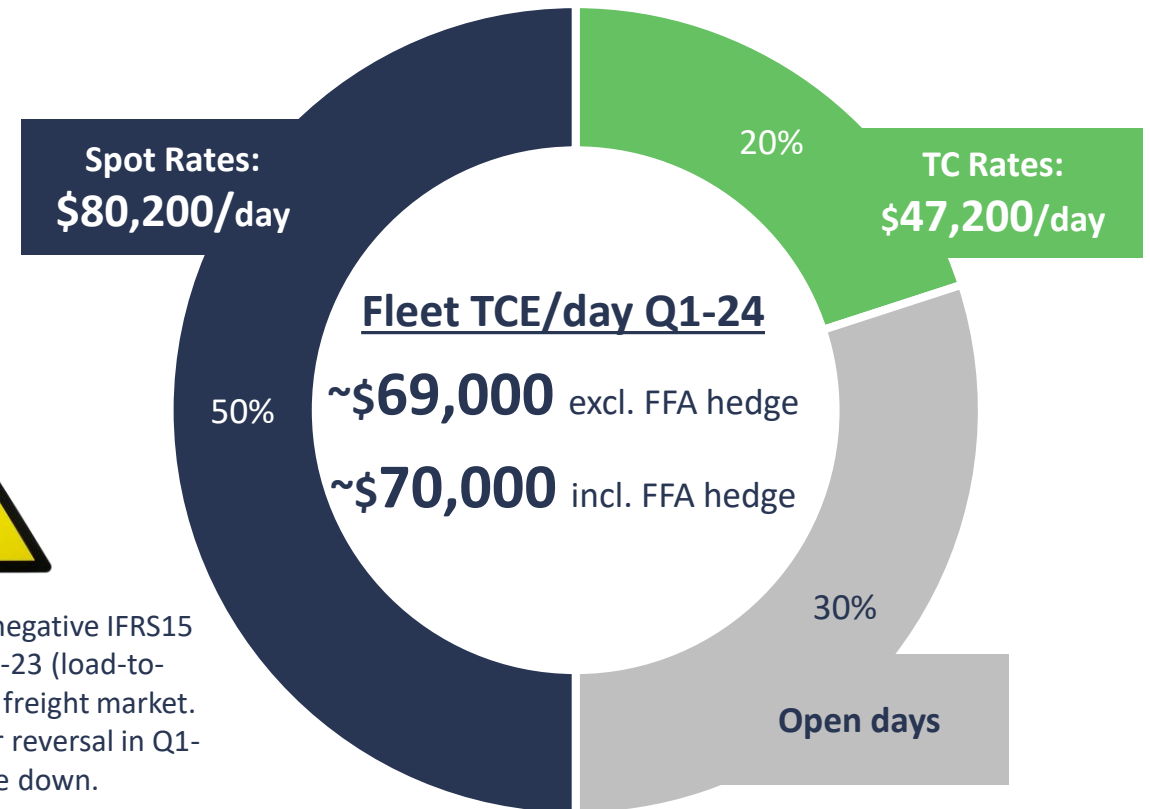
STRONG BOOKINGS BOTH IN Q4-23 AND Q1-24



Q4-23-Commercial Performance¹: (Discharge-to-discharge)



Q1-24-Commercial Guidance²: (Discharge-to-discharge)



We booked \$16.3m in negative IFRS15 adjustment in Q3/Q4-23 (load-to-discharge) due to rising freight market. Hence, we expect major reversal in Q1-24 as rates come down.

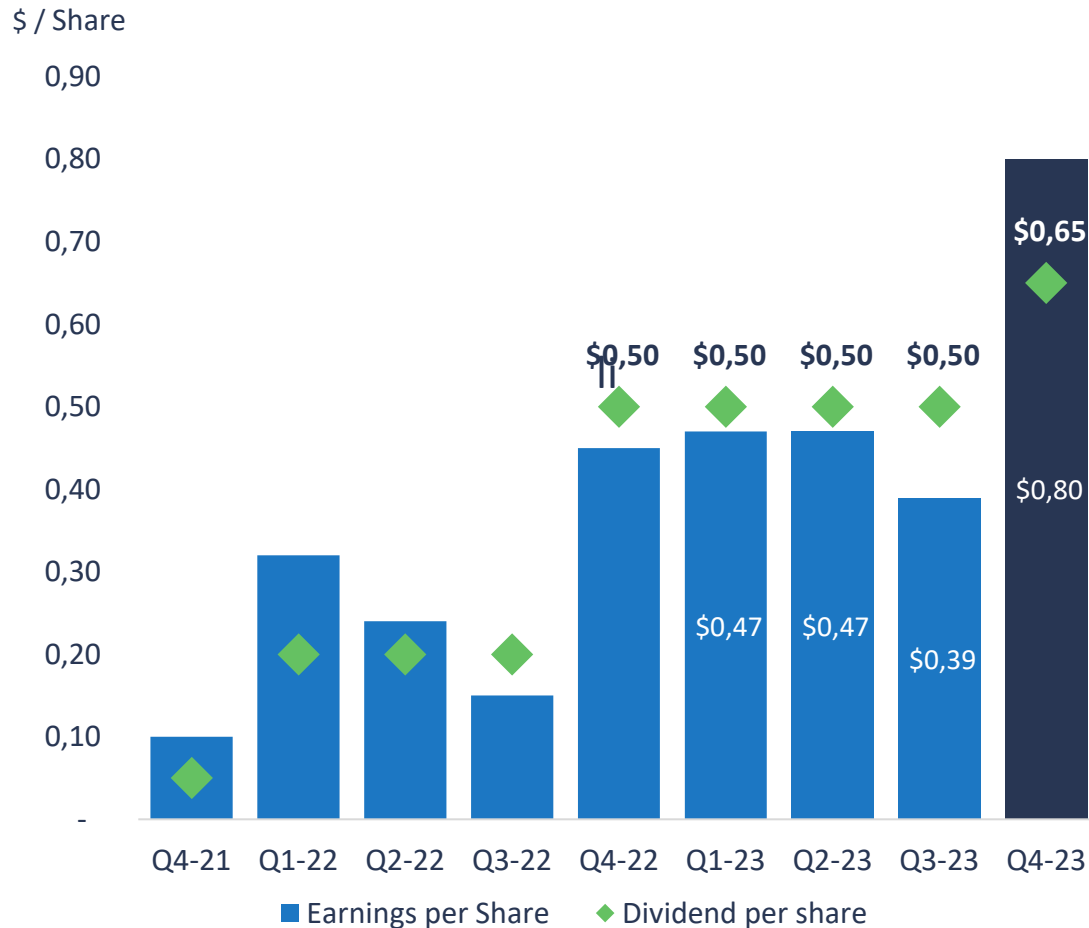
(1) Fleet TCE/day for Q4-23 basis load-to-discharge (reported) was \$71,900/day

(2) Fleet TCE/day guidance is basis discharge to discharge. Load-to-discharge (reporting) figures expected to be \$10-20,000/day higher

RAMPING UP DIVIDEND IN LINE WITH EARNINGS



Dividend distribution



Dividend decision criteria's

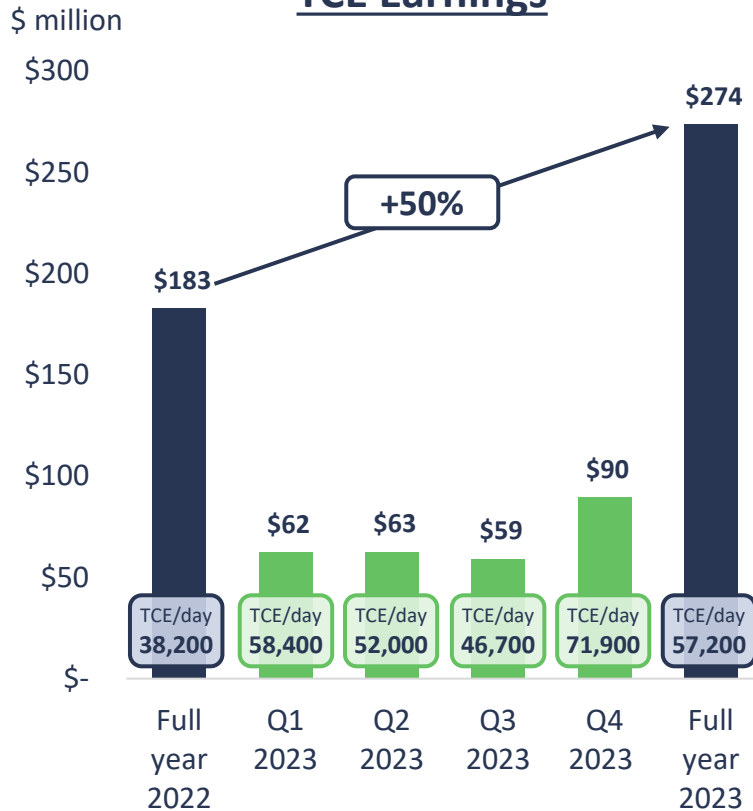
	Q3-23	Q4-23	
1 Earnings and cashflow	✓	✓	Net Profit FY2023 \$164m – second highest ever
2 Market outlook	✓	✓	Q1-24 impacted by cold weather in the US but about to rebound - FFA rates at \$46,300 ⁽¹⁾ for Q2-Q4 2024
3 Backlog and visibility	✓	✓	As of March 24, TC coverage of 32% for 2024 and 6% for 2025 including recent TCs announced and FFAs
4 Liquidity	✓	✓	Solid cash position of ~\$132m end Q4-23, substantial cash release from sale of ships in H1-24
5 Covenant compliance	✓	✓	Significant buffer to all debt covenant thresholds
6 Debt maturities	✓	✓	Staggered debt maturity profile with no debt maturities prior to 2028
7 Capex liabilities	✓	✓	MGCs to be financed closer to delivery, cash balance and cashflow sufficient to fund predelivery CAPEX
8 Other Considerations	✓	✓	Robust balance sheet capable of handling a potential sudden downturn in the market

(1) Average FFA BLPG1 (Ras Tanura/AG) and BLPG3 (Houston/Chiba) as of March 6, 2024

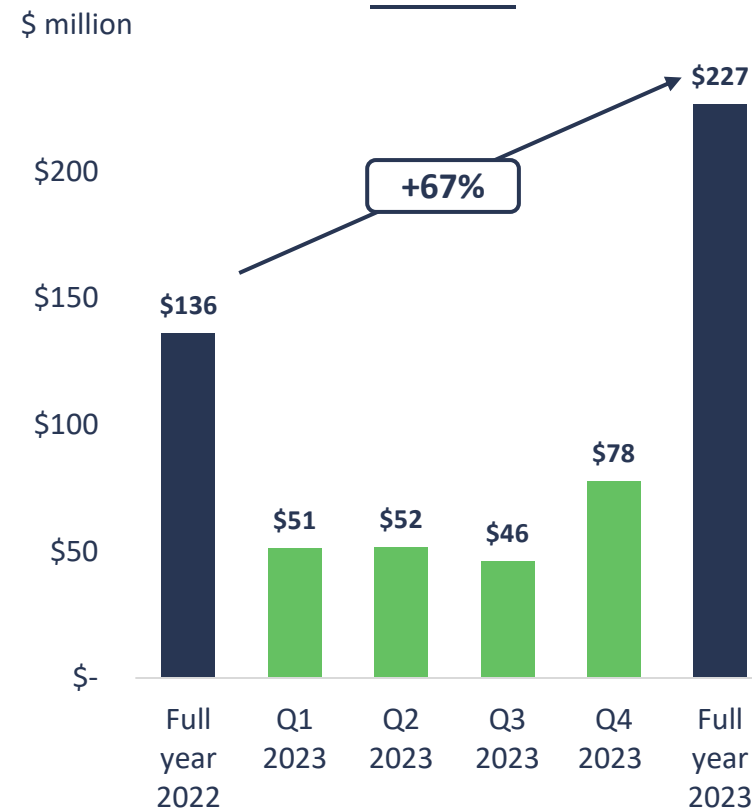
KEY FINANCIAL FIGURES FOR 2023 – SECOND HIGHEST RESULT EVER



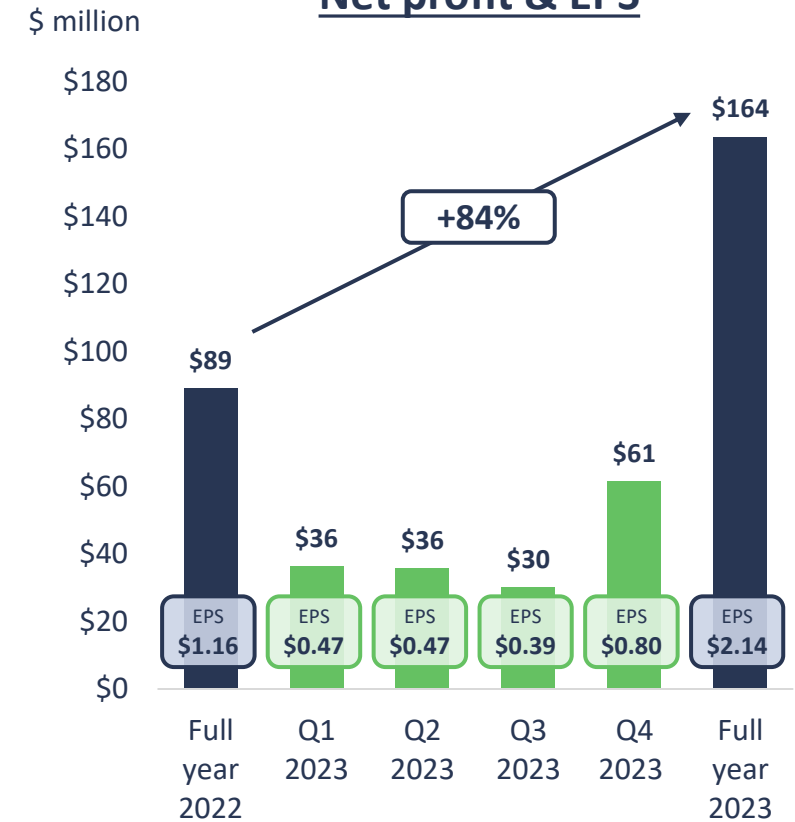
TCE Earnings



EBITDA



Net profit & EPS



- TCE of \$76,200/day for Q4 on discharge-to-discharge basis (\$55,300/day for Q3). TCE on load-to-discharge basis was \$71,900/day (\$46,700/day for Q3).
- Net profit of \$61.5 million (EPS of \$0.80) for Q4. Net profit year of \$163.6 million and EPS of \$2.14 for the full year 2023 (\$89 million and EPS of \$1.16 in 2022).
- Annualised return on equity ~27% basis average shareholders' equity.

ROBUST AND CLEAN BALANCE SHEET



- Total assets consist primarily of 14 VLGCs on water (incl. asset held for sale)
- Two dual fuel VLGCs and four MGCs under construction.

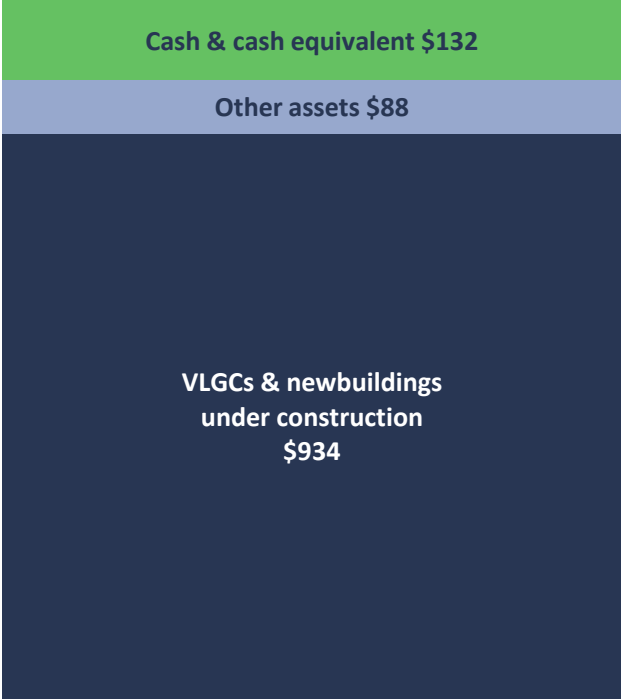


- Significant cash balance of \$132m
- Cash balance to be further strengthened following sales and refinancing in H1-24



- Maintained a strong book equity ratio ~52% at year end
- Net interest-bearing debt over total assets ~39%
- Hedged 100% of outstanding debt for 2024 and 50% for 2025 at SOFR ~3%

Assets (in \$ million) 31.12.23



Total Assets: \$1,154 million

Liabilities & Equity (in \$ million) 31.12.23

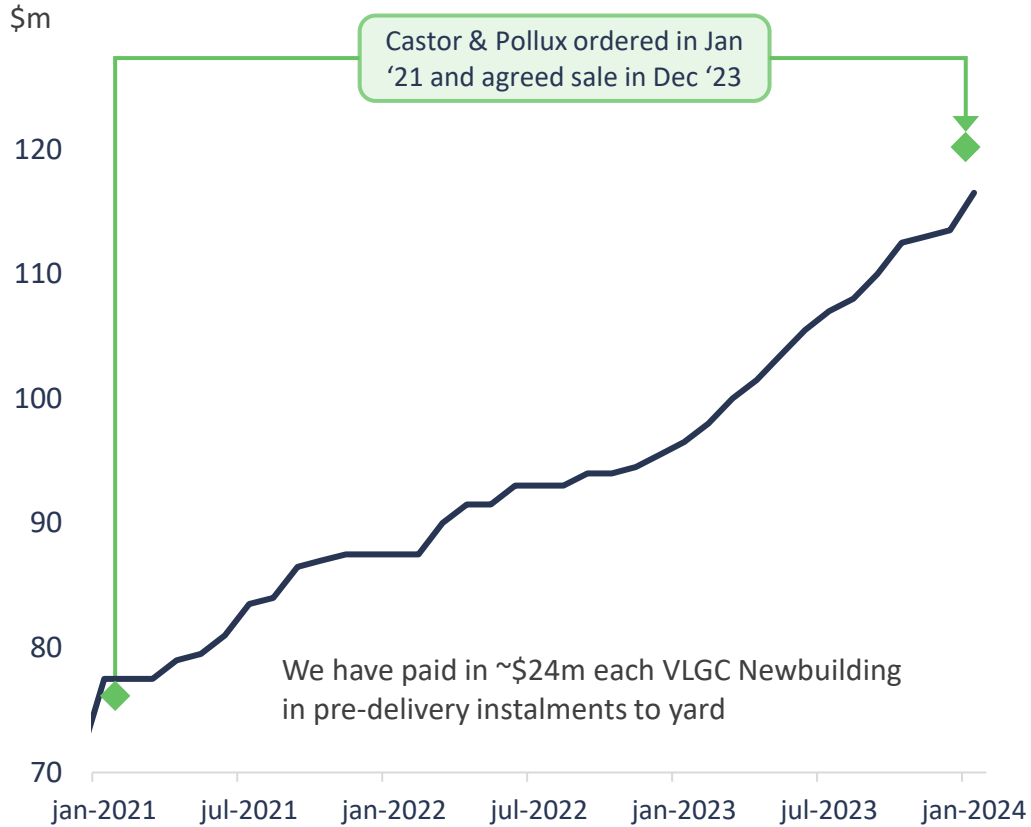


Total Equity & Liabilities: \$1,154 million

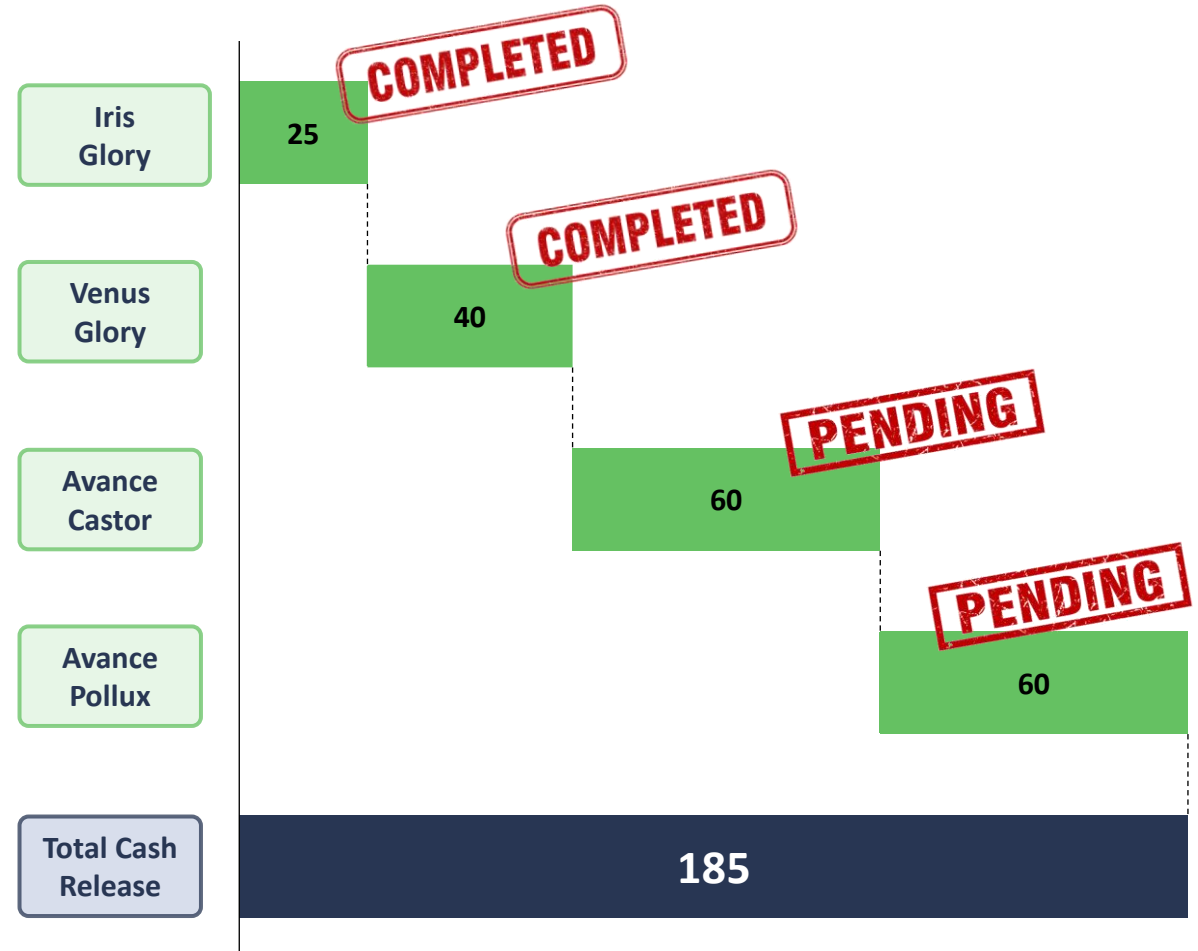
CASH POSITION TO BE BOOSTED BY \$185M FROM SALE OF VESSELS...



Newbuilding price development¹



\$185m cash release from vessel sales



Source: Clarkson and Company estimates
 (1) Newbuilding price, basis an LPG Carrier 88-91k cbm

....AND REFINANCINGS INCREASING PRO-FORMA CASH TO \$362M



\$43 million Bank Term Facility

COMPLETED

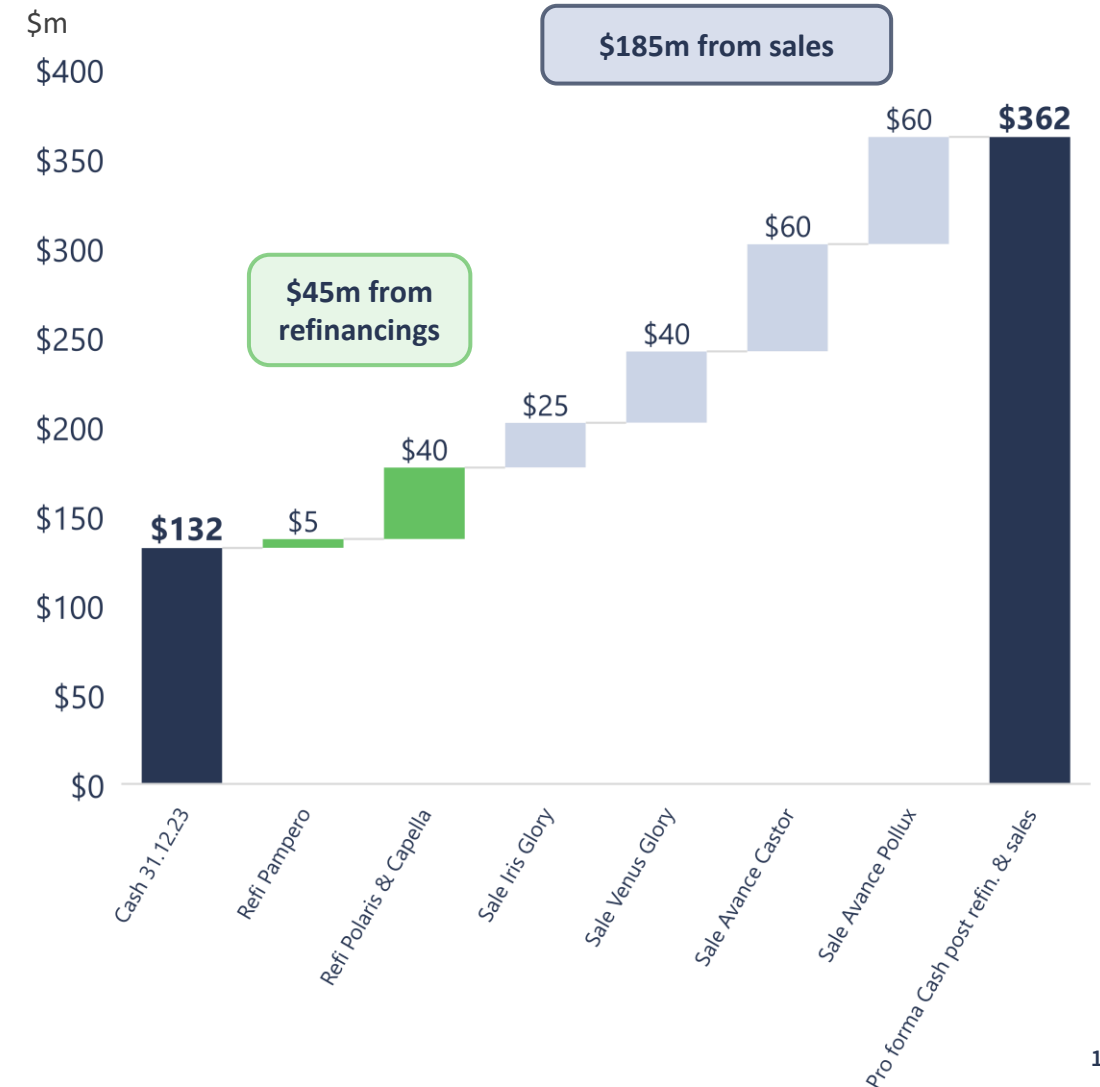
- Financing amount: \$43 million for the VLGC Pampero (2015-built)
- Repayment profile: 20 years age-adjusted
- Maturity: January 2028
- Margin: SOFR + 190bps
- Cash release of ~\$5 million during the first quarter 2024

\$135 million Sale leaseback arrangement

COMPLETED

- Financing amount: \$135 million previously intended for the sold VLGCs Avance Castor & Avance Capella (2024-built) swapped with VLGC Avance Polaris and Avance Capella (2022-built)
- Repayment profile: 24 years age-adjusted
- Maturity: Extended debt maturity from 2027 to 2034
- Re-purchase options in favour of Avance Gas after 2.5 years
- Cash release of ~\$40 million during the first quarter 2024

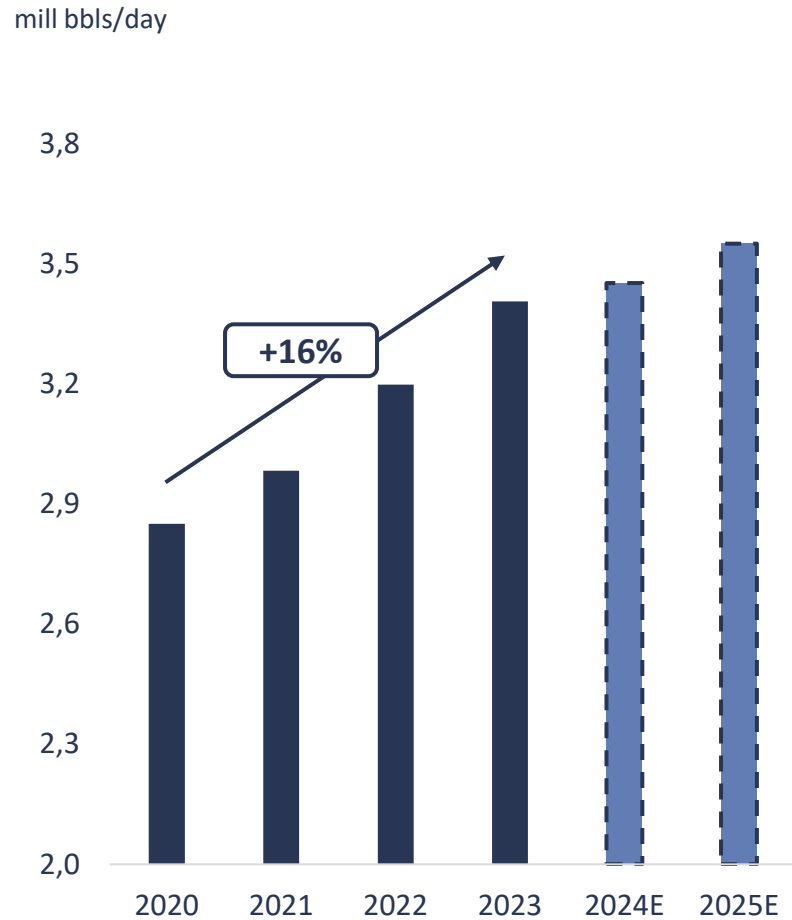
Total Cash post refinancing & sales



STRONG US LPG FUNDAMENTALS



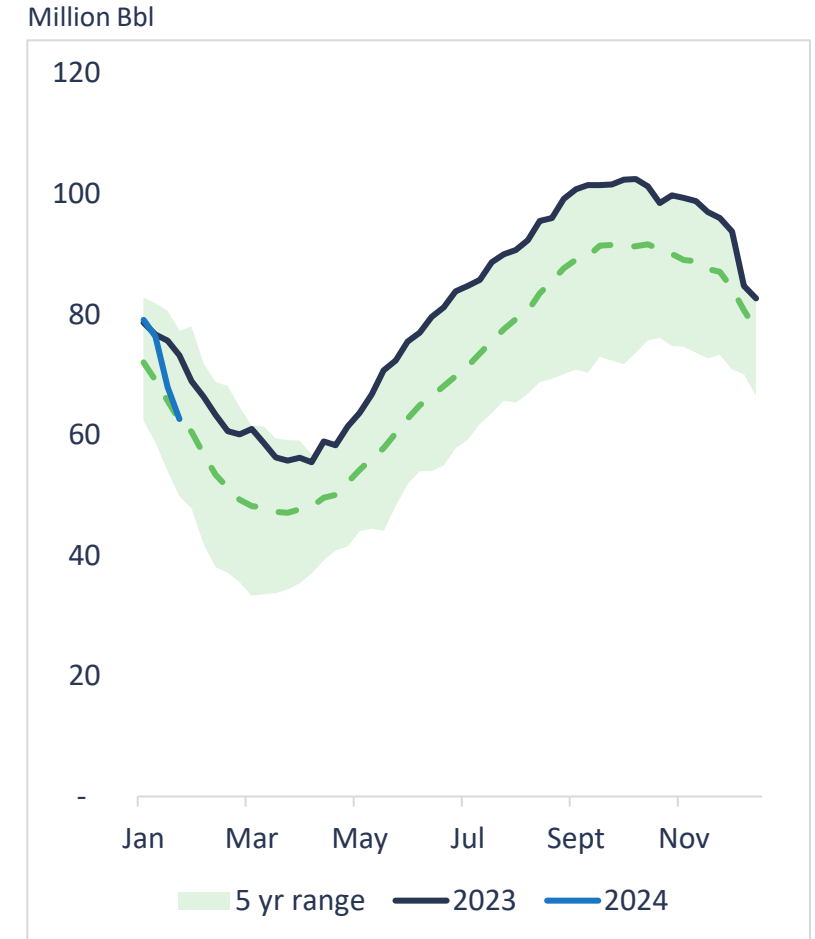
US LPG production continues to increase



US consumption to remain flat



Cold snap brought inventories to average levels

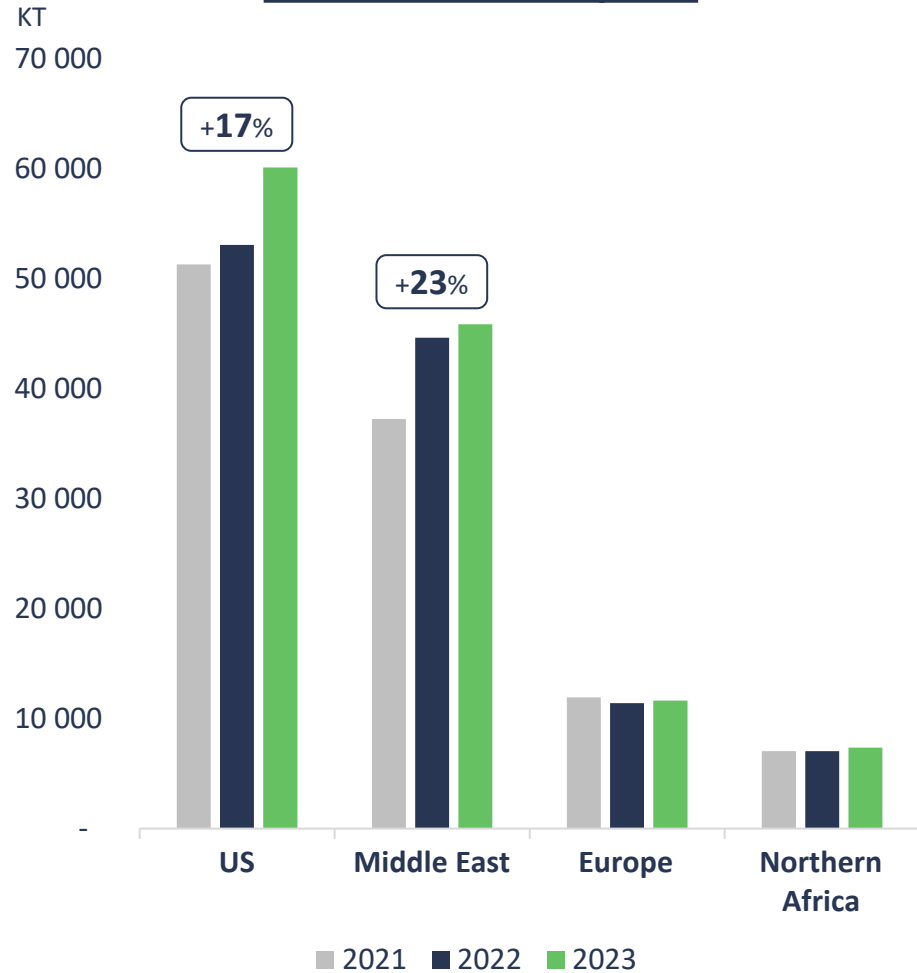


Source: EIA, monthly average propane and butane from Natural Gas Processing Plants and Refinery

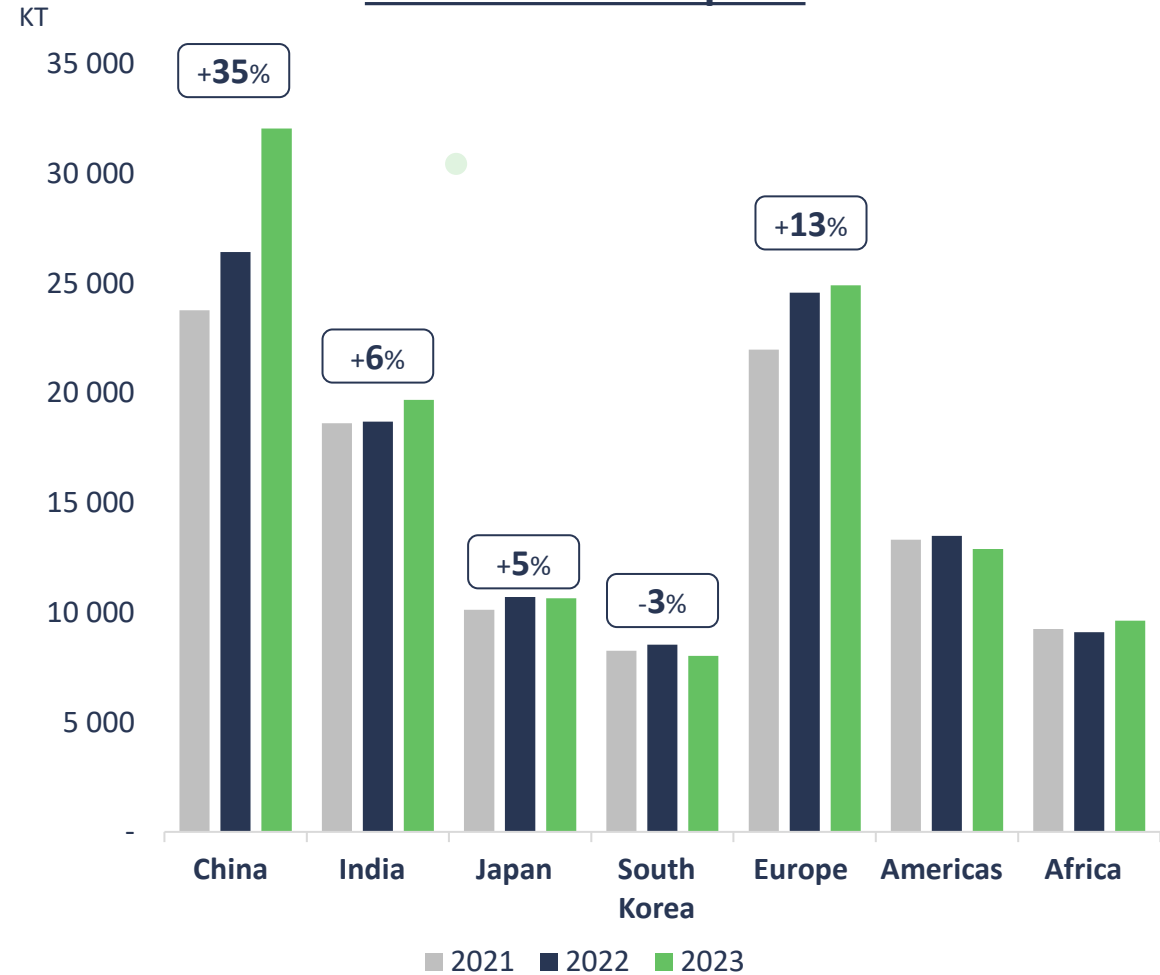
SECURES HIGH GROWTH IN SEABORN VOLUMES



Seaborne LPG export¹



Seaborne LPG Import²



Source: Kpler, as of Feb 1st, 2024

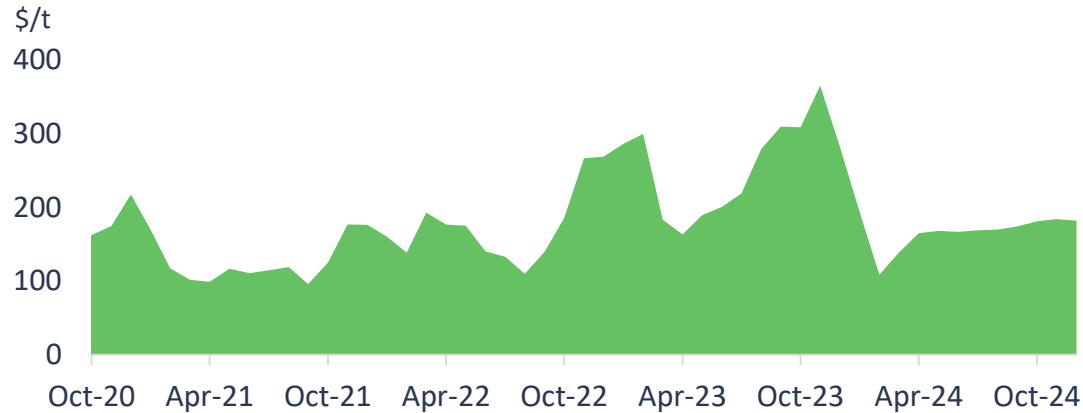
(1) Kpler export data for all vessel classes

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

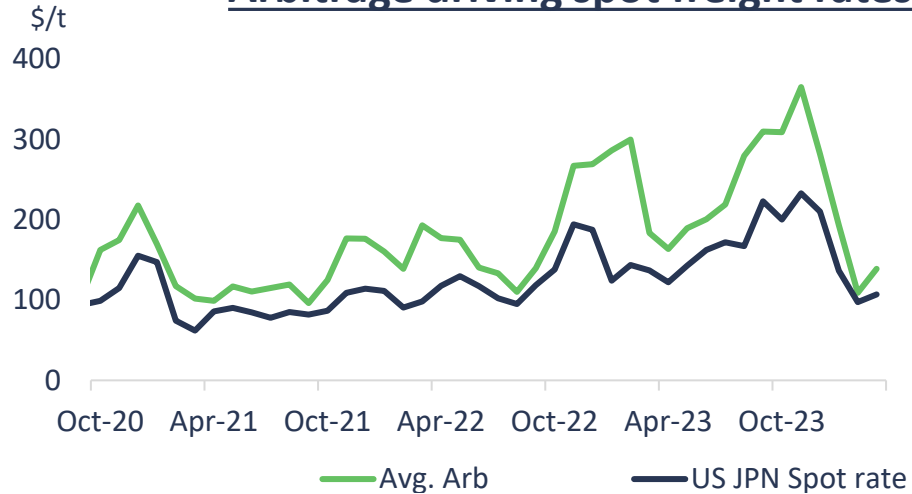
WHILE LID ON US PRICES ENABLES ATTRACTIVE ARBITRAGE LEVELS



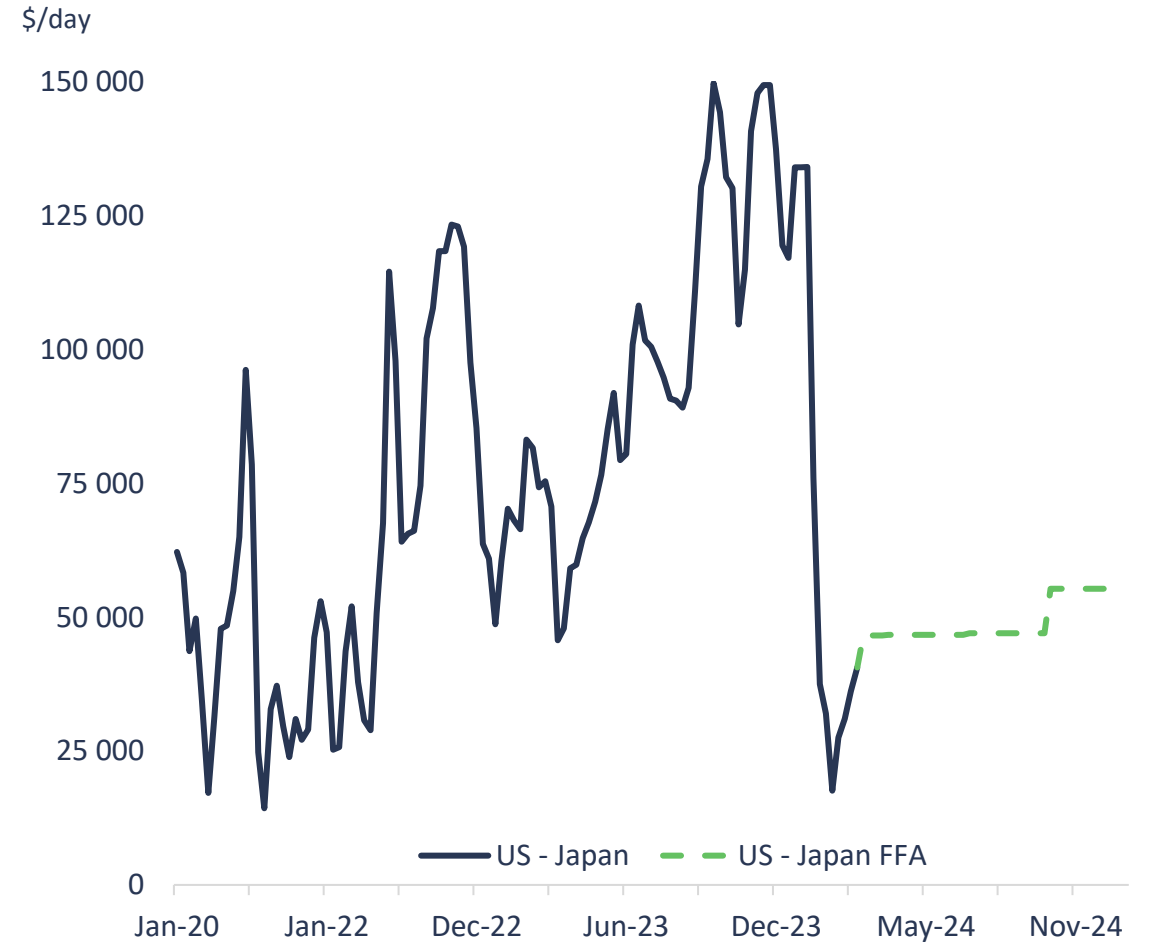
Propane price west east arbitrage¹



Arbitrage driving spot freight rates



Spot freight rates are driven by the arbitrage¹

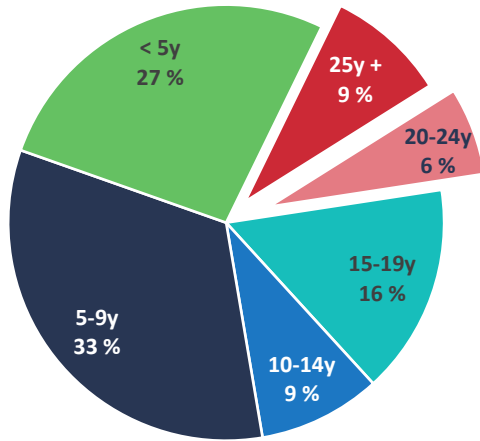


Source: Fearnleys, Clarkson and Company estimates
 (1) Monthly average arbitrage pricing and TCE/day monthly average broker quotes

GOING FROM HIGH TO MODERATE FLEET GROWTH



Age split VLGC fleet:

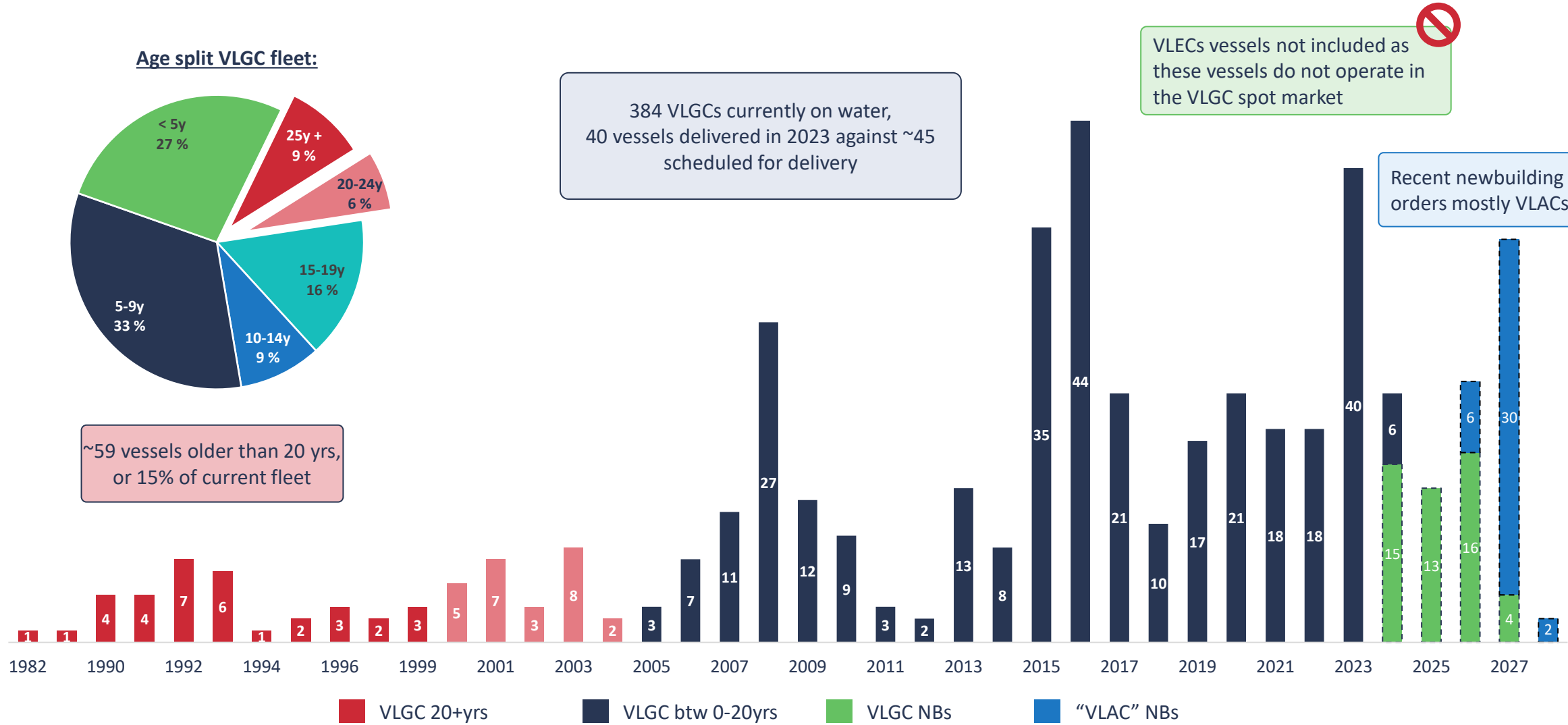


384 VLGCs currently on water, 40 vessels delivered in 2023 against ~45 scheduled for delivery

VLECs vessels not included as these vessels do not operate in the VLGC spot market

Recent newbuilding orders mostly VLACs

~59 vessels older than 20 yrs, or 15% of current fleet



Source: Clarkson Sin, as of March 5, 2024, excluding VLEC vessels



Avance Gas



Contact Details



Avance Gas
Bryggegate 3
0112 Oslo, Norway



+47 23 11 40 00



www.avancegas.com

Investor Relations



<https://www.avancegas.com/Investor-Relations>

Stock Exchange



ticker: AGAS