

VIKING SUPPLY SHIPS AB
(PUBL)

INTERIM REPORT

Q3

JANUARY - SEPTEMBER

2024



VIKING SUPPLY SHIPS

MORE
THAN A SHIPOWNER

THE
COOLEST
PLACE TO WORK

ALWAYS AHEAD OF
COMPETITION

SIMPLY
THE BEST

CEO STATEMENT



The spot market in Q3 started relatively tight, followed by a period of volatility, including a peak in August. Towards the end of the quarter, the market faced challenges again, primarily due to reduced activity in the UK sector and vessels returned from seasonal project work.

Revenue for Q3 came in at MSEK 212 (101), EBITDA at MSEK 105 (34), and profit after tax was MSEK 45 (-5). 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 585 (301), EBITDA was MSEK 266 (105), and profit after tax ended at MSEK 202 (-2).

Sea1 Offshore (“Sea1”) has secured a multi-well project for 3 AHTS’ in Australia, commencing Q2-Q3 2025 for a firm period of 380 days up to 670 days per vessel. Viking Supply Ships vessel, Andreas Viking, will work on the contract. The new contract will be in direct continuation of Andreas Viking’s current contract in Australia. The vessels included in the new contract award will be servicing a consortium of local operators with various drilling and decommissioning projects.

Viking Supply Ships has signed a contract for four 100-ton heave-compensated offshore cranes to be installed on its fleet of ice classed AHTS’. These advanced cranes will enhance the company’s capabilities to meet the expected increase in demand within the subsea sector. The upgrades will enable the vessels to handle a wider range of assignments across both the oil and gas industry, as well as renewable energy projects, including offshore wind.

The cranes will be installed on Brage Viking, Njord Viking, Loke Viking, and Magne Viking, and are scheduled for delivery beginning in July 2026 and will be phased in thereafter. Total investment for the project is estimated to slightly

above 50 MUSD and is expected to be financed with cash at hand and existing credit facility. The project includes some modifications on the vessels, including building ROV-hangars and installation of launch and recovery systems for ROVs.

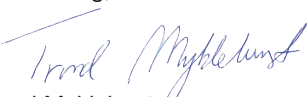
In addition to the investments in offshore cranes, one Work ROV LARS (Launch and Recovery system) has been ordered and will be delivered in Q4 2024 for installation on either Andreas or Odin Viking.

OUTLOOK

The outsourcing of technical and commercial management to Sea1, which previously has been communicated, was completed in October. Moving forward, Viking Supply Ships will retain key personnel with ice expertise to pursue opportunities in the icebreaking and harsh environment sector.

We expect the North Sea AHTS market to be volatile during the seasonally weaker fourth quarter, with occasionally shorter periods of uplift in rates. Generally, the market is affected by increasing global activity, as demand in other regions migrates vessels out of the North Sea. In the coming years, we anticipate increased demand in regions outside the North Sea, driven by increased rig activities, installations and decommissioning of FPSOs, maintenance of mooring systems, floating wind support, and other projects. As governmental fleets of icebreakers age, there may also be future opportunities for shorter or longer-term contract opportunities for our high ice-classed AHTS fleet. Viking Supply Ships is actively seeking term and project work worldwide under common operations with Sea1.

Gothenburg, 12 November 2024


Trond Myklebust
CEO and President

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THIRD QUARTER

- Total revenue for continuing operations was MSEK 212 (101)
- EBITDA for continuing operations was MSEK 105 (34)
- Result after tax including discontinued operations was MSEK 45 (-5)
- Result after tax including discontinued operations per share was SEK 3.4 (-0.4)

YEAR-TO-DATE

- Total revenue for continuing operations was MSEK 585 (301)
- EBITDA for continuing operations was MSEK 266 (105)
- Result after tax including discontinued operations was MSEK 202 (-2)
- Result after tax including discontinued operations per share was SEK 15.4 (-0.1)

SUMMARY OF EVENTS IN Q3

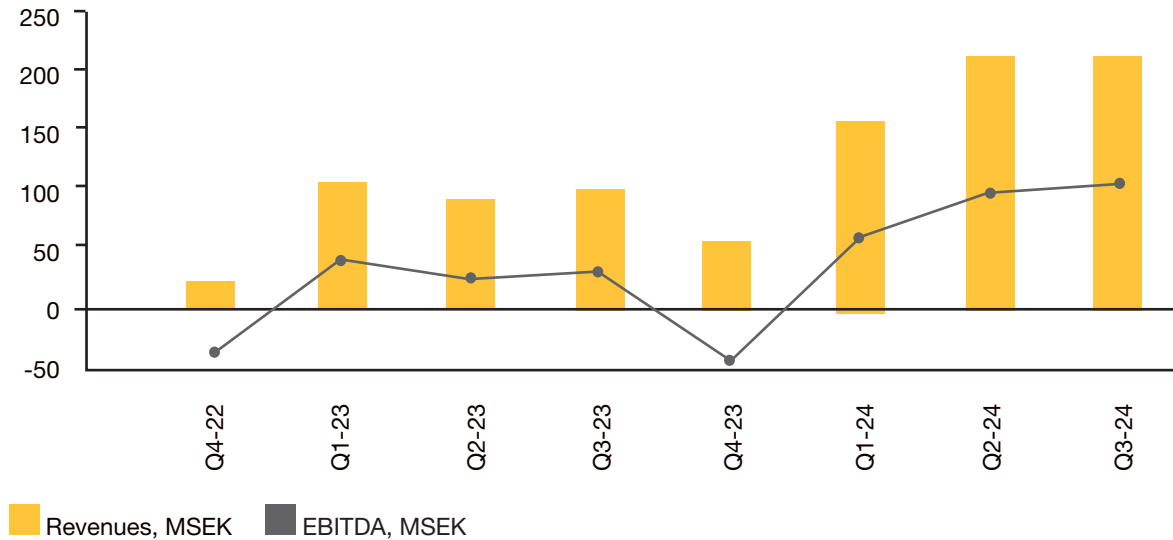
- EBITDA for continuing operation was in Q3 MSEK 105 (34).
- The average fixture rates in Q3 for the AHTS-fleet was USD 48,900 (44,000) and the average utilization was 71% (53%).
- Viking Supply Ships decided to outsource the management of their six AHTS vessels to the Sea1. The initiative, which was concluded during October, is expected to result in significant cost savings.
- The previous segment Ship Management has from this financial report been classified as discontinued operations, in addition to the PSV-segment which from Q1 2024 has been reported as discontinued operations. The continuing operations consists of the Ice-classed AHTS segment and the Services segment which from this report have been merged and constitute the Group's sole and combined operations.
- 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.

SUBSEQUENT EVENTS

- Sea1 has secured a multi-well project for 3 AHTS' in Australia, commencing Q2-Q3 2025 for a firm period of 380 days up to 670 days per vessel. One of the vessels will be from Viking Supply Ships.
- Viking Supply Ships has signed a contract for four 100-ton heave-compensated offshore cranes to be installed on its fleet of ice classed AHTS-vessels. Total investment for the project is estimated to slightly above 50 MUSD and is expected to be financed with cash at hand and existing credit facility. The cranes are scheduled for delivery beginning in July 2026 and will be phased in thereafter.

KEY FINANCIALS	Q3 2024	Q3 2023
Net sales, MSEK ¹⁾	212	101
EBITDA, MSEK ¹⁾	105	34
Result, MSEK	45	-5
Earnings per share, SEK	3.4	-0.4
Shareholders' equity per share, SEK	158.5	161.2
Return on equity, %	8.5	-1.0
Equity ratio, %	74.4	93.8
Market adjusted equity ratio, %	76.6	94.1

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

FINANCIAL DEVELOPMENT ¹⁾

1) Relates to continuing operations within the Ice-classed AHTS segment.

RESULTS AND FINANCE

RESULTS YEAR TO DATE 2024

Total revenue for the Group's continuing operations was MSEK 585 (301).

The Group's EBITDA for continuing operations was MSEK 266 (105).

Net financial items were MSEK -47 (-13). 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 202 (-2). 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. The EBITDA and result after tax also includes restructuring costs of MSEK 13 related to the outsourcing of the Group's ship management operations.

OPERATIONAL HIGHLIGHTS FOR THE THIRD QUARTER

ICE-CLASSED ANCHOR HANDLING TUG SUPPLY VESSELS (AHTS)

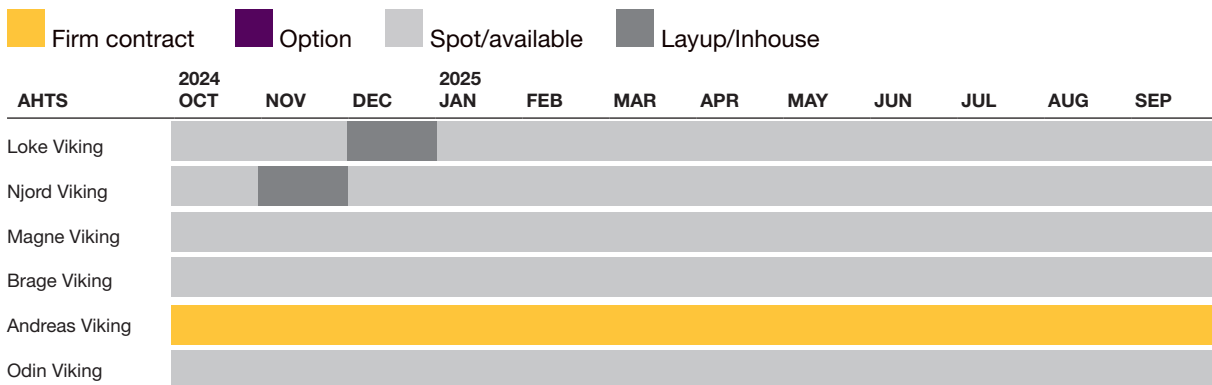
Njord Viking had a good development during the quarter with high utilization, mainly due to a significant amount of ROV (Remote Operative underwater Vehicle) work.

Andreas Viking continue the long term contract in Australia.

Odin Viking had a short-term contract, participating in the tow-out of the FPSO (Floating Production Storage and Offloading) Johan Castberg to the Barents Sea.

Brage Viking completed its seasonal contract in Canada, and returned to the North Sea spot market. The other vessels were in the North Sea spot market during the quarter.

AHTS Q3	Fixture rates (USD)	Utilization (%)
AHTS vessels on term charters	43,000- (-)	100 (-)
AHTS vessels on the spot market	53,500 (44,000)	58 (53)
Total AHTS fleet	48,900 (44,000)	71 (45)



The table shows the contractual status as of 30 September 2024.

FINANCIAL POSITION AND CAPITAL STRUCTURE

At the end of the quarter, the Group's equity amounted to MSEK 2,086. The equity increased during the nine-month period by net MSEK 200 due to the profit of MSEK 202 and a negative change in the translation reserve of MSEK 2. 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 10.

During the first quarter, the ownership in the two PSV vessels Coey Viking 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 Viking and Cooper Viking, from the first quarter of 2024 in the financial reports has been reported as discontinued operations, for further information see note 5.

At the beginning of the year the total cash balance was MSEK 172. The cash flow from continuing operations during the nine-month period was MSEK 89. Cash flow from investments was negative by MSEK 53 and cash flow from financing activities was negative by MSEK 146, mainly related to repayment of the revolving credit facility. The cash flow from discontinued operations was positive by MSEK 158. The currency exchange rate differences in the liquid funds were negative by MSEK 1. The total cash holdings at the end of the quarter were MSEK 219, of which MSEK 10 has been reclassified to "assets related to discontinued operations", for further information see note 5.

The gross investments in continuing operations during the first nine months amounted to MSEK 53 (60). The investment consisted of investments in capitalized docking expenses and equipment related to the fleet of MSEK 46, 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 third quarter, the credit facility of MUSD 40 (MSEK 404) 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 6, "Interest bearing liabilities and note 7, "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 12 November 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.

Gothenburg, 12 November 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

Christer Lindgren
Employee representative

Trond Myklebust
CEO

FINANCIAL CALENDAR 2025

20 February Q4 Interim report
24 April Annual General Meeting

INVESTOR RELATIONS

Please contact CEO, Trond Myklebust, ph. +47 95 70 31 78.

The interim report is available on the company's website: 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, 2024. 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 2024, 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 12 November 2024

Rödl & Partner Nordic AB

Mathias Racz
Authorized public accountant

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

MSEK	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Net sales	2	212	101	585	301	359
Other operating revenue		0	0	0	0	0
Direct voyage cost		-27	-12	-72	-38	-55
Personnel costs		-53	-41	-167	-112	-161
Other costs		-26	-15	-80	-47	-79
Depreciation/impairment	3	-31	-24	-95	-70	-98
Operating result		75	9	171	34	-34
Net financial items		-16	-8	-47	-13	-28
Result before tax		59	1	124	21	-62
Tax	9	0	0	0	0	-1
Result from continuing operations		59	1	124	21	-63
Result from discontinued operations	5	-14	-6	78	-23	-25
RESULT FOR THE PERIOD		45	-5	202	-2	-88
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution):						
-Result from continuing operations		4.9	0.1	9.5	1.7	-4.9
-Result from discontinued operations		-1.5	-0.5	5.9	-1.8	-1.9
Total		3.4	-0.4	15.4	-0.1	-6.8

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Result for the period		45	-5	202	-2	-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		-99	-2	-2	78	-71
Other comprehensive income		-99	-2	-2	78	-71
Total comprehensive income for the period		-54	-7	200	76	-159

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	Note	Q3 2024	Q3 2023
Intangible assets		1	1
Vessels	3	1,613	1,625
Value-in-use assets		763	786
Other tangible fixed assets		1	1
Financial assets		12	96
Total fixed assets		2,390	2,509
Other current assets		194	107
Cash and cash equivalents	7	209	172
Discontinued operations	5	10	-
Total current assets		413	279
TOTAL ASSETS	4	2,803	2,788
Shareholders' equity		2,086	1,886
Long-term liabilities	6	571	715
Other current liabilities	6	136	187
Discontinued operations	5	10	-
Total current liabilities		146	187
TOTAL EQUITY, PROVISIONS AND LIABILITIES		2,803	2,788

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Cash flow from operations before changes in working capital		88	23	211	92	36
Changes in working capital		19	-28	-122	-54	35
Cash flow from current operations		107	-5	89	38	71
Cash flow from investing activities		-13	-1	-53	-20	-120
-whereof acquisitions		-13	-1	-53	-20	-120
Cash flow from financing activities		-14	-2	-146	-5	92
-whereof changes in loans		-14	-2	-146	-5	92
Changes in cash and cash equivalents from continuing operations		80	-8	-110	13	43
Cash flow from discontinued operations:	5					
Cash flow from current operations		-47	-9	-33	-8	-17
Cash flow from investing activities		0	0	191	-10	-10
Changes in cash and cash equivalents from discontinued operations		-47	-9	158	-18	-27
Cash and cash equivalents at beginning of period		190	175	172	159	159
Exchange-rate difference in cash and cash equivalents		-4	-1	-1	3	-3
Reclassification to discontinued operations	5	-10	-	-10	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7	209	157	209	157	172

CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

Shareholders' equity (MSEK)	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Equity at beginning of period		2,140	2,128	1,886	2,015	2,015
New share issue		-	-	-	30	30
Total comprehensive income for the period		-54	-7	200	76	-159
SHAREHOLDERS' EQUITY AT END OF PERIOD		2,086	2,121	2,086	2,121	1,886

Share capital (MSEK)	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Share capital at beginning of period		419	419	419	410	410
New share issue		-	-	-	9	9
Share capital at end of period		419	419	419	419	419

Number of shares ('000)	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Number of outstanding shares at beginning of period		13,160	13,160	13,160	12,878	12,878
New shares		-	-	-	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	13,160	13,160	12,999	13,039

DATA PER SHARE

(SEK)	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
EBITDA ¹⁾		8.0	2.6	20.2	8.1	4.8
Result after tax (EPS)		3.4	-0.4	15.4	-0.1	-6.8
Equity		158.5	161.2	158.5	161.2	143.2
Operating cash flow ¹⁾		6.8	1.5	16.7	5.7	1.1
Total cash flow		2.6	-1.3	3.7	-0.4	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 nine-month period was MSEK 328 (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 2,107 (1,779 on Dec 31, 2023), and total assets were MSEK 2,406 (1,984 on Dec 31, 2023).

The equity ratio at the end of the quarter was 88 % (90 % on Dec 31, 2023). Cash and cash equivalents at the end of the period was MSEK 159 (MSEK 109 on Dec 31, 2023).

PARENT COMPANY INCOME STATEMENT

(MSEK)	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Net sales		3	3	8	8	10
Personnel cost		0	0	-1	-1	-1
Other costs		-3	-3	-7	-7	-9
Operating result		0	0	0	0	0
Net financial items ¹⁾		3	0	328	1	8
Result before tax		3	0	328	1	8
Tax on result for the year		-	-	-	-	-
RESULT FOR THE PERIOD		3	0	328	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		3	0	328	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	Q3 2024	Q4 2023
Financial fixed assets		1,986	1,665
Current assets		420	319
TOTAL ASSETS		2,406	1,984
Shareholders' equity		2,107	1,779
Provisions		3	3
Long-term liabilities		4	4
Current liabilities		292	198
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		2,406	1,984

CHANGES IN PARENT COMPANY SHAREHOLDERS' EQUITY

(MSEK)	Note	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Equity at beginning of period		2,104	1,773	1,779	1,742	1,742
New share issue		-	0	-	30	30
Total comprehensive income for the period		3	0	328	1	7
SHAREHOLDERS' EQUITY AT END OF PERIOD		2,107	1,773	2,107	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 September 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)	Not	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
Time charter revenues		116	91	361	280	331
ROV charter revenues		70	-	156	-	-
Mobilisation/demobilisation fees		16	7	27	17	19
Meals/accomodation onboard		8	0	35	0	0
Consultancy fees		1	0	2	1	1
Reinvoiced costs		1	3	4	3	8
TOTAL		212	101	585	301	359

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.

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.

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 third 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 Ship Management segment has in Q3 2024 been terminated, and is in this financial report classified as discontinued operations. The PSV-segment has from Q1 2024 been reported as discontinued operations. For further information see note 5.

The continuing operations consists of the Ice-classed AHTS segment and the limited business conducted in the Services segment which from this report have been merged and constitute the Group's sole and combined operations.

5. DISCONTINUED OPERATIONS

Ice-classed PSV

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

The sale of the ships led to the PSV segment 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.

Ship Management

The ship management contracts for Coey Viking and Cooper Viking was terminated during the first quarter 2024 when the vessels were sold. Later, during the second quarter, the ship management contract with SMA regarding the five icebreakers expired. These events, combined with the fact that the decision during the third quarter was taken to outsource management of the own fleet to Sea1, has resulted in this segment being reported as discontinued operations.

Reporting of discontinued operations

The discontinued operations, the PSV and Ship Management segments, respectively, are reported as a single amount in the group's comprehensive income statement. Cash flows for discontinued operations are reported on separate lines divided into current operations and investing operations in the cash flow statement. Comparative figures for previous periods are also presented in accordance with this classification in the income statement and the cash flow statements. Assets and liabilities attributable to the discontinued operation are reported on a separate line in the balance sheet. The presentation of the consolidated balance sheet for preceding periods is not changed in a corresponding manner.

INCOME STATEMENT FROM DISCONTINUED OPERATIONS	<i>Note</i>	Q3 2024	Q3 2023	Q1-3 2024	Q1-3 2023	Q1-4 2023
MSEK						
Net sales		8	52	143	173	248
Personnel costs		-22	-54	-153	-183	-247
Other costs		0	-6	-9	-11	-25
Result from shares in associated companies		0	0	97	-2	-2
Depreciation/impairment		0	0	0	0	-1
Operating result		-14	-8	78	-23	-27
Net financial items		0	2	0	0	2
Result before tax		-14	-6	78	-23	-25
Tax		0	0	0	0	0
Result for the period		-14	-6	78	-23	-25
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution):						
-Result from discontinued operations		-1.5	-0.5	5.9	-1.8	-1.9
Total		-1.5	-0.5	5.9	-1.8	-1.9
CASH FLOW FROM DISCONTINUED OPERATIONS:						
MSEK						
Cash flow from current operations		-47	-9	-33	-8	-17
Cash flow from investing activities		0	0	191	-10	-10
Total cash flow from discontinued operations		-47	-9	158	-18	-27
ASSETS AND LIABILITIES REPORTED AS DISCONTINUED OPERATIONS					Q3 2024	Q3 2023
MSEK						
Cash and cash equivalents		10	-			
Assets related to discontinued operations		10	-			
Other current liabilities		10	-			
Liabilities related to discontinued operations		10	-			

DISCONTINUED OPERATIONS DISTRIBUTED ON SEGMENTS						
Q3 2024 MSEK	Ice-classed PSV		Ship Management and services		Total discontinued operations	
	2024	2023	2024	2023	2024	2023
Net sales	-	-	8	52	8	52
EBITDA	-	-1	-14	-7	-14	-8
Result before tax	-	-1	-14	-5	-14	-6
Total assets	-	-	10	-	10	-

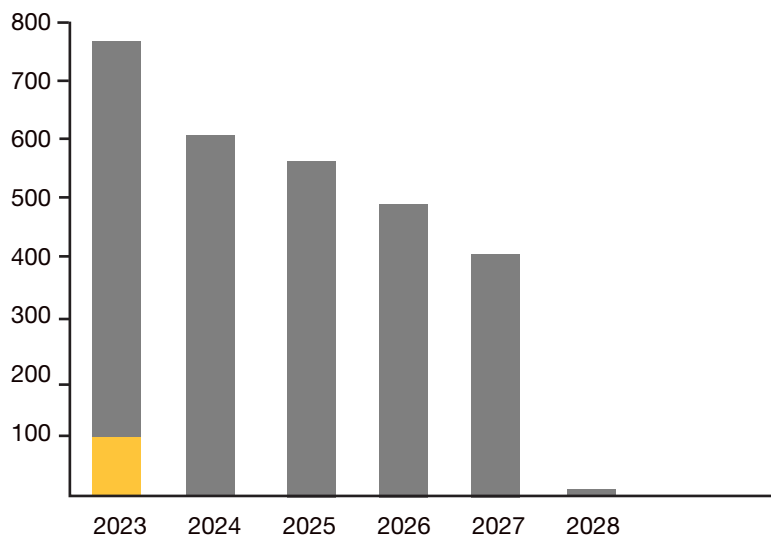
DISCONTINUED OPERATIONS DISTRIBUTED ON SEGMENTS						
Q1-Q3 2024 MSEK	Ice-classed PSV		Ship Management and services		Total discontinued operations	
	2024	2023	2024	2023	2024	2023
Net sales	-	-	143	173	143	173
EBITDA	0	-5	-18	-18	-18	-23
Result before tax	96	-5	-18	-18	78	-23
Total assets	-	-	10	-	10	-

6. INTEREST BEARING LIABILITIES

At the end of the third quarter, the Interest-bearing liabilities totaled MSEK 633. The leasing debts included in the Interest-bearing liabilities relates mainly to the two bareboat chartered vessels Odin Viking and Andreas Viking (right-to-use assets). The Group disposes of a credit facility of MUSD 40, which at balance-day corresponded to MSEK 404, available for ordinary course of business and potential investment opportunities. At the end of the quarter the credit facility was unutilized.

MSEK	30-sep 2024	30-sep 2023	31-dec 2023
Long-term foans from credit institutions	-	-	100
Long-term financial lease debts	568	4	611
Short-term financial lease debts	65	2	59
TOTAL INTEREST BEARING LIABILITIES	633	6	770

MSEK



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 third quarter amounted to MSEK 209 (172 on Dec 31, 2023), including cash with restrictions of MSEK 4 (35 on Dec 31, 2023). The Group disposes of a credit facility of MUSD 40, which at balance-day corresponded to MSEK 404, available for ordinary course of business and potential investment opportunities. At the end of the quarter the credit facility was unutilized.

MSEK	30-sep 2024	30-sep 2023	31-dec 2023
Free cash and cash equivalents	215	118	137
Restricted cash	4	39	35
Cash reclassified to discontinued operations	-10	-	-
TOTAL CASH AND CASH EQUIVALENTS	209	157	172
Unutilized credit facilities	404	434	302
TOTAL INCLUDING UNUTILIZED CREDIT FACILITIES	613	591	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 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 1,074 (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

Sea1 has secured a multi-well project for 3 AHTS' in Australia, commencing Q2-Q3 2025 for a firm period of 380 days up to 670 days per vessel. One of the vessels will be from Viking Supply Ships.

Viking Supply Ships has secured a contract for four 100-ton heave-compensated offshore cranes to be installed on its fleet of ice classed anchor handling tug supply (AHTS) vessels. Total investment for the project is

estimated to around 50 MUSD and is expected to be financed with cash at hand and existing credit facility. The cranes are scheduled for delivery beginning in July 2026 and will be phased in thereafter.

Number of employees

The average number of full-time employees in the Group during the nine-month period was 334 (Jan-Dec 2023: 406). The number of employees decreased as of July 1, 2024, when the seafarers on the five state owned icebreakers were transferred to employment with the Swedish Maritime Administration.

The shipboard employees on Viking Supply Ships' AHTS vessels were in mid-October 2024 transferred to employment with Sea1 due to the outsourcing of management to Sea1. A reduction of the land-employed personnel has begun and will be fully implemented during the fourth quarter 2024.

Number of shares

Share distribution on 30 September, 2024:

Number of Series A shares	625,698
<u>Number of Series B shares, listed</u>	<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

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. Viking Supply Ships AB (publ.) is operating within the segment Ice-classed Anchor Handling Tug Supply vessels (AHTS). Its fleet of high-end AHTS vessels is capable of working in the harshest and most demanding environments in the world. The company's B-share is listed on NASDAQ First North Growth Market. For more details, see www.vikingsupply.com.

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