



AMSC ASA

Q4 2022 financial results and company update

28 February 2023



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.

Fourth quarter 2022 highlights

- Adjusted net profit of USD 3.8 million*
- On 18 October 2022, AMSC closed on the acquisition of the Normand Maximus and commenced a long-term bareboat charter with a single purpose subsidiary of Solstad Offshore ASA
- On 9 December 2022, OSG declared options to extend bareboat charter agreements for six vessels by three years, moving the new bareboat expiries to December 2026
- During December 2022, AMSC took redelivery of three vessels from OSG and began new three-year bareboat charters with a subsidiary of Keystone Shipping Co. (“Keystone”)
- Declare Q4 dividend of USD 0.12 per share, supported by free cash flow
 - Ex-dividend date of 6 March 2023
 - Payment on or about 15 March 2023
 - Classified as a return of paid in capital

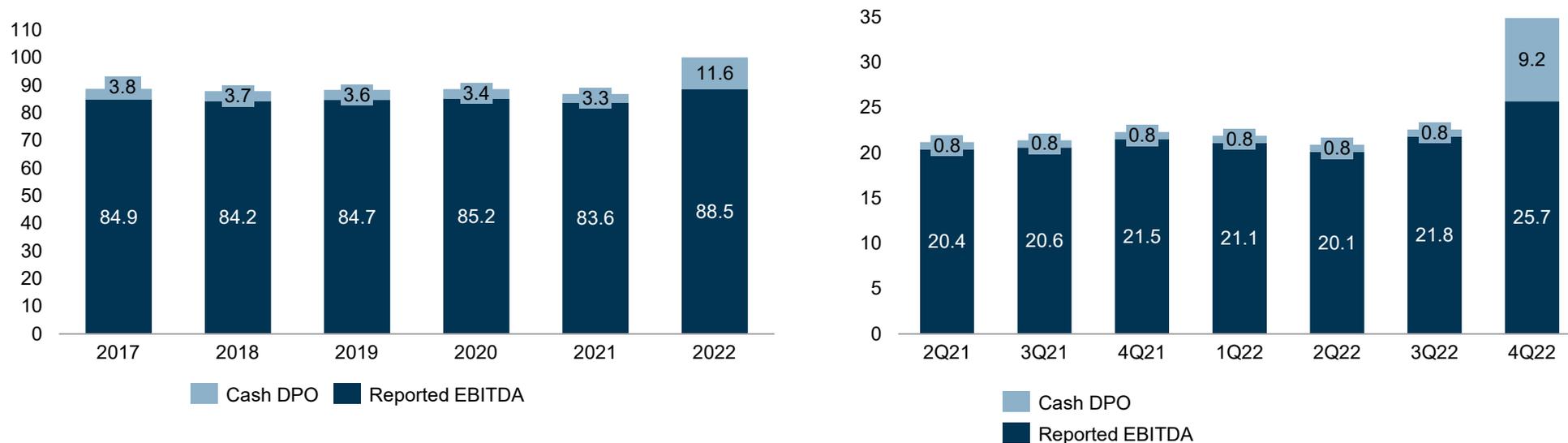


* Net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax

Stable, predictable EBITDA

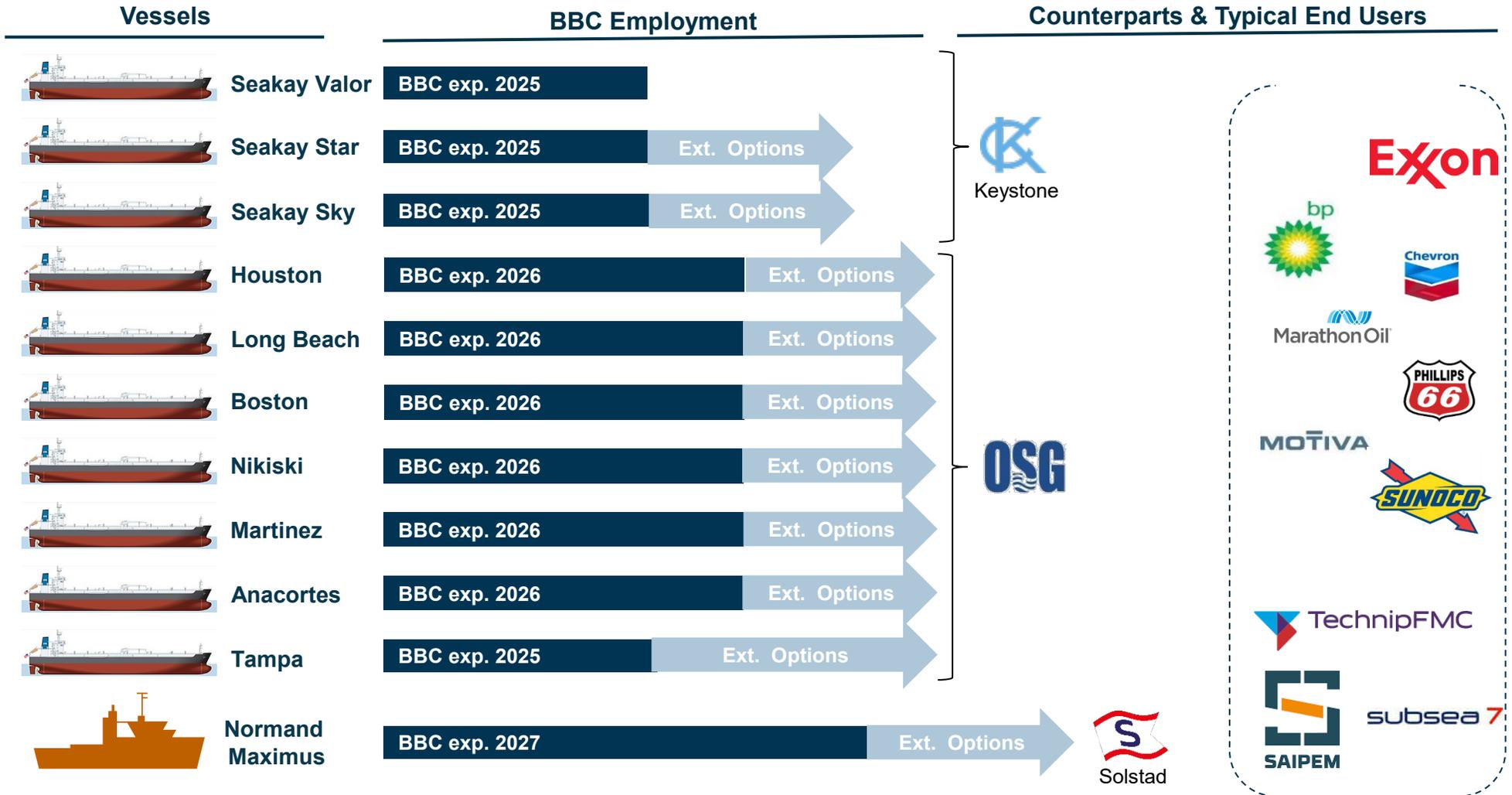
Reported EBITDA plus cash DPO

(USD millions)



- Reported EBITDA plus cash DPO of USD 34.9 million in 4Q22 due to OSG repayments on redelivery (USD 22.3 million in 4Q21)

Strong and diversified contract coverage



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

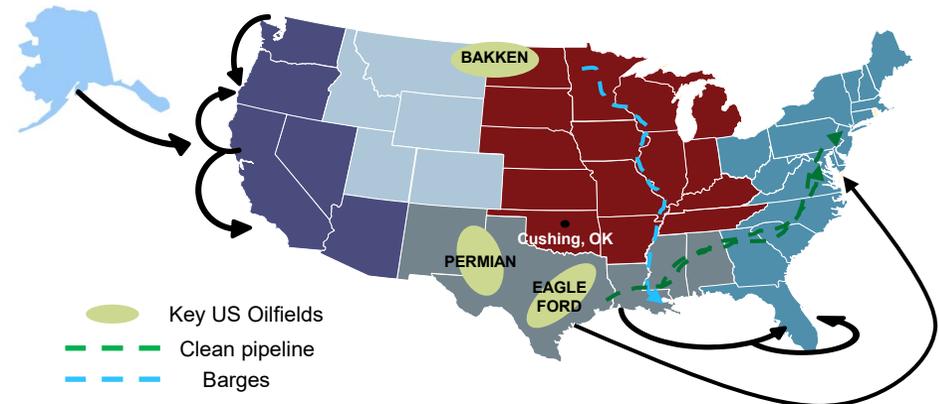
USD 30bn total investment in over 40,000 vessels

400,000

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

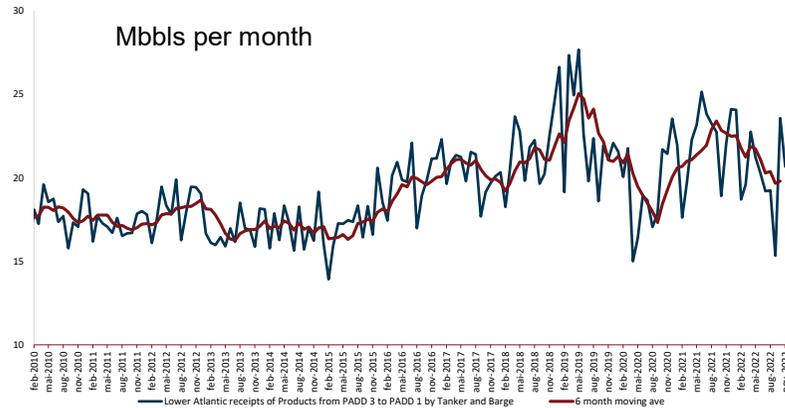
Jones Act tankers primary trade routes

USD 100bn contribution to the US domestic economy



Bio Fuel demand surge ensures 100% Time Charter cover

Clean Products to Florida grows by ~3% per year

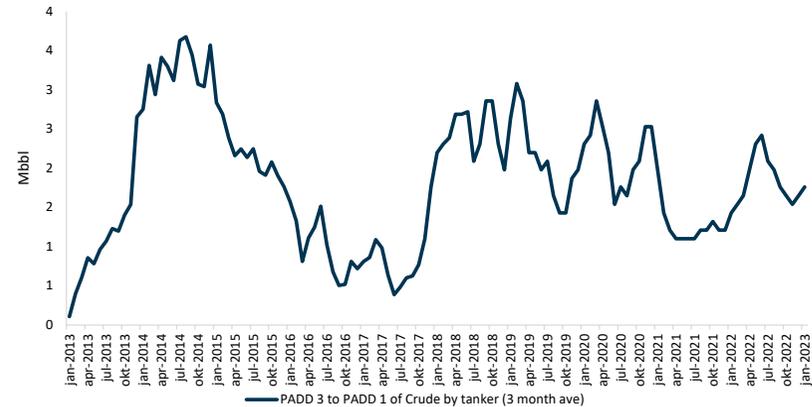


Emerging Bio-fuel trade with strong growth prospects

- 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

Sources: EIA, data through December 2022, Marine Traffic and AMSC analysis

Crude to North East driven by oil spreads



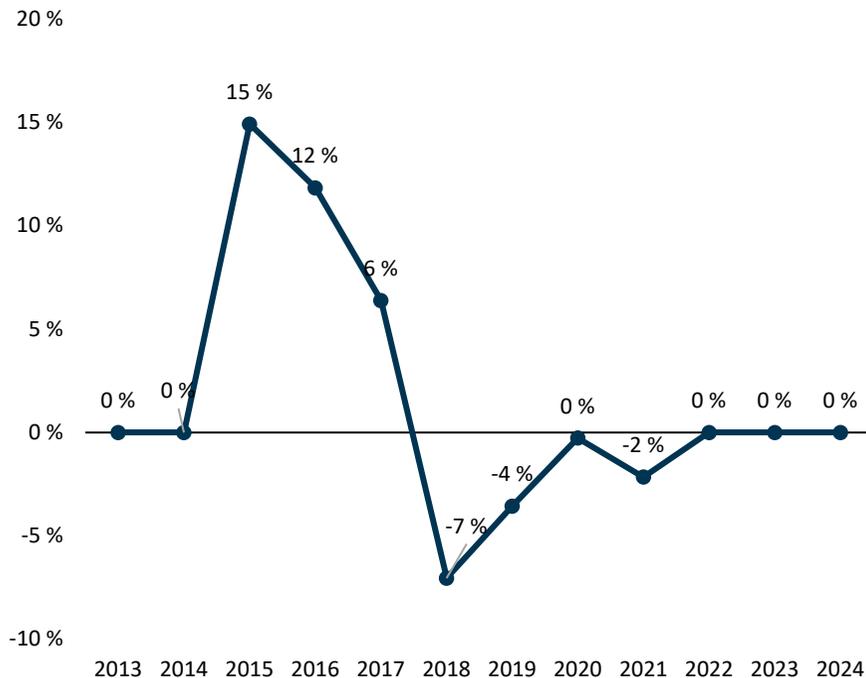
Demand Summary

- 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 in 2023 and beyond and has ensured full time charter cover across the Jones Act tanker fleet

No tankers on order after years of fleet contraction

Scrapping has stalled with rise in TC rates....

Percentage change in Kbbbls capacity

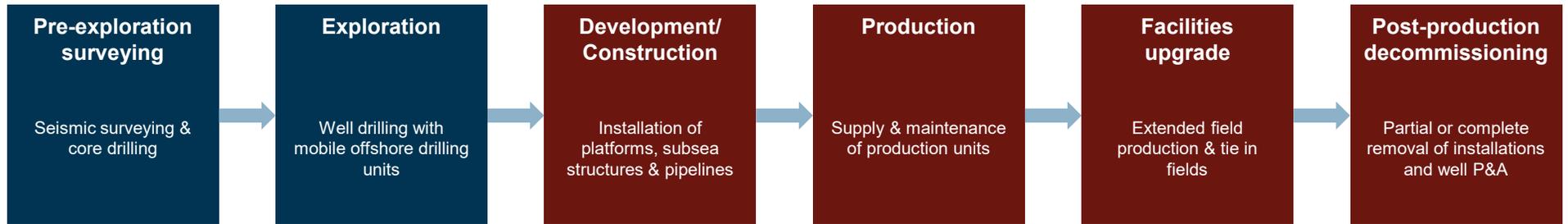


... but newbuild constraints leads to no supply growth

- Only two yards have sufficiently large drydocks 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, 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

Normand Maximus requirement through the lifecycle of an offshore field

Normand Maximus



Primary:
Seismic vessel

Support:
Chase boats

Primary:

- Drilling unit
- Jack-up
- Semi-sub
- Drillship

Support:

- AHTS
- PSV
- Standby boat
- Crew boat
- Tug

Primary:

- Fixed platform
- Floating platform
- FPSO
- Subsea structures
- Drilling unit

Support:

- Accommodation
- PSV
- AHTS
- Standby boat
- Heavy lift / Crane
- DSV
- ROVSV
- Pipelayer

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- Fixed platform
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- Well intervention

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Dayrates and subsea field development backlog increasing

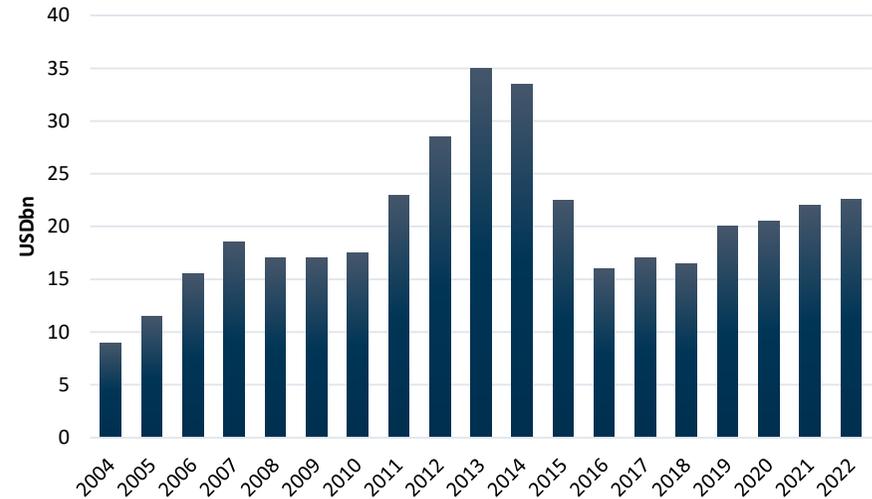


Subseas Dayrates



- Dayrates for Subsea Construction vessels has risen since 2021 onwards
- Above illustration is North Sea rates for Subsea vessels longer than 150 meters and with a 400ton crane.

Subsea EPC backlog



- Order backlog for the world's three largest Subsea field development EPC contractors has been growing for ~4 years
- Implies solid forward visibility and increased offshore activity for EPC contractors from 2023 onwards
- Increased subcontract activity requires more vessels

Income Statement (unaudited)



Figures in USD million (except share and per share information)	4Q2022	4Q2021
Operating revenues	27.6	22.2
Operating expenses	(1.9)	(1.1)
Operating profit before depreciation - EBITDA	25.7	21.1
Depreciation	(10.7)	(9.0)
Operating profit - EBIT	15.0	12.1
Net financial expense	(11.1)	(7.7)
Change in market value of interest rate swaps	(0.2)	5.1
Net foreign exchange gain / (loss)	2.6	(0.1)
Profit/(loss) before income tax	6.3	9.4
Income tax expense	(0.1)	(0.1)
Non-cash income tax benefit/(expense)	(4.7)	(6.9)
Net profit / (loss) for the period	1.5	2.4
Average number of common shares	71,300,177	60,616,505
Earnings/(loss) per share (USD)	0.02	0.04

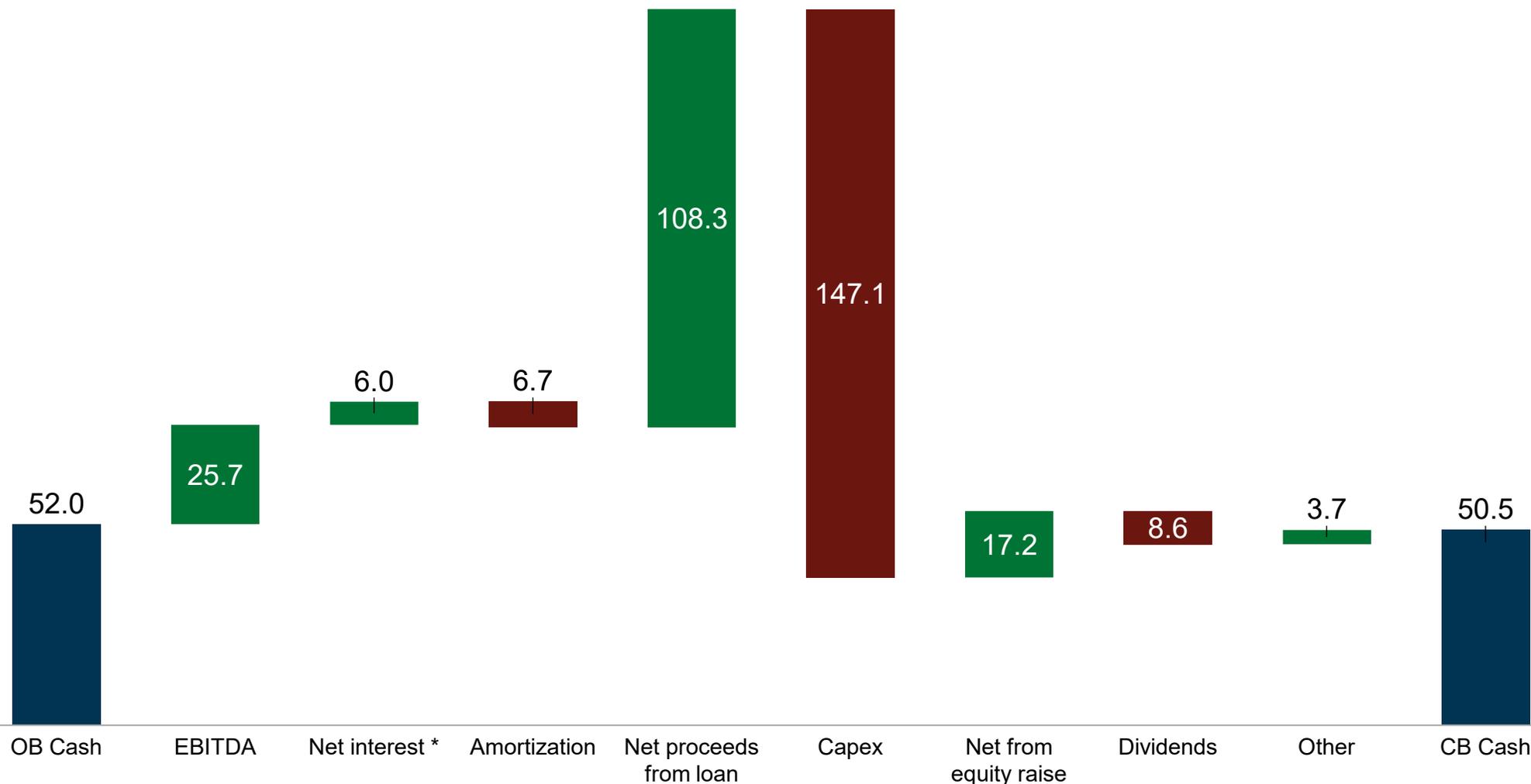
Balance Sheet (unaudited)

Figures in USD millions	31.12.2022	31.12.2021
Vessels	750.8	615.1
Deferred tax assets	2.9	11.3
Interest-bearing long-term receivables (DPO)	7.2	7.3
Derivative financial assets	4.7	3.6
Other non current assets	0.3	-
Trade and other receivables	12.9	14.9
Cash held for specified uses	5.0	5.4
Cash and cash equivalents	45.5	55.9
TOTAL ASSETS	829.3	713.5
Total equity	175.0	149.2
Deferred tax liabilities	18.8	16.2
Interest-bearing long-term debt	566.8	518.7
Derivative financial liabilities	-	-
Capitalized Fees	(6.1)	(6.9)
Interest-bearing short-term debt	61.9	26.8
Trade and other payables	12.9	9.5
TOTAL EQUITY AND LIABILITIES	829.3	713.5

Cash development during the quarter



CASH DEVELOPMENT IN 4Q 22 (USD millions)



* Net interest includes

Investment highlights

AMSC ASA

- 

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

