



ADS MARITIME HOLDING PLC

# 2022

Annual Report

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# Board of directors



## **Bjørn Tore Larsen**

### **Chairman**

Major shareholder of ADS Maritime Holding Plc, OSM Maritime Group, OSM Aviation Academy Group and Norse Atlantic ASA.

Mr. Larsen is a Norwegian citizen and resides in Norway.

Bjørn Tore Larsen was appointed Chairman of the Board of Directors on 10 August 2018. As at 31 December 2022, he held 53,398,573 shares in the Company, equivalent to 75.20% of the outstanding shares in the Company, through controlling ownership of BT Larsen & Co Ltd and affiliated companies.



## **Mario Demetriades**

### **Director and Deputy Chairman**

Marios Demetriades is an experienced Financial Services professional with significant experience as a Non-Executive Director in various listed and private companies in the Banking, Infrastructure and Shipping industries. He previously served as the Minister of Transport, Communications and Works for the Republic of Cyprus from 2014 to 2018 and held various positions in the Accounting, Investment and Banking sectors. He is a qualified Chartered Accountant and Chartered Financial Analyst holder and a member of the CFA Institute, the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants of Cyprus (ICPAC).

Mr. Demetriades is a Cypriot citizen and resides in Cyprus.

Mr. Demetriades was appointed to the Board of Directors on 10 August 2018. As at 31 December 2022 he owns no shares in the Company.



#### **Sofi Mylona**

##### **Director**

Sofi Mylona is a Partner in the Shipping Department of the law firm Scordis, Papapetrou & Co. LLC in Cyprus and has over 20 years experience as an advocate focusing on Shipping, International Trade and Banking. She studied law at the University of Leicester and the Bar Vocational Course at Holborn College, in the United Kingdom. She is a member of Lincoln's Inn, Inns of Court (Barrister at Law), the Cyprus Bar Association, WISTA Cyprus and WISTA International. Mrs. Mylona has served as member of the board of directors of various Cyprus registered shipping and other companies. Mrs. Mylona is a Cypriot citizen and resides in Cyprus.

Mrs. Mylona was appointed to the Board of Directors on 21 August 2019. As at 31 December 2022 she owns no shares in the Company.



#### **Lia Papaïacovou**

##### **Director & Company Secretary**

Lia Papaïacovou has more than 20 years' experience in the maritime industry and is currently the Head of Corporate and General manager of Shiphold Management Services Ltd and director of BT Larsen & Co Ltd. Mrs. Papaïacovou holds a degree in Business Administration, is a member of WISTA (Women's International Shipping and Trading Association) as well as being Chairperson and member of the PR Committee of the CSC (Cyprus Shipping Chamber) Events Committee. Mrs. Papaïacovou is a Cypriot citizen and resides in Cyprus.

Mrs. Papaïacovou was appointed to the Board of Directors on 21 August 2019. As at 31 December 2022 she owns no shares in the Company.

## 1. Operations and market

ADS Maritime Holding Plc is a shipping investment company established in 2018 and listed on the Euronext Growth Oslo Stock Exchange. The Company's strategy is to make counter-cyclical investments in quality ships bought at prices discounted to new building parity, as well as projects with long-term secured cashflow, low residual risk, and solid returns on equity. Since incorporation of the Company in 2018 a total of USD 69.8 million has been paid to shareholders, including dividends of USD 18.8 million and return of capital of USD 51 million.

The principal activities of ADS Maritime Holding Plc (the "Parent Company") and its wholly owned subsidiaries (together, the "Company") during the period from 2018 to 2020 were operating three VLCC tankers, predominantly in the Middle East Gulf to Far East Asia spot market. During the latter part of 2020 the Company sold all three vessels, locking in a significant gain for shareholders compared to the vessel purchase prices.

### Main developments during 2022.

The Company issued new share capital in July 2022 giving a net USD 9,9 million cash proceeds. The cash will be used for further investments and general business purpose.

### New investments in 2022.

In Q2 2022 the Company subscribed for a 20% interest in a PLSA (Profit and Loss Sharing Agreement) in a chartered-in VLCC trading in Navig8's VL8 pool for a firm period of 12 months and with an option period of an additional 12 months. The Company will receive its share of the earnings from the Vessel as it trades in the Pool and will be liable to pay its share of the fixed time charter hire. The Vessel was delivered on charter May 2022. The Company also subscribed in a PLSA on similar terms for a 20% interest in a chartered-in scrubber-fitted MR trading in Navig8's MR pool for a firm period of 36 months +/- 60 days,

delivery June.

In June 2022 the Company acquired a 5 % shareholding in AET Sea Shuttle AS and AET Sea Shuttle II AS, the owners of 4 modern shuttle tankers operating in the North Sea, mainly on long term charters to Equinor. Sellers were ADS Shipping Limited. The shares were acquired at a discount to valuations of the Vessels obtained from independent international brokers. The acquisition is financed by an interest-free sellers' credit repayable within 2 years.

In October 2022 the Company acquired a 10% share in United Overseas Products AS (UOG AS), owning two MR tankers. UOG Sparta delivered 26th October and will trade in the spot market and UOG Oslo delivered 27th October and is also fixed on a 2 year charter with an optional period of 12 months. The Company will act as disponent owner with primary responsibility for following up the owning companies' activities related to the vessels.

The Company continues to evaluate investment opportunities in a range of vessel types and segments. The Company has a cash balance of USD 12.0 million at the end of 2022 which enables the Company to be in a position for further investments.

### Management structure.

The administrative and corporate management of the Company has been provided by Arendals Dampskibsselskab AS. From July 2022 all corporate and management functions have been transferred to ADSMH Management AS, a 100% owned subsidiary of ADS Maritime Holding Plc.

## 2. Financial review

### 2.1 Income statement

(In thousands of USD)	12 months		12 months		8 months
	2022	2021	2020	2019	2018
<b>Revenue</b>	150	-	57 160	42 226	13 432
<b>Net revenue<sup>1</sup></b>	150	-	42 978	20 047	7 907
<b>Vessel operating days</b>	-	-	776	885	417
<b>TCE<sup>1</sup> per day (in USD)</b>	n/a	n/a	55 362	22 653	18 962
<b>Gain on vessel sales</b>	-	-	5 763	-	-
<b>Operating profit/(loss)</b>	(703)	(233)	23 088	1 674	903
<b>Net profit/(loss)</b>	1 957	(214)	19 554	(948)	102
<b>EPS (in USD per share)</b>	0.03	(0,01)	0.84	(0.04)	0.01
<b>Dividend (in USD per share)</b>	-	-	0.48	0.15	-
<b>Total capital paid to shareholders<sup>1</sup></b>	-	51 000	15 250	3 500	-
<b>Cash flow from operations</b>	(446)	56	41 240	2 380	(2 595)
<b>Net cash flow</b>	7 273	(50 990)	50 373	(8 381)	13 689
<b>Cash and cash equivalents</b>	11 966	4 693	55 682	5 309	13 689
<b>Equity ratio</b>	59%	98%	98%	52 %	61 %

## 2.2 Income statement

Following the vessel sales at the end of 2020 the Company had no revenue generating vessels during 2022 and revenue reported in 2022 are from various fees from services. Total operating costs in 2022 were USD 0.852 million (2021: USD 0.233 million). The Company had a net financial income of USD 2.7 million in 2022 (2021: USD 0.2 million), mainly related to changes in fair value on financial assets. The Company recorded a net profit of USD 1.957 million during 2022 (2021: net loss of USD 0.215 million).

During 2021 the Company returned USD 51 million to shareholders by way of a capital payment, funded by the net proceeds from the vessels sales completed at the end of 2020.

## 2.3 Balance sheet

In July 2022 the Company issued 47 619 048 new shares with a USD 9.9 million net proceeds to the Company. The Company had gross assets of USD 28.0 million at 31 December 2022 (2021: USD 4.7 million), consisting mainly of investments in financial assets of USD 13.9 million (2021 – 0.0 million) and cash equivalents of USD 12.0 million (2021: USD 4.7 million).

The book value of equity at the yearend was USD 16.5 million, an increase of USD 11.8 million from USD 4.6 million at the end of 2021. The increase is due to MUSD 9,9 new share capital issued in July 2022.

Non-current liabilities increased to USD 10.9 million (2021: USD 0.0 million).

## 2.4 Cash flow

Net cash flow from operations was USD 0.4 million outflow (2021: inflow USD 0.1 million). Cash from investing activities was USD 12.6 million outflow in 2022 compared to net cash flow of nil in 2021. Cash flow from financing activities was a net inflow in 2022 of USD 20.3 million (2021: outflow USD 51.0 million) due to a capital repayment to shareholders paid in 2021. Cash and cash equivalents held at 31 December 2022 totalled USD 12.0 million (2021: USD 4.7 million).

## 2.5 Dividends and allocation of net profits

The Board proposes that the net profit of USD 2.0 million recorded in the consolidated income statement in 2022 is transferred to retained earnings and that no dividend is declared for 2022.

## 2.6 Dividend and capital payments

The Company has declared the following dividends and capital payments since incorporation in 2018:

Financial period	Total dividend/ capital payment	Dividend /capital payment per share <sup>1</sup>	Announced	Ex-div date	Payment date
2021	USD 51.0m	USD 2.18 (NOK 18.48)	10 Dec 2020	22 Feb 2021	1 Mar 2021
Q3 2020	USD 4.0m	USD 0.17 (NOK 1.54)	18 Nov 2020	23 Nov 2020	3 Dec 2020
Q2 2020	USD 4.3m	USD 0.18 (NOK 1.60)	28 Aug 2020	1 Sep 2020	11 Sep 2020
Q1 2020	USD 7.0m	USD 0.30 (NOK 2.86)	28 May 2020	4 Jun 2020	16 Jun 2020
Q4 2019	USD 2.0m	USD 0.09 (NOK 0.79)	27 Feb 2020	10 Mar 2020	18 Mar 2020
Q2 2019	USD 0.5m	USD 0.02 (NOK 0.19)	22 Aug 2019	4 Sep 2019	16 Sep 2019
Q1 2019	USD 1.0m	USD 0.04 (NOK 0.37)	29 May 2019	12 Jun 2019	26 Jun 2019
<b>USD 69.8m</b>		<b>USD 2.98 (NOK )25.83)</b>			

<sup>1</sup>ADS Maritime Holding Plc's functional and presentational currency is USD and all dividends announced by the Company are initially announced in total USD and estimated USD equivalents per share. As a result of the Company's shares being traded on Euronext Growth Oslo Stock Exchange all dividend payments are made in NOK based on an exchange rate secured by the Company between the date of announcing a dividend and the ex-div date.

## 2.7 Going concern

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

In July 2022 the Company issued new shares giving a net USD 9.9 million proceeds to the Company with the purpose of strengthening the Company's financial position for further expansion. The Company has during 2022 invested in 3 new projects.

## 2.8 2.8. Parent Company's unconsolidated financial statements

The Parent Company recorded a net profit of USD 1.9 million for the year (2021: net loss USD 0.7 million). The increase is due to profit from new investments. A dividend of USD 41.4 million was received from subsidiaries in 2021 and was booked against the carrying value of the investment in subsidiaries and no income from dividend was recognized in the income statement in 2021. General and administrative

costs were USD 0.8 million (2021: USD 0.5 million), while net financial items were profit USD 2.6 million in 2022 (2021: nil USD). An impairment of USD 0.2 million was recognized on the Parent Company's investment in ADS Crude Holding AS in 2021.

The Board of Directors propose to transfer the net profit of USD 1.9 million to retained earnings. The Parent Company had gross assets at 31 December 2022 totaling USD 27.9 million (2021: USD 4.7 million), of which USD 17.5 million (2021: USD 3.5 million) are non-current assets and USD 10.6 million (2021: USD 1.2 million) current assets. The increase in non-current assets is due to new investments in other shares and financial instruments. The Parent Company's book equity was at yearend 2022 USD 16.6 million (2021: USD 4.7 million).



### 3. Financial risks

The Company's primary financial risks relate to market risk, credit risk and liquidity risk. The Company's principal financial liabilities are long term debt related to the investment in AET shares, as well as trade and other payables. The Company's principal financial assets are investments in shares, financial instruments and cash.

The table below shows the carrying value of the Company's financial assets and liabilities.

(In thousands of USD)	31-Dec-22	31-Dec_21
<b>Financial assets</b>		
<b>Non-current financial assets</b>		
Financial assets at fair value through profit or loss	13 317	-
Other non-current financial assets	545	-
<b>Current financial assets</b>		
Financial assets at fair value through profit or loss - current portion	630	
Other current assets	1 135	43
Cash and cash equivalents	11 966	4 693
<b>Total financial assets</b>	<b>27 592</b>	<b>4 736</b>
<b>Financial liabilities</b>		
<b>Non-current liabilities</b>		
Lease liability	329	
Long term-loan	10 561	
<b>Current liabilities</b>		
Lease liability - current	47	
Other current liabilities	339	75
Trade payables	179	32
<b>Total financial liabilities</b>	<b>11 454</b>	<b>107</b>
<b>Net current financial assets/(liabilities)</b>	<b>13 166</b>	<b>4 629</b>
<b>Net current and non-current financial assets/(liabilities)</b>	<b>16 138</b>	<b>4 629</b>

#### 3.1 Interest rate risk

The Company has no interest-bearing liabilities and is not exposed to interest rate risk.

are denominated in US dollars, the Company's functional and presentational currency. The majority of the Company's administration costs are denominated in Norwegian kroner.

#### 3.2 Foreign exchange risk

The Company operates in the global shipping industry, for which the majority of transactions

As at 31 December 2022 the Company had cash and cash equivalents denominated in

Norwegian kroner that had a carrying value of USD 0.9 million (2021: USD 0.3 million) and in Euros of USD 0.0 million (2021: USD 0,1 million). Material portion of the Company's personnel expenses and G&A expenses are denominated in NOK. Financial assets and liabilities of the Company at 31 December 2021 are denominated in US dollars and, hence, the Company's maximum exposure to foreign exchange risk is limited to the above expenses.

### 3.3 Credit risk

Credit risk is the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Company. The Company is exposed to credit risk primarily from receivables from customers and cash held at banks. The Company manages its credit risk related to customers by aiming to provide services only to reputable customers. As at 31 December 2022 the Company has no customer receivables (2021- USD 0.0 million). The Company had other receivables related to investments at 31 December 2022 of USD 1.5 million.

The Company aims to manage its counterparty risk relating to cash held at bank by only holding deposits at recognizable international banks. As at 31 December 2022 all of the Company's cash and cash equivalents and restricted cash was held with Nordea Bank.

### 3.4 Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they fall due.

The Company manages its risk of a shortage of funds by continuously monitoring maturity of its financial assets and liabilities and using a cash flow forecasting tool that makes projections about future cash flows from operating activities and required for investing activities.

## 4. People and the organization

The Company's registered office is in Cyprus and its Norwegian subsidiary is based in Norway. The Company's operational perspective is the global shipping market. The Company has employees both in Cyprus and Norway. The administrative and corporate management of the Company has been provided by Arendals Dampskibsselskab AS until 1 July 2022. From 1 July 2022 management has been employed by the Company. The Company has 4 fulltime and 2 part time employees. Two of the current four members of the Board of Directors are female.

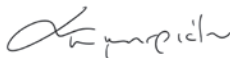
## 5. Outlook

The Company's strategy is to make counter-cyclical investments in quality ships bought at prices discounted to new building parity as well as projects with long-term secured cashflow, low residual risk, and solid returns on equity. The Company continues to evaluate investment opportunities in a range of vessel types and segments. The Company has a cash balance of USD 12.0 million at the end of 2022 which enables the Company to be in a position for further investments.

Limassol, 9 March 2023



Bjørn Tore Larsen  
Chairman



Marios Demetriades  
Deputy Chairman



Sofi Mylona



Lia Papaiaiovou

# Consolidated statement of comprehensive income

(In thousands of USD)	Note	2022	2021
<b>Revenue</b>			
Other income	2,13	150	-
<b>Total revenue</b>		<b>150</b>	<b>-</b>
<b>Operating expenses</b>			
Vessel operating expenses			270
Personell cost	5,13	(343)	(8)
General & administrative costs	6,13	(480)	(495)
Depreciation	11	(29)	-
<b>Total operating expenses</b>		<b>(852)</b>	<b>(233)</b>
<b>Operating (loss)/profit</b>		<b>(703)</b>	<b>(233)</b>
Finance cost	9	(316)	(45)
Finance income	9	2 975	64
<b>(Loss)/Profit before tax</b>		<b>1 957</b>	<b>(214)</b>
Income tax		-	-
<b>Profit/(Loss) after tax and total comprehensive income</b>		<b>1 957</b>	<b>(214)</b>
(In USD)			
<b>Earnings per share attributable to equity holders</b>			
- Basic and diluted	7	0.03	(0.01)

# Consolidated statement of financial position

(In thousands of USD)	Note	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets	11	376	
Financial assets at fair value through profit or loss	8,10	13 317	
Other non-current assets	8,10	545	
<b>Total non-current assets</b>		<b>14 237</b>	
<b>Current assets</b>			
Financial assets at fair value through profit or loss – current	8,10	630	-
Other current assets	8	1 135	43
Cash and cash equivalents	3,8	11 966	4 693
<b>Total current assets</b>		<b>13 731</b>	<b>4 736</b>
<b>Total assets</b>		<b>27 968</b>	<b>4 736</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued share capital		14 202	4 678
Share premium		207	207
Other issued share capital		410	
Retained earnings		1 696	(256)
<b>Total equity</b>		<b>16 514</b>	<b>4 629</b>
<b>Non-current liabilities</b>			
Lease liability	8,11	329	
Long term loan	8,12,13	10 561	-
<b>Total non-current liabilities</b>		<b>10 890</b>	<b>-</b>
<b>Current liabilities</b>			
Lease liability	8,11	47	
Other current liabilities	8	339	75
Trade payables	8,13	179	32
<b>Total current liabilities</b>		<b>565</b>	<b>107</b>
<b>Total liabilities</b>		<b>11 454</b>	<b>107</b>
<b>Total equity and liabilities</b>		<b>27 968</b>	<b>4 736</b>

# Consolidated statement of cash flows

(In thousands of USD)	Note	2022	2021
<b>Cash flow from operating activities</b>			
Profit for the period		1 957	(215)
<b>Adjustment for non-operating cash flow items</b>			
Depreciation		29	-
Impairment			-
Fair value adjustment	10	(1 386)	
Interest expense	9	288	45
Interest income	9	(155)	-
<b>Operating cash flow before working capital items</b>		<b>734</b>	<b>(170)</b>
Working capital movements		(1 180)	226
<b>Total operating cash flow</b>		<b>(446)</b>	<b>56</b>
<b>Cash flow from investing activities</b>			
Investment in subsidiaries			
Investment in Financial assets at fair value		(12 560)	
Change in intercompany receivables		-	-
Dividend and capital received		-	-
<b>Total cash flows from investing activities</b>		<b>(12 560)</b>	<b>-</b>
<b>Cash flow from financing activities</b>			
Proceeds from share issue		9 935	
Proceeds from loan		10 281	
Lease payments		(35)	-
Interest paid		(2)	(45)
Interest received		155	
Decrease/(increase) in restricted cash		-	-
Dividends and capital paid			(51 000)
<b>Total cash flow used in financing activities</b>		<b>20 334</b>	<b>(51 045)</b>
Effect of foreign currency revaluation on cash		(56)	
<b>Net increase in cash and cash equivalents</b>		<b>7 273</b>	<b>(50 990)</b>
Cash and cash equivalents at beginning of period		4 693	55 682
<b>Cash and cash equivalents at end of period</b>	<b>3</b>	<b>11 966</b>	<b>4 693</b>



# 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
<b>Balance at 1 January 2021</b>	<b>23 390 300</b>	<b>4 678</b>	<b>51 207</b>	<b>(42)</b>	<b>55 844</b>
Total comprehensive loss for the period	-	-	-	(214)	(214)
Dividends paid during the period	-	-	(51 000)		(51 000)
<b>Balance at 31 December 2021</b>	<b>23 390 300</b>	<b>4 678</b>	<b>207</b>	<b>(256)</b>	<b>4 629</b>

(In thousands of USD apart from number of shares)	Number of shares	Issued share capital	Share premium	Other issued share capital	Retained earnings	Total equity
<b>Balance at 1 January 2022</b>	<b>23 390 300</b>	<b>4 678</b>	<b>207</b>		<b>(256)</b>	<b>4 629</b>
Issue of share capital	-	-	-			
7/7/2022 at NOK 2,10 per share	47 619 048	9 524		410		9 934
Total comprehensive income for the period	-	-			1 957	1 957
Currency translation and other effects					(6)	(6)
<b>Balance at 31 December 2022</b>	<b>71 009 348</b>	<b>14 202</b>	<b>207</b>	<b>410</b>	<b>1 696</b>	<b>16 514</b>

At 31 December 2022 the nominal value of the Company's authorized share capital is USD 1,000 million, consisting of 1,000,000,000 shares of par value USD 0.20 each, of which the Company has issued 71 009 348 shares with total share capital USD 14.2 million.

# Notes to the consolidated financial statements

## 1. General information

These 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 9 March 2023. 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 a Norwegian subsidiary based in Arendal, Norway. The principal activities of the Company are shipping investments.

## 2. Significant accounting policies

### 2.1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU.

### 2.2 Going concern

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

### 2.3 Revenue recognition

Revenue is recognized when a contractual performance obligation is satisfied by transferring a promised good or service to a customer.

### 2.4 Leasing

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low

value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the consolidated statement of financial position. All variable lease payments, that are payable based on actual utilization of the underlying asset, are excluded from the calculation of lease liability. All variable lease payments are expensed to the statement of comprehensive income during the period to which such variable payments relate to.

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company applies IAS 36 to determine whether a ROU is impaired and accounts for any

identified impairment loss in its consolidated statement of comprehensive income.

## 2.5 Financial instruments

Financial assets and liabilities are recognized when the Company becomes party to the contractual obligations of the instrument and are initially recognized at fair value, except trade receivables that are measured at transaction price if the trade receivables do not contain a significant financing component. At 31 December 22, the Company holds financial instruments measured at amortized cost and financial assets at fair value through profit and loss. The classification depends on the characteristics of the financial assets and financial liabilities and the purpose for which they were acquired. The Management determines the classification of its financial instruments at initial recognition. Debt instruments are subsequently measured at amortized cost. Subsequent to initial measurement, financial assets and liabilities are classified as per below.

### **Financial assets and liabilities measured at amortized cost**

This category is the most relevant for the Company and includes lease liabilities, borrowings, trade payables and other financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Financial assets and liabilities in this category are initially recognized at fair value, net of directly attributable transaction costs. After initial measurement financial assets and liabilities in this category are subsequently carried at amortized cost using the effective interest rate (EIR) method, less any allowance for impairment. The EIR amortization is included in finance income for receivables and finance cost for borrowings. Losses arising from impairment of accounts receivable are recognized in operating expenses.

The Company derecognizes a financial liability only when the Company's obligations are discharged, cancelled or expire.

### **Loan fees**

Expenses that are directly attributable to the inception of a loan are capitalized and amortized over the term of the relevant loan using the effective interest rate method. Amortization of loan costs are included as finance costs in the income statement. The capitalized but unamortized amount of such loan costs are recorded net of the loan liability in the statement of financial position. On derecognition of a loan as a financial liability any previously unamortized loan fees are expensed in full.

### **Financial assets and liabilities measured at fair value through profit or loss**

This includes the financial assets and liabilities measured at fair value upon initial recognition with change in fair value recognized through the consolidated income statement. Subsequent to initial recognition, financial assets and liabilities in this category are measured at fair value at the end of each reporting period with unrealized gains and losses being recognized through profit or loss. As at 31 December 2022 the Company have forward contracts and equity instruments that are measured at fair value through profit or loss.

### **Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Forward

contracts are initially recognized at fair value on the transaction date and subsequently measured at their fair value.

Forward contracts are classified within the category 'financial assets at fair value through profit or loss' as long as the derivatives are not designated as hedging instruments for accounting purposes.

## 2.6 Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original

effective interest rate.

## 2.7 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available

or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## **2.8 Consolidation**

The consolidated financial statements comprise the financial statements of ADS Maritime Holding Plc (the "Parent Company") and its subsidiaries (together, the "Company"). All of the subsidiaries in the group are 100% owned by the Parent Company and, thus, there are no minority ownership interests.

Subsidiaries are all those entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are de-consolidated from the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using the same accounting policies. All intercompany transactions and balances are eliminated upon consolidation of the financial statements.

## **2.9 Foreign currency translation**

The functional and presentational currency of the Company is US dollar. The functional and presentational currency of the Parent Company and all subsidiaries is US dollar.

Income and expenses denominated in foreign currencies are translated into US dollar at the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from settlement of such transactions as well as from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as finance income and finance costs.

From 1 January 2022 ADSMH Management AS (former ADS Crude Holding AS) changed functional currency from USD to NOK.

## **2.10 Cash and cash equivalents**

Cash and cash equivalents consist of cash deposits held at call with banks. Cash and cash equivalents that are restricted for the Company's use are disclosed separately in the statement of financial position.

## **2.11 Share capital**

Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recorded in equity as a reduction from the gross share issue proceeds.

## **2.12 Earnings per share**

Basic earnings per share is calculated based on the net profit attributable to ordinary shareholders for the period divided by the weighted average number of shares in issue. The Company has no potentially dilutive equity instruments in issue.

## **2.13 Consolidated statement of cash flows**

The Company's statement of cash flows is prepared using the indirect method. Cash flows are divided into cash flows attributable to either operating activities, investing activities



or financing activities. In the cash flow statement, net profit for the period is adjusted for non-cash items recorded in the income statement, such as depreciation, as well as for non-cash movements in working capital. Any cash flows that have been recorded initially in the income statement as part of net profit but which are investing or financing in nature are removed from operating cash flows and presented as part of investing or financing cash flows. All amounts presented in the investing activities and financing activities sections are pure cash flows only.

#### **2.14 Dividends**

Dividends payable or paid to shareholders are recognized when declared during the financial year and are no longer at the discretion of the Company.

#### **2.15 Income tax**

The Parent Company is subject to income tax in Cyprus and the subsidiary is subject to income tax in Norway. In 2022 and 2021 no tax expenses were recognized for the Company, and there are no tax obligations. The Norwegian subsidiary has accumulated taxable deficit in Norway that has not been recognized as deferred tax asset in the balance sheet.

#### **2.16 Changes in accounting policies**

There were no changes to accounting standards and amendments that the Company has applied for 2022 for the first time and which had any significant effect on the Company's financial statements. Certain new standards, amendments and interpretations of existing standards have been published that are mandatory for the Company's accounting periods beginning 1 January 2022 or later.

None of the new standards, amendments and interpretations relevant for the Company are expected to have a significant impact on the Company's financial statements.

#### **2.17 Critical accounting estimates and judgments**

The preparation of the Company's consolidated financial statements requires management and the board to make estimates, judgments and assumptions that affect the reported amount of revenue, expenses, assets and liabilities, as well as the accompanying disclosures. Uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods. For the 2022 financial statements there have been accounting estimates or judgments that may impact the financial statements as described below:

##### **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

### 3. Financial risk management

The Company's primary financial risks relate to market risk, credit risk and liquidity risk. Market risk is the risk that the fair value of future cash flows of a financial asset or liability will fluctuate because of changes in market prices, such as foreign exchange and interest rates. The Company's financial risk exposure is monitored by Management and its Board of Directors oversee the management of these risks.

Subsequent to repayment in full of the Company's non-current loans used to finance the Company's vessels that were sold in 2020, the Company's principal financial liabilities are trade and other payables. The Company's principal financial assets are customer receivables, other assets and cash deposits at banks.

The table below shows the carrying value of the Company's financial assets and liabilities.

(In thousands of USD)	31-Dec-22	31-Dec_21
<b>Financial assets</b>		
<b>Non-current financial assets</b>		
Financial assets at fair value through profit or loss	13 317	-
Other non-current financial assets	545	-
<b>Current financial assets</b>		
Financial assets at fair value through profit or loss - current portion	630	
Other current assets	1 135	43
Cash and cash equivalents	11 966	4 693
<b>Total financial assets</b>	<b>27 592</b>	<b>4 736</b>
<b>Financial liabilities</b>		
<b>Non-current liabilities</b>		
Lease liability	329	
Long term-loan	10 561	
<b>Current liabilities</b>		
Lease liability - current	47	
Other current liabilities	339	75
Trade payables	179	32
<b>Total financial liabilities</b>	<b>11 454</b>	<b>107</b>
<b>Net current financial assets/(liabilities)</b>	<b>13 166</b>	<b>4 629</b>
<b>Net current and non-current financial assets/(liabilities)</b>	<b>16 138</b>	<b>4 629</b>

### 3.1 Interest rate risk

The Company has no interest-bearing liabilities and is not exposed to interest rate risk.

### 3.2 Foreign exchange risk

The Company operates in the global shipping industry, for which the majority of transactions are denominated in US dollars, the Company's functional and presentational currency. The majority of the Company's operating costs are denominated in US dollars and Norwegian kroner.

As at 31 December 2022 the Company had cash and cash equivalents denominated in Norwegian kroner that had a carrying value of USD 0.9 million (2021: USD 0.3 million) and in Euros of USD 0.0 million (2021: USD 0,1 million). Material portion of the Company's personnel expenses and G&A expenses are denominated in NOK. Financial assets and liabilities of the Company at 31 December 2021 are denominated in US dollars and, hence, the Company's maximum exposure to foreign exchange risk is limited to the above expenses.

### 3.3 Credit risk

Credit risk is the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Company. The Company is exposed to credit risk primarily from receivables from customers and cash held at banks. The Company manages its credit risk related to customers by aiming to provide services only to reputable customers. As at 31 December 2022 the Company has no customer receivables. The Company aims to manage its counterparty risk relating to cash held at bank by only holding deposits at recognizable international banks. As at 31 December 2022 all of the Company's cash and cash equivalents and restricted cash was held with Nordea Bank which has an external credit rating of Aa3. The expected credit loss calculated is not material to the consolidated financial statements.

(In thousands of USD)	31-Dec-22	31-Dec_21
Cash and cash equivalents	11 966	4 693

### 3.4 Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they fall due. The Company manages its risk of a shortage of funds by continuously monitoring maturity of its financial assets and liabilities and using a cash flow forecasting tool that makes projections about future cash flows from operating activities and required for investing activities. The Company has long-term debt that matures in full on 23 June 2024 with MUSD 11, 4 payable.

### 3.5 Capital management

The Company's objectives when managing capital are to maximize the return to shareholders through its investments, aiming to have an optimal capital structure whereby it safeguards the Company's

ability to continue as a going concern but while returning excess liquidity to shareholders in the form of regular dividends. The management of the capital structure involves active monitoring and adjustments in light of changes in economic conditions and risk characteristics of the Company's investments.

#### 4. Segment reporting

The chief operating decision maker currently reviews the Company's activities on a consolidated basis as one operating segment.

#### 5. Employee benefits expenses

The Company's registered office is in Cyprus and its Norwegian subsidiary is based in Norway. The Company's operational perspective is the global shipping market. The Company has employees both in Cyprus and Norway. The administrative and corporate management of the Company has been provided by Arenal's Dampskibsselskab AS until 1 July 2022. From 1 July 2022 management has been employed by the Company. The Company has 4 fulltime and 2 part time employees.

##### 5.1 Wages and other personnel expenses.

(In thousands of USD)	2022	2021
Wages, salaries	280	8
Social security cost	40	-
Pension – defined contribution plan	21	-
Other personnel costs	2	-
<b>Total salaries and personnel expense</b>	<b>343</b>	<b>8</b>

##### 5.2 Pensions

From July 1, 2022 the Company operates defined pension contribution plans in Norway. The defined pension contribution plans require the Company to pay premiums to a private administrative pension plan on a mandatory basis. The Company has no further obligations once these premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Defined contribution plan in Norway complies with local Pension legislation.

#### 6. General and administrative expenses

The statutory audit fee for the 2022 audit of ADS Maritime Holding Plc and subsidiaries to RSM Cyprus Ltd and RSM Norway AS is approx. USD 17 000 plus VAT (2021: USD 16 000 plus VAT). In addition, a fee for tax services provided of approx. USD 3 000 plus VAT is charged for 2022.

#### 7. Earnings per share

The Company has no dilutive or potential dilutive shares.

(In thousands of USD)	2022	2021
Profit/(loss) for the period	1 957	(215)
Weighted average shares outstanding	71 009 348	23 390 300
Basic and diluted EPS (USD per share)	0.03	(0.01)

#### 8. Financial assets and liabilities

All of the Company's financial assets and financial liabilities are measured at amortized cost or at fair value through profit or loss.

The fair values of the Company's financial assets and liabilities are summarized in the table below.

(In thousands of USD)	31-Dec-22		31-Dec-21	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
<b>Non-current financial assets</b>				
Financial assets at fair value through profit or loss	13 317	13 317		
Other non-current financial assets	545	545		
<b>Current financial assets</b>				
Financial assets at fair value through profit or loss - current portion	630	630		
Other current assets	1 135	1 135	43	43
Cash and cash equivalents	11 966	11 966	4 693	4 693
<b>Total financial assets</b>	<b>27 592</b>	<b>27 592</b>	<b>4 736</b>	<b>4 736</b>



(In thousands of USD)	31-Dec-22		31-Dec-21	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial liabilities</b>				
<b>Non-current liabilities</b>				
Lease liability	329	329		
Long term-loan	10 561	10 561		
<b>Current liabilities</b>				
Lease liability - current	47	47		
Other current liabilities	339	339	75	75
Trade payables	179	179	32	32
<b>Total financial liabilities</b>	<b>11 454</b>	<b>11 454</b>	<b>107</b>	<b>107</b>

The fair values of receivables from customers, other current assets, restricted cash and cash and cash equivalents, other current liabilities and trade payables approximate their carrying values largely due to their short-term maturities. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and makes assumptions that are based on market conditions existing at the reporting date. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted and unadjusted prices in active markets for identical assets or liabilities.

**Level 2:** other techniques for which inputs which have a significant impact on the fair value are observable, either directly or indirectly.

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

(In thousands of USD)	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Unlisted equity securities			12 560	12 560
Forward TC contracts			1 386	1 386
<b>Total</b>	<b>0</b>	<b>0</b>	<b>13 946</b>	<b>13 946</b>

## 9. Finance income and finance cost

(In thousands of USD)	31-Dec-22	31-Dec-21
<b>Financial income</b>		
Gain on financial assets at fair value through profit or loss	2 785	-
Interest income	155	(0)
Realized forex exchange gain		64
Unrealized forex exchange gain	3	-
Other financial income	33	-
<b>Total financial income</b>	<b>2 975</b>	<b>64</b>
<b>Financial cost</b>		
Loss on financial assets at fair value through profit or loss	-	-
Interest expenses	(288)	(44)
Realized forex exchange loss	(27)	(1)
Unrealized forex exchange loss	-	-
Other financial cost	-	-
<b>Total financial cost</b>	<b>(316)</b>	<b>(45)</b>

## 10. Financial assets at fair value through profit and loss

(In thousands of USD)	31-Dec-22	31-Dec-21
Balance at 1 January	-	
<b>Additions</b>	<b>12 560</b>	
Change in fair value	1 386	
<b>Balance at 31 December</b>	<b>13 946</b>	<b>0</b>
Less non-current portion	13 317	
Current portion	630	

ADS Maritime Holding Plc has entered into two TCP profit and loss sharing contracts with Navig8 Inc. Profit and loss split is calculated from the difference between the actual TCP hire rate in the period, relative to a reference TCP hire rate as agreed between the parties. For ADS Maritime Holding Plc the contracts cover 20% the total profit and loss for the vessels. The contract on M.T. FPMC C MELODY was entered into on 12 April 2022 and has a duration of 1 year plus 1 year option period. Working capital payment is booked as a short-term receivable of kUSD 337.

The contract on M.T. AYOE was entered into on 1 June 2022 and has a duration of 3 years plus option period of +/- 60 days. Working capital payment is booked as a long-term receivable of kUSD 545

On 23 June 2022 the Company purchased 5% of the shares in each of the two companies AET Sea

Shuttle AS and AET Sea Shuttle II AS from ADS Shipping Ltd for USD 11,4 million not payable until 2 years after the transaction. Both companies are non-listed and each company owns two shuttle tankers.

On 5 October 2022 the Company purchased 10% of United Overseas Production AS, a non-listed company with two MR tankers for USD 2,4 million.

In the cash flow statement financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair value of financial assets through profit or loss are recorded in finance income.

## 11. Leasing

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right of use assets	
(In thousands of USD)	Office premises
Initial measurement	
Net present value of lease liabilities	406
Initial direct cost	
Prepaid leases	
Right of use assets at lease commencement	406
Depreciation	29
<b>Balance as at 31-12-2022</b>	<b>376</b>

The right-of-use asset relates to rented head office for ADSMH Management AS at Sandvigveien 19 in Arendal, Norway. The rental contract expires on 31 July 2029, and the RoU Asset is depreciated on a straight line basis until the expiration date of the lease.

<b>Lease liabilities</b>	
(In thousands of USD)	<b>31-12-2022</b>
Initial measurement	406
Lease payment during the period	23
Interest accrued	-
Interest paid	6
Balance as at 31-12-2022	376
Of wich:	
Due Within 12 months	47
Due within 36 months	329

The interest rate used to calculate the lease obligation is 6,5% which is considered to be the alternative cost of financing for the Company.

## 12. Long term debt

The Company received a seller credit on the purchase of a 5 % shareholding in AET Sea Shuttle AS and AET Sea Shuttle II AS in June 2022 from ADS Shipping Ltd. A total of USD 11,4 million is payable within two years from the acquisition. The seller credit is at zero interest rate and without collateral. The loan is recognized at fair value as of 31 December 2022 at carrying amount of USD 10,6 million and interest expense of USD 280k has been recognized in 2022.

## 13. Related parties

### 13.1 Board of Directors

	<b>Directors</b>			
(In thousands of USD)	<b>Since</b>	<b>To</b>	<b>2022</b>	<b>2021</b>
<b>Payments to Board of Directors</b>				
Bjørn Tore Larsen (Chairman)	10-Aug-18		-	-
Marios Demetriades (Deputy Chairman)	10-Aug-18		14	14
Sofi Mylona	21-Aug-19		8	10
Lia Papaïacovou	21-Aug-19		-	-
<b>Total Board of Director fees</b>			<b>22</b>	<b>24</b>

On 1 July 2022 the Company entered into an agreement for the lease of offices at Sandvigveien 19, Arendal. The lease contract was previously leased to Arendals Dampskibsselskab AS. The lease term is approximately 7 years from inception of the lease which is also the commencement date. There are no lease deposits or redelivery costs according to the lease contract.

Non-executive independent board members are entitled to Board fees at the rate of EUR 7.5k per annum, while the Deputy Chairman position receives an additional EUR 2.5k per annum.

Lia Papaïacovou is a remunerated part-time employee of the Company.

MD Mindset Capital Ltd, a company controlled by Deputy Chairman Marios Demetriades, received fees for director services totaling EUR 10k in 2022 (2021: EUR 10k) and for consulting services of EUR 20k in 2022 (2021: EUR 20k). Scordis, Papapetrou & Co LLC, a company in which board member Sofi Mylona is a partner, received fees for director services totaling EUR 8k in 2022 (2021: EUR 8k) and for other legal services of EUR 3k in 2022 (2021: EUR 3k)

### 13.2 Key management personnel

The administrative and corporate management of the Company has been provided by Arendals Dampskibsselskab AS until 1 July 2022.

From 1 July the corporate management was transferred to ADSMH Management AS, and as part of this transfer ADSMH Management AS took over the office lease contract from Arendals Dampskibsselskab AS at similar rental terms. ADSMH Management AS paid USD 36k for office rental from 1 July 2022 to 31 Dec 2022.

### 13.3 Other related parties

In 2022 Arendal Dampskibsselskab AS invoiced the Company a total fee of USD 63k for corporate management services provided in the period from 1 January to 1 July, when the management agreement was terminated. The Company has invoiced Arendal Dampskibsselskab AS USD 30k for services provided from 1 July to 31 December. As of 31 December 2022 the Company has payables towards Arendals Dampskibsselskab AS of USD 0k (2021: 2k).

The Company has a long-term loan from ADS Shipping Ltd due to seller credit on the Company's purchase of 5% of the shares in each AET Sea Shuttle AS and AET Sea Shuttle II AS. ADS Shipping Ltd is controlled by Bjørn Tore Larsen. See note 12 for additional details.

## 14. 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 payment was made in NOK to all shareholders of ADS Maritime Holding Plc on 1 March 2021

## 15. Events after the reporting period

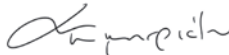
On 3 January 2023 Anders Hall Jomaas was appointed as the new CFO of ADS Maritime Holding Plc, replacing Dagfinn Andersen.

Limassol, 9 March 2023

### The Board of Directors



Bjørn Tore Larsen  
Chairman



Marios Demetriades  
Deputy Chairman



Sofi Mylona



Lia Papaïacovou



# Parent Company unconsolidated statement of comprehensive income

(In thousands of USD)	Note	2022	2021
<b>Revenue</b>		<b>117</b>	<b>-</b>
<b>Operating expenses</b>			
Personnel expenses		(6)	(8)
General & administrative costs	9	(787)	(473)
<b>Total operating expenses</b>		<b>(793)</b>	<b>(481)</b>
<b>Operating profit</b>		<b>(676)</b>	<b>(481)</b>
Finance cost	6	(288)	(3)
Finance income	6	2 895	3
Impairment			(225)
<b>Profit/(Loss) before tax</b>		<b>1 930</b>	<b>(706)</b>
Income tax		-	-
<b>Profit/(Loss) after tax and total comprehensive income</b>		<b>1 930</b>	<b>(706)</b>

# Parent Company unconsolidated statement of financial position

(In thousands of USD)	Note	31-Dec-22	31-Dec-21
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	5	3 528	3 528
Financial assets at fair value through profit or loss	4,7	13 317	
Other non-current assets	4,7	545	
<b>Total non-current assets</b>		<b>17 390</b>	<b>3 528</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss - current portion	4,7	630	
Other current assets	4	1 091	59
Cash and cash equivalents	3,4	8 832	1 148
<b>Total current assets</b>		<b>10 553</b>	<b>1 207</b>
<b>Total assets</b>		<b>27 942</b>	<b>4 735</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued share capital		14 202	4 678
Share premium		1 255	1 255
Other issued share capital		410	
Retained earnings		704	(1 226)
<b>Total equity</b>		<b>16 571</b>	<b>4 707</b>
Non-current liabilities			
Loan	4,8	10 761	
Total non-current liabilities		10 761	
<b>Current liabilities</b>			
Trade payables	4	123	28
Other current liabilities	4	488	
<b>Total current liabilities</b>		<b>611</b>	<b>28</b>
Total liabilities		11 372	28
<b>Total equity and liabilities</b>		<b>27 942</b>	<b>4 735</b>

# Parent Company unconsolidated statement of cash flows

(In thousands of USD)		2022	2021
<b>Cash flows from operating activities</b>			
Profit for the period		1 930	(706)
<b>Adjustment for items not affecting operating cash flows:</b>			
Depreciation			1
Impairment			-
Fair value gain/(loss) on financial assets	7	1 386	
Interest expenses	6	282	225
Interest income	6	(114)	-
<b>Net operating cash flow before working capital movements</b>		<b>712</b>	<b>(480)</b>
Working capital movements		(994)	26
<b>Total operating cash flow</b>		<b>(282)</b>	<b>(454)</b>
<b>Cash flows from investing activities</b>			
Investment in subsidiaries		-	
Investment in other shares	7	(12 560)	
Investment in other financial assets		-	
Investment in other assets		-	
Loans repaid by/(to subsidiaries)		-	-
Changes in inter-company receivables		-	-
Dividends received in cash from subsidiaries		-	41 407
<b>Total cash flows from investing activities</b>		<b>(12 560)</b>	<b>41 407</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issues		9 935	
Proceeds from loan	8	10 281	
Repayment of loan		-	-
Interest paid		(3)	(1)
Interest received		114	-
Dividends and capital paid			(51 000)
<b>Total cash flows used in financing activities</b>		<b>20 327</b>	<b>(51 001)</b>
<b>Effect of foreign currency revaluation on cash</b>		<b>198</b>	
<b>Net increase in cash and cash equivalents</b>		<b>7 683</b>	<b>10 048</b>
Cash and cash equivalents at the beginning of the period		1 149	11 197
<b>Cash and cash equivalents at the end of the period</b>		<b>8 832</b>	<b>1 149</b>

# Parent Company unconsolidated 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
<b>Balance 1 January 2021</b>	<b>23 390 300</b>	<b>4 678</b>	<b>52 255</b>	<b>2 411</b>	<b>59 344</b>
Total comprehensive income for the period	-	-	-	(706)	(706)
Repayment of share premium	-	-	(51 000)		(51 000)
<b>Balance at 31 December 2021</b>	<b>23 390 300</b>	<b>4 678</b>	<b>1 255</b>	<b>(1 226)</b>	<b>4 707</b>

(In thousands of USD apart from number of shares)	Number of shares	Issued share capital	Share premium	Other issued share capital	Retained earnings	Total equity
<b>Balance 1 January 2022</b>	<b>23 390 300</b>	<b>4 678</b>	<b>1 255</b>		<b>(1 226)</b>	<b>4 707</b>
Issue of share capital	-	-	-			
7/7/2022 at NOK 2,10 per share	47 619 048	9 524		410		9 934
Total comprehensive income for the period	-	-			1 930	1 930
<b>Balance at 31 December 2022</b>	<b>71 009 348</b>	<b>14 202</b>	<b>1 255</b>	<b>410</b>	<b>704</b>	<b>16 571</b>

At 31 December 2022 the nominal value of the Company's authorized share capital is USD 1,000 million, consisting of 1,000,000,000 shares of par value USD 0.20 each, of which the Company has issued 71,009,348 shares with total share capital USD 14.2 million.

# Notes to the Parent Company unconsolidated financial statements

## 1. General information

ADS Maritime Holding Plc (the "Parent Company") is a holding company. The Parent Company's activities are investing in subsidiaries, including ownership of shares in subsidiaries and provision of intercompany financing.

## 2. Significant accounting policies

### 2.1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU.

The Parent Company's accounting principles are consistent with the accounting principles of the Company, as described in Note 2 of the consolidated financial statements, apart from as described below. Note disclosures that are similar to the information available in the consolidated financial statements are not repeated in these unconsolidated financial statements.

### 2.2 Investments in subsidiaries

Investments in subsidiaries are presented at cost, less any impairment. To assess for impairment, the estimated recoverable amount is compared to the carrying value of investments in subsidiaries. The recoverable amount is calculated as the discounted estimated future cash flows.

### 2.3 Critical accounting estimates and judgments

#### Impairment of investment in subsidiaries

The Parent Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associate with these subsidiaries would be compared to their carrying amounts to determine if a write-down is necessary.

#### Impairment of financial assets

The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, by considering supportive forward-looking information. The main financial assets that are subject to the expected credit loss model relate to receivables from related parties, including loans receivable.

## 3. Financial risk management

The Parent Company's primary financial risks are consistent with the financial risks of the Company, as described in Note 3 of the consolidated financial statements, apart from as described on the next page.

#### Credit risk

Credit risk is the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Company. The Company is exposed to credit risk primarily from cash held at bank as summarized in the table below.

(In thousands of USD)	31-Dec-22	31-Dec-21
Cash and cash equivalents	8 832	1 148
<b>Total financial assets</b>	<b>8 832</b>	<b>1 148</b>

#### 4. Financial assets and liabilities

All of the Company's financial assets and financial liabilities are measured at amortized cost.

The fair values of the Company's financial assets and liabilities are summarized in the table below.

(In thousands of USD)	31-Dec-22	31-Dec-21
<b>Financial assets</b>		
<b>Non-current financial assets</b>		
Financial assets at fair value through profit or loss	13 317	
Other non-current financial assets	545	
<b>Current financial assets</b>		
Financial assets at fair value through profit or loss - current portion	630	
Other current assets	1 091	
Cash and cash equivalents	8 832	1 148
<b>Total financial assets</b>	<b>24 414</b>	<b>1 148</b>
<b>Financial liabilities</b>		
<b>Non-current liabilities</b>		
Long term-loan	10 761	
<b>Current liabilities</b>		
Other current liabilities	410	
Trade payables	704	28
<b>Total financial liabilities</b>	<b>11 874</b>	<b>28</b>
<b>Net current financial assets/(liabilities)</b>	<b>9 439</b>	<b>1 120</b>
<b>Net current and non-current financial assets/(liabilities)</b>	<b>12 540</b>	<b>1 120</b>

The fair values of receivables from subsidiaries, cash and cash equivalents, other current liabilities and trade payables approximate their carrying values largely due to their short-term maturities.

(In thousands of USD)	31-Dec-22		31-Dec-21	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
<b>Non-current financial assets</b>				
Financial assets at fair value through profit or loss	13 317	13 317		
Other non-current financial assets	545	545		
<b>Current financial assets</b>				
Financial assets at fair value through profit or loss - current portion	630	630		
Other current assets	1 135	1 135	43	43
Cash and cash equivalents	11 966	11 966	4 693	4 693
<b>Total financial assets</b>	<b>27 592</b>	<b>27 592</b>	<b>4 736</b>	<b>4 736</b>
<b>Financial liabilities</b>				
<b>Non-current liabilities</b>				
Long term-loan	10 761	10 761		
<b>Current liabilities</b>				
Other current liabilities	410	410	0	0
Trade payables	704	704	28	28
<b>Total financial liabilities</b>	<b>11 874</b>	<b>11 874</b>	<b>28</b>	<b>28</b>

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted and unadjusted prices in active markets for identical assets or liabilities.

**Level 2:** other techniques for which inputs which have a significant impact on the fair value are observable, either directly or indirectly.

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

<b>31-Dec-22</b>				
(In thousands of USD)	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at fair value through profit or loss</b>				
Unlisted equity securities			12 560	12 560
Forward TC contracts			1 386	1 386
<b>Total</b>	<b>0</b>	<b>0</b>	<b>13 946</b>	<b>13 946</b>

## 5. Investment in subsidiaries

The table below shows all subsidiaries the Parent Company owns directly and indirectly.

			<b>Carrying value</b>	
(In thousands of USD)	<b>Country of incorporation</b>	<b>Equity interest 31-Dec-20</b>	<b>31-Dec-22</b>	<b>31-Dec-22</b>
<b>Name of subsidiary</b>				
ADS Crude Holding AS	Norway	100%	3 528	3 528
<b>Total</b>			<b>3 528</b>	<b>3 528</b>

The subsidiary changed name in 2022 from ADS Crude Holding AS to ADSMH Management AS.

The table below shows the movement in the carrying value of the Parent Company's investments in subsidiaries during the Period.

(In thousands of USD)	<b>2022</b>	<b>2021</b>
<b>Carrying value</b>		
Investments at start of period	3 528	45 160
Dividend from subsidiary	-	(41 407)
Impairment	-	(225)
<b>Total at end of period</b>	<b>3 528</b>	<b>3 528</b>

During 2021 ADS Crude I AS, ADS Crude II AS and ADS Crude III AS were all liquidated and remaining net assets transferred to their parent company, ADS Crude Holding AS. ADS Crude Holding AS declared a dividend of USD 41.4 million to ADS Maritime Holding Plc in 2021. An impairment of USD 0.2 million was recognized on the Parent Company's investment in ADS Crude Holding AS.



## 6. Finance income and finance costs

(In thousands of USD)	31-Dec-22	31-Dec-21
<b>Financial income</b>		
Gain on financial assets at fair value through profit or loss	-	-
Interest income	109	3
Realized forex exchange gain	5	-
Unrealized forex exchange gain	(4)	-
Other financial income	2 785	-
<b>Total financial income</b>	<b>2 895</b>	<b>3</b>
<b>Financial cost</b>		
Loss on financial assets at fair value through profit or loss	-	-
Interest expenses	(281)	(3)
Realized forex exchange loss	(1)	-
Unrealized forex exchange loss	(6)	-
Other financial cost	-	-
<b>Total financial cost</b>	<b>(288)</b>	<b>(3)</b>

## 7. Financial assets at fair value through profit and loss

(In thousands of USD)	31-Dec-22	31-Dec-21
Balance at 1 January		
<b>Additions</b>	<b>12 560</b>	-
Capital reduction		
Change in fair value	1 386	-
Exchange differences		
<b>Balance at 31 December</b>	<b>13 946</b>	<b>0</b>
Less non-current portion	13 317	
Current portion	630	

ADS Maritime Holding Plc has entered into two TCP profit and loss sharing contracts with Navig8 Inc. Profit and loss split is calculated from the difference between the actual TCP hire rate in the period, relative to a reference TCP hire rate as agreed between the parties. For ADS Maritime Holding Plc the contracts cover 20% the total profit and loss for the vessels.

The contract on M.T. FPMC C MELODY was entered into on 12 April 2022 and has a duration of 1 year plus 1 year option period. Working capital payment is booked as a short-term receivable of kUSD 337.

The contract on M.T. AYOE was entered into on 1 June 2022 and has a duration of 3 years plus option period of +/- 60 days. Working capital payment is booked as a long-term receivable of kUSD 545

On 23 June 2022 the Company purchased 5% of the shares in each of the two companies AET Sea Shuttle AS and AET Sea Shuttle II AS from ADS Shipping Ltd for USD 11,4 million not payable until 2 years after the transaction. Both companies are non-listed and each company owns two shuttle tankers.

On 5 October 2022 the Company purchased 10% of United Overseas Production AS, a non-listed company with two MR tankers for USD 2,4 million.

In the cash flow statement financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair value of financial assets through profit or loss are recorded in finance income.

#### **8. Long term debt**

The Company received a seller credit on the purchase of a 5 % shareholding in AET Sea Shuttle AS and AET Sea Shuttle II AS in June 2022 from ADS Shipping Ltd. A total of USD 11,4 million is payable within two years from the acquisition. The seller credit is at zero interest rate and without collateral. The loan is recognized at fair value as of 31 December 2022 at carrying amount of USD 10,6 million and interest expense of USD 280k has been recognized in 2022.

#### **9. Payments to auditor**

The statutory audit fee for the 2022 audit of ADS Maritime Holding Plc to RSM Cyprus Ltd and RSM Norway AS is approx. USD 14 000 plus VAT (2021: USD 14 000 plus VAT). In addition, a fee for tax services provided of approx. USD 500 plus VAT is charged for 2022

#### **10. Events after the reporting period**

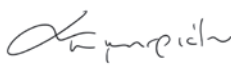
On 3 January 2023 Anders Hall Jomaas was appointed as the new CFO of ADS Maritime Holding Plc, replacing Dagfinn Andersen.

Limassol, 9 March 2023

#### **The Board of Directors**



**Bjørn Tore Larsen**  
Chairman



**Marios Demetriades**  
Deputy Chairman



**Sofi Mylona**



**Lia Papaïacovou**



**RSM Cyprus Ltd**

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## **Independent Auditor's Report**

### **To the Members of ADS Maritime Holding Plc**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the consolidated financial statements of parent company ADS Maritime Holding Plc (the "Company") and its subsidiaries (the "Group"), which are presented in pages 12 to 29 and comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We have also audited the Company's unconsolidated financial statements which are presented in pages 30 to 39 and comprise the unconsolidated statement of financial position as at 31 December 2022, and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and unconsolidated financial statements give a true and fair view of the consolidated and unconsolidated financial position of parent company ADS Maritime Holding Plc as at 31 December 2022, and of its consolidated and unconsolidated financial performance and its consolidated and unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

##### **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 Consolidated and unconsolidated Financial Statements" section of our report. We are independent of the Group in accordance with the "International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants" (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and unconsolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **THE POWER OF BEING UNDERSTOOD**

### **AUDIT | TAX | CONSULTING**

RSM Cyprus Limited is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

# **Independent Auditor's Report (continued)**

## **To the Members of ADS Maritime Holding Plc**

### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated and unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors for the Consolidated and Unconsolidated Financial Statements**

The Board of Directors is responsible for the preparation of consolidated and unconsolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated and unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and unconsolidated financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated and Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and unconsolidated 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and unconsolidated financial statements.

# Independent Auditor's Report (continued)

## To the Members of ADS Maritime Holding Plc

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

- Identify and assess the risks of material misstatement of the consolidated and unconsolidated financial statements, whether due to fraud or error, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and unconsolidated financial statements, including the disclosures, and whether the consolidated and unconsolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and unconsolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

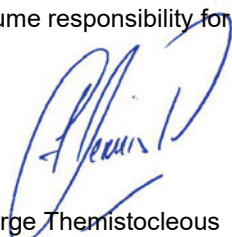
## Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Board of Directors' Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated and unconsolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Directors' Report.

## Other Matter

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



George Themistocleous  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**RSM Cyprus Limited**  
**Certified Public Accountants and Registered Auditors**  
Limassol, 09 March 2023





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