

# Viking Supply Ships AB announces fully guaranteed rights issue of approximately SEK 101 million

Press release

12 August 2021

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**The Board of Directors of Viking Supply Ships AB ("Viking Supply Ships" or the "Company") today publishes its intention to carry out a new issue of Class A and Class B shares with preferential rights for Viking Supply Ships' shareholders of approximately SEK 101 million before issue costs (the "Rights Issue"). The Rights Issue is fully guaranteed by a subscription and guarantee undertaking from the Company's main owner Kistefos AS (through a wholly-owned subsidiary) ("Kistefos"). A notice convening an Extraordinary General Meeting with a proposal for a resolution on, among other things, the Rights Issue will be published shortly.**

## Summary of the Rights Issue

- The Rights Issue requires approval at the Extraordinary General Meeting which will be held on 13 September 2021. Anyone who, on the record date of 23 September 2021, is a shareholder in Viking Supply Ships has a preferential right to subscribe for new shares in the Rights Issue of approximately SEK 101 million before issue costs<sup>[1]</sup>.
- Holdings of eight (8) shares entitles the holder to subscribe for three (3) new shares (i.e. subscription relation 3:8).
- The subscription price is SEK 29 per share.
- The subscription period runs from 27 September 2021 up to and including 11 October 2021.
- The Rights Issue is fully guaranteed by a subscription and guarantee undertaking from the Company's main owner Kistefos.
- The purpose of the Rights Issue is to finance the Company's working capital requirement up to and including 31 December 2022.

## Background and reasons

Viking Supply Ships' operations are focused on offshore and ice-breaking, primarily in the Arctic and sub-arctic areas, as well as in the North Sea. As one of the few players in the market, Viking Supply Ships' expertise is to perform operations in ice and where severe weather conditions prevail. Following the sale of three ice breakers carried out in 2018, the Company has had a satisfactory financial position, with a balance sheet without interest-bearing liabilities. In 2020, COVID-19-pandemic affected the oil market and oil prices decreased, which resulted in unsustainable low prices and use of the Company's vessels. According to the Company, COVID-19 is likely to continue to have a significant impact on economic activity and the oil market in 2021. The COVID-19-pandemic and the negative effects it has

had on the markets in which the Company operates, has had a major impact on the Company's earnings, which also has resulted in negative cash flows during the period. The Company has continuously implemented cost-reducing initiatives to maintain liquidity.

In 2021, there has been a strong recovery in large parts of the world economy, however, the market in which the Company operates has not recovered as quickly, especially due to the long planning cycles that characterise the capital-intensive oil and gas industry. However, Viking Supply Ships maintains a long-term positive view of the offshore industry.

As previously stated, the Company has seen a risk of needing to take measures to strengthen liquidity in 2021 due to the prolonged market decline. The purpose of the Rights Issue is to secure the Company's working capital requirement.

### *Use of Proceeds*

In the event that the Rights Issue is fully subscribed, the Company will receive approximately SEK 101 million before deductions for costs related to the Rights Issue, which are expected to amount to approximately SEK 3 million. The net proceeds from the Rights Issue are thus estimated to amount to approximately SEK 98 million.

Viking Supply Ships intends to use the proceeds from the Rights Issue to secure the Company's working capital requirements, which consists of financing negative cash flows from the business up to and including 31 December 2022 and, secondly, to the extent that surpluses arise, to position the Company for future opportunities both within existing and new business areas.

### **Terms of the Rights Issue**

The Board of Directors of Viking Supply Ships today proposes that the Extraordinary General Meeting of 13 September 2021 resolves to carry out the Rights Issue. Anyone who, as of the record date of 23 September 2021, is registered as a shareholder in Viking Supply Ships has the right to subscribe for Class A and Class B shares in the Rights Issue. Holdings of eight (8) shares entitles the holder to subscribe for three (3) new shares (i.e. subscription relation 3:8). Class A shares give subscription rights entitling to subscription of Class A shares (TR A) and Class B shares give subscription rights entitling to subscription of Class B shares (TR B). In addition, shareholders and other investors are offered the opportunity to, without preferential rights, notify interest in the subscription of new shares.

The Rights Issue means that Viking Supply Ships' share capital will be increased by a maximum of SEK 101,434,692 through the issue of a maximum of 3,497,748 new shares, of which a maximum of 170,643 are class A shares and a maximum of 3,327,105 are class B shares.

Subscription shall take place during the period from and including 27 September 2021 up to and including 11 October 2021.

The subscription price is SEK 29 per share<sup>[2]</sup>, which means that the Rights Issue, if fully subscribed, will in total provide Viking Supply Ships with SEK 101 million before issue costs.<sup>[3]</sup>

Shareholders who choose not to participate in the Rights Issue will have their shareholding diluted by up to 27.3 percent<sup>[4]</sup>, but may be able to economically compensate themselves for the dilution effect by selling their subscription rights.

Subscription rights that are not exercised during the subscription period become invalid and lose their value. Trading in subscription rights entitling to subscription of class B shares (TR B) is expected to take place on Nasdaq Stockholm from and including 27 September 2021 up to and including 6 October 2021.

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 subscriber's pro rata in proportion to the number of new shares that such persons have subscribed for in the Rights Issue with subscription rights, 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.

Full terms and instructions for the Rights Issue and other information about the Company will be presented in the prospectus that will be published before the subscription period, provided that the Extraordinary General Meeting of 13 September 2021 resolves to implement the Rights Issue.

#### *Obtained subscription and guarantee undertaking as well as voting commitments*

Kistefos (through the wholly-owned subsidiary Viking Invest AS) – which holds 78.3 percent of the share capital and 74.7 percent of the votes in Viking Supply Ships – has undertaken to subscribe for new shares corresponding to its *pro rata* share of the Rights Issue. In addition, Kistefos (through its wholly-owned subsidiary Viking Invest AS) has undertaken to guarantee the remaining amount. Thus, the Rights Issue is fully guaranteed. As compensation for Kistefos' guarantee undertaking, the Company has agreed to pay approximately SEK 1.5 million, corresponding to 7 percent of Kistefos' maximum guarantee undertaking, to Kistefos (the "**Guarantee Consideration**"). The guarantee undertaking is conditional upon the Company implementing the Rights Issue. The joint intention of the Company and Kistefos is for the Guarantee Consideration to be paid through a directed set-off issue of class B shares to Kistefos. Kistefos has also undertaken to vote for the Rights Issue and other necessary resolutions at the Extraordinary General Meeting on 13 September 2021.

#### *Indicative timeline*

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| 13 September 2021  | Extraordinary general meeting resolves to approve the board's decision on the Rights Issue   |
| 21 September 2021  | Last trading day of the Viking Supply Ships share including the right to participate in the Rights Issue                           |
| 22 September 2021  | The first day of trading in the Viking Supply Ships share excluding the right to obtain subscription rights                        |
| 23 September 2021  | Record date for the right to participate with preferential rights in the Rights Issue  |
| Around 23 September 2021   | The prospectus is made public  |
| 27 September - 11 October 2021   | Subscription period  |
| 27 September - 6 October 2021  | Trading in subscription rights that entitles the holder to subscribe for class B shares (TR B) will take place at Nasdaq Stockholm |
| 27 September 2021 until the Rights Issue is registered with the Swedish Companies Registration Office (Sw. <i>Bolagsverket</i> ) | Trading in paid subscribed shares relating to class B shares (BTA B)   |
| 15 October 2021  | Estimated date for publication of the outcome of the Rights Issue  |

#### **Extraordinary General Meeting**

In connection with the Rights Issue, the Company will convene an Extraordinary General Meeting on 13 September 2021 with a proposal for a resolution on, among other things, the Rights Issue, the directed

set-off issue to Kistefos regarding guarantee consideration, a reduction of the Company's share capital, a bonus issue and amendments to the articles of association regarding the share capital limits and number of shares. A notice convening the Extraordinary General Meeting will be published shortly.

## **Advisor**

Financial advisor to Viking Supply Ships in connection with the Rights Issue is Arctic Securities AS, Sweden branch and legal advisor is Advokatfirman Schjødt.

## **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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*This information is information that Viking Supply Ships AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 14:45 CEST on 12 August 2021.*

## **BRIEFLY ABOUT VIKING SUPPLY**

Viking Supply Ships AB is a world leading company within offshore and ice-breaking services, with activities primarily in Arctic and subarctic areas. The Company also has the operational and technical management for the five Swedish state owned ice-breakers (Swedish Maritime Administration). The Company's series B share is listed at Nasdaq Stockholm, Small Cap segment. [www.vikingsupply.com](http://www.vikingsupply.com).

## **IMPORTANT INFORMATION**

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## **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ

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[1] The issue costs are estimated to amount to approximately SEK 3 million.

[2] Prior to the Rights Issue, the quota value of the shares will be reduced by a reduction of the share capital without withdrawal of shares. When the Rights Issue is implemented, the shares have a quota value of SEK 29 per share , which is the same as the subscription price.

[3] The issue costs are estimated to amount to approximately SEK 3 million.