



**Financial review Q2**  
January–June 2022  
27 July 2022

#### JANUARY–JUNE 2022

- Revenue EUR 356.9 (270.8 in 2021) million, increase 32%.
- Result before interest, taxes, depreciation and amortization (EBITDA) EUR 97.7 (71.0) million, increase 38%.
- Result for the reporting period EUR 56.3 (36.3) million, increase 55%.
- Interest bearing debt increased by EUR 53.2 million and was EUR 456.9 (403.7) million at the end of the period.

#### APRIL–JUNE 2022

- Revenue EUR 199.9 (146.8 in 2021) million, increase 36%.
- Result before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 62.1 (40.8) million, increase 52%.
- Result for the reporting period EUR 41.2 (23.1) million, increase 78%.

#### KEY FIGURES

MEUR	1–6 2022	1–6 2021	4–6 2022	4–6 2021	1–12 2021
Revenue	356.9	270.8	199.9	146.8	579.9
<b>Result before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>97.7</b>	71.0	<b>62.1</b>	40.8	160.3
Result before interest and taxes (EBIT)	56.8	38.5	41.5	24.4	78.2
% of revenue	15.9	14.2	20.8	16.6	13.5
<b>Result for the reporting period</b>	<b>56.3</b>	36.3	<b>41.2</b>	23.1	74.7
Stakeholders' equity/share, EUR	15.05	13.93	15.05	13.90	14.8
Equity ratio, %	55.8	56.5	55.8	56.5	60.4
Net debt/EBITDA	2.3	2.8	2.3	2.8	2.2
Interest bearing debt, MEUR	456.9	403.7	456.9	403.7	350.4
Net gearing, %	56.5	56.0	56.5	56.0	45.6

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

"The Finnlines Group recorded revenue totalling EUR 356.9 (270.8) million during January–June 2022, an increase of 32% compared with the same reporting period in 2021. Shipping and Sea Transport Services generated revenue amounting to EUR 343.8 (258.1) million, of which passenger-related revenue was to EUR 25.6 (14.2) million. The revenue of Port Operations was EUR 24.8 (24.1) million. Cargo volumes were above the 2021 level.

During the reporting period, Finnlines transported 393,000 (391,000 in 2021) cargo units, shipped 73,000 (90,000) cars, and carried 742,000 (682,000) tons of freight not possible to measure in units, 286,000 (228,000) private and commercial passengers travelled with us.

Due to EU sanctions Finnlines stopped calling Russian ports in early March, which naturally has resulted in loss of revenue. However, the increased cargo volumes on other lines have compensated for this loss and the passenger business has also recovered and reached pre-pandemic figures.

Finnlines is proud to introduce new tonnage with a lower carbon footprint and upgraded services. The three Finneco series hybrid ro-ro vessels were all delivered during the late spring and early summer of 2022 at the shipyard in China. The vessels have entered Finnlines' North Sea and Bay of Biscay services and Finnlines can now fulfil customers' request for more capacity in several routes since the former North Sea/Biscay vessels have been transferred to strengthen the Baltic services.

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

The ro-ro vessel Finnmerchant in Poland-Finland route was chartered out in early July but she was replaced by Finnmill vessel to support the increased volumes.

The Superstar newbuilding programme proceeded when the keel laying of the first ro-pax vessel, Finnsirius, was celebrated on 1 April in China. The keel laying of the sister vessel, Finncanopus, is scheduled to take place in August. Green values have been considered throughout the vessel from energy generation to lighting management. Although the Superstars are larger than any ro-pax vessel in the current fleet, they are expected to consume considerably less fuel than the existing Star class vessels, thus providing lower CO2 emissions.

Despite uncertain economic and geopolitical times, Finnlines has maintained its position as a reliable and important carrier of goods. Our utmost thrive to continuously improve both our operational and economic efficiency ensures that we can continue to grow and invest in our fleet and also in well-being and training of our employees."

## FINNLINES' BUSINESS

Finnlines is a leading shipping operator of ro-ro and passenger services in the Baltic Sea, the North Sea and the Bay of Biscay. The Company's passenger-freight vessels offer services from Finland to Germany and via the Åland Islands to Sweden, as well as from Sweden to Germany. Finnlines' ro-ro vessels operate in the Baltic Sea, the North Sea and the Bay of Biscay. The Company has subsidiaries and sales offices in Germany, Belgium, Great Britain, Sweden, Denmark and Poland. In addition to sea transportation, the Company provides port services in Helsinki and Turku.

As an agent for Grimaldi Lines and Atlantic Container Line (ACL) in Finland and Russia, Finnlines connects Helsinki, St. Petersburg 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. In April 2021, Finnlines acquired the shares of real estate limited liability company Vuosaaren Porttikeskus, whose ownership at Vuosaari includes Gatehouse, Hansaterminal and P8-Porttikeskus parking house. Finnlines Group is headquartered in the Gatehouse.

Finnlines Plc is fully owned by the Grimaldi Group, which is one of the world's largest operators of ro-ro vessels and the largest operator of the Motorways of the Sea in Europe for both passengers and freight. The Grimaldi Group, headquartered in Naples, operates a fleet of more than 130 vessels and employs over 15,000 people. It serves over 140 ports in 50 countries in the Mediterranean Sea, North Europe, West Africa, North and South America. The Grimaldi Group comprises seven shipping companies, including Finnlines, Atlantic Container Line (ACL), Malta Motorways of the Sea (MMS), Minoan and Transmed.

## GENERAL MARKET DEVELOPMENT

Finnlines' main operating area connects trade partners around the Baltic Sea. Based on the OECD Eurostat, the Gross Domestic Product in the EU area increased by 5.6% during the first quarter of 2022 in comparison with the same period in 2021. Compared with the fourth quarter of 2021, the reported GDP in Germany increased by 0.2% in the first quarter of 2022, while in Sweden the decrease was 0.8%. In Finland, GDP increased in the first quarter by 0.2% 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-May statistics by Statistics Finland, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) increased by 9 % and exports decreased by 6 %. During the same period private and commercial passenger traffic between Finland and Sweden increased by 345 %, between Finland and Germany the traffic increased by 90 %. (Statistics Finland).

## FINNLINES TRAFFIC

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 MS Finnmerchant, which was chartered out at the beginning of July 2022. Two other Eco class vessels, Finneco II and III, will start regular service in July 2022.

During the second quarter Finnlines operated on average 20 (21) vessels in its own traffic.

The cargo volumes transported during January–June totaled approximately 393,000 (391,000 in 2021) cargo units, 73,000 (90,000) cars (not including passengers' cars) and 742,000 (682,000) tons of freight not possible to measure in units. In addition, some 286,000 (228,000) private and commercial passengers were transported.

## FINANCIAL RESULTS

### January–June 2022

The Finnlines Group recorded revenue totalling EUR 356.9 (270.8) million in the reporting period, an increase of 32% compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 343.8 (258.1) million, of which passenger related revenue was EUR 25.6 (14.2) million. The revenue of Port Operations was EUR 24.8 (24.1) million. Cargo volumes are above the 2021 level, and the number of passengers increased substantially compared to 2021. Revenue of Port Operations also increased due to the growth of cargo. The internal revenue between the segments was EUR 11.6 (11.4) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 97.7 (71.0) million, an increase of 38%.

Result before interest and taxes (EBIT) was EUR 56.8 (38.5) million.

As a result of the improved financial position, net financial expenses decreased to EUR -2.1 (-2.3) million. Financial income was EUR 0.3 (0.1) million and financial expenses EUR -2.4 (-2.3) million. Result before taxes (EBT) increased by EUR 18.4 million and was EUR 54.7 (36.2) million. The result for the reporting period was EUR 56.3 (36.3) million.

## April–June 2022

The Finlines Group recorded revenue totalling EUR 199.9 (146.8) million. Cargo volumes remained strong in the second quarter of 2022, and the sharp rise of fuel costs have also increased cargo-related bunker surcharges. The passenger business recovered and even exceeded pre-pandemic figures. Shipping and Sea Transport Services generated revenues amounting to EUR 193.2 (140.3) million and Port Operations EUR 12.7 (12.5) million. The internal revenue between the segments was EUR 6.0 (6.0) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 62.1 (40.8) million, an increase of 52%.

Result before interest and taxes (EBIT) was EUR 41.5 (24.4) million.

Net financial expenses were EUR -1.1 (-1.2) million. Financial income was EUR 0.3 (0.0) million and financial expenses totalled EUR -1.3 (-1.2) million. Result before taxes (EBT) increased by EUR 17.2 million and was EUR 40.4 (23.2) million. The result for April–June was EUR 41.2 (23.1) million.

## STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH FLOW

Interest-bearing debt increased by EUR 53.2 million to EUR 456.9 (403.7) million, excluding leasing liabilities of EUR 21.9 (23.3) million. Net interest-bearing debt at the end of period was EUR 438.0 (402.1) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio amounted to 2.3 (2.8) and the equity ratio calculated from the balance sheet was 55.8% (56.5%) Net gearing resulted in 56.5% (56.0%). Covid-19 pandemic has not affected the availability or terms of financing.

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 312.0 (158.0) million.

Net cash generated from operating activities stood at EUR 66.3 (54.6) million.

## CAPITAL EXPENDITURE

The Finlines Group's gross capital expenditure in the reporting period totalled EUR 137.4 (73.8) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 40.9 (32.5) million. The investments consist of normal replacement expenditure of fixed assets, new cargo handling equipment, dry-dockings, and environmental investments payments related to hybrid ro-ro and ro-pax newbuildings.

Finlines has continued to invest in sustainability and environmental technologies. In order to protect the fragile marine environment in the Baltic and the North Sea, the Company continued to install ballast water treatment systems on its vessels. The project will be completed in 2023.

Finlines' EUR 500 million investment programme, the Newbuilding Programme, continued in China. The programme consists of three hybrid ro-ro vessels (Finneco I, II, III) and two eco-efficient ro-pax vessels (Finn Sirius and Finn Canopus). All three ro-ro vessels were delivered during the second quarter of 2022 and Finneco I started to operate in June. Two Superstar ro-pax vessels are scheduled to be delivered in 2023. The new vessels will further increase Finlines' energy efficiency and emission reduction and are a significant step towards an even more sustainable and eco-efficient fleet.

## PERSONNEL

The Group employed an average of 1,673 (1,531) persons during the reporting period, consisting of 953 (841) persons at sea and 720 (690) persons on shore. The number of persons employed at the end of the period was 1,777 (1,623) in total, of which 1,029 (902) at sea and 748 (721) on shore.

The personnel expenses (including social costs) for the reporting period were EUR 48.3 (44.8) million.

## THE FINNLINES SHARE

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

Finlines Plc is fully owned by the Grimaldi Group.

## RISKS AND RISK MANAGEMENT

The economic outlook seemed solid at the beginning of 2022 despite new variants of the corona virus. However, geopolitical tensions increased considerably when Russia attacked Ukraine in February. Russia is an important exporter of energy and raw materials, but many companies have withdrawn from the Russian market and broken off trade relations. Consequently, energy prices have rocketed and the price of raw materials has also gone up, which raises costs for the public and private sector. Inflation is accelerating and expected to pose a risk to growth prospects. The probability of cyber attacks has also increased.

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

Stricter environmental regulations (e.g. NOx, SOx and CO2 emission, wastewater and ballast water regulations) are the risk factors that could affect the Group's business. However, through the constant renewal and development of the fleet, using the latest technology and innovations, 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 war in Ukraine has weakened the economic outlook. Consumer and business confidence has been hit to some extent by this uncertainty and also the inflation has started to pick up and interest rates have risen. Sanctions towards Russia and Russia's countersanctions towards EU have affected the energy supply between Russia and EU and raised energy prices considerably. The profitability of Finnlines Group is going to exceed last year's level due to several years' investments in improving energy efficiency and investing heavily in the fleet, which now allows us to benefit from economies of scale.

The third financial review of 2022 for the period of 1 January–30 September 2022 will be published on Thursday 3 November 2022.

Finnlines Plc  
The Board of Directors

Tom Pippingsköld  
President and CEO

#### **FURTHER INFORMATION**

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## ENCLOSURES

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- Consolidated statement of financial position, IFRS
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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.

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

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

The preparation of the interim financial statements in accordance with IFRS requires management to make estimates and assumptions and use its discretion in applying the accounting principles that affect the valuation of the reported assets and liabilities and other information such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates. The uncertainties related to the key assumptions were the same as those applied to the consolidated financial statements at the year-end 31 December 2021.

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

During the fiscal year 2021 the management evaluated vessels' economic life span and residual values. Due to the expected economic life span of 25-30 years, depreciation times have been shortened by five years on average, starting from 1 January 2021. The adjustment regarding the depreciations of full fiscal year 2021 is booked on the fourth quarter of 2021.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS**

EUR 1,000	4–6 2022	4–6 2021	1–6 2022	1–6 2021	1–12 2021
<b>Revenue</b>	<b>199,924</b>	146,785	<b>356,917</b>	270,841	579,944
Other income from operations	423	601	2,403	823	1,896
Materials and services	-74,459	-48,009	-135,897	-89,803	-192,991
Personnel expenses	-24,715	-22,873	-48,323	-44,805	-89,602
Depreciation, amortisation and impairment losses	-20,622	-16,352	-40,919	-32,509	-82,127
Other operating expenses	-39,084	-35,747	-77,431	-66,037	-138,958
Total operating expenses	-158,880	-122,981	-302,570	-233,154	-503,678
<b>Result before interest and taxes (EBIT)</b>	<b>41,468</b>	24,405	<b>56,750</b>	38,510	78,161
Financial income	269	41	348	61	187
Financial expenses	-1,330	-1,245	-2,413	-2,340	-4,591
<b>Result before taxes (EBT)</b>	<b>40,407</b>	23,202	<b>54,686</b>	36,231	73,758
Income taxes	811	-140	1,645	30	915
<b>Result for the reporting period</b>	<b>41,218</b>	23,062	<b>56,331</b>	36,261	74,673
<b>Other comprehensive income:</b>					
<b>Other comprehensive income to be reclassified to profit and loss in subsequent periods:</b>					
Exchange differences on translating foreign operations	-17	-2	-27	43	68
Fair value changes on currency derivatives	8,094	-535	6,055	8,242	16,695
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	8,087	-537	6,028	8,285	16,763
<b>Other comprehensive income not being reclassified to profit and loss in subsequent periods:</b>					
Remeasurement of defined benefit plans	0	0	0	0	-51
Tax effect, net					-38
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	0	0	0	0	-90
<b>Total comprehensive income for the reporting period</b>	<b>49,294</b>	22,525	<b>62,359</b>	44,545	91,346
<b>Result for the reporting period attributable to:</b>					
Parent company shareholders	41,218	23,062	56,331	36,261	74,673
	41,218	23,062	56,331	36,261	74,673
<b>Total comprehensive income for the reporting period attributable to:</b>					
Parent company shareholders	49,294	22,525	62,359	44,545	91,346
	49,294	22,525	62,359	44,545	91,346
<b>Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share)</b>					
Undiluted / diluted earnings per share	0.80	0.45	1.09	0.70	1.45
Average number of shares					
Undiluted / diluted	51,503,141	51,503,141	51,503,141	51,503,141	51,503,141

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

## STATEMENT OF FINANCIAL POSITION, IFRS

EUR 1,000	30 June 2022	30 June 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,067,913	1,016,356	1,004,024
Goodwill	105,644	105,644	105,644
Other intangible assets	3,273	3,388	3,116
Other financial assets	7,076	7,076	7,076
Receivables	10,047	2,979	8,121
Deferred tax assets	921	2,380	983
	<b>1,194,873</b>	<b>1,137,821</b>	<b>1,128,963</b>
<b>Current assets</b>			
Inventories	15,525	7,422	8,395
Accounts receivable and other receivables	157,410	119,322	119,275
Income tax receivables	45	30	48
Cash and cash equivalents	18,885	1,581	1,951
	<b>191,865</b>	<b>128,355</b>	<b>129,669</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>1,401,348</b>	<b>1,280,787</b>	<b>1,273,242</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	131	133	141
Fund for invested unrestricted equity	40,016	40,016	40,016
Fair value reserve *	24,129	9,620	18,073
Retained earnings	583,345	540,195	578,535
<b>Total equity</b>	<b>775,152</b>	<b>717,495</b>	<b>764,296</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Deferred tax liabilities	42,150	46,384	44,003
Pension liabilities	3,165	3,342	3,143
Provisions	1,697	1,697	1,697
Loans from financial institutions	253,931	260,835	169,123
	<b>300,943</b>	<b>312,258</b>	<b>217,976</b>
<b>Current-liabilities</b>			
Accounts payable and other liabilities	100,139	84,655	87,257
Current tax liabilities	0	0	22
Provisions	215	215	215
Loans from financial institutions	224,898	166,163	203,476
	<b>325,252</b>	<b>251,033</b>	<b>290,970</b>
<b>Total liabilities</b>	<b>626,195</b>	<b>563,291</b>	<b>508,946</b>
<b>Total equity and liabilities</b>	<b>1,401,348</b>	<b>1,280,787</b>	<b>1,273,242</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2021, IFRS

EUR 1,000	Equity attributable to parent company shareholders						Total equity
	Share capital	Share issue premium	Translation differences	Unrestricted equity reserve	Fair value reserve	Retained earnings	
<b>Reported equity 1 January 2021</b>	103,006	24,525	114	40,016	1,378	555,413	724,452
<b>Comprehensive income for the reporting period:</b>							
Result for the reporting period						36,261	36,261
Exchange differences on translating foreign operations			19			24	24
Fair value change on currency derivatives					8,242		8,242
<b>Total comprehensive income for the reporting period</b>	0	0	19	0	8,242	36,285	44,545
<b>Dividend</b>						-51,503	-51,503
<b>Equity 30 June 2021</b>	103,006	24,525	133	40,016	9,620	540,195	717,495

## 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						56,331	56,331
Exchange differences on translating foreign operations			-10			-17	-27
Fair value change on currency derivatives					6,055		6,055
<b>Total comprehensive income for the reporting period</b>	0	0	-10	0	6,055	56,314	62,359
<b>Dividend</b>						-51,503	-51,503
<b>Equity 30 June 2022</b>	103,006	24,525	131	40,016	24,129	583,345	775,152

**CONSOLIDATED STATEMENT, IFRS**

<b>EUR 1,000</b>	<b>1–6 2022</b>	<b>1–6 2021</b>	<b>1–12 2021</b>
<b>Cash flows from operating activities</b>			
Results for the reporting period	<b>56,331</b>	36,261	74,673
Adjustments			
Non-cash transactions	<b>39,382</b>	32,496	81,937
Unrealised foreign exchange gains (-) / losses (+)	<b>-5</b>	-2	
Financial income and expenses	<b>2,070</b>	2,280	4,407
Taxes	<b>-1,645</b>	-30	-915
Changes in working capital			
Change in accounts receivable and other receivables	<b>-33,189</b>	-24,929	-20,976
Change in inventories	<b>-7,130</b>	-1,455	-2,428
Change in accounts payable and other liabilities	<b>12,565</b>	11,961	14,759
Change in provisions	<b>13</b>	5	-193
Interest paid	<b>-1,360</b>	-1,067	-2,679
Interest received	<b>10</b>	13	29
Taxes paid	<b>-145</b>	-130	-265
Other financing items	<b>-598</b>	-778	-1,636
<b>Net cash generated from operating activities</b>	<b>66,298</b>	54,627	146,713
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets	<b>-137,437</b>	-73,981	-83,577
Sale of tangible assets	<b>34,923</b>	358	375
Acquisition of non-controlling interests			-27,051
<b>Net cash used in investing activities</b>	<b>-102,514</b>	-73,623	-110,253
<b>Cash flows from financing activities</b>			
Loan withdrawals	<b>172,121</b>	159,538	232,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	<b>21,182</b>	-2,118	34,881
Repayment of loans	<b>-87,269</b>	-85,320	-248,649
Payment of lease liabilities (2018 Payment of finance lease liabilities)	<b>-1,179</b>	-1,873	-3,090
Dividends paid	<b>-51,503</b>	-51,503	-51,503
<b>Net cash used in financing activities</b>	<b>53,352</b>	18,725	-36,361
<b>Change in cash and cash equivalents</b>	<b>17,136</b>	-271	99
Cash and cash equivalents 1 January	<b>1,951</b>	1,847	1,847
Effect of foreign exchange rate change	<b>-201</b>	5	5
<b>Cash and cash equivalents at the end of periods</b>	<b>18,885</b>	1,581	1,951

## REVENUE AND RESULT BY BUSINESS SEGMENTS

	4–6 2022		4–6 2021		1–6 2022		1–6 2021		1–12 2021	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
<b>Revenue</b>										
Shipping and sea transport services	193.2	96.6	140.3	95.6	343.8	96.3	258.1	95.0	555.3	95.8
Port operations	12.7	6.4	12.5	8.5	24.8	6.9	24.1	9.0	47.0	8.1
Intra-group revenue	-6.0	-3.0	-6.0	-4.1	-11.6	-3.3	-11.4	-4.0	-22.3	-3.9
<b>External sales</b>	<b>199.9</b>	<b>100.0</b>	146.8	100.0	<b>356.9</b>	<b>100.0</b>	270.8	100.0	579.9	100.0
<b>Result before interest and taxes</b>										
Shipping and sea transport services	40.5		22.9		55.4		36.1		73.6	
Port operations	0.9		1.5		1.4		2.4		4.6	
<b>Result before interest and taxes (EBIT) total</b>	<b>41.5</b>		24.4		<b>56.8</b>		38.5		78.2	
Financial income and expenses	-1.1		-1.2		-2.1		-2.3		-4.4	
<b>Result before taxes (EBT)</b>	<b>40.4</b>		23.2		<b>54.7</b>		36.2		73.8	
Income taxes	0.8		-0.1		1.6		0.0		0.9	
<b>Result for the reporting period</b>	<b>41.2</b>		23.1		<b>56.3</b>		36.3		74.7	

## REVENUE BY GEOGRAPHICAL AREA

EUR 1,000	1–6 2022	1–6 2021	1–12 2021
<b>Revenue</b>			
Finland	156,340	113,919	238,251
Sweden	51,822	40,840	92,888
Germany	40,755	28,163	71,275
Other EU countries	93,135	74,419	152,350
Russia	1,625	4,616	9,893
Other	13,240	8,884	15,286
	<b>356,917</b>	270,841	579,944

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

## REVENUE BY FUNCTIONS

EUR 1,000	1–6 2022	1–6 2021	1–12 2021
<b>Revenue</b>			
Freight and other shipping services	318,120	244,019	507,864
Passenger services	25,639	14,249	47,829
Port operations	13,159	12,573	24,251
	<b>356,917</b>	270,841	579,944

**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		1		-6		-6
Increases			121,898	250	14,832	136,981
Disposals			-86,294	-79		-86,373
Reclassifications between items			77,695		-77,695	
Reclassifications to non-current assets held for sale *		3 297		-22 395		-25,691
<b>Acquisition cost on 30 June 2022</b>	<b>1,125</b>	<b>102,846</b>	<b>1,610,824</b>	<b>44,645</b>	<b>68,380</b>	<b>1,827,821</b>
Accumulated depreciation, amortisation and write-offs 1 January 2022		-42,426	-719,249	-45,482		-807,157
Exchange rate differences		-1		6		5
Cumulative depreciation on reclassifications and disposals			52,917	79		52,995
Depreciation for the reporting period		-1,582	-37,310	-499		-39,391
<b>Accumulated depreciation, amortisation and write-offs 30 June 2022</b>		<b>-44,008</b>	<b>-703,642</b>	<b>-45,897</b>		<b>-793,547</b>
Reclassifications to non-current assets held for sale *		570		10,510		11,081
<b>Carrying value on 30 June 2022</b>	<b>1,125</b>	<b>59,408</b>	<b>907,182</b>	<b>9,259</b>	<b>68,380</b>	<b>1,045,354</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 30 June 2021 and 30 June 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	38		915
Disposals			-29	-29
Reclassifications between items				
<b>Acquisition cost 30 June 2022</b>	<b>28,596</b>	<b>1,770</b>	<b>1,592</b>	<b>31,958</b>
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			21	21
Depreciation for the reporting period	-959	-125	-145	-1,229
<b>Accumulated depreciation, amortisation and write-offs 30 June 2022</b>	<b>-6,977</b>	<b>-1,217</b>	<b>-1,205</b>	<b>-9,399</b>
<b>Carrying value 30 June 2022</b>	<b>21,618</b>	<b>553</b>	<b>387</b>	<b>22,559</b>
<b>Property, plant and equipment, total</b>				<b>1,067,913</b>

<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>			
<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 30 June 2022</b>	<b>2,726</b>	<b>11,884</b>	<b>14,610</b>

**PROPERTY, PLANT AND EQUIPMENT 2021**

<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 2021	72	66,848	1,486,518	65,826	59,521	1,678,784
Exchange rate differences		-1		12		11
Increases	1,053	40,993	7,016	808	39,346	89,216
Disposals			-49	-33		-82
Reclassifications between items			627		-627	
Reclassifications to non-current assets held for sale *		-3,297		-22,395		-25,691
<b>Acquisition cost 30 June 2021</b>	<b>1,125</b>	<b>104,544</b>	<b>1,494,112</b>	<b>44,218</b>	<b>98,239</b>	<b>1,742,238</b>
Accumulated depreciation, amortisation and write-offs 1 January 2021		-25,156	-644,563	-44,175		-713,894
Exchange rate differences		1		-11		-10
Cumulative depreciation on reclassifications, increases and disposals		-15,159	49	-360		-15,471
Depreciation for the reporting period		-1,253	-28,849	-528		-30,630
<b>Accumulated depreciation, amortisation and write-offs 30 June 2021</b>		<b>-41,566</b>	<b>-673,363</b>	<b>-45,074</b>		<b>-760,004</b>
Reclassifications to non-current assets held for sale *		570		10,510		11,081
<b>Carrying value 30 June 2021</b>	<b>1,125</b>	<b>63,548</b>	<b>820,749</b>	<b>9,654</b>	<b>98,239</b>	<b>993,315</b>

Not including right-of-use assets.

<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 2021</b>				
Acquisition cost 1 January 2021	18,642	3,832	1,439	23,913
Exchange rate differences			1	1
Increases	7,379		33	7,413
Disposals		-2,099		-2,099
Reclassifications between items		2	1	2
<b>Acquisition cost 30 June 2021</b>	<b>26,021</b>	<b>1,735</b>	<b>1,474</b>	<b>29,230</b>
Accumulated depreciation, amortisation and write-offs 1 January 2021	-3,466	-2,202	-776	-6,444
Exchange rate differences				
Cumulative depreciation on reclassifications and disposals		1,753		1,753
Depreciation for the reporting period	-907	-430	-158	-1,496
<b>Accumulated depreciation, amortisation and write-offs 30 June 2021</b>	<b>-4,373</b>	<b>-880</b>	<b>-935</b>	<b>-6,188</b>
<b>Carrying value 30 June 2021</b>	<b>21,648</b>	<b>854</b>	<b>539</b>	<b>23,041</b>
<b>Property, plant and equipment, total</b>				<b>1,016,356</b>

<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 2021</b>			
<b>Acquisition cost</b>			
Transfer to non-current assets held for sale	3,297	22,395	25,691
<b>Accumulated depreciation</b>			
Transfer to non-current assets held for sale	-570	-10,510	-11,081
<b>Carrying value 30 June 2021</b>	<b>2,726</b>	<b>11,884</b>	<b>14,610</b>

## LEASES

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

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

### Amounts recognized in profit or loss

EUR 1,000	1–6 2022	1–6 2021
Interest on lease liabilities 30 June	163	147
Expenses relating to short-term leases	134	53
Expenses relating to low-value assets	237	152
Service components of lease payments 30 June	0	65
Lease payments of all leases accounted according to IFRS 16	1,324	1,582
<b>Total cash flow of all leases 30 June</b>	<b>1,695</b>	<b>1,852</b>

### Maturity analysis

EUR 1,000	2022	2021
<b>Contractual undiscounted cash flows</b>		
Less than one year	2,600	3,593
One to five years	8,047	9,635
More than five years	19,885	23,212
<b>Total undiscounted lease liabilities at 30 June</b>	<b>30,532</b>	<b>36,440</b>
Short term leasing liability	2,226	2,217
Long term leasing liability	19,703	21,076
<b>Lease liabilities included in statement of financial position at 30 June</b>	<b>21,928</b>	<b>23,293</b>

## FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

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

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

Level 3 includes unlisted shares amounting to EUR 7.1 million (7.1 in 2021), which are valued at the lower of acquisition cost or probable value, as their fair value cannot be reliably measured. Majority of the unlisted shares consists of Steveco Oy's shares of which Finnlines owns 25.4%. This shareholding is presented in financial assets, because Finnlines has does not have significant influence in Steveco Oy.

## CONTINGENCIES AND COMMITMENTS

EUR 1,000	30 June 2022	30 June 2021	31 Dec 2021
Minimum leases payable in relation to fixed-term leases:			
<b>Vessel leases (Group as lessee)</b>			
Within 12 months	0	3,120	1,440
1–5 years	0	0	0
	0	3,120	1,440
<b>Vessel leases (Group as lessor)</b>			
Within 12 months	3,285	2,997	0
1–5 years	6,111	0	0
	9,396	2,997	0
<b>Other leases (Group as lessee)</b>			
Within 12 months	96	97	181
1–5 years	58	60	44
Over 5 years	77	0	0
	231	157	225
<b>Other leases (Group as lessor)</b>			
Within 12 months	171	823	310
1–5 years	0	1,519	0
Over 5 years	0	917	0
	171	3,259	310
<b>Collateral given</b>			
Loans from financial institutions	318,862	248,234	207,643
<b>Vessel mortgages provided as guarantees for the above loans</b>			
	527,000	539,500	539,500
<b>Other collateral given on own behalf</b>			
Pledges	340	340	340
<b>Other obligations</b>			
Obligations, related to vessel investments	209,396	334,074	319,221
Other external obligations	6,278	1,775	1,130
	215,674	335,849	320,350
<b>VAT adjustment liability related to real estate investments</b>			
	4	2	5

## REVENUE AND RESULT BY QUARTER

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

## SHARE INFORMATION

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

Finlines Plc is fully owned by the Grimaldi Group

## EVENTS AFTER THE REPORTING PERIOD

There are other 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

MS Finnclipper was sold to the Grimaldi Group in March 2022. There were no other material related party transactions during the reporting period.