



AMSC ASA

Q3 2022 financial results and company update

22 November 2022



Important information

Nothing herein shall create any implication that there has been no change in the affairs of AMSC 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.

Third quarter 2022 highlights

- Adjusted net profit of USD 5.0 million*
- Normalized EBITDA** of USD 22.6 million
 - DPO of USD 0.8 million
- On 15 September 2022, AMSC conducted an equity private placement of NOK 404.9 million, which was partially used to fund the purchase of the offshore construction vessel, Normand Maximus. The vessel was acquired on 18 October 2022 and commenced a long-term bareboat charter with a single purpose subsidiary of Solstad Offshore ASA
- On 21 October 2022, AMSC announced it had fixed its third and last tanker being redelivered in December on a three-year bareboat charter contract to Keystone Shipping Co. commencing in December and backed by a time charter of the same duration
- Declared Q3 dividend of USD 0.12 per share, supported by free cash flow
 - Ex-dividend date of 28 November 2022
 - Payment on or about 7 December 2022
 - Classified as a return of paid in capital



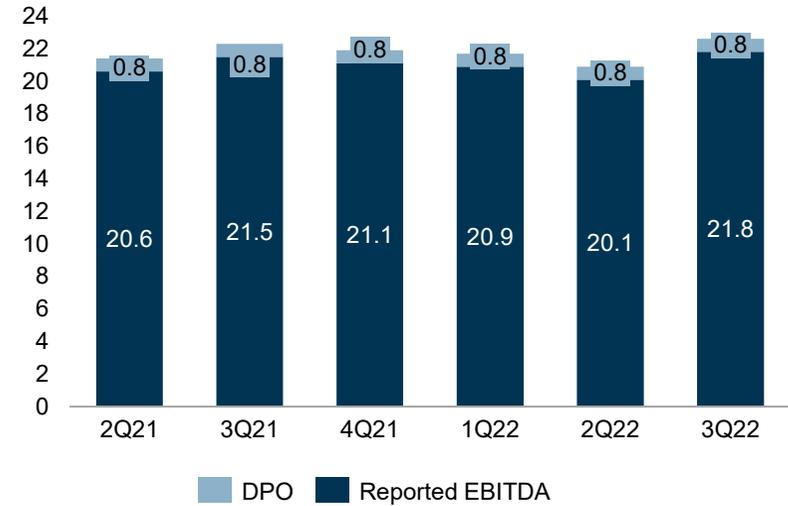
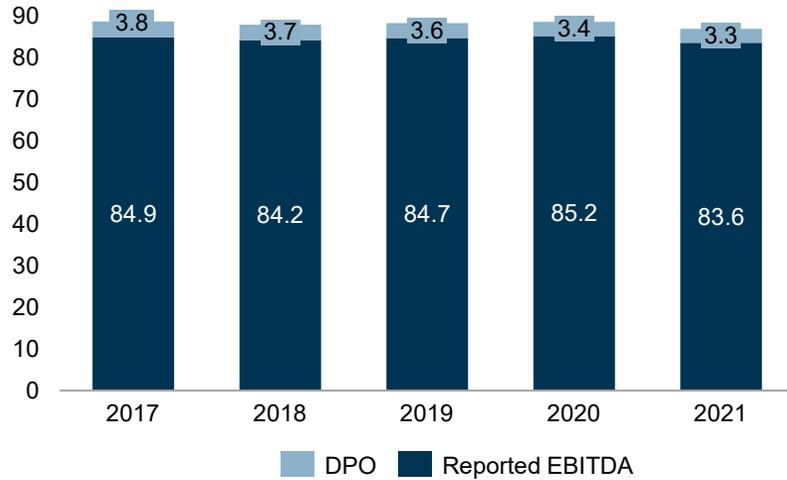
* Net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax

** Includes DPO, reported EBITDA for 3Q22 is USD 21.8 million

Stable, predictable EBITDA



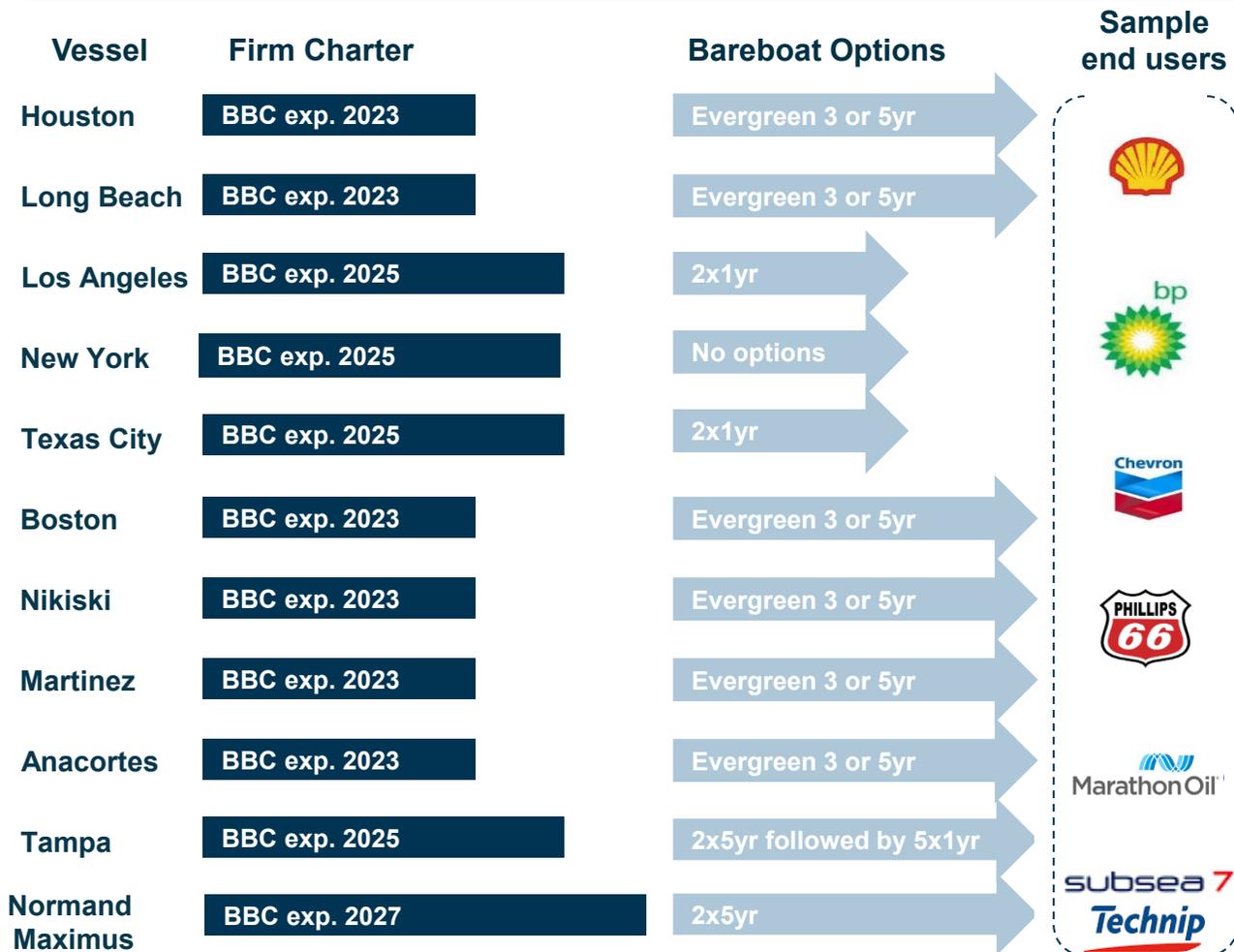
Normalized EBITDA (USD millions)



- Normalized EBITDA of USD 22.6 million in 3Q22 (USD 22.3 million in 3Q21)

Fleet deployment overview

Long-term fixed rate bareboat charters to various counterparts secures cash flow



- AMSC’s fleet is presently on firm bareboat Charters to OSG
 - Three vessels to be redelivered to AMSC in December 2022
 - Los Angeles, New York and Texas City to commence BBC with Keystone Shipping Co upon redelivery
 - OSG technically operates and commercially manages the vessels on time and voyage charters to oil majors for U.S. domestic trade
- During Q4 Normand Maximus began a long term bareboat charter with a subsidiary of Solstad
 - Solstad technically operates and commercially manages the vessel

Normand Maximus – a state of the art subsea vessel

- During Q2, AMSC entered into an agreement to acquire the offshore Subsea/ Construction Vessel, Normand Maximus
 - Vessel acquisition price of USD 157 million
 - Subsequent to Q3, AMSC completed the purchase of Normand Maximus and put the vessel on a new long-term bareboat charter with a subsidiary of Solstad Offshore ASA (the “Charterer”)
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- Prior to closing the final bareboat agreement terms are adjusted with the following: (compared to previously disclosed)
 - Charterer has purchase options in year 5 and 10 at strike price USD 125 million and USD 75 million respectively (an increase of USD 25 million)
 - If Charterer sells the vessel within 12 months of exercising the purchase option, any profits made over strike price is shared 50/50 with AMSC
 - Charterer is granted an up to USD 10 million charter deferral option for the first 12 months, to be repaid over the following 18 months, any outstanding amount is charged 12% interest rate

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

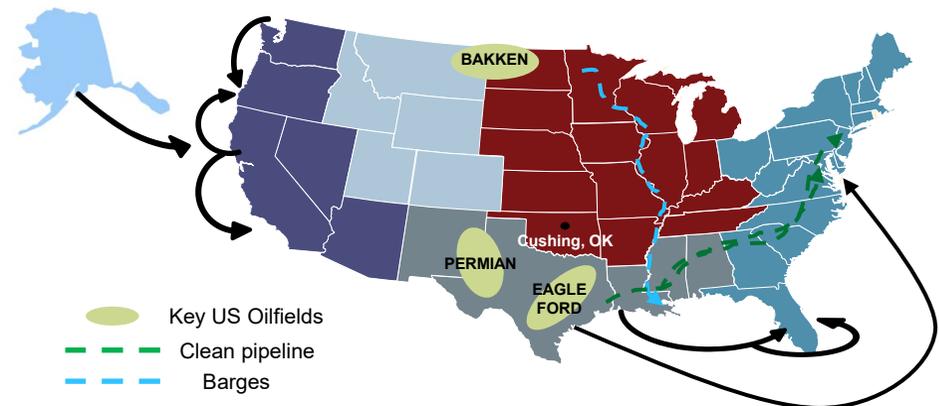
USD 30bn total investment in over 40,000 vessels

400,000

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

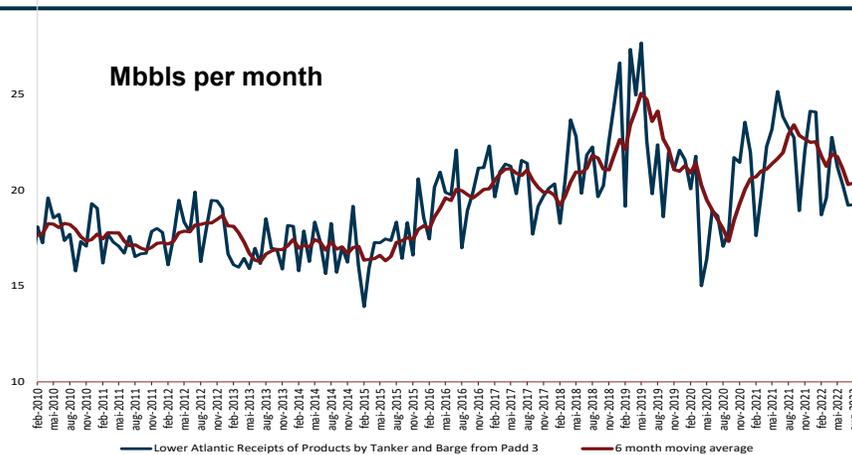
Jones Act tankers primary trade routes

USD 100bn contribution to the US domestic economy



Increased Demand in Key Trades

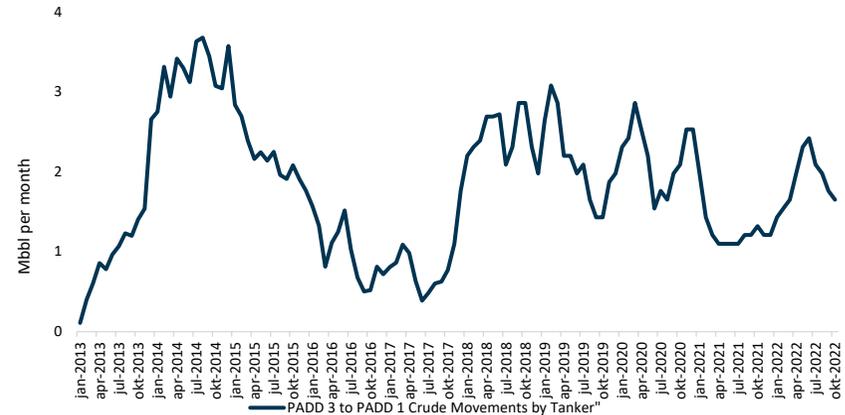
Clean Products to Florida grows by ~3% per year



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



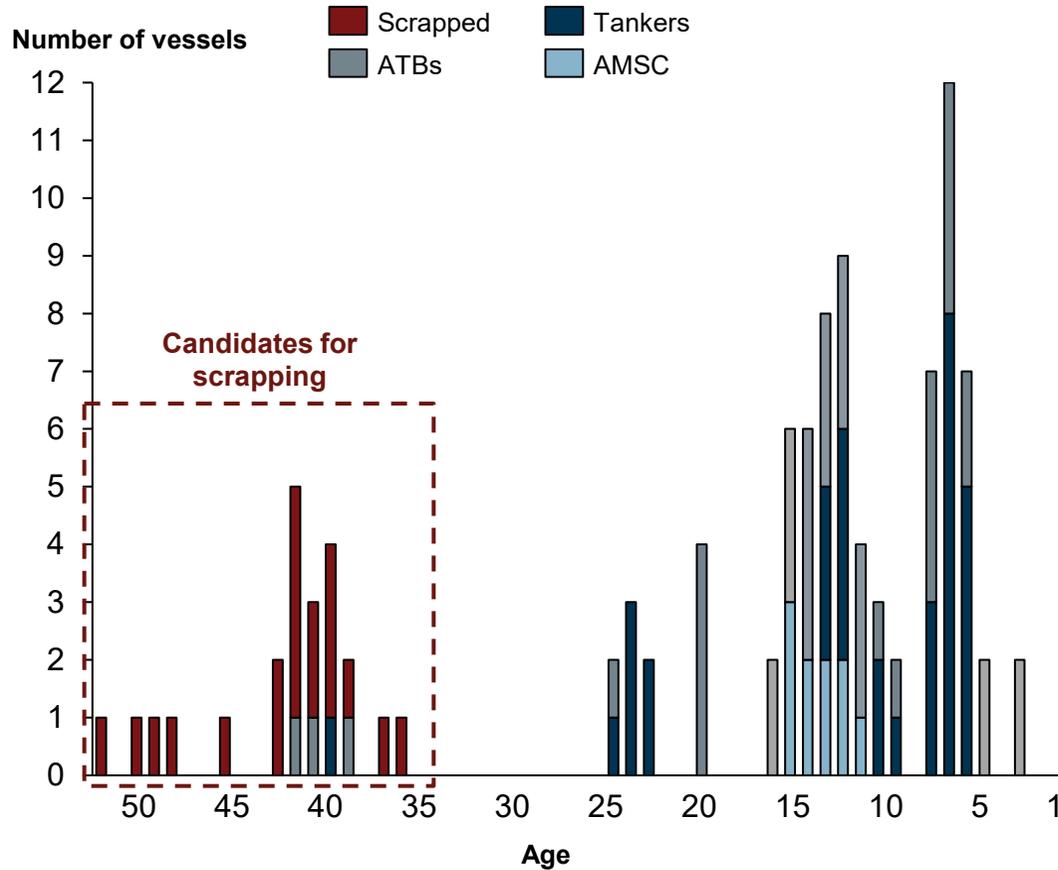
Demand Summary

- 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

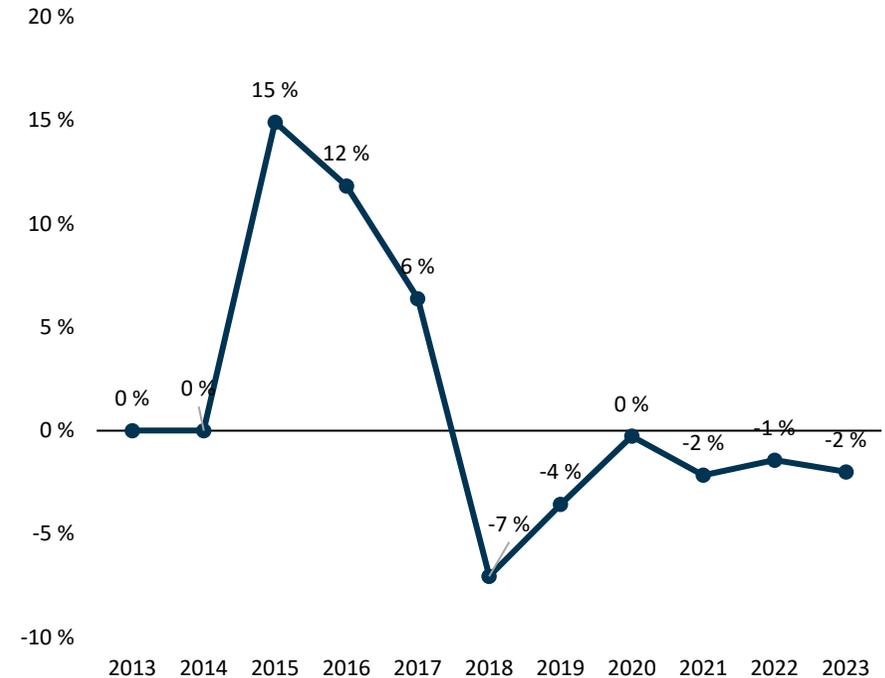
No tankers on order leading to additional fleet contraction

Considerable scrapping since 2016.....

Leading to negative fleet growth



Percentage change in Kbbbls capacity



Source: AMSC analysis

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

- 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***

Income Statement (unaudited)



Figures in USD million (except share and per share information)	3Q2022	3Q2021
Operating revenues	22.3	22.3
Operating expenses	(0.5)	(0.8)
Operating profit before depreciation - EBITDA	21.8	21.5
Depreciation	(8.8)	(8.6)
Operating profit - EBIT	13.1	12.9
Net financial expense	(7.9)	(7.8)
Unrealized gain/(loss) on interest swaps	3.3	(0.2)
Net foreign exchange gain / (loss)	(1.5)	(0.4)
Profit/(loss) before income tax	7.0	4.5
Income tax expense	(0.2)	(0.1)
Non-cash income tax benefit/(expense)	(1.7)	(0.9)
Net profit / (loss) for the period *	5.1	3.5
Average number of common shares	61,209,493	60,616,505
Earnings/(loss) per share (USD)	0.08	0.06

*Applicable to common stockholders of the parent company

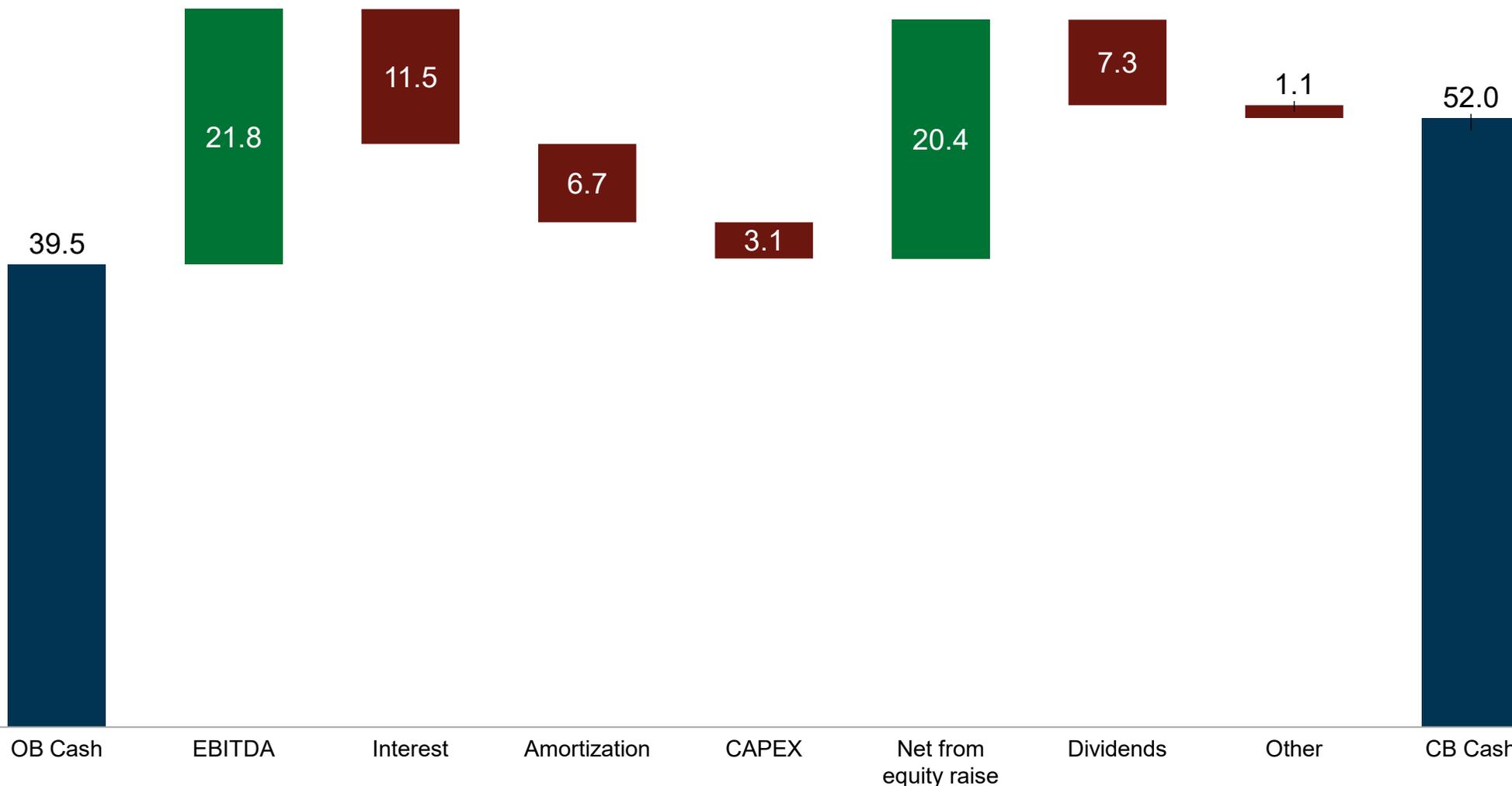
Balance Sheet (unaudited)

Figures in USD millions	30.09.2022	30.09.2021
Vessels	594.3	624.1
Deferred tax assets	7.8	12.8
Interest-bearing long-term receivables (DPO)	6.8	20.0
Derivative financial assets	15.1	-
Deposit for vessel	20.0	-
Trade and other receivables	14.0	2.8
Cash held for specified uses	6.5	4.5
Cash and cash equivalents	45.5	51.9
TOTAL ASSETS	710.0	716.1
Total equity	165.0	154.0
Deferred tax liabilities	19.7	10.7
Interest-bearing long-term debt	498.5	525.4
Derivative financial liabilities	-	1.5
Capitalized Fees	(5.2)	(7.4)
Interest-bearing short-term debt	26.8	26.8
Trade and other payables	5.2	5.1
TOTAL EQUITY AND LIABILITIES	710.0	716.1

Cash position increased during the quarter



CASH DEVELOPMENT IN 3Q 22 (USD millions)



Investment highlights

AMSC ASA

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Bareboat contracts provide strong and stable cash flows
Additional diversified cash flows from the Normand Maximus
- 

Strong and improving financial performance
Long lasting relationships with leading commercial banks
- 

Compelling cash flow yield
Consecutive quarterly dividend payments since 2014
- 

New opportunities unlocks a larger target market and growth opportunities
More flexibility than traditional financiers
- 

Balanced Jones Act tanker market with positive outlook
Reduced fleet capacity through scrapping and no yard availability
- 

Recovering offshore service market
Normand Maximus ideally position to benefit from increased market activity

