



OCEANTEAM

EGM MEETING APRIL 2018

Diederik Legger

Board

Meindert van Genderen

Interim CEO

CAUTIONARY STATEMENT

This presentation contains forward looking information. Forward looking information is based on management assumptions and analysis. Actual experience may differ, and those differences may be material. Forward looking information is subject to uncertainties and risks. This presentation must be read in conjunction with the Company's financial statement.





AGENDA



- 1 GOING CONCERN ISSUES
- 2 CASHFLOW ONE SHIP COMPANIES
- 3 AUDITOR ISSUE
- 4 PROPOSED DEBT TO EQUITY
CONVERSION IMPERATIVE
- 5 PROPOSED BOND CONVERSION AND
EQUITY ISSUE
- 6 NEW BOARD AS PROPOSED TO EGM
- 7 MANAGEMENT TEAM



OCEANTEAM

INTRODUCTION

OCEANTEAM ASA – GOING CONCERN ISSUES

GOING CONCERN ISSUES

As extensively outlined in various press releases, Oceanteam ASA faces an acute situation:

- The company auditor resigned, and the company needs to appoint a new auditor
- The trading of the OTS shares has been suspended
- Dividends in vessel-owning subsidiaries cannot be remitted to the holding company and the level of working capital is too low
- Significant impairments were booked on foreign subsidiaries, vessels and investment projects
- Oceanteam ASA is subject to an investigation by Norwegian Court on behalf of minority shareholders
- The Chairman and one Member of the Board of Directors have resigned, as well as the CEO



OCEANTEAM

CASHFLOW AND LIQUIDITY

CASHFLOW ONE SHIP COMPANIES

SHIP FINANCE FACILITY

- The CSV Bourbon Oceanteam 101 and CSV Southern Ocean are financed through a five year loan, which was revised July 2017
- Lenders are Sparebank 1 SMN (40%), DVB Bank SE (40%) and NIBC Bank (20%)

LENDERS CONSENT REQUIRED FOR DIVIDENDS

- Lenders' consent is required to distribute dividends to Oceanteam ASA.
- Such consent has been requested several instances but has not been received

OPERATIONAL RESULTS ONE-SHIP CO'S

- The two CSV's part-owned by Oceanteam ASA are generating positive operational cash flows.
- The two one-ship companies are fully compliant with the terms of the Facility.
- Actual aggregate cash position of the two one ship companies by end March 2018 was approximately USD 7m.



REGULATORY DEFICIENCY : NO COMPANY AUDITOR

AUDITOR ISSUE

COMPANY IS UNABLE TO REPLACE ITS AUDITOR

- In 2017 a dispute developed between Oceanteam ASA and its auditor KPMG.
- Oceanteam suspended the services of KPMG
- KPMG subsequently terminated the services contract with Oceanteam
- Oceanteam received a notice from the Norwegian Register of Business Enterprises that the deadline to appoint a new auditor was February 17th, 2018
- This deadline was subsequently extended to April 15th 2018. No further extension is possible.
- Despite intense efforts, Oceanteam has been unable to appoint a replacement auditor so far.
- Failure to appoint an auditor, will result in forced liquidation of Oceanteam ASA

CROSS BORDER MERGER PLAN NOT FEASIBLE

- In an attempt to work around the auditing issue, Oceanteam resolved to carry out a cross-border merger ('CBM') between Oceanteam ASA and its Dutch subsidiary Oceanteam II BV, and subsequent de-listing from the Oslo stock exchange.
- This CBM appeared not feasible due to several factors, most importantly financial constraints

LENDERS DO NOT SUPPORT A CBM

- In respect of the proposed CBM, the Lenders have advised Oceanteam ASA that they do not consider the CBM plan to be sufficient



OCEANTEAM

DEBT TO EQUITY CONVERSION PROPOSAL

DEBT TO EQUITY CONVERSION IMPERATIVE

OCEANTEAM NEEDS TO RAISE CAPITAL

- In order to resolve the acute liquidity issue Oceanteam ASA requires additional capital
- If the liquidity crisis is not resolved very soon, the Company is forced to ask the court to appoint a receiver

OCEANTEAM CANNOT ISSUE MORE DEBT

- Oceanteam ASA has issued a bond loan ('Bond') coded 'FRN Oceanteam ASA Senior Callable Bond Issue 2012/2017' with had an amount of USD 67.073m outstanding on 28FEB18.
- The two CSV's part-owned by Oceanteam ASA are financed by means of an USD 147m secured facility ('Facility') agreement with Sparebank 1 SMN, DVB SE Nordic and NIBC as lenders
- With the aforementioned Bond and Facility, Oceanteam ASA is already highly leveraged and is unable to attract further debt

FACILITY AND BOND ARE SECURED

- The Lenders under the Facility have a first mortgage right on the two CSV's part-owned by Oceanteam ASA and a pledge on the shares of the one ship companies.
- The Bondholders have a pledge on Oceanteam ASA's shares in the one-ship companies.
- There is an Intercreditor Agreement (ICA) in place between the Lenders under the Facility and the Bondholders.

RAISING EQUITY REQUIRES DEBT RESTRUCTURING

- In view of the highly leveraged structure and preferential position of Lenders and Bondholders, an equity issue is not attractive for investors
- Any capital increase will require a preceding debt-to-equity conversion of the Bond

PROPOSED BOND CONVERSION AND EQUITY ISSUE

SUBJECT TO EGM AND BONDHOLDER APPROVAL

- This proposal is subject to approval of the Oceanteam shareholders in an EGM on 13 April 2018
- This proposal is subject to approval in a Written Bondholders Resolution on 11 April 2018

THE BOARD OF DIRECTORS PROPOSES:

- to convert the currently outstanding amount of the Bond Loan with exception of 5 million USD into new shares in Oceanteam ASA, with conversion of 10 shares per 1 USD bond resulting in approx. 620,000,000 shares;
- The remaining 5 Mill USD of the Bond will not be converted
- Industrial Investor Cordia has committed to subscribe shares for the amount of NOK 20,000,000 at NOK 0,50 per share
- In addition it is agreed that 18 % of the bondholders' shares will be transferred to the Industrial Investor

INDUSTRIAL INVESTOR INTEREST

- Oceanteam ASA has been notified by well-known investor KJ Cordia of his willingness to subscribe the proposed share issue in full, subject to approval of the debt to equity conversion by inter alia shareholders, Bondholders and Lenders.
- Bondholders are prepared to sell part of their shareholding to Cordia

SHAREHOLDER LOAN

- The company will issue USD 1,5m in debt post-conversion, which has been fully underwritten by Bondholders.

FURTHER CONDITION

- Settlement of the claims of the Halbesma family and companies related to them, which is still outstanding

PROPOSED BOND CONVERSION AND EQUITY ISSUE

RESULT - SHAREHOLDING

- Post-conversion, the Oceanteam ASA shareholding will become as follows
- Ex-Bondholders 74%
- New Industrial Shareholder Cordia 22%
- Existing Shareholders 4%

RESULT - FUNDING

- Post-conversion, Oceanteam ASA will have raised NOK 20m in capital, and USD 1,5m in debt.
- Oceanteam ASA strives to obtain Lender's agreement to a partial release of dividends presently locked-up in the one-ship companies

RESULT – DEBT

- Approximately USD 62m out of the app. USD 67m Bond is converted, greatly reducing the interest expenses for Oceanteam ASA
- Blocked account associated with the Bond will be released to Oceanteam ASA



OCEANTEAM

NEW BOARD & MANAGEMENT TEAM

NEW BOARD AS PROPOSED TO EGM

PROPOSED BOARD MEMBERS

KeesJan Cordia

- Dutch national
- Former owner/director of Workfox and Workships
- Academic background in economics

Diederik Legger

- Former shipping banker
- Former CEO of specialized shipping company
- Academic background in economics
- Appointed as Oceanteam board member Aug '17

Karin Govaert

- Dutch national
- Co-founder of shortsea company RiverMaas
- Academic background in economics

REMUNERATION BOARD

- Modest remuneration structure, in conformity with market levels and company specific factors
- Proposed aggregate board remuneration is approximately 25% of the aggregate board fees in the preceding years

NEW MANAGEMENT TEAM

CEO Meindert van Genderen (54)

- Former executive board member and CTO of specialized shipping company
- Interim manager in offshore wind industry
- Academic background in naval architecture and business administration
- Appointed as interim CEO 30 March 2018

CFO Jos van Dijk

- Former finance executive of international offshore, civil engineering and heavylift companies
- Academic background in business economics
- Appointed as CFO in Oct 2017

REMUNERATION

- Substantial (>50%) cost reduction vs. old MT
- Fixed term contracts without severance clauses



THANK YOU!



Oceanteam ASA

Corporate Headquarters

Tveitaråsveien 12

PO Box 463, Nesttun

5853 Bergen

Norway

T +47 55 10 82 40

F +47 55 10 82 49

E info@oceanteam.no

WWW.OCEANTEAM.NO