# Ocean Sun

### A BOLD SOLUTION TO OUR GLOBAL ENERGY NEEDS

QUARTERLY PRESENTATION Q4 2022 09.02.2023



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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, the installment of three additional floaters, was completed during December. The installation was carried out within plan and budget, with significant improvements to the installation speed as compared to the first floater.

The system is producing according to expectations and confirm the positive results seen from the first floater, operational since 1<sup>st</sup> of April 2022. For 2023, the 2 MWp system is expected to generate almost 3 GWh of electricity.

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.

### 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 each and will produce energy to the Albanian national grid.



### SPIC project, Shandong, China



## Project update

The pilot period of this cutting-edge project is ongoing with sea trials of a 0.5 MWp offshore system connected to a wind turbine. During the pilot period we will demonstrate the systems performance and optimize the design for the harsh conditions.

Once the pilot period is completed, the intention is to connect floating solar to other wind turbines at this location. Pending successful results, the accumulated capacity of Ocean Sun FPV will be 20 MWp in 2023.



This R&D project in Shandong is Ocean Sun's first offshore FPV plant and the first ever FPV integrated with offshore wind. The system is owned by SPIC with Sunneng Technologies as the EPC. It was constructed on-shore and towed 30 km off-coast to its final position in the Yellow Sea where the mooring was installed.

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, Philipinnes



### Project update

Following the technology upgrade on Magat during the fall of 2022, Ocean Sun made diligent studies of the replaced panels looking for microcracks. After 3,5 years in operation, no microcracks were found on the 150 modules examined. Complementing previous tests and theoretical research, this further proves that the Ocean Sun membrane is an excellent habitat for a solar panel and that walking on a module supported by an Ocean Sun membrane does not damage the panel.

### Project details

The demonstration plant on the Magat Dam is located in the middle of 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. This increased the nominal power from 223 kWp to 250 kWp and made the performance of the system more stable.





### **Upcoming projects**

### Sunseap, Sing. strait

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 Q1 2023, with construction of the system taking place in Q3 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. The project is expected to be completed in Q4 2023.

### Sunneng, Yantai <sup>China</sup>

Ocean Sun has signed an agreement with Sunneng Technologies and String Capital, a Beijing-based energy investment fund, for the construction of a 1 MWp near-shore demonstration unit outside Yantai in Shandong Province.

### 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.

During 2022, work has intensified around two demonstration facilities, for which license fees have been paid. Permits, off-take agreements and construction plans are being finalized by MP, while Ocean Sun has prepared the detailed engineering and design of the facilities. In addition, MP is working on a legal framework to simplify the permit application process for future utility-scale installations.



## Market update



## Market update

### Southeast Asia (SEA)

- With a 2030 goal of 2 GWp installed solar and two upcoming Ocean Sun projects, Singapore is confirming its position as a key market for Ocean Sun in the region. The announced projects have sparked attention around Ocean Sun in Singapore, and SEA as a whole.
- Large interest from various island communities for small and midsized systems to replace existing fossil-based power sources.
- 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.

### EMA

- Statkraft's multiring installation attracts international attention and has received visits from several interesting potential customers, with more to come.
- Continued strong interest from European energy and O&G giants. We also notice that several European countries, including Greece have passed legislation for FPV through their parliaments.
- Several tenders and research calls are being issued and discussed during 2023, bringing more interest to FPV in Europe.

### 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
- In Chile, several initiatives toward FPV are under development in connection with Aquaculture.
- 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.

### Northeast Asia (NEA)

- NEA still accounts for up to 90% of the world's floating solar capacity.
- China has strong focus on floating solar, both near shore and offshore. Our pilot project with SPIC was broadcasted on national television, and Ocean Sun is now a well-known brand within the floating solar industry in China. Our business model is very well adapted to be a major player in this market.
- Shandong province announced plan of 40 GWp near and offshore FPV in years to come.



## Financials

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

### Income statement (Consolidated)



NOK'000	Unaudited Q4'22	Unaudited Q4'21	Unaudited FY 22	Audited FY 21
Income				
Revenue	909	(6)	3 767	238
Other income	1 864	1 616	6 613	6 370
Total operating income	2 774	1 610	10 380	6 608
Operating expenses				
Raw materials and consumables used	-	-	(402)	-
Employee cost	(4 420)	(4 623)	(17 511)	(13 889)
Depreciation	(5)	(5)	(18)	(18)
Other operating expenses	(3 510)	(3 641)	(11 664)	(11 503)
Total operating expenses	(7 934)	(8 268)	(29 595)	(25 411)
Operating result	(5 160)	(6 659)	(19 216)	(18 802)
Financial income				
Interest income	498	141	967	141
Other financial income	232	15	482	22

### Other financial income 232 15 482 22 Total financial income 729 156 1 449 163

#### **Financial expenses**

Interest expenses	-	(2)	(5)	(4)
Other financial expenses	(14)	130	(210)	(118)
Total financial expenses	(14)	128	(215)	(122)
Net financial items	716	284	1 234	41
Result before taxes	(4 445)	(6 375)	(17 982)	(18 761)
Taxes	3	6	(1)	(4)
Result after taxes	(4 441)	(6 369)	(17 983)	(18 765)

### Comments

Ocean Sun's revenue in Q4 2022 totalled NOK 0.9 million and relates to second instalment of license fee for the Albania project and revenue from prefeasibility studies in Europe and China. For the full year 2022 revenue amounted to NOK 3.8 million (0.2 million), an increase of 1500% compared with 2021.

Other income relates to recognized contribution from research grants. During Q4 2022 Ocean Sun recognized revenue from Skattefunn, grants from Innovation Norway (Green Platform) and the research council of Norway.

For the full year 22, other operating expenses includes NOK 1.3 million in non-recurring cost for an interim CFO.

### **Balance sheet (Consolidated)**



	Unaudited	Audited
NOK'000	31.12.22	31.12.21
ASSETS		
Non-current assets		
Office equipment	19	38
Total non-current assets	19	38
Current assets		
Receivables		
Accounts receivables	4 103	-
Other receivables	4 448	10 761
Total receivables	8 550	10 762
Cash and equivalents		
Cash and cash equivalents	62 766	76 991
Total cash and equivalents	62 766	76 991
Total current assets	71 317	87 753
Total assets	71 337	87 790

#### **EQUITY AND LIABILITIES**

Equity		
Total Equity	63 307	81 218
Current liabilities		
Accounts payables	760	2 455
Taxes and public duties	1 125	673
Other payables	6 146	3 445
Total current liabilities	8 030	6 573
Total liabilities	8 030	6 573
Total Equity and liabilities	71 337	87 790

### Balance sheet per 31.12.2022

- Cash and cash equivalents amounted to NOK 62.8 million, of which NOK 0.8 million was restricted cash. The equity ratio was 89% 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 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	Unaudited	Unaudited	Audited
NOK'000	Q4'22	Q4'21	YTD 22	2021
Operating activities				
Result before tax	(4 441)	(6 369)	(17 983)	(18 765)
Depreciations	5	5	18	18
Cost of share option program	(72)	7	67	7
Change in accounts receivables	(2 851)	(3 037)	(4 103)	(130)
Change in other current assets	1 468	604	6 313	(3 384)
Change in accounts payable	(91)	1 831	(1 695)	1 939
Change in other current liabilities	433	399	3 070	2 265
Cash flow from operating activities	(5 550)	(6 561)	(14 313)	(18 049)
Finance				
Change in other financing activities	-	-	-	(56)
Cash flow from financing activities	-	-	-	(56)
Foreign currency effects on cash	(36)	16	88	-
Net cash flow in the period	(5 586)	(6 545)	(14 225)	(18 105)
Cash and cash equiv., start of period	<b>68 352</b>	83 536	76 991	95 096
Cash and cash equiv., end of period	<b>62 766</b>	76 991	62 766	76 991

### Cash development 01.10-31.12.2022

- Cash flow from operations amounted to -NOK 5.6 million in Q4 2022.
- A negative cost was reported on the cost for share options in Q4 2022 as previous COO left the company earlier this year.
- Total cash and cash equivalents as per 31.12.2022 amounted to ~NOK 62.8 million. The cash position of the company is sound.

### **Equity statement (Consolidated)**



	Unaudited					
	Share based					
NOK'000	Share capital	Own shares	Share premium	payment reserves	Uncovered losses	Total
At 1st of January 2022	450	(0)	128 023	-	(47 255)	81 218
Profit/Loss for the period	-		-	-	(13 541)	(13 541)
Share option program	-	-	-	-	-	-
Currency translation differences	-		-	-	(2)	(2)
At 1 October 2022	450	(0)	128 023	-	(60 798)	67 675
Profit/Loss for the period	-		-	-	(4 441)	(4 441)
Share option program	-	-	-	137	-	137
Currency translation differences	-	-	-	-	(65)	(65)
At 31 December 2022	450	(0)	128 023	137	(65 304)	63 307



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