

# Annual General Meeting

Philly Shipyard ASA

Oslo, 20 April 2022

# Agenda

1. Opening of the annual general meeting, 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 2021 annual accounts of Philly Shipyard ASA, the group's consolidated accounts and the Board of Directors' report.
5. Advisory vote on the report on salary and other remuneration to the executive management for 2021.
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 2021.
10. Election of new auditor.
11. Election of members to the Board of Directors.
12. Election of members to the Nomination Committee.
13. Authorization to the Board of Directors for payment of dividends.
14. Authorization to the Board of Directors to acquire treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.
15. Authorization to the Board of Directors to acquire treasury shares for the purpose of investment or subsequent sale or deletion of such shares.
16. 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 4 National Security Multi-Mission Vessels (NSMV) plus 1 Subsea Rock Installation Vessel (SRIV) as of 18 March 2022.
- **Ownership:** Aker Capital AS owns 57.6% of the company, which is listed on the Euronext Expand Oslo (XOAX: PHL Y).

## Modern Shipyard



## Commercial Vessels



Tankers



Container Ships

## Summary of Philly Shipyard 2021 Main Events

- Operations and projects continued to safely move forward during the COVID-19 pandemic
- Exceeded 1,900,000 consecutive hours worked without a single LTI
- Received an order for the second two NSMVs (NSMVs 3 & 4) with a total contract value of approximately USD 600 million, bringing the total order intake for the NSMV program to greater than USD 1.2 billion
- Awarded a contract from Great Lakes Dredge & Dock Co. to construct one Jones Act-compliant Subsea Rock Installation Vessel (SRIV 1) for the U.S. offshore wind market valued at approximately USD 197 million
- Awarded industry design study contract for the U.S. Navy's Cable Ship T-ARC(X) replacement program
- Continued progress on the NSMV new build program, including keel laying of NSMV 1 and full production start of NSMV 2
- Completed ship repair and maintenance work on the USNS *Charlton*, a large roll-on/roll-off U.S. Navy ship, on time and on budget
- Reinstated the shipyard's apprenticeship program and reopened its training academy facility

# Commercial Contract Win

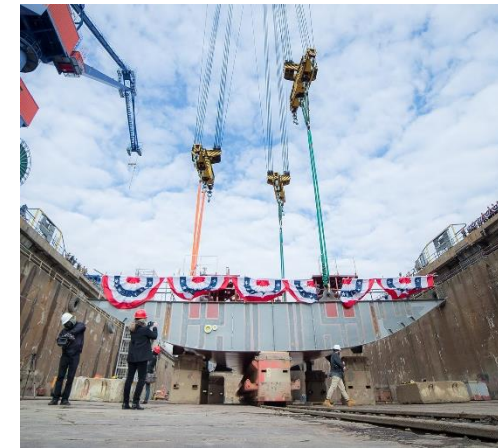
## Subsea Rock Installation Vessel (SRIV)

### for Great Lakes Dredge & Dock Company

15 November 2021

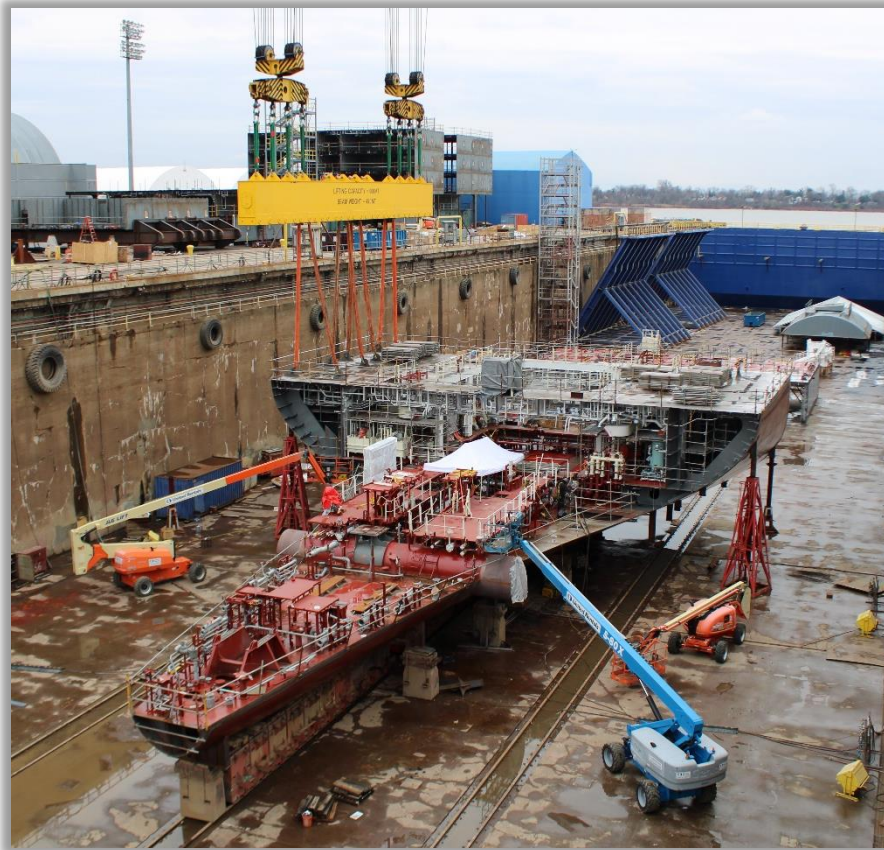


# Construction Milestone for NSMV I – Keel Laying Ceremony 10 December 2021



# Presentation of Financial Statements

Philly Shipyard ASA





# Consolidated Income Statement

<i>Amounts in USD thousands (except shares and per share amounts)</i>	<b>2021</b>	<b>2020</b>
Operating revenues	214,060	54,144
<b>Operating revenues</b>	<b>214,060</b>	<b>54,144</b>
Cost of vessel construction	(194,149)	(47,712)
Wages and other personnel expenses (SG&A)	(2,851)	(2,700)
Other operating expenses (SG&A)	(4,659)	(3,722)
Under-recovered overhead costs	(19,437)	(21,578)
<b>Operating loss before depreciation (EBITDA)</b>	<b>(7,036)</b>	<b>(21,568)</b>
Depreciation	(5,417)	(6,190)
<b>Operating loss before interest interest and taxes (EBIT)</b>	<b>(12,453)</b>	<b>(27,758)</b>
Financial income	363	661
Financial expenses	(178)	(546)
<b>Loss before tax</b>	<b>(12,268)</b>	<b>(27,643)</b>
Income tax benefit	4,886	29,222
<b>(Loss)/income after tax</b>	<b>(7,382)</b>	<b>1,579</b>
<b>Weighted average number of ordinary shares</b>	<b>12,107,901</b>	<b>12,107,901</b>
<b>Basic (loss)/income per share (USD)</b>	<b>(0.61)</b>	<b>0.13</b>

# Consolidated Statement of Financial Position

## Assets

<i>Amounts in USD thousands</i>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Property, plant and equipment	36,002	25,432
Right-of-use assets	12,769	13,986
Restricted cash long-term	43,096	25,028
Deferred tax asset	13,081	8,448
Income tax receivable long-term	82	5,150
Other long-term assets	495	495
<b>Total non-current assets</b>	<b>105,525</b>	<b>78,539</b>
Prepayments and other receivables	61,123	45,441
Restricted cash short-term	1,396	1,394
Income tax receivable short-term	13,624	14,990
Contract assets	345	-
Cash and cash equivalents	255,003	97,361
<b>Total current assets</b>	<b>331,491</b>	<b>159,186</b>
<b>Total assets</b>	<b>437,016</b>	<b>237,725</b>

# Consolidated Statement of Financial Position Equity & Liabilities

<i>Amounts in USD thousands</i>	<b>2021</b>	<b>2020</b>
<b>EQUITY AND LIABILITIES</b>		
Paid in capital	35,206	35,206
Other equity	50,257	57,639
<b>Total equity attributable to equity holders of parent co.</b>	<b>85,463</b>	<b>92,845</b>
<b>Total equity</b>	<b>85,463</b>	<b>92,845</b>
Income tax payable long-term	1,200	1,200
Lease liability long-term	1,582	1,904
<b>Total non-current liabilities</b>	<b>2,782</b>	<b>3,104</b>
Trade payables and accrued liabilities	49,879	7,974
Other provisions - warranties	1,973	1,787
Customer advances, net	296,398	130,894
Other contract liabilities	-	151
Income tax payable short-term	199	661
Lease liability short-term	322	309
<b>Total current liabilities</b>	<b>348,771</b>	<b>141,776</b>
<b>Total liabilities</b>	<b>351,553</b>	<b>144,880</b>
<b>Total equity and liabilities</b>	<b>437,016</b>	<b>237,725</b>

# Philly Shipyard ASA

## Income Statement

<i>Amounts in USD thousands</i>	<b>2021</b>	<b>2020</b>
Operating revenues	-	-
Operating expenses	(473)	(581)
<b>Operating loss</b>	<b>(473)</b>	<b>(581)</b>
Interest income earned from subsidiaries	-	367
Interest expense payable to subsidiaries	(1,017)	(1,289)
Other interest income and financial income	11	4
Other interest expense and financial expense	(42)	(43)
<b>Loss before tax</b>	<b>(1,521)</b>	<b>(1,542)</b>
Income tax benefit/(expense)	119	(201)
<b>Net loss after tax</b>	<b>(1,402)</b>	<b>(1,743)</b>
<b>Allocation of net loss:</b>		
Net loss after tax	(1,402)	(1,743)
Other equity	1,402	1,743

# Philly Shipyard ASA

## Statement of Financial Position

<i>Amounts in USD thousands</i>	2021	2020	<i>Amounts in USD thousands</i>	2021	2020
<b>ASSETS:</b>			<b>EQUITY AND LIABILITIES:</b>		
Shares in subsidiary	67,000	67,000	Share capital	22,664	22,664
<b>Total non-current assets</b>	<b>67,000</b>	<b>67,000</b>	Share premium reserve	12,542	12,542
Prepayments and other receivables	14	75	<b>Total paid in capital</b>	<b>35,206</b>	<b>35,206</b>
Cash and cash equivalents	159	376	Other equity	5,616	7,018
<b>Total current assets</b>	<b>173</b>	<b>451</b>	<b>Total equity</b>	<b>40,822</b>	<b>42,224</b>
<b>Total assets</b>	<b>67,173</b>	<b>67,451</b>	Loan from subsidiary	26,160	24,493
			<b>Total non-current liabilities</b>	<b>26,160</b>	<b>24,493</b>
			Trade payables and accrued liabs.	191	321
			Income tax payable short-term	-	413
			<b>Total current liabilities</b>	<b>191</b>	<b>734</b>
			<b>Total equity and liabilities</b>	<b>67,173</b>	<b>67,451</b>

# Auditor's Report 2021

KPMG AS

Gunnar Sotnakk, State Authorized Public Accountant

# **Advisory vote on the report on salary and other remuneration to the executive management for 2021**

The General Meeting approves the Board of Directors' report on salary and other remuneration to the executive management for 2021 for Philly Shipyard ASA.

# Corporate Governance Report 2021

Philly Shipyard ASA's corporate governance report is presented on pages 73-77 of the 2021 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 2021

The remuneration to the auditor of USD 35,000 (NOK 309,000) ex. VAT for the audit of the Company's 2021 annual accounts is approved. The Company has not paid any fees to KPMG for services other than audit.

## Election of new auditor

In accordance with the proposal from the Board of Directors, the General Meeting elects PricewaterhouseCoopers AS, with registered address at Dronning Eufemias gate 71, 0194 Oslo, and registration number 987 009 713 as its new auditor.

## Board of Directors composition (Pre-AGM)



Kristian Røkke  
Board Chairman



Amy Humphreys  
Deputy Board  
Chairperson



Elin Karfjell  
Board Member

## Board of Directors composition (Post-AGM)



Kristian Røkke  
Board Chairman



Jan Petter Hagen  
Board Member

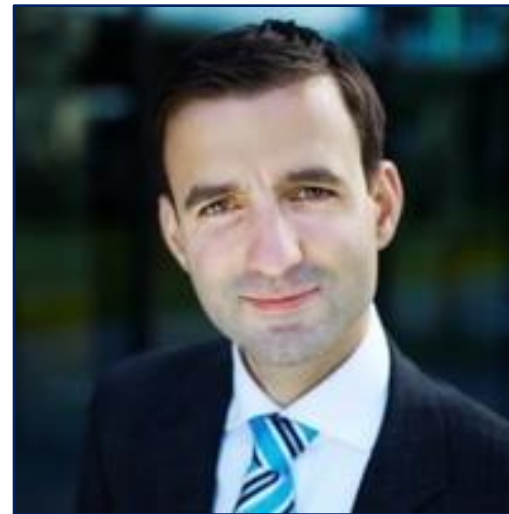


Elin Karfjell  
Board Member

## Nomination committee composition (Pre-AGM)



Leif-Arne Langøy  
(Chairman)



Ove A. Taklo

# Nomination committee composition (Post-AGM)



Ingebret G. Hisdal  
(Chairman)



Charlotte Hakonsen

## Board authorizations

- > Authorization to the Board of Directors for payment of dividends.
- > Authorization to the Board of Directors to acquire treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.
- > Authorization to the Board of Directors to acquire treasury shares for the purpose of investment or subsequent sale or deletion of such shares.
- > 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.



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