

Annual General Meeting

Philly Shipyard ASA

Oslo, 15 April 2024

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 2023 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 2023.
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 2023.
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 treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.
14. Authorization to the Board of Directors to acquire treasury 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 for 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, 2 Aframax tankers and 1 National Security Multi-Mission Vessel.
- **Facility:** PHL Y's shipyard was completely rebuilt in 1998 and has been optimally designed to support commercial shipbuilding operations with over USD 675M 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 five National Security Multi-Mission Vessels (NSMV), one Subsea Rock Installation Vessel (SRIV), and three container vessels (CV).
- **Ownership:** Aker Capital AS owns 57.6% of the company, which is listed on the Euronext Expand Oslo (formerly known as Oslo Axess).

Modern Shipyard



Commercial Vessels



Tankers



Container Ships

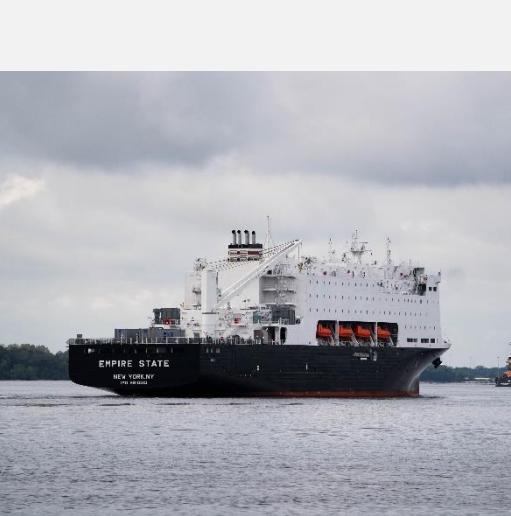
Summary of Philly Shipyard 2023 Key Events & Highlights

- In February 2023, a new 4-year collective bargaining agreement was ratified by the Philadelphia Metal Trades Council (PMTC).
- In September 2023, Philly Shipyard successfully delivered the first NSMV, the *Empire State*.
- Strong order backlog of USD 1,719.1 million on 31 December 2023 with last contractual delivery in 2027.
- 2023 operating revenues of USD 441.8 million compared to USD 393.8 million in 2022.
- 2023 net loss of USD 67.9 million compared to 2022 net loss of USD 11.7 million.
- Total cash and cash equivalents of USD 79.5 million at 31 December 2023, excluding USD 44.2 million of restricted cash.

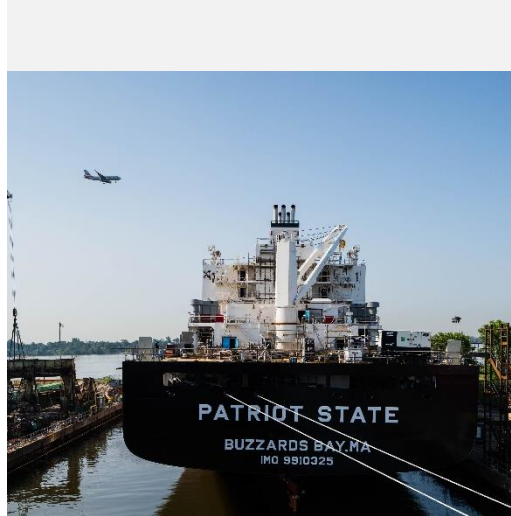
New four-year collective bargaining agreement was ratified by the Philadelphia Metal Trades Council (PMTTC)



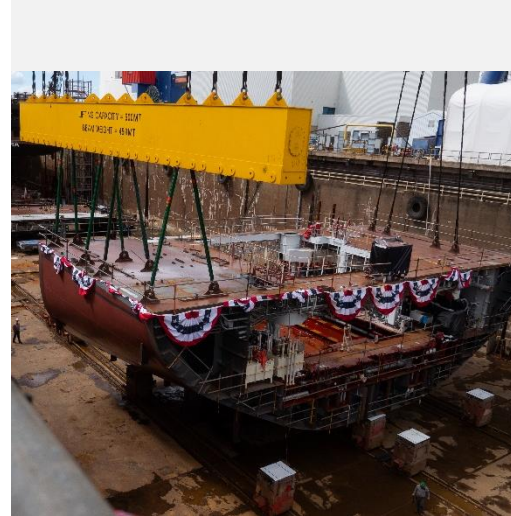
NSMV Project Milestones



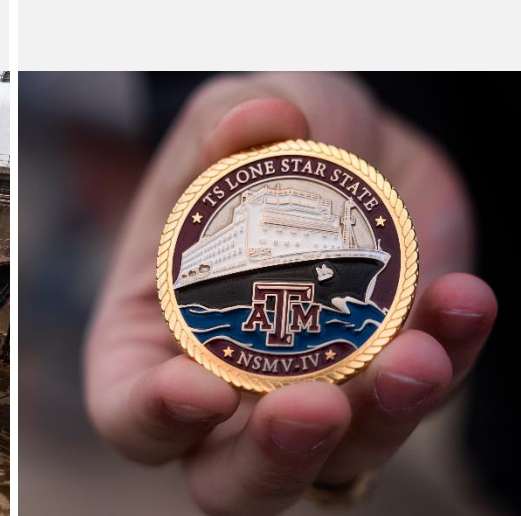
Delivered NSMV 1, the *Empire State*, to MARAD in September



Launched and moved NSMV 2 from the building dock to outfitting dock in May



Celebrated the keel laying of NSMV 3 in May



Celebrated the steel cutting of NSMV 4 in January and its keel laying in December

SRIV Project Milestones



Steel cutting commenced in July, marked by a visit from President Biden

Presentation of Financial Statements

Philly Shipyard ASA



Consolidated Income Statement

<i>Amounts in USD thousands (except shares and per share amounts)</i>	2023	2022
Operating revenues	441,845	392,706
Other income	-	1,112
Operating revenues and other income	441,845	393,818
Cost of vessel construction	(497,732)	(403,113)
Wages and other personnel expenses (SG&A)	(3,461)	(3,162)
Other operating expenses	(4,542)	(5,659)
Operating loss before depreciation (EBITDA)	(63,890)	(18,116)
Depreciation	(7,720)	(6,190)
Operating loss before interest and taxes (EBIT)	(71,610)	(24,306)
Financial income	7,170	2,557
Financial expenses	(416)	(570)
Loss before tax	(64,856)	(22,319)
Income tax (expense)/benefit	(3,081)	10,628
Loss after tax	(67,937)	(11,691)
Weighted average number of ordinary shares	12,107,901	12,107,901
Basic loss per share (USD)	(5.61)	(0.97)

Consolidated Statement of Financial Position - Assets

<i>Amounts in USD thousands</i>	2023	2022
ASSETS		
Property, plant and equipment	42,653	42,136
Right-of-use assets	17,835	13,500
Restricted cash long-term	34,158	45,420
Deferred tax asset	25,333	26,208
Income tax receivable long-term	82	13,700
Other non-current assets	552	548
Total non-current assets	120,613	141,512
Prepayments and other receivables	68,389	52,357
Restricted cash short-term	10,022	10,011
Income tax receivable short-term	15,978	4,107
Vessels-under-construction receivable	-	4,925
Cash and cash equivalents	79,463	137,586
Total current assets	173,852	208,986
Total assets	294,465	350,498

Consolidated Statement of Financial Position - Equity & Liabilities

<i>Amounts in USD thousands</i>	2023	2022
EQUITY AND LIABILITIES		
Paid in capital	35,206	35,206
Other equity	(29,371)	38,566
Total equity attributable to equity holders of parent co.	5,835	73,772
Total equity	5,835	73,772
Income tax payable long-term	1,200	1,200
Lease liability long-term	6,788	2,354
Total non-current liabilities	7,988	3,554
Trade payables and accrued liabilities	65,037	41,730
Other provisions - warranties	2,131	250
Customer advances (net)	212,196	230,558
Other contract liabilities	221	348
Lease liability short-term	1,057	286
Total current liabilities	280,642	273,172
Total liabilities	288,630	276,726
Total equity and liabilities	294,465	350,498

Philly Shipyard ASA

Income Statement

<i>Amounts in USD thousands</i>	2023	2022
Operating revenues	-	-
Operating expenses	(680)	(598)
Operating loss	(680)	(598)
Interest income earned from subsidiaries	-	-
Interest expense payable to subsidiaries	(1,160)	(1,094)
Other interest income and financial income	59	58
Other interest expense and financial expense	(45)	(60)
Loss before tax	(1,826)	(1,694)
Income tax (expense)/benefit	-	-
Net loss after tax	(1,826)	(1,694)
Allocation of net loss:		
Net loss after tax	(1,826)	(1,694)
Other equity	1,826	1,694

Philly Shipyard ASA

Statement of Financial Position

<i>Amounts in USD thousands</i>	2023	2022
ASSETS:		
Shares in subsidiary	67,000	67,000
Total non-current assets	67,000	67,000
Prepayments and other receivables	91	108
Cash and cash equivalents	78	79
Total current assets	169	187
Total assets	67,169	67,187

<i>Amounts in USD thousands</i>	2023	2022
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	2,096	3,922
Total equity	37,302	39,128
Loan from subsidiary	29,611	27,851
Total non-current liabilities	29,611	27,851
Trade payables and accrued liabs.	256	208
Total current liabilities	256	208
Total equity and liabilities	67,169	67,187

Auditor's Report 2023

PricewaterhouseCoopers AS

Anne Kristin Huuse, State Authorized Public Accountant

Approval of the 2023 annual accounts of Philly Shipyard ASA, group consolidated accounts and the Board of Directors' report

The General Meeting approves the annual accounts for 2023 for Philly Shipyard ASA, the group consolidated accounts and the Board of Directors' Report.

Advisory vote on the report on salary and other remuneration to the executive management for 2023

The General Meeting approves the Board of Directors' report on salary and other remuneration to the executive management for 2023 for Philly Shipyard ASA.

Corporate Governance Report 2023

Philly Shipyard ASA's corporate governance report is presented on pages 75-79 of the 2023 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 and Audit Committee

- > Board chairperson NOK 522 000
- > Board members NOK 412 000
- > Audit committee chairperson NOK 61 000
- > Audit committee members NOK 49 000

Nomination Committee

- > Chairperson NOK 55 000
- > Members NOK 44 000

Approval of remuneration to the auditor for 2023

The remuneration to the auditor of NOK 508,500 ex. VAT for the audit of the Company's 2023 annual accounts and other audit and attestation fees is approved.

Board of Directors composition



Kristian Røkke
Board Chair



Jan Petter Hagen
Board Member



Elin Karfjell
Board Member



Susan Hayman
Board Member

Nomination Committee composition



Ingebret G. Hisdal
Committee Chair



Charlotte Håkonsen
Member



Hilde K. Ramsdal
Deputy Member

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.
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- > Authorization to the Board of Directors to increase the share capital for new shipbuilding projects or other future investments within the Company's scope of operations.

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