

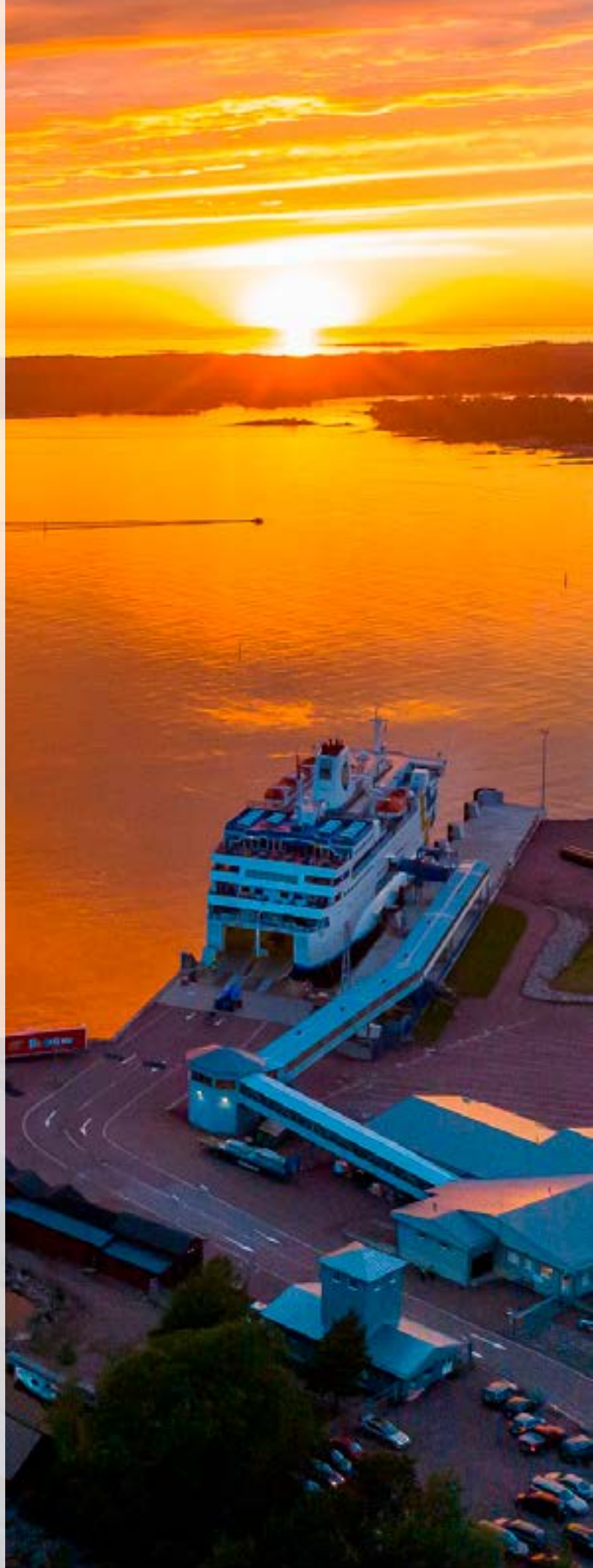
Rederiaktiebolaget
ECKERÖ 



Annual Report 2022

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For information on our subsidiaries:

ECKERÖ  **LINE** **ECKERÖ**  **LINJEN** **ECKERÖ**  **SHIPPING** **WILLIAMS**

www.eckeroline.fi

www.eckerolinjen.ax

www.eckeroshipping.com

www.williamsbuss.ax



A Future-Proofed Business

Passenger volume for the year was 2,624,674 (2021: 1,357,442). Two months into the year, volumes are no longer being impacted by the pandemic. The number of cargo units carried on the two own routes amounted to 159,228 (165,567). This decrease is due primarily to the peak passenger season, as a normalised demand for car- and bus spaces reduced available cargo capacity. A total of 474,594 (283,622) cars and 2,039 (401) busses were carried during the year.

Operating result for the year is EUR -8.4 million (EUR -38.1 million). Adjusted for the write-down of M/S Birka Stockholm's book value, operating result was EUR 4.1 million (EUR -5.3 million). Cash flow from operating activities was EUR 17.2 million (EUR 5.6 million). The result for the year is EUR -12.7 million (EUR -30.6 million).

About the financial results

The normalised passenger volumes were followed by a strong increase in sales. Due to the very high fuel prices and low exchange rate of the Swedish krona, the increased sales have not resulted in a fully normalised profitability level. The maintenance costs for M/S Birka Stockholm, which was laid up for sale during the whole year, negatively affect the consolidated result. In 2021 the Group raised EUR 14.8 million in public support, compared with EUR 3.1 million in 2022, which is also reflected in the fact that profitability has not increased in line with the growth in volume.

War in Ukraine

Russia's war of aggression against Ukraine has now continued for more than a year. During the period from 2 March to 30 April, Eckerö Line transported Ukrainian refugees at no charge on M/S Finlandia in collaboration with the Red Cross and the ports in Tallinn and Helsinki. As long as the war continues, both the price of fuel and the value of the Swedish krona will be affected by significant volatility.

Stock exchange listing of the company's bond

On 22 July, the bond issued on 27 October 2021 was listed on the Oslo Stock Exchange. As a result of this listing, the Group is now classified as a Public Interest Entity. Consequently, the financial statements are subject to greater reporting requirements, and the Group publishes a corporate governance report and a sustainability report for the first time this year. Since February 2022, the Group has published quarterly reports on the Oslo Stock Exchange.

Sustainable growth

When correcting for the effect of the now shuttered Birka Cruises, the Group's sales in 2022 was EUR 13.7 million greater than it was in 2019, i.e. the last year before the pandemic. Following the closure of operations in Birka Cruises and the sale of two of our three ro-ro ships agreed in November, it is clear that the Group's future is as a reliable and sustainable provider of logistics infrastructure. We operate two routes, one between Estonia and Finland and one between Åland and Sweden, offering efficient transportation of people and goods. We also manage more than a third of Åland's public transportation. We have the expertise and the financial resources to develop these operations in a climate-neutral direction.

On 27 March 2023, we agreed on the sale of M/S Birka Stockholm to Rederi AB Gotland. This sale will further improve the Group's financial strength.

I would like to thank our customers and partners for their confidence and good cooperation. We are sincerely grateful to all employees throughout the Group for their dedication, which gives strong confidence in the future.

Björn Blomqvist
Chief executive officer

Group structure

ECKERÖ€LINE

Eckerö Line operates passenger and cargo services between Helsinki and Tallinn.

ECKERÖ€LINJEN

Eckerö Linjen operates passenger services between Grisslehamn and Eckerö and offers tourism and travel products.

ECKERÖ€SHIPPING

Eckerö Shipping operates ro-ro traffic with a focus on the export industry.

WILLIAMS

Williams Buss operates scheduled and charter services.

Rederiaktiebolaget
ECKERÖ €

Parent company with group-wide support units.



The Board's annual report

General overview

The year brought positive developments in the Group's business environment. Travel during the first half of the year was negatively affected by government restrictions related to the Covid-19 pandemic and the war in Ukraine. As pandemic restrictions were eased and the general pandemic situation improved, the Group's passenger volumes were positively affected. Demand on all routes operated by the Group was strong during the peak season, and passenger volumes were on par with pre-pandemic levels. Bunker prices increased sharply in the beginning of the year as a result of Russia's war of aggression against Ukraine and sanctions against Russia, and they have remained at a high level throughout 2022. The Group was also negatively affected by inflation and the weak Swedish krona during the year.

The Group's total passenger volumes during the year amounted to 2.6 million, which was 1.3 million more than in 2021. The number of carried cargo units on the two own routes was 159,228, which was a decrease of 4 percent compared to 2021. This decrease is due primarily to the peak passenger season, as a normalised demand for car- and bus spaces reduced available cargo capacity.

M/S Eckerö was docked in January, which further reduced the number of passengers in the beginning of the year. The Group's ro-ro ships have been chartered out for operations in the Baltic Sea, the North Sea and the Mediterranean. Operations have been able to continue without major impact from the Covid-19 pandemic or the war in Ukraine. In November 2022, the Group announced that the subsidiary Eckerö Shipping would be selling two of its three ships over the next two years, M/S Exporter in July 2023 and M/S Shipper in January 2024.

Financial overview

The Group's sales during the financial period amounted to EUR 185.8 million (EUR 122.9 million). Other operating income, EUR 3.1 million (EUR 14.8 million), consists primarily of public support measures related to the Covid-19 pandemic. Public support has consisted of compensation for mandatory operations from the Finnish government through the authority Traficom and cost support from the Finnish government. The Group's operating result amounted to EUR -8.4 million (EUR -38.1 million).

High bunker prices, the weak krona and high inflation have had a negative impact on the Group's result.

Net financial items amounted to EUR -6.9 million (EUR 0.3 million). Within financial items, changes in the market value of financial instruments are reported, with bunker hedges accounting for the majority. During the year, this unrealised market value change had a negative earnings effect of EUR -1.2 million compared to 2021, when this had a positive earnings effect of EUR 5.1 million. Interest expenses increased to EUR 6.1 million (EUR 4.5 million) as a result of higher market interest rates. Result before taxes amounted to EUR -15.3 million (EUR -37.9 million). Result for the Group for the financial period was EUR -12.7 million (EUR -30.6 million).

The key performance indicators for the Group are shown in the following table:

	2022	2021	2020
Sales (tEUR)	185,763	122,856	119,776
Operating result (tEUR)	-8,386	-38,128	-29,929
Operating result as % of sales	-4.5%	-31.0%	-25.0%
Return on invested capital	-5.4%	-16.1 %	-14.3%
Return on equity	-15.7%	-30.0%	-25.1%
Equity ratio	37.3 %	39.8 %	41.7%

The business generated a cash flow of EUR 17.2 million (EUR 5.6 million). A more detailed description of the financial ratios can be found on page 29.

Personnel

The Group's average number of employees for the year totalled 789 persons (700), of whom 556 (485) were shipboard personnel and 233 (215) were land-based personnel. Personnel costs in relation to turnover were 21.9 percent (28.8 percent). The average personnel cost per employee was EUR 51.6 thousand (EUR 50.6 thousand). The Group has an employee wellness plan, which includes an equality plan.

Investments

The Group's investments during the period amounted to EUR 2.1 million (EUR 2.2 million), consisting of renovations and improvements of vessels and ports, as well as investments in IT systems and environmental improvement measures.

Financing

The Group's non-current interest-bearing liabilities amounted to EUR 73.8 million (EUR 73.9 million) at year-end. Current interest-bearing liabilities amounted to EUR 11.9 million (EUR 21.7 million) and cash and cash equivalents to EUR 22.4 million (EUR 17.2 million). Net debt amounted to EUR 63.3 million (EUR 78.5 million). The Group's financing in the form of a bond issue on the Nordic corporate bond market remains (EUR 62.0 million). The financing is tied to loan terms that include profitability, liquidity and equity ratio requirements. Svenska Handelsbanken, the pension insurance company Veritas and the Seafarers' Pension Fund remain as financiers through working capital financing and investment loans amounting to a total of EUR 15.0 million. The financing is tied to loan terms that include profitability and equity ratio requirements. The Group's financing also includes a capital loan from Rederi Ab Skärgårdstrafik amounting to EUR 2.0 million. The Group's undrawn credit limits amounted to EUR 14.0 million (EUR 7.0 million).

The Board's annual report

Risks

Through its operations, the Group is exposed to usual risks, such as fluctuations in the Group's earnings and liquidity due to changes in exchange rates and interest rates and changes in bunker prices. In order to minimise risks, agreements for currency, interest rate and bunker derivatives may be concluded.

The war in Ukraine has created political and macroeconomic uncertainty and has impacted the Group's result, primarily through increased cost inflation. High bunker prices and general cost development that affect docking- and maintenance costs, for example, can have a significant impact on the Group's result. The impact of the long-lasting Covid-19 pandemic tapered off in 2022, and passenger volumes have recovered nearly to pre-pandemic levels. The pandemic does, however, continue to have a negative impact on demand from international customers.

Financial risks are related to the Group's ability to generate positive cash flow from its operations. Loan financing contains covenants linked to the Group's profitability, liquidity and ability to pay. If the conditions in these covenants are not met, loans can be called in for early repayment or the loans can be cancelled.

In addition to the risks described above, the Group's results depend to a large extent on political decisions, such as alcohol-related taxation in Finland, Sweden and Estonia, regulations regarding port and fairway dues, and public support measures to strengthen the competitiveness of ships flying the Finnish and Swedish flags.

In addition to the previously mentioned risks, small disturbances in the operations of ships or port facilities or disturbances from other ships operating in the vicinity of the Group's ships could also lead to disruptions in traffic and thus have a material impact on the Group's performance and financial position. A detailed description of risk management can be found under Note 21.

Safety

The classification societies DNV (Det Norske Veritas), BV (Bureau Veritas) and LR (Lloyds Register) have been used for seaworthiness inspections on board the ships in 2022. There have been no significant changes to the systems or regulations during the year, except that starting in 2022 the Finnish flag state administration Traficom (the Finnish Transport and Communications Agency) will allow RO (classification societies) to also carry out maritime security surveys on Finnish flagged ships (ISPS) and issue certificates for this.

Security related to data transmission to and from the ships, known as Cyber-security, has been regulated by international directives and implemented in the ships' International Safety Management (ISM) systems. Procedures for managing risks caused by intrusions into the operating systems of ships are the vital preventive purpose of these regulations. A major national exercise in maritime cyber security was organised in partnership with authorities and other shipping companies on 06/09/2022 in which the Eckerö Group participated. This exercise was coordinated within the framework of the Maritime Pool cooperation, which is part of the operations of Finland's National Emergency Supply Agency. The company is also participating in a collaboration led by the Norwegian company Norma Cyber, which aims to share knowledge and develop proactive initiatives in cyber security in the Nordic region.

The company has also participated in a number of other safety exercises and collaborations in 2022. For example, a large-scale maritime

security exercise was organised on 5 May 2022 in Helsinki on the M/S Finlandia in cooperation with the Helsinki police, rescue services and the Maritime Rescue Sub-Centre (MRSC). On 07/05/2022, a major security exercise was organised on board M/S Eckerö and in the port of Berghamn for the purpose of practicing refugee and crisis management in cooperation with the Swedish and Åland Red Cross.

The procedures for introduction and familiarisation training on board all ships are up to date in accordance with international Standards of Training, Certification and Watchkeeping (STCW) rules. In this context, the internal training platform SeaBly (an online maritime training platform) is used. A great deal of work has been done to develop ship-specific training modules as part of safety training for new employees.

Environment

Over the past year 2022, the main focus of the Group's environmental work, as in 2021, has been linked to climate issues and meeting the requirements of the IMO and EU regulations on carbon dioxide emissions, which will come into force within the next few years. In 2022 the Group continued the process of ensuring that our operations meet the requirements set in upcoming regulations concerning the Energy Efficiency eXisting ship Index (EEXI), the carbon intensity indicator (CII) of our ships, new requirements for a Ship Energy Efficiency Management Plan (SEEMP) on board the ships and upcoming requirements for trading emissions rights for ships within the EU (ETS).

In 2022, the Group has continued to work on an extensive energy inventory project with an in-depth internal mapping of energy use and energy efficiency studies of the energy performance of passenger ships carried out by external consultants. The project is being carried out to achieve more effective and targeted steps towards the Group's goal of reducing CO₂ emissions to air. The project has generated many proposals for further work, with several of these already implemented or in the process of being implemented.

One example is that M/S Finbo Cargo, while docked in January 2023, underwent an optimisation of the design of the ship's stern with the installation of an interceptor that delivers better dynamic trim and thus contributes to reduced fuel consumption and CO₂ emissions. In Eckerö Line, the improvement project to further streamline the time spent on each port call and consequently the fuel used at sea has continued in 2022. The project includes both technical solutions such as Auto Mooring for more efficient port calls of M/S Finlandia and a double ramp to allow for more efficient loading of M/S Finbo Cargo as well as operational optimisation of work and logistics processes to achieve reduced consumption.

During the year, Eckerö Linjen decided to make changes to its timetable in order to increase safety in provisioning work and to reduce speed while at sea, thus reducing CO₂ emissions from the combustion of fuel on board. In 2022 Eckerö Linjen also saw the implementation of a project aimed at reducing energy consumption on board by further optimising the control of ventilation and pumps on board the ship.

The Group's companies remain environmentally certified in accordance with the ISO 14001:2015 standard and its compliance is controlled by Lloyd's Register Quality Assurance. In 2022 Lloyd's was able to conduct an environmental audit of our operations according to schedule, which made a positive contribution to the task of continuously improving environmental work and environmental perfor-

mance within the Group. No irregularities were identified during this year's certification audit.

In 2022, the installation of updated ballast water treatment systems according to standard D-2 BWT systems was completed on all ships in the Group. Ballast water treatment is a means for ships to reduce the risk of spreading invasive species from one aquatic area to another.

One project that has been revitalised in 2022, now that passenger volumes are slowly starting to recover from pandemic travel restrictions, is the work on the Group's goal of reducing food waste on board passenger ships.

Starting in financial year 2022, the Rederiaktiebolaget Eckerö Group reports its compliance with the EU Taxonomy Regulation 2020/852 of 18 June 2020 regarding environmentally sustainable economic activities. Rederiaktiebolaget Eckerö has reported the Group's key performance indicators covered by the taxonomy in its sustainability report available on [Rederiabeckero.ax](https://www.rederiabeckero.ax). The sustainability report also includes the Group's non-financial report in accordance with chapter 3a of the Accounts Act.

General Meeting, Board of Directors and Auditors

The Annual General Meeting was held on 26 April 2022 in Alan-dica Kultur och Kongress in Mariehamn. Board members Marika Mansén-Hillar, Bernt Bergman, Åsa Dahlman, Carina Sunding, Jukka Suominen and Björn Blomqvist were re-elected. Pavlos Ylinen was elected to the board, replacing board member Kati Andersson. Andreas Holmgård (CGR) and Jukka Korin (CGR) were elected as auditors, and the audit association BDO Oy was appointed deputy auditor.

At the inaugural meeting of the Board on 26 April 2022, Marika Mansén-Hillar was re-elected as Chairman of the Board and Bernt Bergman was elected its Deputy Chairman. The Board of Directors held 20 meetings during the financial period.

Corporate governance report

Rederiaktiebolaget Eckerö's corporate governance report and other information on Rederiaktiebolaget Eckerö's corporate governance is available on [Rederiabeckero.ax](https://www.rederiabeckero.ax).

Shares

The total number of shares issued amounts to 2,005,693. All shares have equal number of votes and rights.

Events after the balance sheet date

The Group's former CFO and Director of Finance, Marko Tulus, chose to resign from his position in early February 2023. The Group's new CFO and Director of Finance Annica Sviberg, took up this position on 14 February 2023.

On 27 March 2023, Rederiaktiebolaget Eckerö has signed a sales agreement with Rederi AB Gotland regarding the sale of Rederiaktiebolaget Eckerö's vessel M/S Birka Stockholm. The purchase price amounts to approximately EUR 38 million. Due to this sale of vessel, the Group has chosen to write down EUR 12.5 million of M/S Birka Stockholm's book value in the annual report for the year 2022 so that M/S Birka Stockholm's book value as of 31 December 2022 reflects the value in this sales agreement from 27 March 2023.

Outlook

The war in Ukraine continues to create uncertainty. Bunker prices and general cost inflation is higher than it has been in a very long time and the Swedish krona is still weak against the euro. These factors have a significant impact on the result. Despite these uncertainty factors the Group expects to deliver stronger result in 2023 than in 2022.

Measures related to the year's results

The parent company's distributable funds per the balance sheet of 31/12/2022 amount to EUR 23,618,512.90.

The Board of Directors proposes that no dividend are distributed.

The results of the Group's operations and financial position at the end of the financial year are shown in subsequent income statements and balance sheet counts with additional data.

Financial statements

Consolidated income statement (IFRS)

tEUR	Note	1/1-31/12/2022	1/1-31/12/2021
SALES	1	185,763	122,856
Other operating income	2	3,093	14,843
Expenses			
Goods and services	3	82,451	56,411
Personnel expenses	4	40,690	35,397
Depreciation and amortisation	5	25,805	46,109
Other operating expenses	6	48,295	37,909
Total expenses		197,242	175,827
OPERATING RESULT		-8,386	-38,128
Financial income	7	1,007	5,489
Financial costs	8	-7,936	-5,213
Net financial items		-6,929	276
RESULT BEFORE TAXES		-15,314	-37,852
Income taxes	9	2,653	7,221
RESULT FOR THE PERIOD		-12,662	-30,630
OTHER COMPREHENSIVE INCOME			
Items that can later be reversed in the income statement:			
Translation difference for the year when converting foreign operations		-197	-22
Items that shall not be reclassified to the income statement:			
Change in the fair value of financial assets valued at fair value through other comprehensive income		21	-12
Change in fair value of cash flow hedges for the year		0	44
Tax attributable to the items above		-4	-6
Other comprehensive income		-180	4
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		-12,842	-30,626

Consolidated balance sheet (IFRS)

tEUR	Note	31/12/2022	31/12/2021
ASSETS			
Non-current assets			
Intangible assets	10		
Software		1,044	1,345
Property, plant and equipment	11		
Land		1,700	1,597
Buildings and structures		17,011	17,893
Ships		101,410	112,335
Machinery and equipment		1,737	2,324
Financial assets	12	107	199
Deferred tax assets	13	284	280
Total non-current assets		123,294	135,972
Current assets			
Inventories	14	3,999	3,134
Trade- and other receivables	15	10,450	11,361
Derivative instruments	19	0	1,222
Income tax receivables		0	11
Cash and cash equivalents	16	22,426	17,216
Total current assets		36,875	32,943
Non-current assets held for sale	20	38,987	50,000
TOTAL ASSETS		199,156	218,915

tEUR	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Share capital		2,409	2,409
Other contributed capital		1,270	1,270
Unrestricted equity fund		16,732	16,732
Reserves		-51	125
Retained earnings		66,411	97,041
Result for the period		-12,662	-30,630
Total equity		74,108	86,946
Liabilities			
Non-current liabilities			
Deferred tax liabilities	13	14,301	17,018
Interest-bearing liabilities	17	73,847	73,931
Total non-current liabilities		88,149	90,950
Current liabilities			
Accounts payable and other liabilities	18	25,038	19,232
Interest-bearing liabilities	17	11,890	21,747
Income tax liabilities		-29	18
Derivative instruments	19	0	22
Total current liabilities		36,899	41,019
TOTAL EQUITY AND LIABILITIES		199,156	218,915

Consolidated statement of changes in equity (IFRS)

EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

tEUR	Share capital	Other contributed capital	Unrestricted equity fund	Reserves			Retained earnings	TOTAL EQUITY
				Currency translation reserve	Fair value reserve	Hedging reserve		Total
OPENING EQUITY 01/01/2021	2,409	1,270	16,732	168	-12	-35	97,046	117,572
Result for the financial period							-30,630	-30,630
Change in fair value of cash flow hedges for the year					-9	35		26
Change in translation differences for the year				-22				-22
Transactions with the Group's owners								
Dividends paid								0
EQUITY 31/12/2021	2,409	1,270	16,732	146	-21	0	66,416	86,946
Result for the financial period							-12,662	-12,662
Change in fair value of cash flow hedges for the year					21			21
Change in translation differences for the year				-197				-197
Transactions with the Group's owners								
Dividends paid								0
EQUITY 31/12/2022	2,409	1,270	16,732	-51	0	0	53,754	74,108

The total number of shares amounts to 2,005,693. Full payment has been made for all issued shares.

On the basis of a General Meeting resolution, earnings have been transferred to other contributed capital.

The unrestricted equity fund includes the part of the subscription amount of the shares, which is not recognised as share capital. The fund also includes other contributions not recognised in other equity funds.

The conversion reserve includes all exchange rate differences that arise when recalculation of financial statements from foreign entities.

The Fair Value Fund recognises changes in the value of financial assets that are measured at fair value through other comprehensive income, and the hedge reserve fund includes the change in the fair value of a cash flow hedging instrument attributable to hedge transactions that meet the criteria for hedge accounting.

Distributable earnings in the parent company Rederiaktiebolaget Eckerö amount to EUR 23,618,512.90.

Consolidated cash flow statement (IFRS)

tEUR	1/1-31/12/2022	1/1-31/12/2021
OPERATING ACTIVITIES		
Result before tax	-15,314	-37,852
Adjustments		
Correction of operating result	-14	0
Depreciation and amortisation	25,805	46,109
Interest costs and other financial expenses	7,936	5,213
Interest income and other financial income	-1,007	-5,489
Cash flow before changes in working capital	17,406	7,981
Changes in working capital		
Increase (+)/Decrease (-) in current interest-free operating receivables	1,826	-1,215
Increase (-)/Decrease (+) in inventories	-865	456
Increase (+)/Decrease (-) in current interest-free liabilities	4,532	3,135
Operating cash flow before financial items	22,899	10,357
Interest paid	-6,123	-4,636
Interest paid on rental/lease liabilities	-53	-52
Financial expenses paid	-424	-358
Interest received	157	6
Financial income received	729	367
Taxes paid	-10	-88
Cash flow from operating activities	17,175	5,598
INVESTING ACTIVITIES		
Investments in property, plant and equipment	-1,737	-2,053
Investments in intangible assets	-363	-138
Divestment of property, plant and equipment	0	2
Income from sale of financial investment	76	14,579
Cash flow from investment activities	-2,023	12,390
FINANCING ACTIVITIES		
Increase in current loans	-9,379	7,000
Increase in non-current loans	7,841	62,000
Amortisation of non-current loans	-8,263	-91,675
Amortisation of rental/lease liabilities	-141	-110
Cash flow from financing activities	-9,942	-22,785
Cash flow for the year	5,210	-4,798
Cash and cash equivalents at the beginning of the year	17,216	22,015
Cash and cash equivalents at year-end	22,426	17,216

Consolidated accounting principles

Company information

Rederiaktiebolaget Eckerö is a privately owned company, whose domicile is Eckerö on Åland. The Group operates passenger and freight operations. The registered address of the Rederiaktiebolaget Eckerö is PB 158, AX-22101 Mariehamn, Finland.

A copy of the financial statements is available on www.rederibeckero.ax and at the group's head office at Torggatan 2, Mariehamn. The financial statements were approved for issue by the Board of Directors on 31 March 2023 and will be subject to adoption at the Annual General Meeting on 20 April 2023.

Accounting principles for the Group

This consolidated financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU, as well as interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC) and interpretations of the Standard Interpretations Committee (SIC). Furthermore, Finnish accounting and community legislation for groups has been applied.

Changes in accounting principles

None of the IFRS or IFRIC interpretations that are mandatory for the first time for the financial year beginning 1 January 2022 have had a material impact on the Group.

Valuation criteria

Assets and liabilities are reported according to historical acquisition cost, except for certain financial assets and liabilities that are valued at fair value. Financial assets and liabilities valued at fair value consist of derivative instruments, financial assets classified as financial assets valued at fair value through the income statement or financial assets valued at fair value through other comprehensive income.

Functional currency and reporting currency

The functional currency of the Parent Company is the euro, which is also the reporting currency for the Parent Company and for the Group. Amounts in the financial statements are expressed in thousands of euros. Rounding to even €1,000 can result in rounding differences of +/- 1 (€1,000).

Consolidation policies

Subsidiaries are companies that are under the control of Rederiaktiebolaget Eckerö. Control directly or indirectly implies a right to formulate a company's financial and operational strategies in order to obtain financial benefits. In assessing the existence of a controlling influence, potential voting rights eligible for voting rights that can be exercised or converted without delay are taken into account. The completely owned subsidiaries consist of Eckerö Linjen Ab, Rederi Eckerö Sverige AB, Williams Buss Ab, Eckerö Line Ab Oy, Birka Cruises AB and Eckerö Shipping Ab Ltd.. There are no other companies where Rederiaktiebolaget Eckerö directly or indirectly holds more than 50 percent of the voting rights.

The acquisition method has been used in the elimination of the shareholding in the subsidiaries. The method implies that the acquisition of a subsidiary is considered a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value on the acquisition date of acquired identifiable assets and assumed liabilities and any non-controlling interests. Transaction expenses, with the exception of transaction expenses attributable to the issuance of equity instruments or debt instruments, arising directly from profit or loss for the year. In the case of acquisitions where consideration transferred, any non-controlling interest and fair value of previously owned shares (in the case of incremental acquisitions) exceeds the fair value of acquired assets and liabilities valued separately, the difference is reported as goodwill.

Transferred compensation in connection with the acquisition does not include payments related to the settlement of previous business relationships. This type of payment is reported in the result. Contingent consideration is reported at fair value at the date of acquisition. Where the contingent consideration is classified as equity instruments, no revaluation is made and equity is regulated. For other contingent considerations, these are revalued at each reporting time and the change is reported in the result for the year.

The subsidiaries' financial statements are included in the consolidated accounts from the date of acquisition to the date on which the controlling influence ceases. The Group companies' internal business transactions as well as internal receivables and liabilities are eliminated in the consolidated financial statements.

Use of assessments

When preparing the IFRS financial statements, company management must make assessments and estimates as well as assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may thus deviate from these estimates and assessments. Estimates and assumptions are reviewed regularly. The residual values and useful life of the vessels are the most important areas of assessment. For the valuation of ships, external valuations have been made in accordance with previous practice. The number of variables and assumptions affecting the valuation has increased. The assessments are therefore more complex and the potential for a consequential adjustment of the carrying amounts of assets therefore increases. In addition, several assumptions about future conditions and estimates of parameters have been made when calculating the recoverable amount of cash-generating units for the assessment of any impairment requirement on goodwill. If these assessments materially change, this in turn will affect the result.

Foreign currency items

Transactions in foreign currency are converted into the functional currency at the exchange rate available on the transaction date. The monetary assets and liabilities of the domestic group companies in foreign currency are converted into euro at the official currency rate on the balance sheet date. Exchange differences on short- and long-term loan receivables and liabilities are recognised as other financial income and expenses, exchange differences on accounts receivable as a correction of sales income for the calculation of sales and exchange differences on accounts payable as a correction of

the material and services/goods expense item, and other operating expenses.

The foreign subsidiaries Rederi Eckerö Sverige AB and Birka Cruises AB utilise Swedish krona as their base currency. The income statements of foreign subsidiaries have been converted into euro at the monthly average rates of the financial period and the balance sheets at the rate at the balance sheet date. Translation differences arising from currency translation of foreign subsidiaries are recognised in other comprehensive income and accumulated in a separate component of equity, called conversion reserve. In the case of the divestment of a foreign operation, the accumulated translation differences attributable to the divested foreign operation are reclassified from equity to the result for the year as a reclassification adjustment at the time as the profit or loss on the sale.

Exchange rate differences related to other operating items are recognised on each line in the income statement and are included in the operating result.

Sales and income

Income is recognised when the customer gains control over the goods or services sold. The Group's income streams consist of passenger-related income such as onboard income; retail, restaurant and bar sales as well as ticket income, freight income and accommodation provisions. The Group fulfils its obligations to ticket and freight income to the customer upon departure and to onboard income at the time of their transfer. Accommodation provisions are recognised when the Group has performed the service and there is no longer any repayment obligation. The income is recognised less discounts and direct taxes. Payment of passenger-related income is usually received before departure or on transfer. There are also sales with credit to tour operators and to freight companies. Outstanding receivables from customers are presented on the line accounts receivable included in the line trade- and other receivables in the balance sheet and payments received for travel departing after the closing date are presented as advances received included in the line trade accounts payable and other liabilities. All amounts included in the advances received at the closing date relate to travel in 2023 and will be recognised as income in 2023.

Operating segment reporting

An operating segment is a component of the Group that conducts operations from which it may generate income and incur expenses and for which distinct financial information is available. The operating income of all operating segments is regularly monitored by the managing directors of the subsidiaries and Group CEO, the chief operating officer, in order to make decisions on how to allocate resources to the operating segments and assess their performance.

Operating profits

The Group has defined operating result as follows: operating result represents net sales, other operating income, costs for material and services/goods, personnel expenses, depreciation and amortisation and other operating expenses. Exchange rate differences attributable to operating activities are included in the operating result. Exchange rate differences for financial activities are recognised as financial income and expenses.

Public support

The support is recognised at fair value when there is reasonable assurance that the grants will be received.

Government restitution is obtained in both passenger and cargo operations. Restitution is granted on the taxes and social security contributions of shipboard personnel in accordance with EU guidelines. Restitution received is recognised against personnel expenses and is accrued in the same way over the same periods as the costs the restitution is intended to compensate for. In 2022 public support also consisted of compensation for mandatory operations from the Finnish government through the authority Traficom and cost support from the Finnish government.

Financial income and expenses

Financial income and expenses consist of interest income on bank deposits and receivables, interest expenses on loans, dividend income, exchange rate differences, as well as unrealised and realised gains and losses on financial investments. Financial items also show unrealised changes in the value of bunker futures and ineffective parts of interest rate swaps. Interest income on receivables and interest expense on liabilities are calculated using the effective interest method. The effective interest rate is the interest rate that makes the present value of all future deposits and payments during the fixed interest period equal to the carrying amount of the receivable or liability. The calculation includes all fees paid or received by the contracting parties that are part of the effective interest rate, transaction costs and all other premiums and discounts.

Taxes

Tax included in the income statement refers to both direct taxes and changes in deferred tax liabilities or assets. Income taxes are recognised in profit or loss for the year except where the underlying transaction is recognised in other comprehensive income or in equity, where the associated tax effect is recognised in other comprehensive income or in equity. Income tax is calculated on the basis of the tax rates decided on the balance sheet date in the countries where the parent company and its subsidiaries operate.

The Group recognises deferred tax on temporary differences between carrying amount and tax values of assets and liabilities. Deferred tax assets relating to deductible temporary differences and loss carry-forwards are recognised only to the extent that they are likely to be used. Deferred tax liabilities are recognised under non-current liabilities. For the purpose of calculating the deferred tax liabilities and assets, the tax rates decided or announced at the balance sheet date are used and are expected to apply when the relevant deferred tax is realised.

Current assets

Current assets are valued at acquisition cost or net realisable value, whichever is lower. The current assets consist of inventories on board the vessels and ashore and of bunker stocks on board the vessels. The acquisition cost of inventories and bunker stocks is calculated using the First In, First Out Method (FIFO) and includes expenses incurred in acquiring the inventories and transporting them to their current location and condition. The net realisable value is the estimated selling price in operating activities, less estimated completion costs and in order to achieve a sale.

Intangible assets

The Eckerö Group has no intangible assets with an indefinite useful life or that are not yet ready for use.

Other intangible assets consist of computer software. These are valued at original acquisition expense less any impairment losses and are written off on a straight-line basis during the estimated economic useful life of 3-5 years.

Property, plant and equipment

Property, plant and equipment is included in the balance sheet at original acquisition expense less accumulated plan depreciation and any impairment losses. The value of property, plant and equipment consists predominantly of the Group's vessels. The acquisition cost includes the purchase price and costs directly attributable to the asset in order to put it into place and condition to be used for the purpose of the acquisition. Larger expenditures thought to increase the value or yield from ships through, for example, capacity improvements or cost optimisation, increase the carrying amount of vessels in the balance sheet. The vessels consist of parts with different useful life periods and are treated as separate components. The residual value of each vessel is its estimated recoverable amount. An assessment of an asset's residual value and useful life is made annually. Major recurrent reviews are accrued until the next review. Repairs are expensed on an ongoing basis. Additional expenses are added to the acquisition cost only if it is likely that the future economic benefits associated with the asset will benefit the company and the cost can be reliably calculated. Any unwritten carrying amounts of replaced components, or parts of components, are eliminated and expensed in connection with the replacement.

Depreciation occurs on a straight-line basis over the estimated useful life of the asset, land is not depreciated. Depreciation according to the ship plan is based on an individual assessment of the estimated useful life for each vessel and is written off on a straight-line basis during that period taking into account the residual value. Impairment loss is recognised if the recoverable amount of the ships is less than the carrying amount.

The estimated useful life is:

Buildings and structures	10-40 years
Ships	5-25 years
Ships, docking costs	2 years
Furnishings of a long-lasting nature	10 years
Machinery, fixtures and fittings of a short-term nature	5-10 years
Other intangible assets	3-5 years

Gain or loss arising from the disposal or retirement of an asset is the difference between the sale price and the carrying amount of the asset less direct selling costs. Such gains and losses are recognised as other operating income/expense.

Equity

Equity consists of the company's share capital and other contributed capital, fund for unrestricted equity and retained earnings. The reserves included in equity consist of translation-, fair value and hedging reserves.

Leasing-/rental agreements

All leases (with the exception of short-term leases and leases of lesser value) are recognised as an asset (right of use) and as a liability in the balance sheet. In the income statement, the straight-line operating lease cost is replaced by an expense for depreciation of the leased asset and an interest expense attributable to the lease liability. Amortisation of lease liabilities is reported as part of cash flow from financing activities.

The leasing portfolio includes about ten agreements and mainly includes operational agreements for land, water leases, office space and company cars.

Non-current assets held for sale

A non-current asset shall be classified as being held for sale if its carrying amount will be recovered mainly through sale, not through continuous use. In order to comply with this requirement, the asset must be available for immediate sale in its present state and subject only to such conditions that are normal and customary when selling such assets. It must be very likely that such a sale will take place. From the time of allocation of an asset to non-current asset held for sale, depreciation of the asset ceases. The asset is valued at carrying amount or fair value, whichever is lower, less selling costs.

Fixed assets held for sale as of 31 December 2022 consist of M/S Birka Stockholm, M/S Exporter and M/S Shipper. Rederiaktiebolaget Eckerö has signed a sales agreement for M/S Birka Stockholm. Handover of the ship is expected in April 2023. Eckerö Shipping has concluded agreements to sell M/S Exporter and M/S Shipper. Ownership of M/S Exporter will be transferred in July 2023, and ownership of M/S Shipper will be transferred in January 2024.

Impairment losses

The carrying amounts of the Group's assets are tested at each balance sheet date to assess whether there is an indication of impairment. An impairment loss is recognised when the carrying amount of an asset or cash-generated entity exceeds the recoverable amount. An impairment loss is charged to the income statement. The recoverable amount of tangible assets is the highest of fair value less selling costs and value in use. When calculating value in use, future cash flows are discounted using a discount factor that takes into account risk-free interest rates and the risk associated with the specific asset. An impairment loss is reversed if there is both an indication that the impairment requirement no longer exists and there has been a change in the assumptions underlying the calculation of the recoverable amount. However, impairment on goodwill can never be reversed. The recoverable amount of financial assets is described under financial instruments.

Employee benefits

External pension insurance companies are responsible for the pension management of the Group companies. Pension insurance premiums for pension arrangements within the Group have been accrued to correspond to the performance salaries in the financial statements. This means that booked pension expenses cover the Group's pension liabilities. The Group has no legal or informal obligation to pay additional contributions if pension insurance companies do not have sufficient assets to pay all employee benefits. For the benefit-based pension liabilities, the accrued pension liability is considered to correspond substantially to the booked pension expenditure. A cost of compensation in connection with redundancies of staff is recognised only if the company is demonstrably obliged, without realistic possibility of withdrawal, by a formal detailed plan to terminate a job before the normal time.

Financial instruments

Financial instruments recognised in the balance sheet include cash and cash equivalents, accounts receivable, investments, other receivables and derivative instruments on the assets side. Liabilities and equity include accounts payable, interest-bearing liabilities and derivative instruments.

Classification and valuation of financial instruments

Financial instruments are initially recognised at acquisition value corresponding to the fair value of the instrument, plus transaction costs for all financial instruments, except for those belonging to the category of financial asset and that are recognised at fair value through the result. Reporting then takes place depending on how they have been classified as follows.

A financial asset or financial liability is included in the balance sheet when the company becomes a party to the instrument's contractual terms. Debt is taken up when the counterparty has performed and a contractual obligation is required to pay, even if the invoice has not yet been received.

The fair value of listed financial assets corresponds to the asset's quoted purchase price at the balance sheet date. The fair value of unlisted financial assets is determined by using valuation techniques, such as recent transactions, the price of similar instruments and discounted cash flows.

Impairments of financial assets

At the end of each reporting period, the company evaluates whether there are objective indications that a financial asset or group of financial assets is in need of impairment.

A financial asset or group of financial assets has an impairment requirement and is written down only if there is objective evidence of an impairment requirement as a result of one or more events occurring after the asset was first recognised and that this event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Criteria used by the Group to determine whether there is objective evidence are, for example, significant financial difficulties on the part of the debtor or that the debtor is likely to go bankrupt. For the category of interest-bearing liabilities and accounts receivable, the impairment loss is calculated as the difference between the carrying amount of the asset and the estimated future cash flows.

For equity instruments classified as assets valued at fair value, a material and protracted decline in fair value is assumed below the acquisition cost of the instrument before an impairment loss is effected. If there is a need for impairment of an asset in the asset category that is measured at fair value, any accumulated changes in value recognised in a particular component of equity are transferred to profit or loss. Impairment losses on equity instruments previously recognised in the result for the year may not be reversed later through the result for the year but through other comprehensive income.

Category breakdown

IFRS 9 classifies financial instruments into different categories. The classification depends on the intention of the acquisition of the financial instrument. Company management determines classification at the original acquisition date.

The financial instruments are divided into the following categories:

1. FINANCIAL ASSETS VALUED AT FAIR VALUE THROUGH THE INCOME STATEMENT

This category consists of two subgroups: financial assets held for trading and other financial assets that the company initially chose to invest in this category. A financial asset is classified as a holding for trading if it is acquired for the purpose of short-term sale. Derivative instruments are classified as holdings for trading except where they are used for hedge accounting. Assets in this category are continuously valued at fair value with changes in value recognised in the result for the year in the income statement. Regarding dividend income and sales gains from share sales from companies that are considered long-term, strategic and closely related to the Group's operations, these are reported among other operating income. Financial assets measured at fair value through profit or loss are included in short-term receivables if they have a maturity date of less than 12 months from the end of the financial period.

2. FINANCIAL ASSETS VALUED AT AMORTISED COST

Loan receivables and accounts receivable are financial assets that are not derivative instruments with fixed payments or with payments that can be determined and which are not listed on an active market. The receivables arise when companies provide goods and services to the borrower without the intention of trading in the creditors. Assets

in this category are valued at amortised cost. Amortised cost is determined on the basis of the effective interest rate calculated at the time of acquisition. Trade receivables are recognised at the amount that is expected to be received, i.e. after deduction of bad debts. Loan receivables and accounts receivable are included in short-term receivables, as these have a maturity date of less than 12 months after the end of the financial period.

3. FINANCIAL ASSETS VALUED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In this category, the assets that are not held for trading and for which the company, at initial recognition, has made a decision to recognise at fair value are classified through other comprehensive income. Assets are continuously measured at fair value with changes in the value of the period in a particular component of equity, but not such changes in value due to impairment losses or interest on financial instruments receivable and dividend income, and exchange rate differences on monetary items recognised in profit or loss for the year. Financial assets valued at fair value through other comprehensive income are included in non-current assets unless company management intends to dispose of the asset within 12 months of the end of the financial period. At the time of disposal of the asset, items recognised in other comprehensive income are reclassified as retained earnings and are not reclassified to the income statement.

Cash and cash equivalents

Cash and cash equivalents consist of cash and cash equivalents immediately available in banks and equivalent institutions, as well as short-term liquid investments with a maturity from the date of acquisition of less than three months, which are exposed to only a negligible risk of value fluctuations.

Non-current receivables and other receivables

Non-current receivables and other current receivables are receivables arising when the company provides money without the intention of trading the right to recover debt. If the expected holding period is longer than one year, they constitute long-term receivables and if they are shorter other receivables. These receivables belong to the category of financial assets valued at amortised cost.

Trade receivables

Trade receivables are recognised at the amount that is expected to be received after deduction of bad debts that have been assessed individually. The expected maturity of the trade receivable is short, which is why the value is shown at a nominal amount without discounting. Impairment losses on accounts receivable are recognised in other operating expenses.

Accounts payable and other liabilities

Accounts payable and other liabilities are classified as other financial liabilities, which means that they are initially recognised at the amount obtained after deduction of transaction costs. Accounts payable and other liabilities are valued at amortised cost. Trade accounts payable and other liabilities are presented as current because they have an expected maturity of less than 12 months after the end of the financial period.

Interest-bearing liabilities

Interest-bearing liabilities are initially recognised at the amount

received after deduction of transaction costs.

Non-trading financial liabilities are then valued at amortised cost. Amortised cost is determined on the basis of the effective interest rate calculated when the liability was taken up. This means that surplus- and negative values as well as direct issue costs are accrued over the life of the liability. Long-term liabilities have an expected maturity longer than one year, while short-term liabilities have a maturity of less than one year.

Derivative

The Group has no unrealised derivatives as of 31 December 2022. The group has applied hedge accounting for bunker futures during the financial period. Unrealised market value changes in bunker futures are recognised as income and expense in net financial items. Realised changes in value are recognised continuously on the same line in the income statement as the hedged item, i.e. goods and services.

As of the closing date, there are no open currency futures. Unrealised and realised market value changes on currency futures are recognised as income and expense in net financial income.

Contingent liabilities

A contingent liability is recorded in the note when there is a possible commitment arising from events having occurred and the occurrence of which is confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

Dividend

Dividends are recognised as liability after the General Meeting approves the dividend.

New IFRS-standards and interpretations that will be applied in future periods

The Group will start applying the respective standard, standard change and interpretation from the date of its entry into force or, if the date of entry into force is different from the first day of the financial period, from the beginning of the financial period following the date of entry into force.

None of the IAS and IFRS standards or IFRIC interpretations that have not yet entered into force are expected to have a material impact on the Group.

ESEF reporting

The annual report is also published in ESEF (European Single Electronic Format) for uniform electronic reporting. The ESEF report is not certified or audited. There is currently no requirement in Finland to audit or certify the ESEF report.

Notes

Note information for consolidated financial statements

tEUR	2022	2021
Note 1		
SALES		
Passenger-related income	143,908	82,563
Freight income	41,091	39,592
Other income	764	702
Total	185,763	122,856
Note 2		
OTHER OPERATING INCOME		
Insurance compensation	17	1
Public support	3,076	14,842
Total	3,093	14,843

Public support in 2022 has consisted of compensation for mandatory operations from the Finnish government through the authority Traficom and cost support from the Finnish government.

tEUR

2022 2021

Note 2.1

SEGMENT REPORTING

In Rederiaktiebolaget Eckerö, it is the Group's most senior executive decision-maker that monitors the performance of the Group's subsidiaries. Each subsidiary has a manager who is responsible for general operations and who regularly reports the outcome of the operating segment's performance and resource requirements to the CEO. In the Rederiaktiebolaget Eckerö Group, the subsidiaries are the primary profit centres, whilst the parent company consists of support functions for the subsidiaries. Based on the IFRS 8 accounting standards, Rederiaktiebolaget Eckerö has two operating segments; Eckerö Linjen Ab and Eckerö Line Oy Ab. Eckerö Linjen Ab and Eckerö Line Oy Ab conduct both passenger and cargo operations, and financial information is not reported by product category. The operating segment meets all consolidation criterias. The unallocated segment includes the parent company's unallocated administrative costs, interest income and interest expenses, as well as tax expenses. The unallocated segment also includes the subsidiaries Williams Buss Ab and Eckerö Shipping Ab Ltd, which account for less than 10% of the Group's turnover, operating result and assets when adjusted for items affecting comparability.

SALES

Eckerö Linjen Ab	54,527	36,590
Eckerö Line Oy Ab	120,598	76,398
Unallocated	49,271	41,987
Operating segment total	224,396	154,975
Elimination	-38,633	-32,119
Total consolidated sales	185,763	122,856

OPERATING RESULT

Eckerö Linjen Ab	2,099	1,464
Eckerö Line Oy Ab	4,824	3,054
Unallocated	-14,854	-40,043
Operating segment total	-7,932	-35,525
Elimination	-454	-2,602
Total consolidated operating result	-8,386	-38,128

DEPRECIATION

Eckerö Linjen Ab	81	86
Eckerö Line Oy Ab	187	217
Unallocated	24,650	42,219
Operating segment total	24,917	42,523
Elimination	888	3,586
Total consolidated depreciations	25,805	46,109

tEUR	2022	2021
Note 3		
GOODS AND SERVICES		
Purchase of goods	76,808	50,284
Changes in inventory	-903	456
Purchased services	6,546	5,672
Total	82,451	56,411

Note 4		
PERSONNEL EXPENSES		
Salaries and fees	41,170	35,858
Pension costs	5,047	4,403
Other personnel expenses	5,412	4,969
Government restitution	-10,939	-9,832
Total	40,690	35,397

Information on management's benefits is included in Note 24 Close Associate Disclosures.

During the financial period, the Group employed on average

Shipboard personnel	556	485
Land-based personnel	233	215
Total	789	700

Note 5		
DEPRECIATION AND AMORTISATION		
Depreciation		
<i>Intangible assets</i>		
Software	664	600
<i>Property, plant and equipment</i>		
Buildings and structures	1,606	1,550
Ships	10,433	10,579
Machinery and equipment	602	615
Impairment losses		
Ships	12,500	32,765
Total	25,805	46,109

tEUR	2022	2021
Note 6		
OTHER OPERATING EXPENSES		
Marketing and sales costs	9,763	4,468
Operating and administrative costs	38,531	33,440
Total	48,295	37,909
of which auditors' fees and remuneration		
BDO		
Audit engagement	64	64
Other assignments	10	24
Total	74	88

Refers to the cost of fees each year, which does not always coincide with the fees invoiced, paid and expensed during the year.

Note 7		
FINANCIAL INCOME		
Recognised in the result for the period		
Interest income from assets valued at amortised cost and other financial items	0	22
Unrealised market value change derivative instruments	100	5,117
Exchange rate profits	907	350
Total	1,007	5,489

Note 8		
FINANCIAL EXPENSES		
Recognised in the result for the period		
Interest expense from instruments valued at amortised cost and other financial items	7,576	4,973
Unrealised market value change derivative instruments	0	125
Exchange losses	361	115
Total	7,936	5,213

The financial statements include foreign exchange gains and losses in the following items

Sales	-1,613	209
Expenses	84	-114
Financial items	547	235
Total	-982	329

tEUR	2022	2021
Note 9		
INCOME TAXES		
Tax expenses for the period	-62	-88
Deferred taxes	2,715	7,310
Total income taxes	2,653	7,221

The difference between the nominal Finnish tax rate (20.0%) and the effective tax rate:

Reported result before tax	-15,314	-37,852
Taxes at the current rate in Finland	3,063	7,570
Impact of divergent tax rates of foreign subsidiaries	3	3
Non-deductible costs	-459	-365
Other	46	12
Recognised tax expense in income statement	2,653	7,221

Change in tax attributable to items recognised above other comprehensive income in 2022

	Before tax	Tax	After tax
Translation difference for the year when converting foreign operations	-197	0	-197
Change in the fair value of financial assets valued at fair value through other comprehensive income	0	0	0
Change in fair value of cash flow hedges for the year	21	-4	17
Recognised tax expense other comprehensive income	-176	-4	-180

Change in tax attributable to items recognised above other comprehensive income in 2021

	Before tax	Tax	After tax
Translation difference for the year when converting foreign operations	-22	0	-22
Change in the fair value of financial assets valued for the year at fair value through other comprehensive income	-12	2	-9
Change in fair value of cash flow hedges for the year	44	-9	35
Recognised tax expense in other comprehensive income	10	-6	4

tEUR

Note 10

INTANGIBLE ASSETS

	Software
Acquisition expense 1/1/2022	6,054
Purchase	363
Retirements	-1,617
Acquisition expense 31/12/2022	4,800
Accumulated impairments/depreciation on 1/1/2022	4,709
Depreciation during the financial period	664
Retirements	-1,617
Accumulated impairments/depreciation on 31/12/2022	3,756
Book value 31/12/2022	1,044

	Software
Acquisition expense 1/1/2021	6,589
Purchase	138
Retirements	-674
Acquisition expense 31/12/2021	6,054
Accumulated impairments/depreciation on 1/1/2021	4,783
Depreciation during the financial period	600
Retirements	-674
Accumulated impairments/depreciation 31/12/2021	4,709
Book value 31/12/2021	1,345

tEUR

Note 11

PROPERTY, PLANT AND EQUIPMENT

	Land- area	Right- of-use ground and water	Buildings and structures	Right-of- use buil- dings and structures	Ships	Machi- nery and equip- ment	Right- of-use machi- nery and equip- ment	Total
Acquisition expense 1/1/2022	1,597	1,011	32,385	230	226,406	11,588	20	273,236
Translation difference	0	-19	0	0	0	0	0	-19
Revaluation	0	25	0	1	0	0	0	26
Purchase	103	0	94	711	996	23	0	1,927
Transfer to non-current assets held for sale	0	0	0	0	-1,487	0	0	-1,487
Retirements	0	0	0	0	0	-93	0	-93
Acquisition expense 31/12/2022	1,700	1,016	32,479	943	225,915	11,518	20	273,590
Accumulated depreciation per 1/1/2022	0	143	15,495	160	114,071	9,271	12	139,152
Accumulated depreciation on disposals	0	0	0	0	0	-92	0	-92
Depreciation during the finan- cial period	0	61	1,451	127	10,433	602	4	12,677
Translation difference	0	-4	0	0	0	0	0	-4
Accumulated depreciation as of 31/12/2022	0	200	16,945	286	124,505	9,781	16	151,734
Book value 31/12/2022	1,700	817	15,534	657	101,410	1,737	3	121,859

tEUR

Note 11

	Land- area	Right- of-use ground and water	Buildings and structures	Right-of- use buil- dings and structures	Ships	Machi- nery and equip- ment	Right- of-use machi- nery and equip- ment	Total
Acquisition expense 1/1/2021	1,540	1,023	32,385	230	225,084	11,831	20	272,113
Translation difference	0	48	0	0	0	0	0	48
Revaluation	0	3	0	0	0	0	0	3
Purchase	57	0	0	0	1,420	579	0	2,055
Retirements	0	0	0	0	-98	-822	0	-919
Acquisition expense 31/12/2021	1,597	1,074	32,385	230	226,406	11,588	20	273,299
Accumulated depreciation 1/1/2021	0	85	14,049	106	103,590	9,486	8	127,324
Translation difference	0	-2	0	0	0	0	0	0
Depreciation during the finan- cial period	0	60	1,446	53	10,579	605	4	0
Retirements	0	0	0	0	-98	-820	0	0
Accumulated depreciation as of 31/12/2021	0	143	15,495	160	114,071	9,271	12	12,747
Book value 31/12/2021	1,597	931	15,890	71	112,334	2,317	7	134,147

The 2021 statement on rights of use has been broken down further into ground and water, and buildings, in order to give a more accurate picture of the total tangible fixed assets.

tEUR

Note 11.2

CASH FLOW

	Right-of-use ground and water	Rights of use buildings	Right-of-use machinery and equipment	Total
Operating activities				
Interest paid	-42	-18	-0	-60
Financing activities				
Amortisation	-46	-123	-4	-172
Prepaid rents	-86	-18	-0	-105
Leasing				
Leasing fees expensed during the year	-87	-141	-5	-233
Leasing fees not expensed during the year	-86	-18	-0	-105
Payment within 1 year	86	182	3	271
Payment 1-2 years	86	162	0	248
Payment 2-3 years	86	162	0	248
Payment 4-5 years	86	162	0	248
Payment after 5 years	766	67	0	834
Maturity analysis				
Non-current liabilities:				
Maturing more than one year but less than two years after the balance sheet date	49	141	0	191
Maturing more than two years but less than three years after the balance sheet date	52	148	0	200
Maturing more than three years but less than four years after the balance sheet date	54	155	0	210
Maturing more than four years but less than five years after the balance sheet date	57	67	0	124
Maturing more than five years after the balance sheet date	618	0	0	618
Total liabilities	831	512	0	1,342
Deductions for leasing expenses paid later than four years but less than five years from the balance sheet date	0	13	0	13
Deductions for leasing expenses paid later than five years after the balance sheet date	86	0	0	86
Total long-term liabilities after deduction for paid leasing expenses	745	498	0	1,243
Current liabilities	47	149	3	199

For rental and lease agreements that were not capitalised as right-of-use assets under IFRS because they related either to short-term contracts (<1 year) or low-value contracts, a lease and rental expense of EUR 0.6 million (EUR 0.2 million) has been recognised in the income statement for 2022.

tEUR	2022	2021
Note 12		
FINANCIAL ASSETS		
Financial assets valued at fair value through other comprehensive income		
Other shares and participation	107	199
Total	107	199
Note 13		
DEFERRED TAXES		
Deferred tax assets		
Recognised directly in equity		
Fair value reserve	0	5
Established losses	270	270
Leasing IFRS 16	14	0
Recognised over the income statement		
Valuation of derivatives	0	4
Total	284	280
Deferred taxes recoverable not included in the balance sheet		
Non-deductible interest from previous year(s)	1,917	383
Deferred tax liabilities		
Recognised over the income statement		
Depreciation differences and other provisions	14,301	16,646
Valuation of derivatives	0	372
Total	14,301	17,018

tEUR	2022	2021
Note 14		
INVENTORIES		
Inventories	2,837	2,274
Bunker storage	1,162	859
Total	3,999	3,134

Note 15		
ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES		
Trade receivables	3,801	3,118
Other receivables	403	3,119
Other performance-based payments and advances		
Government restitution	3,477	2,522
Other result adjustments	2,768	2,601
Total	10,450	11,361

The receivables are not associated with significant credit risks.

Note 16		
CASH AND CASH EQUIVALENTS		
Cash and bank	22,426	17,216
Reported cash and cash equivalents in the consolidated cash flow statement corresponds to their value in the balance sheet.		

tEUR	2022	2021
Note 17		
INTEREST-BEARING LIABILITIES		
Non-current		
Loans from financial institutions and pension companies	8,583	10,800
Bond loans	62,000	62,000
Capital loan	0	0
Non-current rental and lease liabilities	1,243	889
Deferred tax payments	2,021	243
Total	73,847	73,931
Current		
Repayment of loans from financial institutions and pension companies in the following year	3,417	11,250
Capital loan	2,000	2,000
Current rental and lease liabilities	199	153
Deferred tax payments	6,274	8,344
Total	11,890	21,747

A capital loan of EUR 2 million has been signed with the parent company's largest owner, Rederi Ab Skärgårdstrafik. The loan is due for payment on 3 July 2023 and carries an interest rate of 8%. The loan and interest may only be repaid/paid to the extent that the amount of the parent company's free capital and all capital loans exceed the loss on the company's balance sheet according to the last closed financial period.

Maturity structure financial liabilities

	<1	1-2 years	2-3 years	3-5 years	>5 years
31/12/2022					
Loans and interest from financiers	18,239	16,705	6,248	66,402	0
Rental and lease liabilities	199	191	200	321	532
Derivative instruments	0	0	0	0	0
Accounts payable and other liabilities	16,317	0	0	0	0
Total	34,756	16,895	6,448	66,723	532
31/12/2021					
Loans and interest from financiers	26,774	7,500	13,081	69,957	0
Rental and lease liabilities	153	125	101	195	467
Derivative instruments	22	0	0	0	0
Accounts payable and other liabilities	11,360	0	0	0	0
Total	38,310	7,625	13,182	70,152	467

The amounts listed in the table are the contractual, undiscounted cash flows except for derivative instruments, which are included at their fair values. Derivative instruments are included in the analysis according to their contractual maturity dates.

tEUR	2022	2021
Note 18		
ACCOUNTS PAYABLE AND OTHER LIABILITIES		
Accounts payable	12,047	8,015
Received advances	847	430
Other current liabilities	4,270	3,344
Result adjustments		
Payroll and holiday pay liability	5,263	5,708
Other result adjustments	2,611	1,755
Total	25,038	19,254

Note 19				
DERIVATIVE INSTRUMENTS				
	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Non-current part				
Interest rate swaps valued at fair value through the income statement	0	0	0	0
Interest rate swap used for hedge accounting	0	0	0	0
Bunker futures valued at fair value through the income statement	0	0	0	0
Total long-term part	0	0	0	0
Current part				
Interest rate swaps valued at fair value through the income statement.	0	0	0	22
Interest rate swap used for hedge accounting	0	0	0	0
Bunker futures valued at fair value through the income statement	0	0	1,222	0
Total current part	0	0	1,222	22
Total	0	0	1,222	22

Interest rate swaps are used to hedge interest rate risk, known as cash flow hedges. The interest rate swap classified as effective meets 100 percent of the effectiveness conditions and change in value is recognised over other comprehensive income. Since interest rate swaps are not classified as effective, the value change is recognised in the income statement.

tEUR	2022	2021
Note 20		
NON-CURRENT ASSETS HELD FOR SALE		
Non-current assets held for sale		
Ships	38,987	50,000
Total	38,987	50,000

Non-current assets held for sale as of 31 December 2022 consist of M/S Birka Stockholm, M/S Exporter and M/S Shipper.

Note 21

FINANCIAL RISKS

Through its operations, the Group is exposed to various types of financial risks. Financial risks refer to fluctuations in the company's result and cash flow due to changes in exchange rates, interest rates, refinancing and credit risks. These risks can be affected by changes in the geopolitical landscape. The financial risks are managed in accordance with the limits of authority set out in the Group's financial policy and established by the Board of Directors. The Group's financial policy for managing financial risks is enforced by the Group's parent company and forms a framework of guidelines and rules in the form of risk mandates and limits for financial operations. The parent company is responsible for the Group's financial transactions and risks. The overall goal is to provide cost-effective financing and to minimise negative effects of market fluctuations on the Group's results. Hedging instruments are handled by the parent company.

Currency risk

The Group is exposed to different types of currency risks. The main exposure relates to the purchase and sale of currencies, where the risk may consist, on the one hand, of fluctuations in the currency of the customer or supplier invoice and, on the other hand, of the currency risk in expected or contracted payment flows, known as transaction exposure. Currency risk exposure can also be found in the translation of foreign subsidiaries' assets and liabilities into the functional currency of the Parent Company, so-called translation exposure. The Group is not subject to translation exposure to any significant extent.

Currency exposure is mainly found in the passenger business, where income consist mainly of Swedish kronor and expenses are largely in euros. At the close of the accounting period, the Group held SEK 28.4 million (SEK 59.1 million), valued at the rate of 11.12 (10.25).

The income stream in Swedish kronor amounts to approximately 29 percent of the Group's sales. Currency risk is managed by continuously exchanging Swedish kronor to euros. M/S Eckerö is registered under the Swedish flag and a significant part of income and expenses in Swedish kronor can be matched against each other. Based on the net inflow of Swedish kronor for 2022, the Group's earnings would have been affected by +/- EUR 3.4 million (+/- EUR 4.0 million) if the exchange rate had varied by +/-10 percent on an average annual basis. Derivative instruments in the form of currency futures can be used to minimise currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument varies due to changes in market interest rates, and that the Group's interest costs are affected by interest rate fluctuations. Interest rate risk may consist partly of changes in fair value, price risk and, on the other hand, changes in cash flow, cash flow risk. A significant factor influencing interest rate risk is the fixed interest rate period. Long fixed interest periods mainly affect cash flow risk, while shorter fixed interest periods affect price risk. Derivative instruments such as interest rate swap contracts are used to manage interest rate risk. The Group's interest rate risk arises mainly from long-term borrowings made with variable interest rates. The most important variable interest rate for the Group is Euribor. In 2022 and 2021, the majority of the Group's borrowings consisted of euro at variable interest rates. Sensitivity analysis for the change in interest expense at an annual level in the event of an increase in the interest rate of +/- 1.0 per-

centage point is as follows; an increase in the market rate of +/- 1.0 percentage point would entail increased interest costs of EUR 1.7 million (in 2021 a change in the market rate of 1.0 percentage point would result in increased interest costs of EUR 0.4 million). Interest rate swaps can be used to minimise interest risk. The Group applies hedge accounting of interest rate swap agreements. Interest rate swap agreements are categorised as effective or ineffective. Changes in the unrealised market value of ineffective interest rate swap contracts are recognised at the closing date among financial costs, while changes in the unrealised market value of the effective interest-rate swap contracts are recognised through other comprehensive income. At the close of the period, the value of interest rate swaps was EUR -0.0 million (EUR -0.0 million).

Liquidity risk

Liquidity risk, also known as a financing risk, means the risk that the Group would have problems raising funds to meet its commitments, that financing for the business at any given time cannot be obtained or only at significantly increased costs. The Group manages liquidity risk by maintaining a payment readiness in the form of available liquidity of bank funds and short-term investments as well as available financing through unused contracted credit facilities. As of 31 December 2022, EUR 22.4 million (EUR 17.2 million) was available as cash and cash equivalents. The Group's long-term interest bearing liabilities amounted to EUR 73.8 million (EUR 73.9 million). The maturity structure of the loan liability is set out in Note 17. The financing is tied to loan terms that include profitability, liquidity and equity ratio requirements. If the conditions are not met, the financial institution may require early repayment of the loans.

Credit risk

The risk that the Group's customers do not meet their obligations, i.e. that payment is not received for accounts receivable, constitutes a credit risk. The Group minimises the risk of credit losses primarily by conducting sales against cash payment or practising advance billing. At the balance sheet date, there is no significant concentration of credit exposure in relation to any particular customer or counterparty. The maximum exposure to credit risk is shown in the carrying amount in the balance sheet for each financial asset.

Trade receivables aging, tEUR

Receivables	2022	2021
Not overdue	3,436	2,560
1-30 days	338	395
31-60 days	12	84
61-90 days	1	12
over 90 days	89	174
Individually assessed written-down receivables	-75	-106
Total	3,801	3,118

The Group has not had significant credit losses in 2022. Overdue accounts receivable are normally sent for collection. The Group has not received collateral for outstanding accounts receivable, nor has it renegotiated the terms and conditions for accounts receivable.

Bunker risk

The fluctuations in bunker prices constitute a significant risk to passenger operations, in which annual bunker consumption in 2022 amounted to approximately 33,339 tonnes. In 2022, the Group's bunker cost amounted to EUR 28.5 million (EUR 18.7 million), representing 15.3 percent of turnover (15.3 percent). A 10 percent change in the bunker price would affect the Group's earnings by +/- EUR 2.9 million. Derivative instruments in the form of bunker futures are used to reduce bunker price risk. The Group applies hedge accounting for bunker futures. Changes in the unrealised market value of bunker futures at the time of closing are reported among financial items, while the effect of realised bunker futures is reported among goods and services. At the close of the accounting period, the value of bunker futures was EUR +0.0 million (EUR +1.2 million).

Capital structure

The Group aims to maintain a good balance between equity and loan financing that makes it possible to maintain good creditworthiness. In order to maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities.

The Group's capital structure consists of net liabilities of EUR 63.3 million (EUR 78.5 million) and equity of EUR 74.1 million (EUR 86.9 million). Net debt in relation to equity is 85.4 percent (90.2 percent). In addition, the Group follows the key figures presented in the Board's annual report.

Fair value valuation

The fair value of financial instruments measured at fair value in the balance sheet is determined as follows:

- Quoted prices on active markets for identical assets or liabilities (level 1).
- Observable data for the asset or liability other than: quoted prices included in level 1, either directly (i.e. as quotations) or indirectly (i.e. derived from quotations) (level 2).
- Data for the asset or liability that is not based on observable market data (level 3).

For unlisted shares, the fair value is considered to correspond to the carrying amount, EUR 107t (EUR 107t).

tEUR

2022	Level 1	Level 2	Level 3	Total
Assets				
Financial assets valued at fair value through other comprehensive income				
Financial investments	0	0	107	107
Financial assets valued at fair value via the income statement				
Bunker futures				
Total	0	0	107	107

Liabilities

Financial liabilities valued at fair value through the income statement

 Interest rate swaps

Total

2021	Level 1	Level 2	Level 3	Total
Assets				
Financial assets valued at fair value through other comprehensive income				
Financial investments	92	0	107	199
Financial assets valued at fair value via the income statement				
Bunker futures	0	1,222	0	1,222
Total	92	1,222	107	1,421

Liabilities

Financial liabilities valued at fair value through the income statement

 Interest rate swaps

Total

0	22	0	22
0	22	0	22

tEUR

Financial instruments by category

	Financial assets valued at amortised cost	Financial assets valued at fair value through other comprehensive income	Financial assets valued at fair value through the income statement	Total
2022				
Assets in the balance sheet				
Financial investments	0	107	0	107
Trade receivables and other receivables	4,204	0	0	4,204
Cash and cash equivalents	22,426	0	0	22,426
Total	26,630	107	0	26,737
	Liabilities valued at fair value through other comprehen- sive income	Liabilities valued at fair value through the income state- ment	Liabilities valued at amortised cost	Total
Liabilities in the balance sheet				
Interest-bearing liabilities	0	0	85,737	85,737
Accounts payable	0	0	12,047	12,047
Total	0	0	97,784	97,784
	Financial assets valued at amortised cost	Financial assets valued at fair value through other comprehensive income	Financial assets valued at fair value through the income statement	Total
2021				
Assets in the balance sheet				
Financial investments	0	199	0	199
Trade receivables and other receivables	6,248	0	0	6,248
Derivative instruments	0	1,222	0	1,222
Cash and cash equivalents	17,216	0	0	17,216
Total	23,464	1,421	0	24,885
	Liabilities valued at fair value through other comprehen- sive income	Liabilities valued at fair value through the income state- ment	Liabilities valued at amortised cost	Total
Liabilities in the balance sheet				
Interest-bearing liabilities	0	0	95,679	95,679
Derivative instruments	0	22	0	22
Accounts payable	0	0	8,015	8,015
Total	0	22	103,694	103,716

tEUR	2022	2021
Note 22		
COLLATERAL AND INTERNAL CONTINGENT LIABILITIES		
Liabilities for which company mortgages, mortgages in ships and deposited shares constitute collateral		
Debt mortgages	342,640	342,640
Debt securities	51,254	51,254
Loans from financial institutions and pension companies	9,525	10,800

Note 23

FUTURE COMMITMENTS FOR RENTAL- AND LEASING AGREEMENTS AND OTHER COMMITMENTS

Total rental-/leasing commitments as of December 31 activated as rights of use under IFRS 16, Note 11

Future total minimum lease payments for irrevocable operating leases/leases not activated as rights of use are as of 31 December:

Within one year	49	185
Later than one year but within 5 years	38	35
Later than 5 years	0	7
Total	87	226

For rental and lease agreements that were not capitalised as right-of-use assets under IFRS because they related either to short-term contracts (<1 year) or low-value contracts, a lease and rental expense of EUR 0.6 million (EUR 0.2 million) has been recognised in the income statement for 2022. In addition to the above commitments, there are guarantees issued, mainly travel guarantees, amounting to EUR 1.4 million (EUR 0.8 million) per the balance sheet date.

Note 24

CLOSE ASSOCIATE DISCLOSURES

The Eckerö Group's close associates include subsidiaries, associated companies, the Board of Directors, the CEO and key employees in senior positions. The Group has not had any material transactions with close associates outside normal operations in 2022 and the capital loan specified in Note 17.

GROUP RELATIONSHIPS: PARENT COMPANY/SUBSIDIARY

	Company domicile	Group shareholding	Group voting rights
Parent company Rederiaktiebolaget Eckerö	Eckerö		
Birka Cruises AB	Stockholm	100%	100%
Eckerö Line Ab Oy	Mariehamn	100%	100%
Eckerö Linjen Ab	Eckerö	100%	100%
Eckerö Shipping Ab Ltd	Mariehamn	100%	100%
Rederi Eckerö Sverige AB	Norrtälje	100%	100%
Williams Buss Ab	Eckerö	100%	100%
Group associated companies			
Eckeröhallen Ab	Eckerö	29%	29%

tEUR

MANAGEMENT SALARIES AND FEES

Salaries and short-term benefits

		2022	2021
CEOs	Salary	1,018	836
Board	Total fees	236	227
Other Group management	Salary	614	596

The CEO's retirement age is 60.

HR Director Lars-Erik Karlsson serves as deputy CEO.

Note 25

EVENTS AFTER REPORTING PERIOD

Rederiaktiebolaget Eckerö has signed a sales agreement for M/S Birka Stockholm with Rederi AB Gotland (Gotlandsbolaget) as of 27 March 2023. Handover of the ship is expected in April 2023.

Five-year overview & key figures

Group in five-year review (tEUR)

Income statement	2018	2019	2020	2021	2022
Sales	233,841	238,597	119,776	122,856	185,763
- change	-3.5%	2.0%	-49.8%	2.6%	51.2%
Operating result	16,269	999	-29,929	-38,128	-8,386
- as % of sales	7.0%	0.4%	-25.0%	-31.0%	-4.5%
Net financial items	-3,064	-15	-7,853	276	-6,929
Result before tax	13,205	985	-37,782	-37,852	-15,314
Taxes	-2,967	-199	3,993	7,221	2,653
Net result	10,238	785	-33,789	-30,630	-12,662
Balance sheet	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022
Assets					
Non-current assets	214,758	248,453	162,679	135,972	123,294
Current assets	77,912	63,677	36,983	32,943	36,875
Non-current assets held for sale	0	0	82,765	50,000	38,987
Total assets	292,671	312,130	282,427	218,915	199,156
Equity and liabilities					
Equity	154,719	151,489	117,572	86,946	74,108
Liabilities					
Deferred tax liabilities	28,386	28,088	25,123	17,018	14,301
Non-current liabilities	62,322	83,614	98,445	73,931	73,847
Current liabilities	47,244	48,940	41,287	41,019	36,899
Total liabilities	137,951	160,641	164,855	131,969	125,047
Total equity and liabilities	292,671	312,130	282,427	218,915	199,156

Key ratios	2018	2019	2020	2021	2022
Profitability					
Return on invested capital (ROI)	6.6%	1.3%	-14.3%	-16.1%	-5,4 %
Return on equity (ROE)	6.8%	0.5%	-25.1%	-30.0%	-15,7 %
Earnings per share	5.10	0.39	-16.85	-15.27	-6,31
Equity ratio, indebtedness and liquidity					
Equity ratio	53.2%	48.9%	41.7%	39.8 %	37,3 %
Debt/equity ratio	11.8%	37.2%	79.2%	90.2%	85,4 %
Cash liquidity	1.53	1.18	2.81	1.95	1,95
Balance sheet liquidity	1.65	1.30	2.90	2.02	2,06
Equity per share	77.14	75.53	58.62	43.35	36,95
Staff					
Average during the year (number)	1,173	1,238	826	700	789
Sales per person	199	193	145	176	236
Investments	7,654	47,519	21,629	2,191	2,100
Traffic volumes (thousands)					
Number of passengers	3,441	3,489	1,453	1,357	2,625
Number of vehicles	417	438	272	284	475
Number of cargo units	91	100	131	166	159

Definition of key figures

Return on invested capital (ROI) =	$\frac{\text{Result before taxes} + \text{Financing costs}}{\text{Balance sheet total} - \text{Interest-free liabilities (average during the year)}}$
Return on equity (ROE) =	$\frac{\text{Result for the financial period}}{\text{Equity (average during the year)}}$
Equity ratio =	$\frac{\text{Equity}}{\text{Balance sheet total} - \text{Received advances}}$
Debt/equity ratio =	$\frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Equity}}$
Cash liquidity =	$\frac{\text{Current assets} + \text{Non-current assets held for sale} - \text{Inventories}}{\text{Current liabilities}}$
Balance sheet liquidity =	$\frac{\text{Current assets} + \text{Non-current assets held for sale}}{\text{Current liabilities}}$

Share data

Rederiaktiebolaget Eckerö's share capital amounts to EUR 2,408,583. The share is regularly traded in the securities trading conducted by the banks on Åland.

Rederiaktiebolaget Eckerö's shares have been connected to the book-entry system since 12/01/2000. The total number of shares issued amounts to 2,005,693.

All shares constitute a series in which all shares are equal and each share corresponds to one vote in voting and election.

At the end of the financial year, the company had 9,803 registered shareholders. During the financial year, the number of shareholders decreased by 26.

According to the registration on 31/12/2022, the twenty largest shareholders in Rederiaktiebolaget Eckerö were as follows:

Shareholders	Number of shares	Share of shares and votes
1. Viking Line Abp	345,607	17.23%
2. Rederi Ab Skärgårdstrafik	228,835	11.41%
3. Mansén Linnea	169,967	8.47%
4. Mansén Hans	55,706	2.78%
5. Karlsson Malena	49,806	2.48%
6. Mansén-Hillar Marika	47,806	2.38%
7. Fyrvall-Ahtola Ann-Marie	30,000	1.50%
8. Sjöblom Nils	26,000	1.30%
9. Rosenqvist Gun	19,084	0.95%
10. Ekblom Bengt	15,000	0.75%
11. Oy M J Wahlström Partners Ab	15,000	0.75%
12. Carlsson Sven-Eric	14,703	0.73%
13. Veritas pension insurance company	14,600	0.73%
14. Rosenqvist Victoria	11,550	0.58%
15. Estate of Ann-Mari Sjöblom	11,200	0.56%
16. Fällman Per-Anders	9,060	0.45%
17. MT Casino Ab	9,053	0.45%
18. Salonen Jari	8,197	0.41%
19. Granlid Leif	7,367	0.37%
20. Munne Jani	7,169	0.36%
Total 1-20	1,095,710	54.64%

Shareholders by sector*

Sector	Number of shareholders	Percentage	Number of shares	Percentage
Enterprise	94	0.96%	643,226	32.07%
Financial institutions and insurance companies	3	0.03%	6,063	0.30%
- of which nominee-registered owners	3		6,063	0.30%
Public entities	6	0.06%	25,556	1.27%
Household	7,994	81.55%	1,188,480	59.26%
Non-profit organisations	7	0.07%	2,336	0.12%
Abroad	1,699	17.33%	140,032	6.98%
- of which nominee-registered owners	3		3,466	0.17%
Total	9,803	100.0%	2,005,693	100.0%

*) Position as of 31/12/2022

Parent Company's income statement (EUR)

	Note	1/1-31/12/2022	1/1-31/12/2021
SALES	1	26,719,005.00	21,250,137.61
Other operating income	2	-644.00	1,130,265.13
Expenses			
Goods and services		2,046,763.91	1,186,408.01
Personnel expenses	3	9,277,165.00	8,694,238.89
Depreciation and amortisation	4	23,758,139.38	41,354,655.21
Other operating expenses	5	13,566,110.00	11,984,182.82
Total expenses		48,648,178.29	63,219,484.93
OPERATING RESULT		-21,929,817.29	-40,839,082.19
Financial income and expenses	6	-703,216.09	-741,034.67
RESULT BEFORE APPROPRIATIONS AND TAXES		-22,633,033.38	-41,580,116.86
Group contribution	7	8,375,000.00	4,640,000.00
Appropriations	8	11,836,775.83	39,362,664.85
Direct taxes	9	-3,501.44	-77,182.85
RESULT FOR THE PERIOD		-2,424,758.99	2,345,365.14

Parent Company Balance Sheet (EUR)

	Note	31/12/2022	31/12/2021
NON-CURRENT ASSETS	10		
Intangible assets			
Software		978,048.25	1,103,116.26
		978,048.25	1,103,116.26
Tangible assets			
Land		1,675,070.93	1,571,627.77
Buildings and structures		15,301,970.63	16,628,685.27
Ships		136,730,800.08	157,749,280.54
Motor vehicles		106,827.97	143,548.68
Machinery and equipment		166,014.90	203,964.12
		153,980,684.51	176,297,106.38
Investments	11		
Shares in subsidiaries		55,677,473.52	55,677,473.52
Other shares and participation		106,431.31	224,682.31
		55,783,904.83	55,902,155.83
TOTAL NON-CURRENT ASSETS		210,742,638.59	233,302,378.47
CURRENT ASSETS			
Current assets	12	222,853.79	224,189.00
Current receivables	13	16,726,701.05	11,080,381.36
Cash and bank balances		21,451,060.41	15,461,059.49
TOTAL CURRENT ASSETS		38,400,615.25	26,765,629.85
BALANCE SHEET TOTAL		249,143,253.84	260,068,008.32

	Note	31/12/2022	31/12/2021
PASSIVE			
EQUITY	14		
Share capital		2,408,583.00	2,408,583.00
Reserve fund		1,269,447.15	1,269,447.15
Unrestricted equity fund		16,731,903.00	16,731,903.00
Results from previous years		9,311,368.89	6,966,003.75
Result for the financial period		-2,424,758.99	2,345,365.14
TOTAL EQUITY		27,296,543.05	29,721,302.04
CUMULATIVE APPROPRIATIONS	15	69,070,528.72	80,907,304.55
FOREIGN CAPITAL			
Non-current foreign capital	16	71,525,000.00	72,800,000.00
Current foreign capital	17	79,251,182.02	74,639,401.73
Capital loan	18	2,000,000.00	2,000,000.00
TOTAL FOREIGN CAPITAL		152,776,182.02	149,439,401.73
BALANCE SHEET TOTAL		249,143,253.84	260,068,008.32

Parent Company's cash flow statement (tEUR)

	1/1-31/12/2022	1/1-31/12/2021
Operating activities		
Operating result	-21,930	-40,839
Depreciation and amortisation	23,758	41,355
Cash flow before changes in working capital	1,828	516
Change in working capital		
Increase (+)/Decrease (-) in current interest-free operating receivables	-1,911	1,558
Increase (+)/Decrease (-) in current assets	1	141
Increase (+)/Decrease (-) in current interest-free liabilities	-2,774	-8,136
Operating cash flow before financial items	-2,856	-5,922
Interest paid and financial costs	-6,440	-4,668
Interest and financial income received	5,737	195
Dividends received	0	5
Direct taxes paid	-4	-77
Operating cash flow	-3,563	-10,468
Investments		
Investments in tangible assets	-955	-654
Investments in intangible assets	-362	-138
Liquidation of subsidiary	0	-22
Income from sale of shares	118	14,579
Cash flow from investments	-1,198	13,765
Financing		
Change in the subsidiaries' share of group accounts	14,986	7,909
Increase in current loans	0	7,000
Increase in non-current loans	0	62,000
Amortisation of long-term loans	-8,875	-91,675
Group contributions received	4,640	6,780
Cash flow from financing	10,751	-7,986
Change in cash and cash equivalents	5,990	-4,689
Cash and cash equivalents 1/1	15,461	20,150
Cash and cash equivalents 31/12	21,451	15,461

Parent Company's accounting principles

Financial period

The company's financial period is 12 months, 1/1/2022-31/12/2022.

The financial statement for the parent company was prepared in accordance with Finnish Accounting Standards (FAS).

Valuation principles

Liabilities and receivables in foreign currency

The company's receivables and liabilities in foreign currency have been converted into euro at the rate applicable on the balance sheet date.

Non-current assets

The intangible and tangible assets have been included in the balance sheet at the original acquisition cost less the accumulated planned depreciation in the accounts or at a lower presumed acquisition cost.

Depreciation methods

Planned depreciation is as follows:

Software	3-5 years
Buildings and structures	25 years
Ships	10-25 years
Machinery and equipment	5 years
Motor vehicles	7-10 years

Accrual of pension expenditure

External pension insurance companies are responsible for the pension management of the Group companies.

Pension insurance premiums have been accrued to correspond to the performance-based salaries in the financial statements.

Legal proceedings

No significant legal proceedings are underway that would adversely affect the result for the year.

Note information to the Parent Company's income statement and balance sheet

tEUR	2022	2021
Note 1		
SALES		
Charter rents, port rents and invoiced services	26,719	21,250
Total	26,719	21,250
<i>of which intra-group sales</i>	26,648	21,143
Note 2		
OTHER OPERATING INCOME		
Sale of non-current assets	-1	0
Public support	0	1,130
Total	-1	1,130
Note 3		
PERSONNEL EXPENSES		
Wages	9,114	8,786
Pension costs	1,505	1,359
Other personnel expenses	400	387
Government restitution	-1,742	-1,838
Total	9,277	8,694
<i>of which the salaries and fees of the Board of Directors and management</i>	1,257	1,131
Average employees		
Shipboard personnel	59	60
Land-based personnel	68	67
Total	127	126

The retirement age of the CEO of the Parent Company is 60 years per agreement.

tEUR	2022	2021
Note 4		
DEPRECIATION		
<i>Planned depreciation</i>		
Software	488	416
Buildings and structures	1,421	1,417
Ships	12,672	15,428
Motor vehicles	37	39
Machinery and equipment	37	37
<i>Impairment losses</i>		
Ships	9,103	24,017
Total	23,758	41,355

Note 5		
OTHER OPERATING EXPENSES		
Marketing and sales costs	30	19
Operating and administrative costs	13,536	11,965
Total	13,566	11,984

Audit engagement		
BDO	16	16

refers to the cost of fees each year, which does not always coincide with the fees invoiced, paid and expensed during the year.

Other assignments		
BDO	10	11

tEUR	2022	2021
Note 6		
FINANCIAL INCOME AND EXPENSES		
Dividend income		
From group companies	0	5
Total dividend income		5
Interest income and financial income		
From group companies	40	2
From others	5,718	4,088
Total interest income and financial income	5,758	4,090
Impairment of investments among non-current assets	0	-16
<i>See also Note 11</i>		
Interest costs and other financial expenses		
To group companies	86	0
To others	6,375	4,820
Total interest and other financial costs	6,461	4,820
Total	-703	-741
Note 7		
GROUP CONTRIBUTIONS		
Group contributions received	8,375	4,640
Total	8,375	4,640
Note 8		
APPROPRIATIONS		
The difference between depreciation according to plan and depreciation in taxation	11,836	39,363
Note 9		
DIRECT TAXES		
Income tax on the actual business	0	-8,801
Income tax on appropriations	0	8,801
Prior year taxes	3	77
Total	3	77

tEUR	2022	2021
Note 10		
NON-CURRENT ASSETS		
Software		
Acquisition expense at the beginning of the period	4,092	3,954
Purchases during the period	363	138
Decrease during the period	1,617	0
Acquisition expense at the end of the period	2,838	4,092
Accumulated depreciation according to plan at the beginning of the period	2,990	2,575
Depreciation during the period	488	416
Decrease during the period	1,617	0
Accumulated depreciation according to plan at the end of the period	1,861	2,990
Book value	978	1,103
Land		
Acquisition expense at the beginning of the period	1,572	1,515
Purchases during the period	103	57
Book value	1,675	1,572
Buildings and structures		
Acquisition expense at the beginning of the period	31,584	31,584
Purchases during the period	94	0
Acquisition expense at the end of the period	31,678	31,584
Accumulated depreciation according to plan at the beginning of the period	14,955	13,538
Depreciation during the period	1,422	1,417
Accumulated depreciation according to plan at the end of the period	16,377	14,955
Book value	15,301	16,629

Ships

Acquisition expense at the beginning of the period	362,518	361,920
Purchases during the period	913	598
Decrease during the period	156	0
Acquisition expense at the end of the period	363,275	362,518
Accumulated depreciation according to plan at the beginning of the period	204,769	165,324
Depreciation during the period	12,672	15,428
Impairments during the period	9,103	24,017
Accumulated depreciation according to plan at the end of the period	217,441	204,769
Book value	136,730	157,749

Motor vehicles

Acquisition expense at the beginning of the period	355	355
Acquisition expense at the end of the period	355	355
Accumulated depreciation according to plan at the beginning of the period	211	172
Depreciation during the period	37	39
Accumulated depreciation according to plan at the end of the period	248	211
Book value	106	144

Machinery and equipment

Acquisition expense at the beginning of the period	2,241	2,238
Purchases during the period	0	2
Decrease during the period	74	0
Acquisition expense at the end of the period	2,166	2,241
Accumulated depreciation according to plan at the beginning of the period	2,036	1,999
Depreciation during the period	37	37
Decrease during the period	74	0
Accumulated depreciation according to plan at the end of the period	1,999	2,036
Book value	166	204

tEUR

Note 11

INVESTMENTS

	Num- ber of shares	%	Nominal value	Book value
Subsidiaries 31/12/2022				
Birka Cruises AB	2,000	100%	20	150
Eckerö Line Ab Oy	1,000	100%	84	7,536
Eckerö Linjen Ab	100	100%	100	1,968
Eckerö Shipping Ab Ltd	320,150	100%	5,385	41,600
Rederi Eckerö Sverige AB	1,000	100%	10	4,147
Williams Buss Ab	16,410	100%	276	276
Subsidiaries total			5,875	55,677

All companies are 100% owned by the Group's companies.

Associated companies 31/12/2022

Eckeröhallen Ab book value 0.

	2022	2021
Other shares and participation	106	225
Total	106	225

Note 12

CURRENT ASSETS

Inventories	0	38
Bunker storage	223	186
Total	223	224

tEUR	2022	2021
Note 13		
CURRENT RECEIVABLES		
Receivables from other group companies		
Sales receivables	4,384	2,535
Other receivables	9,251	5,717
Other receivables		
Trade receivables	6	17
Other receivables	324	175
Result adjustments		
Government restitution	777	488
Expenditure incurred through the issue of loans	1,358	0
Other result adjustments	627	2,148
Total	16,727	11,080

Note 14		
EQUITY		
Restricted equity		
Share capital 1/1	2,409	2,409
Share capital 31/12	2,409	2,409
Reserve Fund 1/1	1,269	1,269
Reserve Fund 31/12	1,269	1,269
Total restricted equity	3,678	3,678
Unrestricted equity		
Unrestricted equity fund	16,732	16,732
Result for the previous financial periods	9,311	6,966
Result for the financial period	-2,425	2,345
Total unrestricted equity	23,619	26,043
Distributable unrestricted equity 31/12	23,619	26,043
Total equity	27,297	29,721

There are a total of 2,005,693 (2,005,693) shares in the company. The voting rights per share amount to 1.

tEUR	2022	2021
Note 15		
DEFERRED TAX LIABILITY NOT INCLUDED IN THE BALANCE SHEET		
Depreciation differences	13,814	16,181
Total	13,814	16,181

Note 16

NON-CURRENT FOREIGN CAPITAL

Collateral and contingent liabilities

Liabilities for which company mortgages, mortgages in ships and deposited shares constitute collateral

Loans from finance institutions and pension companies	9,525	10,800
Bond loans	62,000	62,000
For own debt		
Securities	51,254	51,254
Mortgages	341,640	341,640
Remaining rental commitments <1 year	137	171
Remaining rental commitments >1-5 years	379	384
Remaining rental commitments >5 years	904	902
Total remaining rental commitments	1,420	1,457

Long-term capital maturing in more than 5 years	0	0
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Guarantees given to companies within the same group	1,401	746
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The securities are listed at book value.

tEUR 2022 2021

Derivative instruments

Interest rate swap agreement:

Nominal value	0	24,025
Market value	0	-22

Interest rate swap agreements are used to hedge the interest rate risk of loans. The interest swap agreement ran until February 2022. The market value is based on data obtained by the financial institution with which the contracts have been concluded, i.e. recorded data. The ineffective part of the market value of interest rate swap agreements has been recorded as a financial cost at the closing date.

Bunker futures agreement:

Nominal value	0	5,661
Market value	0	1,222

Bunker price hedge derivative contracts are used to reduce bunker price risk. The bunker futures agreements concluded ran until December 2022. The market value is based on data obtained by the financial institution with which the contracts have been concluded, i.e. recorded data. Derivative contracts for bunker price hedging have been recorded in 2021 under goods and services, but for 2022, because of a large positive value, they have been moved to financial income to give a more accurate picture of the cost group goods and services.

Note 17

CURRENT FOREIGN CAPITAL

Liabilities to group companies

Accounts payable	81	55
Other liabilities	70,065	57,984
Other liabilities		
Accounts payable	1,945	1,223
Other loans	1,300	10,900
Other liabilities	3,204	1,771
Result adjustments		
Payroll and holiday pay liability	1,374	1,567
Tax liability	-84	0
Other result adjustments	1,366	1,139
Total	79,251	74,639

Note 18

CAPITAL LOAN

Capital loan	2,000	2,000
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A capital loan of EUR 2 million has been signed with the company's largest owner, Rederi Ab Skärgårdstrafik. The loan is due for payment on 3 July 2023 and carries an interest rate of 8%. The loan and interest may only be repaid/paid to the extent that the amount of the company's free capital and all capital loans exceed the loss on the company's balance sheet according to the last completed financial period.

Signatures

Signatures

Signature of the Board of Directors

The annual report and the financial statements are hereby signed.

Mariehamn, 31 March 2023



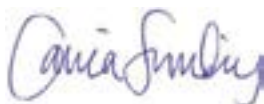
Marika Mansén-Hillar
Chairman



Bernt Bergman
Deputy chairman



Åsa Dahlman
Member



Carina Sunding
Member



Jukka Suominen
Member



Pavlos Ylinen
Member



Björn Blomqvist
Member, CEO

Auditor's note

This report on the audit performed has been issued today.

Mariehamn, 31 March 2023



Andreas Holmgård
CGR



Jukka Korin
CGR

Audit report

Audit report

To the Annual General Meeting of Rederiaktiebolaget Eckerö

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rederiaktiebolaget Eckerö (business identity code 0280703-5) for the year ended 31.12.2022. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 6 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal

controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group:

Valuation of vessels

We refer to the notes to the consolidated financial statements. According to the valuation principles presented in the notes, vessels are valued at historical cost less accumulated depreciation and amortization. Depreciation is booked on a straight-line basis over the vessel's expected useful life, taking into account its residual value. The useful life is determined separately for each vessel. The book value of a vessel is written down, if the recoverable amount is determined to be lower than the vessel's book value. In our opinion, valuation of vessels represents a key audit matter because vessels represent a significant part of the balance sheet.

How our audit addressed the Key Audit Matter

We received valuations of the group's vessels from an independent third-party appraiser and compared these values with the vessels' book values. In case the book value exceeded the value according to the valuation, we received and assessed a cash flow valuation that supported the book value. Our audit procedures covered all vessels that are not held for sale, i.e., M/S Eckerö, Finbo, Finlandia and Transporter.

Key audit matter in the audit of the group:

Financial debts and loan covenants

We refer to the notes to the consolidated financial statements, note 17. In preparing the financial statements, management assesses whether all loan covenants are fulfilled, how the loan covenants affect the classification of loans as long- or short-term loans and what information regarding the group's financing arrangements is to be presented in the notes to the consolidated financial statements. In our opinion, financial debts including loan covenants represent a key audit matter due to their significance for the group's liquidity.

How our audit addressed the Key Audit Matter

We read the terms of the group's loan agreements and evaluated management's assessment of whether the loan covenants have been fulfilled. We performed our own calculations and sensitivity analyses, taking into account the risks for impairment of assets and deteriorated profitability, to make sure all loan covenants are fulfilled.

Key audit matter in the audit of the group:

Valuation of non-current assets held for sale

We refer to the notes of the consolidated financial statements, note 20, according to which non-current assets held for sale amount to 38,987 million €. According to the principles used in preparing the consolidated financial statements, an asset is classified as an asset held for sale if the economic benefit of that asset is obtained princi-

pally through the sale of that asset rather than through its continuous use in the business. The asset is valued at the lower of either the asset's book value or its fair value less costs of selling the asset. In our opinion, valuation of non-current assets held for sale represents a key audit matter because these assets represent a significant part of the group's assets.

How our audit addressed the Key Audit Matter

We have received bills of sale regarding the sales of the vessels and verified that the assets are valued at the lower of either the asset's book value or its fair value less costs of selling the asset.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material missta-

tement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 7.4.2021 and our appointment represents a total period of uninterrupted engagement of 2 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or

otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Mariehamn, 31 March 2023



Andreas Holmgård
CGR



Jukka Korin
CGR

Corporate governance and management

Company management and governance

Rederiaktiebolaget Eckerö is managed in accordance with the Articles of Association and the Finnish Companies Act.

Board

The Board of Directors consists of:



Marika Mansén-Hillar

Chairman of the Board since 2018, active in Rederi Ab Skärgårdstrafik, Bachelor's degree in International Marketing, born 1967. Deputy Board member 1994-1999, board member 2000-. Deputy Chairman 2006-2018.

Shareholding as of 31/12/2022

Owns 552,120 shares together with her siblings and mother directly and through companies.



Bernt Bergman

Deputy chairman since 2020, self-employed, instructor and trainer in shipping, Chief Engineer, Institute Officer, born 1961. Board member 2020-.

Shareholding as of 31/12/2022

Owns 120 shares.



Åsa Dahlman

Self-employed, Master of Political Science, born 1978. Board member 2015-.

Shareholding as of 31/12/2022

Does not own any shares in the company.



Carina Sunding

CEO of 4good AB, Bachelor's degree in International Marketing, born 1967. Board member 2011-.

Shareholding as of 31/12/2022

Does not own any shares in the company.



Jukka Suominen

Master of Science in Engineering, born 1947. Deputy board member 2003-2005, Chairman of the Board 2006-2017, Deputy Chairman 2018, board member 2020-.

Shareholding as of 31/12/2022

Owns 300 shares.



Pavlos Ylinen

CEO and founder, Datafisher Oy. MsC Shipping, Trade and Finance, Master of Political Science, born 1968. Board member 2022-.

Shareholding as of 31/12/2022

Owns 200 shares.



Björn Blomqvist

Master of Science in Finance, CEO of Rederiaktiebolaget Eckerö, born 1969. Board member 2014-.

Shareholding as of 31/12/2022

Together with his wife owns 5,206 shares.

The Board of Directors is responsible for the company's management. Rules of procedure for the Board's work were established on 17 May 2022. 20 board meetings were held during the financial year. The average attendance rate was 99 percent.

Remuneration of the Board of Directors is determined by the General Meeting. At the last General Meeting, the following fees were determined; annual fees of EUR 28,000 for the Chairman of the Board and EUR 23,000 for the other board members. The meeting fee per attended meeting is EUR 1,000.

For the financial year 2022, a total of EUR 235,917 (EUR 227,000) was paid in board fees.

Group Management



Björn Blomqvist

CEO, born 1969, employed since 2004.

Shareholding as of 31/12/2022
Owns together with his wife 5,206 shares.



Annica Sviberg

CFO/Director of Finance, born 1984, employed since 2016.

Shareholding as of 31/12/2022
Owns 224 shares.



Lars-Erik Karlsson

Human Resources Director, born 1959, employed since 2007.

Shareholding as of 31/12/2022
Does not own any shares in the company.



Bo-Gustav Donning

Director of ship operations, born 1966, employed since 2001.

Shareholding as of 31/12/2022
Owns 40 shares.



Robin Weiss

IT and systems director, born 1967, employed since 2015.

Shareholding as of 31/12/2022
Does not own any shares in the company.



Tomas Karlsson

CEO, Eckerö Linjen Ab, born 1967, employed since 1993.

Shareholding as of 31/12/2022
Owns 200 shares.



Taru Keronen

CEO, Eckerö Line Ab Oy, born 1966, employed since 2014.

Shareholding as of 31/12/2022
Does not own any shares in the company.



Jari Sorvettula

CEO, Eckerö Shipping Ab Ltd, born 1957, employed since 2012.

Shareholding as of 31/12/2022
Does not own any shares in the company.

Chief executive officer

The CEO is appointed by the Board of Directors, which also determines the terms of employment.

Björn Blomqvist has been CEO since May 24, 2004. Björn Blomqvist also serves as CEO of Williams Buss Ab and Rederi Eckerö Sverige AB. Björn Blomqvist is also Chairman of the Board in the subsidiaries Eckerö Linjen Ab, Eckerö Line Ab Oy, Eckerö Shipping Ab Ltd, Birka Cruises AB, Rederi Eckerö Sverige AB and Williams Buss Ab.

During the financial year, the CEO received EUR 407,000 (EUR 308,269) in salary and other benefits. The CEO's retirement age is 60. HR Director Lars-Erik Karlsson serves as deputy CEO.

Auditors

Andreas Holmgård, CGR, working at BDO Oy, born 1982, auditor in the company since 2021.

Jukka Korin, CGR, working at BDO Oy, born 1960, auditor in the company since 2021.

Auditing association BDO Oy serves as deputy auditor.

Fleet



Eckerö

Built in 1979, Aalborg Værft A/S, Aalborg, Denmark. Length 121 m, width 24.5 m. Capacity: 1,630 passengers. Freight capacity: 265 cars, 515 lane meters.



Finlandia

Built in 2001, Daewoo Shipbuilding & Heavy Machinery Ltd., South Korea. Length 175 m, width 27.6 m. Capacity: 2,520 passengers, 252 cabins. Freight capacity: 610 cars, 1,808 lane meters.



Finbo Cargo

Built in 2000, Astilleros Espanoles S.A. (AES), Seville, Spain. Length 180 m, width 25 m. Capacity: 366 passengers. Freight capacity: 2,000 lane meters.



Exporter (Ship for sale)

Built in 1991, Fosen Mek. Verksteder A/S, Norway. Length 122 m, width 19 m. Load lines: 1,278 lane meters.



Transporter

Built in 1991, Fosen Mek. Verksteder A/S, Norway. Length 122 m, width 19 m. Load lines: 1,263 lane meters.



Shipper (Ship for sale)

Built in 1992, Fosen Mek. Verksteder A/S, Norway. Length 122 m, width 19 m. Load lines: 1,278 lane meters.



Birka Stockholm (Ship for sale)

Built in 2004, Aker Finnyards, Raumo, Finland. Length 177 m, width 28 m. Capacity: 1,800 passengers, 734 cabins/1,800 beds.