



ADS MARITIME HOLDING PLC

Q4 2020

and preliminary
full year report

Contents

Headlines Q4 2020	3
Key financials	3
Vessel sales and capital allocation	4
Future outlook and strategy	4
Financial performance	5
Cash flow	6
Interim consolidated statement of comprehensive income	7
Interim consolidated statement of financial position	8
Interim consolidated statement of cash flows	9
Interim consolidated statement of changes in equity	10
Notes to the interim consolidated financial statements	11



Headlines Q4 2020

- Completion of remaining vessel sales and repayment of all debt during the quarter
- Accounting gain on vessel sales USD 4.8 million in Q4 2020
- Cash held of USD 55.7 million at 31 December 2020
- USD 51 million capital to be paid to shareholders around 1 March 2021
- Change of company name to reflect a broader focus on the shipping sector in future

Key financials

(In thousands of USD)	3 months		12 months	
	Q4 2020	Q4 2019	2020	2019
Revenue	23	12 381	57 160	42 226
Net revenue¹	(554)	6 640	42 978	20 047
Vessel operating days	33	215	776	885
TCE¹ per day (in USD)	(16 780)	30 886	55 362	22 653
Gain on vessel sale	4 831	-	5 763	-
Operating profit	509	286	23 088	1 674
Net profit	(325)	(470)	19 554	(948)
EPS (in USD per share)	(0.01)	(0.02)	0.84	(0.04)
Dividend (in USD per share)	-	0.09	0.48	0.15
Cash flow from ops excl WC²	(2 738)	3 576	30 383	8 713
Cash flow from operations	(2 218)	(4 650)	41 240	2 380
Net cash flow	23 881	(7 610)	50 373	(8 381)
Cash and cash equivalents	55 682	5 309	55 682	5 309

¹ Net revenue, TCE per day and NIBD are non-IFRS measures. Please refer to the Notes to the financial statements for explanation and reconciliation

² Cash flow from operations before working capital movements



Vessel sales and capital allocation

Following the sale of ADS Stratus at the end of the preceding quarter, the Company completed sale of its remaining two vessels during the fourth quarter. The sales of ADS Serenade and ADS Page were recognized on 26 October and 12 November, the dates of delivery to new owners, respectively, while the sale of ADS Stratus was recognized on 23 September.

The vessels were sold for USD 25.5 million each. The proceeds from the vessel sales were used to repay all associated total debt of USD 29.7 million and the net remaining amount of proceeds has largely contributed to a USD 51 million share premium payment expected to be paid around 1 March 2021.

Future outlook and strategy

On 10 December 2020 a special resolution was passed at a shareholder EGM to change the name of the Company to ADS Maritime Holding Plc (previously, ADS Crude Carriers Plc). The name change reflects the Company's broader strategic focus on investment opportunities in the maritime sector and not only on crude tankers.



Financial performance

Revenue and operating costs

Due to the vessel sales the Company recorded no revenue in the quarter (Q4 2019 – USD 12.4 million). ADS Serenade was agreed to be sold on 13 October and ADS Page on 22 October and up to the sale agreement dates the vessels were available but not on revenue generating charters. Hence, total vessel operating days were 33 in the quarter (Q4 2019 – 215 days). Voyage expenses were USD 0.6 million (Q4 2019 – USD 5.7 million) in the quarter, mainly consisting of bunker consumption costs incurred during the period subsequent to the previous charter and up to the delivery date to new vessel owners and port fees.

Vessel operating expenses decreased by 33% to USD 1.8 million (Q4 2019 – USD 2.6 million), due to decreased vessel days as a result of the vessel sales. Included in the vessel operating expenses booked in the quarter are severance costs, crew repatriation expenses and certain other costs driven by the vessel sales. General and administrative costs increased to USD 0.5 million (Q4 2019 – USD 0.3 million), mainly driven by one-off expenses arising on the vessel sales.

Depreciation decreased by USD 2.0 million to USD 1.5 million in the quarter (Q4 2019 – USD 3.5 million) as a result of a reduced fleet following the vessel sales. Depreciation was recognized up until the delivery date of each vessel.

A gain of USD 4.8 million (Q4 2019 – nil) was recognized on disposal of the vessels in the quarter.

Operating profit, net profit and EPS

Operating profit increased USD 0.2 million to USD 0.5 million in Q4 2020 (Q4 2019 – USD 0.3 million).

Finance costs increased USD 0.1 million to USD 0.9 million (Q4 2019 – USD 0.8 million). An amount of USD 0.4 million of previously unamortized loan fees arising on inception of the vessel loans was booked as a finance cost in the quarter as a result of the vessel sales, while an early loan prepayment charge of USD 0.4 million was booked in the quarter.

Net loss was USD 0.3 million (Q4 2019 – loss USD 0.5 million).



Cash flow

Net cash flow from operations was an outflow of USD 2.2 million (Q4 2019 – outflow USD 4.7 million). The outflow was driven by the vessel sales reducing the number of vessel days available to generate income. Net cash flow from operations before working capital movements was an outflow of USD 2.7 million in Q4 2020 (Q4 2019 – inflow USD 3.6 million), while working capital movements were USD 0.5 million (Q4 2019 – negative USD 8.2 million).

Net cash proceeds from vessel sales was USD 49.1 million, net of sales commission (Q4 2019 – nil). Cash invested in vessels and equipment was USD 0.1 million in the quarter (Q4 2019 – USD 2.3 million) due to payments relating to fleet-wide intermediate survey and scrubber investments that were done – and were capitalized – in 2019.

Cash flow from financing activities was an outflow of USD 22.8 million (Q4 2019 – USD 0.6 million), due to higher loan repayment and increased dividends. During Q4 2020 a dividend of USD 4.0 million was paid (Q4 2019 – nil), while loan repayments of USD 19.8 million were paid during the quarter (Q4 2019 – nil) following the sales of ADS Serenade and ADS Page. The full amount of USD 1.5 million previously held as restricted cash under the vessel loan terms was released to free cash during the quarter.

During the quarter the Company recorded a net cash inflow of USD 22.9 million (Q4 2019 – outflow USD 7.6 million) and cash and cash equivalents held at the end of the quarter totaled USD 55.7 million (Q4 2019 – USD 5.3 million).



Interim consolidated statement of comprehensive income

(In thousands of USD)	Note	3 months		12 months	
		Q4 2020	Q4 2019	2020	2019
Revenue					
Charter revenues		23	12 381	57 160	42 226
Gain on disposal of vessel		4 831	-	5 763	-
Total revenue		4 854	12 381	62 923	42 226
Operating expenses					
Voyage expenses		(577)	(5 740)	(14 182)	(22 179)
Vessel operating expenses		(1 758)	(2 6269)	(10 625)	(9 964)
General & administrative costs		(509)	(259)	(1 205)	(1 043)
Depreciation	4	(1 502)	(3 469)	(13 823)	(7 366)
Total operating expenses		(4 345)	(12 094)	(39 835)	(40 552)
Operating profit		509	286	23 088	1 674
Finance cost		(929)	(869)	(3 660)	(2 825)
Finance income		95	112	126	203
Profit before tax		(325)	(470)	19 554	(948)
Income tax		-	-	-	-
Profit after tax and total comprehensive income		(325)	(470)	19 554	(948)
(In USD)					
Earnings per share attributable to equity holders					
- Basic and diluted	6	(0.01)	(0.02)	0.84	(0.04)



Interim consolidated statement of financial position

(In thousands of USD)	Note	2020	At end of 2019
Assets			
Non-current assets			
Vessels	4	-	81 568
Total non-current assets		-	81 568
Current assets			
Receivables from customers		573	10 267
Other current assets		868	4 104
Restricted cash		-	1 498
Cash and cash equivalents		55 682	5 309
Total current assets		57 122	21 177
Total assets		57 122	102 745
Equity and liabilities			
Equity			
Issued share capital		4 678	4 678
Share premium		51 207	51 207
Retained earnings		(42)	(2 346)
Total equity		55 843	53 539
Non-current liabilities			
Interest-bearing debt	5	-	36 566
Total non-current liabilities		-	36 566
Current liabilities			
Other current liabilities		1 129	9 499
Trade payables		150	3 141
Total current liabilities		1 279	12 640
Total equity and liabilities		57 122	102 745



Interim consolidated statement of cash flows

(In thousands of USD)	3 months		12 months	
	Q4 2020	Q4 2019	2020	2019
Cash flow from operating activities				
Profit for the period	(325)	(470)	19 554	(948)
Adjustment for non-operating cash flow items				
Depreciation	1 502	3 469	13 823	7 366
Gain on disposal of vessel	(4 831)	-	(5 763)	-
Interest expense	919	689	2 797	2 498
Interest income	(3)	(112)	(29)	(202)
Operating cash flow before working capital items	(2 738)	3 576	30 383	8 713
Working capital movements	521	(8 225)	10 857	(6 334)
Total operating cashflow	(2 218)	(4 650)	41 240	2 380
Cash flow from investing activities				
Payments for vessels and equipment	(134)	(2 348)	(8 333)	(12 837)
Proceeds from disposal of vessels	49 060	-	73 540	-
Total cash flows used in investing activities	48 926	(2 348)	65 207	(12 837)
Cash flow from financing activities				
Net receipt from loan	-	-	-	6 600
Repayment of loan	(19 833)	-	(37 500)	-
Interest paid	(496)	(711)	(2 821)	(2 210)
Decrease/(increase) in restricted cash	1 502	(12)	1 498	(973)
Interest received	-	112	-	161
Dividends paid	(4 000)	-	(17 250)	(1 500)
Total cash flow from financing activities	(22 828)	(612)	(56 074)	2 077
Net increase in cash and cash equivalents	23 881	(7 610)	50 373	(8 381)
Cash and cash equivalents at beginning of period	31 801	12 919	5 309	13 689
Cash and cash equivalents at end of period	55 682	5 309	55 682	5 309



Interim consolidated statement of changes in equity

(In thousands of USD apart from number of shares)	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 period	-	-	-	(948)	(948)
Dividends paid during the period	-	-	-	(1 500)	(1 500)
Balance at 31 December 2019	23 390 300	4 678	51 207	(2 346)	53 539

(In thousands of USD apart from number of shares)	Number of shares	Issued share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2020	23 390 300	4 678	51 207	(2 346)	53 539
Total comprehensive income for the period	-	-	-	19 554	19 554
Dividends paid during the period	-	-	-	(17 250)	(17 250)
Balance at 30 September 2020	23 390 300	4 678	51 207	(42)	55 844

The nominal value of the Company's authorized share capital was increased to USD 1,000 million from USD 4.7 million by the creation of 4,976,609,700 new ordinary shares at an Extraordinary General Meeting (EGM) of shareholders on 10 December 2020. At 31 December 2020 the Company had issued 23,390,300 shares with par value USD 0.20 per share, totaling USD 4.7 million.



Notes to the interim consolidated financial statements

1. General information

These interim consolidated financial statements of ADS Maritime Holding Plc (“ADS Maritime Holding” or the “Company”) were authorized for issue in accordance with a resolution of the Board of Directors passed on 25 February 2021.

ADS Maritime Holding Plc is a public limited company listed on the Euronext Growth 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 shipping investments.

The Company is managed by Arendals Dampskibsselskab AS.

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 2019 unless otherwise stated below. Please refer to Note 2 Significant accounting policies in the 2019 Annual Report for information on the Company’s accounting policies.



2.2 Going concern

These financial statements have been prepared based on the assumption of going concern.

During Q4 2020 the Company completed the sale of ADS Page and ADS Serenade, following the sale of ADS Stratus the preceding quarter. The net proceeds of the combined vessel sales have been used to repay vessel loans, pay for sales related costs such as vessel operating and voyage expenses relating to the three vessel sales, and to fund a capital repayment of USD 51 million to shareholders. The capital repayment is expected to be made around 1 March 2021. The Company currently does not own any vessels and following the capital repayment expects to have approximately USD 4 million cash at bank. The Company will be reliant on new financing should it acquire vessels in the future.

The Company's financial projections used in its going concern evaluation are based on certain assumptions about the future. 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 shipping investments and has previously owned a fleet of 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. Vessels

(In thousands of USD)	3 months		12 months	
	Q4 2020	Q4 2019	2020	2019
Costs				
Balance at start of period	60 951	84 954	90 768	69 550
Additional capital expenditures	-	5 814	-	21 218
Disposal	(60 951)	-	(90 768)	
Balance at end of period	-	90 768	-	90 768
Depreciation				
Balance at start of period	15 293	5 732	9 201	1 835
Depreciation for period	1 502	3 469	13 823	7 366
Disposal	(16 795)	-	(23 023)	
Balance at end of period	-	9 201	-	9 201
Net book value at start of period	45 658	79 222	81 568	71 385
Net book value at end period	-	81 568	-	81 568
Carrying value of pledged assets	-	69 285	-	69 285

During the second half of 2020 the Company sold its three vessels. ADS Stratus was delivered to the new owners on 23 September, ADS Serenade on 26 October and ADS Page on 12 November 2020. Depreciation was charged up to the delivery dates and the net carrying value of each vessel was derecognized from the balance sheet on delivery. A gain on disposal of USD 4.8 million was recognized in Q4 2020 and for the year of USD 5.8 million.

5. Interest bearing debt

(In thousands of USD)	2020	At end of 2019
Fleet Loan		
Nominal USD 37.5 million	-	36 566
Total interest-bearing debt	-	36 566

On each vessel sales dates the Company repaid in full the respective loan tranches of USD 9.9 million per vessel. In accordance with the loan agreements, loan prepayment fees equal to 2% of the prepaid amount was paid to the lender during Q4 2020.

6. Earnings per share

	3 months		12 months	
	Q4 2020	Q4 2019	2020	2019
Profit for the period (In thousands of USD)	(325)	(470)	19,554	(948)
Weighted average shares outstanding	23 390 300	23 390 300	23 390 300	23 390 300
Basic and diluted EPS (in USD)	(0.01)	(0.02)	0.84	(0.04)

The Company has no dilutive or potential dilutive shares.

7. Change of company name

On 10 December 2020 a shareholder resolution was passed at the Company's EGM to change the name of the Company to ADS Maritime Holding Plc (previously, ADS Crude Carriers Plc). The name change reflects the Company's broader strategic focus on investment opportunities in the maritime sector.

8. Events after the balance sheet date

8.1 Capital payment by way of share premium return

On 10 December 2020 shareholders passed a special resolution to make a USD 51 million capital repayment by way of a reduction of the share premium account, subject to regulatory approval in Cyprus. On 16 February 2021 the District Court of Limassol, Cyprus approved the USD 51 million reduction of the share premium account. The last day of trading including the right to the share premium repayment was 19 February, the ex-date 22 February and the payment is expected to be made in NOK to all shareholders of ADS Maritime Holding Plc on or around 1 March 2021.

9. 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.

9.1 Net revenue

Net revenue is calculated as revenue less voyage expenses. Voyage expenses include revenue-based commissions, apart from address commission which is recognized as a reduction in revenue. 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.

(In thousands of USD)	3 months		12 months	
	Q4 2020	Q4 2019	2020	2019
Net revenue				
Revenue	23	12 381	57 160	42 226
Voyage expenses	(577)	(5 740)	(14 182)	(22 179)
Total net revenue	(554)	6 640	42 978	20 047



9.2 Vessel days

Vessel days show the difference between the total available vessel days in a period and the vessel operating days. Vessel operating days are calculated as the total available vessel days less days vessels spent in dry dock and for technical maintenance. Vessel operating days are calculated from the date of delivery of a newly acquired vessel, excluding any days associated with drydocking or technical off-hire. A vessel is excluded from the operating days calculation from the date on which a sale of the vessel is agreed.

(Number of days)	3 months		12 months	
	Q4 2020	Q4 2019	2020	2019
On contract	-	215	726	885
Available but not on contract	33	-	50	-
Vessel operating days	33	215	776	885
Technical maintenance, dry dock	-	61	57	210
Total available vessel days	33	276	833	1 095

9.3 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. 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.

(In thousands of USD)	3 months		12 months	
	Q4 2020	Q4 2019	2020	2019
TCE				
Net revenue	(554)	8 340	42 978	20 047
Vessel operating days	33	223	776	885
TCE (in whole USD)	(16 780)	37 344	55 362	22 653

9.4 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.

(In thousands of USD)	At end of	
	2020	2019
Net interest-bearing debt (NIBD)		
Nominal value of interest-bearing debt	-	37 500
Cash and cash equivalents	55 682	5 309
Restricted cash available for debt repayment	-	1 498
NIBD	(55 682)	30 693

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.



ADS MARITIME HOLDING PLC

Cyprus

ADS Maritime Holding 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

Visiting Address Norway

Sandvigveien 19
4816 Kolbjørnsvik
Norway

Email: contact@adsmh.com

www.adsmh.com