

**Financial review Q3  
January–September 2021  
9 November 2021**





## FINNLINES' RESULT ON THE UPTURN DURING THE THIRD QUARTER

### JANUARY–SEPTEMBER 2021

- Revenue EUR 425.9 (363.1 in 2020) million, increase 17%.
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 121.2 (107.2) million, increase 13%.
- Result for the reporting period EUR 69.0 (54.2) million, increase 27%.
- Interest bearing debt increased by EUR 8.4 million and was EUR 371.2 (362.8) million at the end of the period.

### JULY–SEPTEMBER 2021

- Revenue EUR 155.1 (126.7 in 2020) million, increase 22%.
- Result before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 50.2 (40.8) million, increase 23%.
- Result for the reporting period EUR 32.7 (22.5) million, increase 45%.

### KEY FIGURES

MEUR	1–9 2021	1–9 2020	7–9 2021	7–9 2020	1–12 2020
Revenue	425.9	363.1	155.1	126.7	484.0
<b>Result before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>121.2</b>	107.2	<b>50.2</b>	40.8	140.8
Result before interest and taxes (EBIT)	72.5	58.7	34.0	24.5	76.2
% of revenue	17.0	16.2	21.9	19.3	15.7
<b>Result for the reporting period</b>	<b>69.0</b>	54.2	<b>32.7</b>	22.5	69.7
Stakeholders' equity/share. EUR	14.69	13.89	14.69	13.89	14.07
Equity ratio, %	59.2	58.9	59.2	58.9	60.7
Net debt/EBITDA	2.4	2.9	2.4	2.9	2.3
Interest bearing debt, MEUR	371.2	362.8	371.2	362.8	331.7
Net gearing, %	48.4	50.5	48.4	50.5	45.5

### EMANUELE GRIMALDI, PRESIDENT AND CEO, IN CONJUNCTION WITH THE REVIEW

"The Finnlines Group's revenue for January–September 2021 was EUR 425.9 million, an increase of 17% compared to the corresponding period in the previous year (EUR 363.1 in 2020). The result for the reporting period was EUR 69.0 million, an increase of 27% compared to EUR 54.2 million in January–September 2020. Earnings before interest, taxes, depreciation and amortisation, EBITDA, amounted to EUR 121.2 (107.2) million.

During the reporting period January–September 2021, Finnlines transported 583 (536 in 2020) thousand cargo units, shipped 124 (102) thousand cars, and carried 1,041 (811) thousand tons of freight not possible to measure in units, 439 (390) thousand private and commercial passengers travelled with us.

An upward trend continued during the third quarter when cargo volumes increased nearly on all routes. The automotive industry suffered from shortage of components and the summer stoppage was longer than anticipated. However, as the Finnlines fleet consists of vessels in different sizes, capacity could be moved from routes with temporarily declining demand to others where larger capacity was needed. When travel restrictions were gradually eased, recreational travel recovered although passenger numbers remained far below the normal level.

While the global shortage of containers has challenged importers and exporters and led to world-wide supply-chain disruptions, roll-on-roll-off vessels have proved to be efficient and competitive modes of transport. Finnlines has carried freight uninterruptedly throughout the Covid-19 pandemic, offering around 170 departures each week.

Finnlines has made substantial investments in environmental technology and in its fleet renewal during the past years, but new challenges lie ahead. Both globally and within the European Union, numerous proposals are being discussed. The European Commission intends to reduce greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Previously, IMO has set the minimum reduction target of 50%, compared to 2008.

The EU Commission has also proposed to include maritime transport in the emissions trading system, which has covered energy-intensive industries and flights within EU for nearly two decades. Furthermore, the planned FuelEU Maritime Initiative will set a maximum limit on the greenhouse gas content of energy used by ships. The EU Taxonomy Regulation directive aims to promote clean technologies and discourage the use of fossil fuels. The carbon levy, i.e. a tax, which the International Chamber of Shipping has put forward in September 2021, is intended to expedite the creation of a market that makes zero-emission shipping viable.

To reach the ambitious goal of becoming carbon neutral, it may be necessary to modify existing ships with new tanks and engines so that they can run on new types of fuel. However, at current rates of production, zero-carbon fuels are not commercially available at the scale needed for the global fleet. Today, Finnlines concentrates on new battery technology, hydrodynamic design in vessels,

air lubrication systems and solar panels on its newbuilds. Several existing ships will be equipped to use onshore power where available. Moreover, gradual transition to carbon-free and renewable fuels is being investigated.

The construction of three hybrid ro-ro vessels and two state-of-the-art ro-pax vessels is proceeding. Although we have an ambitious EUR 0.5 billion Newbuilding Programme, in Finnlines, we have understood that it is of crucial importance to focus intensively on energy efficiency of the fleet because energy savings is the best way to reduce the emissions and reach immediate results."

## **FINNLINES PLC, FINANCIAL REVIEW JANUARY–SEPTEMBER 2021 (unaudited)**

### **FINNLINES' BUSINESS**

Finnlines is a leading shipping operator of ro-ro and passenger services in the Baltic Sea, the North Sea and the Bay of Biscay. The Company's passenger-freight vessels offer services from Finland to Germany and via the Åland Islands to Sweden, as well as from Sweden to Germany. Finnlines' ro-ro vessels operate in the Baltic Sea, the North Sea and the Bay of Biscay. The Company has subsidiaries and sales offices in Germany, Belgium, Great Britain, Sweden, Denmark and Poland. In addition to sea transportation, the Company provides port services in Helsinki and Turku.

As an agent for Grimaldi Lines and Atlantic Container Line (ACL) in Finland and Russia, Finnlines connects Helsinki, St. Petersburg and Paldiski with the Grimaldi Group network in the Mediterranean, West Africa, as well as the Atlantic coast of both North and South America.

### **GROUP STRUCTURE**

Finnlines Plc is a Finnish public limited company, which operates under Finnish jurisdiction and legislation. At the end of the reporting period, the Group consisted of the parent company and 20 subsidiaries. In April 2021, Finnlines acquired the shares of real estate limited liability company Vuosaaren Porttikeskus, whose ownership at Vuosaari includes Gatehouse, Hansaterminal and P8-Porttikeskus parking house. Finnlines Group is headquartered in the Gatehouse.

Finnlines Plc is fully owned by the Grimaldi Group, which is one of the world's largest operators of ro-ro vessels and the largest operator of the Motorways of the Sea in Europe for both passengers and freight. The Grimaldi Group, headquartered in Naples, operates a fleet of more than 130 vessels and employs approximately 16,000 people. It serves over 140 ports in 50 countries in the Mediterranean Sea, North Europe, West Africa, North and South America. The Grimaldi Group comprises seven shipping companies, including Finnlines, Atlantic Container Line (ACL), Malta Motorways of the Sea (MMS) and Minoan Lines.

### **GENERAL MARKET DEVELOPMENT**

Finnlines' main operating area connects trade partners around the Baltic Sea. Based on the OECD Eurostat, the change of Gross Domestic Product in Europe was positive during the second quarter of 2021 in comparison with the same period in 2020. Compared with the first quarter of 2021, the reported GDP in Germany increased in the second quarter of 2021 by 1.6%, while in Sweden the corresponding increase was 0.9%. In Finland GDP increased in the second quarter by 2.1% compared with the previous quarter. (Eurostat 2021.)

Based on the statistics by Statistics Finland for January–August, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) increased by 3% and exports increased by 8%. During the same period private and commercial passenger traffic between Finland and Sweden decreased by 23%, between Finland and Germany the traffic increased by 3%. (Statistics Finland).

### **FINNLINES TRAFFIC**

During the third quarter Finnlines operated on average 21 (19) vessels in its own traffic.

The cargo volumes transported during January–September totalled approximately 583 (536 in 2020) thousand cargo units, 124 (102) thousand cars (not including passengers' cars) and 1,041 (811) thousand tons of freight not possible to measure in units. In addition, some 439 (390) thousand private and commercial passengers were transported.

### **FINANCIAL RESULTS**

#### **January–September 2021**

The Finnlines Group recorded revenue totalling EUR 425.9 (363.1) million in the reporting period, an increase of 17% compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 407.3 (346.4) million, of which passenger related revenue was EUR 38.0 (31.8) million. The revenue of Port Operations was EUR 35.4 (31.9) million. During the reporting period, transported cargo volumes increased clearly compared to last year. In January–September 2021 the number of private passengers also increased compared to last year. In Port Operations the revenue increased due to larger cargo volumes. The internal revenue between the segments was EUR 16.8 (15.2) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 121.2 (107.2) million, an increase of 13%.

Result before interest and taxes (EBIT) was EUR 72.5 (58.7) million.

As a result of the improved financial position, net financial expenses decreased to EUR -3.4 (-4.4) million. Financial income was EUR 0.1 (0.4) million and financial expenses EUR -3.5 (-4.8) million. Result before taxes (EBT) increased by EUR 14.8 million and was EUR 69.1 (54.3) million. The result for the reporting period was EUR 69.0 (54.2) million.

#### **July–September 2021**

The Finnlines Group recorded revenue totalling EUR 155.1 (126.7) million. Cargo volumes have continued to increase considerably compared to the third quarter of 2020 when transported volumes suffered from the pandemic. The easing of travel restrictions in European countries has boosted private travelling, thus passenger volumes have recovered in comparison with last year. Shipping and Sea Transport Services generated revenues amounting to EUR 149.2 (121.2) million and Port Operations EUR 11.3 (10.6) million. The internal revenue between the segments was EUR 5.4 (5.1) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 50.3 (40.8) million, an increase of 23%.

Result before interest and taxes (EBIT) was EUR 34.0 (24.5) million.

Net financial expenses were EUR -1.1 (-1.5) million. Financial income was EUR 0.0 (0.2) million and financial expenses totalled EUR -1.1 (-1.7) million. Result before taxes (EBT) increased by EUR 10.0 million and was EUR 32.9 (23.0) million. The result for July–September was EUR 32.7 (22.5) million.

#### **STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH FLOW**

Interest-bearing debt increased by EUR 8.4 million to EUR 371.2 (362.8) million, excluding leasing liabilities of EUR 22.7 (18.4) million. Net interest-bearing debt at the end of period was EUR 366.5 (361.5) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio amounted to 2.4 (2.9) and the equity ratio calculated from the balance sheet was 59.2% (58.9%). Net gearing resulted in 48.4% (50.5%). Covid-19 pandemic has not affected the availability or terms of financing.

The Group's liquidity position is strong and at the end of the period, cash and cash equivalents together with unused committed credit facilities amounted to EUR 204.7 (208.5) million.

Net cash generated from operating activities stood at EUR 107.2 (97.3) million.

#### **CAPITAL EXPENDITURE**

The Finnlines Group's gross capital expenditure in the reporting period totalled EUR 89.8 (41.7) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 48.7 (48.5) million. The investments consist of normal replacement expenditure of fixed assets, new cargo handling equipment, dry-dockings, buildings in the Port of Vuosaari and environmental investment prepayments related to green ro-ro and ro-pax newbuildings.

Finnlines has continued to invest in sustainability and environmental technologies. In order to protect the fragile marine environment in the Baltic and the North Sea, the Company has started to install ballast water treatment systems on its vessels. The project will be completed in 2023.

Finnlines' EUR 500 million investment programme, the Newbuilding Programme, will further increase Finnlines' energy efficiency and emission reduction. New vessels are a significant step towards an even more sustainable and eco-efficient fleet. The Programme has proceeded as planned, and all three new ro-ro vessels are now being built at Nanjing Jingling Shipyard in China. The first ro-ro vessel is scheduled to be delivered this autumn and the following two in early 2022. In addition to the three ro-ro vessels, Finnlines has ordered two eco-efficient Superstar ro-pax vessels. Both Superstar vessels are being built at China Merchants Jinling Shipyard in Weihai and their deliveries are planned to take place in 2023.

#### **PERSONNEL**

The Group employed an average of 1,546 (1,541) persons during the reporting period, consisting of 848 (851) persons at sea and 698 (690) persons on shore. The number of persons employed at the end of the period totalled 1,551 (1,508), of whom 864 (821) at sea and 687 (687) on shore.

The personnel expenses (including social costs) for the reporting period amounted to EUR 66.3 (63.5) million.

#### **THE FINNLINES SHARE**

The Company's paid-up and registered share capital on 30 September 2021 totalled EUR 103,006,282. The capital stock consisted of 51,503,141 shares.

Finnlines Plc is fully owned by the Grimaldi Group.

#### **RISKS AND RISK MANAGEMENT**

The financial uncertainty caused by the Covid-19 pandemic, which broke out in early 2020, has eased in Finnlines' business environment. Finnlines' management has assessed that the pandemic will not affect the figures reported by the company, except for the reduced passenger business.

Finnlines is exposed to business risks that arise from the capacity of the fleet existing in the market, counterparties, prospects for export and import of goods, and changes in the operating environment. The risk of overcapacity is reduced through scrapping of aging vessels,

on the one hand, and the more stringent environmental requirements, on the other. The continuity of operations is ensured by safeguarding critical functions and essential resources. The majority of the Group's non-current assets consists of its fleet. The fleet is always insured to its full value.

Stricter environmental regulations (e.g. NOx, SOx and CO2 emission, wastewater and ballast water regulations) are the risk factors that could affect the Group's business. However, through the constant renewal and development of the fleet, using the latest technology and innovations, Finnlines is very well-positioned to greatly mitigate this risk.

The effect of fluctuations in the foreign trade is reduced by the fact that the Company operates in several geographical areas. This means that slow growth in one country is compensated by faster recovery in another. Finnlines continuously monitors the solidity and payment schedules of its customers and suppliers. Currently, there are no indications of imminent risks related to counterparties but the Company continues to monitor the financial position of its counterparties. Finnlines holds adequate credit lines to maintain liquidity in the current business environment.

Finnlines' cash and unused committed credit facilities amounted to EUR 200 million and the Company has initiated cost saving plans in April 2020, which both have continued to enable the Company to mitigate the negative effects of Covid-19 pandemic.

## **LEGAL PROCEEDINGS**

Finnlines has made an appeal to the Helsinki Administrative Court of the National Emergency Supply Agency's decision concerning the compensation of costs for securing maritime transport. Finnlines has also appealed to Market Court concerning the Finnish Transport and Communications Agency's calls for tenders concerning imposing a public service obligation for the aid of maritime traffic on the Turku/Naantali-Mariehamn/Långnäs-Stockholm, Kapellskär-Mariehamn, Naantali-Långnäs, Grisslehamn-Eckerö and Helsinki-Tallinn routes. In addition, Finnlines has made a complaint to the European Commission concerning Covid-19 situation related selective and discriminatory aid measures launched by the Finnish authorities.

Finnlines is in addition involved in a few legal proceedings and disputes whose outcome cannot be predicted, but taking into account the information that is available at present, their outcome is not expected to have any substantial impact on the Group's profit.

## **CORPORATE GOVERNANCE**

The Corporate Governance Statement can be reviewed on the Company's website: [www.finnlines.com](http://www.finnlines.com).

## **EVENTS AFTER THE REPORTING PERIOD**

There are no significant events to report.

## **OUTLOOK AND OPERATING ENVIRONMENT**

In the Euro area the economy has revived, and in Finland imports and exports volumes are expected to expand. Travel restrictions have gradually been eased and recreational travel has partly recovered, but the number of passengers carried remained still below the pre-pandemic figures. However, this is expected to change for better with the passage of time.

The Finnlines Group has a strong balance sheet and is considered as a key service provider for its customers. The Finnlines Group's financial performance before taxes is expected to improve from 2020, which is a result of investments in the Finnlines fleet during the past decade, growing economy and actions taken to enhance cost savings and improve productivity.

Remaining part of 2021 looks promising with increased cargo volumes, and the delivery of the first large ro-ro vessel will make our services even more efficient and environmentally friendly.

The fourth financial review of 2021 for the period of 1 January–31 December 2021 and the Financial Statements 2021 will be published on Thursday, 24 February 2022.

Finnlines Plc  
The Board of Directors

Emanuele Grimaldi  
President and CEO

## **FURTHER INFORMATION**

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## DISTRIBUTION

Main media

This interim report is unaudited.

## REPORTING AND ACCOUNTING POLICIES

This interim report included herein is prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The accounting policies are the same as those applied in the last annual financial statements.

Finnlines Plc entered into the tonnage taxation regime in January 2013. In tonnage taxation, shipping operations transferred from taxation of business income to tonnage-based taxation.

All figures in the accounts have been rounded and, consequently, the sum of individual figures may deviate from the presented sum figure.

The preparation of the interim financial statements in accordance with IFRS requires management to make estimates and assumptions and use its discretion in applying the accounting principles that affect the valuation of the reported assets and liabilities and other information such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates. The uncertainties related to the key assumptions were the same as those applied to the consolidated financial statements at the year-end 31 December 2020.

The financial uncertainty caused by the Covid-19 pandemic, which broke out in early 2020, has eased in Finnlines' business environment. Finnlines' management has assessed that the pandemic will not affect the figures reported by the company, except for the reduced passenger business.

Finnlines Group acquired shares of Kiinteistö Oy Vuosaaren Porttikeskus real estate company in April 2021. The property is mainly used as Finnlines' headquarter and for its own activities. The cost method in line with IAS 16 is applied for the whole property. Part of the buildings/premises are leased out to tenants under operating leases. The group intends to change the articles of association of the mutual real estate company into ordinary real estate company.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS**

EUR 1,000	7–9 2021	7–9 2020	1–9 2021	1–9 2020	1–12 2020
<b>Revenue</b>	<b>155,087</b>	126,700	<b>425,928</b>	363,076	484,016
Other income from operations	530	683	1,353	1,119	1,303
Materials and services	-49,011	-35,639	-138,814	-101,889	-137,964
Personnel expenses	-21,505	-20,342	-66,310	-63,453	-83,376
Depreciation, amortisation and impairment losses	-16,222	-16,300	-48,731	-48,515	-64,599
Other operating expenses	-34,882	-30,645	-100,918	-91,646	-123,164
Total operating expenses	-121,620	-102,926	-354,773	-305,503	-409,04
<b>Result before interest and taxes (EBIT)</b>	<b>33,997</b>	24,457	<b>72,507</b>	58,692	76,215
Financial income	35	249	96	419	494
Financial expenses	-1,121	-1,745	-3,461	-4,815	-6,065
<b>Result before taxes (EBT)</b>	<b>32,911</b>	22,961	<b>69,142</b>	54,296	70,645
Income taxes	-215	-481	-186	-129	-918
<b>Result for the reporting period</b>	<b>32,696</b>	22,480	<b>68,956</b>	54,167	69,727
<b>Other comprehensive income:</b>					
<b>Other comprehensive income to be reclassified to profit and loss in subsequent periods:</b>					
Exchange differences on translating foreign operations	-6	-2	37	-58	-45
Fair value changes on currency derivatives	6,491	-5,106	14,733	-1,675	-8,245
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	6,485	-5,108	14,769	-1,732	-8,290
<b>Other comprehensive income not being reclassified to profit and loss in subsequent periods:</b>					
Remeasurement of defined benefit plans	0	0	0	0	-120
Tax effect, net	0	0	0	0	21
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	0	0	0	0	-100
<b>Total comprehensive income for the reporting period</b>	<b>39,180</b>	17,372	<b>83,725</b>	52,435	61,336
<b>Result for the reporting period attributable to:</b>					
Parent company shareholders	32,696	22,480	68,956	54,167	69,727
	32,696	22,480	68,956	54,167	69,727
<b>Total comprehensive income for the reporting period attributable to:</b>					
Parent company shareholders	39,180	17,372	83,725	52,435	61,336
	39,180	17,372	83,725	52,435	61,336
<b>Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share)</b>					
Undiluted / diluted earnings per share	0.63	0.44	1.34	1.05	1.35
Average number of shares					
Undiluted / diluted	51,503,141	51,503,141	51,503,141	51,503,141	51,503,141

Most of the items recognised in the Consolidated Statement of Comprehensive Income fall under the tonnage tax scheme.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS**

EUR 1,000	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,016,284	974,677	967,748
Goodwill	105,644	105,644	105,644
Other intangible assets	3,266	3,800	3,671
Other financial assets	7,076	7,075	7,076
Receivables	4,776	9,870	3,929
Deferred tax assets	2,392	2,931	2,370
	1,139,438	1,103,996	1,090,438
<b>Current assets</b>			
Inventories	7,883	5,652	5,967
Accounts receivable and other receivables	116,193	93,993	86,471
Income tax receivables	30	0	32
Cash and cash equivalents	4,662	1,283	1,847
	128,768	100,927	94,317
<b>Non-current assets held for sale</b>	14,610	14,610	14,610
<b>Total assets</b>	1,282,816	1,219,534	1,199,365
<b>EQUITY</b>			
<b>Equity attributable to parent company shareholders</b>			
Share capital	103,006	103,006	103,006
Share premium account	24,525	24,525	24,525
Translation differences	131	108	114
Fund for invested unrestricted equity	40,016	40,016	40,016
Fair value reserve *	16,111	7,949	1,378
Retained earnings	572,886	539,947	555,413
	756,675	715,552	724,453
<b>Non-controlling interests</b>		0	0
<b>Total equity</b>	756,675	715,552	724,453
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Deferred tax liabilities	46,550	46,373	46,509
Pension liabilities	3,348	3,454	3,331
Provisions	1,697	1,697	1,697
Loans from financial institutions	217,417	201,683	180,383
	269,012	253,207	231,920
<b>Current-liabilities</b>			
Accounts payable and other liabilities	80,479	71,089	73,798
Current tax liabilities	0	0	27
Provisions	215	220	220
Loans from financial institutions	176,434	179,465	168,946
	257,128	250,775	242,992
<b>Total liabilities</b>	526,140	503,982	474,912
<b>Total equity and liabilities</b>	1,282,816	1,219,534	1,199,365

\* Fair value reserve consists of fair value of effective part of foreign currency forward contracts, for which hedge accounting is applied.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2020, IFRS

EUR 1,000	Equity attributable to parent company shareholders						Total equity
	Share capital	Share issue premium	Translation differences	Unrestricted equity reserve	Fair value reserve	Retained earnings	
<b>Reported equity 1 January 2020</b>	103,006	24,525	140	40,016	9,623	537,310	714,620
<b>Comprehensive income for the reporting period:</b>							
Result for the reporting period						54,167	54,167
Exchange differences on translating foreign operations			-32			-26	-58
Fair value changes on currency derivatives					-1,674		-1,674
<b>Total comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>-32</b>	<b>0</b>	<b>-1,674</b>	<b>54,141</b>	<b>52,435</b>
Dividend						-51,503	-51,503
<b>Equity 30 September 2020</b>	<b>103,006</b>	<b>24,525</b>	<b>108</b>	<b>40,016</b>	<b>7,949</b>	<b>539,947</b>	<b>715,552</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2021, IFRS

EUR 1,000	Equity attributable to parent company shareholders						Total equity
	Share capital	Share issue premium	Translation differences	Unrestricted equity reserve	Fair value reserve	Retained earnings	
<b>Reported equity 1 January 2021</b>	103,006	24,525	114	40,016	1,378	555,413	724,452
<b>Comprehensive income for the reporting period:</b>							
Result for the reporting period						68,956	68,956
Exchange differences on translating foreign operations			17			20	37
Fair value changes on currency derivatives					14,733		14,733
<b>Total comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>14,733</b>	<b>68,976</b>	<b>83,725</b>
Dividend						-51,503	-51,503
<b>Equity 30 September 2021</b>	<b>103,006</b>	<b>24,525</b>	<b>131</b>	<b>40,016</b>	<b>16,111</b>	<b>572,886</b>	<b>756,675</b>

# CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1–9 2021	1–9 2020	1–12 2020
<b>Cash flows from operating activities</b>			
Results for the reporting period	68,956	54,167	69,727
Adjustments			
Non-cash transactions	48,710	48,345	64,167
Unrealised foreign exchange gains (-) / losses (+)			
Financial income and expenses	3,368	4,401	5,568
Taxes	186	129	918
Changes in working capital			
Change in accounts receivable and other receivables	-16,753	-7,545	-66
Change in inventories	-1,916	500	185
Change in accounts payable and other liabilities	7,432	1,658	3,674
Change in provisions	11	-20	-143
Interest paid	-1,419	-2,768	-3,589
Interest received	22	41	50
Taxes paid	-192	-176	-252
Other financing items	-1,177	-1,453	-2,209
<b>Net cash generated from operating activities</b>	<b>107,227</b>	<b>97,279</b>	<b>138,030</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets	-90,345	-41,730	-50,401
Sale of tangible assets	365	167	126
Acquisition of non-controlling interests	0	0	0
<b>Net cash used in investing activities</b>	<b>-89,979</b>	<b>-41,563</b>	<b>-50,275</b>
<b>Cash flows from financing activities</b>			
Loan withdrawals	187,000	76,000	54,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	8,272	7,321	-2,973
Repayment of loans	-155,768	-92,731	-91,204
Payment of lease liabilities (2018 Payment of finance lease liabilities)	-2,436	-2,718	-3,427
Dividends paid	-51,503	-51,503	-51,503
<b>Net cash used in financing activities</b>	<b>-14,436</b>	<b>-63,632</b>	<b>-95,108</b>
<b>Change in cash and cash equivalents</b>	<b>2,812</b>	<b>-7,916</b>	<b>-7,353</b>
Cash and cash equivalents 1 January	1,847	9,208	9,208
Effect of foreign exchange rate change	2	-9	-8
<b>Cash and cash equivalents at the end of periods</b>	<b>4,662</b>	<b>1,283</b>	<b>1,847</b>

## REVENUE AND RESULT BY BUSINESS SEGMENTS

	7-9 2021		7-9 2020		1-9 2021		1-9 2020		1-12 2020	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
<b>Revenue</b>										
Shipping and sea transport services	149.2	96.2	121.2	95.7	407.3	95.6	346.4	95.4	461.8	95.4
Port operations	11.3	7.3	10.6	8.3	35.4	8.3	31.9	8.8	42.8	8.8
Intra-group revenue	-5.4	-3.5	-5.1	-4.0	-16.8	-3.9	-15.2	-4.2	-20.6	-4.3
<b>External sales</b>	<b>155.1</b>	<b>100.0</b>	<b>126.7</b>	<b>100.0</b>	<b>425.9</b>	<b>100.0</b>	<b>363.1</b>	<b>100.0</b>	<b>484.0</b>	<b>100.0</b>
<b>Result before interest and taxes</b>										
Shipping and sea transport services	32.8		23.0		68.9		55.9		72.5	
Port operations	1.2		1.4		3.6		2.8		3.7	
<b>Result before interest and taxes (EBIT) total</b>	<b>34.0</b>		<b>24.5</b>		<b>72.5</b>		<b>58.7</b>		<b>76.2</b>	
Financial income and expenses	-1.1		-1.5		-3.4		-4.4		-5.6	
<b>Result before taxes (EBT)</b>	<b>32.9</b>		<b>23.0</b>		<b>69.1</b>		<b>54.3</b>		<b>70.6</b>	
Income taxes	-0.2		-0.5		-0.2		-0.1		-0.9	
<b>Result for the reporting period</b>	<b>32.7</b>		<b>22.5</b>		<b>69.0</b>		<b>54.2</b>		<b>69.7</b>	

## REVENUE BY GEOGRAPHICAL AREA

EUR 1,000	1-9 2021	1-9 2020	1-12 2020
<b>Revenue</b>			
Finland	173,732	147,148	195,838
Sweden	68,813	58,116	70,860
Germany	53,562	44,969	58,383
Other EU countries	111,700	97,100	130,703
Russia	7,113	4,638	6,751
Other	11,007	11,104	21,482
	<b>425,928</b>	<b>363,076</b>	<b>484,016</b>

The revenue from the geographical areas is reported according to the location of the customers.

## REVENUE BY FUNCTIONS

EUR 1,000	1-9 2021	1-9 2020	1-12 2020
<b>Revenue</b>			
Freight and other shipping services	352,555	314,831	423,100
Passenger services	37,955	31,783	39,047
Port operations	35,418	16,462	21,870
	<b>425,928</b>	<b>363,076</b>	<b>484,016</b>

**PROPERTY, PLANT AND EQUIPMENT 2021**

<b>EUR 1,000</b>	<b>Land</b>	<b>Buildings</b>	<b>Vessels</b>	<b>Machinery and equipment</b>	<b>Advance payments &amp; acquisitions under construction</b>	<b>Total</b>
Acquisition cost 1 January 2021	72	66,848	1,486,518	65,826	59,521	1,678,784
Exchange rate differences		-1		11		9
Increases	1,053	40,993	8,547	843	53,734	105,170
Disposals			-58	-33		-91
Reclassifications between items			667		-667	
Reclassifications to non-current assets held for sale *		-3,297		-22,395		-25,691
<b>Acquisition cost 30 September 2021</b>	<b>1,125</b>	<b>104,544</b>	<b>1,495,674</b>	<b>44,252</b>	<b>112,587</b>	<b>1,758,182</b>
Accumulated depreciation, amortisation and write-offs 1 January 2021		-25,156	-644,563	-44,175		-713,894
Exchange rate differences		1		-10		-8
Cumulative depreciation on reclassifications, increases and disposals		-15,159	58	-360		-15,462
Depreciation for the reporting period		-2,026	-43,218	-780		-46,024
<b>Accumulated depreciation, amortisation and write-offs 30 September 2021</b>		<b>-42,340</b>	<b>-687,723</b>	<b>-45,325</b>		<b>-775,388</b>
Reclassifications to non-current assets held for sale *		570		10,510		11,081
<b>Carrying value 30 September 2021</b>	<b>1,125</b>	<b>62,774</b>	<b>807,951</b>	<b>9,437</b>	<b>112,587</b>	<b>993,875</b>

Not including right-of-use assets.

\* The Finnlines Group is negotiating a sale of Port Operations' assets with carrying value of EUR 14.6 (14.6) million. No impairment losses were recognised on the carrying values of these assets in 2020 or 2021, as according to management's estimate, the fair value of the assets classified as held for sale was higher than the carrying value at the balance sheet date 30 September 2020 and 30 September 2021.

<b>EUR 1,000</b>	<b>Land and water</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>Right-of-use assets 2021</b>				
Acquisition cost 1 January 2021	18,642	3,832	1,439	23,913
Exchange rate differences			1	1
Increases	7,379		61	7,441
Disposals		-2,099		-2,099
Reclassifications between items				
<b>Acquisition cost 30 September 2021</b>	<b>26,021</b>	<b>1,733</b>	<b>1,501</b>	<b>29,256</b>
Accumulated depreciation, amortisation and write-offs 1 January 2021	-3,466	-2,202	-776	-6,444
Exchange rate differences				
Cumulative depreciation on reclassifications and disposals		1,753		1,753
Depreciation for the reporting period	-1	-537	-231	-2,155
<b>Accumulated depreciation, amortisation and write-offs 30 September 2021</b>	<b>-4,853</b>	<b>-986</b>	<b>-1,007</b>	<b>-6,846</b>
<b>Carrying value 30 September 2021</b>	<b>21,169</b>	<b>747</b>	<b>494</b>	<b>22,409</b>
<b>Property, plant and equipment, total</b>				<b>1,016,284</b>

<b>EUR 1,000</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>Assets classified as held for sale 1 January 2021</b>			
<b>Acquisition cost</b>			
Transfer to non-current assets held for sale	3,297	22,395	25,691
<b>Accumulated depreciation</b>			
Transfer to non-current assets held for sale	-570	-10,510	-11,081
<b>Carrying value 30 September 2021</b>	<b>2,726</b>	<b>11,884</b>	<b>14,610</b>



**PROPERTY, PLANT AND EQUIPMENT 2020**

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under construction	Total
Acquisition cost 1 January 2020	72	67,348	1,477,184	66,169	19,884	1,630,657
Exchange rate differences		2		-20		-18
Increases			8,536	258	32,411	41,204
Disposals		-515	-564	-467		-1,546
Reclassifications between items		14	540	116	-670	0
Reclassifications to non-current assets held for sale *		-3,297		-22,395		-25,691
<b>Acquisition cost 30 September 2020</b>	<b>72</b>	<b>63,552</b>	<b>1,485,696</b>	<b>43,661</b>	<b>51,625</b>	<b>1,644,606</b>
Accumulated depreciation, amortisation and write-offs 1 January 2020		-23,747	-587,887	-43,878		-655,511
Exchange rate differences		-2		17		15
Cumulative depreciation on reclassifications and disposals		511	563	470		1,544
Depreciation for the reporting period		-1,438	-43,067	-776		-45,282
<b>Accumulated depreciation, amortisation and write-offs 30 September 2020</b>		<b>-24,676</b>	<b>-630,390</b>	<b>-44,167</b>		<b>-699,233</b>
Reclassifications to non-current assets held for sale *		570		10,510		11,081
<b>Carrying value 30 September 2020</b>	<b>72</b>	<b>39,446</b>	<b>855,306</b>	<b>10,005</b>	<b>51,625</b>	<b>956,453</b>

Not including right-of-use assets.

\* The Finnlines Group is negotiating a sale of Port Operations' assets with carrying value of EUR 14.6 (14.6) million. No impairment losses were recognised on the carrying values of these assets in 2019 or 2020, as according to management's estimate, the fair value of the assets classified as held for sale was higher than the carrying value at the balance sheet date 30 September 2019 and 30 September 2020.

EUR 1,000	Land and water	Buildings and structures	Machinery and equipment	Total
<b>Right-of-use assets 2020</b>				
Acquisition cost 1 January 2020	18,642	2,514	1,018	22,173
Exchange rate differences			-1	-1
Increases		1,319	321	1,640
Disposals				
Reclassifications between items		-3	-2	-5
<b>Acquisition cost 30 September 2020</b>	<b>18,642</b>	<b>3,830</b>	<b>1,336</b>	<b>23,807</b>
Accumulated depreciation, amortisation and write-offs 1 January 2020	-1,733	-861	-372	2,966
Exchange rate differences			1	1
Cumulative depreciation on reclassifications and disposals		1	1	2
Depreciation for the reporting period	-1,300	-1,005	-315	-2,619
<b>Accumulated depreciation, amortisation and write-offs 30 September 2020</b>	<b>-3,033</b>	<b>-1,864</b>	<b>-686</b>	<b>-5,583</b>
<b>Carrying value 30 September 2020</b>	<b>15,609</b>	<b>1,965</b>	<b>650</b>	<b>18,224</b>
<b>Property, plant and equipment, total</b>				<b>974,677</b>

EUR 1,000	Buildings	Machinery and equipment	Total
<b>Assets classified as held for sale 1 January 2020</b>			
<b>Acquisition cost</b>			
Transfer to non-current assets held for sale	3,297	22,395	25,691
<b>Accumulated depreciation</b>			
Transfer to non-current assets held for sale	-570	-10,510	-11,081
<b>Carrying value 30 September 2020</b>	<b>2,726</b>	<b>11,884</b>	<b>14,610</b>

## LEASES

Finnlines does not apply practical expedient, by which service components are not separated from lease contract components.

Finnlines has included the value of option in such contracts where the leased facility has strategic long term value.

### Amounts recognized in profit or loss

EUR 1,000	1–9 2021	1–9 2020
Interest on lease liabilities 30 September	231	179
Expenses relating to short-term leases	8	2
Expenses relating to low-value assets	65	194
Service components of lease payments 30 September	50	149
Lease payments of all leases accounted according to IFRS 16	2,289	2,736
<b>Total cash flow of all leases 30 September</b>	<b>2,412</b>	<b>3,081</b>

### Maturity analysis

EUR 1,000	2021	2020
<b>Contractual undiscounted cash flows</b>		
Less than one year	2,741	3,366
One to five years	8,566	8,227
More than five years	21,204	14,597
<b>Total undiscounted lease liabilities at 30 September</b>	<b>32,511</b>	<b>26,190</b>
Short term leasing liability	2,098	3,107
Long term leasing liability	20,599	15,285
<b>Lease liabilities included in statement of financial position at 30 September</b>	<b>22,697</b>	<b>18,393</b>

## FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

The Group has loans from financial institutions and pension loans and commercial papers belonging to level 2. Also included in level 2 are foreign currency derivatives acquired to hedge against cash flow risk related to committed vessel orders. There is no material difference between carrying values and fair values of these instruments.

**Level 3** - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 3 includes unlisted shares amounting to EUR 7.1 million (7.1 in 2020), which are valued at the lower of acquisition cost or probable value, as their fair value cannot be reliably measured. Majority of the unlisted shares consists of Steveco Oy's shares of which Finnlines owns 25.4%. This shareholding is presented in financial assets, because Finnlines has does not have significant influence in Steveco Oy.

## CONTINGENCIES AND COMMITMENTS

EUR 1,000	30 Sep 2021	30 Sep 2020	31 Dec 2020
Minimum leases payable in relation to fixed term leases			
<b>Vessel leases (Group as lessee):</b>			
Within 12 months	1,696	0	0
1–5 years	0	0	0
After 5 years	0	0	0
	1,696	0	0
<b>Vessel leases (Group as lessor):</b>			
Within 12 months	1,295	7,591	7,141
1–5 years	0	1,295	0
	1,295	8,886	7,141
<b>Other leases (Group as lessee):</b>			
Within 12 months	81	112	109
1–5 years	52	118	96
over 5 years	0	0	0
	133	230	205
<b>Other leases (Group as lessor):</b>			
Within 12 months	245	438	229
1–5 years	0	183	0
over 5 years	0	0	0
	245	621	229
<b>Collateral given</b>			
Loans from financial institutions	228,387	257,091	233,847
	228,387	257,091	233,847
<b>Vessel mortgages provided as guarantees for the above loans</b>	<b>539,500</b>	<b>639,500</b>	<b>539,500</b>
<b>Other collateral given on own behalf</b>			
Pledges	340	340	340
	340	340	340
<b>Other obligations</b>			
Obligations, related to vessel investments	330,803	381,323	358,044
Other external obligations *	972	1,906	1,467
	331,775	383,229	359,511
<b>VAT adjustment liability related to real estate investments</b>	<b>2</b>	<b>3</b>	<b>2</b>

\* Other external obligations are mainly vessel maintenance related obligations.

## REVENUE AND RESULT BY QUARTER

MEUR	Q1/21	Q1/20	Q2/21	Q2/20	Q3/21	Q3/20	Q4/21	Q4/20
<b>Revenue</b>								
Shipping and sea transport services	117.8	124.7	140.3	100.4	149.2	121.2		115.4
Port operations	11.7	10.9	12.5	10.4	11.3	10.6		10.9
Intra-group revenue	-5.4	-5.1	-6.0	-5.0	-5.4	-5.1		-5.4
<b>External sales</b>	124.1	130.5	146.8	105.8	155.1	126.7		120.9
<b>Result before interest and taxes</b>								
Shipping and sea transport services	13.2	21.5	22.9	11.4	32.8	23.0		16.6
Port operations	0.9	0.6	0.6	0.8	1.2	1.4		0.9
<b>Result before interest and taxes (EBIT) total</b>	14.1	22.1	24.4	12.2	34.0	24.5		17.5
Financial income and expenses	-1.1	-1.5	-1.2	-1.4	-1.1	-1.5		-1.2
<b>Result before taxes (EBT)</b>	13.0	20.6	23.2	10.7	32.9	23.0		16.3
Income taxes	0.2	0.1	-0.1	0.2	-0.2	-0.5		-0.8
<b>Result for the reporting period</b>	13.2	20.7	23.1	11.0	32.7	22.5		15.6
EPS (undiluted / diluted) EUR	0.26	0.40	0.45	0.21	0.63	0.44		0.30

## SHARE INFORMATION

	30 Sep 2021	30 Sep 2020
Number of shares	51,503,141	51,503,141

Finnlines Plc is fully owned by the Grimaldi Group.

## EVENTS AFTER THE REPORTING PERIOD

There are no significant events to report.



## CALCULATION OF RATIOS

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Earnings per share (EPS), EUR	=	$\frac{\text{Result attributable to parent company shareholders}}{\text{Weighted average number of outstanding shares}}$	
Shareholders' equity per share, EUR	=	$\frac{\text{Shareholders' equity attributable to parent company shareholders}}{\text{Undiluted number of shares at the end of period}}$	
Net gearing, %	=	$\frac{\text{Interest-bearing liabilities* - cash and bank equivalents}}{\text{Total equity}}$	x 100
Equity ratio, %	=	$\frac{\text{Total equity}}{\text{Assets total - received advances}}$	x 100
Net debt to EBITDA ratio	=	$\frac{\text{Net Debt}}{\text{EBITDA past 12 months}}$	

\* Not including leasing liabilities.

Income tax expense is recognised based on the best estimate of the weighted-average annual income tax rate expected for the full financial year. In January 2013, the shipping operations of Finnlines Plc transferred to tonnage-based taxation.

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## RELATED PARTY TRANSACTIONS

In April 2021, Finnlines time-chartered MS Eurocargo Savona from the Grimaldi Group. There were no other material related party transactions during the reporting period.