

## Year-end Report 2023

*Historically high levels for both passenger and freight activities in both the Gulf of Finland and the Åland Sea*

### FULL YEAR 2023 (compared to full year 2022):

- A total of 3,140,221 passengers traveled on the company's vessels, an increase of 20% compared to the same period last year (2,624,674)
- The number of cargo units reached 176,351, representing an 11% increase compared to the same period last year (159,228)
- Sales increased by 19% to reach 221.5 MEUR (from 185.8 MEUR)
- Operating result (EBIT) totaled 21.4 MEUR (-8.4 MEUR)
- The result for the period amounted to 11.5 MEUR (-12.7 MEUR)
- The board proposes a dividend of 2.50 EUR per share, equivalent to 44% of the result for the period

### FOURTH QUARTER 2023 (compared to the fourth quarter 2022):

- In the fourth quarter, 656,622 passengers traveled on the company's vessels, an increase of 4% compared to the fourth quarter last year (629,473)
- The number of cargo units amounted to 44,795, a 12% increase compared to the same period last year (39,987)
- Sales increased by 6% to 48.7 MEUR (from 46.0 MEUR)
- The operating result (EBIT) for the fourth quarter was 0.9 MEUR (-13.4 MEUR)
- The result for the fourth quarter amounted to 0.2 MEUR (-13.7 MEUR)

### FINANCIAL OVERVIEW

MEUR	Q1-Q4 2023	Q1-Q4 2022		Q4 2023	Q4 2022	
Sales	221,5	185,8	19 %	48,7	46,0	6 %
EBITDA	33,3	17,4	91 %	3,8	2,5	52 %
- as a percentage of sales	15,0	9,4		7,7	5,4	
Operating result (EBIT)	21,4	-8,4		0,9	-13,4	
- as a percentage of sales	9,7	-4,5		1,8	-29,2	
Result for the period	11,5	-12,7		0,2	-13,7	
Passengers (thousands)	3 140	2 625	20 %	657	629	4 %
Cargo units (thousands)	176	159	11 %	45	40	12 %
Average number of employees	857	810	6 %	810	803	1 %

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

## **Continued strong volumes on all routes as well as volatile bunker prices and Swedish Krona**

### **Full Year 2023**

Demand on all serviced routes was strong during the peak season, setting new passenger records on the Gulf of Finland and the Åland Sea. The Finland-Estonia route exceeded two million passengers, and the Åland-Sweden route surpassed one million passengers. Cargo volume also achieved a record high with 175 thousand cargo units.

All three vessels have remained in continuous passenger and cargo operation throughout the year in the northern Baltic Sea. The ro-ro vessels were chartered out in the Baltic Sea, North Sea, and the Mediterranean. M/S Finbo Cargo underwent docking from 24.12.2022 to 8.1.2023. A new double-deck linkspan was put into operation in the harbors of Vuosaari and Muuga on 14 April, enabling improved port logistics and a tighter schedule for M/S Finbo Cargo throughout the year. M/S Birka Stockholm was sold to Gotlandsbolaget on 14 April 2023. The company managed the ship management of M/S Birka Stockholm until 15 October 2023. In November 2022, the subsidiary Eckerö Shipping Ab Ltd announced the sale of two out of three vessels to Norwest Shipmanagement AS. M/S Exporter was delivered on 26 June 2023, and M/S Shipper was transferred in January 2024.

The average number of employees during the year was 847 (789), of whom 597 (556) were shipboard personnel and 250 (233) were land-based personnel.

### **Fourth Quarter 2023**

Demand remained strong on all serviced routes during the fourth quarter of 2023. Compared to the pre-pandemic level in 2019, sales on the Finland-Estonia route were significantly higher, while it remained consistent on the Åland-Sweden route.

On the Finland-Estonia route, the number of passengers during the fourth quarter of 2023 was comparable to the same period last year, and the number of transported cargo units increased by 13% compared to the fourth quarter of 2022. On the short route Åland-Sweden, the number of passengers increased by 19% compared to the same period in 2022.

All vessels maintained continuous service throughout the fourth quarter, with some exceptions due to canceled trips in October. The reasons for the cancellations were attributed to recurring autumn storms in the Åland Sea and the Gulf of Finland, as well as the accident with the car deck on M/S Eckerö on 13 October.

The average number of employees during the period was 810, of whom 558 were seafarers and 252 were land-based personnel. In the same period last year, the number of employees was 803, including 573 seafarers and 230 land-based personnel.

## Volume and sales

### Full Year 2023

The total number of passengers reached 3,140,221 during the year, a 20% increase compared to 2022 (2,624,674). The number of transported cargo units on both routes amounted to 176,351, representing an 11% increase compared to 2022 (159,228).

On the Finland-Estonia route, the market share for passengers was 29%, which was in line with the previous year, and the market share for cargo was 37% (31%). Over the year, the market share between Åland and Sweden is estimated to be over four-fifths of the total travel.

Sales increased by 19% during the year to 221.5 MEUR (185.8 MEUR for the corresponding period in 2022). Other operating income includes the capital gain of M/S Exporter for 3.8 MEUR. The sale of M/S Birka Stockholm did not impact this year's results since the vessel was valued at the sale price during last year's financial period.

### Fourth Quarter 2023

The total number of passengers during the fourth quarter was 656,622, 4% more than the same period last year (629,473). The number of transported cargo units on both routes was 12% higher than in 2022, reaching 44,795 (39,987).

On the Finland-Estonia route, the market share for passengers was 28% (30%), and the market share for cargo was 39% (31%). Throughout the fourth quarter, the market share between Åland and Sweden varied and was estimated for slightly more than four-fifths of the travel.

Sales increased by 6% during the fourth quarter to 48.7 MEUR (46.0 MEUR).

## Overview of result

### Full Year 2023

The company's costs increased by 19.1 MEUR during the year compared to 2022\*. Increased passenger volumes led to more personnel on the vessels, resulting in increased personnel and other operating expenses compared to 2022. The continued high inflation in 2023 led to a general cost increase in the company.

Operating result amounted to 21.4 MEUR for the year (4.1 MEUR for the corresponding period in 2022\*). Increased passenger volumes, higher ticket revenues per passenger, and earnings from cargo explain the improved profitability during the year compared to the same period last year, resulting in an improved operating result.

Net financial items amounted to -7.1 MEUR (-6.9 MEUR). The result before tax was 14.4 MEUR (-2.8 MEUR\*). The result for the period was 11.5 MEUR (-2.7 MEUR\*).

#### **Fourth Quarter 2023**

The company's costs increased by 0.9 MEUR during the fourth quarter of 2023 compared to 2022\*.

Bunker costs increased by 8% during the fourth quarter, representing the most significant cost increase.

Operating result amounted to 0.9 MEUR during the fourth quarter (-0.9 MEUR for the corresponding period in 2022\*). Increased passenger volumes and higher ticket revenues per passenger explain the improved profitability in the fourth quarter of 2023 compared to the same period last year, resulting in an improved operating result.

Net financial items amounted to -0.7 MEUR (-3.1 MEUR), with interest costs totaling 1.1 MEUR (1.7 MEUR). The result for the fourth quarter was 0.2 MEUR (-2.7 MEUR\*).

*\*Excluding the write-down of 12.5 MEUR on M/S Birka Stockholm on December 31, 2022*

#### **Balance and cash flow**

##### **Full Year 2023**

The investments amounted to 4.4 MEUR (2.1 MEUR) during the year, consisting of renovations and improvements of vessels and ports and investments in IT systems and environmental improvement measures.

With the cash proceeds from the vessel sales, the company amortised a total of 50.6 MEUR on its interest-bearing liabilities throughout the year. In April, the company concluded its undrawn credit limits with Handelsbanken and amortised 9.6 MEUR 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 10.0 MEUR of the outstanding bonds' nominal value. On 19 June, the company repurchased an additional 24.7 MEUR of the nominal value of the outstanding bonds. The company amortised the capital loan as planned, amounting to 2.0 MEUR, to its major shareholder, Rederi Ab Skärgårdstrafik, on 3 July. This loan was a prerequisite for securing financing with state guarantees in the summer of 2020. Other amortisation refers to the planned amortisation of the company's other interest-bearing liabilities.

After the company's two bond repurchases in 2023, totaling 34.7 MEUR, outstanding bonds remain at a nominal value of 27.4 MEUR. The initial issued amount was 62.0 MEUR. The bond loan is subject to loan conditions, including liquidity and solvency requirements. The company has concluded all credit limits in 2023. During 2022, the company's undrawn credit limits amounted to 7.0 MEUR.

Non-current interest-bearing liabilities amounted to 31.6 MEUR at the end of the year (73.8 MEUR). Current interest-bearing liabilities amounted to 3.9 MEUR (11.9 MEUR). Cash and cash equivalents amounted to 28.3 MEUR (22.4 MEUR). Net debt stood at 7.2 MEUR (63.3 MEUR).

The board proposes a dividend of 2.50 EUR per share, totaling 5,014,233 EUR, to be paid in 1.25 EUR per share in May 2023 and 1.25 EUR per share in September 2023, which corresponds to approximately 44% of the company's result for the period.

### **Outlook 2024**

The geopolitically unstable situation continues to create uncertainty. Bunker prices are at a high level, and as of January, shipping is included in the EU's emission trading system, increasing the company's operating costs. The value of the Swedish krona against the euro is weak, and the situation in the Finnish labor market is tense. These factors may have a significant impact on the results. The group is expected to deliver a stable result in 2024.

### **Events After the Balance Date**

On 22 January 2024, Eckerö Shipping Ab Ltd delivered the vessel M/S Shipper to the new owner Norwest Shipmanagment AS. The purchase price and ownership were transferred in connection with the delivery. In January 2024, energy efficiency improvements were carried out on M/S Eckerö and M/S Finlandia during extensive dockings.

Mariehamn February 28, 2024

**Rederiaktiebolaget Eckerö**

The Board

Questions are answered by CEO Björn Blomqvist, telephone 018-28030

## Financial summary

### Consolidated income statement, TEUR

	1.10.-31.12.2023	1.10.-31.12.2022	1.1-31.12.2023	1.1-31.12.2022
<b>Sales</b>	<b>48 741</b>	<b>46 011</b>	<b>221 504</b>	<b>185 763</b>
Other operating income	0	33	3 768	3 093
<b>Expenses</b>				
Goods and services	21 405	20 397	93 589	82 451
Personnel expenses	10 885	10 720	43 737	40 690
Depreciation/amortization	2 930	15 903	11 887	25 805
Other operating expenses	12 658	12 434	54 649	48 295
<b>Total expenses</b>	<b>47 878</b>	<b>59 453</b>	<b>203 862</b>	<b>197 242</b>
<b>OPERATING RESULT</b>	<b>863</b>	<b>-13 410</b>	<b>21 410</b>	<b>-8 386</b>
Net financial items	-732	-3 140	-7 054	-6 929
<b>RESULT BEFORE TAXES</b>	<b>131</b>	<b>-16 550</b>	<b>14 356</b>	<b>-15 314</b>
Income taxes	118	2 898	-2 868	2 653
<b>RESULT FOR THE PERIOD</b>	<b>249</b>	<b>-13 652</b>	<b>11 487</b>	<b>-12 662</b>

*\*) The interim report as of 31.12.2023 has been compiled in accordance with IFRS-valuation- and accounting principles. The report has not been audited.*

**Consolidated balance sheet, TEUR**

	31.12.2023	31.12.2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	1 375	1 044
Property, plant and equipment	131 878	121 859
Financial assets	107	107
Deferred tax assets	289	284
<b>Total non-current assets</b>	<b>115 648</b>	<b>123 294</b>
<b>Current assets</b>		
Inventories	4 114	3 999
Trade and other receivables	13 909	10 450
Income tax receivables	8	0
Cash and cash equivalents	28 301	22 426
<b>Total current assets</b>	<b>46 333</b>	<b>36 875</b>
<b>Non-current assets held for sale</b>	<b>1 049</b>	<b>38 987</b>
<b>TOTAL ASSETS</b>	<b>163 030</b>	<b>199 156</b>
	31.12.2023	31.12.2022
<b>EQUITY</b>		
Share capital	2 409	2 409
Other contributed capital	1 270	1 270
Unrestricted equity fund	70 481	83 161
Reserves	67	-51
Result for the period	11 487	-12 662
<b>Total equity</b>	<b>85 714</b>	<b>74 108</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	14 506	14 301
Interest-bearing liabilities	31 562	73 847
<b>Total non-current liabilities</b>	<b>46 068</b>	<b>88 149</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	24 682	25 038
Interest-bearing liabilities	3 920	11 890
Income tax liabilities	2 647	-29
<b>Total current liabilities</b>	<b>31 248</b>	<b>36 899</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>163 030</b>	<b>199 156</b>

*Non-current assets held for sale consist of MS Shipper.*

*Net debt as of 31.12.2023 amounted to 7,2 MEUR (31.12.2022 63,3 MEUR).*

*The equity ratio in the Group as of 31.12.2023 was 52,8% (31.12.2022 37,3%).*

**Consolidated cash flow statement, TEUR**

	<b>1.1-31.12.2023</b>	<b>1.1-31.12.2022</b>
<b>Operating activities</b>		
Result before taxes	14 356	-15 314
Adjustments		
Correction of operating result	-3 687	-14
Depreciation and amortization	11 887	25 805
Interest costs and other financial expenses	8 243	7 936
Interest income and other financial income	-1 188	-1 007
Cash-flow before changes in working capital	29 610	17 406
Changes in working capital		
Increase (-)/Decrease (+) of current interest-free operating receivables	-5 884	1 826
Increase (-)/Decrease (+) of inventories	-116	-865
Increase (+)/Decrease (-) of current interest-free liabilities	777	4 532
Operating cash flow before financial items	24 388	22 899
Interest paid	-6 346	-6 123
Interest paid on rental-/lease liabilities	-70	-53
Financial expenses paid	-665	-424
Interest received	774	157
Financial income received	186	729
Taxes paid	48	-10
<b>Cash flow from operating activities</b>	<b>18 315</b>	<b>17 175</b>
<b>Investing activities</b>		
Investments in property, plant and equipment	-3 581	-1 737
Investments in intangible assets	-789	-363
Divestments of property, plant and equipment	42 558	0
Income from sale of financial investments	0	76
<b>Cash flow from investing activities</b>	<b>38 188</b>	<b>-2 023</b>
<b>Financing activities</b>		
Increase in current loans	0	-9 379
Increase in non-current loans	0	7 841
Amortization of loans	-50 418	-8 263
Amortization of rental-/lease liabilities	-210	-141
<b>Cash flow from financing activities</b>	<b>-50 628</b>	<b>-9 942</b>
<b>Cash flow for the year</b>	<b>5 875</b>	<b>5210</b>
Cash and cash equivalents at the beginning of the year	22 426	17 216
<b>Cash and cash equivalents at the end of the year</b>	<b>28 301</b>	<b>22 426</b>