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22nd Euro-Med Convention From Land to Sea:Speech by Dr Emanuele Grimaldi

Ladies and Gentlemen, distinguished Guests, good morning and welcome to the 22nd Euromed Convention From Land to Sea.
I am very pleased to give you my opening remarks in the framework of the Athens riviera. We are in the place where the Agorà was born, where citizens exchanged opinions and proposals about the future of the community in full freedom and openness, where the foundations of occidental thinking were laid down.
I think no better place could have been chosen for our panel works. The two working sessions of today will toast a great occasion for a high level exchange of ideas. We will first face the global topic of environmental regulation as an opportunity, thanks to the contribution of an expert player in the regulative sector such as Mr Ugo Salerno, CEO of the big RINA certification company. Technology progress is key in the field, thus I'm looking forward to listen what Mr Makinen, President of Rolls Royce Marine, will disclose to us during the Panel. Public Institutions will also have their say with the President of Eastern Sicily Ports Mr Andrea Annunziata and the Managing Director of the Mediterranean Short Sea Network Mr Ennio Cascetta.
The second Panel will be a more domestic one, focused on Greece's domestic ferry market and its potential recovery. We are in the perfect location and timing to tackle the theme. I am honoured to host in this panel a representative from the Greek Government, the Secretary General of the Ministry of Shipping & Maritime Affairs Mr Temponeras. We will go through financial aspects, which have always a pivotal role in recoveries, with Mr Tsagarakis from the Shipping Division of the National Bank of Greece, and Mr Xiradakis as Managing Director of XRTC Financial consultants. We will also approach the theme from an industrial perspective, with the Shipowner view of Mr Dimitriadis- Eugenides, President of Eugenides Group, with my son Guido as president of Italian Shipowners
Association Short Sea Shipping and President of ALIS logistic association, and with Mr Maniadakis as Managing Director of the Greek Short Sea company Minoan Lines. Last but not least, we will have access to the Port Authority view of the President of the Port of Igoumenitsa Mr Ntais.
I would like to thank all the guests intervening in these two panels for being with us today.
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We have a longstanding tradition in Grimaldi Euromed Convention. Since the first time we met 21 years ago, at this point in time we discuss about what we have done in the Group since the previous Euromed Convention, in order to take stock of the

situation and share some conclusion with our distinguished audience. This year I am facing some difficulties to pick up where to start from, as the Grimaldi Group has been evolving basically everywhere.

RORO BOOST You will remember our promises of last year, to order a series of 10 green giant newbuilding, halving the emissions per ton and sailing with clean electricity only in port. We kept the faith and exceeded it with a 12 ships order, out of which 3 ice-class. For the size and technological content, these units will be the roro flagships not only within our Group, but also at a global scale.

Last year by this date we welcomed also the delivery of the Grande Baltimora, the first unit of a series of 10 green giant car carriers for the deep sea routes. The deliveries have continued with the Grande Philadelphia and Grande New York. Again, crossing the frontier of modernity thanks to their size, cargo flexibility and low consumption score.

ROPAX NEW ENTRIES Besides cargo fleet dimensional and quality growth, last year was a special one also for passengers. Since our last Euromed Convention, Grimaldi Lines ordered the lengthening of two cruise ferry ships, it bought the Cruise Ausonia, took back from charter the Mv Amsicora and Mv Florencia, acquired the Mv Corfù. Also Minoan was on the move and returned back Mv Mikonos Palace and the large High Speed Catamaran Santorini Palace. The huge investments in passenger ships throughout Europe go pair in pair with the ambition to pass from the 3 million pax transported in 2017 to over 4mln pax in 2018, with a hope to reach the 5mln pax in 2019.

INCREASING GREEN TECH CONTENTS: In a fast but changing world, moulded by globalization, consolidation is a must and comes together with Research&Development and sustainable policy.

Grimaldi Group is totally committed to sustainability and to reduction of emissions.In this respect we have invested on silicon coating cycles on 80 ships, propulsion system upgrades on 30 ships, scrubbers installed on 26 ships in service. Results are coming as a consequence. Last year only, despite cargo tons transported increased by 11%, the Co2 emissions produced per nautical mile were reduced by 3,3% and So2 by 6,2%.

LOGISTICS: Grimaldi is an integrated logistical Group, with 62% of its human resources working at sea and over 38% on land. So it is logical that the strategic increase in numbers, capacity and technological content of ships has gone arm in arm with a growing terminal and agency service demand. That’s why the Group have also plans of investment in new quays, multilayer car parks and terminals, solar panels and windmill in ports, heavy equipment and cranes in Antwerp, Hamburg, Wallhamn, Salerno, Catania, Savona, Valencia, Barcelona, Lagos, Uusikaupunki and Travemunde.

The coordinated efforts in the cargo, passenger, terminal, agency and logistic fields is part of a diversification strategy that characterized our action also during last year. Through all investments, the Grimaldi Group maintains its business diversification reaching out America and Europe together with Africa and Asia, cargo together with passengers, logistics together with shipping, new cars together with used trailers, project cargo together with containers. As a part of this picture, last year was indeed an interesting one on several business fronts, although not everywhere in the same way:

GREECE : Chinese calendar use to label each year with a name. “The dragon year” , “the dog year”, “the snake year” etc.. If we were to label the year just passed, in Grimaldi Group we would have named it “the Greek year”. Coming from ten years of

significant debt and limited perimeter growth, Minoan emerged this year inspired and strengthened after all. Whilst increasing and then divesting its stakes in Hellenic Seaways, Minoan extinguished all its debt, acquired the High Speed Catamaran Santorini Palace, and could start a new line to Chania and a new rotation to the Cyclades Islands with Mv Mikonos Palace, creating employement for over 200 people. This expansion wouldn't have been possible without the avail of the Greek Minister of Maritime Affairs, who didn't curb to neoprotectionist precedents and propaganda, but opened up business possibilities in Greece to Minoan. By doing so, Minoan was recognized as a trustworthy Greek and Cretan company, with all Greek flagged vessels, employing almost all Greeks, adding up new ships to Greek flag, steered by a Greek management. I would add that also the ultimate owners in charge, my family and myself, are great admirers of the Hellenic culture. The Group I belong to will bring its big expertise in the Short Sea sector, helping in developing technology further with a long term perspective. Ten years ago Minoan had 500mln€ debt, today it is debt free. Ten years ago we had to sell or close everything which wasn't strictly core business, today Minoan owns nice ships, nice routes, nice buildings and agencies in 4 cities, is back in black and grows. Ten years ago Minoan generated heavy losses, today we are generating profit, distributing wealth to Greece and not taking dividend, as our strategy is long term. Also on the western side of Greece, Grimaldi is serving clients with new connections between Corfù and Southern, Central and Northern Italy, and has strengthened its services to Igoumenitsa and Patras.

Our sister company ACL also is having its new start with the 5 new G4 ships, but in a totally differentn and deteriorated North Atlantic scenario, with a freight war among container carriers, high oil prices, congestion in ports and custom duties war among the European and US blocks. ACL is the only piece in Grimaldi Group which is somehow exposed to container price wars, but it is solidly facing the cycle leaning on the low level of debt, on the high carbon efficiency, on the flexible intake of its conro ships, the biggest on the market, and on a tight cost cutting programme ongoing.

BALTIC AREA : Whilst Minoan is gearing up for growth and ACL is navigating in very difficult waters, after a long run-up Finnlines is getting up to speed and burning records. During 2018 Finnlinesm bought back and retrofitted its flagship Europalink, lengthened 6 ships and ordered three new ones with a capacity of 5.400lm each. All this is leading to multiple upgrades of the fleet plan connecting southern and northern parts of the Baltic with an unprecedented offer of lane meters and departures.

While the Baltic business is a fine tuned working machine, the WEST MEDITERRANEAN is an open workshop. In the first semester of 2018 Grimaldi hit the gas on passenger routes launching the Salerno-Catania ropax line and reinforcing the passenger offer from the Continental ports of Livorno and Salerno to both Sicily and Sardinia. Outcome was a an increase of 200.000 passengers more travelling with Grimaldi Lines compared to the same period of last year. Also cargo service was upgraded with the introduction of superior tonnage in Italian Domestic Cabotage Lines, with the strengthening of the East-West European bridge concepts and introduction of new lines from Spain via Italy and to Turkey and viceversa.

Both EUROMED AND DEEPSEA oceanic lines are more of a stable business, based on big car manufacturer multiannual contracts and import/export steady flows of mostly full loads, project and used vehicles. Also in this perimeter of business, large newbuildings are phasing in helping both economies of scale and scope, and allowing for some fleet plan optimization and introduction of new ports, like Tuxpan, in Mexico

or Davisville in the US.
TURNING TO THE FUTURE, the quest for quality upgrade and growth in cargo and passengers is not finished. As it was announced last year, after the Star Class series we are now working atn developing a new SUPERSTAR CLASS concept, which we believe will be the best roro/pax in the world, built to meet the highest hydrodynamic and environmental standards, mixing up in a competitive and comfortable way rolling cargo, cars, cabins, passengers and shopping experience. We aim here at improving the green footprint by over 40% per unit transported. The project will soon ramp up.
Together with a new ropax series, also a new multipurpose series will be studied, to replace the more aging units in service, to reduce emissions and to maintain an average top class young fleet serving our customers.
As it can be seen, Grimaldi took seriously the global quest for reducing emissions, and is acting proactively to improve the industry green records. We pursue this strategy individually and also in consortia with other leader marine Groups. Last but not least, last week we founded together with other 15 shipping co. the Clean Shipping Alliance Association, for defending the prompt implementation of IMO sulphur cap in 2020.
The multilateral international organism, the European Commission and Parliament, IMO, many action groups and NGO are joining the task force for decarbonizing the planet. We as Shipowners through ICS accepted the aspirational goals of halvening by 2050 our Co2 total emissions. Grimaldi is already on its way to get it. Whilst decarbonization is high on top of our agenda, we are somehow aligned to European Commissioners agenda when it comes also to other development priorities singled out fshipping, which are digitalization and human resources.
On the digitalization chapter we involved in studying and pilot projects in Europe for big data management, authomatization, custom simplification and cybersecurity. We are also unifying and connecting our software systems within our Group, onboard and between agencies and clients.
Finally , we are investing in human resources. Safety and security of seamen is a key area of action. In this domain we are adhering in these weeks for example to the multiple requests coming from Unions to exceed national law levels of security and grant on all our ropax ships the application of Athens protocol, embarking only communitarian people on all ropax ships running amid european ports. By nthis point of view, we are perhaps among the better example of compliance in Europe. Indeed, despite what competitors misleading informations say, within the end of this year our Group will employ onlym EU seamen on all its ropax ships both in Italy and Greece, but also in Finland, Sweden, Germany and Spain.
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EU seamen are for the European Union a prerequisite for keeping its knowledge, know-how and leadership in the shipping sector. EU seamen are also a presidium of security and service quality on ropax ships serving EU countries, considering that they speak their native language, sharing the same culture and cultural framework of passengers. But here I would like to thank not only our EU seamen and employees, but all the 15,000 people working in our Group, no one excluded. We shall not forget, that we are a multinational Group were no discrimination is tolerated, employees of all nationalities contribute to create value and serve clients worldwide. Moreover, just like in Minoan most of the company expenditures are bound to the Greek suppliers, also in Grimaldi – being European rooted Group – about 91% of the company expenditures go to European suppliers. starting from Italy, Greece and Finland as our

main flag countries. People loving Italy and Europe should thus thank all the 12.000 EU Nationals working with us in Grimaldi but also all the 3.000 Non EU Nationals from the US, South America, the Philippines, India, North and West Africa, serving clients worldwide at sea, in offices, in agencies and ports. A special thank should go to those of them doing heavy duty jobs onboard, who are the real working engine of shipping.

Finally, I would like to thank all our clients for supporting us more and more also this year. Prizes and Awards are welcome to us, but what we appreciate most is the choice you make of our services every day.

Thank you,