



ADS MARITIME HOLDING PLC

THIRD QUARTER 2023
REPORT

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 nine months 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 the first three quarters 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 “Ayoë” (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 the first three quarters 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 during Q2 a dividend of USD 675k 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. The Company has during Q3 2023 received USD 100K repayment of invested capital.



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 acts 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 and during Q3 USD 185k 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 shares in “GCC” have 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. The Company has received dividend of USD 13k during Q3 from the investment.

Financial results

Since the Company does not hold any controlling interest in the various shipowning companies it is invested in, the vessels` 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 Q3 2023 and year to date Q3 2023 with the same period last year, please note that investments in the current portfolio were either made after Q3 2022 or were at a very early stage and that there was limited activity in the Company during that period.

In Q3 2023, the Company reports revenue of USD 53k (2022: USD 4k) and year to date Q3 2023 USD 1 026k (2022: USD 4k). Main part of the revenue was dividend received and management fees. Total operating expenses during Q3 2023 were USD 249k (2022: USD 311k) and year to date 2023 USD 847k (2022: USD 441k). The increased revenue and costs reflect the increased activity in the Company.

Finance cost of USD 608k in Q3 2023 (2022: USD 157k) and year to date 2023 USD 903k (2022: USD 196k).

Finance income of USD 1 237k in Q3 2023 (2022: USD 1 835k) and year to date 2023 USD 2 321k (2022: USD 1 854k). This is mostly related to the fair value assessment of the PLSA agreements and other financial assets. Both the VLCC and MR tanker markets have been strong during the first nine months in 2023, resulting in positive adjustments to the valuations and strong cash flows.

Profit before tax was USD 433k in Q3 2023 (2022: USD 1 371k) and year to date 2023 USD 1 597k (2022: USD 1 221k)

The Company holds total assets of USD 29 506k, of which USD 9 396k is cash and cash equivalents. Total equity is USD 17 803k or 60,3% of total assets.

Total cash and cash equivalents reduced by USD 2 570k to USD 9 396k during first nine months 2023.

Total net investments including sale and purchase of shares were USD 5 135k, meaning that the underlying cash flow from operations and existing investments was positive with USD 2 565k.

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

<i>(In thousands of USD)</i>	<i>Note</i>	2023 01.07-30.09	2022 01.07-30.09	2023 01.01-30.09	2022 01.01-30.09	2022 01.01-31.12
Revenue						
Other income		53	4	1 026	4	150
Total revenue		53	4	1 026	4	150
Operating expenses						
Personnel cost		(131)	(121)	(537))	(121)	(343)
General & administrative costs		(104)	(177)	(270)	(307)	(480)
Depreciation		(14)	(14)	(40)	(14)	(29)
Total operating expenses		(249)	(311)	(847)	(441)	(852)
Operating profit		(196)	(307)	179	(437)	(703)
Finance cost		(608)	(157)	(903)	(196)	(316)
Finance income		1 237	1 835	2 321	1 854	2 975
Profit before tax		433	1 371	1 597	1 221	1 957
Income tax		(10)	(16)	(31)	(16)	-
Profit after tax and total comprehensive income		423	1 355	1 566	1 205	1 957
<i>(In USD)</i>						
Earnings per share attributable to equity holders						
- Basic and diluted		0,01	0,02	0,02	(0,02)	0,03

Interim consolidated statement of financial position

<i>(In thousands of USD)</i>	<i>Note</i>	2023 30.09	2022 30.09	2022 31.12
Assets				
Non-current assets				
			8	
Right of use assets		308	354	376
Financial assets at fair value through profit and loss		18 144	10 332	13 317
Other non-currents assets		545	545	545
Total non-current assets		18 997	11 240	14 237
Current assets				
Financial assets at fair value through profit and loss-current		143	738	630
Other current assets		970	698	1 135
Cash and cash equivalents		9 396	13 639	11 966
Total current assets		10 509	15 075	13 371
Total assets		29 506	26 315	27 968
Equity and liabilities				
Equity				
Issued share capital		14 202	14 202	14 202
Share premium		207	207	207
Other issued share capital		410	410	410
Retained earnings		2 985	303	1 696
Total equity		17 803	15 122	16 514
Non-current liabilities				
Lease liability		281	310	329
Long term-loan		10 980	10 621	10 561
Total non-current liabilities		11 261	10 931	10 890
Current liabilities				
Lease liability		34	47	47
Other current liabilities		312	247	339
Trade payables		96	(31)	179
Total current liabilities		442	263	565
Total liabilities		11 703	11 194	11 454
Total equity and liabilities		29 506	26 351	27 968

Interim consolidated statement of cash flows

<i>(In thousands of USD)</i>	2023 01.01-30.09	Q3 2022 01.01-30.09	2022 01.01-31.12
Cash flow from operating activities			
Profit for the period	1 566	1 205	1 957
Adjustment for non-operating cash flow items			
Depreciation	40	14	29
Fair value adjustment	251	(1 268)	(1 386)
Unrealized foreign currency gain(-)/loss(+)	-		
Dividend received	(871)		
Interest expense	616	148	288
Interest income	(504)	(3)	(155)
Operating cash flow before working capital items	1 097	95	734
Working capital movements	55	(1 237)	(1 180)
Total operating cashflow	1 152	(1 142)	(446)
Cash flow from investing activities			
Investment in subsidiaries	-		-
Investment in financial assets at fair value	(5 123)	(11 240)	(12 560)
Change in intercompany receivables	-	-	-
Dividend and capital received	1 331	-	-
Total cash flows used in investing activities	(3 792)	(11 240)	(12 560)
Cash flow from financing activities			
Proceeds from share issue	-	9 990	9 935
Proceeds from loan	-	10 931	10 281
Lease payment	-	-	(35)
Interest paid	-	(2)	(2)
Interest received	205	3	155
Dividend and capital repaid		150	
Total cash flow from financing activities	205	21 072	20 334
Effect from foreign currency revaluation on cash	(136)	256	(56)
Net increase in cash and cash equivalents	(2 571)	8 946	7 273
Cash and cash equivalents at beginning of period	11 966	4 693	4 693
Cash and cash equivalents at end of period	9 395	13 639	11 966

Interim consolidated statement of changes in equity

<i>(In thousands of USD apart from number of shares)</i>	Number of shares	Issued share capital	Share premium	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 at NOK 2,10 per share	47 619 048	9 524		410		9 934
Total comprehensive income for the period	-	-	-	-	1 205	1 205
Currency translation and other effects	-	-	-	-	(646)	(646)
Balance at 30 September 2022	71 009 348	14 202	207	410	303	15 122

<i>(In thousands of USD apart from number of shares)</i>	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	1 695	16 514
Total comprehensive income for the period	-	-	-	-	1 566	1 566
Currency translation and other effects	-	-	-	-	(278)	(278)
Balance at 30 September 2023	71 009 348	14 202	207	410	2 984	17 803

At 30 September 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 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 16 November 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 Q3 2023 the Company had approximately USD 9 396k cash at bank. The Company expects to be reliant on new financing should it consider larger investments in the future.



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