

## Ardmore Shipping Corporation Announces Financial Results For The Three And Six Months Ended June 30, 2019

HAMILTON, Bermuda, July 31, 2019 /PRNewswire/ -- Ardmore Shipping Corporation (NYSE: ASC) ("Ardmore", the "Company" or "we") today announced results for the three and six months ended June 30, 2019.

### Highlights and Recent Activity

- Reported a net loss from continuing operations (see Non-GAAP Measures section) of \$3.4 million for the three months ended June 30, 2019, or \$0.10 net loss from continuing operations per basic and diluted share, as compared to a net loss from continuing operations of \$8.2 million, or \$0.25 net loss from continuing operations per basic and diluted share, for the three months ended June 30, 2018. Reported a GAAP net loss of \$9.9 million for the three months ended June 30, 2019 or \$0.30 loss per basic and diluted share, as compared to a GAAP net loss of \$8.6 million, or \$0.26 loss per basic and diluted share, for the three months ended June 30, 2018. GAAP net loss for the three months ended June 30, 2019 includes the loss on the sale of the *Ardmore Seafarer*. The Company reported adjusted EBITDA (see Non-GAAP Measures section) of \$12.3 million for the three months ended June 30, 2019, as compared to \$8.0 million for the three months ended June 30, 2018.
- Reported a net loss from continuing operations (see Non-GAAP Measures section) of \$5.9 million for the six months ended June 30, 2019, or \$0.18 net loss from continuing operations per basic and diluted share, as compared to a net loss from continuing operations of \$13.3 million, or \$0.41 net loss from continuing operations per basic and diluted share, for the six months ended June 30, 2018. Reported a GAAP net loss of \$19.1 million for the six months ended June 30, 2019 or \$0.58 loss per basic and diluted share, as compared to a GAAP net loss of \$13.7 million, or \$0.42 loss per basic and diluted share, for the six months ended June 30, 2018. GAAP net loss for the six months ended June 30, 2019 includes the loss on the sales of the *Ardmore Seatrader*, *Ardmore Seamaster* and *Ardmore Seafarer*. The Company reported adjusted EBITDA (see Non-GAAP Measures section) of \$25.9 million for the six months ended June 30, 2019, as compared to \$17.9 million for the six months ended June 30, 2018.
- MR tankers earned an average TCE rate of \$14,892 per day for the three months ended June 30, 2019 and \$15,306 per day for the six months ended June 30, 2019. Chemical tankers earned an average TCE rate of \$12,830 per day for the three months ended June 30, 2019, and an average of \$12,529 per day for the six months ended June 30, 2019.
- Completed the sale of a vessel, the *Ardmore Seafarer*, a 2004-built 45,744 Dwt Eco-mod MR tanker, which the Company sold for \$9.1 million and delivered to the buyer on May 24, 2019. Ardmore recognized a loss of \$6.6 million on the sale in the second quarter of 2019.
- Commenced reporting of CO<sub>2</sub> emissions for the Company's fleet in line with the framework set out with the IMO's Data Collection System initiated in January 2019. Ardmore is committed to transparency and contributing to the reduction of greenhouse gas ("GHG") emissions from the shipping industry.
- The Company is maintaining its dividend policy of paying 60% of earnings from continuing operations. Consistent with this policy, the Company is not declaring a dividend for the second quarter of 2019.

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

*"We are pleased with our performance in the second quarter during what was expected to be a softer period as compared to the prior period's winter market conditions. The second quarter reflected a typical seasonal decline marked by notably high refinery maintenance levels, with refineries frontloading maintenance in preparation for increased throughput during the second half of 2019 to meet demand for IMO 2020-compliant low sulfur fuels.*

*"Industry-wide preparations for IMO 2020 implementation are unfolding as expected; marine fuel providers are commencing clean-up of their logistics infrastructure and are preparing to stockpile low sulfur fuels in large quantities ahead of the switch-over, which so far is very limited in quantity but is expected to be in full-swing in September. One consequence of IMO 2020 preparations already is pricing and availability of HSFO, which is being impacted by reduced storage and barging capacity, as some capacity is already being taken out of service for the switchover to VLSFO. Overall, we estimate that the increases in refinery throughput and heightened oil trading activity will result in a roughly 5% additional layer of product tanker demand commencing in the next few months with the potential to last up to two years before markets reach equilibrium.*

*"In keeping with our ongoing commitment to environmental stewardship, we are commencing reporting our CO<sub>2</sub> emissions this quarter. Beyond owning and operating a modern "eco" fleet, we have maintained a strict focus on fuel efficiency and environmental best practices throughout the Company's history. We believe that a commitment to increased transparency by companies such as Ardmore will play an important role in encouraging positive and sensible legislative change toward reducing greenhouse gas ("GHG") emissions from the shipping industry."*

### Summary of Recent and Second Quarter 2019 Events

#### Fleet

##### Fleet Operations and Employment

As at June 30, 2019, the Company had 25 vessels in operation, including 19 Eco MR tankers ranging from 45,000 deadweight tonnes (Dwt) to 49,999 Dwt (15 Eco-Design and four Eco-Mod) and six Eco-Design IMO 2 product / chemical tankers ranging from 25,000 Dwt to 37,800 Dwt. On May 24, 2019, the Company completed the sale of the *Ardmore Seafarer*.

##### MR Tankers (45,000 Dwt - 49,999 Dwt)

At the end of the second quarter of 2019, the Company had 19 Eco MR tankers trading in the spot market. The Eco MR tankers earned an average TCE rate of \$14,892 per day in the second quarter of 2019. The Company's 15 Eco-Design MR tankers earned an average TCE rate of \$14,945 per day, and the Company's four Eco-Mod MR tankers earned an average TCE rate of \$14,681 per day.

In the third quarter of 2019, the Company expects to have all revenue days for its MR Eco-Design and MR Eco-Mod tankers employed in the spot market. As of July 31, 2019, the Company has fixed approximately 40% of its total MR spot revenue days for the third quarter of 2019 at an average TCE rate of approximately \$14,000 per day.

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

At the end of the second quarter of 2019, the Company had six Eco-Design IMO 2 product / chemical tankers in operation, all of which were trading in the spot market. During the second quarter of 2019, the Company's six Eco-Design product / chemical vessels earned an average TCE rate of \$12,830 per day.

In the third quarter of 2019, the Company expects to have all revenue days for its Eco-Design IMO 2 product / chemical tankers employed in the spot market. As of July 31, 2019, the Company has fixed approximately 40% of its Eco-Design IMO 2 product / chemical tankers spot revenue days for the third quarter of 2019 at an average TCE rate of approximately \$12,000 per day.

#### Vessel Sales

In May 2019, Ardmore agreed terms for the sale of the *Ardmore Seafarer*. The sale price for the vessel was \$9.1 million and the vessel delivered to the buyer on May 24, 2019. Ardmore recognized a loss of \$6.6 million on the sale in the second quarter of 2019.

#### Drydocking

The Company had 42 drydock days, including repositioning days, in the second quarter of 2019 in respect of two drydockings. Ardmore expects it will have 15 drydock days, including repositioning days, in the third quarter of 2019.

#### Dividend

Based on the Company's policy of paying dividends equal to 60% of earnings from continuing operations, the Company's Board of Directors has not

declared a dividend for the quarter ended June 30, 2019, in which the Company reported a loss from continuing operations. Earnings from continuing operations is defined as earnings per share reported under U.S. GAAP, as adjusted for unrealized and realized gains and losses and extraordinary items.

#### **Results for the Three Months Ended June 30, 2019 and 2018**

The Company reported a GAAP net loss of \$9.9 million for the three months ended June 30, 2019, or \$0.30 loss per basic and diluted share, as compared to a GAAP net loss of \$8.6 million, or \$0.26 loss per basic and diluted share, for the three months ended June 30, 2018. The Company reported EBITDA (see Non-GAAP Measures section) of \$5.7 million for the three months ended June 30, 2019, as compared to \$7.6 million for the three months ended June 30, 2018.

The Company reported a net loss from continuing operations (see Non-GAAP Measures section) of \$3.4 million for the three months ended June 30, 2019, or \$0.10 net loss from continuing operations per basic and diluted share, as compared to a net loss from continuing operations of \$8.2 million, or \$0.25 net loss from continuing operations per basic and diluted share, for the three months ended June 30, 2018. The Company reported adjusted EBITDA (see Non-GAAP Measures section) of \$12.3 million for the three months ended June 30, 2019, as compared to \$8.0 million for the three months ended June 30, 2018.

#### **Results for the Six Months Ended June 30, 2019 and 2018**

The Company reported a GAAP net loss of \$19.1 million for the six months ended June 30, 2019, or \$0.58 loss per basic and diluted share, as compared to a GAAP net loss of \$13.7 million, or \$0.42 loss per basic and diluted share, for the six months ended June 30, 2018. The Company reported EBITDA (see Non-GAAP Measures section) of \$12.7 million for the six months ended June 30, 2019, as compared to \$17.5 million for the six months ended June 30, 2018.

The Company reported a net loss from continuing operations (see Non-GAAP Measures section) of \$5.9 million for the six months ended June 30, 2019, or \$0.18 net loss from continuing operations per basic and diluted share, as compared to a net loss from continuing operations of \$13.3 million, or \$0.41 net loss from continuing operations per basic and diluted share, for the six months ended June 30, 2018. The Company reported adjusted EBITDA (see Non-GAAP Measures section) of \$25.9 million for the six months ended June 30, 2019, as compared to \$17.9 million for the six months ended June 30, 2018.

#### **Management's Discussion and Analysis of Financial Results for the Three Months Ended June 30, 2019 and 2018**

**Revenue.** Revenue for the three months ended June 30, 2019 was \$55.0 million, an increase of \$2.6 million from \$52.4 million for the three months ended June 30, 2018.

The Company's average number of owned vessels decreased to 25.6 for the three months ended June 30, 2019 from 28.0 for the three months ended June 30, 2018, resulting in revenue days of 2,285 for the three months ended June 30, 2019 as compared to 2,505 for the three months ended June 30, 2018.

The Company had 25 and 24 vessels employed directly in the spot market as at June 30, 2019 and June 30, 2018, respectively. For spot chartering arrangements, the Company had 2,285 revenue days for the three months ended June 30, 2019 as compared to 2,141 for the three months ended June 30, 2018. This increase in revenue days derived from spot chartering arrangements resulted in an increase in spot market revenue of \$3.2 million, while changes in spot rates resulted in an increase in revenue of \$3.7 million.

The Company had zero and four vessels employed under third-party pool arrangements as at June 30, 2019 and June 30, 2018, respectively. Revenue days derived from pool arrangements were zero for the three months ended June 30, 2019, as compared to 364 for the three months ended June 30, 2018. Removing all vessels from third-party pool arrangements during 2018 resulted in a decrease in pool revenue of \$4.3 million for the three months ended June 30, 2019.

For vessels employed directly in the spot market, the Company typically pays all voyage expenses, and revenue is recognized on a gross freight basis, while under time chartering and pool arrangements, the charterer typically pays voyage expenses and revenue is recognized on a net basis.

**Commissions and Voyage Expenses.** Commissions and voyage expenses were \$23.3 million for the three months ended June 30, 2019, a decrease of \$0.9 million from \$24.2 million for the three months ended June 30, 2018. Commissions and voyage expenses decreased due to the decrease in the average number of owned vessels of 25.6 for the three months ended June 30, 2019, compared to 28.0 for the three months ended June 30, 2018.

**TCE Rate.** The average TCE rate for the Company's fleet was \$14,375 per day for the three months ended June 30, 2019, an increase of \$2,872 per day from \$11,503 per day for the three months ended June 30, 2018. The increase in average TCE rate was the result of higher spot rates and lower commissions and voyage expenses for the three months ended June 30, 2019. TCE rates represent net revenues (or revenues less commission and voyage expenses) divided by revenue days.

**Vessel Operating Expenses.** Vessel operating expenses were \$14.9 million for the three months ended June 30, 2019, a decrease of \$1.2 million from \$16.1 million for the three months ended June 30, 2018. This decrease is due to a decrease in the average number of vessels in operation for the three months ended June 30, 2019, and the timing of vessel operating expenses between quarters. Vessel operating expenses, by their nature, are prone to fluctuations between periods. Average fleet operating expenses per day, including technical management fees, were \$6,393 for the three months ended June 30, 2019 as compared to \$6,328 for the three months ended June 30, 2018.

**Depreciation.** Depreciation expense for the three months ended June 30, 2019 was \$8.0 million, a decrease of \$0.8 million from \$8.8 million for the three months ended June 30, 2018. This decrease is primarily due to a decrease in the average number of owned vessels to 25.6 for the three months ended June 30, 2019, from 28.0 for the three months ended June 30, 2018.

**Amortization of Deferred Drydock Expenditure.** Amortization of deferred drydock expenditure for the three months ended June 30, 2019 was \$1.1 million, an increase of \$0.3 million from \$0.8 million for the three months ended June 30, 2018. The capitalized 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 June 30, 2019 were \$3.9 million, an increase of \$0.2 million from \$3.7 million for the three months ended June 30, 2018. The increase is primarily due to the issuance of new awards of stock appreciation rights and restricted stock units in the first and second quarters of 2019.

**General and Administrative Expenses: Commercial and Chartering.** Commercial and chartering expenses are the expenses attributable to the Company's chartering and commercial operations departments in connection with the Company's spot trading activities. Commercial and chartering expenses for the three months ended June 30, 2019 were \$0.6 million, a decrease of \$0.2 million from \$0.8 million for the three months ended June 30, 2018. This decrease is primarily due to a decrease in staff costs due to headcount reduction in the second quarter of 2019.

**Loss on sale of vessel.** Loss on sale of vessel for the three months ended June 30, 2019 was \$6.6 million, compared to zero for the three months ended June 30, 2018. This relates to the sale of the *Ardmore Seafarer*.

**Interest Expense and Finance Costs.** Interest expense and finance costs include loan interest, finance lease interest, and amortization of deferred finance fees. Interest expense and finance costs for the three months ended June 30, 2019 were \$6.8 million, as compared to \$6.6 million for the three months ended June 30, 2018. Cash interest expense increased by \$0.7 million to \$6.3 million for the three months ended June 30, 2019, from \$5.6 million for the three months ended June 30, 2018. These increases in interest expense and finance costs are attributable to an increased average LIBOR during the three months ended June 30, 2019 compared to the three months ended June 30, 2018, as well as to a change in the Company's debt structure due to new finance leases entered into as part of vessel financing transactions during 2018. Amortization of deferred finance fees for the three months ended June 30, 2019 was \$0.5 million, a decrease of \$0.5 million from \$1.0 million for the three months ended June 30, 2018. Included in the \$1.0 million for the three months ended June 30, 2018 is a write-off of deferred finance fees in relation to sale and leaseback transactions of \$0.4 million.

#### **Consolidated Statement of Operations: Presentation Amendment**

Pursuant to Accounting Standards Codification 360-10, *Property, plant, and equipment*, if a subtotal for Income from Operations is included in a statement of operations, gains or losses on the sale of long-lived assets that are not discontinued operations should be included in Income from Operations. In the past, the Company has voluntarily included in its Consolidated Statements of Operations a subtotal for Income from Operations. The Company has amended the presentation of its Consolidated Statement of Operations, commencing with the period ended June 30, 2019, to remove this subtotal. In the Consolidated Statements of Operations for the years ended December 31, 2018, 2017 and 2016, and for the quarterly period ended March 31, 2019, the Company had reflected gains and losses on vessel dispositions below Income from Operations subtotal, which was technically not the proper order of presentation as part of Income from Operations in accordance with U.S. GAAP. The Company is planning to restate its Consolidated Statements of Operations for these periods to remove the subtotal for Income from Operations. Ardmore considers gains and losses from vessel sales to be fundamentally different in nature from income derived from the chartering and operations of vessels and thus believes that removal of the subtotal for Income from Operations is a better representation of the financial performance of the Company.

#### Liquidity

As of June 30, 2019, the Company had \$54.8 million (December 31, 2018: \$56.9 million) available in cash and cash equivalents. The following debt and lease liabilities (net of deferred finance fees) were outstanding as of the dates indicated:

	<b>As of</b>	
	<b>Jun 30, 2019</b>	<b>Dec 31, 2018</b>
Debt	\$ 208,045,943	\$ 228,354,248
Finance leases	224,502,499	241,476,098
Operating leases	1,719,178	1,968,654
<b>Total</b>	<b>\$ 434,267,620</b>	<b>\$ 471,799,000</b>

#### Conference Call

The Company plans to have a conference call on July 31, 2019 at 10:00 a.m. Eastern Time to discuss its results for the quarter ended June 30, 2019. All interested parties are invited to listen to the live conference call and 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 Shipping'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 August 7, 2019 at 877-344-7529 or 412-317-0088. Enter the passcode 10133853 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 will take 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 seaborne transportation of petroleum products and chemicals worldwide to oil majors, national oil companies, oil and chemical traders, and chemical companies, with its modern, fuel-efficient fleet of mid-size product and chemical tankers.

We are strategically focused on modern, fuel-efficient, mid-size product and chemical tankers. We actively pursue opportunities to exploit the overlap we believe exists between the clean petroleum product ("CPP") and chemical sectors in order to enhance earnings, and also seek to engage in more complex CPP trades, such as multi-grade and multi-port loading and discharging operations, where our knowledge of chemical operations is beneficial to our CPP customers. Our fuel-efficient operations are designed to enhance our investment returns and provide value-added service to our customers. We believe we are at the forefront of fuel efficiency and emissions reduction trends and are well positioned to capitalize on these developments with our fleet of Eco-design and Eco-mod vessels. Our acquisition strategy is to continue to build our fleet with Eco-design newbuildings and modern second-hand vessels that can be upgraded to Eco-mod. We have a resolute focus on both high-quality service and efficient operations, and we believe that our corporate overhead and operating expenses are among the lowest of our peers.

#### Ardmore Shipping Corporation

#### Unaudited Condensed Consolidated Balance Sheet (Expressed in U.S. dollars, unless otherwise stated)

	<b>As at</b>	
	<b>Jun 30, 2019</b>	<b>Dec 31, 2018</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	54,842,012	56,903,038
Vessel held for sale	-	8,083,405
Receivables, trade	24,202,268	27,460,132
Prepayments	1,354,454	1,291,399
Advances and deposits	2,813,756	2,132,804
Other receivables	198,778	786,084
Inventories	9,748,034	12,812,039
<b>Total current assets</b>	<b>93,159,302</b>	<b>109,468,901</b>
<b>Non-current assets</b>		
Vessels and vessel equipment, net	674,153,681	721,492,473
Deferred drydock expenditure, net	8,127,177	7,127,364

Ballast water treatment systems, net	1,917,976	528,774
Leasehold improvements, net	387,846	423,620
Other non-current assets, net	3,553,101	3,549,511
Operating lease, right of use asset	1,958,062	2,169,158
<b>Total non-current assets</b>	<b>690,097,843</b>	<b>735,290,900</b>
<b>TOTAL ASSETS</b>	<b>783,257,145</b>	<b>844,759,801</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Payables, trade	18,453,053	24,608,108
Other payables	83,918	35,900
Accrued interest on debt and finance leases	1,957,778	1,732,859
Current portion of long-term debt	19,771,824	22,834,543
Current portion of finance lease obligations	17,743,185	25,849,200
Current portion of operating lease obligations	416,278	477,147
<b>Total current liabilities</b>	<b>58,426,036</b>	<b>75,537,757</b>
<b>Non-current liabilities</b>		
Non-current portion of long-term debt	188,274,119	205,519,705
Non-current portion of finance lease obligations	206,759,314	215,626,898
Non-current portion of operating lease obligations	1,302,900	1,491,507
<b>Total non-current liabilities</b>	<b>396,336,333</b>	<b>422,638,110</b>
<b>Equity</b>		
Share capital	350,192	350,192
Additional paid in capital	415,516,029	414,508,403
Treasury stock	(15,348,909)	(15,348,909)
Accumulated deficit	(72,022,536)	(52,925,752)
<b>Total equity</b>	<b>328,494,776</b>	<b>346,583,934</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>783,257,145</b>	<b>844,759,801</b>

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**Ardmore Shipping Corporation**  
**Unaudited Condensed Statement of Operations**  
**(Expressed in U.S. dollars, unless otherwise stated)**

	Three months ended		Six months ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
Revenue	54,992,101	52,363,407	117,258,488	102,834,931
Commissions and voyage expenses	(23,279,177)	(24,165,305)	(50,529,301)	(43,688,124)
Vessel operating expenses	(14,878,738)	(16,144,409)	(31,717,026)	(33,411,868)
Depreciation	(8,032,393)	(8,771,091)	(16,262,885)	(17,432,566)

Amortization of deferred drydock expenditure	(1,114,880)	(818,506)	(2,253,643)	(1,651,150)
General and administrative expenses				
Corporate	(3,909,557)	(3,729,573)	(7,492,730)	(6,666,022)
Commercial and chartering	(593,059)	(772,135)	(1,649,680)	(1,582,128)
Loss on sale of vessels	(6,592,429)	-	(13,162,192)	-
Interest expense and finance costs	(6,805,234)	(6,640,097)	(13,762,894)	(12,342,088)
Interest income	318,661	152,224	556,999	266,989
<b>Loss before taxes</b>	<b>(9,894,705)</b>	<b>(8,525,485)</b>	<b>(19,014,864)</b>	<b>(13,672,026)</b>
Income tax	(48,300)	(51,646)	(81,920)	(77,726)
<b>Net loss</b>	<b>(9,943,005)</b>	<b>(8,577,131)</b>	<b>(19,096,784)</b>	<b>(13,749,752)</b>
Net loss per share, basic and diluted	(0.30)	(0.26)	(0.58)	(0.42)

**RESULTS FROM CONTINUING OPERATIONS <sup>(1)</sup>**

Net loss from continuing operations	(3,350,576)	(8,162,234)	(5,934,592)	(13,334,855)
Net loss per share from continuing operations	(0.10)	(0.25)	(0.18)	(0.41)
Weighted average number of shares outstanding, basic and diluted	33,097,831	32,703,717	33,097,831	32,574,192

(1) Net loss from continuing operations is a non-GAAP measure and is defined and reconciled under the "Non-GAAP Measures" section.

**Ardmore Shipping Corporation**  
**Unaudited Condensed Statement of Cash Flows**  
**(Expressed in U.S. dollars, unless otherwise stated)**

	<b>Six months ended</b>	
	<b>Jun 30, 2019</b>	<b>Jun 30, 2018</b>
<b>OPERATING ACTIVITIES</b>		
Net loss	(19,096,784)	(13,749,752)
Adjustment to reconcile net loss to net cash flow provided by operating activities:		
Depreciation	16,262,885	17,432,566
Amortization of deferred drydock expenditure	2,253,643	1,651,150
Share-based compensation	1,007,626	670,141
Loss on sale of vessels	13,162,192	-
Amortization of deferred finance fees	1,022,394	1,611,099
Foreign exchange on operating leases	(38,379)	-
<i>Changes in operating assets and liabilities:</i>		
Receivables, trade	3,257,864	2,716,457
Working capital advances	-	1,100,000
Prepayments	(63,055)	100,869
Advances and deposits	(680,954)	446,866
Other receivables	587,306	(1,464,218)
Inventories	3,064,005	(2,855,794)

Payables, trade	(5,821,457)	3,789,738
Accruals for capital items	(349,473)	-
Other payables	50,000	39,234
Accrued interest on debt and finance leases	224,919	212,715
Deferred drydock expenditure	(3,664,595)	(1,818,991)
<b>Net cash provided by operating activities</b>	<b>11,178,137</b>	<b>9,882,080</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from sale of vessels	26,557,707	-
Payments for acquisition of vessels and equipment	(151,831)	(15,267,380)
Payments for acquisition of ballast water treatment systems	(1,082,569)	-
Payments for leasehold improvements	(13,030)	(52,384)
Payments for other non-current assets	(127,605)	(88,843)
<b>Net cash provided by / (used in) investing activities</b>	<b>25,182,672</b>	<b>(15,408,607)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	-	2,685,730
Repayments of long-term debt	(21,087,685)	(49,706,706)
Proceeds from finance leases	-	56,600,000
Repayments of finance leases	(17,334,150)	(2,366,668)
Payments for deferred finance fees	-	(646,000)
Net proceeds from equity offering	-	7,393,297
<b>Net cash (used in) / provided by financing activities</b>	<b>(38,421,835)</b>	<b>13,959,653</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,061,026)</b>	<b>8,433,126</b>
Cash and cash equivalents at the beginning of the year	56,903,038	39,457,407
<b>Cash and cash equivalents at the end of the period</b>	<b>54,842,012</b>	<b>47,890,533</b>

**Ardmore Shipping Corporation**

**Unaudited Other Operating Data**

(Expressed in U.S. dollars, unless otherwise stated)

	Three months ended		Six months ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
<b>ADJUSTED EBITDA <sup>(1)</sup></b>	12,331,570	7,966,882	25,869,751	17,901,686
<b>AVERAGE DAILY DATA</b>				
MR Tankers Spot & Pool TCE per day <sup>(2)</sup>	14,892	11,510	15,306	12,086
Fleet TCE per day <sup>(2)</sup>	14,375	11,503	14,663	12,057
Fleet operating expenses per day <sup>(3)</sup>	5,936	5,900	6,213	6,125
Technical management fees per day <sup>(4)</sup>	457	428	458	431
	<u>6,393</u>	<u>6,328</u>	<u>6,671</u>	<u>6,556</u>

MR Tankers Eco-Design				
TCE per day <sup>(2)</sup>	14,945	10,600	15,418	11,826
Vessel operating expenses per day <sup>(5)</sup>	6,306	6,360	6,593	6,636
MR Tankers Eco-Mod				
TCE per day <sup>(2)</sup>	14,681	12,579	14,916	11,893
Vessel operating expenses per day <sup>(5)</sup>	6,872	6,615	6,879	6,623
Prod/Chem Tankers Eco-Design (25k - 38k Dwt)				
TCE per day <sup>(2)</sup>	12,830	12,527	12,529	12,816
Vessel operating expenses per day <sup>(5)</sup>	6,143	5,923	6,437	6,277
<b>FLEET</b>				
Upgrades and enhancements expensed	30,121	52,265	162,259	397,489
Average number of owned operating vessels	25.6	28.0	26.1	27.9

(1) Adjusted EBITDA is a non-GAAP measure and is defined and reconciled to the most directly comparable U.S. GAAP measure under the "Non-GAAP Measures" section.

(2) Time Charter Equivalent ("TCE") rate represents net revenues divided by revenue days. Revenue days are the total number of calendar days the vessels are in our possession less off-hire days generally associated with drydocking or repairs, idle days or repositioning associated with vessels held for sale. For vessels employed on voyage charters, TCE is the net rate after deducting voyage expenses incurred, divided by revenue days, including among other expenses, all commissions and pool administration fees. TCE is reported on a discharge to discharge basis.

(3) Fleet operating expenses per day are routine operating expenses and comprise crewing, repairs and maintenance, insurance, stores, lube oils and communication expenses. They do not include additional expenses related to the upgrading or enhancement of the vessels that are not capitalized.

(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 June 30, 2019

(Expressed in U.S. dollars, unless otherwise stated)

Vessel	IMO	Built	Country	DWT	Cargo Capacity (m <sup>3</sup> )	Engine Type	Cargo Segregations	Inerting System	Eco Specification	Newbuilding Price <sup>(1)</sup> June 30, 2019	Depreciated Replacement Value <sup>(2)</sup>
Seavaliant	IMO2/3	Feb-13	S. Korea	49,998	53,361	6S50 ME-C8.2	6	IG Plant	Eco-Design	\$36.00	\$27.69
Seaventure	IMO2/3	Jun-13	S. Korea	49,998	53,375	6S50 ME-C8.2	6	IG Plant	Eco-Design	\$36.00	\$28.05
Seavantage	IMO2/3	Jan-14	S. Korea	49,997	53,288	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$28.85
Seavanguard	IMO2/3	Feb-14	S. Korea	49,998	53,287	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$28.95
Sealion	IMO2/3	May-15	S. Korea	49,999	52,928	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$30.63
Seafox	IMO2/3	Jun-15	S. Korea	49,999	52,930	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$30.74
Seawolf	IMO2/3	Aug-15	S. Korea	49,999	52,931	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$30.91
		Nov-				6S50					

Seahawk	IMO2/3	15	S. Korea	49,999	52,931	ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$31.20
Endeavour	IMO2/3	Jul-13	S. Korea	49,997	53,637	6S50 ME-C8.2	6	IG Plant	Eco-Design	\$36.00	\$28.21
Enterprise	IMO2/3	Sep-13	S. Korea	49,453	52,774	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$28.41
Endurance	IMO2/3	Dec-13	S. Korea	49,466	52,770	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$28.72
Encounter	IMO2/3	Jan-14	S. Korea	49,494	52,776	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$28.79
Explorer	IMO2/3	Jan-14	S. Korea	49,478	52,775	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$28.87
Exporter	IMO2/3	Feb-14	S. Korea	49,466	52,770	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$28.97
Engineer	IMO2/3	Mar-14	S. Korea	49,420	52,789	6S50 ME-B9.2	6	IG Plant	Eco-Design	\$36.00	\$29.06
Seamariner	IMO3	Oct-06	Japan	45,726	52,280	6S50MC-6.1	3	Flue Gas	Eco-Mod	\$36.00	\$19.11
Sealeader	IMO3	Jun-08	Japan	47,451	52,527	6S50MC-6.1	3	Flue Gas	Eco-Mod	\$36.00	\$21.24
Sealifter	IMO3	Aug-08	Japan	47,463	52,534	6S50MC-6.1	3	Flue Gas	Eco-Mod	\$36.00	\$21.51
Sealancer	IMO3	Jul-08	Japan	47,472	52,467	6S50MC-6.1	3	Flue Gas	Eco-Mod	\$36.00	\$21.35
Dauntless	IMO2	Feb-15	S. Korea	37,764	41,620	6S50 ME-B9.2	14	Nitrogen	Eco-Design	\$35.00	\$29.34
Defender	IMO2	Feb-15	S. Korea	37,791	41,620	6S50 ME-B9.2	14	Nitrogen	Eco-Design	\$35.00	\$29.38
Cherokee	IMO2	Jan-15	Japan	25,215	28,475	6S46 ME-B8.3	12	Nitrogen	Eco-Design	\$31.00	\$25.79
Cheyenne	IMO2	Mar-15	Japan	25,217	28,490	6S46 ME-B8.3	12	Nitrogen	Eco-Design	\$31.00	\$26.04
Chinook	IMO2	Jul-15	Japan	25,217	28,483	6S46 ME-B8.3	12	Nitrogen	Eco-Design	\$31.00	\$26.40
Chippewa	IMO2	Nov-15	Japan	25,217	28,493	6S46 ME-B8.3	12	Nitrogen	Eco-Design	\$31.00	\$26.74
										<b>\$684.96</b>	
										Cash / Debt / Working Capital / Other Assets	(\$362.73)
										Net Asset Value (Assets) <sup>(5)</sup>	\$322.23
										NAV / Share <sup>(3)(5)</sup> (based on DRV)	\$9.74
										Ardmore Commercial Management <sup>(4)</sup>	\$13.83
										Net Asset Value (Assets & Commercial Mgt.) <sup>(5)</sup>	\$336.06
										NAV / Share <sup>(3)(5)</sup> (based on DRV)	<b>\$10.15</b>

- Based on broker estimates of contract price for newbuild vessel of equivalent deadweight tonne at a yard in South Korea as at June 30, 2019.
- Depreciated Replacement Value ("DRV") is based on estimated contract price for newbuild vessel as indicated above 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 \$300 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.
- NAV / Share calculated using 33,097,831 shares outstanding as at June 30, 2019.
- Ardmore Commercial Management is management's estimates value of Ardmore's commercial management and pooling business. It 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 fuel and voyage costs and (ii) administration fee of \$300 per vessel per day. These rates may vary over time.

5. Net Asset Value ("NAV") and NAV per share are non-GAAP measures. Management believes that many investors use NAV as a reference point in assessing valuation of fleets of ships and similar assets.

## CO<sub>2</sub> Emissions Reporting

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. With effect from July 1, 2019, the Company will commence reporting of carbon emissions data for its fleet. Ardmore's reporting methodology is in line with the framework set out within the IMO's Data Collection System ("DCS") initiated in January 2019.

	<b>Six months ended</b>
	<b>June 30, 2019</b>
Number of vessels in operation at the end of the reporting period	25
Fleet average age at end of reporting period	5.9 years
CO <sub>2</sub> emissions generated from vessels in metric tonnes	209,165
Fleet Annual Efficiency Ratio (AER) <sup>(1)</sup> for the period	6.43 g / tonne-mile
Fleet Energy Efficiency Operational Indicator (EEOI) <sup>(2)</sup> for the period	13.06 g / cargo tonne-mile

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 in methodology<sup>3</sup> 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>1</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 (i) mass of fuel consumed by type converted to metric tonnes of CO<sub>2</sub> divided by (ii) DWT multiplied by distance travelled in nautical miles

<sup>2</sup> Energy Efficiency Operational Indicator ("EEOI") is a tool for measuring the CO<sub>2</sub> gas emissions in a given time period per unit transport work performed. It is calculated by (i) mass of fuel consumed by type converted to metric tonnes of CO<sub>2</sub> divided by (ii) cargo carried in tonnes multiplied by laden voyage distance in nautical miles. This calculation is performed as per IMO MEPC.1/Circ684. Ardmore's EEOI data is measured based on the reporting tools and information reasonably available to the applicable third-party technical managers. Management assess such data from the third-party technical managers and may adjust and restate the data to reflect an appropriate fleet-wide assessment methodology

<sup>3</sup> Some shipping companies report CO<sub>2</sub> in tonne per kilometre as opposed to CO<sub>2</sub> in tonnes per nautical mile

## Non-GAAP Measures

This press release describes EBITDA, adjusted EBITDA and net loss from continuing operations, which are not measures prepared in accordance with U.S. GAAP and are defined and reconciled below. EBITDA is defined as earnings before interest, 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. Net loss from continuing operations excludes certain items from GAAP net loss because they are considered to be unusual items, including gain or loss on sale of vessels.

These non-GAAP measures 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 net loss from continuing operations, as financial and operating measures, assist investors in selecting between investing in the Company and other investment alternatives and monitoring the Company's ongoing financial and operational strength and health in assessing whether to continue to hold the Company's common stock.

These non-GAAP measures should not be considered in isolation from, as a substitute 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. All amounts in the tables below are expressed in U.S. dollars, unless otherwise stated.

## Reconciliation of net loss to EBITDA and

<b>adjusted EBITDA</b>	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>Jun 30, 2019</b>	<b>Jun 30, 2018</b>	<b>Jun 30, 2019</b>	<b>Jun 30, 2018</b>

Net loss	(9,943,005)	(8,577,131)	(19,096,784)	(13,749,752)
Interest income	(318,661)	(152,224)	(556,999)	(266,989)
Interest expense and finance costs	6,805,234	6,640,097	13,762,894	12,342,088
Income tax	48,300	51,646	81,920	77,726
Depreciation	8,032,393	8,771,091	16,262,885	17,432,566
Amortization of deferred drydock expenditure	1,114,880	818,506	2,253,643	1,651,150
<b>EBITDA</b>	<b>5,739,141</b>	<b>7,551,985</b>	<b>12,707,559</b>	<b>17,486,789</b>
Loss on sale of vessel	6,592,429	-	13,162,192	-
Deferred finance fees write-off	-	414,897	-	414,897
<b>ADJUSTED EBITDA</b>	<b>12,331,570</b>	<b>7,966,882</b>	<b>25,869,751</b>	<b>17,901,686</b>

**Reconciliation of net loss to net loss from continuing operations**

	Three months ended		Six months ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
Net loss	(9,943,005)	(8,577,131)	(19,096,784)	(13,749,752)
Loss on sale of vessel	6,592,429	-	13,162,192	-
Deferred finance fees write-off	-	414,897	-	414,897
<b>Net loss from continuing operations<sup>(1)</sup></b>	<b>(3,350,576)</b>	<b>(8,162,234)</b>	<b>(5,934,592)</b>	<b>(13,334,855)</b>
Net loss from continuing operations per share	(0.10)	(0.25)	(0.18)	(0.41)
Weighted average number of shares	33,097,831	32,703,717	33,097,831	32,574,192

<sup>1</sup> Net loss from continuing operations is defined in Ardmore dividend policy and above.

**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, the following statements: expected employment of the Company's vessels during the third quarter of 2019; and expected drydocking days in the third quarter of 2019. 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: current expected spot rates compared with current and expected charter rates, the failure of counterparties to fully perform their contracts with the Company; the strength of world economies and currencies; general market conditions, including fluctuations in 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; changes in the Company's operating expenses, including bunker prices, drydocking and insurance costs; the market for the Company's vessels; competition in the tanker industry; availability of financing and refinancing; charter counterparty performance; ability to obtain financing and comply with covenants in such financing arrangements; changes in governmental rules and regulations or actions taken by regulatory authorities; general domestic and international political conditions; potential disruption of shipping routes due to accidents, piracy or political events; the Company may not be able to charter vessels for all remaining revenue days during the third quarter of 2019 in the spot market or may choose to charter vessels on other employment; vessels breakdowns and instances of off-hire; and other factors. Please see the Company's filings with the U.S. Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

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<http://ardmoreshipping.investorroom.com/2019-07-31-Ardmore-Shipping-Corporation-Announces-Financial-Results-For-The-Three-And-Six-Months-Ended-June-30-2019>