



Avance Gas

AVANCE GAS HOLDING LTD

UNAUDITED CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS

For the three months ended March 31, 2025

BERMUDA, April 25, 2025– Avance Gas Holding Ltd (OSE: AGAS) (“Avance Gas” or the “Company”) today reports unaudited results for the first quarter 2025.

HIGHLIGHTS

- Net profit of \$42.6 million and earnings per share of \$0.56 for the first quarter 2025, compared to net income of \$210.2 million and earnings per share of \$2.74 for the fourth quarter 2024.
- On February 28, 2025, the sale of the four Mid-Sized Gas Carriers (“MGCs”) newbuilding contracts to subsidiaries of Exmar LPG B.V. (“Exmar”) was successfully completed. Avance Gas received reimbursement of \$62.1 million of yard instalments paid by Avance Gas to the yard. The Company recorded a gain on sale of \$34.2 million in relation to the sale for the first quarter.
- In April, 2025, the final milestone payment from Exmar of \$34.2 million was received at steel cutting of the fourth and final MGC newbuilding bringing the total cash proceeds from Exmar to \$96.3 million of which \$62.1 million was received in March and \$34.2 million was received in April 2025.
- During the first quarter 2025, the Company paid and distributed \$435.6 million to shareholders of which \$153.2 million was return of capital (\$2.0 per share), \$57.4 million in extraordinary dividend (\$0.75 per share) and \$225 million distribution in BW LPG shares (\$3.25 per share on the announcement date, February 12, 2025).
- On April 16, 2025, the Company declared a final extraordinary distribution of \$0.74 per share, of which \$0.16 per share is return of capital while the remaining \$0.58 per share is extraordinary dividend. The payment date is May 7, 2025, as per key information stated in a separate press release. The final distribution is in line with the estimates presented on February 12, 2025.
- As announced in our third-quarter presentation on November 27, 2024 and reaffirmed in our fourth-quarter presentation on February 12, 2025, following completion of the VLGC fleet sale in 2024 of which four were sold to third parties during the first half of 2024, twelve VLGCs were sold to BW LPG during the second half of 2024, and the four MGC newbuilding sale to Exmar during the first quarter 2025, Avance Gas has sold all assets in the Company and has been returning capital to shareholders with the final distribution announced on April 16, 2025. As previously announced, Avance Gas does not plan to make new investments. Therefore, Avance Gas has continued the wind-up process and called for a Special General Meeting to be held on May 16, 2025, to resolve delisting of the Company and to proceed with a voluntary liquidation of the Company. The last trading date of the shares will be determined by the Oslo Stock Exchange, which we anticipate will occur in June/July 2025.

In US\$ thousands (unless stated otherwise)	Three months ended	Three months ended
	March 31, 2025	December 31, 2024
Income statement:		
Operating revenue	114	44,764
Voyage expense	(20)	(18,631)
TCE earnings	94	26,133
Gross operating profit (EBITDA)	(4,411)	14,142
Gain on sale	34,249	287,428
Change in fair value of BW LPG shares	11,363	(96,723)
Net profit	42,607	210,164
Net (loss) profit adjusted*	(3,005)	13,497
Earnings per share (basic) (\$)	0.56	2.74
Earnings per share (basic) (\$) adjusted*	(0.04)	0.18
Balance sheet:	March 31, 2025	December 31, 2024
Total assets	61,342	457,358
Total liabilities	654	3,435
Cash and cash equivalents	23,103	176,021
Total shareholders' equity	60,688	453,923
Cash flows:	March 31, 2025	December 31, 2024
Net cash from operating activities	1,735	17,846
Net cash from investing activities	55,832	585,492
Net cash (used in) financing activities	(210,631)	(619,129)
Net (decrease) in cash and cash equivalents	(152,918)	(15,791)

*Excluding gain on sale, fair value adjustment of BW LPG investment and dividend income

FINANCIAL REVIEW INCLUDING IMPACT OF THE SALE OF THE MGC FLEET

Avance Gas reported an operating revenue of \$114 thousand for the first quarter of 2025 compared to \$44.8 million for the fourth quarter of 2024. Avance Gas reported a voyage expense of \$20 thousand and \$18.6 million for the fourth quarter 2024. The Company completed the sale of the VLGC fleet to BW LPG during the fourth quarter of 2024, explaining the reduction in operating revenue and voyage expense. The operating revenue and voyage expense for the first quarter 2025 consists of a minor settlement against the charterers and vendors.

Operating expenses (OPEX) were credit \$288 thousand compared to \$7.7 million for the fourth quarter. Operating expenses decreased as we sold the VLGC fleet during the fourth quarter.

Administrative and general (A&G) expenses for the first quarter were \$4.8 million, compared to \$4.3 million in the fourth quarter. Of the A&G expenses, \$3.2 million relates to settlement of employee share options for the first quarter and \$2.8 million for the fourth quarter. The remaining A&G expenses relates to office related costs, legal, corporate, personnel expenses and other administrative costs.

Gain on disposal of assets for the first quarter was \$34.2 million representing the sale of the four MGC newbuildings to Exmar. On November 27, 2024, in connection with the third quarter earnings release, Avance Gas announced that it had entered into a Heads of Agreement ("HoA") with Exmar LPG BV ("Exmar") to sell the four MGCs currently under construction at CIMC SOE by way of novation of the ship building contracts where the consideration was agreed to be \$282.4 million. Two of the vessels were ordered in June 2023, and the last two vessels were ordered in August 2023 at \$62.1 million each. On February 28, 2025, Avance Gas announced completion of the sale and received reimbursement of \$62.1 million of yard instalment paid by Avance Gas to the yard. Exmar as legal owner of the ship building contracts became responsible for the remaining \$186.1 million of yard instalments as well as associated construction supervision work. Furthermore, Avance Gas also received a final milestone payment from Exmar of \$34.2 million at steel cutting of the fourth and final MGC newbuilding in April 2025, which is recorded as a receivable as of March 31, 2025. Hence, Avance Gas booked a gain of \$34.2 million in relation to the sale of

the MGC newbuilding contracts in the first quarter of 2025. This compares to \$287.4 million for the fourth quarter. The gain recorded during the fourth quarter relates to the sale of the twelve VLGCs to BW LPG.

Changes in fair value of BW LPG were positive \$11.4 million for the first quarter, compared to a negative amount of \$96.7 million for the fourth quarter. The significant movement is mainly due to a positive fair value movement of the BW LPG share of \$11.4 million from year end to quarter. The 19.282 million BW LPG share was recorded at \$11.16/share on December 31 and \$11.75/share at the distribution of 19.147 million BW LPG shares to shareholders on February 26, 2025. The remaining 134,658 BW LPG shares retained in Avance Gas was a result of the fractional effect as commented below, was valued at \$10.55/share on March 31, 2025 and subsequently sold in April 2025.

Avance Gas reported a net profit of \$42.6 million or \$0.56 per share, compared to \$210.2 million for the fourth quarter 2024, or \$2.74 per share for the fourth quarter. The net profit adjusted (excluding gain on vessel sales, changes in fair value and dividend income of the BW LPG investment) for the first quarter was negative \$3 million, or \$0.04 per share, compared to the fourth quarter of \$13.5 million, or \$0.18 per share.

Avance Gas' total assets amounted to \$61.3 million on March 31, 2025 compared to \$457.4 million on December 31, 2024. During the first quarter, Avance Gas distributed \$435.6 million to shareholders of which \$225 million in carrying amount related to distribution of the BW LPG shares, \$153.2 million was return of capital and \$57.4 million was extraordinary dividend. Further, the MGC newbuildings classified as Assets held for sale on December 31, 2024 were sold to Exmar during the first quarter which was settled by reimbursement of \$62.1 million in paid yard instalments by Avance Gas from Exmar. The final settlement of the four MGC newbuildings of \$34.2 million were received in April 2025, thereby booked as receivables on March 31, 2025.

Avance Gas' total liabilities amounted to \$654 thousand compared to \$3.4 million on December 31, 2024. The liabilities at quarter end mainly consist of accounts payable to vendors, settlement to employees, accrued board fee and deferred tax.

Total shareholders' equity was \$60.7 million at quarter-end, corresponding to an equity ratio of 99%, compared to \$453.9 million equalling an equity-ratio of 99% at year-end. Shareholder equity decreased by \$393.2 million during the first quarter mainly due to distributions made \$435.6 million for the fourth quarter of 2024 and extra ordinary dividend announced during the first quarter of 2025, being offset by net profit of \$42.6 million.

Cash and cash equivalents were \$23.1 million on March 31, 2025, compared to \$176.0 million on December 31, 2024. Cash flow from operating activities was \$1.7 million, compared with \$7.8 million for the fourth quarter. Net cash flow from investing activities was \$55.8 million of which \$62 million relates to net proceeds from MGC vessel sales offset by \$6.2 million in paid yard instalment prior completing the sale to Exmar. This compares with a net cash flow from investing activities of \$585.5 million for the fourth quarter of which \$592.2 million relates to net proceeds from vessel sales offset by \$6.7 million relates to MGC pre-delivery capital expenditure. Net cash flow used in financing activities was \$210.6 million, consisting of cash payment of return of capital of \$153.2 million and extraordinary dividend of \$57.4 million. This compares with \$619.1 million in the fourth quarter, consisting of payment of dividend of \$268.1 million for the third quarter, repayments of debt of \$361.4 million offset by proceeds from settlement of terminated interest swaps of \$4.4 million and dividends received of \$6.0 million.

DIVIDEND DISTRIBUTED IN 2025, DELISTING AND WIND UP FOR AVANCE GAS

On February 12, 2025, the Company announced a cash dividend of \$2.0 per share equal to \$153 million, of which all represents a return of capital, following the approval to reduce capital at the Special General Meeting held on February 5, 2025. Additionally, the Company declared the distribution of BW LPG shares to its shareholders, as the lock-up period expired on February 9, 2025. As of the close of business on February 11, 2025, BW LPG shares traded at NOK 145/\$13 per share, bringing the total value of the BW LPG share distribution to approximately \$250 million, or \$3.25 per share in Avance Gas. The BW LPG shares were distributed to the shareholders on February 26, 2025 and the return of capital was paid to shareholders on February 27, 2025.

Avance Gas has 76,593,083 outstanding shares (net of treasury shares) and held 19,282,000 shares in BW LPG. Shareholders therefore receive one BW LPG share for every four Avance Gas shares they held, with any fractions rounded down. As a result, fractional shares were not settled in the form of BW LPG shares. Hence, 134,658 BW LPG shares remained after the distribution, which was subsequently sold in April at \$1.2 million in total.

On February 28, 2025, Avance Gas announced closing of the sale of the four MGC newbuildings to Exmar triggering payment from Exmar to the company of \$62.1 million, this allowed an extraordinary dividend of \$0.75 per share equalling \$57.4 million to be declared. The extraordinary dividend was paid on March 14, 2025.

On April 16, 2025, the Company announced that the final settlement of \$34.2 million from Exmar was received allowing a final extraordinary distribution of \$0.74 per share, equalling \$56.7 million in total, of which \$0.16 per share is return of capital and \$0.58 per share is dividend. Payment of the final distribution will be paid on May 7, 2025.

As announced in our third-quarter presentation on November 27, 2024, and reaffirmed in our fourth quarter presentation on February 26, 2025, Avance Gas no longer owns operating assets and does not plan to make new investments following the completion of the VLGC fleet sale to BW LPG and the MGC newbuildings sale to Exmar. Therefore, Avance Gas has been preparing a wind-up process, including dissolution of empty subsidiaries, termination of employees including management and returned all capital to its shareholders promptly, with the final distribution announced on April 16 of \$0.74 per share. Any remaining funds in the Company after the final distribution on May 7, 2025, are expected to be used to settle any outstanding obligations to creditors, including liquidation fees.

On April 24, 2025, the Company called for a Special General Meeting to be held on May 16, 2025, to proceed with a members voluntary liquidation of the Company by appointing Ernst & Young (Bermuda) as Liquidators with effect from the close of the Meeting and to approve the delisting of the Company's common shares from the Oslo Stock Exchange and to authorize the Liquidators to take steps to implement the delisting including filing an application to the Oslo Stock Exchange on behalf of the Company. The Company expect that the delisting will be completed during June/July 2025.

Due to limited activity as explained above, a presentation or webcast/conference call will not be held for the first quarter 2025. Press releases will be issued as needed regarding the resolutions from the Special General Meeting and the delisting process.

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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)

For the three months ended		
	March 31, 2025	March 31, 2024
Note	(in USD thousands)	
Operating revenue	114	116,127
Voyage expenses	20	(24,155)
Operating expenses	289	(9,628)
Administrative and general expenses	(4,834)	(1,583)
Operating profit before depreciation expense	(4,411)	80,761
Depreciation and amortisation expense	5 (12)	(10,061)
Gain on disposal of asset	5 34,249	84,929
Operating profit	29,826	155,629
Non-operating (expenses) income:		
Finance expense	(12)	(10,764)
Change in fair value of BW LPG shares	6 11,363	-
Finance income	1,368	2,017
Foreign currency exchange gain (loss)	140	(330)
Income before tax	42,685	146,552
Income tax expense	(78)	(63)
Net profit	42,607	146,489
Earnings per share		
Basic	0.56	1.91
Diluted	0.56	1.90

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)

For the three months ended		
	March 31, 2025	March 31, 2024
Note	(in USD thousands)	
Net profit	42,607	146,489
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit and loss:</i>		
Fair value adjustment of derivative financial instruments designated for hedge accounting	-	11,359
Amortisation of gain on discontinued hedges	-	(433)
Exchange differences arising on translation of foreign operations	151	(7)
Other comprehensive income	-	10,919
Total comprehensive income	42,758	157,408

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)

		As of	
		March 31, 2025	December 31, 2024
		<i>(in USD thousands)</i>	
	Note		
ASSETS			
Cash and cash equivalents		23,103	176,021
Trade and other receivables		608	7,816
Prepaid expenses and other current assets		306	1,597
Receivable from MGC sale	5	35,865	-
Assets held for sale	5	-	56,744
Shares in BW LPG	6	1,460	215,180
Total current assets		61,342	457,358
LIABILITIES AND SHAREHOLDERS' EQUITY			
Trade and other payables		145	803
Accrued expenses and other current liabilities		509	2,632
Total current liabilities		654	3,435
Shareholders' equity			
Share capital	4	774	774
Paid-in capital	4	279,005	432,191
Contributed capital		94,237	94,574
Retained (loss) income		(302,164)	(62,301)
Treasury shares		(11,351)	(11,351)
Accumulated other comprehensive income		187	36
Total shareholders' equity		60,688	453,923
Total liabilities and shareholders' equity		61,342	457,358

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)

<i>(in USD thousands)</i>	Share capital	Paid-in capital	Contributed capital	Retained (loss) income	Accumulated other comprehensive (loss) income	Treasury shares	Total
As of December 31, 2023	77,427	431,366	94,983	4,771	6,598	(11,351)	603,794
Comprehensive income:							
Net profit	-	-	-	443,038	-	-	443,038
<i>Other comprehensive (loss) income:</i>							
Fair value adjustment of derivative financial instruments	-	-	-	-	(1,229)	-	(1,229)
Amortisation of gain on discontinued hedges	-	-	-	-	(5,307)	-	(5,307)
Translation adjustments, net	-	-	-	-	(26)	-	(26)
Total other comprehensive (loss) income	-	-	-	-	(6,562)	-	(6,562)
Total comprehensive (loss) income	-	-	-	443,038	(6,562)	-	436,476
Transactions with shareholders:							
Share capital reduction	(76,653)	76,653	-	-	-	-	-
Return of capital	-	(75,827)	-	-	-	-	(75,827)
Dividends	-	-	-	(510,110)	-	-	(510,110)
Compensation expense for share options	-	-	(409)	-	-	-	(409)
Total transactions with shareholders	(76,653)	825	(409)	(510,110)	-	-	(586,347)
As of December 31, 2024	774	432,191	94,574	(62,301)	36	(11,351)	453,923
Comprehensive income:							
Net profit				42,607			42,607
<i>Other comprehensive (loss) income:</i>							
Translation adjustments, net					151		151
Total other comprehensive (loss) income							
Total comprehensive income				42,607	151		42,758
Transactions with shareholders:							
Return of capital		(153,186)					(153,186)
Dividends				(282,470)			(282,470)
Compensation expense for share options			(337)				(337)
Total transactions with shareholders		(153,186)	(337)	(282,470)			(435,993)
As of March 31, 2025	774	279,005	94,237	(302,164)	187	(11,351)	60,688

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 three months ended		
	March 31, 2025	March 31, 2024
	<i>(in USD thousands)</i>	
Note		
Cash flows from operating activities		
Cash generated from operations	3	5,376
Interest paid		(7,081)
Settlement of share options		(3,641)
Net cash flows from operating activities		1,735
Cash flows from (used in) investing activities:		
Net proceeds from sale of assets	5	62,037
Capital expenditures	5	(6,205)
Net cash flows from investing activities		55,832
Cash flows from (used in) financing activities:		
Dividends Paid	4	(57,445)
Return of capital	4	(153,186)
Repayment of long-term debt		-
Proceeds from loans and borrowings, net of transaction costs		-
Net cash flows (used in) financing activities		(210,631)
Net increase (decrease) in cash and cash equivalents		(153,064)
Cash and cash equivalents at beginning of period		176,021
Effect of exchange rate changes on cash		146
Cash and cash equivalents at end of period		23,103

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

AVANCE GAS HOLDING LTD
NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS
(UNAUDITED)

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”) has been engaged in the transportation of Liquefied Petroleum Gas (“LPG”). On August 15, 2024, Avance Gas announced the sale of its VLGC fleet to BW LPG Ltd (“BW LPG”). On December 31, 2024, the Company concluded the sale of the VLGC fleet, consisting of twelve vessels, with BW LPG. Thereby, the Company no longer owns or operate VLGCs. As of December 31, 2024, the Company owned four dual fuel MGC (Medium-Sized Gas Carrier) newbuilding contracts, which were held for sale as the Company announced a Heads of Agreement (HoA) with Exmar LPG BV (Exmar) to sell the MGCs with final settlement estimated to be in April/May 2025. As of March 31, 2025, the Company concluded the sale of MGCs to Exmar with the final settlement of \$34.2 million received in April 2025. As a result, the Company no longer owns or operates any vessels and is currently in the process of dissolution and delisting. The Company has called for a Special General Meeting (SGM) which will be held on May 16, 2025. A separate notice of the SGM has been distributed to shareholders on April 24, 2025.

Basis of Preparation – Liquidation basis

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, 2024, which were prepared in accordance with IFRS[®] Accounting Standards as adopted by the European Union (“IFRS”).

The condensed interim financial statements have been prepared on a liquidation basis, as management intends to liquidate Avance Gas Holding Ltd and its subsidiaries. The condensed interim financial statements are prepared in accordance with IFRS[®] Accounting Standards as adopted by the European Union (“IFRS”), except for the presentation requirements regarding discontinued operations stated in IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Application of a liquidation basis did not have any other impacts on the accounting policies or disclosures of the interim financial statements.

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, 2024, 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.

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.

AVANCE GAS HOLDING LTD
NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS
(UNAUDITED)

3. Reconciliation of net profit to cash generated from operations

	For the twelve months ended	
	March 31, 2025	March 31, 2024
	<i>(in USD thousands)</i>	
Net profit	42,607	146,489
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation and amortisation of property, plant and equipment	12	10,061
Net finance expense	(1,496)	11,094
Changes in fair value of shares	(11,363)	-
Dividend income	57	-
Share-based compensation expense	3,599	78
Gain on sale of assets	(34,249)	(84,929)
Changes in assets and liabilities:		
Decrease (Increase) in trade and other receivables	7,671	29,949
Decrease (Increase) in inventory and prepaid expenses and other current assets	1,318	18,116
(Decrease) Increase in trade and other payables	(658)	(243)
(Decrease) Increase in accrued voyage expenses and other current liabilities	(2,122)	(7,399)
Other	-	314
Cash flows from operating activities	5,376	123,530

AVANCE GAS HOLDING LTD
NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS
(UNAUDITED)

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 March 31, 2025, and \$1.00 per share as of March 31, 2024. 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 29, 2024, see separate section for further details below. Of the authorised share capital, 77.4 million shares were issued and outstanding as of March 31, 2025, and December 31, 2024, 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.

In February 2025, the Company returned \$153.2 million (\$2 per share) in capital to its shareholders along with an extraordinary dividend of \$57.4 million (\$0.75 per share) and distribution of 19.1 million BW LPG shares.

Share-based payments

The Company has previously set up a share option plan in order to encourage the Company's officers and other employees to hold shares in the Company. As of December 31, 2024, the total outstanding share option under the Company's share option scheme was 250,000. Following declared share employee options granted, there are no share options outstanding under the Company's share option scheme as of March 31, 2025.

5. Sale of assets and receivable from MGC sale

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 subject to issuance of new refund guarantees to Exmar, as well as the completion of customary documentation and closing procedures. The price of the newbuildings under this HoA was agreed to be \$282.4 million, corresponding to \$70.6 million per vessel.

On February 28, 2025, the Company closed the sale of the MGC fleet to subsidiaries of Exmar for a consideration of \$282.4 million. Avance Gas received reimbursement of the \$62.1 million of yard instalments paid by Avance Gas to the yard. Following close of the MGC fleet sale, the Company recognised \$34.2 million in gain on sale during the three months ended as of March 31, 2025. Prior to the sale of the MGC fleet and within the three months ended as of March 31, 2025, the Company capitalised \$6.2 million in yard instalment, bringing the total accumulated yard instalments to \$62.1 million, and supervision costs of \$407 thousand.

Avance Gas recognised a receivable of \$34.2 million as of March 31, 2025, which represents the final milestone payment from Exmar once the steel cutting of the fourth and final MGC newbuilding has been completed. The final milestone payment from Exmar of \$34.2 million was settled in April 2025.

6. Changes in value of BW LPG shares

The fair value (level 1) of the Company's equity investment in BW LPG is determined using quoted prices from the Oslo Stock Exchange. The shares are measured at fair value in the statement of financial position, with value changes recognised in profit and loss.

AVANCE GAS HOLDING LTD
NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS
(UNAUDITED)

As of December 31, 2024, the Company held 19.282 million shares in BW LPG valued at \$11.15 per share as a result of the sale of the VLGC fleet to BW LPG. In February 2025, 19.147 million shares were distributed to shareholders of which each Avance Gas shareholder received one BW LPG share for every Avance Gas share. On the distribution date of February 26, 2025, the BW LPG share was valued at \$11.75 per share resulting in a fair value adjustment of the share of \$11.4 million and 19.147 million shares with a carrying amount of \$225 million were derecognised from current assets. As a result of the fractional effect from the BW LPG share distribution, the Company retained 134,658 shares in BW LPG which was valued at \$10.56 per share on March 31, 2025. These shares were subsequently sold at \$8.90 per share or \$1.2 million in April 2025.

7. Related party transactions

The Group entered into a corporate secretarial services agreement in July 2018 and a technical supervision agreement in the second quarter of 2019 with Frontline Management (Cyprus) Ltd. In Q1 2021, the Group entered into a separate technical supervision agreement for the Group's newbuilding program with Frontline Management (Cyprus) Ltd. Additionally, the group entered a shared services agreement with Front Ocean Management AS (Norway) in the fourth quarter of 2021, and an office lease agreement in the fourth quarter of 2024.

For the three months ended March 31, 2025, the fee for corporate secretarial services was \$70 thousand, the fee for technical supervision for current fleet and newbuildings was \$407 thousand and fee for office lease and shared services was \$100 thousand. In addition, Avance Gas received a recharge of operational credits of \$236 thousand.

For the three months ended March 31, 2024, the fee for corporate secretarial services was \$78 thousand, the fee for technical supervision for current fleet and newbuildings was \$391 thousand and fee for office lease and shared services was \$257 thousand. In addition, Avance Gas received a recharge of operational credits of \$202 thousand.

A summary of balances between related parties on March 31, 2025, and March 31, 2024, as follows:

	As of	
	March 31, 2025	March 31, 2024
	<i>(in USD thousands)</i>	
Frontline Management (Cyprus) Ltd.	(1,447)	(70)
Flex LNG Management AS	-	81
Seatankers Management Co. Ltd.	20	30
Front Ocean Management AS	-	8
Net (receivable) payable to related parties	(1,427)	49

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8. 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:

<i>(in USD thousands)</i>	<u>Foreign Currency reserve</u>	<u>Fair value reserve</u>	<u>Accumulated other comprehensive income/ (loss)</u>
Balance January 1, 2024	63	6,536	6,598
Effective portion of changes in fair value of interest rate swaps	-	4,308	4,308
Reclassified to profit or loss	-	(10,844)	(10,844)
Translation adjustment, net	(26)	-	(26)
Balance December 31, 2024	<u>36</u>	<u>-</u>	<u>36</u>
Effective portion of changes in fair value of interest rate swaps	-	-	-
Reclassified to profit or loss	-	-	-
Translation adjustment, net	151	-	151
Balance March 31, 2025	<u>187</u>	<u>-</u>	<u>187</u>

9. 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.

10. 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.

11. Subsequent Events

In April 2025, the Company received the final milestone payment of \$34.2 million from Exmar concluding the sale of the four MGCs.

On April 16, 2025, the Company announced a final extraordinary distribution of \$0.74 per share equalling \$56.7 million in total.

On April 24, 2025, the Company called for a Special General Meeting (SGM) to be held on May 16, 2025, to resolve delisting and to proceed with a voluntary liquidation of the Company.