

Overview for the period 1.4. – 30.6.2023

Performance record on all routes, vessel sales completed and extensive loan amortisations

SECOND QUARTER 2023 (compared to the second quarter 2022):

- 882,209 passengers travelled with the Eckerö Group's ships, which was 22% more than in the same period last year (722,917)
- The number of cargo units was 44,326, which was 7% more than in the same period last year (41,432)
- Sales increased by 23% to EUR 62.8 million (EUR 50.9 million)
- The operating result was EUR 11.9 million (EUR 1.0 million), which is the best second quarter operating result ever
- The result for the financial period was EUR 6.9 million (EUR -0.2 million), which is the third best second quarter result ever
- The sales of M/S Birka Stockholm and M/S Exporter were completed in the second quarter and the Group has amortised EUR 46.0 million of its interest-bearing liabilities since the sale of the vessels. After these amortisations net liabilities amount to EUR 18.0 million and the equity ratio to 47.8% as of 30.6.2023.

FIRST HALF YEAR 2023 (compared to the first half year 2022):

- 1,416,387 passengers travelled with the Eckerö Group's ships, which was 32% more than in the same period last year (1,075,514)
- The number of cargo units was 86,763, which was 8% more than in the same period last year (80,561)
- Sales increased by 28% to EUR 102.1 million (EUR 79.9 million)
- The operating result was EUR 6.5 million (EUR -4.5 million), which is the best first half year operating result ever
- The result for the financial period was EUR 1.3 million (EUR -4.2 million), which is the third best first half year result ever

OVERVIEW OF KEY FIGURES

MEUR	Q2 2023	Q2 2022		Q1-Q2 2023	Q1-Q2 2022	
Sales	62,8	50,9	23 %	102,1	79,9	28 %
EBITDA	14,9	4,3	248 %	12,5	2,1	492 %
- as a percentage of sales	23,7	8,4		12,2	2,6	
Operating result (EBIT)	11,9	1,0	1132 %	6,5	-4,5	245 %
- as a percentage of sales	18,9	1,9		6,4	-5,6	
Result for the period	6,9	-0,2	3229 %	1,3	-4,2	132 %
Passengers (thousands)	882	723	22 %	1 416	1 076	32 %
Cargo units (thousands)	44	41	7 %	87	81	8 %
Average number of employees	861	823	5 %	821	774	6 %

The interim report has been compiled in accordance with IFRS-valuation and accounting principles. The report has not been audited.

Performance record on all routes, vessel sales completed and extensive loan amortisations

Second quarter 2023

Demand was very strong in the second quarter 2023 and the Group has achieved record volumes both in terms of passengers and cargo on all routes.

On the Finland-Estonia route, the number of passengers in the second quarter 2023 increased by 14% and the number of cargo units increased by 9% compared to the second quarter of 2022. On the short route Åland-Sweden the number of passengers increased by 39% compared to the same period in 2022. Compared to the pre-pandemic year 2019 the passenger volume for the Group's vessels on the Finland-Estonia route was 18% higher and on the short route Åland-Sweden 17% higher. Passenger and cargo volumes on the routes operated by the Group are the best volumes ever achieved in a second quarter.

All the Group's vessels in operation have been in service for the entire second quarter. New double level ramps were put into service in the harbours of Vuosaari and in Muuga on 14 April and this efficiency improvement has enabled a more frequent timetable and higher volumes for M/S Finbo Cargo. The ro-ro ships have been chartered out for operations in the Baltic Sea, the North Sea, and the Mediterranean. The sale of Rederiaktiebolaget Eckerö's vessel M/S Birka Stockholm was completed on 14 April. The sale of Eckerö Shipping Ab Ltd's vessel M/S Exporter was completed on 26 June. The ownership and purchase price for both vessels were transferred at the time of each respective sale.

The total average number of employees for the period was 861, of whom 611 were shipboard personnel and 250 were land-based personnel. Compared to the second quarter last year, the number of employees was 823, of which 591 were shipboard personnel and 232 were land-based personnel.

First half year 2023

On the Finland-Estonia route, the number of passengers in the first half year 2023 increased by 24 % and the number of cargo units increased by 8 % compared to the first half year 2022. On the short route Åland-Sweden the number of passengers increased by 45 % compared to the same period in 2022. Passenger and cargo volumes on all the routes operated by the Group are the best volumes ever achieved in the first half year.

The average number of employees in the first half year was 821 (774), of whom 579 (546) were shipboard personnel and 242 (228) were land-based personnel.

The company was negatively impacted by cost-induced inflation and the historically weak Swedish krona in the first half year. Bunker prices fell somewhat and stabilised in the first half year.

Volume and sales

Second quarter 2023

The total passenger volumes amounted to 882,209 in the second quarter, which was 22% more than in the same period of the previous year (722,917). The number of cargo units carried on the two own routes was in line with 2022 and amounted to 44,326 (41,432).

On the Finland-Estonia route the market share for passengers was 29.7% (29.0%) and the market share for cargo was 36.7% (30.4%). Since the changed traffic situation on the short route between Åland and Sweden, since January 9 there is no clear definition of market shares in the traffic area. Our own estimate is that Eckerö Linjen's market share between Åland and Sweden is just above three quarters of travel.

Sales increased by 23% in the second quarter to EUR 62.8 million (EUR 50.9 million in the corresponding period in 2022).

First half year 2023

The total passenger volumes amounted to 1,416,387 in the first half year, which was 32% more than in the first half year 2022 (1,075,514). The number of cargo units carried on the two own routes was 86,763, which was an increase of 8% compared to 2022 (80,561).

On the Finland-Estonia route the market share for passengers was 29.8% (30.1%) and the market share for cargo was 35.6 % (31.1 %). Since the changed traffic situation on the short route between Åland and Sweden, since January 9 there is no clear definition of market shares in the traffic area. Our own estimate is that Eckerö Linjen's market share between Åland and Sweden is just above three quarters of travel.

Sales increased by 28 % in the first half year to EUR 102.1 million (EUR 79.9 million in the corresponding period in 2022). In the first half year 2023 no government support was raised, compared to the first half year 2022, when EUR 3.1 million were raised in government support.

Overview of result

Second quarter 2023

The company's costs increased by EUR 6 million in the second quarter 2023 compared to the second quarter 2022. The continued high inflation in 2023 has resulted in a general cost increase.

The operating result amounted to EUR 11.9 million in the second quarter (EUR 1.0 million in the corresponding period in 2022). The sale of the vessel M/S Birka Stockholm did not generate any earnings effect as the book value of the vessel was the same as its sale price. The sale of Eckerö Shipping Ab Ltd's vessel M/S Exporter generated a sales profit of EUR 3.8 million. Adjusted for this vessel sale, the operating result amounted to EUR 8.1 million in the second quarter. The increased passenger and cargo volumes, as well as a higher contribution per passenger explain the improved profitability in the second quarter 2023 compared to the same period last year.

Net financial items were EUR -3.2 million (EUR -1.2 million), of which interest expense amounted to EUR 3.0 million (EUR 1.4 million). The increased interest expense is mainly due to the company's repurchase of EUR 34.7 million of the company's bond loan. The repurchase will reduce the company's interest expense in coming periods. The result for the financial period was EUR 6.9 million (EUR -0.2 million)

First half year 2023

The company's costs increased by EUR 13 million in the first half year 2023 compared to the same period in 2022. The continued high inflation in 2023 has resulted in a general cost increase in the company.

The operating result amounted to EUR 6.5 million in the first half year 2023 (EUR -4.5 million in the corresponding period in 2022). Adjusted for the profit from the vessel sales in 2023 (EUR 3.8 million) and adjusted for the support for mandatory operations of EUR 3.2 million in 2022, the operating result was EUR 2.7 million in the first half year 2023 and EUR -7.7 million in the same period in 2022. The increased passenger and cargo volumes, as well as a higher contribution per passenger explain the improved profitability in the first half year 2023 compared to the same period last year.

Net financial items were EUR -4.9 million (EUR -0.7 million), of which interest expense amounted to EUR 4.8 million (EUR 2.9 million). The increased interest expense is mainly due to the company's repurchase

of EUR 34.7 million of the company's bond loan in the second quarter and higher market interest rates. The considerable difference in net financial items in the comparative periods is due to the positive changes in market value of the company's financial instruments in the first half year 2022, where the bunker hedges accounted for the majority. The result for the financial period was EUR 1.3 million (EUR -4.2 million)

Balance and cash flow

First half year 2023

The investments during the first half year amounted to EUR 2.4 million (EUR 0.8 million), consisting of minor renovations and improvements of vessels and ports, as well as investments in IT systems and environmental improvement measures.

With the help of the additional cash from the vessel sales, in the first half year the company amortised a total of EUR 47.5 million on its interest-bearing liabilities. In April the company closed its undrawn credit limits with Handelsbanken and amortised EUR 9.6 million to the Seafarers' Pension Fund and Veritas. On 15 May the company exercised its special redemption call option on its issued bond loan and repurchased EUR 10.0 million of the nominal value of the outstanding bonds. On 19 June the company repurchased a further EUR 24.7 million of the nominal value of the outstanding bonds. Other amortisation refers to planned amortisation of the company's other interest-bearing liabilities.

Non-current interest-bearing liabilities amounted to EUR 30.8 million (EUR 78.8 million) at the close of the first half year. Current interest-bearing liabilities amounted to EUR 7.2 million (EUR 17.3 million). Cash and cash equivalents amounted to EUR 20.0 million (EUR 23.8 million). Granted undrawn credit limits amounted to EUR 0.0 million (EUR 7.0 million). Net debt amounted to EUR 18.0 million (EUR 72.3 million).

Events after the balance sheet date

The company amortised according to plan the capital loan of EUR 2.0 million to the company's major owner Rederi Ab Skärgårdstrafik on 3 July. This loan was a condition for obtaining government guaranteed funding in summer 2020.

Outlook

The third quarter has started with volumes in excess of pre-pandemic levels. The continued relatively high bunker prices, high inflation and volatile Swedish krona create continued uncertainty. Despite these uncertainties the company is expected to deliver a full year result on a level with the best years before the pandemic.

Mariehamn, 24 August 2023

Rederiaktiebolaget Eckerö

The Board

Questions are answered by CEO Björn Blomqvist, telephone +358 18 28030

Financial summary

Consolidated income statement, TEUR

	1.4.-30.6.2023	1.4.-30.6.2022	1.1.-30.6.2023	1.1.-30.6.2022
Sales	62 770	50 918	102 088	79 885
Other operating income	4 743	207	4 783	3 169
Expenses				
Goods and services	25 899	23 625	44 178	37 695
Personnel expenses	11 722	10 617	21 850	19 873
Depreciation/amortisation	2 990	3 308	5 976	6 615
Other operating expenses	15 025	12 611	28 349	23 377
Total expenses	55 636	50 161	100 353	87 561
OPERATING RESULT	11 877	964	6 518	-4 507
Net financial items	-3 230	-1 219	-4 873	-690
RESULT BEFORE TAXES	8 647	-255	1 645	-5 197
Income taxes	-1 717	34	-305	1 028
RESULT FOR THE PERIOD	6 929	-221	1 340	-4 168

**) The interim report as of 30.6.2023 has been compiled in accordance with IFRS-valuation- and accounting principles. The report has not been audited.*

Consolidated balance sheet, TEUR

	30.6.2023	30.6.2022
ASSETS		
Non-current assets		
Intangible assets	1 136	1 105
Property, plant and equipment	118 599	137 472
Financial assets	107	107
Deferred tax assets	286	286
Total non-current assets	120 127	138 970
Current assets		
Inventories	4 457	4 233
Trade and other receivables	11 422	13 707
Derivative instruments	0	3 351
Income tax receivables	563	538
Cash and cash equivalents	19 966	23 814
Total current assets	36 408	45 643
Non-current assets held for sale	1 245	50 000
TOTAL ASSETS	157 780	234 613
	30.6.2023	30.6.2023
EQUITY		
Share capital	2 409	2 409
Other contributed capital	1 270	1 270
Unrestricted equity fund	70 209	90 153
Reserves	245	191
Result for the period	1 344	-4 168
Total equity	75 476	89 854
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	14 352	19 558
Interest-bearing liabilities	30 755	78 813
Derivative instruments	0	0
Total non-current liabilities	45 106	98 371
Current liabilities		
Accounts payable and other liabilities	29 145	28 346
Interest-bearing liabilities	7 239	17 346
Income tax liabilities	813	695
Derivative instruments	0	0
Total current liabilities	37 197	46 388
TOTAL EQUITY AND LIABILITIES	157 780	234 613

Non-current assets held for sale consist of M/S Shipper.

Net debt as of 30.6.2023 amounted to 18,0 MEUR (30.6.2022 72,3 MEUR).

The equity ratio as of 30.6.2023 was 47.8% (30.6.2022 38.3%).

Consolidated cash flow statement, TEUR

	1.1.-30.6.2023	1.1.-30.6.2022
Operating activities		
Result before taxes	1 645	-5 197
Adjustments		
Correction of operating result	0	0
Depreciation and amortisation	5 976	6 615
Interest costs and other financial expenses	4 987	2 916
Interest income and other financial income	-113	-2 226
Cash-flow before changes in working capital	12 494	2 109
Changes in working capital		
Increase (-)/Decrease (+) of current interest-free operating receivables	-1 536	-2 881
Increase (-)/Decrease (+) of inventories	-459	-1 099
Increase (+)/Decrease (-) of current interest-free liabilities	295	12 244
Operating cash flow before financial items	10 795	10 373
Interest paid	-4 736	-2 882
Interest paid on rental-/lease liabilities	-36	-12
Financial expenses paid	-215	0
Interest received	113	1
Financial income received	0	0
Taxes paid	-6	-7
Cash flow from operating activities	5 915	7 474
Investing activities		
Investments in property, plant and equipment	-2 015	-716
Investments in intangible assets	-359	-87
Divestments of property, plant and equipment	42 500	0
Income from sale of financial investments	0	96
Cash flow from investing activities	40 125	-706
Financing activities		
Increase in current loans	0	-4 401
Increase in non-current loans	-1 026	4 882
Amortisation of loans	47 474	-545
Amortisation of rental-/lease liabilities	0	-106
Cash flow from financing activities	-48 500	-170
Cash flow for the period	-2 460	6 598
Cash and cash equivalents at the beginning of the period	22 426	17 216
Cash and cash equivalents at the end of the period	19 966	23 814