



ADS MARITIME HOLDING PLC

# Q2 & H1 2023

Q2 AND FIRST  
HALF YEAR REPORT

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# 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 may also earn 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 half year 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 and Q2 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 and Q2 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 and USD 675k in Q2 2023 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. Until end of Q2 2023, 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. The Company has during Q2 2023 received USD 175K repayment of invested capital.

## **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. All share in "GCC" has during Q2 2023 been sold with profit.

## **7. Golden Ocean Group "GOGL" – share acquisition in listed shipowning dry bulk carrier**

On 6 June 2023, the Company acquired 130.000 shares in Golden Ocean Group (ticker "GOGL" on Oslo Stock Exchange) at market terms of NOK 84,222 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 and GOGL 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 Q2 2023 and H1 2023 with the same period last year, please note that all investments in the current portfolio were made after Q2 2022 and that there was limited activity in the company during that period.

In Q2 2023, the Company reports revenue of USD 797k and H1 2023 USD 973k, 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 Q2 2023 were USD 278k and H1 2023 USD 598k, compared to USD 66k in Q2 2022 and 1H 2022 USD 130k. The increased revenue and costs reflect the increased activity in the company.

Finance cost of USD 139k in Q2 2023 and H1 2023 USD 295k compares to USD 10k in Q2 2022 and H1 2022 USD 39k is related to the financing of the AET investment.

Finance income of USD 630k in Q2 2023 and USD 1 084K in 1H 2023 is mostly related to the fair value assessment of the PLSA agreements for a VLCC ,MR tanker and other financial assets. Both the VLCC and MR tanker markets have been strong during the H1 2023, resulting in positive adjustments to the valuation and strong cash flows.

Profit before tax was USD 1 010k in Q2 2023 and USD 1 165k in H1 2023, compared to a loss of USD 57k in Q2 2022 and a loss USD 150k in H1 2022.

The Company holds total assets of USD 28.922 mill, of which USD 8.279 mill is cash and cash equivalents. Total equity is USD 17.388 mill or 60.1% of total assets.

Total cash and cash equivalents reduced by USD 3.687 mill to USD 8.279 mill during 1H 2023. Total investments made were USD 5.400 mill, meaning that the underlying cash flow from operations and existing investments was positive with USD 1,2mill.

## 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	Q2 2023	Q2 2022	H1 2023	Q1 2022	2022
<b>Revenue</b>						
Other income		797	-	973	-	150
<b>Total revenue</b>		<b>-</b>	<b>-</b>	<b>973</b>	<b>-</b>	<b>150</b>
<b>Operating expenses</b>						
Personnel cost		(175)	2	(406)	-	(343)
General & administrative costs		(91)	(68)	(166)	(130)	(480)
Depreciation		(12)	-	(26)	-	(29)
<b>Total operating expenses</b>		<b>(278)</b>	<b>(66)</b>	<b>(598)</b>	<b>(130)</b>	<b>(852)</b>
<b>Operating profit</b>		<b>519</b>	<b>(66)</b>	<b>(375)</b>	<b>(130)</b>	<b>(703)</b>
Finance cost		(139)	(10)	(295)	(39)	(316)
Finance income		630	19	1 084	19	2 975
<b>Profit before tax</b>		<b>1 010</b>	<b>(57)</b>	<b>1 165</b>	<b>(150)</b>	<b>1 957</b>
Income tax		(21)	-	(21)	-	-
<b>Profit after tax and total comprehensive income</b>		<b>989</b>	<b>(57)</b>	<b>1 144</b>	<b>(150)</b>	<b>1 957</b>
(In USD)						
<b>Earnings per share attributable to equity holders</b>						
- Basic and diluted		0,01	(0,01)	0,02	(0,01)	0,03



# Interim consolidated statement of financial position

(In thousands of USD)	Note	Q2 2023	Q2 2022	2022
<b>Non-current assets</b>				
Right of use assets		318	-	376
Financial assets at fair value through profit and loss		17 940	11 429	13 317
Other non-currents assets		545	1 011	545
<b>Total non-current assets</b>		<b>18 803</b>	<b>12 440</b>	<b>14 237</b>
<b>Current assets</b>				
Financial assets at fair value through profit and loss-current		336	-	630
<b>Other current assets</b>		<b>1 506</b>	<b>68</b>	<b>1 135</b>
Cash and cash equivalents		8 279	3 612	11 966
<b>Total current assets</b>		<b>10 120</b>	<b>3 680</b>	<b>13 371</b>
<b>Total assets</b>		<b>28 922</b>	<b>16 120</b>	<b>27 968</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Issued share capital		14 202	4 678	14 202
Share premium		207	207	207
Other issued share capital		410		410
Retained earnings		2 569	(406)	1 696
<b>Total equity</b>		<b>17 388</b>	<b>4 479</b>	<b>16 514</b>
<b>Non-current liabilities</b>				
Lease liability		278		329
Long term-loan		10 840	11 400	10 561
<b>Total non-current liabilities</b>		<b>11 118</b>	<b>11 400</b>	<b>10 890</b>
<b>Current liabilities</b>				
Lease liability		45	-	47
Other current liabilities		260	120	339
Trade payables		112	120	179
<b>Total current liabilities</b>		<b>416</b>	<b>240</b>	<b>565</b>
<b>Total liabilities</b>		<b>11 534</b>	<b>11 640</b>	<b>11 454</b>
<b>Total equity and liabilities</b>		<b>28 922</b>	<b>16 120</b>	<b>27 968</b>



# Interim consolidated statement of cash flows

(In thousands of USD)	H1 2023	H1 2022	2022
<b>Cash flow from operating activities</b>			
Profit for the period	1 144	(150)	1 957
<b>Adjustment for non-operating cash flow items</b>			
Depreciation	26	-	29
Fair value adjustment	817	-	(1 386)
Unrealized foreign currency gain(-)/loss(+)	(91)		
Dividend received	(858)		
Interest expense	385	1	288
Interest income	(313)	-	(155)
<b>Operating cash flow before working capital items</b>	<b>1 100</b>	<b>(149)</b>	<b>734</b>
Working capital movements	222	108	(1 180)
<b>Total operating cashflow</b>	<b>1 322</b>	<b>(41)</b>	<b>(446)</b>
<b>Cash flow from investing activities</b>			
Investment in subsidiaries	-	-	-
Investment in financial assets at fair value	(5 400)	-	(12 560)
Change in intercompany receivables	-	-	-
Dividend and capital received	183	-	-
<b>Total cash flows used in investing activities</b>	<b>5 217</b>	<b>-</b>	<b>(12 560)</b>
<b>Cash flow from financing activities</b>			
Proceeds from share issue	-	(12 436)	9 935
Proceeds from loan	-	11 400	10 281
Lease payment	-	-	(35)
Interest paid	-	(4)	(2)
Interest received	218	-	155
Total cash flow from financing activities	218	(1 040)	20 334
<b>Effect from foreign currency revaluation on cash</b>	<b>(21)</b>		<b>(56)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(3 688)</b>	<b>(1 080)</b>	<b>7 273</b>
Cash and cash equivalents at beginning of period	11 966	4 693	4 693
<b>Cash and cash equivalents at end of period</b>	<b>8 278</b>	<b>3 612</b>	<b>11 966</b>





# 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
<b>Balance at 1 January 2023</b>	<b>71 009 348</b>	<b>14 202</b>	<b>207</b>	<b>410</b>	<b>1 695</b>	<b>16 514</b>
Total comprehensive income for the period	-	-	-	-	1 144	1 144
Currency translation and other effects	-	-	-	-	(270)	(270)
<b>Balance at 30 June 2023</b>	<b>71 009 348</b>	<b>14 202</b>	<b>207</b>	<b>410</b>	<b>2 569</b>	<b>17 388</b>

At 30 June 2023 the Company had issued 71.009.348 shares with par value USD 0.20 per share, totaling USD 14.202 million.



# Notes to the interim consolidated financial statements

## 1. General information

These interim consolidated financial statements of ADS Maritime Holding Plc (“ADS Maritime Holding” or the “Company”) were authorized for issue in accordance with a resolution of the Board of Directors passed on 30 August 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.

### 2.2 Going concern

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

The Company currently holds investments as described in page 4 in this report. At the end of Q2 2023 the Company had approximately USD 8,3 million cash at bank. The Company expects to be reliant on new financing should it consider larger investments in the future.



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