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Atlantic Navigation Holdings (Singapore) Limited

(Company Registration No. 200411055E)
(Incorporated in Singapore)

ATLANTIC NAVIGATION HOLDINGS SUSTAINED STRONG FINANCIAL PERFORMANCE IN 3Q2024 BEING LAST FULL QUARTER AS GROUP EMBARKS ON ASSET-LIGHT STRATEGY

11 November 2024 – Atlantic Navigation Holdings (Singapore) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), an established integrated offshore marine logistics services group operating predominantly in the Arabian Gulf in the Middle East, is pleased to provide an update on its unaudited financial results for the 3-month financial period ended 30 September (“**3Q**”) 2024 and 9-month financial period ended 30 September (“**9M**”) 2024 as follows:

<i>US\$ 'millions, unless otherwise stated</i>	3Q2024	3Q2023	Increase/ (Decrease)	9M2024	9M2023	Increase/ (Decrease)
Utilisation	92.4%	86.3%	6.1% pts	94.1%	88.3%	5.8% pts
Revenue	28.4	23.0	23.4%	81.6	66.6	22.6%
Gross Profit (i.e. taking into account depreciation)	13.1	8.0	63.3%	34.5	24.5	41.0%
Gross Profit Margin	46.2%	34.9%	11.3% pts	42.3%	36.8%	5.5% pts
Net Profit after Tax*	8.9	4.8	84.8%	30.5 *	15.3	99.3%
Earnings per share (US cents)*				5.82 *	2.92	99.3%
Net Profit Margin*	31.4%	21.0%	10.4% pts	37.3%*	23.0%	14.3% pts
Adjusted EBITDA**				36.3 **	26.8	35.8%
				30-Sep-24	31-Dec-23	Increase/ (Decrease)
Net Assets or Total Equity				130.2	99.8	
Net Assets Value (“NAV”) per share (US cents)				24.86	19.06	30.4%
Net Gearing***				30.3%*	38.0%	(7.7%) pts
Return on Equity (based on 9M Net Profit after Tax)*				23.4%*	15.7% ****	7.7% pts

* Including the one-off items such as the gain on liquidation of joint operation of US\$0.9 million and reversal of impairment on property, vessel and equipment of US\$6.8 million. Assuming the gain of liquidation of joint operation and reversal of impairment on property, vessel and equipment were excluded, the net profit after tax would have been US\$22.7 million, earnings per share would have been 4.35 US cents, with the resulting net profit margin at 27.9%, net gearing at 32.3% and return on equity at 18.6% for 9M2024.

** Adjusted EBITDA is computed based on the profit before tax, finance costs, depreciation and amortisation, excluding the gain on liquidation of joint operation and reversal of impairment on property, vessel and equipment.

*** Net debt divided by total capital plus net debt. Net debt includes loans and borrowings, trade and other payables, other non-financial liabilities, amount due to shareholders and lease liabilities, less cash and bank balances in aggregate including restricted cash while total capital refers to equity attributable to owners of the Company.

**** Based on 9M2023 net profit after tax of US\$15.3 million and total equity of US\$97.2 million as at 30 September 2023.

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Supported by the elevated utilisation rate of its owned fleet of vessels at 92.4% for 3Q2024 (compared to 86.3% for 3Q2023), the addition of new vessels in fleet (i.e. Atlantic Capella in June 2024 and AOS Glory in July 2024), general increase in daily charter rates as well as contributions from cross charters, the Group generated revenue of US\$28.4 million for 3Q2024 or 23.4% increase over 3Q2023 of US\$23.0 million. Gross profit was US\$13.1 million for 3Q2024 or 63.3% increase over 3Q2023 of US\$8.0 million, with net profit after tax at US\$8.9 million for 3Q2024 or 84.8% increase compared to US\$4.8 million for 3Q2023.

For 9M2024, the total revenue of the Group reached US\$81.6 million compared to US\$66.6 million for 9M2023, representing an increase of 22.6%. The gross profit for 9M2024 was US\$34.5 million or 41.0% higher compared to 9M2023 at US\$24.5 million with corresponding increase in gross profit margin to 42.3% compared to 36.8%, representing 5.5% points higher. Net profit for the Group (which included the US\$6.8 million reversal of impairment to property, vessel and equipment as well as the gain on disposal of joint operation of US\$0.9 million) reached US\$30.5 million, or 5.82 US cents per share for 9M2024 as compared to US\$15.3 million or 2.92 US cents per share for 9M2023.

Comparing the Group's net assets of US\$121.3 million as at 30 June 2024 to US\$130.2 million as at 30 September 2024, the net assets per share increased from 23.17 US cents to 24.86 US cents, representing an increase of 1.69 US cents over the three-month period ended 30 September 2024.

As an update to the Circular dated 13 September 2024 in relation to the Proposed Disposal of the Group's Fleet comprising 20 vessels and the Proposed Distribution, as an illustration, assuming the Proposed Transaction was completed on 30 September 2024 as opposed to 30 June 2024, the Proposed Disposal is expected to enhance the NAV per share to 28.65 US cents (approximately 38.08 SG cents), and after the Proposed Distribution of US\$120.0 million to shareholders or 22.92 US cents per share (approximately 30.47 SG cents), the resulting NAV per share would be approximately 5.73 US cents (approximately 7.62 SG cents), based on the exchange rate of US\$1.00 : S\$1.3292 on 7 November 2024. The updated NAV as mentioned above had not taken into account the contribution of the Group as vessel owners until the completion of the Proposal Disposal as announced on 23 October 2024 and 31 October 2024 as well as the sale of Delta 22 and the gain on disposal as announced on 8 November 2024 for expected completion on 26 November 2024.

Executive Director and CEO, Mr Bill Wong, commented,

"We are heartened that we have continued to perform well for 3Q2024, which represented the last full quarter of the Group being ship owners and manager. As announced on 31 October 2024, we had completed the disposal of fleet comprising of 20 vessels with the aggregate US\$183.0 million acquisition price being received in full. The fleet sale included Atlantic Capella which we acquired in February 2024 as well as OSV newbuilt AOS Glory in end May 2023 which was then already under construction and delivered in May 2024, both of which had commenced their maiden contracts in early June 2024 and mid-July 2024 respectively. Both vessels had since enjoyed 100% utilisation in August and September 2024 which is a strong testament to the operational team being able to value-add to vessels to suit and manage the operational requirements of its end-charterers.

As the Group evolves to being in the interim a predominantly a ship manager including the management of the fleet of 20 vessels sold to MAG Offshore in relation to their existing respective charterparty contracts, we will continue to leverage on our strengths as a reputable ship operator with an entrenched position in the Middle East to secure new contracts with potential acquisition of strategic assets and utilisation of assets from 3rd party owners. In this regard, we remain vigilant to evolving opportunities while mitigating our exposure to any adverse changes to the macro-economic environment including the potential slowdown in the global economy as well as the heightened uncertainties arising from the conflict in the Middle East.

As evident in the remaining NAV of the Group post the Proposal Distribution which we expect to declare by

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end November 2024 given the regulatory and administrative steps as required, the Group continues to retain significant cash, and will explore potential investment and acquisition opportunities in the near to medium term, and shall update the market when there are significant developments.

We would also take this opportunity to express our heartfelt gratitude to our principal banker in the UAE, National Bank of Fujairah, for their unwavering support since 2017, and having stood steadfastly by the Group given the earlier industry downturn and the immense challenges posed by the COVID-19 pandemic. We will continue to engage closely with our principal banker and aim to develop the relationship further, in relation to any potential investment and acquisition opportunities, as mentioned above.

– The End –

About Atlantic Navigation Holdings (Singapore) Limited (Bloomberg: ATL SP, Reuters: ATLA.SI)

Atlantic Navigation Holdings (Singapore) Limited is an investment holding company with integrated offering of marine logistics services as well as ship repair, fabrication and maintenance services. The Group currently provides ship management services including the fleet of 20 offshore support vessels (including lift-boats, AHTSs, PSVs, MUVs, AHT, DSV, crew-boat, AWB) sold in October 2024 which are on contracts with reputable offshore oil and gas companies and international contractors primarily in the Middle East.

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*This media release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This media release has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made, or reports contained in this media release. The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*