

Extraordinary general meeting in Viking Supply Ships AB (publ)

Press release

6 November 2017

An extraordinary general meeting of Viking Supply Ships (publ) ("**Viking Supply Ships**" or the "**Company**") was held today, on 6 November 2017. The extraordinary general meeting resolved in accordance with the Board of Directors' proposal on a rights issue of shares, the Board of Directors' proposal on a directed share issue to Viking Invest AS (a wholly-owned subsidiary to Kistefos AS) ("**Kistefos**") with payment against set-off for an underwriting fee and the Board of Directors' proposal on a directed share issue to Kistefos with payment against set-off for a consulting fee and therewith related proposals. The rights issue is fully underwritten.

Summary

The extraordinary general meeting resolved to approve the Board of Directors' proposals:

1. to amend the share capital limits in the Company's articles of association in order to enable the proposed share capital reduction;
2. to reduce the share capital to decrease the share quota value in order to facilitate the Board of Directors' proposed rights issue of shares of series A and series B with preferential rights for existing shareholders;
3. to amend the share capital limits and the limits to the number of shares in the Company's articles of association in order to enable the Board of Directors' proposed rights issue of shares of series A and series B with preferential rights for existing shareholders;
4. on an issue of not more than 491,511,551 shares, of which no more than 24,821,217 shares of series A and not more than 466,690,334 shares of series B with preferential rights for existing shareholders with a subscription price of 0.25 SEK per share and 14 November 2017 as record date, whereby the Company's share capital is increased by SEK 122,877,887.75;
5. on a directed issue of shares to Kistefos as underwriting fee of not more than 5,463,150 shares of series B for a subscription price of SEK 0.25 per share, whereby the Company's share capital is increased by SEK 1,365,787.50;
6. on a directed issue of shares to Kistefos as consulting fee for Kistefos' work in relation to the Company's refinancing process of not more than 26,166,400 shares of series B for a subscription price of SEK 0.25 per share, whereby the Company's share capital is increased by SEK 6,541,600;
7. on a bonus issue to facilitate the registration of the general meeting's resolution to decrease the share capital;
8. to amend the limits to the number of shares in the Company's articles of association to enable a reverse share split;
9. on a reverse share split where one hundred (100) previous shares of series A or series B are replaced by one (1) new share of the same series;
10. on authorization for the Board of Directors to resolve on new issues of shares with or without preferential rights for the shareholders on one or several occasions up until the annual general meeting 2018, without other limitations than by the limits for the number of shares and share capital as set out in the articles of association in its registered wording at each time; and
11. on authorization for the Board of Directors to resolve on repurchase of the Company's own shares up until the annual general meeting 2018.

Background and reasons for the issues of shares

As previously communicated through a press releases on 25 September 2017 and 4 October 2017 Viking Supply Ships A/S, which is a wholly-owned subsidiary of the Company, due to the current weak market conditions, is in breach of its covenants under the loan agreements with its lending banks and is in need of a capital injection in order to be compliant with its loan agreements and to have sufficient working capital estimated to last up to 24 months. Viking Supply Ships AS is in dialogue with its lending banks to find a solution to the current situation. A key element of such solution that the subsidiary will need a capital injection in order to be compliant with its loan agreements and to have sufficient working capital going forward.

The reasons for deviating from the shareholders' preferential rights in the directed share issues, are to ensure the long-term financing of the Company as agreements with the lending banks regarding the financial restructuring of the Company does not permit the Company to make cash payments to the Company's main shareholder. The solution is thereby necessary for the Company not becoming insolvent as well as critical group's recovery and future development.

The different parts of the package of measures are described in more detail below.

The rights issue

An extraordinary general meeting of the Company has today, on 6 November 2017, resolved on a rights issue of SEK 122,877,887.75 prior to issue costs. The issue proceeds will result in the fact that the Company has sufficient working capital for approximately 24 months and will be reinvested in Viking Supply Ships A/S, subject to certain conditions being met by the lending banks.

For each existing series A share held on the record date, one (1) subscription right of series A is obtained and for each existing series B share, one (1) subscription right of series B is obtained. The subscription rights allow the holder to subscribe for new shares with primary preferential rights, whereby five (5) subscription rights of series A and series B, respectively, give the right to subscribe for six (6) new shares of series A and series B, respectively.

In the event that not all new shares are subscribed for by exercise of subscription rights (primary preferential rights), the board of directors shall determine the allotment of new shares within the limit of the rights issue's maximum amount. Primarily, shares shall then be offered to all shareholders for subscription (secondary preferential rights). In the event that these shares are not sufficient for the subscriptions made by secondary preferential rights, allotment shall be made to the subscribers pro rata in proportion to the total number of shares held on the record date, regardless of whether such shares are of series A or series B, and, where this is not possible, by drawing lots.

Secondly, shares that have not been subscribed for with primary preferential rights shall be offered to others who have subscribed without preferential rights (the public in Sweden and qualified institutional investors). In the event that allotment cannot be made for all shares subscribed, allotment shall be made pro rata in proportion to the number of shares subscribed, and, to the extent this is not possible, allotment

shall be made by drawing lots.

Ultimately, any thereafter remaining shares shall be allotted to Kistefos as guarantor.

The Company's share capital shall increase of not more than SEK 122,877,887.75 by issuance of not more than 491,511,551 new shares, of which not more than 24,821,217 are new shares of series A and not more than 466,690,334 are new shares of series B. The subscription price is SEK 0.25 per share, which at full subscription corresponds to issue proceeds of approximately MSEK 123 prior to issue costs.

The record date for participating in the rights issue is 14 November 2017 and the subscription period (subscription through payment) will run from 16 November 2017 up to and including 30 November 2017, with right for the Board of Directors to prolong the subscription period and the time for payment.

Subscription and guarantee undertakings

The Company's largest shareholder Kistefos, who at the time of this press release holds approximately 75.3 % of the total number of shares and approximately 71.3 % of the votes in the Company, has (through the wholly-owned subsidiaries Viking Invest AS and Odin Viking SPV AS) committed to subscribe for shares in the rights issue pro rata to its current holdings. In addition, Kistefos has (through the wholly-owned subsidiary Viking Invest AS) also guaranteed subscription of the remaining part of the rights issue, i.e. the shares that are not subscribed for by others with or without preferential rights, to an amount of not more than SEK 30,350,838.34, corresponding approximately 24.7 % of the rights issue. Hence, the rights issue is fully guaranteed. A guarantee fee of 4.5 per cent of Kistefos' maximum guarantee obligation, which corresponds to approximately MSEK 1.37, is to be paid to Kistefos. According to an agreement with Kistefos, the Company shall pay for the guarantee fee with new series B shares in the Company through a share issue with payment against set-off, where Kistefos sets-off its claim for the guarantee fee against new shares. The subscription price shall be SEK 0.25, being the same as in the rights issue.

Timeline for the rights issue

- 10 November Last day of trading in the Company's shares of series B including the right to participate in the rights issue
- 14 November Record date for participation in the rights issue, entailing that shareholders that are registered in the share register this day will obtain subscription rights that entail the right to participate in the rights issue
- 15 November Estimated date for publishing the prospectus
- 16 November Subscription period begins (subscription through payment) and trading in subscription rights
- 28 November Trading in subscription rights ends
- 30 November Subscription period ends
- 1 December Estimated date for announcement of preliminary results of subscriptions

Directed issues of shares to Kistefos

The extraordinary general meeting has today, on 6 November 2017, resolved on an issue of shares of series B to Kistefos. Payment for the new shares will be made through set-off of claims against the Company of a total amount of SEK 1,365,787.50. The claim refers to remuneration for Kistefos' guarantee undertaking in the rights issue, as set out above. The Company's share capital shall thereby increase by not more than SEK 1,365,787.50 through a share issue of not more than 5,463,150 new shares of series B. The subscription price is SEK 0.25 per share. The agreements with the lending banks does not permit cash payment from the Company to Kistefos, thus the debt is settled through a set-off share issue instead.

Furthermore, the extraordinary general meeting has, on this day, resolved on an issue of shares of series B to Kistefos. Payment for the new shares will be made through set-off of claims against the Company of a total amount of SEK 6,541,600. The claim refers to consulting fees on market terms in respect of work carried out by Kistefos' employees in connection with the Company's refinancing process. The Company's share capital shall thereby increase by not more than SEK 6,541,600 through a share issue of not more than 26,166,400 new shares of series B. The subscription price is SEK 0.25 per share. The agreements with the lending banks does not permit cash payment from the Company to Kistefos, thus the debt is settled through a set-off share issue instead.

Timeline for the directed issues of shares

Subscription in the directed share issues shall be no later than 5 December 2017. The Board of Directors are authorized to prolong the subscription period and the time for payment in the directed issues of shares.

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Viking Supply Ships AB (publ) is a Swedish company with headquarter in Gothenburg, Sweden. Viking Supply Ships A/S is a subsidiary of Viking Supply Ships AB (publ). In addition Viking Supply Ships AB (publ) has the subsidiary TransAtlantic AB. The operations are focused on offshore and icebreaking primarily in Arctic and subarctic areas as well as on Shipping services mainly between the Baltic Sea and the Continent. The company has in total about 400 employees and the turnover in 2016 was MSEK 760. The company's B-shares are listed on the NASDAQ Stockholm, Small Cap segment. For further information, please visit: www.vikingsupply.com