Avance Gas

Annual report **2024**

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BOARD OF DIRECTOR’S REPORT

Executive summary

The year 2024 has been a significant one for Avance Gas. The company began the year with 20 vessels on its balance sheet and announced that all vessels were sold during the year, generating a book profit of $408 million recognised in 2024, with an estimated additional $34 million expected in 2025, totalling $442 million.

Of the 20 vessels, four vessels were sold during the first half of 2024, Venus Glory (2008) and Iris Glory (2008), Avance Castor (2024) and Avance Pollux (2024), at a book gain on sale of $121 million. On August 15, 2024, Avance Gas announced an agreement with BW LPG to sell its remaining VLGC fleet, consisting of 12 vessels, with delivery scheduled before the end of 2024. The transaction was settled with approximately $589 million in cash, the novation of approximately $129 million in debt obligations, and 19.282 million shares in BW LPG. The delivery of the vessels to BW LPG occurred in November and the transaction was closed with the final VLGC delivery on December 31, 2024. On November 27, 2024, Avance Gas entered into a Heads of Agreement (HoA) to sell its four MGC newbuildings under construction to Exmar LPG BV (“Exmar”) for a consideration of $282.4 million equalling $70.6 million per vessel. These vessels were acquired in 2023 at $248.2 million equalling $62.1 million per vessel as per the shipbuilding contract, with delivery in 2025 and 2026. Closing of the sale of the MGC fleet was announced on February 28, 2025, following effectiveness of the agreement between the parties which resulted in $62.1 million in payment from Exmar to Avance Gas with the final settlement of $34.2 million expected in April 2025.

Along with vessel sales, the VLGC spot freight market was particularly strong in the first half of 2024. The spot freight market in 2024 was driven by robust US production, US LPG export growth, historically high price arbitrage, and inefficiencies caused by the drought in the Panama Canal. For the full year 2024, Avance Gas reported a TCE/day of $52,500 compared to $57,200 in 2023 and $38,200 in 2022.

Net profit in 2024 was $443 million, or $5.78 per share, driven by asset sales. Adjusted for gains on vessel sales, changes in the fair value and dividend income from the BW LPG investment, net profit was $125 million, or $1.64 per share, marking the third highest ordinary results ever.

Avance Gas declared a dividend of $938 million, or $12.25 per share, for the financial year 2024. Of the $12.25 per share, $2.99 was structured as return of capital, $3.25 per share was a distribution of BW LPG shares transferred to shareholders and the remaining $6.01 per share was a cash dividend. Furthermore, Avance Gas distributed an extraordinary dividend of $0.75 per share in March 2025, following receiving the reimbursement from the MGC sale. The Company anticipates distributing the remaining cash of approximately $0.70 per share in April/May 2025, upon receiving the final $34.2 million from the MGC sale.

Following the vessel sales, Avance Gas no longer owns operating assets and does not plan to make new investments. Consequently, Avance Gas announced in November 2024 the preparation of a wind-up process to return all capital to its shareholders by the second quarter of 2025. Discussions have also begun to propose potential partners to serve as liquidators and assist in navigating the formal liquidation process. This process is expected to commence in the second quarter of 2025, following the return of all remaining funds to shareholders.

COMPANY AND BUSINESS

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 Very Large Gas Carrier (“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. As of December 31, 2024, the Company owns four dual fuel Medium-Sized Gas Carrier (“MGC”) newbuilding contracts, which are held for sale as the Company announced a Heads of Agreement (“HoA”) with Exmar LPG BV (“Exmar”) to sell the contracts. The sale of the MGC newbuilding contracts became effective February 28, 2025, when new refund guarantees were issued. Following the issuance of refund guarantees, Avance Gas received $62.1 million in reimbursement from already paid in yard instalments and will receive final settlement of $34.2 million once the steel cutting of the fourth and final MGC newbuilding is completed, which is expected to occur in April/May 2025.

FREIGHT MARKET

The freight market in 2024 was moderately strong, with average time charter equivalent ("TCE") rates around mid $40,000/day (average US Gulf/Arabian Gulf). The underlying fundamentals remained robust, with US seaborne LPG exports growing by 10% year over year. Middle East export volumes were again affected by ongoing OPEC production cuts, resulting in modest growth of 2%. On the import side, China continued to be the main driver, increasing its domestic demand for LPG by 11%, fuelled by new propane dehydrogenation ("PDH") plants coming online. India's imports rose by 8% in 2024, supported by subsidies to economically weaker households, enabling them to replace kerosene with bottled gas for cooking.

On the supply side, 20 vessels were delivered during the year, resulting in fleet growth of 5%. However, the market balance was impacted by the normalization of water levels in the Panama Canal, leading to an increased number of transits through the canal compared to the previous periods. In the second half of 2023 and the first half of 2024, VLGC earnings were boosted as owners rerouted their vessels via the Cape of Good Hope ("CoGH") due to the limited number of transit slots and long waiting times, causing auction fees to skyrocket. The normalization of the canal during 2024 gradually reduced tonne-mile demand and congestion from these inefficiencies.

A main driver for the VLGC market in recent years has been the US/East LPG price arbitrage, with the market generally sensitive to changes in arbitrage levels. The price arbitrage was relatively strong throughout the year, albeit with some volatility. Historically, shipowners have captured the largest share of the price arbitrage. However, in the second half of 2024, bottlenecks related to US terminal capacity, combined with an overhang of available vessels, led to a significant increase in terminal fees. As a result, terminal slot owners captured a larger share of the US/East LPG price arbitrage.

Looking at the market quarter by quarter, the first quarter went from spot freight rates exceeding $100,000/day in January down to opex levels in February. The slump in the spot freight market was driven by a cold snap in the US that disrupted gas production and increased domestic consumption, leading to a significant rise in US gas prices. This weather event also resulted in several weeks of large withdrawals from US propane inventories. Consequently, the US/East price arbitrage fell to relatively low levels. The market was also negatively affected by a decline in demand from the East, as Chinese PDH plants faced challenges in increasing their run rates at the beginning of the year due to falling margins. Freight rates averaged $47,700 per day. However, this figure does not account for the fact that several ships ballasted to the US via the CoGH, resulting in a 25% lower TCE on pure round-trip economics due to the extended ballast leg and the laden voyage proceeding East via the Panama Canal.

The market improved in the second quarter, supported by increased US export volumes. The US/East price arbitrage strengthened significantly during the quarter as US consumption fell after the cold winter season and inventory levels picked up. Rates averaged $56,400 per day. The improved fundamentals were partly offset by the gradual normalization of the Panama Canal, with water levels reaching their five-year average by the end of the quarter. Consequently, Panama gradually eased passage restrictions, and daily transits through the canal returned to pre-restriction levels. The number of monthly transits for VLGCs through the Panama Canal was up 25% compared to the first quarter of 2024.

Despite the strong price arbitrage during the third quarter, the average rate was $33,700 per day. Gulf Coast dock export capacity maxed out, and terminal rates skyrocketed to 30 cents per gallon in September, compared to the average of 6 cents per gallon in 2021-2023. The quarter started softly with Hurricane Beryl and the terminal maintenance season in the US, negatively affecting US VLGC liftings in July. Combined with increased Panama Canal transits, the number of available vessels outside the US was three to four times higher than the historical five-year average by the end of July and the beginning of August, exerting downward pressure on rates. In August, lifting volumes reached all-time high levels, helping to reduce the significant backlog of vessels outside the US and supporting market activity and rates. 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 at Energy Transfer's terminal in Nederland, Texas.

The anticipated strong winter market never materialized, and the average rate for the fourth quarter was mid/low $30,000 per day, marking the weakest fourth quarter since 2018. The relatively soft market was again negatively affected by US terminal bottlenecks and an excess of available vessels compared to cargo slots. Consequently, US terminal fees remained high, although they were lower than the September peak.

SALE OF ALL VESSELS

In December 2023, the Company announced an agreement to sell its two remaining 91,000 cbm dual fuel newbuildings, scheduled for delivery in 2024, with the intended names Avance Castor and Avance Pollux. The buyer agreed to pay $240 million in total for the two newbuildings upon ex-yard delivery. The newbuildings were contracted in April 2021 at a price of approximately $78 million each. They were later upgraded with capex of about $3 million each to enable them to load ammonia cargoes and be ready to run on ammonia as fuel when this feature becomes commercially available. In March 2024, the Company completed the sale of the VLGC with the intended name Avance Castor, and in May, the sale of the VLGC with the intended name Avance Pollux was completed. The Company recorded a book gain on the sale of approximately $72 million and net cash proceeds after capex of approximately $123 million in total.

In January 2024, the Company completed the sale of the VLGC Iris Glory, built in 2008, for a gross cash consideration of $60 million. The vessel completed her two-year Time Charter Party ("TCP") with IOC at the end of November 2023. After the completion of the time charter, Iris Glory also carried out a single spot voyage, achieving a net TCE result of $3.1 million prior to delivery to the new owners. The Company recorded a book gain on the sale of approximately $21 million and net cash proceeds of approximately $25 million for the first quarter of 2024, following the repayment of the lease financing.

In March 2024, the Company completed the sale of the VLGC Venus Glory, built in 2008, for a gross cash consideration of $66 million. The vessel completed her two-year TCP with IOC at the end of December 2023. After the completion of this time charter, Venus Glory also carried out a single spot voyage, achieving a net TCE result of $5.4 million. The Company recorded a book gain on the sale of approximately $27 million and a cash release of approximately $40 million following the repayment of bank financing.

On August 15, 2024, Avance Gas entered into an agreement with BW LPG to sell its remaining VLGC fleet, consisting of twelve vessels. This agreement enabled a smooth handover while allowing Avance Gas to trade the ships for some further period in the winter market. During the fourth quarter of 2024, the Company completed the sale of the twelve VLGCs to BW LPG, resulting in a total gain on sale of $287 million and total cash proceeds of $242 million, bringing the total gain on sale for 2024 to $408 million. The sale was settled with approximately $589 million in cash, the novation of approximately $129 million in debt obligations, and 19.282 million shares in BW LPG.

In November 2024, the Company announced it had entered into a definitive Heads of Agreement ("HoA") with Exmar to sell its four MGC newbuilding contracts through a novation, subject to the issuance of new refund guarantees to Exmar, as well as the completion of customary documentation and closing procedures. The price of the newbuildings under the HoA was agreed to be $282.4 million, corresponding to $70.6 million per vessel. Two of the vessels were ordered in June 2023, and the last two vessels were ordered in August 2023 at $62.1 million each. Hence, Avance Gas expects to book a gain of $34 million in relation to the sale of the MGC newbuilding contracts in the first quarter of 2025. In January 2025, a novation agreement between Avance Gas and Exmar was signed and in

February 2025 new refund guarantees were issued, and the transaction became effective. Following the issuance of refund guarantees, Avance Gas received $62.1 million from Exmar in reimbursement for already paid yard instalments. Furthermore, the profit element of $34.2 million is scheduled to be received in April/May in connection with the steel cutting of the last MGC newbuilding. As of December 31, 2024, the four MGCs are classified as held for sale in the balance sheet.

FINANCIAL RESULTS

Avance Gas (the "Company") recorded a net income of $443.0 million in 2024. The strong result was driven by gain on asset sale of $408.4 million related to the sale of the VLGC fleet of 16 vessels during the year. By excluding gains from sale of VLGCs, 2024 was a profitable year with adjusted net income[1] of $125.4 million - the third highest ordinary result recorded. The Company declared $689.3 million or $9 per share in cash distribution from dividends of which $2.99 was return of capital for the full year 2024. Additionally, the Company distributed its BW LPG shares to shareholders in February 2025 equalling $3.25 per share, with each shareholder receiving one BW LPG share for every four Avance Gas shares held. In total, the distributions declared for the full year 2024 amounted to $12.25 per share equalling $938.3 million. This brings the total dividend distribution since the Company was listed in 2014 to $1.5 billion of which $1.2 billion has been distributed the past 3 years:

Distribution $ mill	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Distribution $/share	23.85	12.25	2.15	1.1	0.26	0.11	0.30	-	-	0.30	4.66	2.72
Total distribution	1,495	938	165	84	18	7	19	-	-	10	160	94
Net profit	954	443	164	89	32	71	56	(43)	(55)	(68)	183	82
% of net profit	157%	212%	100%	95%	57%	10%	34%	-	-	-15%	88%	114%

In March 2025, the Company distributed an extraordinary dividend of $0.75 per share. The following sections below are describing the 2024 full year results in more detail.

In 2024, Avance Gas reported a net profit of $443.0 million compared to a net profit of $163.6 million in 2023. Basic and diluted earnings per share was $5.78 and $5.76 in 2024, a significant increase compared to $2.14 and $2.12 in 2023. Net result adjusted for vessel sales gain on sale, fair value adjustment of BW LPG investment and dividend income was $125.4 million or $1.64 per share.

For the full year 2024, we sailed in at a TCE rate of $52,500/day compared to $57,200/day in 2023. TC coverage for the year was 25% at $45,000/day and 75% spot at $55,000/day. The positive market sentiment in 2023 continued into the first half of 2024, driven by strong US production, high US LPG exports, historically high price arbitrage, and inefficiencies caused by drought in the Panama Canal. However, this momentum tailed off in the second half of the year due to net fleet growth and increased capacity in the Panama Canal explaining the movements in TCE rates during the year. In Q1, Q2, Q3, and Q4, we reported a TCE rate per day of $78,800, $46,700, $41,900, and $35,300, respectively.

Operating expenses decreased to $36.6 million in 2024 from $40.3 million in 2023, primarily due to fewer voyage days. OPEX per day for the year was $8,900 compared to $8,200 in 2023. The increase in OPEX per day for the full year

[1] Excluding gain on sale, fair value adjustment of BW LPG investment and dividend income.

is mainly explained by high OPEX per day in the fourth quarter due to less calendar days as we sold the VLGC fleet during the quarter.

The company recorded 42 off-hire days in 2024, related to maintenance and repair, compared to 135 off-hire days in 2023. In 2023, the Company completed special survey drydocking, including the installation of Ballast Water Treatment Systems (BWTS) on two vessels, in addition to maintenance and repair for the remaining fleet. Consequently, the company recorded 4,087 operating days (calendar days less off-hire days) in 2024, down from 4,787 in 2023.

Administrative and general expenses, totalled $13.2 million in 2024, an increase from $6.9 million in 2023, with $5.8 million of the increase attributed to the settlement of vested employee share options.

Gain on disposal of assets for the full year 2024 was $408.4 million compared to no gain recorded in 2023. The full year gain includes the sale of the 12 VLGCs to BW LPG as well as the sales of Iris Glory (2008), Venus Glory (2008), Avance Castor (2024) and Avance Pollux (2024) recorded during the first half of the year. On August 15,2024, Avance Gas entered into an agreement with BW LPG Ltd ("BW LPG") to sell its VLGC fleet consisting of twelve vessels. During the fourth quarter of 2024, the Company completed the sale of the twelve VLGCs to BW LPG. The sale was settled with approximately $589 million of cash, novation of approximately $129 million of debt obligations and 19.282 million shares in BW LPG.

Depreciation expense for the full year of 2024 was $25.1 million, down from $43.9 million in 2023. This decrease is primarily due to vessel sales, with the VLGC fleet being classified as held for sale following the announcement of the BW LPG transaction on August 15, 2024. As a result, depreciation was halted, leading to a $12 million reduction in depreciation expense.

Net non-operating expenses, consisting of finance expenses, changes in the fair value of BW LPG shares, finance income, and foreign exchange gains, were $104.9 million in 2024, compared to $18.8 million in 2023. The significant increase is due to an unrealized financial loss from the BW LPG shares, as the shares are measured at fair value at the reporting date. The BW LPG share price decreased from $16.18 per share on August 15, 2024, to $11.16 per share on December 31, 2024, resulting in a fair value adjustment of $96.7 million. Finance income also rose, primarily due to a higher cash balance following the sale of vessels, compared to the previous year.

Avance Gas' total assets amounted to $457.4 million as of December 31, 2024, compared to $1,153.6 million as of December 31, 2023. The significant reduction in total assets is due to the sale of the VLGC fleet and a large portion of the proceeds being distributed as dividends. As of December 31, 2024, the balance sheet primarily consists of 19.282 million shares in BW LPG, recorded as a current asset measured at a fair value of $215.2 million, cash and cash equivalents of $176.0 million, and assets held for sale of $56.7 million related to the MGC newbuilding contracts subsequently sold to Exmar LPG BV. 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.

Avance Gas' total liabilities amounted to $3.4 million on December 31, 2024, compared with $549.8 million as of December 31, 2023. The Group did not hold any interest-bearing debt as of December 31, 2024, as all interest-bearing debt was repaid or novated in connection with the sale of the fleet. Consequently, Avance Gas had no loan covenants on December 31, 2024.

Total shareholders' equity as of December 31, 2024, was $453.9 million, corresponding to an equity ratio of 99.2%, compared to $603.8 million and 52.3% as of December 31, 2023. The reduction in equity is mainly due to dividend and return of capital payments totalling $585.9 million during 2024 and other comprehensive loss of $6.6 million for 2024, partly offset by a net profit of $443.0 million.

Total free cash and cash equivalents in 2024 amounted to $176.0 million, compared with $131.5 million in 2023. Net cash flows from operating activities were $203.7 million. Net cash flows from investing activities were positive at $820.5 million, driven by $954.8 million in net proceeds from the sale of assets, partly offset by instalments related to the Company's VLGC and MGC newbuildings. Net cash flows used in financing activities were $978.8 million, mainly consisting of dividend and return of capital payments totalling $585.9 million, repayment of long-term debt of $581.7 million, partly offset by proceeds from loans and borrowings, net of transaction costs of $176.4 million related to refinancing existing debt in the first half of 2024, dividends received of $6.0 million and cash settlement on terminated derivatives of $6.4 million.

OPERATIONAL HIGHLIGHTS AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Avance Gas vessels mainly operated in the Middle East Gulf and US Gulf/US East Coast for loading, with cargo transported to Asia primarily via the Panama Canal, depending on the end destination. However, both waiting times and auction fees in the Panama Canal remained high during the first half of the year due to a drought and the down-prioritization of VLGCs. Additionally, the Suez Canal has been closed since the Houthi militia attacked merchant shipping around the Bab El-Mandeb strait at the end of 2023. Consequently, Avance Gas vessels were primarily loaded through the Panama Canal and ballasted via the Cape of Good Hope, thereby avoiding congestion outside the Panama Canal while also avoiding sailing via the Suez Canal. For the fleet, we recorded a utilization rate of 99.3% in 2024 compared to 99.0% in 2023. Despite somewhat longer average sailing distances per trip due to these factors, the total sailing distance in 2024 was 1,123,232 nautical miles, down from 1,278,676 nautical miles in 2023. This reduction is explained by fewer operating days in 2024.

For the full year 2024, we reduced our emissions by 4.9%, as measured by the Annual Efficiency Rate (AER). The primary factors contributing to this reduction were the Company's completion of its fleet renewal strategy, which included investing in new dual-fuel technology and divesting older vessels. For the year 2024, we obtained an AER of 6.32, compared to 6.64 in 2023 and 7.11 in 2022.

For more information about our approach to ESG, including how we manage climate risk, social, and governance matters, please refer to our separate ESG section in the annual report on page 55. Following sale of the VLGC fleet and the four MGC newbuildings, leaving no operating assets left, the Company has decided to replace a separate ESG report with key highlight provided in the ESG section.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

Avance Gas Holding Ltd has liability insurance coverage for its Directors and Officers (D&O). The 2024 D&O policy was renewed with Aviva Insurance Ireland DAC, Beazley Syndicates AFB and International General Insurance Company UK Ltd. The insurance covers all loss from any claim or securities claim against an insured person and all legal representation expenses in respect of an investigation made during the policy period. The insurance does not cover losses where the Company has indemnified such loss.

PRINCIPAL RISKS

As Avance Gas has sold all its operational assets, the company is no longer exposed to significant financial and operational risks related to being an owner and operator of VLGCs. The main risk now is the final settlement from the sale of the MGC newbuilding contracts which will be settled at steel cutting of the final MGC scheduled to be in April 2025. The final settlement amounts to $34.2 million of which 50% is held in an escrow account with an investment-grade major bank and 50% shall be remitted directly to Avance Gas, thus limiting the counterparty risk. Furthermore, the Company remains listed on the Oslo Stock Exchange, exposing investors to general market movements. However, shareholders will receive a final dividend of the remaining proceeds in April/May 2025. For patient shareholders, this limits the market risk related to stock exchange fluctuations.

However, as a former global owner and operator of VLGCs, Avance Gas was exposed to a variety of risks during the financial year 2024, including market, operational, financial, and geopolitical risks. The Company maintained an ongoing assessment process designed to identify, analyze, and minimize these risk exposures.

The cyclical characteristics of the LPG shipping segment have been the most significant risks to the Company in terms of impact on financial results. A reduction in export volumes combined with an increased supply of new tonnage typically impacts LPG freight rates and asset values negatively. Similarly, reduced demand for LPG decreases export volumes and, consequently, negatively impacts demand for LPG shipping. Additionally, changing economic, political, and governmental conditions in the countries and regions where the Company's ships have been employed, and key terminals have been located could adversely impact the drivers of the VLGC freight market. To partly mitigate the cyclical VLGC freight market, the Company entered some Time Charter contracts to secure employment during periods associated with higher risk to the spot market. The Company also entered forward freight agreements and bunker hedges to reduce some of its exposure to fluctuations in the freight market.

Avance Gas has also been exposed to changes in financial markets, including credit, interest rate, and capital markets, which may have affected the Company's financial performance. The Company has also been exposed to general movements on the Oslo Stock Exchange, which may have limited the possibility of raising new equity at attractive prices. Avance Gas held external bank financing and was thus exposed to fluctuations in interest rates through its credit facilities. To mitigate the risk of rising interest rates, the Company fully hedged its debt exposure for the financial year 2024.

Operating internationally, Avance Gas has been exposed to geopolitical risks. In 2024, freight markets were impacted by the ongoing situation in the Red Sea, with increased tension and security issues effectively closing the Red Sea for VLGCs either in transit to load cargoes out of Yanbu or to sail through in laden or ballast passage. This situation resulted in, and continues to result in, the re-routing of vessels via the Cape of Good Hope and reduced cargo capacity.

SUBSEQUENT EVENTS

In January 2025, the Company, Exmar, and the yard signed a Novation agreement to transfer the four MGC newbuilding contracts to Exmar, with the only remaining item being the issuance of new refund guarantees before the transaction could become effective. In February 2025, the refund guarantees were issued, and Avance Gas received $62.1 million in reimbursement from already paid yard instalments from Exmar.

In February 2025, as part of the preparations for the winding-up process, the Board terminated the employment contracts of the CEO, CCO, and CFO. Management will remain available to the Company until the end of the first half of 2025.

On February 18, 2025, the Company went ex-dividend with $2.0 per share in return of capital and distribution of the BW LPG shares. Shareholders received one BW LPG share for every four Avance Gas shares they held, with any fractions rounded down.

In March 2025, Avance Gas distributed an extraordinary dividend of $57 million, or $0.75 per share, following the receipt of the $62.1 million reimbursement from Exmar. Following the distribution, the remaining net asset value of Avance Gas is approximately $56 million, corresponding to approximately $0.70 per share.

LIQUIDATION BASIS

The consolidated financial statements of Avance Gas Holding Ltd and its subsidiaries, have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union ("IFRS"). The consolidated financial statements have been prepared on a liquidation basis, as management intends to liquidate Avance Gas Holding Ltd and its subsidiaries. The consolidated financial statements are prepared in accordance with 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 in the consolidated financial statements.

The Board of Directors of Avance Gas Holding Ltd

March 27, 2025

Øystein Kalleklev
CEO and Director

James O'Shaughnessy
Director

Francois Sunier
Director

Kathrine Fredriksen
Director

Will Homan-Russell
Director

PRESENTATION OF THE BOARD OF DIRECTORS

ØYSTEIN KALLEKLEV
CEO and Director
Øystein served as Director of Avance Gas since 26 May 2021 and was elected as Chairman of the Board in March 2022 until he stepped down to Director as he was appointed as CEO in April 2023. Mr. Kalleklev has been the CEO in FLEX LNG Management since August 2018, after serving as CFO of Knutsen NYK Offshore Tankers since 2013 and Chairman of the General Partner of the MLP KNOT Offshore Partners from 2015-2017. Previous roles include CFO of industrial investment company Umoe Group, Managing Director of Umoe Invest, Partner of investment bank Clarksons Platou and Business Consultant at Accenture. Mr. Kalleklev holds a MSC in Business and Administration from Norwegian School of Economics and a Bachelor in Business and Finance from Heriot-Watt University.

FRANÇOIS SUNIER
Director
François Sunier has served as a Director of Avance Gas since 1 December 2010. He has been the CEO and Managing Directors of Suntrust Investment Co. S.A. since January 2002. Prior to Suntrust Investment Co. S.A., Mr Sunier worked as an Executive Director at Goldman Sachs, London and at UBS Philips & Drew, London. François Sunier serves at the board of Mirabaud SCA and Groupe Minoteries (listed on the Swiss Stock Exchange Market). François Sunier graduated from the University of Geneva, with a bachelor in political sciences. Mr Sunier is a Swiss citizen, and resides in Switzerland.

KATHRINE FREDRIKSEN
Director
Kathrine Fredriksen served as Director of Avance Gas since 26 May 2021. Ms. Fredriksen serves as President of Seatankers UK, board member of Norwegian Property since 2016 and as a board member in Ship Finance since February 2020. She has previously been on the boards of Seadrill, Golar LNG, Frontline and Deep Sea Supply. Through her role as President of Seatankers UK, she provides advice on all group investments and is intrinsically involved in the administration of the organization. Kathrine is educated at European Business School in London. She is a passionate collector of modern and contemporary art.

JAMES O'SHAUGHNESSY
Director
James O'Shaughnessy has served as a Director of the Company since January 2021. James O'Shaughnessy has been an Executive Vice President, Chief Accounting Officer and Corporate Controller of Axis Capital Holdings Limited since March 26, 2012. Prior to that Mr. O'Shaughnessy has amongst other served as Chief Financial Officer in the Bermuda operations of Flagstone Reinsurance Holdings and as Chief Accounting Officer and Senior Vice President of Scottish Re Group Ltd., and Chief Financial Officer of XL Re Ltd. at XL Group plc. Mr. O'Shaughnessy received a Bachelor of Commerce degree from University College Cork, Ireland in the year 1981 to 1985 and is both a Fellow of the Institute of Chartered Accountants of Ireland, an Associate Member of the Chartered Insurance Institute of the UK and a Chartered Director.

WILL HOMAN-RUSSELL
Director
Will Homan-Russell has been a Director of Avance Gas since December 2023. Mr. Homan-Russell is an experienced professional investor in the maritime sector, currently serving as Chief Investment Officer of UK based WMC Capital Ltd., where he cofounded Albemarle Shipping Fund. From 2003 to 2018 he worked for Tufton Oceanic Limited, a fund management company specializing on investments in the maritime and energy sectors. Mr. Homan-Russell holds an MA in Mathematics from Oxford University and an MSc. in Finance from London Business School.

HISTORY

2024:

• The year 2024 ended as the best annual result in the Company's history with a net profit of $443 million or earnings per share of $5.78, positively impacted by gain from vessel sales of $408 million.

• On August 15, 2024, Avance Gas entered into an agreement with BW LPG Ltd ("BW LPG") to sell its VLGC fleet consisting of 12 vessels. Prior to this, the Company had completed the sale of the 2008-built VLGCs Iris Glory and Venus Glory and the sale of the two 2024-built newbuildings with intended names Avance Castor and Avance Pollux. The Company completed the sale of the remaining 12 VLGCs to BW LPG during the fourth quarter of 2024.

• 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 (MGC) newbuilding contracts through a novation.

• After the vessel sales, Avance Gas announced in November 2024 that it no longer owns operating assets and has no plans for new investments. As a result, the company started a wind-up process to return all capital to its shareholders, with plans for a delisting by the second quarter of 2025.

2023:

• The year 2023 ended with the second-best annual results in the Company's history with a net profit of $164 million. A strong freight market throughout the year was the main driver.

• In February and May, the Company took delivery of Avance Rigel and Avance Avior, the third and fourth of its six dual fuel 91,000 cbm VLGC newbuildings from Daewoo Shipyard in South Korea.

• During the second quarter, the Company also entered into newbuilding contracts with CIMC (Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd) for the construction of four mid-sized LPG/ammonia gas carriers with dual fuel engines scheduled for delivery in 2025 and 2026.

• In July, the Company announced the sale of the 2008-built VLGC Iris Glory. In December, the Company announced the sale of the two remaining VLGC newbuildings for a gross cash consideration of $240 million with ex-yard delivery to the new owners in 2024.

2021-2022:

• In 2021, Avance Gas entered shipbuilding contracts for in total six 91,000 cbm, LPG Dual-Fuel VLGCs with Daewoo Shipbuilding and Marine Engineering (DSME) in South Korea. Avance Gas successfully completed a private placement raising $65 million in new equity to finance the newbuilding program and also signed a $104 million sustainability-linked term facility with a bank syndicate to finance its first two dual-fuel newbuildings.

• In August 2021, the majority shareholder of Avance Gas Holding Ltd., Hemen Holding Limited ("Hemen") acquired additionally 127,207 shares in the Company. The transaction triggered an obligation for Hemen to make a mandatory offer to acquire all shares in the Company at a price of NOK 43 per share. Following settlement of the mandatory offering in October 2021, Hemen owned 59,382,696 shares, equating to approximately 76.7% of the Company.

• In 2022, Avance Gas continued the fleet renewal program by selling the three VLGCs Thetis Glory (2008), Providence (2008) and Promise (2009). In January and February, the Company took delivery of Avance Polaris and Avance Capella, the first two of its six dual fuel 91,000 cbm VLGC newbuildings from Daewoo Shipyard in South Korea.

• In May 2022, Avance Gas signed a $555 million sustainability-linked term facility with a bank syndicate to re-finance the previous bank facility financing including financing of newbuildings three and four, Avance Rigel and Avance

Avior. The Company concluded the financing for the whole newbuilding program by entering into a sale leaseback arrangement for the final two newbuldings, Avance Castor and Avance Pollux.

2018-2020:

• During 2018, Hemen Holding Limited increased its holdings and became the largest shareholder in Avance Gas. Avance Gas was integrating closer to the Seatankers group of companies, benefitting from economies of scale and the group's extensive commercial and technical experience. After a weak freight market since 2016, the VLGC market began to strengthen at the end of 2018.

• During 2019, Avance Gas refinanced all outstanding debt and closed a new $515 million credit facility. End 2019, Avance Gas entered into two Dual-Fuel 91,000 cbm VLGCs at Korean shipbuilder DSME for delivery in 2021 and 2022, and scrubber installation contracts were signed for six of our vessels.

• The global pandemic outbreak (Covid-19) had a significant impact on the global market and economy in 2020, with reduced demand for LPG and lower fleet efficiency impacting the VLGC market. Avance Gas navigated through a challenging year, and completed the scheduled drydocking programme for 8 vessels, in addition to scrubber installations on 5 vessels. Avance Gas completed the sale of its oldest vessel Avance (2003), and proceeds with the construction of two LPG dual-fuel newbuildings at Daewoo Shipbuilding and Marine Engineering (DSME) in South Korea.

2015-2017:

• In 2015, Avance Gas took delivery of Mistral, Monsoon, Breeze, Passat, Sirocco, Levant, Chinook and Pampero, all 83,000 cbm VLGC newbuildings from Jiangnan Shipyard in China. The Avance Gas fleet increased to 14 modern VLGCs, with a total capacity of 1.17 million cbm.

• In 2016, Avance Gas prepares for a weaker market by entering into an amendment agreement with its banking group to defer part if its principal payments. Simultaneously, the Company raised $58.7 million in a private placement and subsequent offering, issuing 29.5 million new shares.

2013-2014:

• Frontline 2012 Ltd entered as a new shareholder of Avance Gas through a cash investment. In addition, Avance Gas agreed to purchase eight VLGC newbuildings—previously ordered by Frontline 2012 Ltd from Jiangnan Shipyard in China. The acquisition was in part financed by a $100 million private equity placement, through which Avance Gas was listed on the Norwegian Over-the-Counter ("N-OTC").

• On April 9, 2014, an initial public offering of Avance Gas shares was completed, raising $100 million from the issuance of new shares. Avance Gas' three largest shareholders—Stolt-Nielsen Gas Ltd, Sungas Holdings Ltd and Frontline 2012 Ltd—simultaneously sold shares with a total aggregate value of $175 million, including over-allotment options. Trading of Avance Gas shares commenced on the Oslo Stock Exchange on April 15, 2014. During 2014, Avance Gas also completed the financing of its newbuilding program by raising a total of $650 million from a consortium of eight large shipping banks, underscoring the market's confidence in the Company's business strategy.

2010-2012:

• In exchange for 50% ownership in the Company, Sungas Holding Ltd sold three 2008 built VLGCs to the Avance Gas fleet: Iris Glory, Thetis Glory and Venus Glory. Navigator Taurus, a medium sized gas carrier, was also taken on time charter in 2010, bringing the fleet up to a total of six ships.

• In 2012 Avance Gas acquired Maran Gas Knossos and Maran Gas Vergina from Maran Gas Maritime, Inc. in a cash transaction, later named Promise and Providence. Expiry of the Yuhsho and Navigator Taurus time charters.

2007-2009:

• Avance Gas traces it’s roots to 2007 and was established with the goal “to pursue growth opportunities in the expanding market for the transportation of liquefied petroleum gas (LPG)”. The company entered the market in 2009 with a three-year time charter of the VLGC Yuhsho, followed by the acquisition of the 2003-built VLGC Althea Gas, later renamed Avance. Avance Gas Holding Ltd was incorporated in 2010.

RESPONSIBILITY STATEMENT

On behalf of the Board of Directors and Management, we confirm that, to the best of our knowledge, the financial statements for 2024 have been prepared in accordance with the current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss for Avance Gas Holding Ltd and its subsidiaries (the "Group") as a whole.

We also confirm that the Board of Director's Report includes a true and fair review of the development and performance of the business and the position of the Group, together with a description of the financial risks and uncertainties facing the Group.

The Board of Directors of Avance Gas Holding Ltd

March 27, 2025

Øystein Kalleklev
CEO and Director

James O'Shaughnessy
Director

Francois Sunier
Director

Kathrine Fredriksen
Director

Will Homan-Russell
Director

AVANCE GAS HOLDING LTD

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2024

CONSOLIDATED INCOME STATEMENT

	Note	For the year ended December 31, 2024	December 31, 2023
		(in USD thousands)	
Operating revenue	10	**291,172**	352,310
Voyage expenses	11	**(76,526)**	(78,561)
Operating expenses	12	**(36,576)**	(40,298)
Administrative and general expenses	13	**(13,244)**	(6,900)
Gross operating profit		**164,826**	226,551
Depreciation and amortisation expense	5	**(25,123)**	(43,934)
Gain on disposal of assets	5	**408,369**	-
Operating profit		**548,072**	182,617
Finance expense	14	**(23,397)**	(24,017)
Changes in fair value of shares	14	**(96,723)**	-
Finance income	14	**15,520**	5,175
Foreign currency exchange gains (losses)		**(252)**	60
Income before tax		**443,220**	163,835
Income tax expense	15	**(182)**	(258)
Net profit		**443,038**	163,577
Earnings per share	9		
Basic		**5.78**	2.14
Diluted		**5.76**	2.12

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the year ended	
		December 31, 2024	**December 31, 2023**
		(in USD thousands)	
	Note		
Net profit		**443,038**	163,577
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit and loss:			
Fair value adjustment of derivative financial instruments designated for hedge accounting	7, 20	**(1,229)**	(9,092)
Gain on discontinued hedges reclassified to the income statement	7, 20	**(5,307)**	(1,650)
Exchange differences arising on translation of foreign operations		**(26)**	10
Other comprehensive (loss) income		**(6,562)**	(10,733)
Total comprehensive income		**436,476**	152,844

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

CONSOLIDATED BALANCE SHEET

	Note	As of December 31, 2024	As of December 31, 2023
		(in USD thousands)	
ASSETS			
Cash and cash equivalents	3	**176,021**	131,515
Receivables	4	**7,340**	42,403
Related party receivable balances	16	**476**	559
Inventories		**-**	9,776
Mobilisation cost		**-**	7,126
Prepaid expenses	4	**600**	14,212
Other current assets	4	**997**	5,181
Derivative financial instruments	7	**-**	4,953
Asset held for sale	5	**56,744**	38,047
Shares in BW LPG	7	**215,180**	-
Total current assets		**457,358**	253,772
Property, plant and equipment	5	**-**	808,818
Newbuildings	5	**-**	87,346
Derivative financial instruments	7	**-**	3,649
Total non-current assets		**-**	899,813
Total assets		**457,358**	1,153,585
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current portion of long-term debt	6, 7	**-**	69,856
Accounts payable		**228**	4,433
Related party payable balances	16	**575**	1,258
Accrued voyage expenses		**752**	8,470
Accrued expenses		**1,708**	1,259
Derivative financial instruments	7	**-**	6,762
Other current liabilities		**172**	3,319
Total current liabilities		**3,435**	95,357
Long-term debt	6, 7	**-**	341,047
Long-term revolving credit facilities	6, 7	**-**	113,387
Total non-current liabilities		**-**	454,434
Shareholders' equity			
Share capital	8	**774**	77,427
Paid-in capital		**432,191**	431,366
Contributed capital		**94,574**	94,983
Retained income (loss)		**(62,301)**	4,771
Treasury shares		**(11,351)**	(11,351)
Accumulated other comprehensive income	20	**36**	6,598
Total shareholders' equity		**453,923**	603,794
Total liabilities and shareholders' equity		**457,358**	1,153,585

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

The Board of Directors of Avance Gas Holding Ltd

March 27, 2025

Øystein Kalleklev	James O'Shaughnessy
CEO and Director	*Director*

Francois Sunier	Kathrine Fredriksen	Will Homan-Russell
Director	*Director*	*Director*

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(in USD thousands)		Share capital	Paid-in capital	Contributed capital	Retained (loss) income	Accumulated other comprehensive income (loss)	Treasury shares	Total
Balance, December 31, 2022		**77,427**	**431,366**	**94,772**	**(5,620)**	**17,331**	**(11,351)**	**603,925**
Comprehensive income (loss):								
Net profit		-	-	-	163,577	-	-	163,577
Other comprehensive income (loss):								
Fair value adjustment of derivative financial instruments	7,20	-	-	-	-	(9,092)	-	(9,092)
Gain on discontinued hedges reclassified to the income statement	20	-	-	-	-	(1,650)	-	(1,650)
Exchange differences arising on translation of foreign operations		-	-	-	-	10	-	10
Total other comprehensive income (loss)		-	-	-	-	(10,733)	-	(10,733)
Total comprehensive income (loss)		**-**	**-**	**-**	**163,577**	**(10,733)**	**-**	**152,844**
Transactions with shareholders:								
Dividend	8	-	-	-	(153,186)	-	-	(153,186)
Compensation expense for share options	18	-	-	211	-	-	-	211
Total transactions with shareholders		**-**	**-**	**211**	**(153,186)**	**-**	**-**	**(152,976)**
Balance, December 31, 2023		**77,427**	**431,366**	**94,983**	**4,771**	**6,598**	**(11,351)**	**603,794**

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

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(in USD thousands)		Share capital	Paid-in capital	Contributed capital	Retained (loss) income	Accumulated other comprehensive income	Treasury shares	Total
Balance, December 31, 2023		**77,427**	**431,366**	**94,983**	**4,771**	**6,598**	**(11,351)**	**603,794**
Comprehensive income (loss):								
Net profit		-	-	-	443,038	-	-	443,038
Other comprehensive income (loss):								
Fair value adjustment of derivative financial instruments	7,20	-	-	-	-	(1,229)	-	(1,229)
Gain on discontinued hedges reclassified to the income statement	20	-	-	-	-	(5,307)	-	(5,307)
Exchange differences arising on translation of foreign operations		-	-	-	-	(26)	-	(26)
Total other comprehensive income (loss)		-	-	-	-	(6,562)	-	(6,562)
Total comprehensive income (loss)		**-**	**-**	**-**	**443,038**	**(6,562)**	**-**	**436,476**
Transactions with shareholders:								
Share capital reduction	8	(76,653)	76,653	-	-	-	-	-
Return of capital	8	-	(75,827)	-	-	-	-	(75,827)
Dividend	8	-	-	-	(510,110)	-	-	(510,110)
Compensation expense for share options	18	-	-	(409)	-	-	-	(409)
Total transactions with shareholders		(76,653)	825	(409)	(510,110)	-	-	(586,347)
Balance, December 31, 2024		**774**	**432,191**	**94,574**	**(62,301)**	**36**	**(11,351)**	**453,923**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended December 31, 2024	December 31, 2023
		(in USD thousands)	
Cash flows from operating activities			
Cash generated from operations	21	**237,997**	**191,155**
Interest paid		**(26,209)**	**(24,005)**
Settlement of share options		**(8,128)**	**(1,815)**
Net cash flows from operating activities		**203,660**	**165,335**
Cash flows from investing activities:			
Net cash proceeds from sale of assets	5	**954,836**	**-**
Capital expenditures	5	**(134,309)**	**(177,446)**
Net cash flows used in investing activities		**820,527**	**(177,446)**
Cash flows from financing activities:			
Dividends paid	8	**(510,110)**	**(153,186)**
Return of capital	8	**(75,827)**	**-**
Repayment of long-term debt	6	**(468,296)**	**(43,154)**
Drawdown of long-term debt	6	**178,000**	**115,000**
Repayment of revolving credit facility	6	**(113,387)**	**-**
Transaction cost related to loans and borrowings		**(1,588)**	**(145)**
Dividends received	14	**5,962**	**-**
Cash settlement of derivatives	7	**6,448**	**1,073**
Net cash flows from (used) in financing activities		**(978,798)**	**(80,412)**
Net increase (decrease) in cash and cash equivalents		**45,389**	**(92,523)**
Cash and cash equivalents at beginning of period		**131,515**	**224,243**
Effect of exchange rate changes on cash		**(883)**	**(205)**
Cash and cash equivalents at end of period		**176,021**	**131,515**

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

NOTES TO THE CONSOLIDATED 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") 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, to BW LPG. Thereby, the Company no longer owns or operates VLGCs. As of December 31, 2024, the Company owns four dual fuel MGC (Medium-Sized Gas Carrier) newbuilding contracts, which are 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.

Basis for preparation – Liquidation basis

These consolidated financial statements comprise of the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in shareholders' equity, consolidated statement of cash flow, and the basis of preparation, accounting policies and related notes of the Company, and its subsidiaries (collectively, the "Group"). The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union ("IFRS"). Details of the Group's accounting policies, including changes thereto, are outlined in Note 2 *Significant Accounting policies*.

The consolidated financial statements have been prepared on a liquidation basis, as management intends to liquidate Avance Gas Holding Ltd and its subsidiaries. The consolidated 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 consolidated financial statements.

The functional currency of the Group is US dollars. The consolidated financial statements are presented in US dollars, and all amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Group has considered the potential impact of climate-related matters related to GHG emissions and more stringent regulations and standards for the industry in preparing the consolidated financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Estimation uncertainty, judgements, and assumptions

Key accounting estimates and judgements

In connection with the preparation of the consolidated financial statements, management has made assumptions and estimates about future events and applied judgements that affect the reported amounts of assets, liabilities, revenue, expenses, and the related disclosures. The assumptions, estimates and judgements are based on historical experience, current trends, and other factors that management believes to be relevant at the time the consolidated financial statements are prepared. Actual results may differ from these estimates. Critical accounting estimates and judgements are those that have a significant risk of causing material adjustment in the next year's reporting period.

Management believes the following area involves significant judgements and estimates in the preparation of the consolidated financial statements for the twelve months ended December 31, 2024:

- *Assets held for sale, discontinued operations and liquidation basis*

An asset is classified as held for sale in accordance with IFRS 5 if it's carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset is classified as held for sale if the asset is available for sale in its present condition subject only to terms that are usual and customary for sales of such sales and its sale must be highly probable. Significant judgement is involved in determining whether the highly probable sale criteria has been met. Management concluded that the highly probable sale criteria for the MGC newbuildings was met as of December 31, 2024.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business and is part of a single co-ordinated plan to dispose of a separate major line of business. IFRS 5 requires that the results of discontinued operations should be presented separately in the statement of comprehensive income. Significant judgement is involved in determining if a component of an entity should be considered a discontinued operation. Management concluded that the sale of the 12 VLGCs to BW LPG and the sale of four MGCs to Exmar constituted a discontinued operation.

Further, an entity shall prepare financial statements on a going concern basis unless management intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. As management intends to liquidate Avance Gas Holding Ltd and its subsidiaries, the financial statements are prepared on a liquidation basis. IAS 1.25 requires management to determine the basis of preparation in such circumstances, which require judgement. Management has determined that the appropriate basis of preparation is IFRS® Accounting Standards as adopted by the European Union ("IFRS"), except for the presentation requirements regarding discontinued operations stated in IFRS 5.

- *Gain on disposal of assets*

An asset is derecognised upon disposal or when the asset is no longer expected to generate any future benefits to the Group. Gain or loss due to disposal of the asset is calculated as the difference between the net proceeds from the disposal and the carrying value of the asset and is recognised in the income statement. The amount of consideration to be included in the gain or loss from disposal of an asset is determined in accordance with the requirements of determining the transaction price in IFRS 15. IFRS 15 requires that non-cash consideration is measured at fair value, however the standard does not provide guidance on the measurement date. For the valuation of non-cash consideration received in connection with vessel sales, specifically BW LPG consideration shares, management applied judgement in determining the measurement date. The sales contract date was chosen as the measurement date for the fair value of the consideration shares.

Accounting Policies

Foreign currency

The functional currency of Avance Gas and the majority of its subsidiaries is U.S. dollars.

Operating segments

For the twelve months ended December 31, 2024, the Group has operated fourteen VLGCs and has held six Newbuilding contracts (for the construction of two dual fuel VLGCs and four dual fuel MGCs). The vessels have operated worldwide and thereby it is considered that allocating the assets to specific locations is not suitable. During the year 2024, the Group mainly loaded the cargo in the Middle East and US Gulf and discharged in Asia and Europe. The performance of the vessels was reviewed regularly by the chief operating decision maker, which is the Group's management, and thereby constitutes the Group's only reportable segment.

Property, plant and equipment and Newbuildings

Items of property, plant and equipment mainly consist of the Group's ships, in addition to furniture and fixtures, which are measured at cost, less accumulated depreciation and any recognised impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, with addition of directly attributable borrowing costs for assets that take a substantial period of time to get ready for their intended use.

Generally, ships drydock every five years. After a ship is fifteen years old, an intermediate survey is performed by a shipping classification society between the second and third year of the five-year drydocking period. The Group capitalises a substantial portion of the costs incurred during drydocking, including the survey costs and depreciates those costs on a straight-line basis from the time of completion of a drydocking or intermediate survey based upon the estimated life of each component of the drydocking. Costs related to routine repairs and maintenance incurred during drydocking that do not improve or extend the useful lives of the ships are expensed.

Depreciation is recognised on a straight-line basis over the remaining useful life of the asset. Depreciation commences when the asset is available for use, being in the location and condition necessary to operate as intended by management.

Estimated useful life is 25 years for each VLGC and from 2.5 to 5 years for drydock assets and furniture and fixtures.

Residual value for the ships is based on steel price times lightweight tonnage and is reassessed annually. If the drydock results in an extension of the useful life of a ship, then the estimated useful life of the ship is changed accordingly.

An asset is derecognised upon disposal or when the asset is no longer expected to generate any future benefits to the Group. Gain or loss due to disposal of the asset is calculated as the difference between the net proceeds from the disposal and the carrying value of the asset and is recognised in the income statement.

Subsequent expenditures are only capitalised if it is probable that the future economic benefits associated with the item will flow to the Group. Such expenditures include major refits and cost of replacement assets. Subsequent expenditures are included in the carrying amount of the asset or recognised as a separate asset as appropriate. Repairs and maintenance which are considered as a regular part of the daily operation of the ships are charged to the income statement as they occur and are included in Other operating expenses.

Newbuildings

Newbuildings consist of ships under yard construction. Costs incurred to acquire or construct a ship, including directly attributable costs, are capitalised in accordance with IAS 16. These costs include yard instalments net of commission, supervision costs, pre-delivery costs and borrowing costs.

Newbuildings are reclassified to Property, plant and equipment upon delivery from the yard.

Asset held for sale

An asset is classified as held for sale in accordance with IFRS 5 if it’s carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset is classified as held for sale if the asset is available for sale in its present condition subject only to terms that are usual and customary for sales of such sales and its sale must be highly probable. Assets held for sale are presented as current and not depreciated while holding the classification.

Financial assets

The Group holds 19.282 million BW LPG shares as of December 31, 2024. The equity investment is measured at fair value in the statement of financial position at the reporting date, with value changes recognised in profit and loss. The fair value (level 1) is determined using quoted prices from the Oslo Stock Exchange.

Operating revenue

The Group renders transportation services of LPG by sea and has categorised its revenue streams 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.

Expenses

Voyage expenses and operating expenses
Voyage expenses include all expenses that are incurred as a direct and incremental consequence of a particular voyage, such as bunker fuel expenses, port fees, cargo loading and unloading expenses, time charter expenses, canal tolls and agency fees. Ship operating expenses include crew costs, repairs and maintenance, insurance, lube oils and communication expenses. Voyage expenses are recognised pro-rata over the duration of the voyage, while ship operating expenses are recognised when incurred.

Share-based compensation
The fair value at the grant date of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the vesting period. The fair value of the options is measured using the Black-Scholes option valuation model, taking into account the terms and conditions upon which the options were granted. The total amount to be expensed is determined by reference to the fair value of the options granted, including any market performance conditions (e.g. the entity's share price), excluding the impact of any service and non-market performance vesting conditions and including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

Income taxes

Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. Through the Group's shipping activities, some subsidiaries operate in foreign jurisdictions and are subject to local tax schemes, including the local tax system in Norway and in the United Kingdom. Income tax expense includes the current tax payable based on taxable profit for the year, adjusted for tax adjustments from previous periods, and any changes in deferred taxes.

Leases
The Group applies an accounting policy choice that short-term leases (being 12 months or less) and leases of low value will be expensed as incurred, following the exemption in IFRS 16. This mainly applies to short-term leases of office equipment and low value leases of office premises, which are charged to the income statement as incurred and included in Administrative and general expenses. The Group assesses at contract inception whether a contract is, or contains, a lease. As of the reporting date the Group has not entered into any lease contracts that are not meeting the short-term or low value exemptions in the standard.

New or amendments to standards

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. CASH AND CASH EQUIVALENTS

	As of	
	December 31, 2024	**December 31, 2023**
	(in USD thousands)	
Cash at bank	**175,949**	131,448
Restricted cash	**72**	67
Cash and cash equivalents	**176,021**	131,515

Cash and cash equivalents comprise of cash and short-term time deposits held by the Group, which are subject to an insignificant risk of changes in value.

4. RECEIVABLES, PREPAID EXPENSES AND OTHER CURRENT ASSETS

Receivables	As of December 31, 2024	December 31, 2023
	(in USD thousands)	
Customer trade receivables	**6,009**	38,702
Demurrage	**1,212**	3,954
Other	**204**	4
Total	**7,425**	42,660
Allowance for credit losses	**(85)**	(257)
Receivables	**7,340**	42,403

Refer to note 7 for an analysis of credit risk of receivables.

Prepaid expenses	As of December 31, 2024	December 31, 2023
	(in USD thousands)	
Deposit forward freight & bunker hedge agreements	**-**	10,660
Prepaid expenses to ship managers	**443**	3,357
Other prepaid expenses	**157**	195
Prepaid expenses	**600**	14,212

Other current assets	As of December 31, 2024	December 31, 2023
	(in USD thousands)	
Advance canal toll and port disbursement	**-**	4,627
Rebates accrual	**547**	-
Other assets	**450**	554
Other current assets	**997**	5,181

5. PROPERTY, PLANT AND EQUIPMENT, ASSETS HELD FOR SALE & NEWBUILDINGS

	SHIPS	FURNITURE AND FIXTURES *(in USD thousands)*	DRYDOCKING	TOTAL PROPERTY, PLANT AND EQUIPMENT
Cost:				
December 31, 2022	982,007	562	31,764	**1,014,333**
Additions	167,927	-	7,000	**174,927**
Asset held for sale	(65,587)	-	(3,314)	**(68,901)**
December 31, 2023	1,084,346	562	35,450	**1,120,359**
Additions	(117)	-	-	**(117)**
Disposals	(1,084,229)	(562)	(35,450)	**(1,120,241)**
December 31, 2024	-	-	-	**-**
Accumulated depreciation, amortisation, impairment and reversals:				
December 31, 2022	278,081	294	20,092	**298,466**
Depreciation expense for the year	37,918	16	6,001	**43,934**
Foreign currency translation effect	-	(6)	-	**(6)**
Asset held for sale	(27,209)	-	(3,645)	**(30,854)**
December 31, 2023	288,790	303	22,448	**311,541**
Depreciation expense for the year	21,954	15	3,154	**25,123**
Disposals	(310,744)	(333)	(25,601)	**(336,678)**
Foreign currency translation effect	-	15	-	**15**
Asset held for sale	-	-	-	**-**
December 31, 2024	-	-	-	**-**
Carrying value:				
December 31, 2023	**795,557**	**259**	**13,003**	**808,818**
December 31, 2024	**-**	**-**	**-**	**-**

Sale of vessels

The Company completed the sale of 16 VLGCs during the twelve months ended December 31, 2024, for a total gain on sale of $408.4 million, compared to no gain on sale recorded for the twelve months ended December 31, 2023.

In January 2024, the Company successfully completed the sale of the 2008-built VLGC Iris Glory by delivering the vessel to the new owner. The vessel was sold to an unrelated third party for a gross cash consideration of $60 million. Recorded gain on sale was $21.3 million.

In March 2024, the Company successfully completed the sale of the 2008-built VLGC Venus Glory by delivering the vessel to the new owner. The vessel was sold to an unrelated third party for a gross cash consideration of $66 million. Recorded gain on sale was $27.4 million.

In March 2024, the Company took delivery of the 91,000 cbm dual fuel newbuilding with intended name Avance Castor from the yard, and the vessel was subsequently delivered to the new owners for a gross cash consideration of $120 million. Recorded gain on sale was $36.2 million.

In May 2024, the Company took delivery of the 91,000 cbm dual fuel newbuilding with intended name Avance Pollux from the yard, and the vessel was subsequently delivered to the new owners for a gross cash consideration of $120 million. Recorded gain on sale was $36.2 million.

In November and December 2024, the Company successfully completed the sale of the 12 remaining VLGCs to BW LPG. The sale was settled with approximately $589 million of cash, novation of $129 million of debt obligations and 19.282 million shares in BW LPG. Recorded gain on sale was $287.3 million.

Newbuildings & Assets held for sale

In June and August 2023, the Company entered newbuilding contracts with CIMC (Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd) for the construction of four mid-sized LPG/ammonia gas carriers with dual fuel engines. In November 2024, the Company entered into a definitive Heads of Agreement (HoA) with Exmar LPG BV ("Exmar") to sell its four MGC newbuilding contracts through a novation subject to issuance of new refund guarantees to Exmar, as well as completion of customary documentation and closing procedures. As of December 31, 2024, the four MGCs are classified as held for sale in the balance sheet as the *highly probable* sale criteria of IFRS 5 was met.

Cost:	VLGCs *(In USD thousands)*	MGCs *(In USD thousands)*	**NEWBUILDINGS** *(In USD thousands)*
Newbuildings as at December 31, 2022	83,597	-	83,597
Instalments & other costs paid during 2023	132,001	36,894	168,895
Vessels delivered during 2023	(166,381)	-	(166,381)
Capitalised borrowing costs during 2023	1,057	178	1,235
Newbuildings balance at December 31, 2023	**50,274**	**37,072**	**87,346**
Instalments & other costs paid during 2024	114,956	19,128	134,085
Vessels sold during 2024	(165,563)	-	(165,563)
Capitalised borrowing cost during 2024	333	544	877
Reclassified as held for sale during 2024	-	(56,744)	(56,744)
Newbuildings December 31, 2024	**-**	**-**	**-**
Assets held for sale December 31, 2024	**-**	**56,744**	**56,744**

Borrowing cost

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowing during the year. The average capitalisation rate for the borrowing cost in 2024 was 1.8%.

Contractual obligations

Refer to note 7 for information on contractual obligations related to newbuilding contracts.

Impairment and reversal of impairment

Tangible assets with a defined economic life are tested for impairment if indicators are identified that would suggest that the carrying amount of the assets exceed the recoverable amount. The Company performs a quarterly assessment to determine any indicators of impairment or reversal of previous recognised impairment for its vessels. An impairment loss is recognised if the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal (FVLCOD) and value in use (VIU), and each ship is considered a separate cash generating unit (CGU) for the purpose of impairment testing.

Value in use

VIU is based on the present value of discounted cash flows for each separate CGU for its remaining life. Management considers the current competitive situation, developments in market rates, and macroeconomic trends when estimating the future cash flows.

Fair value less cost of disposal

FVLCOD (level 3) (see note 7) is determined as the amount that would be obtained from sale of the asset in a regular market, less cost of sales, based on an average of third-party valuation reports from two independent ship brokers. The Company understands that shipbrokers apply newbuilding price parity as part of their basis for their appraisals. Newbuilding prices are adjusted for building supervision costs and other additional costs, which results in an estimated delivered cost of a newbuilding with prompt delivery adjusted for age of each vessel.

Impairment tests performed

Indicators of impairment were assessed on a quarterly basis, and no significant indicators of impairment were present for the financial year of 2024 or 2023.

6. FINANCIAL LIABILITIES

	As of December 31, 2024	As of December 31, 2023
	(in USD thousands)	
Non-current liabilities:		
Secured bank loans	-	306,651
Revolving credit facilities	-	113,387
Lease financing agreement	-	34,396
	-	454,434
Current liabilities:		
Current portion of secured bank loans	-	36,233
Current portion of lease financing agreement	-	33,623
	-	69,856
Total interest-bearing liabilities	-	524,290

The Group did not hold any interest-bearing debt as of December 31, 2024, as all interest-bearing debt was repaid or novated in connection with the sale of the fleet. Refer to note 5. Consequently, the Group did not have any loan covenants as of December 31, 2024.

Interest-bearing debt consisted of debt collateralised by the Group's 14 VLGCs as of December 31, 2023. The Group's secured bank loan contained a loan covenant, which under the terms of the loan agreement, the Group had to comply with at all times. Please refer to the 2023 Annual report. The Group has complied with the covenants of its borrowing facilities during the relevant period covered by these financial statements and as of December 31, 2023.

Interest-bearing debt repayments were $581.7 million for the twelve months ended December 31, 2024, where $34.9 million is scheduled repayment of debt. The remaining $546.8 million is repayment of debt in relation to the sale of the VLGC fleet of total $415.6 million and refinancings of $131.3 million. During the first quarter of 2024, the Company drew in total $178.0 million in connection with refinancings of Avance Polaris, Avance Capella and Avance Pampero. During the fourth quarter of 2024, the Company novated lease obligations to BW LPG of $128.8 million.

(in USD thousands)			As of December 31, 2024		December 31, 2023	
	Currency	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Secured bank loans	USD	N/A	-	-	346,846	342,885
Revolving credit facility	USD	N/A	-	-	113,387	113,387
Lease financing agreement	USD	N/A	-	-	70,304	68,019
Total interest-bearing liabilities			-	-	530,537	524,290

The carrying amount of total interest-bearing liabilities is the face value of the liability, less directly attributable transaction costs.

7. FINANCIAL RISK MANAGEMENT & FINANCIAL INSTRUMENTS

Financial risks

The Group's activities create exposure to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk, currency risk and price risk). The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management policies, which focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Company continuously monitors financial risk and implements financial risk policies for foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity, as applicable.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and the exposure is limited to the carrying amount of the Group's receivables from customers. Further, the Group holds bank deposits with Scandinavian banks in which the credit risk is limited.

Trade receivables

The Group performs credit checks upon entering into an initial sales contract with a customer and regularly reviews the days past due accounts. The company assesses the credit quality of its counterparties as good since customers are on the whole large well known energy firms. The majority of trade receivables are in U.S. dollars.

For the year ended December 31, 2024, the Group had three external customers who each generated revenue greater than 10% of total revenue. The amounts were $47.4 million, $32.5 million and $31.4 million. For the year ended December 31, 2023, the Group had two external customers who each generated revenue greater than 10% of total revenue. The amounts were $66.6 million and $43.4 million.

The following table provides information about the exposure to credit risk and expected credit losses (ECLs) for overdue trade receivables from individual customers:

	Gross amount	**Impairment of trade receivables**
	(in USD thousands)	
AS OF DECEMBER 31, 2024		
Up to 30 days past due	5,983	65
31 to 60 days past due	11	5
61 to 90 days past due	-	-
More than 91 days past due	15	15
	6,009	**85**

	Gross amount	**Impairment of trade receivables**
	(in USD thousands)	
AS OF DECEMBER 31, 2023		
Up to 30 days past due	302	-
31 to 60 days past due	1,250	-
61 to 90 days past due	963	-
More than 91 days past due	315	257
	2,829	**257**

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	December 31, 2024	**December 31, 2023**
	(in USD thousands)	
Beginning of period	**257**	504
Net remeasurement of loss allowance	**(172)**	(247)
End of period	**85**	257

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities when they become due. The Group's objective when managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group.

Maturity of financial liabilities and contractual obligations

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments:

As of December 31, 2024			Contractual cash flows			
	Carrying Amount	Total contractual cash flow	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Trade and other payables	3,435	3,435	3,435	-	-	-
Total financial liabilities	**3,435**	**3,435**	**3,435**	**-**	**-**	**-**

As of December 31, 2023			Contractual cash flows			
	Carrying Amount	Total contractual cash flow	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Trade and other payables	18,739	18,739	18,739	-	-	-
Secured bank loans	342,885	413,644	60,879	53,792	298,972	-
Revolving credit facilities	113,387	120,499	2,173	1,668	116,658	-
Lease financing agreement	68,019	87,202	39,977	4,605	12,765	29,856
Total non-derivative financial liabilities	**543,029**	**640,084**	**121,768**	**60,065**	**428,395**	**29,856**
Forward freight and bunker hedge liabilities (assets)	6,762	6,762	6,762	-	-	-
Interest rate swaps used for hedging (assets)	(8,602)	(8,602)	(4,953)	(2,608)	(808)	(232)
Total financial liabilities	**541,189**	**638,243**	**123,576**	**57,456**	**427,587**	**29,623**

The contractual interest payments on outstanding debt as of December 31, 2023, are based on 3 months SOFR (Secured Overnight Financing Rate) forward curve plus an applicable margin.

Contractual obligations related to newbuilding contracts

As of December 31, 2024, the Company held four Dual-Fuel MGC newbuilding contracts (which were subsequently sold to Exmar, refer to note 5), providing future payments of:

(in USD thousands)	**2025**	**2026**	**2027**	**Total amount**
LPG Dual-Fuel MGCs	117,909	74,469	-	192,378
As of December 31, 2024	**117,909**	**74,469**	**-**	**192,378**

As of December 31, 2023, the Company held two Dual-Fuel VLGC newbuilding contracts and four Dual-Fuel MGC newbuilding contracts, providing future payments of:

(in USD thousands)	**2024**	**2025**	**2026**	**Total amount**
LPG Dual-Fuel VLGCs	116,238	-	-	116,238
LPG Dual-Fuel MGCs	18,617	83,778	108,600	210,995
As of December 31, 2023	**134,855**	**83,778**	**108,600**	**327,233**

Interest rate risk

For the twelve months ended December 31, 2024, the Group held interest-bearing debt prior to repayment and novation during the fourth quarter of 2024. The Group had floating interest on the interest-bearing loans and have thereby been exposed to changes in the interest market. To mitigate the interest rate exposure, the Group held interest rate swaps for risk management purposes which were designative in cash flow hedging relationships. The interest rate swaps were terminated during the fourth quarter of 2024 as the Group was no longer exposed to interest rate risk following repayment of the interest-bearing debt. The Group also has floating interest on bank deposits and the interest income on bank deposits is therefore exposed to changes in the interest market.

Financial instruments and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities which have been determined by the Group, using appropriate market information and valuation methodologies. 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			
		December 31, 2024		December 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
(in USD thousands)	Note				
Financial liabilities					
Long-term debt	6	-	-	342,885	342,885
Revolving credit facilities	6	-	-	113,387	113,387
Lease financing agreement	6	-	-	68,019	68,019
Total financial liabilities		-	-	524,290	524,290
Financial assets					
Shares in BW LPG		**215,180**	**215,180**	-	-
Total financial assets		**215,180**	**215,180**	-	-
Derivative financial instruments					
Interest rate swap assets		-	-	8,602	8,602
Forward Freight Agreements and Bunker Hedges liabilities		-	-	6,762	6,762
Total derivative financial instrument assets		-	-	8,602	8,602
Total derivative financial instrument liabilities		-	-	6,762	6,762

The carrying amount of cash and cash equivalents, receivables, and accounts payable are a reasonable estimate of their fair value, due to their short maturity. The estimated value of the Group's long-term debt equals its carrying value as of December 31, 2024 and December 31, 2023 as it is variable-rated. Derivative financial instruments are interest rate swaps, forward freight agreements and bunker hedges designated in hedge relationships and are measured at Fair Value through OCI. The Company values the interest rate swaps according to level 2 in the fair value hierarchy, based on discounted future cash flows.

Fair value hierarchy

The below analyses financial instruments carried at fair value, by valuation method. 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 (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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.

The fair value (level 2) of the Company's interest 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 December 31, 2023 is recognised in the statement of other comprehensive income / loss, refer to note 20.

Hedge accounting

Fair value of derivative financial instruments

The Company has used financial instruments to hedge its interest rate exposure. The Company designated a hedge relationship between the interest on its long-term debt and interest rate swaps, where the changes in the fair value of the hedging instrument is offset partly or in full by changes in cash flows of the underlying hedging object. The cash flows on these instruments vary depending on SOFR during the relevant period. The fair value of the interest rate swaps depends on expectations of future interest rates, the forward yield curve.

The Group determined the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group assessed whether the derivative designated in each hedging relationship was expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

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 were reclassified from other comprehensive income to the income statement and amortised on a straight-line basis until maturity of the underlying hedge relationship.

In October 2024, the Group terminated a notional amount of $361.7 million in interest rate swaps and recognised a swap gain and cash proceeds of $4.4 million in the fourth quarter. Following this, the Group holds no interest rate swaps. As the underlying debt was repaid during the fourth quarter, the hedged object of future interest payments was no longer probable, and the Group thereby discontinued hedge accounting. The swap gain of $4.4 million was therefore recorded to the income statement, and unamortised gains from previous periods of $3.1 million were reclassified from other comprehensive income to the income statement during the fourth quarter of 2024.

Termination gains from the fourth quarter and from prior periods were reclassified from other comprehensive income to the income statement during the fourth quarter of 2024 due to discontinuation of hedge accounting following debt repayment.

8. SHARE CAPITAL, PAID IN SURPLUS AND CONTRIBUTED CAPITAL

Shares outstanding

	ORDINARY SHARES	TREASURY SHARES	NUMBER OF SHARES OUTSTANDING
December 31, 2022	77,426,972	(833,889)	76,593,083
December 31, 2023	**77,426,972**	**(833,889)**	**76,593,083**
December 31, 2024	**77,426,972**	**(833,889)**	**76,593,083**

Share capital

The Company's authorised share capital consists of 200 million common shares at par value of $0.01 per share as of December 31, 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 a resolution passed at the Annual General Meeting of April 29, 2024. Of the authorised share capital, 77.4 million shares were issued and outstanding as of December 31, 2024, and December 31, 2023, including 0.8 million treasury shares. All shares are fully paid.

Treasury shares

Repurchased shares are classified as treasury shares and presented as a deduction from total equity. The treasury shares are available for use in connection with settlement in share-based incentive schemes.

List of largest shareholders as of December 31, 2024

Top 20 Shareholders:

NAME	NUMBER OF SHARES	HOLDING %
Hemen Holding Limited	59,029,967	76.2%
Clearstream Banking S.A.	2,924,722	3.8%
Avanza Bank AB	1,003,945	1.3%
Nordnet Bank AB	924,759	1.2%
Avance Gas Holding Ltd	833,889	1.1%
Citibank N.A. (shareholder A)	667,334	0.9%
Interactive Brokers LLC	533,716	0.7%
UBS Switzerland AG	492,583	0.6%
Danske Bank A/S	481,489	0.6%
Saxo Bank A/S	451,316	0.6%
Frontline Plc	442,384	0.6%
Citibank N.A. (shareholder B)	396,365	0.5%
Nordnet Livsforsikring AS	279,528	0.4%
Swedbank AB	275,348	0.4%
The Bank of New York Mellon SA/NV	240,884	0.3%
The Bank of New York Mellon	240,345	0.3%
Citibank N.A. (shareholder C)	215,639	0.3%
Nordea Bank Abp	188,547	0.2%
Pershing LLC	143,606	0.2%
Yves Merour	132,550	0.2%
Total top 20 shareholders	69,898,916	90.3%
Other Shareholders	7,528,056	9.7%
TOTAL SHAREHOLDSERS	77,426,972	100.0%

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

	As of	
	December 31, 2024	**December 31, 2023**
	(in USD thousands)	
Distributions on ordinary shares declared and paid:		
Final dividend for 2023: \$0.65/share (2022: \$0.50/share)	**49,785**	38,296
First dividend for 2024: \$1.16/share (2023: \$0.50/share)	**88,848**	38,296
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
Third dividend for 2024: \$3.50/share (2023: \$0.50/share)	**268,076**	38,297
Total distributions on ordinary shares	**585,937**	153,186

Restriction on payment of dividend

Under the Bermuda Companies Act, dividends cannot be paid if there are reasonable grounds for believing that (a) The company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) The realisable value of the company's assets would thereby be less than its liabilities.

The Company has complied with the rules in the Bermuda Companies Act when declaring dividends.

9. EARNINGS PER SHARE

	For the year ended	
	December 31, 2024	**December 31, 2023**
	(in thousands, except per share data)	
Net profit attributable to common shareholders	**443,038**	163,577
Basic weighted average shares outstanding	**76,593**	76,593
Dilutive effect of share options	**357**	450
Diluted weighted average shares outstanding	**76,950**	77,043
Basic earnings per share	**5.78**	2.14
Diluted earnings per share	**5.76**	2.12

10. OPERATING REVENUE AND TIME CHARTER EQUIVALENT (TCE RATE)

	For the year ended	
	December 31, 2024	**December 31, 2023**
External revenue disaggregated by nature:	*(in USD thousands)*	
Freight revenue	**233,379**	274,180
Time charter revenue	**57,793**	78,130
Operating revenue	**291,172**	352,310
Timing of revenue recognition:		
Products and services transferred at a point in time	**4,828**	10,562
Products and services transferred over time	**228,551**	263,619
Revenue from contracts with customers	**233,379**	274,180
Time charter revenue	**57,793**	78,130
Operating revenue	**291,172**	352,310

The Group's freight revenue was mainly generated in the Middle East and US Gulf for the years ended December 31, 2024, and 2023, when based on the region in which the cargo is loaded. For time charter revenue, the Group is aware that the chartered ships have operated in geographic regions other than the Middle East and the US Gulf.

Maturity of time charter contracts

Time charter contracts are entered into on a long-term (defined as more than 6 months) and short-term (less than 6 months) basis.

As at December 31, 2024 there were no undiscounted payments receivable under long-time charter contracts as all time-charters were novated to BW LPG prior to the end of the year. As at December 31, 2023 undiscounted payments receivable under long-term time charter contracts with fixed rates due within 12 months amount to $2.9 million. In addition to this, as of December 31, 2023, the Company had two contracts with variable rates.

ALTERNATIVE PERFORMANCE MEASURES ('APM') - TIME CHARTER EQUIVALENT (TCE RATE)

The Company uses time charter equivalent (TCE rate) as an alternative performance measure (APM) in communications with shareholders. TCE rate is operating revenue less voyage cost per operating day. Operating days are calendar days, less technical off-hire.

	For the year ended	
	December 31, 2024	**December 31, 2023**
	(in USD thousands)	
Operating revenue	**291,172**	352,310
Voyage expenses	**(76,526)**	(78,561)
Voyage result	**214,646**	273,749
Calendar days	**4,129**	4,922
Technical off-hire days	**(42)**	(135)
Operating days	**4,087**	4,787
TCE per day ($)	**52,519**	57,186

11. VOYAGE EXPENSES

	For the year ended	
	December 31, 2024	**December 31, 2023**
Voyage expenses:	*(in USD thousands)*	
Bunkers	**55,559**	50,772
Port and canal charges	**15,516**	20,431
Commissions	**4,123**	6,378
Other	**1,328**	980
Total voyage expenses	**76,526**	78,561

12. OPERATING EXPENSES

	For the year ended	
	December 31, 2024	December 31, 2023
Operating expenses:	*(in USD thousands)*	
Crewing costs	**19,731**	22,968
Maintenance and repairs	**1,593**	1,566
Insurance	**1,451**	1,490
Ship supplies and provisions	**11,110**	11,345
Ship management fee	**1,991**	2,443
Other	**700**	486
Total operating expenses	**36,576**	40,298

13. ADMINISTRATIVE AND GENERAL EXPENSES

	For the year ended	
	December 31, 2024	December 31, 2023
Administrative and general expenses:	*(in USD thousands)*	
Employee benefit expenses	**9,707**	3,668
Information systems	**608**	554
Legal fees	**291**	190
Professional fees	**2,094**	1,946
Office fees	**279**	207
Travel and entertainment expenses	**29**	56
Other	**236**	278
Total administrative and general expenses	**13,244**	6,900

Employee benefit expenses include settlement of vested employee share options.

14. FINANCE EXPENSES AND FINANCE INCOME

	For the year ended	
	December 31, 2024	**December 31, 2023**
Finance expenses	*(in USD thousands)*	
Interest on long-term debt	**23,788**	24,764
Amortisation and write-down of debt issuance cost	**7,834**	1,067
Commitment fee and termination fee	**3,080**	1,071
Gain on discontinued hedges	**(10,445)**	(1,650)
Other finance cost	**17**	-
Capitalised borrowing cost	**(877)**	(1,235)
Finance cost expensed	**23,397**	24,017
Changes in fair value of BW LPG shares	**96,723**	-
Changes in fair value of shares	**96,723**	-

Capitalised borrowing costs are added to the cost of PP&E that take a substantial period to complete.

Changes in the fair value of the BW LPG shares relates to the change in the quoted share price at the contract date August 15, 2024, of $16.18/share which was applied at initial recognition and the quoted share price at December 31, 2024, of $11.16/share.

	For the year ended	
	December 31, 2024	**December 31, 2023**
Finance income	*(in USD thousands)*	
Interest on cash deposits	**9,558**	5,175
Dividend income	**5,962**	-
Finance income	**15,520**	5,175

15. INCOME TAX EXPENSE

At the date of this report there is no Bermuda income, corporation, or profits tax nor is there any, capital tax, capital transfer tax, estate duty or inheritance tax payable by the Company. The Company has obtained from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966, as amended (the "Tax Protection Act"), an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035 be applicable to the Company or to any of its operations, or to the Company's shares, debentures or other obligations, except in so far as such tax applies to persons ordinarily resident in Bermuda and holding the Company's shares, debentures, or other obligations, or any property in Bermuda leased or let to the Company. We could be subject to taxes in Bermuda after that date.

In December 2023, Bermuda passed into law the Corporate Income Tax 2023 (the "Corporate Income Tax Act") in response to the OECD's Pillar 2 global minimum tax initiative to impose a 15% corporate income tax that will be effective for fiscal years beginning on or after January 1, 2025. The assurance granted by the Minister of Finance pursuant to the Tax Protection Act has been made subject to the application of any taxes payable pursuant to the Corporate Income Tax Act. Subject to certain exceptions. Bermuda entities that are part of a multinational group will be in scope of the provisions of the Corporate Income Tax Act if, with respect to a fiscal year, such group has annual revenue of €750 million or more in the consolidated financial statements for at least two of the four fiscal years immediately prior to such fiscal year ("Bermuda Constituent Entity Group"). Further, Bermuda Constituent Entity's international shipping income and qualified ancillary international shipping income may be excluded from the computation of its taxable income or loss.

The Company does not have annual revenue above €750 million in the consolidated financial statements and is therefore currently not in scope for the provisions of the Corporate Income Tax Act.

Tax expense of $182 thousand recognised in the consolidated income statement in 2024 relates to income taxes in foreign jurisdictions. Tax expense recognised in the consolidated income statement in 2023 of $258 thousand relates to income taxes in foreign jurisdictions. The Group has no deferred taxes. The effective tax rate for the Group was 0.0% for the year ended December 31, 2024, and 0.2% for the year ended December 31, 2023.

16. RELATED PARTY TRANSACTIONS

The Group entered into a corporate secretarial services agreement in Q3 2018 and a technical supervision agreement in Q2 2019 with Frontline Management (Cyprus). In Q1 2021, the Group entered into a separate technical supervision agreement for the Group's newbuilding program with Frontline Management (Cyprus). Additionally, the Group entered a shared services agreement with Front Ocean Management AS (Norway) in Q4 2021, and an office lease agreement in Q4 2024. Further, during 2022 the Group entered into an accounting and administrative service agreement with Flex LNG Management Ltd.

	For the year ended	
	December 31, 2024	**December 31, 2023**
Fees paid to related parties	*(in USD thousands)*	
Corporate secretarial services	**319**	287
Technical supervision	**1,805**	1,162
Office lease and shared services	**758**	687
Total fees to related parties	**2,882**	2,137

In addition, the Group received recharges of operational credits of $826.3 thousand and $661.0 thousand in 2024 and in 2023, respectively.

The Group had receivables against related parties of $476 thousand and $559 thousand per December 31, 2024, and 2023, respectively. Payables to related parties were $575 thousand and $1,258 thousand per December 31, 2024, and 2023, respectively.

17. MANAGEMENT REMUNERATION

Remuneration to management:
Key management consists of the Chief Executive Officer and Chief Financial Officer of Avance Gas AS. The compensation to key management is paid in NOK and the USD figure is not fully comparable year on year. Compensation and benefits of the key management were as follows:

	For the year ended			
	December 31, 2024		**December 31, 2023**	
	(in USD thousands)			
	CEO	CFO	CEO	CFO
Salary	**139**	**214**	101	205
Bonus	**-**	**-**	-	95
Other remuneration	**-**	**3**	-	3
Pension contribution	**24**	**21**	15	19
	163	**238**	116	322

In addition to the table above, the Company was recharged for CEO services of $118 thousand from a related party in 2023.

Management has received share options as part of the Company's remuneration program for its employees. Information about share-based payments is disclosed in Note 18.

Remuneration to the Board of Directors:
The Directors of the Board received a yearly remuneration of $40.0 thousand ($47.5 thousand for the Chairperson of the Audit Committee) for the years ended December 31, 2024, and December 31, 2023, paid proportionally for the time served on the Board. Total Board fees were $207.5 thousand and $189.3 thousand for the years ended December 31, 2024, and 2023, respectively.

The table below shows the total number of shares owned directly or indirectly by Directors and key management as of December 31, 2024. Remaining Directors and key management do not, directly or indirectly, own shares in Avance Gas as of December 31, 2024.

Name	Number of shares	% number of shares
Øystein Kalleklev	50,000	< 0.1%

On February 18, 2025, Øystein Kalleklev, sold 50,000 shares in Avance Gas Holding Ltd and has no further shares in Avance Gas Holding Ltd.

18. SHARE-BASED PAYMENTS

The Company has set up a share option plan to encourage the Company's directors, officers and other employees to hold shares in the Company. Following the award, declared and cancellation of share options since 2021, a total of 250,000 share options remained outstanding under the Company's share option scheme as of December 31, 2024.

Options granted under the 2021 and 2022 plans have a five-year term with a three-year vesting period. The options are not transferable, and the subscription price is at the discretion of the Board. The subscription price for options granted will be reduced by the amount of all dividends declared by the Company in the period from the date of grant until the date the option is exercised. Options may be exercisable when they are vested, and within five years from the date of grant. Options are forfeited by employees upon termination of employment in most circumstances. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

	2021 SHARE OPTION	2022 SHARE OPTION	Total Share Options
Average exercise price ($)		(5.27)	
Outstanding January 1, 2024	251,000	468,750	719,750
Changes during the year:			
Granted	-	-	-
Exercised	(251,000)	(218,750)	(469,750)
Expired	-	-	-
Forfeited	-	-	-
Outstanding December 31, 2024	**-**	**250,000**	**250,000**
Exercisable December 31, 2024	-	-	-
Remaining average contractual life	-	2.7	

	2021 SHARE OPTION	2022 SHARE OPTION	Total Share Options
Average exercise price ($)	3.26	3.54	
Outstanding January 1, 2023	363,833	625,000	988,833
Changes during the year:			
Granted	-	-	-
Exercised	(112,833)	(156,250)	(269,083)
Expired	-	-	-
Forfeited	-	-	-
Outstanding December 31, 2023	**251,000**	**468,750**	**719,750**
Exercisable December 31, 2023	12,667	-	12,667
Remaining average contractual life	0.4	3.7	

Share based expense for the year ended December 31, 2024, was negative $409 thousand as a result of derecognition of exercised options. Share based expense for the year ended December 31, 2023, was $211 thousand.

19. AUDITOR'S REMUNERATION

PricewaterhouseCoopers AS is the auditor of the Company. Audit fees are agreed and billed in NOK. The following table shows the annual fees for the appointed auditor:

	For the year ended	
	December 31, 2024	**December 31, 2023**
	(in USD thousands)	
Audit	**106**	75
Other assurance services	**6**	15
Total audit fees	**112**	90

20. ACCUMULATED OTHER COMPREHENSIVE INCOME

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

(in USD thousands)	**Foreign Currency reserve**	**Cash Flow Hedge Reserve**	**Accumulated other comprehensive income**
As of January 1, 2023	53	17,278	17,331
Effective portion of changes in fair value of derivative financial instruments	-	(2,165)	(2,165)
Gain on discontinued hedges reclassified to income statement	-	(1,650)	(1,650)
Gain from settlement of interest rate swaps reclassified to income statement	-	(6,927)	(6,927)
Translation adjustment, net	10	-	10
As of December 31, 2023	**63**	**6,536**	**6,598**
Effective portion of changes in fair value of derivative financial instruments	-	4,308	4,308
Gain on discontinued hedges reclassified to income statement	-	(5,307)	(5,307)
Gain from settlement of interest rate swaps reclassified to income statement	-	(5,537)	(5,537)
Translation adjustment, net	(26)	-	(26)
As of December 31, 2024	**36**	**-**	**36**

21. SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of net profit to cash generated from operations:

		For the year ended	
		December 31, 2024	**December 31, 2023**
	Note	(in USD thousands)	
Net profit		**443,038**	163,577
Adjustments to reconcile net profit to net cash from operating activities:			
Depreciation and amortisation of property, plant and equipment and intangibles		**25,123**	43,934
Changes in fair value of shares	14	**96,723**	-
Finance expense and foreign currency exchange	14	**23,648**	23,957
Dividend income	14	**(5,962)**	-
Share Option Compensation expense	18	**7,719**	2,026
Gain on sale asset	5	**(408,317)**	-
Changes in assets and liabilities:			
Decrease (increase) in receivables		**35,146**	(30,734)
Decrease (increase) in prepaid expenses, inventory, related party receivables, mobilisation cost and other current assets		**34,698**	(16,219)
(Decrease) increase in accounts payable		**(4,353)**	956
(Decrease) increase in accrued voyage expenses, other current liabilities, and related party balances		**(10,325)**	3,445
Other		**859**	213
Cash generated from operations		**237,997**	191,155

Changes in liabilities arising from financing activities:

			Non-cash changes			
	December 31, 2023	**Cash flows**	Amortisation	Novation	Other changes	**December 31, 2024**
Long-term debt	342,885	(346,846)	4,450	-	(489)	**-**
Long-term revolving credit facility	113,387	(113,387)	-	-	-	**-**
Lease financing arrangements	68,019	56,550	3,384	(128,750)	797	**-**
Total liabilities from financing activities	**524,290**	**(403,683)**	**7,834**	**(128,780)**	**308**	**-**

			Non-cash changes		
	December 31, 2022	**Cash flows**	Amortisation	Other changes	**December 31, 2023**
Long-term debt	262,490	78,571	895	928	**342,885**
Long-term revolving credit facility	113,386	-	-	-	**113,386**
Lease financing arrangements	75,646	(6,725)	172	(1,074)	**68,019**
Total liabilities from financing activities	**451,522**	**71,846**	**1,067**	**(145)**	**524,290**

Other changes include transaction costs related to loans and borrowings.

22. SUBSEQUENT EVENTS

In January 2025, the Company, Exmar, and the yard signed a Novation agreement to transfer the four MGC newbuilding contracts to Exmar, with the only remaining item being the issuance of new refund guarantees before the transaction could become effective. In February 2025, the refund guarantees were issued, and Avance Gas received $62.1 million in reimbursement from already paid yard instalments from Exmar.

In February 2025, as part of the preparations for the winding-up process, the Board terminated the employment contracts of the CEO, CCO, and CFO. Management will remain available to the Company until the end of the first half of 2025.

On February 18, 2025, the Company went ex-dividend with $2.0 per share in return of capital and distribution of the BW LPG shares. Shareholders received one BW LPG share for every four Avance Gas shares they held, with any fractions rounded down.

In March 2025, Avance Gas distributed an extraordinary dividend of $57 million, or $0.75 per share, following the receipt of the $62.1 million reimbursement from Exmar. Following the distribution, the remaining net asset value of Avance Gas is approximately $56 million, corresponding to approximately $0.70 per share.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

Introduction

Avance Gas published its first ESG report for the year 2018, designed to provide investors, banks, and other stakeholders with easy access to non-financial information, in line with the Marine Transportation framework established by the Sustainability Accounting Standards Board (SASB). The disclosure of ESG information has since been enhanced, with each subsequent report ensuring greater transparency on ESG topics, including preparations for the CSRD report. However, following the sale of the VLGC fleet and the four MGC newbuildings, which left the Company without any operating assets, Avance Gas has decided to replace its separate ESG report with key highlights for 2024, presented in the following section.

Avance Gas has been committed to supporting the targets outlined in the IMO's emission reduction strategy to combat climate change. To contribute to these goals, the Company set an annual target to exceed the IMO and Poseidon Principles emission trajectories, which are becoming more stringent each year, with the goal of reaching net-zero emissions by 2050. In pursuit of these targets, the Company has focused on its fleet renewal strategy and incorporated sustainability-linked financing over the past five years. In 2019, Avance Gas made its first investment in dual fuel newbuildings, acquiring two vessels capable of running on LPG as fuel, reducing CO_2 emissions by approximately 40% compared to a conventional non-eco 2008-built VLGC. By April 2021, the Company had added four more dual-fuel vessels to its fleet, bringing the total to six, with deliveries scheduled for 2022, 2023, and 2024. In 2024, Avance Gas invested in four dual-fuel LPG Mid-Sized Gas Carriers (MGCs), capable of carrying both LPG and ammonia as cargo, with deliveries expected in 2025 and 2026. In addition to investing in new technologies with a significantly lower carbon footprint, Avance Gas also capitalized on favourable market conditions for asset prices. In 2022 and 2023, the strong VLGC spot freight market led to higher asset prices, enabling the Company to divest five older vessels at attractive levels. As a result of these investments and divestments, Avance Gas' fleet consisted of 50% ECO vessels and 50% dual-fuel vessels at the beginning of 2024, while also reducing the average age of its fleet from 5.3 years to 4.6 years.

With one of the youngest and most energy-efficient fleets in the shipping industry, Avance Gas attracted significant interest from third parties seeking to acquire its assets. On August 15, 2024, the Company announced the sale of its VLGC fleet to BW LPG, and on November 27, 2024, the sale of the four MGC newbuildings to Exmar LPG B.V. Given the size of the fleet, Avance Gas found it more beneficial for its shareholders to take advantage of the relatively high second-hand prices and sell the VLGC and MGC fleets. The transaction with BW LPG was completed on December 31, 2024, and the sale of the four MGC newbuildings was finalized on February 28, 2025, with the final settlement expected in April 2025.

Avance Gas continued to operate the VLGC fleet throughout the year until the final VLGC delivery was completed on December 31, 2024. The Company improved its weighted average Carbon Intensity Indicator (CII) by 4.9% compared to 2023, with the AER decreasing to 6.32 from 6.64 in the previous period. As a result, Avance Gas outperformed the IMO and Poseidon Principles' emission trajectories by 10% and 16%, respectively.

In the following section, you will find key information of the ESG matters during the year 2024.

ESG at Avance Gas

At Avance Gas, ESG has been a core aspect of our operations and has been fully integrated into our business model. Our ESG framework reflected the incorporation of the UN Global Compact principles into our operations and value chain. We have established policies and control processes to manage our employees and partners, ensuring compliance with all applicable international and local laws and regulations.

The Board of Directors (BoD) is ultimately responsible for ESG at Avance Gas. The BoD oversees the company’s strategy, including our decarbonization strategy, and ensures that appropriate and effective ESG-related risk management and internal control systems are in place. The BoD also reviews Avance Gas’ corporate governance framework annually. The BoD's Audit Committee ensures oversight of key ESG risks and external reporting, receiving regular updates on ESG reporting processes.

The CEO has overseen the daily implementation of ESG at Avance Gas. The CFO has been responsible for establishing monitoring and reporting processes related to ESG risks and performance, as well as considering the incorporation of ESG matters into financing structures such as sustainability-linked financing. Technical managers have been the primary responders to handle incidents promptly. Crewing and ship management have been outsourced to several leading third parties, closely guided and evaluated by our fleet managers. Avance Gas had one dedicated performance manager working with the ship managers to ensure that all vessels are performing at their potential. Additionally, energy efficiency studies and evaluations of energy-saving devices were managed by the Head of Decarbonization, project managers, and data analysts.

Environment

Avance Gas has been committed to minimising its environmental footprint through its operational model and fleet utilisation. The Company has complied with applicable environmental legislation and proactively sought to stay ahead of future legislation to meet industry expectations.

The main environmental impacts posed by the shipping industry are related to GHG emissions, nature-related impacts such as pollution to air and water, biodiversity loss, and the circular economy. Avance Gas has worked diligently to manage these impacts, and our efforts have been critical for protecting the environment, the societies in which we operate, our customers, and our business.

We have regularly reviewed the identified environmental impacts to establish appropriate safeguards and mitigate any adverse effects on the environment. Moreover, our long-term focus has been on maintaining a modern, energy-efficient fleet to mitigate our climate-related risks and capitalise on opportunities provided by increasingly stringent environmental laws and regulations, as well as expectations from key stakeholders such as customers, banks and investors.

Activity metrics

Activity metric	Unit of measure	2022	2023	2024
Number of shipboard personnel*	Number	252	294	0
Total distance travelled by vessels	Nautical miles (nm)	1,150,819	1,278,676	1,123,232
Operating days[i]	Days	4,787	4,787	4,087
Deadweight tonnage	Deadweight tonnes	702,689	819,326	771,656
Number of assets in fleet*	Number	15	14	0
Number of vessels port calls	Number	377	340	328

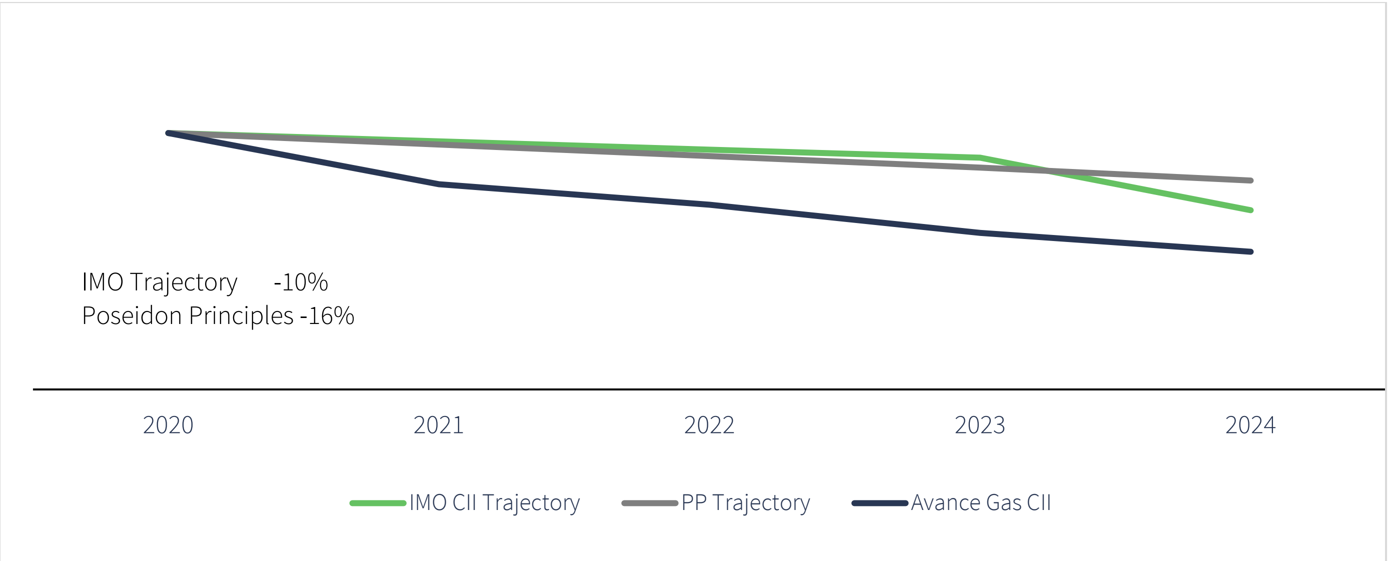
*On December 31st

Environment performance

Accounting metric	Unit of measure	2022	2023	2024
Annual efficiency ratio (AER)	gCO_2/mDWT-nm	7.11	6.64	6.32
Carbon Intensity Indicator (CII) score	Weighted CII rating	Not disclosed	B	B
Total energy consumed	Gigajoules (GJ)	5,622,760	6,264,291	5,295,368
Scope 1 GHG emissions Co2[a]	Metric tons	446,727	476,509	384,640
NOx (excluding N2O) [b]	Metric tons	10,726	11,406	9,513
SOx [b]	Metric tons	932	1,393	1,167
Particulate matter [b]	Metric tons	493	649	198
Shipping duration in marine protected areas or areas of protected conservation status [c]	Number of days	14	14	23
Implemented ballast water exchange [d]	Percentage	33%	0%	0%
Implemented ballast water treatment [d]	Percentage	77%	100%	100%
Spills and releases to the environment[e]	Number	0	0	0

The overall fleet weighted CII rating for the year was B and the AER decreased by 4.9% in 2024 compared to the previous year. This decrease was primarily driven by the divestment of two vessels built in 2008 during the first half of 2024, and nearly a full year of operations of the two dual-fuel newbuildings from 2023, Avance Rigel and Avance Avior, capable of running on LPG as fuel. Scope 1 GHG emission measured in metric tons of CO_2 is down by 15.4% which is primarily due to 14.7% less operating days in 2024 compared to 2023 explained by the sale of the VLGC fleet.

Avance Gas AER performance vs IMO and Poseidon Principles trajectories



We continued to outperform the IMO and the Poseidon Principles trajectories, being 10% and 16% ahead of the trajectories in 2024, respectively. The strong performance was supported by a young and energy-efficient fleet. Furthermore, the fleet has been equipped with various energy-saving technologies including modern hull designs, pre-swirl ducts, propeller optimisation, variable frequency drives, LED lighting, four dual-fuel VLGCs, and operational measures such as hull cleaning, propeller polishing and weather routing.

Climate related risk

Climate change has posed physical, technological, regulatory and reputational risks to Avance Gas. Nature-related impacts include a wide variety of topics, such as pollution to air and water and biodiversity loss, as well as Avance Gas' reputational and operating risks. As a previous ship owner, controlling a significant portfolio of physical assets utilised for seaborne transportation of LPG, Avance Gas has had significant interaction with the marine environment. Marine transportation is associated with risks to the surrounding environment with negative impacts on biodiversity. These impacts are related to ship pollution, collisions, noise, grounding and anchor damage, and transportation of invasive species.

Avance Gas has implemented several initiatives to minimize its nature related impact. The Company has complied with the IMO 2020 regulation of 0.5% sulphur cap for maritime fuel by either using low-sulphur fuel and installing scrubber on the remaining vessels. Avance Gas has also complied with IMO's ballast water management system requirements and had Ballast Water Treatment Systems installed on all ships in 2024, reducing biodiversity impact. Furthermore, the Company had a Biofouling Management Plan on each vessel. Proper management of ships' biofouling is not only beneficial to prevent the spread of invasive species but has also reduced underwater resistance, and consequently, GHG emissions.

Large volume of oil spills could also have large serious and long-lasting negative impact on ecosystems. Avance Gas had zero oil spills in 2024. If an incident related to spills were to occur, our ship managers have been obliged to notify us without delay and follow up with a situation report. A full investigation report is then to be submitted no later than 14 days after the incident has taken place.

Unsafe waste management and disposal from ships can readily lead to adverse environmental and health consequences. The prevention of pollution by waste from ships is regulated by the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex V, which prohibits the discharge of most waste into the ocean. Avance Gas has actively worked to reduce waste impact and has developed a comprehensive waste management framework and integrated Storm Geo's service for detailed waste reporting.

Avance Gas has endeavoured to comply with all applicable legislation in respect of the recycling of its end-of-life vessels where relevant, such as The Basel Convention, the United Nations Convention on the Law of the Sea, The EU Waste Shipments Regulations, MARPOL, the European Ship Recycling Regulation and the latest Hong Kong Convention.

Social

Avance Gas' ambition has been to ensure a safe and diverse place to work, that human rights are respected, that all workers have decent working conditions, and to improve the well-being of all our employees. Our actions are guided by industry and international standards, in line with what is expected by our key stakeholders.

Health and Safety

At Avance Gas, our number one priority has been the health, safety, and well-being of our people, both at sea and onshore. We have consistently prioritized the general welfare of our crew, implementing numerous measures to ensure their safety. These efforts extend beyond meeting the requirements for ship managers; they also encompass comprehensive crew training and the enhancement of onboard facilities.

Through our involvement with the Neptune Declaration, we have supported our ship managers in implementing well-being initiatives and ensuring that all seafarers have access to mental health support. For instance, maritime personnel had access to a well-being app that facilitates private connections to psychologists via their personal devices. The app leverages artificial intelligence, games, and nudge techniques to gauge mood and improve mental health. This platform allows us to monitor subtle signals and act proactively to support our crew.

The safety and security risks associated with operations at sea were always carefully managed to protect our crew, vessels, cargo, and the environment. At Avance Gas, we maintained a zero-accident ambition, operating under the principle that no serious injury or environmental incident was acceptable. In 2024, our Lost Time Injury Rate (LTIR) improved to 0.46 from 0.74 in 2023. The LTIR is related to a finger injury while doing planned maintenance onboard. The shipboard employee received first aid, continued light duty onboard and was signed off a week after to ensure proper recovery onshore.

Accounting metric	Unit of measure	2022	2023	2024
Lost time incident rate (LTIR)[f]	Rate	0.39	0.74	0.46
Incidents (marine casualties) [g]	Number	0	0	0
Very serious marine casualties[h]	Percentage (%)	0	0	0

Avance Gas ensured that key systems, such as the safety management system, were audited at least annually by independent auditors. Additionally, individual vessels underwent regular inspections by Port State Control (PSC) inspectors and our customers. When dealing with LPG vessels, we conducted Ship Inspection Report Programme (SIRE) inspections. Our Technical department, through the HSEQ function, also performed annual audits.

Historically, both crew and onshore employees at Avance Gas could report a range of work-related hazards or hazardous situations through our near miss reporting and unsafe acts reporting systems. Recognizing that fear of reprisals might hinder some from raising concerns, we implemented a Stop Work Policy, making it clear that anyone could stop work if they deemed it unsafe. Additionally, we promoted a culture of "learner mindsets," where mistakes were seen as opportunities to learn and develop. Our crew had a direct reporting line to the Designated Person Ashore (DPA) and access to an anonymous whistleblowing hotline, allowing them to report any circumstances that gave rise to concern. Onshore employees continue to have access to these reporting systems and support structures.

Historically, work-related incidents were investigated using robust accident investigation techniques, including technical examinations, staff interviews, and recreating the accident trajectory. Reporting followed DNV's Marine Systematic Cause Analysis Technique, with data captured in an incident reporting system that facilitated root cause analysis. Corrective actions were identified and tracked until fully implemented. This system also enabled the analysis of incident trends and aimed to strengthen barriers to prevent similar incidents in the future. However, as we no longer have operating assets, these activities are no longer conducted.

Human and labour rights

Avance Gas has been fully committed to respecting fundamental human and labour rights in our business operations and value chain. We recognise the rights set out in the UN International Bill of Human Rights, the Maritime Labour Convention and the International Labour Organisation's (ILO) Core Conventions on Fundamental Principles and Rights at Work. Avance Gas acts in accordance with the UN Guiding Principles for Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises and national laws.

The shipping industry faces a number of specific human rights risks given the business operations, business partners and suppliers across the globe, many of which are in high-risk jurisdictions. Consequently, Avance Gas has taken several steps to manage our human rights risks, including conducting human risk due diligence to identify, prevent and mitigate any negative human rights impacts throughout our value chain. Furthermore, we expect that our business partners share our human and labour rights commitment and standards. As a safeguard against negative human rights impacts, we have included audit rights and termination clauses in our contracts.

Equal treatment and opportunities

Avance Gas prohibit discrimination against any employee, or any other person based on sex, race, colour, age, religion, sexual orientation, marital status, national origin, disability, ancestry, political opinion or any other basis. The Company prohibits unlawful harassment. Employees are expected to treat one another with respect. We also expect our contractors, suppliers and other business partners to aspire to similar standards of fair treatment and equal opportunities for their employees. To enhance awareness on this topic as well as to prevent and mitigate any form of discrimination and harassment, Avance Gas has included discrimination and harassment as a topic in its compliance training that is mandatory for all employees and management.

All seagoing crew have been employed under contracts with our technical managers and hired in close collaboration with Avance Gas' technical supervisors, Frontline Management Ltd.

Avance Gas is an international company that values diversity and cultural differences. Our offshore employees came from across the world, with the main nationalities being Indian and Filipino. Historically, our industry has been male-dominated, a trend mirrored in the Company's offshore workforce composition. Our materiality assessment and subsequent review identified gender diversity as a material topic. While the majority of employees working at sea have been men, we have actively promoted the inclusion of female seafarers and welcomed female cadets onboard the vessels now sold. Onshore, Avance Gas has actively worked to address gender imbalances by taking a conscious approach during the recruitment process. Women constitute 33.3% of Avance Gas' onshore workforce on December 31, 2024, which is above the broader representation of women working onshore in the maritime industry. The absence due to sickness for onshore employees was 0.73% in 2024.

Governance

The Board of Directors ("BoD") oversees the Company's strategy, including corporate social responsibility initiatives. It ensures that effective risk management and internal control systems are in place and conducts an annual review of our corporate governance framework. The BoD's Audit Committee monitors and addresses reports and complaints related to internal controls and compliance.

The Board ensures that we have sound internal control and risk management systems in place, encompassing our corporate values and ethical guidelines, including guidelines for corporate social responsibility. We have established a set of policies and control processes to safeguard these guidelines and policies. This set of policies includes the Corporate Code of Business Ethics and Conduct, Financial Crime Policy, Sanction Policy, Ship Recycling Policy, Environmental Policy, Complaints Procedure, Privacy Policy, Know Your Business Partner Policy, and Insider Trading Manual. The company has a comprehensive Compliance Program led by our Head of Compliance, ensuring that we conduct our business in an honest and ethical manner. To enhance communication regarding the compliance risks we face, Avance Gas provides training to all employees and management through in-person sessions and an e-learning platform. This training is also available as an option for the Board.

Over the past few years, the primary risk for individuals or entities operating in the maritime industry or energy sector has been the potential violation of sanctions, either directly or indirectly through third parties. Following Russia's invasion of Ukraine, the UK, EU, and US have imposed extensive sanctions against Russian interests, targeting, inter alia, entities, individuals, vessels and their oil and gas industry. Avance Gas has implemented a Sanctions Policy and a Know Your Business Partner Policy. We also monitored our fleet on an ongoing basis, receiving and followed up on alerts if any of our vessels are in proximity to sanctioned areas or if there is a gap in their AIS signals. Additionally, third-party testing, strict due diligence requirements, monitoring of business partners, and contractual risk mitigation were all measures that significantly reduced the risk of any sanction violation when we had operating vessels.

In 2024, Agenda Risk conducted a full compliance risk assessment of all Avance Gas's aspects of business. The assessment resulted in a risk map covering all identified risks, and the gap analysis highlighted areas needing further attention. Based on the 2023 assessment, risk mitigating actions were implemented, and in 2024, Avance Gas established additional training targets as a means of risk mitigation in areas such as sanctions and bribery. In 2024, Avance Gas Agenda Risk also conducted a GAP-analysis of the Company's current compliance with GDPR. Based on the assessment Avance Gas has implemented actions to ensure compliance with GDPR.

The industry operates in many countries with high inherent risk for corruption and utilise several intermediaries, agents and sub-suppliers that may not have a compliance programme nor the same culture and cultural standards that the shipowner expects. Due to the current macroeconomic situation, Avance Gas believes there is higher likelihood of corruption across several geographical areas compared to previous years. The Corporate Code of Business Ethics and Conduct (the Code) and the Financial Crime Policy have a zero-tolerance approach to any violations of applicable laws and regulations, including the UK Bribery Act and US Foreign Corrupt Practices Act

(FCPA). To ensure compliance with the applicable legislation, Avance Gas has provided employees and key suppliers with anti-corruption training. Avance Gas has also incorporated anti-corruption and bribery clauses into contracts, as well as screening and monitoring of business partners and beneficial owners for any adverse media relating to corruption and bribery. Suspected deviations from our policy were to be reported to the line manager or through the anonymous whistleblowing platform. Avance Gas values the united voice against corruption and has been a member of Maritime Anti-Corruption Network (MACN) for collective action for years.

Avance Gas has implemented Dow Jones RiskCenter, a third-party management tool, for conducting integrity due diligence, screening and monitoring of our business partners. The term "business partners" include all enterprises or individuals our Company entered a business relationship with, including banks, charterers, agents, brokers, ship managers, consultants, joint venture partners, suppliers and other intermediaries. The Tool enabled Avance Gas to track its business partners, from the pre-contractual phase throughout the entire lifecycle of the business relationship. This approach enabled us to proactively identify potential risks of business partners violating sanctions, being involved in money laundering, corruption or other non-compliant conditions.

In 2024, all employees, including the management team, completed an annual compliance e-learning. The e-learning covered financial crime, competition law and anti-trust, insider trading, confidentiality and privacy, sanctions and KYC, social and labour conditions, human rights and whistleblowing. In April 2024, we organised a “Compliance Awareness Week”. The weeklong programme included online dilemma-training, as well as well as lunch seminars with external experts. In November 2024, we organised a “Cyber Day Awareness Training”. The programme included two seminars with external experts covering the topic of cyber threats.

Maintaining the High Avance Gas Compliance Standard

Our Compliance Program has a high standard and will be maintained through the wind-up process in 2025. We strive to keep our level of expertise throughout the organization, and to maintain the clear tone from the top. Accordingly, we will change our focus to other risk areas in 2025 that are relevant to the ongoing processes:

- We will maintain awareness on the risks in respect of Insider Trading as the company is currently in a winding-down process.
- Third Party Management: We will strive to cancel contracts with our key Business Partners in a cost- and time efficient manner. Transparency is key to avoid any risk of corruption, bribery or other types of financial crime in respect of third parties and key stakeholders in the wind-down process.
- Employees and GDPR: We will focus on compliance with relevant employment legislation and GDPR requirements in respect of our retained employees. We will ensure deletion of personal data in accordance with applicable rules and regulations.

DEFINITIONS, DISCLAIMER AND ASSUMPTIONS FOR THE ESG REPORTING

The information provided is based on the best data available at the time of reporting. The ESG disclosures should be used to understand the overall risk management of sustainability related issues, however, in some areas data are based on estimates, please see comments below.

[a] CO2-emissions – scope 1: Based on IMO emission factors. The “financial control” approach defined by the GHG Protocol has been applied. Scope 1: all vessels, based on fuel consumption for the year.

[b] Particulate matter (PM), NOx, SOx emissions (Metric tonnes): The methodology has been developed with support from DNV, based on IMO factors.

[c] Shipping duration in marine protected areas or areas of protected conservation status: A marine protected area is not as defined by the International Union for Conservation of Nature (IUCN). However, the reported number does not necessarily include all Marine protected areas internationally established and regulated in International the Marine Organisation (IMO) Conventions and areas established nationally by member states. Shipping duration is the sum of the travel days (24-hour periods).

[d] Percentage of fleet implementing ballast water exchange and treatment: Only ships performing ballast water exchange with an efficiency of at least 95% volumetric exchange of ballast water have been included. When it comes to treatment, approved systems must discharge (a) less than 10 viable organisms per cubic meter that are greater than or equal to 50 micrometres in minimum dimension and (b) less than 10 viable organisms per millilitre that are less than 50 micrometres in minimum dimension and greater than or equal to 10 micrometres in minimum dimension.

[e] Spills and releases to the environment (Number, Cubic meters (m 3)): The total number of oil spills to the environment (overboard), excluding contained spills.

[f] Lost time incident rate (LTIR): A lost time incident is an incident that results in absence from work beyond the date or shift when it occurred. Lost time incidents are Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases.

[g] For an event to be reported as a marine casualty, one or several out of the below criteria must be true: (1) the loss of a person from a ship, (2) the loss, presumed loss, or abandonment of a ship, (3) the stranding or disabling of a ship that triggered a Lloyds Open Form Salvage or the involvement of a ship in a collision that would seriously endanger the safety of life or property, or (4) material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship or an individual.

[h] Very Serious Marine Casualties: A marine casualty involving the total loss of the ship, a death, or severe damage to the environment that is not related to oil spill. Any deaths shall be reported. If the death is decisively concluded not to have anything to do with a marine (very serious) casualty such as latent and unknown illness shall be addressed separately for a case-by-case discussion. Severe damage to the environment that is not related to oil spill is covered by “Very serious marine casualties”.

[i] Operating days: Total operating days, i.e., total number of vessel days for active vessels during the reporting year. Active vessels are referring to vessels which were in possession of the shipowner during the reporting year.

STATEMENT OF CORPORATE GOVERNANCE

1 INTRODUCTION

This section of the annual report provides an overview on how Avance Gas Holding Ltd ("Avance Gas" or the "Company") follows the Norwegian Code of Practice for Corporate Governance as of 14 October 2021 (the “Code”). Avance Gas is an exempted company limited by shares incorporated in Bermuda and is subject to Bermuda law, and is listed on the Oslo Stock Exchange.

Avance Gas is primarily governed by the Bermuda Companies Act, its memorandum of association and its bye-laws. Further, Avance Gas is subject to certain aspects of the Norwegian Securities Trading Act, the Norwegian Accounting Act and the continuing obligations for companies listed on the Oslo Stock Exchange.

Avance Gas continuously strives to protect and enhance shareholder equity through transparency, integrity and equitable treatment of all shareholders. Sound corporate governance is key to achieving these goals. The corporate governance principles adopted by the board of directors of Avance Gas (the “Board”) are based on the Code. The Code is available at www.nues.no. Other than the deviations listed and explained in Section 1.1 below, Avance Gas is in compliance with the Code.

1.1 Deviations from the Code

The Board has identified the following deviations from the Code:

<u>Deviation from section 2 “Business”</u>: In accordance with common practice for Bermuda incorporated companies, Avance Gas’ objectives as set out in the memorandum of association are wider and more extensive than recommended in the Code. The Board has not adopted specific guidelines for how it integrates considerations related to its shareholders into its value creation, but such considerations form an integrated part of the Company's decision-making processes.

<u>Deviation from section 3 “Equity and dividends”</u>: Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the Board has wide powers to issue any authorised but unissued shares on such terms and conditions as it may decide, subject to any resolution of Avance Gas’ shareholders to the contrary, and to declare dividends to be paid to the shareholders and repurchase shares in Avance Gas. The powers of the Board to issue and purchase shares are neither limited to specific purposes nor to a specified period, and the Board can declare dividends to shareholders without the prior authorisation or approval by the general meeting as recommended by the Code.

<u>Deviation from section 5 “Freely negotiable shares”</u>: The shares in Avance Gas are freely negotiable and Avance Gas’ constitutional documents do not impose any transfer restrictions on the shares other than as set out below. The bye-laws include a right for the Board to decline to register the transfer of any share in the register of members, or instruct any registrar appointed by Avance Gas to decline, to register the transfer of any interest in a share held through the VPS where such transfer, in the opinion of the Board, is likely to result in 50% or more of the shares or votes being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or being effectively connected to a Norwegian business activity or Avance Gas otherwise being deemed a “Controlled Foreign Company” as defined pursuant to Norwegian tax legislation. The purpose of this provision is to avoid the Company being deemed a “Controlled Foreign Company” in Norway.

<u>Deviation from section 6 “General meetings”:</u> As is common for companies incorporated under the laws of Bermuda, the bye-laws of Avance Gas set forth that, unless otherwise is agreed by a majority of those attending and entitled to vote at a general meeting, the Chairman of the board shall act as chairman of the meeting if he is present. If the Chairman of the Board is absent, a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

Deviation from section 7 “Nomination committee”: The bye-laws provide that Avance Gas may have a nomination committee, but the shareholders have resolved to not establish a nomination committee.

Deviation from section 8 “Remuneration for the Board”: The Company has issued share options to a member of the Board.

Deviation from section 8 “Board; composition and independence”: The Company's Chief Executive Officer (CEO) is also a board member of the Company.

2 MAIN OBJECTIVES FOR CORPORATE GOVERNANCE IN AVANCE GAS

The way that Avance Gas is managed is vital to the development of Avance Gas’ value over time. Avance Gas’ corporate governance policy is based on the Code, and Avance Gas aims to have good control and governance procedures to ensure equal treatment of all shareholders, thereby providing a foundation for trust and positive development of shareholder values. The Board monitors the governance of Avance Gas and develops and improves the corporate governance policy as required.

3 CORPORATE GOVERNANCE REPORT

3.1 Implementation and reporting

The Board has adopted a corporate governance policy which is based on the Code. The Board further ensures that Avance Gas at all times has sound corporate governance.

This corporate governance report is included in Avance Gas’ annual report to the shareholders, and is made available on Avance Gas’ website in the annual report. Any deviations from the Code are described and explained under Section 1.1 above.

The Board has defined Avance Gas’ value base and formulated ethical guidelines and guidelines for corporate social responsibility in accordance with these values.

3.2 Business

Avance Gas and its subsidiaries’ has been engaged in the transportation of Liquified Petroleum Gas (“LPG”), operating a fleet of modern vessels. 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 to BW LPG. As of December 31, 2024, the Company owns four dual fuel MGC (Medium-Sized Gas Carrier) newbuilding contracts, which are 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. Avance Gas’ objectives as set out in its memorandum of association are wider and more extensive than recommended by the Code.

Avance Gas no longer owns operating assets following the sale of previously owned fleet, and does not plan to make new investments. Therefore, Avance Gas has initiated a wind-up process to return all capital to its shareholders, in order to initiate a formal liquidation process and a delisting of its shares from the Oslo Stock Exchange.

The Board is responsible for the Company’s strategic planning, and defines clear objectives, strategies and risk profile for the business that form the basis for Avance Gas' creation of value for the shareholders in a sustainable way. The Board is in this respect taking inter alia economic, social and environmental conditions into account. The Board evaluates Avance Gas’ objectives, strategies and risk profile at least once per year.

Further, long-term sustainability and profitability forms an integral part of Avance Gas' strategies, plans and everyday work to create value for its shareholders, while also considering the interests of the other stakeholders of the Company (employees, suppliers, customers, etc.).

Deviation from the Code: See Section 1.1 above.

3.3 Equity and dividends

The Board and the management of Avance Gas aim at all times to keep Avance Gas’ capital structure at a level that is suitable in light of Avance Gas’ objectives, strategy and risk profile.

Avance Gas’ objective is to generate competitive returns to its shareholders. The Company’s dividend policy is balanced between growth opportunities for Avance Gas and cash returns for the shareholders. Whilst it is the intention to pay regular dividends, the level of any dividend will be guided by current earnings, market prospects, current and future capital expenditure commitments and investments opportunities.

Pursuant to bye-law 2, the Board has wide powers to issue any authorised but unissued shares on such terms and conditions as it may decide, subject to any resolution of the shareholders to the contrary, and to declare dividends to be paid to the shareholders without the prior authorisation or approval by the general meeting. Further, pursuant to bye-law 3, the Board may exercise the power of Avance Gas to purchase its own shares for cancellation or acquire them as treasury shares in accordance with Bermuda law on such terms as the Board thinks fit. The powers of the Board to issue and purchase shares are neither limited to specific purposes nor to a specified period as recommended by the Code.

Reference is made to Section 3.2 above concerning the anticipated formal liquidation and delisting of the Company.

Deviation from the Code: See Section 1.1 above.

3.4 Equal treatment of shareholders

3.4.1 General information

Avance Gas has only one class of shares. Each share in Avance Gas carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders are treated on an equal basis, unless there is just cause for treating them differently.

3.4.2 Share issues without pre-emption rights for existing shareholders

Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the shareholders of Avance Gas do not have pre-emption rights in share issues unless specifically resolved by the Board or the shareholders of Avance Gas. Any decision to issue shares without pre-emption rights for existing shareholders will be justified and publicly disclosed in a stock exchange announcement in connection with the increase in share capital.

3.4.3 Transactions in own shares

Any transactions Avance Gas carries out in its own shares are carried out either through the Oslo Stock Exchange or with reference to prevailing stock exchange prices if carried out in another way. If there is limited liquidity in Avance Gas' shares, Avance Gas will consider other ways to ensure equal treatment of shareholders.

3.5 Shares and negotiability

Avance Gas' constituting documents do not impose any transfer restrictions on Avance Gas' common shares, other than as described in Section 1.1 above, and Avance Gas’ common shares are freely transferable, provided that the beneficial interests in the common shares are registered in the VPS.

Deviation from the Code: See Section 1.1 above.

3.6 General meetings

3.6.1 Exercising rights

The Board seeks to ensure that the greatest possible number of shareholders can exercise their voting rights in Avance Gas' general meetings and that the general meetings are an effective forum for the views of shareholders and the Board.

Among other things, the Board ensures that:

• the notice and the supporting documents and information on the resolutions to be considered at the general meeting are available on Avance Gas' website no later than 21 days prior to the date of the general meeting;

• the resolutions and supporting documentation, if any, are detailed, comprehensive and specific enough to allow shareholders to understand and form a view on matters that are to be considered at the general meeting;

• the deadline, if any, for shareholders to give notice of their intention to attend the general meeting is set as closely as practically possible to the date of the general meeting;

• the shareholders have the opportunity to vote separately on each individual matter, including on each candidate nominated for election to Avance Gas' Board and committees, if applicable; and

• the members of the Board will have the opportunity to participate at the General Meeting.

3.6.2 Participation without being present

Shareholders who cannot be present at the general meeting have the opportunity to vote using proxies. Avance Gas:

• provides information about the procedure for attending via proxy;

• nominates a person who will vote on behalf of a shareholder as their proxy; and

• prepares a proxy form such that the shareholder can vote on each item to be addressed and vote for each of the candidates that are nominated for election.

3.6.3 Summary of provisions in the bye-laws that deviate from the provisions in Chapter 5 of the Norwegian Public Limited Companies Act

Below is a summary of the provisions in Avance Gas' bye-laws that deviate from the provisions of Chapter 5 of the Norwegian Public Limited Companies Act:

• The annual general meeting shall be held each year at such time and place as the Chairman of the Board shall appoint.

• The Chairman of the Board may convene a special general meeting whenever in his judgment such a meeting is necessary.

• The Board shall, on the requisition of shareholders holding not less than one-tenth of the paid-up share capital that carries the right to vote at general meetings, convene a special general meeting.

• At any general meeting two or more persons present in person or by proxy shall form a quorum.

• Subject to the Bermuda Companies Act and the bye-laws, any question proposed for the consideration of the shareholders at a general meeting shall be decided by the affirmative votes of a majority of the votes cast.

• At the annual general meeting, the financial statements and accounts are laid before the meeting for information, but under Bermuda law, no approval of the shareholders is required.

• The Board may, subject to the Bermuda Companies Act and the bye-laws declare dividends and other distributions (in cash or in specie) to its shareholders.

• Subject to the bye-laws, anything that may be done by resolution of the general meeting may be done without a meeting by written resolution in accordance with the bye-laws.

Deviation from the Code: See Section 1.1 above.

3.7 Nomination committee

Bermuda law do not require that a nomination committee is established, but Avance Gas' bye-laws provide that Avance Gas may have a nomination committee, comprising such number of persons as the shareholders in a general meeting may determine from time to time, and members of the nomination committee are appointed by resolutions of the shareholders. The shareholders have not resolved to establish a nomination committee.

The functions and duties of the nomination committee are therefore performed by the Board members, including to (i) identify and evaluate proposed candidates for nomanation to the Board, (ii) recommend remuneration of the Board members, and (iii) regularly assess its own work in this regard.

Shareholders may still propose changes to the composition of the Board and the remuneration payable to the Board members. The Board members are elected by the shareholders at the annual general meeting or any special general meeting called for that purpose, unless there is a casual vacancy, and the shareholders of Avance Gas may authorise the Board to fill any vacancy in their number left unfilled at a general meeting of the shareholders. If there is a vacancy of the Board occurring as a result of death, disability, disqualification or resignation of any Board member or as a result of increase in the size of the Board, the shareholders of Avance Gas or the Board has the power to appoint a member to fill the vacancy.

The term of office of the current Board members expires at the next Annual General Meeting.

Deviation from the Code: See Section 1.1 above.

3.8 Board; composition and independence

The composition of the Board ensures that the Board can attend to the common interests of all shareholders of Avance Gas and meets the Company's need for expertise, capacity and diversity and ensures that it can function effectively as a collegiate body.

A majority of the shareholder-elected members of the Board are independent of Avance Gas' executive personnel, material business connections and major shareholders (i.e. holders of more than 10% of the shares). The members of the Board, including the Chairman, are elected by the general meeting on an annual basis and their current term of office expires at the next annual general meeting.

In March 2022, the Company announced resignation of CEO and changes to the Board composition. The CEO resigned and the Chairman of the Board elected to step-down. To fill the vacancy and in the best interest of the shareholders, the Board resolved to appoint an Executive Chairman of the Board as well as a new Director with immediate effect. On 24 April 2023 the Executive Chairman was appointed CEO, and as a result stepped down as Executive Chairman and continued to participate as a regular board member, this is a deviation from the Code. See Section 1.1. above.

Except for as stated above, the Board maintain their independency of the Company's executive personnel, material business connections and at least two board members are independent of the major shareholder as set out in the guidelines. For an overview of the composition of the Board and the expertise and independence of such Board members, please see page 11.

The members of the Board are encouraged to hold shares in Avance Gas.

Attendance by the directors at meetings during 2024 is reflected in the table below:

Board member	Board meetings
Øystein Kalleklev	4/4
François Sunier	3/4
James O'Shaughnessy	2/4
Kathrine Fredriksen	4/4
Will Homan-Russell	4/4

Subsequent events:

In February 2025, as part of the preparations for the winding-up process, the Board has terminated the employment contracts of the CEO, CCO and CFO. Management will remain available to the Company until the end of the first half of 2025.

3.9 The work of the Board

3.9.1 General

The Board has prepared guidelines for its own work, as well as for the executive personnel, with particular emphasis on clear internal allocation of responsibilities and duties. The Board is responsible for the overall management of Avance Gas and may exercise all of the powers of Avance Gas not reserved to Avance Gas' shareholders by the bye-laws or Bermuda law.

The Company has put in place guidelines on the handling of agreements with related parties. The Board ensures that members of the Board and executive personnel make the Company aware of any material interests that they may have in items to be considered by the Board. Matters of a material character in which the chairman of the Board is, or has been, personally involved, will be chaired by some other member of the board. In cases of transactions between the Company and a shareholder, a shareholder's parent company, Director, Officer or Executive Personnel of the Company or persons closely related to any such parties, or with another company in the same group, which are not immaterial for either the Company or the close associate involved the Board will obtain a valuation from an independent third party. Agreements with related parties are given account for in the Annual Report.

3.9.2 Audit committee

The Board has established an audit committee as a preparatory and advisory committee. The current member of the committee is Mr James O'Shaughnessy (chair and sole member), who is among the independent members of the Board. Based on Mr James O'Shaughnessy's former experience as a part of top management, CFO and extensive service as board member, he is deemed to have sufficient competence and expertise. The members of the audit committee serve for as long as they remain members of the Board, or until the Board decides otherwise or they wish to retire.

The duties and composition of the audit committee is regulated in the charter for the audit committee adopted by the Board. The audit committee reports and makes recommendations to the Board, but the Board retains responsibility for implementing such recommendations.

3.9.3 Remuneration committee

Except for Øystein Kalleklev, all the members of the Board are independent of Avance Gas' executive personnel, the Board has therefore concluded that the best way to ensure a thorough and independent preparation of matters relating to compensation of the executive personnel is to involve all the members of the Board, except Øystein Kalleklev, in the preparation of such matters. The establishment of a separate remuneration committee has thus been considered but not deemed necessary.

3.9.4 Annual evaluation

The Board evaluates its performance and expertise on an annual basis.

3.10 Risk management and internal control

The Board ensures that Avance Gas has sound internal controls in place and systems for risk management. Internal controls and the systems for risk management encompass Avance Gas' considerations for how it integrates considerations related to stakeholders into its creation of value.

The Board conducts annual reviews of Avance Gas' most important areas of exposure to risk and its internal control arrangements.

3.11 Remuneration of the Board

The remuneration of the Board is decided by the shareholders at the annual general meeting of Avance Gas. The level of compensation to the members of the Board reflects the responsibility of the Board, its expertise and the level of activity in both the Board and any Board committees. The remuneration is not linked to Avance Gas' performance. Except for 375,000 options granted to Øystein Kalleklev on August 30, 2022, in his role as CEO, none of the Board members hold any share options in Avance Gas. The share options had a five-year term from August 30, 2022, with a three-year vesting period, whereby 25% will vest after one year, 35% will vest after two years, and 40% will vest after three years. The options had an exercise price of NOK 52.50 adjusted for dividend. This is a deviation from the code, see Section 1.1. On 18 February 2025 Kalleklev exercised all of the remaining share options, following which Kalleklev has no further share options in Avance Holding Ltd.

Any assignments taken on by Board members and/or companies with which they are associated in addition to their appointment as Board members shall be disclosed to the Board and the remuneration for such additional duties shall be approved by the Board.

No remuneration has been paid to the Board members in addition to normal board and committee fees for the financial year 2024. Please see note 17 of the consolidated financial statements for an overview of remuneration paid to the members of the Board for the financial year 2024.

3.12 Remuneration of executive personnel

The Board has established guidelines for remuneration of the executive personnel of Avance Gas. These guidelines are clear and understandable, and contribute to the Company's business strategy, long term interests and financial sustainability. They are communicated to the annual general meeting and are also made available on the Company's website. Performance-related remuneration of the executive personnel in the form of share options, bonus programmes or the like are linked to value creation for the shareholders or Avance Gas' earnings performance over time. Performance-related remuneration is subject to an absolute limit.

3.13 Information and communications

3.13.1 General information

Avance Gas provides timely and precise information to its shareholders and the financial markets in general (through the Oslo Stock Exchange information system). Such information is given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange and investor presentations.

Avance Gas publishes an annual, electronic financial calendar with an overview of the dates of important events, such as the annual general meeting, publishing of interim reports and open presentations, if applicable.

3.13.2 Information to shareholders

Avance Gas has procedures for communication with shareholders to enable the Board to develop a balanced understanding of the circumstances and focus of the shareholders. Such communication is undertaken in compliance with the provisions of applicable laws and regulations.

Information to Avance Gas' shareholders is posted on Avance Gas' website at the same time that it is distributed to the shareholders.

3.14 Take-overs

3.14.1 General

In the event Avance Gas becomes the subject of a take-over, the Board will ensure that Avance Gas' shareholders are treated equally, that Avance Gas' activities are not unnecessarily interrupted, and that the shareholders have sufficient information and time to assess the offer.

3.14.2 Main principles for action in the event of a take-over bid

In the event of a take-over situation, the Board will abide by the principles of the Code, and ensure that the following takes place:

• the Board will ensure that the offer is made to all shareholders, and on the same terms;

• the Board will not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or Avance Gas;

• the Board will strive to be completely open about the take-over situation;

• the Board will not institute measures that have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and

• the Board must be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded.

The Board will not attempt to prevent or impede the take-over offer unless this has been decided by the general meeting in accordance with applicable laws.

If an offer is made for Avance Gas' common shares, the Board will issue a statement evaluating the offer and making a recommendation as to whether or not the shareholders should accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it will explain the reasons for this. The Board's statement on a bid will make it clear whether the views expressed are unanimous, and if this is not the case, it will explain the reasons why specific members of the Board have excluded themselves from the statement.

The Board will consider whether to arrange a valuation from an independent expert. Any such valuation will be made public no later than at the time of the public disclosure of the Board's statement.

3.15 Auditor

Avance Gas' auditor is appointed by the shareholders at the general meeting, and the shareholders authorise the Board or the audit committee to fix the auditor's remuneration.

The auditor participates in the audit committee's review and discussion of the annual accounts and quarterly interim accounts, and will annually submit the main features of the plan for the audit of the Company to the Board or the Audit Committee.

The auditor normally participates in meetings with the Audit Committee that deal with the annual accounts, accounting principles, assess any important accounting estimates and matters of importance on which there has been disagreement between the auditor and the executive management of the Company. The auditor shall at least once a year present to the Board or the Audit Committee a review of the Company's internal control procedures, including identified weaknesses identified by the auditor and proposals for improvement.

The Audit Committee has established routines for the use of the auditor by the executive personnel for services other than audit.

To the General Meeting of Avance Gas Holding Ltd.

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Avance Gas Holding Ltd. (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Group for 11 years from the election by the general meeting of the shareholders for the accounting year 2014, with re-election in 2024.

Emphasis of Matter

We draw attention to Note 1 to these financial statements and the Board of Director's report, which refers to the intention of management to liquidate the Group subsequent to the balance sheet date. These financial statements have therefore been prepared using a liquidation basis of accounting. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As a result of the Group's decision to sell all its vessels and newbuilding contracts the KAM from prior years has become redundant as there is now no significant risk presented by valuation of vessels and newbuildings. As a result of the transactions to sell the assets and the decision to liquidate the business, a new Key Audit Matter presented itself based on the significant risk associated with a non routine transaction and the associated disclosure requirements.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Key Audit Matter	How our audit addressed the Key Audit Matter
Sale of assets, discontinued operations and liquidation basis of accounting During the year, the Group sold and delivered onto new owners its fleet of sixteen VLGCs. As of December 31, 2024, the Group owned four MGC newbuilding contracts, which are held for sale as the Group entered into an agreement to sell the MGCs with final settlement estimated to be in 2025. Management concluded that the sale of the VLGCs and the sale of four MGCs constituted a discontinued operation. Following the completion of the sale of vessels, the Group recorded a gain on sale of $408.4 million. We refer to note 5 - *Property, plant and equipment, assets held for sale and newbuildings,* where management described the sale of vessels. We refer to note 2 - *Significant accounting policies*, for the determination by management that the sale of the 12 VLGCs to BW LPG and the sale of four MGCs to Exmar constituted a discontinued operation. The consolidated financial statements have been prepared on a liquidation basis, as management intends to liquidate Avance Gas Holding Ltd and its subsidiaries. We refer to note 1 - *General information,* where management explains the basis for preparation on a liquidation basis. The consolidated financial statements are prepared in accordance with 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 consolidated financial statements. We considered the sale of assets, discontinued operations and liquidation basis of accounting to be a key focus area due to the pervasive impact on the financial statements resulting from these events and conditions.	We obtained and read the sales contracts and heads of agreements relating to the sale of VLGCs and MGC newbuildings, respectively to corroborate the sales prices for each of the vessels. We recalculated management's calculation of the gain on sale for each of the vessels sold. We traced the detailed information used in the calculation back to supporting documentation as well as considered management's use of assumptions against our accumulated knowledge of the transactions and IFRS requirements. We satisfied ourselves that Management's assessment as to discontinued operations was appropriate. To ensure our understanding, we engaged in discussions with management about the details and terms in the sales of the VLGCs and the agreements to sell the MGC newbuildings. Our discussions included management's procedures to ensure appropriate accounting treatment of the transactions, and how management had evaluated the various aspects of the accounting and disclosure requirements, particularly the requirements in IFRS 5. Following the decision by the board of directors and management to liquidate the Group, we satisfied ourselves that management's election of accounting policies under which to present the group under liquidation was appropriate. We read note 1 - *General information* and note 2 - *Significant accounting policies* and assessed the determination to be in line with the requirements of IAS 1 guidance for presentation of financial statements under a liquidation scenario. No matters of consequence arose from our procedures. Finally, we read the relevant notes and found them to be sufficient and appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Management intends to liquidate the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting. Management intends to liquidate the Group. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Avance Gas Holding Ltd. , we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Avance Gas Holding Limited-2024-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, March 27, 2025
PricewaterhouseCoopers AS

Peter Wallace
State Authorised Public Accountant