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Chairman's letter

The Grimaldi Group – Increasingly global

The Grimaldi Group has transformed from a traditional Italian shipowner to a global market-leading logistics operator and the world's largest carrier of trucks and trailers.

The Grimaldi Group has for decades operated in many parts of the world, including Southern and Northern Europe, North and West Africa and the East coast of America. In 2022, the Group extended its services with modern PCTC vessels (Pure Car&Track Carrier) to the Near and Far East. The Group connects ports such as Shanghai, Tianjin and Guangzhou in China, Singapore, Brisbane in Australia, Chiba in Japan, Busan in South Korea and Dammam and Jeddah in Saudi Arabia to the main Mediterranean and North European ports.

Today, the Group operates 130 vessels and employs 17,000 people. A total of seven shipping companies belong to the Group, one of them is Finnlines.

Finnlines – from crisis to success

When the Grimaldi Group saw potential for synergy with Finnlines, the Group decided to acquire the company. However, a global financial crisis hit sea transportation severely in 2009, including Finnlines, but Grimaldi took prompt action to save the company. Corporate structures were simplified, the company management was reorganised and new strategies were launched. The basis was to have an owned tonnage instead of chartering small, but expensive vessels. The weak financial position needed prudent financial management including renegotiating the loans, lengthening the maturity profile of debt and creating stronger and an international bank group.

In a few years' time an upward trend was visible after a turn around programme for improving operational efficiency had been successfully implemented and cash flow started to increase again. Finnlines could invest in new technology in its fleet, invest in environmental equipment, lengthen the existing vessels. Finally, after improved financial and operational efficiency the company was able to order larger state-of-the-art vessels and improve further through the new tonnage and from the economies of scale they provide.

In 2022, it was time for other change as well. Finnlines had become a successful and efficient maritime operator with a modern fleet and is in excellent shape both operationally and financially. I had been acting as the CEO and President since 2013. The Board appointed Tom Pippingsköld, former Deputy CEO and CFO, as my successor in May and elected the undersigned as a Chairman of the Board.

Humanitarian aid to victims of crisis

The prospects for 2022 were bright at the beginning of the year, but in February the geopolitical situation changed overnight after Russia's invasion of Ukraine. As Finnlines and the Grimaldi Group are concerned about the human tragedy, we have provided humanitarian aid to refugees, who have fled the war. Finnlines transported Ukrainians leaving their homeland on its passenger-freight vessels for free. The Grimaldi Group also provided transportation to hundreds of Ukrainian children and families in the Mediterranean, provided accommodation and collected medical supplies.

Trade with Russia was suspended soon after the conflict had

started. Finnlines and the Grimaldi Group used to run four services to Russia, from Spain, Belgium, Great Britain and Germany. The four Finnlines-flagged ships were all re-assigned to other intra-EU services.

Russia is an important exporter of fossil fuels and European countries have now confronted an energy crisis when supplies have stopped. Energy prices have rocketed, inflation has accelerated and consumers are watchful and alert. In shipping, economic fluctuations come early, but I am confident that we can face the new challenges as we benefit from a wide global network, advanced sustainable fleet, geographically diversified customer and revenue base.

Forerunner of Green transition

Compliance with environmental regulations and energy transition are our main challenges in the future. The whole Grimaldi Group has invested massively in the sustainability of its fleet during the last decade and has thus managed to reduce its environmental footprint. Grimaldi's and Finnlines' new ships also have capacity to carry more cargo on less fuel than the previous generation.

In shipping today, it is challenging to find zero-carbon fuels in large quantities, in several locations and engine technology with these fuels. Whichever option is chosen, it must be safe, reliable, maintenance proof, in compliance with national and international regulations and economically viable for the shipowner.



"Shipping is part of the climate solution."

Each country is still dependent their power generation partly on fossil fuels to produce electricity and those fuels are needed in order to gradually shift to greener technologies and fuels. The same prevails in shipping where all types of engines and fuels are still needed in order to enable a similar, gradual shift to more environmentally friendly fuels and engine technology, when they become available. Our Group has therefore chosen to rely on an energy and technology mix, which consists of solar panels, air lubrication under the hull, high-powered battery packs and modern diesel engine technology, which mix together results much lower CO₂ footprint. All the Grimaldi Group's most recent newbuilding orders include an ammonia ready concept. Ammonia is a zero CO₂ emission type of fuel.

After all, shipping is part of the climate solution. In 2022, Finnlines entered a hybrid era with its new vessels and freight services improved greatly, in 2023 passenger services will also rise to a new level.

Finally, I want to express my gratitude to our numerous customers and other stakeholders, who have trusted us. The Finnlines sea-going and ashore personnel have been committed to providing safe and reliable seaborne services – a special thanks to you all.

Emanuele Grimaldi, Chairman of the Board



CEO's review

World needs shipping and reliable sea transport

Despite the economic slow-down towards the year end in 2022, freight volumes were on a fairly good level and passenger travel recovered to pre-pandemic figures. The Finnlines Group's revenue in 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.

The Finnlines Group's gross capital expenditure in the reporting period totalled EUR 223.8 (110.6) million. Group's return on capital employed (ROCE) was 11.6 (7.2) per cent.

Due to improved cash flow, 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. Finnlines 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.

Celebrating fleet renewal and 75-year anniversary

Finnlines' EUR 500-million green newbuilding programme reached a milestone when all three Eco-class hybrid ro-ro vessels were delivered and entered traffic during the summer of 2022. These hybrid ro-ro vessels are not only the largest in the company fleet so far, but they transport cargo in a more sustainable manner. Solar panels, an air lubrication system, a high-powered battery bank, and efficient main engines with emission abatement technology reduce the carbon footprint and other air emissions more efficiently than technical solutions on the older vessels do.

Once the three Eco-series hybrid ro-ro vessels had started to operate in the Baltic-North Sea-Bay of Biscay services, several 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 fully meet customers' request for capacity and offer sufficient frequency on all its lines.

It was a great year of festivities since the Eco-class hybrid ro-ro vessels were named officially in the prestigious presence of godmothers in September. While Finnlines took delivery of new eco-friendly hybrid vessels, it also celebrated 75 years of shipping on 20 September 2022.

More eco-friendly transport services and route expansion

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. 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 passenger side will also address a wider customer segment, such as foot passengers. With these modern and high-class cargo-passenger vessels we can offer an attractive

alternative for passenger travel to inhabitants on the Åland Islands, who are dependent on regular sea connections, and for travellers from Sweden and Finland.

Finnlines expanded its route network in mid-July when a new service was launched between Rosslare, Ireland, and Zeebrügge, Belgium. The route is operated by one ro-ro vessel, which offers two weekly departures from both ports. The route provides a crucial link for Irish industry, but the European industries also have an easier access to and from Ireland via transshipment in Zeebrügge.

Finnlines is close to finalising arrangements to open a new connection between Sweden and Poland. Poland is a fast-growing economy and trade between Sweden and Poland has grown steadily.

Reliable partner and efficient sea transport services

During the last years we have confronted several unforeseen events. Nevertheless, Finnlines has managed to adapt to challenges and rapid changes as the company has several assets to weather the downturn. First, our owner, the Grimaldi Group, is a global operator with deep knowledge of shipping and has strong commitment to develop and expand its operations. Their fleet offers flexibility to re-arrange vessels to routes where demand for capacity changes and Grimaldi network offers our clients a wider choice. Finnlines fleet can carry several types of cargo and is also able to provide special transport services for more challenging cargo.

Forest industry remains an important industrial and export sector in Finland and Finnlines has transported wood-processing products since the company was founded.

Furthermore, our employees are competent and experienced. Whatever their roles and positions are in the organisation, we support and encourage professional growth. As the Finnlines fleet grows, 200 new jobs are open on vessels flying the Finnish flag. We have launched a recruitment campaign to find skilled professionals for the new vessels.

Future outlook

Shipping is crucial for Finland as about 90 per cent of exports and 80 per cent of its imports are shipped by sea. Carriers, such as Finnlines with its customers, safeguard the national security of supply in a cost-effective, sustainable and responsible manner.

Over many years, Finnlines has made massive investments, over one billion euros, in its existing fleet, in newbuilds and in clean technologies. Yet, we need to improve our performance further to reach the ambitious targets set by the EU and IMO. It is necessary to continue to research and develop new solutions and hybrid technologies as fuels with zero GHG emissions are not yet commercially available and the engines under design are still being tested.

Looking ahead, Finnlines is well-placed to compete with its fleet and will continue to provide safe and reliable shipping services.

I warmly thank all Finnlines' employees for their excellent contribution. I also want to thank our customers and other stakeholders for their trust and support. The world needs efficient and sustainable shipping, and we feel Finnlines through its ongoing investments and efficient operations stands in the forefront in providing it.

Tom Pippingsköld, President and CEO



"Finnlines with its customers safeguards the national security of supply in a cost-effective, sustainable and responsible manner."



Finlines in brief

The Grimaldi Group as a sole shareholder reinforces Finlines' strategy and enables us to be the most efficient shipping company in the Baltic Sea.

Finlines is one of the leading shipping operators of freight services in the Baltic Sea, the North Sea and the Bay of Biscay as well as a passenger service provider in the Baltic Sea. Our environmentally friendly and modern fleet transports both cargo and passengers safely, efficiently, and responsibly to their destination.

Finlines is an international company employing around 1,700 people in seven countries. In 2022, the Group's total revenue was EUR 736.1 million and profit EUR 133.3 million.

Finlines is a part of the Grimaldi Group, 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. This affiliation enables Finlines to offer liner services to and from several destinations in the Mediterranean, West Africa, Atlantic coast of both North and South America as well as China, South Korea and Australia.

Worldwide shipping and logistics

The Grimaldi Group, headquartered in Naples, operates a fleet of over 130 vessels and employs approximately 17,000 people. Wholly owned by the Grimaldi family, it is a multinational logistics Group specialised in the operation of roll-on/roll-off

vessels, car carriers and ferries.

It comprises seven shipping companies, namely: Grimaldi Deep Sea, operating in the transport of rolling cargo and containers on the Atlantic routes and between the Mediterranean and West Africa; Grimaldi Euromed, specialized in the transport of rolling freight in Europe, in the Motorways of the Sea and in the Far East as well as in the transport of passengers in the Mediterranean with the Grimaldi Lines brand; Atlantic Container Line, which offers transport services for containers and rolling cargo between North America and North Europe; Malta Motorways of the Sea, shipowning company; Minoan Lines, operating in Greek cabotage for the transport of freight and passengers; Finlines, operating in freight and passenger transport in the North Sea and the Baltic Sea; Tramed GLE, active in the transport of freight and passengers between mainland Spain and the Balearic Islands.

The maritime connections are the core of an advanced logistics chain, which includes port terminals and road transport companies. The over 20 port terminals owned or operated by the Grimaldi Group are located in 12 countries around the world. Most of these terminals are fitted with Pre-Delivery Inspection (PDI) facilities, warehouses and workshops.

Sustainable travel and cargo shipment

Creating long-term value for our customers

We grow

Excellence in our services

- We develop and expand our network
- We develop our digitalised services
- We utilise advanced analytics and automation in our operations
- We create more value for our customers

We optimise

Increase the efficiency of the capital employed on our fleet

- We have operational excellence
- We have optimal fleet utilisation and high fleet performance
- We optimise our routes and flow of goods

We invest

Invest sustainably

- We constantly renew and develop our fleet using the latest technologies and innovations
- We increase energy efficiency
- We utilise innovative solutions/technologies
- We reduce air emissions

Key figures 2022

KEY FINANCIAL FIGURES

Revenue
EUR million

736.1

579.9 in 2021, increase 27%

EBITDA
EUR million

221.2

160.3 in 2021, increase 38%

Interest-bearing debt
EUR million

395.7

350.4 in 2021, increase EUR 45.3 million

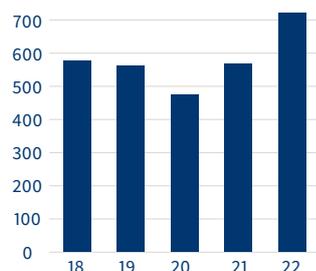
Equity ratio

60.3%

60.4% in 2021

REVENUE

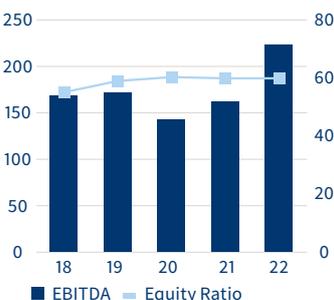
EUR million



EBITDA AND EQUITY RATIO

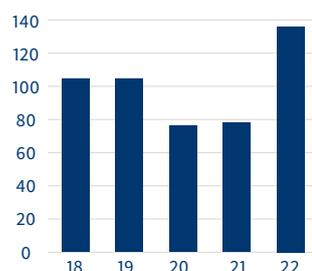
EUR million

%



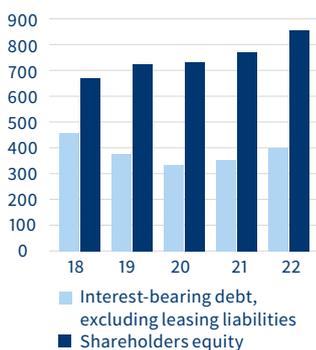
RESULT BEFORE INTEREST AND TAXES (EBIT)

EUR million



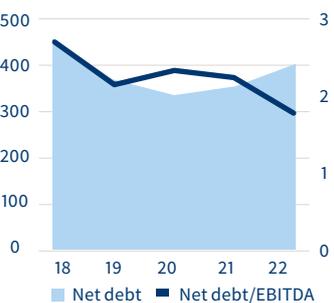
INTEREST BEARING DEBT AND SHAREHOLDERS EQUITY

EUR million



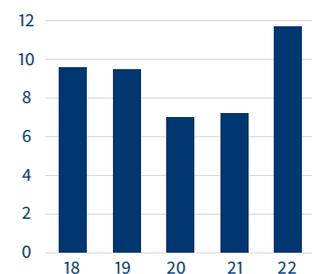
NET DEBT/EBITDA DEVELOPMENT

EUR million



RETURN ON CAPITAL EMPLOYED (ROCE)

%



REVENUE BY FUNCTION

Freight Services
88%



Passenger Services
9%

Port Operations
3%



Freight Services
EUR million

643.5

507.9 in 2021



Passenger Services
EUR million

68.7

47.8 in 2021



Port Operations
EUR million

46.2*

47.0 in 2021

* Including internal revenue between the segments EUR 22.1 million.

KEY OPERATIONAL FIGURES



750,000
cargo units



138,000
cars



1,426,000
tons of non-unitised freight



648,000
passengers

KEY ENVIRONMENTAL FIGURES

Fleet energy efficiency reduction, carbon intensity

-8%

15.5 g CO₂/GT*nm in 2022
16.9 g CO₂/GT*nm in 2021

Energy efficiency of the Finneco

The new hybrid vessels consume less fuel which, in addition to zero-emission operations in port, results in lower emissions per cargo unit.

kg CO₂/ nm x trailer



21
ports connected



23
owned vessels



1,700
employees

Sea personnel

57%

Shore-based personnel

28%

Stevedores

15%



Strategy and values

Finnlines' aim is to be customers' first choice when they choose a freight carrier. We run scheduled liner traffic with a modern fleet and can carry a wide mix of cargo. Finnlines' cargo-passenger vessels also welcome private passengers and groups who appreciate a peaceful, no-stress sea voyage.

We take our social responsibility as well as economic and environmental aspects into consideration in all our operations. Our in-depth knowledge and over 75-year experience of shipping ensure that we create a long-term value for our customers.

Strategy

Growing together with customers

We aim to be the most trusted commercial partner for our customers by providing safe and high-quality sea transport services. We actively develop our service products by identifying our cargo customers' and passengers' needs. We provide reliable sea connections to the private and public sector.

Our digital services, as well as operational systems, help us increase our efficiency and we can provide better services to our customers. Data analytics brings new opportunities for operational optimisation.

Together with our customers, we safeguard the national security of supply in a cost-effective and responsible manner.

Increase the efficiency of the capital employed on fleet

With high-quality business operations, we are able to guarantee long-term profitability and generate added value to our customers. Our vessels are flexible in terms of cargo mix and route. All our own vessels are ice-strengthened and thus capable of transporting goods even in difficult conditions. With a diversified fleet we can respond quickly to customer demand, regulatory or other changes.

We strive for the best performance, which we achieve through operational excellence, efficient fleet, and by focusing on routes with the highest possible capacity utilisation in southbound and northbound directions.

Invest sustainably

We are committed to long-term efforts for the environment. We look far into the future and make investments in energy efficiency and eco-efficient services as energy saving is the best way to reduce emissions and reach immediate results. We are constantly renewing and developing our fleet with the latest technologies and innovations.

Values

Customer focus

Our customers choose us thanks to our competence, expertise and reliability. Satisfied customers are the basis for Finnlines' enduring success. By identifying our cargo customers' and passengers' needs, we can continuously develop our service products and generate concrete added value for our customers.

Responsibility

We adhere to the principles of sustainable development. Environmental responsibility forms part of our company's everyday operations. We take safety issues into consideration in all our operations.

Profitability

We achieve our objectives. Through the quality of our business operations, we are able to guarantee long-term profitability and generate added value.

Employee satisfaction

We are a reliable and motivating employer. We treat our employees with fairness and equality, rewarding the merit.



Business environment

Finnlines' business areas include the Baltic Sea, the North Sea and the Bay of Biscay. High-frequency liner traffic between Finland and Sweden, Continental Europe and Britain is the foundation of Finnlines' operations and the company is one of the largest in ensuring Finland's security of supply.

Global economic uncertainty remains high, despite surprisingly strong growth in the end of 2022. Overall, growth has slowed down, inflation has accelerated and Russia's ongoing war in Ukraine has continued to push up energy prices. Sanctions against Russia have affected the whole EU economy, raising energy costs and leading to a slowdown. The overall outlook remains uncertain.

Market development

According to the International Monetary Fund (IMF), world GDP growth is forecast to slow from 3.4 per cent in 2022 to 2.9 per cent in 2023. The euro area GDP growth is forecast to decline from 3.5 per cent in 2022 to 0.7 per cent in 2023. Finland's GDP growth is forecast to decline from 2.1 per cent in 2022 to 0.5 per cent 2023.

Global inflation is forecast to remain high and the pace of decline will vary across countries. The IMF forecasts global inflation to decline from 8.8 per cent in 2022 to 6.6 per cent in 2023. In the euro area, inflation peaked at 10.6 per cent in October, but the annual average inflation is expected to fall from 8.3 per cent in 2022 to 5.7 per cent in 2023. In Finland inflation is forecast to decline from 6.5 per cent in 2022 to 3.5 per cent in 2023.

Based on the statistics by Traficom, the Finnish seaborne imports carried in containers, lorries and trailer units increased by 2 per cent to 11.6 million tonnes in 2022, but exports decreased by 3 per cent to 16.1 million tonnes. According to Statistics Finland, commercial passenger traffic between Finland and Sweden increased by 112 per cent, between Finland and Germany by 47 per cent in 2022.

Operating area

The company's cargo-passenger vessels offer services between Finland and Germany and, via the Åland Islands, between Finland and Sweden, as well as between Sweden and Germany. The 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.

As an agent for Grimaldi Lines and Atlantic Container Line

(ACL) in Finland, Finnlines connects via Antwerp Helsinki, Kotka in Finland, Paldiski in Estonia and Travemünde in Germany with the Grimaldi Group network in the Mediterranean, West Africa, as well as the Atlantic coast of both North and South America.

At the beginning of the year, Finnlines doubled the number of departures on the Hanko–Gdynia service.

At the end of January, Finnlines upgraded its services to cargo customers and private passengers between Finland and Sweden. Europalink replaced Finnfellow and joined her sister ship Finnswan on the Naantali–Långnäs–Kapellskär route.

Due to EU sanctions Finnlines stopped calling Russian ports in early March.

In July, Finnlines launched a new freight route between Rosslare, Ireland, and Zeebrugge, Belgium, providing an important link between Ireland and the Continental Europe. This line was welcomed by the market and a smaller ro-ro vessel was soon replaced by a larger vessel with 4,200 lane metres for cargo.

Finnlines fleet

All three Eco-class ro-ro vessels, Finneco I, Finneco II and Finneco III, were delivered to Finnlines during the second quarter of 2022. In the middle of June, Finneco I entered the Biscay traffic increasing the capacity on the line. Simultaneously, Finntide was shifted to Baltic traffics replacing Finnmerchant, which was chartered out at the beginning of July 2022. Two other Eco-class vessels, Finneco II and III, started regular service in July 2022.

At the end of the first quarter, Finnclipper, which had operated in Finnlines' Malmö–Travemünde traffic as the fourth vessel, was sold to the Grimaldi Group, and Vizzavona (ex Finneagle) was purchased back. The chartered ro-ro vessel, Eurocargo Savona, returned to the 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 the capacity to provide services to our customers as needed and flexibility in the network when planning capacity.

Finnlines owns a fleet of 23 vessels. The average age of the Group's vessels was about 15 years.



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2201
NET 2,100 KGS
GROSS 24,200 KGS
MAX. DOOR OPENING 2,200 X 2,200

Shipping and sea transport services

Finnlines offers 170 weekly departures to different parts of Europe. High frequency, large freight capacity and digital services benefit customers and their business operations. Finnlines transports today a third of the 1 million trucks carrying goods between Finland, Sweden, and Continental Europe every year.

The Shipping and Sea Transport segment's revenues totalled EUR 712.1 (555.3 in 2021) million, and it employed 1,373 (1,256) people on average.

The growth of the transported cargo volumes settled down towards the end of the year. In 2022, Finnlines transported 750,000 cargo units, 138,000 cars (not including passengers' cars) and 1,426,000 tons of non-unitised freight. In total, 648,000 passengers travelled with us.

Baltic and North Sea services

The new arrival, Finneco I, entered the Biscay service in June and the sisters, Finneco II and III, joined her in July. Consequently, the traffic pattern of ro-ro vessels was adjusted. The Breeze-class vessels were transferred to the Baltic traffic and Finnhawk was replaced by Finnmill in the Finland–Poland traffic. On the Helsinki–Hull route, Finnhawk replaced Finnmaster, which was sold to the Grimaldi Group in September.

After the entry of the Eco-class vessels, the traffic to Tilbury in Britain was subcontracted as the port was not suitable for large vessels.

Rosslare–Zeebrugge service

The demand for freight services from Ireland to Continental Europe increased in the wake of Brexit and a new ro-ro route between Rosslare, Ireland, and Zeebrugge, Belgium, was opened in July to provide an important direct link for Irish economy to avoid the land bridge via Britain. By transshipment in Zeebrugge, the Irish connection is available to cargo to and from Finland, Estonia, Germany, and Spain. A twice weekly service is operated by a large Breeze-series vessel, which can accommodate up to 250 trailer-equivalent units as well as 12 drivers.

Biscay service

The Finnlines Biscay service combines regular and accurate schedules and a short transit time with enhanced cargo flexibility and economies of scale. The line links the main ports of the Baltic Sea and the North Sea all the way to Bilbao, creating an efficient network, which is supported by the local Finnlines agencies. The affiliation with the Grimaldi Group also enables Finnlines to expand its network to all over the world.

The service was upgraded with the entry of three Eco-class hybrid ro-ro vessels, which provide an increase of cargo intake up to 38 per cent, but they reduce CO₂ emissions by almost 43 per cent. Customers' requests can be fully satisfied as the

vessels can carry all kinds of cargo, including automotive, containers, trailers, special cargo and breakbulk.

Finnlines' hybrid ro-ro vessels and the Biscay service network represent the most sustainable multimodal transport services.

Helsinki–Travemünde service

Three Star-class and two lengthened Breeze-class vessels operated on the route between Helsinki and Travemünde, offering about nine weekly departures from both directions. The service strengthened its position as the largest carrier of unitised cargo between Finland and Germany. The freight volumes exceeded the 2021 level.

For passengers, the Helsinki–Travemünde route is the only direct maritime connection between Finland and Continental Europe.

Malmö–Travemünde service

Finnlines' route between Malmö, Sweden, and Travemünde, Germany, offers 24 weekly departures in both directions. The average intake capacity is almost 1,000 cargo units per day.

Finnlines' punctual, high-frequency service and fast nine-hour voyage ensures intermodal solutions and efficient transport services.

Three ro-pax vessels operated on the route in 2022 and will continue in 2023. However, the service will be upgraded in autumn by the redeployment of two Star-class vessels, which will increase both cargo and passenger capacity by over 30 per cent.

Naantali–Långnäs–Kapellskär service

Finland's most important sea bridge for the security of supply is Finnlines' Naantali–Långnäs–Kapellskär route between Finland and Sweden. To serve customers better, the service was upgraded by the deployment of another Star-class vessel, Europolink, which joined the sister vessel Finnswan in February and replaced a smaller ro-pax vessel, Finnellow, which moved to the Malmö–Travemünde route.

The two vessels provide a daily capacity for more than 750 cargo units, which would be more than sufficient to cover all the lorry and trailer volumes crossing between Finland and Sweden.

The Superstar vessels, Finnsirius and Finncanopus, will enter traffic in autumn 2023. The modern cruise-standard service quality and increased cargo capacity will set a new milestone in the ro-pax services between Sweden and Finland.



Passenger services

With its eight ro-pax vessels, operating between six ports in three countries, Finnlines has upheld its position as an important provider of passenger services in the Baltic Sea.

Finnlines operates daily all the year round between Helsinki and Travemünde. There are two daily departures on the route Naantali–Långnäs–Kapellskär from both directions and as many as three departures between Malmö and Travemünde.

Finnlines combines cargo and passenger traffic in an eco-efficient way and the high utilisation rate on routes and vessels guarantees the possibility to travel in a sustainable and responsible way. Finnlines transports fresh and other crucial goods to the consumers efficiently and reliably while providing safe and convenient services for passengers travelling by sea.

Travel on the upturn

The number of passengers on Finnlines' vessels increased after two quiet years of corona. The number of passengers on Finnlines' routes totalled 648,000 in 2022, an increase of 13 per cent compared with the previous year. The growth in individual passenger figures has been very positive and the number of passengers is close to the pre-pandemic years. The strongest growth was on the Finland–Sweden route, up 91 per cent, followed by the Finland–Germany route by 73 per cent. Crossings between Germany and Sweden increased by 10 per cent.

Superstars as from September 2023

Finnlines is finetuning the service concept for the Superstar passenger-cargo vessels, now under construction as scheduled. All details must be completed by the autumn of 2023 when the first Superstar, Finnsirius, makes its debut on the Naantali–Långnäs–Kapellskär line.

An enjoyable sea voyage

In 2023, Finnlines is launching a new cruise experience. The new Superstar-class vessels, Finnsirius and Finncanopus, will represent sustainable and responsible travel with modern

facilities and digitalised services. They will showcase new concepts like a relaxing spa and yoga studio, delicious theme restaurants, and a splendid duty-free shop. The new Superstars may be characterised by nouns such as tranquillity, quality, and digitalisation.

The new concept focuses on enjoyment. Travellers may choose between five restaurants ranging from a bistro to a traditional buffet and an easy-going à la carte. Placing orders in restaurants is possible electronically since all the services have been brought to the new digital era.

The Superstar-class vessels will have a wide range of cabin categories to cater to a large spectrum of customers. Travellers will have many wonderful options from a luxurious Sea View Suite with its own bathtub to a spacious Family Suite accommodating up to six people, to highlight a few.

The panoramic windows featured in the public areas give travellers the opportunity to take in the breathtaking archipelago scenery throughout their voyage. The best viewpoint onboard is from our Stellar Business lounge, where most of our conference guests spend their day. On the covered outdoor deck all passengers may breathe in fresh northern sea air all year round.

The Superstar-class vessels also cater strongly to children and pets. Children can dive into a ball pit inside the kids' area or adventure in the outdoor deck play area. Pets will be treated like Stars in the "Woff" bistro area, where the four-legged passengers are welcome to dine.

The new vessels are equipped with the most advanced technology available. The focus onboard has been on digitalisation, contributing to the goal of a paperless vessel. Onboard customers can access services digitally and even enter their cabin without a traditional key card. The new cargo-passenger vessels will set the bar for the ultimate sustainable travel experience.



Port operations

Helsinki is Finland's most important export and import port for unitised goods, while Turku and Naantali have the fastest sea connections from Finland to Sweden.

Finnsteve companies, which include Finnsteve, Containersteve and FS-Terminals, are responsible for Finnlines Group's port operations. Finnsteve is a major port operator focused on unitised cargo services for scheduled liner traffic in the ports of Helsinki, Turku and Naantali. The main port services are ro-ro and lo-lo stevedoring, stuffing terminal, container depot and temperature controlled storage. The aim is to ensure smooth and fast cargo handling through the port.

In 2022, Finnlines' Port Operations generated revenues of EUR 46.2 (47.0 in 2021) million and employed 306 (299) people on average.

Finnsteve companies handled 212,000 ro-ro units and a total of 130,000 TEUs of containers in 2022.

Operational optimisation

During the past few years, Finnsteve has made major investments in new IT systems. A new ERP system for unitised cargo was introduced at the beginning of 2018, and a new HR and equipment resources management system during 2020. The systems improve the efficiency and reliability of the operations.

In 2022, more energy-efficient solutions were developed in the Port Operations. Particular attention was paid to modern lighting and optimised temperatures in offices and other premises. The company has renewed its vehicle fleet of which 60 per cent are full-electric.

Port Operations in Helsinki

Vuosaari Harbour, which was opened at the end of 2008, has proved to be an efficient world-class port with its modern and advanced infrastructure. The operations of the harbour are being constantly developed.

The Finnsteve companies have integrated the EDI message application, used for data interchange between port operators in the Port Helsinki, to its ERP system. Faster interchange of data will be useful in ship operation and it will speed up handling of certain import units.

Port operations in Turku and Naantali

Finnsteve operates mainly in the West Harbour in Turku. It also has operations in the Turku Base port and in Naantali.

Naantali operations provide services to the Group's traffic between Naantali, Långnäs and Kapellskär



Finnlines fleet

To provide the best possible performance to our customers, we operate highly flexible fleet. Our vessels can carry a versatile mix of cargo, such as sto-ro, ro-ro, containers, project cargo and automotive industry products, and our ro-pax vessels can seamlessly carry cargo and passengers. This ensures that the diverse needs of our customers are met.

Finnlines owns a fleet of 23 vessels.
Fleet on 31 December 2022.

Ro-pax vessels

	Length, o.a. (m)	Breadth, moulded (m)	DWT	GT	Total lane length (m)	Passengers	Speed (knots)	Ice Class
Finnstar (2006)			9,061					
Finnmaid (2006)			9,043					
Finnlady (2007)	218.8	30.5	8,840	45,923	4,215	554	22	1A Super
Finnswan (2007)			8,870					
Europalink (2007)			8,757					
Finnfellow (2000)	188.3	28.7	7,267	33,724	3,099	440	22	1A
Finnpartner (1995/2007)	183.0	28.7	9,088	33,313	3,050	280	21	1A Super
Finntrader (1995/2007)			9,132					

Newbuildings

Finnsirius (2023)	235.0	33.3	11,500	64,600	5,200	1,100	20	1A Super
Finncanopus (2023)								

Ro-ro vessels

	Length, o.a. (m)	Breadth, moulded (m)	DWT	GT	Total lane length (m)	Passengers	Speed (knots)	Ice Class
Finneco I (2022)								
Finneco II (2022)	238.0	34.0	17,377	60,515	5,800	12	20	1A Super
Finneco III (2022)								
Finnbreeze (2011/2018)								
Finnsea (2011/2018)								
Finnsky (2012/2018)	217.8	26.5	14,500	33,816	4,192	12	21	1A
Finnsun (2012/2018)								
Finntide (2012/2017)								
Finnwave (2012/2018)								
Finnmill (2002 / 2009)	187.1	26.5	11,744	25,732	3,259	12	20	1A
Finnpulp (2002 / 2009)			11,682					
Finnkraft (2000)	162.5	20.6	9,041	11,671	1,853	12	20	1A Super
Finnhawk (2001)			9,035					

Chartered out

Vizzavona (ex Euroferry Corfu, ex Finneagle), ro-pax vessel (1999)

Finnmerchant, ro-ro vessel (2003)

DWT: Deadweight Tonnage (sea water density 1,025 kg/m³)

GT: Gross Tonnage

< Finnlines' second new Superstar ro-pax vessel was launched in Weihai, China, on 30 December 2022. The two new Superstar vessels, which will enter traffic in 2023, will operate on the Naantali-Långnäs-Kapellskär route between mainland Finland, Åland Islands and Sweden.



Sustainability

Corporate responsibility is a key element of our business. Our CSR priorities are based on our core values of customer focus, profitability, responsibility and employee satisfaction.

Finlines takes into account its social responsibilities and economic and environmental aspects in all its activities.

Finlines has reported on its responsible management of the environment and human resources since 1999. Finlines' sustainability reporting has been part of the Grimaldi Group's Sustainability Report since 2015. Reporting includes, in addition to financial figures, key indicators related to the employees and the environment. Grimaldi Group's Sustainability Report follows the GRI (Global Reporting Initiative) guidelines.

Commitment to global goals

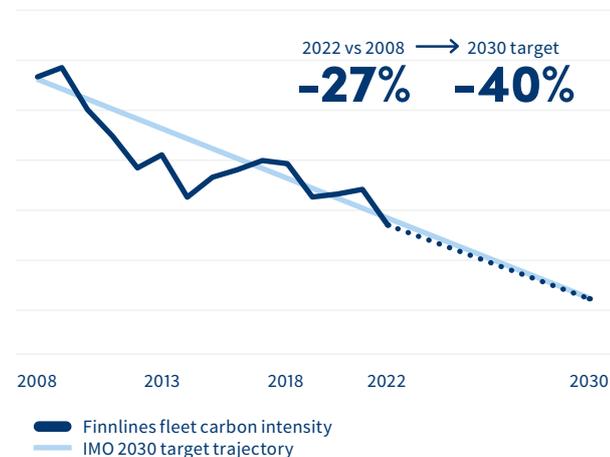
We are committed to providing services that are economically sustainable and environmentally friendly. We continuously reduce our footprint and Finlines is well aligned with the IMO's (UN's International Maritime Organization) target to reduce ships' carbon intensity by 40 per cent by 2030. Finlines has already reduced its fleet carbon intensity by 27 per cent compared to the 2008 baseline and is committed to an annual reduction of 2 per cent.

The UN Sustainable Development Goals (SDG) are a collection of 17 interlinked global goals to help achieve a better and more sustainable future. Finlines has identified five priority SDGs that are most relevant to our activities. These goals are Decent work and economic growth, Industry, innovation and infrastructure, Responsible consumption and production, Climate action, and Life below water.

CARBON INTENSITY

Finlines fleet vs. IMO target

(based on g CO₂/GT*nm figures)



Focus areas

Grow together with customers

(SDG: Decent work and economic growth, Industry, Innovation and infrastructure & Responsible consumption)

- We create value for our customers
- We develop and expand our network
- We have optimal fleet utilisation and performance

Involved and skilled people

(SDG: Decent work and economic growth & Responsible consumption)

- The delivery of safe, high-quality services requires skilled people
- Competence development
- We treat employees equally and fairly

We invest sustainably to develop responsible services

(SDG: Industry, innovation and infrastructure, Responsible consumption, Climate action & Life below water)

- We constantly renew and develop our fleet using the latest technology and innovations
- We improve the energy efficiency of our fleet
- We have constant dialogue with our customers, employees and stakeholders to create effective cooperation

Sustainable travel with Finlines

Finlines was awarded the Sustainable Travel Finland label by Visit Finland in 2021, a recognition of Finlines' long-term work on sustainable values.

Highlights in 2022

- In summer 2022, three hybrid ro-ro vessels entered traffic. These high-tech giant vessels do not only offer customers economies of scale, but also reduce the environmental footprint.
- The personnel survey we carried out gave us valuable insights into the issues that matter to our employees and it enabled us to make a concrete action plan for the future.
- We reduced the carbon intensity of our vessels by 8 per cent compared to 2021.
- All vessels are equipped with ballast water treatment systems.
- We have started the installation of a shore-side power connection on our existing Star-class ro-pax vessels in cooperation with the ports of Helsinki and Travemünde. The project will be completed in 2023.



Environment and safety

Environmental aspects have a pivotal role in Finnlines' operations. We produce safe and first-class services in a manner that minimises environmental effects.

Shipping, which transports around 90 per cent of global trade, provides the principal mode of transport for the supply of raw materials, consumer goods, essential foodstuffs and energy to the global population. The vast majority of these products could not be transported any other way than by ship. The Covid-19 pandemic demonstrated the essential role played by transport and the social, health and economic costs when free movement of people, goods and services was severely constrained.

Air emissions

Shipowners have had to report on ships' fuel consumption, subsequent CO₂ emissions and transport work to the European Commission as from 2018 in accordance with an EU directive. Globally, a similar system, IMO's Data Collection System, started in 2019. An accredited, impartial verifier validates the data in both systems.

Finnlines operates in ecologically sensitive sea areas, mainly in the Emission Control Areas, i.e. the Baltic Sea, the North Sea and the English Channel, where the sulphur content limit for fuel oil has been 0.10 per cent from 2015 in accordance with the MARPOL Convention, whereas globally, the sulphur limit decreased from 3.5 per cent to 0.5 per cent at the beginning of 2020. Finnlines has installed exhaust gas cleaning systems on 21 vessels since 2015 and will continue the project by installing equipment on the two remaining vessels.

The IMO has set the target to cut greenhouse gas emissions from shipping by 50 per cent by 2050. Fuel consumption per cargo tons carried and nautical miles sailed should decrease by 40 per cent by 2030 and by 70 per cent by 2050. All target figures are compared with the 2008 level. The European Commission has raised the stakes even higher by setting the goal for Europe to become a climate-neutral continent by 2050.

Finnlines has optimised its schedules and routes to achieve the highest possible capacity utilisation, which minimises the environmental stress per transported cargo unit. Ships run on optimal speed, load, and trim. The underwater hull is brushed regularly during the open-water season to remove micro organisms, which have attached to the ship's hull, increasing fuel consumption.

All ships have a Ship Energy Efficiency Management Plan, the purpose of which is to identify energy-saving measures and to establish practices to improve energy efficiency.

Finnlines invests in sustainability in many ways on its new vessels. Main engines with low specific fuel consumption have been chosen. Installation of solar panels, a high-powered battery bank, an air lubrication system, and shore-side electricity are included in the Green Newbuilding Programme. Installation of a shore-side connection on several existing ro-pax vessels is also being prepared. Moreover, gradual transition to carbon-free and renewable fuels is being investigated.

Green transition

Both globally and within the European Union, numerous proposals are being discussed to combat the climate change. To reach the ambitious goals, the shipping sector will have to consider transition to alternative carbon-neutral fuels and adoption of new technologies.

The EU Commission has adopted a "Fit for 55" package where three proposals are maritime-related.

- The Commission has adopted to include maritime transport in the emissions trading system, which has covered energy-intensive industries and flights within EU for nearly two decades. The system only concerns CO₂ emissions from ships of at least 5,000 GT and allowances may be bought and sold between industries. One of Finland's major targets was adopted and ice classed vessels were granted a 5 per cent deduction from their CO₂ emissions as they consume more fuel than other vessels due to the ice strengthened structure.
- The planned FuelEU Maritime Initiative will set a maximum limit on the greenhouse gas content of energy used by ships. Passenger ships and container ships will be required to use onshore power supply at berth unless they can demonstrate the use of an alternative zero-emission technology. Member states should ensure availability of onshore power by 1 January 2030.
- The Energy Taxation Directive aims to promote clean technologies and discourage the use of fossil fuels. The EU plans to introduce taxes on fuels over a 10-year transitional period.

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>> Environment and safety (continued)

The carbon levy, i.e. a tax, which the International Chamber of Shipping has put forward to the IMO in September 2021, is intended to expedite the creation of a market that makes zero-emission shipping viable.

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

Safety and security

The land-based ship management organisation and all the ships are certified in accordance with the International Safety Management Code (ISM). All ships and port facilities also comply with the requirements of the ISPS Code (International Ship and Port Facility Security Code).

Technical progress, such as digitalisation, integration and automation, brings a risk of malicious attacks to ships' control systems. Shipowners have therefore identified cyber security objectives relevant for the safe operation of the ship.

The ships are regularly inspected and audited by the maritime administration, classification societies and by in-house auditors. Regular drills are held both internally and with authorities, such as the border guard, police and local city rescue departments.

In ports, stevedoring companies have safety systems, including communication and contingency plans in case of an accident. Ports are equipped to respond to fires and oil and chemical spills.

Environmental certification

The environmental management system, which complies with the ISO 14001:2015 standard, was audited in the office and onboard ships during 2022 and a new certificate was issued. Certification covers management and manning of all ships sailing under the Finnlines flag as well as purchasing, newbuildings, and cargo and ship operations.

Stakeholders

In environmental and safety matters, Finnlines' most important stakeholders are the flag and port state administration, owners, customers, personnel, port operators, classification society and contractors, as well as the inhabitants of harbour and fairway areas.

Finnlines is represented at the technical, safety and environmental committees under the Swedish and Finnish Shipowners' Associations and co-operates with maritime colleges and research centres. The company is an associated organization in the EU flagship project COMPLETE (Completing management options in the Baltic Sea Region to reduce risk of invasive alien species introduction by shipping). Finnlines has also been involved in the realtime algal monitoring project, Alg@line, on its Finland–Germany route for over 20 years, providing a space on its vessels for research purposes.

Legislation

IMO manages international legislation on safety and environmental matters. The MARPOL 73/78 Convention contains regulations on the disposal of waste and sewage and on the prevention of air emissions. The SOLAS Convention regulates maritime safety and security, including ship construction, life-saving arrangements and navigation. Port operations comply with national and international legislation.

To ensure safe and environmentally sound recycling of ships, the Hong Kong Convention has been adopted within IMO, but the Convention has not yet been ratified. This is why EU has adopted a regulation on ship recycling and inventory of hazardous materials, like mercury, cadmium and lead. Hazardous materials experts have identified the presence of hazardous material contained in the equipment and systems onboard. An inventory shall be maintained throughout the operational life of the ship.

Ballast water management

Ballast water is used to trim and stabilise ships, but it may carry harmful aquatic species and out-compete native species, disrupting fragile marine ecosystems. In accordance with the IMO Ballast Water Management Convention, ships must be fitted with treatment equipment during a transitional period. Finnlines has completed equipment installations.

Other environmental aspects

Oily wastewater, 'bilge water', is generated in engine rooms. Bilge water is separated in separators and the remaining sludge is always taken ashore. The limit for the oil content of water that may be discharged into the sea is 15 ppm but many of our ships have more efficient separators. Some bilge water is also pumped ashore.

Regular drills prepare for the unexpected

MARPOL contains restrictions concerning black water, i.e. toilet water. Finnlines' ro-pax vessels land black and grey water to onshore municipal sewage systems. Cargo ships are equipped with sewage treatment plants, which have been certified by the administration. The target is to gradually reduce and stop discharging also treated waste water into the Baltic Sea. When technically feasible, some of the cargo ships are already delivering their treated waste waters into shore facilities.

Finnlines co-operates with waste management companies to reuse, recycle or recover waste in an efficient manner and waste is reprocessed into material or recovered as energy. The main waste types generated on board include plastics, bio waste, glass, paper, cardboard, wood, and metal. Hazardous waste is separated and taken to a designated container in the port.

Environmental aspects in port operations

Port and stevedoring operations are an important part of overall efficiency and performance of the Group. Finnsteve companies continue to invest in modern equipment and vehicles, which will take the environmental programme to the next level. NOx emissions from new tug masters, which will replace the old Tier 1 equipment, will reduce by 96 per cent and particles by 97 per cent. New electric vans and minibuses will be emission free.

Finnsteve companies hold a valid ISO 14 001 environmental certificate and an ISO 9001 quality certificate.

In 2022, the fuel consumption of the port operations totalled 1,165,119 litres, which includes the operations in Helsinki, Turku and Naantali, a decrease of 3 per cent compared with the previous year.





Human resources

Finnlines is an international company, employing around 1,700 people in seven countries. Finnlines is a reliable and motivating employer, which treats its employees fairly and equally.

The prolonged corona pandemic continued to affect our employee groups' everyday lives in 2022. The precautions and changes in operations have become part of our lives longer than we thought when the pandemic broke out. The war in Ukraine has also caused uncertainty in the world. Consequently, we have continued to adjust our business operations. The third year in the midst of exceptional times has proved that our patient and tenacious personnel is able to adapt quickly to changes and achieve high performance.

Employee well-being

We continued to ensure well-being, occupational safety and work ability of all our employee groups. In late spring of 2022 we carried out a personnel survey for our sea-going and shore personnel. Another type of survey was sent to employees engaged in port operations. Our personnel finds that Finnlines offers "a working environment where you can be yourself" and "a secure and stable workplace". The third highly appreciated statement was there is "a strong team spirit".

During the rest of the year the outcome of the survey has been discussed in teams and we have started to implement the first development measures on the company level and numerous on the team level. One of the measures has been to offer new type of health support services.

As recommended, many of our shore-based employees continued to work from home. During the autumn we also returned to our offices and established a hybrid work model. The past three years have confirmed the importance of social cohesion and teamwork in the work community.

The implementation of a new HR system continued in 2022. The first functionalities had been introduced to the shore personnel in Finland in May 2021 and implementation continued with new functionalities in 2022. We have also launched the HR system in our subsidiaries, which will start to use the system actively in 2023, considering local features. The

new system will support management and development of personnel even better. The system also provides us with more modern tools for HR-reporting and knowledge-based performance.

Skilled and competent employees

During the summer three new Eco-class ro-ro vessels arrived from China, increasing the number of employees. Several rearrangements were made in our fleet, for instance flagging vessels from Finland to Sweden and vice versa. It is a pleasure to conclude that great interest was expressed in jobs at sea and ashore and we received many applications in spite of the overheated labour market situation.

Despite the effects of exceptional times on our operations, we have provided renowned services to our customers and moved successfully forward with our ongoing and new development projects, for instance information systems. We are proud of how well our employees have concentrated on their work during uncertain times, ensuring that the effect on business is as minimal as possible. Like in 2021, our employees deserve recognition for their responsible attitude.

Personnel figures

In 2022, the Group revenue/average number of personnel was EUR 438 (373 in 2021) thousand. EBIT/average number of personnel amounted to EUR 81 (50) thousand.

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 whom 938 (931) at sea and 719 (688) on shore.

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

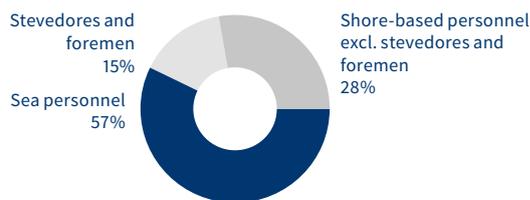
[Human resources >>](#)

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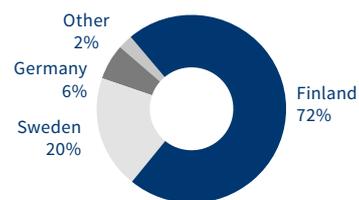
>> Human resources

Key figures	2022	2021
Average number of employees	1,679	1,555
Revenue/employee, EUR 1,000	438	373
Personnel expenses/employee, EUR 1,000	57	58
Result before taxes/employee, EUR 1,000	78	47
Average age of employees, years	46	46
Average duration of employment, years	7	7
Average sickness absence of personnel, day/employee	13.5	12.7
Training hours, total	12,760	15,061
Average number of employees per business area		
Shore-based personnel		
Shipping and Sea Transport Services	414	398
Port Operations	306	299
Sea personnel	959	858
Group, total	1,679	1,555
Employees per business area at the end of the year		
Shore-based personnel, excluding employees on a long-term absence		
Shipping and Sea Transport Services	448	424
Port Operations	271	264
Sea Personnel, excluding employees on a long-term absence	938	931
Group, total, excluding employees on a long-term absence	1,657	1,619
Shore-based personnel, including employees on a long-term absence		
Shipping and Sea Transport Services	455	-
Port Operations	280	-
Sea personnel, including employees on a long-term absence	977	-
Group, total, including employees on a long-term absence	1,712	-

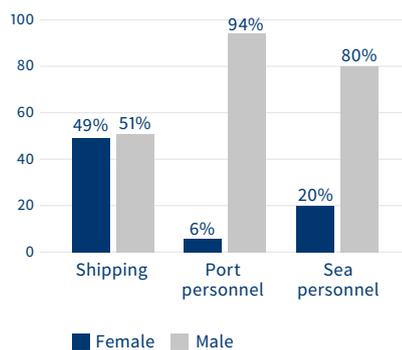
Employee categories
as of 31 December 2022, %



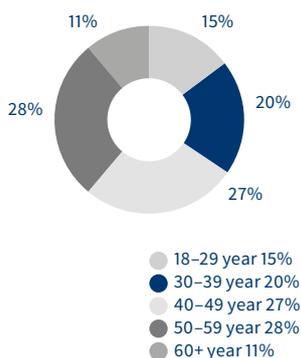
Personnel by country
2022, %



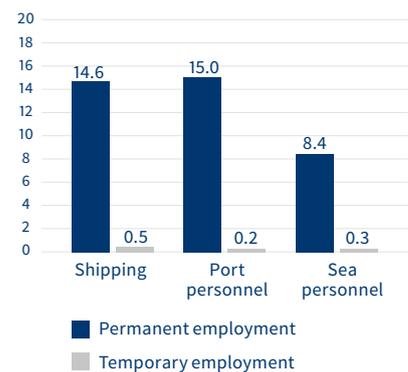
Gender distribution
as of 31 December 2022, %



Breakdown by age
as of 31 December 2022, %



Average length of employment
as of 31 December 2022, years





FINANCIAL
STATEMENTS
2022

Board of Directors' Report

Finnlines' business

Finnlines is a leading shipping operator of freight 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, Finnlines connects Helsinki 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.

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, Northern Europe, West Africa, North and South America. The Grimaldi Group comprises seven shipping companies, including Finnlines, Atlantic Container Line (ACL), Malta Motorways of the Sea (MMS) and Minoan Lines.

General market development

Finnlines' main operating area connects trade partners around the Baltic Sea. Based on the OECD Eurostat, the 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

At the beginning of 2022 Finnlines doubled the number of departures on the Hanko–Gdynia line when the previous ro-ro vessel was replaced by Finnhawk and 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 Europalink replaced Finn fellow and joined her sister ship Finnswan on the Naantali–Långnäs–Kapellskär route. At the same time Finn fellow moved to the Malmö–Travemünde traffic. In March Finnlines suspended its regular services to and from Russia. Due to fleet rearrangements Eurocargo Savona was redelivered to its owners in the Mediterranean while Finnsea moved from the Germany–Russia traffic to the Hanko–Rostock line. At the end of the first quarter Finnclipper, which had operated in Finnlines' Malmö–Travemünde line as the fourth vessel, was sold to the Grimaldi Group.

All three Eco-class ro-ro vessels, Finneco I, Finneco II and Finneco III, were delivered to Finnlines during the second quarter of 2022. In the middle of June, Finneco I entered Finnlines' Biscay traffic increasing the capacity on the line. Simultaneously, the ro-ro vessel Finntide was shifted to Baltic traffics replacing Finnmerchant, which was chartered out at the beginning of July 2022.

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 Helsinki–Hull line Finnhawk replaced Finnmaster, which was sold to the Grimaldi Group in September. In July, Finnlines launched a new service between Zeebrügge and Rosslare. The route is operated by one ro-ro vessel, which has two weekly departures from each direction.

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 year, Finnlines operated on average 21 (21) vessels in its own traffic.

The cargo volumes transported during January–December totalled 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

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 have 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 last year. 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.

The most important business and share related key indicators are presented in the Five-Year Key Figures on page 43.

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 excluding leasing liabilities 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 Finnlines 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.

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 completed installation of ballast water treatment systems on its vessels during 2022.

Finnlines' EUR 500-million Newbuilding Programme continued in China. In 2022 Finnlines 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.

Finnlines Plc is fully owned by the Grimaldi Group.

The shares and shareholders are dealt with in more detail in the Notes to the Consolidated Financial Statements, in Note 38. Shares and shareholders.

Decisions taken by the 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 from 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 yearly compensation to the Board will remain unchanged as follows: EUR 50,000 for the Chairman, EUR 40,000 for the Vice Chairman, and EUR 30,000 for each of the other members of the Board.

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.

Board of Directors' Report (continued)

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. NO_x, SO_x 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

Finlines 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, Finlines has made a complaint to the European Commission concerning Covid-19 situation related selective and discriminatory aid measures launched by the Finnish authorities.

Finlines 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.

Tonnage taxation

Finlines Plc entered into the Finnish tonnage taxation regime as from 1 January 2013. In tonnage taxation, the shipping operations transferred from taxation of business income to tonnage-based taxation.

Research and development

The aim of Finlines' research and development work is to find and introduce new practices and operating methods, which enable the Company to meet customer requirements in a more sustainable and cost-efficient way. In 2022, the focus continued to be on environmental investments in vessels and on improving vessels' energy efficiency.

Finlines' newbuilding program continued as planned during the year. Three highly ecological ro-ro vessels were taken into use and the construction of two ecologically efficient Superstar ro-pax vessels continued. The hybrid ro-ro vessels started in Finlines' Baltic, North Sea and Biscay traffic during the year. Superstar ro-pax vessels are planned to enter traffic on the Naantali-Långnäs-Kapellskär route in 2023.

Energy efficiency of the Finlines fleet has further improved by utilising the latest, environmentally friendly technology and the development will continue as the newbuilding program proceeds.

Digital services for freight customers were re-designed and the implementation project continued. The aim is to launch new services for freight customers during 2023. The development of open application programming interfaces (API) for freight customers continued in co-operation with the Grimaldi Group. API solutions benefit freight customers, for example, by providing easy access to sailing schedules, booking monitoring and tracking of cargo units. These new solutions were taken into use, for example, in Finlines' Ireland traffic.

The development of the ERP system continued in 2022 in several different projects. The self-service check-in solution for lorry drivers in freight traffic was taken into use. All the steps in the check-in process for a driver can now be completed through self-service. The monitoring system for port and stevedoring costs was taken into use in co-operation with first port and stevedoring operators.

To further strengthen the operational efficiency through reporting, the development of quality and processing of operational and financial data continued during 2022.

Data security solutions were expanded and diversified to give efficient protection from increasing threats. Cyber security was especially in the focus considering the geo-political situation in the Baltic Sea region and in Europe.

In Port Operations, the focus continued to be in the development of electronic customer services. The aim is to ensure customers an easy access to information and to improve the quality and timeliness of various data. Processing and reporting of financial and operational data were also in the development focus during the year.

Finlines is interested in academic collaboration with universities and other educational institutes and wants to take part in developing the maritime industry. Finlines supported students in their final studies and theses during 2022.

Environment and safety

The IMO and EU continue developing and adopting new environmental regulations. The short-term GHG reduction measures, adopted by the IMO in 2021, oblige all ships to meet certain energy efficiency criteria, both structurally and operation wise from 2023 onwards. Energy Efficiency Existing Ship Index (EEXI) is a one time measure where ship's structural energy efficiency is assessed and verified. Carbon intensity indicator (CII) is an annual assessment tool for ships' energy efficient operation. As a result every ship will be given an annual energy efficiency rating. Maintaining sufficient CII rating requires continuous improvement because the target level tightens by 2 per cent every year. The IMO is working on the revision of the initial GHG reduction strategy and the revised strategy is set to be adopted in mid-2023. Also discussion about mid- and long-term GHG reduction measures is ongoing.

The EU has reached an agreement on including shipping into European Emission Trading system from 2024 onwards via a three year phase-in period. Shipping companies need to surrender allowances equal to 40 per cent of their CO₂ emissions from 2024, for 70 per cent of the emissions from 2025, and from 2026 onwards all verified CO₂ emissions will be included into the EU ETS system. The negotiations for FuelEU Maritime and revision of Energy Taxation Directive are still ongoing. FuelEU Maritime Initiative will set a maximum limit on the greenhouse gas content of energy used by ships, as well as require passenger ships and container ships to use onshore power supply at berth unless they can demonstrate the use of an alternative zero-emission technology. The Energy Taxation Directive will introduce taxes on fuels.

Finlines' emission reduction pathway consists of a Green Newbuilding Programme, optimised operation of the older fleet and adoption of alternative fuels, which in the first phase means battery technology and shore side electricity. As part of the Green Newbuilding Programme, three new hybrid ro-ro-vessels, Finneco I, II and III, entered Finlines' services in 2022. Their high level energy efficiency is a result of different elements, such as hull design, optimised power and propulsion system, air lubrication system, solar panels, battery banks and various energy saving devices.

Sustainability reporting

Finlines' sustainability reporting includes, in addition to financial figures, key indicators related to the employees and the environment.

Finlines' sustainability reporting is part of the Grimaldi Group's Sustainability Report which is available on the Grimaldi Group's website: www.grimaldi.napoli.it.

Corporate Governance

The Corporate Governance Statement can be reviewed on the Company's website: www.finlines.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.

Finlines 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 Finlines 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 Finlines Group's result before taxes is targeted to improve compared to the previous year's level.

Dividend distribution proposal

The parent company Finlines Plc's result for the reporting period was EUR 126.4 million. The distributable funds included in the parent company's shareholders' equity equals to EUR 530.6 million at the end of the reporting period. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.50 per share be paid out resulting in a total amount of proposed dividends of EUR 77,254,711.50.

According to the consolidated statement of financial position, the equity attributable to parent company shareholders equals EUR 846.1 (764.3) million at the end of the reporting period.

Rome, 28 February 2023

Finlines Plc, The Board of Directors

Consolidated Statement of Comprehensive Income, IFRS

EUR 1,000	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Revenue	736,093	579,944
Other income from operations	5,917	1,896
Materials and services	-268,157	-192,991
Personnel expenses	-96,431	-89,602
Depreciation, amortization and impairment losses	-85,190	-82,127
Other operating expenses	-156,195	-138,958
Total operating expenses	-605,973	-503,678
Result before interest and taxes (EBIT)	136,037	78,161
Financial income	753	187
Financial expenses	-6,297	-4,591
Result before taxes (EBT)	130,493	73,758
Income taxes	2,841	915
Result for the reporting period	133,334	74,673
Other comprehensive income		
Other comprehensive income to be reclassified to profit and loss in subsequent periods:		
Exchange differences on translating foreign operations	-69	68
Fair value change on currency derivatives	-181	16,695
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	-250	16,763
Other comprehensive income not being reclassified to profit and loss in subsequent periods:		
Remeasurement of defined benefit plans	263	-51
Tax effect, net	-40	-38
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	223	-90
Total comprehensive income for the reporting period	133,307	91,346
Result for the reporting period attributable to:		
Parent company shareholders	133,334	74,673
	133,334	74,673
Total comprehensive income for the reporting period attributable to:		
Parent company shareholders	133,307	91,346
	133,307	91,346
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share)		
Undiluted / diluted earnings per share	2.60	1.45

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
ASSETS		
Non-current assets		
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
	1,224,989	1,128,963
Current assets		
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
	169,637	129,669
Non-current assets held for sale	14,610	14,610
Total assets	1,409,236	1,273,242
EQUITY		
Equity attributable to parent company shareholders		
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
Total equity	846,100	764,296
LIABILITIES		
Long-term liabilities		
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
	307,071	217,976
Current liabilities		
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
	256,065	290,970
Total liabilities	563,136	508,946
Total shareholders' equity and liabilities	1,409,236	1,273,242

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

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Consolidated Statement of Changes in Equity, 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	724,453
Comprehensive income for the reporting period:							
Result for the reporting period						74,673	74,673
Exchange differences on translating foreign operations			27			42	68
Fair value change on currency derivatives					16,695		16,695
Remeasurement of defined benefit plans						-51	-51
Tax effect, net						-38	-38
Total comprehensive income for the reporting period	0	0	27	0	16,695	74,626	91,346
Dividend						-51,503	-51,503
Equity 31 December 2021	103,006	24,525	141	40,016	18,073	578,535	764,296

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

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Consolidated Statement of Cash Flows, IFRS

EUR 1,000	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Cash flows from operating activities		
Result 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
Net cash generated from operating activities	200,051	146,713
Cash flows from investing activities		
Investments in tangible and intangible assets	-215,921	-83,577
Sale of tangible assets*	40,890	375
Acquisition of subsidiary shares	0	-27,051
Net cash used in investing activities	-175,031	-110,253
Cash flows from financing activities		
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
Net cash used in financing activities	-7,691	-36,361
Change in cash and cash equivalents	17,329	99
Cash and cash equivalents 1 January	1,950	1,847
Effect of foreign exchange rate changes	-402	5
Cash and cash equivalents 31 December	18,878	1,951

* Consists mainly of the sale of two vessels.

Profit and Loss Account, Parent Company, FAS

EUR	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Revenue	608,777,000.71	456,773,315.23
Other income from operations	5,157,813.79	4,105,558.21
Materials and services	-237,319,756.24	-180,052,310.45
Personnel expenses	-49,624,386.21	-44,754,797.58
Depreciation, amortisation and other write-offs	-50,706,969.65	-47,221,306.66
Other operating expenses	-145,945,633.34	-125,804,445.62
Operating profit	130,338,069.06	63,046,013.13
Financial income and expenses	-6,909,903.27	-3,688,356.21
Result before appropriations and taxes	123,428,165.79	59,357,656.92
Appropriations		
Group contributions	-1,900,000.00	-1,000,000.00
Profit before tax	121,528,165.79	58,357,656.92
Deferred taxes	4,944,023.85	4,301,517.57
Other direct taxes	-96,235.55	-87,779.13
Result for the reporting period	126,375,954.09	62,571,395.36

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Balance Sheet, Parent Company, FAS

EUR	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Intangible assets	2,299,321.72	1,899,183.55
Tangible assets	805,458,186.17	684,655,631.01
Investments		
Shares in group companies	154,379,459.00	154,379,459.00
Other investments	7,051,920.55	7,051,920.55
Total non-current assets	969,188,887.44	847,986,194.11
Current assets		
Inventories	8,492,105.14	6,764,141.31
Long-term receivables	49,293,473.96	73,349,467.12
Short-term receivables	141,231,404.86	112,159,527.34
Bank and cash	18,091,036.86	1,282,918.28
Total current assets	217,108,020.82	193,556,054.05
Total assets	1,186,296,908.26	1,041,542,248.16
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	103,006,282.00	103,006,282.00
Share premium account	24,525,353.70	24,525,353.70
Fair value reserve	17,892,023.07	18,073,336.01
Unrestricted equity reserve	40,882,508.10	40,882,508.10
Retained earnings	363,307,069.21	352,238,814.85
Result for the reporting period	126,375,954.09	62,571,395.36
Total shareholders' equity	675,989,190.17	601,297,690.02
Statutory provisions		
Pension obligation	496,000.00	640,000.00
Liabilities		
Long-term liabilities		
Deferred tax liability	2,725,286.76	7,669,310.61
Interest-bearing	247,000,002.11	148,545,457.10
	249,725,288.87	156,214,767.71
Current liabilities		
Interest-bearing	177,125,076.29	217,780,266.03
Interest-free	82,961,352.93	65,609,524.40
	260,086,429.22	283,389,790.43
Total liabilities	509,811,718.09	439,604,558.14
Total shareholders' equity and liabilities	1,186,296,908.26	1,041,542,248.16

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Cash Flow Statement, Parent Company, FAS

EUR	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Cash flows from operating activities		
Result for the reporting period	126,375,954.09	62,571,395.36
Adjustments for:		
Depreciation, amortisation & impairment loss	50,706,969.65	47,221,306.66
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	-2,595,604.32	-23,269.00
Financial income and expenses	6,909,903.27	3,688,356.21
Income taxes	-4,847,788.30	-4,213,738.44
Other adjustments	1,900,000.00	1,000,000.00
	178,449,434.39	110,244,050.79
Changes in working capital:		
Change in inventories, addition (-) and decrease (+)	-1,727,963.83	-1,867,209.90
Change in accounts receivable, addition (-) and decrease (+)	-21,414,861.46	-21,662,045.47
Change in accounts payable, addition (+) and decrease (-)	16,573,597.82	10,189,203.09
Change in provisions	-144,000.00	78,000.00
	-6,713,227.47	-13,262,052.28
Interest paid	-4,348,427.22	-3,313,463.61
Dividends received	7,790.00	270.00
Interest received	929,999.26	1,180,962.56
Other financing items	-2,721,033.60	-1,511,752.07
Income taxes paid	-96,234.55	-87,778.13
	-6,227,906.11	-3,731,761.25
Net cash generated from operating activities	165,508,300.81	93,250,237.26
Cash flows from investing activities		
Investments in tangible and intangible assets	-158,850,222.35	-71,099,874.45
Proceeds from sale of tangible and intangible assets	6,089,583.63	88,297.87
Purchase of investments, change	0.00	-27,051,122.14
Change in internal loans (net)	16,281,652.86	26,145,958.53
Net cash used in investing activities	-136,478,985.86	-71,916,740.19
Net cash before financing activities	29,029,314.95	21,333,497.07
Cash flows from financing activities		
Proceeds from short-term borrowings	-17,368,168.38	62,818,170.44
Repayment of short-term borrowings	-39,904,432.00	-17,230,769.00
Proceeds of long-term borrowings	371,666,668.00	232,000,000.00
Repayment of long-term borrowings	-273,212,122.99	-246,237,763.99
Dividends paid	-51,503,141.00	-51,503,141.00
Group contributions	-1,900,000.00	-1,000,000.00
Net cash used in financing activities	-12,221,196.37	-21,153,503.55
Change in cash and cash equivalents	16,808,118.58	179,993.52
Cash and cash equivalents on 1 January	1,282,918.28	1,102,924.76
Cash and cash equivalents on 31 December	18,091,036.86	1,282,918.28

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Five-Year Key Figures, IFRS

EUR million	2022	2021	2020	2019	2018
Revenue	736.1	579.9	484.0	574.8	589.4
Other income from operations	5.9	1.9	1.3	1.4	6.4
Result before interest, taxes, depreciation and amortisation (EBITDA)	221.2	160.3	140.8	169.8	166.4
% of revenue	30.1	27.6	29.1	29.5	28.2
Result before interest and taxes (EBIT)	136.0	78.2	76.2	104.8	104.9
% of revenue	18.5	13.5	15.7	18.2	17.8
Result before taxes (EBT)	130.5	73.8	70.6	97.3	94.8
% of revenue	17.7	12.7	14.6	16.9	16.1
Result for reporting period, continuing operations	133.3	74.7	69.7	98.3	95.1
% of revenue	18.1	12.9	14.4	17.1	16.1
Result for reporting period	133.3	74.7	69.7	98.3	95.1
% of revenue	18.1	12.9	14.4	17.1	16.1
Total investments *	223.8	110.6	50.6	31.4	134.0
% of revenue	30.4	19.1	10.5	5.5	22.7
Return on equity (ROE), %	16.6	10.0	9.7	14.3	14.9
Return on investment (ROI), %	11.6	7.2	7.0	9.5	9.6
Assets total	1,409.2	1,273.2	1,199.4	1,226.9	1,245.9
Equity ratio, %	60.3	60.4	60.7	58.5	53.3
Net gearing, %	44.5	45.6	45.5	50.8	68.1
Average no. of employees	1,679	1,576	1,534	1,576	1,637
Earnings per share (EPS), EUR	2.60	1.45	1.35	1.91	1.85
Earnings per share (EPS) less warrant dilution, EUR	2.60	1.45	1.35	1.91	1.85
Shareholders' equity per share, EUR	16.43	14.84	14.07	13.88	12.86
Adjusted average number of outstanding shares (1,000)	51,503	51,503	51,503	51,503	51,503
Adjusted number of outstanding shares 31 Dec (1,000)	51,503	51,503	51,503	51,503	51,503
Number of outstanding shares at year-end (1,000)	51,503	51,503	51,503	51,503	51,503

* Includes continuing and discontinuing operations.

Calculation of key ratios is presented on page 44.

Calculation of Key Ratios, IFRS

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	=	$\frac{\text{Shareholders' equity attributable to parent company shareholders}}{\text{Undiluted number of shares at the end of period}}$	
Return on equity (ROE), %	=	$\frac{\text{Result for the reporting period}}{\text{Total equity (average)}} \times 100$	
Return on investment (ROI), %	=	$\frac{\text{Result before tax + interest expense + other liability expenses}}{\text{Assets total - interest-free liabilities (average)}} \times 100$	
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.

The recognised income taxes are based on the year's estimated average income tax rate which is expected to realise during the entire reporting period.

Finnlines Plc's Shipping and Sea Transport Services transferred to tonnage-based taxation in January 2013.

Quarterly Data, IFRS

EUR million	Q1/2022	Q1/2021	Q2/2022	Q2/2021	Q3/2022	Q3/2021	Q4/2022	Q4/2021
Revenue by segment								
Shipping and Sea Transport Services total	150.6	117.8	193.2	140.3	195.9	149.2	172.4	148.0
Sales to third parties	150.6	117.9	193.3	140.4	195.9	149.3	172.4	148.1
Sales to Port Operations	-0.9	-0.1	-0.4	-0.1	-0.2	-0.1	0.0	-0.1
Port Operations total	12.1	11.7	12.7	12.5	11.1	11.3	10.3	11.5
Sales to third parties	6.4	6.2	6.7	6.4	5.6	5.8	5.2	5.9
Sales to Shipping and Sea Transport Services	5.7	5.5	6.0	6.1	5.5	5.5	5.0	5.6
Group internal revenue	-5.7	-5.4	-6.0	-6.0	-5.4	-5.4	-5.0	-5.6
Revenue total	157.0	124.1	199.9	146.8	201.5	155.1	177.7	154.0
Result before interest and taxes per segment								
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
Result before interest and taxes (EBIT) total	15.3	14.1	41.5	24.4	49.5	34.0	29.8	5.7
Financial income and expenses	-1.0	-1.1	-1.1	-1.2	-1.3	-1.1	-2.2	-1.0
Result before tax (EBT)	14.3	13.0	40.4	23.2	48.2	32.9	27.6	4.6
Income taxes	0.8	0.2	0.8	-0.1	0.6	-0.2	0.6	1.1
Result for the reporting period	15.1	13.2	41.2	23.1	48.8	32.7	28.2	5.7
Quarterly consolidated key figures								
Result before interest and taxes, (% of revenue)	9.7	11.4	20.7	16.6	24.6	21.9	17.0	3.7
Earnings per share, EUR	0.29	0.26	0.80	0.45	0.95	0.63	0.55	0.11
Average number of outstanding shares (1,000)	51,503	51,503	51,503	51,503	51,503	51,503	51,503	51,503

This page is an extract of the audited Financial Statements. The complete audited Financial Statements of the Group and the parent company are available at www.finlines.com. The extracts of the audited Financial Statements presented in the Annual Report should be viewed together with the complete and audited Financial Statements.

Board's Proposal For the Use of the Distributable Funds and Signatures to the Board of Directors' Report and to the Financial Statements

Distributable funds included in the parent company's shareholders' equity on 31 December 2022:

Retained earnings	EUR	363,307,069.21
Unrestricted equity reserve	EUR	40,882,508.10
Result for the reporting period	EUR	126,375,954.09
Distributable funds total	EUR	530,565,531.40

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.50 per share be paid out resulting in a total amount of proposed dividends of EUR 77,254,711.50.

Rome, 28 February 2023

Emanuele Grimaldi
Chairman of the Board

Tiina Bäckman

Gianluca Grimaldi

Guido Grimaldi

Mikael Mäkinen

Diego Pacella

Esben Poulsson

Jon-Aksel Torgersen

Tapani Voionmaa

Tom Pippingsköld
President and CEO

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

Helsinki, 28 February 2023

KPMG Oy Ab

Kimmo Antonen
Authorized Public Accountant

Auditor's Report

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Finnlines Plc

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Finnlines Plc (business identity code 0201153-9) for the year ended 31 December, 2022. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

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

Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the

preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Other opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki 28 February 2023

KPMG OY AB

Kimmo Antonen
KHT

Corporate Governance Statement

Finnlines Plc applies the guidelines and provisions of the Finnish Limited Liability Companies Act and its own Articles of Association. Finnlines also applies the Finnish Corporate Governance Code for listed companies entered into force on 1 January 2020 with regard to Finnlines' Corporate Governance Statement for the financial period ended on 31 December 2022. The Code is publicly available at www.cgfinland.fi. This Corporate Governance Statement has been approved by Finnlines' Board.

Tasks and responsibilities of governing bodies

Management of the Finnlines Group is the responsibility of the Board of Directors elected by the General Meeting as well as of the President and CEO appointed by the Board of Directors. Their duties are for the most part defined by the Finnish Limited Liability Companies Act. Day-to-day operational responsibility lies with the members of the Extended Board of Management supported by the relevant staff and service functions.

General Meeting of Shareholders

The ultimate decision-making body in the Company is the General Meeting of Shareholders. It resolves issues as defined for the General Meeting in the Finnish Limited Liability Companies' Act and the Company's Articles of Association. These include approving the financial statements, deciding on the distribution of dividends, discharging the Company's Board of Directors and CEO from the liability for the financial year, appointing the Company's Board of Directors and auditors and deciding on their remuneration.

A General Meeting of Finnlines Plc is held at least once a year. The Annual General Meeting (AGM) must be held no later than the end of June. The notice to the Shareholders' Meeting shall be given no earlier than three (3) months before the Shareholders' Meeting and no later than one (1) week before the Shareholders' Meeting.

Annual General Meeting 2022

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 from 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.

Board of Directors

Responsibility for the management of the Company and proper organisation of its operations lies with the Company's Board of Directors, which has at least five (5) and at most eleven (11) members. The members of the Board are appointed by AGM for one year at a time.

The majority of the directors shall be independent of the Company and at least two of the directors representing this majority shall be independent from significant shareholders of the Company. Information on the Board composition, Board members and their independence can be found on Finnlines' website.

The proposal for the Board composition shall be included in the notice of AGM. The names of candidates for membership of the Board of Directors, put forward by the Board of Directors or by shareholders with a minimum holding of 10% of the Company's voting rights, are published in the notice of the AGM, provided that the candidates have given their consent to the election. The candidates proposed thereafter shall be disclosed separately.

The Board elects a chairman and a deputy chairman from among its members. The Board steers and supervises the Company's operations, and decides on policies, goals and strategies of major importance. The principles applied by the Board in its regular work are set out in the Rules of Procedure approved by the Board. The Board handles all issues in the presence of the entire Board. The Board does not have any separate committees. The Board considers all the matters stipulated to be the responsibility of a board of directors by legislation, other provisions and the Company's Articles of Association. Due to the limited extent of the Company's business, it is considered effective that the entire Board also handles the duties of the audit committee, the nomination committee as well as those of the remuneration committee.



Corporate Governance Statement (continued)

The main duties and working principles drawn up by the Board are:

- the annual and interim financial statements
- the matters to be put to General Meetings of Shareholders
- appointment and dismissal of the President and CEO, the Deputy CEO, if any, and the members of the Executive Committee
- approval of internal supervision and organisation of the Company's financial supervision
- other matters related to the duties of the audit committee mentioned in the Finnish Corporate Governance Code
- approval of the Group's strategic plan and long-term goals
- approval of the Group's annual business plan and budget
- decisions concerning investments, acquisitions, or divestments that are significant or that deviate from the Group's strategy
- decisions on raising long-term loans and the granting of security or similar collateral commitments
- risk management principles
- the Group's organisational structure
- approval of the remuneration and pension benefits of the President and CEO, the Deputy CEO, if any, and the members of the Executive Committee
- monitoring and assessment of the performance of the President and CEO.

In addition to matters requiring decisions, Board meetings are given updates on the Group's operations, financial position and risks.

The Board of Directors reviews its operations and working methods annually. The Board convenes 6–8 times a year following a predetermined schedule. In addition to these meetings, the Board convenes as necessary.

Board of Directors 2022

In 2022, the Board consisted of nine members:

- Emanuele Grimaldi, Chairman of the Board, born 1956, Degree in Economics and Commerce, Managing Director of Grimaldi Group S.p.A., attended meetings: 7/7
- Diego Pacella, Vice Chairman of the Board, born 1960, Degree with honours in Mech. Eng., Managing Director of Grimaldi Group S.p.A., attended meetings: 7/7
- Tiina Bäckman, born 1959, Master of Laws, Chairman of the Board of Pension Foundation of Rautaruukki, attended meetings: 7/7
- Gianluca Grimaldi, born 1955, Degree in Economics and Commerce, President of Grimaldi Group S.p.A., attended meetings: 7/7
- Guido Grimaldi, born 1983, Degree in Economics, MBA, Corporate Short Sea Shipping Commercial Director, Grimaldi Group, attended meetings: 7/7
- Mikael Mäkinen, born 1956, Master of Science, Engineering, Chairman of the Board, Valmet Corporation, attended meetings: 6/7
- Esben Poulsen, born 1948, Diploma in Business Administration, Chairman & CEO, Enesel Pte. Ltd., attended meetings: 7/7
- Jon-Aksel Torgersen, born 1952, MBA, attended meetings: 7/7
- Tapani Voionmaa, born 1951, Master Mariner, LL.M., Post Graduate Diplomas, attended meetings: 7/7

During 2022, Finnlines Plc's Board of Directors held 7 meetings.

The present Board of Directors can be found on Finnlines' website: www.finnlines.com > Company > About us > Organisation & Management

Independence of the Board Of Directors

Five members, Tiina Bäckman, Mikael Mäkinen, Esben Poulsen, Jon-Aksel Torgersen and Tapani Voionmaa, are independent of the Company and of the major shareholders. Gianluca Grimaldi is independent of the Company but not of its major shareholders. Gianluca Grimaldi and Emanuele Grimaldi are shareholders of Grimaldi Group S.p.A. and in addition the Board has, based on an overall analysis, considered that Guido Grimaldi (the son of Emanuele Grimaldi) and Diego Pacella (spouse of shareholder) through the said relationships are non-independent of the major shareholders due to family relationship. Emanuele Grimaldi is and was dependent of the Company as Emanuele Grimaldi worked as President and CEO of the Company until 5 May 2022.

President and CEO and Deputy CEO

The Board of Directors appoints a President for the Group who is also its Chief Executive Officer. The President and CEO is in charge of the day-to-day management of the Company and its administration in accordance with the Company's Articles of Association, the Finnish Limited Liability Companies Act and the instructions of the Board of Directors. He is assisted in this work by the Executive Committee. The current President and CEO of the Company is Tom Pippingsköld (born 1960, B.Sc., MBA Washington D.C).

The Board of Directors appoints, if necessary, a Deputy CEO. The current Vice President and Deputy CEO of the Company is Thomas Doepel.

Executive Committee and Board of Management

The members of the Executive Committee are appointed by the Board of Directors. The Executive Committee convenes regularly, and is chaired by the President and CEO. The Executive Committee supports the President and CEO in his duties in implementing Group-level strategies and guidelines, in coordinating the Group's management, in finding practical solutions for reaching the targets determined by the Board, and in supervising the Company's operations.

The Company has a Board of Management, headed by the President and CEO, which consists of the members of the Executive Committee and the heads of functions and Line Managers as well as heads of the main agencies. The heads of functions are responsible for the sales volumes and profitability of their respective units. The Board of Management supports the Executive Committee in their work upon request.

The Company has an Extended Board of Management, headed by the President and CEO, which comprises, in addition to the Board of Management, heads of other agencies as well as Junior Managers. The Extended Board of Management convenes regularly to discuss operative issues related to the Group business and service products.

The retirement age of the members of the Extended Board of Management is based on local laws and there are no special pension schemes in place.

Information on the members of the Executive Committee, the Board of Management, and the Extended Board of Management, including their areas of responsibility, is given on Finnlines' website: www.finnlines.com > Company > About us > Organisation & Management

Compensation

The remunerations paid to the members of the Board of Management, and the principles underlying it, are determined by the Board of Directors.

The members of the Extended Board of Management are included in a bonus scheme which is decided by the Board of Directors on a yearly basis. The Board of Directors also decides on any separate performance-based compensation schemes for the management.

The bonuses are paid in cash. There are no other bonus schemes.

Remuneration in 2022

The annual remuneration for the Board of Directors in 2022 was EUR 50,000 for the Chairman, EUR 40,000 for the Vice Chairman and EUR 30,000 for the other Board members. The remuneration of the Board of Directors has remained the same as from 2008.

A detailed specification of the management contracts, salaries, remuneration and benefits paid in 2022 is given in the Financial Statements of 2022, Transactions with Related Parties, and in Finnlines' Remuneration Statement 2022 on Finnlines' website: www.finnlines.com > Company > About us > Corporate Governance

Internal audit

The Group's internal audit is handled by the Company's Internal Audit unit, which reports to the Chairman and to the President and CEO.

The purpose of the Internal Audit is to analyse the Company's operations and processes and the effectiveness and quality of its supervision mechanisms. The unit assists Finnlines to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the internal control and governance processes. The Internal Audit unit carries out its task by determining whether the Company's risk management, internal control and governance processes, as designed and represented by the management, are adequate and functioning in a manner to ensure that:

- Risks are appropriately identified and managed
- Interaction with the various governance groups occurs as needed
- Significant financial, managerial and operating information is accurate, reliable and timely



Corporate Governance Statement (continued)

- Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations
- Resources are acquired economically, used efficiently and adequately protected
- Programmes and plans are properly implemented and objectives are achieved
- Quality and continuous improvement are fostered in the Company's internal control processes
- Significant legislative or regulatory issues impacting the Company's internal controls are recognised and addressed appropriately

The Internal Auditor prepares an annual plan using an appropriate risk-based methodology and taking into consideration potential risks or control concerns identified by the management. The scope of the audits within a fiscal year is planned so that it is representative and the focus is set on the business areas with the highest risk potentials. The plan is approved by the Chairman. The Internal Auditor also carries out special tasks assigned by the Chairman, the President and CEO or the Board of Directors.

The Internal Auditor conducts the internal audits independently from operational units. In his auditing work, the auditor complies with the corporate governance, ethical principles, policies and other guidelines of the Company.

The audit reports are sent to the Chairman and the President and CEO. The President and CEO has regularly a closed session with the Internal Auditor about the results of the conducted audits and the upcoming work plan. Relevant issues are also brought to the attention of the Board of Directors.

Risk management

Internal control in Finnlines is designed to support the Company in achieving its targets. The risks related to achievement of the targets need to be identified and evaluated in order to be able to manage them. Thus, identification and assessment of risks is a prerequisite for internal control in Finnlines.

Internal control mechanisms and procedures provide management with the assurance that the risk management actions are carried out as planned. Conscious and carefully evaluated risks are taken in selecting strategies, e.g. in expanding business operations, in enhancing market position and in creating new business.

Financial, operational and damage/loss risks are avoided or reduced. The continuity of operations is ensured by safeguarding critical functions and essential resources. Crisis management, continuity and disaster recovery plans are prepared. The costs and resources involved in risk management are in proportion to the obtainable benefits.

The Board of Directors of Finnlines is responsible for defining the Group's overall level of risk tolerance and for ensuring that Finnlines has adequate tools and resources for managing risks. The President and CEO, with the assistance of the Executive

Committee, is responsible for organising and ensuring risk management in all Finnlines' operations.

Responsibilities for the Group's working capital, investments, financing, finances, human resources, communications, information management and procurement are centralised to the head office of the Company. The Group's payment transactions, external and internal accounting are managed centrally by the Financial Department, which reports to the CFO. The Group's foreign exchange and interest exposure is reviewed by the Board of Directors in each budgeting period. External long-term loan arrangements are submitted to the Board of Directors for approval.

The Group Legal, Insurance and Claims Department is responsible for risks associated with the Company's noncurrent assets and any interruptions in operations, as well as for the management and coordination of the Group's insurance policies. The majority of the Group's non-current assets consists of its fleet. The fleet is always insured to its full value. The financial position and creditworthiness of the Group's customers are monitored continuously in order to minimise the risk of customer credit losses.

Each business unit has a responsible controller who reports to the head of the relevant business unit and to the Group CFO. The heads of Finnlines' business units are responsible for the profit and working capital of their units. They set the operational targets for their units and ensure that resources are used efficiently and that operations are evaluated and improved.

Finnlines' most important strategic, operative and financial risks are described in the [Financial Statements 2022](#), [Financial Risk Management](#).

Internal control over the financial reporting

Monitoring is a process that assesses the quality of Finnlines' system of internal control and its performance over time. Monitoring is performed both on an ongoing basis, and through separate evaluations including internal, external and quality audits. The business unit is responsible for ensuring that relevant laws and regulations are complied with in their respective responsibility areas.

The Internal Audit function assists the President and CEO and the Board of Directors in assessing and assuring the adequacy and effectiveness of internal controls and risk management by performing regular audits in the Group's legal entities and support functions according to its annual plan. Finnlines' external auditor and other assurance providers such as external quality auditors conduct evaluations of the Company's internal controls.

The Company's financial performance is reviewed at each Board meeting. The Board reviews all interim and annual financial reports before they are released. The effectiveness of the process for assessing risks and the execution of control

activities are monitored continuously at various levels. This involves reviews of results in comparison with budgets and plans. Responsibility for maintaining an effective control environment and operating the system for risk management and internal control of financial reporting is delegated to the President and CEO. The internal control in the Company is based on the Group's structure, whereby the Group's operations are organised into two segments and various business areas and support functions. Group functions issue corporate guidelines that stipulate responsibilities and authority, and constitute the control environment for specific areas, such as finance, accounting, and investments, purchasing and sales.

The Company has a compliance programme. Standard requirements have been defined for internal control over financial reporting. The management expects all employees to maintain high moral and ethical standards and those expectations are communicated to the employees through internal channels.

The Group Finance & Control unit monitors that the financial reporting processes and controls are being followed. It also monitors the correctness of external and internal financial reporting. The external auditor verifies the correctness of external annual financial reports.

The Board monitors the statutory audit of the financial statements and consolidated financial statements, evaluates the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company and prepares the proposal for resolution on the election of the auditor.

The Board reviews annually the description of the main features of the internal control and risk management systems in relation to the financial reporting process, which is included in this Corporate Governance Statement.

Information management

An effective internal control system needs sufficient, timely and reliable information to enable the management to follow up the achievement of the Company's objectives. Both financial and non-financial information is needed, relating to both internal and external events and activities.

Information management plays a key role in Finnlines' internal control system. Information systems are critical for effective internal control as many of the control activities are programmed controls.

The controls embedded in Finnlines' business processes have a key role in ensuring effective internal control in Finnlines. Controls in the business processes help ensure the achievement of all the objectives of internal control in Finnlines, especially those related to the efficiency of operations and safeguarding Finnlines' profitability and reputation. Business units and IT management are responsible for ensuring that in their area of responsibility the defined Group-level processes and controls are implemented and complied with. Where no Group-level processes and controls exist, business units and IT management are responsible for ensuring that efficient business level processes with adequate controls have been described and

implemented.

The proper functioning of Finnlines' information systems is guaranteed through extensive and thorough security programs and emergency systems.

Insider management

Finnlines' shares or other securities are not listed. Therefore, Finnlines does not apply MAR or other regulations applicable to inside information relating to listed issuers.

Related party transactions

The Company will assess and monitor transactions carried out with related parties and ensure that any conflicts of interests will be appropriately considered in the Company's decision-making in accordance with the applicable provisions of the Limited Liability Companies Act. The Company maintains a list of related parties in its Group administration.

The Company provides information on related party transactions according to the Limited Liability Companies Act and regulations governing the preparation of the financial statements in the review by the Board of Directors and notes to the financial statements.

External audit

The Company has one auditor which shall be an auditing firm authorised by the Central Chamber of Commerce. The auditor is elected by the Annual General Meeting to audit the accounts for the ongoing financial year and its duties cease at the close of the subsequent Annual General Meeting. The auditor is responsible for auditing the consolidated and parent company's financial statements and accounting records, and the administration of the parent company. On closing of the annual accounts, the external auditor submits the statutory auditor's report to the Company's shareholders, and also regularly reports the findings to the Board of Directors. An auditor, in addition to fulfilling general competency requirements, must also comply with certain legal independence requirements guaranteeing the execution of an independent and reliable audit.

Auditor in 2022

In 2022, the Annual General Meeting elected KPMG Oy Ab as the Company's auditor for the fiscal year 2022. Kimmo Anttonen, APA, has been appointed the head auditor. It was decided that the external auditors be reimbursed according to invoice. In 2022, EUR 141 thousand was paid to the auditors in remuneration for the audit of the consolidated, parent company and subsidiary financial statements. During the same year, EUR 24 thousand was paid for consulting services not related to auditing.

Communications

The principal information on Finnlines' administration and management is published on the Company's website. All press releases are published on the Company's website as soon as they are made public.

Board of Directors

Emanuele Grimaldi

Chairman of the Board

- Member of Finnlines Board since 2006
- Grimaldi Group S.p.A., Managing Director
- Grimaldi Deep Sea S.p.A., Board Member
- Grimaldi Euromed S.p.A., President and Managing Director
- Born 1956, Degree in Economics and Commerce, University of Naples, Italy
- General Certificate of Education (scientific studies), Military School Nunziatella in Naples, Italy
- Honoured as Commander of the Order of the Lion of Finland in 2018

Current positions

- Minoan Lines, Greece, President
- Malta Motorways of the Sea Ltd, President
- Atlantic Container Line AB, Board Member
- International Chamber of Shipping (ICS), Chairman
- European Community Shipowners' Associations, Past President
- Interferry Inc, Board Member
- Valencia Terminal Europa S.L (VTE), Chairman of the Board
- Confitarma, Board Member and Past President

Diego Pacella

Vice Chairman of the Board

- Member of Finnlines Board since 2007
- Independent of the Company
- Grimaldi Deep Sea S.p.A., President & Managing Director
- Grimaldi Group S.p.A., Managing Director
- Grimaldi Euromed S.p.A., Managing Director
- Born 1960, Degree in Mechanics Engineering, University of Naples, Italy

Current positions

- Grimaldi Group, Finance Director
- Minoan Lines, Greece, Board Member
- Malta Motorways of the Sea Ltd, Board Member
- Atlantic Container Line AB, Board Member
- Wallhamn AB, Board Member
- Marittima Spedizioni srl, President
- Grimaldi Agencies UK Ltd, Board Member
- Grimaldi Belgium N.V., Board Member
- Finance Committee of Confitarma, Member
- Tramed GLE S.L. (Spain), Board Member
- AET, Antwerp Euro Terminal, Board Member

Tiina Bäckman

- Member of Finnlines Board since 2012
- Independent of the Company and major shareholders
- Pension Foundation of Rautaruukki (SSAB), Chairman of the Board
- Born 1959, Master of Laws LL.M., University of Lapland

Current positions

- OP Bank of Helsinki, Board Member and Board Audit Committee Member
- Arvo Invest Cooperative (Arvo Sijoitusosuuskunta), Board Member
- Aino Invest Nordic Oy, Board Member
- Partnera (Oulun Puhelin) Oyj Pension foundation, Chairman of the Board
- Finland Chamber of Commerce, Redemption Board Member

Gianluca Grimaldi

- Member of Finnlines Board since 2007
- Independent of the Company
- Grimaldi Group S.p.A., President
- Grimaldi Deep Sea S.p.A., President
- Grimaldi Euromed S.p.A., Board Member
- Born 1955, Degree in Economics and Commerce, University of Naples, Italy
- Honoured as "Cavaliere del Lavoro" in 2014

Current positions

- Minoan Lines, Greece, Board Member
- Malta Motorways of the Sea, Board Member
- Atlantic Container Line AB, Board Member
- Antwerp Euro Terminal n.v. – Antwerp (Belgium), President
- Grimaldi Agencies UK Ltd, Chairman of the Board
- Grimaldi Agency Nigeria Ltd, Chairman of the Board
- Grimaldi Germany GMBH, Chairman of the Board
- Grimaldi Maritime Agencies Sweden AB, Chairman of the Board
- Grimaldi Portugal Lda, Chairman of the Board
- Grimaldi Real Estate Ltd, Chairman of the Board
- Ports and Terminal Multiservices Ltd (Nigeria), Chairman of the Board

Guido Grimaldi

- Member of Finnlines Board since 2017
- Independent of the Company
- Grimaldi Short Sea Shipping, Corporate Commercial Director
- Grimaldi Short Sea Shipping Hotel Management and Claims Department, Director
- Grimaldi Sardegna & Grimaldi Catania Agencies, President
- Grimaldi Brindisi, President
- Valencia Terminal Europa, Board Member
- Grimaldi Marangolo Terminal Catania, Board Member
- Grimaldi Logistica Genova, Board Member
- Grimaldi Maroc, Board Member
- Grimaldi Tunis, Board Member
- Born 1983, Degree in Economics, University Federico II of Naples, Italy and MBA Master "Automotive Logistics" of ECG Academy (European Vehicle Logistics Association)

Current positions

- ALIS, Logistic Association of Sustainable Intermodality, President
- Technical Group on Ecological transition, naval technology, regulation, research and development of Confitarma (Italian Confederation of Shipowners), President
- National Council of Economy and Labour – Working Group "Environmental and ecological reconversion", Member
- General Council of Confitarma (Italian Confederation of Shipowners), Member
- Council of Federazione del Mare (Italian Maritime Cluster), Member
- Short Sea Panel of ICS (International Chamber of Shipping), Member
- SIMEST, Board Member
- Board of Directors of the University of Naples Parthenope, Member
- Aspen Institute, Member
- VolaNapoli Onlus, Advisory Board Member
- Fondazione Grimaldi Onlus, Foundation, Board Member
- "Un Calcio per Tutti Onlus" Association, Honorary President
- Tommaso Dragotto Foundation, Member
- Ambassador of Marevivo Onlus Association "Cavaliere del Mare"

Mikael Mäkinen

- Member of Finnlines Board since 2018
- Independent of the Company and major shareholders
- Born 1956, Master of Science, Helsinki University of Technology

Current positions

- Valmet Corporation, Chairman of the Board
- Aker Arctic, Chairman of the Board
- SSAB AV, Member of the Board
- Corvus Energy Holding AS, Chairman of the Board

Esben Poulsen

- Member of Finnlines Board since 2020
- Independent of the Company and major shareholders
- Chairman & CEO, Enesel Pte. Ltd., Singapore
- Born 1948, Diploma in Business Administration, British Columbia Institute of Technology – Vancouver, B.C., Canada

Current positions

- Tamar Ship Management Ltd., Hong Kong, Chairman
- Cambiaso Riso Asia Pte. Ltd, Singapore, Chairman
- BW Epic Kosan Ltd., Singapore, Board Member
- X-Press Feeders Ltd., Singapore, Senior Advisor to the Chairman
- Maritime & Port Authority of Singapore, Board Member
- Abu Dhabi Ports Group (Maritime Cluster), Board Member
- KST Pte Ltd (former Keppel Smit Towage Pte. Ltd), Chairman

Jon-Aksel Torgersen

- Member of Finnlines Board since 2007
- Independent of the Company and major shareholders
- Born 1952, Master in Business Administration, University of St. Gallen, Switzerland

Current positions

- Atlantic Container Line AB, Chairman
- Awilco LNG ASA, Board Member
- Transportation Recovery Fund, L.P., Board Member and Member of the Investment Committee
- TRF Ship Management AS, Chairman of the Board
- Nautical Bulk Ltd, Chairman of the Board
- Awilco Eco Tankers AS, Board Member
- Chairman and Board Member of a number of private companies

Tapani Voionmaa

- Member of Finnlines Board since 2019
- Independent of the Company and major shareholders
- Born 1951, Master Mariner, LL.M., University of Helsinki, Post Graduate Diplomas, King's College, London

Current positions

- The Finnish Maritime Society, Member of the Board

Executive Committee

Tom Pippingsköld

- President and CEO of Finnlines Plc since 5 May 2022
- Member of the Executive Committee since 2013
- Born 1960, B.Sc., MBA (Washington D.C)

Thomas Doepel

- Vice President and Deputy CEO of Finnlines Plc since 5 May 2022
- COO
- Head of Ship Management
- Head of Purchasing, Port Cost Control & Equipment
- Member of the Executive Committee since 2013
- Born 1974, M.Sc. (Econ.), Master Mariner, Executive MBA in Shipping and Logistics (Copenhagen Business School)

Staffan Herlin

- Head of Group Marketing, Sales and Customer Service
- Line Manager Germany, North Sea ro-ro
- Member of the Executive Committee since 2013
- Born 1958, M.Sc. (Econ.)

Merja Kallio-Mannila

- Deputy Head of Group Marketing, Sales and Customer Service
- Head of Sales & Customer Service Finland
- Member of the Executive Committee since 2022
- Born 1965, M.Sc. (Econ.)

Marco Palmu

- Head of Passenger Services
- Member of the Executive Committee since 2022
- Born 1967, Business College

Mervi Pyökäri

- Head of Legal, Insurance and Claims
- Member of the Executive Committee since 2022
- Born 1972, Master of Laws, University of Turku

Antonio Raimo

- Line Manager Nordölink and Finnlink
- Member of the Executive Committee since 2013
- Born 1975, M.Sc. (Banking and Economics), Master in Business Administration

Torkel Saarnio

- Head of Truck and Trailer Segment
- Line Manager Hansalink, Rostock and Aarhus traffics
- Member of the Executive Committee since 2022
- Born 1971, High School and Commercial Institute graduate

Board of Management

(in addition to the Executive Committee)

Uwe Bakosch, Managing Director, Finnlines Deutschland GmbH

Domenico Ferraiuolo, Head of Port Operations

Kimmo Kostia, Head of Group IT, Hardware

Santeri Laakso, Head of Group Finance

Jan Laurell, Head of Group HR

Sanna Simpanen-Mäenpää, Head of Group Analytics & Business Controlling

Kristiina Uppala, Head of Customer Service, Passenger Services & Onboard Concept Development Manager

Vesa Vähämaa, Head of Group IT, Software

Agnieszka Walenciak, Line Manager, Hanko-Gdynia line

Extended Board of Management

(in addition to the Board of Management)

Luc Hens, Managing Director, Finnlines Belgium N.V.

Rafal Kwapisz, Managing Director, Finnlines Poland

Blasco Majorana, Traffic Manager, North Sea

Torsti Muuri, Traffic Manager, Baltic Sea

Rune Nielsen, Managing Director, Finnlines Denmark A/S

Brian Rolfe, Managing Director, Finnlines UK Limited



Operating areas

Liner traffic area 31 December 2022

Finnlines' main operating areas are the Baltic Sea and the North Sea. Today, with more than 170 weekly freight and 80 passenger departures, Finnlines provides efficient shipping services.

Contact information

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www.finnlines.com



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The Grimaldi Group

With a long experience dating back to 1947, Naples-based Grimaldi Group is the first Italian shipping company and a world leader in the maritime transport of cars and rolling freight. It is a dedicated supplier of integrated logistics services based on maritime transport to the world's major vehicle manufacturers, while being active in the container and passenger transport sectors as well.

The Group owns and operates a modern fleet of more than 130 vessels including ro-ro / multipurpose units, pure truck and car carriers and ferries, with an average age significantly lower than the industry average.

The company's presence in the maritime transport of vehicles started in 1969 when it introduced a regular service between Italy and the UK. The Group rapidly gained the trust of the major car manufacturers who chose Grimaldi's vessels to transport their production from Northern Europe to various Mediterranean countries. Throughout the years, the Group rapidly developed and now serves over 140 ports in 50 countries in the Mediterranean Sea, Northern Europe, West Africa, Far East, North and South America. The shore personnel and crews total over 17,000 people.

The Grimaldi Group comprises seven shipping companies, namely: Grimaldi Deep Sea, operating in the transport of rolling cargo and containers on the Atlantic routes and between the Mediterranean and West Africa; Grimaldi Euromed, specialized in the transport of rolling freight in Europe, in the Motorways of the Sea and in the Far East as well as in the transport of passengers in the Mediterranean with the Grimaldi Lines brand; Atlantic Container Line, which offers transport services for containers and rolling cargo between North America and North Europe; Malta Motorways of the Sea, shipowning company; Minoan Lines, operating in Greek cabotage for the transport of freight and passengers; Finnlines, operating in freight and passenger transport in the North and Baltic Sea; Tramed GLE, active in the transport of

freight and passengers between mainland Spain and the Balearic Islands.

The Grimaldi Group has also evolved to become a multimodal transport operator offering integrated logistics services. For this purpose, it currently operates, together with strategic partners, various car and container terminals totalling over 6 million sq. metres in the Mediterranean, Northern Europe and West Africa as well as trucking companies for the transport of cars and containers.

In recent decades, the Group has also invested in the development of the Motorways of the Sea in the Mediterranean Sea, introducing new lines and modern ro-pax ferries. Currently, its network covers Italy, Spain, Malta, Tunisia, Morocco and Greece for the transport of trailers, trucks, cars and passengers.

In addition to the quality of its services, the Grimaldi Group has long stood out for its focus on environmental issues, which in recent years has resulted in a strong commitment and important investments aimed at increasing fuel efficiency, promoting the decarbonisation of the shipping industry and reducing harmful emissions from its operations. Over the last years, the Group has designed, ordered and deployed increasingly eco-friendly vessels, implemented green retrofit programs for its already operational ships, participated in projects to reduce the environmental impact of terminal operations, joined international associations aiming at improving the whole shipping industry's green records.

Finally, the Grimaldi Group is the first Italian shipping company to have obtained the SMS, ISO 9001 and ISO 14001 certifications for Safety, Quality and Environment. It is also the first shipping company in Italy to have been awarded the status of Authorized Economic Operator – Complete (AEO-F).

www.grimaldi.napoli.it

Photos:

Antti Angeria, Mike Louagie, Finnlines' archives.



Finnlines
a Grimaldi Group company

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