AMERICAN SHIPPING COMPANY ASA

First Quarter 2021 Report

First Quarter 2021 Report

Lysaker, 20 May 2021, American Shipping Company ASA ("AMSC" or the "Company") announces results for first quarter ending 31 March 2021.

HIGHLIGHTS

- Stable Q1 financial performance with bareboat revenue of USD 21.7 million, normalized EBITDA of USD 21.3 million and adjusted net profit of USD 5.4 million
- Backlog of secured bareboat revenue of USD 214 million with average weighted tenor of 2.4 years
- Declared Q1 dividend of USD 0.10 per share, backed by the Company's free cash flow
- Subsequent to quarter-end, the Company executed a USD 20 million tap issue under the senior unsecured bond

AMSC CEO, Pål Lothe Magnussen comments, *"The stability of American Shipping Company's business model was on full display in the first quarter as we deliver stable financial results in the middle of a weak Jones Act tanker market. While the timing remains uncertain, we believe in a recovery of the Jones Act tanker market based on improving economic fundamentals in the USA and vaccinations well underway."*

MAIN EVENTS DURING AND SUBSEQUENT TO THE FIRST QUARTER

- **Operating income**: Operating income was stable at USD 12.0 million in Q1 2021 and USD 12.7 million in Q1 2020.

- **Normalized EBITDA:** Normalized EBITDA of USD 21.3 million for Q1 2021 consists of base bareboat revenue of USD 21.7 million, plus Deferred Principal Obligation ("DPO") of USD 0.8 million, less SG&A of USD 1.3 million. The comparative figure for Q1 2020 for normalized EBITDA was USD 22.0 million (consisting of base bareboat revenue of USD 21.9 million, plus DPO of USD 0.9 million, less SG&A of USD 0.8 million). See Note 14 for more detailed information.

- **Adjusted net profit:** Adjusted net profit of USD 5.4 million for Q1 2021 consists of net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to non-cash deferred tax expenses. The comparative figure for Q1 2020 was USD 2.9 million. See Note 14 for further details.

- **Bond tap Issue:** On 15 April 2021, American Tanker, Inc. ("ATI"), an indirectly wholly owned subsidiary of AMSC, executed a tap issue of USD 20 million in the senior unsecured bond due 2 July 2025. The tap issue was made at an issue price of 101% of nominal amount. Following settlement on 19 April 2021, the outstanding amount of the senior unsecured bond is USD 220 million.

- **Dividends:** On 11 February 2021, the Board authorized a quarterly dividend payment of USD 0.10 per share, the equivalent of NOK 0.847 per share, to the shareholders on record as of 19 February, which was paid on 1 March 2021. The dividend was classified as a return of paid in capital.

  On 19 May 2021, the Board authorized a dividend payment of USD 0.10 per share to the shareholders on record as of 27 May 2021. The shares in AMSC will be traded ex. dividend from and including 26 May 2021, and the dividend will be paid on or about 4 June 2021. The dividend is classified as a return of paid in capital.

- **Dividend guidance:** The Company's policy with respect to dividends is driven by the Board's commitment to return value to its shareholders while also prudently managing its balance sheet and maintaining financial flexibility to pursue growth and diversification opportunities. Dividend payments depend on, among other things, performance of existing contracts including outlook for profit share, and will be considered in conjunction with the Company's financial position, debt covenants, capital requirements, and market conditions going forward. The COVID-19 pandemic is creating uncertainty on market fundamentals impacting the Jones Act tanker market and may affect the Company's ability to continue paying dividends.

FIRST QUARTER FINANCIAL REVIEW

Condensed Income Statement

Amounts in USD million (except share and per share information)	*unaudited* Q1 2021	Q1 2020
Operating revenues	21.7	21.9
Operating profit before depreciation - EBITDA	20.4	21.1
Normalized EBITDA	**21.3**	**22.0**
Operating profit - EBIT	12.0	12.7
Net financial expense	(6.9)	(11.7)
Unrealized gain/(loss) on interest swaps	(0.5)	0.8
Net foreign exchange gain/(loss)	0.1	(0.2)
Profit/(loss) before income tax	4.7	1.6
Income tax expense	0.3	-
Non-cash income tax (expense) / benefit	(1.1)	-
Net profit/(loss) for the period *	3.9	1.6
Adjusted net profit	**5.4**	**2.9**
Average number of common shares	60,616,505	60,616,505
Earnings/(loss) per share (USD)	0.06	0.03

* Applicable to common stockholders of the parent company

First quarter results

AMSC's operating revenues for Q1 2021 was USD 21.7 million, versus USD 21.9 million in Q1 2020. EBITDA was USD 20.4 million in Q1 2021 and USD 21.1 million in Q4 2020. EBIT was USD 12.0 million in Q1 2021 and USD 12.7 million in Q1 2020.

Net financial expense for Q1 2021 was USD 6.9 million (USD 11.7 million in Q1 2020). The reduced expense is due to the refinancing of AMSC's debt during 2020, as well as a one-time payment of USD 1.9 million in Q1 2020 to terminate the interest rate swaps in connection with the refinancing.

In Q1 2021, AMSC had an unrealized loss of USD 0.5 million on the mark-to-market valuation of its interest rate swap contracts related to its vessel financing (USD 0.8 million gain in Q1 2020).

AMSC had a net profit before tax for Q1 2021 of USD 4.7 million (USD 1.6 million in Q1 2020). Income tax benefit for Q1 2021 was USD 0.3 million (0 in Q1 2020). Non-cash deferred income tax expense was USD 1.1 million in Q1 2021 (0 in Q1 2020). Net profit for Q1 2021 was USD 3.9 million compared to USD 1.6 million in Q1 2020.

As of 31 December 2020, AMSC has approximately USD 517.6 million of federal net operating losses in carryforward in its U.S. subsidiaries and approximately USD 75.8 million of net operating losses in Norway. See Note 6 for more detailed information.

The non-cash deferred income tax benefit in the U.S. was the result of accelerated tax depreciation, which has created differences between accumulated depreciation for book and tax purposes and corresponding tax losses, the net of which is recognized as a deferred tax liability on the balance sheet.

Condensed Statement of Financial Position

Amounts in USD million	*unaudited* 31-Mar 2021	31-Mar 2020	31-Dec 2020 *
Vessels	641.2	670.4	649.5
Deferred tax assets	14.3	-	14.8
Interest-bearing long term receivables (DPO)	22.8	24.8	23.3
Trade and other receivables	0.9	0.3	0.3
Cash held for specified uses	1.2	0.8	0.9
Cash and cash equivalents	37.2	36.3	34.9
Total assets	**717.6**	**732.7**	**723.7**
Total equity	159.1	161.8	161.3
Deferred tax liabilities	9.8	11.4	9.2
Interest-bearing long term debt	510.7	512.3	516.8
Derivative financial liabilities	1.7	-	1.2
Interest-bearing short term debt	26.8	44.3	26.8
Deferred revenues and other payables	9.5	3.0	8.3
Total equity and liabilities	**717.6**	**732.7**	**723.7**

* Derived from audited financial statements

The decrease in Vessels from 31 December 2020 reflects depreciation of the Company's 10 vessels for Q1 2021.

At year-end 2020, AMSC recognized its Norwegian net deferred tax assets had not previously been recognized.

During 2021, Overseas Shipholding Group, Inc. ("OSG") made repayments on the DPO of USD 0.8 million, of which USD 0.5 million is principal repayment. See note 12 to the condensed consolidated financial statements for additional information on the DPO.

Interest bearing debt as of 31 March 2021 was USD 537.5 million, net of USD 8.2 million in capitalized fees versus USD 543.6 million as of 31 December 2020. This debt relates to the bank financing for the Company's 10 vessels of USD 345.6 million and the unsecured bond of USD 200.0 million. AMSC was in compliance with all of its debt covenants as of 31 March 2021.

Outlook

AMSC continues to enjoy downside protection with "come hell or high water" bareboat contracts, with five product tankers secured until December 2022, four product tankers secured until December 2023 and one shuttle tanker secured until June 2025.

The long-term fundamentals in the Jones Act tanker market remain stable. MR tankers are a reliable means of transportation and are a key part of the infrastructure transporting fuel and crude oil across the USA. AMSC's 10 tankers are an important part of the Jones Act tanker fleet and represents about 30% of the modern vessels.

Due to limited newbuild capacity, the vessel supply side remains stable with no newbuilds likely to materialize for many years. The Jones Act tanker fleet will continue to shrink as older tonnage is facing expensive drydocks and special surveys and will likely be phased out.

During the first quarter, demand for clean products was still lagging normal market conditions, but as recovery is continuing, current demand is now about 7% lower that pre-COVID averages.

The clean products trade in the Jones Act remain volatile but has recovered through 2H of last year. Recently, the recovery has been negatively impacted by the Texas freeze in February, as well as increasing imports driven by low international product tanker rates and continued lock down in Europe and elsewhere, making excess fuel available at low cost.

Crude cargoes from the U.S. Gulf to the U.S. Northeast are reduced as a result of lower crude throughput at refineries. Overall, current refinery utilization in the USA is 86.1%, down from around 91% average pre-COVID. Refinery utilization has increased steadily over the past nine months and is expected to continue its recovery path back to normal.

Although the impact of the COVID-19 pandemic has significantly reduced demand for crude oil and clean products in the U.S. market over the last twelve months, the economic activity and fuel consumption is gradually recovering and is approaching pre-COVID levels. EIA is forecasting the recovery will continue into 2022.

Nevertheless, there are eight MR tankers and four ATBs in layup, and two MR tankers trading spot. The weak tanker market is partly caused by lower cargo volumes and partly by increased utilization of the actively trading fleet.

Owners and operators remain disciplined in their chartering activity by balancing the number of vessels available for short term charters. This has led to spot chartering activity picking up in April and May, which we see as a positive sign of potential increased shipping activity going forward.

Whilst we remain optimistic, the COVID-19 pandemic is creating uncertainty for the timing of a Jones Act tanker market recovery. A prolonged weak tanker market may affect the Company's ability to continue paying dividends.

Risks

The risks facing AMSC principally relate to the operational and financial performance of OSG, re-chartering risk as well as overall market risk.

AMSC's activities also expose the Company to a variety of other financial risks, including but not limited to, currency, interest rate, refinancing, and liquidity risk.

For further details of AMSC's risks, refer to the 2020 Annual Report.

Definitions

Jones Act - The U.S. cabotage law, referred to as Jones Act, requires all commercial vessels operating between U.S. ports to be built, owned, operated and manned by U.S. citizens and to be registered under the U.S. flag. In 1996 certain amendments were enacted to the U.S. vessel documentations laws, allowing increased non-U.S. participation in the ownership of vessels operating in the Jones Act trade under certain conditions, known as the finance lease exemption.

Lysaker, 19 May 2021
The Board of Directors and President / CEO
American Shipping Company ASA

Annette Malm Justad
Chairperson

Peter D. Knudsen
Director

Kristian Røkke
Director

Pål Magnussen
President / CEO

AMERICAN SHIPPING COMPANY ASA GROUP CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER 2021

CONDENSED INCOME STATEMENT

	unaudited	
Amounts in USD million (except share and per share information)	**Q1 2021**	**Q1 2020**
Operating revenues	21.7	21.9
Operating expenses	(1.3)	(0.8)
Operating profit before depreciation - EBITDA	**20.4**	**21.1**
Depreciation	(8.4)	(8.4)
Operating profit - EBIT	**12.0**	**12.7**
Net financial expense	(6.9)	(11.7)
Unrealized gain/(loss) on interest swaps	(0.5)	0.8
Net foreign exchange gain/(loss)	0.1	(0.2)
Profit/(loss) before income tax	**4.7**	**1.6**
Income tax (expense) / benefit	0.3	-
Non-cash income tax (expense) / benefit	(1.1)	-
Net profit/(loss) for the period *	**3.9**	**1.6**
Average number of common shares	60,616,505	60,616,505
Earnings/(loss) per share (USD)	**0.06**	**0.03**

CONDENSED STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

	unaudited	
Amounts in USD million	**Q1 2021**	**Q1 2020**
Net income/(loss) for the period	3.9	1.6
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income/(loss) for the period *	**3.9**	**1.6**

*** Applicable to common stockholders of the parent company.**

CONDENSED STATEMENT OF FINANCIAL POSITION

	unaudited		
Amounts in USD million	**31-Mar 2021**	**31-Mar 2020**	**31-Dec 2020 ***
Assets			
Non-current assets			
Vessels	641.2	670.4	649.5
Deferred tax assets	14.3	-	14.8
Interest-bearing long term receivables (DPO)	22.8	24.8	23.3
Total non-current assets	**678.3**	**695.2**	**687.6**
Current assets			
Trade and other receivables	0.9	0.3	0.3
Cash held for specified uses	1.2	0.8	0.9
Cash and cash equivalents	37.2	36.3	34.9
Total current assets	**39.3**	**37.5**	**36.1**
Total assets	**717.6**	**732.7**	**723.7**
Equity and liabilities			
Total equity	**159.1**	**161.8**	**161.3**
Non-current liabilities			
Bond payable	200.0	220.0	200.0
Other interest-bearing loans	318.8	296.2	325.6
Derivative financial liabilities	1.7	-	1.2
Capitalized fees	(8.2)	(3.9)	(8.7)
Deferred tax liability	9.8	11.4	9.2
Total non-current liabilities	**522.2**	**523.7**	**527.3**
Current liabilities			
Interest-bearing short-term debt	26.8	44.3	26.8
Deferred revenues and other payables	9.5	3.0	8.3
Total current liabilities	**36.3**	**47.3**	**35.1**
Total liabilities	**558.5**	**570.9**	**562.4**
Total equity and liabilities	**717.6**	**732.7**	**723.7**

* Derived from audited financial statements

CONDENSED STATEMENT OF CHANGES IN TOTAL EQUITY

	unaudited	
	Year to Date	
Amounts in USD million	**2021**	**2020**
Equity as of beginning of period	**161.3**	**165.0**
Total comprehensive income for the period	3.9	1.6
Repurchase of treasury shares	-	-
Proceeds from sale of treasury shares	-	-
Dividends/return of capital	(6.1)	(4.8)
Total equity as of end of period	**159.1**	**161.8**

CONDENSED CASH FLOW STATEMENT

	unaudited	
	Year to Date	
Amounts in USD million	**2021**	**2020**
Net cash flow from operating activities	15.4	5.2
Net cash flow used in financing activities	(12.8)	(15.9)
Net change in cash and cash equivalents	**2.6**	**(10.7)**
Cash and cash equivalents, including cash held for specified uses at the beginning of period	35.8	47.9
Cash and cash equivalents, including cash held for specified uses at end of period	**38.4**	**37.1**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2021

1. Introduction - American Shipping Company

American Shipping Company ASA (“AMSC”) is a company domiciled in Norway. The condensed interim financial statements for the three months ended 31 March 2021 comprise AMSC and its wholly owned subsidiaries. These financial statements have not been audited or reviewed by the Company’s auditors. American Shipping Company has one operating segment.

The consolidated 2020 annual financial statements of AMSC are available at www.americanshippingco.com.

2. Basis of Preparation

These consolidated interim financial statements reflect all adjustments, in the opinion of AMSC’s management, that are necessary for a fair presentation of the results of operations for the periods presented. Operating results for the three and twelve month periods are not necessarily indicative of the results that may be expected for any subsequent interim period or year.

3. Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) applicable for interim reporting, *IAS 34 Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended 31 December 2020.

4. Significant accounting principles

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended 31 December 2020.

There have not been any new IFRS standards or interpretations issued or effective after the completion of the annual consolidated financial statements for the year 2020 that have a significant impact on AMSC’s financial reporting for the three months ended 31 March 2021.

5. Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies, and the key sources of estimation uncertainty, are the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2020.

Certain prior period reclassifications were made to conform to current year presentation.

6. Tax

Income tax expense is recognized in each interim period based on the best estimate of the expected annual income tax rates.

Without the benefit of accelerated depreciation on vessels for U.S. income tax purposes, the Company would have U.S. taxable income. Accordingly, substantially all of the deferred tax expense results from accelerated tax depreciation, which has created differences between accumulated depreciation for book and tax purposes and corresponding tax losses, the net of which is recognized as a deferred tax liability. The Company expects that the deferred tax liability will continue to grow until the U.S. subsidiaries are in a tax payable position for U.S. Federal income tax purposes, which is not expected until the vessels are fully depreciated for tax purposes and currently available tax operating losses are fully utilized. Deferred tax expense is a non-cash item.

Deferred tax assets include the Company's net operating losses in carryforward, the losses on derivative financial liabilities, unused interest expense deductions and capitalized loan fees. Deferred tax liabilities include the value of the vessels. AMSC's effective tax rate is significantly impacted by losses in Norway for which the tax benefit was recorded during 2020.

The Company has approximately USD 517.6 million of federal net operating losses in carryforward in the U.S. subsidiaries as of 31 December 2020, of which approximately USD 164.3 million are subject to certain limitations under Internal Revenue Service Code Section 382 (see note 5 of the 2020 consolidated financial statements for more details). The Company also has approximately USD 75.8 million of net operating losses in carryforward in Norway as of 31 December 2020.

7. Share capital and equity

As of 31 March 2021, AMSC had 60,616,505 ordinary shares at a par value of NOK 10 per share.

Dividends paid (classified as repayment of previously paid in share premium)	2021	2020
	1-Mar-21	16-Mar-20
NOK per share	0.8470	0.7478
USD per share	0.100	0.080
Aggregate NOK (millions)	51.3	45.3
Aggregate USD (millions)	6.1	4.8

8. Interest-bearing debt

The following table shows material changes in interest-bearing debt:

Amounts in USD million	3 months to 31-Mar-21	31-Mar-20
Balance at beginning of period	543.6	567.0
Repayment of debt / loan fees	(6.7)	(11.1)
Issuance of debt	-	-
Amortization of loan fees	0.6	0.7
Balance at end of period	537.5	556.6

The Company was in compliance with all of its debt covenants as of 31 March 2021.

On 15 April 2021, the Company executed a tap issue of USD 20 million in the senior unsecured bond due 2 July 2025. The tap issue was made at an issue price of 101% of nominal amount. Following settlement on 19 April 2021, the outstanding amount of the senior unsecured bond is USD 220 million.

9. Related party transactions

AMSC believes that related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

10. Net financial expenses

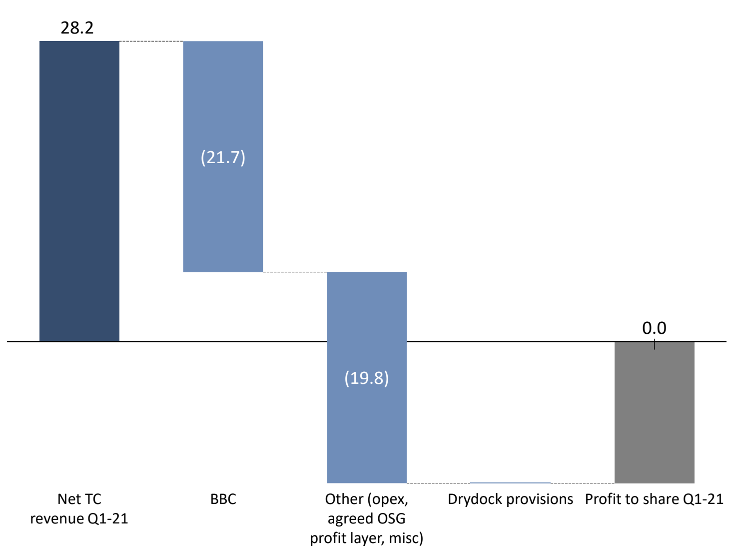
Amounts in USD million	3 months to 31-Mar-21	3 months to 31-Mar-20
Interest expense	(7.7)	(12.2)
Interest income	0.8	0.6
Net financial expense	**(6.9)**	**(11.7)**

11. Profit sharing agreement with OSG

AMSC and OSG have an agreement to share profits from OSG's operations of AMSC's 10 vessels. The calculation of profit to share is complex and made on an aggregated fleet level. The calculation thus starts with total time charter vessel revenue, subtracted by defined cost elements including provisions for drydock costs. The profit share is reported quarterly, but is calculated on an aggregated fleet level over a full calendar year. Accordingly, one may have individual quarters with positive profit share offset by quarters with negative profit share. Nonetheless, AMSC's portion of the profit can never be negative on an annual basis.

In years of weak markets there may be shortfalls in net time charter revenues applied to cover provisions for future drydocks. Such shortfalls need to be recovered by net time charter revenues in subsequent years with stronger markets. Similarly, if drydock provisions deducted in the profit share calculation are too high, these are adjusted through a true-up mechanism once special surveys for individual vessels are completed. The concept of true-ups ensure that any shortfall or excess in drydock provisions are adjusted to reflect the actual cost of drydocks over the five-year special survey cycles.

Profit Sharing Calculation for Q1 2021



AMSC's 50% share of the full year profit is used to reduce the OSG credit. In the agreement negotiated with OSG, the "OSG credit" is the amount of AMSC's profit sharing that OSG retains prior to having an obligation to remit profit sharing payments to AMSC. After the OSG credit has been fully reduced to zero, AMSC will receive its 50% share of the subsequent profit share in cash. The OSG credit balance was as of 31 December 2020 USD 7.1 million.

12. Deferred Principal Obligation (DPO)

Pursuant to the current charter agreements, OSG had the right to defer payment of a portion of the bareboat charter hire for the first five vessels during the initial seven year fixed bareboat charter periods. OSG paid a reduced bareboat charter rate and assumed the DPO. The DPO accrued on a daily basis to a maximum liability from OSG of USD 7.0 million per vessel. The DPO is repaid to AMSC over 18 years including interest unless the bareboat charter is terminated earlier at which time the DPO becomes due immediately. OSG has made repayments on all five vessels delivered under the arrangement, and those vessels' cash bareboat charter hire resumed to its full contractual amount.

	3 months to	
Amounts in USD million	**31-Mar-21**	**31-Mar-20**
Balance at beginning of period	23.3	25.3
Repayments of principal	(0.5)	(0.5)
Balance at end of period	22.8	24.8

13. Financial Instruments

The only financial instruments that the Company accounts for at fair value on an ongoing basis are the interest rate swaps, which are classified in the Level 2 category as is described in the 2020 consolidated financial statements. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the quarter ended 31 March 2021, there were no transfers between categories.

The fair values of financial instruments, the related fair value hierarchy, together with the carrying amounts shown in the balance sheet are as follows:

Amounts in USD millions	Carrying amount 31-Mar-21	Fair value 31-Mar-21	Fair value hierarchy *
Interest-bearing receivables (DPO)	22.8	19.2	3
Interest swap used for economic hedging	(1.7)	(1.7)	2
Unsecured bond issue (gross)	(200.0)	(204.0)	2
Secured loans (gross)	(345.6)	(346.5)	2

The fair value of cash, accounts receivable and accounts payable approximate the carrying values due to their short-term nature.

* Described in the 2020 consolidated financial statements

14. Alternative Performance Measures

Alternative performance measures are financial measures other than the financial measures defined under IFRS. In accordance with guidelines, AMSC publishes the explanation of the use of alternative performance measures used by the Company, definitions of the performance measures used and reconciliation with the IFRS financial statement.

AMSC discloses Normalized EBITDA and Adjusted Net Profit in order to provide meaningful supplemental information to management and investors as the Company believes these measures enhance an understanding of the Company's operating earnings. The Company also discloses its revenue backlog which includes its bareboat charter revenue from fixed bareboat contracts, not including options.

Normalized EBITDA is calculated as operating revenues (base bareboat revenue) less operating expenses plus profit sharing plus DPO. Adjusted Net Profit includes net profit/(loss) after tax, adjusting for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax. The tables below illustrate the comparative information for normalized EBITDA and reconciliation to the reported EBITDA and Adjusted net profit and a reconciliation to net profit/(loss) after tax.

	unaudited	
Normalized EBITDA (amounts in USD millions)	**Q1 2021**	**Q1 2020**
Base bareboat revenue	21.7	21.9
Less operating expenses	(1.3)	(0.8)
Reported EBITDA	**20.4**	**21.1**
Plus profit share	-	-
Plus DPO	0.8	0.9
Normalized EBITDA	**21.3**	**22.0**

	unaudited	
Adjusted net profit (amounts in USD millions)	**Q1 2021**	**Q1 2020**
Net profit/loss after tax	3.9	1.6
Add back:		
Unrealized (gain)/loss on interest swaps	0.5	(0.8)
Net foreign exchange (gain)/loss	(0.1)	0.2
Non-cash income tax expense	1.1	-
Loan refinancing:		
Interest swap termination payments	-	1.9
Adjusted net profit	**5.4**	**2.9**

15. American Tanker, Inc. consolidated financial statements

In accordance with the bond loan agreement, below are the consolidated unaudited financial statements for American Tanker, Inc. and its subsidiaries for the first quarter 2021.

CONDENSED INCOME STATEMENT

	unaudited
Amounts in USD million (except share and per share information)	**YTD 2021**
Operating revenues	21.7
Operating expenses	(0.6)
Operating profit before depreciation - EBITDA	**21.1**
Depreciation	(8.4)
Operating profit - EBIT	**12.8**
Net interest expense	(9.2)
Unrealized gain/(loss) on interest swaps	(0.5)
Other financial expenses	(0.5)
Profit/(loss) before income tax	**2.6**
Income tax expense	0.3
Non-cash income tax benefit/(expense)	(0.6)
Net profit/(loss) for the period *	**2.3**
Average number of common shares	1,000
Earnings/(loss) per share (USD thousands)	**2.31**

*** Applicable to common stockholders of the parent company.**

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in USD million	*unaudited* 31-Mar 2021
Assets	
Non-current assets	
Vessels	640.1
Interest-bearing long term receivables (DPO)	22.8
Total non-current assets	**663.0**
Current assets	
Other current assets	0.9
Cash held for specified uses	1.2
Cash and cash equivalents	27.9
Total current assets	**30.0**
Total assets	**693.0**
Equity and liabilities	
Total equity	**46.9**
Non-current liabilities	
Bond payable	200.0
Other interest-bearing loans	409.0
Derivative financial liabilities	1.7
Capitalized fees	(8.2)
Deferred tax liability	10.5
Total non-current liabilities	**613.0**
Current liabilities	
Interest-bearing short-term debt	26.8
Deferred revenues and other payables	6.2
Total current liabilities	**33.0**
Total liabilities	**646.0**
Total equity and liabilities	**693.0**

CONDENSED CASH FLOW STATEMENT

Amounts in USD million	*unaudited* YTD 2021
Net cash flow from operating activities	13.8
Net cash flow used in financing activities	(6.7)
Net change in cash and cash equivalents	**7.1**
Cash and cash equivalents, including cash held for specified uses at the beginning of period	22.0
Cash and cash equivalents, including cash held for specified uses at end of period	**29.1**

16. Subsequent events

On 15 April 2021, American Tanker, Inc. (“ATI”), an indirectly wholly owned subsidiary of AMSC executed a tap issue of USD 20 million in the senior unsecured bond due 2 July 2025.

On 19 May 2021, the Board authorized a dividend payment of USD 0.10 per share to the shareholders on record as of 27 May 2021. The shares in AMSC will be traded ex. dividend from and including 26 May 2021, and the dividend will be paid on or about 4 June 2021. The dividend is classified as a return of paid in capital.

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