

AMSC ASA

First Quarter 2023 Report



First Quarter 2023 Report

Lysaker, 24 May 2023, AMSC ASA (“AMSC” or the “Company”) announces results for the first quarter ending 31 March 2023.

HIGHLIGHTS

- Bareboat revenue for Q1 2023 of USD 30.3 million and adjusted net profit of USD 5.8 million
- Contracted backlog of U.S. Jones Act bareboat revenue of USD 304.8 million with average weighted tenor of 3.3 years
- Contracted backlog of Offshore bareboat revenue of USD 137.9 million with 4.6 years tenor
- Declared Q1 2023 dividend of USD 0.12 per share

AMSC CEO, Pål Lothe Magnussen comments, *“Q1 represented our first full quarter with three of our Jones Act tankers on new bareboat contracts and Normand Maximus on bareboat contract to a subsidiary of Solstad Offshore, resulting in EBITDA growth of 38% compared to last year. The Jones Act tanker market remains strong and Solstad recently announced a Letter of Intent for a new term contract for Normand Maximus. Long term prospects for our fleet continue to look promising.”*

MAIN EVENTS DURING AND SUBSEQUENT TO THE FIRST QUARTER

- **Operating profit:** Operating profit was increased to USD 18.1 million in Q1 2023 compared to USD 12.4 million in Q1 2022.
- **Adjusted net profit:** Adjusted net profit of USD 5.8 million for Q1 2023 consists of net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to non-cash deferred tax expenses. The comparative figure for Q1 2022 was USD 4.9 million. See the section on Alternative Performance Measures for further details.
- **Redelivery of three Jones Act tankers:** All three Jones Act tankers redelivered from OSG were delivered to Keystone under their new bareboat charters during December 2022 and subsequently commenced time charters with end users in January 2023. The Seakay Valor entered its third special survey towards the end of Q1 and completed its special survey during Q2. Under the bareboat agreements with Keystone, AMSC is responsible for special survey and ballast water treatment system capital expenditures.
- **Normand Maximus:** Solstad Offshore recently announced a Letter of Intent for a new contract for a minimum of 490 days starting Q1 2024 at market rates. Due to limited contract cover for the vessel in Q4 2022 and Q1 2023, we have established a deferred charter payment structure initially up to USD 10 million, which will be increased to USD 20 million during Q2 2023. With Solstad Offshore’s current contract cover for the vessel, we expect the deferred charter payments to be repaid during 2023. We are in the process of increasing the size of the Tranche B loan facility by USD 10 million up to USD 45 million and extending the expiry of Tranche B until January 2024. We aim to refinance the entire Normand Maximus debt during 2023.

- **Dividends:** On 27 February 2023, the Board authorized a quarterly dividend payment of USD 0.12 per share, the equivalent of NOK 1.2504 per share, to the shareholders on record as of 7 March 2023, which was paid on 15 March 2023. The dividend was classified as a return of paid in capital.

On 23 May 2023, the Board authorized a dividend payment of USD 0.12 per share to the shareholders on record as of 31 May 2023. The shares in AMSC will be traded ex. dividend from and including 30 May 2023, and the dividend will be paid on or about 8 June 2023. The dividend is classified as a return of paid in capital.

- **Dividend guidance:** 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 contracts including outlook for profit share and will be considered in conjunction with the Company's financial position, debt covenants, capital requirements, and market conditions going forward.

FIRST QUARTER FINANCIAL REVIEW

Condensed Income Statement

Amounts in USD million (except share and per share information)	<i>unaudited</i>	
	Q1 2023	Q1 2022
Leasing revenues	30.3	21.7
Operating profit before depreciation - EBITDA	28.9	20.9
Operating profit - EBIT	18.1	12.4
Net financial expense	(12.2)	(7.5)
Change in market value of interest rate swaps	(0.8)	6.5
Net foreign exchange gain/(loss)	(0.8)	0.1
Profit/(loss) before income tax	4.3	11.5
Income tax expense	(0.1)	(0.1)
Non-cash income tax (expense) / benefit	(0.9)	(2.6)
Net profit/(loss) for the period	3.3	8.8
Adjusted net profit	5.8	4.9
Average number of common shares	71,863,838	60,616,505
Basic and diluted earnings per share (USD)	0.05	0.15

First quarter results

AMSC's leasing revenues for Q1 2023 and Q1 2022 were USD 30.3 million and USD 21.7 million, respectively. The increase is due to the commencement of the bareboat charter for Normand Maximus in Q4 2022. EBITDA was USD 28.9 million in Q1 2023 and USD 20.9 million in Q1 2022. Operating profit was USD 18.1 million in Q1 2023 (USD 12.4 million in Q1 2022).

Net financial expense for Q1 2023 was USD 12.2 million (USD 7.5 million in Q1 2022). The increase is due to higher balances of secured loans for financing the Normand Maximus, as well as an increased portion of floating rate debt during Q1 2023.

In Q1 2023, AMSC had a loss of USD 0.8 million on the mark-to-market valuation of its interest rate swap contracts related to its vessel financing (USD 6.5 million gain in Q1 2022). Net foreign exchange loss for Q1 2023 was USD 0.8 million, relating to revaluation of NOK balances into USD functional currency (USD 0.1 million gain in Q1 2022).

AMSC had a net profit before tax for Q1 2023 of USD 4.3 million compared to USD 11.5 million in Q1 2022. Current income tax expense was USD 0.1 million each in Q1 2023 and in Q1 2022. Non-cash income tax expense was USD 0.9 million in Q1 2023 (USD 2.6 million in Q1 2022). Net profit for Q1 2023 was USD 3.3 million compared to USD 8.8 million in Q1 2022.

Condensed Statement of Financial Position

Amounts in USD million	<i>unaudited</i>		31-Dec 2022 *
	31-Mar 2023	31-Mar 2022	
Vessels	744.2	606.6	750.8
Deferred tax assets	1.8	10.7	2.9
Interest-bearing long term receivables (DPO)	10.3	7.3	7.2
Other non current assets	3.2	-	0.3
Derivative financial assets	3.9	10.1	4.7
Trade and other receivables	12.4	14.5	12.9
Cash held for specified uses	4.6	6.3	5.0
Cash and cash equivalents	30.5	50.8	45.5
Total assets	810.9	706.3	829.3
Total equity	169.7	150.8	175.0
Deferred tax liabilities	18.9	18.0	18.8
Interest-bearing long term debt	553.4	505.7	555.2
Interest-bearing short term debt	67.7	31.0	78.0
Trade and other payables	1.2	0.8	2.2
Total equity and liabilities	810.9	706.3	829.3

* Derived from audited financial statements

The change in vessels from 31 December 2022 reflects installation of ballast water treatment systems in the Jones Act fleet of USD 4.2 million, offset by depreciation for the first quarter 2023 of USD 10.8 million. Similar investments will be made for the final two Jones Act tankers in connection with their special surveys during the remainder of 2023.

During Q1 2023, the DPO was reduced by repayments made by Overseas Shipholding Group, Inc. ("OSG") of USD 0.2 million and repayments made by the Normand Maximus charter party of USD 4.2 million, offset by charter hire deferral of USD 7.5 million for the Normand Maximus contract. As of 31 March 2023, USD 10.2 million of the DPO balance was reclassified to short term trade and other receivables. See note 12 to the condensed consolidated financial statements for additional information on the DPO.

During Q4 2022, OSG failed to pay the DPO balance due for one of the three vessels redelivered in December 2022. As a result, AMSC filed a complaint against OSG in U.S. district court for the District of Southern New York for USD 4.5 million. AMSC has no other ongoing litigation.

Other non-current assets reflect capitalized costs relating to the three ships delivered to Keystone during Q4 2022 and will be amortized over the fixed charter terms.

Cash held for specified uses includes minimum balance requirements held in earnings accounts for each of the Company's respective bank loans.

Interest bearing debt as of 31 March 2023 was USD 621.1 million, net of USD 5.4 million in capitalized fees versus USD 633.2 million as of 31 December 2022. This debt relates to the bank financing for the Company's 10 U.S. Jones Act vessels of USD 291.9 million, bank financing for the Normand Maximus of USD 108.7 million, the unsecured bond of USD 220.0 million and accrued financial costs of USD 5.9 million. AMSC was in compliance with all of its debt covenants as of 31 March 2023.

Outlook

The entire U.S. Jones Act tanker fleet is presently fully employed on term charters and term charter rates for modern vessels are around USD 70,000 per day based on recent contract fixtures. The combination of demand for clean products across the USA, increasing transportation needs for renewable fuel and favorable market conditions for transporting crude oil domestically, drives the demand side in the Jones Act tanker market. The supply side of the market remains stable with limited U.S. yard capacity and rising newbuilding costs, making it unlikely for newbuilds to enter the market for years to come. The combination of strong demand and stable supply is likely to maintain a strong Jones Act tanker market going forward.

MR tankers are a reliable means of transportation and a key part of the infrastructure transporting fuel and crude oil across the USA. AMSC's 10 tankers are a key part of the Jones Act fleet, represents about 30% of the modern tankers, and are attractive assets for Jones Act charterers.

The offshore services market is currently experiencing increased activity and demand, particularly for subsea assets. The backlog for subsea EPC contracts, as reported by the three largest contractors, is continuing to grow and is currently at levels not seen for almost 10 years. Solstad recently announced a Letter of Intent for a new contract for the Normand Maximus for minimum 490 days starting Q1 2024 at market rates.

AMSC continues to enjoy downside protection with "come hell or high water" bareboat contracts with varying maturities as presented below:

Vessel	Charter Expiration	Operator	Remaining Charter Extension Options
Overseas Tampa	Jun 2025	OSG	2 x 5 year followed by 5 x 1 year
Seakay Star	Jan 2026	Keystone	2 x 1 year
Seakay Sky	Jan 2026	Keystone	2 x 1 year
Seakay Valor	Jan 2026	Keystone	None
Overseas Boston	Dec 2026	OSG	Unlimited 3 and 5 year
Overseas Nikiski	Dec 2026	OSG	Unlimited 3 and 5 year
Overseas Martinez	Dec 2026	OSG	Unlimited 3 and 5 year
Overseas Anacortes	Dec 2026	OSG	Unlimited 3 and 5 year
Overseas Houston	Dec 2026	OSG	Unlimited 3 and 5 year
Overseas Long Beach	Dec 2026	OSG	Unlimited 3 and 5 year
Normand Maximus	Oct 2027	Subsidiary of Solstad	2 x 5 year

Risks

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

Indirectly AMSC is exposed to overall Jones Act tanker market risk and OSG's ability to secure time charter contracts for its fleet. Following the acquisition of the offshore construction vessel Normand Maximus, AMSC is also exposed to the offshore services market risk and Solstad'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 charters. Presently, six vessels have bareboat charters expiring in December 2026, three vessels have bareboat charters expiring in January 2026, one vessel is contracted through June 2025 and one vessel is contracted through October 2027.

AMSC is also exposed to refinancing and interest rate risk related to the bank debt on the 10 Jones Act tankers, the bank debt for Normand Maximus and the ATI unsecured bond. The Jones Act secured bank debt matures in April and November 2025. The ATI unsecured bond matures in July 2025. The Normand Maximus secured bank debt Tranche A matures in June 2025, with Tranche B in the process of being extended from October 2023 to January 2024.

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.

Definitions

Jones Act - The U.S. cabotage law, referred to as Jones Act, requires all commercial vessels operating between U.S. ports to be built, owned, operated and manned by U.S. citizens and to be registered under the U.S. flag. In 1996 certain amendments were enacted to the U.S. vessel documentations laws, allowing increased non-U.S. participation in the ownership of vessels operating in the Jones Act trade under certain conditions, known as the finance lease exemption.

Lysaker, 23 May 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 FIRST QUARTER 2023

CONDENSED INCOME STATEMENT

Amounts in USD million (except share and per share information)	Note	<i>unaudited</i>	
		Q1 2023	Q1 2022
Leasing revenues		30.3	21.7
Operating expenses		(1.3)	(0.8)
Operating profit before depreciation - EBITDA		28.9	20.9
Depreciation		(10.8)	(8.5)
Operating profit - EBIT		18.1	12.4
Net financial expense	11	(12.2)	(7.5)
Change in market value of interest rate swaps		(0.8)	6.5
Net foreign exchange gain/(loss)		(0.8)	0.1
Profit before income tax		4.3	11.5
Income tax (expense) / benefit	7	(0.1)	(0.1)
Non-cash income tax (expense) / benefit	7	(0.9)	(2.6)
Net profit for the period		3.3	8.8
Average number of common shares	8	71,863,838	60,616,505
Basic and diluted earnings per share (USD)		0.05	0.15

CONDENSED STATEMENT OF CHANGES IN COMPREHENSIVE INCOME

Amounts in USD million	<i>unaudited</i>	
	Q1 2023	Q1 2022
Net income/(loss) for the period	3.3	8.8
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income/(loss) for the period	3.3	8.8

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in USD million	Note	unaudited		31-Dec 2022 *
		31-Mar 2023	31-Mar 2022	
Assets				
Non-current assets				
Vessels		744.2	606.6	750.8
Deferred tax assets	7	1.8	10.7	2.9
Interest-bearing long term receivables (DPO)	12	10.3	7.3	7.2
Other long term assets		3.2	-	0.3
Derivative financial assets		3.9	10.1	4.7
Total non-current assets		763.4	634.7	765.9
Current assets				
Trade and other receivables		12.4	14.5	12.9
Cash held for specified uses		4.6	6.3	5.0
Cash and cash equivalents		30.5	50.8	45.5
Total current assets		47.4	71.6	63.4
Total assets		810.9	706.3	829.3
Equity and liabilities				
Total equity		169.7	150.8	175.0
Non-current liabilities				
Bond payable	9	220.0	220.0	220.0
Other interest-bearing loans	9	338.8	292.0	341.3
Capitalized fees	9	(5.4)	(6.3)	(6.1)
Deferred tax liability	7	18.9	18.0	18.8
Total non-current liabilities		572.3	523.7	574.0
Current liabilities				
Interest-bearing short-term debt	9	67.7	31.0	78.0
Trade and other payables		1.2	0.8	2.2
Total current liabilities		68.9	31.8	80.2
Total liabilities		641.2	555.5	654.3
Total equity and liabilities		810.9	706.3	829.3

* Derived from audited financial statements

CONDENSED STATEMENT OF CHANGES IN TOTAL EQUITY

Amounts in USD million	Note	unaudited	
		Year to date 2023	2022
Equity as of beginning of period		175.0	149.2
Total comprehensive income for the period		3.3	8.8
Repurchase of treasury shares		-	-
Proceeds from sale of treasury shares		-	-
Dividends paid, classified as return of capital	8	(8.6)	(7.3)
Proceeds from share capital issued	8	-	-
Total equity as of end of period		169.7	150.8

CONDENSED CASH FLOW STATEMENT

Amounts in USD million	unaudited	
	Year to date 2023	2022
Net cash flow from operating activities	7.5	9.7
Net cash flow used in investing activities	(6.3)	-
Net cash flow used in financing activities	(16.7)	(13.9)
Net change in cash and cash equivalents	(15.4)	(4.2)
Cash and cash equivalents, including cash held for specified uses at the beginning of period	50.5	61.3
Cash and cash equivalents, including cash held for specified uses at end of period	35.1	57.1

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

1. Introduction – AMSC ASA

AMSC ASA (“AMSC”) is a company domiciled in Norway. The condensed interim financial statements for the three months ended 31 March 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.

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-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 months ended 31 March 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.

6. Operating segments

AMSC defines its operating segments based on the Group's internal management of the fleet of vessels.

Operating profit		
Amounts in USD million	Q1 2023	Q1 2022
U.S Jones Act tankers	14.0	11.7
Offshore	5.3	-
Other and eliminations	(1.2)	0.7
Operating profit	18.1	12.4

7. Tax

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

Without the benefit of accelerated depreciation on vessels for U.S. income tax purposes, the Company would have U.S. taxable income. Accordingly, substantially all the deferred tax expense results from accelerated tax depreciation, which has created differences between accumulated depreciation for book and tax purposes and corresponding tax losses, the net of which is recognized as a deferred tax liability. The Company expects that the deferred tax liability will continue to grow until the U.S. subsidiaries are in a tax payable position for U.S. Federal income tax purposes, which is not expected until the vessels are fully depreciated for tax purposes and currently available tax operating losses are fully utilized. Deferred tax expense is a non-cash item.

Deferred tax assets include the Company's net operating losses in carryforward, unused interest expense deductions and capitalized loan fees. Deferred tax liabilities include the value of the vessels.

The Company has approximately USD 413.6 million of federal net operating losses in carryforward in the U.S. subsidiaries as of 31 December 2022, of which approximately USD 139 million are subject to certain limitations under Internal Revenue Service Code Section 382 (see note 5 of the 2022 consolidated financial statements for more details). The Company also has 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 31 March 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	14-Mar-22
NOK per share	1.2504	1.0573
USD per share	0.120	0.120
Aggregate NOK (millions)	89.9	64.1
Aggregate USD (millions)	8.6	7.3

9. Interest-bearing debt

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

Amounts in USD million	3 months to	
	31-Mar-23	31-Mar-22
Balance at beginning of period	633.2	547.1
Repayment of debt / loan fees	(8.1)	(6.7)
Issuance of debt	-	-
Amortization of loan fees	0.7	0.6
Change in accrued financial costs	(4.8)	(4.3)
Balance at end of period	621.1	536.7

The Company was in compliance with all of its debt covenants as of 31 March 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	
	31-Mar-23	31-Mar-22
Interest expense	(12.7)	(7.8)
Interest income	0.5	0.3
Net financial expense	(12.2)	(7.5)

12. Deferred Principal Obligation (DPO)

Pursuant to the current charter agreements with OSG, they had the right to defer payment of a portion of the bareboat charter hire for the first five vessels during the initial seven year fixed bareboat charter periods. OSG paid a reduced bareboat charter rate and assumed the DPO payable to AMSC. The DPO accrued on a daily basis to USD 7.0 million per vessel. The DPO is repaid to AMSC over 18 years including interest at 6.04% unless the bareboat charter is terminated earlier at which time the DPO becomes due immediately. During December 2022, OSG satisfied its contractual obligations to repay the full DPO balance for two of the three redelivered ships, totaling USD 8.3 million. As a result of OSG's failure to repay the third DPO balance of USD 3.9 million, AMSC filed a complaint against OSG in U.S District Court for the Southern District of New York in December 2022 for USD 4.5 million. On 27 December 2022, AMSC was granted an order for the Process of Maritime Attachment and Garnishment which has subsequently frozen three of OSG's accounts up to a total of USD 4.5 million.

Under the Normand Maximus bareboat charter agreement, the charterer has the right to defer up to USD 10 million of bareboat charter hire (to be increased to USD 20 million during Q2 2023). Accordingly, this unpaid bareboat charter hire will accrue interest at 15% from May, previously 12%. The balance of this deferral as of 31 March 2023 was USD 9.5 million. The full Q1 2023 bareboat charter hire was deferred, with a USD 4.2 million payment applied to the outstanding receivable balance.

Amounts in USD million	3 months to	
	31-Mar-23	31-Mar-22
Balance at beginning of period	17.4	21.4
DPO revenue	7.5	-
Repayments of principal	(4.4)	(0.5)
Balance at end of period	20.5	20.9
Reclassified to short-term receivables	(10.2)	(13.6)
Long term balance at end of period	10.3	7.3

13. Financial Instruments

The only financial instruments that the Company accounts for at fair value on an ongoing basis are the interest rate swaps, which are classified in the Level 2 category as is described in the 2022 consolidated financial statements. 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 31 March 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:

<i>Amounts in USD millions</i>	Carrying amount 31-Mar-23	Fair value 31-Mar-23	Fair value hierarchy *
Interest-bearing receivables (DPO)	20.5	19.6	3
Interest swap used for economic hedging	3.9	3.9	2
Unsecured bond issue (gross)	(220.0)	(210.1)	2
Secured loans (gross)	(400.6)	(379.3)	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. American Tanker, Inc. consolidated financial statements

In accordance with the bond loan agreement, below are the consolidated unaudited financial statements for American Tanker, Inc. and its subsidiaries for the first quarter 2023.

CONDENSED INCOME STATEMENT

	<i>unaudited</i>
	Q1
Amounts in USD million (except share and per share information)	2023
Operating revenues	22.8
Operating expenses	(0.6)
Operating profit before depreciation - EBITDA	22.2
Depreciation	(8.8)
Operating profit - EBIT	13.5
Net interest expense	(12.0)
Change in market value of interest rate swaps	(0.8)
Other financial expenses	(0.4)
Profit/(loss) before income tax	0.3
Income tax expense	(0.1)
Non-cash income tax benefit/(expense)	(0.1)
Net profit/(loss) for the period	0.1
Average number of common shares	1,000
Earnings/(loss) per share (USD thousands)	0.10

CONDENSED STATEMENT OF FINANCIAL POSITION

	<i>unaudited</i>
	31-Mar
Amounts in USD million	2023
Assets	
Non-current assets	
Vessels	589.9
Interest-bearing long term receivables (DPO)	6.3
Other long term assets	3.2
Derivative financial assets	3.9
Total non-current assets	603.3
Current assets	
Other current assets	5.2
Cash held for specified uses	4.6
Cash and cash equivalents	21.9
Total current assets	31.6
Total assets	634.9
Equity and liabilities	
Total equity	12.4
Non-current liabilities	
Bond payable	220.0
Other interest-bearing loans	358.4
Capitalized fees	(4.2)
Deferred tax liability	19.1
Total non-current liabilities	593.3
Current liabilities	
Interest-bearing short-term debt	31.0
Trade and other payables	(1.8)
Total current liabilities	29.2
Total liabilities	622.5
Total equity and liabilities	634.9

CONDENSED CASH FLOW STATEMENT

Amounts in USD million	<i>unaudited</i>	
	Q1 2023	
Net cash flow from operating activities	4.7	
Net cash flow used in investing activities	(6.3)	
Net cash flow used in financing activities	(6.7)	
Net change in cash and cash equivalents	(8.4)	
Cash and cash equivalents, including cash held for specified uses at the beginning of period	34.8	
Cash and cash equivalents, including cash held for specified uses at end of period	26.5	

15. Subsequent events

On 23 May 2023, the Board authorized a dividend payment of USD 0.12 per share to the shareholders on record as of 31 May 2023. The shares in AMSC will be traded ex. dividend from and including 30 May 2023, and the dividend will be paid on or about 8 June 2023. The dividend is classified as a return of paid in capital.

Alternative Performance Measures

Alternative performance measures are financial measures other than the financial measures defined under IFRS. In accordance with guidelines, AMSC publishes the explanation of the use of alternative performance measures used by the Company, definitions of the performance measures used and reconciliation with the IFRS financial statement.

AMSC discloses Adjusted Net Profit in order to provide meaningful supplemental information to management and investors as the Company believes these measures enhance an understanding of the Company's operating earnings. The Company also discloses its revenue backlog which includes its bareboat charter revenue from fixed bareboat contracts, not including options.

Adjusted Net Profit includes net profit/(loss) after tax, adjusting for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax. The table below illustrates the comparative information for Adjusted net profit and a reconciliation to net profit/(loss) after tax.

Adjusted net profit (amounts in USD millions)	<i>unaudited</i>	
	Q1 2023	Q1 2022
Net profit/loss after tax	3.3	8.8
Add back:		
Change in market value of interest rate swaps	0.8	(6.5)
Net foreign exchange (gain)/loss	0.8	(0.1)
Non-cash income tax expense	0.9	2.6
Adjusted net profit	5.8	4.9

AMSC ASA
Oksenøyveien 10
PO Box 230
1326 Lysaker
NORWAY

Pål Magnussen

President / CEO

Tel: +47 24 13 00 04

Cell: +47 90 54 59 59

pal.magnussen@amshipco.no

Morten Bakke

CFO

Tel: +47 24 13 00 87

Cell: +47 90 09 55 94

morten.bakke@amshipco.no

Leigh Jaros

Controller

Cell: +1 484 880 3741

leigh.jaros@amshipco.com

Disclaimer

This release includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for AMSC ASA and its subsidiaries and affiliates (the "AMSC Group") lines of business. These expectations, estimates, and projections are generally identifiable by statements containing words such as "expects," "believes," "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the AMSC Group's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although AMSC ASA believes that its expectations and the information in this release were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this release. Neither AMSC ASA nor any other company within the AMSC Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the release, and neither AMSC ASA, any other company within the AMSC Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the release.

AMSC ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the release, other than what is required by law.

The AMSC Group consists of many legally independent entities, constituting their own separate identities. AMSC is used as the common brand or trademark for most of these entities. In this release we may sometimes use "AMSC", "Group", "we," or "us," when we refer to AMSC Group companies in general or where no useful purpose is served by identifying any particular company of AMSC.