



Veritas Petroleum Service BV

Q4 2014 Quarterly report (unaudited)

Date: 26 February 2015



Q4 2014 Quarterly report (unaudited)

Financial highlights YTD December 2014

- Total revenue +0.5% on plan
- Normalized EBITDA (before exceptional items) -4.5% on plan
- FQT revenue -2.3% below plan
- BQS revenue +11.8% above plan
- Capex spend above plan, mainly related to investment in new ERP system
- Gearing at 4.72 exactly on plan

2013 accounts

- 2013 Financial statements for VPS BV and VPS Holding BV have been audited.
- Board and shareholder meetings have been held and accounts have been approved in Dec-2014.
- Since 2013 financial statements only reflect period September 25 - December 31, 2013 these financial statements are not representative for comparison of full year numbers. Therefore, the full year (audited) financial statement 2013 of DNV Petroleum Services AS financials are included for comparison purposes.

Management highlights Q4

- New COO for America's appointed; effective January 2015.

Operational highlights Q4

- 2013 Financial statements for VPS BV and VPS Holding BV audited and approved by board and Shareholder.
- Transfer pricing study completed and implemented in Dec-14.
- Bond listing successfully effected per February 4th, 2015.

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Income statement

	YTD Q4 2014 unaudited \$ 000	Full year 2013*) audited \$ 000
Revenues	52,049	49,849
Payroll expenses	22,561	18,544
Other operating expenses	<u>17,118</u>	<u>19,257</u>
	39,679	37,801
EBITDA	12,369	12,048
Depreciation & amortisation	5,385 (1)	6,659
EBIT	6,984	5,389
Interest income	-252	-32
Interest expense	6,285 (2)	264
Other financial income	121	0
Known exceptional items	2,834	2,562
Result before tax	-2,004	2,595
Tax expenses	1,003 (3)	1,356
Result after tax	-1,001	1,239

Explanatory notes

- 1) Includes amortisation of PPA 3.242K and bond placement cost 251K.
- 2) Includes 2.527K interest on shareholder loan accrued but not paid.
- 3) Tax is calculated using the implemented TP model as basis. From the created deferred tax liability arising from the PPA calculation a release of 784K is included in P&L.

VPS' revenues is predominantly in USD. Expenditures in other currency than USD is converted using monthly FX-rates and form part of EBITDA. Balance sheet positions in other currency than USD are converted on a monthly basis to USD using month-end FX-rates. VPS does not use any financial instruments to hedge against currency fluctuations.

*) based on (audited) consolidated financial statements 2013 of DNV Petroleum Services A/S for comparison purposes.

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Balance sheet

	December 31, 2014 unaudited \$ 000	December 31, 2013 **) audited \$ 000
Intangible Assets	47,573	49,592
Goodwill	64,258	63,116
Total intangible assets	111,830	112,708
Tangible fixed assets	17,566	15,601
Financial fixed assets	787	309
Total fixed assets	130,183	128,618
Trade debtors	7,477	7,963
Work in progress	3,102	3,074
Other current assets	445	999
Cash & banks	11,656	12,042
Total current assets	22,680	24,078
TOTAL ASSETS	152,863	152,696

Explanatory notes

Net interest bearing debt	59,569
Gearing ratio	4.72

**) based on (audited) December 31, 2013 balance sheet of DNV Petroleum Services AS and unaudited pro-forma consolidation with VPS BV balance sheet per December 31, 2013.

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Balance sheet

	December 31, 2014 unaudited \$ 000	December 31, 2013 **) audited \$ 000
Equity		
Share capital	6,300	6,300
Share premium	56,700	56,700
Shareholder loan	7,926	75,562
Free reserves/unrecovered loss	-10,290	0
Current year result	-1,001	-9,437
Total equity	59,635	129,125
Bond	71,225	0
Pension liabilities	323	486
Deferred tax	12,964	13,639
Total provisions	13,287	14,125
Trade creditors	1,924	2,123
Tax payable	801	1,695
Other short term liabilities	5,991	5,628
Total current liabilities	8,716	9,446
Total liabilities	93,228	23,571
TOTAL EQUITY & LIABILITIES	152,863	152,696

Explanatory notes

Net interest bearing debt	59,569
Gearing ratio	4.72

** based on (audited) December 31, 2013 balance sheet of DNV Petroleum Services AS and unaudited pro-forma consolidation with VPS BV balance sheet per December 31, 2013.

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Cash flow statement YTD December 2014

	unaudited ***)
	\$ 000
CASH FLOW FROM OPERATIONS	
Profit before tax	-2,004
Accrued interest	1,225
Depreciations & amortisations	5,385
Tax payable	1,003
Change in debtors & trade creditors	287
Change in other accruals	-841
Net cash flow from operations	5,056
CASH FLOW FROM INVESTMENTS	
Investments in tangible fixed assets	-3,288
Acquisition of subsidiary	
Intangible assets	-1,676
Change in other investments	-478
Net cash flow from investments	-5,442
CASH FLOW FROM CAPITAL TRANSACTIONS	
Proceeds from borrowings	70,000
Proceeds from issuance of shares	-70,000
Net cashflow from capital transactions	0

LIQUIDITY

Net cash flow from operations	5,056
Net cash flow from investments	-5,442
Net cash flow from capital transactions	0
Net change in liquidity during the year	-386
Cash at January 1st	12,042
Cash at December 31, 2014	11,656

Explanatory notes

***) Cash flow statement based on unaudited 2014 Income statement and unaudited balance sheet VPS BV.

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