

VIKING SUPPLY SHIPS AB
(PUBL)
INTERIM REPORT

Q4

2022



VIKING SUPPLY SHIPS

MORE
THAN A SHIPOWNER

THE
COOLEST
PLACE TO WORK

ALWAYS AHEAD OF
COMPETITION

Q4

Q4

REVENUE
MSEK 83 (86)
 YTD: MSEK 577 (312)

ARCTIC FOCUS



Q4

EBITDA
MSEK -39 (-11)
 YTD: MSEK 99 (-49)

Q4

RESULT FOR THE PERIOD
MSEK -55 (-27)
 YTD: MSEK 8 (-118))

Q4

EARNINGS PER SHARE AFTER TAX
SEK -4.2 (-2.3)
 YTD: MSEK 0.6 (-11.9)

Viking Supply Ships AB (publ) is the parent company of a shipping Group domiciled in Gothenburg, Sweden, with the operational headquarters in Kristiansand, Norway. Viking Supply Ships AB (publ) is organized into four segments: Ice-classed Anchor Handling Tug Supply vessels (AHTS), Ice-classed Platform Supply Vessels (PSV), Ice Management and Services as well as Ship Management. The operations are focused on offshore and icebreaking primarily in Arctic and subarctic areas. The company has in total about 370 employees and the turnover in 2022 was MSEK 577. The company's B-share is listed on NASDAQ First North Growth Market, www.vikingsupply.com.

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CEO STATEMENT

After a summer season with a relatively high level of activity and periods with North Sea fixture rates on levels not seen for a long time, the AHTS market softened during Q3. The poor market conditions from the latter part of Q3 continued into Q4. Increased supply of tonnage as vessels returned to the spot market after project work, and lower general activity level, led to reduced utilization and fixture rates, negatively affecting the financial results for Q4, despite of a modest improvement in December 2022.

Viking Supply Ships entered a secured credit facility of 40 MUSD in Q4 2022. This facility is available for new investments and general corporate purposes, providing the company with means for further growth.

The revenue for Q4 was MSEK 83 (86), EBITDA was MSEK -39 (-11), and the net result was MSEK -55 (-27). The revenue Year to date was MSEK 577 (312), EBITDA was MSEK 99 (-49), and the net result was MSEK 8 (-118).

In Q3, Viking Supply Ships decided to place one vessel, Loke Viking, in lay-up through the winter season. The remaining three AHTS-vessels have been in operation in Q4. The two partly owned PSV-vessels have throughout the quarter continued to operate on term contracts except for a shorter period in the spot market for one of the vessels..

Viking Supply Ships has in Q4 cooperated well with The Swedish Maritime Administration (SMA) regarding the future transfer of management of the five government-owned icebreakers over to SMA. During Q4, SMA asked for a six-month extension of the contract, meaning that Viking Supply Ships will continue to manage the five icebreakers until June 2024.

In January 2023, as part of the ongoing cooperation with SMA, Viking Supply Ships was called upon for escort and icebreaking services in the northern Baltic Sea.

Viking Supply Ships will supply one of its ice-classed AHTS vessels as an additional vessel to the five icebreakers that Viking Supply Ships already operates on behalf of the SMA. Viking Supply Ships consolidates its role as a leading player in the icebreaking and harsh environment market. The contract was signed for 38 days and commenced at the beginning of February 2023.

The North Sea AHTS spot market improved further in January 2023 over December, with both rates and utilization at better levels for the Groups' AHTS vessels.

As previously informed, Viking Supply Ships started a process to have the shares delisted from Nasdaq OMX Stockholm Small Capp and listed at Nasdaq First North Growth Market. This process has been completed, and from 15 December 2022, the shares have been listed on Nasdaq First North Growth Market.

OUTLOOK

The Russian war on Ukraine, increased focus on energy security, as well as a fragile economic climate, all affected the offshore market in 2022. 2023 has had a promising start, although historically high inflation levels and global recession fears create continued uncertainties about future market development.

We expect a relatively soft market in Q1 2023, but still with an uplift in fixture rates and utilization compared to Q4 2022. From Q2 2023, we expect a stronger market driven by increased numbers of active rigs, both on the Norwegian and the UK sides of the North Sea. We also expect increased demand from project work. Overall, we thus expect a marginally better market in 2023 relative to 2022.

Gothenburg, 22 February 2023

Trond Myklebust
CEO and President

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FOURTH QUARTER

- Total revenue was MSEK 83 (86)
- EBITDA was MSEK -39 (-11)
- Result after tax was MSEK -55 (-27)
- Result after tax per share was SEK -4.2 (-2.3)

YEAR TO DATE

- Total revenue was MSEK 577 (312)
- EBITDA was MSEK 99 (-49)
- Result after tax was MSEK 8 (-118)
- Result after tax per share was SEK 0.6 (-1)

SUMMARY OF EVENTS IN Q4

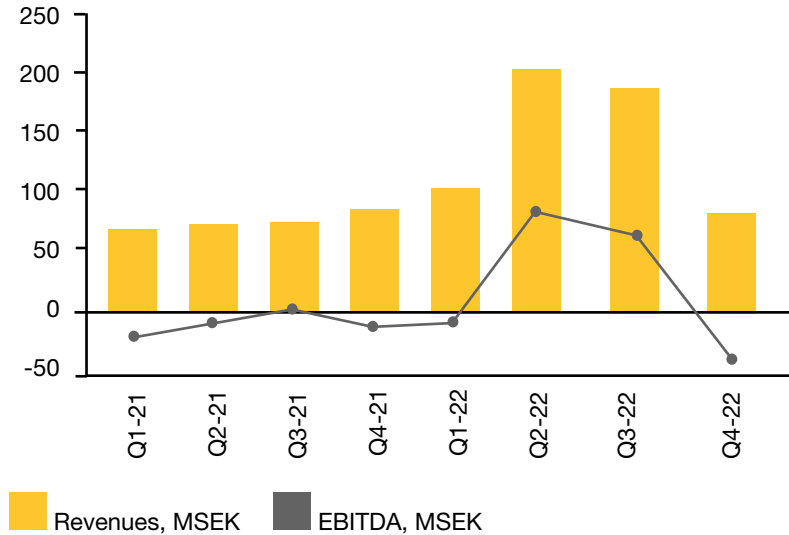
- EBITDA for Q4 was MSEK -39 (-11).
- For the AHTS-fleet the average fixture rate in Q4 was USD 19,300 (38,600) and the average utilization was 43% (44). The average fixture rate for the PSV-vessels was USD 15,500 (14,600), and the average utilization was 98% (100).
- The shares of Viking Supply Ships AB were listed on Nasdaq First North Growth Market in mid-December and simultaneously delisted from Nasdaq OMX Stockholm Small Cap.
- In November 2022 the Group entered into a secured credit facility agreement of MUSD 40 available for ordinary course of business and potential investment opportunities.
- Following the resignation of Erik Borgen an Extraordinary General Meeting was held on 28 November electing Kristoffer Sandaker as an ordinary member of the board of directors.

SUBSEQUENT EVENTS

- In January 2023, Viking Supply Ships secured a 38 days icebreaking contract with SMA for one of the ice-classed AHTS-vessels. The contract commenced in the beginning of February 2023.

KEY FINANCIALS	Q4 2022	Q4 2021
Net sales, MSEK	83	86
EBITDA, MSEK	-39	0
Result after tax, MSEK	-55	-27
Earnings per share after tax, SEK	-4.2	-2.3
Shareholders' equity per share, SEK	156.5	135.9
Return on equity, %	-10.4	-6.2
Equity ratio, %	94.4	94.7
Market adjusted equity ratio, %	94.6	94.4

FINANCIAL DEVELOPMENT



RESULTS AND FINANCE

RESULTS FULL-YEAR 2022

Total revenue for the Group was MSEK 577 (312).

The Group's EBITDA was MSEK 99 (-49).

Net financial items were MSEK -2 (-1).

The Group's result after tax was MSEK 8 (-118).

OPERATIONAL HIGHLIGHTS FOR THE FOURTH QUARTER

ICE-CLASSED ANCHOR HANDLING TUG SUPPLY VESSELS (AHTS)

Total revenue from the AHTS segment was MSEK 26 (36) in Q4 and EBITDA was MSEK -28 (-8).

Viking Supply Ships has operated three out of four of its AHTS vessels in the North Sea spot market during Q4. The last vessel, Loke Viking, was placed in lay-up in September 2022 based on the short-term market expectations.

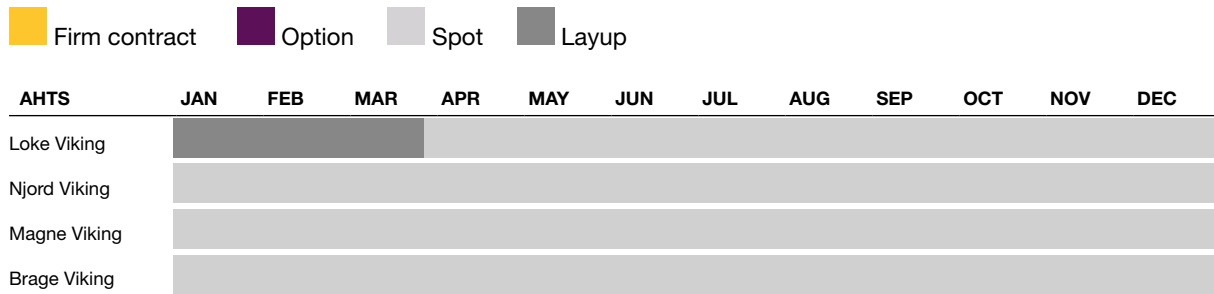
The weak market for AHTS vessels in the latter part of Q3 continued in Q4. Increased supply of tonnage as vessels returned to the spot market and lower activity level led to reduced utilization and fixture rate. Both fixture rates and utilization in Q4 2022 were below Q4 2021.

AHTS Q4	Fixture rates (USD)	Utilization (%)
AHTS vessels on term charters	- (-)	0 (-)
AHTS vessels on the spot market	19,300 (38,600)	43 (44)
Total AHTS fleet	19,300 (38,600)	43 (44)

The fixture rates and utilizations are calculated on vessels in operation. Vessels in lay-up are excluded.



Q4



Figures in the tables are as of 31 December 2022.

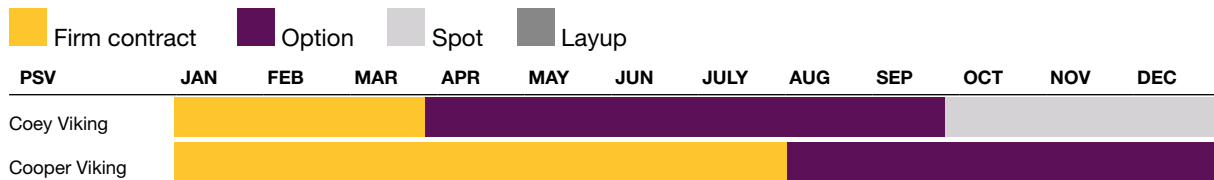
ICE-CLASSED PLATFORM SUPPLY VESSELS (PSV)

The profit for the PSV-segment was MSEK 0 (-2) in Q4.

Cooper Viking has been working on term contract with Vår Energi in Q4. Coey Viking operated in the spot market after the contract with Winthershall in the beginning of Q4 but started a new term contract with Vår Energi from 25 October 2022.

The vessels are owned in partnership with funds managed by Borealis Maritime. VSS owns 30% of the vessels, which are consolidated in the financial statements according to the equity-method.

PSV Q4	Fixture rates (USD)	Utilization (%)
PSV vessels on term charters	16,100 (14,600)	100 (-)
PSV vessels in the spot market	10,900 (-)	86 (-)
Total PSV fleet	15,500 (14,600)	98 (-)



Figures in the tables are as of 31 December 2022.

ICE MANAGEMENT, SERVICES AND SHIP MANAGEMENT

Total Ice Management, Services and Ship Management revenue was MSEK 57 (50) in Q4. Total EBITDA was MSEK -11 (-1).

The operations within the Ice Management, Services and Ship Management segments proceeded as planned throughout the quarter.

The Group's management contract with SMA for its five ice breakers has been extended until end of June 2024. After the end of the contract period, SMA will take over the management of its ice breaker fleet, citing security related reasons.

FINANCIAL POSITION AND CAPITAL STRUCTURE

At the end of the year, the Group's equity amounted to MSEK 2,015. The equity increased during the year by net MSEK 265 mainly due to the profit of MSEK 8 and the positive change in the translation reserve of MSEK 256 attributable to currency differences on net investments in subsidiaries. Further information can be found in section "Changes in the Group's shareholders' equity" on page 9.

At the beginning of the year the total cash balance was MSEK 115. The cash-flow from operations for the year was MSEK 82, cash-flow from investments was negative by MSEK 34 and cash-flow from financing activities was negative by MSEK 5. Currency exchange rate differences in the liquid funds were MSEK 1. The total cash



holdings at the year-end were MSEK 159. The market improvement and the increased invoicing during Q2 and Q3 affected the cash balance positively during Q4.

The gross investments during the year amounted to MSEK 34 (58). The investment consisted mainly of capitalized docking expenses and equity contributions to the holding companies of the two PSV's which were delivered from the shipyard during H1 2021.

The Annual General Meeting, which was held on April 26, 2022, resolved that no dividend would be distributed for the fiscal year 2021.

For further information of the Group's financial position see note 5, "Interest bearing liabilities and note 6, "Cash and cash equivalents".

Viking Supply Ships AB is obliged to publish this report in accordance with the Swedish Securities Act. This report has been prepared in both Swedish and English versions. In case of variations in the contents between the two versions, the Swedish version shall govern. This report was submitted for publication on 22 February, 2023.

The undersigned certify that the interim report gives a true and fair picture of the Group's financial position and results and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

This interim report is unaudited.

Gothenburg, 22 February 2023

Viking Supply Ships AB

Bengt A. Rem
Chairman

Folke Patriksson
Deputy chairman

Kristoffer Sandaker
Board member

Håkan Larsson
Board member

Magnus Sonnorp
Board member

Trond Myklebust
CEO

Christer Lindgren
Employee representative

FINANCIAL CALENDAR 2023

26 April	Annual General Meeting
23 May	Q1 Interim report
16 August	Q2 Interim report
22 November	Q3 Interim report

INVESTOR RELATIONS

Please contact CFO, Tord Helland, ph. +47 40 63 15 75.

The interim report is available on the company's website: www.vikingsupply.com

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(MSEK)	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Net sales	2	83	86	577	312
Other operating revenue		0	0	0	0
Direct voyage cost		-11	-6	-44	-17
Personnel costs		-93	-68	-356	-267
Other costs		-18	-21	-73	-72
Depreciation/impairment	3	-23	-17	-86	-68
Result from shares in associated companies		-1	-2	-5	-5
Operating result		-63	-28	13	-117
Net financial items		8	1	-2	-1
Result before tax		-55	-27	11	-118
Tax	8	0	0	-3	0
Result for the period		-55	-27	8	-118
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution):		-4.2	-2.3	0.6	-11.9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Result for the period		-55	-27	8	-118
Other comprehensive income for the period:					
Items that will not be restored to the income statement					
Revaluation of net pension obligations		1	0	1	0
Items that later can be restored to the income statement					
Change in translation reserve, net		-131	46	256	160
Other comprehensive income		-130	46	257	160
Total comprehensive income for the period		-185	19	265	42

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	Note	Q4 2022	Q4 2021
Intangible assets		1	1
Vessels	3	1,743	1,558
Value-in-use assets		11	9
Other tangible fixed assets		2	2
Financial assets		94	80
Total fixed assets		1,851	1,650
Other current assets		125	84
Cash and cash equivalents	6	159	115
Total current assets		284	199
TOTAL ASSETS	4	2,135	1,849
Shareholders' equity		2,015	1,750
Long-term liabilities	5	10	9
Current liabilities	5	110	90
TOTAL EQUITY, PROVISIONS AND LIABILITIES		2,135	1,849

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Cash flow from operations before changes in working capital		-42	-10	103	-47
Changes in working capital		41	11	-21	-10
Cash flow from current operations		-1	1	82	-57
Cash flow from investing activities		-13	-6	-34	-58
-whereof acquisitions		-13	-6	-34	-58
Cash flow from financing activities		-1	-17	-5	98
-whereof changes in loans		-1	-17	-5	-2
-whereof new share issue		-	-	-	100
Changes in cash and cash equivalents		-15	-22	43	-17
Cash and cash equivalents at beginning of period		173	34	115	124
Exchange-rate difference in cash and cash equivalents		1	3	1	8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	159	15	159	115

1) The activity level during the end of Q2 and beginning of Q3 resulted in working capital bindings, mainly increased accounts receivables. These capital bindings were reduced during Q4 which has contributed to a strengthened liquidity.

CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

Shareholders' equity (MSEK)	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Equity at beginning of period		2,200	1,652	1,750	1,608
New share issue ¹⁾		-	79	-	100
Total comprehensive income for the period		-185	19	265	42
SHAREHOLDERS' EQUITY AT END OF PERIOD		2,015	1,750	2,015	1,750

1) The new share issue, which was completed during the fourth quarter 2021, provided the Group with net proceeds of MSEK 100 after issue costs.

Share capital (MSEK)	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Share capital at beginning of period		410	410	410	410
Reduction to unrestricted equity		-	-139	-	-139
New share issue		-	103	-	103
Bonus issue		-	36	-	36
Share capital at end of period		410	410	410	410

Number of shares ('000)	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Number of outstanding shares at beginning of period		12,878	9,327	12,878	9,327
Number of newly issued shares		-	3,551	-	3,551
Total number of shares at end of period		12,878	12,878	12,878	12,878
Average number of shares outstanding		12,878	11,604	12,878	9,901

DATA PER SHARE

(SEK)	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
EBITDA		-3.0	-1.0	7.7	-4.9
Result after tax (EPS)		-4.2	-3	0.6	-11.9
Equity		156.5	135.9	156.5	135.9
Operating cash flow		-2.5	-0.8	7.5	-5.0
Total cash flow		-1.2	6.8	3.3	-1.7

PARENT COMPANY

The activities in the Parent Company mainly consist of shareholdings and a limited Group wide administration.

The Parent Company's result after tax for the year was MSEK -5 (45). The result includes dividends from subsidiaries of MSEK 19, currency exchange gains of MSEK 4, impairment losses from shares in subsidiaries of MSEK 17 and group contributions of 12 MSEK.

At the end of the year the Parent Company's equity was MSEK 1,742 (1,745 on Dec 31, 2021), and total assets were MSEK 1,764 (1,780 on Dec 31, 2021).

The equity ratio at the end of the year was 99 % (98 % on Dec 31, 2021). Cash and cash equivalents at the end of the year was MSEK 2 (MSEK 42 on Dec 31, 2021).

PARENT COMPANY INCOME STATEMENT

(MSEK)	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Net sales		2	2	9	9
Personnel costs		0	0	-1	-1
Other costs		-3	-3	-9	-8
Operating result		-1	-1	-1	0
Net financial items		-11	21	-4	45
Result before tax		-12	20	-5	45
Tax on result for the year		-	-	-	-
RESULT FOR THE PERIOD		-12	20	-5	45
<i>Other comprehensive income for the period:</i>					
Items that will not be restored to the income statement					
Revaluation of net pension obligations		2	0	2	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-10	20	-3	45

PARENT COMPANY BALANCE SHEET

(MSEK)	Note	Q4 2022	Q4 2021
Financial fixed assets		1,666	1,683
Current assets		98	97
TOTAL ASSETS		1,764	1,780
Shareholders' equity		1,742	1,745
Provisions		2	4
Long-term liabilities		5	5
Current liabilities		15	26
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		1,764	1,780



Q4

CHANGES IN PARENT COMPANY SHAREHOLDERS' EQUITY

(MSEK)	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Equity at beginning of period	1,752	1,646	1,745	1,601
New share issue ¹⁾	-	79	-	100
Total comprehensive income for the period	-10	20	-3	45
SHAREHOLDERS' EQUITY AT END OF PERIOD	1,742	1,745	1,742	1,745

1) The new share issue, which was completed during the fourth quarter 2021, provided the Group with net proceeds of MSEK 100, after issue costs.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. LIQUIDITY AND GOING CONCERN

The Group continues to operate in highly competitive markets, and the operation is exposed to various operational and financial risks. Viking Supply Ships maintains a positive long-term outlook for the offshore industry and is of the opinion that there will be high activity during the next years also driven by the opportunities that arise in the offshore wind market. Based on the result expectations, the Group's strong balance-sheet, the current risks, and a continued belief in securing contracts within the core market segment, the Board of Directors and Management have concluded that both the company and the Group will be able to continue as going concern at least until 31 December 2023. This conclusion is based on the Board of Directors' and Management's assessment of the current outlook for 2023 and the uncertainties and risks described in this report.

2. REVENUES FROM CONTRACTS WITH CUSTOMERS

(MSEK)	Note	Q4 2022	Q4 2021	Q1-Q4 2022	Q1-Q4 2021
Time charter revenues ¹⁾		21	32	347	111
ROV charter revenues ¹⁾		2	4	7	7
Mobilisation/demobilisation fees ¹⁾		1	0	1	0
Meals/accommodation onboard ¹⁾		1	1	1	1
Consultancy fees ²⁾		5	3	11	14
Reinvoiced costs ³⁾		53	46	210	179
TOTAL		83	86	577	312

1) The revenues are entirely attributable to the Ice-classed AHTS segment.

2) The revenues are attributable to the Ice Management, Services and Ship Management segments.

3) The revenues are mainly attributable to the Ship Management segment.

Time charter revenues

Time charter means that the ship owner grants the rights of disposal of the vessel to a charterer for a certain period and within certain agreed frameworks. The scope of the time charter is determined by the contract entered into and may include everything from short periods such as occasional days up to long term contracts that run for several years. Depending on the type of vessel, the agreement also determines if it is goods to be transported, towing or anchor handling to be carried out, as well as in which parts of the world the vessel is to operate. The charterer pays the time charter hire to the ship owner, which is a rental fee to be paid per a certain time unit. The decisive factor is what has been agreed upon, but a usual occurrence is per calendar month and that payment must be made in advance, or per day for shorter contract periods. The time charter parties mean that the Group negotiates a fixed day rate for the vessels, commonly for an unspecified period. Normally, the time period is defined to include a range that specifies the minimum and maximum number of days, which is ultimately determined by the charterer based on the actual time spent in having the work done. The above is also applicable to the cases where ROV equipment is rented out, see below.

ROV charter revenues

In some cases of long-term time charter contracts, the vessels may need to be adapted to the needs of the charters, e.g. equipped for towing or supplemented with ROV (Remote Operated Underwater Vehicle). The costs of such adaptations, or the hiring of supplementary equipment, are normally charters expenses. Otherwise, revenue recognition of leased ROV equipment takes place on the same principles as time charter revenue, as described above.

Mobilisation/demobilisation fees

Terms for mobilization/demobilization fees are included in the time charter party and mean that the vessel must be adapted to charterers needs, but may also include that the ship shall be delivered in a special port near the vessels operations areas. The compensation for these adaptations and or delivery of the vessels often consists of a fixed lump sum. Similarly, the demobilization fee is recognized when the vessel is again in "home port" and has been restored from the current charter assignment.

Reinvoiced expenses

It is common for shipping companies to take care of operations, maintenance, HSEQ work and staffing on behalf of other shipping companies. It can be compared to property management. It is a wide range of options within ship management, from where the manager runs the entire operation of the vessel including staffing where the seamen are employed by the manager, to individual parts of the above mentioned areas or where only key

personnel are provided by the manager. The Group has contract for the operation, maintenance and staffing of the Swedish Maritime Administration's five icebreakers. This means that personnel costs and operating costs for the vessels including bunker oil, lubricating oil, repairs and maintenance of the vessels, classification costs, etc., are invoiced at cost to the client.

3. TANGIBLE FIXED ASSETS

Tangible fixed assets are recognized at cost or after deductions for accumulated depreciation according to plan and possible impairment. Straight-line amortization according to plan is applied.

Impairment test

At each reporting date the accounts are assessed whether there is an indication that an asset may be impaired. If any such indication exists, or when impairment testing for an asset is required, estimates of the asset's recoverable amount are done. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ("value in use").

The operations are conducted with advanced AHTS vessels; Loke Viking, Njord Viking, Magne Viking and Brage Viking, which all hold high ice-class and extensive possibilities to operate in various conditions. These four are a group of sister-vessels delivered from the construction shipyard between June 2010 and January 2012, but with some differences in equipment level. The market experience from the previous years, and the current market situation, prove that the vessels with occasional exceptions can all be used for the same kind of operations and are thus deemed interchangeable. Which vessel to be nominated for a certain contract is in principle determined by factors such as availability, geographic position relative to operation area and time for crew-change. Each vessel generates its own cash streams, but the company's customers could still have used another vessel from the actual fleet type. Based on this the Management has deemed it appropriate to consider the group of ice-classed AHTS vessels seen as a separate cash generating unit. As a result, impairment tests are performed on a portfolio level rather than on individual vessels. If a change in the customers' requirements occurs that affects the earnings capacity of individual vessels in relation to the sister vessels, this assessment could be reconsidered.

The key assumptions used in the value in use calculation and in the assessment of owned vessels, for 2022 are as follows:

- The cash flows are based on current tonnage.
- Estimates of fixture rates, utilization and contract coverage as well as estimated residual values are based on Management's extensive experience and knowledge of the market.
- Operating expenses and dry dock costs are estimated based on Management's experience and knowledge of the market as well as plans and initiatives outlined in the operating budgets.
- The weighted average cost of capital (WACC) used to discount the forecasted cash flows was 10,01% (2021: 8.65%). The pre- and post-tax discount factor is the same due to tonnage taxation.

As indication of fair market value, valuations of owned vessels are obtained from independent shipbrokers on a quarterly basis.

Conclusion Impairment test AHTS vessels with ice-class in 2022

In the fourth quarter of 2022, the Management has evaluated the AHTS fleet based on the methods described above and concluded that the AHTS vessels are not to be impaired. Due to the uncertain global financial situation and the Russian invasion and war in Ukraine, there has been uncertainty surrounding the future market development, however recently the market has strengthened. Management will continue to closely monitor external developments and, if necessary, adjust input data in forecasts and WACC assumptions.

4. SEGMENT INFORMATION ABOUT CONTINUING OPERATIONS

The segment information about continuing operations is presented in four segments:

- The segment Ice-classed AHTS comprises four offshore vessels that are equipped for and have the capacity to operate in areas with harsh environment. All vessels are also equipped and classed to operate in Arctic areas.
- The segment Ice-classed PSV comprises two large new-built PSV-vessels. The vessels are powered with LNG and equipped with battery-packs which provide good fuel economy and lower environmental impact. The Group owns 30% of the vessels which are taken into the financial statements according to the equity method.

- The segment Ice Management and Services provides ice management services and logistical support in the Arctic regions.
- The segment Ship Management is involved in commercial management of five icebreakers owned by the Swedish Maritime Administration.

Q4 MSEK	Ice-classed AHTS		Ice-classed PSV		Ice Management and Services		Ship Management		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	26	36	0	0	0	1	57	49	83	86
EBITDA	-28	-8	0	-2	-3	0	-8	-1	-39	-11
Result before tax	-44	-23	0	-2	-3	0	-8	-2	-55	-27
Total assets	1,966	1,700	86	72	1	1	82	76	2,135	1,849

Year to date MSEK	Ice-classed AHTS		Ice-classed PSV		Ice Management and Services		Ship Management		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	358	120	0	0	1	5	218	187	577	312
EBITDA	138	-35	-7	-5	-8	-1	-24	-8	99	-49
Result before tax	53	-102	-7	-5	-8	-1	-27	-10	11	-118
Total assets	1,966	1,700	86	72	1	1	82	76	2,135	1,849

There have been no significant transactions between the segments.

5. INTEREST BEARING LIABILITIES

At the end of the year, the Interest-bearing liabilities totaled MSEK 11 and consisted entirely of leasing debts, mainly related to hired vessel equipment (right-to-use assets), reported in accordance with IFRS 16 Leases. The Group disposes of a credit facility of MUS\$ 40, which at balance-day corresponded to MSEK 417, available for ordinary course of business and potential investment opportunities. The credit facility was at year end unutilized.

MSEK	Q4 2022	Q4 2021
Long-term financial lease debts	5	4
Short-term financial lease debts	6	5
TOTAL INTEREST BEARING LIABILITIES	11	9

6. CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents at the end of the quarter amounted to MSEK 159 (115 on Dec 31, 2021), including client funds, used in the external ship management operation, of MSEK 26 (36 on Dec 31, 2021). The Group disposes of a credit facility of MUS\$ 40, which at balance-day corresponded to MSEK 417, available for ordinary course of business and potential investment opportunities. The credit facility was at year end unutilized.

MSEK	Q4 2022	Q4 2021
Free cash and cash equivalents	133	79
Restricted cash	26	36
TOTAL	159	115

7. OPERATIONAL AND FINANCIAL RISK

The Group operates in highly competitive markets and is exposed to various operational and financial risk factors. The financial risk is mainly related to liquidity risk, funding risk and currency risk. The Group works actively to identify, assess and manage these risks.

The main operational risk factors relate to the overall macroeconomic market conditions, degree of competition, flow of goods in prioritized market segments and finally the overall balance of supply and demand of vessels, affecting rates and profit margins. The objective of the overall risk management policy of the Group is to ensure a balanced risk and return relationship.

The offshore market is to a high degree dependent on the investment level in the oil industry which in turn is driven by the oil price development on the global market. Fluctuations in the offshore market in the last few years have impacted the Group's profitability and liquidity. The Group has a clear focus on increasing the number of

vessels on term contracts within the offshore operations to mitigate fluctuations in rates and utilization. The Group is also exposed to risks regarding political and social instability. The Russian war in Ukraine has led to sanctions and a risk of termination of contracts and reduced business opportunities in these, for the Group, previously important regions.

The foreign exchange risk is primarily reduced by matching the exposure to revenues in various currencies with costs in the corresponding currency. In the same manner, assets in a certain currency are primarily matched with liabilities in the same currency.

8. OTHER INFORMATION

Company information

Viking Supply Ships AB is a limited liability company registered in Sweden, with its domicile in Gothenburg, and corporate registration number 556161-0113. Viking Supply Ships AB is listed on the Small Cap list of the NASDAQ OMX Nordic Exchange in Stockholm under the ticker VSSAB.

Corporate tax

The general situation for the Group is that taxes payable is limited to foreign entities. The tax losses carry forward for Swedish entities amounted at end of the year to MSEK 1,090 (1,081 on Dec 31, 2021). There are no tax assets capitalized in the balance sheet related to these tax losses carry forward. The main part of the activities within the group's subsidiaries outside of Sweden is tonnage taxed, which means that the taxable is calculated as a lump sum based on the net tonnage, instead of conventional taxation, which is based on the company result. The recognized deferred tax liability for the operations outside Sweden amounted to MSEK 0 (0 on Dec 31, 2021).

Accounting policies

This interim report for the Group was prepared in accordance with the application of IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act and for the Parent Company, in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The accounting policies applied for the Group and the parent company correspond, unless otherwise stated below, with the accounting policies applied in the preparation of the latest annual report.

Transactions with related parties

The Group did during Q2 enter into an agreement with main shareholder Kistefos AS about a debt facility of up to MUSD 4.0. The Group did on market terms during Q3 draw MSEK 42 (MUSD 4.0) on this debt facility. The loan was also during Q3 fully repaid.

Kistefos AS guarantees the credit facility of USD 40 million that the group disposes of. For this commitment, the group pays a guarantee commission on market terms.

There has not been any other transactions with related parties during the quarter.

Number of employees

The average number of full-time employees in the Group during the year was 369 (Jan-Dec 2021: 317).

Number of shares

Share distribution on December 31, 2022:

Number of Series A shares	625,698
Number of Series B shares, listed	12,252,430
Total number of shares	12,878,128

DEFINITIONS

AHTS

Anchor Handling Tug Supply vessel

EARNINGS PER SHARE

Profit after financial items less 1) current tax, 2) tax on profit for the year (current and deferred tax) in accordance with the consolidated income statement

EBIT

Earnings before interest and taxes

EBITDA

Earnings before interest, taxes, depreciation and amortization, corresponding to profit/loss before capital expenses and tax

EQUITY RATIO

Shareholders' equity divided by total assets

THE GROUP

Viking Supply Ships AB, a Limited Liability Company registered in Sweden, with all subsidiaries

IFRS

International Financial Reporting Standards – an international accounting standard used by all listed companies. Some older standards included in IFRS include IAS (International Accounting Standards)

MARKET ADJUSTED EQUITY RATIO

Shareholders' equity divided by total assets, adjusted for asset market valuations

OPERATING CASH FLOW

Profit/loss after financial income/expense adjusted for capital gains/losses, depreciation/amortization and impairment

OPERATING COST

Operating cost consists of crew, technical and administration costs

OPERATING PROFIT/LOSS

Profit/loss before financial items and tax

OSV

Offshore Support Vessels

PROFIT MARGIN

Profit after financial items divided by net sales

PSV

Platform Supply Vessel

RETURN ON EQUITY

Profit after financial items less tax on profit for the year, divided by average shareholders' equity

TOTAL CASH FLOW

Cash flow from operating activities, investing activities and financing activities



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