

**VIKING SUPPLY SHIPS AB
(PUBL)**

INTERIM REPORT

Q2

JANUARY - JUNE

2024



VIKING SUPPLY SHIPS

MORE
THAN A SHIPOWNER

THE
COOLEST
PLACE TO WORK

ALWAYS AHEAD OF
COMPETITION

**SIMPLY
THE BEST**



CEO STATEMENT

The relatively good market conditions for AHTS- vessels from the first quarter continued into the second quarter of 2024. In the beginning of the quarter the North Sea spot market was volatile, but the market was tightening in the latter part of the quarter. In addition, term contracts outside the North Sea contributed to an increase in utilization and revenue compared to the same period last year. Furthermore, Viking Supply Ships had more vessels in operation in 2024 as two new vessels were added to the AHTS-fleet at the end of 2023.

Revenue for Q2 came in at MSEK 279 (151), EBITDA at MSEK 95 (23), and profit after tax was MSEK 51 (-6). The increased revenue compared to the same period last year was driven by more vessels in operation and higher utilization. Year-to-date revenue was MSEK 508 (321), EBITDA was MSEK 156 (60), and profit after tax ended at MSEK 157 (3).

Viking Supply Ships entered in April into a contract for operation in Canada. The contract was for 90 days, with options for a period of 10 x 1 week. The client has called for options and the contract will at least last until late Q3 2024.

Viking Supply Ships has for more than two decades managed the five government- owned ice- breakers on behalf of the Swedish Maritime Administration. This contract ended 30 June 2024 when the Swedish Maritime Administration took over the management. The long lasting cooperation with SMA has been of great importance for the Group and has contributed to build Viking Supply Ships competence within ice-operations. Viking Supply Ships will still retain in-house competence

within ice-operation and will pursue potential upcoming ice- projects.

OUTLOOK

We still expect the market in the North Sea to be more volatile in the remaining part of the year than the two first quarters of 2024. The market is to a high degree affected by the global activity, as requirements in other regions attract vessels from the North Sea with impact on rates and utilization. In the coming years we still expect increased demand in Brazil, Canada, West-Africa and in Australia. The expected increase is driven by increased rig activity, installation and decommissioning of FPSO's, maintenance of mooring systems and other projects. Viking Supply Ships do seek term contract opportunities internationally.

Viking Supply Ships has in August announced an outsourcing of ship management and commercial management to Sea1 Offshore Inc Group. We see scale advantages to cooperate with Sea1 Offshore, which will lead to operational cost reductions and increased market exposure through an organization with presence in all key offshore-regions globally. The outsourcing is intended to be completed during the course of October 2024 and is subject to final documentation and required third party consents. Viking Supply Ships will retain its world-class ice-competence and the shares of the company will remain listed on Nasdaq First North.

Gothenburg, 20 August 2024

Trond Myklebust
CEO and President

CEO STATEMENT	2
Q2 2024	3
SUMMARY OF EVENTS IN Q2	3
SUBSEQUENT EVENTS	3
RESULTS AND FINANCE	4
OPERATIONAL HIGHLIGHTS FOR Q2	4
FINANCIAL POSITION AND CAPITAL STRUCTURE	5
CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT	7
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	7
CONDENSED CONSOLIDATED BALANCE SHEET	8
CONDENSED CONSOLIDATED CASH FLOW STATEMENT	8
CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY	8
DATA PER SHARE	9
PARENT COMPANY	9
PARENT COMPANY INCOME STATEMENT	10
PARENT COMPANY BALANCE SHEET	10
CHANGES IN PARENT COMPANY SHAREHOLDERS' EQUITY	10
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	11
DEFINITIONS	17

SECOND QUARTER

- Total revenue was MSEK 279 (151)
- EBITDA for continuing operations was MSEK 95 (23)
- Result after tax including discontinued operations was MSEK 51 (-6)
- Result after tax including discontinued operations per share was SEK 3.8 (-0.4)

YEAR-TO-DATE

- Total revenue was MSEK 508 (321)
- EBITDA for continuing operations was MSEK 156 (60)
- Result after tax including discontinued operations was MSEK 157 (3)
- Result after tax including discontinued operations per share was SEK 11.9 (0.3)

SUMMARY OF EVENTS IN Q2

- EBITDA for continuing operation was in Q2 MSEK 95 (23).
- The average fixture rates in Q2 for the AHTS-fleet was USD 50,600 (50,400) and the average utilization was 74% (44).

SUBSEQUENT EVENTS

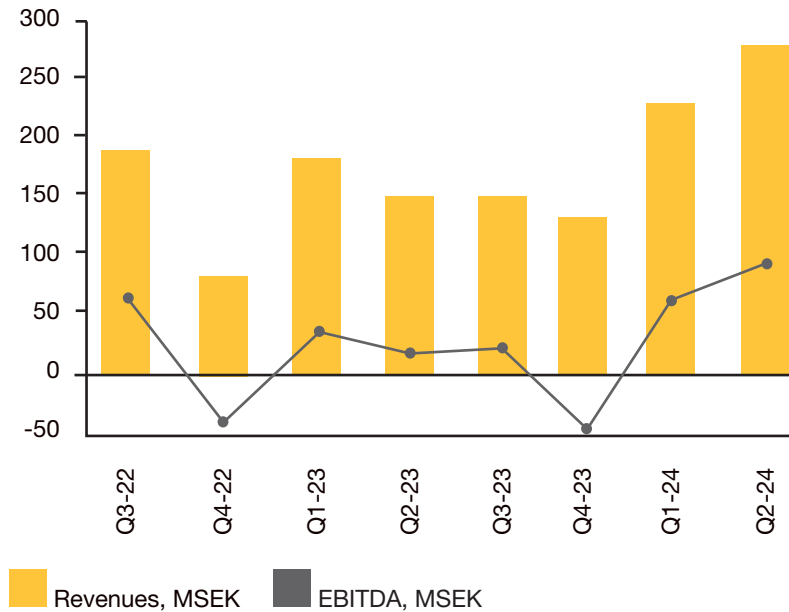
- Viking Supply Ships has in July 2024 signed a refinancing of the revolving credit facility. The new agreement, with improved pricing terms, has a final maturity date in second quarter of 2027.
- A decision is taken to outsource the management of the six AHTS vessels to the Sea1 Offshore Inc group. The initiative is expected to result in substantial cost savings effective from Q1 2025 to the benefit of all shareholders. Viking Supply Ships will retain its unique ice-competence and the shares of the company will remain listed on Nasdaq First North. The outsourcing is intended to be completed during the course of October 2024 and is subject to final documentation and required third party consents.

KEY FINANCIALS	Q2 2024	Q2 2023
Net sales, MSEK	279	151
EBITDA, MSEK ¹⁾	95	23
Result after tax, MSEK	51	-6
Earnings per share after tax, SEK	3.8	-0.4
Shareholders' equity per share, SEK	162.6	161.7
Return on equity, %	9.6	-1.1
Equity ratio, %	71.1	94.3
Market adjusted equity ratio, %	73.3	94.5

¹⁾ Discontinued operations are excluded in the calculation. Also comparison periods have been retrospectively revised. For further information, see note 5.

Q2

FINANCIAL DEVELOPMENT



RESULTS AND FINANCE

RESULTS YEAR TO DATE 2024

Total revenue for the Group was MSEK 508 (321).

The Group's EBITDA for continuing operations was MSEK 156 (60).

Net financial items were MSEK -31 (-7). The Net financial items is compared to the same period last year impacted by interest costs related to the financing of Odin and Andreas Viking, which were added to the fleet early in November 2023.

The Group's result after tax including discontinued operations was MSEK 157 (3). The result includes capital gains of MSEK 97 from the sale of the partly owned PSV vessels Coey and Cooper Viking, which was closed in Q1 2024.

OPERATIONAL HIGHLIGHTS FOR THE SECOND QUARTER

ICE-CLASSED ANCHOR HANDLING TUG SUPPLY VESSELS (AHTS)

Total revenue from the AHTS segment was MSEK 212 (93) in Q2 and EBITDA was MSEK 100 (30).

Increased revenue compared to last year is driven by a relatively stronger market, more available vessels and higher utilization in Q2.

Viking Supply Ships entered in April into a contract for one AHTS vessel for operation in Canada. The contract of 90 days with optional 10 x 1 weeks commenced in May. The client has in July called for options until late Q3 2024.

Andreas Viking is in operation in Australia. Odin Viking and Loke Viking operated in the Mediterranean in the first part of the quarter. The remaining vessels have been operated in the North Sea spot marked in the second quarter.



AHTS Q2	Fixture rates (USD)	Utilization (%)
AHTS vessels on term charters	43,400 (-)	100 (-)
AHTS vessels in the spot market	59,000 (50,400)	57 (44)
Total AHTS fleet	50,600 (50,400)	74 (44)

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

■ Firm contract
 ■ Option
 ■ Spot
 ■ Layup / inhouse

AHTS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Loke Viking												
Njord Viking												
Magne Viking												
Brage Viking												
Andreas Viking												
Odin Viking												

The table shows the contractual status as of 20 August 2024.

SHIP MANAGEMENT AND SERVICES

The previous segments Ice management and Ship management have from this year been merged and are renamed to Ship Management and Services.

Total Ship management and Services revenue was MSEK 67 (58) in Q2. Total EBITDA was MSEK -5 (-8).

The operations within the Ship management and Services segment proceeded as planned throughout the quarter.

The Group's ship management contract with SMA for the five ice-breakers ended on 30 June 2024, and has been taken over for inhouse management by SMA.

FINANCIAL POSITION AND CAPITAL STRUCTURE

At the end of the quarter, the Group's equity amounted to MSEK 2,140. The equity increased during the first half of the year by net MSEK 254 due to the profit of MSEK 157 and a positive change in the translation reserve of MSEK 97. Changes in the translation reserve occur when subsidiaries with a reporting currency other than SEK are translated into SEK. The significant net assets in the Group are held in subsidiaries with reporting currency in USD. The changes in the translation reserve are therefore affected by exchange rate fluctuations between SEK and USD. Further information can be found in the section "Changes in the Group's shareholders' equity" on page 8.

During the first quarter, the ownership in the two PSV vessels Coey- and Cooper Viking was divested. The sale resulted in a capital gain of MSEK 97 and a positive liquidity effect of MSEK 194. The divestment means that the PSV segment, which in its entirety consisted of the profit shares from Coey- and Cooper Viking, from the first quarter of 2024 in the financial reports will be reported as discontinued operations.

At the beginning of the year the total cash balance was MSEK 172. The cash flow from operations during the first six months was negative by MSEK 4 due to high activities and increased accounts receivables. Cash flow from investments was negative by MSEK 40 and cash flow from financing activities was negative by MSEK 132, mainly related to repayment of the revolving credit facility. The cash flow from discontinued operations was positive by MSEK 191. The currency exchange rate differences in the liquid funds were positive by MSEK 3. The total cash holdings at the end of the quarter were MSEK 190.

The gross investments in continuing operations during the first half of the year amounted to MSEK 40 (59). The investment consisted of investments in capitalized docking expenses and equipment related to the fleet of MSEK 33, and financial investments of MSEK 7 in listed shares.

The sale transaction and a previous capital investment related to the PSV-segment, reported as discontinued operations, has contributed positively to the Groups liquidity by MSEK 191.

During the first quarter 2024, the entire loan amount on the group's revolving credit facility was repaid. At the end of the second quarter, the credit facility of MUS\$ 40 (MSEK 424) was unutilized.

The Annual General Meeting, which was held on April 24, 2024, decided that no dividend would be distributed for the fiscal year 2023.

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 20 August 2024.

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 has not been audited or reviewed by the Company's auditors.

Gothenburg, 20 August 2024

Viking Supply Ships AB

Bengt A. Rem
Chairman

Lars Petter Utseth
Board Member

Håkan Larsson
Board member

Magnus Sonnorp
Board member

Petter Orvefors
Board member

Trond Myklebust
CEO

Christer Lindgren
Employee representative

FINANCIAL CALENDAR 2024

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)	<i>Note</i>	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Net sales	2	279	151	508	321	607
Other operating revenue		0	0	0	0	0
Direct voyage cost		-27	-12	-45	-26	-55
Personnel costs		-124	-101	-245	-200	-408
Other costs		-33	-16	-62	-35	-103
Depreciation/impairment	3	-32	-22	-64	-46	-99
Operating result		63	0	92	14	-58
Net financial items		-12	-4	-31	-7	-26
Result before tax		51	-4	61	7	-84
Tax	9	0	0	0	0	-1
Result from continuing operations		51	-4	61	7	-85
Result from discontinued operations	5	0	-2	96	-4	-3
Result for the period		51	-6	157	3	-88
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution):						
-Result from continuing operations		3.8	-0.3	4.6	0.6	-6.5
-Result from discontinued operations		0.0	-0.1	7.3	-0.3	-0.3
Total		3.8	-0.4	11.9	0.3	-6.8

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MSEK)	<i>Note</i>	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Result for the period		51	-6	157	3	-88
Other comprehensive income for the period:						
Items that will not be restored to the income statement						
Revaluation of net pension obligations		0	0	0	0	0
Items that later can be restored to the income statement						
Change in translation reserve, net		-15	93	97	80	-71
Other comprehensive income		-15	93	97	80	-71
Total comprehensive income for the period		36	87	254	83	-159

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	Note	Q2 2024	Q4 2023
Intangible assets		1	1
Vessels	3	1,702	1,625
Value-in-use assets		814	786
Other tangible fixed assets		1	1
Financial assets		14	96
Total fixed assets		2,532	2,509
Other current assets		289	107
Cash and cash equivalents	7	190	172
Total current assets		479	279
TOTAL ASSETS	4	3,011	2,788
Shareholders' equity		2,140	1,886
Long-term liabilities	6	622	715
Current liabilities	6	249	187
TOTAL EQUITY, PROVISIONS AND LIABILITIES		3,011	2,788

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Cash flow from operations before changes in working capital		74	18	116	53	13
Changes in working capital		39	49	-120	-7	42
Cash flow from current operations		113	67	-4	46	55
Cash flow from investing activities		-19	-3	-40	-19	-120
-whereof acquisitions		-19	-3	-40	-19	-120
Cash flow from financing activities		-13	-1	-132	-3	92
-whereof changes in loans		-13	-1	-132	-3	92
Changes in cash and cash equivalents from continuing operations		81	63	-176	24	27
Cash flow from discontinued operations:	5					
Cash flow from current operations		1	-2	0	-2	-1
Cash flow from investing activities		-1	-2	191	-10	-10
Changes in cash and cash equivalents from discontinued operations		0	-4	191	-12	-11
Cash and cash equivalents at beginning of period		110	110	172	159	159
Exchange-rate difference in cash and cash equivalents		-1	6	3	4	-3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7	190	175	190	175	172

CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

Shareholders' equity (MSEK)	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Equity at beginning of period		2,104	2,011	1,886	2,015	2,015
New share issue		-	30	-	30	30
Total comprehensive income for the period		36	87	254	83	-159
SHAREHOLDERS' EQUITY AT END OF PERIOD		2,140	2,128	2,140	2,128	1,886

Share capital (MSEK)	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Share capital at beginning of period		419	410	419	410	410
New share issue		-	9	-	9	9
Share capital at end of period		419	419	419	419	419

Number of shares ('000)	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Number of outstanding shares at beginning of period		13,160	12,878	13,160	12,878	12,878
New shares		-	282	-	282	282
Total number of shares at end of period		13,160	13,160	13,160	13,160	13,160
Average number of shares outstanding		13,160	12,955	13,160	12,917	13,039

DATA PER SHARE

(SEK)	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
EBITDA ¹⁾		7.2	1.8	11.9	4.7	3.1
Result after tax (EPS)		3.8	-0.4	11.9	0.3	-6.8
Equity		162.6	161.7	162.6	161.7	143.2
Operating cash flow ¹⁾		6.4	1.5	9.5	4.2	1.1
Total cash flow		6.1	4.5	1.1	0.9	2.0

¹⁾ Discontinued operations are excluded in the calculation. Also comparison periods have been retrospectively revised. For further information, see note 5.

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 first half year was MSEK 325 (1). The result includes capital gains from intra-group sales of shares in subsidiaries by MSEK 321. These capital gains does not affect the consolidated profit and loss.

At the end of the quarter the Parent Company's equity was MSEK 2,104 (1,779 on Dec 31, 2023), and total assets were MSEK 2,417 (1,984 on Dec 31, 2023).

The equity ratio at the end of the quarter was 87 % (90 % on Dec 31, 2023). Cash and cash equivalents at the end of the period was MSEK 108 (MSEK 109 on Dec 31, 2023).

PARENT COMPANY INCOME STATEMENT

(MSEK)	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Net sales		2	2	5	5	10
Personnel costs		-1	-1	-1	-1	-1
Other costs		-1	-1	-4	-4	-9
Operating result		0	0	0	0	0
Net financial items ¹⁾		2	2	325	1	8
Result before tax		2	2	325	1	8
Tax on result for the year		-	-	-	-	-
RESULT FOR THE PERIOD		2	2	325	1	8
<i>Other comprehensive income for the period:</i>						
Items that will not be restored to the income statement						
Revaluation of net pension obligations		0	0	0	0	-1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2	2	325	1	7

1) The amount includes capital gains from intra-group sales of subsidiaries. These capital gains have no effect in the consolidated income statement.

PARENT COMPANY BALANCE SHEET

(MSEK)	Note	Q2 2024	Q4 2023
Financial fixed assets		1,986	1,665
Current assets		431	319
TOTAL ASSETS		2,417	1,984
Shareholders' equity		2,104	1,779
Provisions		3	3
Long-term liabilities		4	4
Current liabilities		306	198
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		2,417	1,984

CHANGES IN PARENT COMPANY SHAREHOLDERS' EQUITY

(MSEK)	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Equity at beginning of period		2,102	1,741	1,779	1,742	1,742
New share issue		-	30	-	30	30
Total comprehensive income for the period		2	2	325	1	7
SHAREHOLDERS' EQUITY AT END OF PERIOD		2,104	1,773	2,104	1,773	1,779

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. Based on the result expectations, the Group's strong balance-sheet, the current risks, and a continued belief in securing contracts, 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 30 June 2025. This conclusion is based on the Board of Directors' and Management's assessment of the current outlook for 2024/2025 and the uncertainties and risks described in this report.

2. REVENUES FROM CONTRACTS WITH CUSTOMERS

(MSEK)	Note	Q2 2023	Q2 2022	Q1-Q2 2023	Q1-Q2 2022	Q1-Q4 2022
Time charter revenues ¹⁾		120	88	245	189	331
Bareboat charter revenues ¹⁾		68	-	86	-	-
ROV charter revenues ¹⁾		7	4	11	10	19
Mobilisation/demobilisation fees ¹⁾		17	0	27	0	0
Meals/accomodation onboard ¹⁾		1	1	1	1	1
Consultancy fees ²⁾		62	55	127	115	235
Reinvoiced costs ²⁾		4	3	11	6	21
TOTAL		279	151	508	321	607

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.

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 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.

Bareboat charter revenues

The difference to time chartering is that the vessel is hired without a crew. The unmanned vessel is handed over to the disposal of the charterer, who also crew and is responsible for maintenance and commercial operation of the vessel. It is usually for long predetermined periods of time that this type of rental is applied. Otherwise, there are many similarities with what is described above under the section "Time charter income".

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.

Mobilization/demobilization 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 six advanced AHTS vessels which have extensive possibilities to operate in various conditions. Loke Viking, Njord Viking, Magne Viking and Brage Viking are sister-vessels delivered from the construction shipyard between June 2010 and January 2012, but with some differences in equipment level. Odin Viking and Andreas Viking which are sister vessels, with similar age, size and capacity except for the ice-class as the other four vessels. Odin Viking and Andreas Viking were delivered new 2013. Andreas Viking has entered into a long-term contract in Australia and is due to the revenue profile classified as a separate cash generating unit. The market experience from the previous years, and the current market situation, prove that the other 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. Based on this the Management has deemed it appropriate to consider these two groups of AHTS vessels seen as separate cash generating units. As a result, impairment tests are performed on a portfolio level for five of the vessels and separately for one of the vessels 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 other vessels, this assessment could be reconsidered.

The key assumptions used in the value in use calculation and in the assessment of owned vessels, for 2024 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 10,50% (2023: 10.50%).
- 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 Ice-classed AHTS vessels in 2024

In the second quarter of 2024, the Management has evaluated the AHTS fleet consisting of two cash generating units based on the methods described above and concluded that the AHTS vessels are not to be impaired. Due to the uncertain global political and financial situation, there are uncertainties 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

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

- The segment Ice-classed AHTS comprises six offshore vessels that are equipped for and have the capacity to operate in areas with harsh environment.
- The segment Ship management and Services provides technical and crewing management, services and logistical support in the Arctic regions.

Q2 2024 MSEK	Ice-classed AHTS		Ship Management and services ²⁾		Total continuing operations ³⁾	
	2024	2023	2024	2023	2024	2023
Net sales	212	93	67	58	279	151
EBITDA	100	30	-5	-8	95	22
Result before tax	56	5	-5	-10	51	-5
Total assets ¹⁾	2,873	2,606	138	91	3,011	2,697

Year to date MSEK	Ice-classed AHTS		Ship Management and services ²⁾		Total continuing operations ³⁾	
	2024	2023	2024	2023	2024	2023
Net sales	370	200	138	121	508	321
EBITDA	162	76	-6	-16	156	60
Result before tax	67	25	-6	-18	61	7
Total assets ¹⁾	2,873	2,606	138	91	3,011	2,697

1) The comparative figures for Total assets refers to Q4 2023.

2) The previous segments Ice Management and Ship Management have been merged and are renamed to

3) The PSV-segment previously consisted of the operations conducted with the two partly owned PSV-vessels Coey- and Cooper Viking. The ownership in both vessels was sold during the first quarter of 2024, which also meant that the segment as a whole has been discontinued. The PSV segment's profit impact has been broken out of the segment reporting and reported as discontinued operations in accordance with IFRS 5. For further information see note 5.

There have been no significant transactions between the segments.

5. DISCONTINUED OPERATIONS

During the first quarter of 2024, the decision was made and the sale of the ownership in Coey- and Cooper Viking was carried out.

The two PSV vessels, which were 30% owned by the group in partnership with funds managed by Borealis Maritime, have previously been reported in the group's financial statements according to the equity method, and also constituted the only activity reported in the PSV segment.

The sale of the ships has meant that the PSV segment has been discontinued, whereby the PSV segment has been reported as a discontinued operation in the financial reports from the first quarter of 2024 in accordance with IFRS 5. This means that the PSV segment is reported as a single amount in the group's comprehensive income statement. The group's cash flow report is presented including the PSV segment, but with additional information regarding cash flows from current operations, investment and financing activities for the PSV segment. Comparative figures for previous periods are also presented in accordance with this classification regarding profit and cash flow reports.

The sale, which was completed in the latter part of March, resulted in a capital gain of MSEK 97 and a positive liquidity effect of MSEK 194. At the time of the sale, Cooper Viking operated on a term contract for Vår Energi. Coey Viking operated on a term contract for Harbor Energy.

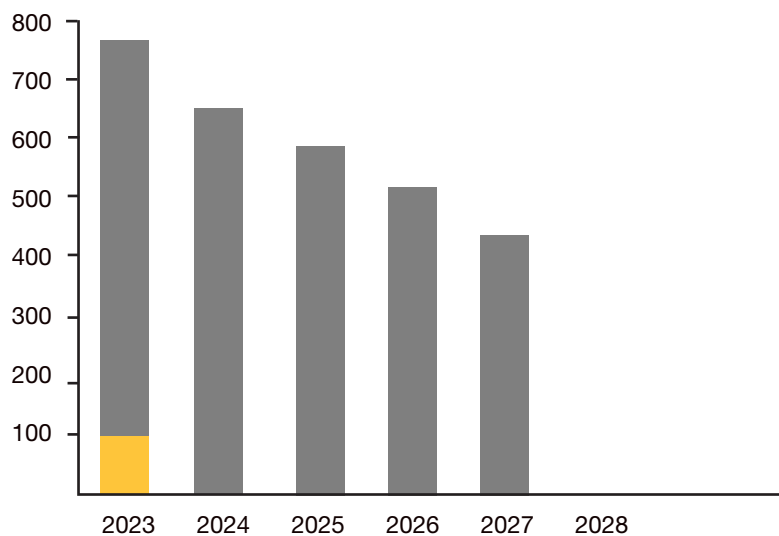
INCOME STATEMENT FROM DISCONTINUED OPERATIONS (MSEK)	Not	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Other costs		-1	-2	-2	-2	-1
Result from shares in associated companies		1	0	98	-2	-2
Operating result		0	-2	96	-4	-3
Net financial items		0	0	0	0	0
Result before tax		0	-2	96	-4	-3
Tax		0	0	0	0	0
RESULT FOR THE PERIOD		0	-2	96	-4	-3
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution):						
-Result from discontinued operations		0.0	-0.1	7.3	-0.3	-0.3
TOTAL		0.0	-0.1	7.3	-0.3	-0.3

CASH FLOW FROM DISCONTINUED OPERATIONS: (MSEK)	Not	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Q1-Q4 2023
Cash flow from current operations		1	-2	0	-2	-1
Cash flow from investing activities		-1	-2	191	-10	-10
Total cash flow from discontinued operations	7	0	-4	191	-12	-11

6. INTEREST-BEARING LIABILITIES

At the end of the second quarter, the Interest-bearing liabilities totaled MSEK 677. The leasing debts relates mainly to the two bareboat chartered vessels Odin- and Andreas Viking (right-to-use assets). The Group disposes of a credit facility of MUSD 40, which at balance-day corresponded to MSEK 424, available for ordinary course of business and potential investment opportunities. At the end of the quarter the credit facility was utilized.

MSEK	Q2 2024	Q2 2023	Q4 2023
Long-term foans from credit institutions	-	-	100
Long-term financial lease debts	618	4	611
Short-term financial lease debts	59	3	59
TOTAL INTEREST BEARING LIABILITIES	677	7	770



The graph show the outstanding amount for the current loan portfolio at balance-day each year.

7. CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents at the end of the second quarter amounted to MSEK 190 (172 on Dec 31, 2023), including client funds, used in the external ship management operation, of MSEK 55 (35 on Dec 31, 2022). The Group disposes of a credit facility of MUSD 40, which at balance-day corresponded to MSEK 424, available for ordinary course of business and potential investment opportunities. At the end of the quarter the credit facility was utilized.

MSEK	Q2 2024	Q2 2023	Q4 2023
Free cash and cash equivalents	135	130	137
Restricted cash	55	45	35
TOTAL CASH AND CASH EQUIVALENTS	190	175	172
Unutilized credit facilities	424	434	302
TOTAL INCLUDING UNUTILIZED CREDIT FACILITIES	614	609	474

8. 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.

9. 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 Nasdaq First North Growth Market 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 quarter to MSEK 1,076 (1,079 on Dec 31, 2023). 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, 2023).

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

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.

Subsequent events

Viking Supply Ships has in July 2024 signed a refinancing of the revolving credit facility. The new agreement, with improved pricing terms, has a final maturity date in second quarter of 2027.

A graphic consisting of a central yellow circle with the text 'Q2' inside. Two yellow lines extend from the circle: one vertically upwards and one horizontally to the left, each ending in a small yellow dot.

Q2

A decision is taken to outsource the management of the six AHTS vessels to the Sea1 Offshore Inc group. The initiative is expected to result in substantial cost savings effective from Q1 2025 to the benefit of all shareholders. Viking Supply Ships will retain its world-class ice-competence and the shares of the company will remain listed on Nasdaq First North. The outsourcing is intended to be completed during the course of October 2024 and is subject to final documentation and required third party consents.

Number of employees

The average number of full-time employees in the Group during the first half year was 401 (Jan-Dec 2023: 406).

Number of shares

Share distribution on 30 June, 2024:

Number of Series A shares	625,698
Number of Series B shares, listed	<u>12,534,213</u>
Total number of shares	13,159,911

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

FPSO

Floating Production Storage and Offloading

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

NET INTEREST-BEARING DEBT

Equals interest-bearing debt, including lease liabilities, less cash and cash equivalents.

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

WACC

The weighted average cost of capital (WACC) is a calculation of a firm's cost of capital in which each category of capital is proportionately weighted.

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 two segments: Ice-classed Anchor Handling Tug Supply vessels (AHTS) and Ship Management and Services. Its fleet of high-end AHTS vessels is capable of working in the harshest and most demanding environments in the world. The company has in total about 400 employees and the turnover in 2023 was MSEK 607. The company's B-share is listed on NASDAQ First North Growth Market, www.vikingsupply.com.

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QUARTERLY