

27 November 2018

Funding Info Day

Finncines Plc

**Experience on the application process
and project management – CEF 2014 call**





• A few words about Finnlines Plc

- Why and how did we apply in CEF 2014 call?
- From positive evaluation to closure of Action
- A few comments on other CEF calls (2015-2017)
- Q&A

With Finnlines
you reach all the
main ports
in the Baltic Sea,
the North Sea
and beyond

21

Ships operated

709,000

Units transported

619,000

Passengers

147,000

Cars transported

1,281,000

Tons of non- unitised freight



Grimaldi
Group

est. 1947

**CONNECTING
THE WORLD**



Grimaldi Short Sea



Finnlines network



GRIMALDI GROUP

47

countries

110

vessels

1

the largest in
Europe in combined ro-
pax and ro-ro segment

Business update

Finnlines continues to deliver strong results and in general we are pleased with our current progress both operationally and financially.

Sustainability is the key driver and reducing fuel consumption and cutting harmful emissions have long time ago been the fundamental objectives of our Group.

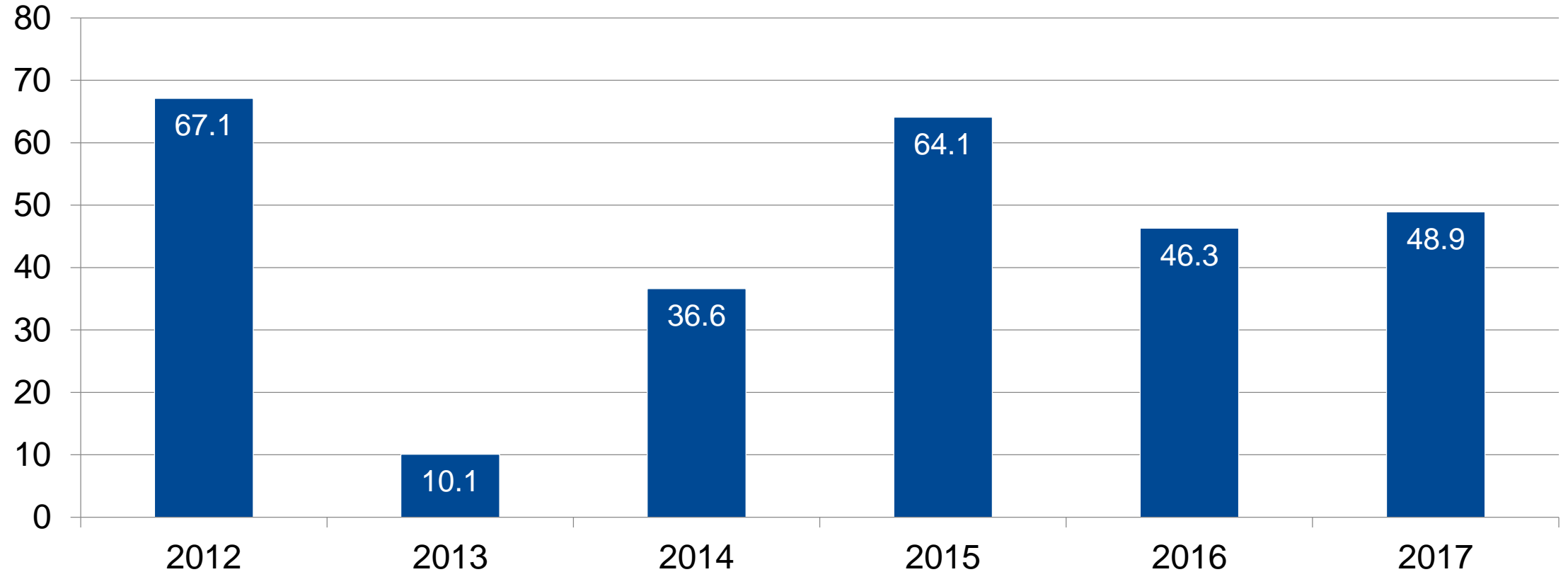
The key to our success is the continuous investments and efforts improving our operational and environmental efficiency.

We continue to implement our strategy with determination and with consistency.

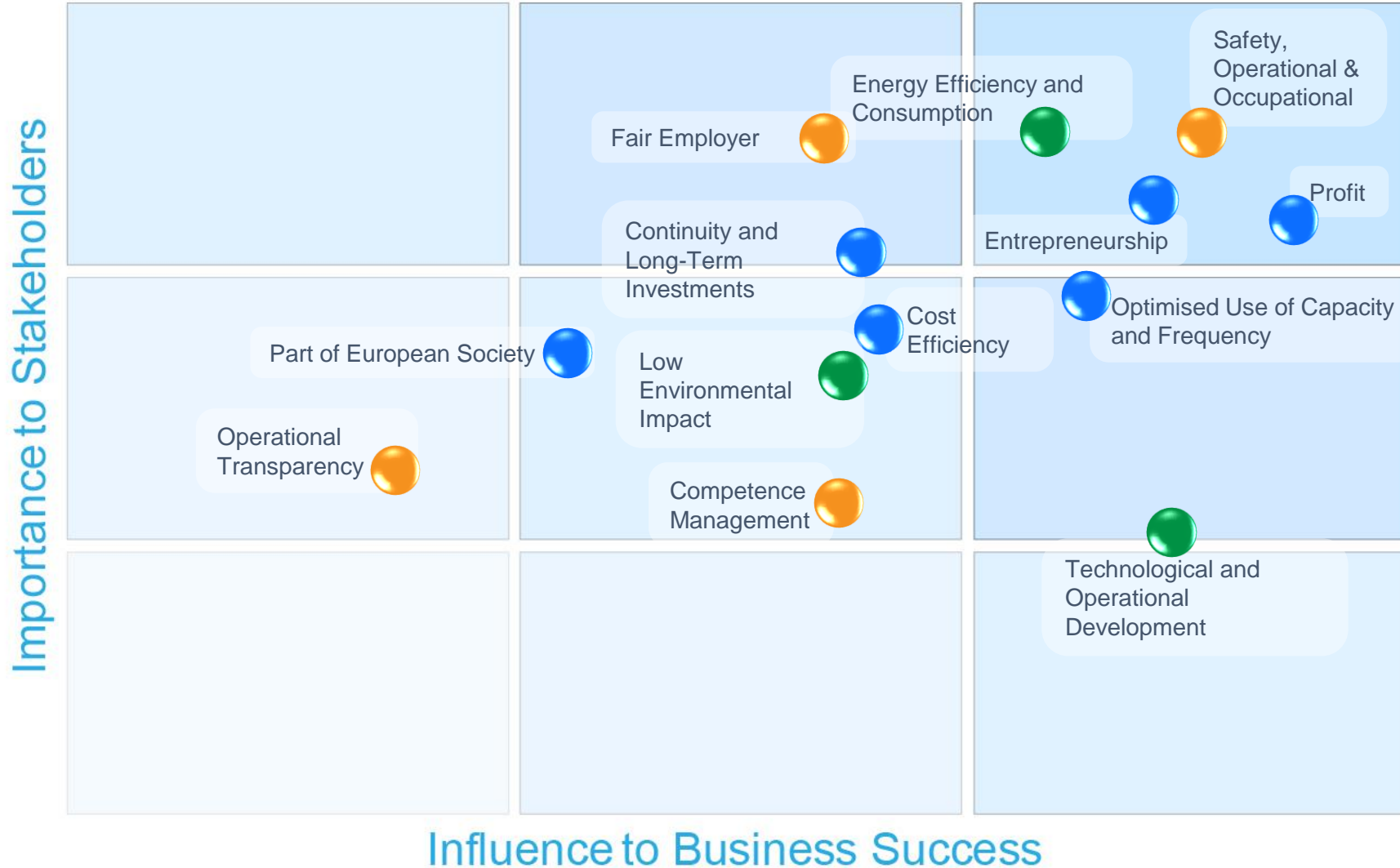





Finnlines Group Total Capital Expenditure

MEUR



Profitability Enables Sustainability



-  Economic Aspects
-  Environmental Aspects
-  Social Aspects

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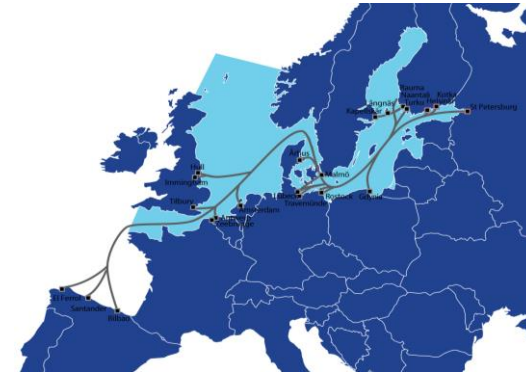
Finnlines response to the Sulphur directive 1st Jan 2015

Finnlines, operating mainly within the SECA area, was taking serious actions to overcome the challenges with new sulphur directive and thus avoiding unwanted back modal shift of cargo from Sea to Land.

Finnlines was investing EUR 100Mio (EUR 70Mio + EUR 30Mio) in emission abatement techniques and propulsion efficiency improvements 2014-2016.

Actions taken in Nov 2014 – Apr 2015:

- ✓ Scrubber installations on 14 RoPax and RoRo vessels
- ✓ Re-blading (promas lite) on 6 RoPax and RoRo vessels



	STAR Class vessels	Jinling vessel serie	Finnhawk / Finnkraft	Finnmill / Finnulp	STAR class and Finnmill/Finnulp
No of vsls	4	6	2	2	6
Project type	Open loop Scrubber (Hybrid ready)	Open loop Scrubber (Hybrid ready)	Open loop Scrubber (Hybrid ready)	Open loop Scrubber (Hybrid ready)	Re-blading (Promas Lite)
Maker	EcoSpray, Italy	Wärtsilä, Finland	Alfa Laval, Holland	Alfa Laval, Holland	Rolls Royce, UK
Yard	Remontowa, Poland	NAUTA, Poland	BLRT, Estonia	BLRT, Finland	same as scrubber

Finnlines 2014 CEF-Transport MOS projects

Project Title	Ship									Route					Corridor						
	Name	Type	Flag state	Owner	YoD	Size			Port1	Port2	Port3	Port4	Port5	Scan-MED	North-MED	North-Baltic	Orient-MED	Baltic-Adriatic	Atlantic	Rhine-Alps	
	registered					GT	Lane-m	Container	Pax												
MOS Hansa Link	Finnlady	RoPax	Finland	Finnlines	2007	45923	4216	554	550	Helsinki	Lübeck										
MOS Hansa Link	Finnmaid	RoPax	Finland	Finnlines	2006	45923	4216	554	550	Helsinki	Lübeck										
MOS Hansa Link	Finnstar	RoPax	Finland	Finnlines	2006	45923	4216	554	550	Helsinki	Lübeck										
MOS Hansa Link	McKallan	RoPax	Finland	Finnlines	2007	45923	4216	554	550	Helsinki	Lübeck										
MOS Biscay Line	Finnson	RoRo	Finland	Finnlines	2012	28002	3326	470		Helsinki	Kotka	Antwerp	Bilbao		X	X			X	X	
MOS Biscay Line	Finntide	RoRo	Finland	Finnlines	2012	28002	3326	470		Helsinki	Kotka	Antwerp	Bilbao		X	X			X	X	
MOS Biscay Line	Finnwave	RoRo	Finland	Finnlines	2012	28002	3326	470		Helsinki	Kotka	Antwerp	Bilbao		X	X			X	X	
MOS ScanRos	Finnmill	RoRo	Finland	Finnlines	2002	25732	3262	360		Helsinki	Rostock	Aarhus			X	X					
MOS ScanRos	Finnpulp	RoRo	Finland	Finnlines	2002	25732	3262	360		Helsinki	Rostock	Aarhus			X	X					
MOS FIN-GER	Finnsea	RoRo	Finland	Finnlines	2011	28002	3326	470		Rauma	Turku	Kotka	Rostock	Lübeck	X	X	X				
MOS FIN-GER	Finnsky	RoRo	Finland	Finnlines	2012	28002	3326	470		Rauma	Turku	Kotka	Rostock	Lübeck	X	X	X				
MOS FIN-GER	Finnbreeze	RoRo	Finland	Finnlines	2011	28002	3326	470		Rauma	Turku	Kotka	Rostock	Lübeck	X	X	X				
MOS FIN-POL	Finnkraft	RoRo	Finland	Finnlines	2000	11530	1899	185+206		Hanko	Gdynia						X				
MOS FIN-POL	Finnhawk	RoRo	Finland	Finnlines	2001	11530	1891	185+206		Hanko	Gdynia						X				

Finnlines 2014 CEF-T MoS proposals – 12 partners from 6 EU countries


Finnlines was acting as lead applicant for five MoS applications with a total value of EUR 87,3Mio.

Overview of submitted applications:

- ✓ No 1 application “Upgrading and sustaining the competitive core Baltic MoS link Helsinki-Lübeck”
- ✓ No 2 application “Biscay Line - Multiple port Finland-Estonia-Belgium-Spain long distance MoS, relevant to many core network corridors”
- ✓ No 3 application “Upgrading and sustaining the competitive Baltic MoS link Germany-Finland (RoRo multiple ports loop)”
- ✓ No 4 application “Upgrading and sustaining the competitive core Baltic MoS link Helsinki-Rostock-Aarhus (ScanRos)”
- ✓ No 5 application “Upgraded, compliant and sustainable MoS Hanko-Gdynia”

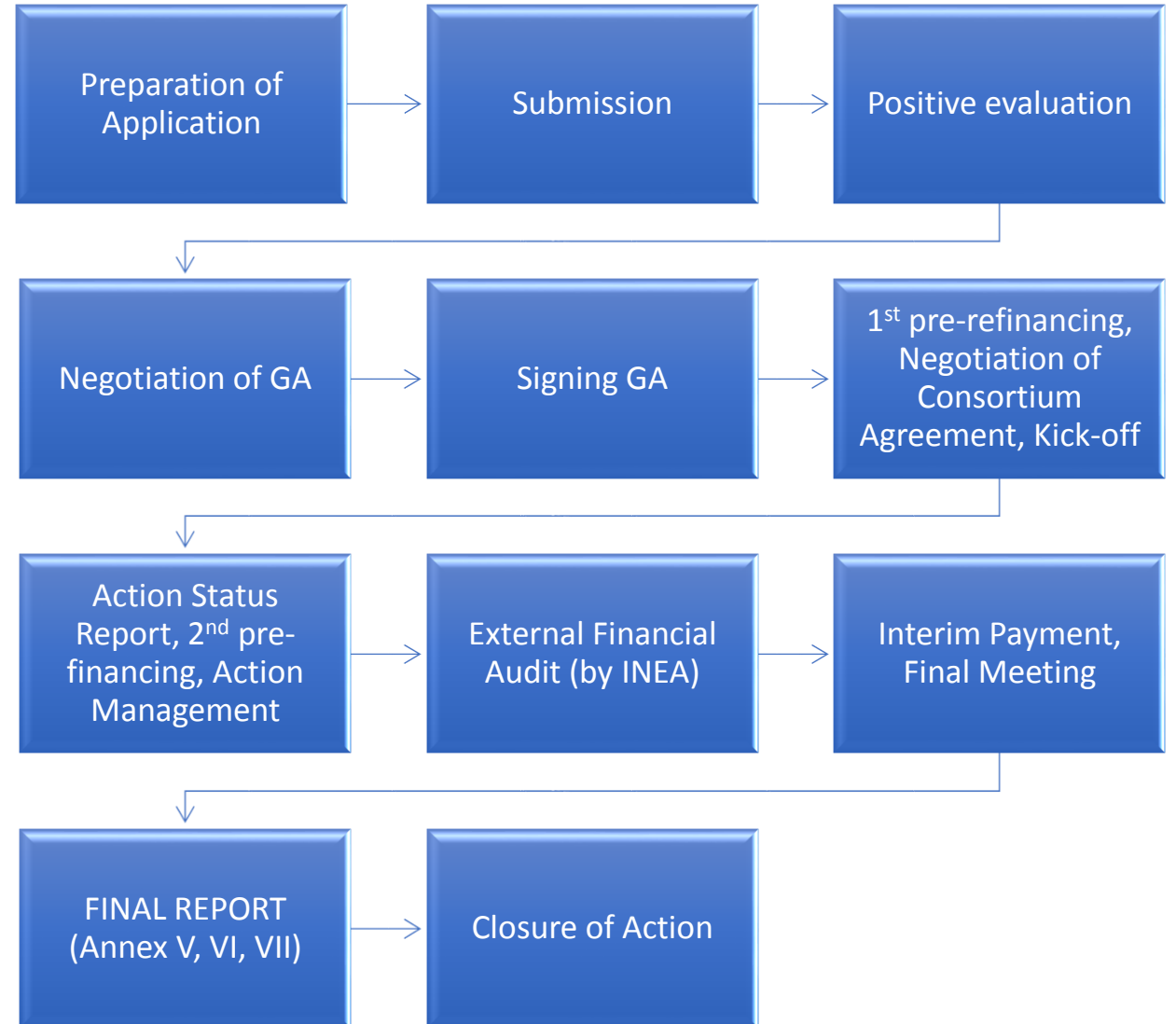


Baltic MoS (Helsinki Lübeck)			Long distance MoS (Biscay Line)			Baltic MoS (ScanRos)			Baltic MoS (Ger RoRo)			Baltic MoS (Hanko-Gdynia)		
Finnlines	20 556 510 €	88 %	Finnlines	9 288 960 €	84 %	Finnlines	6 669 123 €	67 %	Finnlines	9 274 957 €	78 %	Finnlines	4 320 350 €	90 %
LHG	2 116 100 €	9 %	AET	322 000 €	3 %	Hafen Entwicklung	3 218 180 €	32 %	Hafen Entwicklung	516 000 €	4 %	Hanko Stevedoring	493 500 €	10 %
HelSa	565 250 €	2 %	Port of Antwerp	147 000 €	1 %	Port of Aarhus	105 500 €	1 %	Euroports Rauma	756 000 €	6 %	Port of Gdynia	- €	0 %
			Port of Bilbao	322 000 €	3 %				Other loans	1 290 000 €	11 %			
			Toro (Spain)	1 011 500 €	9 %									
Total	23 237 860 €	100 %	Total	11 091 460 €	100 %	Total	9 992 803 €	100 %	Total	11 836 957 €	100 %	Total	4 813 850 €	100 %
CEF-T	9 991 940 €	30,1 %	CEF-T	4 782 054 €	30,1 %	CEF-T	4 325 487 €	30,2 %	CEF-T	5 101 553 €	30,1 %	CEF-T	2 091 650 €	30,3 %
GRAND TOTAL	33 229 800 €		GRAND TOTAL	15 873 514 €		GRAND TOTAL	14 318 290 €		GRAND TOTAL	16 938 510 €		GRAND TOTAL	6 905 500 €	


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From preparation to closure of Action – 4 years and 3.500 emails later

- Sep 2014: 2014 Call published
- Jan 2015: Submission of application
- July 2015: Evaluation by CEF committee
- Nov 2015: Signing of Grant Agreement
- Feb 2016: Kick-off meeting (INEA & partners)
- Mar 2016: Submission of ASR
- July 2016: Interim Financial Statement
- Dec 2016: Interim Payment
- Jan 2017: Final meeting (INEA & partners)
- June 2017: External financial audit by INEA
- Dec 2017: Submission of final report
- April 2018: Closure of Action / Final Payment
- Next 5 years: Be prepared for future audits



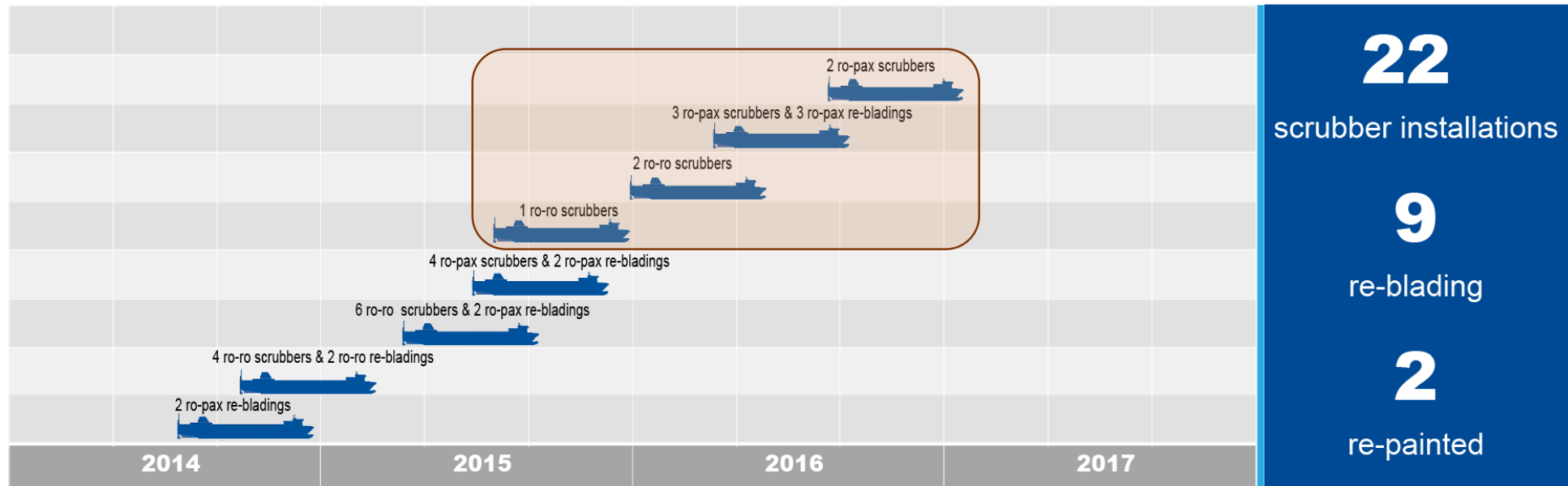
**Systematic approach essential !!
Follow the guidelines, invest in project management and work closely with nominated Project Manager from INEA.**

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CEF Transport 2015 Call – Difficult for us to match priorities, no positive evaluation rcvd (focus moved towards LNG projects)

Environmental Technology Investment Programme

EUR 100 million investment to enhance our fleet with sulphur emission abatement technology and propulsion systems to reach an additional 10% decrease in fuel consumption.



CEF Transport 2016 Call – Difficult for us to fit the program / rules, support for Port investments rcvd (*CBA & 5-year rule on line challenging for us*)

Vessel capacity increases

6 6 sister vessels of Finnbreeze serie	70.000.000 Investment cost (mln €)
6000 Additional Im (for 6 vessels)	22.800 Increased DWT (for 6 vsls)



HOW IS IT DONE?
MAINSTAGES



1 Cutting the vessel



2 Adding the insert



3 Welding all sections together



2017 CEF-T Innovation proposal: "Hybrid mega-RoRos" (Grimaldi's G5G vessels)

Applicant/ coordinator:
Grimaldi Euromed SpA

- Initiated project
- Coordinate project
- Responsible for roll-out in MED (9 ships)



Affiliated entity:
Finnlines Plc

- Support in analysis and communication
- Responsible for North-Europe project scope (3 ships)



Member State:
Italy (full project support and endorsement)



The Global Project addressed the **market roll-out of state-of-the-art, ultra-environmental friendly and large-scale transport capacity** affecting 5 intra-European short-sea shipping routes.

Market breakthrough of alternative propulsion leading to zero emissions in ports and substantial optimization measures in maritime transport → CEF-T action includes innovative measures of the 12 hybrid mega-RoRo ships.



Project structured in 3 activities → best reflecting scope & objectives:

Activities	Actors	Start	End
Planning, construction & deployment of efficiency measures on-board of 12 hybrid mega-RoRo ships	Grimaldi Euromed SpA Finnlines Plc	04.2018	06.2022
Climate change and air pollution assessment	Grimaldi Euromed SpA Finnlines Plc	01.2019	06.2022
Project management and communication	Grimaldi Euromed SpA (Finnlines Plc)	04.2018	06.2022

Investment budget:
EUR 682 million

Project implementation:
04.2018 – 06.2022

EU action budget/grant:
EUR 73.6 million
@ 20% EU funding =
EUR 14.7 million

Perfect framework:
High Union relevance

- TEN-T policy & EU objectives
- Efficient & high-quality transport
- Sustainable transport
- EU policy framework


Very positive impacts

- Less emission of CO₂, SO_x, NO_x, PM at sea & in ports
- Large multiplication
- Substantial consumer & producer surpluses
- Positive competition
- Stimulating regional development

Mature action

- Yard contracts signed
- Financing structured
- No issues pending
- investments decided



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Q&A




SS Wille 1947


MS Finntrader 1951


MS Finn hansa 1966


GTS Finnjet 1977


MS Finnstar 2006


MS Finnbreeze 2011

70 Years of Experience