



Shipping Seminar

April 13, 2023



Avance Gas

FORWARD LOOKING STATEMENTS



This presentation contains forward looking-statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intends”, “may”, “should”, “will”, and similar expressions. The forward-looking statements in this presentation are based upon various assumptions, 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 presentation by such forward-looking statements.

The information, opinions and forward-looking statements contained in this presentation speak only as at its date and are subject to change without notice.

“LOOKING BETTER DAY BY DAY”



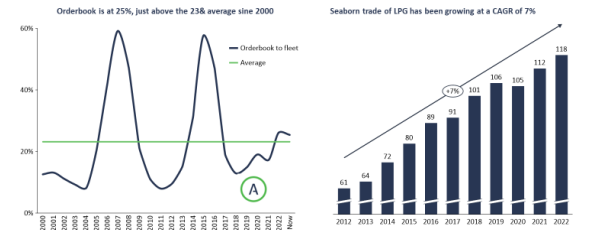
Quote: Petter Haugen Feb 26, 2023



Attractive Long-Term Fundamentals

Continued increase in demand for VLGCs

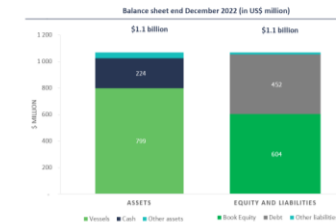
MANAGEABLE ORDERBOOK WITH CONT'D GROWTH IN DEMAND **A**



Strong Balance Sheet

Cash position of \$ 224m and an Equity ratio of >55%

STRONG BALANCE SHEET **A**



Comments

Our assets consist of:

- 12 existing VLGCs on the water (we took delivery of Avance Rigel in February 2023)
- Pre-delivery rebuilding capital expenditures for four dual fuel VLGCs of which two with delivery in 2023 and two ships set for delivery 2024
- Significant cash balance of \$224m

Solid equity ratio of 56%

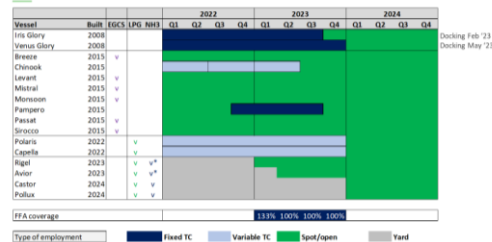
Price/book ratio "0.75x despite three recent sales at well above book values



High Exposure to strong market

Liquid spot market offering strong earnings potential

HIGH EXPOSURE TO A STRONG MARKET **A**



Maximizing shareholder value

Returning \$1.10 per share in dividends LTM

WE ARE COMMITTED TO MAXIMIZING SHAREHOLDER VALUE **A**

| | Q4 '21 | Q1 '22 | Q2 '22 | Q3 '22 | Q4 '22 | FW22 |
|---------------------|--------|--------|--------|--------|--------|--------|
| Earnings per share | \$0.10 | \$0.32 | \$0.24 | \$0.15 | \$0.45 | \$1.16 |
| Dividends per share | \$0.05 | \$0.20 | \$0.20 | \$0.20 | \$0.50 | \$1.10 |

| Decision Factors | Q4 '21 | Q1 '22 | Q2 '22 | Q3 '22 | Q4 '22 | FW22 |
|------------------------|--------|--------|--------|--------|--------|------|
| Earnings and cash flow | ● | ● | ● | ● | ● | ● |
| Market outlook | ● | ● | ● | ● | ● | ● |
| Backlog and visibility | ● | ● | ● | ● | ● | ● |
| Liquidity position | ● | ● | ● | ● | ● | ● |
| Covenant compliance | ● | ● | ● | ● | ● | ● |
| Debt maturities | ● | ● | ● | ● | ● | ● |
| Capex liabilities | ● | ● | ● | ● | ● | ● |
| Other considerations | ● | ● | ● | ● | ● | ● |

TCE improved to \$46,500 on 12d basis and \$55,800 42d basis in Q4 '22

We are able to replicate TCE (42d) in Q1-'23 and bookings in Q2-'23 are so far good

Three ships on fixed hire rates, three on variable hire and "1 ship on IFA

Cash position of \$224m at end of year 2022 provides robust cushion

We are passing all debt covenants with flying green colours

First scheduled maturities in 2027

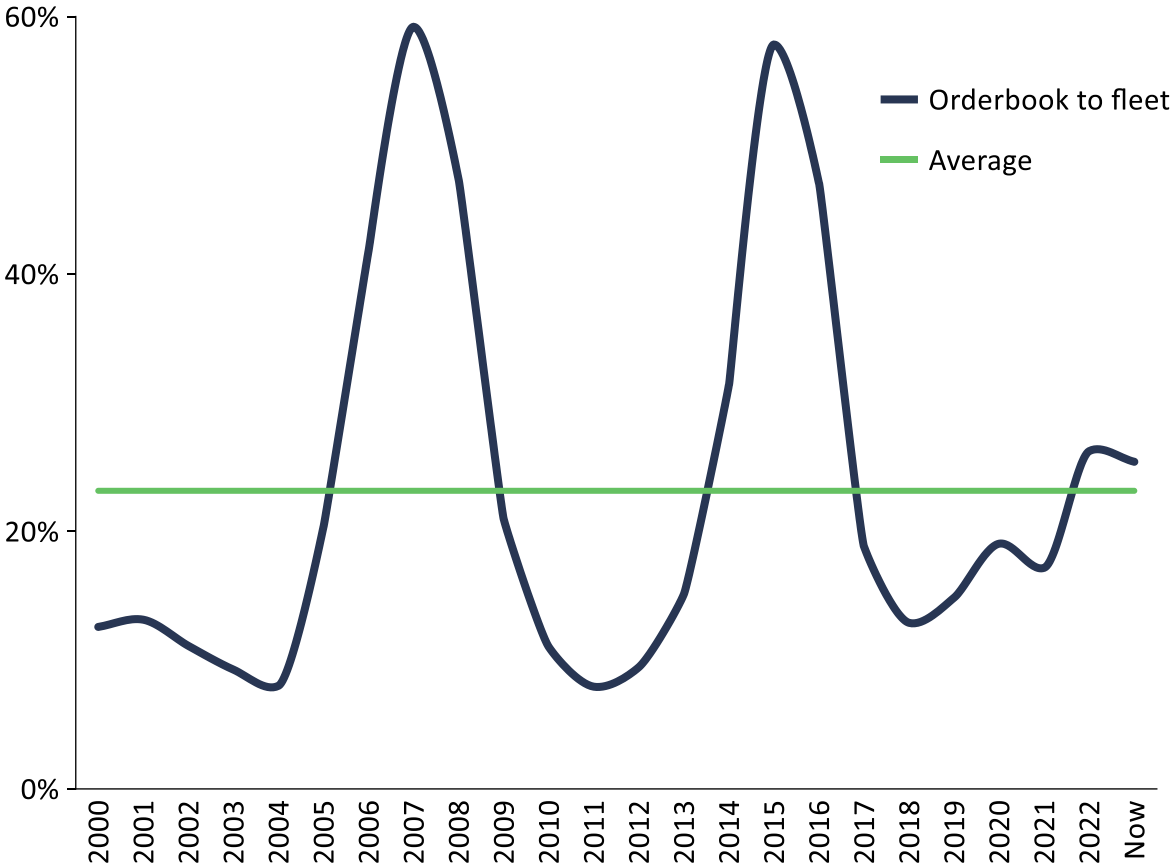
All remaining rebuildings are fully financed with \$6m positive cash effect

Things happen, especially in shipping, but we are fully prepared

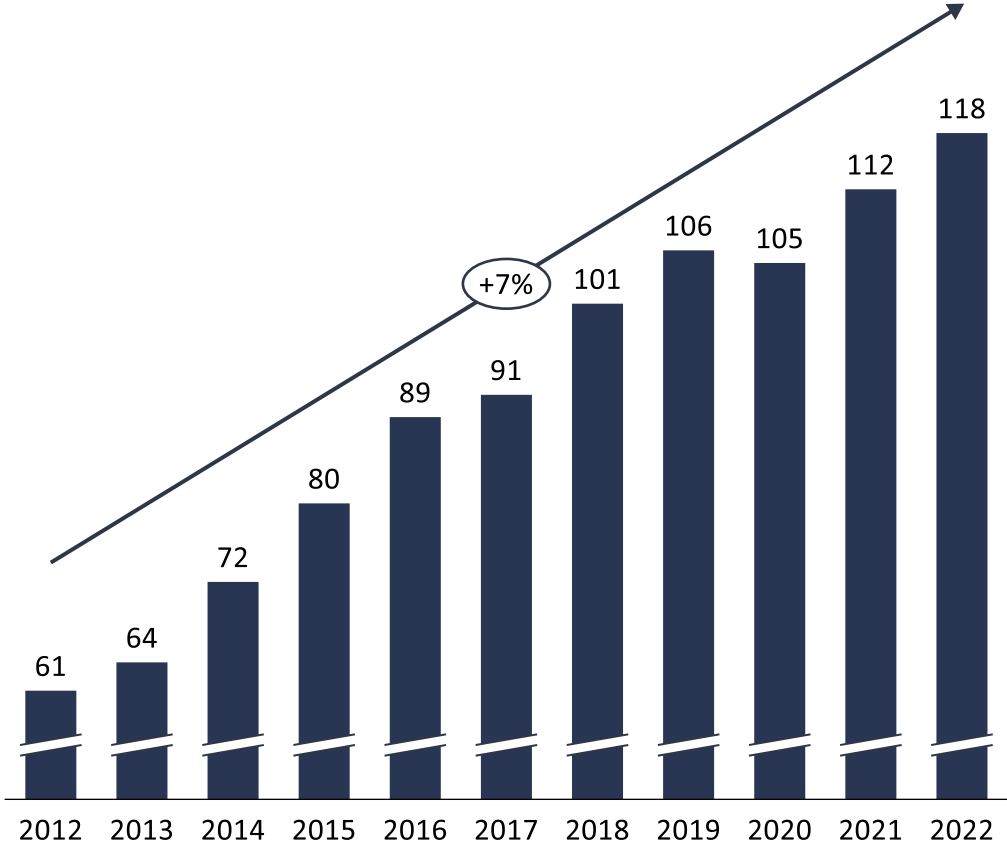
MANAGEABLE ORDERBOOK GIVEN GROWTH AND AGING FLEET



Orderbook is at 25%, just above the average since 2000



Seaborn trade of LPG has been growing at a CAGR of 7%

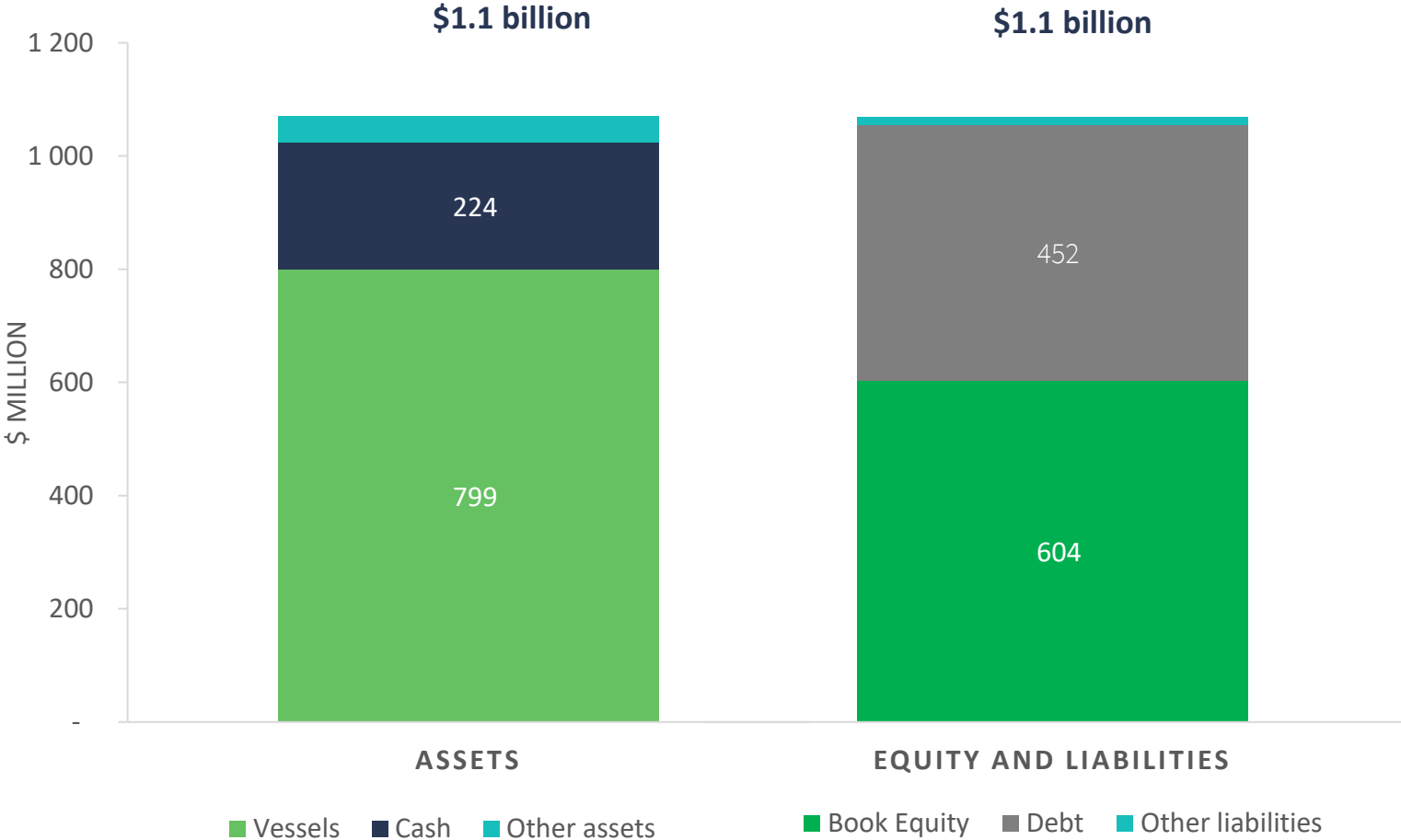


Source: Clarkson SIN

STRONG BALANCE SHEET WITH AMPLE LIQUIDITY



Balance sheet end December 2022 (in US\$ million)



Comments

- 13 VLGCs on the water after taking delivery of Avance Rigel in Feb 2023
- Fully financed four newbuildings for delivery 23/24 with \$250m of financing for \$242m remaining capex
- Significant cash balance of \$224m
- Solid equity ratio of 56%
- Price/book ratio ~0.85x despite three recent sales at well above book values.
- Price/NAV 0.6x according to today's host Petter Haugen – ranked #1 shipping analyst in Norway 2022 according to Kapital

HIGH EXPOSURE TO A STRONG MARKET



| Vessel | Built | EGCS | LPG | NH3 | 2023 | | | | 2024 | | | |
|--------------|-------|------|-----|-----|-------------|-------|-----------|-------|-----------|----|----|----|
| | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Iris Glory | 2008 | | | | Fixed TC | | | | Spot/open | | | |
| Venus Glory | 2008 | | | | Fixed TC | | | | Spot/open | | | |
| Breeze | 2015 | v | | | Spot/open | | | | Spot/open | | | |
| Chinook | 2015 | | | | Variable TC | | Spot/open | | Spot/open | | | |
| Levant | 2015 | v | | | Spot/open | | | | Spot/open | | | |
| Mistral | 2015 | v | | | Spot/open | | | | Spot/open | | | |
| Monsoon | 2015 | v | | | Spot/open | | | | Spot/open | | | |
| Pampero | 2015 | | | | Fixed TC | | | | Spot/open | | | |
| Passat | 2015 | v | | | Spot/open | | | | Spot/open | | | |
| Sirocco | 2015 | v | | | Spot/open | | | | Spot/open | | | |
| Polaris | 2022 | | v | | Variable TC | | | | Spot/open | | | |
| Capella | 2022 | | v | | Variable TC | | | | Spot/open | | | |
| Rigel | 2023 | | v | v* | Spot/open | | | | Spot/open | | | |
| Avior | 2023 | | v | v* | Yard | | Spot/open | | Spot/open | | | |
| Castor | 2024 | | v | v | Yard | | | | Spot/open | | | |
| Pollux | 2024 | | v | v | Yard | | | | Spot/open | | | |
| FFA coverage | | | | | 133 % | 100 % | 100 % | 100 % | | | | |

- Q1-23 fully booked with guided TCE (load-to-discharge) of ~\$58,000/day and \$55,000 (discharge-to-discharge).
- When reporting on Feb 28, 61% of Q2 was booked at “attractive” numbers, coverage is higher now.
- Covered one ship on FFA in Q4-22 for 2023 at average rate \$47,500
- Baltic spot rates as of close April 12, 2023 quoted by Fearnleys at:
 - Ras Tanura/Chiba: \$55,208/day
 - Houston/Chiba: \$49,566/day
- We are fully open from 2024 when order book tails off

Type of employment Fixed TC Variable TC Spot/open Yard

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

WE ARE COMMITTED TO MAXIMIZING SHAREHOLDER VALUE



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Decision Factors

| | | | | | |
|------------------------|---|---|---|---|---|
| Earnings and cash flow | ✓ | ✓ | ✓ | ✓ | ✓ |
| Market outlook | ✓ | ✓ | ✓ | ✓ | ✓ |
| Backlog and visibility | ✓ | ✓ | ✓ | ✓ | ✓ |
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| Debt maturities | ✓ | ✓ | ✓ | ✓ | ✓ |
| Capex liabilities | ✓ | ✓ | ✓ | ✓ | ✓ |
| Other considerations | ✓ | ✓ | ✓ | ✓ | ✓ |

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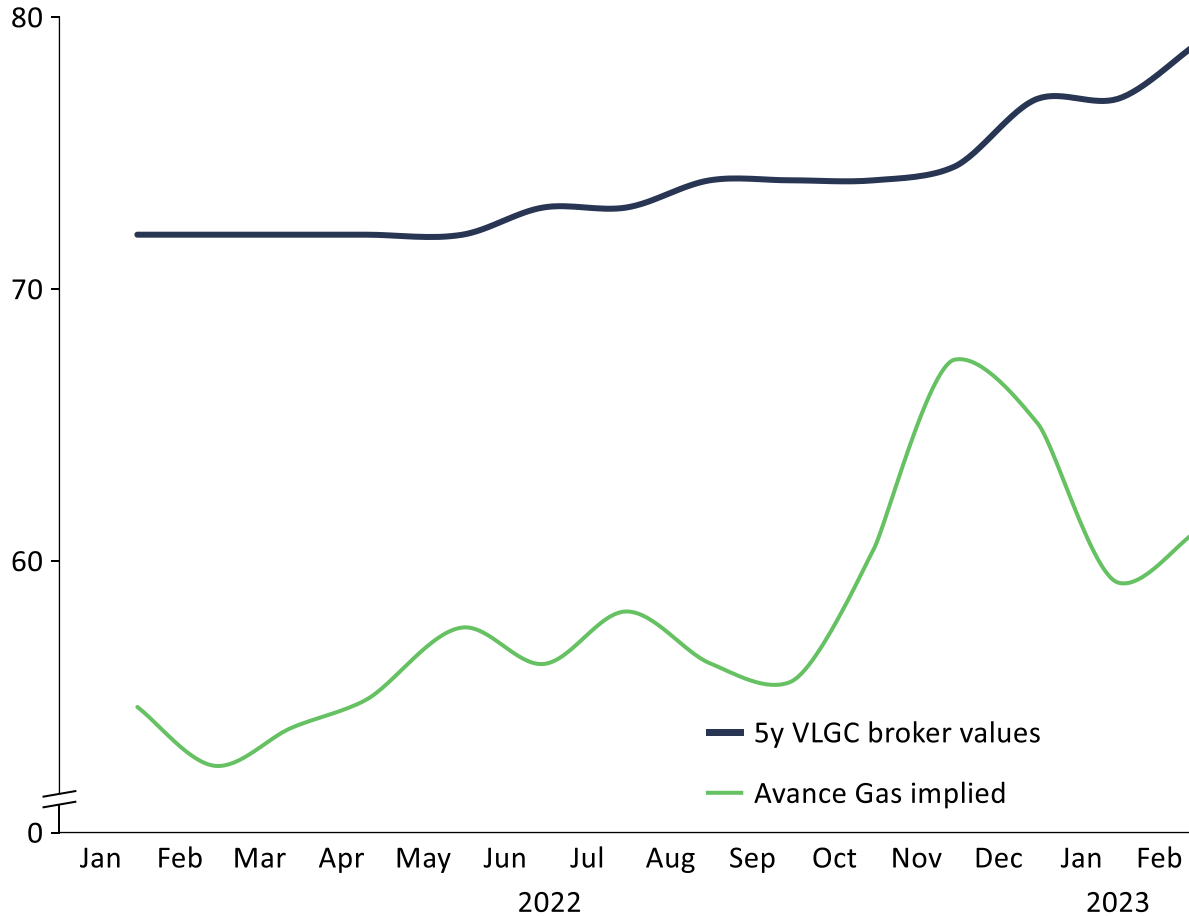
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AVANCE GAS - “EARNINGS POWER AT A STEEP DISCOUNT”



Avance implied value of 5-year VLGC versus broker values



Ships cheaper at the stock exchange than at yards or S&P market

- 2x 2008 VLGCs value each \$50m in line with recent re-sales with 2009 ships fetching \$50-60m
- 8x 2015 eco VLGCs each value \$70 in line with 5yr broker value of ~\$80m
- 6x DF VLGCs quoted at ~\$100m each

Fleet value: \$1,260m

+Working capital and derivatives: \$31m

- Remaining capex: \$242m

- Net debt: \$228m

= Cost of buying/building company: \$821m

\$6.6
pr. share

Current
shareprice in \$

~\$11
Pr. share

Cost of building or
buying AGAS per
share

Sources: Clarkson SIN, DNB Markets, SEB



Avance Gas



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Investor Relations



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

Stock Exchange



ticker: AGAS