

VIKING SUPPLY SHIPS AB  
(PUBL)

INTERIM REPORT

Q3

JANUARY - SEPTEMBER

2023



VIKING SUPPLY SHIPS

**MORE**  
THAN A SHIPOWNER

THE  
**COOLEST**  
PLACE TO WORK

ALWAYS AHEAD OF  
**COMPETITION**

**SIMPLY**  
THE BEST



## CEO STATEMENT

**The AHTS market remained soft in the third quarter, with less utilization and lower fixture rates compared to the same period last year. The summer season, normally the strongest period in the North Sea, was disappointing this year with a high number of available vessels coinciding with project delays and postponements.**

The revenue for Q3 came in at MSEK 153 (189), EBITDA at MSEK 25 (66), and the net result was MSEK -5 (30). Year-to-date revenue was MSEK 474 (494), EBITDA was MSEK 81 (138), and the year-to-date net result ended at MSEK -2 (63).

All four AHTS-vessels operated in the North Sea spot market throughout the quarter. More active vessels in our AHTS-fleet compared to last year contributed to higher costs. This, in combination with a softer market, resulted in a lower EBITDA year-to-date compared to last year.

The two partly owned PSV-vessels have during the third quarter operated on term contracts, with the exception of a few days in the spot market towards the end of the quarter for one of the vessels.

In March 2023, Viking Supply Ships secured two high-specification AHTS vessels previously trading under the names Normand Statesman and Far Senator. Both vessels were delivered to Viking Supply Ships in November 2023 and strong additions to our existing AHTS-fleet. After delivery, Far Senator was re-named Andreas Viking and Normand Statesman was re-named Odin Viking.

Andreas Viking has been re-branded in Singapore and will enter a term contract in Australia during first quarter of 2024. The contract has a fixed period of 412 days and 5 options of 30 days each. Odin Viking was delivered in Brazil and is now heading for Las Palmas for re-branding.

Viking Supply Ships operate five government-owned ice-breakers on behalf of the Swedish Maritime Administration. The current management contracts expire 30 June 2024, when The Swedish Maritime Administration will take over management themselves.

### OUTLOOK

We expect the North Sea AHTS-market to be volatile during the seasonally weaker fourth quarter, although with periods of uplift in rates and utilization. We see increased requirements in Brazil, Canada, West-Africa and in the Far East, which is an indicator for the activity globally. The North Sea market is affected by the global activity level, as requirements in other locations will attract vessels from the region.

Rates and utilization for PSV vessels have continued the trend upwards, and we expect the relatively healthy market to continue going forward.

Gothenburg, 22 November 2023

Trond Myklebust  
CEO and President

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## THIRD QUARTER

- Total revenue was MSEK 153 (189)
- EBITDA was MSEK 25 (66)
- Result after tax was MSEK -5 (30)
- Result after tax per share was SEK -0.4 (2.3)

## YEAR-TO-DATE

- Total revenue was MSEK 474 (494)
- EBITDA was MSEK 81 (138)
- Result after tax was MSEK -2 (63)
- Result after tax per share was SEK -0.1 (4.9)

## SUMMARY OF EVENTS IN Q3

- EBITDA for Q3 was MSEK 25 (66).
- The average fixture rates in Q3 for the AHTS-fleet was USD 44,000 (104,900) and the average utilization was 53% (40). The average fixture rate for the PSV-vessels was USD 21,200 (17,300) and the average utilization was 100% (96).

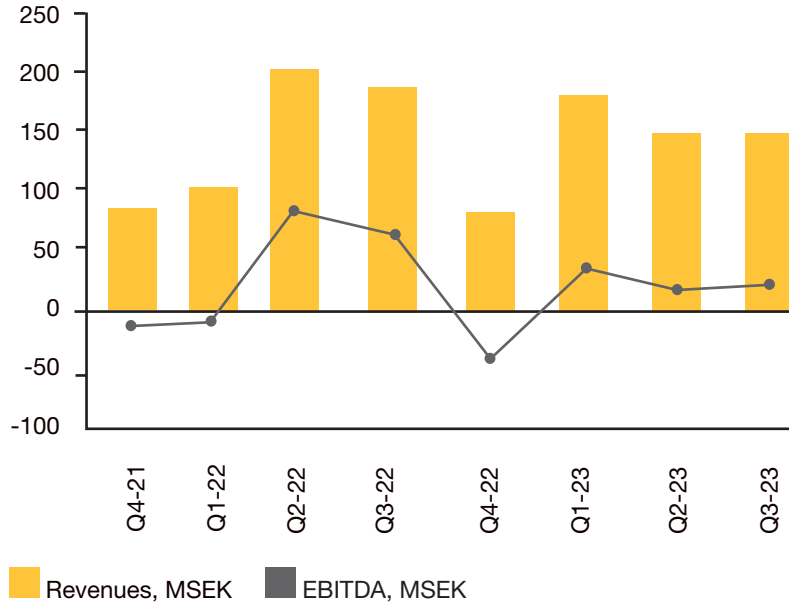
## SUBSEQUENT EVENTS

- In the beginning of November, Viking Supply Ships took delivery of the AHTS-vessels Andreas Viking (formerly Far Senator) and Odin Viking (formerly Normand Statesman).
- In the beginning of October, Viking Supply Ships signed a contract for the AHTS vessel Andreas Viking for operations outside Australia. The contract has a fixed period of 412 days and 5 options of 30 days each, with commencement during the first quarter of 2024.

KEY FINANCIALS	Q3 2023	Q3 2022
Net sales, MSEK	153	189
EBITDA, MSEK	25	66
Result after tax, MSEK	-5	30
Earnings per share after tax, SEK	-0.4	2.3
Shareholders' equity per share, SEK	161.2	170.8
Return on equity, %	-1.0	5.6
Equity ratio, %	93.8	95.9
Market adjusted equity ratio, %	94.1	95.9

Q3

#### FINANCIAL DEVELOPMENT CONTINUING OPERATIONS



## RESULTS AND FINANCE

### RESULTS YEAR TO DATE 2023

Total revenue for the Group was MSEK 474 (494).

The Group's EBITDA was MSEK 81 (138).

Net financial items were MSEK -13 (-10).

The Group's result after tax was MSEK -2 (63).

## OPERATIONAL HIGHLIGHTS FOR THE THIRD QUARTER

### ICE-CLASSED ANCHOR HANDLING TUG SUPPLY VESSELS (AHTS)

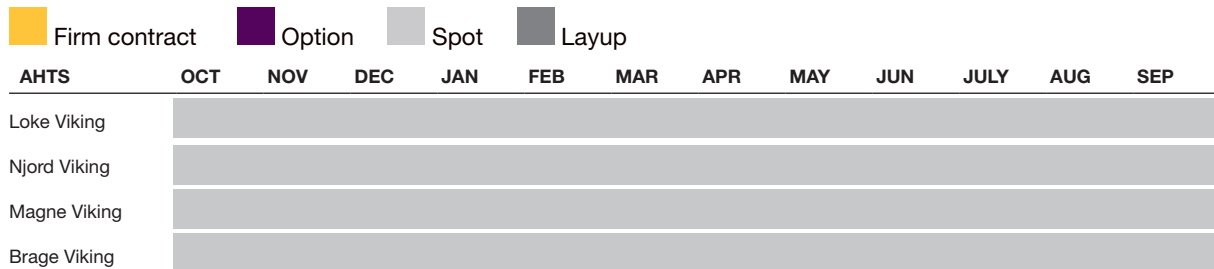
Total revenue from the AHTS segment was MSEK 100 (152) in Q3 and EBITDA was MSEK 35 (83).

Viking Supply Ships has operated all four AHTS vessels in the North Sea spot market in the third quarter.

An increased number of available vessels in the North Sea coinciding with expected projects being delayed led to a continued soft market for our AHTS-segment.

AHTS Q3	Fixture rates (USD)	Utilization (%)
AHTS vessels on term charters	- (-)	- (-)
AHTS vessels on the spot market	44,000 (104,900)	53 (40)
<b>Total AHTS fleet</b>	<b>44,000 (104,900)</b>	<b>53 (40)</b>





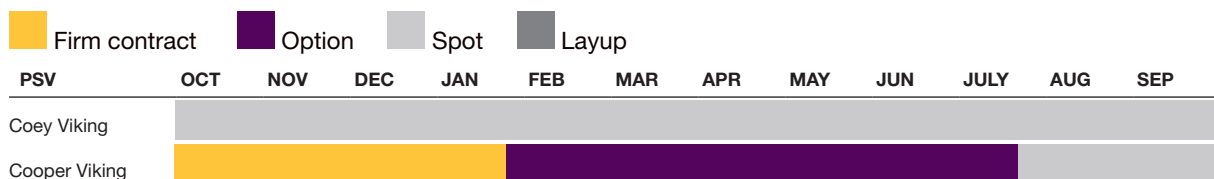
The table shows the contractual status as of 30 September 2023.

### ICE-CLASSED PLATFORM SUPPLY VESSELS (PSV)

The two PSV-vessels that VSS manages are owned in partnership with funds managed by Borealis Maritime. Viking Supply Ships owns 30% of the vessels, which are consolidated in the financial statements according to the equity-method. The profit for VSS' share of the vessels was MSEK -1 (-10) in Q3.

Cooper Viking and Coey Viking has been working on term contract with Vår Energi in Q3 2023, except for one of the vessels which for a few days towards the end of the quarter operated in the North Sea spot market.

PSV Q3	Fixture rates (USD)	Utilization (%)
PSV vessels on term charters	20,200 (17,100)	100 (100)
PSV vessels in the spot market	23,300 (17,700)	100 (86)
<b>Total PSV fleet</b>	<b>21,200 (17,300)</b>	<b>100 (96)</b>



The table shows the contractual status as of 30 September 2023.

### ICE MANAGEMENT, SERVICES AND SHIP MANAGEMENT

Total Ice Management, Services and Ship Management revenue was MSEK 53 (37) in Q3. Total EBITDA was MSEK -9 (-7).

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 national security reasons.

## FINANCIAL POSITION AND CAPITAL STRUCTURE

At the end of the quarter, the Group's equity amounted to MSEK 2,121. The equity increased during the first nine months by net MSEK 106 due to the new share issue of MSEK 30, the loss of MSEK 2 and a positive change in the translation reserve of MSEK 78. 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 9.

In the second quarter, a targeted new rights issue (by way of set-off) to companies related to the principal shareholder, Kistefos AS, was carried out. The 287,783 newly issued shares to the value of MSEK 30 was consideration for fees related to brokering the charter agreement and the financing for the transaction that the

Group entered into with Ocean Yield regarding two new AHTS-vessels. The decision was adopted by the Annual General Meeting in April 2023.

At the beginning of the year the total cash balance was MSEK 159. The cash-flow from operations during the first nine months was positive by MSEK 30, cash-flow from investments was negative by MSEK 30 and cash-flow from financing activities was negative by MSEK 5. The currency exchange rate differences in the liquid funds were positive with MSEK 3. The total cash holdings at the end of the third quarter were MSEK 157.

The gross investments during the first nine months amounted to MSEK 60 (21). The investment consisted of capitalized expenses of MSEK 30 related to the bareboat charter of two AHTS-vessels, capitalized docking expenses of 20 MSEK and equity contributions to the holding companies of the two PSV's of 10 MSEK.

The Annual General Meeting, which was held on April 26, 2023, decided that no dividend would be distributed for the fiscal year 2022.

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 16 August 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.

Gothenburg, 22 November 2023

Viking Supply Ships AB

Bengt A. Rem  
Chairman

Kristoffer Sandaker  
Board member

Håkan Larsson  
Board member

Magnus Sonnorp  
Board member

Petter Orvefors  
Board member

Christer Lindgren  
Employee representative

Trond Myklebust  
CEO

#### FINANCIAL CALENDAR 2024

22 February	Q4 Interim report
24 April	Annual General Meeting

#### 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](http://www.vikingsupply.com)

## **Auditors' review report of interim financial information prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.**

To the Board of Directors of Viking Supply Ships AB (publ.), org. nr. 556161-0113

### **Introduction**

We have reviewed the accompanying interim report for Viking Supply Ships AB (publ.) for the period 1 January to 30 September, 2023. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report does not present fairly, in all material aspects, the financial position of the entity as at 30 September 2023, and of its financial performance and its cash flows for the nine months period then ended in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Stockholm on 21 November 2023

Rödl & Partner Nordic AB

Mathias Racz  
Authorized public accountant

## CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(MSEK)	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
Net sales	2	153	189	474	494	577
Other operating revenue		0	0	0	0	0
Direct voyage cost		-12	-16	-38	-33	-44
Personnel costs		-95	-89	-295	-263	-356
Other costs		-21	-8	-58	-55	-73
Depreciation/impairment	3	-24	-22	-70	-63	-86
Result from shares in associated companies		0	-9	-2	-4	-5
<b>Operating result</b>		<b>1</b>	<b>45</b>	<b>11</b>	<b>76</b>	<b>13</b>
Net financial items		-6	-15	-13	-10	-2
<b>Result before tax</b>		<b>-5</b>	<b>30</b>	<b>-2</b>	<b>66</b>	<b>11</b>
Tax	8	0	0	0	-3	-3
<b>Result for the period</b>		<b>-5</b>	<b>30</b>	<b>-2</b>	<b>63</b>	<b>8</b>
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution):		-0.4	2.3	-0.1	4.9	0.6

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
<b>Result for the period</b>		<b>-5</b>	<b>30</b>	<b>-2</b>	<b>63</b>	<b>8</b>
Other comprehensive income for the period:						
<b>Items that will not be restored to the income statement</b>						
Revaluation of net pension obligations		0	0	0	0	1
<b>Items that later can be restored to the income statement</b>						
Change in translation reserve, net		-2	171	78	387	256
<b>Other comprehensive income</b>		<b>-2</b>	<b>171</b>	<b>78</b>	<b>387</b>	<b>257</b>
<b>Total comprehensive income for the period</b>		<b>-7</b>	<b>201</b>	<b>76</b>	<b>450</b>	<b>265</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	Note	Q3 2023	Q4 2022
Intangible assets		1	1
Vessels	3	1,800	1,743
Value-in-use assets		6	11
Other tangible fixed assets		2	2
Financial assets		106	94
<b>Total fixed assets</b>		<b>1,915</b>	<b>1,851</b>
Other current assets		189	125
Cash and cash equivalents	6	157	159
<b>Total current assets</b>		<b>346</b>	<b>284</b>
<b>TOTAL ASSETS</b>	4	<b>2,261</b>	<b>2,135</b>
<b>Shareholders' equity</b>		<b>2,121</b>	<b>2,015</b>
<b>Long-term liabilities</b>	5	<b>9</b>	<b>10</b>
<b>Current liabilities</b>	5	<b>131</b>	<b>110</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>		<b>2,261</b>	<b>2,135</b>



## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
Cash flow from operations before changes in working capital		18	73	69	145	103
Changes in working capital		-32	72	-39	-62	-21
<b>Cash flow from current operations</b>		<b>-14</b>	<b>145</b>	<b>30</b>	<b>83</b>	<b>82</b>
Cash flow from investing activities		-1	-3	-30	-21	-34
-whereof acquisitions		-1	-3	-30	-21	-34
Cash flow from financing activities		-2	-1	-5	-4	-5
-whereof changes in loans		-2	-1	-5	-4	-5
<b>Changes in cash and cash equivalents from discontinued operations</b>		<b>-17</b>	<b>141</b>	<b>-5</b>	<b>58</b>	<b>43</b>
Cash and cash equivalents at beginning of period		175	33	159	115	115
Exchange-rate difference in cash and cash equivalents		-1	-1	3	0	1
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>6</b>	<b>157</b>	<b>173</b>	<b>157</b>	<b>173</b>	<b>159</b>

## CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

Shareholders' equity (MSEK)	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
Equity at beginning of period		2,128	1,999	2,015	1,750	1,750
New share issue <sup>1)</sup>		-	-	30	-	-
Total comprehensive income for the period		-7	201	76	450	265
<b>SHAREHOLDERS' EQUITY AT END OF PERIOD</b>		<b>2,121</b>	<b>2,200</b>	<b>2,121</b>	<b>2,200</b>	<b>2,015</b>

Share capital (MSEK)	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
Share capital at beginning of period		419	410	410	410	410
New share issue <sup>1)</sup>		-	-	9	-	-
<b>Share capital at end of period</b>		<b>419</b>	<b>410</b>	<b>419</b>	<b>410</b>	<b>410</b>

Number of shares ('000)	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
Number of outstanding shares at beginning of period		13,160	12,878	12,878	12,878	12,878
New shares <sup>1)</sup>		-	-	282	-	-
<b>Total number of shares at end of period</b>		<b>13,160</b>	<b>12,878</b>	<b>13,160</b>	<b>12,878</b>	<b>12,878</b>
Average number of shares outstanding		13,160	12,878	12,999	12,878	12,878

1) In the second quarter a targeted new rights issue by way of set-off to companies related to the principal shareholder, Kistefos AS, was carried out. The 287,783 new issued shares to the value of MSEK 30 was consideration for fees brokering the charter agreement and the financing for the transaction that the Group entered into with Ocean Yield regarding two AHTS-vessels.

## DATA PER SHARE

(SEK)	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
EBITDA		1.9	5.1	6.3	10.7	7.7
Result after tax (EPS)		-0.4	2.3	-0.1	4.9	0.6
Equity		161.2	170.8	161.2	170.8	156.5
Operating cash flow		1.4	4.0	5.3	10.0	7.5
Total cash flow		-1.3	10.9	-0.4	4.5	3.3

## 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 nine months was MSEK 1 (7).

At the end of the third quarter the Parent Company's equity was MSEK 1,773 (1,742 on Dec 31, 2022), and total assets were MSEK 1,814 (1,764 on Dec 31, 2021). In the second quarter a targeted new rights issue by way of set-off to companies related to the principal shareholder, Kistefos AS, was carried out. The 287.783 newly issued shares to the value of MSEK 30 were consideration for brokering the charter agreement and securing the financing for the transaction that the Group entered with Ocean Yield regarding two AHTS-vessels.

The equity ratio at the end of the quarter was 98 % (99 % on Dec 31, 2022). Cash and cash equivalents at the end of the third quarter was MSEK 85 (MSEK 2 on Dec 31, 2022). The increase in cash holdings seen in the third quarter relates to the establishment of a cash-pool where the Parent Company hold the lead account to which the participating subsidiaries accounts have been connected.

## PARENT COMPANY INCOME STATEMENT

(MSEK)	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
Net sales		3	2	8	7	9
Personnel cost		0	0	-1	-1	-1
Other costs		-3	-2	-7	-6	-9
<b>Operating result</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>
Net financial items		0	3	1	7	-4
<b>Result before tax</b>		<b>0</b>	<b>3</b>	<b>1</b>	<b>7</b>	<b>-5</b>
Tax on result for the year		-	-	-	-	-
<b>RESULT FOR THE PERIOD</b>		<b>0</b>	<b>3</b>	<b>1</b>	<b>7</b>	<b>-5</b>
<i>Other comprehensive income for the period:</i>						
<b>Items that will not be restored to the income statement</b>						
Revaluation of net pension obligations		0	0	0	0	2
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>0</b>	<b>3</b>	<b>1</b>	<b>7</b>	<b>-3</b>

## PARENT COMPANY BALANCE SHEET

(MSEK)	Note	Q3 2023	Q4 2022
Financial fixed assets		1,666	1,666
Current assets		148	98
<b>TOTAL ASSETS</b>		<b>1,814</b>	<b>1,764</b>
Shareholders' equity		1,773	1,742
Provisions		2	2
Long-term liabilities		5	5
Current liabilities		34	15
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>		<b>1,814</b>	<b>1,764</b>

## CHANGES IN PARENT COMPANY SHAREHOLDERS' EQUITY

(MSEK)	Note	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
Equity at beginning of period		1,773	1,749	1,742	1,745	1,745
New share issue <sup>1)</sup>		-	-	30	-	-
Total comprehensive income for the period		0	3	1	7	-3
<b>SHAREHOLDERS' EQUITY AT END OF PERIOD</b>		<b>1,773</b>	<b>1,752</b>	<b>1,773</b>	<b>1,752</b>	<b>1,741</b>

1) In the second quarter a targeted new rights issue by way of set-off to companies related to the principal shareholder, Kistefos AS, was carried out. The 287.783 new issued shares to the value of MSEK 30 was consideration for fees brokering the charter agreement and the financing for the transaction that the Group entered into with Ocean Yield regarding two AHTS-vessels.

# 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 September 2024. This conclusion is based on the Board of Directors' and Management's assessment of the current outlook for 2023/2024 and the uncertainties and risks described in this report.

## 2. REVENUES FROM CONTRACTS WITH CUSTOMERS

(MSEK)	Not	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q1-4 2022
Time charter revenues <sup>1)</sup>		91	149	280	326	347
ROV charter revenues <sup>1)</sup>		7	3	17	5	7
Mobilisation/demobilisation fees <sup>1)</sup>		0	0	0	0	1
Meals/accomodation onboard <sup>1)</sup>		0	0	1	0	1
Consultancy fees <sup>2)</sup>		5	2	11	6	11
Reinvoiced costs <sup>3)</sup>		50	35	165	157	210
<b>TOTAL</b>		<b>153</b>	<b>189</b>	<b>474</b>	<b>494</b>	<b>577</b>

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 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 fee

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 2023 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% (2022: 10.01%). 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 2023

In the third quarter of 2023, 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

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.

Q3 MSEK	Ice-classed AHTS		Ice-classed PSV		Ice Management and Services		Ship Management		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	100	152	0	0	1	1	52	36	153	189
EBITDA	35	83	-1	-10	-2	-2	-7	-5	25	66
Result before tax	3	50	-1	-10	-2	-2	-5	-8	-5	30
Total assets <sup>1)</sup>	2,078	1,962	99	87	1	0	83	86	2,261	2,135

1) The comparative figures for Total assets refers to Q4 2022.

Year to date MSEK	Ice-classed AHTS		Ice-classed PSV		Ice Management and Services		Ship Management		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	300	332	0	0	1	1	173	161	474	494
EBITDA	111	166	-5	-7	-7	-5	-18	-16	81	138
Result before tax	28	97	-5	-7	-7	-5	-18	-19	-2	66
Total assets <sup>1)</sup>	2,078	1,962	99	87	1	0	83	86	2,261	2,135

1) The comparative figures for Total assets refers to Q4 2022.

## 5. INTEREST BEARING LIABILITIES

At the end of the quarter, the Interest-bearing liabilities totaled MSEK 6 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 MUSD 40, which at balance-day corresponded to MSEK 434, available for ordinary course of business and potential investment opportunities. The credit facility was at the end of the third quarter unutilized.

MSEK	Q3 2023	Q3 2022	Q4 2022
Long-term financial lease debts	4	3	5
Short-term financial lease debts	2	2	6
<b>TOTAL INTEREST BEARING LIABILITIES</b>	<b>6</b>	<b>5</b>	<b>11</b>

## 6. CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents at the end of the quarter amounted to MSEK 157 (159 on Dec 31, 2022), including client funds, used in the external ship management operation, of MSEK 39 (26 on Dec 31, 2022). The Group disposes of a credit facility of MUSD 40, which at balance-day corresponded to MSEK 434, available for ordinary course of business and potential investment opportunities. The credit facility was at the end of the third quarter unutilized.

MSEK	Q3 2023	Q3 2022	Q4 2022
Free cash and cash equivalents	118	142	133
Restricted cash	39	31	26
<b>TOTAL</b>	<b>157</b>	<b>173</b>	<b>159</b>

## 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 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 1,090 (1,090 on Dec 31, 2022). 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, 2022).

### 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.

In April the annual general meeting resolved, in accordance with the proposal of the Board of Directors, to approve a related party transaction regarding a consultancy agreement with two companies that are closely related to the company's principal shareholder Kistefos AS. According to the agreement, Kistefos Corporate AS and Kistefos Financial Advisors AS was given the right to receive a fee, to be paid by way of set-off against a rights issue of series B shares in the company, for brokering the charter agreement and the financing for the transaction that the company entered with Ocean Yield AS. In the second quarter the targeted new rights issue of 287.783 new shares, to the value of MSEK 30, was carried out.

### Subsequent events

No significant events after the end of the interim period have been noted.

### Number of employees

The average number of full-time employees in the Group during the nine months period was 406 (Jan-Dec 2022: 369).

### Number of shares

Share distribution on 30 September, 2023:

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

## 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

### 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 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. Its fleet of high-end AHTS vessels is capable of working in the harshest and most demanding environments in the world. The Company also has full management for the five Swedish state owned ice-breakers (Swedish Maritime Administration). The company has in total about 400 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](http://www.vikingsupply.com).*

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