AVANCE GAS HOLDING LTD

UNAUDITED CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2024

BERMUDA, November 27, 2024 – Avance Gas Holding Ltd (OSE: AGAS) ("Avance Gas" or the "Company") today reports unaudited results for the third quarter 2024.

HIGHLIGHTS

- The average Time Charter Equivalent (TCE) rate on a discharge-to-discharge basis was $38,700/day, compared to $50,100/day in the second quarter of 2024. For reference our guidance was 79% of days booked at $41,400/day.
- TCE/day on a load-to-discharge basis was $41,900/day, compared to $46,700/day in the second quarter of 2024.
- For the third quarter, we had Time Charter (TC) coverage of ~25% at an average TCE rate of $42,500/day and spot voyages covering ~75% at $35,700/day, resulting in an average fleet TCE of $37,400/day, excluding Forward freight Agreements (FFA) gains of $1.4million or $1,300/day.
- Net profit for the third quarter was $25.8 million equal to earnings per share of $0.34.
- Net profit year-to-date 2024, was $232.9 million equal to earnings per share of $3.04, best-ever results for a nine-month period.
- During the third quarter, the Company paid $1.35 per share in dividend for the second quarter, totalling $103 million.
- On August 15, 2024, Avance Gas announced an agreement with BW LPG Ltd (BW LPG) to the fleet of twelve Very Large Gas Carriers (VLGC) for $1,050 million. The sale of the VLGC fleet was agreed to be settled with approximately $585 million of cash, novation of approximately $132 million of debt obligations under a sale leaseback agreement with the remainder being settled in 19.282 million shares in BW LPG where the parties agreed a fair value of such compensation at $333 million or a Net Asset Value basis of $17.25 per share.
- As of this date, Avance Gas has successfully delivered the following four VLGCs to the buyer: *Chinook* (non-scrubber, built in 2015), *Avance Capella* (dual-fuel, built in 2022), *Sirocco* (scrubber, built in 2015), and *Passat* (scrubber, built in 2015). As part of the settlement for these vessels, the company received 6.15 million BW LPG shares, representing a 4.2% ownership stake, $64.4 million in outstanding lease obligations were novated to BW LPG, and net cash proceeds of $75 million. The remaining eight VLGCs are scheduled for delivery before the end of the year.
- In November 2024, Avance Gas has entered into a Heads of Agreement (HoA) with Exmar LPG BV (Exmar) to sell its four Mid-Sized Gas Carriers (MGCs) newbuilding contracts through a novation. The price of the newbuildings under this HoA has been agreed to be $282.4 million, corresponding to $70.6 million per vessel. The transaction is subject upon the issuance of new refund guarantees to Exmar, as well as the completion of customary documentation and closing procedures.
- The Board declared a dividend of $3.50 per share or $268 million for the third quarter 2024. The total dividend declared for the first nine months of the financial year 2024 amounts to $7.00 per share, totalling $536 million.
- For the fourth quarter, TCE/day is estimated at $27,900/day on a discharge-to-discharge basis, and we do not expect to book any more days for the fourth quarter as we are delivering ships to BW LPG. The load-to-discharge adjustment (IFRS 15) will be fully reversed, i.e. have a positive effect of approximately $7,000/day.

Øystein Kalleklev, Chief Executive Officer of Avance Gas Holding Ltd., commented:

"We are today pleased to announce a profitable sale of our Medium Sized Gas Carrier (MGC) fleet to Exmar LPG. Our MGC fleet consists of four dual fuel newbuildings for delivery in Q4-2025 to Q4-2026 which we contracted last year. These newbuildings will now be sold for $282.4 million which includes remaining yard instalments to be paid by Exmar once the transaction is made effective. As a result of the sale, we expect to generate a book profit of approx. $34 million and associated cash release of $84 million as we will receive refund of our already paid yard instalments of $50 million by Exmar as part of the agreement.

We are therefore pleased that Avance Gas and Exmar LPG have reached an agreement which makes perfect industrial sense. Given its scale and specialization within the MGC segment, Exmar is perfectly positioned to be the owner of these ultra-modern ships. For Avance Gas, we are once again able to transact profitable by evidencing our willingness to take part in industrial consolidation where we put industrial logic and shareholder value creation ahead of growth. Hence, we will be rewarding our shareholders following the effectiveness of the transaction.

With the sale of the MGC fleet, we have thus completed the sale of our entire fleet this year. We started the year with 20 ships and newbuildings, and following this transaction our fleet will thus consist of zero ships. During the first half of the year, we sold four VLGCs with a combined profit of $121 million. On August 15, 2024, we announced the sale of our remaining 12 VLGCs to BW LPG and we have so far delivered four of the 12 VLGCs to BW LPG with the remaining eight ships scheduled for delivery to BW LPG prior end of the year. Profit from the BW LPG transaction is today expected to be approximately $295 million. Hence, in total, we expect to book a cool $450 million profit from these asset sales.

Following these transactions, Avance Gas is as liquid as the seven seas, and we have therefore decided to prepay some of these gains. Hence, we are therefore declaring a quarterly dividend per share of $3.50 equal to $268 million. This amount is in line with the dividends paid for the first and second quarter this year which thus brings the dividend for the three first quarters to $7.00 per share or $536 million, with more to come for the final fourth quarter.

In terms of trading profits, despite the current soft freight market, we have delivered our strongest first nine months of trading in the Company's history with $112 million in ordinary net profit which excludes gains from asset sales. For the third quarter, ordinary net income came in at $26 million. Hence, so far this year we are $10 million ahead of the fantastic results last year. As we have fewer vessel availability days in the fourth quarter due to deliveries of ships to BW LPG, we only expect to book around 70 per cent of the calendar days during this quarter.

As we are not planning to invest in new ships, we are now preparing a wind-up process of Avance Gas to ensure we can return the remaining capital to our shareholders in a quick and cost-efficient manner. Following the Q3 dividend payment scheduled for December 23, we expect a pro-forma cash balance of $264 million as well as 19.3 million shares in BW LPG with current market value of about $250 million, but where we peg the fair value of these stock at $333 million. Our plan is to reduce our capital to make the repayment of capital tax efficient while also distributing the BW LPG shares to our shareholders once the lock-up period for all shares has elapsed which coincide with our Q4 reporting in February next year.

We want to thank everyone for this fantastic journey, and we look forward to returning the remaining capital to our shareholders once the transactions are concluded."

In US$ thousands (unless stated otherwise)	Three months ended	Three months ended
Income statement:	**September 30, 2024**	**June 30, 2024**
TCE per day ($) discharge-to-discharge	38,709	50,125
TCE per day ($) load-to-discharge	41,871	46,700
TCE earnings	45,639	50,903
Gross operating profit	33,845	36,081
Gain on sale	-	36,011
Net profit	25,791	60,596
Net profit excluding gain on sale	25,791	24,585
Earnings per share (basic) ($)	0.34	0.79
Earnings per share (basic) ($) excluding gain on sale	0.34	0.32
Balance sheet:	**September 30, 2024**	**June 30, 2024**
Total assets	1,017,828	1,120,475
Total liabilities	498,428	517,153
Cash and cash equivalents	192,585	268,287
Total shareholders' equity	519,400	603,322
Cash flows:	**September 30, 2024**	**June 30, 2024**
Net cash from operating activities	44,204	25,161
Net cash (used in) from investing activities	(7,528)	55,980
Net cash (used in) financing activities	(112,500)	(173,190)
Net (decrease) in cash and cash equivalents	(75,824)	(92,049)

MARKET UPDATE

Despite strong price arbitrage between the US and Japan, and the third quarter historically being a seasonally strong period for the VLGC market, the spot market weakened. The average Time Charter Equivalent (TCE) rate, based on the US/AG average for the quarter, was $33,700/day, compared to $56,600/day the previous quarter. The muted market was driven by hurricane and terminal maintenance season in the US, affecting VLGC liftings negatively, as well as a normalization of Panama Canal transits, which negatively affected ton-mile demand. Consequently, there was an overhang of unemployed vessels during the quarter, putting downward pressure on rates.

July was a soft month for the VLGC market as Hurricane Beryl negatively affected US export volumes. Furthermore, there was a surge in VLGC arrivals at the US Gulf Coast in late July and early August, with simultaneous arrivals from both the Cape of Good Hope and the Panama Canal. The number of available vessels outside the US was three to four times higher than the historical five-year average for the same period, exerting downward pressure on rates. During August, lifting volumes reached all-time high levels, helping to reduce the significant backlog of vessels outside the U.S. and supporting market activity. However, by the end of the quarter, spot rates declined once more, falling below cash break-even levels. This drop was partly attributed to planned maintenance on Energy Transfer's terminal in Nederland, Texas.

The US-Chiba price arbitrage was historically strong during the third quarter, averaging $240/ton compared to the five-year average of $166/ton. This strong price arbitrage was driven by robust underlying demand for LPG in Asia, increased production volumes out of the US, and strong US inventory levels. High price arbitrage indicates a high willingness to pay for shipping. However, since there were more vessels available than cargo, terminal slot owners and cargo owners captured a larger share of the profit from the arbitrage trade. Terminal fees averaged out to 30 cents per gallon in September which compares with the average of 6 cents per gallon for period 2021 to 2023.

Gatun Lake's water levels have returned to normal and coupled with the expansion of the VLGC global fleet, which saw 18 VLGC deliveries from the beginning of the year until end of the third quarter, this resulted in a record number of VLGC transits through the Panama Canal during the third quarter. Monthly VLGC transits averaged 119 in the third quarter, up from 105 in the second quarter and 84 in the first quarter of 2024.

US propane and butane production is up 5% year to date as of September, compared to the same period last year. Seaborn export volumes out of US is up 11% year-over-year in 2024. However, there is still a tendency that the Medium Gas Carrier (MGC) market is taking a larger share of the growth with VLGC volume growth up 9% in the same period. Export volumes from the Middle East continues to be restricted by OPEC cuts and seaborn export volumes are up 2% year to date compared to 2023 levels.

On the import side, China continues to be the main driver for growth, with import volumes up 11% in 2024. The growth has been driven by several PDH plants coming online in Q2 and during Q3 and uptick in PDH utilization. The second largest importer, India, is also increasing demand for LPG. Year to date, import volumes are up 8% driven by the continued transition from kerosene to bottle gas for cocking, supported by government subsidies.

FINANCIAL AND OPERATIONAL REVIEW

Avance Gas reported Time Charter Equivalent (TCE) earnings of $45.6 million, compared to $50.9 million for the second quarter. Adjustment related to the IFRS 15 accounting standard (load-to-discharge) resulted in an increase in TCE earnings of $3.4 million or $3,200/day compared to a decrease in TCE earnings of $3.7 million or $3,400/day for the second quarter 2024. The TCE increased by $1.4 million in Forward freight Agreements (FFA) and bunker hedges gains during the quarter compared to a gain of $0.9 million for the second quarter which translates to an effect for the whole fleet of $1,300/day and $790/day respectively.

Operating expenses (OPEX) were $10.3 million, equalling a daily average of $9,400/day. This compares to $8.9 million or $8,100/day for the second quarter. Operating expenses increased mainly due to timing of expenses related to spares, repair and maintenance.

Administrative and general (A&G) expenses for the quarter were $1.5 million, compared to $5.9 million in the second quarter, representing an average per ship of $1,300/day and $5,400/day respectively. The decrease in A&G relates to settlement of lapsing employee share options during the second quarter. Excluding this non-recurring effect, the A&G/day was $1,100 for the second quarter.

Non-operating expenses, consisting of finance expenses, finance income and foreign exchange gain, were $3.0 million, compared to $1.5 million in the second quarter. The increase is primarily due to a reduction in cash and cash equivalents during the quarter, driven by the Company's payment of $103 million in dividends for the second quarter.

Avance Gas reported a net profit of $25.8 million for the third quarter 2024, or $0.34 per share, compared with a net profit of $60.6 million, or $0.79 per share for the second quarter. The net profit excluding gain on vessel sales for the second quarter was $24.6 million, or $0.32 per share. There was no gain on vessel sales recorded in the third quarter.

Avance Gas' total assets amounted to $1,017.8 million on September 30, 2024, compared with $1,120.5 million on June 30, 2024. Total shareholders' equity was $519.4 million at quarter-end, corresponding to an equity ratio of 51%. Shareholder equity decreased by $83.9 million during the third quarter mainly due to dividend payment of $103.4 million for the second quarter of 2024, other comprehensive loss of $6.4 million being offset by net profit of $25.9 million.

Cash and cash equivalents were $192.6 million on September 30, 2024, compared to $268.3 million on June 30, 2024. Cash flow from operating activities was $44.2 million, compared with $25.2 million for the second quarter. Net cash flow from investing activities was $7.5 million of which $6.5 million relates to MGC pre-delivery capital expenditure. This compares with a net cash flow used in investing activities of $56.0 million for the second quarter which consist of cash proceeds from sale of assets of $120.0 million and capital expenditures of $64.0 million mainly related to the final pre-delivery instalments for VLGC Avance Pollux. Net cash flow used in financing activities was $112.5 million, consisting of payment of dividend of $103.4 million for the second quarter, repayments of debt of $9.8 million, offset by settlement of terminated derivatives of $0.7m.

FLEET AND EMPLOYMENT OVERVIEW

For the third quarter, we had a TC coverage of ~25% at an average TCE rate of $42,500/day and spot voyages of 75% at an average rate of $35,700/day equalling an average fleet TCE rate of $37,400/day on a discharge-to-discharge basis excluding FFA gains. FFA and bunker hedge gains amounted to $1.4 million or $1,300/day of total fleet operating days. Furthermore, adjustment related to the IFRS 15 accounting standard resulted in an increase in TCE earnings of $3.4 million or $3,200/day of total fleet operating days. Thereby, the Company reported a TCE/day of $41,900 load-to-discharge.

Avance Gas recorded 1,090 operating days for the third quarter 2024, in line with the second quarter. The Company recorded 14 off hire days in the third quarter compared to 2 off hire days in the second quarter. Operating days are calendar days less off-hire days. The company recorded zero waiting days (for loading) for the fleet in the third quarter, giving Avance Gas a fleet commercial utilization during the quarter of 100%, in line with the second quarter.

SALE OF THE VLGC FLEET TO BW LPG LTD

On August 15, 2024, we announced an agreement with BW LPG (Buyer) to sell our fleet of twelve VLGCs for $1,050 million. The sale of the VLGC fleet was agreed to be settled with approximately $585 million of cash, novation of approximately $132 million of debt obligations under a sale leaseback agreement with the remainder being settled in 19.282 million shares in BW LPG where the parties agreed a fair value of such compensation at $333 million or a Net Asset Value basis of $17.25 per share. These consideration shares have a lock-up period of 40 days from the issuance date due to regulatory requirements.

On November 1, 2024, the Company announced the successful sale and delivery of the first VLGC, the 2015-built non-scrubber ship Chinook, to BW LPG. As part of the transaction, 1.35 million shares in BW LPG were issued to Avance Gas. Additionally, the Company received net cash proceeds of approximately $19 million, in addition to the shares. The variable Time Charter with an energy major expiring in mid-2025 attached to the vessel was also successfully novated to BW LPG.

On November 20, 2024, the Company announced the successful sale and delivery of the second VLGC, the 2022-built dual-fuel ship Avance Capella. Avance Capella was under a sale leaseback agreement, which has been successfully novated to the Buyer. Thereby, an outstanding lease obligation of $64.4 million have been novated to BW LPG in relation to delivery of the vessel. Additionally, 2.1 million shares in BW LPG were issued by the Buyer to Avance Gas. Furthermore, the transaction resulted in a total net cash proceeds of approximately $15 million.

On November 21, 2024, the Company announced the successful sale and delivery of the third VLGC, the 2015-built scrubber vessel Sirocco. In connection with the delivery, 1.35 million shares in BW LPG were issued by the Buyer to Avance Gas. The ship mortgage was repaid, and Avance Gas received net cash proceeds of approximately $20 million.

On November 22, 2024, the Company announced the successful sale and delivery of the third VLGC, the 2015-built scrubber vessel Passat. In connection with the delivery, 1.35 million shares in BW LPG were issued by the Buyer to Avance Gas. The ship mortgage was repaid, and Avance Gas received net cash proceeds of approximately $21 million.

As of this date, four VLGCs are delivered to BW LPG, and thereby Avance Gas owns 6.15 million shares in BW LPG corresponding to a 4.2% ownership share. Total cash proceeds for the four vessels are approximately $75 million and $64 million of outstanding lease obligations have been novated to BW LPG. Once the transaction is completed and all shares have been received, Avance Gas will become the second-largest shareholder in BW LPG, holding 19,282,000 shares.

The eight remaining vessels are scheduled for delivery to BW LPG during December and prior to year-end. Avance Gas will issue regular press releases in connection with the remaining deliveries.

After the delivery of all VLGCs, the total book gain from the transaction, based on a BW LPG NAV of $17.25 per share, was previously estimated at $315 million, with $10 million attributed to depreciation savings. For accounting purposes, the BW LPG shares will be measured at fair market value based on the share price of $16.18 per share on the announcement date, August 15, 2024. Additionally, the VLGC fleet was reclassified from 'Property, Plant & Equipment' to 'Assets Held for Sale,' causing depreciation to stop as of the announcement date. As a result, a book gain of $284 million from the sale will be recognized in the fourth quarter, along with approximately $12 million in reduced depreciation expense based on current vessel itineraries. Of this, $5 million has already been recorded in the third quarter. The BW LPG shares will subsequently be measured at fair market value, with any changes recognized through profit and loss as finance gains or losses.

SALE OF THE MGCs UNDER CONSTRUCTION TO EXMAR LPG BV

Avance Gas has entered into a definitive Heads of Agreement (“HoA”) with Exmar LPG BV (“Exmar” or “the Buyer”) where Avance Gas will sell its four Mid-Sized Gas Carriers (MGCs) newbuilding contracts to Exmar through a novation. The price of the newbuildings under this HoA has been agreed to be $282.4 million, corresponding to $70.6 million per vessel.

The novation agreement between Avance Gas and Exmar is subject to issuance of new refund guarantees by the yard’s banks to the Buyer. Issuance of such refund guarantees typically takes 30 to 80 days depending on circumstances and complexity. Avance Gas will notify the market when new refund guarantees have been issued and the transaction is made effective.

Following effectiveness of the transaction, Avance Gas will shortly thereafter receive refund by the Buyer for the yard instalments paid by Avance Gas, currently $49.6 million. Please note this amount can increase depending on the timing of effectiveness. All future obligations and instalments towards the yard, including building supervision, will be transferred to Exmar from the date of effectiveness. An additional final compensation of $34.2 million will be paid to Avance Gas when steel cutting of the fourth and last MGC newbuilding has been documented which is expected to occur in April 2025. For more details on the next steps for the Company, please refer to our Q3 2024 presentation.

MARKET OUTLOOK

The market outlook for 2025 appears constructive, with US export volumes are forecasted to increase, albeit at a slower pace. At the same time US export terminal capacity will be expanding from the late second half of the year. Strong US propane inventory levels, limited VLGC deliveries, and an increase in vessels going to dry dock further contribute to this positive outlook.

US terminal LPG export capacity is set to increase from the second half of 2025 and further into 2026. Currently, several terminals are undergoing expansion projects, which will be crucial for facilitating further LPG export volume growth from the US. Several export terminals are operating at or near maximum capacity, contributing to all-time high free on-board premiums. Increased capacity and lower utilization at terminals are likely to reduce spot terminal fees, potentially increasing shipping profits. Additionally, higher terminal capacity will make the shipping market less vulnerable to downtime and maintenance periods, as extra capacity can replace volumes at other terminals during such times.

The strong price arbitrage is expected to persist, supported by close to all-time high propane inventory levels and increasing US production volumes, combined with limited new terminal capacity until the second half of 2025. From mid-December, the EU’s ban on LPG imports from Russia will come into force. Russia currently exports around 70,000 barrels per day of LPG to Eastern Europe, and these volumes will likely need to be replaced by US cargoes. Increased demand from Europe could pressure international propane prices as US export capacity faces bottlenecks. Strong price arbitrage is also evident in the forward market, with futures quoting an arbitrage of $180/ton for 2025.

US production volumes are forecasted to increase by 4% in 2025. Due to limited consumption growth in the US, the EIA forecasts export volumes to increase by 7% during the same period. This support tonne-mile demand, as the average sailing distance from the US is more than twice that from the Middle East. Middle East production growth in 2025 is expected to be limited. OPEC+ has implemented a series of output cuts since late 2022 to support the oil market thus limiting volume growth out of this region.

China's PDH capacity is projected to grow in 2025, although not as rapidly as in recent years. From the end of 2019 to September 2024, capacity surged from 6.7 million tons per year to 22.6 million tons per year. Despite this slower growth, there is significant potential for increased demand at existing plants, which are currently operating at approximately 75% utilization due to a weak profitability. Under normal conditions, utilization rates are expected to rise to 85% to 90%.

India's LPG demand is also anticipated to increase, driven primarily by greater penetration of LPG for cooking in rural areas and several PDH expansion projects in the pipeline. India's LPG production, which currently accounts for approximately 40% of total demand, is expected to remain stable in the coming years. Consequently, the growth in demand is expected to be met through imports.

The orderbook continues to grow, currently comprising 106 VLGCs, up from 95 in the previous quarter. This represents an orderbook-to-fleet ratio of 27%. The delivery schedule remains relatively muted for the next seven quarters, with 77% of the orderbook expected to be delivered after the first half of 2026. This equates to a fleet growth of only 6% until the second half of 2026.

Supply in 2025 and 2026 is also expected to be positively affected by approximately 40 more vessels are scheduled for special survey dry-docking each year compared to 2024. Despite an aging fleet, there has been no recycling activity, as the market outlook remains moderately positive and older vessels continue to operate within the dark trade between Iran and China.

The VLGC forward freight agreement (FFA) market indicates a supportive freight environment in 2025 with 12-months TC agreements currently quoted at $44,000/day. FFA for Calendar 2025 for a non-scrubber ship is currently in the low $40,000/day.

PRESENTATION AND WEBCAST

Avance Gas will host an audio webcast and conference call to discuss the company's results for the period ended September 30, 2024, on Wednesday, November 27, 2024, at 14:00 CET. There will be a Q&A session following the presentation.

The presentation and webcast will be hosted by:

- Mr. Øystein Kalleklev - CEO
- Mrs. Randi Navdal Bekkelund - CFO

The presentation will also be available via audio webcast, which can be accessed at Avance Gas' website www.avancegas.com or using the link: https://edge.media-server.com/mmc/p/j6q2r66p

Guests can log into the conference call using the following link:
https://register.vevent.com/register/BId9585c6a8c7a46fdaad8f2f978059a2d

For further queries, please contact: Øystein Kalleklev, CEO Tel: +47 23 11 40 00 or Randi Navdal Bekkelund, CFO Tel: +47 23 11 40 00

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.

AVANCE GAS HOLDING LTD
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
(UNAUDITED)

	Note	For the three months ended		For the nine months ended	
		September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
		(in USD thousands)		*(in USD thousands)*	
Operating revenue	10	**62,590**	79,475	**246,408**	241,091
Voyage expenses	10	**(16,951)**	(20,236)	**(57,895)**	(56,935)
Operating expenses		**(10,336)**	(10,396)	**(28,841)**	(29,875)
Administrative and general expenses		**(1,458)**	(2,788)	**(8,987)**	(5,409)
Operating profit before depreciation expense		**33,845**	46,055	**150,685**	148,872
Depreciation and amortisation expense	5	**(5,021)**	(10,807)	**(25,119)**	(32,879)
Gain on disposal of asset	5	-	-	**120,940**	-
Operating profit		**28,824**	35,248	**246,506**	115,993
Non-operating (expenses) income:					
Finance expense		**(5,464)**	(6,423)	**(21,282)**	(17,624)
Finance income		**2,381**	1,234	**7,876**	4,150
Foreign currency exchange gain (loss)		**50**	55	**(97)**	(277)
Income before tax		**25,791**	30,114	**233,303**	102,242
Income tax expense		**-**	(37)	**(65)**	(138)
Net profit		**25,791**	30,077	**232,938**	102,104
Earnings per share					
Basic		**0.34**	0.39	**3.04**	1.33
Diluted		**0.33**	0.39	**3.02**	1.33

See accompanying notes that are an integral part of these condensed consolidated interim financial statements

AVANCE GAS HOLDING LTD
CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
(UNAUDITED)

	Note	For the three months ended		For the nine months ended	
		September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
		(in USD thousands)		*(in USD thousands)*	
Net profit		**25,791**	30,077	**232,938**	102,104
Other comprehensive income:	9				
Items that may be reclassified subsequently to profit and loss:					
Fair value adjustment of derivative financial instruments designated for hedge accounting		**(5,428)**	(463)	**2,518**	(8,989)
Amortisation of gain on discontinued hedges		**(1,020)**	(434)	**(1,888)**	(1,216)
Exchange differences arising on translation of foreign operations		**6**	(1)	**(1)**	1
Other comprehensive income		**(6,442)**	(898)	**629**	(10,204)
Total comprehensive income		**19,349**	29,179	**233,567**	91,900

See accompanying note that are an integral part of these condensed consolidated interim financial statement

AVANCE GAS HOLDING LTD
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
(UNAUDITED)

	Note	As of	
		September 30, 2024	**December 31, 2023**
		(in USD thousands)	
ASSETS			
Cash and cash equivalents		**192,585**	131,515
Trade and other receivables		**6,763**	42,962
Inventory		**7,621**	9,776
Prepaid expenses and other current assets		**11,530**	26,519
Derivative financial instruments	7	**2,783**	4,953
Assets held for sale	5	**745,242**	38,047
Total current assets		**966,524**	253,772
Property, plant and equipment	5	**52**	808,818
Newbuildings	5	**50,223**	87,346
Derivative financial instruments	7	**1,029**	3,649
Total non-current assets		**51,304**	899,813
Total assets		**1,017,828**	1,153,585
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current portion of interest-bearing debt	6	**362,835**	69,856
Trade and other payables		**5,378**	5,513
Accrued voyage expenses and other current liabilities		**7,444**	13,226
Derivative financial instruments	7	**59**	6,762
Total current liabilities		**375,716**	95,357
Long-term debt	6	**122,712**	454,434
Total non-current liabilities		**122,712**	454,434
Shareholders' equity			
Share capital	4	**774**	77,427
Paid-in capital	4	**432,191**	431,366
Contributed capital		**94,884**	94,983
Retained (loss) income		**(4,325)**	4,771
Treasury shares		**(11,351)**	(11,351)
Accumulated other comprehensive income		**7,227**	6,598
Total shareholders' equity		**519,400**	603,794
Total liabilities and shareholders' equity		**1,017,828**	1,153,585

See accompanying notes that are an integral part of these condensed consolidated interim financial statements.

AVANCE GAS HOLDING LTD
CONDENSED CONSOLIDATED INTERIM STATEMENT OF SHAREHOLDERS' EQUITY
(UNAUDITED)

(in USD thousands)	**Share capital**	**Paid-in capital**	**Contributed capital**	**Retained (loss) income**	**Accumulated other comprehensive (loss) income**	**Treasury shares**	**Total**
As of December 31, 2022	77,427	431,366	94,772	(5,620)	17,331	(11,351)	603,925
Comprehensive income:							
Net profit	-	-	-	102,104	-	-	102,104
Other comprehensive (loss) income:							
Fair value adjustment of derivative financial instruments	-	-	-	-	(8,989)	-	(8,989)
Amortisation of gain on discontinued hedges	-	-	-	-	(1,216)	-	(1,216)
Translation adjustments, net	-	-	-	-	1	-	1
Total other comprehensive income	-	-	-	-	(10,204)	-	(10,204)
Total comprehensive income	-	-	-	102,104	(10,204)	-	91,900
Transactions with shareholders:							
Dividends	-	-	-	(114,890)	-	-	(114,890)
Compensation expense for share options	-	-	100	-	-	-	100
Total transactions with shareholders	-	-	100	(114,890)	-	-	(114,790)
As of September 30, 2023	77,427	431,366	94,872	(18,405)	7,127	(11,351)	581,036
As of December 31, 2023	**77,427**	**431,366**	**94,983**	**4,771**	**6,598**	**(11,351)**	**603,794**
Comprehensive income:							
Net profit	**-**	**-**	**-**	**232,938**	**-**	**-**	**232,938**
Other comprehensive (loss) income:							
Fair value adjustment of derivative financial instruments	**-**	**-**	**-**	**-**	**2,518**	**-**	**2,518**
Amortisation of gain on discontinued hedges	**-**	**-**	**-**	**-**	**(1,888)**	**-**	**(1,888)**
Translation adjustments, net	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**629**	**-**	**629**
Total comprehensive income	**-**	**-**	**-**	**232,938**	**629**	**-**	**233,567**
Transactions with shareholders:							
Share capital reduction	**(76,653)**	**76,653**	**-**	**-**	**-**	**-**	**-**
Return of capital	**-**	**(75,827)**	**-**	**-**	**-**	**-**	**(75,827)**
Dividends	**-**	**-**	**-**	**(242,034)**	**-**	**-**	**(242,034)**
Compensation expense for share options	**-**	**-**	**(99)**	**-**	**-**	**-**	**(99)**
Total transactions with shareholders	**(76,653)**	**825**	**(99)**	**(242,034)**	**-**	**-**	**(317,960)**
As of September 30, 2024	**774**	**432,191**	**94,884**	**(4,325)**	**7,227**	**(11,351)**	**519,400**

See accompanying notes that are an integral part of these condensed consolidated interim financial statements

AVANCE GAS HOLDING LTD
CONSOLIDATED INTERIM STATEMENT OF CASH FLOW
(UNAUDITED)

		For the nine months ended	
		September 30, 2024	**September 30, 2023**
	Note	*(in USD thousands)*	
Cash flows from operating activities			
Cash generated from operations	3	**209,215**	122,657
Interest paid		**(19,216)**	(17,241)
Settlement of share options		**(4,185)**	(1,815)
Net cash flows from operating activities		**185,814**	103,601
Cash flows from (used in) investing activities:			
Net proceeds from sale of assets	5	**362,612**	-
Capital expenditures	5	**(127,577)**	(150,057)
Net cash flows from (used in) investing activities		**235,035**	(150,057)
Cash flows from (used in) financing activities:			
Dividends Paid	4	**(242,034)**	(114,890)
Return of capital	4	**(75,827)**	-
Repayment of long-term debt	6	**(220,267)**	(32,329)
Proceeds from loans and borrowings, net of transaction costs	6	**176,412**	114,859
Cash settlement on terminated derivatives	7	**2,048**	1,073
Net cash flows (used in) from financing activities		**(359,668)**	(31,287)
Net increase (decrease) in cash and cash equivalents		**61,181**	(77,742)
Cash and cash equivalents at beginning of period		**131,515**	224,243
Effect of exchange rate changes on cash		**(111)**	(423)
Cash and cash equivalents at end of period		**192,585**	146,078

See accompanying notes that are an integral part of these condensed consolidated interim financial statements

1. General Information

Corporate information

Avance Gas Holding Ltd (the "Company" or "Avance Gas") is an exempted company limited by shares incorporated under the laws of Bermuda on January 20, 2010. The Company and its subsidiaries (collectively "The Group") are engaged in the transportation of Liquefied Petroleum Gas ("LPG"). As of September 30, 2024, the Company owned and operated a fleet of twelve modern ships, and four dual fuel MGCs (Medium-Sized Gas Carriers) due for delivery in 2025 and 2026.

Basis of Preparation

The condensed consolidated interim financial statements of Avance Gas Holding Ltd and its subsidiaries, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be reviewed in conjunction with the consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS® Accounting Standards as adopted by the European Union ("IFRS"), to fully understand the current financial position of the Group.

2. Significant accounting policies

The accounting policies applied are consistent with those described in note 2 of the annual consolidated financial statements for the year ended December 31, 2023, with the exception of income taxes, which, for the purpose of interim financial statements, are calculated based on the expected effective tax rate for the full year.

Operating revenue

Avance has categorised its revenue streams in the two following categories:

Freight revenue
The Group recognises revenues as it satisfies its performance obligation to deliver freight services to the customer. Revenue is recognised on a load-to-discharge basis in accordance with IFRS 15, with cost related to fulfil the contract incurred prior to loading capitalised as mobilisation costs and amortised over the related period for which revenue is recognised. Voyage expenses incurred as repositioning for non-committed freight contracts are expensed as incurred. Other revenue from services, such as demurrage, is recognised when earned and is included in freight revenue.

Time charter revenue
Time charter revenue is accounted for as an operating lease under IFRS 16 and is recognised on a straight-line basis over the term of the time charter arrangement.

New or amendments to standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

3. Reconciliation of net profit to cash generated from operations

	For the nine months ended	
	September 30, 2024	**September 30, 2023**
	(in USD thousands)	
Net profit	**232,938**	102,104
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation and amortisation of property, plant and equipment	**25,119**	32,879
Net finance expense	**21,379**	17,901
Share-based compensation expense	**4,087**	1,915
Gain on sale of assets	**(120,940)**	-
Changes in assets and liabilities:		
Decrease (Increase) in trade and other receivables	**36,199**	(12,703)
Decrease (Increase) in inventory and prepaid expenses and other current assets	**17,144**	(29,123)
Increase in trade and other payables	**222**	2,612
(Decrease) Increase in accrued voyage expenses and other current liabilities	**(7,042)**	6,648
Other	**109**	424
Cash flows from operating activities	**209,215**	122,657

4. Capital and reserves

Shareholder's equity

The Company's authorised share capital consists of 200.0 million common shares at par value of $0.01 per share as of September 30, 2024, and $1.00 per share as of December 31, 2023. The par value of the shares was reduced by $0.99 in May 2024 following the resolution passed at the Annual General Meeting on April 29th, 2024, see separate section for further details below. Of the authorised share capital, 77.4 million shares were issued and outstanding as of September 30, 2024, and December 31, 2023, including 0.8 million treasury shares. All shares are fully paid.

Paid-in capital consists of paid-in capital exceeding par value of the shares. Contributed capital consists mainly of conversion of shareholders' loans in 2013.

Share capital adjustment and return of capital

At the Annual General Meeting on April 29, 2024, a share capital adjustment was resolved by the shareholders of Avance Gas Holding Ltd. The purpose of the resolution was to increase the ability of the Company to make distributions to its shareholders. The capital adjustment involved a reduction of the par value of the Company's shares from $1.00 to $0.01. Thereby, the share capital was reduced from $77,427 thousand to $774 thousand and the reduction of $76,653 thousand was reclassified to paid-in capital.

In May 2024, the Company returned $75.8 million in capital to its shareholders along with dividend payment of $88.8 million.

Share-based payments

In 2013, the Company set up a share option plan in order to encourage the Company's officers and other employees to hold shares in the Company. Following the award, declared, forfeited and cancellation of shares since 2013, a total of 468,750 share options remained outstanding under the Company's share option scheme as of September 30, 2024, resulting in a dilutive effect of respectively $0.01 and $0.02 per share for the three and nine months ended September 30, 2024.

Cash dividends and distributions paid to the equity holders of the parent

	As of September 30, 2024	September 30, 2023
	(in USD thousands)	
Distributions on ordinary shares declared and paid:		
Final dividend for 2023: $0.65/share (2022: $0.50/share)	**49,785**	38,297
First dividend for 2024: $1.16/share (2023: $0.50/share)	**88,848**	38,297
Return of capital in May 2024: $0.99/share	**75,827**	-
Second dividend for 2024: $1.35/share (2023: $0.50/share)	**103,401**	38,297
Total distributions on ordinary shares	**317,861**	114,891

5. Newbuildings and assets held for sale

During the nine months ended September 30, 2024, and September 30, 2023, the Group capitalised $129.0 million and $143.2 million, respectively, in newbuildings. For the nine months ended September 30, 2024, the amount capitalised consists of instalments prior to delivery of newbuildings and other costs related to the newbuilding program, including borrowing costs of $0.9 million. Of the $129.0 million capitalised, $115.9 million relates to the fifth and sixth of the 91,000 cbm VLGC newbuildings from Hanwha Ocean with intended names Avance Castor and Avance Pollux, which were sold after delivery from the yard. The remaining $13.1 million capitalised, relates mainly to instalments for the first and second of the four mid-sized LPG/ammonia gas carrier ('MGC') newbuildings contracted in 2023.

During the first half of 2024, the Company completed the sale of four VLGCs: Iris Glory (2008), Venus Glory (2008), Avance Castor (2024) and Avance Pollux (2024), for a total gain on sale of $120.9 million.

On August 15th, 2024, the Company entered into an agreement with BW LPG Ltd ("BW LPG" or "the Buyer") to sell its fleet of Very Large Gas Carriers (VLGC) for a consideration of $1,050 million. The transaction is regulated by 10 individual Memorandum of Agreement (MoA) for the 10 owned VLGCs while the remaining two VLGCs on sale-leaseback agreement (SLB) is agreed to be novated with the existing debt obligation. The transaction and delivery of ships to the Buyer is scheduled to take place in the window between September 15, 2024, to December 31, 2024.

The sale of the ships is agreed to be settled with approximately $585 million of cash, novation of approximately $132 million of debt obligations under the SLB with the remainder being settled as with 19.282 million shares in BW LPG at a price of $17.25 per share representing a value of $333 million. As a result of the transaction, Avance Gas will thus become the second largest shareholder of BW LPG with a shareholding of 19,282,000 shares.

As of September 30, 2024, the 12 VLGCs are classified as held for sale in accordance with IFRS 5. The Company assessed that the asset held for sale criteria was met at the announcement date August 15th, and the vessels are not depreciated while holding the classification as held for sale. An assessment regarding classification of the sale of the 12 VLGCs as discontinued operations was also performed. Since the Company still owns four MGCs, the Company is not disposing of a separate major line of business or geographical area of operations in accordance with IFRS 5, but rather parts of a separate major line of business. As such, the sale of the 12 VLGCs is not presented as discontinued operations. Further, the Company has assessed that any subsequent event in relation to the four MGCs is a non-adjusting event thereby not affecting the presentation as of September 30, 2024.

6. Interest-bearing debt

Interest-bearing debt consisted of debt collateralised by the Group's 12 VLGCs as of September 30, 2024.

Interest-bearing debt repayments were $220.3 million for the nine months ended September 30, 2024, where $29.3 million is scheduled repayment of debt. The remaining $191.0 million is repayment of debt in relation to the sale of the VLGCs Iris Glory and Venus Glory of $34.1 million and $25.7 million, respectively, and refinancings of the VLGCs Avance Polaris, Avance Capella and Avance Pampero of $46.2 million, $46.9 million and $38.1 million, respectively. During the first quarter of 2024, the Company drew in total $178.0 million in connection with the refinancings of Avance Polaris, Avance Capella and Avance Pampero.

In connection with the sale of the 12 VLGCs, refer to note 5, the secured bank loans and revolving credit facilities will be settled upon delivery to the new owner during the fourth quarter of 2024. As there is a contractual obligation to repay the bank loans and revolving credit facilities following the vessel sales, the entire balance has been re-classified as current as of September 30, 2024. The lease financing agreement for two VLGCs is agreed to be novated with the existing debt obligation. The Novation Agreement was subject to signing as of September 30, 2024; hence the outstanding lease obligation was classified as non-current at period end.

Non-current and current debt in the table below includes debt issuance costs of respectively $1.4 million and $3.3 million as of September 30, 2024, and respectively $4.5 million and $1.8 million as of December 31, 2023.

	As of	
	September 30, 2024	**December 31, 2023**
	(in USD thousands)	
Non-current		
Secured bank loans	**-**	306,651
Revolving credit facilities	**-**	113,387
Lease financing agreement	**122,712**	34,396
	122,712	454,434
Current		
Secured bank loans	**255,123**	36,233
Revolving credit facilities	**102,028**	-
Lease financing agreement	**5,683**	33,623
	362,834	69,856
Total interest-bearing debt	**485,546**	524,290

7. Fair value disclosures

Fair value of financial instruments

The following estimated fair value amounts of financial instruments have been determined by the Group, using appropriate market information and valuation methods. Considerable judgement is required to develop these estimates of fair value, thus the estimates provided herein are not necessarily indicative of the amounts that could be realised in a current market exchange.

		As of September 30, 2024		As of December 31, 2023	
		(in USD thousands)			
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities					
Secured bank loans	6	**255,123**	**255,123**	342,885	342,885
Revolving credit facilities	6	**102,028**	**102,028**	113,387	113,387
Lease financing agreement	6	**128,396**	**128,396**	68,019	68,019
Total financial liabilities		**485,547**	**485,547**	524,290	524,290
Derivative financial instruments					
Net interest rate swap assets		**3,812**	**3,812**	8,602	8,602
Net interest rate swap liabilities		**-**	**-**	-	-
Forward Freight Agreements and Bunker Hedges assets		**-**	**-**	-	-
Forward Freight Agreements and Bunker Hedges liabilities		**59**	**59**	6,762	6,762
Total financial instrument assets		**3,812**	**3,812**	8,602	8,602
Total financial instrument liabilities		**59**	**59**	6,762	6,762

The carrying amount of cash and cash equivalents, trade and other receivables, and trade and other payables are a reasonable estimate of their fair value, due to their short maturity. The estimated value of the Company's long-term interest-bearing debt equals its carrying value as of September 30, 2024 and December 31, 2023 as it is variable-rated.

The fair value (level 2) of the Company's rate swap agreements is the estimated amount that the Company would receive or pay to terminate the agreements at the reporting date, considering, as applicable, fixed interest rate curves and the current credit worthiness of both the Company and the derivative counterparty. The estimated amount is the present value of future cash flows. The fair value (level 2) of the Company's Forward Freight Agreements and Bunker hedges are determined using forward commodity prices at the balance sheet date.

Fair value adjustment of interest rate swaps, forward freight agreements and bunker hedges as of September 30, 2024, and December 31, 2023, is recognised in the statement of other comprehensive income / loss, refer to note 9.

In May 2024, the Group terminated a notional amount of $57.8 million in interest rate swaps and thus recognised swap gain and cash proceeds of $1.3 million. The gains on termination of the interest rate swaps are being reclassified from other comprehensive income to the income statement and amortised on a straight-line basis until maturity of the original hedge relationship.

In October 2024, the Group terminated a notional amount of $361.7 in interest rate swaps and will recognise swap gain and cash proceeds of $4.4 million in the fourth quarter. Following this, the Group holds no interest rate swaps.

The Group has no financial assets that would otherwise have been past due or impaired and renegotiated.

Fair value estimation

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

8. Related party transactions

The Group entered into a corporate secretarial services agreement in July 2018 and a technical supervision agreement in second quarter of 2019 with Frontline Management (Bermuda) Ltd. Additionally, in second quarter of 2019 the Group entered into an office lease and shared service agreement with Seatankers Management Norway AS. In Q1 2021, the Group entered into a separate technical supervision agreement for the Group's newbuilding program with Frontline Management (Bermuda) Ltd. Additionally, the group entered a shared services agreement with Front Ocean Management AS (Norway) in fourth quarter of 2021.

For the nine months ended September 30, 2024, the fee for corporate secretarial services was $247.7 thousand, the fee for technical supervision for current fleet and newbuildings was $190.7 thousand and fee for office lease and shared services was $605.1 thousand. In addition, Avance Gas received a recharge of operational credits of $609.5 thousand.

For the nine months ended September 30, 2023, the fee for corporate secretarial services was $218.7 thousand, the fee for technical supervision for current fleet and newbuildings was $1,047.3 thousand and fee for office lease and shared services was $358.7 thousand. In addition, Avance Gas received a recharge of operational credits of $443.8 thousand.

A summary of balances due to related parties on September 30, 2024, and December 31, 2023, as follows:

	As of	
	September 30, 2024	**December 31, 2023**
	(in USD thousands)	
Frontline Management (Cyprus) Ltd.	**115**	1,080
Flex LNG Management AS	**-**	178
Front Ocean Management AS	**21**	-
Net payable to related parties	**136**	1,258

9. Accumulated other comprehensive income / loss

Accumulated other comprehensive income represents the gain or loss arising from the change in fair value of interest rate swaps and translation adjustments. Accumulated other comprehensive income / loss is broken down between the two categories as follows:

(in USD thousands)	**Foreign Currency reserve**	**Fair value reserve**	**Accumulated other comprehensive income/ (loss)**
Balance January 1, 2023	53	17,278	17,331
Effective portion of changes in fair value of interest rate swaps	-	(2,165)	(2,165)
Reclassified to profit or loss	-	(8,577)	(8,577)
Translation adjustment, net	10	-	10
Balance December 31, 2023	63	6,536	6,598
Effective portion of changes in fair value of interest rate swaps	-	8,055	8,055
Reclassified to profit or loss	-	(7,425)	(7,425)
Translation adjustment, net	(1)	-	(1)
Balance September 30, 2024	61	7,166	7,227

10. Alternative performance measures

The Company uses time charter equivalent (TCE) as an alternative performance measure. TCE is operating revenue less voyage expense per operating day. Operating days are calendar days, less technical off-hire.

	For the three months ended		**For the nine months ended**	
	September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
	(in USD thousands)		*(in USD thousands)*	
Operating revenue	**62,590**	79,475	**246,408**	241,091
Voyage expenses	**(16,951)**	(20,236)	**(57,895)**	(56,935)
Voyage result	**45,639**	59,239	**188,513**	184,156
Calendar days	**1,104**	1,288	**3,366**	3,634
Technical off-hire days	**(14)**	(19)	**(19)**	(94)
Operating days	**1,090**	1,269	**3,347**	3,540
TCE per day ($)	**41,871**	46,696	**56,323**	52,021

11. Forward-Looking Statements

The Interim Financial Statements contain "forward-looking statements" based on information available to Avance Gas on the date hereof, and Avance Gas undertakes no obligation to update any such forward-looking statement. These statements may be identified by the use of words like "anticipate", "believe" "estimate", "expect", "intend", "may", "plan", "project", "will", "should", "seek", and similar expressions. The forward-looking statements reflect Avance Gas' current views and assumptions and are subject to risks and uncertainties. Avance Gas does not represent or warrant that actual future results, performance or achievements will be as discussed in those statements, and assumes no obligation to, and does not intend to, update any of those forward-looking statements other than as may be required by applicable law.

12. Seasonality

The export volumes coming out of the Middle East, which has historically been the primary region for seaborne exports, have traditionally been lower during the fourth and the first quarters than during the second and third quarter. This has mainly been a result of lower trading activity in combination with somewhat higher local demand. Due to US Gulf and US East Coast increasing its share in global exports, the historical seasonal patterns have become less clear.

13. Subsequent Events

In November 2024, the Company successfully completed the sale and the delivery of the first VLGC, 2015-built Chinook, to BW LPG Ltd. At the time of the sale, the ship had a book value of $53.7 million. In connection with the sale, the ship mortgage was repaid and the Company received net cash proceeds of $18.7 million in addition to 1.35 million consideration shares in BW LPG Ltd.

In November 2024, the Company successfully completed the sale and the delivery of the second VLGC, 2022-built Avance Capella, to BW LPG Ltd. At the time of the sale, the ship had a book value of $75.5 million. In connection with the sale, the sale leaseback agreement was novated to BW LPG and the Company received net cash proceeds of $15.0 million in addition to 2.1 million consideration shares in BW LPG Ltd.

In November 2024, the Company successfully completed the sale and the delivery of the third VLGC, 2015-built Sirocco, to BW LPG Ltd. At the time of the sale, the ship had a book value of $55.1 million. In connection with the sale, the ship mortgage was repaid and the Company received net cash proceeds of $20.7 million in addition to 1.35 million consideration shares in BW LPG Ltd.

In November 2024, the Company successfully completed the sale and the delivery of the fourth VLGC, 2015-built Passat, to BW LPG Ltd. At the time of the sale, the ship had a book value of $54.9 million. In connection with the sale, the ship mortgage was repaid and the Company received net cash proceeds of $20.8 million in addition to 1.35 million consideration shares in BW LPG Ltd.

In November 2024, the Company entered into a definitive Heads of Agreement (HoA) with Exmar LPG BV (Exmar) to sell its four Mid-Sized Gas Carriers (MGCs) newbuilding contracts through a novation. The price of the newbuildings under this HoA has been agreed to be $282.4 million, corresponding to $70.6 million per vessel. The transaction is subject upon the issuance of new refund guarantees to Exmar, as well as the completion of customary documentation and closing procedures.