



Financial review Q4
January–December 2023
7 March 2024

JANUARY–DECEMBER 2023

- Revenue EUR 680.7 (736.1 in 2022) million, decrease 8 per cent.
- Result before interest, taxes, depreciation and amortisation (EBITDA) 166.3 (EUR 221.2) million, decrease 25 per cent.
- Result for the reporting period EUR 60.3 (133.3) million, decrease 55 per cent.
- Interest bearing debt increased by EUR 115.5 million and was EUR 511.2 (395.7) million at the end of the period.

OCTOBER–DECEMBER 2023

- Revenue EUR 167.5 (177.7) million, decrease 6 per cent.
- Result before interest, taxes, depreciation and amortisation (EBITDA) 34.6 (EUR 52.0) million, decrease 33 per cent.
- Result for the reporting period EUR 3.3 (28.2) million, decrease 88 per cent.

KEY FIGURES

MEUR	1–12 2023	1–12 2022	10–12 2023	10–12 2022
Revenue	680.7	736.1	167.5	177.7
Result before interest, taxes, depreciation and amortisation (EBITDA)	166.3	221.2	34.6	52.0
Result before interest and taxes (EBIT)	74.1	136.0	10.5	29.8
% of revenue	10.9	18.5	6.3	16.8
Result for the reporting period	60.3	133.3	3.3	28.2
Stakeholders' equity/share, EUR	15.8	16.4	15.8	16.4
Equity ratio, %	54.9	60.3	54.9	60.3
Net debt/EBITDA	3.1	1.7	3.1	1.7
Interest bearing debt, MEUR	511.2	395.7	511.2	395.7
Net gearing, %	62.7	44.5	62.7	44.5

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

“The Finnlines Group’s revenue in January–December 2023 amounted to EUR 680.7 (736.1 in 2022) million, a decrease of 8 per cent compared to the corresponding period in 2022. The result for the reporting period was EUR 60.3 (133.3) million. Earnings before interest, taxes, depreciation and amortisation, EBITDA, amounted to EUR 166.3 (221.2) million.

Finnlines transports a third of the 1 million trucks carrying goods between Finland, Sweden, and Continental Europe every year. In 2023, Finnlines transported 710,000 cargo units, shipped 157,000 cars, and carried 1,344,000 tons of non-unitised freight. In total, 695,000 passengers travelled with us.

The high interest rate environment has negatively affected private consumption, construction sector and industrial demand. Finnlines had to face multiple of issues during 2023 which weakened our result, apart from higher interest rates were, strike in February, start-up costs of a new vessel, dockings of several vessel to name few. The same matters seem to continue at the beginning of this year, but we are seeing now improved industrial activity and private consumption has bottomed out. ECB should now understand to quickly bring the interest rates down in order to prevent neither a stagnant nor recessionary development in EU area, instead, their task is now to fuel growth in EU.

Finnlines focuses on adjusting its fleet, improve its cost-efficiency and find new growth. We are finally, closer than ever, to open a new ro-pax line between Sweden and Poland, from Malmö to Swinoujscie. We already have Zeebrügge–Rosslare line which has established itself well in the market even though we are a new operator on the Belgium–Ireland connection. We also have opened a new service from Vigo, Spain to Zeebrügge, Belgium at the beginning of this year.

Finnlines EUR 500-million Green Investment Programme was completed when the second Superstar vessel, Finncanopus, was delivered in December at the Weihai shipyard in China. The sister vessel, Finnsirius, entered service on the Naantali–Långnäs–Kapellskär line on 15 September 2023. These vessels will increase the cargo and passenger capacity by 24 per cent and 50 per cent, respectively, on the Finland–Sweden route and they will offer a higher service level than the previous two Star-class vessels. Finnlines continues to focus on cargo, but on this line we will also address a wider passenger segment, such as foot passengers. With these modern and high-class cargo-passenger vessels we can offer an attractive option for travellers on Finland–Åland–Sweden route.

Sustainable shipping has been a key issue in the industry for several years, and therefore Finnlines’ next newbuilding orders, whether ro-pax or ro-ro, will have improved environmental and technical efficiency and include the use of alternative fuels. We have continuously invested in new vessels and brought more capacity to the Baltic Sea and to Biscay and North Sea traffics. The new vessels support our customers in their transition towards sustainability and environmental responsibility. Therefore, Finnlines continues its green transition and thus makes its best efforts to enable our customers to grow in the most sustainable way.”

FINNLINES PLC, FINANCIAL REVIEW JANUARY–DECEMBER 2023 (unaudited)

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 Asia 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 18,000 people. It serves over 150 ports in 50 countries in the in the Mediterranean, North and South America, West Africa as well as Asia and Australia. The Grimaldi Group comprises seven shipping companies, including Finnlines, Atlantic Container Line (ACL), Malta Motorways of the Sea (MMS), Minoan and Trasméd GLE.

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 remained stable during the third quarter of 2023 in comparison with the same period in 2022. Compared with the second quarter of 2023, the decrease of reported GDP in Germany was 0.1 per cent in the third quarter of 2023, while in Sweden the corresponding decrease was 0.3 per cent. In Finland, GDP declined in the third quarter by 0.9 per cent compared with the previous quarter. (Eurostat 2023.) However, the Russian conflict with Ukraine and high interest rates may deteriorate future economical development in the EU area.

Based on the January–December statistics by Traficom, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) decreased by 14 per cent and exports decreased by 5 per cent. According to data published by Statistics Finland, during January–December, private and commercial passenger traffic between Finland and Sweden decreased by 2 per cent, between Finland and Germany the traffic increased by 8 per cent.

FINNLINES TRAFFIC

Superstar class vessel M/S Finnicanopus was delivered to Finnlines in December, and the vessel started her home voyage from China to Europe. Otherwise there were no major events in scheduled traffic during the fourth quarter of 2023.

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

The cargo volumes transported during January–December totaled approximately 710 (750 in 2022) thousand cargo units, 157 (138) thousand cars (not including passengers' cars) and 1,344 (1,426) thousand tons of freight not possible to measure in units. In addition, some 695 (648) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January–December 2023

The Finnlines Group recorded revenue totalling EUR 680.7 (736.1) million in the reporting period, a decrease of 8 per cent compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 659.5 (712.1) million, of which passenger related revenue was EUR 77.9 (68.7) million. The revenue of Port Operations was EUR 42.9 (46.2) million. During the reporting period, the amount of the transported cargo volumes decreased slightly, and also a decline in fuel prices has affected cargo-related bunker surcharges compared to last year. In January–December 2023 the number of private passengers increased substantially from the previous year. The revenue of Port Operations decreased from last year caused by a workers' union strike and declined cargo volume. The internal revenue between the segments was EUR 21.7 (22.1) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 166.3 (221.2) million, a decrease of 25 per cent.

Result before interest and taxes (EBIT) was EUR 74.1 (136.0) million.

The financial position remained strong, although net financial expenses increased and were EUR -16.7 (-5.5) million. Financial income was EUR 0.4 (0.8) million and financial expenses EUR -17.1 (-6.3) million. Result before taxes (EBT) decreased by EUR 73.1 million and was EUR 57.4 (130.5) million. The result for the reporting period was EUR 60.3 (133.3) million.

October–December 2023

The Finnlines Group recorded revenue totalling EUR 167.5 (177.7) million. Shipping and Sea Transport Services generated revenue amounting to EUR 162.5 (172.4) million and Port Operations to EUR 10.8 (10.3) million. The internal revenue between the segments was EUR 5.7 (5.0) million. The growth of cargo volumes stagnated during the last quarter of 2023, but the number of passengers increased substantially. The fuel prices and cargo-related bunker surcharge have continued to decline during the fourth quarter.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 34.6 (52.0) million, a decrease of 33 per cent.

Result before interest and taxes (EBIT) was EUR 10.5 (29.8) million.

Net financial expenses were EUR -5.8 (-2.2) million. Financial income was EUR 0.1 (0.1) million and financial expenses totalled EUR -5.9 (-2.3) million. Result before taxes (EBT) decreased by EUR 22.9 million and was EUR 4.7 (27.6) million. The result for October–December was EUR 3.3 (28.2) million.

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH FLOW

Interest-bearing debt increased by EUR 115.5 million to EUR 511.2 (395.7) million, excluding leasing liabilities of EUR 23.6 (21.6) million. Net interest-bearing debt at the end of period was EUR 508.7 (376.8) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio amounted to 3.1 (1.7) and the equity ratio calculated from the balance sheet was 54.9 (60.3) per cent. Net gearing resulted in 62.7 (44.5) 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 147.6 (323.9) million.

Net cash generated from operating activities remained strong and was EUR 135.2 (200.1) million.

CAPITAL EXPENDITURE

The Finnlines Group's gross capital expenditure in the reporting period totalled EUR 191.8 (223.8) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 92.2 (85.2) million. The investments consist of normal replacement expenditure of fixed assets, cargo handling equipment, dry-dockings, and investments to improve ships' energy efficiency and payments related to new green ro-pax newbuildings.

Finnlines has continued to invest in sustainability and environmental technologies.

Finnlines' EUR 500-million investment programme, the Green Newbuilding Programme, was completed in 2023. Finnliness took delivery of two hybrid ro-pax vessels, Finnsirius and Finnscanopus. Finnsirius entered Finnliness' Finland, Åland Islands and Sweden route in September and Finnscanopus will begin service on the same route in February 2024. The programme comprised two hybrid ro-pax and three hybrid ro-ro vessels, all equipped with state-of-the-art eco-friendly technology. New vessels are a significant step towards an even more sustainable and eco-efficient fleet.

Finnlines focuses increasingly on energy conservation and emission reduction, and one technical tool is use of onshore power. Finnliness continued the installation of shore-side connections on several existing ro-pax vessels. Electricity is the first alternative to replace fossil fuels as an energy source in the Finnliness fleet.

PERSONNEL

The Group employed an average of 1,752 (1,679) persons during the reporting period, consisting of 1,028 (959) persons at sea and 724 (720) persons on shore. The number of persons employed at the end of the period was 1,877 (1,657) in total, of which 1,138 (938) at sea and 739 (719) on shore.

The personnel expenses (including social costs) for the reporting period were EUR 101.9 (96.4) million.

THE FINNLINES SHARE

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

Finnlines' cash and unused committed credit facilities amounted to EUR 145.0 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 of securing maritime transport. In addition, Finnlines has made a complaint to the European Commission concerning Covid-19 pandemic related selective and discriminatory aid measures launched by the Finnish authorities.

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

CORPORATE GOVERNANCE

The Corporate Governance Statement can be reviewed on the company's website: www.finnlines.com.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events to report.

OUTLOOK AND OPERATING ENVIRONMENT

The geopolitical situation remains unstable and demand in the euro area has been weak recently. Nevertheless, the Baltic Sea regions' economies are forecasted to gradually strengthen during the year.

Finnlines' five new hybrid vessels will enable the company to grow even stronger together with its customers. With a solid strategy, continuous tonnage renewal and leveraging the extensive network of the Grimaldi Group, Finnlines has the prerequisites for continued growth and long-term success. Finnlines focuses on adjusting its fleet, improve its cost-efficiency and find new growth, and therefore the Finnlines Group's result is expected to improve as the economy recovers in the EU area.

The first financial review of 2024 and financial statements for the period of 1 January–31 March 2024 will be published on Tuesday 7 May 2024.

Finnlines Plc
The Board of Directors

Tom Pippingsköld
President and CEO

FURTHER INFORMATION

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

ENCLOSURES

- Reporting and accounting policies
- Consolidated statement of comprehensive income, IFRS
- Consolidated statement of financial position, IFRS
- Consolidated statement of changes in equity, IFRS
- Consolidated cash flow statement, IFRS
- Revenue and result by business segments
- Revenue by geographical area
- Revenue by functions
- Property, plant and equipment
- Leases
- Fair value hierarchy
- Contingencies and commitments
- Revenue and result by quarter
- Share information
- Events after the reporting period
- Calculation of ratios
- Related party transactions

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 2023.

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

EUR 1,000	10–12 2023	10–12 2022	1–12 2023	1–12 2022
Revenue	167,540	178,199	680,740	736,093
Other income from operations	560	482	2,044	5,917
Materials and services	-64,511	-61,279	-251,242	-268,157
Personnel expenses	-27,017	-25,042	-101,922	-96,431
Depreciation, amortisation and impairment losses	-24,083	-22,222	-92,186	-85,190
Other operating expenses	-42,013	-39,861	-163,317	-156,195
Total operating expenses	-157,625	-148,405	-608,667	-605,973
Result before interest and taxes (EBIT)	10,475	30,277	74,118	136,037
Financial income	138	106	396	753
Financial expenses	-5,940	-2,292	-17,121	-6,297
Result before taxes (EBT)	4,674	28,091	57,392	130,493
Income taxes	-1,356	578	2,871	2,841
Result for the reporting period	3,318	28,669	60,264	133,334
Other comprehensive income				
Other comprehensive income to be reclassified to profit and loss in subsequent periods:				
Exchange differences on translating foreign operations	1	0	33	-69
Transferred to tangible assets	-10,123	-14,735	-17,892	-181
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	-10,122	-14,735	-17,859	-250
Other comprehensive income not being reclassified to profit and loss in subsequent periods:				
Remeasurement of defined benefit plans	225	263	225	263
Tax effect, net		-40	-45	-40
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	180	0	180	223
Total comprehensive income for the reporting period	-6,624	14,157	42,585	133,307
Result for the reporting period attributable to:				
Parent company shareholders	3,318	28,669	60,264	133,334
	3,318	28,669	60,264	133,334
Total comprehensive income for the reporting period attributable to:				
Parent company shareholders	-6,624	14,157	42,585	133,307
	-6,624	14,157	42,585	133,307
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share)				
Undiluted / diluted earnings per share	0.06	0.56	1.17	2.60
Average number of shares				
Undiluted / diluted	51,503,141	51,503,141	51,503,141	51,503,141

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR 1,000	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Property, plant and equipment	1,211,799	1,107,673
Goodwill	105,644	105,644
Intangible assets	3,521	3,327
Other financial assets	7,074	7,074
Receivables	1,269	781
Deferred tax assets	1,625	491
	1,330,931	1,224,989
Current assets		
Inventories	13,298	10,100
Accounts receivable and other receivables	129,344	140,644
Income tax receivables	87	15
Cash and cash equivalents	2,559	18,878
	145,289	169,637
Non-current assets held for sale	11,836	14,610
Total assets	1,488,056	1,409,236
EQUITY		
Equity attributable to parent company shareholders		
Share capital	103,006	103,006
Share premium account	24,525	24,525
Translation differences	130	118
Fund for invested unrestricted equity	40,016	40,016
Fair value reserve *	0	17,892
Retained earnings	643,752	660,543
Total equity	811,430	846,100
LIABILITIES		
Long-term liabilities		
Deferred tax liabilities	37,680	39,876
Non-current interest-free liabilities	8	9
Pension liabilities	2,162	2,653
Provisions	1,611	1,697
Loans from financial institutions	401,620	262,836
	443,081	307,071
Current-liabilities		
Accounts payable and other liabilities	99,399	100,856
Current tax liabilities	664	485
Provisions	293	276
Loans from financial institutions	133,189	154,447
	233,544	256,065
Total liabilities	676,625	563,136
Total equity and liabilities	1,488,056	1,409,236

* 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	
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 changes 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

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	
Reported equity 1 January 2023	103,006	24,525	118	40,016	17,892	660,543	846,100
Comprehensive income for the reporting period:							
Result for the reporting period						60,264	60,264
Exchange differences on translating foreign operations			12			21	33
Fair value changes on currency derivatives					-17,892		-17,892
Remeasurement of defined benefit plans						225	225
Tax effect, net						-45	-45
Total comprehensive income for the reporting period	0	0	12	0	-17,892	60,465	42,585
Dividend						-77,255	-77,255
Equity 31 December 2023	103,006	24,525	130	40,016	0	643,752	811,430

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1–12 2023	1–12 2022
Cash flows from operating activities		
Results for the reporting period	60,264	133,334
Adjustments		
Non-cash transactions	91,828	80,726
Unrealised foreign exchange gains (-) / losses (+)	12	
Financial income and expenses	16,713	5,085
Taxes	-2,871	-2,841
Changes in working capital		
Change in accounts receivable and other receivables	-8,175	-21,591
Change in inventories	-3,199	-1,705
Change in accounts payable and other liabilities	-4,345	13,565
Change in provisions	-561	-366
Interest paid	-12,169	-4,245
Interest received	120	109
Taxes paid	-508	-299
Other financing items	-1,945	-1,721
Net cash generated from operating activities	135,164	200,051
Cash flow from investing activities		
Investments in tangible and intangible assets	-189,177	-215,921
Sale of tangible assets *	2,895	40,890
Net cash used in investing activities	-186,282	-175,031
Cash flows from financing activities		
Loan withdrawals	315,384	371,667
Net increase in current interest-bearing liabilities (+) / net decrease (-)	-41,546	-49,356
Repayment of loans	-158,765	-275,640
Payment of lease liabilities	-2,728	-2,859
Dividends paid	-77,255	-51,503
Net cash used in financing activities	35,090	-7,691
Change in cash and cash equivalents	-16,028	17,329
Cash and cash equivalents 1 January	18,878	1,951
Effect of foreign exchange rate change	-290	-402
Cash and cash equivalents at the end of periods	2,559	18,878

* Consists mainly of the sale of vessels in 2022.

REVENUE AND RESULT BY BUSINESS SEGMENTS

	10–12 2023		10–12 2022		1–12 2023		1–12 2022	
	MEU	%	MEUR	%	MEUR	%	MEUR	%
Revenue								
Shipping and sea transport services	162.5	97.0	172.4	97.1	659.5	96.9	712.0	96.7
Port operations	10.8	6.4	10.3	5.8	42.9	6.3	46.2	6.3
Intra-group revenue	-5.7	-3.4	-5.0	-2.8	-21.7	-3.2	-22.1	-3.0
External sales	167.5	100.0	177.7	100.0	680.7	100.0	736.1	100.0
Result before interest and taxes								
Shipping and sea transport services	10.7		30.4		73.8		134.8	
Port operations	-0.2		-0.6		0.3		1.3	
Result before interest and taxes (EBIT) total	10.5		29.8		74.1		136.0	
Financial income and expenses	-5.8		-2.2		-16.7		-5.5	
Result before taxes (EBT)	4.7		27.6		57.4		130.5	
Income taxes	-1.4		0.6		2.9		2.8	
Result for the reporting period	3.3		28.2		60.3		133.3	

REVENUE BY GEOGRAPHICAL AREA

EUR 1,000	1–12 2023	1–12 2022
Revenue		
Finland	260,076	312,601
Sweden	103,755	111,120
Germany	79,814	84,401
Other EU countries	220,904	204,638
Russia	0	1,626
Other	16,192	21,708
	680,740	736,093

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

REVENUE BY FUNCTIONS

EUR 1,000	1–12 2023	1–12 2022
Revenue		
Freight and other shipping services	581,628	643,519
Passenger services	77,938	68,671
Port operations	21,174	23,903
	680,740	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		-1		10		10
Increases		4	185,027	3,366	2,558	190,956
Disposals		-3,368	-4	-4,139		-7,511
Reclassifications between items			108,057	138	-108,195	0
Reclassifications to non-current assets held for sale *		0		-22 395		-22 395
Acquisition cost on 31 December 2023	1,125	102,780	1,937,486	44,040	3,135	2,088,566
Accumulated depreciation, amortisation and write-offs 1 January 2023		-45,578	-735,918	-45,928		-827,424
Exchange rate differences		1		-8		-8
Cumulative depreciation on reclassifications and disposals		590	1	4,137		4,727
Depreciation for the reporting period		-3,138	-84,466	-1,223		-88,828
Accumulated depreciation, amortisation and write-offs 31 December 2023		-48,126	-820,383	-43,023		-911,532
Reclassifications to non-current assets held for sale *		0		10 558		10 558
Carrying value on 31 December 2023	1,125	54,653	1,117,103	11,575	3,135	1,187,592

Not including right-of-use assets.

The carrying value of property, plant and equipment includes EUR 8.1 (4.8) million of capitalised interest during construction.

* The Finlines Group is negotiating a sale of Port Operations' assets with carrying value of EUR 11.8 (14.6) million. No impairment losses were recognised on the carrying values of these assets in 2022 or 2023, as according to management's estimate, the fair value of the assets classified as held for sale was higher than the carrying value at the balance sheet date 31 December 2022 and 31 December 2023.

EUR 1,000	Land and water	Buildings and structures	Machinery and equipment	Total
Right-of-use assets 2023				
Acquisition cost 1 January 2023	28,998	2,333	1,646	32,977
Exchange rate differences			0	0
Increases	3,252	5,069	375	8,696
Disposals	-4,035		-117	-4,152
Reclassifications between items	77	-73	7	11
Acquisition cost 31 December 2023	28,291	7,330	1,912	37,533
Accumulated depreciation, amortisation and write-offs 1 January 2023	-7,975	-1,513	-1,286	-10,775
Exchange rate differences				
Cumulative depreciation on reclassifications and disposals	83	-4	99	178
Depreciation for the reporting period	-2 107	-425	-196	-2,728
Accumulated depreciation, amortisation and write-offs 31 December 2023	-9,999	-1,943	-1,385	-13,326
Carrying value 31 December 2023	18,293	5,387	527	24,207
Property, plant and equipment, total				1,211,799

EUR 1,000	Buildings	Machinery and equipment	Total
Assets classified as held for sale 1 January 2023			
Acquisition cost			
Transfer to non-current assets held for sale	0	22,395	22,395
Accumulated depreciation			
Transfer to non-current assets held for sale	0	-10,558	-10,558
Carrying value 31 December 2023	0	11,836	11,836

PROPERTY, PLANT AND EQUIPMENT 2022

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under construction	Total
Acquisition cost 1 January 2022	1,125	106,142	1,497,525	66,874	131,243	1,802,910
Exchange rate differences		2		-16		-14
Increases			165,946	769	56,272	222,986
Disposals			-97,783	-593		-98,376
Reclassifications between items			78,718	25	-78,743	0
Reclassifications to non-current assets held for sale		-3,297		-22,395		-25,691
Acquisition cost 31 December 2022	1,125	102,847	1,644,406	44,665	108,772	1,901,815
Accumulated depreciation, amortisation and write-offs 1 January 2022		-42,426	-719,249	-45,482		-807,157
Exchange rate differences		-2		13		11
Cumulative depreciation on reclassifications, increases and disposals			61,062	580		61,642
Depreciation for the reporting period		-3,151	-77,731	-1,039		-81,920
Accumulated depreciation, amortisation and write-offs 31 December 2022		-45,578	-735,918	-45,928		-827,424
Reclassifications to non-current assets held for sale		570		10,510		11,081
Carrying value 3 December 2022	1,125	57,839	908,488	9,247	108,772	1,085,471

Not including right-of-use assets.

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

EUR 1,000	Buildings	Machinery and equipment	Total
Assets classified as held for sale 1 January 2022			
Acquisition cost			
Transfer to non-current assets held for sale	3,297	22,395	25,691
Accumulated depreciation			
Transfer to non-current assets held for sale	-570	-10,510	-11,081
Carrying value 31 December 2022	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	1–12 2023	1–12 2022
Interest on lease liabilities 31 December	343	330
Expenses relating to short-term leases	456	251
Expenses relating to low-value assets	272	298
Service components of lease payments	0	0
Total	1,071	879
Lease payments of all leases accounted according to IFRS 16	2,989	2,859
Total cash flow of all leases 31 December	4,060	3,408
Income from operational leases	20,807	9,250

Maturity analysis

EUR 1,000	2023	2022
Contractual undiscounted cash flows		
Less than one year	2,916	2,691
One to five years	9,616	7,954
More than five years	13,768	19,081
Total undiscounted lease liabilities at 31 December	26,300	29,726
Short term leasing liability	2,752	2,417
Long term leasing liability	20,844	19,206
Lease liabilities included in statement of financial position at 31 December	23,596	21,623

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 has does not have significant influence in Steveco Oy.

CONTINGENCIES AND COMMITMENTS

EUR 1,000	2023	2022
Minimum leases payable in relation to fixed term leases		
Vessel leases (Group as lessee):		
Within 12 months	0	0
1-5 years	0	0
	0	0
Vessel leases (Group as lessor):		
Within 12 months	18,450	8,453
1-5 years	22,629	4,923
	41,079	13,376
Other leases (Group as lessee):		
Within 12 months	177	196
1-5 years	140	353
Over 5 years	0	0
	317	549
Other leases (Group as lessor):		
Within 12 months	117	176
1-5 years	0	0
	117	176
Collateral given		
Loans from financial institutions	422,000	281,879
Vessel mortgages provided as guarantees for the above loans	749,500	649,500
Other collateral given on own behalf		
Pledges	340	340
Other obligations		
Obligations, related to vessel investments	0	163,135
Other external obligations	1,598	4,389
	1,598	167,524
VAT adjustment liability related to real estate investments	31	5

REVENUE AND RESULT BY QUARTER

MEUR	Q1/23	Q1/22	Q2/23	Q2/22	Q3/23	Q3/22	Q4/23	Q4/22
Revenue								
Shipping and sea transport services	157.9	150.6	167.3	193.2	171.7	195.9	162.5	172.4
Port operations	10.0	12.1	11.5	12.7	10.7	11.1	10.8	10.3
Intra-group revenue	-4.8	-5.7	-5.6	-6.0	-5.6	-5.4	-5.7	-5.0
External sales	163.1	157.0	173.2	199.9	176.8	201.5	167.5	177.7
Result before interest and taxes								
Shipping and sea transport services	24.0	14.8	21.4	40.5	17.8	49.0	10.7	30.4
Port operations	-0.7	0.4	0.6	0.9	0.6	0.5	-0.2	-0.6
Result before interest and taxes (EBIT) total	23.3	15.3	22.0	41.5	18.4	49.5	10.5	29.8
Financial income and expenses	-2.7	-1.0	-3.4	-1.1	-4.9	-1.3	-5.8	-2.2
Result before taxes (EBT)	20.6	14.3	18.6	40.4	13.5	48.2	4.7	27.6
Income taxes	0.9	0.8	1.7	0.8	1.6	0.6	-1.4	0.6
Result for the reporting period	21.5	15.1	20.3	41.2	15.1	48.8	3.3	28.2
EPS (undiluted / diluted) EUR	0.42	0.29	0.39	0.80	0.29	0.95	0.06	0.55

SHARE INFORMATION

	31 December 2023	31 December 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

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

* Not including leasing liabilities.

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

RELATED PARTY TRANSACTIONS

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