

Annual General Meeting

Philly Shipyard ASA

Oslo, 21 April 2021

Agenda

1. Opening of the annual general meeting, including approval of the notice and agenda.
2. Election of a person to co-sign meeting minutes along with the meeting chair.
3. Presentation of business activities (non-voting).
4. Approval of the 2020 annual accounts of Philly Shipyard ASA, group consolidated accounts and the Board of Directors' report.
5. Approval of the policy for salary and other remuneration to the executive management of the Company.
6. Consideration of the statement of corporate governance (non-voting).
7. Stipulation of remuneration to the members of the Board of Directors and the Audit Committee.
8. Stipulation of remuneration to the members of the Nomination Committee.
9. Approval of remuneration to the auditor for 2020.
10. Election of members to the Board of Directors.
11. Election of members to the Nomination Committee.
12. Authorization to the Board of Directors for payment of dividends.
13. Authorization to the Board of Directors to acquire own shares in connection with acquisitions, mergers, de-mergers or other transactions.
14. Authorization to the Board of Directors to acquire own shares for the purpose of investment or subsequent sale or deletion of such shares.
15. Authorization to the Board of Directors to increase the share capital in connection with new shipbuilding projects or other future investments within the Company's scope of operations.

Presentation of Business Activities

Philly Shipyard ASA

Company Overview

A leading U.S. shipbuilder that is presently pursuing a mix of commercial and government work.

- **Company:** PHL Y possesses a state-of-the-art shipbuilding facility and has earned a reputation as a preferred provider of ocean-going merchant vessels with a track record of delivering quality ships.
- **Products:** The yard has delivered 6 containerships, 22 product tankers, and 2 Aframax tankers, representing around 50% of all large ocean-going Jones Act commercial ships delivered since 2000.
- **Facility:** PHL Y's shipyard was completely rebuilt in 1998 and has been optimally designed to support commercial shipbuilding operations with over USD 650M invested through a public-private partnership.
- **Processes:** The yard utilizes modular construction, automated fabrication systems and outsourcing to enhance productivity.
- **Partners:** PHL Y has access to global shipbuilding and design expertise through agreements with partners in North America, Asia and Europe.
- **Order book:** Awarded four (4) National Security Multi-Mission Vessels (NSMV) as of 19 January 2021.
- **Ownership:** Aker Capital AS owns 57.6% of the company, which is listed on the Oslo Stock Exchange.

Modern Shipyard



Commercial Vessels



Tankers



Container Ships

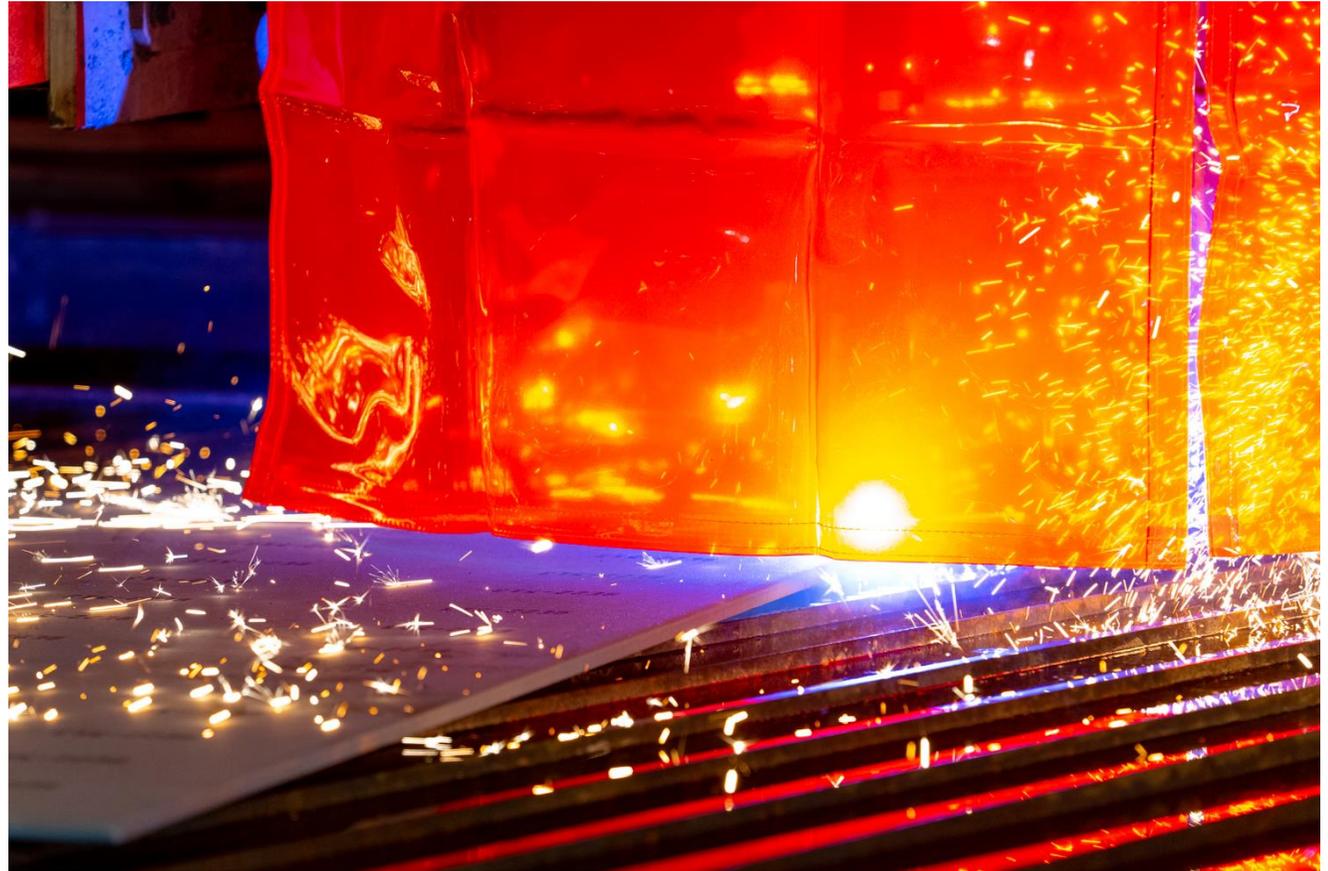
Summary of Philly Shipyard 2020 Main Events

- Implemented measures to mitigate the risk for operational disruptions as the COVID-19 pandemic developed across the world
- Reached milestone of 1,000,000 consecutive hours worked without a single lost time incident
- Awarded a contract by TOTE Services for the construction of up to five (5) National Security Multi-Mission Vessels (NSMVs) for the U.S. Department of Transportation's Maritime Administration (MARAD)
- Received an order for the first two (2) NSMVs with a total contract value of approximately USD 630 million with last delivery in 2023
- Ramped up pre-production activities on the NSMV program and cut steel on the first NSMV
- Completed ship repair and maintenance work on a U.S. Government vessel, the FSS *Pollux*
- Awarded contracts for industry design studies for two major government shipbuilding programs

Completed Repairs on USNS *Pollux* – 5 September 2020



Start of Fabrication on NSMV I – Steel Cutting Ceremony 15 December 2020



Presentation of Financial Statements

Philly Shipyard ASA



Consolidated Income Statement

<i>Amounts in USD thousands (except shares and per share amounts)</i>	2020	2019
Operating revenues	54,144	28,207
Operating revenues	54,144	28,207
Cost of vessel construction	(47,712)	(26,031)
Wages and other personnel expenses (SG&A)	(2,700)	(2,318)
Other operating expenses (SG&A)	(3,722)	(3,048)
Under-recovered overhead costs	(21,578)	(14,122)
Operating loss before depr. and impairment (EBITDA)	(21,568)	(17,312)
Depreciation	(6,190)	(7,056)
Reversal of impairment of assets	-	3,077
Operating loss before interest interest and taxes (EBIT)	(27,758)	(21,291)
Financial income	661	2,131
Financial expenses	(546)	(2,021)
Loss before tax	(27,643)	(21,181)
Income tax benefit	29,222	969
Income/(loss) after tax	1,579	(20,212)
Weighted average number of ordinary shares	12,107,901	12,107,901
Basic income/(loss) per share (USD)	0.13	(1.67)

Consolidated Statement of Financial Position

Assets

<i>Amounts in USD thousands</i>	2020	2019
ASSETS		
Property, plant and equipment	25,432	26,104
Right-of-use assets	13,986	13,035
Restricted cash long-term	25,028	-
Income tax receivable long-term	5,150	-
Deferred tax asset	8,448	-
Other long-term assets	495	234
Total non-current assets	78,539	39,373
Prepayments and other receivables	45,441	3,502
Restricted cash short-term	1,394	66,475
Income tax receivable short-term	14,990	166
Contract assets	-	1,608
Cash and cash equivalents	97,361	50,673
Total current assets	159,186	122,424
Total assets	237,725	161,797

Consolidated Statement of Financial Position Equity & Liabilities

<i>Amounts in USD thousands</i>	2020	2019
EQUITY AND LIABILITIES		
Paid in capital	35,206	35,206
Other equity	57,639	56,060
Total equity attributable to equity holders of parent co.	92,845	91,266
Total equity	92,845	91,266
Income tax payable long-term	1,200	-
Lease liability long-term	1,904	-
Deferred tax liability	-	2,193
Total non-current liabilities	3,104	2,193
Trade payables and accrued liabilities	7,974	6,255
Other provisions - warranties	1,787	2,137
Customer advances, net	130,894	-
Other contract liabilities	151	-
Lease liability short-term	309	-
Income tax payable short-term	661	18
Welcome Fund loan	-	59,928
Total current liabilities	141,776	68,338
Total liabilities	144,880	70,531
Total equity and liabilities	237,725	161,797

Philly Shipyard ASA

Income Statement

<i>Amounts in USD thousands</i>	2020	2019
Operating revenues	-	-
Operating expenses	(581)	(571)
Operating loss	(581)	(571)
Interest income from subsidiaries	367	1,699
Interest expense to subsidiaries	(1,289)	(2,231)
Other interest income and financial income	4	423
Other interest expense and financial expense	(43)	(14)
Loss before tax	(1,542)	(694)
Income tax (expense)/benefit	(201)	205
Net loss after tax	(1,743)	(489)
Allocation of net loss:		
Net loss after tax	(1,743)	(489)
Other equity	1,743	489
Total	-	-

Philly Shipyard ASA

Statement of Financial Position

<i>Amounts in USD thousands</i>	2020	2019
ASSETS:		
Shares in subsidiary	67,000	67,000
Loan to subsidiary	-	31,000
Total non-current assets	67,000	98,000
Cash and cash equivalents	376	1,505
Prepayments & other receivables	75	44
Total current assets	451	1,549
Total assets	67,451	99,549

<i>Amounts in USD thousands</i>	2020	2019
EQUITY AND LIABILITIES:		
Share capital	22,664	22,664
Share premium reserve	12,542	12,542
Total paid in capital	35,206	35,206
Other equity	7,018	8,761
Total equity	42,224	43,967
Deferred tax liability	-	205
Loan from subsidiary	24,493	55,000
Total non-current liabilities	24,493	55,205
Income tax payable short-term	413	-
Trade payables & accrued liabs.	321	377
Total current liabilities	734	377
Total equity and liabilities	67,451	99,549

Auditor's Report 2020

KPMG AS

Gunnar Sotnakk, State Authorized Public Accountant

Approval of the policy for determining salary and other remuneration to executive management of the Company

The General Meeting approves the policy for determining salary and other remuneration to the executive management pursuant to the Norwegian Public Limited Liability Companies Act section 6-16a.

Corporate Governance Report 2020

Philly Shipyard ASA's corporate governance report is presented on pages 71-75 of the 2020 annual report.

Proposal from the Nomination Committee of remuneration to the members of the Board of Directors, the Audit Committee and the Nomination Committee

Board of Directors

- > Board chairperson NOK 475 000
- > Board members NOK 375 000
- > Audit committee chairperson NOK 55 000
- > Audit committee members NOK 45 000

Nomination Committee

- > Chairman and members NOK 34 000

Approval of remuneration to the auditor for 2020

The remuneration to the auditor of USD 32,000 ex. VAT for the audit of the Company's 2020 annual accounts is approved. The Group has not paid any fees to KPMG for services other than audit.

Board of Directors composition



Kristian Røkke
Board Chairman



Amy Humphreys
Deputy Board
Chairperson

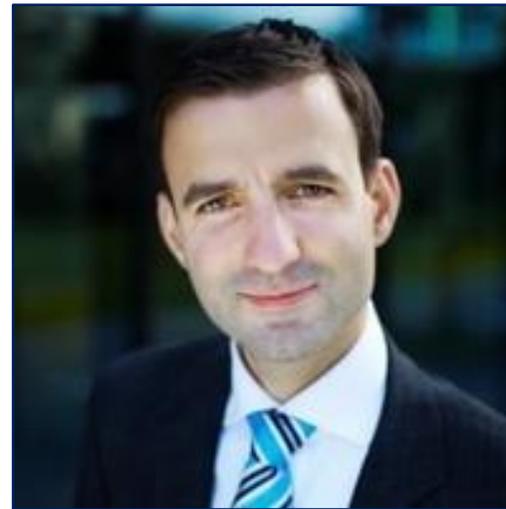


Elin Karfjell
Board Member

Nomination committee composition



Leif-Arne Langøy
(Chairman)



Ove Taklo

Board authorizations

- > Authorization to the Board of Directors for payment of dividends.
- > Authorization to the Board of Directors to purchase own shares in connection with acquisitions, mergers, de-mergers or other transactions.
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