Viking Supply Ships AB (publ) Interim report Q4 2017

Press release

13 February 2018

FOURTH QUARTER

- Total revenue from continuing operations was MSEK 67 (75)
- EBITDA from continuing operations was MSEK -61 (-52)
- Result after tax including discontinued operations was MSEK -132 (-145)
- Result after tax per share including discontinued operations was SEK -0.3 (-0.5)

YEAR TO DATE

- Total revenue from continuing operations was MSEK 331 (760)
- EBITDA from continuing operations was MSEK -185 (160)
- Result after tax including discontinued operations was MSEK -332 (-406)
- Result after tax per share including discontinued operations was SEK -0.8 (-2.2)

SUMMARY OF EVENTS IN Q4

- EBITDA for Q4 from continuing operations was MSEK -61 (-52).
- The average fixture rate in Q4 was USD 22,100 (15,000) for the AHTS fleet and USD 0 (0) for the PSV fleet. The average utilization in Q4 was 30% (28) for the AHTS fleet and 0% (0) for the PSV fleet.
- During Q4 it was decided to reduce the capacity of the spot fleet by placing Loke Viking in stand-by mode in Uddevalla, Sweden. Part of the crew has been reassigned to other vessels in the fleet, while some crew has been terminated. Viking Supply Ships considers this to be an unfortunate, but necessary, step to preserve cash and influence the market balance in the region.
- An extraordinary general meeting was held on 6 November 2017. The extraordinary general meeting resolved in accordance with the Board of Directors' proposal on a rights issue of 123 MSEK, and two share issues with payment against set-off at the total amount of 8 MSEK.
- In December Viking Supply Ships received confirmation that it had obtained support for a restructuring proposal from all senior lenders. A final restructuring agreement was subject to final approval from the senior lenders' credit committees.
- During Q4 TransAtlantic AB concluded sale of the two partly owned small bulk vessels TransSonoro and TransVolante. This transaction will have limited financial impact on the Group.
- During Q4 an impairment charge of MSEK 19 was recognized related to the PSV fleet.

SUBSEQUENT EVENTS

- The 123 MSEK rights issue and the two share issues with payment against set-off of total 8 MSEK were successfully completed in January 2018.
- In January 2018, credit committee approval from all senior lenders was obtained and a restructuring agreement was signed with all senior lenders. This finalized the financial restructuring.
- Following the financial restructuring, loans previously classified as short-term will in 2018 be reclassified as long-term debt in the balance sheet.
- In late January 2018 a contract was entered into with an international oil company for the charter of the Ice-class 1A-Super AHTS Brage Viking with prompt commencement. The duration is up to 140 days including optional periods. Securing this contract clearly emphasizes the competence and market position built up within the harsh environment offshore market.
- In order to streamline the organization and further increase the efficiency and the commercial focus of the company it was in January 2018 decided to relocate Viking Supply Ships A/S' headquarter from Copenhagen (Denmark) to Kristiansand (Norway).

Press and analyst conference

In conjunction with the publication of this interim report, an earnings call will take place on Tuesday 13 February, 2018 at 10.00 am.

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Password: Viking Q4

Please dial in 5-10 minutes before the call starts.

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Viking Supply Ships AB is the parent company of a Swedish shipping group with its main office in Gothenburg, Sweden. The Group conducts its business in four segments: Anchor Handling Tug Supply ships (AHTS), Platform Supply Vessels (PSV), Services and Ship Management. The business is focused within offshore and ice-breaking primarily in Arctic and subarctic areas. The Group has approximately 400 employees and its revenue for 2017 amounted to MSEK 331. The Company's series B share is listed at Nasdaq Stockholm, Small Cap segment. For further information, please visit: www.vikingsupply.com.