



American Shipping Company ASA



Q4 2020 financial results and company update

12 February 2021

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 2020 highlights

- Adjusted net profit of USD 5.0 million*
- Normalized EBITDA** of USD 22.2 million
 - DPO of USD 0.9 million
- Listed the USD 200m senior unsecured bond on OSE subsequent to year-end under the ticker ATI02
- Declared Q4 dividend of USD 0.10 per share,
 - Ex-dividend date of 18 February 2021 with payment on or about 1 March 2021
 - Classified as a return of paid in capital

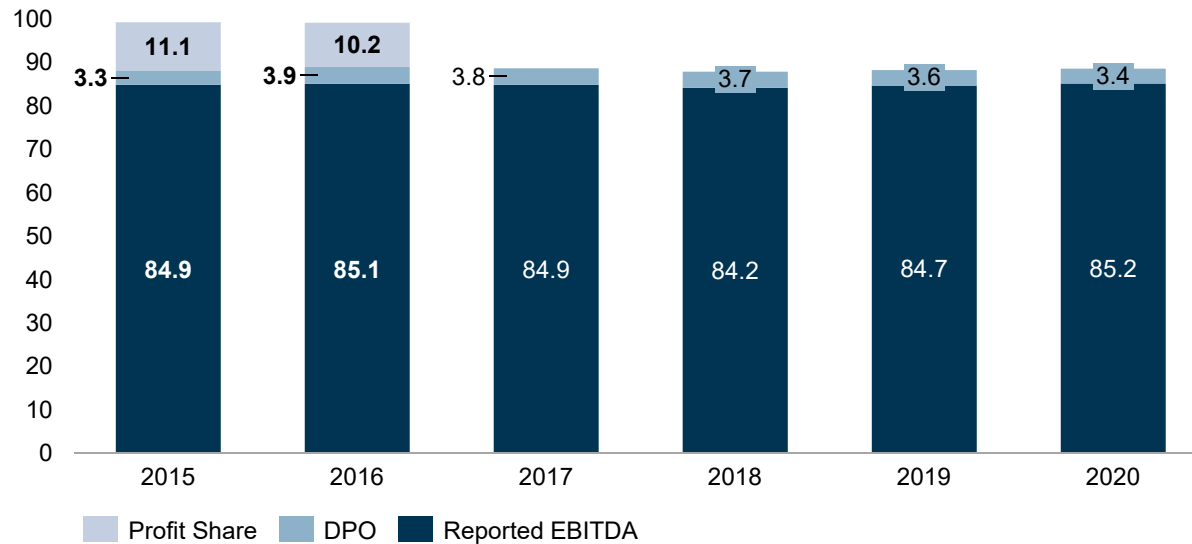


* Net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax

** Includes DPO, reported EBITDA for Q4 20 is USD 21.3 million

Stable, predictable EBITDA






Normalized EBITDA (USD millions)



- Normalized EBITDA of USD 22.2 million in Q4 20 (USD 22.2 million in Q4 19)

Fleet deployment overview

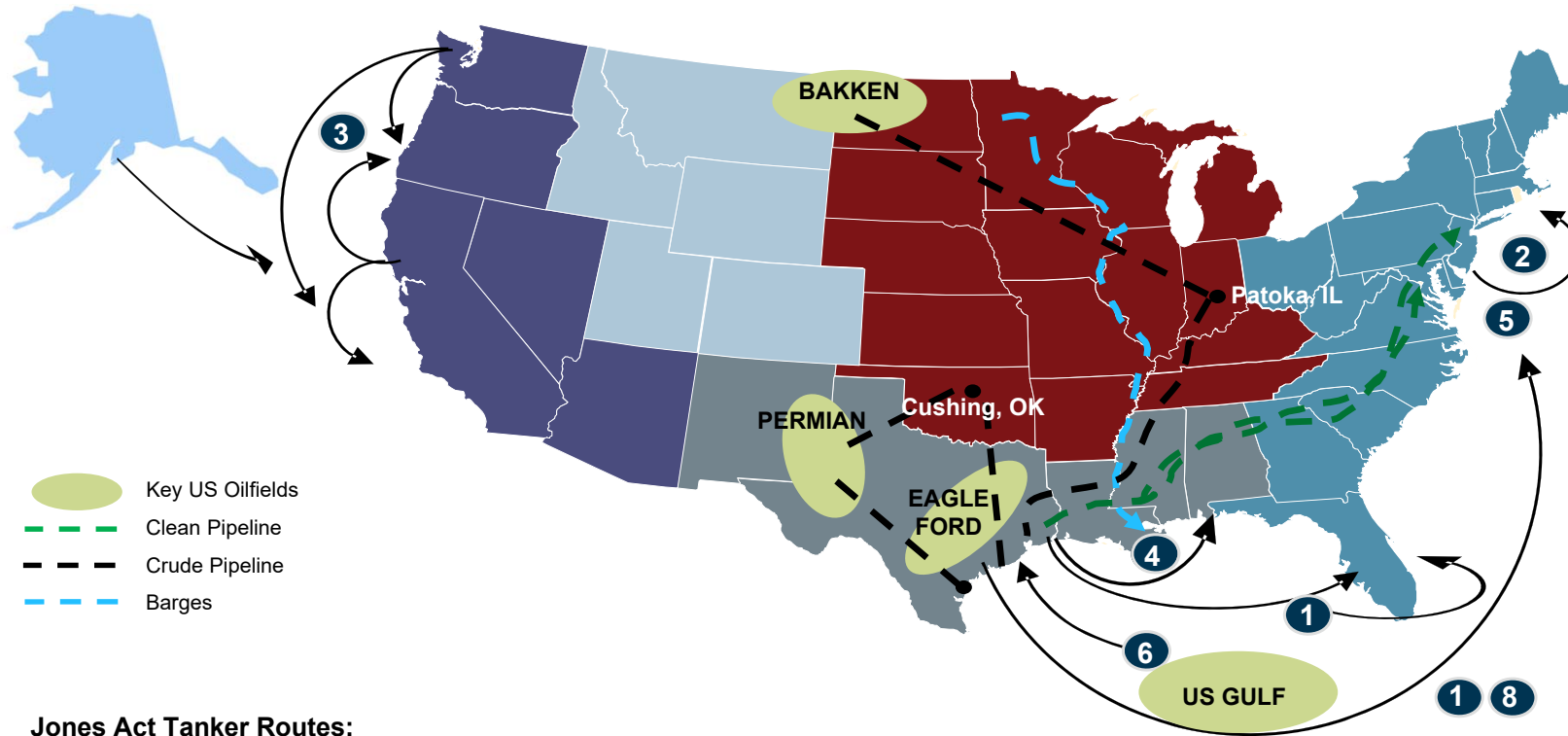
Long-term fixed rate bareboat charters to OSG secures cash flow





Vessel	Firm Charter	Options	Jones Act end users
Houston	BBC exp. 2022	BBC Options	    
Long Beach	BBC exp. 2022	BBC Options	
Los Angeles	BBC exp. 2022	BBC Options	
New York	BBC exp. 2022	BBC Options	
Texas City	BBC exp. 2022	BBC Options	
Boston	BBC exp. 2023	BBC Options	
Nikiski	BBC exp. 2023	BBC Options	
Martinez	BBC exp. 2023	BBC Options	
Anacortes	BBC exp. 2023	BBC Options	
Tampa	BBC exp. 2025	Options	

- AMSC's fleet is on firm BB Charters to OSG with evergreen extension options
- AMSC receives fixed annual bareboat revenue of USD 88 million + ~50% of the profits generated by OSG under the time charter contracts
- OSG time charters the vessels to oil majors for U.S domestic trade

A critical part of oil majors' transportation logistics

Jones Act crude oil & products primary trade routes



-  Key US Oilfields
-  Clean Pipeline
-  Crude Pipeline
-  Barges

Jones Act Tanker Routes:

- | | |
|---|--|
| <ul style="list-style-type: none"> 1 Gulf Coast refineries to Florida and East Coast (Clean) 2 Mid-Atlantic to New England (Clean) 3 Alaska and Intra-west coast movements (Clean/Dirty) 4 Cross-Gulf movements (Dirty) | <ul style="list-style-type: none"> 5 Delaware Bay Lightening (Crude) 6 Shuttle tankers from deep water U.S. Gulf to Gulf Coast Refineries (Crude) 7 Crude from Corpus Christi, TX to LOOP (not shown) 8 Crude from Corpus Christie and Beaumont to Northeast |
|---|--|

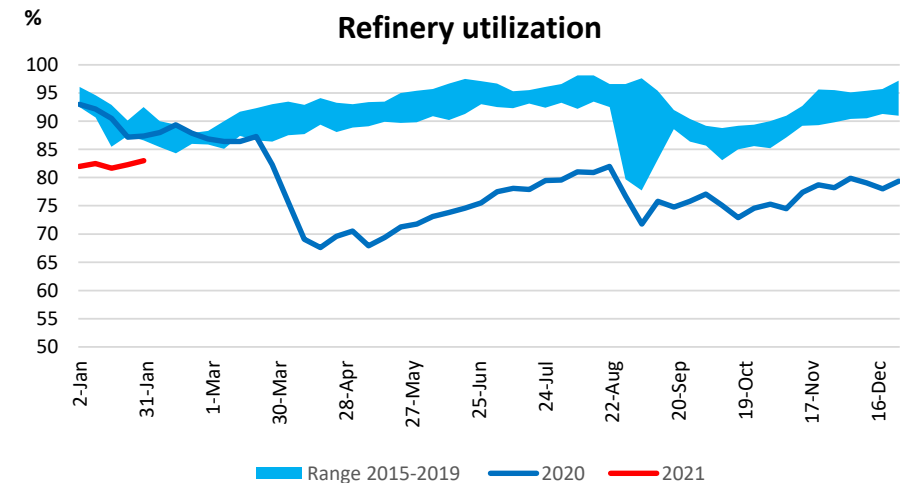
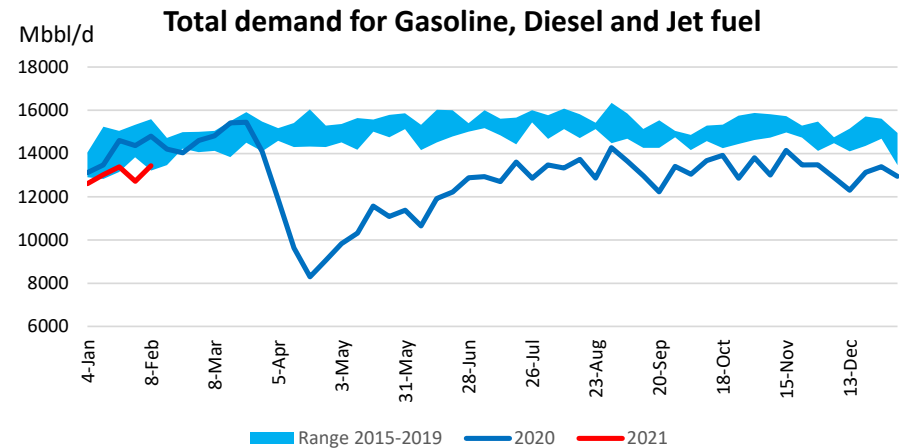
Source: Navigistics' Wilson Gillette Report

Reduced clean product demand and low refinery utilization expected to gradually recover in 2021 and 2022

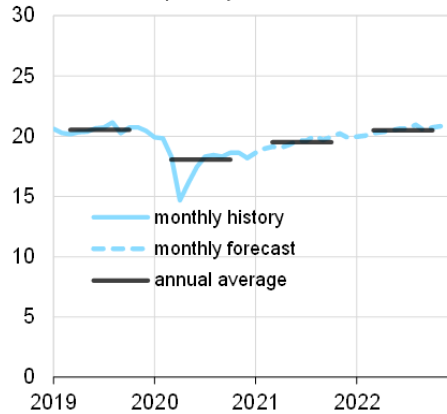
EIA is forecasting a gradual recovery in 2021 and 2022

- 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, but remain lower than historical averages
- Latest data suggests current demand is 9% below 5 year average, and refinery utilization is around 10% below 5 year average
- EIA is forecasting a gradual full recovery through 2021 and 2022

Drop in clean products demand slowly recovering

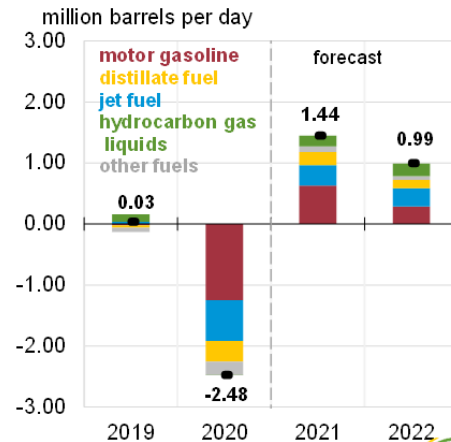


U.S. liquid fuels product supplied (consumption)
million barrels per day



Source: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2021

Components of annual change
million barrels per day



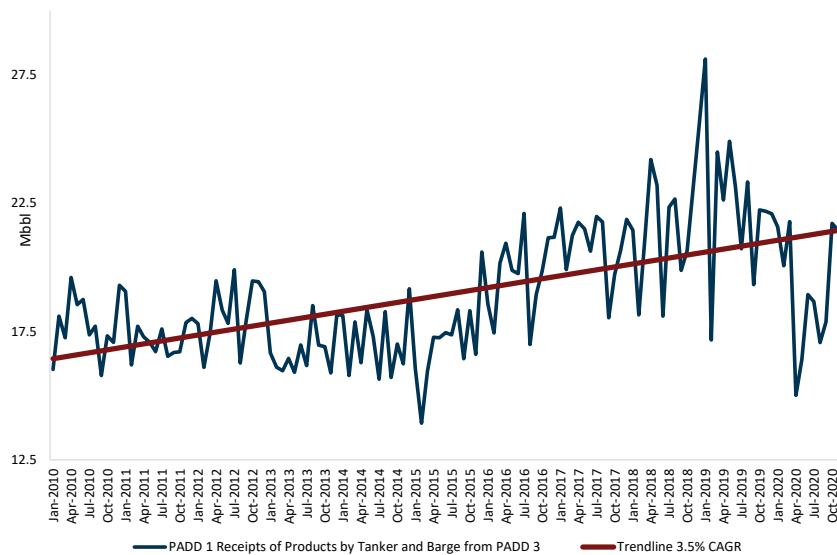
Source: EIA Weekly Petroleum Status Report February 10, 2021

Clean products shipments to Florida reduced by COVID-19

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

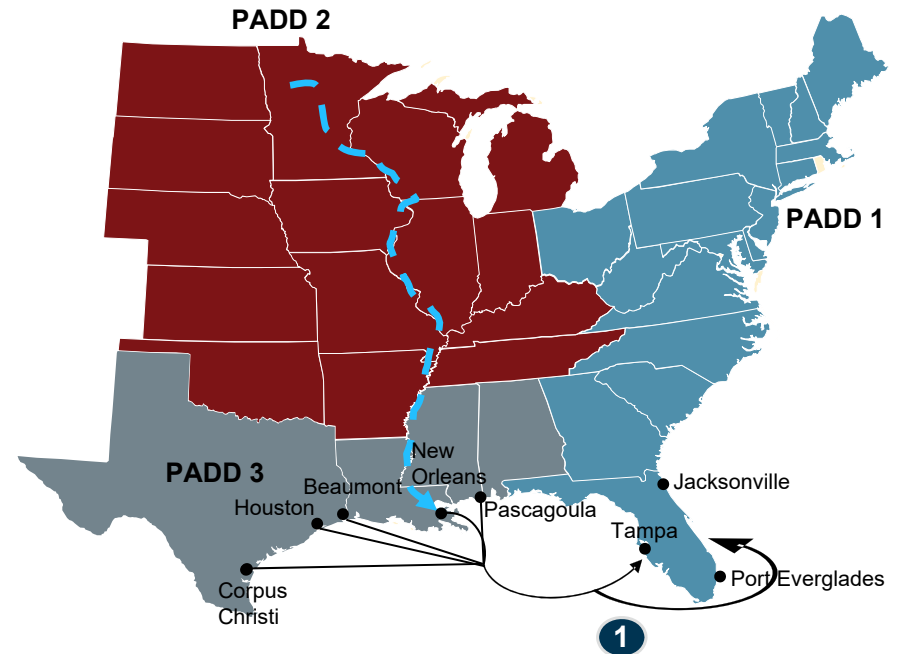
- Increasing consumption of clean products in Florida is driving demand for Jones Act tanker shipments cross US Gulf
- Over the past 10 years this trade has grown with a CAGR of about 3.5%
- Impact from Covid-19 mitigating measures have significantly reduced shipments in 2020, but expected to gradually return to normal during 2022

Mbbbls per month



Gulf Coast to Florida Trade Lane

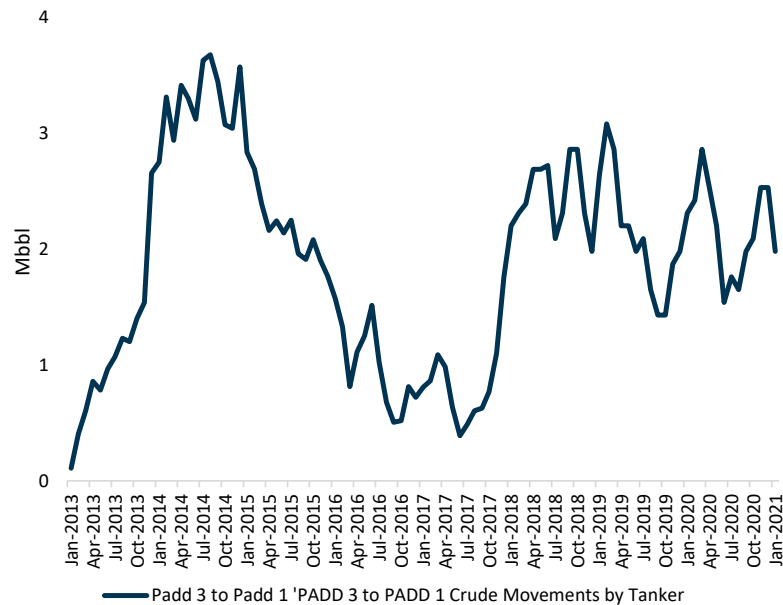
- As Florida has no pipeline connection nor any refineries, all clean products consumed are supplied by sea
- Florida is sourcing 90% of its clean products demand on a Jones Act tanker from US Gulf refineries
- Florida consumption is split 65-70% Gasoline, 15-20% Diesel and 10-15% Jet fuel



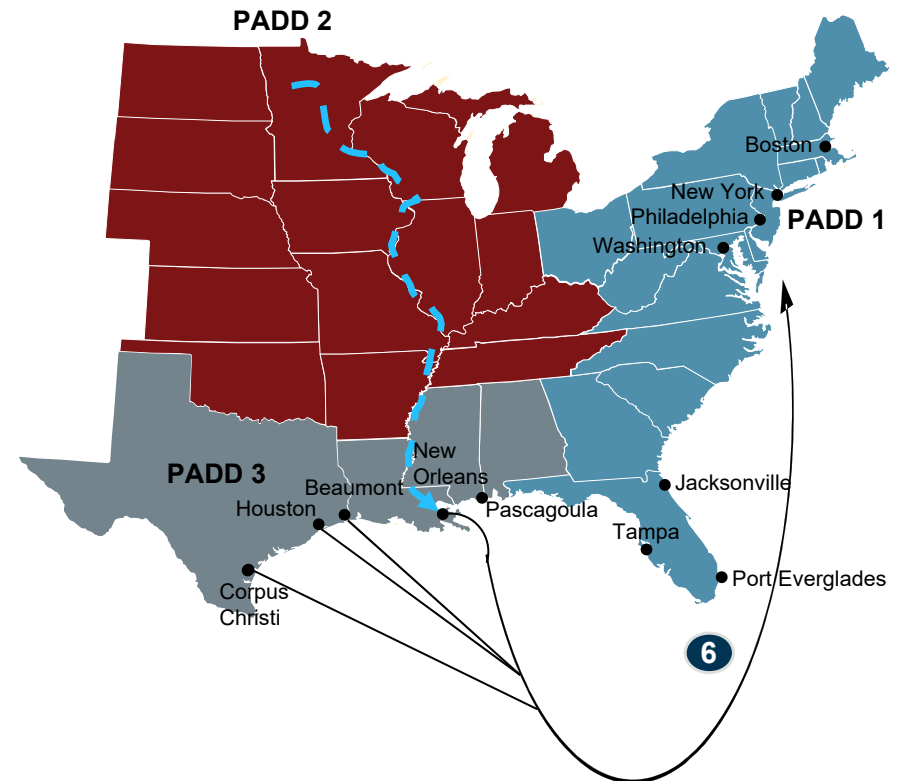
Sources: EIA, data through November 2020

Crude trade to Northeast has remained strong despite COVID-19, may face increased volatility in the short term

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



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

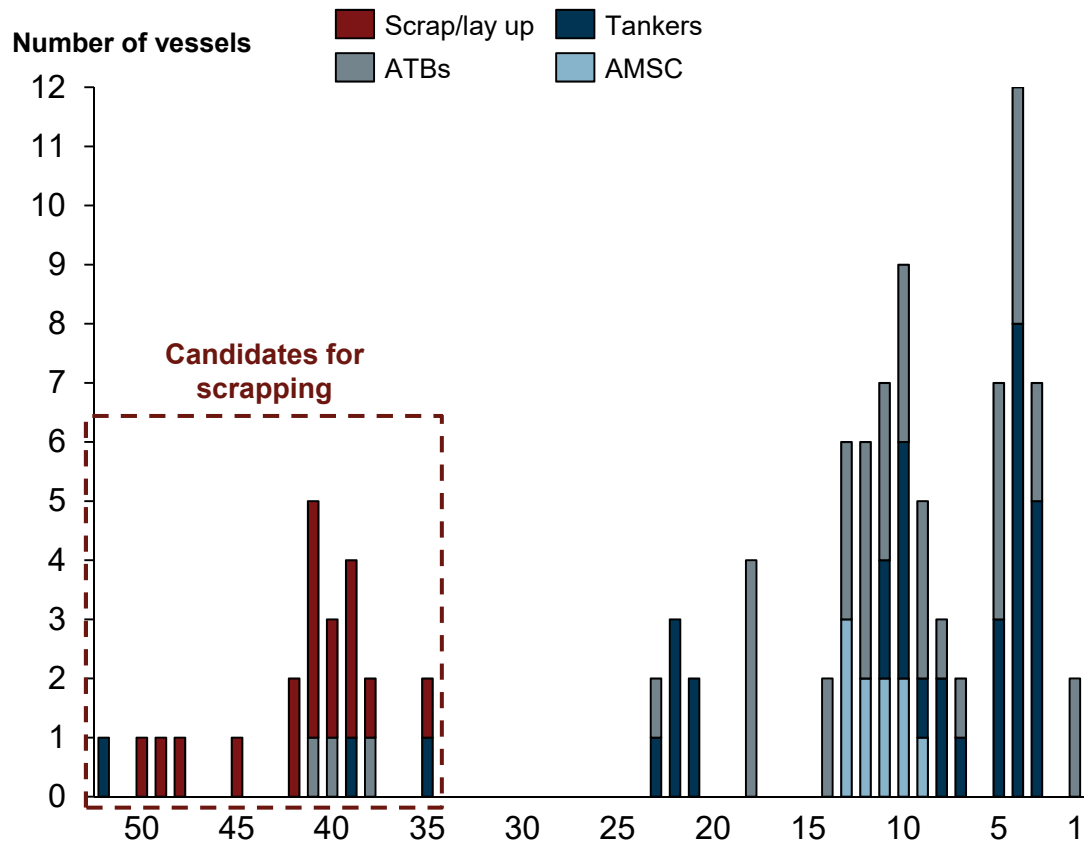


- Historically, volumes have been driven by spread in pricing of U.S. Crude Oil vs. international alternatives
- Low crude oil price and falling US oil production is potentially increasing oil price spread volatility going forward

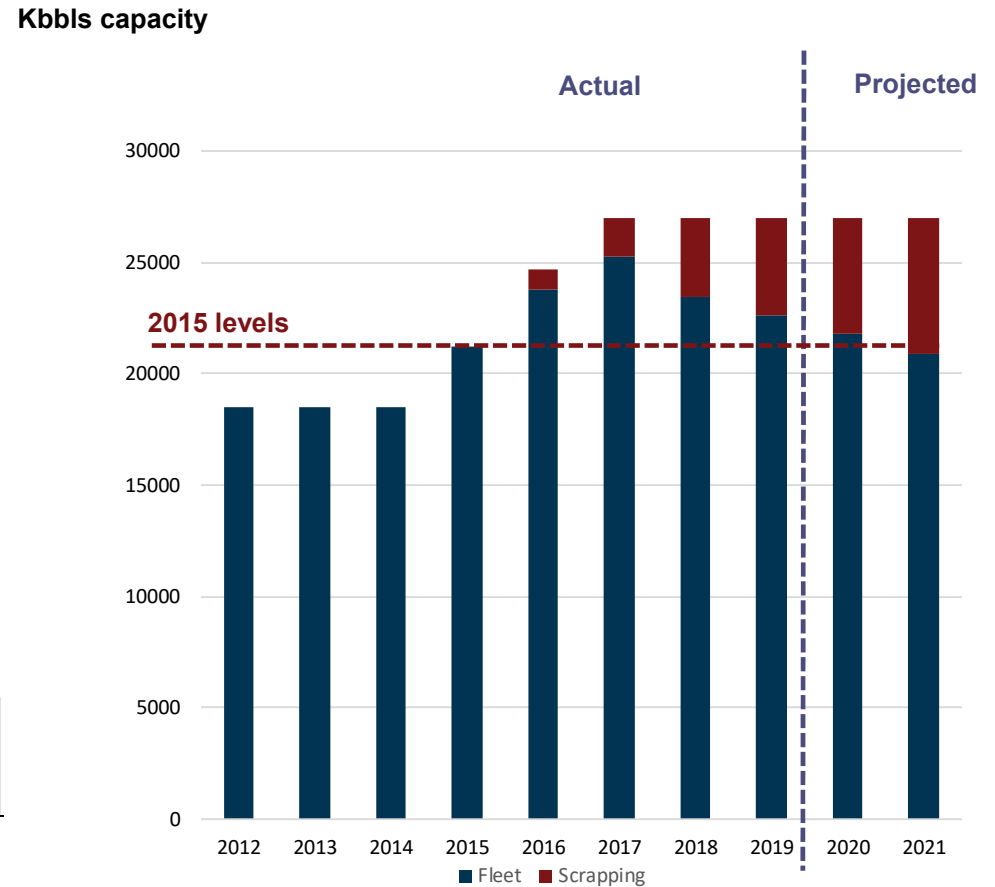
Source: EIA, Marine Traffic and AMSC analysis

Fleet reduction as scrapping continues

Fleet profile by vessel age



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



Source: Navigistics' Wilson Gillette Report December 2020, broker reports and AMSC analysis

Income Statement (unaudited)

Figures in USD million (except share and per share information)	Q4 2020	Q4 2019
Operating revenues	22.2	22.1
Operating expenses	(0.9)	(0.8)
Operating profit before depreciation - EBITDA	21.3	21.3
Depreciation	(8.7)	(8.5)
Operating profit - EBIT	12.7	12.8
Net financial expense	(7.6)	(10.3)
Unrealized gain/(loss) on interest swaps	0.4	0.1
Net foreign exchange gain / (loss)	-	-
Profit/(loss) before income tax	5.5	2.5
Income tax expense	(0.1)	-
Non-cash income tax benefit/(expense)	14.5	1.3
Net profit / (loss) for the period *	19.9	3.8
Average number of common shares	60,616,505	60,616,505
Earnings/(loss) per share (USD)	0.33	0.06

*Applicable to common stockholders of the parent company

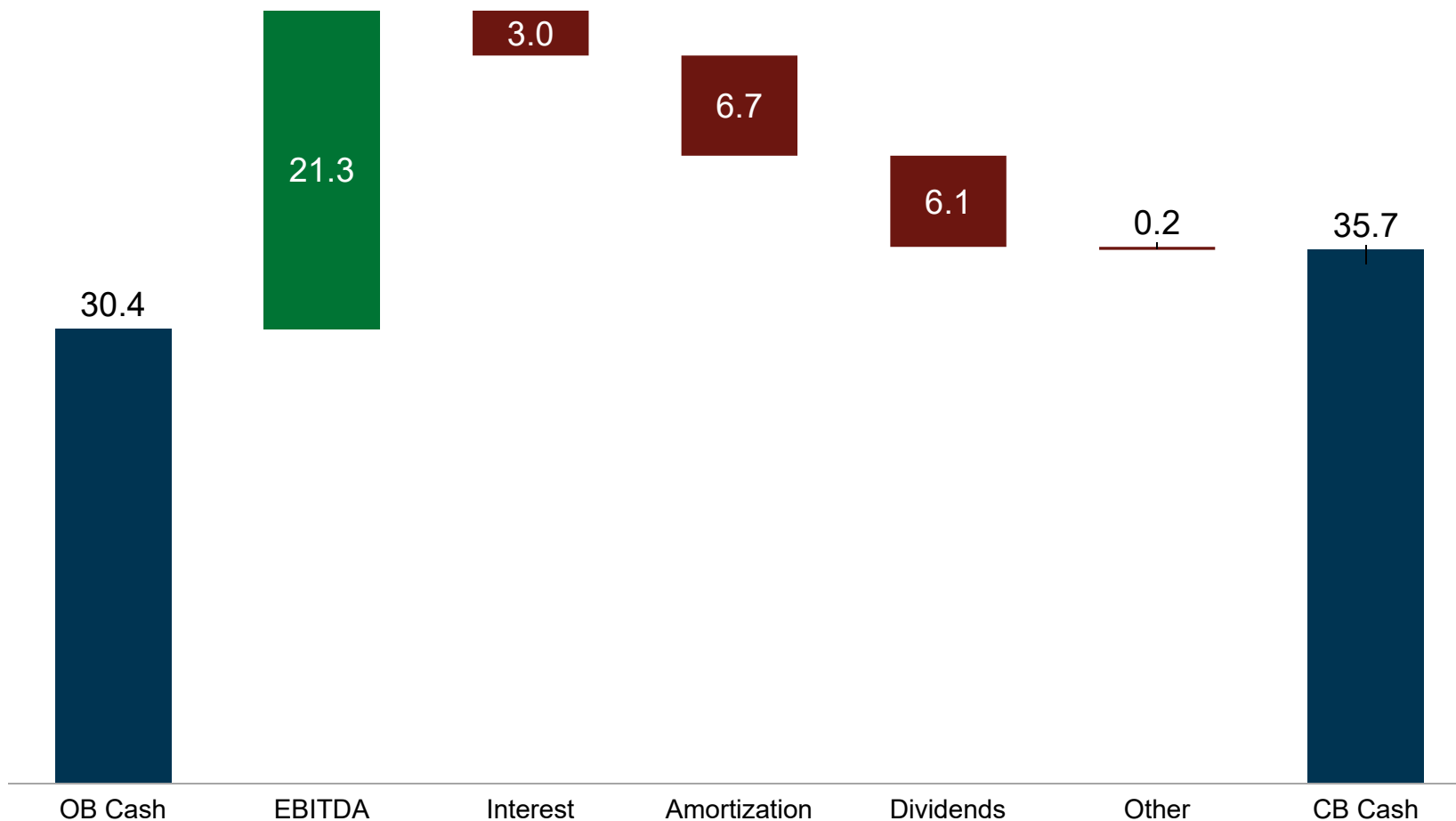
Balance Sheet (unaudited)



Figures in USD millions	30.12.2020	30.12.2019
Vessels	649.5	678.9
Deferred tax assets	14.8	-
Interest-bearing long term receivables (DPO)	23.3	25.3
Trade and other receivables	0.3	0.4
Cash held for specified uses	0.9	1.6
Cash and cash equivalents	34.9	46.3
TOTAL ASSETS	723.7	752.4
Total equity	161.3	165.0
Deferred tax liabilities	9.2	11.4
Interest-bearing long term debt	525.6	527.3
Derivative financial liabilities	1.2	0.8
Capitalized Fees	(8.7)	(4.6)
Interest-bearing short term debt	26.8	44.3
Deferred revenues and other payables	8.3	8.2
TOTAL EQUITY AND LIABILITIES	723.7	752.4

Cash position increased during the quarter

CASH DEVELOPMENT IN 4Q 20 (USD millions)



Summary – long term stable business model despite short term volatility imposed by Covid-19

LONG TERM CONTRACTS PROVIDE STABLE CASH FLOW

- Bareboat contracts provide strong and stable cash flows
- Likely to continue with OSG for many years through evergreen extension options
- Most 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 may weaken in the short term
- Reduced demand on clean trade into Florida, but likely to recover during 2021/22
- Jones Act tanker market expected to recover despite current volatility

REDUCING FLEET CAPACITY WITH NO YARD AVAILABILITY

- No tankers or ATBs on order
- No available yard capacity to build Jones Act tankers until 2025 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

