

## Ardmore Shipping Corporation Announces Financial Results For The Three Months Ended March 31, 2023

HAMILTON, Bermuda, May 9, 2023 /PRNewswire/ -- Ardmore Shipping Corporation (NYSE: ASC) ("Ardmore", the "Company" or "we") today announced results for the three months ended March 31, 2023.

### Highlights and Recent Activity

- Reported net income of \$43.3 million for the three months ended March 31, 2023, or \$1.06 earnings per basic share and \$1.04 earnings per diluted share, compared to a net loss of \$7.9 million, or \$0.23 loss per basic and diluted share, for the three months ended March 31, 2022. Adjusted for certain costs (see Adjusted earnings / (loss) in the Non-GAAP Measures section), we reported Adjusted earnings of \$43.3 million, or \$1.06 Adjusted earnings per basic share and \$1.04 Adjusted earnings per diluted share, for the three months ended March 31, 2023, compared to an Adjusted loss of \$0.9 million, or \$0.03 Adjusted loss per basic and diluted share, for the three months ended March 31, 2022.
- MR Eco-Design tankers earned an average spot TCE rate of \$37,506 per day for the three months ended March 31, 2023. Chemical tankers earned an average TCE rate of \$27,984 per day for the three months ended March 31, 2023. Based on approximately 50% total revenue days currently fixed for the second quarter of 2023, the average spot TCE rate is approximately \$34,000 per day for MR Eco-Design tankers; based on approximately 50% of revenue days fixed for the second quarter of 2023, the average TCE rate for chemical tankers is approximately \$33,600 per day.
- Consistent with the Company's capital allocation policy, the Board of Directors declared a cash dividend on May 9, 2023, of \$0.35 per common share for the quarter ended March 31, 2023, based on Ardmore's current policy of paying out dividends on its shares of common stock equal to a third of Adjusted Earnings. The dividend will be paid on June 15, 2023, to all shareholders of record on May 31, 2023.
- On March 3, 2023, the Company announced that its Board of Directors has formed a Sustainability Committee to oversee and advise on matters related to corporate sustainability, including environmental, social and energy transition matters. The Sustainability Committee is chaired by Dr. Kirsi Tikka, and also includes Mats Berglund and Helen Tveitan de Jong.

Anthony Gurnee, the Company's Chief Executive Officer, commented:

*"The very positive trends that drove product tanker strength in late 2022 have been sustained, with the charter market remaining very firm throughout the first quarter and up to the present. The combination of supportive underlying fundamentals and the substantial increase in tonne-mile demand resulting from the re-ordering of refined product trade flows has created pronounced market tightness and volatility that Ardmore continues to benefit from.*

*With our robust balance sheet, low breakeven levels, and high operating leverage to this strong charter market, we are generating a materially heightened level of free cash flow, enabling us to simultaneously pursue all of our capital allocation priorities: continued investment in performance-enhancing technology across our fleet; ongoing debt reduction; maintaining our capacity for well-timed, accretive growth; and the payment of an attractive quarterly dividend with an annualized yield of approximately 10%.*

*Additionally, in keeping with our long-term focus on progress and performance, our Board of Directors has recently formed a Sustainability Committee to oversee and advise on environmental, social, and energy transition matters, thus ensuring that the Company benefits from our Board's expertise in this critical area with regard to our long-term strategy."*

### Summary of Recent and First Quarter 2023 Events

#### Fleet

##### ***Fleet Operations and Employment***

As of March 31, 2023, the Company had 26 vessels in operation (including four chartered-in vessels), including 20 MR tankers ranging from 45,000 deadweight tonnes (Dwt) to 49,999 Dwt (15 Eco-Design and five Eco-Mod) and six Eco-Design IMO 2 product/chemical tankers ranging from 25,000 Dwt to 37,800 Dwt. The Company also commercially manages one of Carl Büttner's 24,000 Dwt chemical tankers.

##### ***MR Tankers (45,000 Dwt – 49,999 Dwt)***

At the end of the first quarter of 2023, the Company had 20 MR tankers in operation, all of which were trading in the spot market. The MR tankers earned an average TCE rate of \$35,685 per day in the first quarter of 2023. In the first quarter of 2023, the Company's 15 MR Eco-Design tankers earned an average TCE rate of \$37,506 and the Company's six MR Eco-Mod tankers earned an average TCE rate of \$30,932 per day.

In the second quarter of 2023, the Company expects to have all revenue days for its MR tankers employed in the spot market. As of May 9, 2023, the Company had fixed approximately 50% of its total MR revenue days for the second quarter of 2023 at an average TCE rate of approximately \$32,700 per day which includes MR Eco-Design tankers at \$34,000 per day and MR Eco-Mod tankers at \$30,000 per day.

##### ***Product / Chemical Tankers (IMO 2: 25,000 Dwt – 37,800 Dwt)***

At the end of the first quarter of 2023, the Company had six Eco-Design IMO 2 product / chemical tankers in operation, all of which were trading in the spot market. During the first quarter of 2023, the Company's six Eco-Design product / chemical vessels earned an average TCE rate of \$27,984 per day.

In the second quarter of 2023, the Company expects to have all revenue days for its Eco-Design IMO 2 product / chemical tankers employed in the spot market. As of May 9, 2023, the Company had fixed approximately 50% of its Eco-Design IMO 2 product / chemical tankers revenue days for the second quarter of 2023 at an average TCE rate of approximately \$33,600 per day.

### **Drydocking**

The Company had eight drydock days in the first quarter of 2023. The Company expects to have eight drydock days in the second quarter of 2023.

### **Dividend**

Consistent with the Company's capital allocation policy, the Board of Directors declared a cash dividend on May 9, 2023, of \$0.35 per common share for the quarter ended March 31, 2023, based on the Company's current policy of paying out dividends on its shares of common stock equal to one-third of Adjusted Earnings, as calculated for dividends (see Adjusted Earnings (for purposes of dividend calculations) in the Non-GAAP Measures section). The dividend will be paid on June 15, 2023, to all shareholders of record on May 31, 2023.

### **Formation of Sustainability Committee**

On March 3, 2023, the Company announced that its Board of Directors has formed a Sustainability Committee to oversee and advise on matters related to corporate sustainability, including environmental, social and energy transition matters. The Sustainability Committee is chaired by Dr. Kirsi Tikka, and also includes Mats Berglund and Helen Tveitan de Jong.

The formation of the Sustainability Committee is aimed at ensuring that the Company's business strategies and activities prioritize critical ESG matters that are expected to have significant, long-term impacts on the Company's performance and on the product and chemical tanker industry as a whole.

### **COVID-19 and Conflict in Ukraine**

Please see "Item 3. Key Information--Risk Factors" in the Company's Annual Report on Form 20-F for information about risks to the Company relating to the Covid-19 pandemic and the conflict in Ukraine. The extent to which the pandemic may impact Ardmore's results of operations and financial condition, including possible impairments, depends on future developments, which are uncertain and cannot be predicted. The conflict in Ukraine has disrupted energy supply chains, caused instability and significant volatility in the global economy and resulted in economic sanctions by several nations. The ongoing conflict has contributed significantly to related increases in spot tanker rates.

### **Results for the Three Months Ended March 31, 2023 and 2022**

The Company reported net income of \$43.3 million for the three months ended March 31, 2023, or \$1.06 earnings per basic share and \$1.04 earnings per diluted share, as compared to a net loss of \$7.9 million, or \$0.23 loss per basic and diluted share for the three months ended March 31, 2022.

### **Management's Discussion and Analysis of Financial Results for the Three Months Ended March 31, 2023 and 2022**

**Revenue.** Revenue for the three months ended March 31, 2023 was \$118.2 million, an increase of \$54.8 million from \$63.4 million for the three months ended March 31, 2022.

The Company's average number of operating vessels was 26.7 for the three months ended March 31, 2023, generally consistent with 27.0 for the three months ended March 31, 2022.

The Company had 2,386 spot revenue days for the three months ended March 31, 2023, as compared to 2,126 for the three months ended March 31, 2022. The Company had 26 vessels employed directly in the spot market as of March 31, 2023 and 2022. The increase in spot revenue days resulted in an increase in revenue of \$7.3 million, while changes in spot rates resulted in an increase in revenue of \$51.6 million for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022.

The Company had no product tankers employed under time charter as of March 31, 2023, as compared to four as of March 31, 2022. There were no revenue days derived from time charters for the three months ended March 31, 2023, as compared to 262 for the three months ended March 31, 2022. The decrease in revenue days for time-chartered vessels resulted in a decrease in revenue of \$4.1 million.

**Voyage Expenses.** Voyage expenses were \$36.6 million for the three months ended March 31, 2023, an increase of \$9.5 million from \$27.1 million for the three months ended March 31, 2022. An increase in bunker prices resulted in an increase of \$5.9 million and an increase in spot revenue days resulted in an increase in bunker consumption, port and agency expenses plus commission costs of \$3.6 million for the three months ended March 31, 2023 compared with the three months ended March 31, 2022.

**TCE Rate.** The average TCE rate for the Company's fleet was \$33,958 per day for the three months ended March 31, 2023, an increase of \$18,803 per day from \$15,155 per day for the three months ended March 31, 2022. The increase in average TCE rate was primarily the result of higher spot rates for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022, which was partially offset by an increase in bunker prices. TCE rates represent net revenues (a non-GAAP measure representing revenue less voyage expenses) divided by revenue days. Net revenue utilized to calculate TCE is determined on a discharge-to-discharge basis, which is different from how we record revenue under U.S. GAAP.

**Vessel Operating Expenses.** Vessel operating expenses were \$14.9 million for the three months ended March 31, 2023, a decrease of \$1.7 million from \$16.6 million for the three months ended March 31, 2022. This decrease was primarily attributable to the completion of the sales of the *Ardmore Sealeader* in the second quarter of 2022, and the *Ardmore Sealifter* and *Ardmore Sealancer* in the third quarter of 2022. In addition, the decrease also reflects the timing of vessel operating expenses between quarters. Vessel operating expenses, by their nature, are prone to fluctuations between periods.

**Charter Hire Costs.** Total charter hire expense was \$5.5 million for the three months ended March 31, 2023, an increase of \$3.4 million from \$2.1 million for the three months ended March 31, 2022. This increase is the result of the Company having four vessels chartered-in as of March 31, 2023, compared to two vessels chartered-in as of March 31, 2022. Total charter hire expense for the three months ended March 31, 2023 was comprised of an operating expense component of \$2.9 million and a vessel lease expense component of \$2.6 million.

**Depreciation.** Depreciation expense for the three months ended March 31, 2023 was \$6.9 million, a decrease of \$0.9 million from \$7.8 million for the three months ended March 31, 2022. \$0.8 million of this decrease is as a result of the sale of one vessel in June 2022, and two additional vessels in July 2022, and \$0.1 million is attributable to the change in the scrap value of each vessel from \$300 per lightweight ton ("lwt") to \$400 per lwt during the first quarter of 2023.

**Amortization of Deferred Drydock Expenditures.** Amortization of deferred drydock expenditures for the three months ended March 31, 2023 was \$1.0 million, a decrease of \$0.2 million from \$1.2 million for the three months ended March 31, 2022. The deferred costs of drydockings for a given vessel are amortized on a straight-line basis to the next scheduled drydocking of the vessel.

**General and Administrative Expenses: Corporate.** Corporate-related general and administrative expenses for the three months ended March 31, 2023 were \$5.1 million, an increase of \$0.6 million from \$4.5 million for the three months ended March 31, 2022. The increase in costs was primarily due to the post lock-down increase in travel-related costs during the three months ended March 31, 2023, compared to the three months ended March 31, 2022.

**General and Administrative Expenses: Commercial and Chartering.** Commercial and chartering expenses are the expenses attributable to Ardmore's chartering and commercial operations departments in connection with its spot trading activities. Commercial and chartering expenses for the three months ended March 31, 2023 were \$1.2 million, an increase of \$0.3 million from \$0.9 million for the three months ended March 31, 2022. The increase in costs was primarily due to the post lock-down increase in travel-related costs during the three months ended March 31, 2023, compared to the three months ended March 31, 2022.

**Unrealized (Losses) / Gains on Derivatives:** We had no unrealized gains or losses on derivatives for the three months ended March 31, 2023, as compared to an unrealized gain of \$0.6 million for the three months ended March 31, 2022.

**Interest Expense and Finance Costs.** Interest expense and finance costs for the three months ended March 31, 2023 were \$2.9 million, a decrease of \$1.2 million from \$4.1 million for the three months ended March 31, 2022. The decrease in costs was primarily due to lower average outstanding balances on the Company's revolving credit facility during the three months ended March 31, 2023 (with no amounts drawn as of March 31, 2023), as well as lower aggregate outstanding obligations following the refinancing of nine vessels completed during the second half of 2022. Amortization of deferred finance fees for the three months ended March 31, 2023 was \$0.3 million, generally consistent with \$0.4 million for the three months ended March 31, 2022.

## Liquidity

As of March 31, 2023, the Company had \$243.4 million in liquidity available, with cash and cash equivalents of \$52.6 million (December 31, 2022: \$50.6 million) and amounts available and undrawn under its revolving credit facilities of \$190.8 million (December 31, 2022: \$170.0 million). The following debt and lease liabilities (net of deferred finance fees) were outstanding as of the dates indicated:

In thousands of U.S. Dollars	As of	
	March 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 52,553	\$ 50,569
Finance leases	45,057	45,500
Senior Debt	99,879	103,112
Revolving Credit Facilities	—	25,684
<b>Total debt</b>	<b>144,936</b>	<b>174,296</b>
<b>Total net debt</b>	<b>\$ 92,383</b>	<b>\$ 123,727</b>

## Conference Call

The Company plans to host a conference call on May 9, 2023, at 10:00 a.m. Eastern Time to discuss its results for the quarter ended March 31, 2023. All interested parties are invited to listen to the live conference call and review the related slide presentation by choosing from the following options:

1. By dialing 844-492-3728 (U.S.) or 412-542-4189 (International) and referencing "Ardmore Shipping."
2. By accessing the live webcast at Ardmore's website at [www.ardmoreshipping.com](http://www.ardmoreshipping.com).

Participants should dial into the call 10 minutes before the scheduled time.

If you are unable to participate at this time, an audio replay of the call will be available through May 16, 2023 at 877-344-7529 or 412-317-0088. Enter the passcode 3126595 to access the audio replay. A recording of the webcast, with associated slides, will also be available on the Company's website. The information provided on the teleconference is only accurate at the time of the conference call, and the Company takes no responsibility for providing updated information.

## About Ardmore Shipping Corporation

Ardmore owns and operates a fleet of MR product and chemical tankers ranging from 25,000 to 50,000 deadweight tonnes. Ardmore provides, through its modern, fuel-efficient fleet of mid-size tankers, seaborne transportation of petroleum products and chemicals worldwide to oil majors, national oil companies, oil and chemical traders, and chemical companies.

Ardmore's core strategy is to continue to develop a modern, high-quality fleet of product and chemical tankers, build key long-term commercial relationships and maintain its cost advantage in assets, operations and overhead, while creating synergies and economies of scale as the company grows. Ardmore provides its services to customers through voyage charters and time charters, and enjoys close working relationships with key commercial and technical management partners.

Ardmore's Energy Transition Plan ("ETP") focusses on three key areas: transition technologies, transition projects, and sustainable (non-fossil fuel) cargos. The ETP is an extension of Ardmore's strategy, building on its core strengths of tanker chartering, shipping operations, technical and operational fuel efficiency improvements, technical management, construction supervision, project management, investment analysis, and ship finance.

### Ardmore Shipping Corporation Unaudited Condensed Consolidated Balance Sheets

<i>In thousands of U.S. Dollars, except as indicated</i>	As at	
	March 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	52,553	50,569
Receivables, net of allowance for bad debts of \$2.3 million (2022: \$2.2 million)	68,936	79,843
Prepaid expenses and other assets	4,860	4,521
Advances and deposits	1,532	2,160
Inventories	14,537	15,718
Current portion of derivative assets	2,513	4,927
<b>Total current assets</b>	<b>144,931</b>	<b>157,738</b>
<b>Non-current assets</b>		
Investments and other assets, net	11,699	11,219
Vessels and vessel equipment, net	526,865	531,378
Deferred drydock expenditures, net	5,049	4,716
Advances for ballast water treatment and scrubber systems	8,172	5,530
Deferred finance fees, net	2,568	2,717
Operating lease, right-of-use asset	9,100	10,561
<b>Total non-current assets</b>	<b>563,453</b>	<b>566,121</b>
<b>TOTAL ASSETS</b>	<b>708,384</b>	<b>723,859</b>
<b>LIABILITIES, REDEEMABLE PREFERRED STOCK AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	3,320	8,814
Accrued expenses and other liabilities	17,426	20,890
Deferred revenue	480	1,220
Accrued interest on debt and finance leases	930	863
Current portion of long-term debt	13,216	12,927
Current portion of finance lease obligations	1,815	1,857

Current portion of operating lease obligations	6,630	6,358
<b>Total current liabilities</b>	<b>43,817</b>	<b>52,929</b>
<b>Non-current liabilities</b>		
Non-current portion of long-term debt	86,663	115,869
Non-current portion of finance lease obligations	43,242	43,643
Non-current portion of operating lease obligations	2,242	3,969
Other non-current liabilities	1,007	1,007
<b>Total non-current liabilities</b>	<b>133,154</b>	<b>164,488</b>
<b>TOTAL LIABILITIES</b>	<b>176,971</b>	<b>217,417</b>
<b>Redeemable Preferred Stock</b>		
Cumulative Series A 8.5% redeemable preferred stock	37,043	37,043
<b>Total redeemable preferred stock</b>	<b>37,043</b>	<b>37,043</b>
<b>Stockholders' equity</b>		
Common stock	430	426
Additional paid in capital	468,730	468,006
Accumulated other comprehensive income	745	1,468
Treasury stock	(15,636)	(15,636)
Retained earnings	40,101	15,135
<b>Total stockholders' equity</b>	<b>494,370</b>	<b>469,399</b>
<b>Total redeemable preferred stock and stockholders' equity</b>	<b>531,413</b>	<b>506,442</b>
<b>TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND EQUITY</b>	<b>708,384</b>	<b>723,859</b>

**Ardmore Shipping Corporation**  
**Unaudited Condensed Consolidated Statements of Operations**

<i>In thousands of U.S. Dollars except per share and share data</i>	<b>Three Months Ended</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Revenue, net	118,233	63,368
Voyage expenses	(36,563)	(27,076)
Vessel operating expenses	(14,937)	(16,587)
Time charter-in		
Operating expense component	(2,865)	(1,105)
Vessel lease expense component	(2,636)	(1,017)
Depreciation	(6,942)	(7,790)
Amortization of deferred drydock expenditures	(1,007)	(1,197)
General and administrative expenses		
Corporate	(5,060)	(4,468)
Commercial and chartering	(1,171)	(891)
Unrealized (losses) / gains on derivatives	(31)	604
Interest expense and finance costs	(2,864)	(4,138)
Interest income	239	10
Loss on vessels sold	—	(6,917)
<b>Income / (loss) before taxes</b>	<b>44,396</b>	<b>(7,204)</b>
Income tax	(57)	(34)

(Loss) / profit from equity method investments	(249)	236
<b>Net Income / (Loss)</b>	<b>44,090</b>	<b>(7,002)</b>
Preferred dividend	(838)	(848)
<b>Net Income / (Loss) attributable to common stockholders</b>	<b>43,252</b>	<b>(7,850)</b>
Earnings / (Loss) per share, basic	1.06	(0.23)
Earnings / (Loss) per share, diluted	1.04	(0.23)
Adjusted earnings / (loss) <sup>(1)</sup>	43,252	(933)
Adjusted earnings / (loss) per share, basic	1.06	(0.03)
Adjusted earnings / (loss) per share, diluted	1.04	(0.03)
Weighted average number of shares outstanding, basic	40,722,735	34,429,106
Weighted average number of shares outstanding, diluted	41,679,650	34,429,106

(1) Adjusted earnings / (loss) is a non-GAAP measure and is defined and reconciled under the "Non-GAAP Measures" section.

**Ardmore Shipping Corporation**  
**Unaudited Condensed Consolidated Statements of Cash Flows**

<i>In thousands of U.S. Dollars</i>	<u>Three Months Ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss)	44,090	(7,002)
Adjustments to reconcile net income / (loss) to net cash provided by / (used in) operating activities:		
Depreciation	6,942	7,790
Amortization of deferred drydock expenditures	1,007	1,197
Share-based compensation	729	571
Loss on vessels sold	—	6,917
Amortization of deferred finance fees	302	366
Unrealized losses / (gains) on derivatives	31	(604)
Foreign exchange	6	10
Loss / (profit) from equity method investments	249	(250)
Deferred drydock payments	(1,659)	(520)
Changes in operating assets and liabilities:		
Receivables	10,905	(7,320)
Prepaid expenses and other assets	(339)	(303)
Advances and deposits	628	786
Inventories	1,181	(3,989)
Accounts payable	(3,451)	(2,074)
Accrued expenses and other liabilities	(3,126)	(72)
Deferred revenue	(740)	(1,210)
Accrued interest	67	34
<b>Net cash provided by / (used in) operating activities</b>	<b>56,822</b>	<b>(5,673)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for acquisition of vessels and vessel equipment	(2,557)	73
Advances for ballast water treatment and scrubber systems	(2,854)	(200)

Payments for other non-current assets	(21)	(39)
Payments for equity investments	(750)	(113)
<b>Net cash (used in) investing activities</b>	<b>(6,182)</b>	<b>(279)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	—	13,320
Repayments of long-term debt	(29,041)	(3,513)
Repayments of finance leases	(472)	(5,316)
Payment of common share dividend	(18,286)	—
Payment of preferred share dividend	(857)	(742)
<b>Net cash (used in) / provided by financing activities</b>	<b>(48,656)</b>	<b>3,749</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,984</b>	<b>(2,203)</b>
Cash and cash equivalents at the beginning of the year	50,569	55,449
<b>Cash and cash equivalents at the end of the period</b>	<b>52,553</b>	<b>53,246</b>

**Ardmore Shipping Corporation  
Unaudited Other Operating Data**

	<u>Three Months Ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<i>In thousands of U.S. Dollars except Fleet Data</i>		
Adjusted EBITDA <sup>(1)</sup>	54,751	12,460
<b>Adjusted EBITDAR <sup>(1)</sup></b>	<b>57,387</b>	<b>13,477</b>
<b>AVERAGE DAILY DATA</b>		
MR Eco-Design Tankers Spot TCE per day <sup>(2)</sup>	37,506	16,513
Fleet TCE per day <sup>(2)</sup>	33,958	15,155
Fleet operating expenses per day <sup>(3)</sup>	6,830	6,445
Technical management fees per day <sup>(4)</sup>	518	476
	7,348	6,921
MR Eco-Design Tankers		
TCE per day <sup>(2)</sup>	37,506	15,850
Vessel operating expenses per day <sup>(5)</sup>	7,475	6,899
MR Eco-Mod Tankers		
TCE per day <sup>(2)</sup>	30,932	14,945
Vessel operating expenses per day <sup>(5)</sup>	7,107	6,861
Prod/Chem Eco-Design Tankers (25k - 38k Dwt)		
TCE per day <sup>(2)</sup>	27,984	13,645
Vessel operating expenses per day <sup>(5)</sup>	7,069	7,018

**FLEET**

Average number of operating vessels 26.7 27.0

(1) Adjusted EBITDA and Adjusted EBITDAR are non-GAAP measures and are defined and reconciled to the most directly comparable U.S. GAAP measure under the section of this release entitled "Non-GAAP Measures."

- (2) Time Charter Equivalent ("TCE") rate, a non-GAAP measure, represents net revenues (a non-GAAP measure representing revenues less voyage expenses) divided by revenue days. Revenue days are the total number of calendar days the vessels are in the Company's possession less off-hire days generally associated with drydocking or repairs and idle days associated with repositioning of vessels held for sale. Net revenue utilized to calculate the TCE rate is determined on a discharge to discharge basis, which is different from how the Company records revenue under U.S. GAAP. Under discharge to discharge, revenues are recognized beginning from the discharge of cargo from the prior voyage to the anticipated discharge of cargo in the current voyage, and voyage expenses are recognized as incurred.
- (3) Fleet operating expenses per day are routine operating expenses and comprise crewing, repairs and maintenance, insurance, stores, lube oils and communication expenses. These amounts do not include expenditures related to vessel upgrades and enhancements or other non-routine expenditures which were expensed during the period.
- (4) Technical management fees are fees paid to third-party technical managers.
- (5) Vessel operating expenses per day include technical management fees.

**Ardmore Shipping Corporation**  
**Fleet Details at March 31, 2023**  
(Expressed in Millions of U.S. Dollars, other than per share amount)

Vessel	IMO	Built	Country	DWT	Eco Specification	Estimated Resale	Estimated
						Newbuilding Price <sup>(1)</sup> March 31, 2023	Depreciated Replacement Value <sup>(2)</sup>
Seahawk	IMO2/3	Nov-15	S. Korea	49,999	Eco-Design	\$ 50.00	\$ 36.45
Seawolf	IMO2/3	Aug-15	S. Korea	49,999	Eco-Design	\$ 50.00	\$ 36.05
Seafox	IMO2/3	Jun-15	S. Korea	49,999	Eco-Design	\$ 50.00	\$ 35.80
Sealion	IMO2/3	May-15	S. Korea	49,999	Eco-Design	\$ 50.00	\$ 35.65
Engineer	IMO2/3	Mar-14	S. Korea	49,420	Eco-Design	\$ 50.00	\$ 33.49
Seavanguard	IMO2/3	Feb-14	S. Korea	49,998	Eco-Design	\$ 50.00	\$ 33.31
Exporter	IMO2/3	Feb-14	S. Korea	49,466	Eco-Design	\$ 50.00	\$ 33.35
Seavantage	IMO2/3	Jan-14	S. Korea	49,997	Eco-Design	\$ 50.00	\$ 33.17
Encounter	IMO2/3	Jan-14	S. Korea	49,478	Eco-Design	\$ 50.00	\$ 33.07
Explorer	IMO2/3	Jan-14	S. Korea	49,494	Eco-Design	\$ 50.00	\$ 33.22
Endurance	IMO2/3	Dec-13	S. Korea	49,466	Eco-Design	\$ 50.00	\$ 33.00
Enterprise	IMO2/3	Sep-13	S. Korea	49,453	Eco-Design	\$ 50.00	\$ 32.58
Endeavour	IMO2/3	Jul-13	S. Korea	49,997	Eco-Design	\$ 50.00	\$ 32.28
Seaventure	IMO2/3	Jun-13	S. Korea	49,998	Eco-Design	\$ 50.00	\$ 32.05
Seavariant	IMO2/3	Feb-13	S. Korea	49,998	Eco-Design	\$ 50.00	\$ 31.55
Seafarer	-	Jun-10	Japan	49,999	Eco-Mod	\$ 50.00	\$ 26.25
Defender	IMO2	Feb-15	S. Korea	37,791	Eco-Design	\$ 42.50	\$ 29.90
Dauntless	IMO2	Feb-15	S. Korea	37,764	Eco-Design	\$ 42.50	\$ 29.85
Chippewa	IMO2	Nov-15	Japan	25,217	Eco-Design	\$ 36.50	\$ 26.44
Chinook	IMO2	Jul-15	Japan	25,217	Eco-Design	\$ 36.50	\$ 26.03
Cheyenne	IMO2	Mar-15	Japan	25,217	Eco-Design	\$ 36.50	\$ 25.62
Cherokee	IMO2	Jan-15	Japan	25,215	Eco-Design	\$ 36.50	\$ 25.32
							<b>\$ 694.43</b>
Cash / Debt / Work. Cap / Other Assets							\$ (26.71)
Total Asset Value (Assets) <sup>(3)</sup>							\$ 667.72
DRV / Share <sup>(3)(4)</sup>							<b>\$ 16.29</b>
Ardmore Commercial Management <sup>(5)</sup>							\$ 25.93
Total Asset Value (Assets & Commercial Management) <sup>(3)</sup>							\$ 693.65
DRV / Share <sup>(3)(4)</sup>							<b>\$ 16.92</b>
Investment in Element 1 Corp. / e1 Marine <sup>(6)</sup>							\$ 11.27
Total Asset Value (Assets, Commercial Management & Investments) <sup>(3)</sup>							\$ 704.92
DRV / Share <sup>(3)(4)(6)</sup>							<b>\$ 17.19</b>



1. Based on the average of two broker estimates of prompt resale for a newbuild vessel of equivalent deadweight tonne at a yard in South Korea as of March 31, 2023.
2. Depreciated Replacement Value ("DRV") is based on estimated resale price for a newbuild vessel depreciated for the age of each vessel (assuming an estimated useful life of 25 years on a straight-line basis and assuming a residual scrap value of \$400 per tonne, which is in line with Ardmore's depreciation policy). The Company's estimates of DRV assume that its vessels are all in good and seaworthy condition without the need for repair and, if inspected, that they would be certified in class without notations of any kind. Vessel values are highly volatile and, as such, the Company's estimates of DRV may not be indicative of the current or future value of its vessels, or prices that the Company could achieve if it were to sell them.
3. Depreciated Replacement Value ("DRV") and DRV per share are non-GAAP measures. Management believes that many investors use DRV as a reference point in assessing valuation of fleets of ships and similar assets.
4. DRV / Share calculated using 40,998,294 shares outstanding as of March 31, 2023.
5. Ardmore Commercial Management is management's estimate of the value of Ardmore's commercial management and pooling business. The estimate is based on industry standard commercial management and pooling fees in determining revenue less Ardmore's commercial and chartering overhead (as stated in Ardmore's Statement of Operations) and applying an illustrative multiple to the resulting net earnings of 7x. The multiple is illustrative only and may not be indicative of the valuation multiple the Company could achieve if it were to sell its commercial management and pooling business. Revenue of this business is comprised of (i) commission (1.25% for standard product tankers and 2.5% for chemical tankers) on gross freight based on estimated current TCE rates grossed up for voyage expenses and (ii) an administration fee of \$300 per vessel per day. These rates may vary over time.
6. Valuation of investment in E1 Corp. and e1 Marine (a joint venture with E1 Corp and Maritime Partners, LLC, of which the Company owns 33%) are at cost.

## CO<sub>2</sub> Emissions Reporting<sup>(1)</sup>

In April 2018, the International Maritime Organization's ("IMO") Marine Environment Protection Committee ("MEPC") adopted an initial strategy for the reduction of greenhouse gas ("GHG") emissions from ships, setting out a vision to reduce GHG emissions from international shipping and phase them out as soon as possible. Ardmore is committed to transparency and contributing to the reduction of CO<sub>2</sub> emissions in the Company's industry. Ardmore's reporting methodology is in line with the framework set out within the IMO's Data Collection System ("DCS") initiated in 2019.

On January 1, 2023 the BIMCO CII Operations Clause for Time Charter Parties came into force. This clause outlines that the charterer should take responsibility for a ship's emissions. On this basis, Ardmore's GHG emissions analysis has been updated to exclude the impact of ships time-chartered out and to include the impact of ships time-chartered in. Previously all vessels were included in Ardmore's analysis from the fleet except for vessels commercially managed by Ardmore.

	Three Months Ended		Twelve months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Number of Vessels in Operation (at period end)	26	26	26	26
Fleet Average Age	9.7	8.7	9.7	8.7
CO <sub>2</sub> Emissions Generated in Metric Tonnes	99,986	95,034	409,021	404,129
Distance Travelled (Miles)	351,018	355,693	1,464,959	1,546,879
Fuel Consumed in Metric Tonnes	31,654	30,072	129,494	127,751
<b>Cargo Heating and Tank Cleaning Emissions</b>				
Fuel Consumed in Metric Tonnes	544	1,202	2,932	3,747
% of Total Fuel Consumed	1.72 %	3.85 %	2.26 %	2.93 %
<b><u>Annual Efficiency Ratio (AER) for the period<sup>(2)</sup></u></b>				
Fleet	6.36g / tm	5.98g / tm	6.23g / tm	5.83g / tm
MR Eco-Design	5.85g / tm	5.98g / tm	5.82g / tm	5.62g / tm
MR Eco-Mod	6.67g / tm	5.78g / tm	6.38g / tm	5.83g / tm
Chemical	8.24g / tm	7.06g / tm	7.95g / tm	7.11g / tm
Chemical (Less Cargo Heating & Tank Cleaning) <sup>(3)</sup>	7.60g / tm	6.54g / tm	7.09g / tm	6.66g / tm
<b><u>Energy Efficiency Operational Indicator (EEOI) for the period</u></b>				
Fleet	13.72g / ctm	12.01g / ctm	13.00g / ctm	11.91g / ctm
MR Eco-Design	13.32g / ctm	12.00g / ctm	12.60g / ctm	11.91g / ctm
MR Eco-Mod	13.96g / ctm	11.86g / ctm	13.62g / ctm	11.20g / ctm

Chemical	14.85g / ctm	12.22g / ctm	13.60g / ctm	12.86g / ctm
Chemical ( <i>Less Cargo Heating &amp; Tank Cleaning</i> ) <sup>(3)</sup>	14.43g / ctm	11.31g / ctm	12.05g / ctm	12.04g / ctm
Wind Strength (% greater than 4 on BF)	53.90 %	48.90 %	48.78 %	45.85 %
% Idle Time	4.26 %	5.23 %	2.70 %	4.60 %

tm = tonne-mile

ctm = cargo tonne-mile

## Ardmore Performance

It should be noted that results vary quarter to quarter depending on ship activity, ballast / laden ratio, cargo carried, weather, waiting time, time in port and vessel speed. However, analysis is also presented on a trailing 12-month basis to provide a more accurate assessment of Ardmore's progress over a longer period and to mitigate seasonality. From a weather perspective rougher weather (based on Beaufort Scale wind force rating being greater than 4 BF) will generally have a mitigating impact on the ability to optimize fuel consumption while idle time will impact ships metrics as they will still require power to run but will not be moving. Overall Ardmore's carbon emissions for the trailing 12-month period have increased 1.2% to 409,021 metric tonnes of CO<sub>2</sub>, in comparison to the same 12-month period of the prior year, primarily due to increased vessel speeds, as a result of strong charter rates. Fleet EEOI for the period increased 9.2% to 13.00 g / ctm, from 11.91 g / ctm, while AER increased by 6.9% to 6.23 g / tm, from 5.83 g / tm.

Ardmore seeks to achieve continued improvements through a combination of technological advancements and operational optimization.

<sup>1</sup> Ardmore's emissions data is based on the reporting tools and information reasonably available to Ardmore and its applicable third-party technical managers for Ardmore's owned fleet. Management assesses such data and may adjust and restate the data to reflect latest information. It is expected that the shipping industry will continue to refine the performance measures for emissions and efficiency over time. AER and EEOI metrics are impacted by external factors such as charter speed, vessel orders and weather, in conjunction with overall market factors such as cargo load sizes and fleet utilization rate. As such, variance in performance can be found in the reported emissions between two periods for the same vessel and between vessels of a similar size and type. Furthermore, other companies may report slight variations (e.g. some shipping companies report CO<sub>2</sub> in tonnes per kilometer as opposed to CO<sub>2</sub> in tonnes per nautical mile) and consequently it is not always practical to directly compare emissions from different companies. The figures reported above represent Ardmore's initial findings; the Company is committed to improving the methodology and transparency of its emissions reporting in line with industry best practices. Accordingly, the above results may vary as the methodology and performance measures set out by the industry evolve.

<sup>2</sup> Annual Efficiency Ratio ("AER") is a measure of carbon efficiency using the parameters of fuel consumption, distance travelled, and design deadweight tonnage ("DWT"). AER is reported in unit grams of CO<sub>2</sub> per ton-mile (gCO<sub>2</sub>/dwt-nm). It is calculated by dividing (i) mass of fuel consumed by type converted to metric tonnes of CO<sub>2</sub> by (ii) DWT multiplied by distance travelled in nautical miles. A lower AER reflects better carbon efficiency.

<sup>3</sup> The AER and EEOI figures are presented including the impact of cargo heating and tank cleaning operations unless stated.

<sup>4</sup> Energy Efficiency Operational Indicator ("EEOI") is a tool for measuring CO<sub>2</sub> gas emissions in a given time period per unit of transport work performed. It is calculated by dividing (i) mass of fuel consumed by type converted to metric tonnes of CO<sub>2</sub> by (ii) cargo carried in tonnes multiplied by laden voyage distance in nautical miles. This calculation is performed as per IMO MEPC.1/Circ684. A lower EEOI reflects lower CO<sub>2</sub> gas emissions in a given time period per unit of transport work performed.

<sup>5</sup> Idle time is the amount of time a vessel is waiting in port or awaiting the laycan or waiting in port/at sea unfix.

## Non-GAAP Measures

### **EBITDA + vessel lease expense component (i.e. EBITDAR)**

EBITDAR is defined as EBITDA (i.e. earnings before interest, unrealized gains / (losses) on interest rate derivatives, taxes, depreciation and amortization) plus the vessel lease expense component of total charter hire expense for chartered-in vessels. Adjusted EBITDAR is defined as EBITDAR before certain items that Ardmore believes are not representative of its operating performance, including gain or loss on sale of vessels.

For the three months ended March 31, 2023, we recognized total charterhire expense of \$5.5 million in respect of time charter-in vessels under operating leases. The total expense includes (i) \$2.6 million in respect of the right to use the leased assets (i.e. vessel lease expense component), and (ii) \$2.9 million in respect of the costs of operating the vessels (i.e. operating expense component). Under US GAAP, the expense related to the right to use the leased assets (i.e. capital component) is treated as an operating item on our consolidated statement of operations, and is not added back in our calculation of EBITDA. The treatment of operating lease expenses differs under US GAAP as compared to international financial reporting standards (IFRS). Under IFRS, the expense of an operating lease is presented in depreciation and interest expense.

Many companies in our industry report under IFRS; we, therefore use EBITDAR and Adjusted EBITDAR as tools to compare our valuation with the valuation of these other companies in our industry. We do not use EBITDAR and Adjusted EBITDAR as measures of

performance or liquidity. We present below reconciliations of net income / (loss) attributable to common stockholders to EBITDAR (which includes an adjustment for vessel lease operating expenses) and Adjusted EBITDAR.

EBITDAR and Adjusted EBITDAR, as presented, may not be directly comparable to similarly titled measures presented by other companies. In addition, EBITDAR and Adjusted EBITDAR should not be viewed as measures of overall performance since they exclude vessel rent, which is a normal, recurring cash operating expense related to our in-chartering of vessels that is necessary to operate our business. Accordingly, you are cautioned not to place undue reliance on this information.

**EBITDA, Adjusted EBITDA, Adjusted Earnings / (Loss) and Adjusted Earnings (for purposes of dividend calculations)**

EBITDA, Adjusted EBITDA and Adjusted earnings / (loss) are not measures prepared in accordance with U.S. GAAP and are defined and reconciled below. EBITDA is defined as earnings before interest, unrealized gains/(losses) on interest rate derivatives, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before certain items that Ardmore believes are not representative of its operating performance, including gain or loss on sale of vessels. Adjusted earnings / (loss) excludes certain items from net income / (loss) attributable to common stockholders, including gain or loss on sale of vessels and write-off of deferred finance fees (i.e., loss on extinguishment) because they are considered to not be representative of the Company's operating performance.

EBITDA, Adjusted EBITDA and Adjusted earnings / (loss) are presented in this press release as the Company believes that they provide investors with a means of evaluating and understanding how Ardmore's management evaluates operating performance. EBITDA and Adjusted EBITDA increase the comparability of the Company's fundamental performance from period to period. This increased comparability is achieved by excluding the potentially disparate effects between periods of interest expense, taxes, depreciation or amortization, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. The Company believes that including EBITDA, Adjusted EBITDA and Adjusted earnings / (loss) as financial and operating measures assists investors in making investment decisions regarding the Company and its common stock.

For purposes solely of the quarterly common dividend calculation, Adjusted Earnings represents the Company's Adjusted earnings for the quarter ended March 31, 2023, but excluding the impact of unrealized gains / (losses) and certain non-recurring items.

These non-GAAP measures should not be considered in isolation from, as substitutes for, or superior to, financial measures prepared in accordance with U.S. GAAP. In addition, these non-GAAP measures may not have a standardized meaning and therefore may not be comparable to similar measures presented by other companies.

**Reconciliation of net income to EBITDA, Adjusted EBITDA and Adjusted EBITDAR**

	<u>Three Months Ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<i>In thousands of U.S. Dollars</i>		
Net income / (loss)	44,090	(7,002)
Interest income	(239)	(10)
Interest expense and finance costs	2,864	4,138
Income tax	57	34
Unrealized (gains) / losses on derivatives	31	(604)
Depreciation	6,942	7,790
Amortization of deferred drydock expenditures	1,007	1,197
<b>EBITDA</b>	<b>54,752</b>	<b>5,543</b>
Loss on vessels sold	—	6,917
<b>ADJUSTED EBITDA</b>	<b>54,752</b>	<b>12,460</b>
Plus: Vessel lease expense component	2,636	1,017
<b>ADJUSTED EBITDAR</b>	<b>57,388</b>	<b>13,477</b>

**Reconciliation of net income / (loss) attributable to common stockholders to Adjusted earnings / (loss)**

	<u>Three Months Ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<i>In thousands of U.S. Dollars except per share data</i>		
Net income / (loss) attributable to common stockholders	43,252	(7,850)
Loss on vessels sold	—	6,917
<b>Adjusted earnings / (loss)</b>	<b>43,252</b>	<b>(933)</b>

Adjusted earnings / (loss) per share, basic	1.06	(0.03)
Adjusted earnings / (loss) per share, diluted	1.04	(0.03)
Weighted average number of shares outstanding, basic	40,722,735	34,429,106
Weighted average number of shares outstanding, diluted	41,679,650	34,429,106

**Adjusted earnings for purposes of dividend calculation**

	<u>Three Months Ended</u>	
	<u>March 31, 2023</u>	
<i>In thousands of U.S. Dollars except per share data</i>		
Adjusted earnings	43,252	
Unrealized losses	31	
Adjusted earnings for dividend calculation	<u>43,283</u>	
Dividend to be paid	<u>14,428</u>	
<b>Dividend Per Share (DPS)</b>	<b><u>0.35</u></b>	
Number of shares outstanding as of May 9, 2023	41,183,425	

**Forward-Looking Statements**

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. In some cases, you can identify the forward-looking statements by the use of words such as "believe", "anticipate", "intends", "estimate", "forecast", "plan", "potential", "may", "expect", and similar expressions.

Forward looking statements in this press release include, among others, statements regarding: future operating or financial results, including future earnings; global and regional economic conditions and trends; shipping market trends and market fundamentals, including tanker demand and supply and future spot and charter rates; the effect of the COVID-19 pandemic and Russia's invasion of the Ukraine on the tanker market, energy supply chains and the Company's business, financial condition and the results of operation; expected employment of the Company's vessels during the second quarter of 2023; management's estimates of the Depreciated Replacement Value (DRV) of its vessels and of the value of the Company's commercial management and pooling business; trends in the Company's performance as measured by energy efficiency and emission-reduction metrics; the impact of energy transition on the Company and the markets in which the Company operates; expected continuation of refinement by the Company of performance measures for emissions and efficiency and the timing and payment of quarterly dividends by the Company. The forward-looking statements in this press release are based upon various assumptions, including, without limitation, Ardmore management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. The Company cautions readers of this release not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to update or revise any forward-looking statements. These forward-looking statements are not guarantees of the Company's future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

In addition to these important factors, other important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include: the strength of world economies and currencies; general market conditions, including fluctuations in spot and charter rates and vessel values; changes in demand for and the supply of tanker vessel capacity; changes in the projections of spot and time charter or pool trading of the Company's vessels; future developments relating to the COVID-19 pandemic and Russia's invasion of the Ukraine (including related sanctions and import bans); changes in the Company's operating expenses, including bunker prices, drydocking and insurance costs; general domestic and international political conditions; potential disruption of shipping routes due to accidents, piracy or political events; the market for the Company's vessels; competition in the tanker industry; availability of financing and refinancing; changes in governmental rules and regulations or actions taken by regulatory authorities; the Company's ability to charter vessels for remaining revenue days during the second quarter of 2023 in the spot market; vessel breakdowns and instances of off-hire; the Company's operating results and capital requirements, and the declaration of any future dividends by the Company's board of directors; and other factors. Please see the Company's filings with the U.S. Securities

and Exchange Commission, including the Company's Form 20-F for the year ended December 31, 2022, for a more complete discussion of these and other risks and uncertainties.

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