



Rem Saltire AS **2nd half 2018 report**

General information

The interim accounts for the second half year of 2018 has been prepared in accordance with NGAAP. The accounts are unaudited.

Nature and location of activities

Rem Saltire AS is the owner of the Offshore Support Vessel *Rem Saltire*. The vessel has been performing a time charter party with Van Oord Dredging and Marine Contractors throughout the course of 2nd half 2018. The vessel was redelivered in January 2019, prior to commencing a new long term charter with an international oil and gas company.

The commercial and technical management is performed by Rem Maritime AS in Fosnavåg.

Operation and contract situation

The vessel has been operating on a contract throughout the second half of 2018, supporting Van Oord on the Borkum Riffgrund and Norther projects. The vessel was successfully chartered to Fairfield Geotechnologies (now MagesisFairfield) for a two year firm period from January 2019 on satisfactory commercial terms, and also in direct continuation of former charter. The vessel will be performing deep and ultra deep water node handling operations worldwide.

Accounts second half year 2018 and total 2018

Total operating revenue in the second half of 2018 was MNOK 41,2 compared to MNOK 20 for the first half of 2018. In total for 2018 operating revenue amounted to MNOK 61,2. Operating expenses for second half of 2018 was MNOK 21 compared to MNOK 19,4 for the first half of 2018. This results in an EBITDA of MNOK 20,2 (MNOK 0,6). Profit for the second half of 2018 was MNOK -3,2 compared to MNOK -23,4 for the first half year 2018. For 2018 the profit was MNOK -26,5.

Future outlook

The earnings in the market for Rem Saltire are expected to develop positively through 2019, as the new contract provides an extended earnings horizon. On a general note the market for subsea vessels is stabilising after a prolonged downturn, and high end vessels are expected to continue to experience higher utilisation and charter rates.

The remaining backlog for the existing contract is approximately MUSD 20. The vessel is operating with Cyprus flag and a mix of Norwegian and Bulgarian crew, and is fully operated by Rem Maritime AS.

Free cash in Rem Saltire AS amounted to MNOK 9 by the end of H2.

Fosnavåg, 28 February 2019

Board of Directors of
Rem Saltire AS



REM SALTIRE AS

Profit & Loss Statement 2018

Nok 1.000

	2018	2017
Charter hire	55 441	93 800
Other income	5 803	0
Total revenues	61 244	93 800
Crew expenses	23 990	0
Operating expenses	16 485	-722
Total operating expenses	40 475	-722
Gross profit (EBITDA)	20 769	93 078
Depreciation	21 053	12 601
Operating profit (EBIT)	-284	80 477
Interest income	118	7 074
Financial income	258	0
Interest expenses	25 182	29 062
Financial expenses	1 428	317 821
Net financial expenses	26 234	339 809
Profit before tax	-26 518	-259 332
Taxes	0	0
Profit/loss for the period	-26 518	-259 332



REM SALTIRE AS Balance Sheet

NOK 1.000

	2018	2017
ASSETS		
Fixed assets		
Vessels	357 076	348 475
Total fixed assets	357 076	348 475
Stores	82	0
Account receivables	13 549	0
Other short term receivables	6 970	52 533
Bank deposits	8 901	17 948
Total current assets	29 502	70 481
Total assets	386 578	418 956
EQUITY AND LIABILITIES		
Share capital	41 000	168 100
Other paid-in capital	167 100	0
Other equity	-128 021	-101 503
Total equity	80 079	66 597
Bond loan	302 000	0
Total long term liabilities	302 000	0
Bond loan	0	350 000
Account payable	3 329	0
Other short term liabilities	1 169	2 359
Total short term liabilities	4 498	352 359
Total liabilities	306 498	352 359
Total equity and liabilities	386 578	418 956



REM SALTIRE AS
Cash flow statement H2 - 2018

Figures in NOK 1.000	31.12.2018	30.06.2018	31.12.2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/loss before tax	-3 154	-23 364	-259 333
Depreciation and impairment	14 752	6 301	12 601
Change in inventory	0	-275	0
Change in accounts receivable	-7 432	6 415	0
Change in accounts payable	-8 334	0	0
Write-down on other financial assets	0	0	314 332
Drydocking	-512	-27 700	0
Changes in receivables from group entities		49 143	-51 588
Changes in other short-term receivables and liabilities	-4 972	-3 558	-39
Net cash flow from operating activities	-9 652	6 962	15 973
CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase/sale of fixed assets	0	0	0
Net cash flow from investment activities	0	0	0
CASH FLOW FROM FINANCIAL ACTIVITIES			
Repayment of loans	-4 500	-43 500	-36 000
Change in long-term financial assets	0	1 643	0
Change in paid in capital	0	40 000	0
Net cash flow from financial activities	-4 500	-1 857	-36 000
Net changes in cash and cash equivalents	-14 152	5 105	-20 027
Cash and cash equivalents in the beginning of period	23 053	17 948	37 975
Cash and cash equivalents in the end of period	8 901	23 053	17 948