

for the period January-March 2024



Somewhat weaker first quarter demand

JANUARY-MARCH 2024

(compared to January-March 2023)

- Sales amounted to EUR 93.2 M (EUR 93.9 M).
- Other operating revenue was EUR 0.4 M (EUR 8.8 M).
- Operating income totalled EUR -10.4 M (EUR -0.9 M).
- Net financial items were EUR -3.8 M (EUR -3.7 M).
- Income before taxes totalled EUR -14.2 M (EUR -4.6 M, including the EUR 8.6 M capital gain from the sale of Rosella).
- Income after taxes was EUR -14.3 M (EUR -3.9 M).
- Investments mainly in Viking Cinderella and Birka Gotland totalled EUR 10.2 M (EUR 3.9 M).

There continues to be significant uncertainty due to the geopolitical situation and its impact 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 that energy prices remain at current levels and people's propensity to travel is sustained, the Board of Directors expects that income before tax in 2024 will 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 excluded, which is the same conclusion in the previous quarterly report.

COMMENTS FROM PRESIDENT AND CEO JAN HANSES

Earnings for the first quarter of the year, excluding extraordinary items, were somewhat weaker than expected. After year-end, a downturn in demand was discernible in the market. Weak economic growth in Finland and Sweden has led to increased consumer cautiousness. This is mostly reflected in weaker onboard consumption compared to the same period last year. However, the good news is that we reached our targets for revenue generated from ticket prices in order to offset the cost of emission allowances introduced at the start of the year.

Earnings for the quarter were affected by one-off costs in the joint venture Gotland Alandia Cruises for the launch of Birka Gotland. In addition, Viking Cinderella underwent an extensive dry-docking prior to being reflagged under the Finnish flag. Above all, the cabins on the vessel were upgraded, with nearly 300 cabins undergoing a total refurbishment. Various public spaces were also completely refurbished. On March 8, Viking Cinderella was launched in service on the Helsinki–Mariehamn–Stockholm route, which once again is now served by two vessels. In February, Birka Gotland was dry-docked prior to cruise service between Stockholm and Mariehamn as well as to Visby on the Swedish island of Gotland. Service was launched on March 20, 2024. This dry-docking was also extensive, with a number of refurbishments carried out on board.

As a result of these major redeployments, it was possible to reassign shipboard staff on Viking Cinderella to new positions on Birka Gotland as well as the company's other vessels. Throughout these labour-intensive operational changes, staff performance has been excellent, and a high level of service has been maintained. It is gratifying in this context to note that, due to the redeployments and expansion in service to Helsinki, we have recruited new shipboard staff.

Our operations are heavily impacted at present by increasingly stringent environmental standards. Starting in 2024, our operations are subject to the EU Emissions Trading System, which means that we are now obliged to shoulder the cost of emission allowances, which in the medium term we can only partly offset through our continued energy efficiency work.

Finally, I would like to note that the first quarter of 2024 has entailed changes in our operations, with expanded service to Helsinki and the launch of Birka Gotland in partnership with Gotlandsbolaget.

I would like to extend my warm thanks to our customers and partners for the faith they have shown in us and their good cooperation. I would also like to give a big thank you to our staff, who worked hard and with great patience during the first quarter.

SUMMARY OF KEY FIGURES

EUR M	Jan 1, 2024- Mar 31, 2024	Jan 1, 2023- Mar 31, 2023	Jan 1, 2023- Dec 31, 2023
Sales	93.2	93.9	491.4
Other operating revenue	0.4	8.8	9.1
Operating income	-10.4	-0.9	55.0
Income before taxes	-14.2	-4.6	45.4
Income for the period	-14.3	-3.9	36.3

SERVICE AND MARKET

During most of the report period, the Viking Line Group provided passenger and cargo carrier services using five vessels in the northern Baltic Sea and the Gulf of Finland. On March 20, the vessel Birka Gotland, which Viking Line owns jointly with Gotlandsbolaget, launched its cruise service from Stockholm. Prior to the launch, the vessel underwent a major dry-docking.

Viking Cinderella was dry-docked during the period January 1-19. After this, it returned to making day cruises between Stockholm and Mariehamn until March 4, and then on March 8 began service on the Helsinki–Mariehamn–Stockholm route. Viking Cinderella was out of service for four days in conjunction with its removal from the Swedish Register of Ships on March 5 and its entry in the Åland Register of Ships. Since March 5, the vessel has sailed under a Finnish flag.

During the comparative period, Rosella served between Mariehamn and Kapellskär until January 8, when it was taken out of service. Viking XPRS was out of service for three days in conjunction with its removal from the Estonian Register of Bare-Boat Charterers on March 6, 2023, and entry in the Åland Register of Ships. Since March 6, the vessel has sailed under a Finnish flag.

The total number of passengers on the Group's vessels during the report period was 871,828 (888,725). The Group had a total market share in its service area of approximately 34.6% (35.4%).

Market demand for travel in the company's service area as a whole weakened during the first quarter of the year. We noted a softening in demand for service between Finland and Sweden, while traffic between Finland and Estonia increased slightly. Tighter household finances and a weak Swedish krona impeded the company's chances of increasing occupancy rates and capacity utilization during the first quarter of the year.

The period includes disruptions in service, in the form of vessel dry-dockings for both Viking Line and its competitors, which affects comparative figures.

The Group's total cargo volume was 32,993 cargo units (33,736). The Group's share of the cargo market was approximately 17.4% (17.5%). Due to uncertain economic conditions in our service area, total cargo volume transported was at the same level as in 2023. As a result, the number of cargo units transported by Viking Line decreased, which was also due to political strikes carried out during this period in Finland.

The market share for passenger cars was approximately 29.9% (26.8%).

SALES AND EARNINGS FOR JANUARY – MARCH 2024

Consolidated sales decreased 0.7% to EUR 93.2 M during the period January 1–March 31, 2024 (EUR 93.9 M January 1–March 31, 2023). Operating income totalled EUR -10.4 M (EUR -0.9 M). Consolidated income before tax was EUR -14.2 M (EUR -4.6 M). The comparative figures include the capital gain from the sale of Rosella, which was EUR 8.6 M. Income before tax excluding the capital gain in 2023 was EUR -13.2 M.

Passenger-related revenue decreased 0.8% to EUR 79.7 M (EUR 80.4 M), while cargo sales were EUR 12.7 M (EUR 12.7 M) and other operating revenue was EUR 0.8 M (EUR 0.8 M). The sales contribution was EUR 71.7 M (EUR 71.3 M).

Operating expenses increased 1.1% to EUR 75.1 M (EUR 74.2 M). Salary and other employment benefit expenses increased 14.4% or EUR 3.5 M. Other operating expenses decreased 5.5% or EUR 2.7 M. The decrease in operating expenses is largely due to lower fuel costs, which decreased 15.4% or EUR 2.7 M.

INVESTMENTS AND FINANCING

The Group's investments for the period January 1 to March 31, 2024, totalled 10.2 M (3.9 M). The Group's total investments represent 10.9% of sales (4.1%). Most of these investments are due to the dry-docking of Viking Cinderella, which underwent extensive refurbishment. This investment underscores our commitment to keeping the vessel in service and in our fleet for many years to come. The other major investment is due to Birka Gotland and its launch in service. Viking Line and Gotlandsbolaget have each covered 50% of the investment in the vessel.

The Group's long-term interest-bearing liabilities on March 31, 2024, totalled EUR 141.1 M (EUR 176.5 M).

The debt/equity ratio was 50.5%, compared to 47.8% for the same period last year.

The Group's cash and cash equivalents at the end of March totalled EUR 65.7 M (EUR 79.8 M). Unutilized credit lines in the Group totalled EUR 0.1 M (EUR 0.1 M).

Net cash flow from operating activities was EUR 1.3 M (EUR -5.7 M). Net cash flow from investing activities was EUR -10.1 M (EUR 7.3 M) and net cash flow from financing activities was EUR -10.8 M (EUR -10.8 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, 2023, 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.

Future cash flows related to financial liabilities on March 31, 2024:

EUR M

Future cash flows related to financial liabilities (incl. financial expenses)	Lease liabilities	Trade payables	Interest- bearing liabilities	Total
Apr 1, 2024 - Sep 30, 2024	1.4	26.1	23.4	50.9
Oct 1, 2024 - Mar 31, 2025	1.4		22.9	24.3
Apr 1, 2025 - Mar 31, 2026	2.2		29.6	31.8
Apr 1, 2026 - Mar 31, 2027	0.6		35.2	35.9
Apr 1, 2027 - Mar 31, 2028	0.4		25.1	25.5
Apr 1, 2028 - Mar 31, 2029	0.2		20.6	20.8
Apr 1, 2029 -	0.2		63.1	63.2
Total	6.5	26.1	219.8	252.4

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.

ORGANIZATION AND PERSONNEL

The average number of full-time employees in the Group was 2,149 (1,993), 1,680 (1,487) of whom worked for the parent company. Land-based personnel totalled 454 (466) and shipboard

personnel totalled 1,694 (1,527). On March 5, Viking Cinderella was reflagged from a Swedish to a Finnish flag.

During the comparative period, in addition to the Group's own employees, Viking XPRS was crewed by an average of 131 people employed by a staffing company. Since its reflagging under a Finnish flag on March 6, 2023, the vessel is only staffed with the company's own personnel.

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 company's year-end financial statements were published.

Fluctuations in bunker (vessel fuel) prices have an indirect impact on the Group's earnings. To partly offset the risk of higher bunker prices, on March 31, 2024, the Group had fixed price agreements entered into for bunker purchases in effect from the start of the year to June 2024.

Since January 1, 2024, Viking Line records and recognizes emission allowance costs in accordance with the EU Emission Trading System for greenhouse gases (ETS). Emission allowances must be surrendered for the first time by September 30, 2025. To reduce its price risk, Viking Line has started purchasing emission allowances. The company's strategy until further notice is to purchase emission allowances on a regular basis in order to achieve a cost effect corresponding to the average price and use.

The company's interest-bearing liabilities amounted to EUR 177.8 M on March 31, 2024, 84.3% 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.

OUTLOOK FOR THE FINANCIAL YEAR 2024

There continues to be significant uncertainty due to the geopolitical situation and its impact 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 that energy prices remain at current levels and people's propensity to travel is sustained, the Board of Directors expects that income before tax in 2024 will 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 excluded, which is the same conclusion in the previous quarterly report.

EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors knows of no events after the balance sheet date that could affect this Business review. The Finnish government has decided to increase the fairway fees from 2025. The decision has no effect on earnings for this financial year.

Mariehamn, April 22, 2024

VIKING LINE ABP

Jan Hanses

President and CEO

Financial information

The management's Business Review was prepared in accordance with IFRS accounting and valuation principles. The accounting and valuation principles applied are the same as for the year-end financial statements for 2023. The figures have not been audited.

Consolidated income statement

EUR M	Jan 1, 2024- Mar 31, 2024	Jan 1, 2023- Mar 31, 2023	Jan 1, 2023- Dec 31, 2023
SALES	93.2	93.9	491.4
Other operating revenue	0.4	8.8	9.1
Expenses			
Goods and services	21.5	22.6	113.7
Salary and other employment benefit expenses	28.0	24.5	108.5
Depreciation, amortization and impairment losses	7.5	6.7	27.5
Other operating expenses	47.1	49.8	195.9
	104.1	103.6	445.5
OPERATING INCOME	-10.4	-0.9	55.0
Financial income	0.9	0.3	2.8
Financial expenses	-3.4	-2.8	-11.8
Share of after-tax income from joint ventures and companies with a participating interest undertaking accounted for using the equity method	-1.2	-1.2	-0.6
INCOME BEFORE TAXES	-14.2	-4.6	45.4
Income taxes	-0.1	0.7	-9.2
INCOME FOR THE PERIOD	-14.3	-3.9	36.3
<i>Income attributable to:</i>			
Parent company shareholders	-14.3	-3.9	36.3
Earnings per share before and after dilution, EUR	-0.82	-0.23	2.10

Consolidated statement of comprehensive income

EUR M	Jan 1, 2024- Mar 31, 2024	Jan 1, 2023- Mar 31, 2023	Jan 1, 2023- Dec 31, 2023
INCOME FOR THE PERIOD	-14.3	-3.9	36.3
<i>Items that may be reclassified to the income statement</i>			
Translation differences	-0.9	-0.3	0.0
<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	-	1.5
Other comprehensive income	-0.9	-0.3	1.5
COMPREHENSIVE INCOME FOR THE PERIOD	-15.1	-4.2	37.8
<i>Comprehensive income attributable to:</i>			
Parent company shareholders	-15.1	-4.2	37.8

CONSOLIDATED INCOME STATEMENT BY QUARTER

EUR M	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1
SALES	93.2	112.2	152.9	132.4	93.9
Other operating revenue	0.4	0.3	0.0	0.1	8.8
Expenses					
Goods and services	21.5	26.7	33.1	31.3	22.6
Salary and other employment benefit expenses	28.0	27.5	27.9	28.6	24.5
Depreciation, amortization and impairment losses	7.5	7.1	6.9	6.8	6.7
Other operating expenses	47.1	48.5	49.8	47.8	49.8
	104.1	109.8	117.7	114.5	103.6
OPERATING INCOME	-10.4	2.7	35.3	18.0	-0.9
Financial income	0.9	1.3	0.6	0.6	0.3
Financial expenses	-3.4	-3.3	-2.3	-3.4	-2.8
Share of after-tax income from joint ventures and companies with a participating interest undertaking accounted for using the equity method	-1.2	1.4	0.6	-1.6	-1.2
INCOME BEFORE TAXES	-14.2	2.0	34.2	13.6	-4.6
Income taxes	-0.1	-0.3	-6.6	-2.9	0.7
INCOME FOR THE PERIOD	-14.3	1.7	27.6	10.6	-3.9
<i>Income attributable to:</i>					
Parent company shareholders	-14.3	1.7	27.6	10.6	-3.9
Earnings per share before and after dilution, EUR	-0.82	0.10	1.60	0.61	-0.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME BY QUARTER

EUR M	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1
INCOME FOR THE PERIOD	-14.3	1.7	27.6	10.6	-3.9
<i>Items that may be reclassified to the income statement</i>					
Translation differences	-0.9	1.0	0.7	-1.3	-0.3
<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	0.3	1.2	-	-
Other comprehensive income	-0.9	1.3	1.9	-1.3	-0.3
COMPREHENSIVE INCOME FOR THE PERIOD	-15.1	3.0	29.5	9.3	-4.2
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	-15.1	3.0	29.5	9.3	-4.2

Consolidated balance sheet

EUR M	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
ASSETS			
Non-current assets			
Intangible assets	6.1	3.1	5.4
Land	0.5	0.5	0.5
Buildings and structures	1.6	1.5	1.6
Renovation costs for rented properties	1.0	1.0	0.9
Vessels	436.9	426.9	435.3
Machinery and equipment	2.6	2.3	2.6
Right-of-use assets	4.3	4.0	4.7
Financial assets at fair value through other comprehensive income	0.0	10.6	0.0
Investments accounted for using the equity method	48.6	35.2	49.8
Receivables	0.5	-	0.6
Total non-current assets	502.2	485.1	501.5
Current assets			
Inventories	13.9	13.9	12.7
Income tax assets	0.1	0.1	0.1
Trade and other receivables	45.8	41.6	40.1
Cash and cash equivalents	65.7	79.8	85.3
Total current assets	125.4	135.5	138.3
TOTAL ASSETS	627.6	620.6	639.8
EQUITY AND LIABILITIES			
Equity			
Share capital	1.8	1.8	1.8
Reserves	49.7	49.7	49.7
Translation differences	-3.6	-3.4	-3.2
Retained earnings	260.3	240.0	275.0
Equity attributable to parent company shareholders	308.1	288.1	323.2
Total equity	308.1	288.1	323.2
Non-current liabilities			
Deferred tax liabilities	45.1	35.2	45.2
Interest-bearing liabilities	141.1	176.5	150.6
Lease liabilities	3.4	4.0	4.0
Other payables	2.0	-	2.3
Total non-current liabilities	191.6	215.7	202.1
Current liabilities			
Interest-bearing liabilities	36.7	36.7	36.7
Lease liabilities	2.7	2.3	2.7
Income tax liabilities	0.0	0.0	0.0
Trade and other payables	88.4	77.7	75.1
Total current liabilities	127.8	116.8	114.5
Total liabilities	319.5	332.5	316.6
TOTAL EQUITY AND LIABILITIES	627.6	620.6	639.8

Consolidated cash flow statement

EUR M	Jan 1, 2024- Mar 31, 2024	Jan 1, 2023- Mar 31, 2023	Jan 1, 2023- Dec 31, 2023
OPERATING ACTIVITIES			
Income for the period	-14.3	-3.9	36.3
Adjustments			
Depreciation, amortization and impairment losses	7.5	6.7	27.5
Capital gains/losses from non-current assets	-	-8.8	-8.9
Income from investments in associate companies	1.2	1.2	0.6
Other items not included in cash flow	-0.2	-0.2	-0.7
Interest expenses and other financial expenses	3.3	2.6	11.2
Interest income and other financial income	-0.6	-0.3	-2.7
Dividend income	-	-	0.0
Income taxes	0.1	-0.7	9.2
Change in working capital			
Change in trade and other receivables	-5.6	-4.9	-3.4
Change in inventories	-1.1	0.1	1.3
Change in trade and other payables	11.5	5.0	4.3
Interest paid	-1.0	-2.4	-10.0
Financial expenses paid	-0.1	-0.2	-0.3
Interest received	0.4	0.2	2.7
Financial income received	0.2	0.1	0.0
Taxes paid	0.0	-0.1	0.0
NET CASH FLOW FROM OPERATING ACTIVITIES	1.3	-5.7	67.1
INVESTING ACTIVITIES			
Investments in vessels	-8.9	-3.2	-28.8
Investments in other intangible assets, property, plant and equipment	-1.2	-0.7	-4.5
Investments in financial assets recognized at fair value through other comprehensive income	-	0.0	-
Investments accounted for using the equity method	0.0	-	-3.6
Divestments of vessels	-	11.1	11.1
Divestments of other non-current assets	-	0.1	0.2
Change in non-current receivables	0.1	-	-0.6
Dividends received from associate companies	-	-	1.7
Dividends received from others	-	-	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	-10.1	7.3	-24.5
FINANCING ACTIVITIES			
Principal payments	-10.1	-10.1	-36.8
Depreciation of lease liabilities	-0.7	-0.7	-2.6
Dividends paid	-	-	-6.9
NET CASH FLOW FROM FINANCING ACTIVITIES	-10.8	-10.8	-46.3
CHANGE IN CASH AND CASH EQUIVALENTS	-19.7	-9.2	-3.7
Cash and cash equivalents at the beginning of the period	85.3	89.0	89.0
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	65.7	79.8	85.3

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, 2024	1.8	49.7	-3.2	275.0	323.2
Income for the period				-14.3	-14.3
Translation differences		0.0	-0.4	-0.5	-0.9
Remeasurement of financial assets recognized at fair value through other comprehensive income		0.0		0.0	0.0
Comprehensive income for the period	-	0.0	-0.4	-14.7	-15.1
EQUITY, MAR 31, 2024	1.8	49.7	-3.6	260.3	308.1

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	244.3	292.4
Income for the period				-3.9	-3.9
Translation differences		0.0	0.0	-0.3	-0.3
Remeasurement of financial assets recognized at fair value through other comprehensive income					-
Comprehensive income for the period	-	0.0	0.0	-4.2	-4.2
EQUITY, MAR 31, 2023	1.8	49.7	-3.4	240.0	288.1

KEY METRICS

	Jan 1, 2024- Mar 31, 2024	Jan 1, 2023- Mar 31, 2023	Jan 1, 2023- Dec 31, 2023
Equity per share, EUR	17.83	16.67	18.71
Equity/assets ratio	50.5 %	47.8 %	51.4 %
Investments, EUR M	10.2	3.9	36.9
– as % of sales	10.9 %	4.1 %	7.5 %
Passengers	871,828	888,725	4,897,494
Cargo units	32,993	33,736	125,269
Average number of employees, full-time equivalent	2,149	1,993	2,227

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.