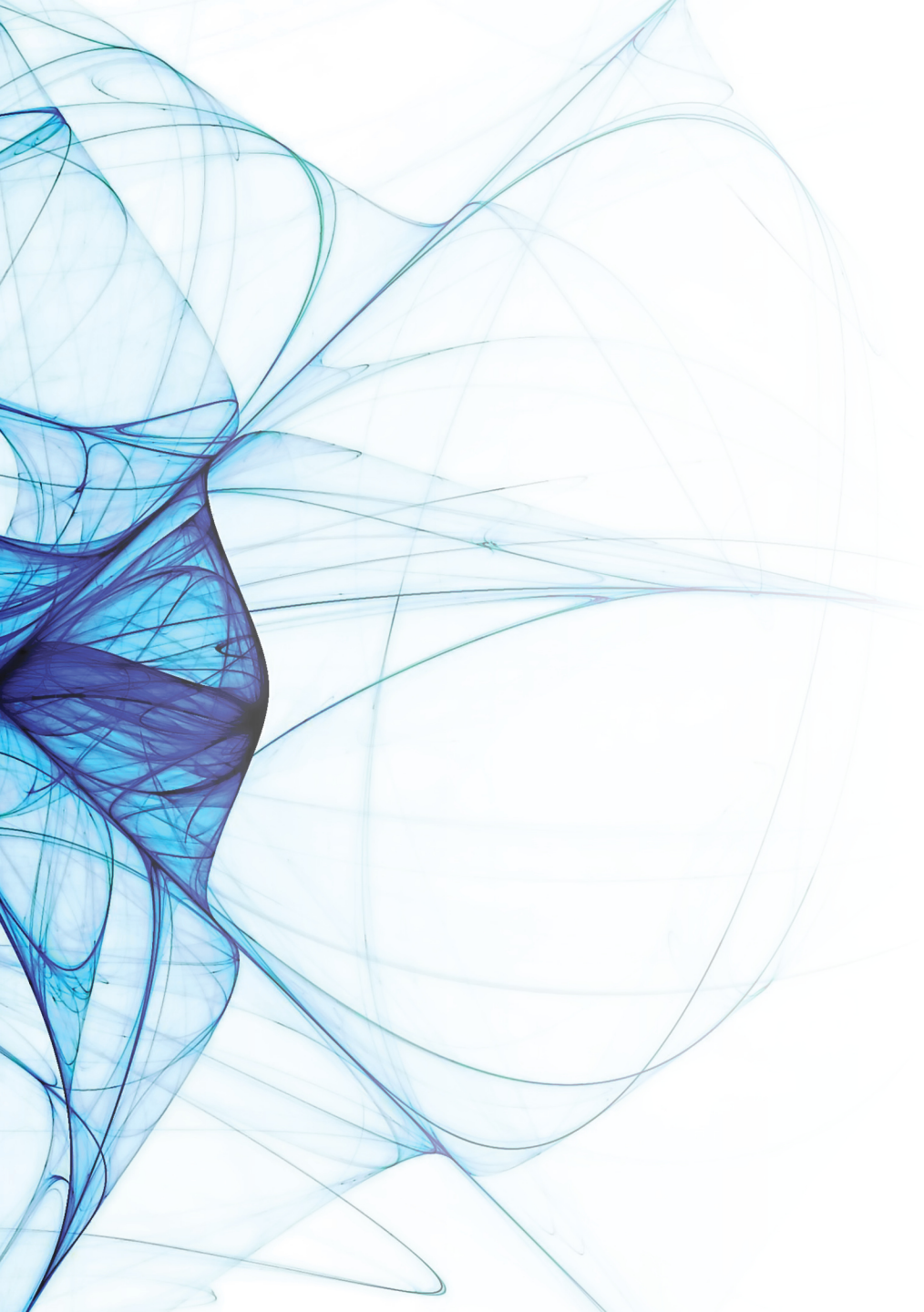


ASHS

American Shared Hospital Services

Annual Meeting of Shareholders

San Francisco, CA

JUNE 21, 2019

SAFE HARBOR STATEMENT

This presentation may be deemed to contain certain forward-looking statements with respect to the financial condition, results of operations and future plans of American Shared Hospital Services (including statements regarding the expected continued growth in treatment volume of the MEVION S250 system, the expansion of the Company's proton therapy business, the growth of the Company, and the timing of treatments by new and existing Gamma Knife systems) which involve risks and uncertainties including, but not limited to, the risks of variability of financial results between quarters, the risks of the Gamma Knife and radiation therapy businesses, and the risks of the timing, financing, and operations of the Company's proton therapy business. Further information on potential factors that could affect the financial condition, results of operations and future plans of American Shared Hospital Services is included in the filings of the Company with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2018, its quarterly report on Form 10-Q for the three months ended March 31, 2019, and the definitive Proxy Statement for the Annual Meeting of Shareholders to be held on June 21, 2019.

AMERICAN SHARED HOSPITAL SERVICES

1. Overview
2. Financial Presentation
3. Business Development

ASHS

BUSINESS OPERATIONS

CURRENT OPERATIONS

Radiosurgery

Linear Accelerator Based Radiation Therapy

Proton Beam Radiation Therapy

ASHS – BUSINESS MODEL

+ Structured as a (alternative) leasing company
+ Innovative financing features not available from traditional finance companies
+ Proven profitable business model

+ Operating profitability in 20 of last 21 years

ASHS – BUSINESS MODEL

+ Fee per use

+ Revenue sharing

+ Retail

* No minimum volume guarantees

GAMMA KNIFE

+ Gold Standard for Cranial Radiosurgery
+ Typical Project Cost $3 – $4 million

ASHS

PROTON THERAPY

- Historically, centers were 3-5 treatment room centers costing $150 – $200 million
  or more
- New single room systems by Mevion Medical Systems and others have reduced the average cost per treatment rooms to $30 – $40 million

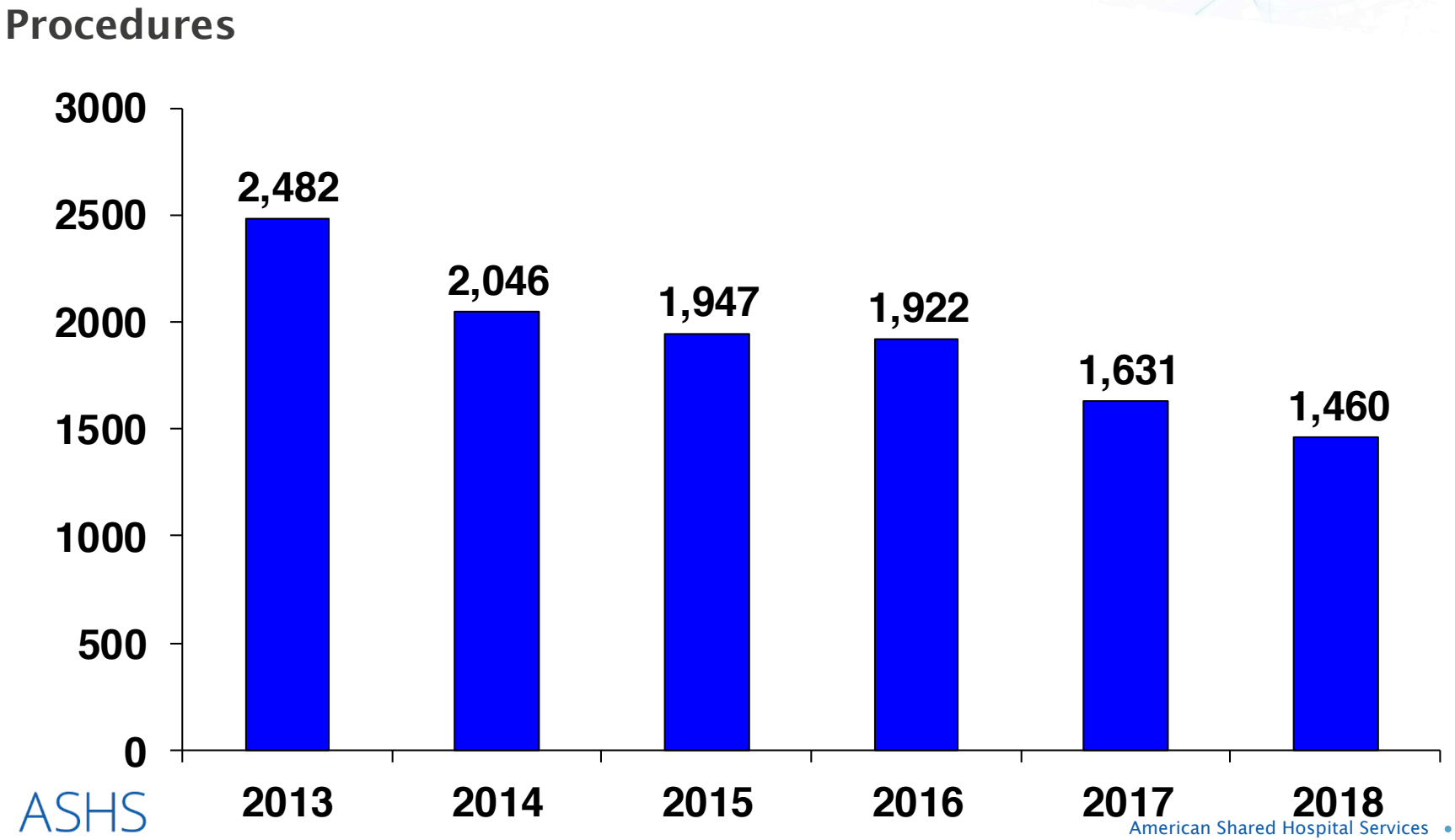
ASHS

RADIOSURGERY OPPORTUNITIES

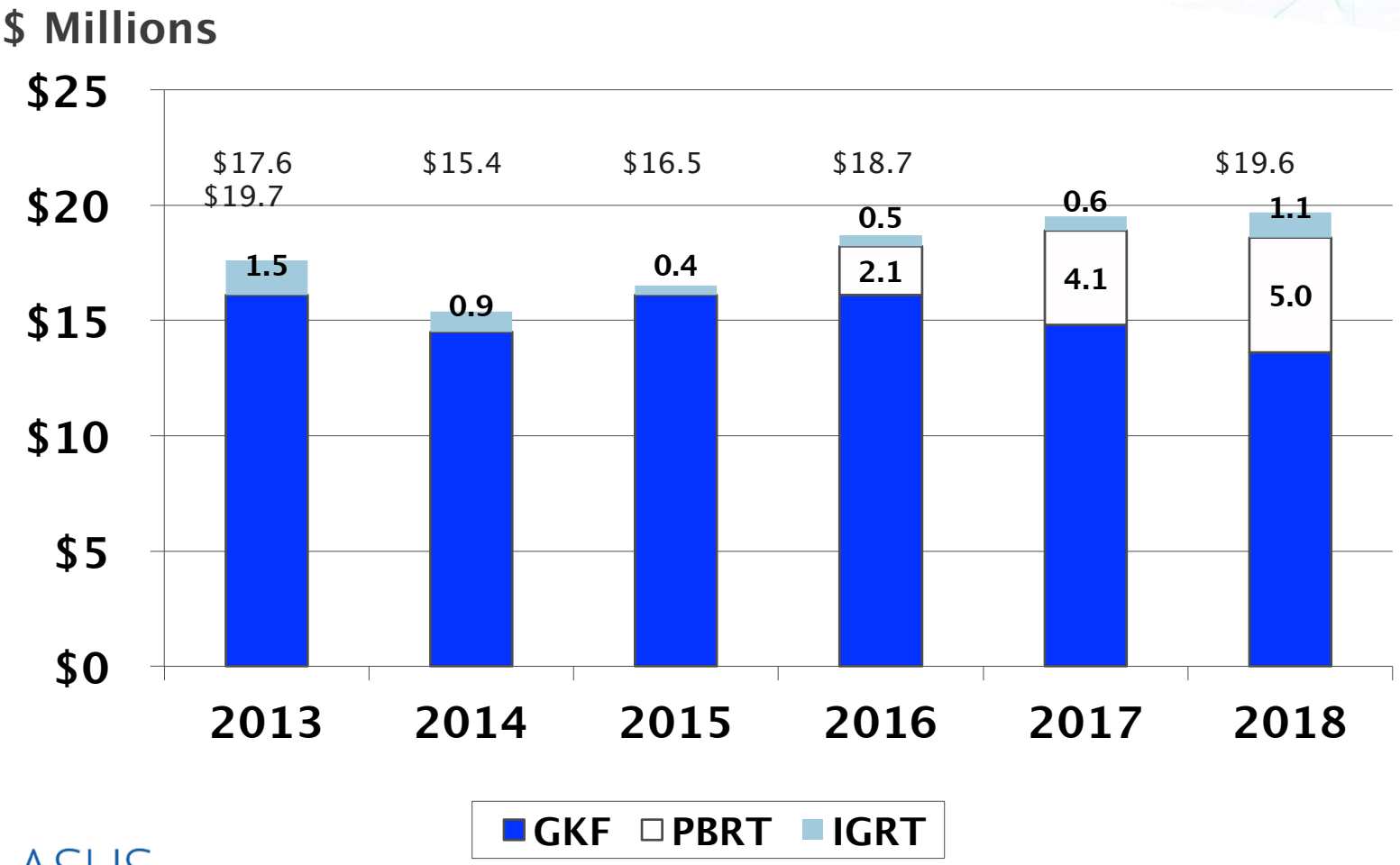
+ Smaller community hospitals
+ International
+ Upgrade/reload non-ASHS Gamma Knife units
+ Upgrade existing Perfexions to Icon

FINANCIAL PRESENTATION

GAMMA KNIFE PROCEDURES 2013-2018



REVENUE SUMMARY 2013–2018



ASHS

ASHS – FINANCIAL RESULTS

	2018	2017
Revenue	$19,714	$19,556
Operating Income	$1,861	$2,413
Income Before Income Taxes	$1,474	$820
Net Income Attributable to ASHS	$1,023	$1,923
EPS	$0.17	$0.33
EBITDA	$10,051	$10,250

Note: All figures except “EPS” are in 000’s.

ASHS – FINANCIAL RESULTS – EBITDA RECONCILIATION

	2018	2017
Net Income	$1,023	$1,923
Plus: Income Tax Expense (Benefit)	$451	($1,103)
Interest Expense	$1,631	$1,927
Depreciation & Amortization	$6,745	$6,601
Stock-Based Compensation	$223	$323
Loss on Write-down Investment in Equity Securities	$0	$579
Proceeds Received from Investment in equity securities	($22)	$0
Adjusted EBITDA	$10,051	$10,250

ASHS – FINANCIAL RESULTS – FIRST QUARTER

	2019	2018
Revenue	$5,321	$5,305
Operating Income	$515	$795
Income Before Income Taxes	$394	$540
Net Income Attributable to ASHS	$270	$390
EPS	$0.05	$0.07
EBITDA	$2,710	$2,677

Note: All figures except “EPS” are in 000’s.

ASHS – FIRST QUARTER – EBITDA RECONCILIATION

	2019	2018
Net Income	$270	$390
Plus: Income Tax Expense	$124	$150
Interest Expense	$367	$425
Depreciation & Amortization	$1,894	$1,657
Stock-Based Compensation	$55	$55
Adjusted EBITDA	$2,710	$2,677

ASHS – COMMON STOCK

	3/31/19	3/31/18
Issued and Outstanding	5,714,000	5,710,000
Fully Diluted (Including Outstanding Option & Stock Unit Awards)	5,886,000	5,855,000

ASHS – BALANCE SHEET DATA

MARCH 31, 2019

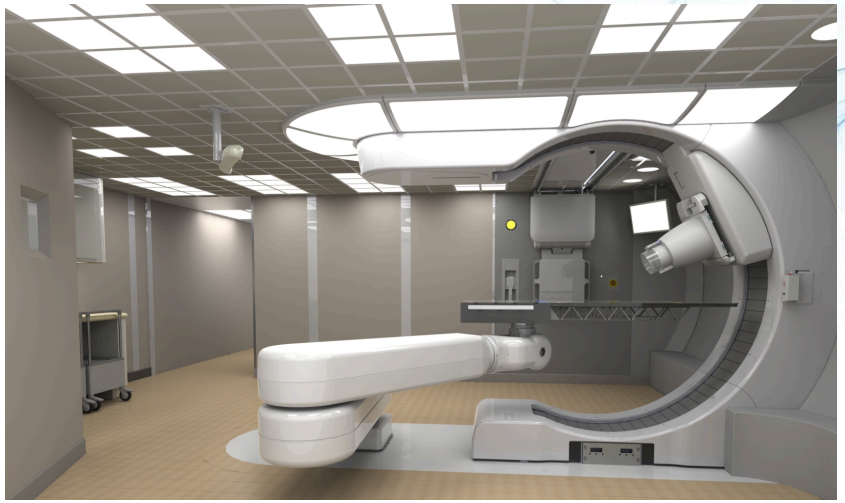
	Balance	Per Share Issued & Outstanding
Cash, cash equivalents, certificate of deposit	$2,399,000	$0.42
Book Value	$31,479,000	$5.51

BUSINESS DEVELOPMENT

ASHS EXPANSION OPPORTUNITIES

+ Develop single and two room proton beam radiation therapy centers with major hospitals
+ MR Guided Linac
+ Community hospitals
+ International

ASHS



ASHS – UNITED STATES PBRT MARKET ANALYSIS

PBRT CAPTURE RATE	15% [2]	30% [3]
Number of radiation therapy patients annually in the U.S.[1]	1,057,470	1,057,470
Percent of radiation therapy patients eligible for PBRT	15%	30%
Number of potential PBRT patients in the U.S.	158,600	317,241
Potential PBRT room market*	**635**	**1,270**

*Assumed 250 patients treated annually per PBRT room

(1) The American Cancer Society indicates that 1,762,450 people in the United States will be diagnosed with cancer in 2019. Approximately 60% of these people will receive radiation treatment.

(2) "Number of Patients Potentially Eligible for Proton Therapy," Acta Oncologica 2005; 44; 836–849; Bengt Glimelius, Anders Ask, Et. Al.

(3) "Evaluation of Potential Proton Therapy Utilization in a Market Based Environment," Tomas Dvorak, M.D. and David E. Wazer, M.D.

ASHS – PBRT OPPORTUNITY

+ Currently only 30 PBRT centers in U.S.*
+ 4 PBRT centers under construction or in development in U.S.*
+ Current capacity approximately 90 rooms
+ ASHS projected capacity required 635 – 1,270 rooms
+ 7% to 14% of projected capacity is currently available for treatment

*Source: The National Association for Proton Therapy, 2019

U.S. PROTON BEAM CENTERS

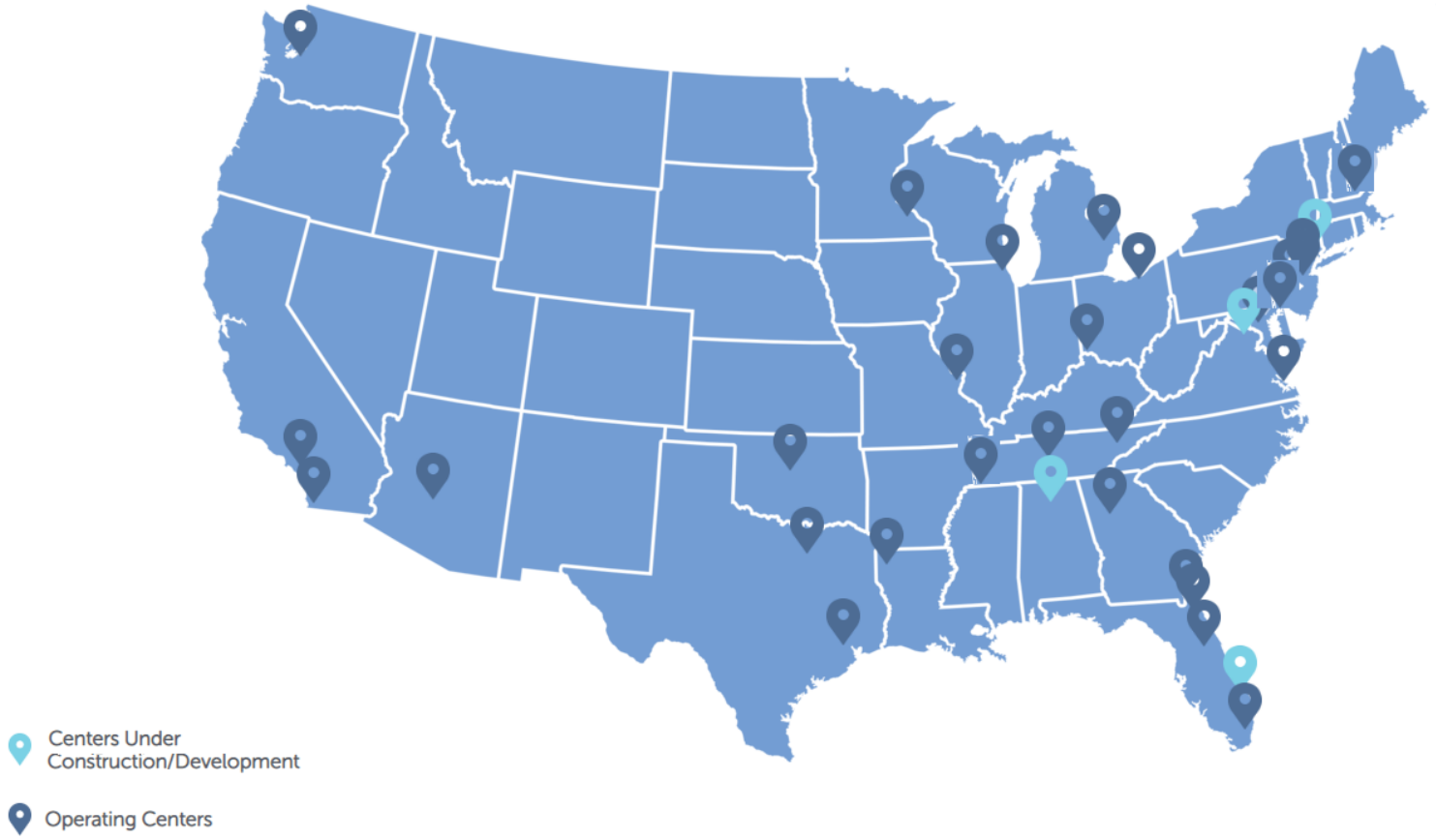


Photo Credit: The National Association for Proton Therapy, 2019

ASHS- COMMUNITY HOSPITAL EXPANSION OPPORTUNITIES

*1) **Definition:** Community hospitals are defined as all nonfederal,

short-term general, and other special hospitals

*2) Total number of U.S. hospitals : **5,534**

*3) Number of U.S. community hospitals : **4,840**

+ **Disproportionate Share Hospitals**
  - Serve a significantly disproportionate number of low-income American patients and receive payments from CMS to cover the costs of providing care to uninsured patients

+ **Opportunities to develop revenue sharing arrangements**

*2018 by Health Forum LLC, an affiliate of the American Hospital Association

ASHS – INTERNATIONAL MARKET EXPANSION OPPORTUNITIES

+ Latin America
+ Other Countries

SUMMARY

ASHS – SUMMARY

+ Profitable supplier of Gamma Knife services since 1991
+ Long-standing alliances with premier cancer centers
+ Pursuing expansion opportunities in radiosurgery, proton therapy and radiation therapy

ASHS

American Shared Hospital Services

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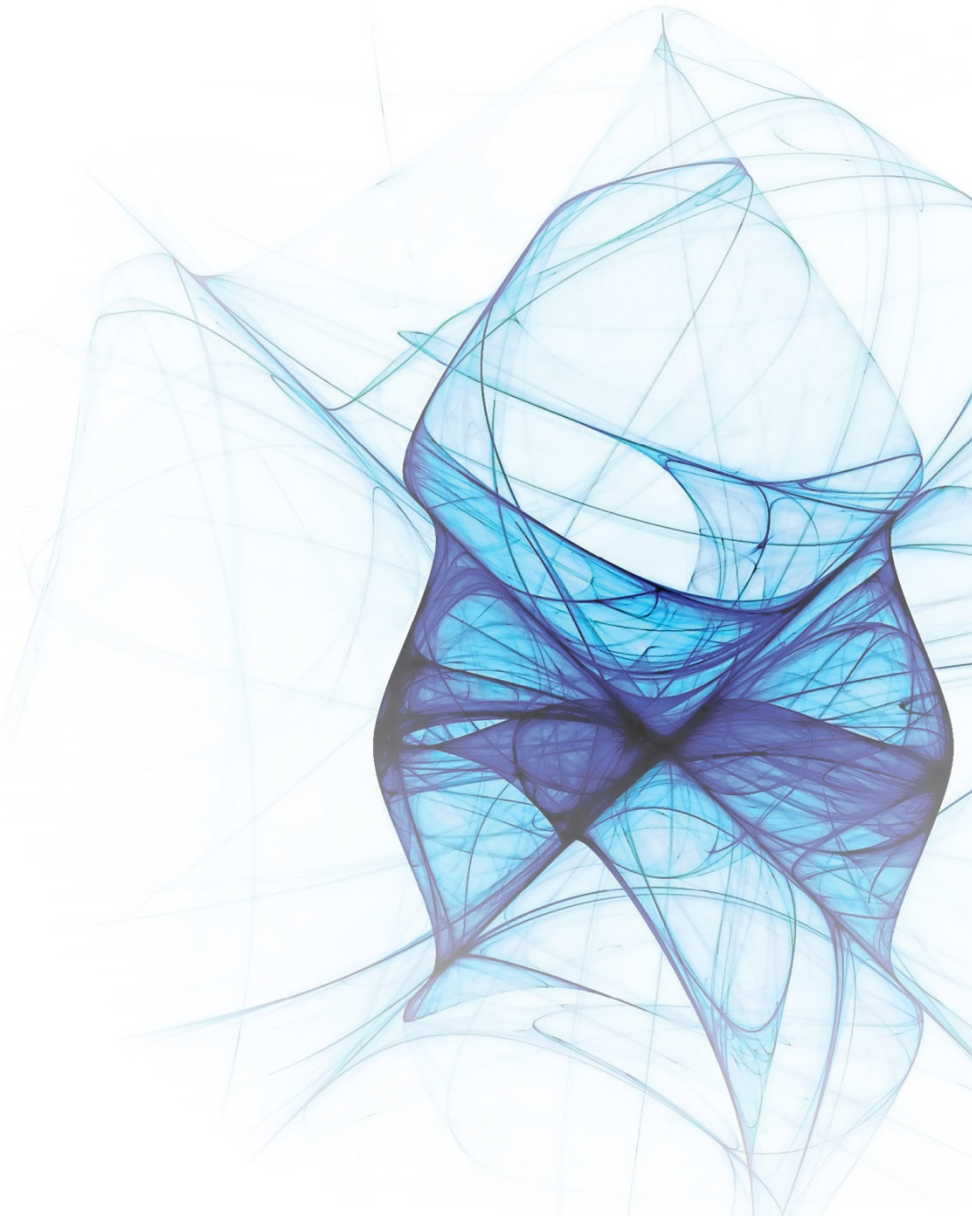
San Francisco, CA 94111

(415) 788-5300

www.ashs.com



NYSE American: AMS