



ADS MARITIME HOLDING PLC

THIRD QUARTER 2024
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 three quarters of 2024, 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. Further it was in April 2023 agreed to extend the contract for a further 2 months ending August 5th, 2024. 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 first half year 2024, the market for VLCCs has been favorable, resulting in solid cash flow to ADSMH from this investment. After the contract ended in August 2024, we have received USD 337,6 payback which was paid in working capital when we entered into the contact.

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 first half year 2024, the market for MR tankers has been favorable, resulting in solid cash flow to ADSMH from this investment. During Q3 the MR market has weakened, however the cashflow has been marginally positive.

3. AET Sea Shuttle (“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. The purchase of the shares in 2022 was financed by an interest free sellers’ credit with no interest and instalments for the first 2 years. The loan has been refinanced in June 2024 with a USD 6 mill downpayment with the remaining amount to continue with no instalments for the next 2 years, interest on the loan will be SOFR + 4% margin payable quarterly. Year to date Q3 2024, the Company has not received dividend 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. UOP decided to sell UOG Sparta and MOA (Memorandum of Agreement) was signed in Q1 2024. The vessel has been successfully delivered to the new owner in May 2024. A repayment of capital to the shareholders has been decided and ADS received USD 1 400k repayment of capital in July 2024.

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 Q3 2024 received USD 188K and year to date Q3 2024 USD 555k repayment of invested capital.

6. 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. 45.000 shares were sold during Q1 2024 with profit. The company received USD 26k in dividend during Q1 2024 and USD 26k during Q2 2024. Remaining 85.000 shares has been sold in Q3 2024 2024 with profit.

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 and GOGL shares (sold Q3 2024) 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.

In Q3 2024, the Company reports revenue of USD 30k and year to date Q3 2024 USD 185k, which compares to USD 53K in Q3 2023 and USD 1 026k year to date Q3 2023. The main change in revenue is due to less dividend received in 2024 compared to 2023. Total operating expenses during Q3 2024 were USD 267k and year to date Q3 2024 USD 772k, which compares to USD 249k in Q3 2023 and year to date Q3 2023 USD 847k. The main change in operating expenses year to date Q3 2024 compared to year to date Q3 2023 is less personnel cost due to reduction in headcount and increased fees.

Finance cost of USD 275k in Q3 2024 and year to date Q3 2024 USD 677k which compares to USD 608k in Q3 2023 and year to date 2023 USD 903k is related to currency effects and increase interest related to the AET investment loan refinancing.

Finance income of USD 792k in Q3 2024 and USD 2 372K year to date Q3 2024 is mostly related to the fair value assessment of the financial assets as well as interest income earned from cash deposits.

Profit before tax was USD 280k in Q3 2024 and USD 1 108k year to date 2024, which compares to a profit of USD 433k in Q3 2023 and USD 1 597k year to date Q3 2023.

The Company holds total assets of USD 27,383 mill of which USD 8,424 mill is cash and cash equivalents. Total equity is USD 21,291 mill or 77,8% of total assets.

Total cash and cash equivalents reduced by USD 1,499 mill to USD 8,424 mill year to date Q3 2024. No new investments were made in 2024. Net cashflow adjusted for MUS\$ 6 downpayment on the AET financing and sale of GOGL shares was USD 2,873 mill. from operating related activities.

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 2023 Annual Report.

Interim consolidated statement of comprehensive income

<i>(In thousands of USD)</i>	<i>Note</i>	2024 01.07-30.09	2023 01.07-30.09	2024 01.01-30.09	2023 01.01-30.09	2023 01.01-31.12
Revenue						
Other income		30	53	185	1 026	1 358
Total revenue		30	53	185	1 026	1 358
Operating expenses						
Personnel cost		(154)	(131)	(394)	(537)	(707)
General & administrative costs		(99)	(104)	(335)	(270)	(500)
Depreciation		(14)	(14)	(43)	(40)	(55)
Total operating expenses		(267)	(249)	(772)	(847)	(1 262)
Operating profit		-237	(196)	(587)	179	96
Finance cost		(275)	(608)	(677)	(903)	(614)
Finance income		792	1 237	2 372	2 321	4 217
Profit before tax		280	433	1 108	1 597	3 700
Income tax		(3)	(10)	(33)	(31)	-
Profit after tax and total comprehensive income		277	423	1 075	1 566	3 700
<i>(In USD)</i>						
Earnings per share attributable to equity holders						
- Basic and diluted		0,00	0,01	0,02	0,02	0,05

Interim consolidated statement of financial position

<i>(In thousands of USD)</i>	<i>Note</i>	Q3 2024 30.09	At end of Q3 2023 30.09	2023 31.12
Assets				
Non-current assets				
Right of use assets		283	308	329
Financial assets at fair value through profit and loss		17 315	18 144	18 562
Other non-currents assets		549	545	549
Total non-current assets		18 147	18 997	19 441
Current assets				
Financial assets at fair value through profit and loss-current		-	143	1 679
Other current assets		812	970	958
Cash and cash equivalents		8 424	9 396	9 923
Total current assets		9 236	10 509	12 559
Total assets		27 383	29 506	32 001
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		6 473	2 985	5 280
Total equity		21 291	17 803	20 098
Non-current liabilities				
Lease liability		240	281	288
Long term-loan		5 400	10 980	11 120
Total non-current liabilities		5 640	11 261	11 409
Current liabilities				
Lease liability		51	34	51
Other current liabilities		177	312	339
Trade payables		224	96	104
Total current liabilities		452	442	493
Total liabilities		6 092	11 703	11 902
Total equity and liabilities		27 383	29 506	32 001

Interim consolidated statement of cash flows

<i>(In thousands of USD)</i>	2024 01.01-30.09	2023 01.01-30.09	2023 01.01-31.12
Cash flow from operating activities			
Profit for the period	1 075	1 566	3 700
Adjustment for non-operating cash flow items			
Depreciation	43	40	55
Fair value adjustment	(1 912)	251	(3 582)
Unrealized foreign currency gain(-)/loss(+)	(221)	-	-
Dividend received	(51)	(871)	(1 160)
Interest expense	456	616	581
Interest income	(385)	(504)	(467)
Operating cash flow before working capital items	(996)	1 097	(874)
Working capital movements	104	55	98
Total operating cashflow	(892)	1 152	(776)
Cash flow from investing activities			
Investment in subsidiaries	-	-	-
Investment in financial assets at fair value	-	(5 123)	(7 520)
Sale of investments in financial assets at fair value	1 628	-	2 358
Repayment on financial assets at fair value	555	-	2 449
Dividend and capital received	2 940	1 331	1 160
Total cash flows used in investing activities	5 123	(3 792)	(1 553)
Cash flow from financing activities			
Proceeds from share issue	-	-	-
Proceeds from loan	(6 000)	-	-
Lease payment	(51)	-	(67)
Interest paid	-	-	-
Interest received	187	205	467
Total cash flow from financing activities	(5 864)	205	400
Effect from foreign currency revaluation on cash	134	(136)	(115)
Net increase in cash and cash equivalents	(1 499)	(2 571)	(2 044)
Cash and cash equivalents at beginning of period	9 923	11 966	11 966
Cash and cash equivalents at end of period	8 424	9 395	9 923

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 2023	71 009 348	14 202	207	410	1 695	16 514
Total comprehensive income for the period	-	-	-	-	3 700	3 700
Currency translation and other effects	-	-	-	-	(116)	(116)
Balance at 31 December 2023	71 009 348	14 202	207	410	5 280	20 098
Total comprehensive income for the period					1 075	1 075
Currency translation and other effects					118	118
Balance at 30 June 2024	71 009 348	14 202	207	410	6 473	21 291

At 30 September 2024 the nominal value of the Company's authorized share capital is USD 1,000 million, consisting of 5,000,000,000 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 interim consolidated financial statements

1. General information

These interim consolidated financial statements of ADS Maritime Holding Plc (“The Company” or the “ADSMH”) were authorized for issue in accordance with a resolution of the Board of Directors passed on 26 August 2024.

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 2023 unless otherwise stated below. Please refer to Note 2 *Significant accounting policies* in the 2023 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 2024 the Company had approximately USD 5,8 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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