



ADS MARITIME HOLDING PLC

Q1 2023

First quarter
report

Contents

The investments	4
Financial results	5
Risk factors	5
Interim consolidated statement of comprehensive income	6
Interim consolidated statement of financial position	7
Interim consolidated statement of cash flows	8
Interim consolidated statement of changes in equity	9
Notes to the interim consolidated financial statements	10

ADS Maritime Holding Plc

ADS Maritime Holding Plc (“The Company” or “ADSMH”) is a shipping investment company established in 2018 and listed on the Euronext Growth Oslo Stock Exchange with the ticker symbol “ADS”. The Company focuses on making counter-cyclical investments within the maritime sector. A typical investment can be ownership of 10% - 25% of a shipping project, whereby the Company also earns fees through various roles such as Arrangement fees, Business Management fees and Commercial Management fees. Should the opportunity arise for a larger investment that is attractive and fits the strategy, the Company will seek to raise external debt and/or equity to fund such growth. Furthermore, ADSMH is also open to investing in other financial instruments within the maritime sector.

The investments

During the first quarter of 2023, the Company's investment portfolio has consisted of the following investments:

1. Profit and Loss Sharing Agreement ("PLSA") – subscribed for 20% interest in VLCC

In April 2022, ADSMH entered into a PLSA for a 20% interest in the VLCC "FPMC C Melody" (built 2011) which is trading in Navig8 VL8 pool. The VLCC PLSA was firm until May 2023 with an option period of 12 months until May 2024, which was declared in March 2023. If the pool earnings related to the vessel are higher than the charter rate guaranteed to the vessel owner, ADSMH receives its 20% share of the surplus. Similarly, ADSMH will be liable to pay the vessel owner its share of the shortfall below the guaranteed charter rate, should the pool earnings fall below this threshold. During Q1 2023, the market for VLCCs has been favorable, resulting in solid cash flow to ADSMH from this investment.

2. Profit and Loss Sharing Agreement ("PLSA") - subscribed for 20% interest in MR tanker

In May 2022, ADSMH entered into a PLSA for a 20% interest in the MR tanker "Ayoe" (built 2020) which is trading in Navig8 ECO MR pool. The MR tanker PLSA is firm for 36 months until June 2025. As for the VLCC PLSA, if the pool earnings related to the vessel are higher than the charter rate guaranteed to the vessel owner, ADSMH receives its 20% share of the surplus. Similarly, ADSMH will be liable to pay the vessel owner its share of the shortfall below the guaranteed charter rate, should the pool earnings fall below this threshold. During Q1 2023, the market for MR tankers has been favorable, resulting in solid cash flow to ADSMH from this investment.

3. AET Sea Shuttle AS ("AET") – investment in shuttle tankers

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 (of which two are built in 2015 and two in 2019) operating in the North Sea, mainly on long term charters to Equinor. During Q1 2023, the Company received a dividend of USD 150k from the AET investment.

4. United Overseas Products AS ("UOP") - investments in MR tankers

In October 2022, ADS acquired a 10% shareholding in UOP, which owns the MR tanker vessels "UOG Oslo" (built 2010) and "UOG Sparta" (built 2009). In addition to the ownership of the vessels, the Company is also acting as Disponent Owner for the project. So far, no dividends have been distributed to the shareholders of UOP.

5. ParDive Subsea AS ("ParDive") - investment in Dive Support Vessel

In March 2023, the Company acquired a 10% shareholding in ParDive Subsea AS, the owner of the Dive Support Vessel "Southern Star" (built 2017) and will act as Commercial Manager with primary responsibility for following up the shipowning company's activities related to the vessel and its employment.

6. Gram Car Carriers ("GCC") – share acquisition in listed shipowning car carrier

On 30 March 2023, the Company acquired 152,784 shares in Gram Car Carriers ASA (ticker "GCC" on Oslo Stock Exchange) at market terms of NOK 141.20 per share.



Financial results

Since the Company does not hold any controlling interest in the various shipowning companies it is invested in, the vessel's revenue and operational expenditures are not consolidated in the Profit and Loss statement. In general, the Company's investments will therefore be reflected in the Profit and Loss statement in the following way:

1. Revenue typically consists of dividends received and various management fees.
2. Both the direct shipping investments (AET, UOP and ParDive), the PLSA agreements for two vessels and the GCC shares are categorized as financial assets. Fair value assessments are made regularly for all investments, and any change in the fair value will be categorized in Net finance.

When comparing the financial results of Q1 2023 with the same quarter last year, please note that all investments in the current portfolio were made after Q1 2022 and that there was limited activity in the company during that period.

In Q1 2023, the Company reports revenue of USD 176k, which compares to nil in the same period last year. Main part of the revenue was dividend received and management fees. Total operating

expenses during the quarter were USD 320k, compared to USD 64k in Q1 2022. The increased revenue and costs reflect the increased activity in the company. Finance cost of USD 156k compares to USD 29k in Q1 2022 and is related to the financing of the AET investment.

Finance income of USD 436k mostly relates to the fair value assessment of the participation in the Navig8 pool PLSA agreements for two vessels, a VLCC and a MR tanker. Both the VLCC and MR tanker markets have been strong during the quarter, resulting in positive adjustments to the valuation and strong cash flows.

Profit before tax was USD 136k in Q1 2023, compared to a loss of USD 93k in the same period last year.

The Company holds total assets of USD 27.875 mill, of which USD 5.977 mill is cash and cash equivalents. Total equity is USD 16.448 mill or 59% of total assets.

Total cash and cash equivalents reduced by USD 5.989 mill to USD 5.977 mill during the quarter. Total investments made were USD 6.484 mill, meaning that the underlying cash flow was positive with USD 495k.

Risk factors

The Company is exposed to several segments within the shipping industry, all of which are exposed to various types of risks. For further details on the risk factors the company is exposed to, please see note 3 of the 2022 Annual Report.

Interim consolidated statement of comprehensive income

(In thousands of USD)	Note	3 months		12 months
		Q1 2023	Q1 2022	2022
Revenue				
Other income		176	-	150
Total revenue		176	-	150
Operating expenses				
Personnel cost		(231)	(2)	(343)
General & administrative costs		(75)	(63)	(480)
Depreciation		(14)		(29)
Total operating expenses		(320)	(64)	(852)
Operating profit		(144)	(64)	(703)
Finance cost		(156)	(29)	(316)
Finance income		436		2 975
Profit before tax		136	(93)	1 957
Income tax			-	-
Profit after tax and total comprehensive income		136	(93)	1 957
(In USD)				
Earnings per share attributable to equity holders				
- Basic and diluted		0,002	0,00	0,03



Interim consolidated statement of financial position

(In thousands of USD)	Note	Q1 2023	At end of Q1 2022	2022
Assets				
Non-current assets				
Right of use assets		342	-	376
Financial assets at fair value through profit and loss		19 392	-	13 317
Other non-currents assets		545	-	545
Total non-current assets		20 279	-	14 237
Current assets				
Financial assets at fair value through profit and loss-current		586		630
Other current assets		1 033	45	1 135
Cash and cash equivalents		5 977	4 599	11 966
Total current assets		7 596	4 664	13 731
Total assets		27 875	4 664	27 968
Equity and liabilities				
Equity				
Issued share capital		14 202	4 678	14 202
Share premium		207	207	207
Other issued share capital		410	-	410
Retained earnings		1 630	(324)	1 696
Total equity		16 448	4 561	16 514
Non-current liabilities				
Lease liability		299	-	329
Long term loan		10 701	-	10 561
Total non-current liabilities		11 000	-	10 890
Current liabilities				
Lease liability		45	-	47
Other current liabilities		273	94	339
Trade payables		109	9	179
Total current liabilities		427	103	565
Total liabilities		11 427	103	11 454
Total equity and liabilities		27 875	4 664	27 968

Interim consolidated statement of cash flows

(In thousands of USD)	3 months		
	Q1 2023	Q1 2022	2022
Cash flow from operating activities			
Profit for the period	136	(93)	1 957
Adjustment for non-operating cash flow items			
Depreciation	14	-	29
Impairment	-	-	-
Dividend income	(150)	-	-
Fair value adjustment	(251)	-	(1 386)
Interest expense	146	29	288
Interest income	(37)	-	(155)
Operating cash flow before working capital items	(142)	(64)	734
Working capital movements	(429)	(26)	(1 180)
Total operating cashflow	(571)	(90)	(446)
Cash flow from investing activities			
Investment in subsidiaries	-	-	-
Investment in financial assets at fair value	(6 484)	-	(12 560)
Change in intercompany receivables	-	-	-
Dividend and capital received	998	-	-
Total cash flows used in investing activities	(5 486)	-	(12 560)
Cash flow from financing activities			
Proceeds from share issue	-	-	9 935
Proceeds from loan	-	-	10 281
Lease payment	(14)	-	(35)
Interest paid	-	(2)	(2)
Interest received	37	-	155
Decrease/(increase) in restricted cash	-	-	-
Dividends and capital paid	-	-	-
Total cash flow from financing activities	23	(2)	20 334
Effect of foreign currency revaluation on cash	45	(1)	(56)
Net increase in cash and cash equivalents	(5 989)	(94)	7 273
Cash and cash equivalents at beginning of period	11 966	4 693	4 693
Cash and cash equivalents at end of period	5 977	4 599	11 966



Interim consolidated statement of changes in equity

(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
Balance at 1 January 2022	23 390 300	4 678	207		(256)	4 629
Issue of share capital 7/7/2022	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)
Balance at 31 December 2022	71 009 348	14 202	207	410	1 696	16 514

(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
Balance at 1 January 2023	71 009 348	14 202	207	410	1 696	16 514
Total comprehensive income for the period	-	-	-		136	136
Currency translation and other effects	-	-	-		(202)	(202)
Balance at 31 March 2023	71 009 348	14 202	207	410	1 629	16 448

At 31 March 2023 the Company had issued 71 009 348 shares with par value USD 0.20 per share, totaling USD 14,2 million.



Notes to the interim consolidated financial statements

1. General information

These interim unaudited 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 26 May 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 Norwegian subsidiaries based in Arendal, Norway. The principal activities of the Company are shipping investments.

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 2022 unless otherwise stated below. Please refer to Note 2 Significant accounting policies in the 2022 Annual Report for information on the Company’s accounting policies.



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