

assets (i.e., vessel lease expense component), and (ii) \$3.1 million in respect of the costs of operating the vessels (i.e. operating expense component). Under U.S. 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 U.S. GAAP as compared to international financial reporting standards (â€œIFRSâ€). 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 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 and Adjusted earnings (for purposes of dividend calculations) EBITDA, Adjusted EBITDA and Adjusted earnings 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, gain on extinguishment and profit/(loss) on equity method investments. Adjusted earnings excludes certain items from net income 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 Companyâ€™s operating performance. EBITDA, Adjusted EBITDA and Adjusted earnings are presented in this press release as the Company believes that they provide investors with a means of evaluating and understanding how Ardmoreâ€™s management evaluates operating performance. EBITDA and Adjusted EBITDA increase the comparability of the Companyâ€™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 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 Companyâ€™s Adjusted earnings for the quarter ended September 30, 2024, 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 EBITDAR and Adjusted EBITDAR** **Three Months Ended** **Nine Months Ended** **September 30, 2023** **In thousands of U.S. Dollars**
Net income \$ 24,144 21,203 126,071 89,799 Interest expense and finance costs 1,103 2,998 5,673 8,687 Income tax 74 50 203 347 Unrealized losses on derivatives 26 26 7,833 6,928 22,414 Amortization of deferred drydock expenditures 997 733 2,692 2,635 EBITDA 33,951 31,494 155,697 120,919 Gain on vessel sold 12 (12,322) Gain on extinguishment 141,924 121,649 Loss from equity method investments 2204 150 482 730 ADJUSTED EBITDA 34,171 31,644 141,924 121,649 Vessel lease expense component 2,835 1,946 8,109 6,652 ADJUSTED EBITDAR 37,006 33,590 150,033 **Reconciliation of net income attributable to common stockholders to Adjusted earnings** **Three Months Ended** **Nine Months Ended** **September 30, 2023** **In thousands of U.S. Dollars**
except per share data 23,287 20,346 123,519 87,256 Gain on vessel sold 12 (12,322) Gain on extinguishment 87,256 87,256 Adjusted earnings per share, basic 0.55 0.49 2.62 2.12 Adjusted earnings per share, diluted 0.55 0.49 2.60 2.09 Weighted average number of shares outstanding, basic 42,135,165 41,296,128 41,663,882 41,072,686 Weighted average number of shares outstanding, diluted 42,362,193 41,754,259 42,096,610 41,742,364 Adjusted earnings for purposes of dividend calculation 23,313 23,313 Unrealized losses 26 Adjusted earnings for purposes of dividend calculation 23,313 23,313 Dividend to be paid 7,771 Dividend Per Share (DPS) 0.18 Number of shares outstanding as of November 6, 2024 42,011,443 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, expectations, projections, strategies, beliefs about 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. The words â€œbelieveâ€, â€œanticipateâ€, â€œintendâ€, â€œestimateâ€, â€œforecastâ€, â€œprojectâ€, â€œplanâ€, â€œpotentialâ€, â€œshouldâ€, â€œmayâ€, â€œwillâ€ and similar expressions are among those that identify forward-looking statements. Forward-looking statements in this press release include, among others, statements regarding: future operating or financial results, including future earnings and financial position; 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 Companyâ€™s continued investment in its existing fleet, fleet expansion and vessel and business acquisitions; seasonality; the Companyâ€™s business strategies, initiatives and sustainability agenda, and related future outcomes; the Companyâ€™s leadership transition; the potential effect of geopolitical conflicts, including the Russia-Ukraine war, the Israel-Hamas war and attacks against merchant vessels in the Red Sea area on the shipping industry and the Company; expected employment of the Companyâ€™s vessels and expected drydocking days; trends in the Companyâ€™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, among others, the Companyâ€™s examination of historical operating trends, data contained in the Companyâ€™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 Companyâ€™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 Companyâ€™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 Companyâ€™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 Companyâ€™s operating expenses, including bunker prices, drydocking and insurance costs; changes in the projections of spot and time charter or pool trading of the Companyâ€™s vessels; geopolitical conflicts, including future developments relating to the Russia-Ukraine war (including related sanctions and import bans) and or the Israel-Hamas war; changes in the Companyâ€™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 other events; fluctuations in oil prices; the market for the Companyâ€™s vessels; competition in the tanker industry; availability and completion of financing and refinancing; the Companyâ€™s operating results and capital requirements and the declaration of any future dividends by the Companyâ€™s board of directors; charter counterparty performance; any unanticipated delays or complications with scheduled drydockings, or with anticipated installations of scrubbers; ability to comply with covenants in the Companyâ€™s financing arrangements; changes in governmental rules and regulations or actions taken by regulatory authorities; the Companyâ€™s ability to charter vessels for remaining revenue days during the fourth quarter of 2024 in the spot market; a new or revised accounting pronouncements; general domestic and international political conditions; potential disruption of shipping routes due to accidents, piracy or other events; vessel breakdowns and instances of off-hire; the Companyâ€™s operating results and capital requirements, and the declaration of any future dividends by the Companyâ€™s board of directors; and other factors. Please see the Companyâ€™s filings with the U.S. Securities and Exchange Commission, including the Companyâ€™s Form 20-F for the year ended December 31, 2023, for a more complete discussion of these and other risks and uncertainties. **Investor Relations Enquiries:** Mr. Leon Berman Mr. Bryan Degnan The IGB Group 45 Broadway, Suite 115045 Broadway, Suite 1150 New York, NY 10006 Tel: 212-477-8438 Fax: 646-673-9701 Tel: 212-477-8636 Fax: 212-477-8636 Email: lberman@igbir.com Email: bdegnan@igbir.com