

ADS CRUDE CARRIERS PLC

Q2 2019 REPORT

HEADLINES Q2 2019:

- Net revenue¹ down USD 1.7 million (27%) from Q1 2019 due to 28% reduction in TCE¹ per day to USD 17,463
- Net profit of USD 0.6 million, down USD 1.2 million from Q1 2019
- Announcement of second consecutive quarterly dividend, total USD 0.5 million or USD 0.02 per share
- Amendment of vessel loan completed in the quarter, providing financing for forthcoming intermediate surveys
- Commencement of scrubber installation and intermediate survey program post quarter end
- Approximately 50% of vessel days in Q3 2019 expected to be related to intermediate survey & scrubber fitting
- Backlog estimated for 45% of vessel days in Q3 2019 booked at an average TCE per day of USD 20,000

KEY FINANCIALS

<i>(In thousands of USD)</i>	Quarter ended			Half-year	
	30-Jun-19	31-Mar-19	31-Dec-18	30-Jun-19	30-Apr-18 to 31-Dec-18
Revenue	11 161	11 700	10 466	22 861	13 432
Net revenue ¹	4 767	6 505	6 816	11 272	7 907
TCE ¹ per day <i>(in USD)</i>	17 463	24 093	24 697	20 761	18 962
Operating profit	1 115	2 374	2 642	3 489	903
Net profit	601	1 835	2 168	2 436	102
EPS <i>(in USD per share)</i>	0.03	0.08	0.09	0.10	0.01
Cash flow from operations	(806)	3 989	3 221	3 183	(2 595)
Net cash flow	910	2 284	2 336	3 195	13 689
Cash and cash equivalents	16 884	15 974	13 689	16 884	13 689
Equity ratio	58 %	64 %	61 %	58 %	61 %
Net interest-bearing debt ¹	19 131	13 502	15 787	19 131	15 787

¹ Net revenue, TCE per day and NIBD are non-IFRS measures. Please refer to Note 8 for explanation and reconciliation

FINANCIAL PERFORMANCE

Q2 2019 is the Company's third quarter with a fully operational fleet following delivery of the Company's three vessels during Q3 2018.

Revenue and operating costs

Two of the Company's vessels operated in the spot market for the full quarter and one vessel completed a time charter in April 2019 before subsequently entering the spot market. The Company recorded revenue of USD 11.2 million in Q2 2019, down 5% from USD 11.7 million in Q1 2019. Voyage expenses increased to USD 6.4 million, up from USD 5.2 million in Q1 2019, mainly due to an increase in bunker cost. Net revenue decreased 27% to USD 4.8 million from USD 6.5 million the previous quarter, mainly due to increased voyage expenses. TCE per day was USD 17,463 in the quarter, down 28% from USD 23,829 in Q1 2019.

Vessel operating expenses decreased by 16% to USD 2.1 million in the quarter, down from USD 2.5 million in Q1 2019. General and administrative costs were USD 0.3 million and depreciation was USD 1.3 million in Q2 2019, both flat compared to the previous quarter.

Operating profit was USD 1.1 million in Q2 2019, down from USD 2.4 million the previous quarter. The decrease in operating profit was due to the reduction in net revenue.

Net profit and EPS

Net financial costs totaled USD 0.5 million in Q2 2019, the same level as the previous quarter.

Net profit was USD 0.6 million, down from USD 1.8 million in Q1 2019, resulting in EPS of USD 0.03 in Q2 2019, down from USD 0.08 in Q1 2019. The reduction in net profit and EPS was driven by the reduced net profit compared to the previous quarter.

Amendment of vessel loan

During the quarter, the Company agreed terms with the lender of its vessel loan whereby a new loan of nominal value USD 37.5 million (the "New Loan") replaced the previous USD 30 million vessel loan (the "Old Loan"). The New Loan was drawn down on 28 June 2019, providing gross proceeds of USD 7.5 million after the repayment of the Old Loan. Less loan issue costs amounting to USD 0.9 million (including USD 0.3 million paid post-quarter end), net proceeds of USD 6.6 million are generated, of which USD 0.9 million was paid into escrow on drawdown to increase the restricted cash deposit held to an amount equivalent to at least six months interest.

The Company is subject to certain covenants in the New Loan, including Minimum Liquidity (at least 10% of financial indebtedness), Equity Ratio (at least 30%), Working Capital (positive) and Vessel Loan-to-Value ratio (maximum 65%).

Under the terms of the New Loan, there is no fixed amortization until maturity on 31 December 2022, apart from a Cash Sweep and a Dividend Amortization mechanism:

- i. Cash Sweep – from and including Q1 2020, all liquidity above the Minimum Liquidity, on a quarterly basis is paid as prepayment of the New Loan up to a maximum amount of USD 250,000 per vessel per quarter. Applied until outstanding loan balance is USD 30 million.
- ii. Dividend Amortization – whereby 50% of any dividend exceeding USD 2 million per quarter, USD 4 million per half-year and USD 6 million per annum is applied towards prepayment of the New Loan. Applied until outstanding loan balance is USD 27 million.

Any amount paid for a quarter under the Cash Sweep mechanism shall reduce accordingly the prepayment obligation under the Dividend Amortization clause.

CASH FLOW

Net cash flow from operations was negative USD 0.8 million in the quarter, down USD 4.8 million from USD 4.0 million in Q1 2019, due to an increase of USD 3.5 million in negative working capital movements and a reduction of USD 1.3 million in operating profit compared to the previous quarter. Working capital movements were negative USD 3.2 million, compared to positive USD 0.3 million in Q1 2019. The working capital movements are within the normal range expected.

Cash invested in property, plant and equipment was USD 2.8 million in Q2 2019, mainly due to payments related to investments in scrubbers and preparation for forthcoming scrubber installation and intermediate surveys on all three of the Company's vessels.

Cash flow from investing activities increased to an inflow of USD 4.5 million in Q2 2019, up from an outflow of USD 0.5 million in Q1 2019, mainly due to amendments to the Company's vessel loans. During the quarter the Company replaced its previous nominal USD 30 million vessel loan with a new loan of USD 37.5 million, resulting in net increase from loans of USD 7.5 million in the quarter. Under the terms of the New Vessel Loan issue costs of USD 0.6 million were paid in the quarter (note that a further USD 0.3 million in issue costs were paid post-quarter end) and USD 0.9 million was paid into escrow as restricted cash. The Company made a dividend payment of USD 1 million in June 2019, which was the dividend announced on 28 May in relation to the Q1 2019 report.

The Company recorded net cash movement of USD 0.9 million, down from USD 2.3 million in Q1 2019. Cash and cash equivalents held at 30 June 2019 totaled USD 16.9 million, up from USD 16.0 million at 31 March 2019. In addition, the Company had restricted cash deposits of USD 1.5 million at 30 June 2019, up from USD 0.5 million at 31 March 2019.

DIVIDENDS

The Board of Directors (the "Board") declare a dividend for Q2 2019 of USD 0.5 million, or approximately USD 0.2 per share. The last day of trading including the right to the dividend will be 3 September, the ex-dividend date will be 4 September and the dividend will be paid in NOK on or around 16 September to all shareholders on record on 5 September 2019.

The Board aims to distribute dividends to shareholders for financial periods the Company generates sufficient net profits and has available excess cash. Future dividends payments will depend on the underlying Company financial performance and market development, as well as expectations about the future. In evaluating dividend distributions, the Board will take into consideration the Company's forecasted liquidity, investment plans, financing requirements and level of financial flexibility that the Board believes is appropriate for the Company.

OUTLOOK

ADS Crude Carriers Plc was formed during 2018 with an aim of acquiring tankers at low entry prices ahead of the new IMO emission regulations that come into force on 1 January 2020. The Company took delivery of three VLCCs during the third quarter 2018: *ADS Page* on 20 July 2018, *ADS Stratus* on 9 August 2018 and *ADS Serenade* on 13 September 2018. The Company is managed by Arendals Dampskibsselskab AS, commercial management of the vessels is provided by Frontline Ltd and technical management of the vessels is provided by OSM Maritime Group.

Scrubber investment and intermediate surveys

ADS has secured yard slots at IMC shipyard, China, for installation of open loop scrubber systems during mandatory 17.5-year intermediate classing surveys for all three vessels. ADS has purchased scrubber systems from FMS Incorporated (previously known as Feen Marine Scrubbers) and all three scrubbers have been manufactured and delivered to the shipyard ready for installation. The intermediate surveys and scrubber installations are being managed by the Company's technical vessel manager, OSM Maritime Group.

Two of the Company's vessels are currently at the shipyard undergoing scrubber installation and intermediate classing survey, with the third vessel expected to arrive before the end of Q3 2019.

	Arrival date at yard	Estimated time at yard ²	Estimated date completion of sea trials ³
ADS Serenade	26 July	35 days	8 September
ADS Page	17 August	35 days	30 September
ADS Stratus	30 September ¹	35 days	9 November

¹Estimated arrival date ²Excludes sea trials ³Sea trials completed after leaving yard

The Company expects that a total of 35 days per vessel will be spent at yard and, in addition to estimated number of days per vessel spent on preparation for yard stay, including steaming to yard, as well as sea trials, the Company estimates that approximately 130 vessel days will be spent in Q3 2019 related to the vessel dockings and approximately 40 days in Q4 2019.

The total investment in scrubber systems and cost of the intermediate surveys, including amounts already paid as at 30 June 2019, is expected to be approximately USD 6.5 million per vessel, of which an estimated USD 4 million relates to scrubber installation.

The Company is well prepared to take advantage from the relative savings in fuel cost it expects to benefit from once it installs scrubbers and following the IMO 2020 implementation commencing 1 January 2020 and the initial years following. The price differential between low and high sulphur fuel has hovered around USD 200 per MT in recent months, a price level that equates to a CAPEX payback time of the estimated scrubber investment of less than one year.

Backlog

As at the date of this report, two of the Company's three vessels are at yard for scrubber installation and intermediate survey, with the third vessel expected to go into dock before the end of Q3 2019. Before going into yard all vessels were/are operating in the spot market and the Company expects all three vessels to continue to operate in the spot market on completion of their respective dockings. The Company has secured estimated backlog for approximately 45% of days in Q3 2019 booked at an average TCE of approximately USD 20,000 per day. The Company estimates that approximately 50% of days in Q3 2019 will be spent related to drydocking.

Interim consolidated statement of comprehensive income

<i>(In thousands of USD)</i>	Note	Quarter ended		Half-year	
		30-Jun-19	31-Mar-19	30-Jun-19	30-Apr-18 to 31-Dec-18
Revenue		11 161	11 700	22 861	13 432
Operating expenses					
Voyage expenses		(6 394)	(5 195)	(11 589)	(5 525)
Vessel operating expenses		(2 099)	(2 491)	(4 591)	(4 562)
General & administrative costs		(289)	(346)	(634)	(606)
Depreciation	4	(1 264)	(1 294)	(2 558)	(1 835)
Total operating expenses		(10 046)	(9 326)	(19 372)	(12 529)
Operating profit		1 115	2 374	3 489	903
Finance cost		(574)	(570)	(1 144)	(859)
Finance income		60	30	91	57
Profit before tax		601	1 835	2 436	102
Income tax		-	-	-	-
Profit after tax and total comprehensive income		601	1 835	2 436	102
<i>(In USD)</i>					
Earnings per share attributable to equity holders					
- Basic	6	0.03	0.08	0.10	0.01
- Diluted	6	0.03	0.08	0.10	0.01

Interim consolidated statement of financial position

<i>(In thousands of USD)</i>	<i>Note</i>	30-Jun-19	31-Mar-19	31-Dec-18
Assets				
Non-current assets				
Vessels	4	68 411	66 429	67 714
Total non-current assets		68 411	66 429	67 714
Current assets				
Receivables from customers		6 031	3 259	4 745
Other current assets		6 287	3 713	5 488
Restricted cash		1 485	524	524
Cash and cash equivalents		16 884	15 974	13 689
Total current assets		30 686	23 469	24 447
Total assets		99 097	89 898	92 161
Equity and liabilities				
Equity				
Issued share capital		4 678	4 678	4 678
Share premium		51 207	51 207	51 207
Retained earnings		1 538	1 936	102
Total equity		57 423	57 822	55 987
Non-current liabilities				
Interest-bearing debt	5	36 366	29 748	29 729
Total non-current liabilities		36 366	29 748	29 729
Current liabilities				
Other current liabilities		1 269	1 394	1 333
Trade payables		4 040	935	5 113
Total current liabilities		5 309	2 329	6 446
Total equity and liabilities		99 097	89 898	92 161

Interim consolidated statement of cash flows

<i>(In thousands of USD)</i>	Quarter ended		Half-year	
	30-Jun-19	31-Mar-19	30-Jun-19	30-Apr-18 to 31-Dec-18
Cash flow from operating activities				
Profit for the period	601	1 835	2 436	102
Adjustment for items not affecting operating cash flow				
Depreciation	1 264	1 294	2 558	1 835
Interest expenses	550	548	1 098	793
Interest income	(61)	(30)	(91)	(35)
Net operating cash flow before working capital movement	2 355	3 646	6 002	2 695
Working capital movements	(3 161)	342	(2 818)	(5 290)
Total operating cash flow	(806)	3 989	3 183	(2 595)
Cash flow from investing activities				
Payments for vessels and equipment	(2 781)	(1 171)	(3 952)	(68 387)
Total cash flow used in investing activities	(2 781)	(1 171)	(3 952)	(68 387)
Cash flow from financing activities				
Proceeds from share issue	-	-	-	56 933
Transaction cost on issue of shares	-	-	-	(1 048)
Receipt from bank loan	7 500	-	7 500	30 000
Transaction cost related to bank loan	(563)	-	(563)	(300)
Interest paid	(529)	(534)	(1 063)	(391)
Decrease/(increase) in restricted cash	(961)	-	(961)	(524)
Interest received	49	-	49	1
Dividends paid	(1 000)	-	(1 000)	-
Total cash flow from financing activities	4 496	(534)	3 963	84 671
Net increase in cash and cash equivalents	103	2 284	3 195	13 689
Cash and cash equivalents at the beginning of the period	15 974	13 689	13 689	-
Cash and cash equivalents at the end of the period	16 884	15 974	16 884	13 689

Interim consolidated statement of changes in equity

<i>(In thousands of USD apart from number of shares)</i>	Number of shares	Issued share capital	Share premium	Retained earnings	Total equity
Balance at incorporation on 30 April 2018	-	-	-	-	-
Issue of share capital					
30 April 2018 at USD 0.20 per share	5 860	1	-	-	1
16 July 2018 at NOK 20 per share	23 384 440	4 677	52 255	-	56 932
Transaction costs of issue of shares	-	-	(1 048)	-	(1 048)
Total comprehensive income for the period	-	-	-	102	102
Balance at 31 December 2018	23 390 300	4 678	51 207	102	55 987

<i>(In thousands of USD apart from number of shares)</i>	Number of shares	Issued share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2019	23 390 300	4 678	51 207	102	55 987
Total comprehensive income for the quarter	-	-	-	2 436	2 436
Dividends paid	-	-	-	(1 000)	(1 000)
Balance at 30 June 2019	23 390 300	4 678	51 207	1 538	57 423

The nominal value of the Company's authorized share capital, including issued and non-issued shares, at 30 June 2019 is USD 4.7 million, consisting of 23,390,300 shares with par value USD 0.20 per share.

Notes to the interim consolidated financial statements

1. General information

These interim consolidated financial statements of ADS Crude Carriers Plc (“ADS Crude Carriers” or the “Company”) for the quarter ended 30 June 2019 were authorized for issue in accordance with a resolution of the Board of Directors passed on 21 August 2019.

ADS Crude Carriers Plc is a public limited company listed on the Merkur Market at the Oslo Stock Exchange.

The Company is incorporated in Cyprus and the address of its registered office is OSM House, 22 Amathountos, 4532 Agios Tychonas, Limassol, Cyprus. The Company is domiciled in Cyprus and has Norwegian subsidiaries based in Arendal, Norway. The principal activities of the Company are operating tanker vessels in the global tanker market. The Company owns and operates a fleet of three VLCCs: ADS Page, ADS Stratus and ADS Serenade.

The Company is managed by Arendals Dampskibsselskab AS. Commercial management of the vessels is provided by Frontline Ltd, while technical management of the vessels is provided by OSM Maritime Group.

2. Significant accounting policies

2.1. Basis of preparation

These interim financial statements are prepared in accordance with IAS 34 *Interim financial reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the EU. The interim financial statements do not include all the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements.

The accounting principles applied by the Company in these interim consolidated financial statements are consistent with those applied in the audited annual consolidated financial statements for the year ended 31 December 2018. Please refer to Note 2 *Significant accounting policies* in the 2018 Annual Report for information on the Company’s accounting policies.

2.2. Going concern

The Company was incorporated on 30 April 2018 as a limited liability company, converted to a public limited company on 10 August 2018 and subsequently admitted to trading on the Oslo Børs Merkur Market on 28 August 2018. On 16 July 2018, the Company raised gross proceeds of USD 57 million in a private placement equity issue. The purpose of the equity issue was to provide proceeds to part-finance purchase of three VLCCs, finance scrubber installments planned for 2019 on the acquired vessels, as well as provide liquidity for working capital build-up, cover general corporate purposes and equity transaction fees. During the second half of 2018 the Company purchased three vessels for a total price of USD 67.5 million, or USD 22.5 million per vessel. In addition to the equity contribution, the vessel purchase was partly financed by a USD 30 million loan, or USD 10 million per vessel (the “Old Loan”). During Q2 2019, the Company agreed terms with the lender of the vessel loan whereby a new loan of nominal value USD 37.5 million (the “New Loan”) replaced the Old Loan. The New Loan was drawdown on 28 June 2019, providing gross proceeds of USD 7.5 million after the repayment of the Old Loan. Less loan issue costs amounting to USD 0.6 million paid in Q2 2019, net proceeds of USD 6.9 million were received. The proceeds of the New Loan will be used to finance the vessel intermediate surveys (dry dockings) that will take place during the second half of 2019.

The Company is subject to certain covenants in the New Loan, including Minimum Liquidity (at least 10% of financial indebtedness), Equity Ratio (at least 30%), Working Capital (positive) and Vessel Loan-to-Value ratio (maximum 65%). The Company is in compliance with all financial covenants.

The Company's financial projections used in its going concern evaluation are based on certain assumptions about the future, including those related to the VLCC market, vessel utilization, productivity and operating cost level, and the expected cost of scrubber investment and intermediate vessel surveys. Based on these assumptions, the Company expects to have sufficient liquidity to operate for at least 12 months from the date of this interim report and, therefore, these interim financial statements are prepared using the going concern assumption.

3. Segment reporting

The Company's business is limited to operating a fleet of three VLCC tankers. Management has organized and manages the entity as one business segment based upon the service provided. The Company's chief operating decision maker, being the Board of Directors, reviews the Company's operating results on a consolidated basis as one operating segment (as defined by IFRS 8 *Operating segments*).

4. Property, plant and equipment

	Quarter ended		Half-year	
	30-Jun-19	31-Mar-19	30-Jun-19	30-Apr-18 to 31-Dec-18
<i>(In thousands of USD)</i>				
Costs				
Balance at start of period	69 558	69 550	69 550	-
Additional capital expenditures	3 246	8	3 254	69 550
Balance at end of period	72 804	69 558	72 804	69 550
Depreciation				
Balance at start of period	3 129	1 835	1 835	-
Depreciation for period	1 264	1 294	2 558	1 835
Balance at end of period	4 393	3 129	4 393	1 835
Net book value at start of period	66 429	67 714	71 385	-
Net book value at end period	68 411	66 429	68 411	67 714
			63 492	
Carrying value of pledged assets at end period	63 492	64 756		66 050

The Company is committed to investing in yard stays during the second half of 2019 to install scrubber systems and perform mandatory intermediate surveys on its vessels. Including amounts already paid as at 30 June 2019, the total expected investment is approximately USD 6.5 million per vessel, of which an estimated USD 4 million relates to scrubber installation. Of the total expected investment, an amount of USD 4.9 million is recognized as property, plant and equipment in the balance sheet at 30 June 2019, which mainly relates to purchase of the scrubber systems.

5. Interest bearing debt

<i>(In thousands of USD)</i>	Maturity	Interest	30-Jun-19	31-Mar-19	31-Dec-18
Fleet Loan					
Nominal USD 30 million			-	29 748	29 729
Nominal USD 37.5 million	31-Dec-22	LIBOR + 5.1%	36 366	-	-
Total interest-bearing debt			36 366	29 748	29 729

During the quarter, the Company agreed terms with the lender of its vessel loan whereby a new loan of nominal value USD 37.5 million (the “New Loan”) replaced the previous USD 30 million vessel loan (the “Old Loan”).

Under the terms of the New Loan, there is no fixed amortization until maturity on 31 December 2022, apart from a Cash Sweep and a Dividend Amortization mechanism:

- i. Cash Sweep – from and including Q1 2020, all liquidity above the Minimum Liquidity, on a quarterly basis is paid as prepayment of the New Loan up to a maximum amount of USD 250,000 per vessel per quarter. Applied until outstanding loan balance is USD 30 million.
- ii. Dividend Amortization – whereby 50% of any dividend exceeding USD 2 million per quarter, USD 4 million per half-year and USD 6 million per annum is applied towards prepayment of the New Loan. Applied until outstanding loan balance is USD 27 million.

Any amount paid for a quarter under the Cash Sweep mechanism shall reduce accordingly the prepayment obligation under the Dividend Amortization clause.

6. Earnings per share

<i>(In thousands of USD)</i>	Quarter ended		Half-year	
	30-Jun-19	31-Mar-19	30-Jun-19	30-Apr-18 to 31-Dec-18
Profit for the period	601	1 835	2 436	102
Weighted average shares outstanding	23 390 300	23 390 300	23 390 300	16 070 780
Basic and diluted EPS	0.03	0.08	0.10	0.01

The Company has no dilutive or potential dilutive shares.

7. Subsequent events

7.1. Dividend

On 21 August 2019, the Board of Directors declared a dividend for Q2 2019 of USD 0.5 million, or approximately USD 0.2 per share. The last day of trading including the right to the dividend will be 3 September, the ex-dividend date will be 4 September and the dividend will be paid in NOK on or around 16 September to all shareholders on record on 5 September 2019.

7.2. Changes to the Board of Directors

At an AGM held on 21 August 2019, the shareholders of the Company elected Thessalia Papaiaacovou and Sofi Mylona Hadjistylianou as new members of the Board of Directors. The two new Board members replaced Penelope Evangelidou and Alkistis Dimitrou, who did not stand for re-election.

8. Alternative performance measures

In order to measure financial performance and position, the Company makes use of the Alternative Performance Measures (APMs) described below. The APMs are non-IFRS measures which provide supplemental information to the IFRS financial measures.

8.1. Net revenue

Net revenue is calculated as revenue less voyage expenses. The Company uses net revenue as an indication of the profitability of voyages and charters. Net revenue is used as the numerator when calculating TCE per day.

<i>(In thousands of USD)</i>	Quarter ended		Half-year	
	30-Jun-19	31-Mar-19	30-Jun-19	30-Apr-18 to 31-Dec-18
Net revenue				
Revenue	11 161	11 700	22 861	13 432
Voyage expenses	(6 394)	(5 195)	(11 589)	(5 525)
Total net revenue	4 767	6 505	11 272	7 907

8.2. TCE per day

Time charter equivalent (TCE) per day is calculated by dividing net revenue by the number of vessel operating days in the period. Vessel operating days are the calendar days in the period as calculated from the date of delivery of a newly acquired vessel, excluding any days associated with drydocking or off-hire. TCE is a common shipping industry measure of performance on a per day basis. The Company uses TCE per day as it enables comparison of financial performance between periods regardless of changes in the mix of charter types.

<i>(In thousands of USD)</i>	Quarter ended		Half-year	
	30-Jun-19	31-Mar-19	30-Jun-19	30-Apr-18 to 31-Dec-18
TCE				
Net revenue	4 767	6 505	11 272	7 907
Vessel operating days	273	270	543	417
TCE (in whole USD)	17 463	24 093	20 761	18 962

The Company's vessels were delivered on 20 July, 9 August and 13 September 2018.

8.3. Net interest-bearing debt (NIBD)

NIBD is calculated as the nominal outstanding value of the Company's total interest-bearing debt, less the balance of cash and cash equivalents, as well as any restricted cash that is restricted for the purposes of repaying debt.

<i>(In thousands of USD)</i>	30-Jun-19	31-Mar-19	31-Dec-18
Net interest-bearing debt (NIBD)			
Nominal value of interest-bearing debt	37 500	30 000	30 000
Cash and cash equivalents	16 884	15 974	13 689
Restricted cash available for debt repayment	1 485	524	524
NIBD	19 131	13 502	15 787

The Company uses NIBD as it provides an indication of the Company's debt position by indicating the ability of the Company to pay off all its debt if it became due simultaneously and only using cash.

8.4. Backlog

Backlog shows the estimated proportion of vessel operating days of a future financial reporting period for which the Company has secured commitments with clients (eg. charter parties), as well as the average TCE per day for those days. The Company uses backlog since it provides the amount of committed operating activity in future periods, thus providing an indication of the Company's future net revenue.

Responsibility statement pursuant to Section 5-6 of the Securities Trading Act

Board and management confirmation

We confirm that, to the best of our knowledge, these interim consolidated financial statements for the quarter and six months ended 30 June 2019, which has been prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim report includes a fair review of the information under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Limassol, 21 August 2019

The Board of Directors and management of ADS Crude Carriers Plc

Bjørn Tore Larsen,
Chairman

Marios Demetriades,
Deputy Chairman

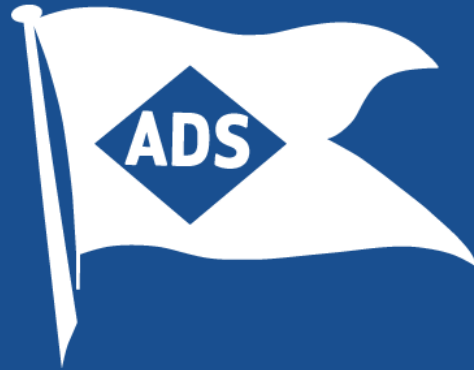
Trym Sjølie
Board member

Sofi Hadjistylianou
Board member

Thessalia Papaiaovou
Board member

Terje Bodin Larsen
CEO

Ben Boiling
CFO



ADS CRUDE CARRIERS PLC

Cyprus:

ADS Crude Carriers Plc,
OSM House, 22 Amathountos,
4532 Agios Tychonas
Limassol, Cyprus

Tel +357 25335501

Norway:

ADS Crude Holding AS,
PO Box 198,
4802 Arendal,
Norway

Tel: +47 41 49 40 00

Email: contact@adscrude.com

Visiting Address Norway:

Sandvigveien 19,
4816 Kolbjørnsvik,
Norway