



AMSC ASA

Company Presentation

November 2022



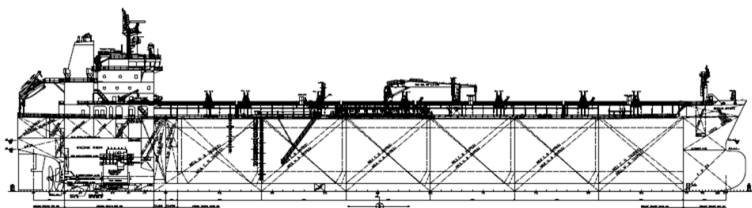
AMSC ASA

Important Information

This Company Presentation is current as of November 2022. Nothing herein shall create any implication that there has been no change in the affairs of AMSC ASA ("AMSC" or the "Company") since such date. This Company Presentation contains forward-looking statements relating to the Company's business, the Company's prospects, potential future performance and demand for the Company's assets, the Jones Act tanker market and other forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Company Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

Introduction to AMSC

- Oslo listed with market capitalization of USD ~265m*
 - OSE ticker: AMSC
 - U.S. OTC ticker: ASCJF
 - Bond ticker: ATI02
- Maritime leasing company with Jones Act and offshore assets to various counterparties
- Strategic shift towards growing the portfolio
- Fixed rate bareboat contracts generate stable, predictable cash flow
- Solid balance sheet with no debt maturities before 2025
- Strong cash flow supporting dividends and solid debt service coverage
- Presently trading at a 13% dividend yield



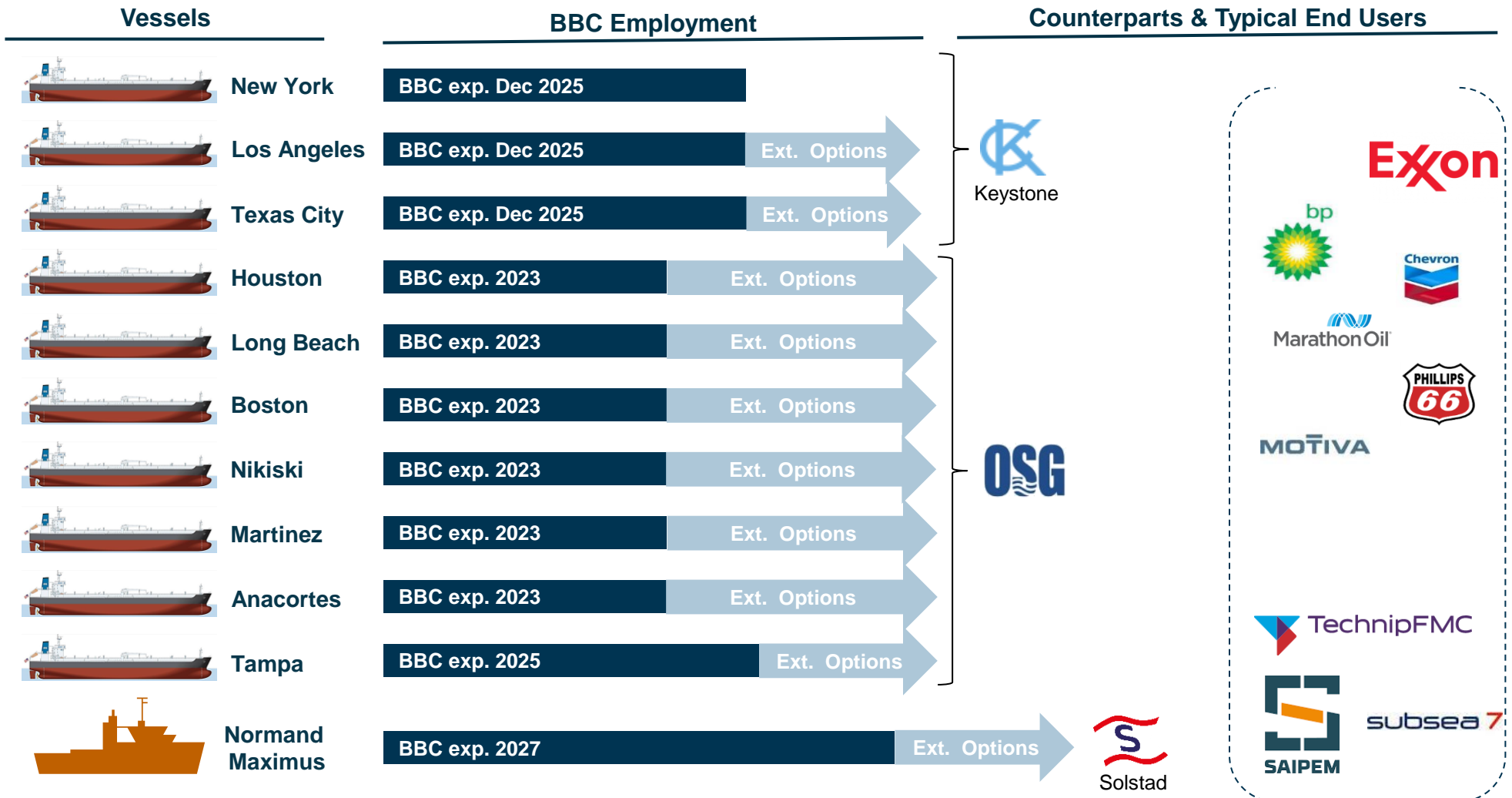
Fleet overview

#	Fleet	Type	Built	Charterer
1	Overseas Houston	MR Tanker	2007	OSG
2	Overseas Long Beach	MR Tanker	2007	OSG
3	Overseas Los Angeles	MR Tanker	2007	Keystone*
4	Overseas New York	MR Tanker	2008	Keystone*
5	Overseas Texas City	MR Tanker	2008	Keystone*
6	Overseas Boston	MR Tanker	2009	OSG
7	Overseas Nikisiki	MR Tanker	2009	OSG
8	Overseas Martinez	MR Tanker	2010	OSG
9	Overseas Anacortes	MR Tanker	2010	OSG
10	Overseas Tampa	Shuttle Tanker	2011	OSG
11	Normand Maximus	Subsea & OCV	2016	Solstad

* From December 2022

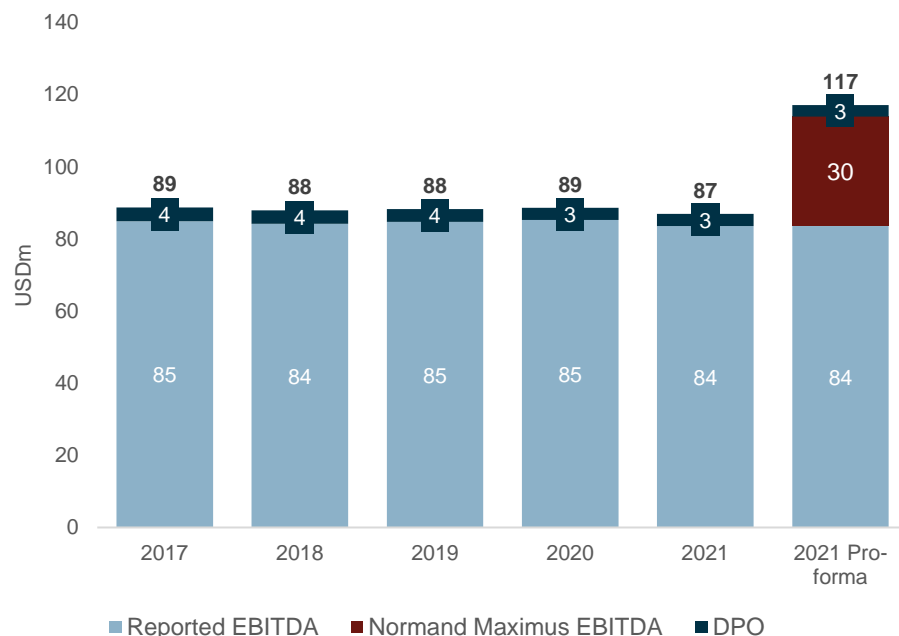
* Market cap. based on closing share price of NOK 37.90 per October 31, 2022

Strong and diversified contract coverage



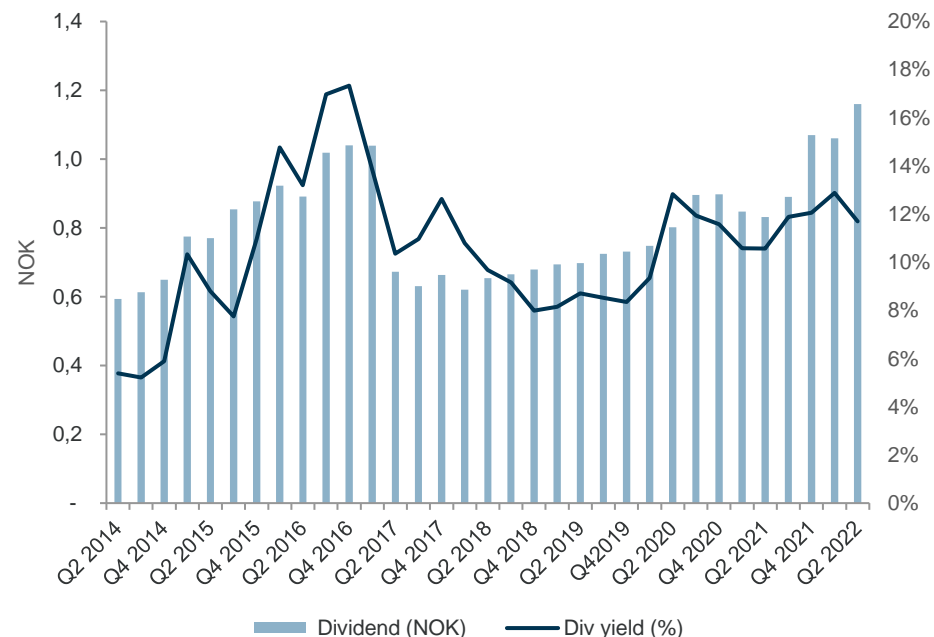
Underlying business has generated stable dividends for shareholders

Historical and pro-forma EBITDA⁽¹⁾



- Bareboat contracts provide strong and stable cash flows
- The modern fleet provides predictable and safe operations, while being the preferred vessels in the Jones Act market
- Upside potential through profit sharing arrangements with charterers

AMSC historical dividend yield



- AMSC has a long history of yielding high dividends for shareholders
- The company has paid consecutive quarterly dividends since 2014
- Currently trading at 13% dividend yield⁽²⁾

Note: (1): 2021 Pro-forma including DPO (deferred principal obligation from OSG – see company annual presentation for further details) of USD 3.2m, and NM contribution of USD ~30m; (2) 2Q22 dividend yield annualized



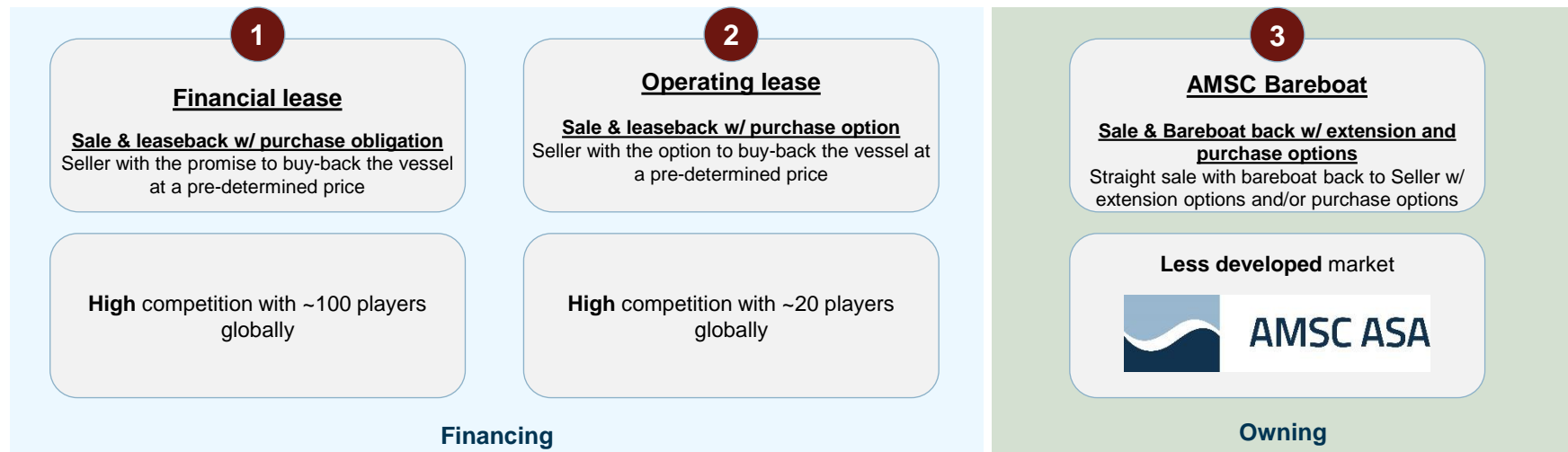
AMSC offers a differentiated long term lease solution

Flexible solution for charterer:

- Up to 100% financing
- Long term operational control of asset with medium term financial commitment
- Optionality at the end of each bareboat period, through extension options and/or purchase options – no purchase obligation
- Limited impact on balance sheet

Attractive risk/reward for AMSC:

- Higher risk/reward as AMSC remains commercially exposed towards the markets through profit share mechanism on purchase options and/or as an embedded element in the bareboat hire
- Limited competition as most alternative capital providers are more risk averse and tend to focus on plain-vanilla financing without profit-sharing element



Normand Maximus acquisition overview

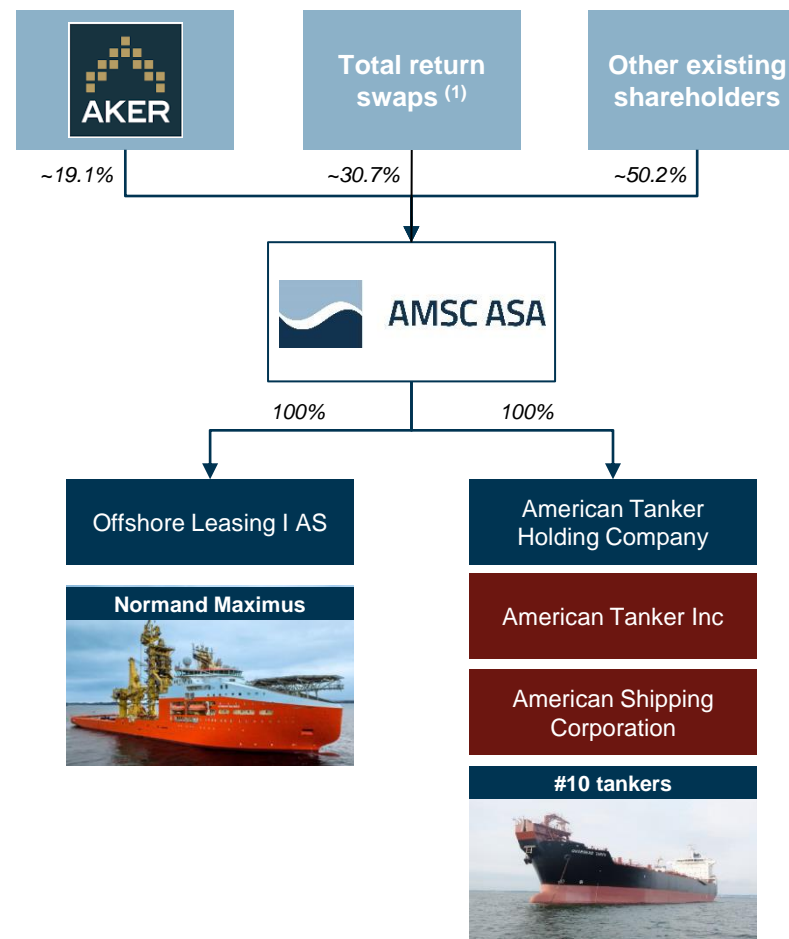
Transaction overview

- In May 2022, AMSC announced its first investment outside the protected Jones Act market, by agreeing to acquire Normand Maximus for USD 157m
- Transaction fully funded through credit approved acquisition financing from a leading shipping bank, cash on balance sheet and proceeds from the private placement
- From delivery in Q4 2022, the vessel will commence on a bareboat charter to Normand Maximus AS, a single purpose subsidiary of Solstad Offshore, for up to 15 years, adding USD 150m of contracted backlog, and up to USD 450m in total backlog if extension options are exercised
- Solstad Offshore is currently in discussions for long term time charters, but likely to continue to operate the vessel on shorter term time charters in the near term.
- The transaction is accretive on all key financial metrics and is projected to produce more than 30% annual return on equity and contribute ~USD 30m in annual EBITDA

Sources and uses for the transaction

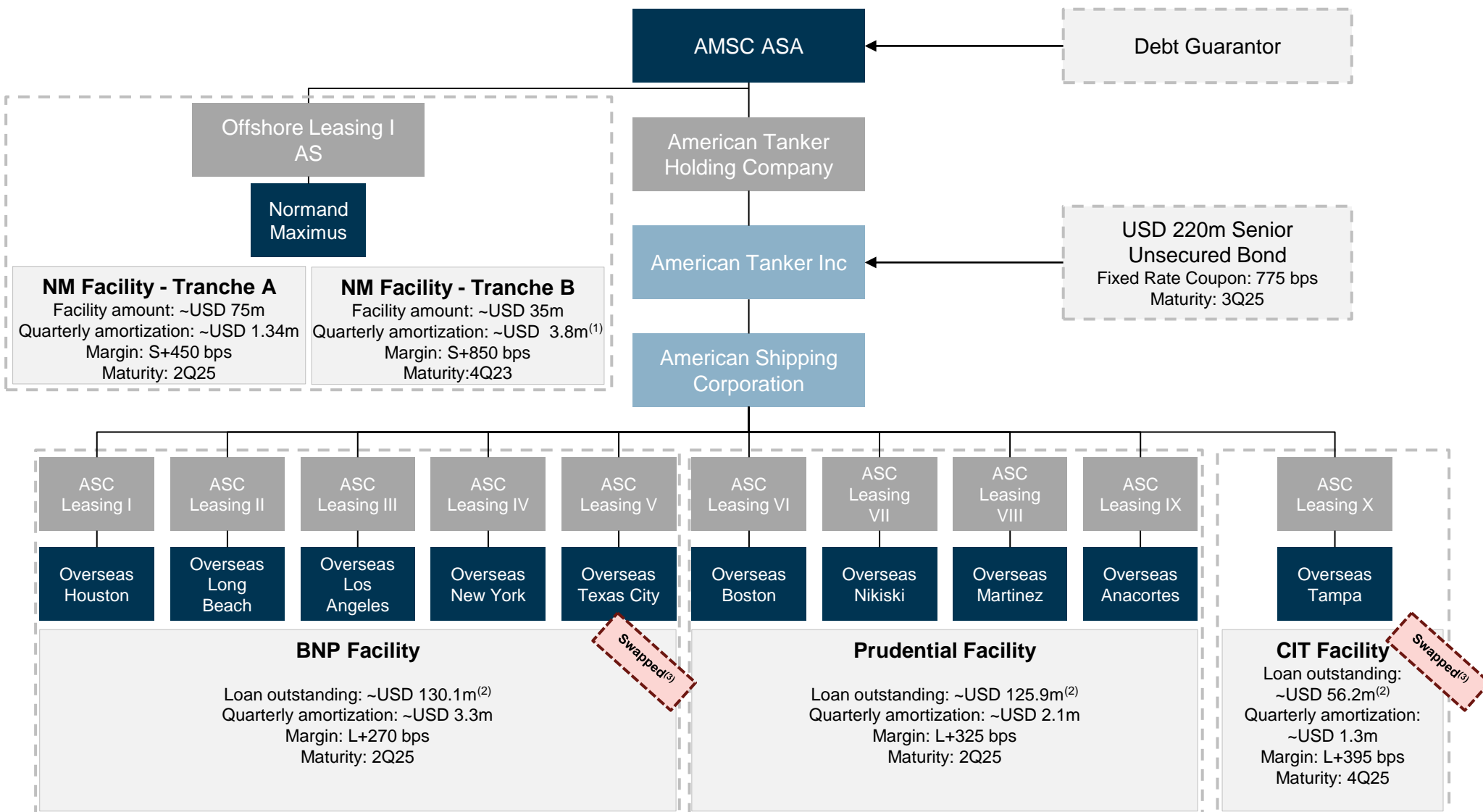
Sources	USDm	Uses	USDm
Debt	110	Normand Maximus	157
Cash from balance sheet	10	Transaction costs	3
Gross proceeds private placement	40		
Total	160	Total	160

Ownership and organizational structure



Note: (1): Aker has economic exposure through total return swaps with DNB (15,6%) and SEB (15,1%)

Organizational structure and credit facilities



Notes: (1): First instalment commencing in 9 months; (2): Debt balance for facilities as of 2021YE adjusted for two quarters of amortization; (3): LIBOR in the BNP facility and the CIT facility have been swapped at an average fixed rate of 49bps

Jones Act Market

Jones Act – a vital part of the US economy

The Jones Act has been in place since 1920...

- The Jones Act generally restricts the marine transportation of cargo and passengers between points in the United States to vessels that meet the following criteria:
 - Built in the United States
 - Registered under the U.S. flag
 - Manned predominately by U.S. crews
 - At least 75% owned and controlled by U.S. citizens
 - AMSC's presence in the Jones Act market is made possible by the lease finance exception of the Jones Act

- The Jones Act is an essential feature in U.S. national security
 - Ensuring non- dependency of ships controlled by foreign nations
 - Maintaining critical domestic shipbuilding capacity
 - Supporting a domestic pool of highly skilled mariners

- The Jones Act is a significant contributor to the US economy
 - Large U.S. employer
 - Substantial amounts of capital invested

... and is a vital part of the US economy

100,000,000,000

30,000,000,000

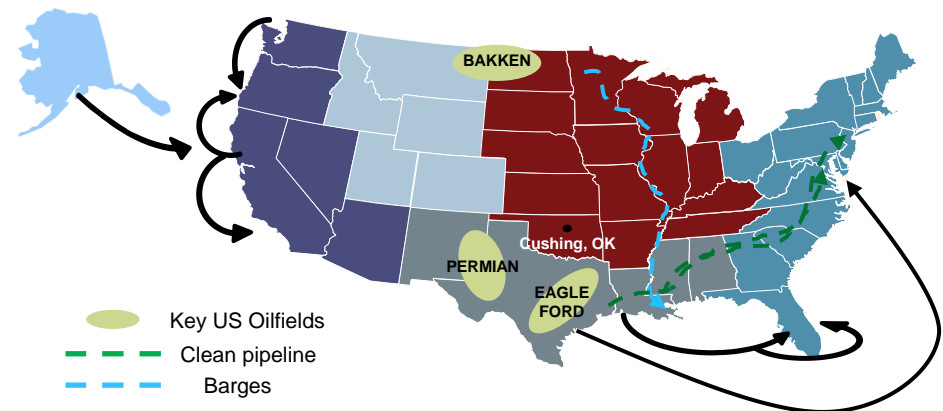
USD 30bn total investment in over 40,000 vessels

400,000

Number of jobs directly and indirectly impacted by the US maritime industry

Jones Act tankers primary trade routes

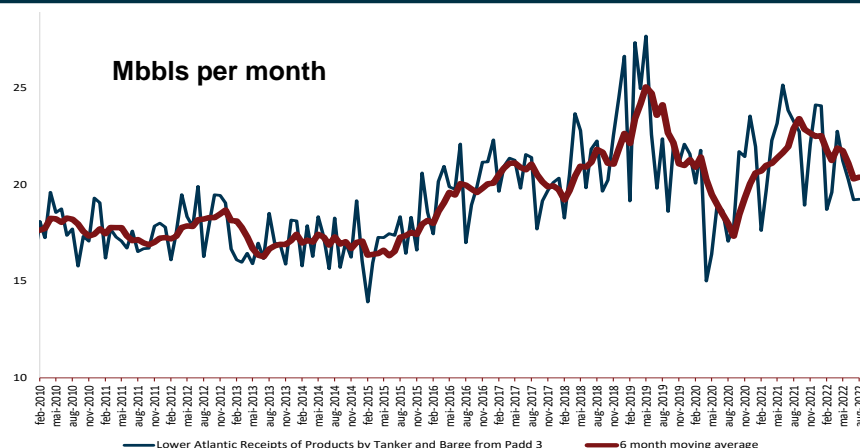
USD 100bn contribution to the US domestic economy



Jones Act Market

Increased Demand in Key Trades

Clean Products to Florida grows by ~3% per year



Emerging Bio-fuel trade with strong growth prospects

- US West Coast is the strongest market based on Low Carbon Fuel Standard credits
- US Gulf is currently where bio diesel is produced, although new refining projects are also planned for the West Coast
- A roundtrip from US Gulf to West Coast is 30-36 days through Panama Canal
- Previously only one Jones Act tanker served this trade which have now grown to four tankers

Crude to North East driven by oil spreads



Demand Summary

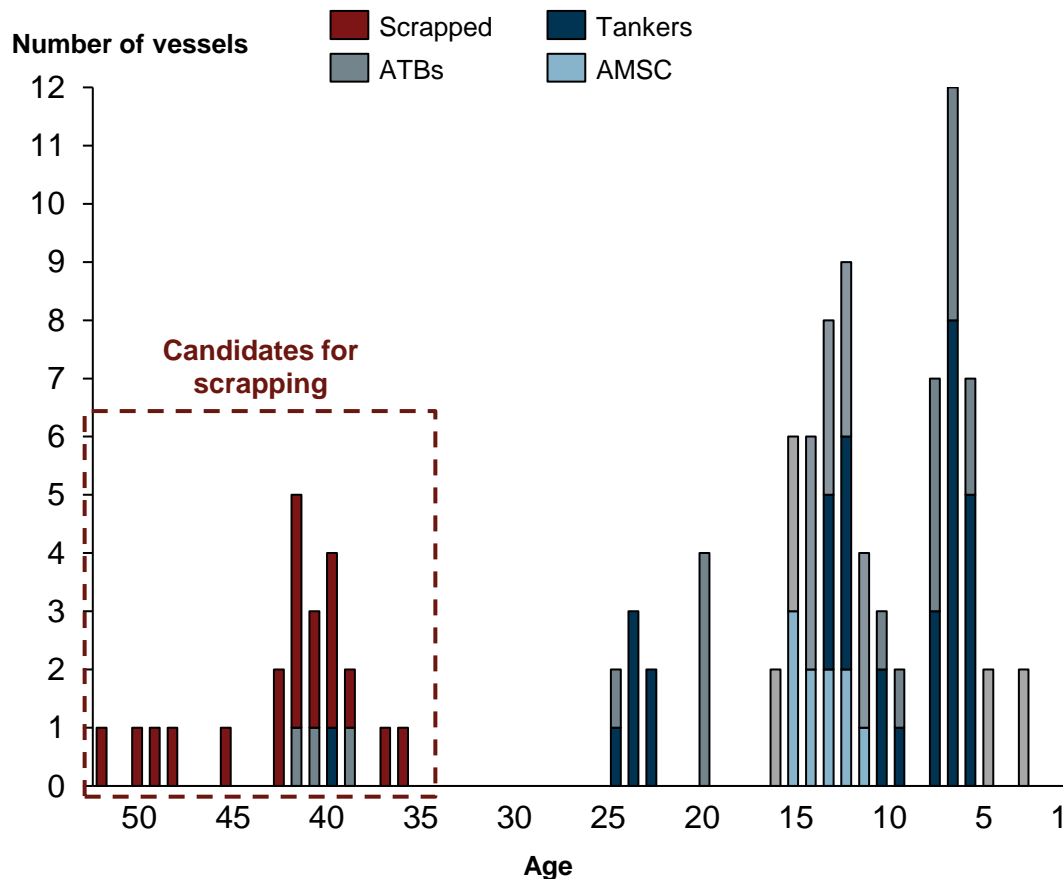
- The steady clean to Florida trade represents over 40% of demand and grows ~3% per year
- Refiners in U.S. Northeast incentivized to purchase more domestic shale oil from USG when crude spreads widen
- Emerging Bio Fuel trade expected to continue to grow into 2023 and beyond

Jones Act Market

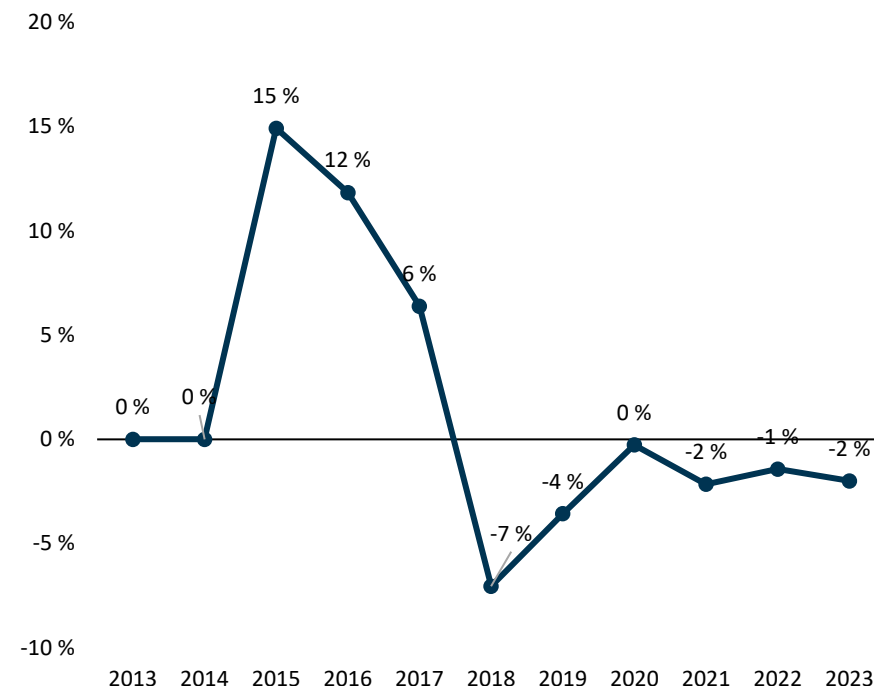
No tankers on order leading to additional fleet contraction

Considerable scrapping since 2016.....

Leading to negative fleet growth



Percentage change in Kbbbls capacity



No Yard Capacity and High Replacement Cost

Yard capacity

- Only two yards have sufficiently large dry docks to build Jones Act MR tankers:
 - Philly Shipyard
 - General Dynamics NASSCO
- Both yards build vessels for commercial Jones Act trading as well as government/naval contracts
- Both yards have won large government contracts in 2019/2020, which will occupy its capacity to build additional merchant vessels for several years going forward
- Likely delivered cost for a newbuild is now around USD175m with first available delivery slot in 2026
- Sustainable multi-year TC rates above ~USD70,000 per day required to justify newbuilds



- Philly Shipyard is listed on Euronext Expand (ticker: PHLI)
- Awarded contract for up to 5 training ships in April 2020
- Awarded 1+1 Subsea Rock Installation Vessel from Great Lakes Dredge & Dock Company in Nov 2021
- ***Likely no capacity for newbuild JA MRs until 2026***

GENERAL DYNAMICS NASSCO

- Significant backlog to build multiple vessels through 2026
- Awarded a USD 22.2bn naval contract in 2019, largest shipbuilding contract in US Navy history
- ***Likely no capacity for newbuild JA MRs until 2026***

Investment highlights

American Shipping Company



Income Statement (unaudited)

Figures in USD million (except share and per share information)

	2Q2022	2Q2021
Operating revenues	22.0	21.9
Operating expenses	(1.9)	(1.3)
Operating profit before depreciation - EBITDA	20.1	20.6
Depreciation	(8.6)	(8.5)
Operating profit - EBIT	11.5	12.1
Net financial expense	(7.7)	(7.6)
Unrealized gain/(loss) on interest swaps	1.7	0.4
Net foreign exchange gain / (loss)	(1.4)	-
Profit/(loss) before income tax	4.1	4.9
Income tax expense	-	(0.3)
Non-cash income tax benefit/(expense)	(0.8)	(1.0)
Net profit / (loss) for the period *	3.3	3.6
Average number of common shares	60,616,505	60,616,505
Earnings/(loss) per share (USD)	0.05	0.06

Balance Sheet (unaudited)

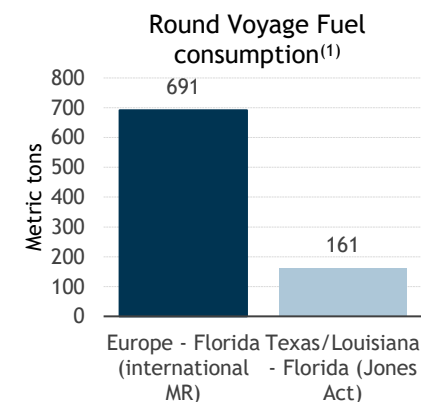
Figures in USD million

	2Q2022	2Q2021
Vessels	600.0	632.7
Deferred tax assets	9.4	13.7
Interest-bearing long-term receivables (DPO)	6.9	20.5
Derivative financial assets	11.8	-
Deposit for ship	20.0	-
Trade and other receivables	14.3	2.8
Cash held for specified uses	6.5	5.9
Cash and cash equivalents	33.0	53.9
TOTAL ASSETS	701.8	729.6
Total equity	146.8	156.7
Deferred tax liabilities	18.8	10.3
Interest-bearing long-term debt	505.3	532.1
Derivative financial liabilities	-	1.3
Capitalized Fees	(5.8)	(8.0)
Interest-bearing short-term debt	26.8	26.8
Trade and other payables	9.9	10.4
TOTAL EQUITY AND LIABILITIES	701.8	729.6

AMSC commitment to ESG

ENVIRONMENT

- The fleet is a part of the North American Emissions Control Area and runs on ultra low sulphur (0.1%) compliant fuel which is well below the new international 0.5% IMO requirement
- Local movement of crude and clean products has material environmental savings vs international sourcing of cargoes
 - Voyage from Europe to Florida is 12-13 days steaming
 - Voyage from Texas/Louisiana to Florida 1-3 days steaming
 - Shorter distances means less pollution per barrel transported
 - Lower fuel consumption and stricter fuel regulations result in a significant reduction in SOx, NOx, PM and CO emissions for Jones Act tankers
- Jones Act vessels have a longer economic life and are typically not scrapped until after its 35th anniversary – compared to 25 years expected useful economic life for international MR tankers
- AMSC will install Ballast Water Treatment Systems (BWTS) across the fleet⁽²⁾
- BIMCO 2001 Bareboat contracts with clear requirements for how counterparties operating their vessels comply with international environmental regulations



Source: Arctic Securities research

SOCIAL

- Crews on Jones Act tankers are typically unionised U.S. Citizens which are paid and have benefits according to U.S. tariffs which are considerably better than international crew compensation
- Diverse management team consisting of one woman and two men and the Chair of the Board of Directors is a woman

GOVERNANCE

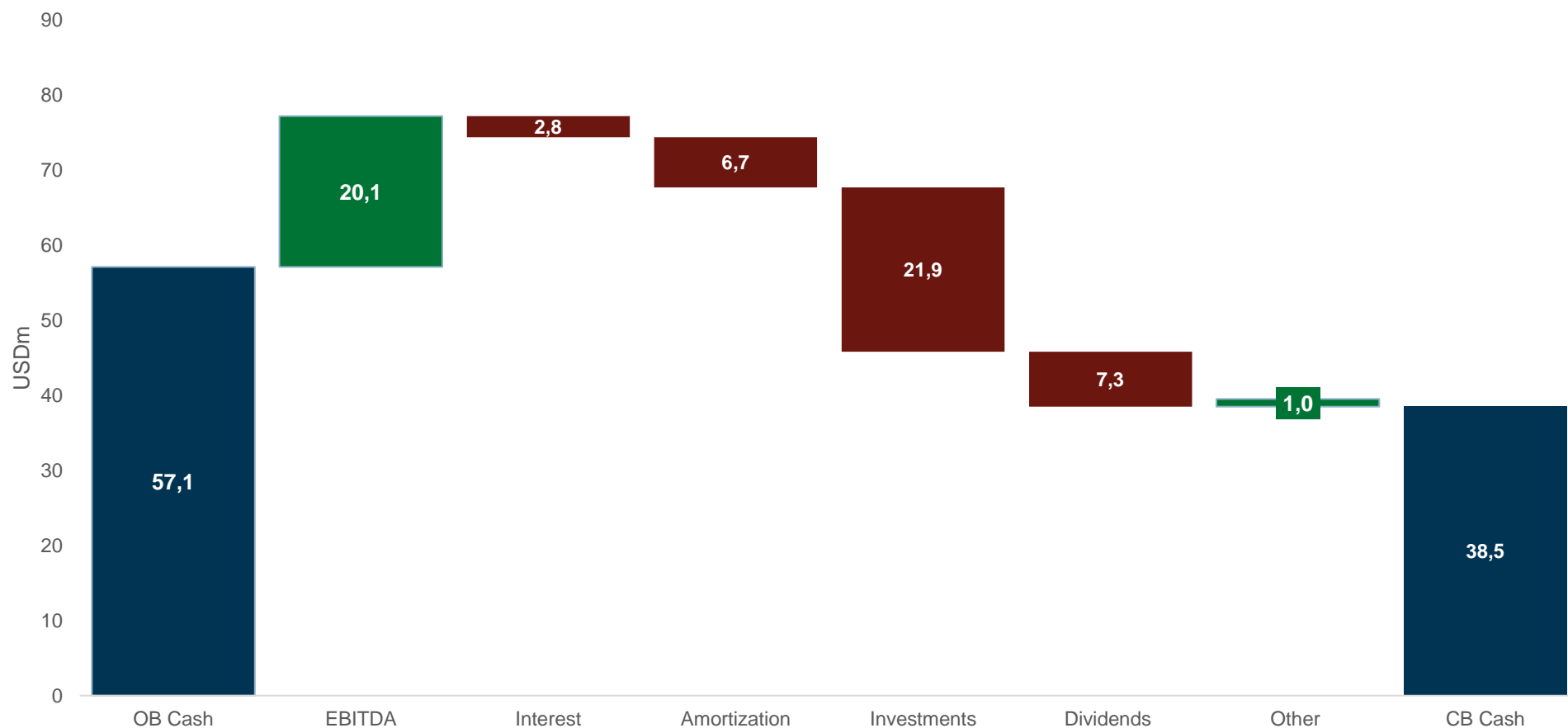
- As an Oslo Stock Exchange listed company AMSC complies with stringent governance rules in accordance with the Norwegian Corporate Governance Code (NUES)
- Equal treatment of shareholders
- 2 of 3 Board Members are independent including the Chair

Notes: (1): Compares fuel consumption for a round voyage Europe to Florida (29 days of which 4 days in port) with Texas/Louisiana to Florida (8 days of which 4 days in port) for 10 year old MR tankers

(2) BWTS Capex is recovered by adjusting the bareboat rate. AMSC budgets total BWTS Capex of USD 20-25m which will be recovered through upward adjustments to the bareboat rates. The bareboat rate is adjusted by dividing the BWTS Capex for a vessel by the number of days until it reaches 25 years of age (ie: for a 10-year-old vessel with USD2m in Capex the bareboat rate is adjusted by ~USD 365 per day) – The BWTS reimbursement applies to OSG charters only

Cash flow waterfall (unaudited)

Cash development in 2Q 22 (USD millions)





**American
Shipping
Company**



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