

VIKING SUPPLY SHIPS AB
(PUBL)
INTERIM REPORT

Q1

JANUARY - MARCH

2021

COOPER VIKING



VIKING SUPPLY SHIPS

MORE
THAN A SHIPOWNER

THE
COOLEST
PLACE TO WORK

ALWAYS AHEAD OF
COMPETITION

Q1

Q1

REVENUE
MSEK 73 (70)ARCTIC
FOCUS

Q1

EBITDA
MSEK -24 (-37)

Q1

RESULT FOR THE PERIOD
MSEK -42 (-78)

Q1

EARNINGS PER SHARE AFTER TAX
SEK -4.5 (-8.4)

Viking Supply Ships AB (publ) is a Swedish shipping company with headquarter in Gothenburg, Sweden. Viking Supply Ships AB (publ) is organized into four segments: Ice-Classed Anchor Handling Tug Supply vessels (AHTS), Ice-Classed Platform Supply Vessels (PSV), Ice Management and Services as well as Ship Management. The operations are focused on offshore and icebreaking primarily in Arctic and subarctic areas. The company has in total about 300 employees and the turnover in 2020 was MSEK 286. The company's B-share is listed on NASDAQ OMX Stockholm, segment Small Cap, www.vikingsupply.com.

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CEO STATEMENT

During the first quarter, the activity within the OSV segment continued to be subdued because of the reduced investment levels within the offshore oil and gas industry. Revenue for the first quarter was MSEK 73 (70), EBITDA was MSEK -24 (-37), and the net result was MSEK -42 (-78).

The first quarter of the year is usually impacted by seasonal low activity in the North Sea, and with the continued adverse impact of the COVID-19 pandemic, this was also true in 2021. During the quarter there were short periods with a tighter market, where rates and utilization improved. However in total, the revenue levels remained at low and unsatisfactory levels.

During the quarter the oil price and other key financial indicators have shown clear improvement. Brent is currently trading between USD 65-70 per barrel, and energy related equities have shown clear improvement throughout the quarter. The oil price is historically the single most important driver for the OSV market through its impact on the investment level within the global offshore oil and gas industry.

During the first quarter, the Group took delivery of Coey Viking, the first of two ice-classed PSVs which have been under construction at Remontowa Shipyard in Poland. The vessel commenced a term contract with Wintershall after it arrived in Norway. Furthermore, shortly after the end of the quarter, Cooper Viking was delivered from the yard and has now arrived in Norway. Cooper Viking will operate in the spot market for a short period before commencing on a term contract with Vår Energy during the second quarter. The delivery of these two vessels marks the Group's re-entry into the PSV segment. With its environmentally friendly profile (dual-fuel and hybrid capabilities yielding reduced carbon footprint), we have a strong belief that these vessels will be a successful venture for the Group. This belief is further strengthened by fixing both vessels on contracts to clients on the Norwegian continental shelf prior to delivery.

OUTLOOK


The global pandemic has persisted throughout the quarter and although vaccination programs are progressing at an escalating pace, COVID-19 will likely continue to have a significant impact on economic activity throughout 2021.

With the distribution of vaccines increasing considerably each month, it is estimated that travel restrictions can be eased significantly throughout the summer. This is expected to have a positive effect on the overall economic situation and more specifically drive demand for oil and gas, which in turn is a positive indicator for the offshore oil and gas industry. It is likely that the activity within the OSV segment will remain subdued throughout 2021 due to long planning cycles within the industry. It is also vital that ship-owners continue to demonstrate discipline with regards to re-activating vessels in lay-up, as this can potentially impair an eventual market recovery.

With expectations of a modest increase in the active rig fleet, the North Sea market is exiting the low season. The summer season is usually characterized by higher activity in the market which should result in somewhat higher rates and utilization for the coming months.

The Group will continue to focus on obtaining long-term contracts for its vessels and will focus on its unique competence within the harsh environment and arctic markets to navigate through the downturn. As previously communicated, there is a risk that the company will need to take further measures to strengthen its liquidity during 2021 as a result of the prolonged market downturn. Given financial institutions' reluctance to provide financing to the OSV industry, it is not unlikely that liquidity must be secured through a capital increase.

Gothenburg, 21 May 2021


Trond Myklebust
CEO and President

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FIRST QUARTER

- Total revenue was MSEK 73 (70)
- EBITDA was MSEK -24 (-37)
- Result after tax was MSEK -42 (-78)
- Result after tax per share was SEK -4.5 (8.4)

SUMMARY OF EVENTS IN Q1

- EBITDA for Q1 was MSEK -24 (-37).
- The average fixture rate in Q1 was USD 30,400 (31,300) and the average utilization was 42% (31).
- During Q1, the group hired a new Chief Commercial Officer (CCO). The new CCO has an extensive track record within the harsh environment offshore market and was until 2016 employed in the Group as Project Director and Managing Director of Viking Ice Consultancy.
- The Group took delivery of the first of two ice-classed PSVs, Coey Viking, from Remontowa Shipyard in Poland. The vessels are high specification, large PSVs with dual-fuel and hybrid capabilities. With their reduced carbon footprint, the vessels will be attractive addition to the Group's fleet. Coey Viking was fixed on a term contract with Wintershall on the Norwegian continental shelf and commenced the contract upon arrival in the North Sea during February.

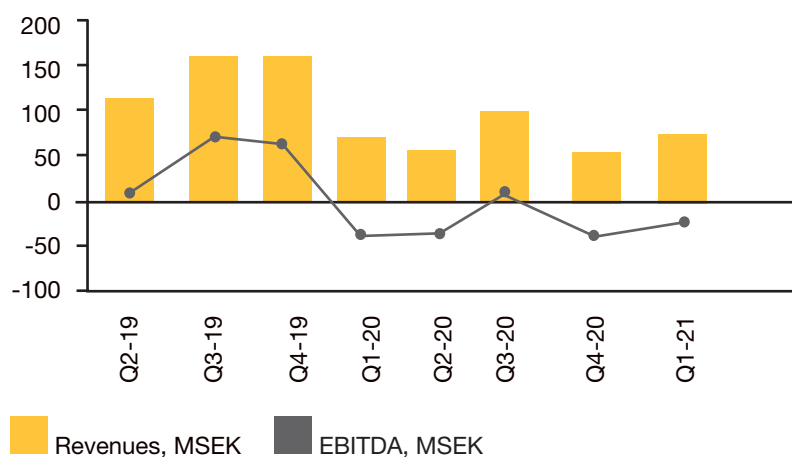
SUBSEQUENT EVENTS

- In mid-April the Group took delivery of the second of the two ice-classed PSV-vessels, Cooper Viking, from Remontowa Shipyard in Poland. Prior to its delivery, Cooper Viking was fixed on a term contract for Vår Energi on the Norwegian continental shelf with commencement in June. The vessel will operate in the spot market for a short period before commencing on the contract with Vår Energi.

KEY FINANCIALS	Q1 2021	Q1 2020
Net sales, MSEK	73	70
EBITDA, MSEK	-24	-37
Result after tax, MSEK	-42	-78
Earnings per share after tax, SEK	-4.5	-8.4
Shareholders' equity per share, SEK	179.0	223.2
Return on equity, %	-10.2	-15.2
Equity ratio, %	95.3	95.9
Market adjusted equity ratio, %	95.0	95.7

Q1

FINANCIAL DEVELOPMENT



RESULTS AND FINANCE

RESULTS YEAR TO DATE 2021

Total revenue for the Group was MSEK 73 (70).

The Group's EBITDA was MSEK -24 (-37).

Net financial items were MSEK -1(-20).

The Group's result after tax was MSEK -42 (-78).

OPERATIONAL HIGHLIGHTS FOR THE FIRST QUARTER

ICE-CLASSED ANCHOR HANDLING TUG SUPPLY VESSELS (AHTS)

Total AHTS revenue was MSEK 23 (28) in Q1 and EBITDA was MSEK -19 (-35).

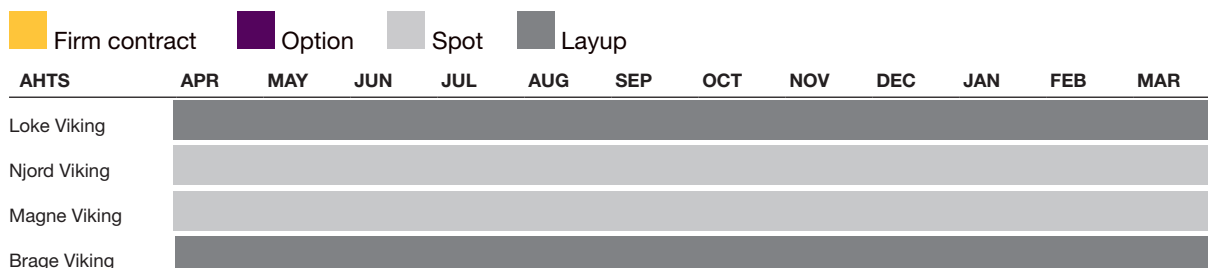
During Q1, two vessels have been operating in the North Sea spot market, with two vessel being laid up during the quarter.

The activity within the segment continued to be hampered by reduced activity within the industry, partly as a result of the COVID-19 pandemic. Despite short periods with improved fixture rates in the North Sea region, the revenue levels remained at low and unsatisfactory levels throughout the quarter.

AHTS Q1	Fixture rates (USD)	Utilization (%)
AHTS vessels on term charters	- (-)	- (-)
AHTS vessels in the spot market	30,400 (31,300)	42 (31)
Total AHTS fleet	30,400 (31,300)	42 (31)



Q1



Figures in the tables are as of 31 March 2021.

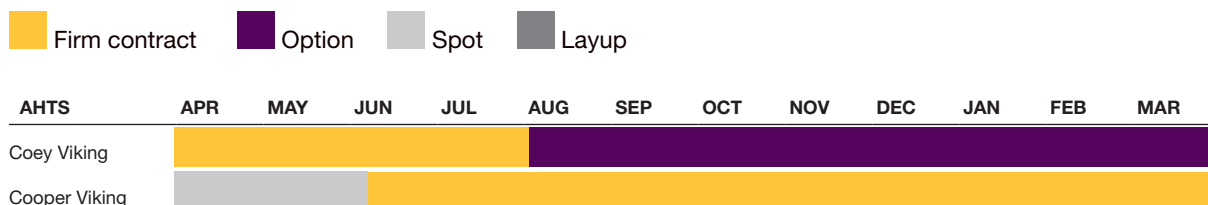
ICE-CLASSED PLATFORM SUPPLY VESSELS (PSV)

The profit-share according to the equity method for Q1 was MSEK -2 (-).

During the first quarter VSS re-entered the PSV-segment with the delivery of Coey Viking, which is the first of the two PSV vessels built at Remotowa Shipyard. The vessels are ice-classed and environmentally friendly with dual fuel capabilities meaning they can run on both LNG and MGO and are additionally equipped with battery-pack solutions which entails low emissions and improved fuel economy compared to conventional propulsion systems. The vessels are owned in partnership with funds managed by Borealis Maritime. VSS owns 30% of the vessels, which are consolidated into the financial statements according to the equity-method.

Coey Viking was delivered from the shipyard in mid-January and started the contract for Wintershall in mid-February after arrival in the North Sea.

PSV Q1	Fixture rates (USD)	Utilization (%)
PSV vessels on term charters	14,700 (-)	100 (-)
PSV vessels in the spot market	- (-)	- (-)
Total PSV fleet	- (-)	- (-)



Figures in the tables are as of 31 March 2021.

ICE MANAGEMENT, SERVICES AND SHIP MANAGEMENT

Total Ice Management and Services and Ship Management revenue was MSEK 50 (42) in Q1. Total EBITDA was MSEK -3 (-2).

The segment is responsible for new build supervision of the two PSVs which the Group has part-ownership in. The construction is going according to schedule and the first vessel was delivered from the yard shortly after the end of the quarter. The Group has taken over the commercial and operational management of the vessel, while at the same time continuing to supervise the construction of the second vessel which is assumed to be delivered in March.

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

FINANCIAL POSITION AND CAPITAL STRUCTURE

At the end of the first quarter, the Group's equity amounted to MSEK 1,670. The equity increased during the quarter by net MSEK 62 due to the loss for the period of MSEK 42 and a positive change in the translation reserve of MSEK 104 attributable to currency differences on net investments in subsidiaries. Further information can be found in section "Changes in the Group's shareholders' equity" on page 9.

At the beginning of the year the total cash holdings was MSEK 124. The cash-flow for the first quarter was negative by MSEK 66, including exchange rate differences. The total cash holdings at the end of the quarter were MSEK 58.

The gross investments during the first quarter amounted to MSEK 29 (13) and consisted of capitalized docking expenses and investments in the two PSV's under construction in Poland.

The Annual General Meeting, which was held on April 29, 2021, resolved that no dividend would be distributed for the fiscal year 2020.

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 21 May, 2021.

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, 21 May 2021

Viking Supply Ships AB

Bengt A. Rem
Chairman

Folke Patriksson
Deputy chairman

Erik Borgen
Board member

Håkan Larsson
Board member

Magnus Sonnorpp
Board member

Trond Myklebust
CEO

Christer Lindgren
Employee representative

FINANCIAL CALENDAR 2021

19 August	Q2 Interim report
11 November	Q3 Interim report

INVESTOR RELATIONS

Please contact 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)	Note	Q1 2021	Q1 2020	Q1-Q4 2020
Net sales	2	73	70	286
Other operating revenue		0	0	2
Direct voyage cost		-5	-12	-32
Personnel costs		-70	-74	-284
Other costs		-20	-21	-73
Depreciation/impairment	3	-17	-21	-79
Result from shares in associated companies		-2	-	-
Operating result		-41	-58	-180
Net financial items		-1	-20	-10
Result before tax		-42	-78	-190
Tax	8	0	0	-1
Result from continuing operations		-42	-78	-191
Earnings attributable to Parent Company's share-holders, per share in SEK (before and after dilution):		-4.5	-8.4	-20.5

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Q1 2021	Q1 2020	Q1-Q4 2020
Result for the period		-42	-78	-191
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		104	126	-235
Other comprehensive income		104	126	-235
Total comprehensive income for the period		62	48	-426

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	Note	Q1 2021	Q4 2020
Intangible assets		1	1
Vessels	3	1,552	1,458
Value-in-use assets		3	3
Other tangible fixed assets		0	1
Financial assets		56	40
Total fixed assets		1,612	1,503
Other current assets		82	63
Cash and cash equivalents	6	58	124
Total current assets		140	187
TOTAL ASSETS	4	1,752	1,690
Shareholders' equity		1,670	1,608
Long-term liabilities	5	6	7
Current liabilities	5	76	75
TOTAL EQUITY, PROVISIONS AND LIABILITIES		1,752	1,690

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Note	Q1 2021	Q1 2020	Q1-Q4 2020
Cash flow from operations before changes in working capital		-23	-45	-107
Changes in working capital		-18	29	44
Cash flow from current operations		-41	-16	-63
Cash flow from investing activities		-29	-13	-28
-whereof acquisitions		-29	-13	-28
-whereof divestments		0	0	0
Cash flow from financing activities		-1	0	-5
-whereof changes in loans		0	0	-5
Changes in cash and cash equivalents from discontinued operations		-71	-29	-96
Cash and cash equivalents at beginning of period		124	242	242
Exchange-rate difference in cash and cash equivalents		5	4	-22
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	58	217	124

CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

Shareholders' equity (MSEK)	Note	Q1 2021	Q1 2020	Q1-Q4 2020
Equity at beginning of period		1,608	2,034	2,034
Total comprehensive income for the period		62	48	-426
SHAREHOLDERS' EQUITY AT END OF PERIOD		1,670	2,082	1,608

Share capital (MSEK)	Note	Q1 2021	Q1 2020	Q1-Q4 2020
Share capital at beginning of period		410	410	410
Share capital at end of period		410	410	410

Number of shares ('000)	Note	Q1 2021	Q1 2020	Q1-Q4 2020
Number of outstanding shares at beginning of period		9,327	9,327	9,327
Total number of shares at end of period		9,327	9,327	9,327
Average number of shares outstanding		9,327	9,327	9,327

DATA PER SHARE

(SEK)	Note	Q1 2021	Q1 2020	Q1-Q4 2020
EBITDA		-2.3	-4.0	-10.8
Result after tax (EPS)		-4.5	-8.4	-20.5
Equity		179.0	223.2	172.4
Operating cash flow		-2.7	-6.2	-11.9
Total cash flow		-7.6	-3.2	-10.3

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 quarter was MSEK 0 (0).

At the end of the first quarter the Parent Company's equity was MSEK 1,601 (1,601 on Dec 31, 2020), and total assets were MSEK 1,635 (1,636 on Dec 31, 2020).

The equity ratio at the end of the quarter was 98 % (98 % on Dec 31, 2020). Cash and cash equivalents at the end of the quarter was MSEK 1 (MSEK 1 on Dec 31, 2020).

PARENT COMPANY INCOME STATEMENT

(MSEK)	Note	Q1 2021	Q1 2020	Q1-Q4 2020
Net sales		2	2	9
Personnel costs		0	0	-1
Other costs		-2	-2	-7
Operating result		0	0	1
Net financial items		0	0	-406
Result before tax		0	0	-405
Tax on result for the year		-	-	-
RESULT FOR THE PERIOD		0	0	-405
<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		0	0	-405

PARENT COMPANY BALANCE SHEET

(MSEK)	Note	Q1 2021	Q4 2020
Financial fixed assets		1,633	1,633
Current assets		2	3
TOTAL ASSETS		1,635	1,636
Shareholders' equity		1,601	1,601
Provisions		4	4
Long-term liabilities		5	5
Current liabilities		25	26
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		1,635	1,636

CHANGES IN PARENT COMPANY SHAREHOLDERS' EQUITY

(MSEK)	Note	Q1 2021	Q1 2020	Q1-Q4 2020
Equity at beginning of period		1,601	2,006	2,006
Total comprehensive income for the period		0	0	-405
SHAREHOLDERS' EQUITY AT END OF PERIOD		1,601	2,006	1,601

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. LIQUIDITY AND GOING CONCERN

The COVID-19 pandemic has had significant adverse effect on the markets in which the Group operates. This has negatively impacted the Group's earnings and the Group has had a negative cash flow throughout 2020 and the beginning of 2021. If the measures to preserve cash are not sufficient, or if the market downturn is prolonged, there is a risk that the company will need to take further measures to strengthen its liquidity during 2021.

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 2022. This conclusion is based on Management's assessment of the current outlook for 2021/2022 and the uncertainties and risks described in this report.

2. REVENUES FROM CONTRACTS WITH CUSTOMERS

(MSEK)	Not	Q1 2021	Q1 2020	Q1-4 2020
Time charter revenues ¹⁾		18	21	109
ROV charter revenues ¹⁾		2	4	7
Mobilisation/demobilisation fees ¹⁾		0	2	5
Meals/accommodation onboard ¹⁾		0	1	1
Consultancy fees ²⁾		3	2	13
Reinvoiced costs ³⁾		50	40	151
TOTAL		73	70	286

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

2) The revenues are attributable to the Services- and Ship management segments.

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

Time charter revenues

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

ROV charter revenues

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

Mobilization/demobilization fees

Terms for mobilization/demobilization fees are included in the time charter party and mean that the vessel must be adapted to charters 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 2021 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 8.4% (2020: 8.4%). The pre- and post-tax discount factor is the same due to tonnage taxation.

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

Conclusion Impairment test AHTS vessels with ice-class in 2021

In Q1 2021 the Management evaluated the AHTS fleet and concluded that the AHTS vessels are not to be impaired. At balance-day the recoverable amount has been calculated and compared to the book value of MSEK 1,528. The conclusion is that the calculation of value-in-use of MSEK 1,652 is considered being the recoverable amount. The fair value for the fleet, less cost to sell, based on an assessment of average external vessel valuations from two independent shipbrokers, amounts to MSEK 1,426 (ranging from MSEK 1,248 to MSEK 1,553). Due to the global pandemic situation, there is currently an increased uncertainty surrounding the future market development. The underlying calculations take into account a gradual recovery towards a more normalized market situation through 2022 and 2023. The Management will continue to closely monitor external developments, which in this context, with the prevailing uncertainty, may affect future impairment tests. For further information on sensitivity analysis on these calculations, please see the latest published annual report.

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.

Q1 MSEK	Ice-classed AHTS		Ice-classed PSV		Ice management and Services		Ship Management		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	23	28	0	-	0	0	50	42	73	70
EBITDA	-17	-35	-2	-	-1	-1	-2	-1	-22	-37
Result before tax	-34	-76	-2	-	-1	-1	-3	-1	-40	-78
Total assets	1,649	1,651	48	-	1	1	54	38	1,752	1,690

There have been no significant transactions between the segments.

5. INTEREST-BEARING LIABILITIES

At the end of the quarter the Interest-bearing liabilities consist of leasing debts mainly related to hired vessel equipment (right-to-use assets), reported in accordance with IFRS 16 Leases.

5.1. Classification by type of debt

MSEK	Q1 2021	Q1 2020	Q4 2020
Long-term financial lease debt	1	3	1
Short-term financial lease debt	2	4	2
TOTAL INTEREST BEARING LIABILITIES	3	7	3

6. CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents at the end of the quarter amounted to MSEK 58 (124 on Dec 31, 2020), including client funds, used in the external ship management operation, of MSEK 24 (20 on Dec 31, 2020).

MSEK	Q1 2021	Q1 2020	Q4 2020
Free cash and cash equivalents	34	194	104
Restricted cash	24	23	20
TOTAL	58	217	124

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 quarter to MSEK 1,075 (1,075 on Dec 31, 2020). 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, 2020).

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.

Number of employees

The average number of full-time employees in the Group during the first quarter was 311 (Jan-Dec 2020: 295).

Number of shares

Share distribution on 31 March, 2021:

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

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.




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