



**Financial review Q1**  
**January-March 2023**  
**4 May 2023**

## JANUARY-MARCH 2023

- Revenue EUR 163.1 (157.0 in 2022) million, increase 4 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 45.5 (35.6) million, increase 28 per cent
- Result for the reporting period EUR 21.5 (15.1) million, increase 42 per cent
- Interest bearing debt increased by EUR 21.2 million and was EUR 352.9 (331.7) million at the end of the period

## KEY FIGURES

MEUR	1-3 2023	1-3 2022	1-12 2022
Revenue	163.1	157.0	736.1
<b>Result before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>45.5</b>	35.6	221.2
Result before interest and taxes (EBIT)	23.3	15.3	136.0
% of revenue	14.3	9.7	18.5
<b>Result for the reporting period</b>	<b>21.5</b>	15.1	133.3
Stakeholders' equity/share, EUR	16.78	15.09	16.43
Equity ratio, %	63.7	61.7	60.3
Net debt/EBITDA	1.5	1.8	1.7
Interest bearing debt, MEUR	352.9	331.7	395.7
Net gearing, %	40.5	38.8	44.5

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

"The Finnlines Group recorded revenue totalling EUR 163.1 (157.0) million during the first quarter of 2023, an increase of 4 per cent compared to the same reporting period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 157.9 (150.6) million, of which passenger related revenue totalled EUR 10.2 (7.5) million. Cargo volumes were on a satisfactory level regardless of the fact that Russian operations were already suspended in Q1 2022 and that there were strikes in ports and on railways in Finland in February. However, Finnlines' passenger business has fully recovered after more than two years of pandemic and subsequent travel restrictions.

Finnlines has further strengthened its liner network on its Belgium-Ireland freight service by adding a second ro-ro vessel, Finnulp, on the Zeebrugge-Rosslare route in February. A new port, Teesport in Northern England, was added to our network when P&O Ferries chartered Finnulp for three days a week.

Finnlines is preparing to open a new route between Malmö, Sweden, and Świnoujście, Poland. This expansion will benefit Polish and Swedish imports and exports and also expand Finnlines' operations outside Finland. The spacious ro-pax vessel on the route can also accommodate private passengers.

The construction of the two Eco-efficient ro-pax vessels continues in China where up to 1,000 employees work at the shipyard. In Finland a recruitment campaign has been launched to crew these Superstar-class ro-pax newbuilds with skilled seafarers. Therefore Finnlines has been able to offer permanent vacancies and temporary crew will also be needed during the high-season.

The Superstars, the first of which is expected to enter traffic on our route Naantali-Långnäs-Kapellskär during the late summer, have been introduced to various media and at larger travel and conference fairs and we have been delighted to note that these newbuilds, our "Crown Jewels", have arisen great interest. Finnlines is Finland's biggest cargo shipping company, which is our core business, but with these beautiful modern ro-pax vessels we welcome our existing passengers and also new passenger segments such as foot passengers.

Globally, the whole shipping industry works on transition to lower carbon and later to carbon neutral traffic. Meanwhile, European Union has agreed that the maritime sector will be included in its Emissions Trading System from 2024 onwards. As Finland is further from its most important markets in Europe, logistics must be very efficient and produce less and less emissions in years to come.

The Grimaldi Group is today a global shipping company carrying goods to and from the Mediterranean, North and South America, West Africa and also to and from such destinations as the Middle East, China, Japan, Singapore, South Korea and Australia. This enables us to offer our clients more international and also global transshipment services.

In order to lead the way and to pursue sustainable maritime operations, Finnlines has invested massively in new ships and in new environmental technology for more than a decade. Together with our customers and partners, Finnlines had made efforts to optimise the whole transport chain, including its route network, schedules, and vessels in order to save fuel and thereby reduce emissions further."

## **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 the Baltic Sea, Finnlines connects in the Baltic Sea area the Grimaldi Group network in the Mediterranean, North and South America, West Africa, as well as the Middle East, China, Japan, Singapore, South Korea and Australia.

## **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 in the Mediterranean, North and South America, West Africa as well as the Middle East, China, Japan, Singapore, South Korea and Australia. The Grimaldi Group comprises seven shipping companies, including Finnlines, Atlantic Container Line (ACL), Malta Motorways of the Sea (MMS), Minoan and Trasméd.

## **GENERAL MARKET DEVELOPMENT**

Finnlines' main operating area connects trade partners around the Baltic Sea. Based on the OECD Eurostat, the Gross Domestic Product in EU area increased by 1.8 per cent during the fourth quarter of 2022 in comparison with the same period in 2021. Compared with the third quarter of 2022, the reported GDP in Germany decreased by 0.2 per cent in the fourth quarter of 2022, while in Sweden the decrease was 0.6 per cent. In Finland, GDP decreased in the fourth quarter by 0.2 per cent compared with the previous quarter. (Eurostat 2022.) However, the Russian conflict with Ukraine may deteriorate future economical development in the EU area depending on the duration and extent of the confrontation.

Based on the January-February 2023 statistics by Statistics Finland, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) decreased by 20 per cent and exports decreased by 10 per cent. During the same period private and commercial passenger traffic between Finland and Sweden increased by 98 per cent, between Finland and Germany by 66 per cent. (Statistics Finland).

## **FINNLINES TRAFFIC**

The Transport Workers' Union, AKT, had a strike in all Finnish ports from 15 February to 1 March. The strike caused severe disturbance in Finnlines' traffic, since several vessels were laying in port. Part of the departures were operated during the strike by carrying only accompanied units. Finnlines launched also a temporary service from Muuga to Travemünde and from Rostock to Muuga.

At the end of February Finnlines strengthened its Ireland-Belgium freight services by bringing a second vessel to the traffic. With that, the number of weekly departures increased from four to six.

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

The cargo volumes transported during January–March totalled approximately 176,000 (199,000 in 2022) cargo units, 43,000 (36,000) cars (not including passengers' cars) and 338,000 (374,000) tons of freight not possible to measure in units. In addition, some 126,000 (117,000) private and commercial passengers were transported.

## **FINANCIAL RESULTS**

### **January-March 2023**

The Finnlines Group recorded revenue totalling EUR 163.1 (157.0) million in the reporting period, an increase of 4 per cent compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 157.9 (150.6) million, of which passenger related revenue was EUR 10.2 (7.5) million. The revenue of Port Operations was EUR 10.0 (12.1) million. The strike caused by Transporter Workers' Union hindered the development of turnover both in Port Operations and Shipping and Sea Transport Services. The number of private passengers increased from the previous year. The internal revenue between the segments was EUR 4.7 (5.7) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 45.5 (35.6) million, an increase of 28 per cent.

Result before interest and taxes (EBIT) was EUR 23.3 (15.3) million.

The financial position remained strong, although net financial expenses increased and were EUR -2.7 (-1.0) million. Financial income was EUR 0.1 (0.1) million and financial expenses EUR -2.8 (-1.1) million. Result before taxes (EBT) increased by EUR 6.3 million and was EUR 20.6 (14.3) million. The result for the reporting period was EUR 21.5 (15.1) million.

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

Interest-bearing debt increased by EUR 21.2 million to EUR 352.9 (331.7) million, excluding leasing liabilities of EUR 19.9 (22.5) million. Net interest-bearing debt at the end of period was EUR 350.4 (301.3) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio

amounted to 1.5 (1.8) and the equity ratio calculated from the balance sheet was 63.7 (61.7) per cent. Net gearing resulted in 40.5 (38.8) 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 306.2 (247.4) million.

Net cash generated from operating activities remained strong and was EUR 34.0 (23.2) million.

#### **CAPITAL EXPENDITURE**

The Finnlines Group's gross capital expenditure in the reporting period totalled EUR 6.9 (2.3) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 22.2 (20.3) 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 payments related to green ro-ro and ro-pax newbuildings.

Finnlines has continued to invest in sustainability and environmental technologies.

Finnlines' EUR 500-million Newbuilding Programme continued in China. 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 1,620 (1,649) persons during the reporting period, consisting of 938 (941) persons at sea and 682 (708) persons on shore. The number of persons employed at the end of the period was 1,682 (1,636) in total, of which 961 (936) at sea and 721 (700) on shore.

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

#### **THE FINNLINES SHARE**

The Company's paid-up and registered share capital on 31 March 2023 totalled EUR 103,006,282. The capital stock consisted of 51,503,141 shares.

Finnlines Plc is fully owned by the Grimaldi Group.

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

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.

Finnlines is exposed to business risks that arise from the capacity of the fleet existing in the market, counterparties, prospects for export and import of goods, and changes in the operating environment. The risk of overcapacity is reduced through scrapping of aging vessels, on the one hand, and the more stringent environmental requirements, on the other. The continuity of operations is ensured by safeguarding critical functions and essential resources. The majority of the Group's non-current assets consists of its fleet. The fleet is always insured to its full value.

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

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

Finnlines' cash and unused committed credit facilities amounted to over EUR 300 million.

#### **LEGAL PROCEEDINGS**

Finnlines has made an appeal to the Helsinki Administrative Court of the National Emergency Supply Agency's decision concerning the compensation of costs for securing maritime transport. In addition, Finnlines has made a complaint to the European Commission concerning Covid-19 situation related selective and discriminatory aid measures launched by the Finnish authorities.

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

#### **CORPORATE GOVERNANCE**

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

#### **EVENTS AFTER THE REPORTING PERIOD**

There are no significant events to report.

## **OUTLOOK AND OPERATING ENVIRONMENT**

The world economy continues to grow although growth in some countries can be very mild or even slightly negative. Global economic outlook is forecasted to be a bit more positive towards the year end for 2023.

Finnlines continues its EUR 500 million Green Investment Programme and the Superstar vessels will be delivered this year during the second half. Freight volumes were at a fairly good level during Q1 and the growth in passenger figures was good. Taking into account company's new larger eco-efficient ro-ro and ro-pax vessels, recently expanded new routes and opening of a completely new line between Sweden and Poland, we forecast that Finnlines Group's result before taxes is targeted to improve compared to the previous year's level.

The second financial review of 2023 for the period of 1 April-30 June 2023 will be published on Thursday, 27 July 2023.

Finnlines Plc  
The Board of Directors

Tom Pippingsköld  
President and CEO

## **FURTHER INFORMATION**

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## DISTRIBUTION

Main media

This interim report is unaudited.

## REPORTING AND ACCOUNTING POLICIES

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

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

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

The preparation of the interim financial statements in accordance with IFRS requires management to make estimates and assumptions and use its discretion in applying the accounting principles that affect the valuation of the reported assets and liabilities and other information such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates. The uncertainties related to the key assumptions were the same as those applied to the consolidated financial statements at the year-end 31 December 2022.

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS**

<b>EUR 1,000</b>	<b>1-3 2023</b>	<b>1-3 2022</b>	<b>1-12 2022</b>
<b>Revenue</b>	<b>163,122</b>	156,993	736,093
Other income from operations	462	1,980	5,917
Materials and services	-58,363	-61,438	-268,157
Personnel expenses	-23,559	-23,609	-96,431
Depreciation, amortisation and impairment losses	-22,186	-20,297	-85,190
Other operating expenses	-36,164	-38,347	-156,195
Total operating expenses	-140,272	-143,690	-605,973
<b>Result before interest and taxes (EBIT)</b>	<b>23,312</b>	15,283	136,037
Financial income	87	79	753
Financial expenses	-2,752	-1,083	-6,297
<b>Result before taxes (EBT)</b>	<b>20,647</b>	14,279	130,493
Income taxes	870	834	2,841
<b>Result for the reporting period</b>	<b>21,517</b>	15,113	133,334
<b>Other comprehensive income:</b>			
<b>Other comprehensive income to be reclassified to profit and loss in subsequent periods:</b>			
Exchange differences on translating foreign operations	11	-10	-69
Fair value changes on currency derivatives	-3,425	-2,039	-181
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	-3,414	-2,048	-250
<b>Other comprehensive income not being reclassified to profit and loss in subsequent periods:</b>			
Remeasurement of defined benefit plans	0	0	263
Tax effect, net	0	0	-40
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	0	0	223
<b>Total comprehensive income for the reporting period</b>	<b>18,102</b>	13,065	133,307
<b>Result for the reporting period attributable to:</b>			
Parent company shareholders	21,517	15,113	133,334
	21,517	15,113	133,334
<b>Total comprehensive income for the reporting period attributable to:</b>			
Parent company shareholders	18,102	13,065	133,307
	18,102	13,065	133,307
<b>Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share)</b>			
Undiluted / diluted earnings per share	0.42	0.29	2.60
<b>Average number of shares</b>			
Undiluted / diluted	51,503,141	51,503,141	51,503,141

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS**

EUR 1,000	31 Mar 2023	30 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,091,261	953,513	1,107,673
Goodwill	105,644	105,644	105,644
Intangible assets	3,353	3,167	3,327
Other financial assets	7,074	7,076	7,074
Receivables	823	9,079	781
Deferred tax assets	512	996	491
	<b>1,208,668</b>	<b>1,079,474</b>	<b>1,224,989</b>
<b>Current assets</b>			
Inventories	10,637	11,792	10,100
Accounts receivable and other receivables	134,134	135,168	140,644
Income tax receivables	15	45	15
Cash and cash equivalents	2,539	30,435	18,878
	<b>147,325</b>	<b>177,439</b>	<b>169,637</b>
<b>Non-current assets held for sale</b>	<b>14,610</b>	<b>14,610</b>	<b>14,610</b>
<b>Total assets</b>	<b>1,370,603</b>	<b>1,271,524</b>	<b>1,409,236</b>
<b>EQUITY</b>			
<b>Equity attributable to parent company shareholders</b>			
Share capital	103,006	103,006	103,006
Share premium account	24,525	24,525	24,525
Translation differences	121	137	118
Fund for invested unrestricted equity	40,016	40,016	40,016
Fair value reserve *	14,467	16,035	17,892
Retained earnings	682,066	593,642	660,543
<b>Total equity</b>	<b>864,202</b>	<b>777,361</b>	<b>846,100</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Deferred tax liabilities	38,935	43,070	39,876
Non-current interest-free liabilities	9	9	9
Pension liabilities	2,656	3,148	2,653
Provisions	1,697	1,706	1,697
Loans from financial institutions	252,447	132,636	262,836
	<b>295,745</b>	<b>180,561</b>	<b>307,071</b>
<b>Current-liabilities</b>			
Accounts payable and other liabilities	89,469	91,786	100,856
Current tax liabilities	476	10	485
Provisions	276	215	276
Loans from financial institutions	120,434	221,591	154,447
	<b>210,655</b>	<b>313,602</b>	<b>256,065</b>
<b>Total liabilities</b>	<b>506,400</b>	<b>494,163</b>	<b>563,136</b>
<b>Total equity and liabilities</b>	<b>1,370,602</b>	<b>1,271,524</b>	<b>1,409,236</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2022, IFRS**

EUR 1,000	Equity attributable to parent company shareholders						Total equity
	Share capital	Share issue premium	Translation differences	Unrestricted equity reserve	Fair value reserve	Retained earnings	
<b>Reported equity 1 January 2022</b>	103,006	24,525	141	40,016	18,073	578,535	764,296
<b>Comprehensive income for the reporting period:</b>							
Result for the reporting period						15,113	15,113
Exchange differences on translating foreign operations			-4			-7	-11
Fair value change on currency derivatives					-2,039		-2,039
<b>Total comprehensive income for the reporting period</b>	0	0	-4	0	-2,039	15,106	13,065
<b>Equity 31 March 2022</b>	103,006	24,525	137	40,016	16,035	593,642	777,361

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2023, IFRS**

EUR 1,000	Equity attributable to parent company shareholders						Total equity
	Share capital	Share issue premium	Translation differences	Unrestricted equity reserve	Fair value reserve	Retained earnings	
<b>Reported equity 1 January 2023</b>	103,006	24,525	118	40,016	17,892	660,543	846,100
<b>Comprehensive income for the reporting period:</b>							
Result for the reporting period						21,517	21,517
Exchange differences on translating foreign operations			3			7	10
Fair value changes on currency derivatives					-3,425		-3,425
<b>Total comprehensive income for the reporting period</b>	0	0	3	0	-3,425	21,524	18,102
<b>Equity 31 March 2023</b>	103,006	24,525	121	40,016	14,467	682,066	864,202

## CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1-3 2023	1-3 2022	1-12 2022
<b>Cash flows from operating activities</b>			
Results for the reporting period	21,517	15,113	133,334
Adjustments			
Non-cash transactions	22,186	18,764	80,726
Unrealised foreign exchange gains (-) / losses (+)	2	-2	
Financial income and expenses	2,663	1,006	5,085
Taxes	-870	-834	-2,841
Changes in working capital			
Change in accounts receivable and other receivables	-4,354	-10,677	-21,591
Change in inventories	-2,242	-3,397	-1,705
Change in accounts payable and other liabilities	-1,057	4,261	13,565
Change in provisions	-425	6	-366
Interest paid	-2,904	-522	-4,245
Interest received	20	0	109
Taxes paid	-92	-102	-299
Other financing items	-438	-401	-1,721
<b>Net cash generated from operating activities</b>	<b>34,006</b>	<b>23,214</b>	<b>200,051</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets	-6,866	-2,308	-215,921
Sale of tangible assets *	0	0	40,890
<b>Net cash used in investing activities</b>	<b>-6,866</b>	<b>-2,308</b>	<b>-175,031</b>
<b>Cash flows from financing activities</b>			
Loan withdrawals	46,304	15,000	371,667
Net increase in current interest-bearing liabilities (+) / net decrease (-)	-34,613	17,837	-49,356
Repayment of loans	-54,547	-24,475	-275,640
Payment of lease liabilities	-622	-583	-2,859
Dividends paid	0		-51,503
<b>Net cash used in financing activities</b>	<b>-43,479</b>	<b>7,779</b>	<b>-7,691</b>
<b>Change in cash and cash equivalents</b>	<b>-16,339</b>	<b>28,684</b>	<b>17,329</b>
Cash and cash equivalents 1 January	18,878	1,951	1,951
Effect of foreign exchange rate change	0	-200	-402
<b>Cash and cash equivalents at the end of periods</b>	<b>2,539</b>	<b>30,435</b>	<b>18,878</b>

\*Consists mainly of the sale of two vessels.

## REVENUE AND RESULT BY BUSINESS SEGMENTS

	1-3 2023		1-3 2022		1-12 2022	
	MEUR	%	MEUR	%	MEUR	%
<b>Revenue</b>						
Shipping and sea transport services	157.9	96.8	150.6	95.9	712.0	96.7
Port operations	10.0	6.1	12.1	7.7	46.2	6.3
Intra-group revenue	-4.8	-2.9	-5.7	-3.6	-22.1	-3.0
<b>External sales</b>	<b>163.1</b>	<b>100.0</b>	157.0	100.0	736.1	100.0
<b>Result before interest and taxes</b>						
Shipping and sea transport services	24.0		14.8		134.8	
Port operations	-0.7		0.4		1.3	
<b>Result before interest and taxes (EBIT) total</b>	<b>23.3</b>		15.3		136.0	
Financial income and expenses	-2.7		-1.0		-5.5	
<b>Result before taxes (EBT)</b>	<b>20.6</b>		14.3		130.5	
Income taxes	0.9		0.8		2.8	
<b>Result for the reporting period</b>	<b>21.5</b>		15.1		133.3	

## REVENUE BY GEOGRAPHICAL AREA

EUR 1,000	1-3 2023	1-3 2022	1-12 2022
<b>Revenue</b>			
Finland	61,115	65,064	312,601
Sweden	25,964	24,406	111,120
Germany	18,108	17,689	84,401
Other EU countries	50,030	40,349	204,638
Russia	0	1,525	1,626
Other	7,905	7,960	21,708
	<b>163,122</b>	156,993	736,093

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

## REVENUE BY FUNCTIONS

EUR 1,000	1-3 2023	1-3 2022	1-12 2022
<b>Revenue</b>			
Freight and other shipping services	142,968	137,158	643,519
Passenger services	10,202	7,489	68,671
Port operations	9,952	12,346	23,903
	<b>163,122</b>	156,993	736,093

**PROPERTY, PLANT AND EQUIPMENT 2023**

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under construction	Total
Acquisition cost 1 January 2023	1,125	106,144	1,644,406	67,059	108,772	1,927,506
Exchange rate differences				3		2
Increases			360	378	5,948	6,687
Disposals				-78	1	-77
Reclassifications between items			82	138	-220	
Reclassifications to non-current assets held for sale		-3,297		-22,395		-25,691
<b>Acquisition cost on 31 March 2023</b>	<b>1,125</b>	<b>102,847</b>	<b>1,644,848</b>	<b>45 105</b>	<b>114 501</b>	<b>1,908,426</b>
Accumulated depreciation, amortisation and write-offs 1 January 2023		-45,578	-735,918	-45,928		-827,424
Exchange rate differences				-2		-2
Cumulative depreciation on reclassifications and disposals				77		77
Depreciation for the reporting period		-788	-20,321	-279		-21,387
<b>Accumulated depreciation, amortisation and write-offs 31 March 2023</b>		<b>-46,366</b>	<b>-756,239</b>	<b>46,132</b>		<b>-848,737</b>
Reclassifications to non-current assets held for sale		570		10,510		11,081
<b>Carrying value on 31 March 2023</b>	<b>1,125</b>	<b>57,051</b>	<b>888,609</b>	<b>9,484</b>	<b>114,501</b>	<b>1,070,770</b>

Not including right-of-use assets.

The Finnlines Group is negotiating a sale of Port Operations' assets with carrying value of EUR 14.6 (14.6) million. No impairment losses were recognised on the carrying values of these assets in 2021 or 2022, as according to management's estimate, the fair value of the assets classified as held for sale was higher than the carrying value at the balance sheet date 31 March 2022 and 31 March 2023.

EUR 1,000	Land and water	Buildings and structures	Machinery and equipment	Total
<b>Right-of-use assets 2023</b>	28,998	2,333	1,646	32,977
Acquisition cost 1 January 2023				
Exchange rate differences		78		78
Increases	-1,143			-1,143
Disposals				
Reclassifications between items	<b>27,854</b>	<b>2,412</b>	<b>1,646</b>	<b>31,912</b>
<b>Acquisition cost 31 March 2023</b>				
	-7,975	-1,513	-1,286	-10,775
Accumulated depreciation, amortisation and write-offs 1 January 2022				
Exchange rate differences				
Cumulative depreciation on reclassifications and disposals	-499	-95	-52	-646
Depreciation for the reporting period	<b>-8,475</b>	<b>-1,608</b>	<b>-1,339</b>	<b>-11,421</b>
<b>Accumulated depreciation, amortisation and write-offs 31 March 2023</b>				
	<b>19,380</b>	<b>804</b>	<b>307</b>	<b>20,491</b>
<b>Carrying value 31 March 2023</b>				
<b>Property, plant and equipment, total</b>				<b>1,091,261</b>

EUR 1,000	Buildings	Machinery and equipment	Total
<b>Assets classified as held for sale 1 January 2023</b>			
<b>Acquisition cost</b>			
Transfer to non-current assets held for sale	3,297	22,395	25,691
<b>Accumulated depreciation</b>			
Transfer to non-current assets held for sale	-570	-10,510	-11,081
<b>Carrying value 31 March 2023</b>	<b>2,726</b>	<b>11,884</b>	<b>14,610</b>

**PROPERTY, PLANT AND EQUIPMENT 2022**

<b>EUR 1,000</b>	<b>Land</b>	<b>Buildings</b>	<b>Vessels</b>	<b>Machinery and equipment</b>	<b>Advance payments &amp; acquisitions under construction</b>	<b>Total</b>
Acquisition cost 1 January 2022	1,125	106,142	1,497,525	66,874	131,243	1,802,910
Exchange rate differences				-2		-2
Increases			6,337	73	-4,303	2,107
Disposals			-86,294	-79		-86,373
Reclassifications between items			1,070		-1,070	
Reclassifications to non-current assets held for sale		-3,297		-22,395		-25,691
<b>Acquisition cost on 31 March 2022</b>	1,125	102,846	1,418,639	44,472	125,869	1,692,951
Accumulated depreciation, amortisation and write-offs 1 January 2022		-42,426	-719,249	-45,482		-807,157
Exchange rate differences				2		2
Cumulative depreciation on reclassifications and disposals			52,917	79		52,995
Depreciation for the reporting period		-773	-18,516	-248		-19,537
<b>Accumulated depreciation, amortisation and write-offs 31 March 2022</b>		-43,199	-684,849	-45,649		-773,697
Reclassifications to non-current assets held for sale		570		10,510		11,081
<b>Carrying value on 31 March 2022</b>	1,125	60,217	733,791	9,333	125,869	930,335

Not including right-of-use assets.

The Finlines Group is negotiating a sale of Port Operations' assets with carrying value of EUR 14.6 (14.6) million. No impairment losses were recognised on the carrying values of these assets in 2021 or 2022, as according to management's estimate, the fair value of the assets classified as held for sale was higher than the carrying value at the balance sheet date 31 March 2021 and 31 March 2022.

<b>EUR 1,000</b>	<b>Land and water</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>Right-of-use assets 2022</b>				
Acquisition cost 1 January 2022	27,719	1,733	1,622	31,073
Exchange rate differences				
Increases	877	37		914
Disposals				
Reclassifications between items				
<b>Acquisition cost 31 March 2022</b>	28,596	1,770	1,622	31,987
Accumulated depreciation, amortisation and write-offs 1 January 2022	-6,019	-1,092	-1,081	-8,192
Exchange rate differences				
Cumulative depreciation on reclassifications and disposals				
Depreciation for the reporting period	-479	-62	-75	-616
<b>Accumulated depreciation, amortisation and write-offs 31 March 2022</b>	-6,498	-1,155	-1,155	-8,808
<b>Carrying value 31 March 2022</b>	22,098	615	466	23,178
<b>Property, plant and equipment, total</b>				953,513

<b>EUR 1,000</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>Assets classified as held for sale 1 January 2022</b>	3,297	22,395	25,691
<b>Acquisition cost</b>			
Transfer to non-current assets held for sale	-570	-10,510	-11,081
<b>Accumulated depreciation</b>			
Transfer to non-current assets held for sale			
<b>Carrying value 31 March 2022</b>	2,726	11,884	14,610

## LEASES

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

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

### Amounts recognised in profit or loss

EUR 1,000	1-3 2023	1-3 2022
Interest on lease liabilities 31 March	78	83
Expenses relating to short-term leases	101	122
Expenses relating to low-value assets	64	52
<b>Total</b>	<b>165</b>	<b>274</b>
Lease payments of all leases accounted according to IFRS 16	700	664
<b>Total cash flow of all leases 31 March</b>	<b>865</b>	<b>838</b>
<b>Income from operational leases</b>	<b>1,799</b>	<b>171</b>

### Maturity analysis

EUR 1,000	2023	2022
<b>Contractual undiscounted cash flows</b>		
Less than one year	2,665	2,642
One to five years	7,828	8,231
More than five years	18,788	20,324
<b>Total undiscounted lease liabilities at 31 March</b>	<b>29,281</b>	<b>31,197</b>
Short term leasing liability	2,427	2,264
Long term leasing liability	17,511	20,255
<b>Lease liabilities included in statement of financial position at 31 March</b>	<b>19,938</b>	<b>22,519</b>

## FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

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

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

Level 3 includes unlisted shares amounting to EUR 7.1 million (7.1 in 2022), which are valued at the lower of acquisition cost or probable value, as their fair value cannot be reliably measured. Majority of the unlisted shares consists of Steveco Oy's shares of which Finnlines owns 25.4 per cent. This shareholding is presented in financial assets, because Finnlines does not have significant influence in Steveco Oy.

## CONTINGENCIES AND COMMITMENTS

EUR 1,000	31 Mar 2023	31 Mar 2022	31 Dec 2022
Minimum leases payable in relation to fixed term leases			
<b>Vessel leases (Group as lessee):</b>			
Within 12 months	0	0	0
1-5 years	0	0	0
	0	0	0
<b>Vessel leases (Group as lessor):</b>			
Within 12 months	8,751	0	8,453
1-5 years	4,104	0	4,923
	12,855	0	13,376
<b>Other leases (Group as lessee):</b>			
Within 12 months	104	52	196
1-5 years	61	36	353
Over 5 years	0	0	0
	165	88	549
<b>Other leases (Group as lessor):</b>			
Within 12 months	179	171	176
1-5 years	0	0	0
	179	171	176
<b>Collateral given</b>			
Loans from financial institutions	259,000	207,463	281,879
<b>Vessel mortgages provided as guarantees for the above loans</b>	<b>592,000</b>	539,500	649,500
<b>Other collateral given on own behalf</b>			
Pledges	340	340	340
<b>Other obligations</b>			
Obligations, related to vessel investments	160,000	317,690	163,135
Other external obligations	916	1,130	4,389
	160,916	318,820	167,524
<b>VAT adjustment liability related to real estate investments</b>	<b>3</b>	4	5

## REVENUE AND RESULT BY QUARTER

MEUR	Q1/23	Q1/22	Q2/23	Q2/22	Q3/23	Q3/22	Q4/23	Q4/22
<b>Revenue</b>								
Shipping and sea transport services	157.9	150.6		193.2		195.9		172.4
Port operations	10.0	12.1		12.7		11.1		10.3
Intra-group revenue	-4.8	-5.7		-6.0		-5.4		-5.0
<b>External sales</b>	<b>163.1</b>	157.0		199.9		201.5		177.7
<b>Result before interest and taxes</b>								
Shipping and sea transport services	24.0	14.8		40.5		49.0		30.4
Port operations	-0.7	0.4		0.9		0.5		-0.6
<b>Result before interest and taxes (EBIT) total</b>	<b>23.3</b>	15.3		41.5		49.5		29.8
Financial income and expenses	-2.7	-1.0		-1.1		-1.3		-2.2
<b>Result before taxes (EBT)</b>	<b>20.6</b>	14.3		40.4		48.2		27.6
Income taxes	0.9	0.8		0.8		0.6		0.6
<b>Result for the reporting period</b>	<b>21.5</b>	15.1		41.2		48.8		28.2
EPS (undiluted / diluted) EUR	0.42	0.29		0.80		0.95		0.55

## SHARE INFORMATION

	31 March 2023	31 March 2022
Number of shares	51,503,141	51,503,141

Finnlines Plc is fully owned by the Grimaldi Group.

## EVENTS AFTER THE REPORTING PERIOD

There are no significant events to report.

## CALCULATION OF RATIOS

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

\* Not including leasing liabilities.

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

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## RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the reporting period.