

AMSC ASA

Third Quarter 2023 Report



Third quarter 2023 Report

Lysaker, 21 November 2023, AMSC ASA (“AMSC” or the “Company”) announces results for the third quarter ending 30 September 2023.

HIGHLIGHTS

- On 22nd August, AMSC announced the sale of 100% of the shares in American Tanker Holding Company (“ATHC”), which comprises all of AMSC’s Jones Act business including the 10 tankers and corresponding bareboat charters, debt and corporate structure. Subsequent to the quarter, the transaction closed on 18th October
- In conjunction with the closing of the sale of ATHC, AMSC distributed USD 170 million in an additional dividend to shareholders on 1st November
- Subsequent to the quarter, on 23rd October, AMSC announced an agreement with Solstad Shipholding AS (“Solstad Shipholding”) to participate in an overall refinancing solution (“Refinancing”) by contributing 100% of its shares in Offshore Leasing I AS (“OSL1”) which owns the CSV Normand Maximus on bareboat charter to a subsidiary of Solstad Offshore, in return for new common shares in the parent company of the new corporate structure (“Solstad NewCo”)
- On 20th November, an Extraordinary General Meeting (“EGM”) in AMSC approved Q3 and Q4 2023 dividends of USD 0.05 per share for each quarter. Dividends are set to be paid on or about 7th December and 15th March 2024. Dividends will be classified as return of paid in capital

AMSC CEO, Pål Lothe Magnussen comments, *“The last few months have been transformational for AMSC with the sale of our Jones Act business and conversion of ownership in the Normand Maximus towards common shares in Solstad Newco. We have paid a significant additional dividend to shareholders and have kept ample liquidity for future investments. We believe there to be dividend capacity and upside value potential in Solstad Newco as we expect the offshore market cycle to remain strong and continue to improve. We are also proactively looking for new investments in the maritime space to add to our dividend capacity going forward. We are excited about the developments over the past few months and are looking forward to continue creating shareholder value.”*

MAIN EVENTS DURING AND SUBSEQUENT TO THE THIRD QUARTER

- **Sale of 100% of the shares in ATHC:** Gross cash proceeds from the transaction are USD 249.3 million, divided between consideration for the shares in ATHC and repayment of a shareholder loan, reflecting an enterprise value of ATHC of USD 746.7 million, as agreed based on the balance sheet of ATHC as per 31 March 2023. The consideration represents a premium to implied trading value of AMSC at the time of announcement and represents a valuation of ATHC that is 2.4x book equity (based on year end 2022 book equity and including the shareholder loan) and EV/EBITDA (2022) ratio of 9.1x and P/E ratio of 19.8x (2022). ATHC is classified as discontinued operations and held for sale in the Group’s financial statements for Q3 2023.
- **Sale of 100% of the shares in OSL1:** On 23 October 2023, AMSC announced its participation in an agreement with Solstad Shipholding, Aker Capital AS, DNB and Export Finance Norway for an overall Refinancing that will create a robust industrial platform going forward. AMSC will contribute 100% of the shares in OSL1, which owns the CSV Normand Maximus with corresponding bareboat contract to a

subsidiary of Solstad Offshore and secured bank debt, in kind, in return for new common shares in Solstad NewCo, which will be established in connection with the Refinancing. AMSC's contribution to Solstad NewCo is valued at NOK 1,000 million, based on an enterprise value of OSL1 of USD 177.5 million as of 31 December 2023 with assumed net debt of USD 86.5 million. Following completion of the transaction, AMSC expects to hold approximately 18.2% of the shares and votes in Solstad NewCo. Completion of the Refinancing is expected to take place around year-end 2023.

- **Operating profit from continuing operations:** Operating profit from continuing operations was USD 4.3 million in Q3 2023 compared to operating loss of USD 0.1 million in Q3 2022.
- **Debt prepayments:** During October and November, USD 42.5 million was prepaid on the bank debt related to the Normand Maximus. The entire Tranche B is now fully repaid.
- **Dividends:** On 22 August 2023, the Board authorized a quarterly dividend payment of USD 0.12 per share, the equivalent of NOK 1.287 per share, to the shareholders on record as of 30 August 2023, which was paid on 7 September 2023. The dividend was classified as a return of paid in capital.

On 19 October 2023, the Board authorized an additional dividend payment of USD 2.366 (NOK 26.19) per share to the shareholders on record as of 25 October 2023. The dividend was paid on 1 November 2023 and was classified as a dividend.

On 20 November 2023, the EGM of AMSC ASA approved dividends for Q3 2023 and Q4 2023, to be paid in December 2023 and March 2024, respectively, based on the Board's proposal of a total of USD 0.10 per share, payable as follows:

- USD 0.05 per share to the shareholders on record as of 29 November 2023. The shares in AMSC will be traded ex-dividend from and including 28 November 2023 and will be paid on or about 7 December 2023.
- USD 0.05 per share to the shareholders on record as of 7 March 2024. The shares in AMSC will be traded ex-dividend from and including 6 March 2024 and will be paid on or about 15 March 2024.

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 investments and will be considered in conjunction with the Company's financial position, debt covenants, capital requirements, and market conditions going forward.

THIRD QUARTER FINANCIAL REVIEW

Condensed Income Statement

Amounts in USD million (except share and per share information)	<i>unaudited</i>			
	Q3 2023	Q3 2022	Year to date	
			2023	2022
Leasing revenues	7.6	-	22.7	-
Operating profit before depreciation - EBITDA	6.3	(0.1)	19.6	(1.8)
Operating profit / (loss) - EBIT	4.3	(0.1)	13.4	(1.8)
Net financial expense	(2.3)	-	(7.8)	0.1
Net foreign exchange gain/(loss)	(0.1)	(1.4)	(0.9)	(2.8)
Profit/(loss) before income tax	1.9	(1.5)	4.8	(4.5)
Non-cash income tax (expense) / benefit	(1.1)	(0.9)	(3.2)	(1.6)
Profit/(loss) for the period from continuing operations	0.7	(2.3)	1.6	(6.1)
Profit for the period from discontinued operations	2.2	7.4	8.6	23.3
Net Profit/(loss) for the period	3.0	5.1	10.2	17.2
Average number of common shares	71,863,838	61,209,493	71,863,838	60,816,340
Basic and diluted earnings per share from continuing operations	0.01	(0.04)	0.02	(0.10)
Basic and diluted earnings per share from discontinued operations	0.03	0.12	0.12	0.38
Basic and diluted earnings per share from total operations	0.04	0.08	0.14	0.28

Third quarter results

With effect from the third quarter 2023, ATHC is classified as a disposal group held for sale and discontinued operations with comparative figures for the income statement re-presented. The continued operations consist of the CSV Norman Maximus, which was purchased and bareboat chartered to a subsidiary of Solstad Offshore in Q4 2022, and accordingly not included in the Q3 2022 figures. See note 6 for more information.

AMSC's leasing revenues from continued operations for Q3 2023 were USD 7.6 million (zero in Q3 2022). EBITDA was USD 6.3 million in Q3 2023 and negative USD 0.1 million in Q3 2022. Operating profit was USD 4.3 million in Q3 2023 (negative USD 0.1 million in Q3 2022).

Net financial expense for Q3 2023 was USD 2.3 million (zero in Q3 2022). The increase is due to secured loans to partially finance the purchase of Normand Maximus in late 2022.

Net foreign exchange loss for Q3 2023 was USD 0.1 million (USD 1.4 million in Q3 2022), relating to revaluation of NOK balances into USD functional currency.

AMSC had a net profit before tax for Q3 2023 of USD 1.9 million compared to a loss before tax of USD 1.5 million in Q3 2022. Non-cash income tax expense was USD 1.1 million in Q3 2023 (USD 0.9 million in Q3 2022). Net profit from continuing operations for Q3 2023 was USD 0.7 million compared to loss of USD 2.3 million in Q3 2022. Profit from discontinued operations for Q3 2023 was USD 2.2 million compared to USD 7.4 million for Q3 2022. Net profit was USD 3.0 million for Q3 2023 compared to USD 5.1 million in Q3 2022.

Year to date results

AMSC's leasing revenues for the first nine months of 2023 were USD 22.7 million (zero in the same period 2022). EBITDA was USD 19.6 million year to date in 2023 and negative USD 1.8 million in the first nine months of 2022.

EBIT was USD 13.4 million in the nine months ending 30 September 2023 (negative USD 1.8 million in the same period of 2022).

Net financial expense for the first nine months of 2023 was USD 7.8 million (USD 0.1 million income in the same period of 2022). The increase is due to higher balances of secured loans for financing the Normand Maximus.

AMSC recognized a net foreign exchange loss of USD 0.9 million during the first nine months of 2023 (USD 2.8 million in the same period of 2022).

AMSC had a net profit before tax for the nine months ending 30 September 2023 of USD 4.8 million (loss of USD 4.5 million for the nine months ending 30 September 2022). Non-cash income tax expense was USD 3.2 million in 2023 (USD 1.6 million in 2022). Net profit for the first nine months of 2023 from continuing operations was USD 1.6 million compared to net loss of USD 6.1 million in the first nine months of 2022. Profit from discontinued operations for the nine months ending 30 September 2023 was USD 8.6 million (USD 23.3 million for the same period 2022). Net profit was USD 10.2 million year-to-date 2023 compared to USD 17.2 million for year-to-date 2022.

Condensed Statement of Financial Position

Amounts in USD million	<i>unaudited</i>		31-Dec 2022 *
	30-Sep 2023	30-Sep 2022	
Vessels	149.3	594.3	750.8
Deferred tax assets	-	7.8	2.9
Interest-bearing long term receivables (DPO)	-	6.8	7.2
Other non current assets	-	-	0.3
Derivative financial assets	-	15.1	4.7
Deposit for vessel	-	20.0	-
Trade and other receivables	0.5	14.0	12.9
Cash held for specified uses	-	6.5	5.0
Cash and cash equivalents	22.1	45.5	45.5
Assets classified as held for sale	625.7	-	-
Total assets	797.5	710.0	829.3
Total equity	159.3	165.0	175.0
Deferred tax liabilities	0.6	19.7	18.8
Interest-bearing long term debt	66.1	493.3	555.2
Interest-bearing short term debt	52.5	31.0	78.0
Trade and other payables	0.6	1.0	2.2
Liabilities directly associated with assets classified as held for sale	518.3	-	-
Total equity and liabilities	797.5	710.0	829.3

* Derived from audited financial statements

The change in vessels from 31 December 2022 reflects reclassification of assets held for sale and depreciation for the first nine months of 2023 of USD 6.2 million.

During the nine months ended 30 September 2023, DPO was repaid totaling USD 27.5 million, offset by charter hire deferral of USD 20.2 million plus USD 1.1 million in accrued interest for the Normand Maximus contract. The outstanding DPO relating to the Jones Act business of USD 11.2 million was reclassified as held for sale. See note 12 to the condensed consolidated financial statements for additional information on the DPO.

Interest bearing debt as of 30 September 2023 was USD 118.6 million, net of USD 0.8 million in capitalized fees versus USD 633.2 million as of 31 December 2022. This debt relates bank financing for the Normand Maximus of USD 117.3 million and accrued financial costs of USD 2.1 million. AMSC was in compliance with all of its debt covenants as of 30 September 2023.

Outlook

AMSC has gone through a transformational few months with an exit from the Jones Act business and the agreement to sell the Normand Maximus for a consideration of 18.2% of the shares in Solstad NewCo. AMSC remains a public company on the Euronext Oslo Stock Exchange and aims to continue to grow through accretive transactions and is focused on providing stable dividends to its shareholders.

The offshore oil services market has over the last few years seen a recovery after the oil price collapse in 2014. The recovery is driven by increased offshore exploration and production (E&P) capex by oil companies which leads to increased demand for various offshore oil services such as seismic studies, drilling (exploration), greenfield and brownfield oil field expansion (construction and development) and production units such as FPSOs.

Through the investment in Solstad NewCo, AMSC is indirectly exposed to two main asset classes, being Anchor Handler Tug Supply vessels (AHTS) and Subsea Construction Vessels (CSVs). An AHTS will typically assist in towing and mooring of offshore rigs or FPSOs at various offshore locations. The contract horizon for such assets is traditionally short (by virtue of being hired for a single rig move assignment), but can also be longer term when an oil company requires a number of rig moves in a certain region over a longer time span. A key measure for AHTC activity is the global offshore rig count, which has increased year-on-year since 2020. Rates for AHTS service are often seasonal and differ from one region to another, but have been rising in most key offshore regions over the last two years.

A CSV is typically more engaged in the development, construction and maintenance of offshore infrastructure and less tied to offshore exploration demand. Key drivers for vessel demand are the contracting backlog of the larger offshore construction contractors and the age of the seabed infrastructure in various locations. Backlog for offshore projects have been rising year-on-year driven by increased E&P spend on existing depleting offshore fields and new greenfield construction. With almost 50% of offshore subsea infrastructure being above 15 years of age, one expects demand for inspection, repairs and maintenance services to also increase going forward. Time charter contracts for a CSV are typically longer than an AHTS (can be multiple years) and may involve extra services on top of merely chartering the vessel. Subsea rates have been rising strongly since 2021, supported by demand from a growing contract backlog by offshore construction contractors. In addition to servicing the offshore oil industry, the CSVs are also in demand from the offshore wind industry.

The activity level in the global offshore industry YTD has been high and is expected to continue for the next quarters. Both offshore oil and offshore wind segments are busy, leading to high utilization and periods with shortage of vessels.

Risks

The risks facing AMSC principally relate to the operational and financial performance of its charterers, agreements, refinancing risk, and interest rate risk.

AMSC is exposed to the offshore services market risk and Solstad Offshore's ability to secure time charters for the Normand Maximus and to perform under the bareboat contract with AMSC.

AMSC is exposed to rechartering risk upon expiry of existing bareboat charter. Presently, one vessel is contracted through October 2027, however with the agreement to contribute OSL1, AMSC will be exposed to Solstad NewCo risks in the future.

AMSC is also exposed to refinancing and interest rate risk related to the bank debt. The Normand Maximus secured bank debt Tranche A matures in June 2025, with Tranche B maturing in January 2024. Tranche B has been fully prepaid after the end of Q3 2023.

AMSC's activities also expose the Company to a variety of other financial risks, including but not limited to, currency, liquidity risk and ability to stay in compliance with covenants.

For further details of AMSC's risks, refer to the 2022 Annual Report.

Lysaker, 20 November 2023
The Board of Directors and President / CEO
AMSC ASA

Annette Malm Justad
Chairperson

Peter D. Knudsen
Director

Frank O. Reite
Director

Pål Magnussen
President / CEO

AMSC ASA GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2023

CONDENSED INCOME STATEMENT

Amounts in USD million (except share and per share information)	Note	<i>unaudited</i>			
		Q3 2023	Q3 2022	Year to date 2023 2022	
Leasing revenues		7.6	-	22.7	-
Operating expenses		(1.3)	(0.1)	(3.0)	(1.8)
Operating profit before depreciation - EBITDA		6.3	(0.1)	19.6	(1.8)
Depreciation & amortization		(2.1)	-	(6.2)	-
Operating profit / (loss) - EBIT		4.3	(0.1)	13.4	(1.8)
Net financial expense	11	(2.3)	-	(7.8)	0.1
Change in market value of interest rate swaps		-	-	-	-
Net foreign exchange gain/(loss)		(0.1)	(1.4)	(0.9)	(2.8)
Profit / (loss) before income tax		1.9	(1.5)	4.8	(4.5)
Non-cash income tax (expense) / benefit	7	(1.1)	(0.9)	(3.2)	(1.6)
Profit/(loss) for the period from continuing operations		0.7	(2.4)	1.6	(6.1)
Profit for the period from discontinued operations	6	2.2	7.4	8.6	23.3
Profit/(loss) for the period		3.0	5.1	10.2	17.2
Average number of common shares	8	71,863,838	61,209,493	71,863,838	60,816,340
Basic and diluted earnings per share from continuing operations		0.01	(0.04)	0.02	(0.10)
Basic and diluted earnings per share from discontinued operations		0.03	0.12	0.12	0.38
Basic and diluted earnings per share from total operations		0.04	0.08	0.14	0.28

CONDENSED STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

Amounts in USD million	<i>unaudited</i>			
	Q3 2023	Q3 2022	Year to date 2023 2022	
Net income/(loss) for the period	3.0	5.1	10.2	17.2
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	3.0	5.1	10.2	17.2

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in USD million	Note	unaudited		31-Dec 2022 *
		30-Sep 2023	30-Sep 2022	
Assets				
Non-current assets				
Vessels		149.3	594.3	750.8
Deferred tax assets	7	-	7.8	2.9
Interest-bearing long term receivables (DPO)	12	-	6.8	7.2
Other long term assets		-	-	0.3
Derivative financial assets		-	15.1	4.7
Total non-current assets		149.3	624.0	765.9
Current assets				
Deposit for vessel		-	20.0	-
Trade and other receivables		0.5	14.0	12.9
Cash held for specified uses		-	6.5	5.0
Cash and cash equivalents		22.1	45.5	45.5
		22.6	86.0	63.4
Assets classified as held for sale	6	625.7	-	-
Total current assets		648.3	86.0	63.4
Total assets		797.5	710.0	829.3
Equity and liabilities				
Total equity		159.3	165.0	175.0
Non-current liabilities				
Bond payable	9	-	220.0	220.0
Other interest-bearing loans	9	66.9	278.5	341.3
Capitalized fees	9	(0.8)	(5.2)	(6.1)
Deferred tax liability	7	0.6	19.7	18.8
Total non-current liabilities		66.8	513.0	574.0
Current liabilities				
Interest-bearing short-term debt	9	52.5	31.0	78.0
Trade and other payables		0.6	1.0	2.2
		53.1	32.0	80.2
Liabilities directly associated with assets classified as held for sale	6	518.3	-	-
Total current liabilities		571.4	32.0	80.2
Total liabilities		638.2	545.0	654.3
Total equity and liabilities		797.5	710.0	829.3

* Derived from audited financial statements

CONDENSED STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	Note	<i>unaudited</i>	
		Year to date	
		2023	2022
Equity as of beginning of period		175.0	149.2
Total comprehensive income for the period		10.2	17.2
Dividends paid, classified as return of capital	8	(25.9)	(21.8)
Proceeds from share capital issued	8	-	20.4
Total equity as of end of period		159.3	165.0

CONDENSED CASH FLOW STATEMENT

Amounts in USD million	<i>unaudited</i>	
	Year to date	
	2023	2022
Net cash flow from operating activities	25.0	6.6
Net cash flow used in investing activities	-	(20.0)
Net cash flow used in financing activities	(18.6)	(1.4)
Net cash flow from discontinued operations *	(5.7)	5.5
Net change in cash and cash equivalents	0.8	(9.3)
Cash and cash equivalents at the beginning of period	50.5	61.3
Cash and cash equivalents at the end of period	51.2	52.0
Of which cash and cash equivalents in assets held for sale at the end of period	29.1	-
Cash and cash equivalents in continuing operations at end of period	22.1	52.0

* Cash flow from discontinued operations

Amounts in USD million	Year to date	
	2023	2022
Net cash flow from operating activities	32.1	30.7
Net cash flow used in investing activities	(22.0)	(5.1)
Net cash flow used in financing activities	(15.8)	(20.1)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2023

1. Introduction – AMSC ASA

AMSC ASA (“AMSC”) is a company domiciled in Norway. The condensed interim financial statements for the three and nine months ended 30 September 2023 and 2022 comprise AMSC and its wholly owned subsidiaries. These interim financial statements have not been audited or reviewed by the Company’s auditors. AMSC has two operating segments, one of which was held for sale as of the reporting date.

The consolidated 2022 annual financial statements of AMSC are available at www.amscasa.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 nine-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 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 2022.

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 2022.

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 2022 that have a significant impact on AMSC's financial reporting for the three and nine months ended 30 September 2023.

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 2022.

Certain prior period reclassifications were made to conform to current year presentation and include reclassification of accrued financial costs. As a result of rounding differences, numbers or percentages may not add up to the total.

6. Discontinued operations and assets held for sale

As announced on 22 August 2023, AMSC signed a share purchase agreement for the sale of 100% of AMSC's wholly owned subsidiary, ATHC, which comprises all the Company's Jones Act business including the 10 tankers and corresponding bareboat charters, debt and corporate structure. Gross cash proceeds from the transaction are USD 249.3 million, divided between consideration for the shares in ATHC and repayment of a shareholder loan, reflecting an enterprise value of ATHC of USD 746.7 million based the balance sheet of ATHC as per 31 March 2023. The consideration represents a premium to implied trading value of AMSC at the time of announcement and represents a valuation of ATHC that is 2.4x book equity (based on year end 2022 book equity and including the shareholder loan) and EV/EBITDA (2022) ratio of 9.1 and P/E ratio of 19.8 (2022). The transaction closed on 18 October 2023.

The profit / (loss) for ATHC presented as discontinued operations are as follows:

Amounts in USD million	Q3	Q3	Year to date	
	2023	2022	2023	2022
Leasing revenues	23.6	22.3	69.7	66.1
Operating profit before depreciation - EBITDA	23.1	21.9	68.4	64.7
Operating profit - EBIT	12.8	13.1	39.6	38.9
Profit/(loss) before tax	2.2	8.5	8.7	27.2
Income taxes	-	(1.1)	(0.1)	(3.8)
Profit for the period from discontinued operations	2.2	7.4	8.6	23.3

The lower profit for year-to-date 2023 is due to higher interest costs on the secured debt financing due to the unwinding of certain interest rate swap agreements towards the end of 2022.

The major classes of assets and liabilities of the disposal group classified as held for sale as of 30 September 2023 are as follows:

Amounts in USD million	30-Sep 2023
Vessels	577.9
Other non current assets	17.6
Cash and cash equivalents	29.1
Other current assets	1.1
Total assets held for sale	625.7
Long term liabilities	487.1
Short term liabilities	31.2
Total liabilities held for sale	518.3

7. Tax

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

Deferred tax assets include the Company's net operating losses in carryforward. Deferred tax liabilities include the value of the vessels.

The Company had approximately USD 62.7 million of net operating losses in carryforward in Norway as of 31 December 2022.

8. Share capital and equity

As of 30 September 2023, AMSC had 71,863,838 ordinary shares at a par value of NOK 1 per share.

On 21 September 2022, 6,061,650 new shares were issued at a par value of NOK 1 per share, raising net proceeds of USD 20.4 million. On 10 October 2022, an additional 5,185,683 new shares were issued at a par value of NOK 1 per share, raising net proceeds of USD 17.2 million.

Dividends paid (classified as repayment of previously paid in share premium)	2023			2022		
	15-Mar-23	8-Jun-23	7-Sep-23	14-Mar-22	10-Jun-22	7-Sep-22
NOK per share	1.2504	1.3200	1.2870	1.0573	1.1517	1.1592
USD per share	0.120	0.120	0.120	0.120	0.120	0.120
Aggregate NOK (millions)	89.9	94.9	92.5	64.1	69.8	70.3
Aggregate USD (millions)	8.6	8.6	8.6	7.3	7.3	7.3

9. Interest-bearing debt

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

Amounts in USD million	9 months to	
	30-Sep-23	30-Sep-22
Balance at beginning of period	633.2	547.1
Repayment of debt / loan fees	(2.7)	(20.1)
Issuance of debt	10.0	-
Amortization of loan fees	0.6	1.7
Change in accrued financial costs	(0.1)	(4.3)
Debt reclassified as held for sale	(522.4)	-
Balance at end of period	118.6	524.4

During Q2 2023, the Company increased the size of Tranche B of the secured bank facility for Normand Maximus by USD 10 million, to USD 45 million, and extended the expiry of Tranche B until January 2024. Subsequent to the end of the third quarter, the Company prepaid USD 42.5 million, including full prepayment of Tranche B.

The Company was in compliance with all of its debt covenants as of 30 September 2023.

10. Related party transactions

AMSC believes that related party transactions are made on terms equivalent to those that prevail in arm's length transactions and had no new related party agreements during 2023. Reference note 18 in the 2022 consolidated financial statements for the Group for further details.

11. Net financial expenses

Amounts in USD million	3 months to		9 months to	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Interest expense	(2.9)	-	(9.2)	0.1
Interest income	0.6	-	1.5	-
Net financial expense	(2.3)	-	(7.8)	0.1

12. Deferred Principal Obligation (DPO)

Under the Normand Maximus bareboat charter agreement, the charterer had the right to defer up to USD 20 million of bareboat charter hire (increased from USD 10 million during Q2 2023). This unpaid bareboat charter hire accrued interest at 15% from May 2023, previously 12%. The balance of this deferral was paid off during Q3 2023.

Amounts in USD million	9 months to	
	30-Sep-23	30-Sep-22
Balance at beginning of period	17.4	21.4
DPO revenue	20.2	-
Repayments of principal	(27.5)	(1.5)
Interest accreted	1.1	-
Reclassified as held for sale	(11.2)	
Balance at end of period	-	19.9
Reclassified to short-term receivables	-	(13.1)
Long term balance at end of period	-	6.8

13. Financial Instruments

AMSC does not account for financial instruments at fair value on an ongoing basis. 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 30 September 2023, 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	Fair value	Fair value
	30-Sep-23	30-Sep-23	hierarchy *
Secured loans (gross)	(117.3)	(116.3)	2

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

* Described in the 2022 consolidated financial statements

14. Subsequent events

On 18 October 2022, AMSC closed on the sale of 100% of its wholly owned subsidiary ATHC. Gross cash proceeds from the transaction are USD 249.3 million, divided between consideration for the shares in ATHC and repayment of a shareholder loan, reflecting an enterprise value of ATHC of USD 746.7 million based the balance sheet of ATHC as per 31 March 2023. ATHC comprises 100% of the Company's U.S. Jones Act tanker business and is classified as discontinued operations and held for sale in the Group's financial statements (reference note 6). In connection with the sale of ATHC, AMSC subsequently prepaid portions of the secured loan for Normand Maximus, USD 42.5 million.

On 19 October 2023, the Board authorized an additional dividend payment of USD 2.366 (NOK 26.19) per share to the shareholders on record as of 25 October 2023. The dividend was paid on 1 November 2023 and was classified as a dividend.

On 23 October 2023, AMSC announced its participation in an agreement with Solstad Shipholding, Aker Capital AS, DNB and Export Finance Norway for an overall Refinancing that will create a robust industrial platform going forward. AMSC will contribute 100% of the shares in OSL1, which owns the CSV Normand Maximus with corresponding bareboat contract to a subsidiary of Solstad Offshore and secured bank debt, in kind, in return for new common shares in Solstad NewCo, which will be established in connection with the Refinancing. Following completion of the transaction, AMSC expects to hold approximately 18.2% of the shares and votes in Solstad NewCo. Completion of the Refinancing is expected to take place around year-end 2023.

On 20 November 2023, the EGM of AMSC ASA approved dividends for Q3 2023 and Q4 2023, to be paid in December 2023 and March 2024, respectively, based on the Board's proposal of a total of USD 0.10 per share, payable as follows:

- USD 0.05 per share to the shareholders on record as of 29 November 2023. The shares in AMSC will be traded ex-dividend from and including 28 November 2023 and will be paid on or about 7 December 2023.
- USD 0.05 per share to the shareholders on record as of 7 March 2024. The shares in AMSC will be traded ex-dividend from and including 6 March 2024 and will be paid on or about 15 March 2024.

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