Ocean Sun

A BOLD SOLUTION TO OUR GLOBAL ENERGY NEEDS

QUARTERLY PRESENTATION Q1 2023
11.05.2023

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- Ocean Sun in brief
- Operations and business development
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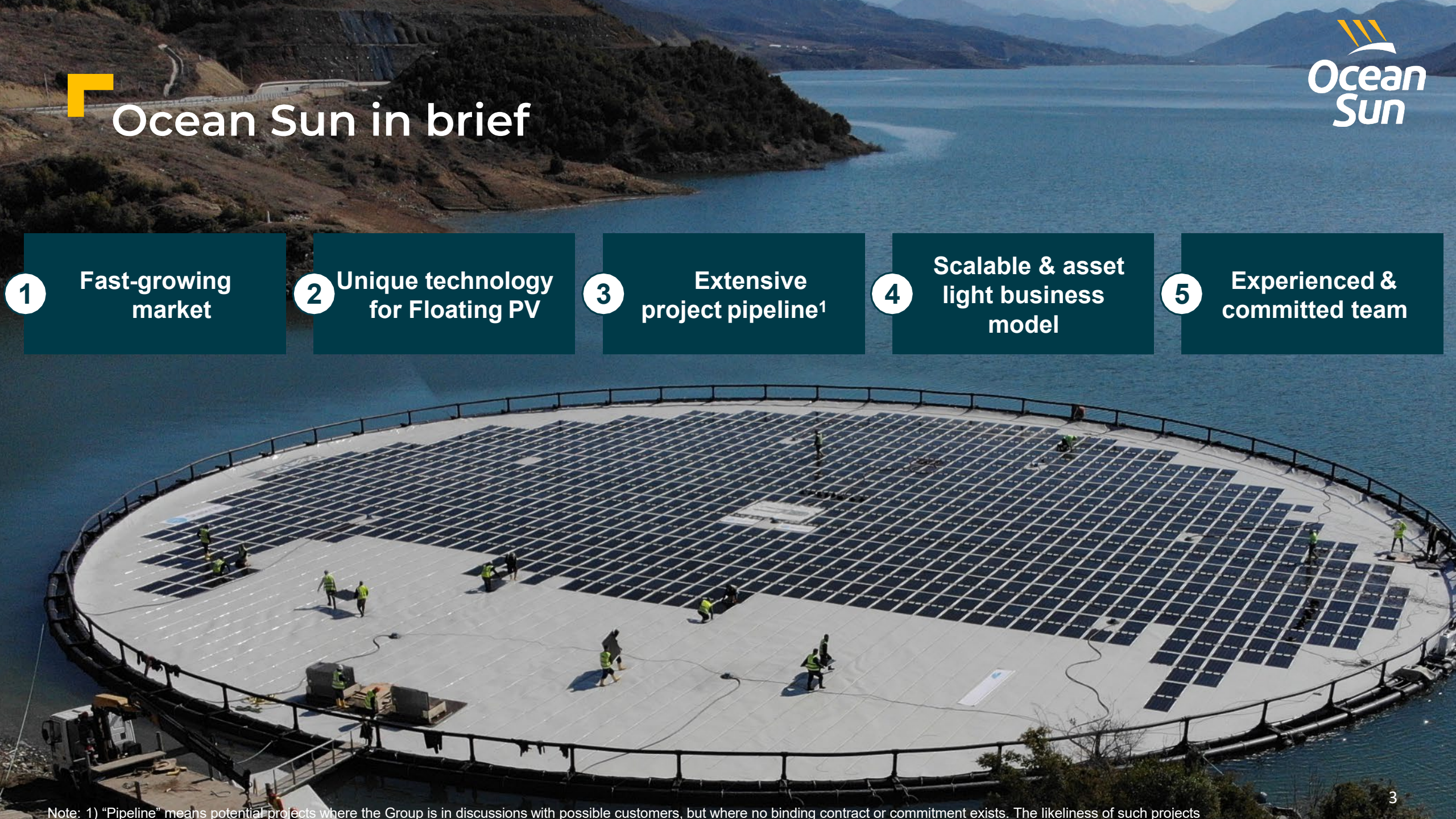
Ocean Sun in brief

1. **Fast-growing market**
2. **Unique technology for Floating PV**
3. **Extensive project pipeline[1]**
4. **Scalable & asset light business model**
5. **Experienced & committed team**



Note: 1) “Pipeline” means potential projects where the Group is in discussions with possible customers, but where no binding contract or commitment exists. The likeliness of such projects

Our solution

Inspired by nature,
we provide the lowest cost
and the best performing
floating solar system
available on the market

Proprietary technology for Floating PV

The world's best FPV system

- Low CAPEX
  - Lowest material use
  - Fast and easy installation
  - Lean transportation
- High efficiency – water cooled
- Seaworthy

Operations and business development

Banja dam, Albania

Project update

The second phase of the Banja project was completed during December, with public announcement of the same in Q1. The complete system of four floaters (2 MWp) is operating according to expectation.

Ocean Sun is continuously conducting site visits with potential customers and governmental officials to showcase the system and demonstrate our technology. During an Energy summit in the Western Balkans officials from various Balkan states and energy executives got to visit the system.

Project details

Ocean Sun and Statkraft have an agreement to construct a 2 MWp floating solar power plant on Statkraft's 72-megawatt hydropower plant in Banja, Albania. The system consists of four floaters of 0.5MWp and is expected to generate almost 3 GWh of electricity to the Albanian national grid during 2023.

The plant is Ocean Sun's first multi-ring system and as such an important milestone, demonstrating Ocean Sun's ability to provide utility-scale projects.

Balkan state and energy officials during site visit to FPV system

SPIC project, Shandong, China

Project update

Ocean Sun is cooperating closely with the owner, SPIC, for the R&D pilot in Haiyang, Shandong Province, and we are making design improvements to the offshore version based on learnings from the two units. One floater was taken ashore in late April, and the second floater will likely follow soon. We expect that an updated larger single unit will be ready for further sea-trials within the year.

The location of the experimental pilot activity is 30km off-shore in the Yellow Sea, representing the most challenging waters for Ocean Sun floaters so far.

Project details

The R&D project in Shandong is the first ever attempts to integrate FPV with offshore wind. The R&D project is carried out in collaboration with SPIC as the system owner.

SPIC (State Power Investment Corporation) is the world's largest PV asset owner and will likely be a major contributor to the Shandong Province's plan for 42 GWp of off-shore solar in the next few years.

Magat dam, Philippines

Project update

Our Magat demonstrator is subject for studies under the Green Platform project HydroSun, aiming at developing a utility scale integrated hybrid power plant combining hydro, floating solar and storage. Earlier this year, representatives from Scatec, Ocean Sun and Prediktor visited the Magat dam, to exchange knowledge with the plant owner SNAP and to discuss the continuation of the project.

Project details

The demonstration plant on the Magat Dam is in the Philippine typhoon belt and is designed to withstand wind-speeds up to 275 km/h. The system is owned by SN-Aboitiz Power (SNAP), a 50/50 joint venture between Scatec and Aboitiz Power, a large IPP in the Philippines.

The system was commissioned in June 2019 and has withstood four typhoon seasons without damage to the system. During the fall of 2022, Ocean Sun and SNAP carried out a larger technology upgrade with new PV panels and improved cable management.

Representatives from SNAP, Scatec, Prediktor and Ocean Sun during a HydroSun visit to Magat Dam earlier this year

Clean tech summit in Kerala, India

Activity update

Our CEO participated in a clean energy summit in Kerala, arranged as result of India and Norway governments close cooperation on clean energy technologies.

The summit was hosted by the Government of Kerala and Hon'ble Chief Minister, Shri. Pinarayi Vijayan. Ocean Sun, supported by Innovation Norway, met with key stakeholders in the region to discuss future collaboration and installations.

The Indian government has set ambitious climate targets for the upcoming year and more than 1.7 GWp (Bloomberg NEF) of future FPV projects have been publicly announced. As such it is an important future market for Ocean Sun.

Deputy Ambassador Martine Aamdal Botttheim, Embassy in New Delhi and CEO Børge Bjørneklett at the summit together with representatives from Innovation Norway and Government of Kerala.

Intellectual property update

Activity update

During 2022 and the start of 2023, Ocean Sun was granted several additional national patents, most notably for China, where our innovation patent was recently granted. Ocean Sun now has more than 60 granted patents and 45 patent applications in the relevant markets for floating solar.

The strength of our patents has also been tested against infringement, a lengthy process that was settled in March 2023. Ocean Sun commenced legal proceedings in Norway against Inseanergy AS in August 2022, claiming Inseanergy's solution for floating solar power infringed upon Ocean Sun's patent rights. In March, the parties reached a settlement agreement, following which the parties have entered into a license agreement on commercial terms.

Ocean Sun's Head of Northeast Asia presenting Ocean Sun at a conference in China, where our innovation patent was recently granted.

Upcoming projects

Sunseap, Sing. strait *Singapore*

In March 2022, Ocean Sun and Sunseap signed an agreement for a 1.2 MWp floating PV project to be deployed near shore in Singapore.

The detailed engineering and design of the two-float system has been completed. Orders for materials are expected to be placed during Q2 2023, with construction of the system taking place in Q3 or Q4 2023.

When completed, the system will be the largest floating solar installation in the Singapore Strait and will pave way for utility-scale developments in Singapore and Southeast Asia.

Keppel, Jurong Island *Singapore*

In July 2022, Ocean Sun and Keppel signed an agreement for a 1.5 MWp floating PV project to be deployed near Jurong Island in Singapore.

The project is funded by a government grant and was selected because of its potential for commercialization and scalability. Keppel, a powerhouse within construction and energy developments, has ambitious plans for floating solar in Singapore and SEA. Work is about to start with detailed engineering and placing orders for the system that is expected to be completed in Q1 2024.

MP Quantum, Nearshore *Greece*

In 2021, MP Quantum Group (MP) and Ocean Sun signed a long-term collaboration agreement for floating solar in Greece and the Republic of Cyprus.

Work with the two demonstration facilities, for which license fees have been paid is ongoing and orders for materials is currently being placed for the first facility. It is expected that the first demonstrator will be installed during the second half of 2023.

Market update

Market update

Southeast Asia (SEA)

- In Southeast Asia, projects of more than 14 GWp have been announced, making it one of the FPV markets with largest expected growth. Many countries in SEA are ideally suited for FPV as they are densely populated, have land scarcity, have high and increasing need of power and good irradiation. The waves nearshore and on larger lakes along with exposure for typhoons have proven challenging for alternative technologies. The Magat facility's increasing track record and several notable partnerships give credibility to OS and comfort around our solution.
- Large interest from various island communities for small and mid-sized systems to replace existing fossil-based power sources.

EMA

- With few FPV installations to date, activity is picking up in several countries in southern Europe, such as countries on the Balkans, the Iberian peninsula in addition to France, Italy and Greece. Several tenders and research calls are being issued during 2023, bringing more interest to FPV in Europe.
- Statkraft's multiring installation attracts international attention and positions us favorably in the market for Hydro power installments in the above-mentioned markets.

Northeast Asia (NEA)

- NEA still accounts for more than 90% of the world's floating solar capacity, lead by China with 65%.
- There is still growth in large project in China, mostly on flooded mines as projects on lakes and reservoirs are no longer permitted. It's expected that China will remain the worlds largest market, but more and more of this growth will come in coastal waters and connected to wind turbines.
- Our business model is very well adapted to be a major player in China and the rest of NEA and our solution is well known in the region.

Americas

- Ocean Sun's collaboration with a local partner in Brazil is in good progress and together we have targeted several smaller utility projects up to 5MWp for development during 2023 and for larger utility projects for installation during 2024
- The inflation reduction act has sparked large interest for renewable initiatives in the US and we can see that the market for FPV is consequently picking up.

Financials

- Profit and loss
- Balance sheet
- Cash flow
- Equity statement

Income statement (Consolidated)

NOK'000	Unaudited Q1'23	Unaudited Q1'22	Audited FY 22
Income			
Revenue	-	944	3 767
Other income	2 127	779	6 613
Total operating income	**2 127**	**1 723**	**10 380**
Operating expenses			
Raw materials and consumables used	(3)	-	(402)
Employee cost	(5 416)	(4 494)	(17 511)
Depreciation	(5)	(5)	(18)
Other Operating expenses	(3 288)	(2 119)	(11 842)
Total operating expenses	**(8 711)**	**(6 617)**	**(29 773)**
Operating result	**(6 584)**	**(4 894)**	**(19 393)**
Financial income			
Interest income	535	62	967
Other financial income	186	49	489
Total financial income	**721**	**110**	**1 456**
Financial expenses			
Interest expenses	(0)	(0)	(5)
Other financial expenses	(82)	(41)	(210)
Total financial expenses	**(82)**	**(41)**	**(215)**
Net financial items	**640**	**69**	**1 241**
Result before taxes	(5 944)	(4 825)	(18 152)
Taxes	-	(0)	(1)
Result after taxes	(5 944)	(4 825)	(18 153)

Comments

Ocean Sun's income in Q1 2023 totalled NOK 2.1 million and relates to recognized contribution from research grants. During Q1 2023 Ocean Sun recognized revenue from BOOST and Skattefunn projects in addition to grants from Innovation Norway (Green Platform).

Q1 2023 numbers include NOK 900 thousand in non-recurring cost for expenses related with the settled patent infringement case.

Balance sheet (Consolidated)

	Unaudited 31.03.23	Audited 31.12.22
ASSETS		
Non-current assets		
Office equipment	15	19
Total non-current assets	**15**	**19**
Current assets		
Receivables		
Accounts receivables	999	3 622
Other receivables	8 422	4 759
Total receivables	**9 421**	**8 382**
Cash and equivalents		
Cash and cash equivalents	56 914	62 766
Total cash and equivalents	**56 914**	**62 766**
Total current assets	**66 334**	**71 147**
Total assets	**66 349**	**71 167**
Equity and liabilities		
Equity		
Total Equity	**57 275**	**63 137**
Current liabilities		
Accounts payables	673	760
Taxes and public duties	442	725
Other payables	7 959	6 546
Total current liabilities	**9 074**	**8 030**
Total liabilities	**9 074**	**8 030**
Total Equity and liabilities	**66 349**	**71 167**

Balance sheet per 31.03.2023

- Cash and cash equivalents amounted to NOK 56.9 million, of which NOK 0.8 million was restricted cash. The equity ratio was 86.3% and the company had no interest-bearing debt. As such, Ocean Sun is well capitalized with available liquidity to support current operations and future growth.
- Accounts receivables include NOK 0.6 million receivables related to materials purchased on behalf of customer. As the material was purchased at cost without risk for Ocean Sun it had no P&L effect.
- Other receivables primarily relate to accrued revenue from R&D projects.
- Other payables consisted of provisions for personnel and board expenses as well as prepayment of the EIC grant related to the BOOST project.

Cash flow statement (Consolidated)

	Unaudited Q1'23	Unaudited Q1'22	Audited 2022
Operating activities			
Result before tax	(5 944)	(4 825)	(18 153)
Depreciations	5	5	18
Cost of share option program	87	-	130
Provision for bad debts	-	-	178
Change in accounts receivables	2 624	-	(3 800)
Change in other current assets	(3 663)	1 677	6 003
Change in accounts payable	(86)	(1 263)	(1 695)
Change in other current liabilities	1 111	941	3 007
Cash flow from operating activities	**(5 867)**	**(3 465)**	**(14 313)**
Finance			
Change in other financing activities	-	21	-
Cash flow from financing activities	**-**	**21**	**-**
Foreign currency effects on cash	14	-	88
Net cash flow in the period	**(5 853)**	**(3 444)**	**(14 225)**
Cash and cash equiv., start of period	**62 766**	**76 991**	**76 991**
Cash and cash equiv., end of period	**56 914**	**73 548**	**62 766**

Cash development 01.01-31.03.2023

- Cash flow from operations amounted to -NOK 5.9 million in Q1 2023.
- Total cash and cash equivalents as per 31.03.2023 amounted to ~NOK 56.9 million. The cash position of the company is sound.

Equity statement (Consolidated)

Unaudited

NOK'000	Share capital	Own shares	Share premium	Share based payment reserves	Uncovered losses	Total
At 1st of January 2023	450	(0)	62 550	137	-	63 137
Profit/Loss for the period	-		-	-	(5 944)	(5 944)
Share option program	-	-	-	87	-	87
Currency translation differences	-		(20)	4	11	(5)
At 31 March 2023	**450**	**(0)**	**62 529**	**229**	**(5 934)**	**57 274**

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