Viking Supply Ships A/S Interim Report Q3 2016 and update on financial restructuring

Press release

Total revenue for Q3 was MUSD 27.6 (27.2), of which vessel operations contribute with MUSD 23.5 (24.5) and Services and Ship Management segments contribute with MUSD 4.1 (3.7). The EBITDA for Q3 was MUSD 10.4 (5.7).

The operating result (EBIT) for Q3 was MUSD -1.2 (-21.9). The net result for Q3 was MUSD -9.0 (-29.5). The result for Q3 was negatively impacted by an unrealized currency loss of MUSD 5.0 (loss of 3.9) and an impairment loss on the PSV fleet of MUSD 6.5 (loss of 21.9).

The average fixture rate in Q3 was USD 53,300 (49,300) for the AHTS fleet and USD 0 (5,700) for the PSV fleet. The average utilization in Q3 was 65% (63%) for the AHTS fleet and 0% (39%) for the PSV fleet. These figures exclude the laid-up vessels.

On 18 October 2016, a bankruptcy petition was approved towards the owner of Odin Viking, Norseman Offshore AS. On 9 November, Odin Viking SPV AS, a company owned by Kistefos AS, concluded on an agreement with the bankruptcy trustee, where after Odin Viking SPV AS purchased Odin Viking and acquired the bareboat charter party. On 9 November 2016, Odin Viking SPV AS and VSS A/S concluded on an agreement to amend the terms in the bareboat charter party, including a significant reduction in the bareboat rate.This finalizes the financial restructuring of VSS A/S, subject to an equity issue at an agreed level in Viking Supply Ships AB and a subsequent equity injection by the parent company into VSS A/S. The equity issue is expected to be finalized before year-end 2016. The restructuring will provide VSS A/S with a stable financial platform until 2020, subject certain vessel income levels.

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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).Viking Supply Ships AB (publ) is organized into four segments: Anchor Handling Tug Supply vessels (AHTS), Platform Supply Vessels (PSV), Services as well as Ship Management. The operations are focused on offshore and icebreaking primarily in Arctic and subarctic areas. The company has in total about 500 employees and the turnover in 2015 was MSEK 1,114. The company's B-share is listed on NASDAQ OMX Stockholm, segment Small Cap, www.vikingsupply.com.