Update on financial situation in Viking Supply Ships AB (publ)

Press release

4 October 2017

As announced most recently in the press release of 25 September 2017, Viking Supply Ships A/S (the “subsidiary”), a wholly owned subsidiary of Viking Supply Ships AB (the “company”), is in breach of its covenants under the loan agreements with its lending banks and will need 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.

Earlier today the board of directors announced the notice for an extraordinary general meeting (“EGM”) to be held on 6 November 2017 at which the shareholders are presented with inter alia a proposal for an approximately SEK 120 million rights issue of new shares. The company’s majority shareholder, Kistefos, currently holding 75.3 % of all shares and 71.2 % of all votes in the company through its wholly-owned subsidiaries, has entered into a voting and subscription undertaking pursuant to which it has committed to vote in favor of the proposed rights issue and also to subscribe and pay for its pro rata portion of the rights issue as well as to subscribe and pay for the remainder of the rights issue (to the extent not subscribed for by the other shareholders), meaning that the rights issue of approximately SEK 120 million will have the requisite voting support at the EGM and is fully guaranteed.

When the rights issue is completed at the beginning of December, the company estimates to have sufficient working capital for approximately 24 months. The subsidiary is still negotiating with its main lenders regarding a long term financing solution which is anticipated to take the company through the prolonged downturn within the offshore industry.

The Company expects to enter such an agreement with its main lenders within the end of the fourth quarter.

For further information please contact:

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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 2016 amounted to MSEK 766. The Company's series B share is listed at Nasdaq Stockholm, Small Cap segment. www.vikingsupply.com.