

# Annual General Meeting

American Shipping Company ASA

25 April 2019

Oslo, Norway

# Agenda

1. Opening of the annual general meeting of American Shipping Company ASA, including approval of the notice and agenda.
2. Election of a person to co-sign the meeting minutes along with the meeting chair.
3. Presentation of business activities (non-voting).
4. Approval of the 2018 annual accounts of American Shipping Company ASA, group consolidated accounts and the Board of Directors' report.
5. Statement from the Board of Directors regarding determination of salary and other remuneration to the Management of the Company.
  - a. Advisory guidelines
  - b. Binding guidelines
6. Consideration of the statement of corporate governance (no voting).
7. Determination of the board members' remuneration.
8. Determination of the remuneration to the members of the Nomination Committee.
9. Approval of remuneration to the auditor for 2018.
10. Election of member to the Board of Directors.
11. Election of member to the Nomination Committee.
12. Authorization to the Board of Directors for payment of dividends.
13. Authorization to the Board of Directors to acquire treasury shares in connection with incentive scheme for employees.
14. Authorization to the Board of Directors to acquire treasury shares for investment purposes or subsequent sale or deletion of such shares.
15. Authorization to the Board of Directors to acquire treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.
16. Authorization to the Board of Directors to increase the share capital in connection with future investments etc.

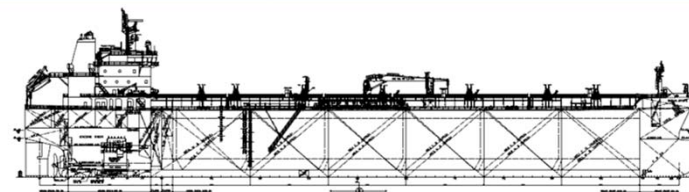
### 3. Presentation of Business Activities

#### About AMSC

- Established in 2005
- Oslo listed with mcap. of USD ~240m
  - OSE ticker: AMSC
  - U.S. OTC ticker: ASCJF
  - Bond ticker: AMTI01
- Pure play Jones Act tanker owner with a modern tanker fleet
- Long-term bareboat leases generate stable, predictable cash flow
- Solid balance sheet with no debt maturities before Q2 2021
- Exploring growth and diversification opportunities in the U.S. Jones Act market
- Admitted to OTCQX International to increase awareness and public profile among U.S. investors

#### Fleet overview

#	Vessel	Design	Type	Built
1	Overseas Houston	Veteran Class MT 46	MR	2007
2	Overseas Long Beach	Veteran Class MT 46	MR	2007
3	Overseas Los Angeles	Veteran Class MT 46	MR	2007
4	Overseas New York	Veteran Class MT 46	MR	2008
5	Overseas Texas City	Veteran Class MT 46	MR	2008
6	Overseas Boston	Veteran Class MT 46	MR	2009
7	Overseas Nikiski	Veteran Class MT 46	MR	2009
8	Overseas Martinez	Veteran Class MT 46	MR	2010
9	Overseas Anacortes	Veteran Class MT 46	MR	2010
10	Overseas Tampa	Veteran Class MT 46	Shuttle tanker	2011



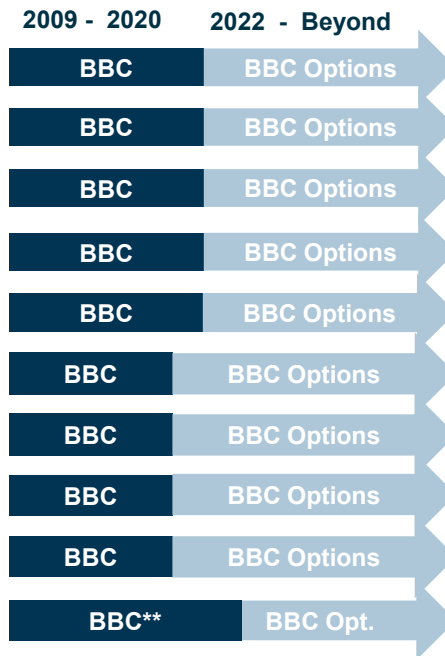
\* Market cap. based on closing share price of NOK 33.70 per April 15<sup>th</sup>, 2019

# Long Term Contracts Returning Stable Cash Flow

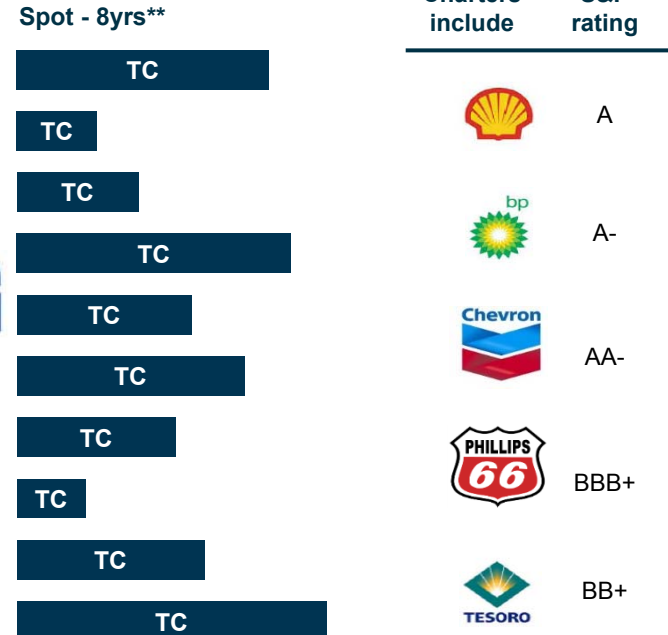
## American Shipping Company



## Bareboat charter to OSG



## TCs to blue chip charterers\*



<p><b>Bareboat Charter (fixed rate of USD ~88m/year)</b></p> <p>+</p> <p><b>DPO (fixed deferred charter hire, USD ~4m/year)</b></p> <p>+</p> <p><b>Profit Split (variable 50/50 sharing of profits)</b></p> <p>=</p> <p><b>Stable annual cash flows</b></p>
---

\*Illustrative TC contract duration

\*\*Tampa was converted to a shuttle tanker and is on a 10 year BBC backed by a 10 year TC

## 2018 Highlights

- OSG extension of all nine tankers up for renewal
- Improved U.S. Jones Act market
- Continued dividends with USD 0.32 per share paid for the financial year

**4. Approval of the 2018 annual accounts of American Shipping Company ASA, group consolidated accounts, and Board of Directors' Report**



# Consolidated Statement of Financial Position

## – Assets

<i>Amounts in USD thousands</i>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Property, plant and equipment	711,780	745,636
Interest-bearing long-term receivables	26,736	28,681
Derivative financial assets	2,395	1,647
Other non-current assets	16,405	16,686
<b>Total non-current assets</b>	<b>757,316</b>	<b>792,650</b>
Other receivables	221	210
Cash held for specified uses	2,766	2,321
Cash and cash equivalents	51,034	51,948
<b>Total current assets</b>	<b>54,020</b>	<b>54,479</b>
<b>Total assets</b>	<b>811,336</b>	<b>847,129</b>

# Consolidated Statement of Financial Position – Equity and Liabilities

<i>Amounts in USD thousands</i>	<b>2018</b>	<b>2017</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital and share premium	225,025	244,422
(Accumulated deficit)	(48,958)	(57,550)
<b>Total equity</b>	<b>176,066</b>	<b>186,872</b>
Interest-bearing loans	572,269	600,067
Deferred tax liabilities	13,022	11,613
<b>Total non-current liabilities</b>	<b>585,291</b>	<b>611,680</b>
Interest-bearing loans	29,667	28,333
Deferred revenues and other payables	20,139	18,814
Tax payable	174	1,430
<b>Total current liabilities</b>	<b>49,979</b>	<b>48,577</b>
<b>Total liabilities</b>	<b>635,270</b>	<b>660,257</b>
<b>Total equity and liabilities</b>	<b>811,336</b>	<b>847,129</b>



## Consolidated Income Statement

<i>Amounts in USD thousands (except per share amounts)</i>	<b>2018</b>	<b>2017</b>
Operating revenues	87,801	87,801
Wages and other personnel expenses	(1,847)	(1,140)
Other operating expenses	(1,734)	(1,828)
<b>Operating profit before depreciation</b>	<b>84,221</b>	<b>84,833</b>
Depreciation	(33,856)	(33,854)
<b>Operating profit</b>	<b>50,365</b>	<b>50,979</b>
Net income from equity accounted investees	-	4,180
Financial income	3,113	3,823
Financial expenses	(43,567)	(47,973)
<b>Income before income tax</b>	<b>9,911</b>	<b>11,010</b>
Income tax (expense) / benefit	(1,320)	2,299
<b>Net income for the year</b>	<b>8,591</b>	<b>13,308</b>
Earnings per share	0.14	0.22

# American Shipping Company ASA

## – Statement of Financial Position

<i>Amounts in USD thousands</i>	<b>2018</b>	<b>2017</b>	<i>Amounts in USD thousands</i>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
Investment in associates	16,405	16,686	Share capital	96,366	96,366
Shares in subsidiaries	35,938	35,932	Share premium reserve	123,810	143,207
Deferred tax asset	198	198	<b>Total paid in capital</b>	<b>220,176</b>	<b>239,573</b>
Long-term receivable group companies	85,663	85,663	Other equity	(72,756)	(83,060)
<b>Total non-current assets</b>	<b>138,204</b>	<b>138,479</b>	<b>Total retained earnings</b>	<b>(72,756)</b>	<b>(83,060)</b>
Tax receivable	389	-	<b>Total equity</b>	<b>147,420</b>	<b>156,513</b>
Other short-term receivables	2,004	202	Other interest-bearing debt	6,844	6,899
Cash and cash equivalents	23,548	33,356	<b>Total long-term liabilities</b>	<b>6,844</b>	<b>6,899</b>
<b>Total current assets</b>	<b>25,941</b>	<b>33,558</b>	Tax payable	-	92
<b>Total assets</b>	<b>164,146</b>	<b>172,037</b>	Dividend payable	4,849	4,849
			Other short-term debt	5,033	3,685
			<b>Total short-term liabilities</b>	<b>9,882</b>	<b>8,625</b>
			<b>Total equity and liabilities</b>	<b>164,146</b>	<b>172,037</b>

# American Shipping Company ASA

## – Income Statement

<i>Amounts in USD thousands</i>	<b>2018</b>	<b>2017</b>
Operating revenues	1,858	60
Other operating expenses	(2,392)	(1,791)
<b>Operating loss</b>	<b>(534)</b>	<b>(1,731)</b>
Interest income from group companies	8,455	8,381
Net income from equity accounted investees	-	4,180
Other interest and financial income	3,148	2,963
Other interest and financial expenses	(765)	(8,223)
<b>Profit / (loss) after financial items</b>	<b>10,304</b>	<b>5,570</b>
Deferred income tax benefit	-	106
Income tax benefit	-	(2,660)
<b>Profit / (loss) for the period</b>	<b>10,304</b>	<b>3,016</b>
<b>Allocation of net profit / (loss):</b>		
Profit / (loss)	10,304	3,016
Other equity	(10,304)	(3,016)
Total	-	-

## **5. Statement from the Board of Directors regarding determination of salary and other remuneration to the Management of the Company**

The statement from the Board of Directors regarding determination of salary and other remuneration to the Management of the Company is made available on the Company's website and is also included in note 17 to the consolidated accounts on page 48 of the 2018 Annual Report.

### **(a) Advisory Guidelines**

*The General Meeting endorses the advisory guidelines in the declaration from the Board of Directors pursuant to the Norwegian Public Limited Liability Companies Act section 6-16a.*

### **(b) Binding Guidelines**

*The General Meeting approves the binding guidelines in the declaration from the Board of Directors pursuant to the Norwegian Public Limited Liability Companies Act section 6-16a.*

## **6. Statement of Corporate Governance 2018**

American Shipping Company ASA's corporate governance report is included on pages 73-78 of the 2018 Annual Report

## 7. Determination of Board Members' remuneration

- The recommendation from the Nomination Committee is available on the Company's website
- Guidelines for remuneration to Board members are included in the Company's Corporate Governance report on page 77 of the 2018 Annual Report
- Remuneration for the Board also includes work on the Audit Committee.
- The Nomination Committee proposes that the General Meeting passes the following resolution:

*“In accordance with the proposal from the Nomination Committee, the General Meeting approves that the remuneration rates for members of the Board of Directors for the period from the 2018 Annual General Meeting up to the 2019 Annual General Meeting shall be as follows:*

- *NOK 475,000 to the Chairperson of the board*
- *NOK 375,000 to each of the other board members*

The above fees include remuneration for audit committee-related work.”

## 8. Determination of remuneration to members of the Nomination Committee

The Nomination Committee proposes that the General Meeting passes the following resolution

*"In accordance with the proposal from the Nomination Committee, the General Meeting approves that the remuneration rate for members of the Nomination Committee for the period from the 2018 Annual General Meeting up to the 2019 Annual General Meeting shall be NOK 25,000 for each member."*

## 9. Approval of Auditor Fees

*"The remuneration to the auditor of NOK 599,000 ex. VAT for the audit of the Company's 2018 annual accounts is approved. In addition, the Group has paid fees to KPMG of NOK 126,450 ex. VAT for services other than audit."*



## 10. Election of Board members

The Nomination Committee proposes that the General Meeting passes the following resolution:

*"In accordance with the proposal from the Nomination Committee, Annette Malm Justad is re-elected as member and chairperson of the Board of Directors for a period of two years.*

*The Board of Directors of American Shipping Company ASA will then consist of the following members:*

*Annette Malm Justad (Chairperson)*

*Peter Ditlef Knudsen*

*Kristian Røkke"*

## 11. Election of member to the Nomination Committee

The Nomination Committee proposes that the General Meeting passes the following resolution:

*" In accordance with the proposal from the Nomination Committee, Arild Støren Frick is re-elected as member and chair of the Nomination Committee for a period of two years.*

*The Nomination Committee of American Shipping Company ASA will then consist of the following members:*

*Arild Støren Frick (Chair)*

*Christine Rødsæther"*

## Authorizations to the Board of Directors

12. Authorization to the Board of Directors for payment of dividends.

13. Authorization to the Board of Directors to acquire treasury shares in connection with incentive scheme for employees.

14. Authorization to the Board of Directors to acquire treasury shares for investment purposes or subsequent sale or deletion of such shares.

15. Authorization to the Board of Directors to acquire treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.

16. Authorization to the Board of Directors to increase the share capital in connection with future investments etc.

**THANK YOU FOR YOUR CONTINUED SUPPORT!**



24-Apr-19

## Important information

This Presentation 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. These statements and this Presentation 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 American Shipping Company ASA's (including subsidiaries and affiliates) 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 American Shipping Company ASA's businesses, 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 in the Presentation.

Although American Shipping Company ASA believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. American Shipping Company ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither American Shipping Company ASA nor any of its directors, officers, employees or consultants assisting in this Presentation will have any liability to you or any other persons resulting from your use thereof.

This presentation is not an offer to sell or a solicitation of an offer to buy any of the securities described herein.