



For Immediate Release

VARD SECURES CONTRACTS FOR THE DESIGN AND CONSTRUCTION OF SEVEN STERN TRAWLERS

Singapore, 3 December 2017 – Vard Holdings Limited (“VARD”), one of the major global designers and shipbuilders of specialized vessels, is pleased to announce that it has secured contracts for the design and construction of seven stern trawlers for four Icelandic shipowners: Bergur-Huginn, Utgerðarfelag Akureyringa, Gjögur and Skinney-Thinganes. The total contract value is approximately NOK 700 million.

Together, VARD and the four shipowners have developed a new concept for seven stern trawlers for fishing operations in Iceland. The vessels, measuring 29 by 12 meters, will be constructed and outfitted by Vard Aukra in Norway for deliveries in 2019.

The stern trawlers of VARD 8 08 design reflect our strong focus on safe operations, efficiency in cargo handling, as well as crew’s wellbeing. Each vessel will have a large trawl deck with electric permanent magnet motor-driven trawl winches, a twin screw mechanical propulsion system for efficient and fuel-saving operations, large propellers and rudders to ensure smooth operations in harsh environments and safe handling of the fishing gear. The vessels will have a refrigerated cargo hold with a capacity of 240 cubic meters and a fish processing area. In addition, they will be equipped with high-quality accommodation fittings for a crew of 13 people.

The first two vessels will be delivered to Bergur-Huginn in Q1 and Q2 2019. These vessels will replace the two they currently have in their fleet. Mr. Gunnþór Ingvason, CEO of Sildarvinnslan and its subsidiary Bergur-Huginn, commented: “We chose to go with VARD for this project as we believe that it is greatly advantageous to work with a company with deep expertise in both ship design and shipbuilding. The past and current generations of Icelandic fishermen have had excellent experience working with Norwegian yards, and we look forward to the cooperation with VARD.” Sildarvinnslan was established back in 1957, and is today a major player in the Icelandic fishing industry.

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The third vessel will be delivered to Utgerðarfélag Akureyringa, a wholly owned subsidiary of Samherji, a leading seafood company in Iceland. Samherji is a vertically integrated seafood company, with a powerful fleet and modern land-based plants. The trawler for Utgerðarfélag Akureyringa is expected to be ready for fishing operations in Q2 2019. Mr. Torsteinn Mar Baldvinsson, CEO of Samherji, commented: “Over the last few years, we have built a strong relationship with VARD. Together, we have specially developed these new trawlers according to our requirements and objectives. We have high expectations for our new vessel, and believe it will strengthen our fishing operations in Iceland.”

The fourth and fifth vessels are contracted by Gjøgur, a 70-year-old fishing company based in Iceland. Gjøgur will also replace two of their existing vessels with VARD’s vessels, scheduled for delivery in Q2 and Q3 2019. Mr. Ingi Jóhann Guðmundsson, CEO of Gjøgur, commented: “Gjøgur remains committed to providing high-quality products and a safe working environment for our employees. We believe this project will bring value to both VARD and the Icelandic companies involved.”

Skinney-Thinganes will take delivery of the sixth and seventh vessels in Q3 and Q4 2019 respectively. With 70 years of experience in fishing, the company controls quotas of several fishing stocks and operates a diversified and strong fleet of eight vessels. The company believes in endorsing responsible fisheries and quality products, and practicing good business relations. Mr. Aðalsteinn Ingólfsson, CEO in Skinney-Thinganes, commented: “We are proud to be a part of this innovative initiative to renew our trawler fleet in Iceland, and we trust that VARD will deliver great vessels for our company and crew.”

Mr. Roy Reite, CEO and Executive Director of VARD, commented: “We are pleased to welcome our new customers from Iceland, and are honoured to be chosen as the partner for this unique collaboration of Icelandic seafood companies. The contracts are in line with VARD’s strategy of expanding our product range, and we are confident that our highly experienced shipbuilders at Vard Aukra will deliver quality products that meet our customers’ expectations.”

The Vard Aukra yard was established in 1949, and is well known for its deliveries of fishing vessels, ferries, offshore vessels and other highly specialized vessels. In recent years, Vard Aukra has developed among others a new portfolio ranging from service boats, barges and operation platforms, to large fish feed carriers and live fish carriers for the aquaculture and fisheries industry.

The contract has been entered into in the ordinary course of business of the Company. It is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Company for the current financial year. None of the Directors and the controlling shareholders of the Company have any interest, direct or indirect, in the above contract.



VARD 8 08

Stern trawlers | Overall length: 29 m | Breadth: 12 m | Designed by Vard Design in Norway



Representatives of VARD and the Icelandic shipowners

From left: Hjörvar Kristjánsson (Samherji), Ásgeir Gunnarsson (Skinney-Pinganes), Aðalsteinn Ingólfsson (Skinney-Pinganes), Gunnþór Ingvason (SVN), Guðmundur Alfreðsson (Bergur-Huginn), Geir Larsen (Vard Aukra), Freyr Njálsson (Gjögur), Grétar Sigfinnsson (SVN), Arnet Rindarøy (Vard Aukra) and Ingi Jóhann Guðmundsson (Gjögur).

Not present in the photo: Eyvindur Sólnes, Legal Advisor to Icelandic shipowners (LEX) and Marianne Blindheim, Senior Legal Counsel (VARD).

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About VARD

Vard Holdings Limited (“VARD”), together with its subsidiaries (the “Group”), is one of the major global designers and shipbuilders of specialized vessels. Headquartered in Norway and with 9,000 employees, VARD operates nine strategically located shipbuilding facilities, including five in Norway, two in Romania, one in Brazil and one in Vietnam. Through its specialized subsidiaries, VARD develops power and automation systems, deck handling equipment, and vessel accommodation solutions, and provides design and engineering services to the global maritime industry.

VARD’s long shipbuilding traditions, cutting-edge innovation and technology coupled with its global operations and track record in constructing complex and highly customized vessels have earned it recognition from industry players and enabled it to build strong relationships with its customers.

VARD was listed on the Main Board of the Singapore Exchange on 12 November 2010. The majority shareholder of VARD is Fincantieri Oil & Gas S.p.A., a wholly owned subsidiary of FINCANTIERI S.p.A. Headquartered in Trieste, Italy, FINCANTIERI is one of the world’s largest shipbuilding groups and has, over its 200 years of maritime history, built more than 7,000 vessels.

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