



Financial review Q3
January–September 2022
3 November 2022

JANUARY–SEPTEMBER 2022

- Revenue EUR 558.4 (425.9 in 2021) million, increase 31%.
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 169.2 (121.2) million, increase 40%.
- Result for the reporting period EUR 105.2 (69.0) million, increase 52%.
- Interest bearing debt increased by EUR 33.6 million and was EUR 404.7 (371.2) million at the end of the period.

JULY–SEPTEMBER 2022

- Revenue EUR 201.5 (155.1 in 2021) million, increase 30%.
- Result before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 71.5 (50.2) million, increase 42%.
- Result for the reporting period EUR 48.8 (32.7) million, increase 49%.

KEY FIGURES

MEUR	1–9 2022	1–9 2021	7–9 2022	7–9 2021	1–12 2021
Revenue	558.4	425.9	201.5	155.1	579.9
Result before interest, taxes, depreciation and amortisation (EBITDA)	169.2	121.2	71.5	50.2	160.3
Result before interest and taxes (EBIT)	106.2	72.5	49.5	34.0	78.2
% of revenue	19.0	17.0	24.6	21.9	13.5
Result for the reporting period	105.2	69.0	48.8	32.7	74.7
Stakeholders' equity/share, EUR	16.20	14.69	16.20	14.69	14.84
Equity ratio, %	59.8	59.2	59.8	59.2	60.4
Net debt/EBITDA	1.9	2.4	1.9	2.4	2.2
Interest bearing debt, MEUR	404.7	371.2	404.7	371.2	350.4
Net gearing, %	47.4	48.4	47.4	48.4	45.6

TOM PIPPINGSKÖLD, PRESIDENT AND CEO, IN CONJUNCTION WITH THE REVIEW

“The Finnlines Group’s revenue in January–September 2022 amounted to EUR 558.4 million, an increase of 31 per cent compared to the corresponding period in 2021. The result for the reporting period was EUR 105.2 million – an increase of 52 per cent compared to EUR 69.0 million in January–September 2021. Earnings before interest, taxes, depreciation and amortisation, EBITDA, amounted to EUR 169.2 (121.2 in 2021) million. Our financial performance has improved regardless of the fact that consumer and business confidence has been hit by the war in Ukraine, accelerating inflation and soaring energy costs.

Considering the economic instability, freight volumes have been fairly good during the first three quarters of 2022, Finnlines transported 572,000 cargo units, shipped 99,000 cars and carried 514,000 private and commercial passengers. Together with its customers, Finnlines supports the competitiveness and economic growth of Finland and of the entire Baltic Sea region.

During the summer of 2022, Finnlines introduced three new Eco-class hybrid ro-ro vessels, part of our EUR 500 million Green Investment Programme, which operate on the route Bilbao–Zeebrugge/Antwerp–Travemünde–Helsinki/Kotka. The three giant vessels with state-of-the-art technology do not only offer economies of scale to customers, but the environmental footprint will also be reduced.

We invest in new vessels and bring more capacity to the Baltic Sea, Biscay traffic and Ireland traffic. In July, Finnlines launched a new freight route between Rosslare, Ireland, and Zeebrugge, Belgium, providing an important link between Ireland and rest of Europe. This line was highly welcomed by the market and, therefore, a smaller ro-ro vessel was quickly replaced by a larger vessel with nearly 4,200 lane metres for cargo.

Our ongoing EUR 500 million investment programme includes two Superstar ro-pax vessels in addition to the three hybrid ro-ro vessels already in service. The first vessel, Finnsirius, was launched in August and the keel laying of the second one, Finncanopus, was celebrated in September. The Finnsirius and Finncanopus, will significantly enhance the passenger experience. Both vessels will have capacity to carry 1,100 passengers, which is about twice the capacity of the existing ro-pax vessels on the route. The cargo capacity will increase from just over 4,000 lane metres in the current vessels to 5,200 lane metres. The new vessels will start operating on the Naantali–Långnäs–Kapellskär route in autumn 2023.

Finnlines will continue to expand its services by increasing freight capacity and improving its network for customers – more efficiently, more reliably and in a more sustainable way.”

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 the Baltic Sea, Finnlines connects in the Baltic Sea area 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 Gross Domestic Product in EU area increased by 4.1% during the second quarter of 2022 in comparison with the same period in 2021. Compared with the first quarter of 2022, the reported GDP in Germany increased by 0.1% in the second quarter of 2022, while in Sweden the increase was 0.9%. In Finland, GDP increased in the second quarter by 0.9% 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-August statistics by Statistics Finland, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) increased by 6 % and exports decreased by 4 %. During the same period private and commercial passenger traffic between Finland and Sweden increased by 190 %, between Finland and Germany the traffic increased by 66 %. (Statistics Finland).

FINNLINES TRAFFIC

During July both Finneco II and Finneco III started in regular Biscay service alongside Finneco I, which joined the fleet in June. At the same time the traffic pattern of ro-ro vessels was adjusted by moving Breeze class vessels to Baltic traffic and replacing Finnhawk by Finnmill in the Polish line. In the UK line Finnhawk replaced Finnmaster, which was sold to the Grimaldi Group in September.

In July 2022, Finnlines launched a new service between Zeebrugge and Rosslare. The route is operated by one ro-ro vessel, which has two weekly departures from each direction.

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

The cargo volumes transported during January–September totaled approximately 572,000 (583,000 in 2021) cargo units, 99,000 (124,000) cars (not including passengers' cars) and 1,084,000 (1,040,000) tons of freight not possible to measure in units. In addition, some 514,000 (439,000) private and commercial passengers were transported.

FINANCIAL RESULTS

January–September 2022

The Finnlines Group recorded revenue totalling EUR 558.4 (425.9) million in the reporting period, an increase of 31% compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 539.6 (407.3) million, of which passenger related revenue was EUR 56.4 (38.0) million. The revenue of Port Operations was EUR 35.9 (35.4) million. During the reporting period, transported cargo volumes are in the same level compared to last year, whereas the rapid rise of fuel prices have increased cargo-related bunker surcharges compared to last year. In January–September 2022 the number of private passengers increased substantially from last year. The internal revenue between the segments was EUR 17.1 (16.8) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 169.2 (121.2) million, an increase of 40%.

Result before interest and taxes (EBIT) was EUR 106.2 (72.5) million.

Due to a strong financial position, net financial expenses remained unchanged and was EUR -3.4 (-3.4) million. Financial income was EUR 0.6 (0.1) million and financial expenses EUR -4.0 (-3.5) million. Result before taxes (EBT) increased by EUR 33.7 million and was EUR 102.9 (69.1) million. The result for the reporting period was EUR 105.2 (69.0) million.

July–September 2022

The Finnlines Group recorded revenue totalling EUR 201.5 (155.1) million. Shipping and Sea Transport Services generated revenues amounting to EUR 195.9 (149.2) million and Port Operations EUR 11.1 (11.3) million. The internal revenue between the segments was EUR 5.4 (5.4) million. The growth of cargo volumes have settled during the third quarter, but the number of passengers have continued to increase during the reporting period.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 71.5 (50.2) million, an increase of 42%.

Result before interest and taxes (EBIT) was EUR 49.5 (34.0) million.

Net financial expenses were EUR -1.3 (1.1) million. Financial income was EUR 0.3 (0.0) million and financial expenses totalled EUR -1.6 (-1.1) million. Result before taxes (EBT) increased by EUR 15.3 million and was EUR 48.2 (32.9) million. The result for July–September was EUR 48.8 (32.7) million.

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH FLOW

Interest-bearing debt increased by EUR 33.6 million to EUR 404.7 (371.2) million, excluding leasing liabilities of EUR 21.7 (22.7) million. Net interest-bearing debt at the end of period was EUR 394.9 (366.5) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio amounted to 1.9 (2.4) and the equity ratio calculated from the balance sheet was 59.8% (59.2%). Net gearing resulted in 47.4% (48.4%).

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 279.9 (204.7) million.

Net cash generated from operating activities stood at EUR 129.4 (107.2) million.

CAPITAL EXPENDITURE

The Finlines Group's gross capital expenditure in the reporting period totalled EUR 170.0 (89.8) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 63.0 (48.7) 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.

Finlines 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.

Finlines' EUR 500 million investment programme, the Newbuilding Programme, will further increase Finlines' energy efficiency and emission reduction. New vessels are a significant step towards an even more sustainable and eco-efficient fleet. All three new ro-ro vessels entered Finlines' traffic during the summer. In addition to the three ro-ro vessels, Finlines 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 1,694 (1,546) persons during the reporting period, consisting of 968 (848) persons at sea and 726 (698) persons on shore. The number of persons employed at the end of the period totalled 1,656 (1,551), of whom 947 (864) at sea and 709 (687) on shore.

The personnel expenses (including social costs) for the reporting period amounted to EUR 71.5 (66.3) million.

THE FINNLINES SHARE

The Company's paid-up and registered share capital on 30 September 2022 totalled EUR 103,006,282. The capital stock consisted of 51,503,141 shares.

Finlines Plc is fully owned by the Grimaldi Group.

RISKS AND RISK MANAGEMENT

Geopolitical tensions increased considerably when Russia attacked Ukraine in February 2022. 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. The probability of cyber attacks has also increased.

Finlines 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, Finlines 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. Finlines 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 300 million.

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.

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.

EVENTS AFTER THE REPORTING PERIOD

In October 2022, Finnlines acquired the ro-pax vessel MS Euroferry Corfu from the Grimaldi Group. The vessel is bare-boat chartered outside the Group.

OUTLOOK AND OPERATING ENVIRONMENT

Consumer and business confidence has been hit to some extent by the War in Ukraine. This uncertainty and inflation has also started to pick up and interest rates have risen.

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 2021, 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.

The fourth financial review of 2022 for the period of 1 January–31 December 2022 and the Financial Statements 2022 will be published on Tuesday, 28 February 2023.

Finnlines Plc
The Board of Directors

Tom Pippingsköld
President and CEO

FURTHER INFORMATION

Tom Pippingsköld, President and CEO, +358 40 519 5041, tom.pippingskold@finnlines.com

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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

EUR 1,000	7–9 2022	7–9 2021	1–9 2022	1–9 2021	1–12 2021
Revenue	201,519	155,087	558,436	425,928	579,944
Other income from operations	3,032	530	5,435	1,353	1,896
Materials and services	-70,981	-49,011	-206,878	-138,814	-192,991
Personnel expenses	-23,129	-21,505	-71,452	-66,310	-89,602
Depreciation, amortisation and impairment losses	-22,049	-16,222	-62,968	-48,731	-82,127
Other operating expenses	-38,903	-34,882	-116,333	-100,918	-138,958
Total operating expenses	-155,061	-121,620	-457,631	-354,773	-503,678
Result before interest and taxes (EBIT)	49,489	33,997	106,240	72,507	78,161
Financial income	299	35	647	96	187
Financial expenses	-1,593	-1,121	-4,005	-3,461	-4,591
Result before taxes (EBT)	48,196	32,911	102,881	69,142	73,758
Income taxes	629	-215	2,275	-186	915
Result for the reporting period	48,825	32,696	105,156	68,956	74,673
Other comprehensive income:					
Other comprehensive income to be reclassified to profit and loss in subsequent periods:					
Exchange differences on translating foreign operations	-41	-6	-69	37	68
Fair value changes on currency derivatives	8,499	6,491	14,554	14,733	16,695
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	8,457	6,485	14,485	14,769	16,763
Other comprehensive income not being reclassified to profit and loss in subsequent periods:					
Remeasurement of defined benefit plans	0	0	0	0	-51
Tax effect, net	0	0	0	0	-38
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	0	0	0	0	-90
Total comprehensive income for the reporting period	57,282	39,180	119,641	83,725	91,346
Result for the reporting period attributable to:					
Parent company shareholders	48,825	32,696	105,156	68,956	74,673
	48,825	32,696	105,156	68,956	74,673
Total comprehensive income for the reporting period attributable to:					
Parent company shareholders	57,282	39,180	119,641	83,725	91,346
	57,282	39,180	119,641	83,725	91,346
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share)					
Undiluted / diluted earnings per share	0.95	0.63	2.04	1.34	1.45
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 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment	1,075,516	1,016,284	1,004,024
Goodwill	105,644	105,644	105,644
Other intangible assets	3,216	3,266	3,116
Other financial assets	7,076	7,076	7,076
Receivables	15,710	4,776	8,121
Deferred tax assets	914	2,392	983
	1,208,075	1,139,438	1,128,963
Current assets			
Inventories	11,329	7,883	8,395
Accounts receivable and other receivables	150,404	116,193	119,275
Income tax receivables	45	30	48
Cash and cash equivalents	9,892	4,662	1,951
	171,670	128,768	129,669
Non-current assets held for sale	14,610	14,610	14,610
Total assets	1,394,355	1,282,816	1,273,242
EQUITY			
Equity attributable to parent company shareholders			
Share capital	103,006	103,006	103,006
Share premium account	24,525	24,525	24,525
Translation differences	118	131	141
Fund for invested unrestricted equity	40,016	40,016	40,016
Fair value reserve *	32,627	16,111	18,073
Retained earnings	632,142	572,886	578,535
Total equity	832,435	756,675	764,296
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	41,483	46,550	44,003
Pension liabilities	3,159	3,348	3,143
Provisions	1,697	1,697	1,697
Loans from financial institutions	246,854	217,417	169,123
	293,202	269,012	217,976
Current-liabilities			
Accounts payable and other liabilities	88,868	80,479	87,257
Current tax liabilities	0	0	22
Provisions	215	215	215
Loans from financial institutions	179,635	176,434	203,476
	268,719	257,128	290,970
Total liabilities	561,920	526,140	508,946
Total equity and liabilities	1,394,355	1,282,816	1,273,242

* 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	
Reported equity 1 January 2021	103,006	24,525	114	40,016	1,378	555,413	724,452
Comprehensive income for the reporting period:							
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
Total comprehensive income for the reporting period	0	0	17	0	14,733	68,976	83,725
Dividend						-51,503	-51,503
Equity 30 September 2021	103,006	24,525	131	40,016	16,111	572,886	756,675

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	
Reported equity 1 January 2022	103,006	24,525	141	40,016	18,073	578,535	764,296
Comprehensive income for the reporting period:							
Result for the reporting period						105,156	105,156
Exchange differences on translating foreign operations			-23			-45	-68
Fair value changes on currency derivatives					14,554		14,554
Total comprehensive income for the reporting period	0	0	-23	0	14,554	105,111	119,642
Dividend						-51,503	-51,503
Equity 30 September 2022	103,006	24,525	118	40,016	32,627	632,142	832,435

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1–9 2022	1–9 2021	1–12 2021
Cash flows from operating activities			
Results for the reporting period	105,156	68,956	74,673
Adjustments			
Non-cash transactions	58,836	48,710	81,937
Unrealised foreign exchange gains (-) / losses (+)			
Financial income and expenses	3,365	3,368	4,407
Taxes	-175	186	-915
Changes in working capital			
Change in accounts receivable and other receivables	-32,182	-16,753	-20,976
Change in inventories	-2,934	-1,916	-2,428
Change in accounts payable and other liabilities	818	7,432	14,759
Change in provisions	16	11	-193
Interest paid	-2,501	-1,419	-2,679
Interest received	82	22	29
Taxes paid	-175	-192	-265
Other financing items	-895	-1,177	-1,636
Net cash generated from operating activities	129,410	107,227	146,713
Cash flow from investing activities			
Investments in tangible and intangible assets	-167,382	-90,345	-83,577
Sale of tangible assets *	41,500	365	375
Acquisition of subsidiary shares	0	0	-27,051
Net cash used in investing activities	-125,883	-89,979	-110,253
Cash flows from financing activities			
Loan withdrawals	251,667	187,000	232,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	-49,879	8,272	34,881
Repayment of loans	-143,662	-155,768	-248,649
Payment of lease liabilities (2018 Payment of finance lease liabilities)	-2,001	-2,436	-3,090
Dividends paid	-51,503	-51,503	-51,503
Net cash used in financing activities	4,621	-14,436	-36,361
Change in cash and cash equivalents	8,148	2,812	99
Cash and cash equivalents 1 January	1,951	1,847	1,847
Effect of foreign exchange rate change	-207	2	5
Cash and cash equivalents at the end of periods	9,892	4,662	1,951

REVENUE AND RESULT BY BUSINESS SEGMENTS

	7-9 2022		7-9 2021		1-9 2022		1-9 2021		1-12 2021	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
Revenue										
Shipping and sea transport services	195.9	97.2	149.2	96.2	539.6	96.6	407.3	95.6	555.3	95.8
Port operations	11.1	5.5	11.3	7.3	35.9	6.4	35.4	8.3	47.0	8.1
Intra-group revenue	-5.4	-2.7	-5.4	-3.5	-17.1	-3.1	-16.8	-3.9	-22.3	-3.9
External sales	201.5	100.0	155.1	100.0	558.4	100.0	425.9	100.0	579.9	100.0
Result before interest and taxes										
Shipping and sea transport services	49.0		32.8		104.4		68.9		73.6	
Port operations	0.5		1.2		1.8		3.6		4.6	
Result before interest and taxes (EBIT) total	49.5		34.0		106.2		72.5		78.2	
Financial income and expenses	-1.3		-1.1		-3.4		-3.4		-4.4	
Result before taxes (EBT)	48.2		32.9		102.9		69.1		73.8	
Income taxes	0.6		-0.2		2.3		-0.2		0.9	
Result for the reporting period	48.8		32.7		105.2		69.0		74.7	

REVENUE BY GEOGRAPHICAL AREA

EUR 1,000	1-9 2022	1-9 2021	1-12 2021
Revenue			
Finland	239,852	173,732	238,251
Sweden	84,773	68,813	92,888
Germany	67,414	53,562	71,275
Other EU countries	146,399	111,700	152,350
Russia	1,637	7,113	9,893
Other	18,360	11,007	15,286
	558,436	425,928	579,944

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

REVENUE BY FUNCTIONS

EUR 1,000	1-9 2022	1-9 2021	1-12 2021
Revenue			
Freight and other shipping services	465,727	352,555	507,864
Passenger services	56,394	37,955	47,829
Port operations	36,315	35,418	24,251
	558,436	425,928	579,944

PROPERTY, PLANT AND EQUIPMENT 2022

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under construction	Total
Acquisition cost 1 January 2022	1,125	106,142	1,497,525	66,874	131,243	1,802,910
Exchange rate differences		1		-15		-13
Increases			128,725	336	40,342	169,403
Disposals			-97,783	-146		-97,929
Reclassifications between items			77,952		-77,952	
Reclassifications to non-current assets held for sale *		-3,297		-22,395		-25,691
Acquisition cost 30 September 2022	1,125	102,847	1,606,419	44,654	93,633	1,848,679
Accumulated depreciation, amortisation and write-offs 1 January 2022		-42,426	-719,249	-45,482		-807,157
Exchange rate differences		-1		14		12
Cumulative depreciation on reclassifications, increases and disposals			61,062	146		61,208
Depreciation for the reporting period		-2,363	-57,534	-758		-60,655
Accumulated depreciation, amortisation and write-offs 30 September 2022		-44,791	-715,721	-46,079		-806,591
Reclassifications to non-current assets held for sale *		570		10,510		11,081
Carrying value 30 September 2022	1,125	58,627	890,698	9,085	93,633	1,053,169

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 30 September 2021 and 30 September 2022.

EUR 1,000	Land and water	Buildings and structures	Machinery and equipment	Total
Right-of-use assets 2022				
Acquisition cost 1 January 2022	27,719	1,733	1,622	31,073
Exchange rate differences			-1	-1
Increases	1,279	38	41	1,358
Disposals			-109	-109
Reclassifications between items		-3	-2	-4
Acquisition cost 30 September 2022	28,998	1,768	1,551	32,317
Accumulated depreciation, amortisation and write-offs 1 January 2022	-6,019	-1,092	-1,081	-8,192
Exchange rate differences			1	1
Cumulative depreciation on reclassifications and disposals		2	76	78
Depreciation for the reporting period	-1,458	-188	-211	-1,857
Accumulated depreciation, amortisation and write-offs 30 September 2022	-7,476	-1,278	-1,215	-9,970
Carrying value 30 September 2022	21,521	490	336	22,347
Property, plant and equipment, total				1,075,516

EUR 1,000	Buildings	Machinery and equipment	Total
Assets classified as held for sale 1 January 2022			
Acquisition cost			
Transfer to non-current assets held for sale	3,297	22,395	25,691
Accumulated depreciation			
Transfer to non-current assets held for sale	-570	-10,510	-11,081
Carrying value 30 September 2022	2,726	11,884	14,610

PROPERTY, PLANT AND EQUIPMENT 2021

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under construction	Total
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
Acquisition cost 30 September 2021	1,125	104,544	1,495,674	44,252	112,587	1,758,182
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
Accumulated depreciation, amortisation and write-offs 30 September 2021		-42,340	-687,723	-45,325		-775,388
Reclassifications to non-current assets held for sale		570		10,510		11,081
Carrying value 30 September 2021	1,125	62,774	807,951	9,437	112,587	993,875

Not including right-of-use assets.

EUR 1,000	Land and water	Buildings and structures	Machinery and equipment	Total
Right-of-use assets 2021				
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				
Acquisition cost 30 September 2021	26,021	1,733	1,501	29,256
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	-1,387	-537	-231	-2,155
Accumulated depreciation, amortisation and write-offs 30 September 2021	-4,853	-986	-1,007	-6,846
Carrying value 30 September 2021	21,169	747	494	22,409
Property, plant and equipment, total				1,016,284

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

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 2022	1–9 2021
Interest on lease liabilities 30 September	242	231
Expenses relating to short-term leases	153	8
Expenses relating to low-value assets	386	65
Service components of lease payments 30 September	0	50
Lease payments of all leases accounted according to IFRS 16	2,001	2,289
Total cash flow of all leases 30 September	2,540	2,412

Maturity analysis

EUR 1,000	2022	2021
Contractual undiscounted cash flows		
Less than one year	2,658	2,741
One to five years	8,274	8,566
More than five years	20,324	21,204
Total undiscounted lease liabilities at 30 September	31,256	32,511
Short term leasing liability	2,271	2,098
Long term leasing liability	19,474	20,599
Lease liabilities included in statement of financial position at 30 September	21,745	22,697

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 does not have significant influence in Steveco Oy.

CONTINGENCIES AND COMMITMENTS

EUR 1,000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Minimum leases payable in relation to fixed term leases			
Vessel leases (Group as lessee):			
Within 12 months	0	1,696	1,440
1–5 years	0	0	0
	0	1,696	1,440
Vessel leases (Group as lessor):			
Within 12 months	3,285	1,295	0
1–5 years	5,553	0	0
	8,838	1,295	0
Other leases (Group as lessee):			
Within 12 months	164	81	181
1–5 years	375	52	44
Over 5 years	0	0	0
	539	133	225
Other leases (Group as lessor):			
Within 12 months	171	245	310
1–5 years	0	0	0
	171	245	310
Collateral given			
Loans from financial institutions	301,443	228,387	207,643
Vessel mortgages provided as guarantees for the above loans	564,000	539,500	539,500
Other collateral given on own behalf			
Pledges	340	340	340
Other obligations			
Obligations, related to vessel investments	193,373	330,803	319,221
Other external obligations	6,277	972	1,130
	199,651	331,775	320,350
VAT adjustment liability related to real estate investments	3	2	5

REVENUE AND RESULT BY QUARTER

MEUR	Q1/22	Q1/21	Q2/22	Q2/21	Q3/22	Q3/21	Q4/22	Q4/21
Revenue								
Shipping and sea transport services	150.6	117.8	193.2	140.3	195.9	149.2		148.0
Port operations	12.1	11.7	12.7	12.5	11.1	11.3		11.5
Intra-group revenue	-5.7	-5.4	-6.0	-6.0	-5.4	-5.4		-5.6
External sales	157.0	124.1	199.9	146.8	201.5	155.1		154.0
Result before interest and taxes								
Shipping and sea transport services	14.8	13.2	40.5	22.9	49.0	32.8		4.6
Port operations	0.4	0.9	0.9	1.5	0.5	1.2		1.0
Result before interest and taxes (EBIT) total	15.3	14.1	41.5	24.4	49.5	34.0		5.7
Financial income and expenses	-1.0	-1.1	-1.1	-1.2	-1.3	-1.1		-1.0
Result before taxes (EBT)	14.3	13.0	40.4	23.2	48.2	32.9		4.6
Income taxes	0.8	0.2	0.8	-0.1	0.6	-0.2		1.1
Result for the reporting period	15.1	13.2	41.2	23.1	48.8	32.7		5.7
EPS (undiluted / diluted) EUR	0.29	0.26	0.80	0.45	0.95	0.63		0.11

SHARE INFORMATION

	30 Sep 2022	30 Sep 2021
Number of shares	51,503,141	51,503,141

Finnlines Plc is fully owned by the Grimaldi Group.

EVENTS AFTER THE REPORTING PERIOD

In October 2022, Finnlines acquired the ro-pax vessel MS Euroferry Corfu from the Grimaldi Group. The vessel is bare-boat chartered outside the Group with positive results.

CALCULATION OF RATIOS

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.

RELATED PARTY TRANSACTIONS

MV Finnclipper was sold from Finnlines to Grimaldi Euromed in March 2022 and MV Finnmaster in September 2022 with profit for Finnlines. There were no other material related party transactions during the reporting period.