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VARO™

a Fincantieri company

Disclaimer

This presentation should be read in conjunction with Vard Holdings Limited's results for the period ended 30 June 2017 in the SGXNet announcement. Financial figures are presented according to SFRS.

This presentation may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As these statements and financial information reflect our current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Company's current view of future events.



2Q 2017 Results Presentation

Vard Holdings Limited

25 July 2017

2Q 2017 key messages

- **Revenue** of NOK 2 128 million, down from NOK 2 218 million in 2Q 2016
- **EBITDA** (before restructuring cost) of NOK 60 million, up from NOK 11 million in 2Q 2016
- **EBITDA margin** (EBITDA before restructuring cost to total operating revenues) of 2.8%, up from 0.5% in 2Q 2016
- **Order intake** of NOK 1 596 million; including one research expedition vessel and one live fish transportation vessel
- One **offshore project delivered** during 2Q 2017
- 44 vessels in the **order book** as at 30 June 2017, of which 37 are VARD designs
- Very **high workload** in Romania
- **MCV projects** progressing well; **cruise projects** in different stages of construction in Romania, design and procurement according to plan



VARD 6 16 | Research Expedition Vessel for Rosellinis Four-10

2Q 2017

Business update

Vessel deliveries

One vessel delivered in 2Q 2017

Skandi Vinland

From Vard Langsten (Norway) to DOF



Design: VARD 3 08 | Offshore Subsea Construction Vessel

New contracts

Two new contracts secured in 2Q 2017

1 Research Expedition Vessel for Rosellinis Four-10



Design: VARD 6 16 | Delivery: 2019
Contract value: Undisclosed

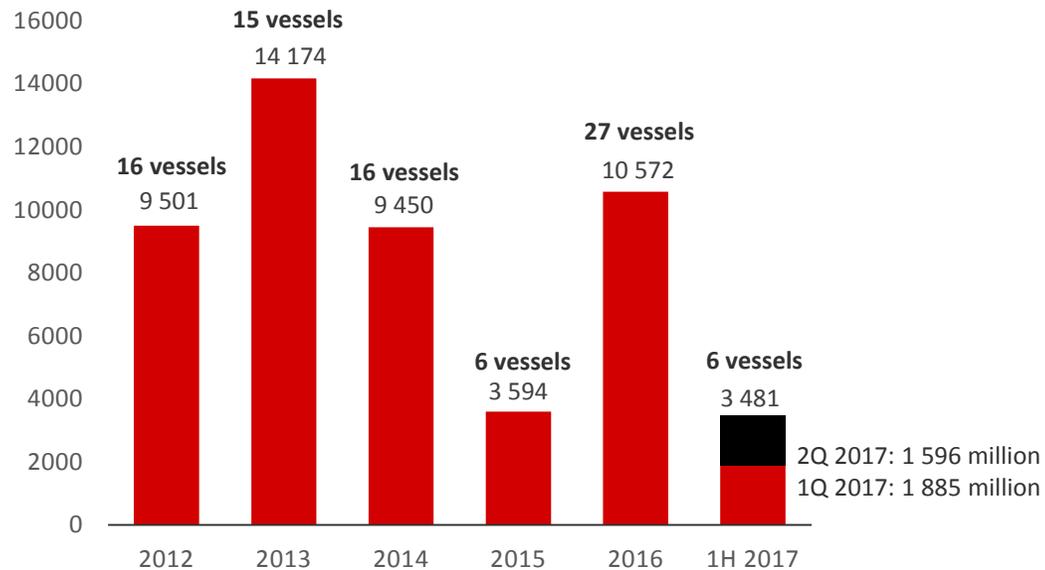
1 Live Fish Transportation Vessel for Fjordlaks Aqua



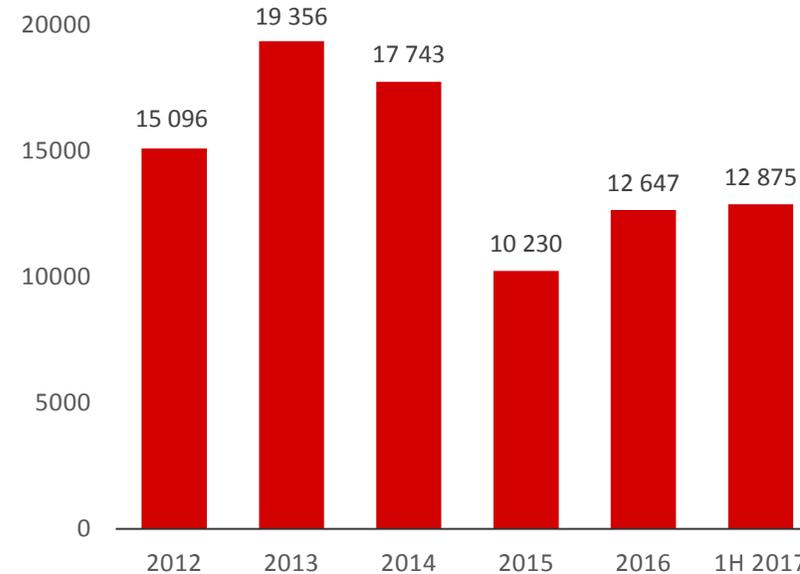
Design: VARD 8 50 | Delivery: 3Q 2018
Contract value: Undisclosed

Order book development

New order intake during the period (NOK million)



Order book value at the end of the period (NOK million)

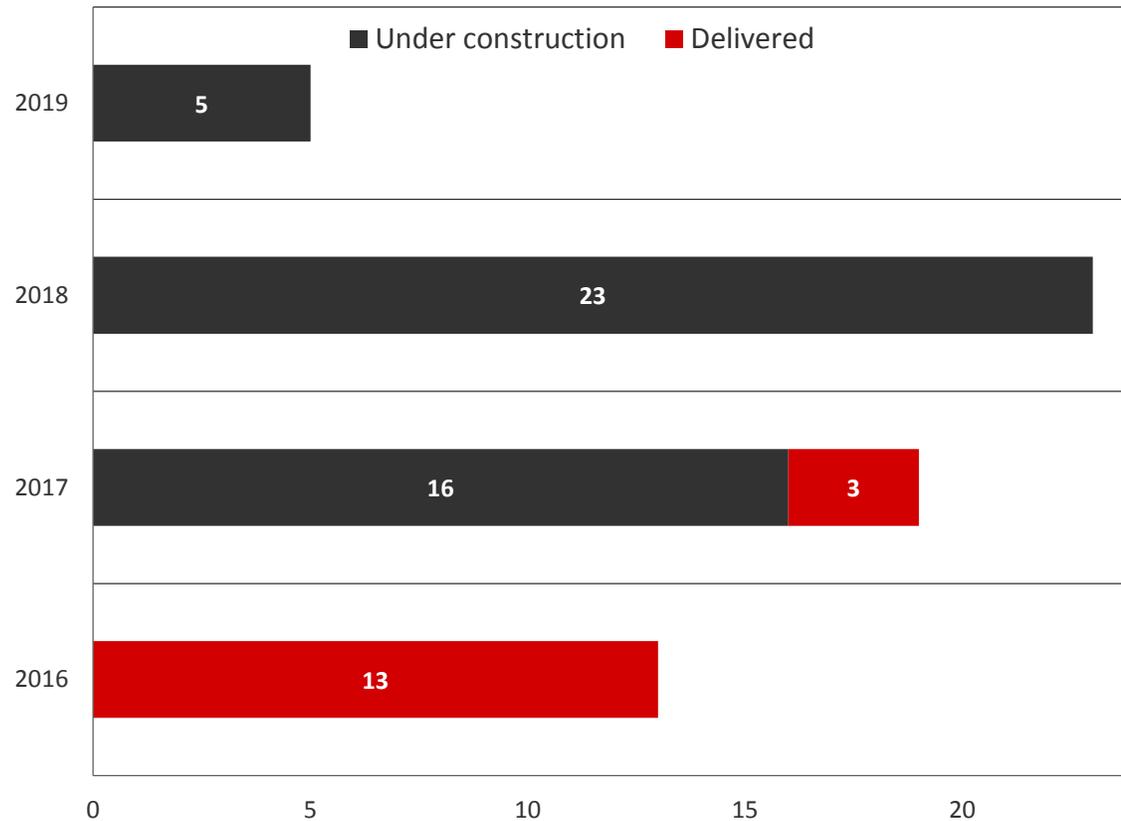


As at 30 June 2017, the Group had 44 vessels in the order book, 37 of which will be of VARD's own design.

Note: Includes variation orders, repair and conversion, and equipment sales

Order book status

Order book as of 30 June 2017 (# of vessels)



Type	Norway	Romania	Vietnam	Brazil	Total
Offshore					5
MCV ⁽¹⁾					
Cruise	4				
Other	1				
Offshore	1			1	23
MCV		9	3		
Cruise	2				
Other	6			1	
Offshore	6+2		1	1	16+3
MCV		4	4		
Cruise					
Other				1	
Offshore	6		1	1	13
MCV					
Cruise					
Other	1	1		3	

(1) Module Carrier Vessels

Order book by region and vessel type

By region

Region	Order book 31 Mar 2017	Deliveries 2Q 2017	Order intake 2Q 2017	Order book 30 Jun 2017
Norway	19	1	2	20
Romania	13	-	-	13
Vietnam	7	-	-	7
Brazil	4	-	-	4
Total	43	1	2	44

By vessel type

Vessel type	Order book 31 Mar 2017	Deliveries 2Q 2017	Order intake 2Q 2017	Order book 30 Jun 2017
AHTS	-	-	-	-
PSV	3	-	-	3
OSCV	7	1	-	6
MCV ⁽¹⁾	20	-	-	20
Cruise	6	-	-	6
Other	7	-	2	9
Total	43	1	2	44

(1) Module Carrier Vessels

Operations – Norway

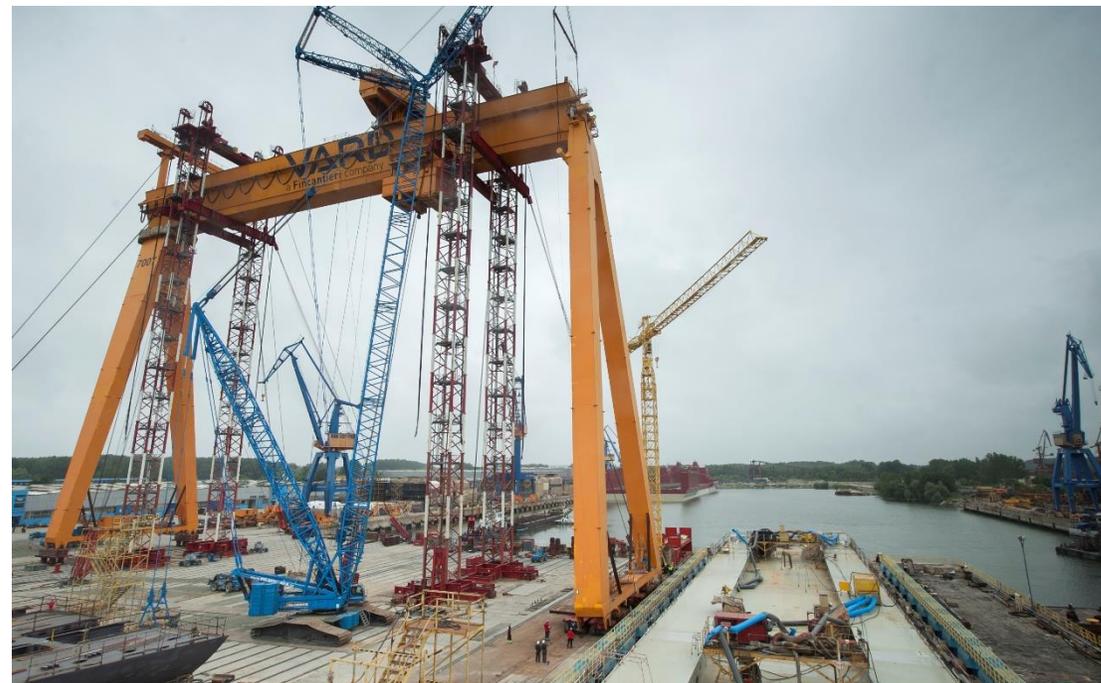
- Design and procurement phases for cruise projects according to plan; focus on mobilizing adequate resources and strengthening cooperation with Fincantieri in certain areas of expertise
- Krill fishing vessel for Aker Biomarine confirmed; Vard Brattvaag designated as outfitting yard for both the krill fishing vessel and the Research Expedition Vessel (REV) for Rosellinis Four-10
- Vard Aukra strengthens position in aquaculture market with first live fish transportation vessel contract
- Vard Brevik developing LNG-related business opportunities



Vard Brattvaag

Operations – Romania

- Very high workload at the two yards; focus on challenging hiring plan for own workers and subcontractors, including expatriate workers
- Phase of new investments at Vard Tulcea close to completion; new gantry crane installed
- Cruise projects for PONANT and Hapag-Lloyd Cruises under construction in different stages
- MCV projects for Topaz Energy and Marine and Kazmortransflot progressing well
- Two large sections for Fincantieri to be completed in 3Q and 4Q, and work on two more starting up in 2H 2017



New gantry crane at Vard Tulcea being installed

Operations – Vietnam

- Stable operations amid good progress on MCV projects
- First MCV vessel for Topaz Energy and Marine completed during the quarter and successfully delivered since



MCV for Topaz Energy and Marine during testing and commissioning

Operations – Brazil

- Acquisition of remaining 4.85% stake in Vard Promar pursuant previously agreed options gives VARD 100% control of its operations in Brazil; amicable termination of the partnership with PJMR
- Fifth LPG carrier for Transpetro in final phase of testing and commissioning in preparation of delivery in 3Q



Vard Promar

Equipment & Solutions business

- Notable milestones achieved by Vard Electro and other VARD subsidiaries;
- SeaQ Bridge – Vard Electro’s new bridge solution – installed and successfully tested on first vessel
- Contract secured for battery packages for five hybrid gas-electric ferries for Torghatten Nord – two of which to be built by VARD, and three at a third-party shipyard
- Vard Electro to provide SeaQ energy storage system for hybridization of a SolstadFarstad-owned PSV
- Seaonics selected to provide a comprehensive research equipment package for the REV for Rosellinis Four-10



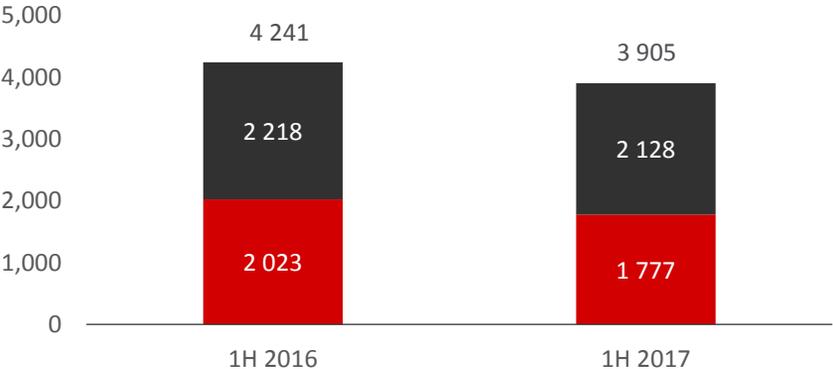
SeaQ Bridge – Vard Electro’s new bridge solution

2Q 2017

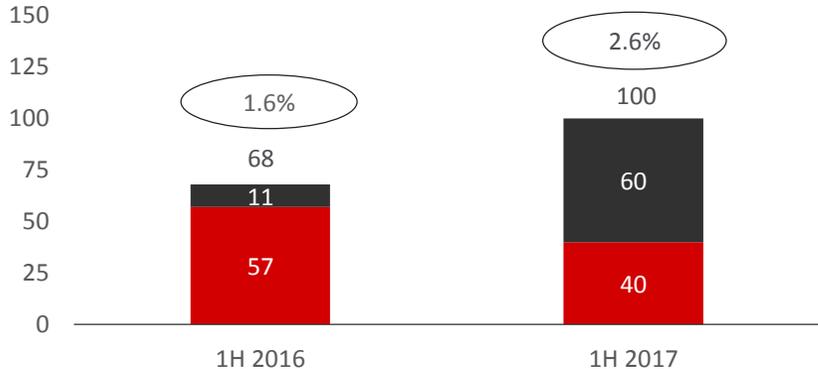
Key financials

Revenues, EBITDA and net income

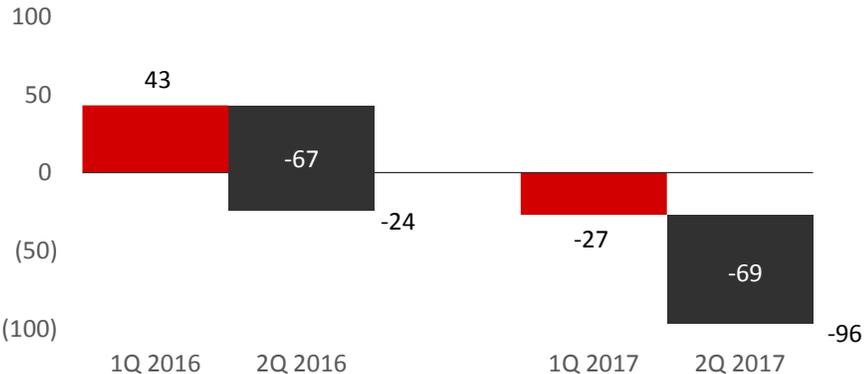
Revenues (NOK million)



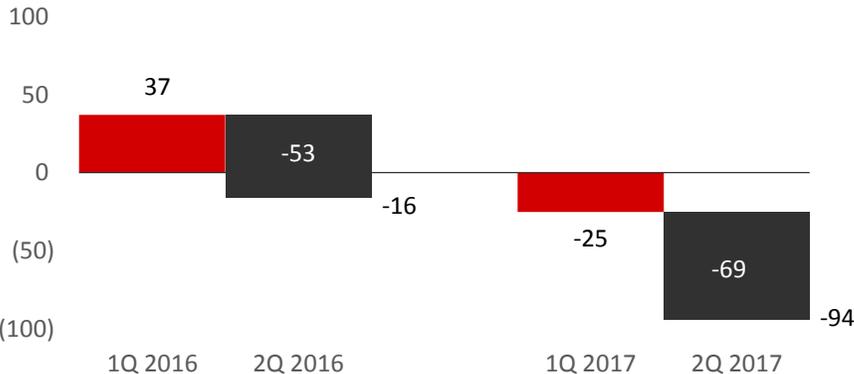
EBITDA (NOK million)



Profit (loss) for the period (NOK million)



Profit (loss) attributable to equity holders of the Company (NOK million)



Income statement

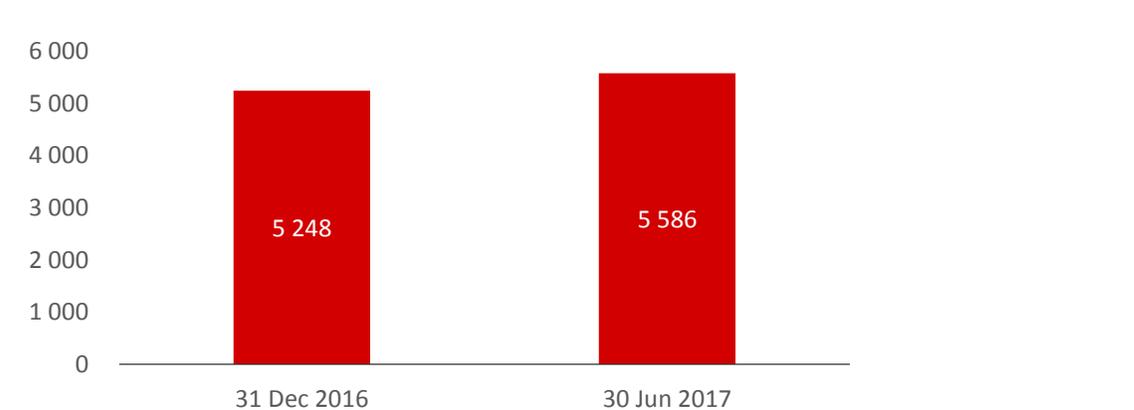
(NOK million)	2Q ended 30 June		1H ended 30 June	
	2017	2016	2017	2016
Revenue	2 128	2 218	3 905	4 241
EBITDA before restructuring cost	60	11	100	68
EBITDA margin (%)	2.8%	0.5%	2.6%	1.6%
Restructuring cost	(4)	(38)	(10)	(49)
Depreciation, impairment and amortization	(60)	(51)	(113)	(102)
Operating profit (loss)	(4)	(78)	(23)	(83)
Net financial income / (cost)	(49)	25	(53)	73
Profit (loss) before tax	(70)	(62)	(93)	(19)
Profit (loss) for the period	(69)	(67)	(96)	(24)
Non-controlling interest	-	(14)	(2)	(8)
Profit (loss) attributable to equity holders of the Company	(69)	(53)	(94)	(16)

Cash and cash equivalents, and loans and borrowings

Net cash (NOK million)¹



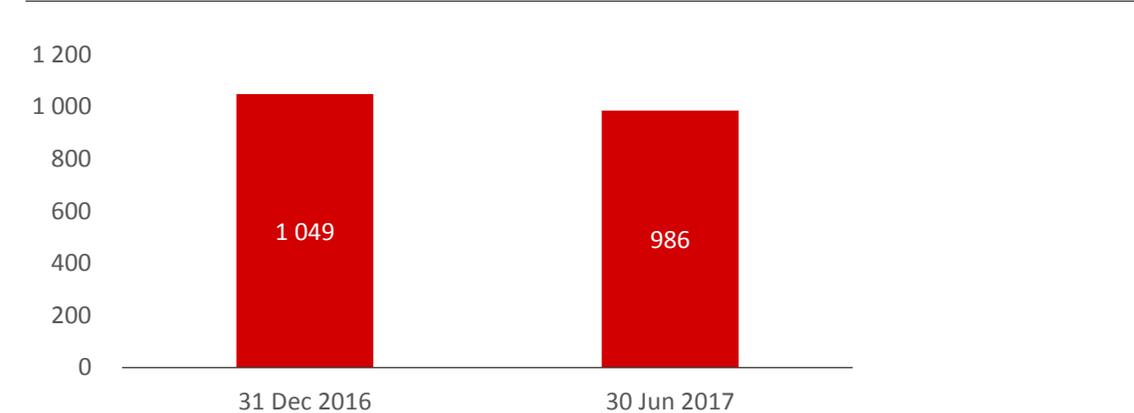
Construction loans (NOK million)



Cash and cash equivalents (NOK million)



Loans and borrowings, non-current (NOK million)



Balance sheet

(NOK million)	As at:	
	30 June 2017	31 December 2016
Non-current assets	4 137	3 892
Cash and cash equivalents	694	722
Other current assets	8 845	8 904
Total assets	13 676	13 518
Total equity	2 235	2 295
Loans and borrowings, non-current	986	1 049
Other non-current liabilities	886	819
Construction loans	5 586	5 248
Other current liabilities	3 983	4 107
Total liabilities	11 441	11 223
Total equity and liabilities	13 676	13 518

Cash flow statement

(NOK million)	2Q ended 30 June		1H ended 30 June	
	2017	2016	2017	2016
Cash flows from / (used in) operating activities	(172)	50	71	365
Cash flows from / (used in) investing activities	(86)	(63)	(179)	(96)
Cash flows from / (used in) financing activities	30	(141)	86	(193)
Net change in cash and cash equivalents	(228)	(154)	(22)	76
Effects of currency translation differences	(1)	23	2	26
Cash and cash equivalents excluding restricted cash at the beginning of the financial period	827	953	618	720
Restricted cash at the end of the financial period	96	86	96	86
Cash and cash equivalents at the end of the financial period	694	908	694	908

Earnings per share

	2Q ended 30 June		1H ended 30 June	
	2017	2016	2017	2016
Earnings for the period (NOK million)	(69)	(53)	(94)	(16)
Earnings for the period (SGD million)	(11)	(8)	(15)	(3)
Weighted average number of shares (million)	1 180	1 180	1 180	1 180
Earnings per share (NOK)	(0.06)	(0.04)	(0.08)	(0.01)
Earnings per share (SGD cents)	(0.93)	(0.68)	(1.27)	(0.25)
Exchange rates (SGD/NOK)	6.093	6.289	6.093	6.289

Note: Earnings per ordinary share for the financial period attributable to equity holders of the Company
 SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.

Net assets value per share

	As at:	
	30 June 2017	31 December 2016
Net assets value at the end of the period (NOK million)	2 207	2 265
Net assets value at the end of the period (SGD million)	362	380
Number of shares (million)	1 180	1 180
Net assets value per ordinary share (NOK)	1.87	1.92
Net assets value per ordinary share (SGD)	0.31	0.32
Exchange rate (SGD/NOK)	6.093	5.965

Note: Net assets value for the Group per ordinary share based on issued share capital of the issuer
 SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.

2Q 2017
Outlook

Outlook

- Continued focus on diversification of product portfolio
 - Contract for Research Expedition Vessel marks entry into new market and demonstrates high innovation potential
 - Still opportunities in exploration cruise, despite Letter of Intent (LoI) signed in January 2017 having expired without resulting in a firm contract
 - Fisheries and aquaculture markets continue to see high activity, but also strong competition
- Key operational challenge for the near term is managing varying workload across the different yards – very high utilization in Romania, low and variable load in Norway, and decreasing workload in Brazil
- Risk still inherent in the offshore project portfolio; high attention to mitigating actions



2Q 2017

Q&A