THE SHIP FINANCE PUBLICATION OF RECORD

MARINE MONEY

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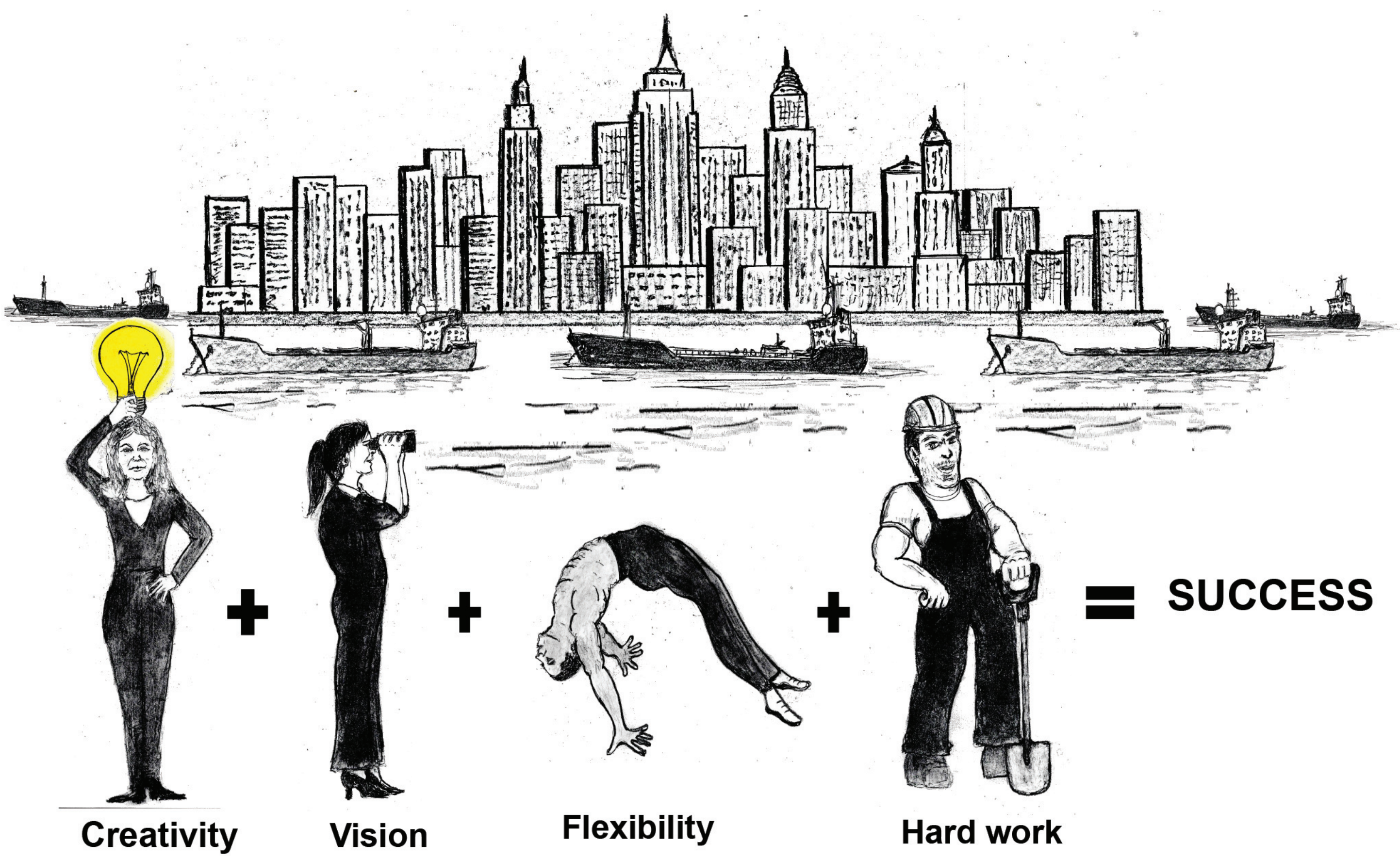


Deals of the Year 2021

e1 MARINE & THE $40 MILLION WIN, WIN, WIN!

THE PREFERRED EQUITY DEAL OF THE YEAR

By Matt McCleery

Transaction:	*e1 Marine Formation & Financing utilizing 8.5% Series A Perpetual Preferred Equity*
Winner:	*Armistead Street Capital Partners*

Shipping companies generally issue preferred shares for three basic reasons: (1) they need the cash; (2) their balance sheet can't support more cheap debt; and (3) their share price is so low that issuing common equity would be unduly dilutive to shareholders.

But Ardmore Shipping's 2021 issuance of $40 million of 8.5% Series A was something altogether different. This artistic transaction was not only a first of its kind in shipping, but it may also have been a first of its kind, period. It was a win-win-win with exciting benefits in the short, medium, and long-term. The chart says it best, but here's how and why this deal was a win-win-win.

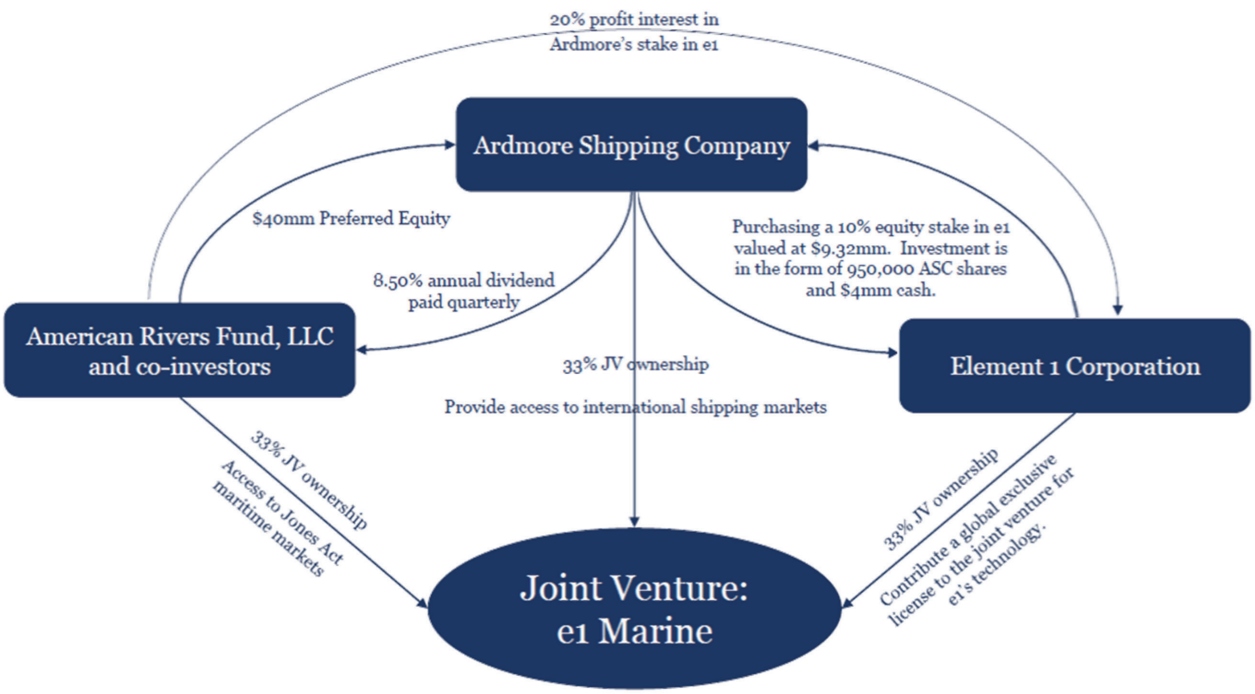
For the first win, let's look at a U.S. investment fund, Maritime Partners (MP). MP purchased Ardmore's entire $40 million preferred offering (in tranches of $25 million and $15 million). As compensation, MP receives a coupon of 8.5% payable in cash or, to a limited extent, additional Ardmore shares. But here's where it gets interesting; in addition to the coupon, MP also gets a 33% interest in a "e1 Marine," a joint venture formed to help e1, a methanol-to-hydrogen technology company, penetrate the maritime market. The stake in the JV not only has the potential to enhance MP's return on the preferred, but it also gives them access to technology that is suited for a different investment in their portfolio — a fleet of Jones Act tugboats.

For the second win, here's what the transaction accomplished for Ardmore. The NYSE-listed product tanker owner raised preferred equity on attractive terms with respect to coupon, PIK features, and redemption rights. They put most of the capital on their balance sheet; you can't have too much liquidity in today's tanker market. They also used $4 million of the proceeds, along with $5 million worth of Ardmore common shares, to make a $9 million investment in e1, a clean tech company that Ardmore believes could help the shipping industry reduce its carbon emissions from onboard power generation for both auxiliary power and primary propulsion, as well as stationary power applications. Ardmore was also granted a seat on the e1 board.

And finally, the deal was also winner for e1. The early-stage clean tech company found a strategic investor in the form of Ardmore, which gives them a stakeholder that will help them understand and penetrate the maritime market. They also received a round of fresh equity funding from Ardmore that not only showed proof of concept for maritime industries, but also established an attractive valuation for the company's future rounds of fundraising. e1 has also lined up two potential marquee clients with skin in the game in MP's tugboat company and Ardmore Shipping.

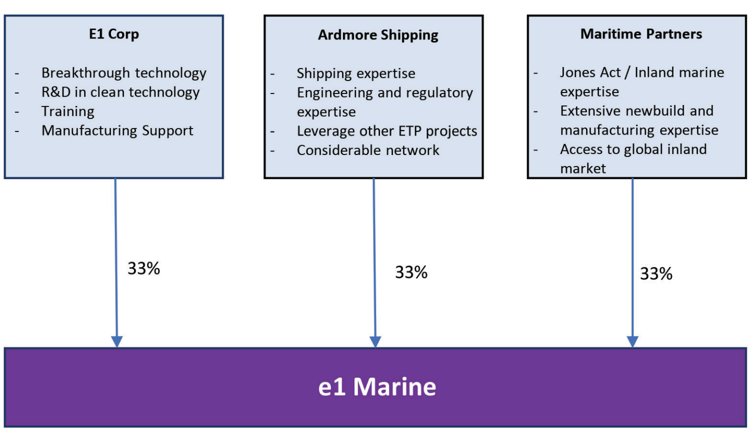
Anyone who does deals for a living knows that "triple handed transactions" — those involving three parties — are nearly impossible to close; the potential for disagreement around things like control, economics, and social issues is exponential. But what is especially unusual about this transaction is that all three parties received an additional synergistic benefit. We can only assume that the individuals who did this deal had good chemistry. Congratulations to the parties and to Michael Webber of Armistead who originated and orchestrated this artful transaction.

e1 Marine: Deal Symmetry



e1 Marine

Joint Venture: Ardmore, E1 and MP



e1 Marine
Getting hydrogen to work

Delivering E1 Technology to Marine Sector

- Worldwide mandate to develop, market and sell E1's products and services to the marine sector, including:
  - Deep sea shipping and inland / riverine
  - Offshore vessels and renewable energy facilities
  - Power for refrigerated intermodal containers
  - Passenger vessels / ferries, cruise ships, yachts
  - Naval and other governmental vessels
  - Fishing and other vessels
  - Port infrastructure
- Business model will primarily involve licensing and royalties with some small-scale manufacturing; not expected to be labor or capital intensive
- Will have its own organization and team across management, engineering and regulatory expertise, marketing and administration
- Managing Director has been identified and expected to be announced in the coming weeks