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## Philly Shipyard Awarded Two Additional National Security Multi-Mission Vessels

**PHILADELPHIA** – January 19, 2021 – Philly Shipyard, Inc., the sole operating subsidiary of Philly Shipyard ASA (OSE: PHLI) today announced the authorization by the U.S. Department of Transportation’s Maritime Administration (MARAD) and subsequent order from TOTE Services, LLC (TOTE Services) for the construction of two additional National Security Multi-Mission Vessels (NSMVs). These vessels will replace aging training vessels at Maine Maritime Academy and Texas A&M Maritime Academy. Construction of the two new vessels (NSMVs 3 and 4) is expected to commence in 2022 with planned deliveries in 2024.

The order was placed under the [April 2020 contract with TOTE Services, which allows for the construction of up to five NSMVs. As](#) announced by Philly Shipyard on April 8, 2020, the initial award included the first two vessels in the NSMV program (NSMVs 1 and 2).

Today’s award for NSMVs 3 and 4 is valued at approximately USD 600 million. If all five ships are ordered and built in series, then the total contract value of the five-ship program would be approximately USD 1.5 billion.

“We are very excited to receive the order for the third and fourth NSMVs from TOTE Services, continuing MARAD’s investment in maritime education and supporting manufacturing jobs in the Philadelphia region’s industrial base,” said Steinar Nerbovik, Philly Shipyard’s President and CEO. “The NSMV program is a critical step forward in our transformation to serve both commercial and government markets. Together with our union partners, workforce and supplier network, this program signals that shipbuilding is here to stay in Philadelphia.”

“On behalf of the entire Board, we are pleased with the confirmation of the next two NSMV vessels,” said Kristian Røkke, Chairman of the Board of Directors of Philly Shipyard ASA. “The shipyard has much to be proud of – a 20-year history of quality ship deliveries to reputable owners, as well as the overall development of a highly skilled organization that is systematically moving the shipyard into a diverse future. Securing these options brings us further confidence in the shipyard’s strategic plan to advance and diversify its offerings.”

The vessels will be owned by MARAD, which developed the initial concept for the design. Construction of the vessels will not require any third-party financing. TOTE Services retains the option for a fifth vessel (NSMV 5).

The engineering, procurement and planning activities on NSMVs 1 and 2 are progressing in accordance with plan. The [cutting of steel for the first NSMV on December 15, 2020](#) marked the first construction milestone in the project.

The contract for the NSMV program has allowed Philly Shipyard to reconstitute its workforce for commencement of the new production work. The hiring process will remain ongoing throughout 2021. The total workforce at Philly Shipyard at full capacity is approximately 1,200.

### **About the NSMV Program**

The NSMV will help to sustain world-class, U.S. maritime training operations at the state maritime academies by equipping young American mariners with the most modern and adaptable training platform. The NSMV will feature numerous instructional spaces and a full training bridge with accommodation for up to 600 cadets to train in a first-rate maritime academic environment at sea. State maritime academies graduate approximately 70% of all new officers each year – the merchant mariners who help keep cargoes and the economy moving. Many also support U.S. national security by crewing military sealift vessels.

Along with serving as an educational and training platform, the NSMV will also be available to uniquely support federal government efforts in response to national and international disasters such as hurricanes and earthquakes. In this role as a National Defense Reserve Fleet vessel, the NSMV will incorporate medical capabilities, a command and control platform, and berthing for up to 1,000 first responders and recovery workers. The vessel's roll-on/roll-off ramp and crane to facilitate container storage capabilities will enable it to provide critical support equipment and supplies to those in need.

### **About Philly Shipyard**

Philly Shipyard, Inc. (PSI) is a leading U.S. shipbuilder that is presently pursuing a mix of commercial and government work. It possesses a state-of-the-art shipbuilding facility and has earned a reputation as a preferred provider of oceangoing merchant vessels with a track record of delivering quality ships, having delivered around 50% of all large ocean-going Jones Act commercial ships since 2000. PSI is the sole operating subsidiary of Philly Shipyard ASA. Philly Shipyard ASA is listed on the Oslo Stock Exchange (OSE: PHLV) and is majority-owned by Aker Capital AS, which in turn is wholly-owned by Aker ASA. Aker is a Norwegian industrial investment company that creates value through active ownership. Aker's investment portfolio is concentrated on key Norwegian industries that are international in scope: oil and gas, fisheries and biotechnology, and marine assets. Aker's industrial holdings comprise ownership interests in Aker Solutions, Aker BP, Aker BioMarine, Ocean Yield, and Akastor. For more information about Philly Shipyard, please visit [www.phillyshipyard.com](http://www.phillyshipyard.com).

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