Year-End Report

VIKING LINE

For the period January-December 2023

Viking Line posts historically strong earnings

JANUARY-DECEMBER 2023

(compared to January–December 2022)

- Sales amounted to EUR 491.4 M (EUR 494.7 M).
- Other operating revenue was EUR 9.1 M (EUR 24.1 M).
- Operating income totalled EUR 55.0 M (EUR 38.3 M).
- Net financial items were EUR -9.6 M (EUR -10.3 M).
- Income before taxes totalled EUR 45.4 M (EUR 28.0 M).
- Income after taxes totalled EUR 36.3 M (EUR 22.7 M).
- The Board of Directors proposes a dividend of 1 euro per share, which corresponds to 48% of earnings.

Outlook for the financial year 2024

There continues to be significant uncertainty due to the geopolitical situation and the impact this has on energy prices, inflation, interest rates and currencies as well as the effects these uncertainty factors may have on people's propensity to travel, demand, consumption patterns and costs. In early 2023, Rosella was sold. Provided energy prices remain at current levels and there is a sustained propensity to travel, the Board expects income before taxes in 2024 to be on a par with the figure for 2023 if the EUR 8.6 M capital gain from the sale of Rosella in 2023 is not included.

FOURTH QUARTER 2023

(compared to fourth quarter 2022)

- Sales amounted to EUR 112.2 M (EUR 124.5 M).
- Other operating revenue was EUR 0.3 M (EUR 15.2 M).
- Operating income totalled EUR 2.7 M (EUR 19.4 M).
- Net financial items were EUR -0.6 M (EUR -2.9 M).
- Income before taxes amounted to EUR 2.0 M (EUR 16.5 M including the EUR 15.0 M capital gain from Amorella)).
- Income after taxes totalled EUR 1.7 M (EUR 13.2 M).

COMMENTS FROM PRESIDENT AND CEO JAN HANSES

The financial year 2023 was a very good year, the best since the company was listed in 1995. Income before taxes totalled EUR 45.4 M.

The fourth quarter of the year turned out as expected, which means that we could meet our full-year forecast with far better earnings than in 2022. Passenger and cargo volumes remained stable despite a smaller number of vessels, while planned sales prices were achieved. In late October and November, passenger demand weakened temporarily before recovering in December. This was a market trend that affected all operators in our service area. Bunker (vessel fuel) prices have gradually fallen, but are still very high relative to pre-pandemic levels and Russia's war on Ukraine. Furthermore, the troubled state of the world, including the war in Ukraine, has had a small impact on our market.

On August 9, we announced that Viking Line and Gotlandsbolaget would form a joint venture entrusted with the task of developing and providing cruises with the former Birka Stockholm. Meanwhile, it was agreed with Gotlandsbolaget that Viking Line would acquire 50% of the ship for EUR 19 M. On August 23, the joint venture was approved by the Swedish Competition Authority and rigorous work got under way. The work has continued according to plan, and the vessel was rechristened Birka Gotland, with the joint venture taking the name Gotland Alandia Cruises. Service will launch on March 20, 2024. At the same time, Viking Cinderella, which has undergone a major dry-docking, will launch service on the Helsinki-Mariehamn–Stockholm route.

The number of passengers who travelled with the company in 2023 totalled 4.9 million, which is a very good result given our reduced capacity, with fewer vessels than the year before. During the summer, there were even periods where there was a lack of capacity. Nearly 1.8 million passengers sailed during the period June–August, and many departures during the summer holiday season sold out well in advance. Viking Grace and Viking Glory had the biggest passenger increase during the year, on the Turku–Åland-Stockholm route, with 2,123,647 passengers. Viking Line's market share here was 72%. Viking Glory, which launched service in 2022, still has the appeal of a novelty and is a well-loved vessel. The pairing of Viking Glory and Viking Grace makes for a strong combination on this route.

Starting in 2024, our traffic will fall under the EU's Emissions Trading System (ETS). This entails a cost burden that we can only partly offset in the medium term with continued energy efficiency work. Fossil-free fuel in a quantity and at a price that are economically viable does not exist. The implementation of a limited-term island exemption from the Emissions Trading System for traffic between Finland and Åland is thus well justified since the transition to fossil-free fuel is not driven by the cost of emission rights but by the supply of alternative fossil-free fuels. We do not intend to lower our ambitions to reduce emissions from our traffic when the island exemption *is implemented – on the contrary, we will make use of cost savings to continue our work towards the transition to fossil-free fuel and increased energy efficiency. Viking Line has started to buy emission rights.*

To summarize, I can note that the past financial year has been very strong even excluding the income effect of EUR 8.6 M from the sale of Rosella. For 2024, our forecast is earnings on a par with 2023 (excluding Rosella's capital gain) even though the year will be affected by emission rights costs and start-up costs for traffic with Birka Gotland. Our good earnings and post-pandemic recovery in operations enable investments in new environmental technology and innovations.

I would like to extend my warm thanks to our customers and partners for their faith in us and our good collaboration. A big thank you also goes to our engaged personnel, who contributed to our earnings with their fine work.

SUMMARY OF KEY FIGURES

EUR M	Oct 1, 2023-Dec 31, 2023	Oct 1, 2022-Dec 31, 2022	Jan 1, 2023-Dec 31, 2023	Jan 1, 2022-Dec 31, 2022
Sales	112.2	124.5	491.4	494.7
Other operating revenue	0.3	15.2	9.1	24.1
Operating income	2.7	19.4	55.0	38.3
Income before taxes	2.0	16.5	45.4	28.0
Income for the period	1.7	13.2	36.3	22.7

SERVICE AND MARKET

During the year, the Viking Line Group provided passenger and cargo carrier services using five vessels in the northern Baltic Sea and the Gulf of Finland. For much of this period, Viking Line operated with two fewer vessels (Amorella and Rosella) than in 2022.

Viking Grace was dry-docked for the period January 16 to February 12. During this time, the vessel was replaced by Viking Cinderella on the Turku-Mariehamn/Långnäs-Stockholm route. After this, Viking Cinderella returned to its normal day cruise service between Stockholm and Mariehamn.

Rosella operated between Mariehamn and Kapellskär until January 8, after which it was taken out of service. Viking XPRS was out of service for three days in conjunction with its being removed from the Estonian bare-boat register on March 6 and then entered into the Åland Register of Ships. Viking XPRS has sailed under a Finnish flag since March 6.

During the summer period, both Gabriella and Viking Cinderella made a number of destination cruises, including to Visby, Sweden's High Coast, Bornholm and Åland.

During the period June 29 to August 6, Viking Cinderella served in tandem with Gabriella on the Helsinki-Mariehamn-Stockholm route, calling at Tallinn. On August 7, Viking Cinderella returned to its normal day cruise service between Stockholm and Mariehamn and also made a number of charter and special cruises, including to Sweden's High Coast and Visby/Ystad.

In 2022, Viking Glory launched service on the Turku-Mariehamn/Långnäs-Stockholm route on March 1 and has served the route in tandem with Viking Grace since then. Amorella terminated its service on the same route on February 28, 2022. Both Viking Glory and Viking Grace were taken out of operation for planned service work in September 2023.

During the comparative period, January 17 to February 23, 2022, Viking Cinderella served the Turku-Mariehamn/Långnäs-Stockholm route, before returning to its normal cruise service between Stockholm and Mariehamn on February 24.

The total number of passengers on the Group's vessels during the report period was 4,897,494 (4,945,564). The Group had a total market share in its service area of approximately 35.1% (37.2%).

Market demand for travel was good from the start of 2023, and the international markets in particular grew compared to 2022. During the autumn, some volatility was noted in market demand, which we believe was mainly an effect of weaker household finances.

The Group's total cargo volume was 125,269 cargo units (117,777). The Group's share of the cargo market was approximately 16.9% (14.7%). Total demand for cargo in our service area decreased compared to the same period in 2022 due to uncertain economic conditions in the region. Nonetheless, the number of cargo units transported by Viking Line increased.

The market share for passenger cars was approximately 28.8% (32.8%). The decrease is largely due to the closing of the short-haul Kapellskär-Mariehamn route.

SALES AND EARNINGS FOR JANUARY – DECEMBER 2023

Consolidated sales decreased 0.7% to EUR 491.4 M during the period January 1–December 31, 2023 (EUR 494.7 M January 1–December 31, 2022). For much of the year, the Group operated with fewer vessels than in 2022. With a comparable number of vessels, sales increased 13.2%. Operating income totalled EUR 55.0 M (EUR 38.3 M). Consolidated income before tax was EUR 45.4 M (EUR 28.0 M). During the period, Rosella was sold, which had a positive income effect of EUR 8.6 M.

Passenger-related revenue decreased 0.4% to EUR 442.5 M (EUR 444.4 M), while cargo sales were EUR 45.7 M (EUR 47.4 M) and other operating revenue was EUR 3.2 M (EUR 2.9 M). The sales contribution was EUR 377.7 M (EUR 377.3 M).

Operating expenses decreased 9.6% to EUR 304.3 M (EUR 336.5 M). Salary and other employment benefit expenses increased 3.6% or EUR 3.7 M, which is due in part to the reflagging of Viking XPRS. Other operating expenses decreased 15.5% or EUR 35.9 M. The decrease in operating expenses is largely due to lower fuel costs, which decreased 36.9% or EUR 35.6 M.

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. In June 2022, the Group received EUR 2.1 M in State aid, which consisted of aid for uncovered fixed costs during the period December 2021–February 2022. The aid is recognized as State aid under other operating revenue.

SALES AND EARNINGS FOR FOURTH QUARTER 2023

Consolidated sales decreased 9.9% to EUR 112.2 M during the period October 1–December 31, 2023 (EUR 124.5 M October 1–December 31, 2022). Operating income totalled EUR 2.7 M (EUR 19.4 M). Income was stable in a volatile market where there is great uncertainty due to the geopolitical and security policy situation. The sale of Amorella in 2022 had a positive income effect of EUR 15.0 M.

Passenger-related revenue decreased 10.5% to EUR 99.5 M (EUR 111.1 M), while cargo revenue was EUR 11.9 M (EUR 12.6 M) and other revenue was EUR 0.8 M (EUR 0.8 M). The decrease in passenger-related revenue is due to a fewer number of ships than in 2022. The sales contribution was EUR 85.4 M (EUR 95.1 M).

Operating expenses decreased 9.3% to EUR 76.0 M (EUR 83.8 M). Salary and other employment benefit expenses increased 8.1% or EUR 2.1 M, which is due in part to the reflagging of Viking XPRS. Other operating expenses decreased 16.9% or EUR 9.9 M, with fuel costs decreasing 37.6% or EUR 9.0 M.

INVESTMENTS AND FINANCING

The Group's investments for the period January 1–December 31, 2023, amounted to EUR 36.9 M (EUR 25.5 M). The Group's total investments represented 7.5% of sales (5.2%).

Viking Line and Gotlandsbolaget formed a joint venture, Gotland Alandia Cruises AB, which is entrusted with the task of developing and providing cruises with Birka Stockholm between Stockholm-Mariehamn and Stockholm-Mariehamn-Visby. In March 2023, Gotlandsbolaget acquired Birka Stockholm for EUR 38 M. In August 2023, Gotlandsbolaget sold 50% of the vessel to Viking Line for EUR 19 M, which was financed by Viking Line's cash holdings. The vessel has been rechristened Birka Gotland.

Most other investments are attributable to the dry-docking of Viking Grace and cabin upgrades on both Gabriella and Cinderella.

Viking Cinderella, which currently provides cruise service from Stockholm to Mariehamn, will be reassigned to the Helsinki–Mariehamn–Stockholm route in the spring of 2024.

The Group's long-term interest-bearing liabilities on December 31, 2023, totalled EUR 150.6 M (EUR 186.3 M).

The debt/equity ratio was 51.4%, compared to 47.2% in 2022.

The Group's cash and cash equivalents at the end of December totalled EUR 85.3 M (EUR 89.0 M). Unutilized credit lines in the Group totalled EUR 0.1 M (EUR 0.1 M).

Net cash flow from operating activities was EUR 67.1 M (EUR 28.4 M). Net cash flow from investing activities was EUR -24.5 M (EUR 0.2 M) and net cash flow from financing activities was EUR -46.3 M (EUR -54.1 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. The Group's debt-to-EBITDA ratio is below 5.0, so the dividend restriction does not apply.

Viking Line's Abp's shareholding in Rederiaktiebolaget Eckerö has exceeded 20% since November 22, so Rederiaktiebolaget Eckerö has been recognized as a company with a participating interest undertaking using the equity method since then. An initial positive income effect of EUR 2.5 M arose in the transition.

RISKS AND RISK MANAGEMENT

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.

Strategic risks

Changes in the geopolitical situation, the heightened security policy situation and the impact this has on energy prices, inflation and people's propensity to travel as well as changes in maritime policy, regulations and other laws, in climate change, in the competition situation and the market trend can have a negative and significant impact on demand for the Group's products and services and on its earnings, cash flow and financial position.

Demand for the company's services and products is also affected by megatrends. For example, increased awareness of climate change and environmental protection can affect the public's view of ferry service. For most of our customers. our operations also constitute a leisure good rather than a utility good, which is substitutable, so consumers can choose other alternatives.

Seasonal fluctuations during the year affect Viking Line's business operations. Third quarter earnings usually account for the largest share of earnings for the year.

Political decisions can change Viking Line's operating conditions with potentially negative consequences for business operations. However, Åland's tax exemption, which enables duty-free sales on board vessels in service to and from the Åland Islands, is permanent. The European

Commission's guidelines to promote maritime transport, which enable the net salary system for seafarers, are in effect until further notice.

Finnish maritime transport is governed by environmental regulations in the International Maritime Organization (IMO)'s rules, EU directives, HELCOM recommendations and national laws. We actively monitor the drafting of environmental regulations, advances in environmental technology and the solutions that research provides to meet ever more stringent environmental regulations.

As of January 1, 2024, maritime transport is included in the EU Emissions Trading System (ETS) for greenhouse gas emissions. ETS is one of the instruments the EU uses to achieve its own climate goals and meet its international commitments in the Paris Agreement. Greenhouse gas (GHG) emissions of vessels will gradually be phased into the ETS between 2024 and 2026, after which time all emissions will be included. Starting in 2024, Viking Line Abp will surrender allowances that cover 40% (70% in 2025 and 100% in 2026) of its fleet's verified GHG emissions to the relevant regulatory authority, which for Viking Line is the Finnish Energy Authority. The Finnish parliament has approved the application of the so-called island exemption, which means that emissions generated by traffic between the Finnish mainland and Åland are exempt from the requirement to surrender emission allowances. Significant parts of the traffic on the Turku-Stockholm and Helsinki-Stockholm routes are thus exempt from the ETS. The island exemption will be in effect until December 31, 2030. The price of emission rights is affected by many factors, including a gradual reduction in total emission allowances in the free market, which is built into the ETS. The price may also be affected by various external factors, such as geopolitical or energy policy decisions.

Starting January 1, 2025, the FuelEU Maritime Regulation will apply to European maritime shipping. The regulation is focused on the energy used by vessels, and the intention is to gradually phase out fossil energy while phasing a percentage of renewable or emission-free energy carriers into the European fleet's energy mix. The vessels covered by the regulation shall achieve predetermined improvements in their GHG intensity. Requirements will be raised after each five-year period following a non-linear curve. The requirement is initially a 2% decrease in GHG intensity for the first five-year period compared to the reference year, 2020. Starting in 2050, the GHG intensity of vessels should decrease 80% compared to the reference year. Penalties will be charged to ship owners if there is non-compliance, with the amount determined by the level of the vessel's environmental underperformance. Penalties will increase each year the vessel underperforms, and the size of the penalty could have a significant impact on profitability. Emission-free maritime fuel or technologies that use these fuels are not available today. In practice, the regulation for European maritime shipping entails the use of a mix of bio-based or alternative fuels and fossil fuels. The price and availability of alternative and renewable fuels will be key issues in the future.

Operational risks

The Group's business operations are dependent on functioning logistics and IT systems for both external communication and the day-to-day management of operations. Cyber intrusion, malfunctions and disruptions can cause interruptions in operations and have potential consequences. Cyberattacks are a growing and ever-changing global problem. Disruptions in service or IT communication can have a negative impact on the Group's earnings. Viking Line endeavours to minimize the risk of lengthy unplanned service interruptions by means of continuous vessel maintenance, a well-developed safety and security system, training and regular exercises. Risks in information management are minimized by developing appropriate security systems and alternative working methods as well as efforts to ensure the reliability of computer systems.

Hiring, retaining and developing a skilled labour force are critical to success. The loss of key employees and inability to attract new employees can harm the Group's operations.

Damage risks

Maritime safety and security is guided by our safety and security policy, which has top priority in Viking Line's operations. Through our International Safety Management Code (ISMC) and International Ship & Port Facility Security Code (ISPS) management systems, we work systematically to identify potential risk situations and consequently prevent accidents. Our goal is to continuously improve safety and security.

Viking Line has a zero vision when it comes to different kinds of crime, harassment and disorderly conduct on board. We work on a continuous basis to realize this vision. A group that has worked with these issues meets regularly, while a team of external experts has also been hired.

Viking Line maintains a crisis preparedness plan to prevent and mitigate the consequences of adverse events and crises with serious consequences for passengers, staff, traffic, property, the environment, operations and trust in the company. The crisis preparedness plan is characterized by an effective alert system that quickly establishes the central crisis management organization in the company. In crisis situations, this central crisis management organization works in close cooperation with the relevant government agencies.

Various organizations, companies and specialists are hired as needed to provide support and assistance in the crisis work. Communication, information and crisis support are key aspects of the crisis management organization's work. In order to be effective and maintain stamina despite the physical and mental pressure, the organization undergoes training on a continuous basis. The work of the crisis management organization is aimed at saving lives, avoiding injuries and damage to the environment and property, and ensuring that rescue measures are so effective that operations can return to a normal situation as soon as possible without damaging the company's brand.

The Group's vessels are recognized in the balance sheet at a carrying amount of EUR 435.3 M (429.6 M). The vessels have hull and machinery insurance plus increased value insurance totalling EUR 675.0 M (686.0 M). In addition, all vessels have strike/delay insurance, protection and indemnity (P&I) and Passenger Liability Regulation (PLR) insurance.

Financial risks

The Group is also exposed to various financial risks, among them fluctuations in currency exchange rates and interest rates.

Sales revenue is generated in euros and Swedish kronor. Most of the operating inflow and outflow of cash and cash equivalents consist of euros. Purchase prices of goods for sale and bunker (vessel fuel) are affected by other currencies, especially the US dollar.

Fluctuations in bunker prices have a direct effect on consolidated earnings. To mitigate the risk of increased bunker prices somewhat, on December 31, 2023, the Group had entered into fixed price contracts for bunker purchases that are in effect for the beginning of 2024.

The company's ability to meet the requirements set in existing financial agreements depends on its ability to generate a positive cash flow and earnings from its operations, which depend in part on factors that are beyond the company's control.

The company's interest-bearing liabilities amounted to EUR 187.3 M on December 31, 2023, 80.6% of which have a variable interest rate. 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.

DISCLOSURE UNDER THE EU'S TAXONOMY REGULATION

The EU Taxonomy Regulation (EU) 2020/852) took effect on January 1, 2022, for two of the six environmental objectives concerning climate change (climate change mitigation and climate change adaptation). On January 1, 2023, the Regulation also took effect for the four remaining environmental objectives: sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems. The Taxonomy Regulation established a classification system (taxonomy) for environmentally sustainable economic activities. The taxonomy is a framework for steering capital flows towards in investments in sustainable operations; managing financial risks as a result of climate change, natural disasters and social problems; and promoting openness and long-term engagement in economic operations.

Viking Line discloses information about such environmentally sustainable economic activities as defined in the taxonomy in accordance with the EU's Non-Financial Reporting Directive (NFRD). Viking Line discloses information about what proportion of its sales (turnover), capital expenditures (CapEx) and operational expenditures (CapEx) is derived from or related to economic activities considered to be eligible for and compliant with the Taxonomy Regulation and its delegated acts. In order to be in compliance with the taxonomy requirements, the company's economic activities must meet the technical screening criteria, comply with the Do No Significant Harm principle and meet minimum safeguards.

In 2023, the European Commission published an Environmental Delegated Regulation and a Regulation Amending the Climate Delegated Relegation. In the Climate Delegated Relegation ((EU) 2021/2139), technical screening criteria are established for maritime transport. The technical screening criteria for maritime transport have been developed to include the most recent regulations in the International Maritime Organization's Energy Efficiency Design Index (EEDI Phase 3) and the requirement to reduce greenhouse gas emissions in the FuelEU Maritime Regulation. The updated technical screening criteria include alternative fuels, which were previously left out of the taxonomy, to a greater extent. Alternative fuels play a crucial role in the shipping industry's climate transition, and Viking Line considers the addition to be both welcome and necessary.

The Taxonomy Regulation and reporting practices will continue to be developed going forward. Viking Line is closely following this development process and will disclose information in accordance with these requirements and meet the criteria to the extent this is possible in the future as well.

Key performance indicators used in the taxonomy

Viking Line reports on two activities, 6.10 "Sea and coastal freight water transport, vessels for port operations and auxiliary activities" and 6.11 "Sea and coastal freight and passenger water transport". As the company interprets it, the descriptions of these operations exclude economic activities that are significant to the Group, such as hotel operations and other on-board sales. The company has thus adopted a relatively cautious position on the Group's operations regarding the scope of the taxonomy. As the company interprets it, activities that are not directly related to or do not facilitate the transport of passengers or goods are considered to be operations not subject to the taxonomy. The company has not included activities related to the bus transport of passengers.

Viking Line has restricted sales (turnover) from activities under 6.10 and 6.11 – in other words, activities subject to the taxonomy – mainly to turnover from ticket sales and from freight and vehicle sales. The company has thus excluded retail sales and hotel revenue, except in cases where cabins constitute a significant proportion of services sold. Capital expenditure (CapEx) is based on investments following the cash flow principle, which also includes Viking Line's investments in new vessels. Only expenditure directly related to vessels and their maintenance is included in CapEx. Operational expenditure (OpEx) consists primarily of vessel maintenance and repair costs. Only costs directly related to the transport of passengers or goods are included, so salary expenses for employees in service jobs are excluded from OpEx.

In compiling Viking Line's key performance indicators (KPIs), turnover and expenditure items have been taken into account only once to avoid double-counting. Research and development related to vessel technology is carried out mainly by the manufacturers. The Group has no actual expenses for research and development. There have been no changes in how Viking Line compiles its most important KPIs since the financial year 2022.

Turnover, CapEx and OpEx from products or services associated with taxonomy-eligible economic activities

	Taxonomy-eligible/ non-eligible economic acivities
Turnover	
6.10. Taxonomy-eligible activities, %	10.7 %
6.11. Taxonomy-eligible activities, %	10.8 %
Taxonomy-non-eligible activities, %	78.5 %
Total turnover, EUR M	491.4
CapEx	
6.10. Taxonomy-eligible activities, %	9.0 %
6.11. Taxonomy-eligible activities, %	68.7 %
Taxonomy-non-eligible activities, %	22.3 %
Total CapEx, EUR M *	31.8
OpEx	
6.10. Taxonomy-eligible activities, %	17.5 %
6.11. Taxonomy-eligible activities, %	17.5 %
Taxonomy-non-eligible activities, %	65.0 %
Total OpEx, EUR M	171.5

* Excluding capital expenditure for certain intangible assets.

ORGANIZATION AND PERSONNEL

The average number of full-time employees in the Group was 2,227 (2,203), of whom 1,682 (1,679) worked for the parent company. Land-based personnel totalled 467 (458) and shipboard personnel totalled 1,760 (1,745). During the comparative period, some shipboard and land-based personnel were furloughed.

In addition to the Group's own employees, Viking XPRS was crewed by an average of 33 (185) people employed by a staffing company. Since its reflagging under a Finnish flag on March 6, 2023, the vessel is staffed only with the company's own personnel.

At year-end 2023, the Group had a total of 2,401 (2,428) employees,1,878 (1,927) of whom resided in Finland. The number of employees residing in Sweden was 383 (424). The number of employees residing in Estonia was 124 (70) and the number residing in other countries was 16 (7).

Men made up 58.3% (56.4%) of employees, and women made up 41.7% (43.6%). Women made up 25.2% (23.1%) of employees in a foreman position. The average age of employees was. 44.8 (45.7) years old.

CONSOLIDATED INCOME STATEMENT BY QUARTER

EUR M	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
SALES	**112.2**	**152.9**	**132.4**	**93.9**	**124.5**
Other operating revenue	0.3	0.0	0.1	8.8	15.2
Expenses					
Goods and services	26.7	33.1	31.3	22.6	29.4
Salary and other employment benefit expenses	27.5	27.9	28.6	24.5	25.4
Depreciation, amortization and impairment losses	7.1	6.9	6.8	6.7	7.2
Other operating expenses	48.5	49.8	47.8	49.8	58.4
	109.8	117.7	114.5	103.6	120.3
OPERATING INCOME	**2.7**	**35.3**	**18.0**	**-0.9**	**19.4**
Financial income	1.3	0.6	0.6	0.3	0.3
Financial expenses	-3.3	-2.3	-3.4	-2.8	-4.0
Share of after-tax income from joint ventures and companies with a participating interest accounted for using the equity method	1.4	0.6	-1.6	-1.0	0.8
INCOME BEFORE TAXES	**2.0**	**34.2**	**13.6**	**-4.4**	**16.5**
Income taxes	-0.3	-6.6	-2.9	0.7	-3.3
INCOME FOR THE PERIOD	**1.7**	**27.6**	**10.6**	**-3.7**	**13.2**
Income attributable to:					
Parent company shareholders	1.7	27.6	10.6	-3.7	13.2
Earnings per share before and after dilution, EUR	0.10	1.60	0.61	-0.21	0.76

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME BY QUARTER

EUR M	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
INCOME FOR THE PERIOD	**1.7**	**27.6**	**10.6**	**-3.7**	**13.2**
Items that may be reclassified to the income statement					
Translation differences	1.0	0.7	-1.3	-0.3	-0.5
Items that will not be reclassified to the income statement					
Changes in the fair value of financial assets at fair value through other comprehensive income	0.3	1.2	-	-	-
Adjusted balance for companies with a participating interest undertaking in the transition to IFRS 17	-	-	-	-	2.2
Other comprehensive income	**1.3**	**1.9**	**-1.3**	**-0.3**	**1.7**
COMPREHENSIVE INCOME FOR THE PERIOD	**3.0**	**29.5**	**9.3**	**-4.0**	**14.9**
Comprehensive income attributable to:					
Parent company shareholders	3.0	29.5	9.3	-4.0	14.9

FINANCIAL RATIOS AND STATISTICS

	Jan 1, 2023-Dec 31, 2023	Jan 1, 2022-Dec 31, 2022
Equity per share, EUR	18.71	16.92
Equity/assets ratio	51.4 %	47.2 %
Investments, EUR M	36.9	25.5
– as % of sales	7.5 %	5.2 %
Passengers	4,897,494	4,945,564
Cargo units	125,269	117,777
Average number of employees, full-time equivalent	2,227	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.

SUSTAINABILITY REPORT

The Sustainability Report 2023 is published separately. Information about Viking Line's sustainability work is also available at Vikingline.com.

CORPORATE GOVERNANCE STATEMENT

Viking Line applies the Finnish Corporate Governance Code, which was approved by the Securities Market Association. The Code is available on the Securities Market Association's website, cgfinland.fi. Viking Line complies with the Code in full, and any deviations are explained (using the comply or explain approach). The Corporate Governance Statement for 2023 is published separately. Information about Viking Line's corporate governance is available on Vikingline.com.

EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors knows of no events after the balance sheet date that could affect the Year-End Report

THE BOARD'S PROPOSAL ON DISTRIBUTION OF EARNINGS

According to the balance sheet of Viking Line Abp on December 31, 2023, unrestricted equity totalled 136,840,669.10 euros.

The Board of Directors proposes to the Annual General Meeting that:

A dividend of 1 euro per share be paid	17,280,000.00 euros
The remainder should be retained in unrestricted equity	119,560,669.10 euros

There have been no material changes in the company's economic position since the end of the report period. In the Board of Directors' view, the dividend is justified given the requirements that the nature, scope, financing and risks of operations place on Viking Line's equity.

ANNUAL GENERAL MEETING

The Annual General Meeting of Viking Line Abp will be held at 12 noon on Tuesday, April 23, 2024, at the Alandica Culture and Congress auditorium, Strandgatan 33, Mariehamn, Åland, Finland.

An electronic version of the official financial statements for 2023 and Viking Line's Corporate Governance and Compensation Statement will be published during the week of March 11 on the company's website, Vikingline.com.

FINANCIAL INFORMATION FOR 2024

During the financial year 2024, Viking Line Abp Abp's financial reports will be published for the periods January 1 to March 31, January 1 to June 30, and January 1 to September 30. The Business

Review for January–March will be published on April 23, the Half-Year Financial Report for January–June on August 16 and the Business Review for January–September on October 25. The Year-End Report for the financial year 2024 will be published on February 16, 2025.

Mariehamn February 15, 2024

VIKING LINE ABP

The Board of Directors

Consolidated income statement

EUR M	Note	Oct 1, 2023-Dec 31, 2023	Oct 1, 2022-Dec 31, 2022	Jan 1, 2023-Dec 31, 2023	Jan 1, 2022-Dec 31, 2022
SALES	4	**112.2**	**124.5**	**491.4**	**494.7**
Other operating revenue	5	0.3	15.2	9.1	24.1
Expenses					
Goods and services		26.7	29.4	113.7	117.4
Salary and other employment benefit expenses	6	27.5	25.4	108.5	104.7
Depreciation, amortization and impairment losses	7	7.1	7.2	27.5	26.5
Other operating expenses	8	48.5	58.4	195.9	231.8
		109.8	120.3	445.5	480.5
OPERATING INCOME		**2.7**	**19.4**	**55.0**	**38.3**
Financial income		1.3	0.3	2.8	0.3
Financial expenses	9	-3.3	-4.0	-11.8	-12.3
Share of after-tax income from joint ventures and companies with a participating interest accounted for using the equity method		1.4	0.8	-0.6	1.7
INCOME BEFORE TAXES		**2.0**	**16.5**	**45.4**	**28.0**
Income taxes		-0.3	-3.3	-9.2	-5.3
INCOME FOR THE PERIOD		**1.7**	**13.2**	**36.3**	**22.7**
Income attributable to:					
Parent company shareholders		1.7	13.2	36.3	22.7
Earnings per share before and after dilution, EUR		0.10	0.76	2.10	1.31

Consolidated statement of comprehensive income

EUR M	Oct 1, 2023-Dec 31, 2023	Oct 1, 2022-Dec 31, 2022	Jan 1, 2023-Dec 31, 2023	Jan 1, 2022-Dec 31, 2022
INCOME FOR THE PERIOD	**1.7**	**13.2**	**36.3**	**22.7**
Items that may be reclassified to the income statement				
Translation differences	1.0	-0.5	0.0	-1.9
Items that will not be reclassified to the income statement				
Changes in the fair value of financial assets at fair value through other comprehensive income	0.3	-	1.5	-
Adjusted balance for companies with a participating interest undertaking in the transition to IFRS 17	-	2.2	-	2.2
Other comprehensive income	**1.3**	**1.7**	**1.5**	**0.3**
COMPREHENSIVE INCOME FOR THE PERIOD	**3.0**	**14.9**	**37.8**	**23.0**
Comprehensive income attributable to:				
Parent company shareholders	3.0	14.9	37.8	23.0

Consolidated balance sheet

EUR M	Note	Dec 31, 2023	Dec 31, 2022	Jan 1, 2022
			Restated	**Restated**
ASSETS				
Non-current assets				
Intangible assets		5.4	2.8	3.1
Land		0.5	0.5	0.5
Buildings and structures		1.6	1.6	1.7
Renovation costs for rented properties		0.9	1.1	1.5
Vessels		435.3	429.6	445.2
Machinery and equipment		2.6	2.3	2.6
Right-of-use assets		4.7	4.4	5.7
Financial assets at fair value through other comprehensive income		0.0	10.6	0.0
Investments accounted for using the equity method	12	49.8	36.4	36.1
Receivables		0.6	-	4.7
Total non-current assets		**501.5**	**489.2**	**501.1**
Current assets				
Inventories		12.7	14.0	10.0
Income tax assets		0.1	0.1	0.1
Trade and other receivables	13	40.1	36.7	26.6
Cash and cash equivalents		85.3	89.0	114.6
Total current assets		**138.3**	**139.8**	**151.3**
Non-current assets held for sale	14	**-**	**2.4**	**-**
TOTAL ASSETS		**639.8**	**631.4**	**652.3**
EQUITY AND LIABILITIES				
Equity				
Share capital		1.8	1.8	1.8
Reserves		49.7	49.7	49.7
Translation differences		-3.2	-3.4	-2.2
Retained earnings		275.0	244.3	222.4
Equity attributable to parent company shareholders		323.2	292.4	271.6
Total equity		**323.2**	**292.4**	**271.6**
Non-current liabilities				
Deferred tax liabilities	10	45.2	36.1	30.9
Interest-bearing liabilities		150.6	186.3	235.1
Lease liabilities		4.0	4.5	6.2
Other payables		2.3	-	-
Total non-current liabilities		**202.1**	**226.8**	**272.2**
Current liabilities				
Interest-bearing liabilities		36.7	36.7	38.3
Lease liabilities		2.7	2.4	2.6
Income tax liabilities		0.0	0.0	0.0
Trade and other payables		75.1	73.0	67.5
Total current liabilities		**114.5**	**112.2**	**108.5**
Total liabilities		**316.6**	**339.0**	**380.7**
TOTAL EQUITY AND LIABILITIES		**639.8**	**631.4**	**652.3**

Consolidated cash flow statement

EUR M	Jan 1, 2023- Dec 31, 2023	Jan 1, 2022- Dec 31, 2022
OPERATING ACTIVITIES		
Income for the period	36.3	22.7
Adjustments		
Depreciation, amortization and impairment losses	27.5	26.5
Capital gains/losses from non-current assets	-8.9	-13.1
Income from investments in associate companies	0.6	-1.7
Other items not included in cash flow	-0.7	-2.8
Interest expenses and other financial expenses	11.2	10.8
Interest income and other financial income	-2.7	-0.3
Dividend income	0.0	0.0
Income taxes	9.2	5.3
Change in working capital		
Change in trade and other receivables	-3.4	-11.0
Change in inventories	1.3	-4.0
Change in trade and other payables	4.3	5.8
Interest paid	-10.0	-7.0
Financial expenses paid	-0.3	-3.1
Interest received	2.7	0.3
Financial income received	0.0	0.0
Taxes paid	0.0	0.0
NET CASH FLOW FROM OPERATING ACTIVITIES	**67.1**	**28.4**
INVESTING ACTIVITIES		
Investments in vessels	-28.8	-14.1
Investments in other intangible assets, property, plant and equipment	-4.5	-0.8
Investments in financial assets recognized at fair value through other comprehensive income	0.0	-10.6
Investments accounted for using the equity method	-3.6	-
Divestments of vessels	11.1	18.0
Divestments of other non-current assets	0.2	0.4
Change in non-current receivables	-0.6	5.9
Dividends received from associate companies	1.7	1.4
Dividends received from others	0.0	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	**-24.5**	**0.2**
FINANCING ACTIVITIES		
Increase in loans	-	40.0
Principal payments	-36.8	-91.4
Depreciation of lease liabilities	-2.6	-2.7
Dividends paid	-6.9	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**-46.3**	**-54.1**
CHANGE IN CASH AND CASH EQUIVALENTS	**-3.7**	**-25.5**
Cash and cash equivalents at the beginning of the period	89.0	114.6
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**85.3**	**89.0**

Statement of changes in consolidated equity

	Equity attributable to parent company shareholders				
EUR M	**Share capital**	**Reserves**	**Translation differences**	**Retained earnings**	**Total equity**
EQUITY, JAN 1, 2023	**1.8**	**49.7**	**-3.4**	**244.3**	**292.4**
Income for the period				36.3	36.3
Translation differences		0.0	0.2	-0.1	0.0
Remeasurement of financial assets recognized at fair value through other comprehensive income		0.0		1.5	1.5
Comprehensive income for the period	**-**	**0.0**	**0.2**	**37.6**	**37.8**
Dividend to shareholders				-6.9	-6.9
Transactions with owners of the parent company	**-**	**-**	**-**	**-6.9**	**-6.9**
EQUITY, DEC 31, 2023	**1.8**	**49.7**	**-3.2**	**275.0**	**323.2**

	Equity attributable to parent company shareholders				
EUR M	**Share capital**	**Reserves**	**Translation differences**	**Retained earnings**	**Total equity**
EQUITY, JAN 1, 2022	**1.8**	**49.7**	**-2.2**	**220.1**	**269.4**
Income for the period				22.7	22.7
Translation differences		0.0	-1.1	-0.8	-1.9
Remeasurement of financial assets recognized at fair value through other comprehensive income					-
Adjusted balance for companies with a participating interest undertaking in the transition to IFRS 17				2.2	2.2
Comprehensive income for the period	**-**	**0.0**	**-1.1**	**24.1**	**23.0**
EQUITY, DEC 31, 2022	**1.8**	**49.7**	**-3.4**	**244.3**	**292.4**

NOTES TO THE YEAR-END REPORT FOR THE PERIOD JANUARY-DECEMBER 2023

1. Accounting principles

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

The Year-End Report has been prepared based on the same accounting principles, estimates and judgements as in the previous Year-End Report unless otherwise stated.

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

Changes in IAS and IFRS accounting principles and accounting standards as well as IFRIC interpretations that entered into force during the financial year have had a significant impact on the comparative figures in Group's year-end financial statements since accounting for Alandia Försäkring Ab, a company that has an associate participating interest undertaking, changed to the IFRS 17 standard. Consolidated equity on December 31, 2022, was adjusted by EUR 2.2 M.

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.

Joint ventures and companies with a participating interest undertaking are companies over which the investor company can exert a significant influence. Investments in both joint ventures and companies with a participating interest undertaking shall be accounted for using the equity method. During the year, the Group established a new joint venture, Gotland Alandia Cruises AB, as well as a company with a participating interest undertaking, Rederiaktiebolaget Eckerö. Gotland Alandia Cruises AB is a joint venture with Gotlandsbolaget with the aim of providing cruise service with Birka Gotland. The investment in Rederiaktiebolaget Eckerö was reclassified in the autumn of 2023 as a company with a participating interest undertaking when the company's shareholding exceeded 20%.

See Note 12.

The Year-End Report was not 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 IFRS accounting principles, 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 management's best assessment at the time the company's year-end financial statements were published.

The geopolitical situation, with very volatile energy prices, affected both the income statement and balance sheet. It is difficult to determine how long energy prices will fluctuate in this manner and what effects this will have on Viking Line's future earnings, financial position and cash flow. The actual outcome may deviate from estimates and judgements made.

The most important area that entails judgements is valuation of the Group's vessels. Market valuations are carried out on a regular basis by external assessors. The vessels' residual values and estimated periods of use are examined yearly and adjusted if they deviate significantly from earlier values.

As of November 22, 2023, the company's shareholding in Rederiaktiebolaget Eckerö was accounted for under financial assets at fair value through other income, but after that the holding was reclassified and is now reported as a company with a participating interest undertaking using the equity method.

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 right-of-use assets, as well as payments on its lease liabilities and depreciation of right-of-use assets, is affected by those judgements.

Based on the management's judgements, there is no need in the financial statements on December 31, 2023, for significant impairment losses in the income statement.

3. Risks and liquidity

The Group's cash and cash equivalents at the end of December totalled EUR 85.3 M (EUR 89.0 M). Unutilized credit lines in the Group totalled EUR 0.1 M on December 31, 2023 (EUR 0.1 M). Net cash flow from operating activities was EUR 67.1 M (EUR 28.4 M). Net cash flow from investing activities was EUR -24.5 M (EUR 0.2 M) and net cash flow from financing activities was EUR -46.3 M (EUR -54.1 M).

In August 2023, Viking Line and Gotlandsbolaget formed a joint venture entrusted with the task of developing and providing cruises with Birka Gotland between Stockholm-Mariehamn and Stockholm-Mariehamn-Visby. In March 2023, Gotlandsbolaget acquired Birka Stockholm for EUR 38 M. In August 2023, Gotlandsbolaget sold 50% of the vessel to Viking Line for EUR 19 M, which was financed by Viking Line's cash holdings. The vessel was rechristened Birka Gotland.

During the comparative period, a new credit facility of EUR 40.0 M was drawn, and at the same time four loan facilities totalling EUR 33.0 M were repaid. During the comparative period, the State guarantees for the liquidity loans entered into in 2020 were also ended, and as a result Viking Line was released from the restrictions entailed by the terms and conditions of the State guarantees. In the autumn of 2022, the deferred loan payments agreed in 2020–2021 with the State-owned credit financing company Finnvera Abp and Finland Export Credit for the period July 1, 2020–December 31, 2022, totalling EUR 29.8 M were repaid.

Most of the Group's loan agreements include loan covenants according to market terms. The financial covenants in the loan agreement consist of a minimum liquidity requirement and a maximum total net debt-to-EBITDA ratio for the Group. During the period, these loan covenants met the requirements set.

In 2022, the company had an agreement with its financiers on a waiver of the covenant term concerning the maximum total net financial debt-to-EBITDA ratio. During the period, the loan covenant was within the parameters set.

The company's ability to meet the requirements set in existing financial agreements depends on its ability to generate a positive cash flow and earnings from its operations, which depend in part on factors that are beyond the company's control. There is a risk, if the geopolitical situation deteriorates and energy prices rise substantially in a way similar to that in 2022, that the company will not be able to generate enough cash flow or obtain further financing in order to meet its obligations in accordance with its financial agreements.

As of January 1, 2024, maritime transport is included in the EU Emissions Trading System (ETS) for greenhouse gas emissions. ETS is one of the instruments the EU uses to achieve its own climate goals and meet its international commitments in the Paris Agreement. As of January 1, 2024, Viking Line will be obliged to surrender allowances for its fleet's greenhouse gas (GHG) emissions to the relevant regulatory authority. The first allowance to be surrendered must take place by September 30, 2025. To reduce its price risk, Viking Line has begun to purchase emission allowances. Holding allowances ties up capital and has a negative effect on liquidity.

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. During the year, geopolitical risks increased to some extent.

To partly offset the risk of higher bunker (vessel fuel) prices, on December 31, 2023, the Group had fixed price agreements entered into for bunker purchases which are in effect until early 2024.

Future cash flows related to financial liabilities on December 31, 2023:

EUR M

Future cash flows related to financial liabilities (incl. financial expenses)	**Lease liabilities**	**Trade payables**	**Interest-bearing liabilities**	**Total**
Jan 1, 2024 - Jun 30, 2024	1.5	26.1	23.5	51.1
Jul 1, 2024 - Dec 31, 2024	1.5		23.0	24.4
Jan 1, 2025 - Dec 31, 2025	2.6		37.2	39.8
Jan 1, 2026 - Dec 31, 2026	0.7		36.4	37.1
Jan 1, 2027 - Dec 31, 2027	0.5		25.1	25.6
Jan 1, 2028 - Dec 31, 2028	0.3		22.3	22.6
Jan 1, 2029 -	0.2		62.4	62.6
Total	7.2	26.1	229.9	263.1

4. Segment information

Consolidated revenue decreased 0.7% and passenger-related revenue decreased 0.4%.

EUR M	Jan 1, 2023-Dec 31, 2023	Jan 1, 2022-Dec 31, 2022
Sales		
Vessels	483.3	486.7
Unallocated	8.2	8.1
Total, operating segments	**491.5**	**494.8**
Eliminations	-0.1	-0.1
Total sales of the Group	**491.4**	**494.7**
Operating income		
Vessels	116.1	93.1
Unallocated	-61.1	-54.8
Total operating income of the Group	**55.0**	**38.3**
SALES		
Passenger-related revenue	442.5	444.4
Cargo revenue	45.7	47.4
Miscellaneous sales revenue	3.2	2.9
Total	**491.4**	**494.7**

5. Other operating revenue

During the period, Rosella was sold, which had a positive income effect of EUR 8.6 M.

During the comparative period, 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, and received EUR 2.1 M in State aid to cover fixed costs. The aid is recognized as State aid under other operating revenue.

During the comparative period, Amorella was sold and delivered, which had a positive income effect of EUR 15.0 M.

EUR M	Jan 1, 2023–Dec 31, 2023	Jan 1, 2022–Dec 31, 2022
State aid	0.0	7.8
Rents received on properties	0.1	0.1
Capital gains	8.7	15.2
Insurance claim payments, accidents	0.2	0.8
Miscellaneous other operating revenue	0.2	0.1
Total	9.1	24.1

6. Compensation to employees

During the period, Viking XPRS was reflagged from an Estonian to a Finnish flag. With the reflagging, the vessel is staffed by the company's own personnel. When the vessel sailed under an Estonian flag, these services were purchased from a staffing company.

During the comparative period, some land-based and shipboard personnel were still furloughed.

EUR M	Jan 1, 2023–Dec 31, 2023	Jan 1, 2022–Dec 31, 2022
Salaries	114.2	110.5
Expenses of defined-contribution pensions	13.4	12.8
Other payroll overhead	12.5	11.3
	140.1	134.6
Government restitution	-31.6	-30.1
Aid for furloughs	-	0.2
Total	108.5	104.7

7. Depreciation and amortization

EUR M	Jan 1, 2023–Dec 31, 2023	Jan 1, 2022–Dec 31, 2022
Depreciation and amortization		
Intangible assets	0.4	0.4
Building and structures	0.1	0.1
Renovation costs for rented properties	0.3	0.4
Vessels	23.1	21.9
Machinery and equipment	0.7	0.7
Right-of-use assets	2.9	3.0
Total	27.5	26.5

8. Other operating expenses

EUR M	Jan 1, 2023– Dec 31, 2023	Jan 1, 2022- Dec 31, 2022
Sales and marketing expenses	19.5	18.4
Washing and cleaning expenses	22.9	21.2
Repairs and maintenance	13.5	10.9
Public port expenses and vessel charges	35.7	37.0
Fuel expenses	61.1	96.6
Miscellaneous expenses	43.2	47.7
Total	195.9	231.8

9. Financial expenses

EUR M	Jan 1, 2023– Dec 31, 2023	Jan 1, 2022– Dec 31, 2021
Interest expenses on financial liabilities recognized at amortized cost	10.2	4.8
Interest expenses on lease liabilities	0.3	0.3
Exchange losses	0.6	1.5
Guarantee commissions and other financial expenses	0.7	5.6
Total financial expenses	11.8	12.3

10. Income taxes

On December 31, 2023, the Group recognized net deferred tax liabilities of EUR 45.2 M, EUR 46.0 M of which is deferred tax liabilities and EUR 0.8 M of which is deferred tax assets. A loss recognized in taxation for the financial year 2020 can be deducted from taxable income over 10 years. The remaining portion of this loss was used during the year, and there are no longer any losses to be used against future taxable income.

EUR M

	Differences between recognized value of fixed assets and their value for tax purposes	Losses recognized in taxation	Other temporary differences	Total
Jan 1, 2023	37.0	-1.1	0.1	36.1
Translation differences	0.0	-	-	0.0
Recognized in income statement	8.0	1.1	0.0	9.1
Recognized directly in equity	-	-	0.0	0.0
Dec 31, 2023	45.1	0.0	0.2	45.2

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 financial year, Viking Line Abp's investment in Alandia Försäkring Abp and Alandia Holding Abp generated income of EUR –1.6 M. Under IAS 28.10, the EUR 1.7 M dividend received during the year from Alandia Försäkring Abp results in only a positive cash flow for the Group.

Viking Line's Abp's shareholding in Rederiaktiebolaget Eckerö has exceeded 20% since November 22, so Rederiaktiebolaget Eckerö has been recognized as a company with a participating interest undertaking using the equity method since then. An initial positive income effect of EUR 2.5 M arose in the transition. Rederiaktiebolaget Eckerö's figures for December were not available when Viking Line's year-end financial statements were prepared so the company has not included any share in earnings and considers the impact on Viking Line to be immaterial.

On August 9, 2023, Viking Line and Gotlandsbolaget announced the formation of a joint venture, Gotland Alandia Cruises AB, which is entrusted with the task of developing and providing cruises with Birka Gotland. Viking Line has a 50% shareholding in the company, which is thus recognized as a joint venture. Viking Line's investment for the period August 9–December 31 generated income of EUR –1.5 M.

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. Fixed assets held for sale

Fixed assets held for sale on December 31, 2022, consisted of Rosella, for which Viking Line Abp had entered a sales agreement. The delivery was carried out on January 17, 2023.

15. Pledged assets and contingent liabilities

EUR M	Dec 31, 2023	Dec 31, 2022
Contingent liabilities[1]	187.6	223.4
Assets pledged for own debt [2]	413.4	413.4
Other liabilities not shown in the balance sheet [3]	2.8	3.2

[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

The Board of Directors knows of no events after the balance sheet date that could affect the Year-End Report.