

Half-Year Financial Report

VIKING LINE

for the period January–June 2022

Viking Line – Strong demand partly offset high energy prices

January–June 2022 (compared to January–June 2021)

- Sales amounted to EUR 199.8 M (EUR 71.5 M).
- Other operating revenue was EUR 8.3 M (EUR 33.6 M).
- Operating income totalled EUR -8.0 M (EUR 4.5 M).
- Net financial items were EUR -4.7 M (EUR -2.4 M).
- Income before taxes amounted to EUR -12.7 M (EUR 2.2 M).
- Income after taxes totalled EUR -9.8 M (EUR 2.7 M).

Second quarter 2022 (compared to second quarter 2021)

- Sales amounted to EUR 141.0 M (EUR 46.9 M).
- Operating income totalled EUR 10.1 M (EUR 12.2 M).

Revised outlook: Operating income for the financial year 2022 will be somewhat worse than the figure for 2021. However, the figure last year was affected by capital gains to a much greater extent than this year. There is still a significant and material uncertainty due to the geopolitical situation and its impact on energy prices, inflation, interest rates and currencies as well as the impact that the uncertainty factors identified may have on people's inclination to travel, demand and costs.

On the previous reporting date, the outlook was as follows:

Viking Line is not providing any outlook, above all, in view of the geopolitical situation, so it is still too soon to quantify the impact on operating income for 2022, which is the same conclusion at the time the previous earnings report was published.

Comments from President and CEO Jan Hanses

"The beginning of 2022 was challenging. The omicron variant of the COVID virus rapidly spread through society and affected demand. Passenger volumes again declined, and we were forced to increase the degree of staff furloughs. In early February, these measures took effect, but the markets recovered in conjunction with the annual winter break. This recovery continued during the report period, and the summer got off to a promising start. On March 1, the new Viking Glory launched service on the Turku–Åland–Stockholm route. The vessel has been well received by the market. Viking Glory has also performed well and made a significant contribution to the results for the report period, especially to second quarter earnings.

Second quarter results improved significantly relative to comparable results for the same period last year, but also relative to those for 2019. This is gratifying since these results were achieved despite a doubling of bunker (vessel fuel) prices.

Russia's war of aggression in Ukraine has led to a sharp rise in bunker prices but has had little effect on passenger volumes.

Furlough measures were discontinued in May, but availability of maritime staff during Viking Line's peak season has been strained. We have nonetheless been able to maintain a satisfactory level of service on all vessels during the summer. The stamina and commitment of staff have been crucial in this respect.

Despite weak results for the first quarter, the significant improvement during the second quarter has meant that, overall, the company's half-year results should be considered satisfactory given external factors affecting operations during this period and the uneven distribution of earnings generated during a normal financial year.

After the end of the report period, an agreement to sell M/S Amorella was reached with Corsica Ferries. The outstanding claim receivable from Corsica Ferries since the sale of M/S Mariella has finally been paid. Liquidity is currently good."

Sales and earnings

Consolidated sales increased 179.5 % to EUR 199.8 M during the period January 1 – June 30, 2022 (EUR 71.5 M January 1 – June 30, 2021). Operating income totalled EUR -8.0 M (EUR 4.5 M). During the comparable period last year, Mariella was sold, which had a positive effect of EUR 13.1 M.

Passenger-related revenue increased 249.7% to EUR 175.2 M (EUR 50.1 M), while cargo revenue was EUR 23.2 M (EUR 20.4 M) and other revenue was EUR 1.4 M (EUR 1.0 M). The sales contribution was EUR 151.7 M (EUR 55.2 M). Operating costs increased 109.6% to EUR 155.4 M (EUR 74.1 M). Under operating costs, it was mainly fuel costs of EUR 26.8 M (+169.6%) that increased.

Initially, results for the first quarter continued to be affected by the pandemic and related restrictions. Starting in mid-February, demand increased in the passenger segment while demand for cargo transport was stable. In late February, Russian started a war with Ukraine and energy prices were severely affected.

In January and February, the Group received aid for public service obligations from Traficom, the Finnish Transport and Communications Agency, for the Group's vessels on the Turku–Mariehamn/Långnäs–Stockholm and Mariehamn–Kapellskär routes. During the same period last year, aid was also received for the Helsinki–Tallinn route. In June, the Group received EUR 2.1 M

in State aid which consists of aid for uncovered fixed costs during the period December 2021–February 2022. The aid is recognized as State aid under other operating revenue.

Service and market

During the second quarter, the Viking Line Group provided passenger and cargo carrier services using seven vessels in the northern Baltic Sea and the Gulf of Finland.

Viking Glory was launched in service on the Stockholm-Mariehamn-Turku route on March 1. Amorella ceased operating on the same route on February 28 and was placed in service on the Helsinki-Mariehamn-Stockholm route on April 1. In 2021, the vessels that normally serve the Helsinki-Mariehamn-Stockholm route were dry-docked to some extent, and Gabriella was placed in service at times on a different route.

During the period, Cinderella, Gabriella, Viking XPRS and Rosella were dry-docked. During the same period last year, Gabriella was dry-docked.

The total number of passengers on the Group's vessels during the report period was 1,875,706 (538,348). The Group had a total market share in its service area of approximately 35.4% (32.1%).

The Group's cargo volume was 59,522 cargo units (65,214). The Group's share of the cargo market was approximately 14.5% (16.8%). The market share for passenger cars was approximately 29.4% (31.4%).

Market demand for travel at the beginning of the year was greatly limited due to COVID-related restrictions. In February and March, the Finnish and Swedish governments announced that the majority of restrictions would be lifted. That had a positive effect on demand in March and in the following period. During the second quarter, demand was good.

Investments and financing

The Group's investments amounted to EUR 12.7 M (EUR 8.3 M). The Group's total investments represent 6.4% of sales (11.6%). Most of them are attributable to the completion of Viking Glory and the dry-dockings of Cinderella, Gabriella, Viking XPRS and Rosella.

As of June 30, 2022, the Group's long-term interest-bearing liabilities totalled EUR 227.3 M (EUR 99.3 M).

Two of the Group's loan facilities totalling EUR 10 M which fall due in September 2022 have been repaid and replaced with two new facilities for the same amount. The new facilities fall due in 2024.

The debt/equity ratio was 40.2% compared to 46.3% last year.

The Group's cash and cash equivalents at the end of June totalled EUR 103.6 M (EUR 41.8 M). Unutilized credit lines in the Group totalled EUR 15.1 M (EUR 15.1 M). Net cash flow from

operating activities was EUR 13.3 M (EUR 5.1 M). Net cash flow from investing activities was EUR -11.1 M (EUR 9.8 M) and net cash flow from financing activities was EUR -13.2 M (EUR -2.9 M).

Most of the Group's loan agreements include loan covenants according to market terms. The financial covenants in the loan agreements consist of minimum requirements for liquidity and solvency and a maximum net financial debt-to-EBITDA ratio. The company has an agreement with its financiers on a waiver for the full-year 2022 of the covenant term concerning the maximum total net financial debt-to-EBITDA ratio.

In accordance with i) the terms in the State guarantees obtained as collateral for liquidity loans drawn in the autumn of 2020, ii) the requirements from Finnish Export Credit/Finnvera when they granted loan payment deferrals, and iii) the terms for drawing the loan to finance Viking Glory, Viking Line Abp has undertaken not to pay a dividend or pay out any funds until its obligations related to the guarantees and loans have been repaid in full. The dividend restriction on the financing of Viking Glory only applies in 2022 but also subsequently if the Group's debt-to-EBITDA ratio exceeds 5.0.

Organization and personnel

The average number of employees in the Group was 2,035 (1,265), 1,547 (830) of whom worked for the parent company. Land-based personnel totalled 434 (344) and shipboard personnel totalled 1,601 (921). In addition to the Group's own employees, Viking XPRS was mostly crewed by an average of 166 (140) people employed by a staffing company. Furloughs of both land-based and shipboard personnel decreased compared to the same period last year and were completely discontinued at the end of the period. The short-term furloughs subsidized by the Swedish State that were utilized last year were discontinued on September 30, 2021.

Risk factors

Viking Line's operations are exposed to different kinds of risks, which vary in their scope and impact on operations, financial results and the company's ability to meet certain social and environmental objectives. The relevant risks have been classified into four categories: strategic, operational, damage and financial risks. The risks continue to be the same since Viking Line's financial statements for the financial year 2021 were published. However, bunker (vessel fuel) prices have increased significantly as a result of Russia's war against Ukraine, which has a direct impact on the Group's results. As of June 30, 2022, the Group had no fixed-price agreements for bunker purchases or equivalent derivative contracts, but the company has an agreement for liquefied natural gas (LNG) deliveries that runs until September 2024.

Consolidated income statement by quarter

EUR M	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
SALES	141.0	58.8	89.3	97.5	46.9
Other operating revenue	2.4	6.0	2.2	11.0	23.3
Expenses					
Goods and services	34.6	13.5	22.2	24.1	11.3
Salary and other employment benefit expenses	29.6	20.7	22.1	18.0	15.2
Depreciation, amortization and impairment losses	6.9	5.8	4.9	4.7	5.0
Other operating expenses	62.1	42.9	40.8	35.8	26.4
	133.3	82.9	89.9	82.5	58.0
OPERATING INCOME	10.1	-18.1	1.6	26.0	12.2
Financial income	0.0	0.2	0.0	0.0	0.0
Financial expenses	-3.2	-2.6	-1.6	-1.5	-1.1
Share of net profit of associates accounted for using the equity method	0.7	0.2	1.2	0.5	-
INCOME BEFORE TAXES	7.6	-20.3	1.2	24.9	11.1
Income taxes	-1.3	4.1	0.5	-4.9	-1.2
INCOME FOR THE PERIOD	6.3	-16.2	1.7	20.0	9.8
<i>Income attributable to:</i>					
Parent company shareholders	6.3	-16.2	1.7	20.0	9.8
Earnings per share before and after dilution, EUR	0.37	-0.93	0.14	1.61	0.79

Consolidated statement of comprehensive income by quarter

EUR M	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
INCOME FOR THE PERIOD	6.3	-16.2	1.7	20.0	9.8
<i>Items that may be reclassified to the income statement</i>					
Translation differences	-0.9	-0.2	-0.2	-0.1	0.3
<i>Items that will not be reclassified to the income statement</i>					
Changes in the fair value of financial assets recognized at fair value through other comprehensive income	-	-	0.0	-	1.6
Other comprehensive income	-0.9	-0.2	-0.2	-0.1	1.9
COMPREHENSIVE INCOME FOR THE PERIOD	5.5	-16.4	1.5	19.9	11.8
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	5.5	-16.4	1.5	19.9	11.8

Financial ratios and statistics

	Jan 1, 2022- Jun 30, 2022	Jan 1, 2021- Jun 30, 2021	Jan 1, 2021- Dec 31, 2021
Equity per share, EUR	14.96	15.96	21.67
Equity/assets ratio	40.2 %	46.3 %	42.0 %
Investments, EUR M	12.7	8.3	168.7
– as % of sales	6.4 %	11.6 %	65.3 %
Passengers	1,875,706	538,348	2,315,137
Cargo units	59,522	65,214	129,278
Average number of employees, full-time equivalent	2,035	1,265	1,536

Equity per share = Equity attributable to parent company shareholders / Weighted average number of shares. In accordance with IFRS, the number of shares for 2021 was adjusted retroactively due to the fact that the price of the shares issued in 2021 was lower than the fair value of the shares.

Equity/assets ratio, % = (Equity including minority interest) / (Total assets – advances received)

When rounding off items to the nearest EUR 1,000,000, rounding-off differences of EUR +/- 0.1 M may occur.

Outlook for the full financial year 2022

Operating income for the financial year 2022 will be somewhat worse than the figure for 2021. However, the figure last year was affected by capital gains to a much greater extent than this year. There is still a significant and material uncertainty due to the geopolitical situation and the impact this has on energy prices, inflation, interest rates and currencies as well as the impact that the uncertainty factors identified may have on people's inclination to travel, demand and costs.

Events after the balance sheet date

Viking Line has entered into a EUR 40 M long-term loan agreement. The loan was taken out after the balance sheet date, and the funds have been used in part for early repayment of some State-guaranteed liquidity loans taken out in the autumn of 2020 and spring of 2021.

An agreement has been entered into with Corsica Ferries concerning a change in the bareboat charter hire/purchase agreement signed in April 2021. As a result of this agreement, after the balance sheet date Corsica Ferries paid the amount outstanding on the purchase price in a lump sum instead of in monthly instalments until May 2026 as initially agreed. The right of ownership for the vessel has thus been finally transferred to Corsica Ferries.

On August 4, Viking Line Abp reached an agreement with Corsica Ferries on the sale of M/S Amorella at a price of EUR 19.1 M. The sale is estimated to have about a EUR 15 M effect on income and is expected to be recognized during the fourth quarter.

Mariehamn, August 25, 2022

VIKING LINE ABP

The Board of Directors

Consolidated income statement

EUR M	Note	Apr 1, 2022- Jun 30, 2022	Apr 1, 2021- Jun 30, 2021	Jan 1, 2022- Jun 30, 2022	Jan 1, 2021- Jun 30, 2021	Jan 1, 2021- Dec 31, 2021
SALES	4	141.0	46.9	199.8	71.5	258.2
Other operating revenue	5	2.4	23.3	8.3	33.6	46.8
Expenses						
Goods and services		34.6	11.3	48.1	16.3	62.6
Salary and other employment benefit expenses	6	29.6	15.2	50.4	28.7	68.7
Depreciation, amortization and impairment losses	7	6.9	5.0	12.7	10.1	19.6
Other operating expenses	8	62.1	26.4	105.0	45.4	122.0
		133.3	58.0	216.2	100.5	273.0
OPERATING INCOME		10.1	12.2	-8.0	4.5	32.1
Financial income		0.0	0.0	0.2	0.0	0.0
Financial expenses	9	-3.2	-1.1	-5.8	-2.4	-5.5
Share of net profit of associates accounted for using the equity method		0.7	-	0.9	-	1.7
INCOME BEFORE TAXES		7.6	11.1	-12.7	2.2	28.3
Income taxes		-1.3	-1.2	2.9	0.5	-3.8
INCOME FOR THE PERIOD		6.3	9.8	-9.8	2.7	24.4
<i>Income attributable to:</i>						
Parent company shareholders		6.3	9.8	-9.8	2.7	24.4
Earnings per share before and after dilution, EUR		0.37	0.79	-0.57	0.22	1.97

Consolidated statement of comprehensive income

EUR M	Apr 1, 2022- Jun 30, 2022	Apr 1, 2021- Jun 30, 2021	Jan 1, 2022- Jun 30, 2022	Jan 1, 2021- Jun 30, 2021	Jan 1, 2021- Dec 31, 2021
INCOME FOR THE PERIOD	6.3	9.8	-9.8	2.7	24.4
<i>Items that may be reclassified to the income statement</i>					
Translation differences	-0.9	0.3	-1.1	-0.2	-0.5
<i>Items that will not be reclassified to the income statement</i>					
Changes in the fair value of financial assets at fair value through other comprehensive income	-	1.6	-	1.6	1.6
Other comprehensive income	-0.9	1.9	-1.1	1.4	1.1
COMPREHENSIVE INCOME FOR THE PERIOD	5.5	11.8	-10.9	4.1	25.5
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	5.5	11.8	-10.9	4.1	25.5

Consolidated balance sheet

EUR M	Note	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS				
Non-current assets				
Intangible assets		2.9	3.0	3.1
Land		0.5	0.5	0.5
Buildings and structures		1.6	1.7	1.7
Renovation costs for rented properties		1.3	1.7	1.5
Vessels		442.7	242.7	445.2
Machinery and equipment		2.3	2.3	2.6
Right-of-use assets		6.0	4.9	5.7
Advance payments, vessels under construction		-	58.1	-
Financial assets at fair value through other comprehensive income		0.0	0.0	0.0
Investments accounted for using the equity method	12	33.5	32.2	33.9
Receivables		4.0	5.4	4.7
Total non-current assets		494.8	352.5	498.8
Current assets				
Inventories		14.8	9.4	10.0
Income tax assets		0.1	0.1	0.1
Trade and other receivables	13	52.6	36.0	26.6
Cash and cash equivalents		103.6	41.8	114.6
Total current assets		171.1	87.3	151.3
Non-current assets held for sale	14	3.2	5.0	-
TOTAL ASSETS		669.1	444.7	650.1
EQUITY AND LIABILITIES				
Equity				
Share capital		1.8	1.8	1.8
Reserves		49.7	0.0	49.7
Translation differences		-2.9	-1.9	-2.2
Retained earnings		209.9	198.5	220.1
Equity attributable to parent company shareholders		258.5	198.4	269.4
Total equity		258.5	198.4	269.4
Non-current liabilities				
Deferred tax liabilities	10	27.7	26.5	30.9
Interest-bearing liabilities		227.3	99.3	235.1
Lease liabilities		6.1	3.4	6.2
Total non-current liabilities		261.1	129.2	272.2
Current liabilities				
Interest-bearing liabilities		34.9	45.6	38.3
Lease liabilities		2.7	1.6	2.6
Income tax liabilities		0.0	0.0	0.0
Trade and other payables		111.9	69.9	67.5
Total current liabilities		149.5	117.1	108.5
Total liabilities		410.6	246.4	380.7
TOTAL EQUITY AND LIABILITIES		669.1	444.7	650.1

Consolidated cash flow statement

EUR M	Jan 1, 2022- Jun 30, 2022	Jan 1, 2021- Jun 30, 2021	Jan 1, 2021- Dec 31, 2021
OPERATING ACTIVITIES			
Income for the period	-9.8	2.7	24.4
Adjustments			
Depreciation, amortization and impairment losses	12.7	10.1	19.6
Capital gains/losses from non-current assets	0.0	-13.1	-25.6
Income from investments in associate companies	-0.9	-	-1.7
Other items not included in cash flow	-0.2	0.1	0.3
Interest expenses and other financial expenses	4.8	2.3	5.1
Interest income and other financial income	-0.2	0.0	0.0
Dividend income	0.0	-4.9	-4.9
Income taxes	-2.9	-0.5	3.8
Change in working capital			
Change in trade and other receivables	-25.3	-7.9	2.5
Change in inventories	-4.8	1.5	0.9
Change in trade and other payables	44.4	17.1	14.7
Interest paid	-3.3	-1.6	-3.4
Financial expenses paid	-0.9	-0.7	-1.5
Financial income received	0.0	0.0	0.0
Taxes paid	-0.3	-0.1	-0.1
NET CASH FLOW FROM OPERATING ACTIVITIES	13.3	5.1	34.3
INVESTING ACTIVITIES			
Investments in vessels	-12.3	-2.2	-165.5
Investments in other intangible and tangible assets	-0.4	-0.2	-1.2
Advance payments, vessels under construction	-	-3.8	-
Investments accounted for using the equity method	-	-2.0	-2.0
Divestments of vessels	-	13.2	13.2
Divestments of other intangible and tangible assets	0.2	0.0	20.2
Payments received for non-current receivables	0.1	-	-
Dividends received from associate companies	1.4	-	-
Dividends received from others	0.0	4.9	4.9
NET CASH FLOW FROM INVESTING ACTIVITIES	-11.1	9.8	-130.4
FINANCING ACTIVITIES			
Increased in paid-in capital	-	-	49.6
Increase in loans	10.0	11.5	172.2
Principal payments	-21.8	-5.3	-30.6
Change in current interest-bearing liabilities	-	-8.0	-8.0
Depreciation of lease liabilities	-1.4	-1.0	-2.2
Dividends paid	-	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	-13.2	-2.9	181.0
CHANGE IN CASH AND CASH EQUIVALENTS	-11.0	12.1	84.9
Cash and cash equivalents at the beginning of the period	114.6	29.7	29.7
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	103.6	41.8	114.6

Statement of changes in consolidated equity

EUR M	Equity attributable to parent company shareholders				Total equity
	Share capital	Reserves	Translation differences	Retained earnings	
EQUITY, JAN 1, 2022	1.8	49.7	-2.2	220.1	269.4
Income for the period				-9.8	-9.8
Translation differences		0.0	-0.6	-0.4	-1.1
Comprehensive income for the period	-	0.0	-0.6	-10.3	-10.9
Dividend to shareholders				-	-
Transactions with owners of the parent company	-	-	-	-	-
EQUITY, JUN 30, 2022	1.8	49.7	-2.9	209.9	258.5

EUR M	Equity attributable to parent company shareholders				Total equity
	Share capital	Reserves	Translation differences	Retained earnings	
EQUITY, JAN 1, 2021	1.8	2.5	-1.8	191.8	194.2
Income for the period				2.7	2.7
Translation differences		0.0	-0.1	0.0	-0.2
Remeasurement of financial assets recognized at fair value through other comprehensive income		-2.5		4.1	1.6
Comprehensive income for the period	-	-2.5	-0.1	6.7	4.1
Dividend to shareholders				-	-
Transactions with owners of the parent company	-	-	-	-	-
EQUITY, JUN 30, 2021	1.8	0.0	-1.9	198.5	198.4

Notes to the Half-Year Financial Report for the period January-June 2022

1. Accounting principles

This Half-Year Financial Report has been prepared in accordance with IFRS and consists of a summary of the financial statements for the period in accordance with IAS 34.

The Half-Year Financial Report has been prepared in accordance with the same accounting principles, estimates and valuations as in the most recent annual accounts, unless otherwise indicated below.

Depending on its nature, public aid received is recognized as other operating revenue, compensation to employees or as a decrease in advance payments.

In 2021, Viking Line's lease for its Turku terminal and its office building at Storagatan 3 in Mariehamn were sold. Both transactions were classified as sale-and-leaseback transactions. The transfer of assets is recognized as a sale under IFRS15.

The Group's long-term receivables consist of a receivable from the sale of Mariella to Corsica Ferries, which is to be paid in monthly instalments for four years beginning June 1, 2022. The present value is calculated by discounting future payments by an interest rate of 3%. See "Events after the balance sheet date".

For cash and cash equivalents with a short maturity, the carrying amount is considered equal to fair value. The carrying amount of trade receivables and other receivables as well as of trade payables and other liabilities is considered equal to fair value based on the short-term nature of the items. The carrying amount of interest-bearing liabilities is equal to fair value.

An associate company is a company over which the investor can exert a significant influence. An investment in an associate company shall be accounted for using the equity method in the balance sheet as an investment accounted for using the equity method. In 2021, the Group reclassified its previous holding of 19.5% as an associate company since, starting in 2021, the Group also owns 18.3% of the shares in Alandia Holding Ab, a company formed during the second quarter of 2021 for the purpose of owning shares in Alandia Försäkring Abp. Viking Line's direct and indirect ownership in Alandia Försäkring Abp on the balance sheet date is 24.06%, and the holding is recognized as an associate company. See Note 12.

This Half-Year Report has not been subject to an audit.

When rounding off items to the nearest EUR 1,000,000, rounding-off differences of EUR +/- 0.1 M may occur.

2. Estimates and judgements

In preparing the consolidated financial statements in compliance with IFRSs, the company's management must make judgements and estimates about the future that affect the reported amounts for assets and liabilities, revenue and expenses as well as other information. The judgements and estimates contained in the financial statements are based on the best assessment of management on the date the Half-Year Financial Report was published.

The COVID-19 pandemic has caused a severe deterioration in the Group's operating conditions and has affected both the income statement and balance sheet. During the latter part of the period, the effects of the pandemic eased. However, the geopolitical situation and considerably higher energy prices have affected the income statement and balance sheet. It is difficult at present to assess whether the pandemic, going forward, will affect the Group and it is equally difficult to determine how long energy prices will be unnaturally high and what effects this will have on Viking Line's future sales, earnings, financial position and cash flow. The actual outcome may deviate from estimates and judgements made.

The most important area that entails judgements is the valuation of the Group's vessels. The vessels' residual values and estimated periods of use are examined yearly and adjusted if they deviate significantly from earlier values.

In valuing the Group's leases, judgements are made as to how the Group will capitalize on any opportunity to extend the lease period or terminate the lease. Judgements are also made as to what discount rate is to be used in calculating the present value of the Group's lease liability. The size of the Group's lease liabilities and rights of use, as well as the payments for its lease liabilities, is affected by those judgements.

Based on the management's judgements, there is no need for any significant impairment losses in the income statement.

3. Risks and liquidity

The Group's cash and cash equivalents at the end of June totalled EUR 103.6 M (EUR 41.8 M). Unutilized credit lines in the Group totalled EUR 15.1 M as of June 30, 2022 (EUR 15.1 M). The net cash flow from operating activities was EUR 13.3 M (EUR 5.1 M). Net cash flow from investing activities was EUR -11.1 M (EUR 9.8 M) and net cash flow from financing activities amounted to EUR -13.2 M (EUR -2.9 M).

Two of the Group's loan facilities totalling EUR 10 M falling due in September 2022 have been repaid and replaced with two new facilities totalling the same amount. The new facilities fall due in 2024.

Viking Line Abp signed an agreement with Finnvera Abp and Finlands Exportkredit Ab on a loan payment deferral for payments during the period July 1, 2020 – January 31, 2022 totalling EUR

29.8 M. Three of the four loan payments fall due by January 10, 2025 at the latest while the fourth loan payment is divided up so that it falls due in conjunction with the other outstanding payments. This is shown in the table “Future cash flows related to financial liabilities as of June 30, 2022” below. The deferred loan payments may be paid in advance, and the interest rate and maturity of the loan remain unchanged.

During the last quarter of 2021, the company took out a loan with a consortium consisting of Nordea Bank Abp, KfW IPEX-Bank GmbH and Export-Import Bank of China. The amount of the loan was EUR 150.7 M. The loan agreement runs for 11.5 years from the time the loan is drawn, and the loan shall be repaid in equal semi-annual instalments thereafter, with each tranche equal to an amount corresponding to 1/23 of the loan, and the first principal repayment made six months from the date the loan was drawn. As security for the loan, China Export & Credit Insurance Corporation has given a guarantee for at least 90 per cent of the total principal outstanding and the interest under the loan agreement.

The Group’s loan agreements include loan covenants according to market terms. The financial covenants in the loan agreements consist of minimum requirements for liquidity and solvency and a maximum net financial debt-to-EBITDA ratio. The company has an agreement with its financiers on a waiver for the full-year 2022 of the covenant term concerning the maximum total net financial debt-to-EBITDA ratio.

In accordance with i) the terms in the State guarantees obtained as collateral for liquidity loans drawn in the autumn of 2020, ii) the requirements from Finnish Export Credit/Finnvera when they granted loan payment deferrals, and iii) the terms for drawing the loan to finance Viking Glory, Viking Line Abp has undertaken not to pay a dividend or pay out any funds until its obligations related to the guarantees and loans have been repaid in full. The dividend restriction on the financing of Viking Glory only applies in 2022 but also subsequently if the Group’s debt-to-EBITDA ratio exceeds 5.0.

The company’s ability to meet the requirements set in existing financing agreements depends on the company’s ability to generate cash flow from its operations, which depends in part on factors beyond the company’s control. There is a risk, especially if the pandemic again affects operations or if energy prices continue to rise further, that the company cannot generate sufficient cash flow or obtain further financing to meet its obligations under the financing agreements.

Viking Line’s operations are exposed to different kinds of risks, which vary in their scope and impact on operations, financial results and the company’s ability to meet certain social and environmental objectives. The relevant risks have been classified into four categories: strategic, operational, damage and financial risks. The risks continue to be the same since Viking Line’s financial statements for the financial year 2021 were published. However, bunker (vessel fuel)

prices have increased significantly as a result of Russia's war against Ukraine, which has a direct impact on the Group's results. As of June 30, 2022, the Group had no fixed-price agreements for bunker purchases or equivalent derivative contracts.

The Group's interest-bearing liabilities totalled EUR 262.2 M as of June 30, 2022, 62.0% of which have variable rates. The total variable interest rate consists of the market interest rate plus a margin that is specific to the company. Fluctuations in interest rates can have a negative effect on the company's costs of funding and increase funding costs in the future.

Future cash flows related to financial liabilities as of June 30, 2022:

EUR M

Future cash flows related to financial liabilities (incl. financial expenses)	Lease liabilities	Trade payables	Interest-bearing liabilities	Total
Jul 1, 2022 - Dec 31, 2022	1.5	38.7	18.9	59.0
Jan 1, 2023 - Jun 30, 2023	1.5		20.6	22.1
Jul 1, 2023 - Jun 30, 2024	2.5		58.5	60.9
Jul 1, 2024 - Jun 30, 2025	2.2		65.2	67.4
Jul 1, 2025 - Jun 30, 2026	1.3		15.4	16.6
Jul 1, 2026 - Jun 30, 2027	0.3		22.1	22.4
Jul 1, 2027 -	0.2		72.0	72.2
Total	9.3	38.7	272.6	320.6

4. Segment information

Consolidated revenue increased 179.5% and passenger-related revenue increased 249.7%.

EUR M	Jan 1, 2022- Jun 30, 2022	Jan 1, 2021- Jun 30, 2021	Jan 1, 2021- Dec 31, 2021
Sales			
Vessels	196.3	69.8	253.5
Unallocated	3.6	1.7	4.9
Total, operating segments	199.8	71.5	258.4
Eliminations	0.0	0.0	-0.1
Total sales of the Group	199.8	71.5	258.2
Operating income			
Vessels	7.3	11.7	43.0
Unallocated	-15.3	-7.2	-10.9
Total operating income of the Group	-8.0	4.5	32.1

SALES

Passenger-related revenue	175.2	50.1	215.1
Cargo revenue	23.2	20.4	41.1
Miscellaneous sales revenue	1.4	1.0	2.0
Total	199.8	71.5	258.2

5. Other operating revenue

During the first two months of the year, the Group received aid for public service obligations from Traficom for the Group's vessels on the Turku–Mariehamn/Långnäs–Stockholm and Mariehamn–Kapellskär routes. We also received aid for uncovered fixed costs of EUR 2.1 M. The aid is recognized as State aid under other operating revenue.

Viking Line Abp was paid a dividend from Alandia Försäkring Abp in 2021 before it was reclassified as an associate company. The dividend is recognized as other operating revenue.

EUR M	Jan 1, 2022– Jun 30, 2022	Jan 1, 2021– Jun 30, 2021
State aid	7.5	15.5
Rents received on properties	0.0	0.0
Capital gains	0.0	13.1
Insurance claim payments, accidents	0.8	-
Dividend income	0.0	4.9
Miscellaneous other operating revenue	0.0	0.0
Total	8.3	33.6

6. Compensation to employees

Furloughs for both shipboard and land-based employees decreased compared to the same period last year. The furloughs subsidized by the Swedish State and used last year were discontinued on September 30, 2021.

EUR M	Jan 1, 2022– Jun 30, 2022	Jan 1, 2021– Jun 30, 2021
Salaries	52.4	31.4
Expenses of defined-contribution pensions	6.1	3.6
Other payroll overhead	5.7	4.1
	64.1	39.0
Government restitution	-14.0	-6.6
Aid for furloughs	0.2	-3.7
Total	50.4	28.7

7. Depreciation and amortization

EUR M	Jan 1, 2022– Jun 30, 2022	Jan 1, 2021– Jun 30, 2021
Depreciation and amortization		
Intangible assets	0.2	0.2
Building and structures	0.1	0.2
Renovation costs for rented properties	0.2	0.2
Vessels	10.4	8.1
Machinery and equipment	0.4	0.4
Right-of-use assets	1.5	1.1
Total	12.7	10.1

8. Other operating expenses

EUR M	Jan 1, 2022– Jun 30, 2022	Jan 1, 2021– Jun 30, 2021
Sales and marketing expenses	7.9	2.2
Washing and cleaning expenses	9.4	2.1
Repairs and maintenance	5.8	3.8
Public port expenses and vessel charges	16.5	9.1
Fuel expenses	42.6	15.9
Miscellaneous expenses	22.7	12.3
Total	105.0	45.4

9. Financial expenses

EUR M	Jan 1, 2022– Jun 30, 2022	Jan 1, 2021– Jun 30, 2021
Interest expenses on financial liabilities recognized at amortized cost	3.7	1.5
Interest expenses on lease liabilities	0.2	0.1
Exchange losses	1.0	0.1
Guarantee commissions and other financial expenses	0.9	0.7
Total financial expenses	5.8	2.4

10. Income taxes

As of June 30, 2022, the Group recognized net deferred tax liabilities of EUR 27.7 M, EUR 37.3 M of which is deferred tax liabilities and EUR 9.6 M is deferred tax assets. A loss recognized in taxation for the financial year 2020 can be deducted from taxable income over 10 years. Based on the management's estimates and judgements, Viking Line expects that it will be possible to use the loss against future taxable income.

EUR M

Deferred tax liabilities	Differences between recognized value of fixed assets and their value for tax purposes	Losses recognized in taxation	Other temporary differences	Total
Jan 1, 2022	36.7	-5.7	-0.1	30.9
Translation differences	-0.1	-	-	-0.1
Recognized in income statement	-	-3.2	0.0	-3.1
Recognized directly in equity	-	-	-	-
Jun 30, 2022	36.6	-8.8	0.0	27.7

11. Impairment testing

Recognized values for intangible and tangible assets are tested regularly in order to identify any external or internal indications of an impairment loss. If such indications are observed for any asset item, the recoverable amount of the asset is recognized. One of the most important areas that entail judgements is valuation of the Group's vessels.

The management has also made the assessment that there is no need for impairment for the Group's other non-current assets.

12. Investments accounted for using the equity method

During the first half of the year, Viking Line Abp's investments in Alandia Försäkring Abp and Alandia Holding Abp generated income of EUR 0.9 M. Under IAS 28.10, the EUR 1.4 M dividend received during the period from Alandia Försäkring Abp only results in a positive cash flow for the Group.

13. Trade and other receivables

Trade receivables are recognized at amortized cost in accordance with IFRS 9. The carrying amount of trade receivables and other receivables is considered equal to fair value based on the short-term nature of the items.

14. Non-current assets held for sale

On August 4, Viking Line Abp reached an agreement with Corsica Ferries on the sale of M/S Amorella. The plan is for the transaction to be completed and for the vessel to be delivered by October 2022. M/S Amorella has a book value of EUR 3.2 M.

15. Pledged assets and contingent liabilities

EUR M	Jun 30, 2022	Dec 31, 2021
Contingent liabilities ¹	278.2	289.4
Assets pledged for own debt ²	433.0	526.3
Other liabilities not shown in the balance sheet ³	3.2	3.3

¹ Concerning loans and credit lines for which vessel, property and chattel mortgages were provided as collateral and other contingent liabilities not included in the balance sheet covered by site leasehold and chattel mortgages.

² Concerning vessel mortgages, chattel mortgages and site leasehold mortgages.

³ In addition to a capital injection, Alandia Holding Ab has taken a loan to finance the purchase of shares in Alandia Försäkring Abp. To the extent Alandia Holding Ab is in need of cash equivalents to make the payments, Viking Line Abp has undertaken to make a cash capital contribution to Alandia Holding Ab through a shareholder agreement.

16. Events after the balance sheet date

Viking Line has entered into a EUR 40 M long-term loan agreement. The loan was taken out after the balance sheet date, and the funds have been used in part for early repayment of some State-guaranteed liquidity loans taken out in the autumn of 2020 and spring of 2021.

An agreement has been entered into with Corsica Ferries concerning a change in the bareboat charter hire/purchase agreement signed in April 2021. As a result of this agreement, after the balance sheet date Corsica Ferries paid the outstanding amount of the purchase price in a lump sum instead of in monthly instalments until May 2026 as initially agreed. The right of ownership for the vessel has thus been finally transferred to Corsica Ferries.

On August 4, Viking Line Abp reached an agreement with Corsica Ferries on the sale of M/S Amorella at a price of EUR 19.1 M. The sale is estimated to have about a EUR 15 M effect on income and is expected to be recognized during the fourth quarter.