



## THE FIRST QUARTER OF 2022 A SUCCESS FOR FINNLINES

### JANUARY–MARCH 2022

- Revenue EUR 157.0 (124.1 in 2021) million, increase 27%
- Result before interest, taxes, depreciation and amortization (EBITDA) EUR 35.6 (30.3) million, increase 18%
- Result for the reporting period EUR 15.1 (13.2) million, increase over 14%
- Interest bearing debt decreased by EUR 17.0 million and was EUR 331.7 (348.7) million at the end of the period

### KEY FIGURES

MEUR	1–3 2022	1–3 2021	1–12 2021
Revenue	157.0	124.1	579.9
<b>Result before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>35.6</b>	30.3	160.3
Result before interest and taxes (EBIT)	15.3	14.1	78.2
% of revenue	9.7	11.4	13.5
<b>Result for the reporting period</b>	<b>15.1</b>	13.2	74.7
Stakeholders' equity/share, EUR	15.1	14.5	14.8
Equity ratio, %	61.7	60.6	60.4
Net debt/EBITDA	1.8	2.5	2.2
Interest bearing debt, MEUR	331.7	348.7	350.4
Net gearing, %	38.8	44.6	45.6

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

"The Finnlines Group recorded revenue totalling EUR 157.0 (124.1) million in the first quarter of 2022, an increase of 27% compared to the same reporting period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 150.6 (117.8) million, of which passenger related revenue was EUR 7.5 (5.1) million. The revenue of Port Operations was EUR 12.1 (11.7) million. Cargo volumes are clearly above the 2021 level, and the number of passengers also increased compared to 2021. Revenue of Port Operations also increased due to the growth of cargo.

During the reporting period January–March 2022, Finnlines transported 199 (187 in 2021) thousand cargo units, shipped 36 (44) thousand cars, and carried 375 (305) thousand tons of freight not possible to measure in units, 117 (101) thousand private and commercial passengers travelled with us.

Europe is facing a Russia-Ukraine war at the moment. This affects the whole EU economy and could likely slowdown the Finnish economy as well. We have stopped our vessels operating to and from Russia along with the EU sanctions. The Russian traffic does not represent a meaningful share of our turnover, but it has complemented well our other lines. The volumes on each of our other lines we operate have increased in Q1 and positive cargo development is expected to continue.

Finnlines has sold MS Finnclipper ro-pax vessel to Grimaldi Group in March 2022, but will soon purchase MS Vizzavona (ex MS Finneagle) ro-pax vessel from the Parent to replace Finnclipper. The chartered ro-ro vessel, MS Eurocargo Savona, returned to Grimaldi Group in mid-March 2022. The Grimaldi Group's and Finnlines' ability to switch ro-ro and ro-pax vessels between the Mediterranean and Baltic Sea increases our capacity to provide services to our customers when needed and flexibility in our network when planning capacity.

The first Eco-series vessel, Finneco I, was delivered on 28 April 2022 at the Jinling Shipyard in Nanjing. The Finneco II and III will follow in May 2022, and the two beautiful Superstar ro-paxes in 2023. Shipowners around the world are undertaking steps to fulfil IMO's and EU's target to reduce CO<sub>2</sub> emissions by 50% by 2050. The Grimaldi Group and Finnlines have made major investments in environmental technology, renewal of the fleet, lengthening of vessels and, moreover, in Green new building programmes worth billions of euros. Finnlines' EUR 0.5 billion green new building programme will reduce the Baltic carbon footprint considerably and it will enable us to reach the IMO's and EU's target well in advance. Through this ambitious investment we can bring to our customers, not only economies of scale and increased frequency, but a green and well-scheduled infrastructure in the Baltic Sea, the North Sea, and reaching all the way to the Bay of Biscay."

## FINNLINES PLC, FINANCIAL REVIEW JANUARY–MARCH 2022 (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 over 15,000 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), Minoan and Transmed.

### 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 EU area increased by 4.8% during the fourth quarter of 2021 in comparison with the same period in 2020. Compared with the third quarter of 2021, the reported GDP in Germany decreased by 0.3% in the fourth quarter of 2021, while in Sweden the increase was 1.1%. In Finland, GDP increased in the fourth quarter by 0.6% compared with the previous quarter. (Eurostat 2022.) However, the Russian conflict with Ukraine may deteriorate future economical development in the EU area depending on the duration and extent of the confrontation.

Based on the January–February statistics by Statistics Finland, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) increased by 7% and exports decreased by 10%. During the same period private and commercial passenger traffic between Finland and Sweden increased by 130%, between Finland and Germany by 73%. (Statistics Finland).

### FINNLINES TRAFFIC

At the beginning of the year Finnlines doubled the number of departures on the Hanko-Gdynia line when previous ro-ro vessel was replaced by MS Finnhawk and MS Finnkraft.

At the end of January Finnlines upgraded its services to cargo customers and private passengers between Finland and Sweden. The Star class ro-pax vessel MS Euroalink replaced MS Finn fellow and joined her sister ship MS Finnswan on the Naantali–Långnäs–Kapellskär route. At the same time MS Finn fellow moved to the Malmö–Travemünde traffic.

In March 2022 Finnlines suspended its regular services to and from Russia. Due to fleet rearrangements MS Eurocargo Savona was redelivered to its owners in the Mediterranean while MS Finnsea moved from the Germany–Russia traffic to the Hanko–Rostock line.

At the end of the first quarter MS Finnclipper, which had operated in Finnlines' Nordölink traffic as the fourth vessel, was sold to the Grimaldi Group.

During the first quarter Finnlines operated on average 22 (20) vessels in its own traffic.

The cargo volumes transported during January–March totalled approximately 199 (187 in 2021) thousand cargo units, 36 (44) thousand cars (not including passengers' cars) and 375 (304) thousand tons of freight not possible to measure in units. In addition, some 117 (101) thousand private and commercial passengers were transported.

### FINANCIAL RESULTS

#### January–March 2022

The Finnlines Group recorded revenue totalling EUR 157.0 (124.1) million in the reporting period, an increase of 27% compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 150.6 (117.8) million, of which passenger related revenue was EUR 7.5 (5.1) million. The revenue of Port Operations was EUR 12.1 (11.7) million. Cargo volumes are clearly above the 2021 level, and the number of passengers also increased compared to 2021. Revenue of Port Operations also increased due to the growth of cargo. The internal revenue between the segments was EUR 5.7 (5.4) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 35.6 (30.3) million, an increase of 18%.

Result before interest and taxes (EBIT) was EUR 15.3 (14.1) million.

As a result of the improved financial position, net financial expenses decreased to EUR -1.0 (-1.1) million. Financial income was EUR 0.1 (0.0) million and financial expenses EUR -1.1 (-1.1) million. Result before taxes (EBT) increased by EUR 1.2 million and was EUR 14.3 (13.0) million. The result for the reporting period was EUR 15.1 (13.2) million.

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

Interest-bearing debt decreased by EUR 17.0 million to EUR 331.7 (348.7) million, excluding leasing liabilities of EUR 22.5 (16.9) million. Net interest-bearing debt excluding leasing liabilities at the end of period was EUR 301.3 (332.7) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio amounted to 1.8 (2.5) and the equity ratio calculated from the balance sheet was 61.7 (60.6)%. Net gearing resulted in 38.8 (44.6) %.

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 247.4 (204.2) million.

Net cash generated from operating activities remained strong and was EUR 23.2 (16.3) million.

#### **CAPITAL EXPENDITURE**

The Finnlines Group's gross capital expenditure in the reporting period totalled EUR 2.3 (18.4) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 20.3 (16.2) million. The investments consist of normal replacement expenditure of fixed assets, new cargo handling equipment, dry-dockings, buildings in Vuosaari Harbour and environmental investments 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, continued in China. The programme consists of three hybrid ro-ro vessels (Finneco I, II, III) and two eco-efficient ro-pax vessels (Finn Sirius and Finn Canopus). The first vessel of the Programme, the hybrid ro-ro vessel Finneco I, was delivered on 28 April 2022. Finneco II and III will be delivered in 2022. Two Superstar ro-pax vessels are scheduled to be delivered in 2023. The new vessels will further increase Finnlines' energy efficiency and emission reduction and are a significant step towards an even more sustainable and eco-efficient fleet.

#### **PERSONNEL**

The Group employed an average of 1,649 (1,509) persons during the reporting period, consisting of 941 (830) persons at sea and 708 (679) persons on shore. The number of persons employed at the end of the period was 1,636 (1,493) in total, of which 936 (814) at sea and 700 (679) on shore.

The personnel expenses (including social costs) for the reporting period were EUR 23.6 (21.9) million.

#### **THE FINNLINES SHARE**

The Company's paid-up and registered share capital on 31 March 2022 totalled EUR 103,006,282. The capital stock consisted of 51,503,141 shares.

Finnlines Plc is fully owned by the Grimaldi Group.

#### **ANNUAL GENERAL MEETING**

Finnlines Plc's Annual General Meeting was held in Helsinki on 5 May 2022. The Annual General Meeting of Finnlines Plc approved the Financial Statements and discharged the members of the Board of Directors and President and CEO from liability for the financial year 2021. The meeting approved the Board of Directors' proposal to pay a dividend of EUR 1.00 per share.

The meeting decided that the number of Board Members be nine. The meeting decided to re-elect the current board members Tiina Bäckman, Emanuele Grimaldi, Gianluca Grimaldi, Guido Grimaldi, Mikael Mäkinen, Diego Pacella, Esben Poulsson, Jon-Aksel Torgersen and Tapani Voionmaa for the term until the close of the Annual General Meeting in 2023.

The Annual General Meeting elected KPMG Oy Ab as the Company's auditor for the fiscal year 2022. It was decided that the external auditors will be reimbursed according to invoice.

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

The economic outlook seemed solid at the beginning of 2022 despite new variants of the corona virus. However, geopolitical tensions increased considerably when Russia attacked Ukraine in February. Russia is an important exporter of energy and raw materials, but many companies have withdrawn from the Russian market and broken off trade relations. Consequently, energy prices have rocketed and the price of raw materials has also gone up, which raises costs for the public and private sector. Inflation is accelerating and expected to pose a risk to growth prospects.

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 over EUR 200 million and the Company has initiated cost saving plans in April 2020.

#### **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. 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. The Market Court dismissed Finnlines' appeals 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 grounds that the procurement processes as well as Traficom's temporary arrangements had been carried out in accordance with the Finnish procurement regulations.

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**

The first Eco-series vessel, MS Finneco I, was delivered on 28 April 2022. There are no other significant events to report.

#### **OUTLOOK AND OPERATING ENVIRONMENT**

The three new green ro-ro vessels will support our customers' need for more capacity. They also enable us to add our flexibility in terms of cargo mix, fleet planning and route optimisation. The vessels are not just eco-efficient but they also increase our operational efficiency due to larger size. As it is hard to predict the economic and geopolitical development, Finland's trade and freight outlook for the remaining 2022 is yet growing although at a slower pace than earlier forecasted. Taking into account that Finnlines is in a very good shape, both operationally and financially, we are well-equipped to sturdily follow our growth strategy and green newbuilding programme. We estimate that Finnlines Group's result before taxes is expected to improve from 2021.

The second financial review of 2022 for the period of 1 April–30 June 2022 will be published on Thursday 28 July 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 2021.

Russia invaded Ukraine in February 2022, which has caused uncertainty in European economy thus reflecting also in Finnlines' business environment. Finnlines' management has assessed that the war and the sanctions against Russia will not have a material impact on the reported figures.

During the fiscal year 2021 the management evaluated vessels' economic life span and residual values. Due to the expected economic life span of 25-30 years, depreciation times have been shortened by five years on average, starting from 1 January 2021. The adjustment regarding the depreciations of full fiscal year 2021 is booked on the fourth quarter of 2021.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS**

<b>EUR 1,000</b>	<b>1–3 2022</b>	<b>1–3 2021</b>	<b>1–12 2021</b>
<b>Revenue</b>	<b>156,993</b>	124,056	579,944
Other income from operations	1,980	222	1,896
Materials and services	-61,438	-41,794	-192,991
Personnel expenses	-23,609	-21,933	-89,602
Depreciation, amortisation and impairment losses	-20,297	-16,157	-82,127
Other operating expenses	-38,347	-30,289	-138,958
Total operating expenses	-143,690	-110,173	-503,678
<b>Result before interest and taxes (EBIT)</b>	<b>15,283</b>	14,104	78,161
Financial income	79	20	187
Financial expenses	-1,083	-1,095	-4,591
<b>Result before taxes (EBT)</b>	<b>14,279</b>	13,029	73,758
Income taxes	834	169	915
<b>Result for the reporting period</b>	<b>15,113</b>	13,199	74,673
<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	-10	45	68
Fair value changes on currency derivatives	-2,039	8,776	16,695
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	-2,048	8,821	16,763
<b>Other comprehensive income not being reclassified to profit and loss in subsequent periods:</b>			
Remeasurement of defined benefit plans	0	0	-51
Tax effect, net	0	0	-38
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	0	0	-90
<b>Total comprehensive income for the reporting period</b>	<b>13,065</b>	22,020	91,346
<b>Result for the reporting period attributable to:</b>			
Parent company shareholders	15,113	13,199	74,673
	15,113	13,199	74,673
<b>Total comprehensive income for the reporting period attributable to:</b>			
Parent company shareholders	13,065	22,020	91,346
	13,065	22,020	91,346
<b>Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share)</b>			
Undiluted / diluted earnings per share	0.29	0.26	1.45
Average number of shares			
Undiluted / diluted	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	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	953,513	970,183	1,004,024
Goodwill	105,644	105,644	105,644
Other intangible assets	3,167	3,500	3,116
Other financial assets	7,076	7,076	7,076
Receivables	9,079	5,272	8,121
Deferred tax assets	996	2,385	983
	<b>1,079,474</b>	<b>1,094,059</b>	<b>1,128,963</b>
<b>Current assets</b>			
Inventories	11,792	7,231	8,395
Accounts receivable and other receivables	135,168	107,534	119,275
Income tax receivables	45	30	48
Cash and cash equivalents	30,435	16,025	1,951
	<b>177,439</b>	<b>130,819</b>	<b>129,669</b>
<b>Non-current assets held for sale</b>	<b>14,610</b>	<b>14,610</b>	<b>14,610</b>
<b>Total assets</b>	<b>1,271,524</b>	<b>1,239,488</b>	<b>1,273,242</b>
<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	137	134	141
Fund for invested unrestricted equity	40,016	40,016	40,016
Fair value reserve *	16,035	10,154	18,073
Retained earnings	593,642	568,637	578,535
	<b>777,361</b>	<b>746,473</b>	<b>764,296</b>
<b>Total equity</b>	<b>771,361</b>	<b>746,473</b>	<b>764,296</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Deferred tax liabilities	43,070	46,302	44,003
Pension liabilities	3,148	3,336	3,143
Provisions	1,706	1,697	1,697
Loans from financial institutions	132,636	205,231	169,123
	<b>180,561</b>	<b>256,567</b>	<b>217,976</b>
<b>Current-liabilities</b>			
Accounts payable and other liabilities	91,786	75,827	87,257
Current tax liabilities	10	11	22
Provisions	215	215	215
Loans from financial institutions	221,591	160,395	203,476
	<b>313,602</b>	<b>236,449</b>	<b>290,970</b>
<b>Total liabilities</b>	<b>494,163</b>	<b>493,016</b>	<b>508,946</b>
<b>Total equity and liabilities</b>	<b>1,271,524</b>	<b>1,239,488</b>	<b>1,273,242</b>

\* 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 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						13,199	13,199
Exchange differences on translating foreign operations			20			24	44
Fair value change on currency derivatives					16,695		16,695
<b>Total comprehensive income for the reporting period</b>	0	0	20	0	8,776	13,223	22,020
<b>Equity 31 March 2021</b>	103,006	24,525	134	40,016	10,154	568,637	746,473

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2022, 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 2022</b>	103,006	24,525	141	40,016	18,073	578,535	764,296
<b>Comprehensive income for the reporting period:</b>							
Result for the reporting period						15,113	15,113
Exchange differences on translating foreign operations			-4			-7	-11
Fair value change on currency derivatives					-2,039		-2,039
<b>Total comprehensive income for the reporting period</b>	0	0	-4	0	-2,039	15,106	13,063
<b>Equity 31 March 2022</b>	103,006	24,525	137	40,016	16,034	593,641	777,361

## CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1–3 2022	1–3 2021	1–12 2021
<b>Cash flows from operating activities</b>			
Results for the reporting period	15,113	13,199	74,673
Adjustments			
Non-cash transactions	18,764	16,146	81,937
Unrealised foreign exchange gains (-) / losses (+)	-2	-4	
Financial income and expenses	1,006	1,079	4,407
Taxes	-834	-169	-915
Changes in working capital			
Change in accounts receivable and other receivables	-10,677	-14,658	-20,976
Change in inventories	-3,397	-1,264	-2,428
Change in accounts payable and other liabilities	4,261	3,062	14,759
Change in provisions	6	-1	-193
Interest paid	-522	-495	-2,679
Interest received	0	4	29
Taxes paid	-102	-67	-265
Other financing items	-401	-485	-1,636
<b>Net cash generated from operating activities</b>	<b>23,214</b>	<b>16,346</b>	<b>146,713</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets	-2,308	-18,384	-83,577
Sale of tangible assets	0	11	375
Acquisition of non-controlling interests	0	0	-27,051
<b>Net cash used in investing activities</b>	<b>-2,308</b>	<b>-18,373</b>	<b>-110,253</b>
<b>Cash flows from financing activities</b>			
Loan withdrawals	15,000	52,000	232,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	17,837	-8,206	34,881
Repayment of loans	-24,475	-26,718	-248,649
Payment of lease liabilities (2018 Payment of finance lease liabilities)	-583	-875	-3,090
Dividends paid			-51,503
<b>Net cash used in financing activities</b>	<b>7,779</b>	<b>16,201</b>	<b>-36,361</b>
<b>Change in cash and cash equivalents</b>	<b>28,684</b>	<b>1,847</b>	<b>99</b>
Cash and cash equivalents 1 January	1,951	14,174	1,847
Effect of foreign exchange rate change	-200	3	5
<b>Cash and cash equivalents at the end of periods</b>	<b>30,435</b>	<b>16,025</b>	<b>1,951</b>

## REVENUE AND RESULT BY BUSINESS SEGMENTS

	1-3 2022		1-3 2021		1-12 2021	
	MEUR	%	MEUR	%	MEUR	%
<b>Revenue</b>						
Shipping and sea transport services	150.6	95.9	117.8	94.9	555.3	95.8
Port operations	12.1	7.7	11.7	9.4	47.0	8.1
Intra-group revenue	-5.7	-3.6	-5.4	-4.3	-22.3	-3.9
<b>External sales</b>	<b>157.0</b>	<b>100.0</b>	124.1	100.0	579.9	100.0
<b>Result before interest and taxes</b>						
Shipping and sea transport services	14.8		13.2		73.6	
Port operations	0.4		0.9		4.6	
<b>Result before interest and taxes (EBIT) total</b>	<b>15.3</b>		14.1		78.2	
Financial income and expenses	-1.0		-1.1		-4.4	
<b>Result before taxes (EBT)</b>	<b>14.3</b>		13.0		73.8	
Income taxes	0.8		0.2		0.9	
<b>Result for the reporting period</b>	<b>15.1</b>		13.2		74.7	

## REVENUE BY GEOGRAPHICAL AREA

EUR 1,000	1-3 2022	1-3 2021	1-12 2021
<b>Revenue</b>			
Finland	65,064	49,802	238,251
Sweden	24,406	20,393	92,888
Germany	17,689	13,478	71,275
Other EU countries	40,349	30,526	152,350
Russia	1,525	1,699	9,893
Other	7,960	8,159	15,286
	<b>156,993</b>	124,056	579,944

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

## REVENUE BY FUNCTIONS

EUR 1,000	1-3 2022	1-3 2021	1-12 2021
<b>Revenue</b>			
Freight and other shipping services	137,158	112,724	507,864
Passenger services	7,489	5,131	47,829
Port operations	12,346	6,201	24,251
	<b>156,993</b>	124,056	579,944

**PROPERTY, PLANT AND EQUIPMENT 2022**

<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 2022	1,125	106,142	1,497,525	66,874	131,243	1,802,910
Exchange rate differences				-2		-2
Increases			6,337	73	-4,303	2,107
Disposals			-86,294	-79		-86,373
Reclassifications between items			1,070		-1,070	
Reclassifications to non-current assets held for sale *		-3,297		-22,395		-25,691
<b>Acquisition cost on 31 March 2022</b>	<b>1,125</b>	<b>102,846</b>	<b>1,418,639</b>	<b>44,472</b>	<b>125,869</b>	<b>1,692,951</b>
Accumulated depreciation, amortisation and write-offs 1 January 2021		-42,426	-719,249	-45,482		-807,157
Exchange rate differences				2		2
Cumulative depreciation on reclassifications and disposals			52,917	79		52,995
Depreciation for the reporting period		-773	-18,516	-248		-19,537
<b>Accumulated depreciation, amortisation and write-offs 31 March 2022</b>		<b>-43,199</b>	<b>-684,849</b>	<b>-45,649</b>		<b>-773,697</b>
Reclassifications to non-current assets held for sale *		570		10,510		11,081
<b>Carrying value on 31 March 2022</b>	<b>1,125</b>	<b>60,217</b>	<b>733,791</b>	<b>9,333</b>	<b>125,869</b>	<b>930,335</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 2021 or 2022, 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 31 March 2021 and 31 March 2022.

<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 2022</b>				
Acquisition cost 1 January 2022	27,719	1,733	1,622	31,073
Exchange rate differences				
Increases	877	37		914
Disposals				
Reclassifications between items				
<b>Acquisition cost 31 March 2022</b>	<b>28,596</b>	<b>1,770</b>	<b>1,622</b>	<b>31,987</b>
Accumulated depreciation, amortisation and write-offs 1 January 2022	-6,019	-1,092	-1,081	-8,192
Exchange rate differences				
Cumulative depreciation on reclassifications and disposals				
Depreciation for the reporting period	-479	-62	-75	-616
<b>Accumulated depreciation, amortisation and write-offs 31 March 2022</b>	<b>-6,498</b>	<b>-1,155</b>	<b>-1,155</b>	<b>-8,808</b>
<b>Carrying value 31 March 2022</b>	<b>22,098</b>	<b>615</b>	<b>466</b>	<b>23,178</b>
<b>Property, plant and equipment, total</b>				<b>953,513</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 2022</b>			
Acquisition cost	3,297	22,395	25,691
Transfer to non-current assets held for sale	-570	-10,510	-11,081
<b>Accumulated depreciation</b>			
Transfer to non-current assets held for sale			
<b>Carrying value 31 March 2022</b>	<b>2,726</b>	<b>11,884</b>	<b>14,610</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		-2		13		11
Increases			4,412	116	13,824	18,352
Disposals			-46	-32		-78
Reclassifications between items			221	0	-221	0
Reclassifications to non-current assets held for sale *		-3,297		-22,395		-25,691
<b>Acquisition cost on 31 March 2021</b>	<b>72</b>	<b>63,550</b>	<b>1,491,104</b>	<b>43,529</b>	<b>73,123</b>	<b>1,671,379</b>
Accumulated depreciation, amortisation and write-offs 1 January 2021		-25,156	-644,563	-44,175		-713,894
Exchange rate differences		2		-12		-10
Cumulative depreciation on reclassifications and disposals			46	-32		78
Depreciation for the reporting period		-480	-14,381	-258		-15,119
<b>Accumulated depreciation, amortisation and write-offs 31 March 2021</b>		<b>-25,634</b>	<b>-658,897</b>	<b>-44,414</b>		<b>-728,945</b>
Reclassifications to non-current assets held for sale *		570		10,510		11,081
<b>Carrying value on 31 March 2021</b>	<b>72</b>	<b>38,487</b>	<b>832,207</b>	<b>9,625</b>	<b>73,123</b>	<b>953,515</b>

Not including right-of-use assets.

<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			33	33
Disposals				
Reclassifications between items				
<b>Acquisition cost 31 March 2021</b>	<b>18,642</b>	<b>3,832</b>	<b>1,473</b>	<b>23,948</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				
Depreciation for the reporting period	-428	-323	-82	-834
<b>Accumulated depreciation, amortisation and write-offs 31 March 2021</b>	<b>-3,894</b>	<b>-2,526</b>	<b>-859</b>	<b>-7,278</b>
<b>Carrying value 31 March 2021</b>	<b>14,748</b>	<b>1,306</b>	<b>615</b>	<b>16,668</b>
<b>Property, plant and equipment, total</b>				<b>970,183</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 31 December 2021</b>	<b>2,726</b>	<b>11,884</b>	<b>14,610</b>

During the fiscal year 2021 the management evaluated vessels' economic life span and residual values. Due to the expected economic life span of 25-30 years, depreciation times have been shortened by five years on average, starting from 1 January 2021. The adjustment regarding the depreciations of full fiscal year 2021 is booked on the fourth quarter of 2021.



## 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	1–3 2022	1–3 2021
Interest on lease liabilities 31 March	83	63
Expenses relating to short-term leases	122	52
Expenses relating to low-value assets	52	11
Service components of lease payments 31 March June	0	53
Lease payments of all leases accounted according to IFRS 16	664	871
<b>Total cash flow of all leases 31 March</b>	<b>838</b>	<b>987</b>

### Maturity analysis

#### Maturity analysis

EUR 1,000	1–3 2022	1–3 2021
<b>Contractual undiscounted cash flows</b>		
Less than one year	2,642	2,837
One to five years	8,231	7,817
More than five years	20,324	13,848
<b>Total undiscounted lease liabilities at 31 March</b>	<b>31,197</b>	<b>24,502</b>
Short term leasing liability	2,264	2,537
Long term leasing liability	20,255	14,346
<b>Lease liabilities included in statement of financial position at 31 March</b>	<b>22,519</b>	<b>16,882</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 2021), 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	31 Mar 2022	31 Mar 2021	31 Dec 2021
Minimum leases payable in relation to fixed-term leases:			
<b>Vessel leases (Group as lessee)</b>			
Within 12 months	0	0	1,440
1–5 years	0	0	0
	0	0	1,440
<b>Vessel leases (Group as lessor)</b>			
Within 12 months	0	4,681	0
1–5 years	0	0	0
	0	4,681	0
<b>Other leases (Group as lessee)</b>			
Within 12 months	52	108	181
1–5 years	36	73	44
After 5 years	0	0	0
	88	181	225
<b>Other leases (Group as lessor)</b>			
Within 12 months	171	324	310
1–5 years	0	0	0
	171	324	310
<b>Collateral given</b>			
Loans from financial institutions	207,463	250,874	207,643
<b>Vessel mortgages provided as guarantees for the above loans</b>			
	539,500	539,500	539,500
<b>Other collateral given on own behalf</b>			
Pledges	340	340	340
<b>Other obligations</b>			
Obligations, related to vessel investments	317,690	362,890	319,221
Other external obligations	1,130	1,775	1,130
	318,820	364,665	320,350
<b>VAT adjustment liability related to real estate investments</b>			
	4	2	5

## REVENUE AND RESULT BY QUARTER

MEUR	Q1/22	Q1/21	Q2/22	Q2/21	Q3/22	Q3/21	Q4/22	Q4/21
<b>Revenue</b>								
Shipping and sea transport services	150.6	117.8		140.3		149.2		148.0
Port operations	12.1	11.7		12.5		11.3		11.5
Intra-group revenue	-5.7	-5.4		-6.0		-5.4		-5.6
<b>External sales</b>	<b>157.0</b>	124.1		146.8		155.1		154.0
<b>Result before interest and taxes</b>								
Shipping and sea transport services	14.8	13.2		22.9		32.8		4.6
Port operations	0.4	0.9		1.5		1.2		1.0
<b>Result before interest and taxes (EBIT) total</b>	<b>15.3</b>	14.1		24.4		34.0		5.7
Financial income and expenses	-1.0	-1.1		-1.2		-1.1		-1.0
<b>Result before taxes (EBT)</b>	<b>14.3</b>	13.0		23.2		32.9		4.6
Income taxes	0.8	0.2		-0.1		-0.2		1.1
<b>Result for the reporting period</b>	<b>15.1</b>	13.2		23.1		32.7		5.7
EPS (undiluted / diluted), EUR	0.29	0.26		0.45		0.63		0.11

## SHARE INFORMATION

	31 Mar 2022	31 Mar 2021
Number of shares	51,503,141	51,503,141

Finlines Plc is fully owned by the Grimaldi Group

## EVENTS AFTER THE REPORTING PERIOD

The first Eco-series vessel, MS Finneco I, was delivered on 28 April 2022. There are no other 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, %	=	$\frac{\text{Interest-bearing liabilities* - cash and bank equivalents}}{\text{Total equity}} \times 100$	
Equity ratio, %	=	$\frac{\text{Total equity}}{\text{Assets total - received advances}} \times 100$	
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

MS Finnclipper was sold to the Grimaldi Group in March 2022. There were no other material related party transactions during the reporting period.