

for the period January-March 2023

A stable first quarter

JANUARY-MARCH 2023

(compared to January-March 2022)

- Sales amounted to EUR 93.9 M (EUR 58.8 M).
- Other operating revenue was EUR 8.8 M (EUR 6.0 M).
- Operating income totalled EUR -0.9 M (EUR -18.1 M).
- Net financial items were EUR -3.5 M (EUR -2.2 M).
- Income before taxes totalled EUR -4.4 M (EUR -20.3 M).
- Income after taxes totalled EUR -3.7 M (EUR -16.2 M).

Provided that energy prices remain at current levels and taking into account that capital gains are expected to be lower than in 2022, it is Viking Line's view that income before taxes will be somewhat lower than last year, which is the same conclusion as in our last report period.

COMMENTS FROM PRESIDENT AND CEO JAN HANSES

The first quarter of the year was good and gives cause for optimism about the full-year forecast, which remains unchanged at this stage. The deceleration in demand that could have been triggered by inflation and rising interest rates did so far not occur.

Passenger volumes and cargo volumes rose to planned levels, while planned price levels were also reached. Prices for bunker (vessel fuel) gradually fell during the quarter but are still very high relative to the time before the COVID pandemic and Russia's invasion of Ukraine.

During the quarter, we sold and delivered Rosella to its Greek buyers. The capital gain from the sale boosted quarterly income. We also reflagged Viking XPRS under the Finnish flag. As a result, it was possible to reassign shipboard staff on Rosella to the company's other vessels, while co-operation negotiations were carried out to adapt the land-based organization to the situation after the sale of the company's vessels. Despite these measures, staff performance was excellent and contributed to quarterly income.

Because of the sale of Rosella, our service on the short route between Mariehamn and Kapellskär was discontinued. As we assess alternatives for service on this short route, they must be adjusted in the long term to the stricter environmental standards that lie ahead. Starting in 2024, our operations will fall under the EU Emissions Trading System, which means we face a cost burden that we can only partly adapt our operations to in the medium term through continued work with energy efficiency.

To summarize, I can say that the first quarter of 2023 was one of the strongest first quarters in the past 10 years, even excluding the income effect of the sale of Rosella.

I would like to give a warm thanks to our customers and partners for the faith they have shown and our good collaboration. I would also like to extend a big thank you to our staff, who worked resiliently and patiently during the first quarter.

SUMMARY OF KEY FIGURES

EUR M	Jan 1, 2023- Mar 31, 2023	Jan 1, 2022- Mar 31, 2022	Jan 1, 2022- Dec 31, 2022
Sales	93.9	58.8	494.7
Other operating revenue	8.8	6.0	24.1
Operating income	-0.9	-18.1	38.3
Income before taxes	-4.4	-20.3	28.3
Income for the period	-3.7	-16.2	23.0

SERVICE AND MARKET

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

Viking Grace was dry-docked during the period January 16 to February 12. During this time, it was replaced by Viking Cinderella on the Turku-Mariehamn/Långnäs-Stockholm route. After that, Viking Cinderella resumed its regular day cruise service between Stockholm and Mariehamn.

Rosella sailed between Mariehamn and Kapellskär until January 8, when she was taken out of service. Viking XPRS was out of service for three days. The vessel was delisted from Estonia's register of bareboat charterers on March 6 and then entered in the Åland Register of Ships and re-registered under a Finnish flag.

Last year, on March 1, 2022, Viking Glory was launched on the Turku-Mariehamn/Långnäs-Stockholm route, where it serves in tandem with Viking Grace. Amorella ceased operating the same route on February 28, 2022.

During the comparative period, Viking Cinderella served the Turku-Mariehamn/Långnäs-Stockholm route from January 17 to February 23, 2022, after which time it resumed its regular day cruise service between Stockholm and Mariehamn on February 24.

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

The total number of passengers on the Group's vessels during the report period was 888,725 (521,537). The Group had a total market share in its service area of approximately 35.4% (32.0%).

Market demand for travel at the beginning of the year was high compared to the same period last year, which was affected by pandemic restrictions still in force.

The Group's total cargo volume was 33,736 cargo units (29,033). The Group's share of the cargo market was approximately 17.5% (14.5%). Demand for cargo in our service area varied during the period, and the situation prevailing in Europe makes it especially sensitive. Viking Line increased its cargo market share under these conditions.

The market share for passenger cars was approximately 26.8% (25.1%).

SALES AND EARNINGS FOR JANUARY – MARCH 2023

Consolidated sales increased 59.7% to EUR 93.9 M during the period January 1–March 31, 2023 (EUR 58.8 M January 1–March 31, 2022). Operating income totalled EUR -0.9 M (EUR -18.1 M). During the period, Rosella was sold, which had a positive income effect of EUR 8.6 M.

Passenger-related revenue increased 70.1% to EUR 80.4 M (EUR 47.2 M), while cargo sales were EUR 12.7 M (EUR 10.9 M) and other operating revenue was EUR 0.8 M (EUR 0.6 M). The sales contribution was EUR 71.3 M (EUR 45.3 M).

Operating expenses increased 16.7% to EUR 74.2 M (EUR 63.6 M). Salary and other employment benefit expenses increased 17.9% or EUR 3.7 M, and fuel costs increased 4.2% or EUR 0.7 M. Other operating expenses increased 16.1% or EUR 6.9 M. The increase in operating expenses is due to heavier traffic and higher passenger volumes.

In January and February 2022, 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. The aid is recognized as State aid under other operating revenue.

EUR M	Jan 1, 2023 Mar 31, 2023	Jan 1, 2022– Mar 31, 2022
State aid	-	5.6
Rents received on properties	0.0	0.0
Capital gains	8.6	0.0
Miscellaneous other operating revenue	0.2	0.4
Total	8.8	6.0

Due to a late change made in an associate company's annual accounts for 2022, the Q1 report includes a correction that has a negative effect on net financial items.

INVESTMENTS AND FINANCING

The Group's investments for the period January 1 to March 31, 2023, amounted to EUR 3.9 M (EUR 9.8 M). The Group's total investments represent 4.1% of sales (16.7%). Most are attributable to the dry-docking of Viking Grace.

As of March 31, 2023, the Group's long-term interest-bearing liabilities totalled EUR 176.5 M (EUR 225.4 M).

The debt/equity ratio was 47.7% compared to 40.7% in 2021.

The Group's cash and cash equivalents at the end of March totalled EUR 79.8 M (EUR 80.7 M). Unutilized credit lines in the Group totalled EUR 0.1 M (EUR 15.1 M).

Net cash flow from operating activities was EUR -5.7 M (EUR -22.4 M). Net cash flow from investing activities was EUR 7.3 M (EUR -9.8 M) and net cash flow from financing activities was EUR -10.8 M (EUR -1.7 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 dividend restriction in one of the Group's loan agreements continues to apply in the event the Group's debt-to-EBITDA ratio exceeds 5.0.

Future cash flows related to financial liabilities on March 31, 2023:**EUR M**

Future cash flows related to financial liabilities (incl. financial expenses)	Lease liabilities	Trade payables	Interest-bearing liabilities	Total
Apr 1, 2023 - Sep 30, 2023	1.2	22.9	23.1	47.2
Oct 1, 2023 - Mar 31, 2024	1.2		22.8	24.0
Apr 1, 2024 - Mar 31, 2025	2.2		44.4	46.5
Apr 1, 2025 - Mar 31, 2026	1.6		28.1	29.6
Apr 1, 2026 - Mar 31, 2027	0.2		33.9	34.1
Apr 1, 2027 - Mar 31, 2028	0.1		23.9	23.9
Apr 1, 2028 -	0.2		78.8	79.0
Total	6.7	22.9	254.8	284.5

IMPAIRMENT TESTING

Recognized values for intangible assets and property, plant and equipment 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.

ORGANIZATION AND PERSONNEL

The average number of employees in the Group was 1,993 (1,746), 1,487 (1,296) of whom worked in the parent company. Land-based personnel totalled 466 (412) and shipboard personnel totalled 1,527 (1,334). In addition to the Group's own employees, Viking XPRS was crewed by an average of 131 (147) people employed by a staffing company. Since the reflagging of the vessel under the Finnish flag, the vessel is staffed with Viking Line's own employees.

During the winter, the company held co-operation negotiations with Finnish land-based staff and co-determination negotiations with Swedish land-based staff on account of the reduction in the company's fleet. Costs have had to be adjusted as a result.

During the comparative period, some shipboard and land-based staff were also made redundant.

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 as when the Group's annual report was published.

As of March 31, 2023, the Group did not have any fixed price contracts for bunker purchases or corresponding derivative contracts but does have a contract for liquefied natural gas (LNG) deliveries in effect until September 2024. Rising market interest rates have a negative effect on net financial items. Of the Group's credits, 79% have a variable interest rate and 21% have a fixed interest rate.

OUTLOOK FOR THE FINANCIAL YEAR 2023

Provided that energy prices remain at current levels and taking into account that capital gains are expected to be lower than in 2022, it is Viking Line's view that income before taxes will be somewhat lower than last year, which is the same conclusion as in our last report period.

EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors knows of no other events after the balance sheet date that could affect the outlook for the financial year.

Mariehamn, April 27, 2023

VIKING LINE ABP

Jan Hanses

President and CEO

Financial information

The management's Business Review was prepared in accordance with IFRS accounting standards and valuation principles, but not all IAS 34 standards for interim financial reporting requirements have been complied with. The accounting principles and measurement principles applied are the same as for the year-end financial statements for 2022. The figures have not been audited.

Consolidated income statement

EUR M	Jan 1, 2023- Mar 31, 2023	Jan 1, 2022- Mar 31, 2022	Jan 1, 2022- Dec 31, 2022
SALES	93.9	58.8	494.7
Other operating revenue	8.8	6.0	24.1
Expenses			
Goods and services	22.6	13.5	117.4
Salary and other employment benefit expenses	24.5	20.7	104.7
Depreciation, amortization and impairment losses	6.7	5.8	26.5
Other operating expenses	49.8	42.9	231.8
	103.6	82.9	480.5
OPERATING INCOME	-0.9	-18.1	38.3
Financial income	0.3	0.2	0.3
Financial expenses	-2.8	-2.6	-12.3
Share of net profit of associate companies accounted for using the equity method	-1.0	0.2	2.0
INCOME BEFORE TAXES	-4.4	-20.3	28.3
Income taxes	0.7	4.1	-5.3
INCOME FOR THE PERIOD	-3.7	-16.2	23.0
<i>Income attributable to:</i>			
Parent company shareholders	-3.7	-16.2	23.0
Earnings per share before and after dilution, EUR	-0.21	-0.93	1.33

Consolidated statement of comprehensive income

EUR M	Jan 1, 2023- Mar 31, 2023	Jan 1, 2022- Mar 31, 2022	Jan 1, 2022- Dec 31, 2022
INCOME FOR THE PERIOD	-3.7	-16.2	23.0
<i>Items that may be reclassified to the income statement</i>			
Translation differences	-0.3	-0.2	-1.9
<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	-	-	0.0
Other comprehensive income	-0.3	-0.2	-1.9
COMPREHENSIVE INCOME FOR THE PERIOD	-4.0	-16.4	21.1
<i>Comprehensive income attributable to:</i>			
Parent company shareholders	-4.0	-16.4	21.1

Consolidated income statement by quarter

EUR M	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
SALES	93.9	124.5	170.4	141.0	58.8
Other operating revenue	8.8	15.2	0.5	2.4	6.0
Expenses					
Goods and services	22.6	29.4	39.9	34.6	13.5
Salary and other employment benefit expenses	24.5	25.4	28.9	29.6	20.7
Depreciation, amortization and impairment losses	6.7	7.2	6.7	6.9	5.8
Other operating expenses	49.8	58.4	68.5	62.1	42.9
	103.6	120.3	144.0	133.3	82.9
OPERATING INCOME	-0.9	19.4	26.9	10.1	-18.1
Financial income	0.3	0.3	-0.2	0.0	0.2
Financial expenses	-2.8	-4.0	-2.6	-3.2	-2.6
Share of net profit of associates accounted for using the equity method	-1.0	1.2	-0.1	0.7	0.2
INCOME BEFORE TAXES	-4.4	16.9	24.1	7.6	-20.3
Income taxes	0.7	-3.3	-4.9	-1.3	4.1
INCOME FOR THE PERIOD	-3.7	13.6	19.3	6.3	-16.2
<i>Income attributable to:</i>					
Parent company shareholders	-3.7	13.6	19.3	6.3	-16.2
Earnings per share before and after dilution, EUR	-0.21	0.79	1.12	0.37	-0.93

Consolidated statement of comprehensive income by quarter

EUR M	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
INCOME FOR THE PERIOD	-3.7	13.6	19.3	6.3	-16.2
<i>Items that may be reclassified to the income statement</i>					
Translation differences	-0.3	-0.5	-0.4	-0.9	-0.2
<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	-	-	-	-	-
Other comprehensive income	-0.3	-0.5	-0.4	-0.9	-0.2
COMPREHENSIVE INCOME FOR THE PERIOD	-4.0	13.1	18.9	5.5	-16.4
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	-4.0	13.1	18.9	5.5	-16.4

Consolidated balance sheet

EUR M	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
Non-current assets			
Intangible assets	3.1	3.1	2.8
Land	0.5	0.5	0.5
Buildings and structures	1.5	1.6	1.6
Renovation costs for rented properties	1.0	1.4	1.1
Vessels	426.9	450.0	429.6
Machinery and equipment	2.3	2.5	2.3
Right-of-use assets	4.0	5.3	4.4
Financial assets at fair value through other comprehensive income	10.6	0.0	10.6
Investments accounted for using the equity method	33.6	34.1	34.6
Receivables	-	4.4	-
Total non-current assets	483.5	502.9	487.3
Current assets			
Inventories	13.9	12.9	14.0
Income tax assets	0.1	0.1	0.1
Trade and other receivables	41.6	42.0	36.7
Cash and cash equivalents	79.8	80.7	89.0
Total current assets	135.5	135.6	139.8
Non-current assets held for sale	-	-	2.4
TOTAL ASSETS	619.0	638.6	629.5
EQUITY AND LIABILITIES			
Equity			
Share capital	1.8	1.8	1.8
Reserves	49.7	49.7	49.7
Translation differences	-3.4	-2.3	-3.4
Retained earnings	238.4	203.8	242.4
Equity attributable to parent company shareholders	286.5	253.0	290.5
Total equity	286.5	253.0	290.5
Non-current liabilities			
Deferred tax liabilities	35.2	26.7	36.1
Interest-bearing liabilities	176.5	225.4	186.3
Lease liabilities	4.0	5.7	4.5
Total non-current liabilities	215.7	257.8	226.8
Current liabilities			
Interest-bearing liabilities	36.7	47.3	36.7
Lease liabilities	2.3	2.5	2.4
Income tax liabilities	0.0	0.0	0.0
Trade and other payables	77.7	77.9	73.0
Total current liabilities	116.8	127.8	112.2
Total liabilities	332.5	385.6	339.0
TOTAL EQUITY AND LIABILITIES	619.0	638.6	629.5

Consolidated cash flow statement

EUR M	Jan 1, 2023- Mar 31, 2023	Jan 1, 2022- Mar 31, 2022	Jan 1, 2022- Dec 31, 2022
OPERATING ACTIVITIES			
Income for the period	-3.7	-16.2	23.0
Adjustments			
Depreciation, amortization and impairment losses	6.7	5.8	26.5
Capital gains/losses from non-current assets	-8.8	-	-13.1
Income from investments in associate companies	1.0	-0.2	-2.0
Other items not included in cash flow	-0.2	-0.2	-2.8
Interest expenses and other financial expenses	2.6	2.5	10.8
Interest income and other financial income	-0.3	-0.1	-0.3
Dividend income	-	0.0	0.0
Income taxes	-0.7	-4.1	5.3
Change in working capital			
Change in trade and other receivables	-4.9	-15.0	-11.0
Change in inventories	0.1	-2.9	-4.0
Change in trade and other payables	5.0	10.2	5.8
Interest paid	-2.4	-1.5	-7.0
Financial expenses paid	-0.2	-0.5	-3.1
Interest received	0.2	-	-
Financial income received	0.1	0.0	0.3
Taxes paid	-0.1	-0.1	0.0
NET CASH FLOW FROM OPERATING ACTIVITIES	-5.7	-22.4	28.4
INVESTING ACTIVITIES			
Investments in vessels	-3.2	-9.7	-14.1
Investments in other non-current assets	-0.7	-0.1	-0.8
Investments in financial assets recognized at fair value through other comprehensive income	0.0	-	-10.6
Divestments of vessels	11.1	-	18.0
Divestments of other non-current assets	0.1	-	0.4
Payments received for non-current receivables	-	-	5.9
Dividends received from associate companies	-	-	1.4
Dividends received from others	-	0.0	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	7.3	-9.8	0.2
FINANCING ACTIVITIES			
Increase in loans	-	-	40.0
Principal payments	-10.1	-1.0	-91.4
Depreciation of lease liabilities	-0.7	-0.7	-2.7
Dividends paid	-	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	-10.8	-1.7	-54.1
CHANGE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period	89.0	114.6	114.6
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	79.8	80.7	89.0

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, 2023	1.8	49.7	-3.4	242.4	290.5
Income for the period				-3.7	-3.7
Translation differences		0.0	0.0	-0.3	-0.3
Comprehensive income for the period	-	0.0	0.0	-4.0	-4.0
Dividend to shareholders				-	-
Transactions with owners of the parent company	-	-	-	-	-
EQUITY, MAR 31, 2023	1.8	49.7	-3.4	238.4	286.5

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				-16.2	-16.2
Translation differences		0.0	-0.1	-0.1	-0.2
Comprehensive income for the period	-	0.0	-0.1	-16.3	-16.4
Dividend to shareholders				-	-
Transactions with owners of the parent company	-	-	-	-	-
EQUITY, MAR 31, 2022	1.8	49.7	-2.3	203.8	253.0

Financial ratios and statistics

	Jan 1, 2023- Mar 31, 2023	Jan 1, 2022- Mar 31, 2022	Jan 1, 2022- Dec 31, 2022
Equity per share, EUR	16.58	14.64	16.81
Equity/assets ratio	47.7 %	40.7 %	47.0 %
Investments, EUR M	3.9	9.8	25.5
- as % of sales	4.1 %	16.7 %	5.2 %
Passengers	888,725	521,537	4,945,564
Cargo units	33,736	29,033	117,777
Average number of employees, full-time equivalent	1,993	1,746	2,203

Equity per share = Equity attributable to parent company shareholders / Number of 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.