

VIKING SUPPLY SHIPS AB (PUBL)

INTERIM REPORT

Q1

JANUARY - MARCH

2019



VIKING SUPPLY SHIPS

MORE
THAN A SHIPOWNER

THE
COOLEST
PLACE TO WORK

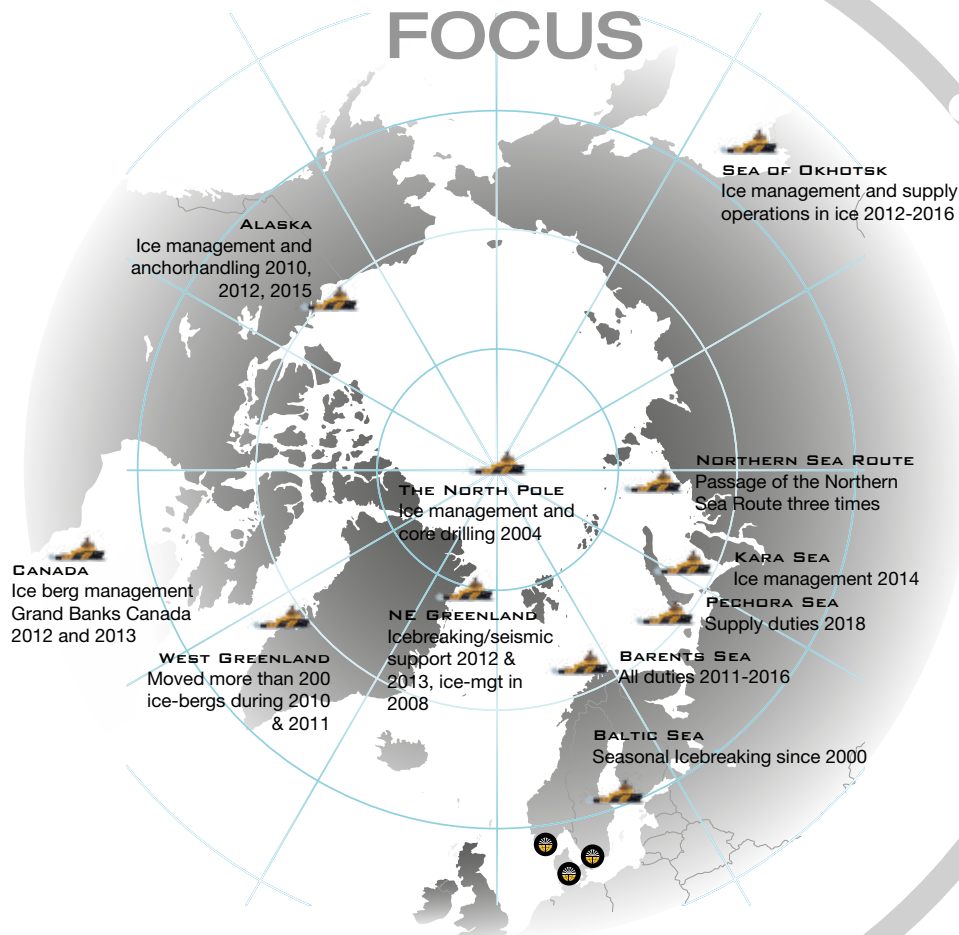
ALWAYS AHEAD OF
COMPETITION

Q1

Q1

REVENUE
MSEK 78 (84)

ARCTIC FOCUS



Q1

EBITDA
MSEK -22 (-22)

Q1

RESULT FOR THE PERIOD
MSEK -17 (-85)

Q1

EARNINGS PER SHARE AFTER TAX
SEK -1.8 (-10.0)

Viking Supply Ships AB (publ) is a Swedish shipping company with headquarter in Gothenburg, Sweden. Viking Supply Ships AB (publ) is organized into three segments: Anchor Handling Tug Supply vessels (AHTS), Services as well as Ship Management. The operations are focused on offshore and icebreaking primarily in Arctic and subarctic areas. The company has in total about 300 employees and the turnover in 2018 was MSEK 300. The company's B-share is listed on NASDAQ OMX Stockholm, segment Small Cap, www.vikingsupply.com.

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 interim CFO, Morten G. Aggvin, ph. +47 41 04 71 25.





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The first quarter resulted in a loss for the Group. Revenue has increased compared to last quarter, but is still at unsatisfactory levels, totalling MSEK 78 (84) for the quarter. EBITDA is negative for the quarter at MSEK -22 (-22). For the fourth quarter, profit after tax including discontinued operations was MSEK -17 (-85).

As a result of the divestment of three of the company's icebreakers, the financial situation of the group has significantly improved. The Group has, in accordance with the restructuring agreement with its creditors, repaid all of its bank debts which have resulted in the Group becoming debt-free.

During the first quarter, the last of five PSVs was delivered to its new owner. This leaves the Group with a fleet of 4 ice classed vessels, as well as the five ice-breakers it operates for the Swedish Maritime Administration.

VSS is committed to its strategy to focus on the harsh environment offshore market and its unique ice-breaking competence. During Q1, VSS has as part of this upgraded Loke Viking to Ice-Class 1A-Super, which was assumed to increase the probability of obtaining term contracts for the vessel. The upgrade was completed in early 2019 and the vessel returned to operation in the North Sea market in late March 2019. During April, the vessel was awarded a term contract with GNS for operation in the Pechora Sea with duration of up to

4.5 months. The vessel is currently mobilizing for commencement during the first half of May. VSS is very pleased that the upgrade already has proved to be a correct decision.

Combined with the efforts to continuously reduce the cost base in the Group, the sale of three of the company's ice-breakers has positioned the Group in a unique position within the offshore industry. Combined with its competence within the harsh environment offshore segment, the Group is therefore well positioned for the next growth cycle within the offshore industry.

OUTLOOK

As previously communicated, the Group anticipates that the OSV market will remain challenging through 2019. In the longer run, the increased investment levels within offshore oil and gas will lead to increased activity also for OSV vessels, but due to the current oversupply and budget cycles the anticipated recovery will take time. VSS has however over the last few months seen increased activity within the market for ice-classed vessels and will continue to work determined to increase the contract backlog within the Group.

Gothenburg, 9 May 2019.

Trond Myklebust
CEO and President

Q1

FIRST QUARTER

- Total revenue from continuing operations was MSEK 78 (84)
- EBITDA from continuing operations was MSEK -22 (-22)
- Result after tax including discontinued operations was MSEK -17 (-85)
- Result after tax per share including discontinued operations was SEK -1.8 (-10.0)

SUMMARY OF EVENTS IN Q1

- EBITDA for Q1 from continuing operations was MSEK -22 (-22).
- The average fixture rate in Q1 was USD 41,800 (33,600) and the average utilization was 35% (46).
- The PSV vessel Idun Viking was delivered to its new owner in medio January. The transaction brought no effects on the result but a positive liquidity effect of MSEK 22.
- As a result of the divestment of three of the company's ice-breakers, the financial situation of the group has significantly improved. The Group has, in accordance with the restructuring agreement with its creditors, repaid all of its bank debts which have resulted in the Group becoming debt-free.

SUBSEQUENT EVENTS

- After the end of the quarter, The Group has obtained three shorter term contracts for its vessels. Brage and Njord Viking will support Shell UK for duration of 45 to 90 days, while Loke Viking will support GNS for duration of 2.5 to 4 months.

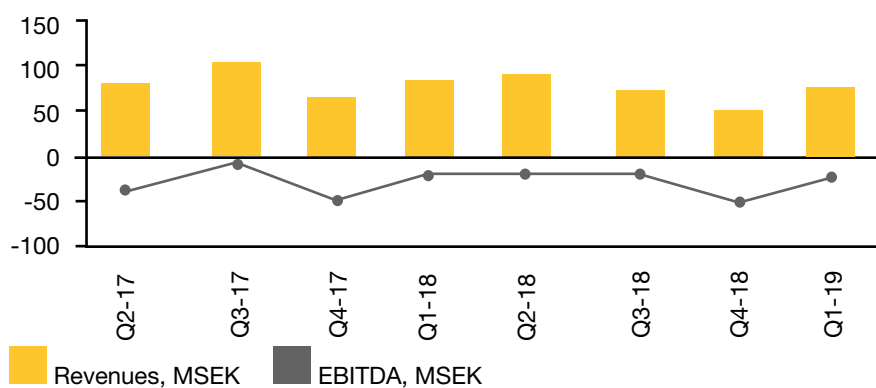
KEY FINANCIALS	Q1 2019	Q1 2018
Net sales, MSEK ¹⁾	78	84
EBITDA, MSEK ¹⁾	-22	-22
Result after tax, MSEK ²⁾	-17	-85
Earnings per share after tax, SEK ²⁾	-1.8	-10.0
Shareholders' equity per share, SEK ²⁾	209.3	108.4
Return on equity, % ²⁾	-2.7	-34.5
Equity ratio, % ³⁾	83.7	35.0
Market adjusted equity ratio, % ³⁾	83.4	37.1

1) Excludes discontinued operations

2) Includes discontinued operations

3) The calculation includes assets held for sale

FINANCIAL DEVELOPMENT CONTINUING OPERATIONS



RESULTS AND FINANCE

RESULTS YEAR TO DATE 2019

Total revenue for the Group for the year to date was for continuing operations MSEK 78 (84).

The Group's EBITDA for the year to date from continuing operations was MSEK -22 (-22).

Net financial items were for continuing operations MSEK 25 (-12). The amount includes positive exchange differences of MSEK 23.

The Group's result after tax including discontinued operations was MSEK -17 (-85).

OPERATIONAL HIGHLIGHTS FOR THE FIRST QUARTER

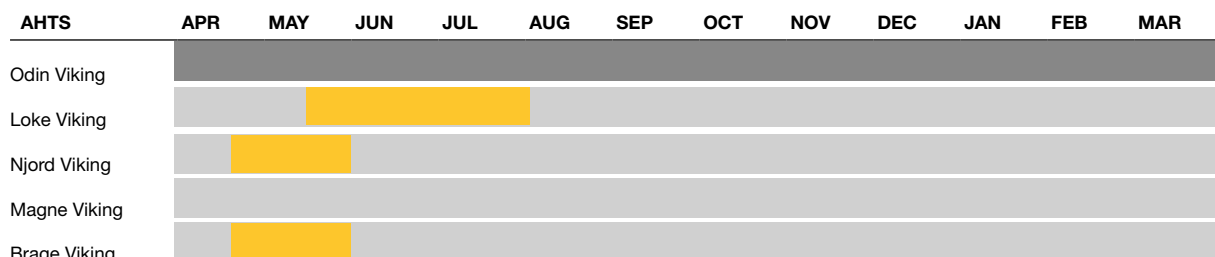
ANCHOR HANDLING TUG SUPPLY VESSELS (AHTS)

Total revenue was MSEK 36 (43) in Q1 and EBITDA was MSEK -19 (-21).

During Q1, three vessels have been operating in the North Sea spot market. One vessel has remained in lay-up during the quarter, while Loke Viking has been in-house for upgrades to Ice-class 1A-Super during the quarter and returned to the North Sea spot market towards the end of the quarter.

Although the activity in the North Sea spot market has increased during the quarter, earnings has not reached satisfactory levels, mainly due to low utilization.

AHTS Q1	Fixture rates (USD)	Utilization (%)
AHTS vessels on term charters	- (49,000)	- (100)
AHTS vessels on the spot market	41,800 (22,100)	35 (36)
Total AHTS fleet	41,800 (33,600)	35 (46)



Figures in the tables are as of 15 April 2019.

SERVICES AND SHIP MANAGEMENT

Total Services and Ship Management revenue was MSEK 42 (41) in Q1. Total EBITDA was MSEK -3 (-1).

Viking Ice Consultancy (VIC) has during the first quarter continued the work on several smaller consultancy contracts, with focus on ice management and implementation of the Polar Code.

The operations within the ship management segment proceeded as planned throughout the quarter.

DISCONTINUED OPERATIONS

The previous segments TransAtlantic AB, PSV and the ordinary AHTS vessel Odin Viking have in this financial report been recognized as discontinued operations and assets held for sale, according to IFRS 5 Assets Held for Sale and Discontinued Operations (see note 4, Discontinued operation and assets held for sale).

FINANCIAL POSITION AND CAPITAL STRUCTURE

At the end of the quarter, the Group's equity amounted to MSEK 1,952. The equity decreased during the quarter by net MSEK 1,016 due to the dividend of MSEK 1,082, the loss for the period of MSEK 17 and a positive change in the translation reserve of MSEK 83 attributable to currency differences on net investments in subsidiaries. Further information can be found in section "Changes in the Group's shareholders' equity" on page 11.

Gross investments during the period amounted to MSEK 43 (0) and consisted of investments in vessels of MSEK 21 related to the upgrade of Loke Viking and investments in financial fixed assets of MSEK 22 consisting of blocked cash deposits.

In January 2019 Idun Viking was sold, and the sales proceeds, net after sales expenses, amounted to MSEK 22.

The Group has, in accordance with the restructuring agreement with its creditors, repaid all of its bank debts which have resulted in the Group becoming debt-free. The total loan amortizations during the quarter amounted to MSEK 885 (39).

The Annual General Meeting resolved that a dividend of SEK 116 per share, total MSEK 1 082, to the shareholders. The dividend was in accordance with the resolutions distributed to the shareholders on 13 March 2019.

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 and/or the Swedish Financial Instruments Trading 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 at 8:30 am (CET) on 9 May, 2019.

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

This interim report is unaudited.

Gothenburg, 9 May 2019

Viking Supply Ships AB

Bengt A. Rem
Chairman

Folke Patriksson
Deputy chairman

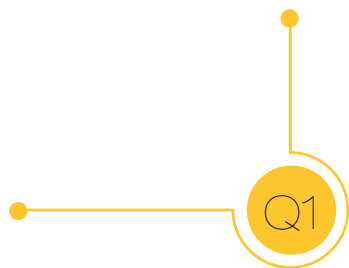
Erik Borgen
Board member

Håkan Larsson
Board member

Magnus Sonnorp
Board member

Trond Myklebust
CEO

Christer Lindgren
Employee representative



FINANCIAL CALENDAR 2018

15 August	Q2 Interim report
7 November	Q3 Interim report

INVESTOR RELATIONS

Please contact Interim CFO, Morten G. Aggvin, ph. +47 41 04 71 25

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

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(MSEK)	<i>Note</i>	Q1 2019	Q1 2018	Q1-Q4 2018
Net sales		78	84	300
Other operating revenue		0	0	2,485
Direct voyage cost		-8	-7	-27
Personnel costs		-80	-78	-279
Other costs		-12	-21	-97
Depreciation/impairment	2	-17	-31	-108
Operating result		-39	-53	2,274
Net financial items		25	-12	-110
Result before tax		-14	-65	2,164
Tax	8	0	0	-1
Result from continuing operations	3	-14	-65	2,163
Result from discontinued operations	4	-3	-20	-412
Result for the period		-17	-85	1,751
Earnings attributable to Parent Company's share-holders, per share in SEK (before and after dilution):				
-Result from continuing operations		-1.5	-7.6	236.9
-Result from discontinued operations		-0.3	-2.4	-45.2
Total		-1.8	-10.0	191.7

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	<i>Note</i>	Q1 2019	Q1 2018	Q1-Q4 2018
Result for the period		-17	-85	1,751
Other comprehensive income for the period:				
Items that will not be restored to the income statement				
Revaluation of net pension obligations		0	0	0
Items that later can be restored to the income statement				
Change in translation reserve, net		83	3	125
Other comprehensive income		83	3	125
Total comprehensive income for the period		66	-82	1,876

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	Note	Q1 2019	Q4 2018
Vessels	2	1,764	1,708
Other tangible fixed assets		0	0
Financial assets		149	122
Total fixed assets		1,913	1,830
Other current assets	6	372	2,310
Assets held for sale	4	46	94
Total current assets		418	2,404
TOTAL ASSETS	3	2,331	4,234
Shareholders' equity		1,952	2,968
Long-term liabilities	5	15	896
Other current liabilities	5	120	106
Liabilities related to assets held for sale	4	244	264
Total current liabilities		364	370
TOTAL EQUITY, PROVISIONS AND LIABILITIES		2,331	4,234

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Note	Q1 2019	Q1 2018	Q1-Q4 2018
Cash flow from operations before changes in working capital		-26	-31	-148
Changes in working capital		149	-27	-110
Cash flow from current operations		123	-58	-258
Cash flow from investing activities		-21	0	3,224
Cash flow from financing activities		-1,967	81	-528
Changes in cash and cash equivalents from continuing operations		-1,865	23	2,438
Cash-flow from discontinued operations:				
Cash flow from current operations		-1	-9	-32
Cash flow from investing activities		0	0	94
Cash flow from financing activities		0	2	-428
Changes in cash and cash equivalents from discontinued operations	4	-1	-7	-366
Cash and cash equivalents at beginning of period		2,083	34	34
Exchange-rate difference in cash and cash equivalents		59	0	-23
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	276	50	2,083

CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

Shareholders' equity (MSEK)	Note	Q1 2019	Q1 2018	Q1-Q4 2018
Equity at beginning of period		2,968	971	971
New share issue, net after expenses		-	122	121
Dividend		-1,082	-	-
Total comprehensive income for the period		66	-82	1,876
SHAREHOLDERS' EQUITY AT END OF PERIOD		1,952	1,011	2,968

Share capital (MSEK)	Note	Q1 2019	Q1 2018	Q1-Q4 2018
Share capital at beginning of period		410	410	410
Reduction to unrestricted reserve		-	-307	-307
New share issue		-	131	131
Bonus issue		-	176	176
Share capital at end of period		410	410	410

Number of shares ('000)	Note	Q1 2019	Q1 2018	Q1-Q4 2018
Number of outstanding shares at beginning of period		9,327	409,593	409,593
Number of new shares issued		-	523,141	523,141
Reversed split		-	-923,407	-923,407
Total number of shares at end of period		9,327	9,327	9,327
Average number of shares outstanding		9,327	8,514	9,127

DATA PER SHARE

(SEK)	Note	Q1 2019	Q1 2018	Q1-Q4 2018
EBITDA ¹⁾		-2.4	-2.7	260.9
Result after tax (EPS) ¹⁾		-1.5	-7.6	236.9
Equity ²⁾		209.3	108.4	318.2
Operating cash flow ²⁾		0.3	-4.1	-23.4
Total cash flow ¹⁾		-200.8	1.8	267.1

1) Calculated on continuing operations

2) The calculation includes assets held for sale

PARENT COMPANY

The activity in the Parent Company mainly consists of the shareholdings in Viking Supply Ships A/S and TA AB, as well as limited Group wide administration.

The Parent Company's result after tax for the quarter was MSEK 5 (0).

At the end of the period the Parent Company's equity was MSEK 1,709 (2,787 on Dec 31, 2018), and total assets were MSEK 2,819 (2,828 on Dec 31, 2018). The equity decreased during the quarter due to the dividend of MSEK 1,082.

The equity ratio was at the end of the quarter 61 % (99 on Dec 31, 2018). Cash and cash equivalents at the end of the period was MSEK 0 (0 on Dec 31, 2018).

PARENT COMPANY INCOME STATEMENT

(MSEK)	Note	Q1 2019	Q1 2018	Q1-Q4 2018
Net sales		5	2	8
Other costs		-5	-2	-9
Operating result		0	0	-1
Net financial items		5	0	1,662
Result before tax		5	0	1,661
Tax on result for the year		-	-	-
RESULT FOR THE PERIOD		5	0	1,661
<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
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5	0	1,661

PARENT COMPANY BALANCE SHEET

(MSEK)	Note	Q1 2019	Q4 2018
Financial fixed assets		2,817	2,817
Current assets		2	11
TOTAL ASSETS		2,819	2,828
Shareholders' equity		1,709	2,787
Provisions		5	5
Long-term liabilities		10	10
Current liabilities		1,095	26
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		2,819	2,828

CHANGES IN PARENT COMPANY SHAREHOLDERS' EQUITY

(MSEK)	Note	Q1 2019	Q1-Q4 2018
Equity at beginning of period		2,787	1,005
New share issue		-	121
Divident		-1,082	-
Total comprehensive income for the period		5	1,661
SHAREHOLDERS' EQUITY AT END OF PERIOD		1,709	2,787

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. LIQUIDITY AND GOING CONCERN

In order for the Group to have sufficient liquidity and equity to get through the challenging market situation, the Group has during the three last years completed comprehensive restructuring programs, including cost reducing efforts which includes lay-up of vessels, bond delisting, renegotiation of existing loan facilities and charter agreements, new share issues and sale of vessels. These measures, and the sale of vessels carried out during 2018, have significantly improved the Group's financial position, both by reduced debts and improved liquidity.

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 increasing activity in the arctic and subarctic regions during the next few years. Based on the result expectations, the Group's strong financial situation, the current risks and a continued belief in securing contracts within the core market segment, the Board of Directors and Management have concluded that both the company and the Group will be able to continue as going concern at least until 31 March 2020. This conclusion is based on Management's assessment of the current outlook for 2019/2020 and the uncertainties and risks described in this report.

2. 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 operation is divided in two groups of vessel types, AHTS with ice-class and Ordinary AHTS. The group of ice-classed vessels consist of 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 sister vessels are similar and can all be used for the same kind of tasks and are thus interchangeable. Each vessel generates its own cash streams, but the company's customers could, just as easily, have used another vessel from the actual fleet type. Based on this the Group has deemed it appropriate to consider the group of ice-classed AHTS vessels as a separate cash generating unit. As a result, impairment tests are performed on a portfolio level rather than per vessel. The other category, Ordinary AHTS, consists of the anchor handler Odin Viking. This vessel with lower specification, which in its characteristics departs from the other four vessels in the AHTS segment, is less technically advanced which is a limitation in certain assignments and geographical areas.

The key assumptions used in the value in use calculation and in the assessment of owned vessels, for 2019 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 9% (2018: 9%). 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.

Impairment test vessels with ice-class in 2019

In Q1 2019 Management evaluated the fleet with ice-class and concluded that the vessels are not to be impaired. The value in use calculations prepared for the fleet amounts to MSEK 1,903, which exceeds the book value of MSEK 1,761. The impairment test also consists of an assessment of average external vessel valuations,

less cost to sell, from three independent shipbrokers showing a total fleet value of MSEK 1,705 (ranging from MSEK 1,584 to MSEK 1,807).

Impairment test Ordinary AHTS vessels in 2019

It was during the fourth quarter 2018 decided to sell Odin Viking. The decision implies, according to IFRS 5 Assets held for sale and discontinued operations that the assets held for sale shall be measured at the lower of carrying amount and fair value less costs to sell. The external market value assessment conducted by three independent shipbrokers shows a market value, net after sales- and restart expenses, of MSEK 45 (in a range between MSEK 20 to MSEK 67). The book value of the Ordinary AHTS vessel amounts to MSEK 45. The bareboat charter for Odin Viking has due to change of terms in the financial restructuring been re-classified to a financial lease during 2018, in accordance with IFRS 16 Leases.

3. SEGMENT INFORMATION

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

-The segment AHTS comprise four ice-classed 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 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.

For information about the previous segments TransAtlantic, PSV and Ordinary AHTS (Odin Viking), which in this financial report are classified as discontinued operations and assets held for sale, please see note 4.

Q1 MSEK	AHTS		Services		Ship Management		Continuing operations	
	2019	2018	2019	2018	2019	2018	2019	2018
Net sales	36	43	1	1	41	40	78	84
EBITDA	-19	-21	0	-1	-3	0	-22	-22
Result before tax	-10	-64	0	-1	-4	0	-14	-65
Total assets	2,236	4,099	1	1	48	40	2,285	4,140

There have been no significant transactions between the segments.

4. DISCONTINUED OPERATION AND ASSETS HELD FOR SALE

Due to the decisions to discontinue the operations in the previous segments TransAtlantic, PSV and Ordinary AHTS vessels (Odin Viking) the Group have recognized these segments as discontinued operations and assets held for sale, according to IFRS 5 Assets held for sale and discontinued operation, which means that these segments are reported as a one-line item in the consolidated profit and loss statements. Assets and liabilities related to the segments are also presented in two rows in the consolidated balance sheet. The consolidated cash flow statement is presented including the segments, but with additional information about cash-flow from current operation and investing- and financing activities of the discontinued segments. Comparative figures for prior periods are also presented in accordance with this classification in the consolidated profit and loss statement and cash-flow statement.

Discontinued operations are in accordance with IFRS 5 measured at the lower of carrying amount and fair value less costs to sell. The assessment of the valuations of the remaining vessels assets are supported by independent broker valuations and an overall assessment from ongoing sales processes, for further information see note 2.

Segment TransAtlantic

It was during 2016 decided to discontinue the remaining operations in the subsidiary TransAtlantic AB. The remaining three vessels were sold during H2 2018. All operations within the previous segment TransAtlantic are thereby concluded.

Segment PSV

It was during the Q2 decided to sell the five PSV vessels which also implied to recognize the segment according to IFRS 5 assets held for sale and discontinued operations. Four of the vessels were sold during H2 2018. The last remaining vessel, Idun Viking, was delivered to its new owners in January 2019.

Ordinary AHTS vessels

The market for Ordinary AHTS vessels has for several years been very poor. Odin Viking has as a consequence been in lay-up during the last three years. A decision to sell the vessel was taken during the fourth quarter 2018. The decision implies that the vessel in accordance with IFRS 5 Assets held for sale and discontinued operations has to be measured at the lower of carrying amount and fair value less costs to sell (for further information see note 2). Odin Viking is a bareboat chartered vessel, for which the terms in the bareboat charter agreement was renegotiated as a part of the financial restructuring and consequently during 2018 reassessed to be a financial lease agreement in accordance with IFRS 16 Leases. The nominal minimum lease fee agreed is, TUSD 10/ day until expiry on 2 August 2024, total MSEK 241 (MUSD 25.9) including accrued but not paid leasing fees for previous periods, which also is the call option price to acquire the vessel ahead of an external sale. The vessel is owned by a subsidiary to Viking Supply Ships ABs majority shareholder Kistefos AS, see note 8.

CONSOLIDATED INCOME DISCONTINUED OPERATIONS

(MSEK)	Q1 2019				Q1 2018				Q1-Q4 2018			
	TA	PSV	Odin	Total	TA	PSV	Odin	Total	TA	PSV	Odin	Total
Net sales	-	-	0	0	8	0	0	8	30	0	0	30
Personnel costs	-	-	0	0	0	0	0	0	0	-1	-1	-2
Other costs	-	-	-1	-1	-8	-3	-9	-20	-32	-31	-26	-89
Depreciations / write-downs	-	-	-2	-2	0	-1	0	-1	0	-195	-147	-342
Operating result	-	-	-3	-3	0	-4	-9	-13	-2	-227	-174	-403
Net financial items	-	-	0	0	-1	-6	0	-7	6	-15	0	-9
Result before tax	-	-	-3	-3	-1	-10	-9	-20	4	-242	-174	-412
Tax	-	-	0	0	0	0	0	0	0	0	0	0
RESULT FROM DISCONTINUED OPERATIONS	-	-	-3	-3	-1	-10	-9	-20	4	-242	-174	-412
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution):	-0,3				-2,4				-45,2			
-Result from discontinued operations												

ASSETS HELD FOR SALE AND LIABILITIES RELATED TO ASSETS HELD FOR SALE

(MSEK)	Q1 2019				FY 2018			
	TA	PSV	Odin	Total	TA	PSV	Odin	Total
Vessels	-	-	45	45	0	23	45	68
Intangible fixed assets	-	-	0	0	1	0	0	1
Financial assets	-	-	0	0	0	0	0	0
Total fixed assets	-	-	45	45	1	23	45	69
Current assets	-	-	1	1	1	23	1	25
ASSETS HELD FOR SALE	-	-	46	46	2	46	46	94
Long-term liabilities	-	-	148	148	0	0	152	152
Current liabilities	-	-	96	96	3	22	87	112
LIABILITIES RELATED TO ASSETS HELD FOR SALE	-	-	244	244	3	22	239	264

CASH-FLOW FROM DISCONTINUED OPERATIONS

(MSEK)	Q1 2019				Q1 2018				Q1-Q4 2018			
	TA	PSV	Odin	Total	TA	PSV	Odin	Total	TA	PSV	Odin	Total
Cash flow from current operations	-	-	-1	-1	2	-11	0	-9	19	-11	-40	-32
Cash flow from investing activities	-	-	0	0	0	0	0	0	0	94	0	94
Cash flow from financing activities	-	-	0	0	2	0	0	2	0	-428	0	-428
NET CASH FLOW FROM DISCONTINUED OPERATIONS	-	-	-1	-1	4	-11	0	-7	19	-345	-40	-366

5. INTEREST BEARING LIABILITIES

As a result of the sale of three of the company's ice-breakers, the financial position of the Group has significantly improved. On the basis of the changed situation the Group has, in accordance with the restructuring agreement entered into in January 2018 with its creditors, during Q1 2019 repaid all of its bank debts, total MSEK 885, which has resulted in the Group becoming free from bank debts. The charter agreement of Odin Viking which is classified as a financial lease in the financial statements, which entails reporting of lease debts of 241 MSEK in the balance sheet, is not affected of these repayments.

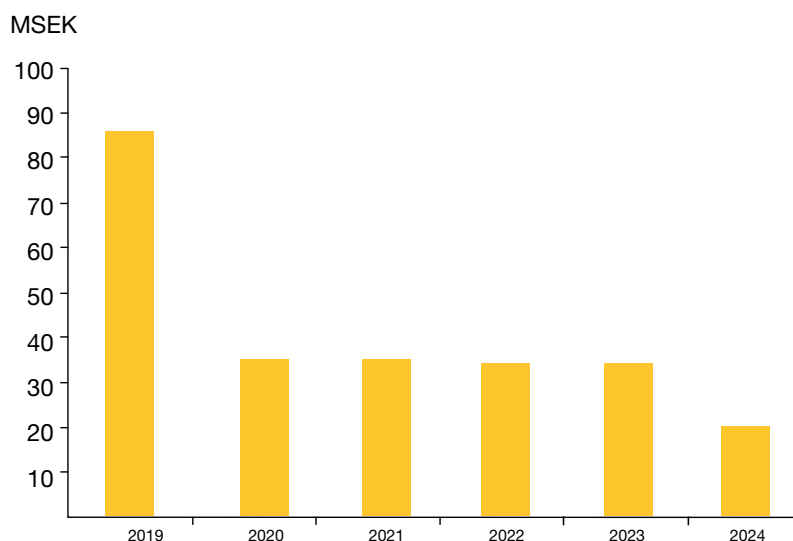
The restructuring agreement also implicates that sales proceeds up to MSEK 140 (MUSD 15) from the sale of the PSV-vessels would have been deposited on a blocked bank account. These funds were intended to be available on request from Viking Supply Ships against new issued shares in Viking Supply Ships AB. The proceeds from the sale of the five PSVs, total MSEK 135 (MUSD 14.5), have been deposited and remains on a blocked bank account, also see note 6, Cash and cash equivalents. At the end of the quarter, after repayment of all outstanding bank debts, the restructuring agreement only covers the charter agreement of Odin Viking.

5.1. Classification by type of debt

MSEK	Q1 2019	Q1 20178
Long-term debt to credit institutions	-	885
Long-term financial lease debt	150	152
Short-term financial lease debt	94	81
TOTAL INTEREST BEARING LIABILITIES	244	1,118

5.2. Debt maturity

Financial lease debts Bank debts



6. CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents available at the end of the quarter amounted to MSEK 276 (2,083 on Dec 31, 2018), including client funds, used in the external ship management operation, of MSEK 28 (23 on Dec 31, 2018). The cash proceeds from the sale of the PSV vessels, total MSEK 135, have according to an agreement with one of the Group's lenders been deposited on a blocked account and is disclosed among the fixed financial assets. For further information, see note 5, Interest bearing liabilities.

MSEK	Q1 20189	Q4 2018
Blocked cash holdings	135	290
Free cash and cash equivalents	276	2,083
TOTAL	411	2,373

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

8. OTHER INFORMATION

Company information

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

Corporate tax

The general situation for the Group is that taxes payable is limited to foreign entities. The tax losses carry forward for Swedish entities amounted at end of the year to MSEK 1,066 (1,071 on Dec 31, 2018). 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, 2018).

Transactions with closely related parties

The Group has entered into a long-term bareboat charter agreement with a subsidiary to Kistefos AS, Odin Viking SPV AS, in relation to hire of the AHTS vessel Odin Viking. The nominal minimum lease hire payments including accrued unsettled bareboat charter hires of MSEK 60 amounts to MSEK 241 until expiry on 2 August 2024 (TUSD 10 per day). The bareboat charter does not contain any variable elements. As part of the financial restructuring agreement, this bareboat charter contract has been amended, please also see note 5. The amendment has also caused the bareboat charter to be re-classified to a financial lease, according to IFRS 16 Leases. See note 2, Tangible fixed assets.

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.

IFRS 16 Leases

As of January 1, 2019, Viking Supply Ships applies IFRS 16 Leases. The standard implies that the previous distinction between operational and financial leases has been removed, which means that in most cases the standard requires the recognition of an asset (the right to use the leased asset) and a financial liability (the obligation to pay rent) for the Group's leasing agreements. In addition, the operating cost is replaced by interest expense and depreciation, so that key figures, such as EBITDA, will change. Operational cash flows presented

in the cash flow statement will be higher since payments relating to the nominal part of the lease liabilities are classified as financing activities. Only parts of the payments that reflect interest expenses will continue to be reported as operational cash flows. There are voluntary exemptions that the Group applies for short-term leases and low-value contracts. The exceptions mean that the costs for such agreements are reported on a straight-line basis over the lease term, while no right-of-use asset or leasing liabilities are reported.

The significant lease agreement in the Group relates to the AHTS vessel Odin Viking. However, this agreement has previously been recognized as a financial leasing agreement in accordance with IAS 17, and has thus not resulted in any adjustment of the Group's opening balances as of January 1, 2019 due to the transition to IFRS 16. Odin Viking is also reported as a fixed asset held for sale according to IFRS 5, which means that Odin Viking's net sales value and nominal leasing liabilities are reported in the consolidated balance sheet among short-term assets and short-term liabilities. In addition to the aforementioned agreement, a few agreements, primarily leased vessel equipment, previously reported as operational leasing agreements, have been affected by the new standard. These agreements mean that right-of-use assets of MSEK 3 are reported among fixed assets, and leasing liabilities of MSEK 3 are reported among long- and short-term liabilities. In addition to these, additional small amount commitments and short-term agreements, including office premises and vessel equipment, are exempted in accordance with IFRS 16 5a and 5b.

Number of employees

The average number of full time employees in the Group for Q1 was 318 (Jan-Dec 201: 321).

Number of shares

Share distribution on 31 March, 2019:

Number of Series A shares 455,055

Number of Series B shares, listed 8,872,284

Total number of shares 9,327,339

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

