



**Financial review Q4**  
**January–December 2022**  
**28 February 2023**

#### JANUARY–DECEMBER 2022

- Revenue EUR 736.1 (579.9 in 2021) million, increase 27 per cent.
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 221.2 (160.3) million, increase 38 per cent.
- Result for the reporting period EUR 133.3 (74.7) million, increase 78 per cent.
- Interest bearing debt increased by EUR 45.3 million and was EUR 395.7 (350.4) million at the end of the period.

#### OCTOBER–DECEMBER 2022

- Revenue EUR 177.7 (154.0) million, increase 15 per cent.
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 52.0 (39.1) million, increase 33 per cent.
- Result for the reporting period EUR 28.2 (5.7) million, increase 393 per cent.

#### KEY FIGURES

MEUR	1–12 2022	1–12 2021	10–12 2022	10–12 2021
Revenue	736.1	579.9	177.7	154.0
<b>Result before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>221.2</b>	160.3	<b>52.0</b>	39.1
Result before interest and taxes (EBIT)	136.0	78.2	29.8	5.7
% of revenue	18.5	13.5	16.8	3.7
<b>Result for the reporting period</b>	<b>133.3</b>	74.7	<b>28.2</b>	5.7
Stakeholders' equity/share, EUR	16.43	14.84	16.43	14.84
Equity ratio, %	60.3	60.4	60.3	60.4
Net debt/EBITDA	1.7	2.2	1.7	2.2
Interest bearing debt, MEUR	395.7	350.4	395.7	350.4
Net gearing, %	44.5	45.6	44.5	45.6

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

"The Finnlines Group's revenue in January–December 2022 amounted to EUR 736.1 million, an increase of 27 per cent compared to the corresponding period in 2021. The result for the reporting period was EUR 133.3 (74.7 in 2021) million. Earnings before interest, taxes, depreciation and amortisation, EBITDA, amounted to EUR 221.2 (160.3 in 2021) million. Global economy and Finnish economy has been hit by the war in Ukraine, accelerating inflation, higher interest rates and soaring energy costs. Considering the economic instability, freight volumes were fairly good during the year of 2022. Finnlines transported 750,000 cargo units, shipped 138,000 cars and carried 648,000 private and commercial passengers.

Once our new three Eco-series hybrid ro-ro vessels had started to operate in the Baltic–North Sea–Bay of Biscay service, several other vessels were assigned to other routes. Some changes had already taken place when all operations in Russia were suspended in early March. Today, Finnlines can better meet customers' request for capacity and offer sufficient frequency on all its lines.

These three giant ro-ro vessels with state-of-the-art technology do not only offer economies of scale to customers, but the environmental footprint has also been reduced. In July, Finnlines also launched a new freight route between Rosslare, Ireland, and Zeebrugge, Belgium, providing an important link between Ireland and Continental and Northern 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.

The Superstar ro-pax newbuilding programme has proceeded well in China. Both vessels have been launched and they are expected to be delivered during the 3rd and 4th quarter of 2023. Both will start to operate between Finland and Sweden on the Naantali–Långnäs–Kapellskär route. While other shipping companies have closed lines, Finnlines is confident that combined carriage of freight and passengers brings many benefits to our customers.

The Superstar vessels will increase the cargo and passenger capacity by 30 per cent and 50 per cent, respectively on the Finland–Sweden route and they will offer a higher service level than the current two vessels. Finnlines continues to focus on cargo, but on this line we will also address a wider passenger segment, such as foot passengers. With these modern and high-class cargo-passenger vessels we can offer an attractive option for passenger travel to inhabitants on the Åland Islands, who are dependent on regular sea connections, and travellers from Sweden and Finland.

World needs shipping and reliable sea transport services. We continuously invest in new vessels and bring more capacity to the Baltic Sea, Biscay traffic and North Sea traffic. We also invest in environmental technology in order to comply with EU regulation and IMO guidelines and to reduce the carbon footprint and other air emissions more efficiently than technical solutions on the older vessels do. As the Finnlines fleet grows, 200 new jobs are open on vessels flying the Finnish flag. Finnlines is well prepared to service its customers with its sustainable fleet in 2023 and long beyond."

## FINNLINES PLC, FINANCIAL REVIEW JANUARY–DECEMBER 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 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.

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 17,000 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 Trasméd.

### 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 2.5 per cent during the third quarter of 2022 in comparison with the same period in 2021. Compared with the second quarter of 2022, the reported GDP in Germany increased by 0.4 per cent in the third quarter of 2022, while in Sweden the increase was 0.6 per cent. In Finland, GDP declined in the third quarter by 0.2 per cent compared with the previous quarter. 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–December statistics by Traficom, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) increased by 2 per cent and exports decreased by 3 per cent. According to Statistics Finland, private and commercial passenger traffic between Finland and Sweden increased by 112 per cent, between Finland and Germany the traffic increased by 47 per cent during January–December.

### FINNLINES TRAFFIC

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

During the fourth quarter Finnlines operated on average 21 (22) vessels in its own traffic.

The cargo volumes transported during January–December totaled approximately 750,000 cargo units, 138,000 cars (not including passengers' cars) and 1,426,000 tons of freight not possible to measure in units. In addition, some 648,000 private and commercial passengers were transported. The volumes can be regarded as sufficiently good, considering the year of the pandemic and the Ukrainian war.

### FINANCIAL RESULTS

#### January–December 2022

The Finnlines Group recorded revenue totalling EUR 736.1 (579.9) million in the reporting period, an increase of 27 per cent compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 712.1 (555.3) million, of which passenger related revenue was EUR 68.7 (47.8) million. The revenue of Port Operations was EUR 46.2 (47.0) million. During the reporting period, the growth of the transported cargo volumes settled down towards the end of the year, whereas the rapid rise of fuel prices has increased cargo-related bunker surcharges compared to last year. In January–December 2022 the number of private passengers increased substantially from last year. The revenue of Port Operations decreased slightly from 2021. The internal revenue between the segments was EUR 22.1 (22.3) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 221.2 (160.3) million, an increase of 38 per cent.

Result before interest and taxes (EBIT) was EUR 136.0 (78.2) million.

The financial position remained strong, although net financial expenses increased and were EUR -5.5 (-4.4) million. Financial income was EUR 0.8 (0.2) million and financial expenses EUR -6.3 (-4.6) million. Result before taxes (EBT) increased by EUR 56.7 million and was EUR 130.5 (73.8) million. The result for the reporting period was EUR 133.3 (74.7) million.

#### October–December 2022

The Finnlines Group recorded revenue totalling EUR 177.7 (154.0) million. Shipping and Sea Transport Services generated revenue amounting to EUR 172.4 (148.0) million and Port Operations to EUR 10.3 (11.5) million. The internal revenue between the segments was EUR 5.0 (5.6) million. The growth of cargo volumes ceased during the last quarter of 2022, but the number of passengers increased substantially. The fuel prices and cargo-related bunker surcharge have continued to decline at the end of the year.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 52.0 (39.1) million, an increase of 33 per cent.

Result before interest and taxes (EBIT) was EUR 29.8 (5.7) million.

Net financial expenses were EUR -2.2 (-1.0) million. Financial income was EUR 0.1 (0.1) million and financial expenses totalled EUR -2.3 (-1.1) million. Result before taxes (EBT) increased by EUR 23.0 million and was EUR 27.6 (4.6) million. The result for October–December was EUR 28.2 (5.7) million.

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

Interest-bearing debt increased by EUR 45.3 million to EUR 395.7 (350.4) million, excluding leasing liabilities of EUR 21.6 (22.2) million. Net interest-bearing debt at the end of period was EUR 376.8 (348.5) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio amounted to 1.7 (2.2) and the equity ratio calculated from the balance sheet was 60.3 (60.4) per cent. Net gearing resulted in 44.5 (45.6) per cent.

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 323.9 (212.0) million.

Net cash generated from operating activities remained strong and was EUR 200.1 (146.7) million.

#### **CAPITAL EXPENDITURE**

The Finlines Group's gross capital expenditure in the reporting period totalled EUR 223.8 (110.6) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 85.2 (82.1) 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 completed installation of ballast water treatment systems on its vessels during 2022.

Finlines' EUR 500-million Newbuilding Programme continued in China. In 2022 Finlines took delivery of all three hybrid ro-ro vessels (Finneco I, II and III), which entered the Baltic, North Sea and Bay of Biscay services. The construction of two eco-friendly ro-pax vessels (Finnsirius and Finncanopus) proceeded and they are scheduled to enter traffic during 2023.

The new vessels improve the fleet's energy efficiency and reduce emissions.

#### **PERSONNEL**

The Group employed an average of 1,679 (1,555) persons during the reporting period, consisting of 959 (858) persons at sea and 720 (697) persons on shore. The number of persons employed at the end of the period was 1,657 (1,619) in total, of which 938 (931) at sea and 719 (688) on shore.

The personnel expenses (including social costs) for the reporting period were EUR 96.4 (89.6) million.

#### **THE FINNLINES SHARE**

The Company's paid-up and registered share capital on 31 December 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. Finlines holds adequate credit lines to maintain liquidity in the current business environment.

Finlines' 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](http://www.finnlines.com).

## EVENTS AFTER THE REPORTING PERIOD

There are no significant events to report.

## OUTLOOK AND OPERATING ENVIRONMENT

Although consumer and business confidence were hit by the war in Ukraine, accelerating inflation, higher interest rates and soaring energy costs, the world economy continues to support global long-term growth. In the short-term, a slightly weakened global economic outlook is forecasted according to recent economic data for 2023.

Finnlines has invested over EUR 1 billion in energy efficiency during the past decade and continues the EUR 500 million capital expenditure programme to better service its customers. Despite the economic slow-down, freight volumes were on a fairly good level and passenger travel recovered to pre-pandemic figures already in 2022. This year Finnlines will grow in line with the global economic development but taking into account our new larger vessels, new traffic lines and our efficient operations in that forecast, the Finnlines Group's result before taxes is targeted to improve compared to the previous year's level.

The first financial review of 2023 for the period of 1 January–31 March 2023 will be published on Thursday, 4 May 2023.

Finnlines Plc  
The Board of Directors

Tom Pippingsköld  
President and CEO

## FURTHER INFORMATION

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## ENCLOSURES

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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>10–12 2022</b>	<b>10–12 2021</b>	<b>1–12 2022</b>	<b>1–12 2021</b>
<b>Revenue</b>	<b>178,199</b>	154,016	<b>736,093</b>	579,944
Other income from operations	482	543	5,917	1,896
Materials and services	-61,279	-54,177	-268,157	-192,991
Personnel expenses	-25,042	-23,292	-96,431	-89,602
Depreciation, amortisation and impairment losses	-22,222	-33,396	-85,190	-82,127
Other operating expenses	-39,861	-38,040	-156,195	-138,958
Total operating expenses	-148,405	-148,905	-605,973	-503,678
<b>Result before interest and taxes (EBIT)</b>	<b>30,277</b>	5,654	<b>136,037</b>	78,161
Financial income	106	91	753	187
Financial expenses	-2,292	-1,129	-6,297	-4,591
<b>Result before taxes (EBT)</b>	<b>28,091</b>	4,616	<b>130,493</b>	73,758
Income taxes	578	1,100	2,841	915
<b>Result for the reporting period</b>	<b>28,669</b>	5,716	<b>133,334</b>	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	0	32	-69	68
Fair value changes on currency derivatives	-14,735	1,963	-181	16,695
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	-14,735	1,994	-250	16,763
<b>Other comprehensive income not being reclassified to profit and loss in subsequent periods:</b>				
Remeasurement of defined benefit plans	263	-51	263	-51
Tax effect, net	-40	-38	-40	-38
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	0	0	223	-90
<b>Total comprehensive income for the reporting period</b>	<b>14,157</b>	7,621	<b>133,307</b>	91,346
<b>Result for the reporting period attributable to:</b>				
Parent company shareholders	28,669	5,716	133,334	74,673
	28,669	5,716	133,334	74,673
<b>Total comprehensive income for the reporting period attributable to:</b>				
Parent company shareholders	14,157	7,621	133,307	91,346
	14,157	7,621	133,307	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	0.56	0.11	2.60	1.45
<b>Average number of shares</b>				
Undiluted / diluted	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	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,107,673	1,004,024
Goodwill	105,644	105,644
Intangible assets	3,327	3,116
Other financial assets	7,074	7,076
Receivables	781	8,121
Deferred tax assets	491	983
	<b>1,224,989</b>	<b>1,128,963</b>
<b>Current assets</b>		
Inventories	10,100	8,395
Accounts receivable and other receivables	140,644	119,275
Income tax receivables	15	48
Cash and cash equivalents	18,878	1,951
	<b>169,637</b>	<b>129,669</b>
<b>Non-current assets held for sale</b>	<b>14,610</b>	<b>14,610</b>
<b>Total assets</b>	<b>1,409,236</b>	<b>1,273,242</b>
<b>EQUITY</b>		
<b>Equity attributable to parent company shareholders</b>		
Share capital	103,006	103,006
Share premium account	24,525	24,525
Translation differences	118	141
Fund for invested unrestricted equity	40,016	40,016
Fair value reserve *	17,892	18,073
Retained earnings	660,543	578,535
<b>Total equity</b>	<b>846,100</b>	<b>764,296</b>
<b>LIABILITIES</b>		
<b>Long-term liabilities</b>		
Deferred tax liabilities	39,876	44,003
Non-current interest-free liabilities	9	9
Pension liabilities	2,653	3,143
Provisions	1,697	1,697
Loans from financial institutions	262,836	169,123
	<b>307,071</b>	<b>217,976</b>
<b>Current-liabilities</b>		
Accounts payable and other liabilities	100,856	87,257
Current tax liabilities	485	22
Provisions	276	215
Loans from financial institutions	154,447	203,476
	<b>256,065</b>	<b>290,970</b>
<b>Total liabilities</b>	<b>563,136</b>	<b>508,946</b>
<b>Total equity and liabilities</b>	<b>1,409,236</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	724,453
<b>Comprehensive income for the reporting period:</b>							
Result for the reporting period						74,673	74,673
Exchange differences on translating foreign operations			27			42	68
Fair value changes on currency derivatives					16,695		16,695
Remeasurement of defined benefit plans						-51	-51
Tax effect, net						-38	-38
<b>Total comprehensive income for the reporting period</b>	0	0	27	0	16,695	74,626	91,346
Dividend						-51,503	-51,503
<b>Equity 31 December 2021</b>	103,006	24,525	141	40,016	18,073	578,535	764,296

**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						133,334	133,334
Exchange differences on translating foreign operations			-23			-45	-69
Fair value changes on currency derivatives					-181		-181
Remeasurement of defined benefit plans						263	263
Tax effect, net						-40	-40
<b>Total comprehensive income for the reporting period</b>	0	0	-23	0	-181	133,512	133,307
Dividend						-51,503	-51,503
<b>Equity 31 December 2022</b>	103,006	24,525	118	40,016	17,892	660,543	846,100

## CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1–12 2022	1–12 2021
<b>Cash flows from operating activities</b>		
Results for the reporting period	133,334	74,673
Adjustments		
Non-cash transactions	80,726	81,937
Unrealised foreign exchange gains (-) / losses (+)		
Financial income and expenses	5,085	4,407
Taxes	-2,841	-915
Changes in working capital		
Change in accounts receivable and other receivables	-21,591	-20,976
Change in inventories	-1,705	-2,428
Change in accounts payable and other liabilities	13,656	14,759
Change in provisions	-366	-193
Interest paid	-4,245	-2,679
Interest received	109	29
Taxes paid	-299	-265
Other financing items	-1,721	-1,636
<b>Net cash generated from operating activities</b>	<b>200,051</b>	<b>146,713</b>
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible assets	-215,921	-83,577
Sale of tangible assets *	40,890	375
Acquisition of subsidiary shares	0	-27,051
<b>Net cash used in investing activities</b>	<b>-175,031</b>	<b>-110,253</b>
<b>Cash flows from financing activities</b>		
Loan withdrawals	371,667	232,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	-49,356	34,881
Repayment of loans	-275,640	-248,649
Payment of lease liabilities	-2,859	-3,090
Dividends paid	-51,503	-51,503
<b>Net cash used in financing activities</b>	<b>-7,691</b>	<b>-36,361</b>
<b>Change in cash and cash equivalents</b>	<b>17,329</b>	<b>99</b>
Cash and cash equivalents 1 January	1,950	1,847
Effect of foreign exchange rate change	-402	5
<b>Cash and cash equivalents at the end of periods</b>	<b>18,878</b>	<b>1,951</b>

\*Consists mainly of the sale of two vessels.

## REVENUE AND RESULT BY BUSINESS SEGMENTS

	10–12 2022		10–12 2021		1–12 2022		1–12 2021	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%
<b>Revenue</b>								
Shipping and sea transport services	172.4	97.1	148.0	96.1	712.0	96.7	555.3	95.8
Port operations	10.3	5.8	11.5	7.5	46.2	6.3	47.0	8.1
Intra-group revenue	-5.0	-2.8	-5.6	-3.6	-22.1	-3.0	-22.3	-3.9
<b>External sales</b>	<b>177.7</b>	<b>100.0</b>	154.0	100.0	<b>736.1</b>	<b>100.0</b>	579.9	100.0
<b>Result before interest and taxes</b>								
Shipping and sea transport services	30.4		4.6		134.8		73.6	
Port operations	-0.6		1.0		1.3		4.6	
<b>Result before interest and taxes (EBIT) total</b>	<b>29.8</b>		5.7		<b>136.0</b>		78.2	
Financial income and expenses	-2.2		-1.0		-5.5		-4.4	
<b>Result before taxes (EBT)</b>	<b>27.6</b>		4.6		<b>130.5</b>		73.8	
Income taxes	0.6		1.1		2.8		0.9	
<b>Result for the reporting period</b>	<b>28.2</b>		5.7		<b>133.3</b>		74.7	

## REVENUE BY GEOGRAPHICAL AREA

EUR 1,000	1–12 2022	1–12 2021
<b>Revenue</b>		
Finland	312,601	238,251
Sweden	111,120	92,888
Germany	84,401	71,275
Other EU countries	204,638	152,350
Russia	1,626	9,893
Other	21,708	15,286
	<b>736,093</b>	579,944

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

## REVENUE BY FUNCTIONS

EUR 1,000	1–12 2022	1–12 2021
<b>Revenue</b>		
Freight and other shipping services	643,519	507,864
Passenger services	68,671	47,829
Port operations	23,903	24,251
	<b>736,093</b>	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		2		-16		-14
Increases			165,946	769	56,272	222,986
Disposals			-97,783	-593		-98,376
Reclassifications between items			78,718	25	-78,743	0
Reclassifications to non-current assets held for sale *		-3,297		-22,395		-25,691
<b>Acquisition cost 31 December 2022</b>	<b>1,125</b>	<b>102,847</b>	<b>1,644,406</b>	<b>44,665</b>	<b>108,772</b>	<b>1,901,815</b>
Accumulated depreciation, amortisation and write-offs 1 January 2022		-42,426	-719,249	-45,482		-807,157
Exchange rate differences		-2		13		11
Cumulative depreciation on reclassifications, increases and disposals			61,062	580		61,642
Depreciation for the reporting period		-3,151	-77,731	-1,039		-81,920
<b>Accumulated depreciation, amortisation and write-offs 31 December 2022</b>		<b>-45,578</b>	<b>-735,918</b>	<b>-45,928</b>		<b>-827,424</b>
Reclassifications to non-current assets held for sale *		570		10,510		11,081
<b>Carrying value 3 December 2022</b>	<b>1,125</b>	<b>57,839</b>	<b>908,488</b>	<b>9,247</b>	<b>108,772</b>	<b>1,085,471</b>

Not including right-of-use assets.

\*The carrying value of property, plant and equipment includes EUR 17.7 (17.5) million of capitalised interest during construction. The Finlines 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 December 2021 and 31 December 2022.

EUR 1,000	Land and water	Buildings and structures	Machinery and equipment	Total
<b>Right-of-use assets 2022</b>				
Acquisition cost 1 January 2022	27,719	1,733	-1,622	31,073
Exchange rate differences			0	0
Increases	1,279	602	134	2,015
Disposals			-109	-109
Reclassifications between items		-1	0	-1
<b>Acquisition cost 31 December 2022</b>	<b>28,998</b>	<b>2,333</b>	<b>1,646</b>	<b>32,977</b>
Accumulated depreciation, amortisation and write-offs 1 January 2022	-6,019	-1,092	-1,081	-8,192
Exchange rate differences			0	0
Cumulative depreciation on reclassifications and disposals		1	75	76
Depreciation for the reporting period	-1,957	-422	-281	-2,660
<b>Accumulated depreciation, amortisation and write-offs 31 December 2022</b>	<b>-7,975</b>	<b>-1,513</b>	<b>-1,286</b>	<b>-10,775</b>
<b>Carrying value 31 December 2022</b>	<b>21,022</b>	<b>820</b>	<b>360</b>	<b>22,202</b>
<b>Property, plant and equipment, total</b>				<b>1,107,673</b>

EUR 1,000	Buildings	Machinery and equipment	Total
<b>Assets classified as held for sale 1 January 2022</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 2022</b>	<b>2,726</b>	<b>11,884</b>	<b>14,610</b>

**PROPERTY, PLANT AND EQUIPMENT 2021**

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under construction	Total
<b>Reporting period ending 31 December 2021</b>						
Acquisition cost 1 January 2021	72	65,151	1,486,518	65,826	59,521	1,677,087
Exchange rate differences		-2		17		15
Increases	1,053	40,993	10,404	1,175	72,389	126,015
Disposals			-64	-143		-207
Reclassifications between items			667	0	-667	0
Reclassifications to non-current assets held for sale		-3,297		-22,395		-25,691
<b>Acquisition cost on 31 December 2021</b>	<b>1,125</b>	<b>102,846</b>	<b>1,497,525</b>	<b>44,480</b>	<b>131,243</b>	<b>1,777,219</b>
Accumulated depreciation, amortisation and write-offs 1 January 2021		-24,522	-644,563	-44,175		-713,260
Exchange rate differences		2		-16		-14
Cumulative depreciation on reclassifications and disposals		-15,159	64	-250		-15,346
Depreciation for the reporting period		-2,747	-74,750	-1,041		-78,538
<b>Accumulated depreciation, amortisation and write-offs 31 December 2021</b>		<b>-42,426</b>	<b>-719,249</b>	<b>-45,482</b>		<b>-807,157</b>
Reclassifications to non-current assets held for sale		570		10,510		11,081
<b>Carrying value on 31 December 2021</b>	<b>1,125</b>	<b>60,990</b>	<b>778,276</b>	<b>9,508</b>	<b>131,243</b>	<b>981,142</b>

Not including right-of-use assets.

EUR 1,000	Land and water	Buildings and structures	Machinery and equipment	Total
<b>Right-of-use assets 2021</b>				
Acquisition cost 1 January 2021	20,339	3,832	1,439	25,610
Exchange rate differences			1	1
Increases	7,379		181	7,561
Disposals		-2,099		-2,099
Reclassifications between items		0	0	0
<b>Acquisition cost 31 December 2021</b>	<b>27,719</b>	<b>1,733</b>	<b>1,622</b>	<b>31,074</b>
Accumulated depreciation, amortisation and write-offs 1 January 2021	-4,100	-2,202	-776	-7,078
Exchange rate differences			-1	-1
Cumulative depreciation on reclassifications and disposals		1,753		1,753
Depreciation for the reporting period	-1,919	-644	-304	-2,866
<b>Accumulated depreciation, amortisation and write-offs 31 December 2021</b>	<b>-6,019</b>	<b>-1,092</b>	<b>-1,081</b>	<b>-8,192</b>
<b>Carrying value 31 December 2021</b>	<b>21,700</b>	<b>640</b>	<b>541</b>	<b>22,882</b>
<b>Property, plant and equipment, total</b>				<b>1,004,024</b>

EUR 1,000	Buildings	Machinery and equipment	Total
<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>

The Management evaluated vessels' economic life span and residual values in 2021. As a result, due to the expected economic life span of 25-30 years, the depreciation time was shortened by 5 years on average, starting from 1.1.2021. The annual increase of the 2021 fiscal year depreciation (EUR 17.3 million) has been booked as cost 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 recognised in profit or loss

EUR 1,000	1-12 2022	1-12 2021
Interest on lease liabilities 31 December	330	314
Expenses relating to short-term leases	251	309
Expenses relating to low-value assets	298	202
Service components of lease payments 31 December	0	51
Lease payments of all leases accounted according to IFRS 16	2,859	2,997
<b>Total cash flow of all leases 31 December</b>	<b>3,408</b>	<b>3,559</b>

### Maturity analysis

EUR 1,000	2022	2021
<b>Contractual undiscounted cash flows</b>		
Less than one year	2,691	2,680
One to five years	7,954	8,421
More than five years	19,081	20,763
<b>Total undiscounted lease liabilities at 31 December</b>	<b>29,726</b>	<b>31,864</b>
Short term leasing liability	2,417	1,986
Long term leasing liability	19,206	20,202
<b>Lease liabilities included in statement of financial position at 31 December</b>	<b>21,623</b>	<b>22,188</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 per cent. This shareholding is presented in financial assets, because Finnlines does not have significant influence in Steveco Oy.

## CONTINGENCIES AND COMMITMENTS

EUR 1,000	31 Dec 2022	31 Dec 2021
Minimum leases payable in relation to fixed term leases		
<b>Vessel leases (Group as lessee):</b>		
Within 12 months	0	1,440
1–5 years	0	0
	0	1,440
<b>Vessel leases (Group as lessor):</b>		
Within 12 months	8,453	0
1–5 years	4,923	0
	13,376	0
<b>Other leases (Group as lessee):</b>		
Within 12 months	196	181
1–5 years	353	44
Over 5 years	0	0
	549	225
<b>Other leases (Group as lessor):</b>		
Within 12 months	176	310
1–5 years	0	0
	176	310
<b>Collateral given</b>		
Loans from financial institutions	281,879	207,643
<b>Vessel mortgages provided as guarantees for the above loans</b>		
	649,500	539,500
<b>Other collateral given on own behalf</b>		
Pledges	340	340
<b>Other obligations</b>		
Obligations, related to vessel investments	163,135	319,221
Other external obligations	4,389	1,130
	167,524	320,350
<b>VAT adjustment liability related to real estate investments</b>		
	5	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	193.2	140.3	195.9	149.2	172.4	148.0
Port operations	12.1	11.7	12.7	12.5	11.1	11.3	10.3	11.5
Intra-group revenue	-5.7	-5.4	-6.0	-6.0	-5.4	-5.4	-5.0	-5.6
<b>External sales</b>	<b>157.0</b>	124.1	<b>199.9</b>	146.8	<b>201.5</b>	155.1	<b>177.7</b>	154.0
<b>Result before interest and taxes</b>								
Shipping and sea transport services	14.8	13.2	40.5	22.9	49.0	32.8	30.4	4.6
Port operations	0.4	0.9	0.9	1.5	0.5	1.2	-0.6	1.0
<b>Result before interest and taxes (EBIT) total</b>	<b>15.3</b>	14.1	<b>41.5</b>	24.4	<b>49.5</b>	34.0	<b>29.8</b>	5.7
Financial income and expenses	-1.0	-1.1	-1.1	-1.2	-1.3	-1.1	-2.2	-1.0
<b>Result before taxes (EBT)</b>	<b>14.3</b>	13.0	<b>40.4</b>	23.2	<b>48.2</b>	32.9	<b>27.6</b>	4.6
Income taxes	0.8	0.2	0.8	-0.1	0.6	-0.2	0.6	1.1
<b>Result for the reporting period</b>	<b>15.1</b>	13.2	<b>41.2</b>	23.1	<b>48.8</b>	32.7	<b>28.2</b>	5.7
EPS (undiluted / diluted) EUR	0.29	0.26	0.80	0.45	0.95	0.63	0.55	0.11

## SHARE INFORMATION

	30 Dec 2022	30 Dec 2021
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

MS Finnclipper was sold from Finnlines to Grimaldi Euromed in March 2022 and MS Finnmaster in September 2022 with profit for Finnlines. Finnlines acquired the ro-pax vessel Euroferry Corfu from the Grimaldi Group in October 2022. There were no other material related party transactions during the reporting period.