



American Shipping Company ASA



Q4 2021 financial results and company update

25 February 2022

Important information

Nothing herein shall create any implication that there has been no change in the affairs of American Shipping Company ASA ("AMSC" or the "Company") as of the date of this Company Presentation. 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.

Fourth quarter 2021 highlights

- Adjusted net profit of USD 4.3 million*
- Normalized EBITDA** of USD 21.9 million
 - DPO of USD 0.8 million
- Declared Q4 dividend of USD 0.12 per share, supported by free cash flow
 - Ex-dividend date of 3 March 2022
 - Payment on or about 14 March 2022
 - Classified as a return of paid in capital

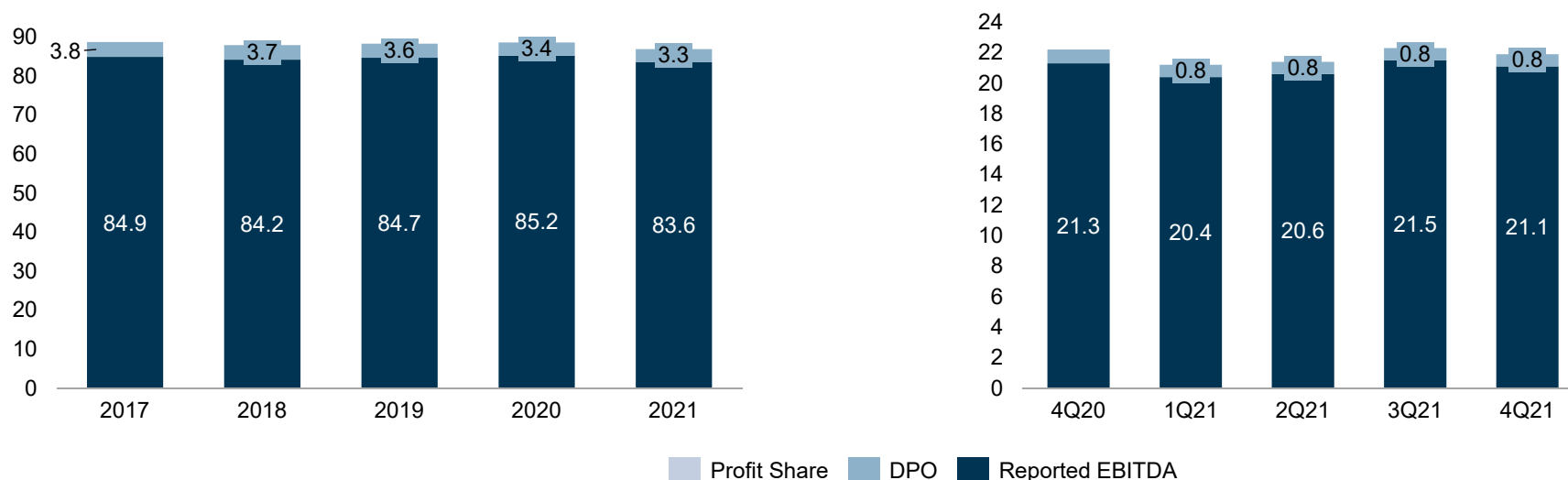


* Net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax

** Includes DPO, reported EBITDA for 4Q21 is USD 21.1 million

Stable, predictable EBITDA

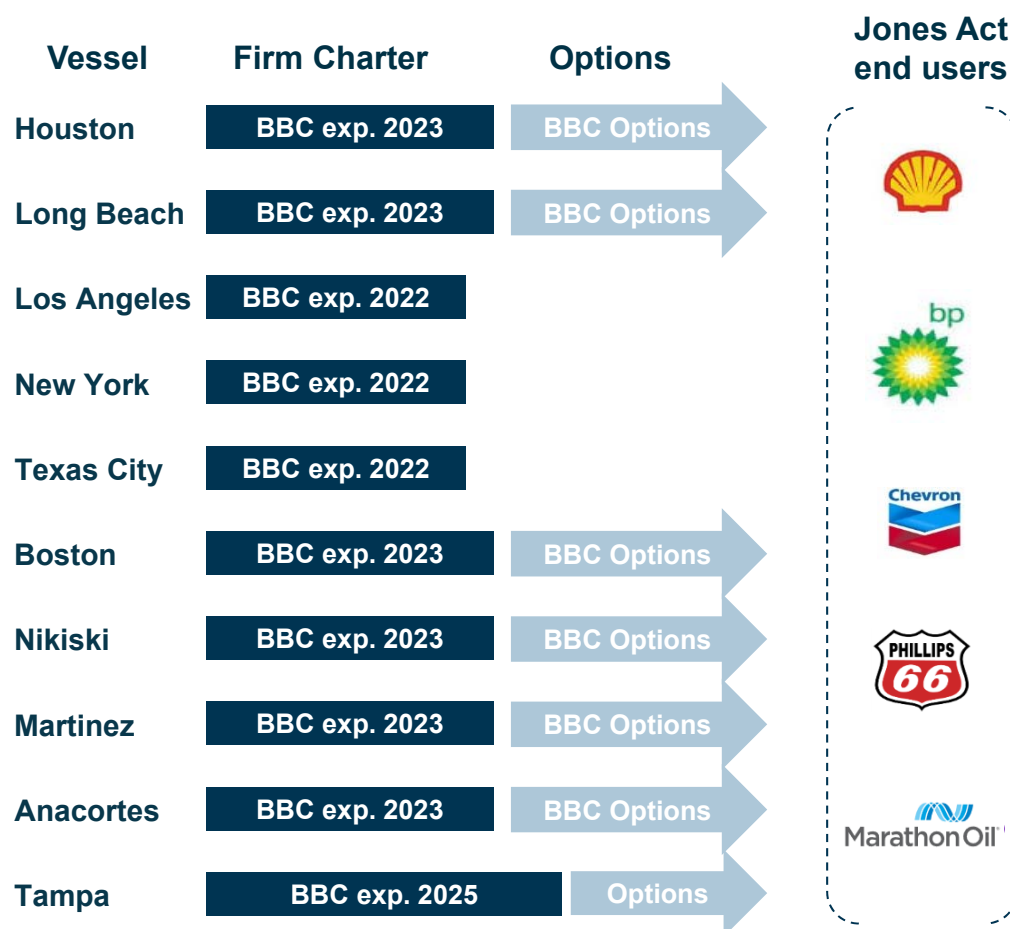
Normalized EBITDA (USD millions)



- Normalized EBITDA of USD 21.9 million in 4Q21 (USD 22.2 million in 4Q21)

Fleet deployment overview

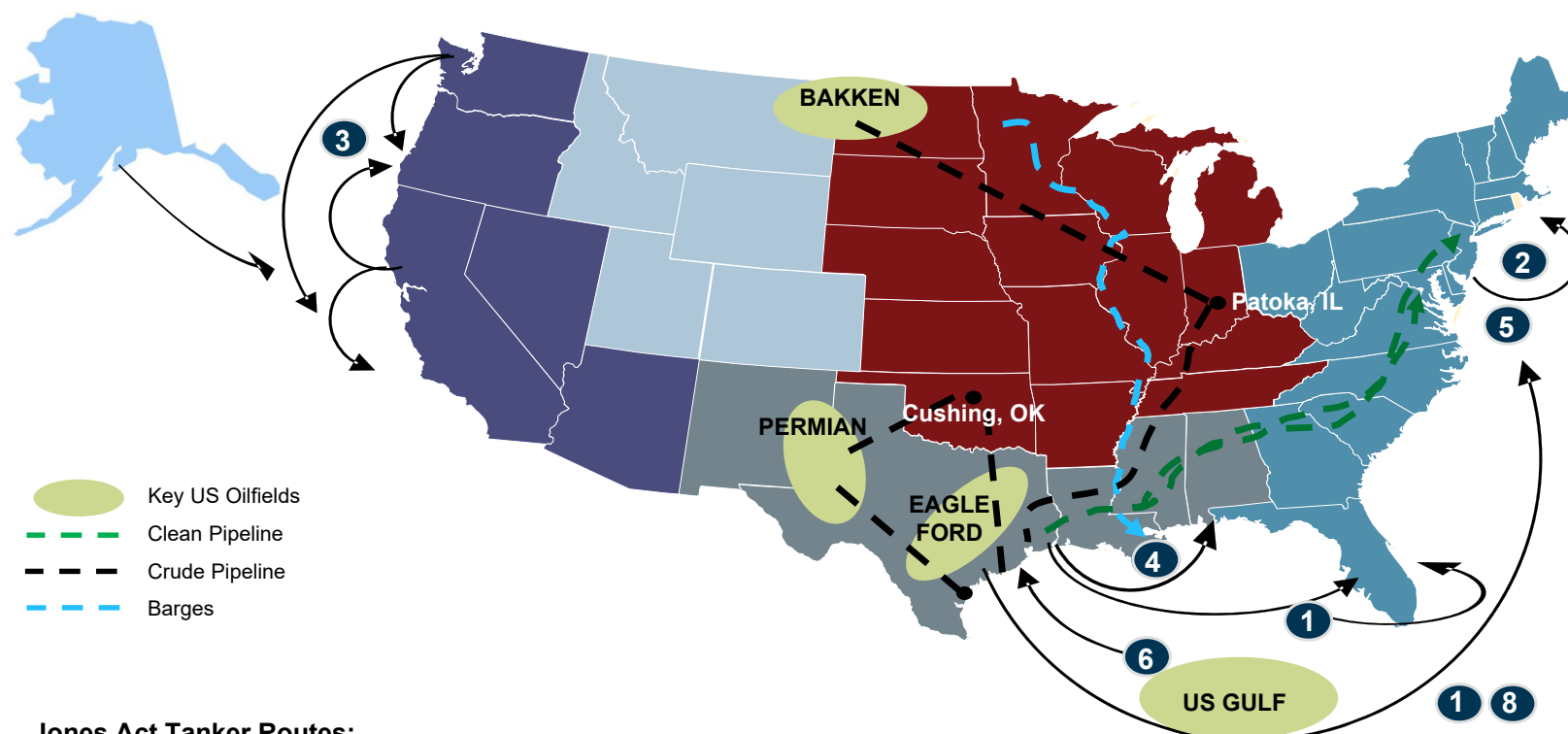
Long-term fixed rate bareboat charters to OSG secures cash flow



- AMSC's fleet is on firm bareboat Charters to OSG
- OSG technically operates and commercially manages the vessels on time and voyage charters to oil majors for U.S. domestic trade
- AMSC receives fixed annual bareboat revenue of USD 88 million

A critical part of oil majors' transportation logistics

Jones Act crude oil & products primary trade routes

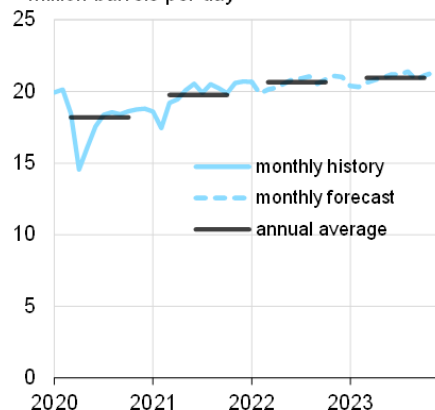


Clean product demand almost fully recovered - refinery utilization still below normal

EIA is forecasting a gradual recovery in 2022

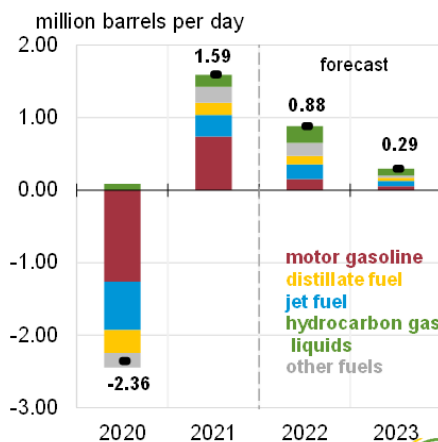
- Demand for clean products in the USA decreased by ~30% in Q2 2020 compared to same period previous years
- Demand recovery since then has been significant, and is now almost back to pre-covid levels
- EIA is forecasting a gradual full recovery through 2022

U.S. liquid fuels product supplied (consumption)
million barrels per day



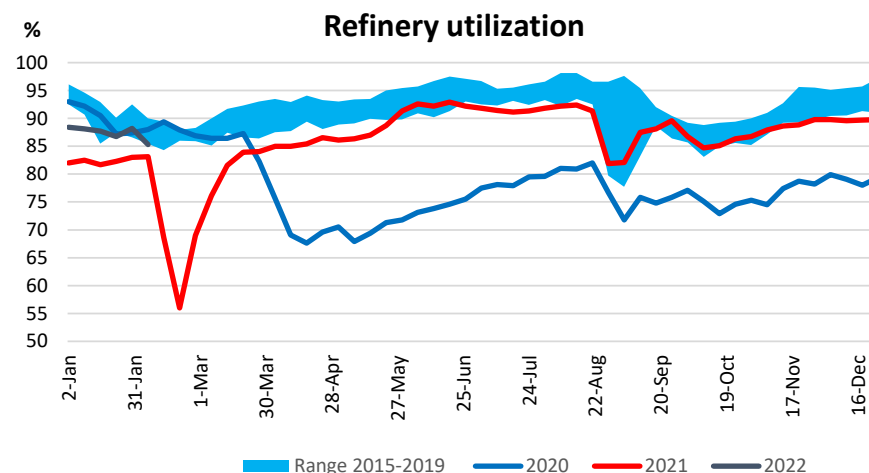
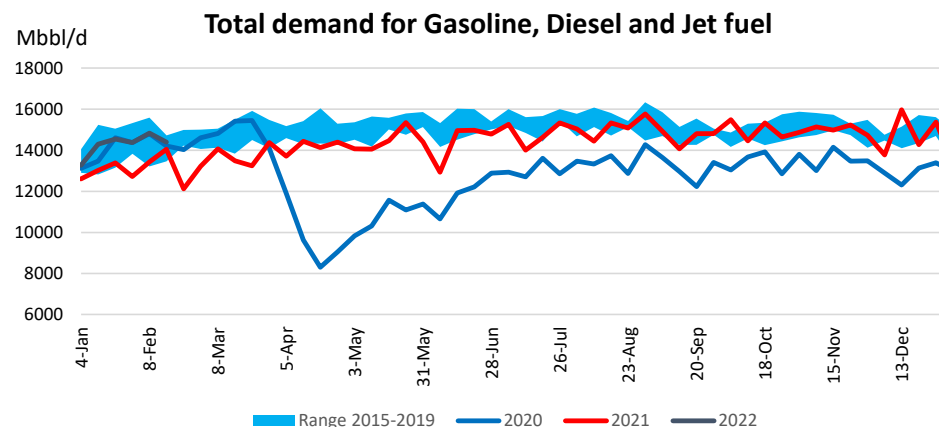
Source: U.S. Energy Information Administration, Short-Term Energy Outlook, February 2022

Components of annual change



eia

Drop in clean products demand almost fully recovered



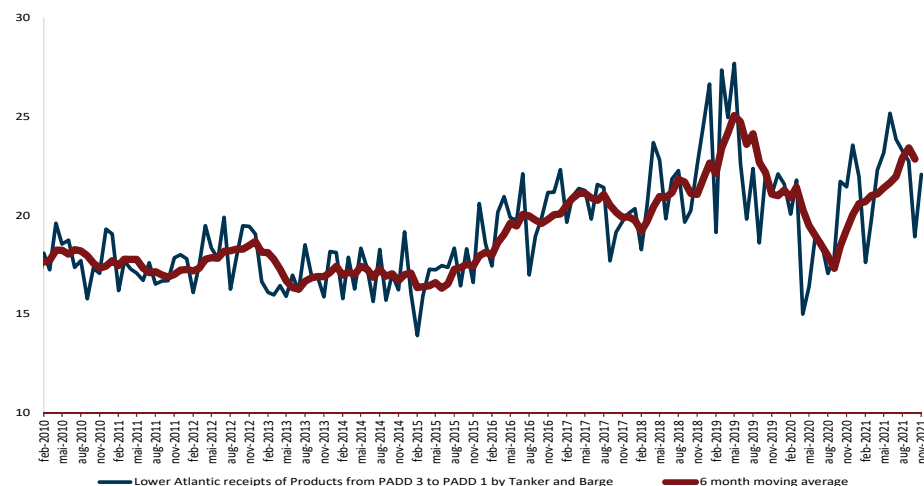
Source: EIA Weekly Petroleum Status Report February 16, 2022

Clean products shipments to Florida reduced by COVID-19, but close to fully recovered

Long-term trend of increasing marine transportation of clean products into Florida, reduced by COVID-19

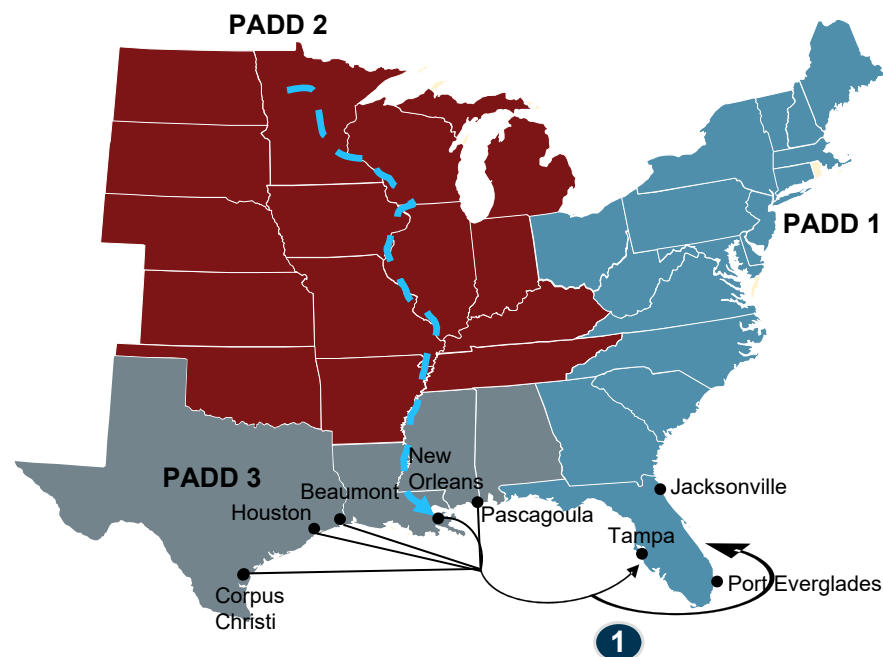
- Increasing consumption of clean products in Florida is driving demand for Jones Act tanker shipments cross US Gulf
- Over the past 10 years this trade has grown with a CAGR of about 3.5%
- Impact from Covid-19 mitigating measures have significantly reduced shipments in 2020, but expected to gradually return to historical levels

Mbbbls per month



Gulf Coast to Florida Trade Lane

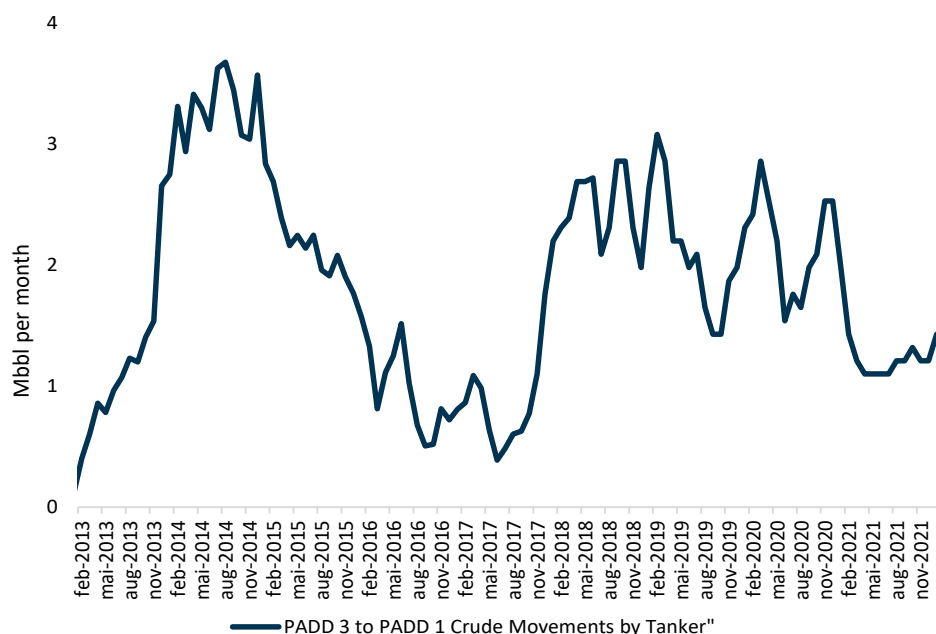
- As Florida has no pipeline connection nor any refineries, all clean products consumed are supplied by sea
- Florida is sourcing 90% of its clean products demand on a Jones Act tanker from US Gulf refineries
- Florida consumption is split 65-70% Gasoline, 15-20% Diesel and 10-15% Jet fuel



Sources: EIA, data through July 2021

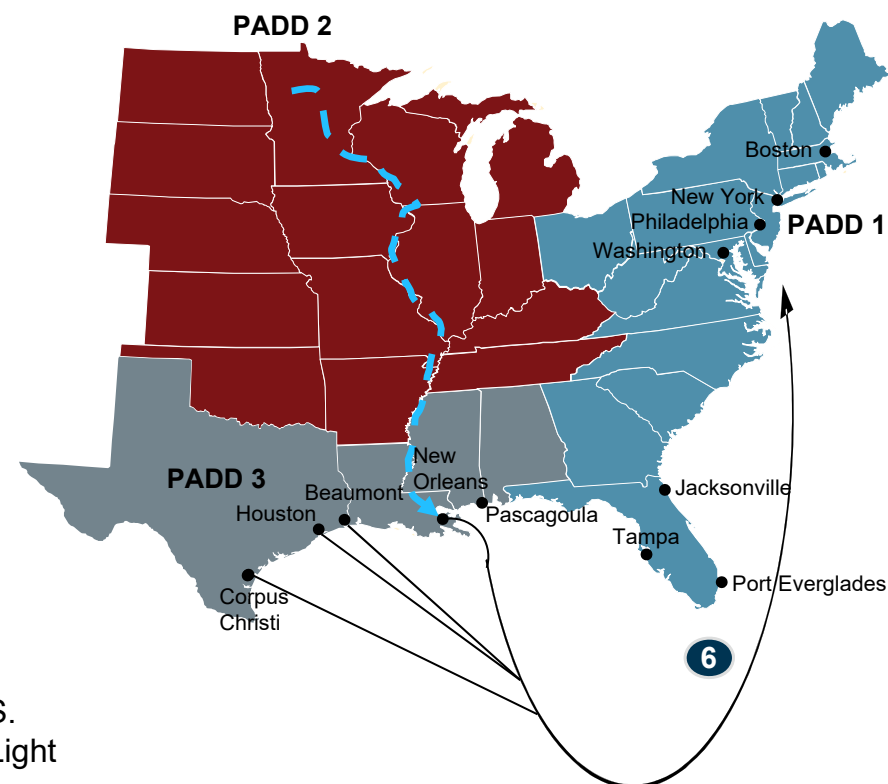
Domestic crude volumes to Northeast is reduced, but expected to grow with widening crude spreads

PADD 3 to PADD 1 Crude Oil Moves by Tanker and Barge (3 month moving average)



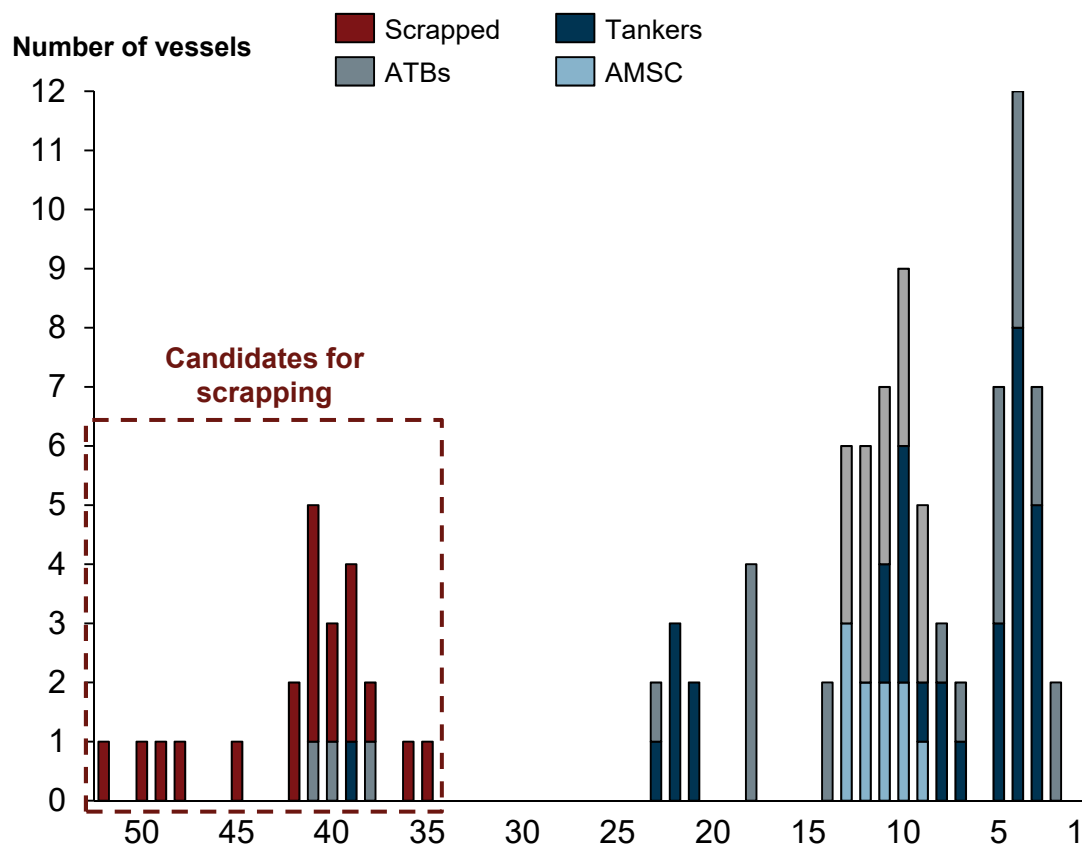
- Historically, volumes have been driven by spread in pricing of U.S. Crude oil vs. international alternatives such as Brent and Bonny Light

Trade lane carrying Crude from Gulf Coast to U.S. Northeast



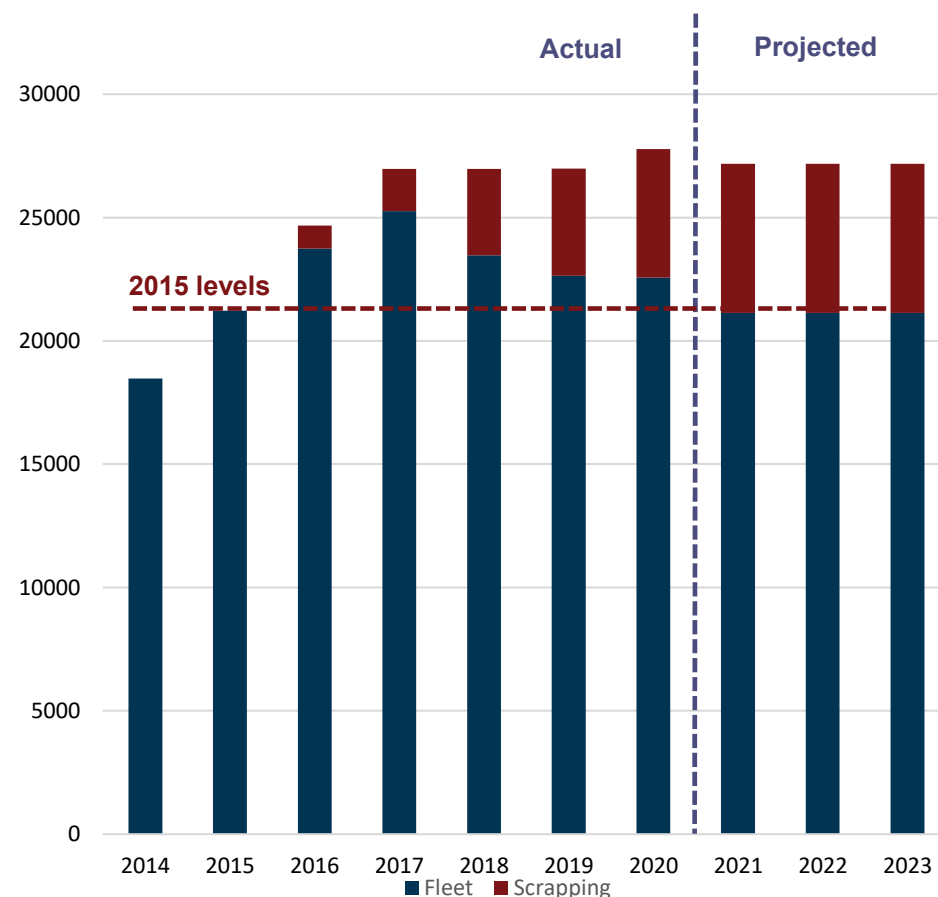
Two older tankers being scrapped by year end leading to a further fleet retraction

Fleet profile by vessel age



Considerable fleet growth in past years, but scrapping has already reduced active fleet back to 2015 levels

Kbbbls capacity



Source: AMSC analysis

Income Statement (unaudited)



Figures in USD million (except share and per share information)	4Q2021	4Q2020
Operating revenues	22.2	22.2
Operating expenses	(1.1)	(0.9)
Operating profit before depreciation - EBITDA	21.1	21.3
Depreciation	(9.0)	(8.7)
Operating profit - EBIT	12.1	12.7
Net financial expense	(7.7)	(7.6)
Unrealized gain/(loss) on interest swaps	5.1	0.4
Net foreign exchange gain / (loss)	(0.1)	-
Profit/(loss) before income tax	9.4	5.5
Income tax expense	(0.1)	(0.1)
Non-cash income tax benefit/(expense)	(6.9)	14.5
Net profit / (loss) for the period *	2.4	19.9
Average number of common shares	60,616,505	60,616,505
Earnings/(loss) per share (USD)	0.04	0.33

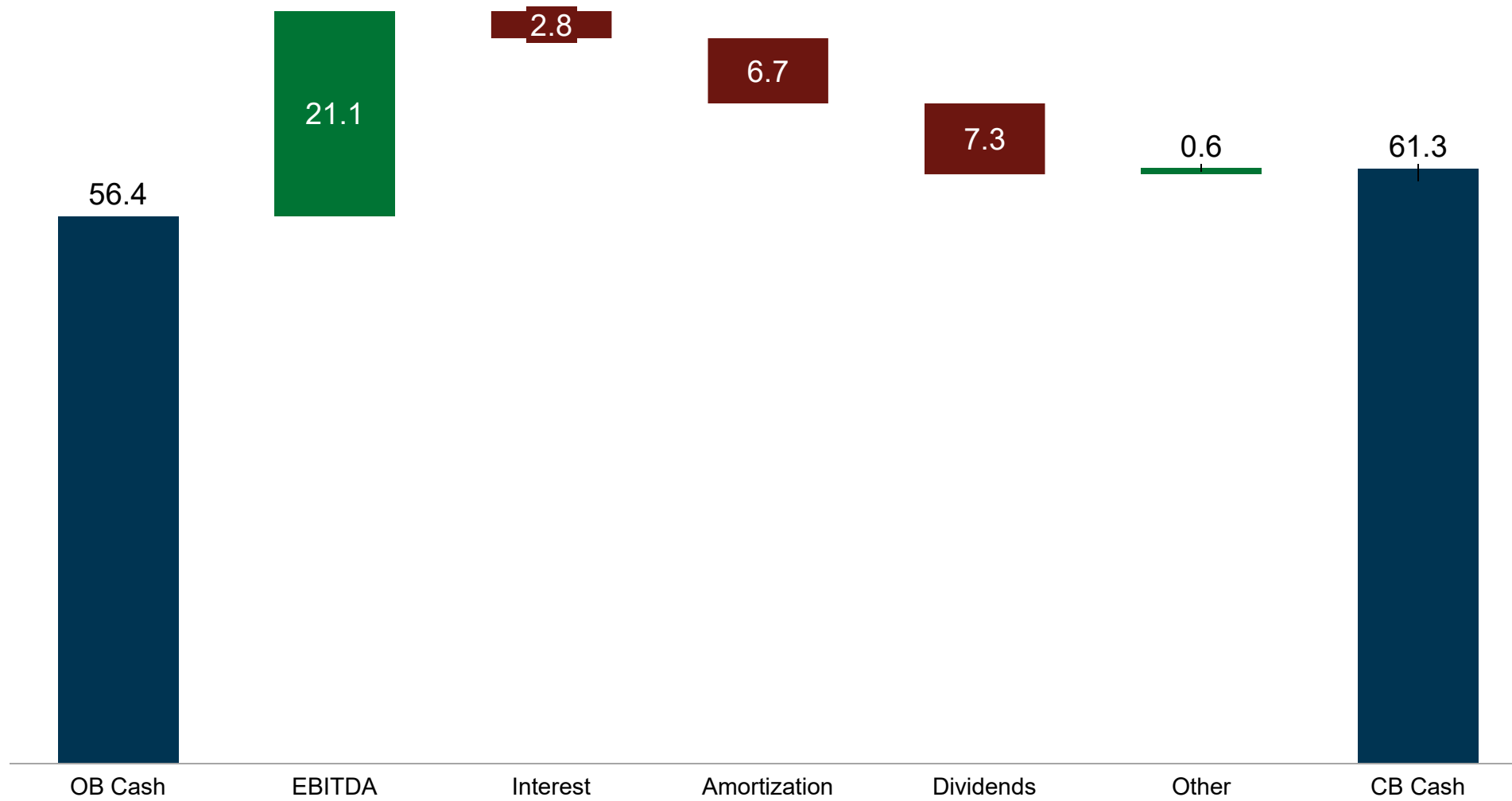
*Applicable to common stockholders of the parent company

Balance Sheet (unaudited)

Figures in USD millions	31.12.2021	31.12.2020
Vessels	615.1	649.5
Deferred tax assets	11.3	14.8
Interest-bearing long term receivables (DPO)	7.3	21.4
Derivative financial assets	3.6	-
Trade and other receivables	14.9	2.2
Cash held for specified uses	5.4	5.5
Cash and cash equivalents	55.9	30.3
TOTAL ASSETS	713.5	723.7
Total equity	149.2	161.3
Deferred tax liabilities	16.2	9.2
Interest-bearing long term debt	518.7	525.6
Derivative financial liabilities	-	1.2
Capitalized Fees	(6.9)	(8.7)
Interest-bearing short term debt	26.8	26.8
Deferred revenues and other payables	9.5	8.3
TOTAL EQUITY AND LIABILITIES	913.5	723.7

Cash position increased during the quarter

CASH DEVELOPMENT IN 4Q 21 (USD millions)



Summary – long term stable business model

BAREBOAT CONTRACTS PROVIDE STABLE CASH FLOW

- Bareboat contracts provide strong and stable cash flows
- OSG has evergreen extension options for seven of the vessels
- Cost competitive fleet reduces re-chartering risk

SHORT TERM DEMAND REDUCTION DUE TO COVID-19

- Crude trade from U.S. Gulf to the U.S. Northeast weakened in the short term
- Reduced demand on clean trade into Florida, but close to fully recovered
- Jones Act tanker market expected to recover despite current volatility

REDUCING FLEET CAPACITY WITH NO YARD AVAILABILITY

- No tankers or ATBs on order and two tankers being scrapped during 2021
- No available yard capacity to build Jones Act tankers until 2026 or later
- Negative fleet growth expected as scrapping of old tonnage continues

STRONG AND IMPROVING FINANCIAL PERFORMANCE

- Modest loan to asset values and healthy credit metrics
- Contracted cash flow providing solid debt service coverage
- Significant free cash flow generation

