



# Annual Report 2024



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# Key indicators

## PERSONNEL IN TOTAL

**367**

423 persons in 2023  
419 persons in 2022

## OFFSHORE PERSONNEL

**233**

254 persons in 2023  
241 persons in 2022

## ONSHORE PERSONNEL

**134**

169 persons in 2023  
178 persons in 2022

## WORK ETHIC

**3,6**

scale 1 - 5

3.5 in 2023  
3.4 in 2022

## TURNOVER

**89.4** M€

82.7 M€ 2023  
80.2 M€ 2022

## OPERATING PROFIT

**11.7** M€

3.4 M€ 2023  
2.9 M€ 2022

## RESULT FOR THE FINANCIAL YEAR

**8.4** M€

1,4 M€ 2023  
1,2 M€ 2022

## INVESTMENT

**7.1** M€

7.6 M€ 2023  
8.6 M€ 2022

# Events in 2024



## Cold winter increased icebreaking and employment

The cold winter extended the icebreaking season, and operating days increased by almost 70% compared to the average. During the period, Arctia employed about 100 temporary seafarers in addition to the 200 permanent crew.

## Arctia becomes a special assignment company



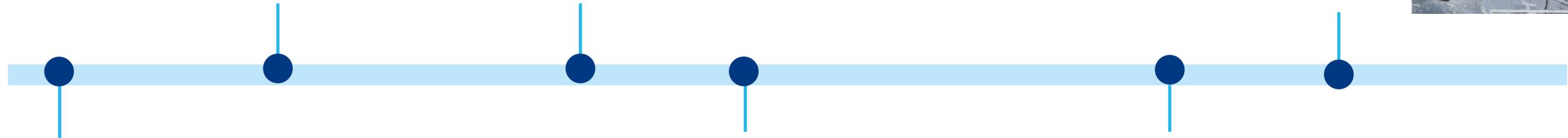
In June, Arctia's ownership was transferred from the Prime Minister's Office to the Ministry of Transport and Communications. At the same time, the basis of the state's ownership changed from a company of strategic interest to a special assignment company.

## Safety observations increasing

Arctia's work environment is often challenging, and each employee must recognize their responsibility regarding occupational safety. Altogether 339 safety observations were documented at Arctia in 2024 (target 240 observations).



# 2024



## The competitiveness of Fairway Maintenance was strengthened

The Fairway Maintenance business was adapted to new demand by streamlining the organization and implementing an extensive action plan to strengthen competitiveness.



## We continued to develop our sustainability work



During the year, groundwork was laid for the CSRD and EU taxonomy reporting requirements, and Arctia's sustainability program was renewed.

## Record year in Marine Survey Services



Net sales in Marine Survey Services increased by 30%, and the season continued almost until Christmas, producing record operating profit and high customer satisfaction. In addition to marine mapping, geophysical surveys were carried out for customers. The use of renewable fuel in marine surveying vessels exceeded 50%.

## CEO'S REVIEW

# The year of growth and development 2024

2024 was an excellent year in Arctia. As a result of long-term efforts, the company's revenue and profit reached record levels, and customer satisfaction remained high. Strategy and sustainability development projects progressed on schedule. Employee satisfaction improved. Overall, the company is in a strong position to continue developing its services and internal operations.

The ownership of Arctia was transferred from the Prime Minister's Office to the Ministry of Transport and Communications in the summer. At the same time, the basis for the state's ownership changed from a company of strategic interest to a special assignment company. The company was assigned the following mission: Ensuring winter navigation that serves the transport needs of the economy and secures Finland's supply security, focusing on the cost-effective and low-risk management of icebreaking in the northern Baltic Sea, enabling military mobility, and providing hydrographic survey, waterway maintenance, and planning services related to the preparedness and readiness in all

conditions. Arctia will continue its operations as a commercial company.

### Strong performance and sustainability development

The Group's comparable operating profit excluding non-recurring items was EUR 10.8 million (12%) on revenue of EUR 89.4 million. The most positive aspect of this excellent result was that all business segments exceeded the targets set. The strong performance was driven by successful sales operations, high utilization capacity, long operating seasons, effective risk management, and strict cost control.

On the journey toward our vision of becoming the "Forerunner in sustainable maritime services," we continued our sustainability efforts. The company's management team was strengthened with the addition of a Director of Sustainability and Communications. During the year, we prepared for the reporting requirements of the CSRD sustainability directive and the EU taxonomy and updated Arctia's sustainability program. Concrete achievements



included exceeding a 50% renewable fuel usage rate in hydrographic surveys, a significant increase in safety observations, and improvements in fuel-efficient navigation for icebreaking operations.

**Growth, efficiency and strong performance**

As in the previous year, the operating environment was dominated by changes in Finnish security environment, the increased emphasis on security of supply and, in connection with these, our participation in the repair work of several pipe- and cable damages on the seabed. When it comes to constructing the offshore wind farms, the slowdown of the green transition did not yet affect the workload in 2024, but the pace will be clearly slower in 2025.

Regarding business operations, the icebreaking season was long due to a cold winter, with nearly 70% more operational days compared to the long-term average. Despite the harsh winter, reliability remained high, with over 96% of merchant vessels continuing their journeys without delays. During the winter, we employed nearly 100 temporary seafarers in addition to our approximately 200 permanent seafarers. As in 2023, we successfully completed an international charter operation in Canada during the autumn, delivering high quality and profitability.

In marine survey services, turnover increased by as much as 30% compared to previous year. In addition to survey data produced for marine

mapping, we performed geophysical surveys for offshore wind farm developers, Kartverket in Norway, and several smaller projects. The season lasted almost until Christmas, culminating in the highest operating profit in marine survey services history with excellent customer satisfaction. In fairway maintenance, a nearly two-year development and efficiency program was completed on schedule. This program responded to declining demand, positioning the business unit with strengthened competitiveness with an efficiency actions amounting to several million euros.

**Towards our goal - Forerunner in sustainable maritime services**

Our current strategy period is halfway through, and we are well on our way toward our vision of leading responsible maritime services. There is still a lot of work to be done. The year 2024 proved that we are on the right track, and it is good to continue from here.

A warm thank you to all employees in Arctia for their excellent performance in an exceptionally busy year. Without the significant flexibility of the staff, the result would not have been this good. A big thank you also to our customers and stakeholders for their good cooperation.

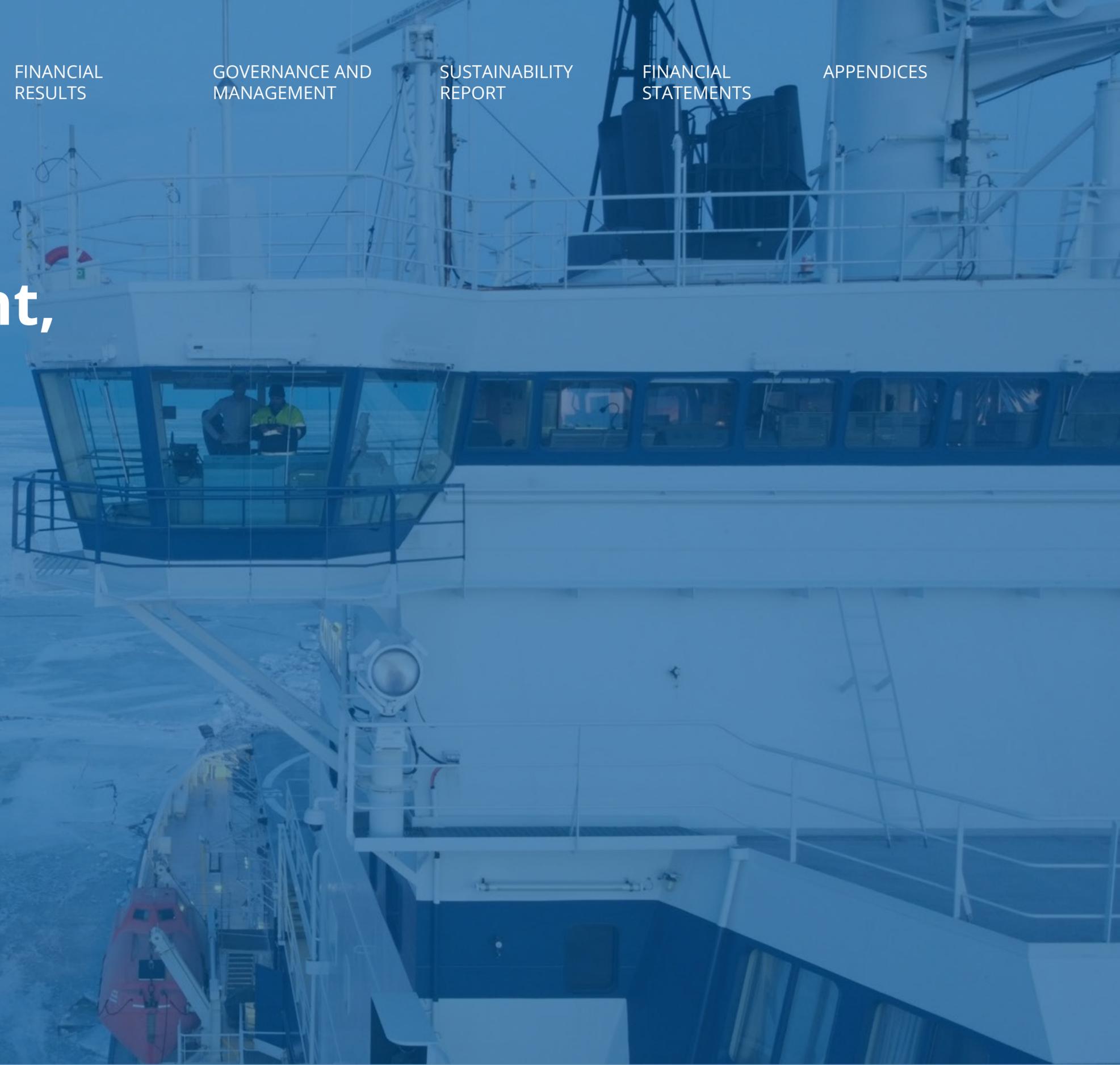
**Maunu Visuri**  
President and CEO





# Operating environment, strategy and business

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# Operating environment, strategy and business

Arctia’s role in ensuring security of supply has become even more prominent in Finland’s changed security situation. The company develops its operations with a long-term approach, investing in responsible maritime services and strategic investments while leveraging the opportunities of the green transition.

## OPERATING ENVIRONMENT

The shift in Finland’s security situation has further emphasized the importance of Arctia’s critical role in ensuring security of supply. The change in the ownership from strategic interest to a special assignment company also underlines this significance. The protection and repair of critical underwater infrastructure have become highly topical issues.

The most significant future transformation drivers for Arctia include business opportunities brought by the green transition, climate crisis mitigation, changed security landscape in Finland, and the challenging domestic economic situation.

For icebreaking operations, the demand for icebreaking assistance in the Baltic Sea region is expected to increase. Maritime transport is the most environmentally friendly mode of

transportation, and the growth of responsible shipping supports climate crisis mitigation. Increasing vessel traffic, larger ship sizes, the declining ability of merchant vessels to navigate through ice, and the construction of offshore wind farms will all require more icebreaking assistance. Climate change is also expected to bring more challenging winter conditions, such as stronger winds, slush zones, and drifting ice fields, which will further increase the need for assistance. In 2025, the clarification of organizing the icebreaking services will continue, and a long-term fleet renewal project is likely to commence.

Investments in the green transition and, particularly, offshore wind farm construction—an area highly relevant to Arctia—have significantly slowed down. In line with the strategies of Marine Survey Services and Fairway Maintenance, we will continue exploring



opportunities and enhancing our capabilities on a revised schedule. The operating environment for fairway maintenance has stabilized.

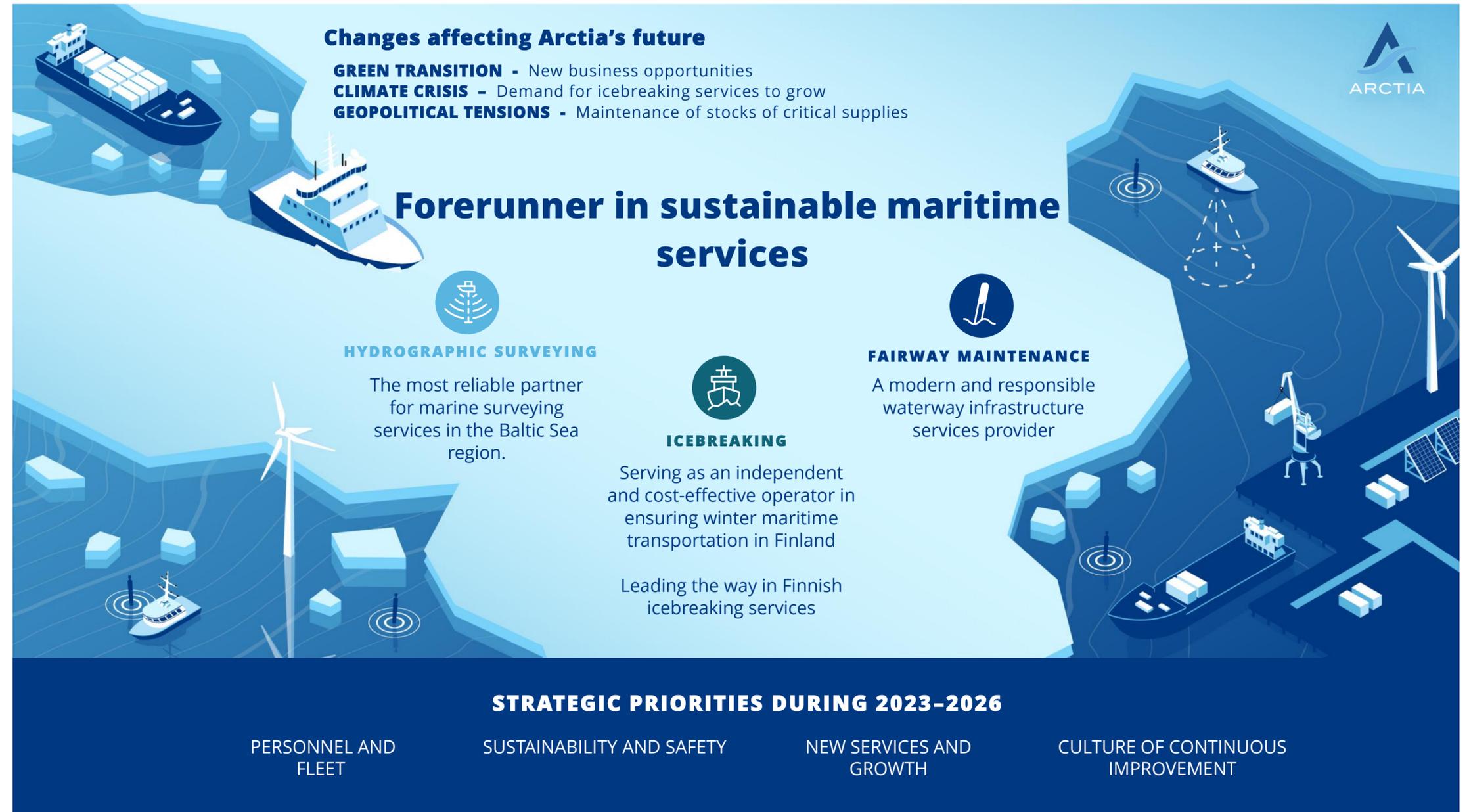
## STRATEGY

### Forerunner in sustainable maritime services

Arctia builds long-term shareholder value in a responsible manner. At the core of our operations is the reliable, high-quality, and efficient execution of the special task assigned by the state. In addition to providing services for Finnish society, we actively seek profitable growth in commercial markets and aim to increase the utilization of our resources. During the strategy period 2023–2026, the group’s common development themes include personnel and competencies, new services, as well as sustainability and safety. Additionally, all business units will continue to focus on internal operational development, strengthening the Arctia brand, and leveraging and advancing digitalization.

### Societal goals

Arctia plays a significant societal role in ensuring Finland’s security of supply, a role that has become even more critical in recent years due to the changing security environment. The uninterrupted year-round movement of merchant vessels is essential for Finland and the most environmentally friendly mode of transportation. We are an active participant in relevant topical issues, development projects, and research initiatives.



**Changes affecting Arctia’s future**

- GREEN TRANSITION** - New business opportunities
- CLIMATE CRISIS** - Demand for icebreaking services to grow
- GEOPOLITICAL TENSIONS** - Maintenance of stocks of critical supplies

**Forerunner in sustainable maritime services**

- HYDROGRAPHIC SURVEYING**  
The most reliable partner for marine surveying services in the Baltic Sea region.
- ICEBREAKING**  
Serving as an independent and cost-effective operator in ensuring winter maritime transportation in Finland  
Leading the way in Finnish icebreaking services
- FAIRWAY MAINTENANCE**  
A modern and responsible waterway infrastructure services provider

**STRATEGIC PRIORITIES DURING 2023–2026**

- PERSONNEL AND FLEET
- SUSTAINABILITY AND SAFETY
- NEW SERVICES AND GROWTH
- CULTURE OF CONTINUOUS IMPROVEMENT

## BUSINESS OPERATIONS

The icebreaking business provides services with eight icebreakers and smaller port icebreakers and tugs used for port icebreaking. The number of icebreaking operating days increased from the previous winter and was 921 (481).

Port icebreaking and merchant vessel assistance services are provided by Arctia Karhu Ltd,

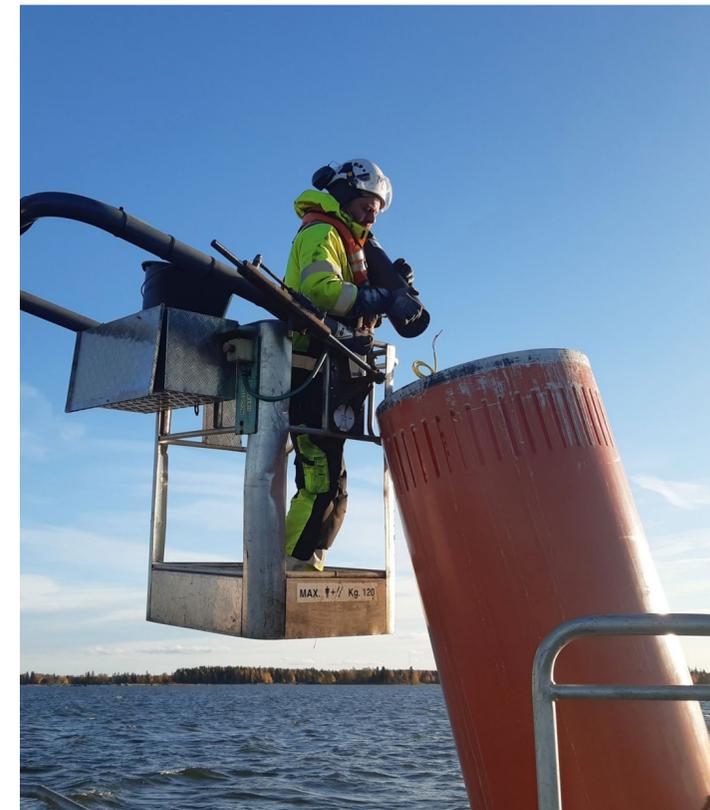
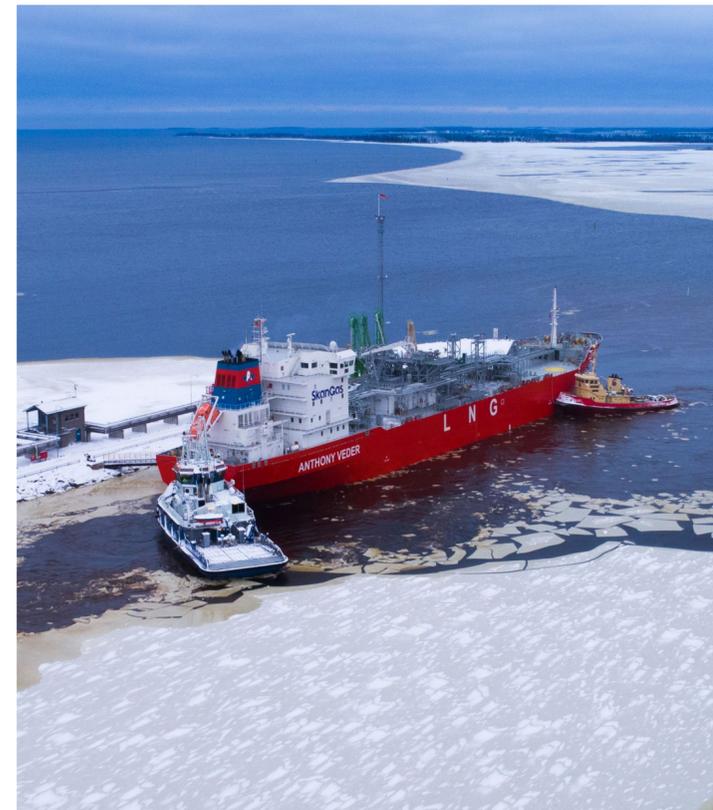
a joint venture between Arctia Ltd and Kemin Satama Ltd. The company primarily operates in the ports of Tornio and Kemi. The port icebreaking season was longer than average. Port assistance and escort towing services are provided year-round.

The fairway maintenance business include, in addition to fairway maintenance work, the operation and maintenance of canals, oil spill

response services, and the manufacture of buoys and spars. In 2024, the structure of the fairway maintenance business was further developed to better meet the new demand, the organization was clarified, and a comprehensive action plan was implemented within the business to secure and improve competitiveness.

The marine survey services include hydrographic surveying, research and planning

services. Arctia's hydrographic survey fleet measures thousands of square kilometers of seabed annually in accordance with international quality standards, not only in Finland but also in other European waters. The volume of operations in hydrographic surveying has been increasing. Particularly, offshore wind projects have become another pillar alongside traditional hydrographic surveys.



# Value creation

## CAPITALS

### Personnel and Competence Capital

- 367 maritime professionals
- Personnel expertise and development
- Investing in employee well-being and work ability

### Financial capital

- Turnover 89.4 M€
- Operating profit 11.7 M€
- Equity ratio 60.8 M€
- 100% state-owned
- Diverse fleet

### Social capital

- Stakeholder and partner networks
- Suppliers and subcontractors
- Customer relationships
- Cooperation with the public sector

### Intangible capital

- Strong brand
- Reputation
- Responsible operating models
- Certified quality, environmental, and occupational safety management system (Arctia Meritaito)

## BUSINESS OPERATIONS

### Forerunner in sustainable maritime services



### Business Operations:

- Icebreaking
- Fairway Maintenance
- Marine Survey Services

### Values:

- Open
- Responsible
- Innovative

## OUTPUTS AND IMPACTS

### Economic impacts

- Salaries and fees 31.1 M€
- Tax footprint 9.98 M€
- Investments 7.1 M€

### Environmental impacts

- Greenhouse gas emissions 59,001 tons (scope 1, 2, and 3)
- Waste 692.7 tons

### Societal impacts

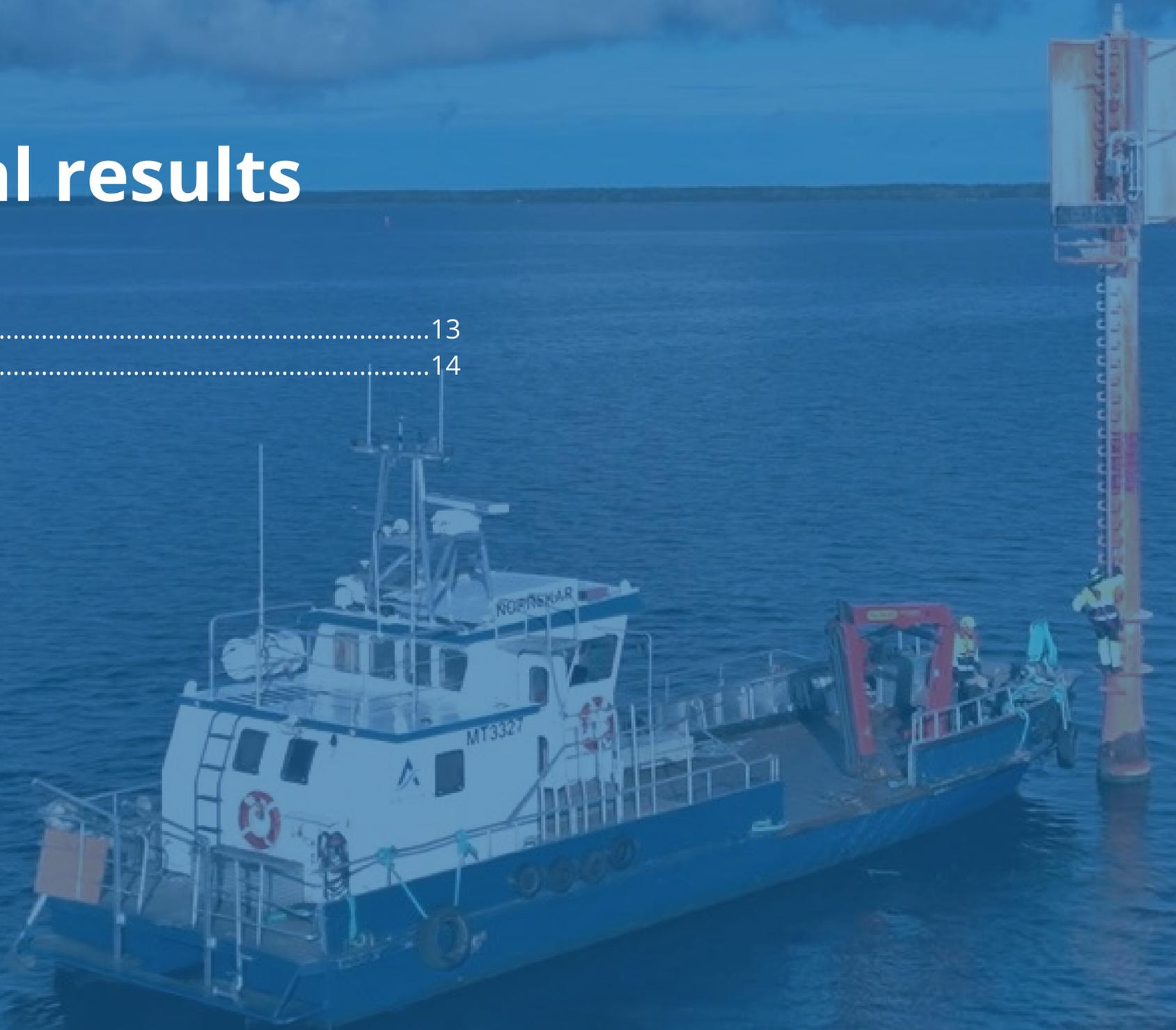
- Safe and unobstructed use of fairways
- Enabling year-round maritime traffic
- Ensuring supply security
- Significant employer of maritime professionals
- Responsible operations

### Social impacts

- Accident frequency rate (LTIF) 11.3
- Job satisfaction 3.6 (scale 1 - 5)
- Customer experience NPS 60

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# Financial results

Arctia Group's revenue and operating profit increased significantly in 2024. Future challenges and opportunities, such as the impacts of the green transition and the changed security situation, are shaping the company's business strategy and investments.

## FINANCIAL KEY FIGURES

Arctia Group's revenue for the review period increased compared to the previous year, amounting to 89.4 million euros (82.7 million euros in 2023). The Group's operating profit was 11.7 million euros (3.4 million euros), and the net profit for the year was 8.4 million euros (1.4 million euros). The result included one-off items from the sale of vessels and properties, which had a combined positive effect of approximately 1.2 million euros.

The Group's balance sheet total was 250.2 million euros (243.4 million euros). The equity ratio was 60.8% (59.2%). The Group's interest-bearing loans amounted to 74.4 million euros (78.0 million euros) at the end of the year. The interest rates of the loans are linked to market interest rates. A total of 34.4 million euros of the loans have been hedged against interest rate changes according to the Group's financing policy.

The Group's financing is mostly centralized to the parent company, which has granted loans

to other companies within the Group. The total amount of loans granted by the parent company was 68.9 million euros at the end of the review period. The loan term is a maximum of 10 years. Loan repayments and interest payments are determined by the loan agreements. The loans are unsecured.

The operating cash flow was 21.8 million euros (16.7 million euros). The investment cash flow was -5.7 million euros (-4.7 million euros). Most of the investments were maintenance investments, with the most significant ones related to vessel dockings and system updates. The financing cash flow was -4.0 million euros (-18.9 million euros). At the end of the year, the Group's cash reserves amounted to 37.1 million euros (25.0 million euros). The majority of the cash reserves are invested in low-risk bond funds and fixed-term deposits. The cash reserves are intended to cover vessel maintenance and investments.

## KEY FINANCIAL FIGURES DESCRIBING THE ACTIVITIES OF THE ARCTIA GROUP

	2024	2023	2022	2021	2020
Turnover, MEUR	89.4	82.7	80.2	71.2	80.8
Operating profit/loss, MEUR	11.7	3.4	2.9	0.2	2.4
% of turnover	13.1	4.1	3.6	0.3	3.0
Profit/loss for the fiscal period, MEUR	8.4	1.4	1.2	-0.5	0.9
% of turnover	9.4	1.7	1.5	-0.7	1.1
Equity, MEUR	151.8	143.8	142.8	141.6	142.1
Equity ratio, %	60.8	59.2	54.3	53.5	50.2
Net gearing, %	24.5	36.8	45.4	53.1	60.2
Interest-bearing liabilities, MEUR	74.4	78.0	96.5	102.8	119.3
Return on capital invested, %	5.8	1.8	1.1	0.1	0.9
Return on equity (ROE), %	5.7	1.0	0.9	-0.4	0.6
Investments, MEUR	7.1	7.6	8.6	4.3	6.8
% of turnover	7.9	9.2	10.7	6.0	8.5
Balance sheet total, MEUR	250.2	243.4	263.2	265.1	283.7

## ARCTIA AS A TAXPAYER

In 2024, Arctia Group's companies paid a total of 9,98 million euros (2023: 10.21 million euros) in taxes and tax-like payments. Arctia employs nearly 400 people, thereby indirectly contributing to state and municipal tax revenues. All Arctia Group companies are Finnish, and taxes have been paid and remitted to Finland.

### PAID AND REMITTED TAXES, MEUR

	2024	2023	2022
<b>TAXES PAID, MEUR</b>			
Employer's contributions	0.37	0.43	0.38
Income tax	0.20	0.06	0.05
Real estate tax	0.04	0.04	0.04
<b>Taxes paid in total</b>	<b>0.61</b>	<b>0.53</b>	<b>0.47</b>
<b>TAXES REMITTED, MEUR</b>			
Withholding tax	8.16	7.44	7.37
Value added tax, sales	8.78	9.06	9.41
Value added tax, purchases	-7.01	-6.86	-6.87
Other taxes	0.04	0.04	0.04
<b>Taxes remitted in total</b>	<b>9.98</b>	<b>10.21</b>	<b>10.42</b>





# Governance and management

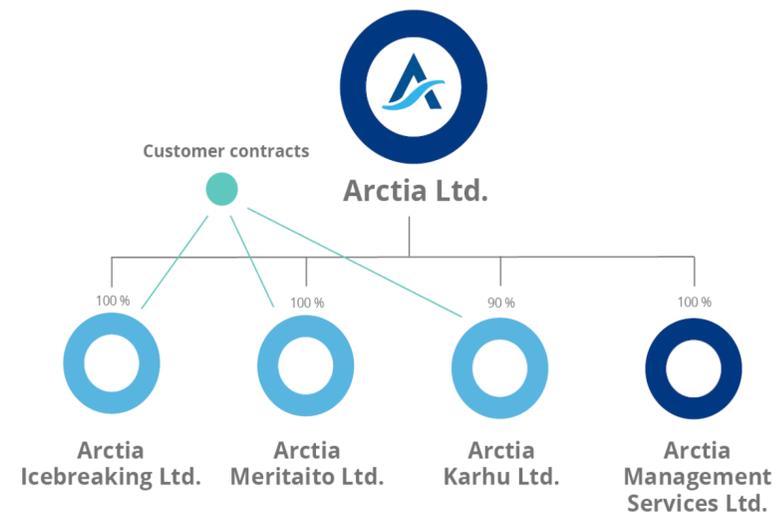
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# Governance and management

The parent company of the Group is Arctia Ltd. The subsidiary Arctia Management Services Ltd provides financial and human resources management, communications, safety, technical, and manning services to other companies within the Group. The Group's operational activities are divided into three subsidiaries. Arctia Meritaito Ltd provides fairway maintenance and marine

survey services, Arctia Icebreaking Ltd provides icebreaking services, and the joint venture Arctia Karhu Ltd offers port icebreaking and assistance services.

At the Annual General Meeting, the Arctia Group's auditor was appointed as the audit firm KPMG Oy Ab, with Ari Eskelinen, Authorized Public Accountant, as the lead auditor.



## GOVERNANCE STRUCTURE AND ENVIRONMENT

### Board of Directors

At Arctia Ltd's Annual General Meeting on 20 March 2024, Mats Rosin was elected Chairman of the Board, and Kati Pallasaho, Sinikka Mustakari, Regina Sippel, Matti-Mikael Koskinen and Jukka Hölsä were elected as regular members. Matti-Mikael Koskinen was elected as Vice Chairman.

By unanimous decision of the shareholders, in connection with the special assignment company change on 18 October 2024, Kari Savolainen was elected as Chairman of the Board and Leena Mörttinen was elected as a new regular member. Kati Pallasaho, Matti-Mikael Koskinen and Jukka Hölsä continued as other regular members. Matti-Mikael Koskinen continued as Vice Chairman.

The Board of Directors held eight regular meetings during the year. The Board's remuneration remained unchanged. The Board's operations are supported by a personnel committee and an audit committee consisting of Board members.

### Personnel Committee

The company has a Personnel Committee, whose role, without decision-making power, is to assist the Board in the preparation of tasks specifically designated for it. The Personnel

## ARCTIA'S BOARD OF DIRECTORS ON 31 DEC 2024



### Kari Savolainen

Chair of the Board  
Member of the Board since 2024  
B. 1954, M.A.



### Jukka Hölsä

Member of the Board since 2024  
Vice President of Logistics, UPM  
B. 1965, MSc, eMBA



### Matti-Mikael Koskinen

Deputy Chair of the Board  
Member of the Board since 2022  
Chief Executive Officer, ESL Shipping Ltd  
B. 1972, M.Sc. (Econ.)



### Leena Mörttinen

Member of the Board since 2024  
Under Secretary, International and Financial  
Markets Affairs at Ministry of Finance  
B. 1967, D.Soc.Sc.



### Kati Pallasaho

Member of the Board since 2023  
Senior Vice President of Strategy &  
Sustainability, Lindström Ltd  
B. 1983, D.Sc. (Tech.)

## ARCTIA GROUP'S EXECUTIVE MANAGEMENT TEAM ON 31 DEC2024



### **Maunu Visuri**

President and CEO  
Member since 2019  
B. 1968, M.Sc. (Tech.)



### **Paavo Kojonen**

Senior Vice President  
Icebreaking  
Member since 2023  
B. 1973, Chief Officer



### **Timo Riihimäki**

Senior Vice President  
Fairway Maintenance Services  
Member since 2023  
B. 1971, MBA



### **Lauri Pöyhönen**

Senior Vice President  
Marine Survey Services  
Member since 2023  
B. 1976, M.Sc. (Eng.)



### **Tero Hänninen**

Technical Director  
Member since 2021  
B. 1972, M.Sc. (Tech.)



### **Janne Laitinen**

Director of HR and Legal Affairs  
Member since 2020  
B. 1974, Master of Laws



### **Pekka Meronen**

Chief Financial Officer  
Member since 2024  
B. 1976, M.Sc. (Tech.)



### **Jukka Viitanen**

Sustainability and Communications Director  
Member since 2024  
B. 1976, M.Sc. (Geology)



Committee’s responsibilities include employee well-being and safety, personnel planning, competence and training, executive appointments, and employee remuneration. The Personnel Committee consists of at least two members, appointed by the Board, who do not belong to the company’s management. The committee’s secretary prepares the matters to be discussed together with the CEO.

### **Audit Committee**

Arctia has an audit committee appointed by the Board to assist, without decision-making power, the Board to prepare tasks specifically designated for it. The responsibilities of the audit committee include financial reporting and monitoring, auditing, risk management, internal control and internal audit, and the monitoring of good governance practices. The audit committee consists of at least three members appointed by the Board, who do not belong to the company’s management. The committee’s secretary prepares the matters to be discussed together with the CEO.

### **RISK MANAGEMENT**

Arctia’s risk management is part of Arctia’s management system and the daily operations and decision-making of the businesses, vessels and support functions. A risk assessment is always conducted for significant projects, business changes, or operational changes.

Risks are classified into strategic, operational, financial and sustainability risks. A significant strategic risk is a change in the operating environment that may have a negative impact on business opportunities. Strategic risks are responded to through comprehensive operational planning and systematic implementation of changes. Risks are also managed by anticipating the effects of changes in the operating environment.

The key operational risk is the ageing fleet. The technical reliability of the fleet plays a significant role when operating in challenging conditions. The ageing of the fleet increases the risk of technical problems, increases maintenance costs and the need to renew systems due to the decline in availability of spare parts and skilled maintenance. The risk and increasing maintenance costs are managed through fleet life cycle planning, long-term maintenance plans and annual maintenance plans.

In spring 2024, a double materiality analysis was conducted in accordance with the sustainability reporting directive (CSRD). The analysis identified the most significant sustainability aspects for the company, as well as the risks and opportunities arising from these aspects. Sustainability-related risks and mitigation measures were described in the double materiality analysis.

Financial and operational risks related to customer projects are managed, among other things, through risk assessments, efficient processes,

and professional project staff.

The high turnover of maritime personnel due to retirement is expected to continue in the coming years. This turnover increases the risk of a decline in professional competence. This risk is reduced through proactive personnel planning, recruitment, and training. The sector is also traditionally sensitive to labor disputes and strikes. This risk is mitigated through active cooperation and early involvement in potential issues.

The Group’s financial risks are managed through clear financial processes, insurance, operations in accordance with the financing policy, and essential financial reporting, the reliability of which is ensured through control methods.



# Sustainability report

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# Sustainability report

Arctia ensures safe and efficient marine traffic in all conditions. In 2024, the company conducted a double materiality analysis and developed a sustainability program in accordance with the Corporate Sustainability Reporting Directive (CSRD). The implementation of these initiatives will begin in 2025.

Arctia’s mission as an enabler of safe and efficient maritime traffic in all situations and conditions defines the company’s operational priorities. Through its icebreaking operations, Arctia ensures the continuity of Finland’s foreign trade, over 95% of which is transported by sea. Maritime transport is the most energy efficient and low emission mode of transport. The Marine Survey services provide survey data, research information, and planning services that are essential for the construction and maintenance of waterways. The Fairway Maintenance is responsible for the construction, marking, and upkeep of waterways, which are critical to ensuring safe and efficient maritime transport. Arctia has an extensive value chain, and its environmental, social, and economic sustainability impacts have been identified.

In early 2024, Arctia conducted a double materiality assessment as required by the Corporate Sustainability Reporting Directive

(CSRD). This analysis identified the impacts, risks, and opportunities related to sustainability that the company’s operations may influence and that may, in turn, affect the company within the defined scope of value chain. Following the completion of the double materiality analysis, a gap analysis was carried out to ensure the continuity and comparability of sustainability disclosures with previous reports. After the gap analysis, a sustainability program was developed, outlining actions to advance the key sustainability aspects identified. Arctia’s Board of Directors approved this sustainability program in September 2024.

The implementation of the sustainability program will commence in 2025, with objectives including training employees in responsible practices, setting ambitious and impactful sustainability targets for the business, and developing necessary transition plans. These measures will ensure that sustainability is fully integrated



into the company's operations. This sustainability report includes the key sustainability aspects identified in the double materiality analysis, in accordance with the requirements of the CSRD. However, this report has not been externally assured.

### BASIS OF PREPARATION

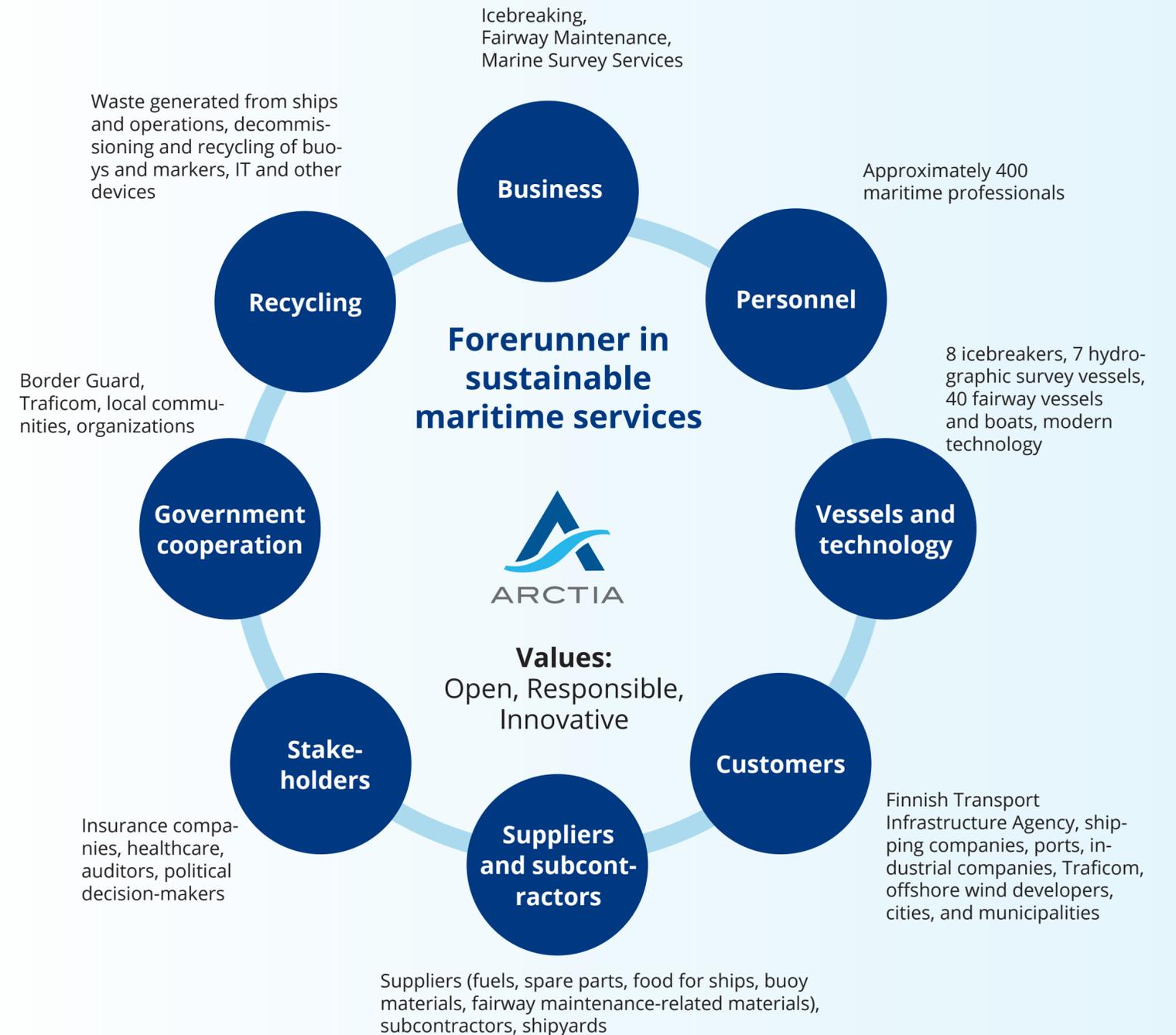
The reporting period for the sustainability report aligns with the company's financial reporting period, from January 1 to December 31, 2024. The report has been prepared in accordance with European Sustainability Reporting Standards (ESRS) and includes data points identified as material through the double materiality analysis. The disclosure requirements of the sustainability report are compiled in the content index in Appendix 2 of the annual report. Additionally, the report has been prepared considering the United Nations' Sustainable Development Goals and the Agenda 2030 framework.

The sustainability report follows the same principles as the company's financial statements, which include reporting data from the parent company and all subsidiaries directly or indirectly owned by Arctia Ltd. Arctia Ltd is not required to prepare a CSRD-compliant report for 2024, and this report has not been externally assured. However, the content has been prepared in accordance with ESRS standards, and an ESRS index is included as an appendix. In this report, the company follows the phased implementation of disclosure requirements outlined in Annex C of ESRS 1.

## SUSTAINABILITY MANAGEMENT AND GOVERNANCE

In 2023, Arctia Group conducted a strategy update with the vision of being the forerunner in sustainable maritime services. In 2024, this work continued with updates to the strategies of each business unit to align with the overall group strategy. Sustainability was integrated into the business strategy, eliminating the need for a separate sustainability strategy. The key sustainability aspects the business units must focus on were identified through the double materiality assessment Arctia's Board of Directors approved the strategic updates in the meeting in September 2024.

The Board of Directors, as well as the Personnel and Audit Committees, have expertise and experience in sustainability matters. The company's executive management team participated in the double materiality assessment process and received in-depth sustainability training. In 2024, Arctia appointed a Sustainability Director, who is part of the executive management team. The Sustainability Director contributes to the company's decision-making as a member of the management team, ensuring that sustainability perspectives are factored into strategic decisions. Sustainability is also integrated into the company's remuneration system, with performance-based rewards linked to specific sustainability metrics.



## ENVIRONMENTAL SUSTAINABILITY

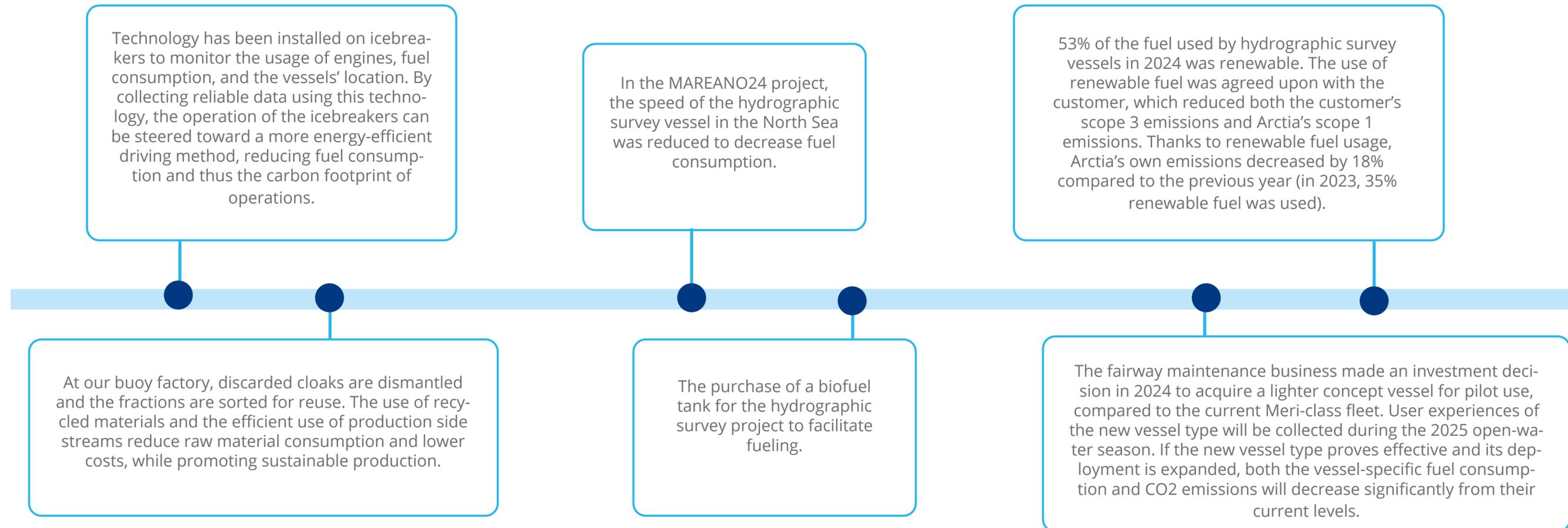
A total of 27 material environmental aspects were identified in the double materiality assessment. The majority of Arctia's business operations rely on energy produced by internal combustion engines. Arctia primarily operates in

the Baltic Sea, one of the world's most polluted and sensitive marine environments, which faces significant stress from eutrophication, increasing maritime traffic, overfishing, and climate change. While Arctia has a significant environmental footprint, the company has made notable improvements to reduce its impact.

### Climate emissions

In 2024, Arctia consumed 18,484 tons of liquid fuels, generating 58,713 t CO<sub>2</sub>e in Scope 1 emissions. The primary source of Arctia's climate emissions is the fuel consumption of icebreakers. Fuel for the icebreakers is procured in accordance with the client's procurement policies

and guidelines and consists entirely of fossil fuels. However, in other areas of operation, the company prioritizes renewable energy sources and actively explores opportunities to increase the share of renewable fuels in collaboration with customers. The share of renewable fuel in Arctia's own fuel procurement has more than doubled compared to the previous year. As a



**ARCTIA GROUP'S CO2 EMISSIONS ACCORDING TO THE GHG STANDARD (TONNES)**

	2024	2023	2022
Scope 1, Direct emissions	58,713	42,578	55,330
Scope 2, Purchased energy, district heat 1)	0	0	647
Scope 2, Purchased energy, electricity 2)	99	113	160
Scope 3	190	78	33
<b>Total CO2 emissions</b>	<b>59,001</b>	<b>42,770</b>	<b>56,170</b>

**FUEL OIL CONSUMPTION OF VESSELS AND BOATS (TONNES)**

	2024	2023	2022
Icebreakers, light fuel oil	16,584	11,445	15,606
Other vessels, light fuel oil *	916	814	822
Co-Processed (80% CO2 emission reduction)	292	114	0
Icebreakers, LNG	77	115	70
Boats	540	734	579
Motor vehicle	74	84	96
<b>Total CO2 emissions of fuel consumption</b>	<b>58,713</b>	<b>42,578</b>	<b>55,330</b>

\* HIB Ahto, HIB Jääsalo, MPV Pohjanmeri, MSV Seili  
 \*\* Consumption measured from vessels  
 \*\*\* HIB Ahto, MPV Pohjanmeri, MSV Seili  
 \*\*\*\* Include Laivastokatu 3

1) As of January 1, 2023, Arctia switched to CO2-neutral district heating.  
 2) As of March 1, 2021, the company switched to CO2-neutral electricity for electricity use sites managed by Arctia.

**PURCHASED ENERGY: ELECTRICITY (MWh)**

	2024	2023	2022
Katajanokka icebreaker pier	3,426	3,751	3,339
Kotka icebreaker pier **	1,903	2,315	2,034
Other ships ***	692	672	705
Other places of business	2,191	2,730	3,260
<b>Calculated total CO2 emissions of purchased electricity (t)</b>	<b>99</b>	<b>113</b>	<b>160</b>

**DISTRICT HEAT, WEATHER-ADJUSTED (MWh)**

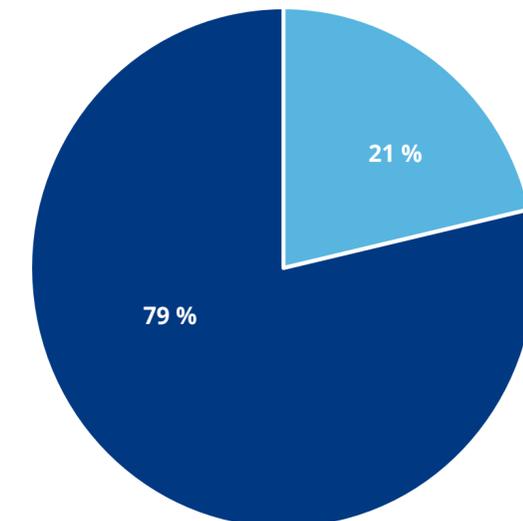
	2024	2023	2022
Katajanokka ****	2,859	4,418	3,554
<b>Calculated total CO2 emissions of district heat</b>	<b>0</b>	<b>0</b>	<b>647</b>

result, Scope 1 emissions from Arctia's own fuel consumption decreased by 18%.

During the off-season, traditional icebreakers are docked at Merikasarmilaituri in Helsinki, where they are connected to the city's electricity and district heating network. In 2024, Arctia consumed a total of 8,211 MWh of electricity and 2,859 MWh of district heating. The electricity is 100% carbon-neutral and produced from renewable sources, while the district heating is sourced from biomass with certified origin verification. Additionally, the icebreaker Polaris utilizes vaporized LNG fuel for energy production.

Scope 3 emissions included in the report amounted to 190 t CO2e. These emissions stem primarily from the company's waste management and employee travel, with the latter largely related to shift changes for maritime personnel, making it an integral part of the company's operations. However, in the broader context, these emissions account for only a small portion of Arctia's total climate emissions. The emissions calculations in this report follow the GHG Protocol.

**CO2 Emissions**



CO2 emissions from fuel procured in accordance with the procurement policy and guidelines of the icebreaking service client: 46,389 t.

CO2 emissions, Arctia (Scope 1-3 total): 12,613 t.

## Biodiversity

Arctia primarily operates in the Baltic Sea, a particularly vulnerable and heavily burdened ecosystem. However, most of Arctia's operations take place along established shipping corridors, port areas, and constructed waterways, where there are no untouched natural environments. Nevertheless, the company has identified biodiversity-related impacts and has taken measures to mitigate them.

The main biodiversity impacts of Arctia's operations result from vessel emissions. Airborne emissions can locally degrade air quality but do not significantly affect biodiversity. However, emissions into water can directly impact biodiversity. A widely recognized maritime environmental concern is the introduction of invasive species through ballast water. Although Arctia primarily operates in the Baltic Sea, the company deployed an icebreaker to Canada for chartering operations in 2024. However, the ballast water systems on Arctia's multipurpose icebreakers are equipped with treatment systems to prevent the transfer of invasive species. Additionally, both multipurpose icebreakers have been fitted with greywater tanks that exceed international maritime environmental protection requirements, allowing for the collection and onshore treatment of greywater.

Arctia does not use antifouling paints containing toxic chemicals on its icebreakers, as the

mechanical stress they endure eliminates the need for such coatings. However, vessels that operate only in the summer season are still painted with antifouling coatings to prevent biofouling, which would otherwise reduce energy efficiency, increase maintenance needs, and generate additional climate emissions. Vessel painting and other external maintenance are mainly performed during dry-docking to ensure emissions and waste from these activities are managed in a controlled shipyard environment.

## Waste management and circular economy promotion

Waste generated on Arctia's vessels and at company facilities is carefully sorted to minimize mixed waste and increase recycling rates. The company has centralized waste management with a single service provider, ensuring efficient waste planning, sorting, and processing, as well as proper waste accounting. Additionally, vessels comply with the International Maritime Organization's (IMO) MARPOL convention for waste management and waste record-keeping, and waste management practices are audited annually.

Arctia's assets—including vessels, fairway stations, facilities, and work machinery—contain significant amounts of natural resources, particularly metals, which require energy-intensive manufacturing processes. Each Arctia vessel

has a lifecycle management plan aimed at maintaining its operational condition for as long as possible to ensure its seaworthiness and ability to perform designated tasks. Some of the icebreakers are aging—for example, Voima has been in service for 71 years—but thanks to lifecycle programs, it remains operational, albeit at the end of its lifespan. These programs help keep materials in use for as long as possible in their original intended purpose.

In 2024, Arctia generated a total of 693 tons of waste, with a recycling rate of 54%. No specific target was set for the recycling rate.

## EU taxonomy

The EU taxonomy is a classification system for sustainable finance, consisting of a regulation and its related technical requirements. The regulation aims to increase investments in sustainable development and the green transition. Arctia is required to report on its taxonomy-eligible and taxonomy-aligned business activities starting in 2025, and therefore, these aspects are not included in this report.

In the Fairway Maintenance business, a significant amount of fixed assets and movable property that were no longer needed in Arctia's operations were liquidated in 2024. However, the majority of the movable property was still usable and was sold through the Kiertonet.fi service. According to the service provider's estimate, the sale of Arctia's movable property reduced the consumption of natural resources by 275,174 kg and prevented the formation of 41,287 kg of CO<sub>2</sub> emissions.

## SOCIAL SUSTAINABILITY

Arctia plays a significant role in ensuring Finland's security of supply, and the company's indirect impacts are considerably broader compared to the direct effects. Direct social impacts extend to both the company's own employees and external workers, while indirect effects reach society as a whole, as a significant portion of Finland's imports and exports rely on smooth maritime transportation.

### Safety

Arctia's safety management is divided into vessel-, work-, and corporate security. Safety is ensured through an internal safety management system, adherence to it, auditing, reporting, and

implementing improvements based on these.

Vessel safety is monitored within the group through regular internal and external audits. The Finnish Transport and Communications Agency (Traficom) and classification societies inspect the vessels annually. During the reporting year, no serious deviations were found in audits or inspections.

The group considers work-, vessel-, and corporate safety in all its activities and complies with the ISM Code (International Safety Management Code), the MARPOL Convention (International Convention for the Prevention of Pollution from Ships) by the IMO (International Maritime Organization), as well as national guidelines and regulations. Additionally, the fairway maintenance and hydrographic survey businesses are

certified under ISO 9001 (quality management system), ISO 14001 (environmental management system), and ISO 45001 (occupational health and safety management system). Hydrographic surveying also follows the Finnish Defence Forces' Katakri audit guidelines.

### Own workforce

Arctia employs approximately 400 professionals whose skills and expertise ensure the safety and continuity of waterborne transport in Finland under all conditions. The company operates in a male-dominated industry, and the majority of employees, including workers, management, and the board, are men. The average length of employment at Arctia is 9.5 years, and nearly half of the employees are between 30 and 50 years old. About 87% of employment contracts are permanent.

### OCCUPATIONAL HEALTH AND SAFETY

Arctia operates in challenging conditions, requiring all personnel and external workers to take responsibility for business continuity and safe working practices. Safety is always a top priority, and the company invests in developing safety systems and practical measures to enhance workplace safety.

In 2024, the group reported eight occupational accidents resulting in absences. The workplace accident frequency rate was 11.3 (compared to 6.2 in the previous year). Preventive measures, such as collecting safety

In 2024, the Fairway Maintenance introduced regular management safety rounds. These safety rounds take place either at fairway station bases or during on-site visits to work locations. During the rounds, a wide range of safety-related topics are reviewed, from the condition of equipment to the cleanliness of stations. A safety assessment is conducted together with the personnel, and general observations related to safety and cleanliness are made. These observations are then discussed with the local staff after the round. Additionally, management visits the field at least four times a year to engage with employees in their daily work environment.

In Marine Survey Services, meetings were introduced to review recorded safety observations.

### NUMBER AND STRUCTURE OF PERSONNEL

	2024	2023	2022	2021	2020
<b>Number of personnel (31.12.)</b>					
Onshore personnel	134	169	178	186	209
Offshore personnel	233	254	241	229	218
<b>Employment contract distribution (31.12)</b>					
Onshore personnel, permanent	121	159	167	175	197
Offshore personnel, permanent	198	215	220	210	216
Temporary	32	48	32	30	14
<b>Share of full-time and part-time employment contracts (%)</b>					
Onshore personnel, part-time	2,2	1,8	1,7	1,6	5,3
Offshore personnel, part-time	0	0	0	0	0

observations, are a key focus to reducing accidents. The company's goal is zero serious occupational accidents, zero occupational diseases, and a continuous decrease in accident frequency rates.

**EQUALITY AND NON-DISCRIMINATION**

Arctia follows an equality- and non-discrimination plan, which includes information on workforce structure, salary surveys, and work-life balance. The plan outlines principles and measures for promoting equality and includes an assessment of their implementation. The company tracks

the progress of these measures in collaboration with employee representatives.

An annual employee survey assesses factors affecting well-being and job performance. Based on the results, development plans are created at both the group and unit levels. In 2024, the employee engagement index was 3.6, improving to a good level from the previous year's satisfactory level. Key strengths identified included the meaningfulness of work and employees' confidence in their skills and work ability. The company's goal-setting and development discussion model aims to enhance employees' sense of purpose and maintain long-term well-being.

**EMPLOYEE DEVELOPMENT AND WELL-BEING**

Arctia maintains a skilled workforce through diverse job responsibilities and role-specific training. Learning on the job plays a significant role in competence development, and various projects and development initiatives offer continuous learning opportunities. Orientation programs and job training ensure safe and healthy working conditions for new employees and those transitioning into new roles.

In 2024, the company carried out its training plan as scheduled, totaling 515 training days.

These primarily included refresher courses on firefighting, survival, and medical care for seafarers, as well as workplace safety training such as occupational safety cards, hot work permits, and first aid courses. In addition to regular refresher training, leadership training programs focused on goal-oriented communication. Training in managing psychosocial stress was also provided for occupational safety representatives, and project managers received Lean methodology training.

**HUMAN RIGHTS**

A double materiality analysis conducted in 2024 identified human rights considerations within Arctia's value chain. The company is committed to complying with all relevant laws, agreements, and commitments. All Arctia employees are covered by appropriate collective agreements. Most external workers operate under Finnish employers, and procurement follows Arctia's supplier requirements. Some downstream employees come from abroad, and compliance with both national and international laws and agreements is ensured.

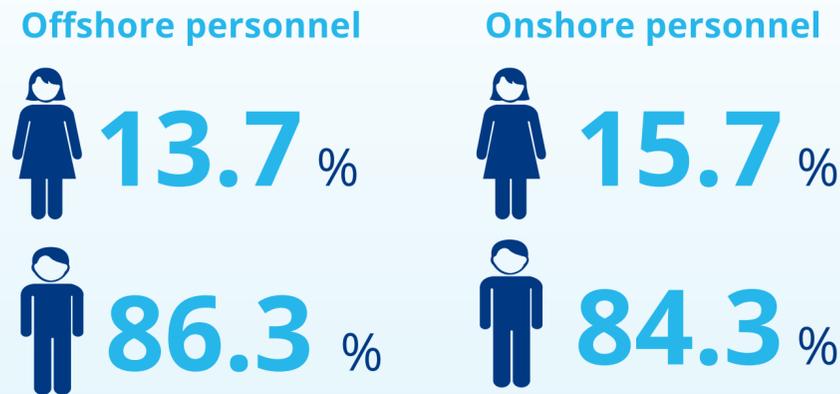
Arctia requires all work to be carried out safely, including by external workers. The company has zero tolerance for child labor, forced labor, discrimination, exploitation, or abuse.

Arctia has established ethical principles that apply to external parties working on its behalf.

**AGE DISTRIBUTION**



**GENDER DISTRIBUTION**



## ARCTIA PROMOTES THE UN SUSTAINABLE DEVELOPMENT GOALS IN ITS OPERATIONS



### Good health and well-being

All Arctia employees have access to employer-provided occupational healthcare. Employee health and well-being are supported by encouraging healthy lifestyles, providing financial support, and through the company's Responsible Me program.



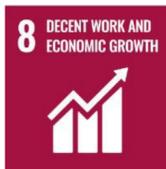
### Gender equality

Arctia has developed an equality and non-discrimination plan, which is adhered to in company operations. The company has a zero-tolerance policy for all forms of discrimination, including gender-based discrimination.



### Affordable and clean energy

Arctia develops its business and seeks growth in areas that promote renewable energy projects. The company continuously improves its energy consumption monitoring to enhance energy efficiency.



### Decent work and economic growth

Arctia complies with local labor laws and adheres to international labor agreements set by the ILO and OECD. Employees have the freedom to organize, and employment contracts follow collective agreements.



### Industry, innovation, and Infrastructure

Arctia provides research and maintenance services that help customers ensure infrastructure functionality and safe transportation. Thanks to Arctia's icebreaking services, maritime transport in Finland operates year-round in all Finnish ports.



### Reduced inequalities

Arctia implements its equality and non-discrimination plan. Each employee participates in goal and development discussions and is offered learning and training opportunities to support career advancement.



### Sustainable cities and communities

With the assistance of icebreakers, northern Finnish ports remain operational year-round, increasing regional attractiveness and industrial competitiveness. Arctia significantly enhances Finland's supply security, as over 95% of the country's foreign trade relies on maritime transport. The company's entire value chain contributes to improving and advancing maritime logistics.



### Responsible consumption and production

Maritime transport is the most energy- and cost-efficient mode of transportation for large material volumes, allowing for lower environmental impact. Arctia's vessels follow lifecycle programs that ensure proper maintenance and servicing. Thanks to these programs, some of the oldest icebreakers have remained operational beyond their original design lifespan.



### Climate action

Arctia actively offers customers low-carbon alternatives for project execution, such as switching to renewable fuels. Icebreakers are equipped with technology that enables real-time monitoring and optimization of fuel consumption, reducing emissions.



### Life below water

Arctia's icebreakers are not painted with toxic antifouling coatings. The gray water emissions from icebreakers are lower than required by Finnish environmental regulations.



### Peace, justice, and strong institutions

Arctia has a code of ethics that applies to all employees, subcontractors, and service providers. The company operates a whistleblowing channel, where reports are investigated in compliance with the EU Whistleblowing Directive. Arctia's operations are governed by policies and guidelines that ensure compliance with legal and regulatory requirements.



### Partnerships for the goals

Arctia's ethical guidelines also apply to suppliers and business partners. The company collaborates with equipment and technology providers to drive continuous operational improvements. Supplier audits began in 2024, with plans to expand them to cover key suppliers.

The company has improved its procurement processes and developed procurement guidelines to ensure cost-effectiveness, compliance with contracts, and responsible sourcing. In 2024, supplier audits were initiated by the company, and the audits will continue annually for selected suppliers.

### Suppliers and subcontractors

Arctia has established comprehensive ethical principles that also apply to external parties working on behalf of the company. Arctia has developed its procurement process and created procurement guidelines applicable to all acquisitions. The purpose of these guidelines is to ensure that all procurements are carried out as cost-effectively as possible, in accordance with contracts in terms of both quality and quantity, while also ensuring procurement responsibility. To ensure compliance with procurement requirements, supplier audits were initiated in 2024, and these audits will continue annually for selected suppliers.

### GOVERNANCE

Arctia's governance is based on ethical principles that apply to all employees, managers, executives, and board members. The company policies and guidelines define the processes that ensure compliance with ethical standards, national and international laws, agreements, and commitments.

In 2024, Arctia launched an initiative to strengthen corporate culture, standardize operational practices, and update company values. The process, facilitated by a consultant, included workshops for executives and employees to gather insights on Arctia's culture, define company values, and develop a shared work culture. This initiative is ongoing.

### Stakeholder engagement

Smooth and safe maritime transport requires seamless cooperation among multiple parties. Arctia actively engages with key stakeholders, including employees, customers, authorities, the owner, trade unions, auditors, inspectors, municipalities, the media, educational institutions, and local communities. The company is also a member of relevant industry organizations.

Arctia does not support political parties, institutions, politicians, sports, or cultural activities, nor does it enter sponsorship agreements in these areas. Instead, in 2024, the company donated its Christmas gift budget to Save the Children Finland, chosen through an employee vote.

### Ethical behavior and reporting channel

Arctia's ethical principles guide business conduct, emphasizing integrity, professionalism, employee commitment, health, safety, environmental



responsibility, and continuous improvement. The company adheres to all applicable national and international laws, policies, and guidelines. These ethical principles are available on the company's website.

Arctia operates a whistleblowing channel, compliant with whistleblower protection laws, allowing employees and external parties to anonymously report suspected misconduct or illegal activities. In 2024, five reports were received and investigated as required by law. None resulted in necessary actions.

## Remuneration

The remuneration in the Arctia Group is based on rewarding improved profitability, the long-term development of the company's value, and the enhanced execution of tasks aligned with special-assignment. The remuneration should encourage responsible operations, the development of the company's business through digitalization and new technology, as well as environmentally friendly practices. It should be fair and proportionate to the achievement of objectives and the financial results attained by the company. The set goals should be challenging but attainable with good performance.

Arctia Group's remuneration model consists of a short-term incentive system (STI, annual bonus system), whose rules have been developed for 2024 to be simpler and more motivating. In

2024, the performance-based incentive system covered approximately 38 key personnel (management and experts). Additionally, in 2024, Arctia Group implemented a performance incentive trial for all other employees.

The remuneration and performance bonus system follows the guidelines of the Government's decision-in-principle on state ownership policy 2024:28.

## BOARD REMUNERATION

The general meeting determines board member compensation. No changes were made in 2024, and a total of EUR 100,138 was paid to the board. Compensation rates were:

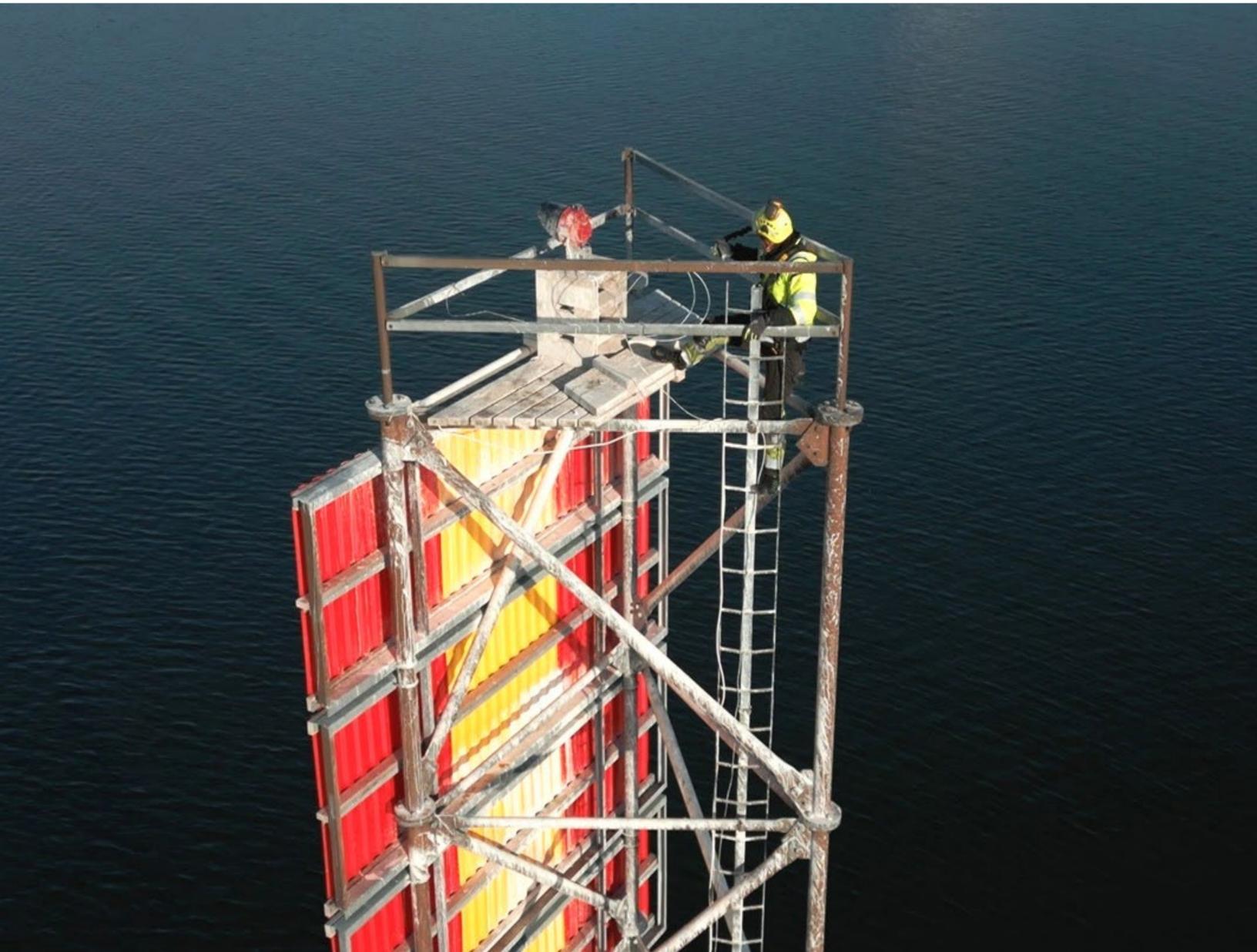
- Chairman 1,400 euros/month
- Vice-chairman 950 euros/month
- member 850 euros/month
- meeting fee: EUR 600 per session

No additional compensation or benefits were paid.

## REMUNERATION OF THE CEO AND OTHER MANAGEMENT

The Personnel Committee evaluates the salaries and remuneration, including performance-based incentive systems, of the CEO, members of the Group Executive Team who report directly to the CEO, and other executives reporting directly to the CEO. The committee makes proposals





regarding these remunerations to the Board of Directors, which ultimately decides on executive compensation.

The remuneration of the CEO of Arctia Oy and members of the Group Executive Team is based on a fixed monthly salary and a short-term incentive system (STI). The company's executives do not have any other remuneration schemes or supplementary pension arrangements. Key personnel within the company are included in the short-term incentive system (STI).

The criteria, objectives, and weightings for STI earning periods are determined annually by Arctia's Board of Directors in accordance with the Group's target-setting process. The STI criteria are linked to the strategic objectives of the Group and its business operations.

#### **CEO AND EXECUTIVE TEAM SALARY 2024**

In 2024, the CEO received a fixed salary of EUR 239,400, while the fixed salaries of the rest of the Executive Team amounted to EUR 830,620. No performance bonuses were paid to the CEO or the Executive Team based on 2024 performance.

#### **CEO EMPLOYMENT TERMS**

In addition to monetary salary, the CEO has a phone benefit. The CEO's retirement age and pension accrual are determined in accordance with the Employees Pensions Act (TyEL). The

CEO's notice period is six months, and no additional severance payment is granted beyond the salary paid during the notice period.

#### **REWARDING KEY PERSONNEL**

No performance incentives were paid to key personnel included in the performance-based incentive system for 2024.

#### **REWARDING OF OTHER PERSONNEL**

In 2024, a performance incentive trial was introduced for all other employees.

A total of EUR 29,954,633 was paid in salaries and remuneration to Arctia's employees.

The principles of Arctia's employee compensation are based on a comprehensive collective agreement system. Salaries for workers, office employees, and senior staff are determined according to the applicable collective labor agreements.

The company continuously develops its salary structure with a fair, motivating, and strategically aligned approach, following the compensation principles of each collective labor agreement.

## STAKEHOLDERS AND THEIR EXPECTATIONS

STAKEHOLDERS	EXPECTATIONS	RESPONDING TO EXPECTATIONS	COMMUNICATION CHANNEL
<b>Owner</b>	<ul style="list-style-type: none"> <li>Steady financial performance</li> <li>Safeguarding special-assignment</li> <li>Increasing ownership value.</li> <li>Sustainable operations</li> <li>Capabilities for managing strategic, financial, operational and environmental risks</li> </ul>	<ul style="list-style-type: none"> <li>Operational strategy and vision</li> <li>Transparent communication in respect of the company owner</li> <li>Monitoring of regulatory compliance and conformance</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting</li> <li>One-on-one meetings with the owner</li> <li>Meetings of shareholders</li> </ul>
<b>Company personnel</b>	<ul style="list-style-type: none"> <li>Sustainability and equal treatment</li> <li>Sound long-term HR policy</li> <li>Measures to promote wellness at work and occupational safety</li> <li>Training and development opportunities</li> <li>Incentive remuneration</li> <li>Organisational transparency</li> </ul>	<ul style="list-style-type: none"> <li>Continual improvement of occupational safety</li> <li>Development of incentive plans</li> <li>Training</li> <li>Transparent communications</li> <li>Improving the quality of manager and supervisor performance</li> <li>Arctia Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Daily work and communications</li> <li>Performance appraisals</li> <li>Regular personnel surveys</li> <li>In-house training programmes and induction sessions</li> <li>Intranet and Viva Engage, Arctia News</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Reliable and sustainable solutions, products and services of the highest standard</li> <li>Understanding customer needs and smooth customer cooperation</li> <li>Efficient project management</li> <li>Reliability and transparency of operations</li> </ul>	<ul style="list-style-type: none"> <li>Quality assurance through in-house processes and audits</li> <li>Using external (objective) audits and certificates (e.g. ISO 9001)</li> <li>Employee competence and skills development</li> </ul>	<ul style="list-style-type: none"> <li>Personal meetings</li> <li>Newsletters, websites, webinars</li> <li>Marketing communications</li> <li>Customer satisfaction surveys and feedback</li> <li>Calls for tenders and contracts</li> <li>Exhibitions and other events</li> </ul>

## STAKEHOLDERS AND THEIR EXPECTATIONS

STAKEHOLDERS	EXPECTATIONS	RESPONDING TO EXPECTATIONS	COMMUNICATION CHANNEL
<b>Partners</b>	<ul style="list-style-type: none"> <li>• Sustainability of operations</li> <li>• Reliability and continuity of cooperation</li> <li>• Operational conformance</li> </ul>	<ul style="list-style-type: none"> <li>• Reliable cooperation</li> <li>• Clear instructions and processes</li> <li>• Supplier-related requirements (Contractor responsibility reports)</li> <li>• Audits</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and direct contacts</li> <li>• Supplier audits</li> </ul>
<b>Cities, municipalities, central and local governments</b>	<ul style="list-style-type: none"> <li>• Transparency of operations and minimisation of detrimental impacts</li> <li>• Job creation</li> <li>• Payment of taxes</li> <li>• Establishment, measurement and monitoring of environmental objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation with the authorities</li> <li>• Designated contact persons</li> <li>• Transparent and timely communications</li> <li>• Compliance with law and regulations</li> <li>• Operational conformance</li> </ul>	<ul style="list-style-type: none"> <li>• Websites</li> <li>• Partner meetings and working groups</li> <li>• Reporting</li> <li>• Direct contacts</li> <li>• Audits</li> </ul>
<b>Other stakeholders (local communities, organisations, educational institutions, media)</b>	<ul style="list-style-type: none"> <li>• Timely and transparent flow of information</li> <li>• Various partner meetings</li> <li>• Local knowledge including the understanding, support and development of regional activities</li> <li>• Establishment, measurement and monitoring of environmental objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Partner meetings, joint working groups, designated contact persons</li> <li>• Active involvement in organisational activities</li> <li>• Statements in the context of seminars and events</li> <li>• Transparent and timely communications to people involved in the project</li> </ul>	<ul style="list-style-type: none"> <li>• Seminar and events</li> <li>• External communications</li> <li>• Social media</li> <li>• Public hearings</li> </ul>

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# Report of the Board of Directors on the financial year 1 Jan. - 31 Dec. 2024

## SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The operations of Arctia Group developed positively across all business areas during the financial year. In Icebreaking, the number of operating days was high due to a harsher-than-average winter. In Marine Survey Services, business grew alongside customer projects, with field measurements continuing well into December. In Fairway Maintenance, a significant development program was implemented, achieving the targeted improvement in results.

Arctia Group transitioned from the ownership steering unit of the Prime Minister's Office to the guidance of the Ministry of Transport and Communications. Consequently, the company's status as a company of strategic interest changed to that of a special-assignment company. The company's special task was defined as follows: *"Ensuring winter navigation services that support Finland's economic transport needs and safeguard national security of supply, focusing on the cost-effective and low-risk management of icebreaking in the northern Baltic Sea, enabling military mobility, and providing*

*hydrographic surveying, fairway maintenance, and planning services related to naval preparedness and readiness under all conditions."*

## OPERATING ENVIRONMENT AND OUTLOOK FOR FUTURE DEVELOPMENT

Arctia operates in sectors critical to national security of supply. The most significant future change drivers for Arctia include business opportunities arising from the green transition, climate crisis mitigation, Finland's changing security situation, and the country's challenging economic outlook.

In terms of icebreaking, the demand for icebreaking assistance in the Baltic Sea region is expected to increase. This is influenced by factors such as the growth of vessel traffic, increasing vessel sizes, the declining ability of merchant ships to navigate independently in ice conditions, and the construction of offshore wind farms. Additionally, climate change is expected to create more challenging winter conditions with strong winds, slush zones, and drifting

ice fields, further increasing the need for assistance. Arctia's icebreaker fleet has long been in need of renewal due to the aging of the current fleet and evolving operational requirements.

In hydrographic surveying, in addition to marine area mapping, the business will continue to

provide and develop services related to the planning and construction of offshore wind farms. The operating environment for fairway maintenance has been undergoing changes in recent years due to new competitive tendering models.

## KEY FINANCIAL FIGURES DESCRIBING THE ACTIVITIES OF THE ARCTIA GROUP

	2024	2023	2022	2021	2020
Turnover, MEUR	89.4	82.7	80.2	71.2	80.8
Operating profit/loss, MEUR	11.7	3.4	2.9	0.2	2.4
% of turnover	13.1	4.1	3.6	0.3	3.0
Profit/loss for the fiscal period, MEUR	8.4	1.4	1.2	-0.5	0.9
% of turnover	9.4	1.7	1.5	-0.7	1.1
Equity, MEUR	151.8	143.8	142.8	141.6	142.1
Equity ratio, %	60.8	59.2	54.3	53.5	50.2
Net gearing, %	24.5	36.8	45.4	53.1	60.2
Interest-bearing liabilities, MEUR	74.4	78.0	96.5	102.8	119.3
Return on capital invested, %	5.8	1.8	1.1	0.1	0.9
Return on equity (ROE), %	5.7	1.0	0.9	-0.4	0.6
Investments, MEUR	7.1	7.6	8.6	4.3	6.8
% of turnover	7.9	9.2	10.7	6.0	8.5
Balance sheet total, MEUR	250.2	243.4	263.2	265.1	283.7

## FINANCIAL PERFORMANCE OF THE GROUP

Arctia Group's revenue for the reporting period increased from the previous year, reaching EUR 89.4 million (EUR 82.7 million in 2023). The Group's operating profit was EUR 11.7 million (EUR 3.4 million), and the net profit for the financial year was EUR 8.4 million (EUR 1.4 million). The result included one-off sales of vessels and properties, which had a positive impact of approximately EUR 1.2 million on the profit.

The Group's total balance sheet amounted to EUR 250.2 million (EUR 243.4 million). The equity ratio stood at 60.8 % (59.2%). At the end of the year, the Group's interest-bearing loans totaled EUR 74.4 million (EUR 78.0 million). The interest rates of these loans are tied to market rates, and EUR 34.4 million of the loans are hedged in accordance with the Group's financing policy.

The Group's financing is primarily centralized within the parent company, which has granted loans to subsidiaries. The total amount of loans provided by the parent company at the end of the reporting period was EUR 68.9 million, with a loan term of up to 10 years. Loan repayments and interest payments are determined by the loan agreements, and the loans are unsecured.

The cash flow from operating activities was EUR 21.8 million (EUR 16.7 million). The cash flow from investments was EUR -5.7 million (EUR -4.7 million), with most investments being maintenance-related, particularly concerning vessel

dockings and system updates. The cash flow from financing activities was EUR -4.0 million (EUR -18.9 million). At the end of the year, the Group's cash reserves amounted to EUR 37.1 million (EUR 25.0 million). The majority of these funds are invested in low-risk bond funds and fixed-term deposits, ensuring preparedness for vessel maintenance and investments.

## BUSINESS OPERATIONS

The Group has three business areas: Icebreaking, Fairway Maintenance, and Marine Survey Services.

**Icebreaking:** Services are provided using eight icebreakers, as well as smaller harbor icebreakers and tugboats for port icebreaking. The number of operational icebreaking days increased compared to the previous winter, reaching 921 days (481 days in the previous year).

**Port Icebreaking and Vessel Assistance:** These services are provided by Arctia Karhu Oy, a joint venture between Arctia Ltd and Kemin Satama Oy. The company primarily operates in the ports of Tornio and Kemi. The port icebreaking season was longer than average, and port assistance and escort towing services were conducted year-round.

**Fairway Maintenance:** This business area includes fairway maintenance, canal operations and maintenance, post-oil spill response services, and the production of buoys and spars. In 2024, the fairway maintenance business structure was further developed to better respond

to new market demand. The organization was streamlined, and a significant operational program was implemented to ensure and enhance competitiveness.

**Marine Survey Services:** Services include hydrographic surveying, research, planning, and data services. Arctia's survey fleet maps thousands of square kilometers of the seabed annually, in compliance with international quality standards, not only in Finland but also in other European waters.

The volume of hydrographic surveying operations has been increasing, with offshore wind power projects emerging as a second key pillar alongside traditional hydrographic surveys for nautical charting.

## INVESTMENTS

In 2024, the Group's total investments amounted to EUR 7.1 million (EUR 7.6 million in the previous year). The majority of these investments were related to vessel maintenance and life-cycle extension projects.

Investments in the fleet are based on a life-cycle plan, regulatory requirements, and agreements with customers. The purpose of life-cycle planning is to optimize the timing of investments economically. Other investments typically involve the renewal of smaller vessels, life-cycle extensions, and the development of new business areas.

## PERSONNEL

During the year, the Group had an average of 398 employees (425 in the previous year). New personnel were recruited to ensure professional expertise and prepare for upcoming retirements.

In 2024, leadership and management development continued through deep leadership model training. Additionally, as part of a broader initiative, Arctia's values and work practices were updated in cooperation with employees. Competence was maintained through recertification trainings and other professional development programs. The total number of training days in 2024 was 515 (643 in the previous year).

The Group's total salaries and remuneration amounted to EUR 30.0 million (EUR 28.3 million).

Arctia conducts an annual employee satisfaction survey, based on which development actions are planned and implemented.

In 2024, the Group held two restructuring negotiations, primarily related to fairway maintenance operations. These negotiations led to reorganizations, changes in job roles, mergers, closures, and seasonal layoffs. In total, seven employees were terminated due to operational and financial reasons.

## STRATEGY IMPLEMENTATION

In 2024, the strategies for the Group, icebreaking, fairway maintenance, and hydrographic surveying were updated. Arctia aims to increase

shareholder value in a long-term and responsible manner. At the core of the company's operations is the reliable, high-quality, and efficient execution of its state-assigned special mission. In addition to providing services for Finnish society, Arctia actively operates in commercial markets, seeking profitable growth and increased utilization of resources.

In the period 2024–2026, the Group's common development themes are personnel and capabilities, new services and growth, and responsibility and safety. In addition, all businesses will continue to developing internal operations, strengthening the Arctia brand and utilizing digitalization and development.

## SAFETY

The Group's safety management is divided into vessel safety, occupational safety, and corporate security. Safety is ensured through an internal safety management system, which includes compliance, auditing, reporting, and continuous improvements.

Vessel safety is monitored through regular internal and external audits. The Finnish Transport and Communications Agency (Traficom) and classification societies inspect the vessels annually. During the fiscal year, no serious non-conformities were found in audits or inspections.

In 2024, the Group recorded eight occupational accidents that led to absence. The accident frequency rate was 11.3 (compared to 6.2 in

the previous year). Significant efforts are made to prevent workplace accidents, for example, by collecting and analyzing safety observations proactively. The Group's goal is zero serious accidents at work, zero occupational diseases and reducing the accident frequency rate towards zero.

The Group integrates occupational, vessel, and corporate safety into all operations and complies with the International Safety Management (ISM) Code and the International Maritime Organization (IMO) MARPOL Convention. Additionally, national guidelines and regulations are followed. The Fairway Maintenance and Marine Survey Services also use certified ISO 9001 quality management systems, ISO 14001 environmental management systems and ISO 45001 occupational health and safety management systems. Hydrographic surveying also complies with the Katakri audit guidelines of the Finnish Defence Forces.

## DEVELOPMENT AND RESEARCH

Arctia has been actively engaging with offshore wind farm project developers, offering geophysical survey services and vessel transportation services for monitoring environmental and marine conditions. With Arctia's digital buoys and remote monitoring services, customers have been able to enhance the safety and environmental sustainability of their water areas.

The design of a new icebreaker fleet

commenced in 2024 with a concept and feasibility assessment.

## SUSTAINABILITY

Arctia's sustainability efforts are guided by the company's strategy and the Finnish Government's ownership policy decision.

In 2024, the company advanced its sustainability work to align with the requirements of the new Corporate Sustainability Reporting Directive (CSRD). As part of this, Arctia conducted a CSRD-mandated double materiality assessment to identify the company's key impacts on its operating environment, as well as the effects of environmental changes on Arctia's business. The assessment also identified risks and opportunities related to sustainability factors in the business. This double materiality analysis formed the basis for updating the company's sustainability program, which was completed in the fall.

In addition to meeting the requirements of the CSRD, the company also began preparing for the reporting obligations under the EU Taxonomy Regulation. During this process, a framework was established to identify the company's taxonomy-eligible and taxonomy-aligned business activities. Arctia will prepare its first EU Taxonomy report based on its 2024 business operations.

As part of its preparation for new regulatory requirements, Arctia continued efforts in line with its previously established environmental program, focusing on reducing its carbon

footprint and promoting circular economy principles. Practical measures to reduce the carbon footprint included increasing the use of renewable fuels in the Marine Survey Services business. In fairway maintenance, circular economy efforts were promoted by realizing the sale of surplus assets.

Arctia's updated sustainability program, set to be implemented in 2025, covers all aspects of sustainability, including environmental, social, and governance (ESG) considerations. Details of Arctia's sustainability work are provided in the group's annual and sustainability report.

## COMPANY ORGANIZATION, MANAGEMENT, AND AUDITORS

Arctia Ltd is the parent company of the group. The subsidiary Arctia Management Services Oy provides financial and personnel administration, communications, security, technical, and crewing services to other group companies.

The group's operational activities are divided among three subsidiaries: Arctia Meritaito Oy, which provides waterway maintenance and marine survey services; Arctia Icebreaking Oy, which provides icebreaking services; and the joint venture Arctia Karhu Oy, which offers harbor icebreaking and assistance services.

At Arctia Oy's Annual General Meeting on March 20, 2024, Mats Rosin was elected Chairman of the Board, and Kati Pallasaho,

Sinikka Mustakari, Regina Sippel, Matti-Mikael Koskinen, and Jukka Hölsä were elected as board members. Matti-Mikael Koskinen was elected Vice Chairman. Following a unanimous shareholder decision on October 18, 2024, related to the company's transition to a special-purpose entity, Kari Savolainen was appointed Chairman, and Leena Mörttinen joined as a new board member. The other board members—Kati Pallasaho, Matti-Mikael Koskinen, and Jukka Hölsä—continued in their roles, with Matti-Mikael Koskinen remaining as Vice Chairman.

The Board held eight official meetings during the year. The remuneration of the Board remained unchanged. The Board's work is supported by two committees: the Personnel Committee and the Audit Committee.

At the Annual General Meeting, the auditing firm KPMG Oy Ab was appointed as the group's auditor, with Ari Eskelinen, Authorized Public Accountant (KHT), as the lead auditor.

Maunu Visuri served as the CEO of Arctia Oy. The Group Management Team consisted of the CEO, Paavo Kojonen (Head of Icebreaking Business), Lauri Pöyhönen (Head of Hydrographic Surveying Business), Timo Riihimäki (Head of Waterway Maintenance Business), Sari Kankkunen (CFO, until April 29, 2024), Joonas Lojander (Acting CFO until August 30, 2024), Janne Laitinen (Head of HR and Legal Affairs), Tero Hänninen (Technical Director), Jukka Viitanen (Director of Sustainability and Communications, as of June 10, 2024), and Pekka Meronen (CFO, as of September 1, 2024).

## SHARES

The Finnish State owns 100 % of Arctia Oy's shares. The company's share capital consists of 748,000 shares of equal value, amounting to a total share capital of EUR 18.7 million.

## BUSINESS RISKS

Arctia's risk management is an integral part of the company's management system and is embedded in daily operations, decision-making, and the management of business units, vessels, and support functions. Risk assessments are conducted for all significant projects, business changes, and operational modifications.

Risks are categorized into strategic, operational, and financial risks. A key strategic risk is changes in the operating environment that may negatively impact business opportunities. These risks are managed through comprehensive planning and systematic implementation of changes, as well as by anticipating the effects of environmental changes.

A major operational risk is the aging vessel fleet. The technical reliability of the fleet is critical in challenging conditions. As vessels age, the risk of technical failures increases, leading to higher maintenance costs and the need for system replacements due to diminishing availability of spare parts and skilled maintenance personnel. This risk is managed through fleet lifecycle planning, long-term maintenance strategies, and annual maintenance plans.

In the spring of 2024, Arctia conducted a CSRD-compliant double materiality analysis. This process identified the company's most significant sustainability aspects and the associated risks and opportunities. Mitigation measures for sustainability-related risks were also defined as part of this analysis.

Financial and operational risks related to customer projects are managed through risk assessments, efficient processes, and skilled project personnel.

A high turnover rate is expected in the coming years due to retirements within the maritime workforce. This increases the risk of declining professional competence levels. The company seeks to mitigate this risk through proactive workforce planning, recruitment, and training. The maritime sector is also traditionally prone to labor disputes and strikes. Arctia manages this risk through active cooperation and addressing potential issues in a timely manner.

The group's financial risks are managed through clear financial processes, insurance coverage, adherence to financial policies, and robust financial reporting, ensuring reliability through control mechanisms.

## OUTLOOK FOR 2025

The company will continue implementing measures in line with its strategic plan. The Finnish Transport Infrastructure Agency will tender new icebreaking contracts in 2025. This process may impact icebreaking capacity needs

in the coming years, potentially leading to later seasonal starts for some vessels. This would significantly affect revenue generation, particularly in 2025. Despite the expected decrease in revenue, the group's financial result is forecasted to remain positive in 2025.

## EVENTS AFTER THE FINANCIAL YEAR

No significant events have occurred after the end of the financial year that would have affected the company's financial performance or position. The Omnibus-package, an initiative by the EU Commission aiming to simplify the regulation, is likely to remove Arctia from the scope of CSRD. Sustainability reporting is aligned with the current regulation and will be developed to meet the requirements of the changing regulation.

## BOARD'S PROPOSAL ON PROFIT DISTRIBUTION

As of December 31, 2024, the parent company's distributable and returnable equity was EUR 98,421,494.51, with a net loss of EUR 626,068.83 for the financial year 2024. The Board proposes to the Annual General Meeting a dividend distribution of EUR 3.37 per share, totaling EUR 2,520,760.00.

**PROFIT AND LOSS ACCOUNT**  
(1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
TURNOVER	89,409	82,660	1,509	970
Stocks of finished and unfinished goods increase (-) or decrease (+)	-50	167	0	0
Other operating income	1,281	1,351	0	0
Materials and services				
Raw materials, consumables and supplies				
Purchases	-7,471	-7,509	0	0
Inventories, increase (-) or decrease (+)	-85	-33	0	0
External services	-5,849	-7,416	0	0
Materials and services, total	-13,405	-14,959	0	0
Personnel expenses				
Wages and salaries	-29,955	-28,278	-430	-317
Social security expenses				
Pension costs	-4,133	-3,954	-36	-35
Other indirect employee costs	-681	-1,246	-5	-6
Personnel expenses, total	-34,769	-33,479	-471	-358
Depreciation and reduction in value				
Depreciation according to plan	-16,749	-17,241	-168	-204
Impairments of fixed assets	0	-1,303	0	0
Depreciation and reduction in value, total	-16,749	-18,544	-168	-204
Other operating expenses	-14,046	-13,769	-884	-559
OPERATING PROFIT (LOSS)	11,671	3,427	-14	-150

**PROFIT AND LOSS ACCOUNT**  
(1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Financial income and expenses				
Returns on impairment losses of financial securities	0	372	0	372
Other interest and financial income				
From group companies		0	2,024	2,081
Short-term, from other sources	660	395	659	395
Impairment losses on investments in fixed assets	0	0	-1,275	0
Capital losses on financial securities	0	-135	0	-135
Interest and other financial expenses				
To others	-2,390	-2,329	-1,846	-1,907
Financial income and expenses, total	-1,729	-1,697	-438	806
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	9,942	1,730	-451	655
Appropriations				
Group contribution	0	0	0	-362
Appropriations, total	0	0	0	-362
Income tax				
Taxes during the fiscal period	-201	-54	-175	-57
Deferred taxes	-1,300	-277	0	0
Income taxes, total	-1,501	-332	-175	-57
Minority interest	-33	-4	0	0
PROFIT (LOSS) FOR THE FINANCIAL PERIOD	8,408	1,394	-626	237

**BALANCE SHEET** (1000 EUR)

	GROUP		PARENT COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets				
Intangible rights	161	290	0	0
Other capitalised long-term expenditure	14	61	0	0
Intangible assets, total	174	351	0	0
Tangible assets				
Land and waters	861	861	0	0
Buildings	3,626	4,000	2,321	2,480
Vessels	181,602	191,573	0	0
Other plants and machinery	3,526	2,505	0	9
Other tangible assets	86	86	86	86
Advance payments and construction in progress	152	567	0	0
Total tangible assets	189,854	199,594	2,408	2,575
Investments				
Shares in group companies	0	0	91,024	92,299
Shares in associated companies	0	3	0	0
Total investments	0	3	91,024	92,299
<b>TOTAL NON-CURRENT ASSETS</b>	<b>190,029</b>	<b>199,948</b>	<b>93,432</b>	<b>94,875</b>

**BALANCE SHEET** (1000 EUR)

	GROUP		PARENT COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>CURRENT ASSETS</b>				
Stocks				
Raw materials and consumables	2,678	2,785	0	0
Unfinished products and services	1	1	0	0
Finished products / goods	231	259	0	0
Inventories, total	2,910	3,044	0	0
Long-term receivables				
Receivables from group companies	0	0	65,252	68,902
Other receivables	0	65	0	0
Long-term receivables, total	0	65	65,252	68,902
Short-term receivables				
Sales receivables	16,605	12,644	0	0
Receivables from group companies	0	0	3,650	3,650
Other receivables	417	152	0	0
Prepayments and accrued income	3,045	2,553	421	566
Short-term receivables, total	20,067	15,349	4,071	4,216
Financial securities				
Other securities	15,000	15,000	15,000	15,000
Short-term receivables, total	15,000	15,000	15,000	15,000
Cash in hand and at banks	22,145	9,982	21,707	9,952
<b>TOTAL CURRENT ASSETS</b>	<b>60,122</b>	<b>43,440</b>	<b>106,030</b>	<b>98,071</b>
<b>TOTAL ASSETS</b>	<b>250,151</b>	<b>243,388</b>	<b>199,462</b>	<b>192,945</b>

**BALANCE SHEET** (1000 EUR)

	GROUP		PARENT COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>EQUITY AND LIABILITIES</b>				
<b>CAPITAL AND RESERVES</b>				
Share capital	18,700	18,700	18,700	18,700
Other reserves	77,014	77,014	77,014	77,014
Retained earnings from previous years	48,133	47,098	22,452	22,574
Dividend distribution	-419	-359	-419	-359
Profit (loss) for the fiscal period	8,408	1,394	-626	237
<b>TOTAL CAPITAL AND RESERVES</b>	<b>151,837</b>	<b>143,847</b>	<b>117,121</b>	<b>118,166</b>
<b>MINORITY INTEREST</b>	<b>266</b>	<b>233</b>	<b>0</b>	<b>0</b>
<b>PROVISIONS</b>				
Other provisions	100	0	0	0
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
Loans from financial institutions	70,850	74,400	62,000	65,250
Deferred tax liabilities	11,385	10,085	0	0
Other liabilities	3	3	0	0
<b>Long-term liabilities, total</b>	<b>82,238</b>	<b>84,488</b>	<b>62,000</b>	<b>65,250</b>

**BALANCE SHEET** (1000 EUR)

	GROUP		PARENT COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>Short-term liabilities</b>				
Loans from financial institutions	3,550	3,550	3,250	3,250
Advance payments received	0	9	0	0
Payables	3,213	2,853	37	37
Liabilities to group companies	0	0	16,579	6,164
Other liabilities	1,912	1,852	160	30
Accruals	7,035	6,555	314	49
<b>Short-term liabilities, total</b>	<b>15,710</b>	<b>14,819</b>	<b>20,340</b>	<b>9,529</b>
<b>TOTAL LIABILITIES</b>	<b>97,948</b>	<b>99,307</b>	<b>82,340</b>	<b>74,779</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>250,151</b>	<b>243,388</b>	<b>199,462</b>	<b>192,945</b>

**CASH FLOW STATEMENT** (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Cash flow from operating activities				
Profit/loss for the fiscal period	8,408	1,394	-626	237
Adjustments				
Depreciation according to plan	16,749	18,544	168	204
Capital gains (-) and losses (+) on fixed assets	-1,156	-1,037	0	0
Other items not involving payments	0	5	0	0
Financial income and expenses	1,729	1,697	438	-806
Group contributions	0	0	0	362
Income tax	1,501	332	175	57
Minority share	33	4	0	0
Cash flow before change in working capital	27,264	20,939	154	53
Change in working capital				
Increase (-) / decrease (+) in inventories	135	-134	0	0
Increase (-) / decrease (+) in noninterest-bearing receivables	-4,647	670	153	3,341
Increase (+) / decrease (-) in noninterest-bearing loans	690	-2,561	221	-226
Change in provisions	100	0	0	0
Operational cash flow before financial items and taxes	23,542	18,914	528	3,169
Interest paid and payments for other financial expenses	-2,266	-2,285	-1,846	-1,905
Interest received	645	366	2,668	2,447
Other financial income	-116	-161	8	-119
Direct taxes paid	0	-100	0	-101
Repayments of loan receivables	0	0	3,650	18,650
Cash flow from operating activities	21,805	16,733	5,008	22,141

**CASH FLOW STATEMENT** (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Cash flow from investments				
Investments in material and immaterial goods	-7,064	-7,621	0	0
Proceeds from sale of tangible and intangible assets	1,387	2,875	0	0
Proceeds from the disposal of other investments	3	0	0	0
Cash flow from investments	-5,674	-4,746	0	0
Cash flow from financing activities				
Repayments of short-term loans	0	0	0	-10,453
Increase (+) / decrease (-) in short-term loans	0	0	10,777	0
Repayments of long-term loans	-3,550	-18,550	-3,250	-18,250
Paid dividends	-419	-359	-419	-359
Group grants received and paid	0	0	-362	0
Cash flow from financing activities	-3,969	-18,909	6,747	-29,062
Change in cash and cash equivalents	12,163	-6,922	11,755	-6,921
Available assets at the beginning of the fiscal period	24,982	31,905	24,952	31,874
Available assets at end of the fiscal period	37,145	24,982	36,707	24,952

# Accounting principles

## 1. ACCOUNTING PRINCIPLES

### 1.1 VALUATION PRINCIPLES

#### ITEMS IN FOREIGN CURRENCIES

Receivables and debts in foreign currencies have been converted into euros using the currency rate on the date of the drawing up of the financial statements

#### INVENTORIES

Inventories are valued at the acquisition cost or in accordance with the probable selling value, if lower. Arctia Group's inventories include the fuel and lubricant stocks of vessels. The inventories of Arctia Meritaito Ltd include materials, supplies and finished products. The acquisition cost of materials and supplies includes the direct costs incurred by the acquisition. The acquisition cost of finished products includes the share of fixed costs of acquisition and manufacturing in addition to variable costs.

#### NON-CURRENT ASSETS

Intangible and tangible assets are marked as acquisition expenses on the balance sheet with depreciation according to plan. Depreciations according to plan are calculated as straight line depreciations based on the target's economic duration. Depreciations are calculated from the month of the asset's application.

<b>Depreciation times:</b>	<b>Years</b>
Intangible assets	3 - 10
Buildings	10 - 30
Vessel stock	
Icebreakers	30 - 50
Other vessels	5 - 30
Docking of vessels	5
Communications and navigation equipment	3 - 5
Computers and related devices	3
<u>Other plants and machinery</u>	<u>5 - 15</u>

Expenses from repair and maintenance during vessel docking are capitalised and entered as

expenses according to the economic working life of the docking (5 years). Residual value has been taken into account in the fleet depreciation plan. The impairment recognized during the comparison period by Arctia Icebreaking Oy includes changes in the residual values of the vessel fleet. These changes are based on the conducted residual value analysis. In Arctia Meritaito Ltd and Arctia Karhu Ltd, repair and maintenance expenses with effects of less than three years and totaling up to EUR 25,000 are entered as annual expenses, and in Arctia Icebreaking Ltd, repair and maintenance expenses of less than three years and up to EUR 50,000 are entered. At Arctia Karhu Ltd, the depreciation plans for the vessels have been reviewed, and the depreciation periods have been reassessed. The depreciation period of Ahto has been shortened by ten years, from forty years to thirty years. The undepreciated acquisition cost under the previous plan has been allocated for depreciation over the new useful life. The change has been implemented as of the beginning of 2024.

#### RECOGNITION PRINCIPLES AND METHODS

Arctia Meritaito Ltd recognised revenue from contracts with a long production or construction period on the basis of the percentage of completion. Projects whose anticipated duration is at least a year or whose effect on the turnover of the fiscal period was remarkable were considered contracts with a long production or construction period. The percentage of completion of long-term projects was determined as the ratio of expenditure incurred to the projects' estimated total expenditure, or, if separately agreed upon in the project contract, it was determined based on the completed parts of the project entity.

#### 1.2 DEFERRED TAXES

The imputed tax liability and receivable have been calculated for the temporary differences between taxation and the financial statements, using the tax rate valid at the time of drawing up the financial statements. The entire imputed tax

liability and receivable are included in the balance. Deferred tax liabilities are related to the depreciation differences recorded for subsidiaries. These differences have been divided into equity and imputed tax liability in the consolidated financial statements.

### 1.3 PENSIONS

The statutory pension schemes for personnel are managed by external insurance companies. Pension costs are entered as expenses for the year during which they were incurred.

### 1.4 ASSETS

Cash assets invested in low-risk bond funds have been included in the assets. The bond fund investments can be realised at short notice.

### 1.5 ACCOUNTING POLICIES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been drawn up using the acquisition cost method. The subsidiaries have been founded independently with the exception of Arctia Meritaito Ltd. Business transactions within the Group and internal receivables and debts have been eliminated. Minority shares have been separated from group equity and the profit for the fiscal period, and are presented as their own item. The Group has a consolidated account system in place.

Changes to the consolidated account are presented in the financing cash flow items of the individual companies' cash flow statements.

At the shareholders' meeting of Ice Advisors Ltd on February 15, 2024, it was decided to approve the company's final accounts as of December 31, 2023, and the company was declared dissolved. The company's cash assets were distributed to the owners in proportion to their shareholdings on March 4, 2024. Arctia Ice-breaking Ltd owned 40% of Ice Advisors Ltd's share capital.

### 1.6 MEASUREMENT OF FINANCIAL INSTRUMENTS AND DERIVATIVES

Measurement in accordance with Chapter 5, Section 2 of the Accounting Act shall be applied in the accounting of financial instruments. Securities held as financial assets and other similar financing reserves are valued at the acquisition expense or, if their probable fair market price is lower on the balance sheet date, at that value.

The company has protected itself against loan related interest risks with interest rate derivatives, with which variable interest cash flows are converted into fixed interest rate cash flows using derivatives. Information concerning the interest rate derivatives is presented in the notes to the financial statements based on their protectiveness and the consistency of the loan and the derivative. The current values of the

interest rate derivatives are presented in Section 6 of the notes to the financial statements.

### FOREIGN EXCHANGE FORWARDS

A portion of the group's foreign currency-denominated receivables has been hedged with forward contracts. The nominal and market values of the foreign exchange forwards are disclosed in the notes under section 6.

## 2. NOTES ON THE PROFIT AND LOSS ACCOUNT (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
2.1 Turnover by market area and line of business				
By market area				
Finland	82,039	78,814	1,509	970
EU countries	3,216	764	0	0
Countries outside the EU	4,154	3,082	0	0
	89,409	82,660	1,509	970
By line of business				
Icebreaking	61,715	55,689	0	0
Fairway Maintenance and Marine surveys services	27,694	26,971	0	0
Internal administration services	0	0	1,509	970
	89,409	82,660	1,509	970
The share of turnover subject to partial revenue recognition in the Group's total turnover	6,079	4,855	0	0
In terms of long-term projects that have been recognised as income according to the stage of completion, but that have not yet been delivered to the customers, the amount recognised as income in the financial period and in previous financial periods	1,760	665		
Amount not recognised as income concerning long-term projects				
Projects recognised as income according to the stage of completion	1,317	490		
Backlog of orders, total	1,317	490		

## 2. NOTES ON THE PROFIT AND LOSS ACCOUNT (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
2.2 Other income from business operations				
Profit from sale of fixed assets	1,168	1,037	0	0
Grants received	0	28	0	0
Insurance indemnities	65	271	0	0
Other	48	15	0	0
Total	1,281	1,351	0	0
2.3 Notes on personnel				
Average number of personnel during fiscal period				
Onshore personnel	140	179	1	1
Offshore personnel	258	246	0	0
Total	398	425	1	1
Management salaries and remunerations				
President and CEO	239	269	239	269
Board members	100	109	100	109
Rest of the Group management team	831	675	0	0
	1,170	1,053	340	378

The salaries of the President and CEO and members of the Group's Management Team represent total remuneration including company car and telephone benefits. In 2024, no performance bonuses were paid to the CEO and the Group Management Team for the financial year 2023 (in 2023, a total of €64,939.30 was paid).

**Management's pension commitments:** The President and CEO's retirement age is in compliance with the Employees' Pensions Act TyEL. The pension benefit is provided by the statutory TyEL pension insurance. The company's President and CEO and members of the Manag

**Other pension commitments:** A supplementary pension with OP Life Assurance Company Ltd is provided for a certain group of people. The pension benefit according to the VaEL (State Employees' Pensions Act) service is taken into account in the supplementary pension.

## 2. NOTES ON THE PROFIT AND LOSS ACCOUNT ( (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
<b>2.4 Other operating costs</b>				
Rents	668	705	1	0
Costs for vessels	4,021	3,889	0	0
Administrative expenses	5,587	5,669	583	397
Other operating costs, intra-group	0	0	0	0
Other operating costs	3,770	3,507	300	162
<b>Other operating costs, total</b>	<b>14,046</b>	<b>13,769</b>	<b>884</b>	<b>559</b>
<b>Auditors' fees</b>				
Audit	67	63	67	63
Taxation advice	7	5	7	5
Other services	1	31	1	29
<b>2.5 Financial income and expenses</b>				
Reversals of impairment losses on current financial assets.	0	372	0	372
Interest income				
From companies in the same group	0	0	2,024	2,081
From other sources	653	377	651	377
<b>Interest income, total</b>	<b>653</b>	<b>377</b>	<b>2,676</b>	<b>2,458</b>

## 2. NOTES ON THE PROFIT AND LOSS ACCOUNT ( (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Other financial income				
From other sources	8	18	8	18
<b>Other financial income, total</b>	<b>8</b>	<b>18</b>	<b>8</b>	<b>18</b>
<b>Financial income, total</b>	<b>660</b>	<b>395</b>	<b>2,684</b>	<b>2,476</b>
Impairment losses on investments in fixed assets	0	0	1,275	0
Loss on disposal of financial instruments	0	135	0	135
Interest expenses				
To others	2,266	2,285	1,845	1,905
<b>Interest expenses, total</b>	<b>2,266</b>	<b>2,285</b>	<b>1,845</b>	<b>1,905</b>
Other financial expenses				
To others	124	44	0	2
<b>Other financial expenses, total</b>	<b>124</b>	<b>44</b>	<b>0</b>	<b>2</b>
<b>Financial expenses, total</b>	<b>2,390</b>	<b>2,329</b>	<b>3,121</b>	<b>1,907</b>
<b>Financial income and expenses, total</b>	<b>-1,729</b>	<b>-1,697</b>	<b>-438</b>	<b>806</b>

The value of Arctia Karhu Ltd's shares has been assessed during the financial year, and based on the assessment, a write-down has been made.

### 3. NOTES ON BALANCE SHEET ASSETS (1000 EUR)

#### 3.1 Fixed assets, Group

##### Intangible assets 2024

	Intellectual property rights	Other intangible assets	Total
Acquisition costs 1 Jan	1,578	796	2,374
Increases	0	0	0
Acquisition costs 31 Dec.	1,578	796	2,374
Accumulated depreciations 1 Jan	-1,287	-735	-2,023
Depreciation for the financial year	-129	-47	-176
Accumulated depreciations 31 Dec	-1,417	-782	-2,199
Book value 31 Dec.	161	14	174

	Land and water areas	Buildings and structures	Vessels	Other plants and machinery	Other tangible assets	Advance payments and acquisitions in progress	Total
Tangible assets 2024							
Acquisition costs 1 Jan.	861	12,252	422,624	17,100	86	567	453,491
Increases	0	0	5,487	1,993	0	0	7,480
Decreases	0	0	-5	-178	0	-415	-647
Acquisition costs 31 Dec.	861	12,252	428,058	18,915	86	567	460,325
Accumulated depreciations 1 Jan	0	-8,252	-231,051	-14,595	0	0	-253,898
Depreciation for the financial year	0	-374	-15,405	-794	0	0	-6,573
Accumulated depreciations 31 Dec.	0	-8,626	-246,456	-15,389	0	0	-270,470
Book value 31 Dec.	861	3,600	181,602	3,526	86	152	189,854

### 3. NOTES ON BALANCE SHEET ASSETS (1000 EUR)

#### 3.1 Fixed asset, Group

Intangible assets 2023	Intellectual property rights	Other intangible assets	Total
Acquisition costs 1 Jan.	1,389	796	2,185
Increases	189	0	189
Decreases	0	0	0
Acquisition costs 31 Dec	1,578	796	2,374
Accumulated depreciations 1 Jan.	-1,121	-686	-1,807
Depreciation for the financial year	-167	-49	-216
Accumulated depreciations 31 Dec	-1,287	-735	-2,023
Book value 31 Dec.	290	61	351

Tangible assets 2023	Land and water areas	Buildings and structures	Vessels	Other plants and machinery	Other tangible assets	Advance payments and acquisitions in progress	Total
Acquisition costs 1 Jan.	928	12,252	416,558	16,780	86	1,292	447,896
Increases	0	0	7,836	321	0	0	8,157
Decreases	-66	0	-1,770	-1	0	-725	-2,562
Acquisition costs 31 Dec	861	12,252	422,624	17,100	86	567	453,491
Accumulated depreciations 1 Jan.	0	-7,869	-214,231	-13,470	0	0	-235,569
Depreciation for the financial year	0	-383	-15,733	-895	0	0	-17,011
Impairments	0	0	-1,086	-230	0	0	-1,317
Accumulated depreciations 31 Dec	0	-8,252	-231,051	-14,595	0	0	-253,898
Book value 31 Dec.	861	4,000	191,574	2,505	86	567	199,594

### 3. NOTES ON BALANCE SHEET ASSETS (1000 EUR)

#### 3.1 Fixed assets, Arctia Ltd

	Buildings and structures	Other plants and machinery	Other tangible assetst	Total
<b>Tangible assets 2024</b>				
Acquisition costs 1 Jan	4,547	934	86	5,567
Increases	0	0	0	0
Acquisition costs 31 Dec.	4,547	934	86	5,567
Accumulated depreciations 1 Jan.	-2,066	-925	0	-2,991
Depreciation for the financial year	-159	-9	0	-168
Accumulated depreciations 31 Dec	-2,225	-934	0	-3,159
<b>Book value 31 Dec</b>	<b>2,321</b>	<b>0</b>	<b>86</b>	<b>2,408</b>
			Shares in group companies	Total
<b>Investments 2024</b>				
Acquisition costs 1 Jan			92,299	92,299
Increases			0	0
Impairments			- 1,275	-1,275
Acquisition costs 31 Dec			91,024	91,024
<b>Book value 31 Dec.</b>			<b>91,024</b>	<b>91,024</b>

### 3. NOTES ON BALANCE SHEET ASSETS ( (1000 EUR)

#### 3.1 Fixed assets, Arctia Ltd

	Buildings and structures	Other plants and machinery	Other tangible assets	Total
<b>Tangible assets 2023</b>				
Acquisition costs 1 Jan	4,547	934	86	5,567
Increases	0	0	0	0
Acquisition costs 31 Dec.	4,547	934	86	5,567
Accumulated depreciations 1 Jan	-1,907	-880	0	-2,788
Depreciation for the financial year	-159	-45	0	-204
Accumulated depreciations 31 Dec.	-2,066	-925	0	-2,991
Book value 31 Dec.	2,480	9	86	2,575
			Shares in group companies	Total
<b>Investments 2023</b>				
Acquisition costs 1 Jan.			92,299	92,299
Increases			0	0
Decreases			0	0
Acquisition costs 31 Dec.			92,299	92,299
Book value 31 Dec.			92,299	92,299

### 3. NOTES ON BALANCE SHEET

#### ASSETS

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
	Share of ownership		Share of ownership	
3.1.1 Group subsidiaries				
Arctia Icebreaking Ltd	100 %	100 %	100 %	100 %
Arctia Karhu Ltd	90 %	90 %	90 %	90 %
Arctia Management Services Ltd	100 %	100 %	100 %	100 %
Arctia Meritaito Ltd	100 %	100 %	100 %	100 %
3.1.2 Associated companies				
Ice Advisors Ltd, Helsinki				
Share of ownership	0 %	40 %		
Equity 31.12.2024 (31.12.2023)	0	12		
Profit of loss of the financial year 31.12.2024 (31.12.2023)	0	-3		

### 3. NOTES ON BALANCE SHEET

#### ASSETS (1000 EUR)

	GROUP	
	2024	2023
3.2 Inventories		
Raw materials and consumables		
Opening balance 1.1.	2,785	2,618
Variation in stocks	-107	167
Closing balance 31.12.	2,678	2,785
Unfinished products		
Opening balance 1.1.	1	0
Variation in stocks	0	1
Closing balance 31.12.	1	1
Finished products		
Opening balance 1.1.	259	292
Variation in stocks	-28	-33
Closing balance 31.12.	231	259
Current assets 31.12.	2,910	3,044

### 3. NOTES ON BALANCE SHEET

#### ASSETS (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
3.3 Short-term receivables				
3.3.1 Receivables from group companies				
Accounts Receivable			0	0
Interest receivables			0	0
Loan receivables			3,650	3,650
Group account receivables			0	0
			3,650	3,650
3.3.2 Relevant items in deferred receivables				
Personnel expenditure	615	758	371	518
Other deferred receivables, from sales	1,797	833	0	0
Other deferred receivables, from expenses	632	961	51	48
	3,045	2,553	421	566
3.4 Financial securities				
Book value	15,000	15,000	15,000	15,000
Market value	16,157	15,503	16,157	15,503

## 4. NOTES ON BALANCE SHEET

### LIABILITIES (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
4.1 Equity increase and decrease				
Restricted equity				
Share capital 1 Jan.	18,700	18,700	18,700	18,700
Share capital 31 Dec	18,700	18,700	18,700	18,700
Unrestricted equity				
Reserve for invested unrestricted equity				
Reserve for invested unrestricted equity 1 Jan	77,014	77,014	77,014	77,014
Reserve for invested unrestricted equity 31 Dec	77,014	77,014	77,014	77,014
Profit from previous fiscal periods 1 Jan	48,133	47,098	22,452	22,574
Dividend distribution	-419	-359	-419	-359
Profit from previous fiscal periods 31 Dec	47,714	46,739	22,033	22,215
Profit for fiscal period	8,408	1,394	-626	237
Unrestricted equity, total	133,137	125,147	98,421	99,466
Equity, total	151,837	143,847	117,121	118,166
Distributable assets				
Total unlimited equity	133,137	125,147	98,421	99,466

## 4. NOTES ON BALANCE SHEET

### LIABILITIES (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
4.2 Imputed tax liabilities and receivables				
Imputed tax liabilities				
For depreciation differences	7,982	6,681	0	0
For correction entry	3,403	3,403	0	0
	11,385	10,085	0	0
4.3 Long-term liabilities				
Loans from financial institutions	70,850	74,400	62,000	65,250
Loans become due after more than 5 years	20,000	21,250	20,000	21,250
4.4 Short-term liabilities				
Loans from financial institutions	3,550	3,550	3,250	3,250
	3,550	3,550	3,250	3,250
4.4.1 Liabilities to group companies				
Group grant liabilities			0	362
Group account liabilities			16,579	17
			16,579	6,164
4.4.2 Relevant items included in deferred liabilities				
Personnel expenditure	6,338	0	139	49
Interest liabilities	122	21	0	0
Taxes	201	0	175	0
Other deferred liabilities	374	25	0	0
	7,035	0	6	49

## 5. NOTES ON SECURITIES AND CONTINGENT LIABILITIES (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Rent/leasing agreements				
To be paid during subsequent fiscal period				
Leasing agreements	298	301	0	0
Rent liabilities	1,047	0	0	0
	1,346	6	0	0
Due at a later date				
Leasing agreements	321	364	0	0
Rent liabilities	0	3,995	0	0
	3,887	4,359	0	0
<b>Total</b>	<b>5,232</b>	<b>17</b>	<b>0</b>	<b>0</b>
The amounts are stated excluding VAT.				
Contingent liabilities				
Quarantees				
For group companies	9,180	9,180	9,180	9,180

Together with Port of Kemi Ltd, the parent company has issued an absolute joint and several guarantee of EUR 9,180,000.00 for the bank loan of Arctia Karhu Ltd. On 31 December 2024, the loan amount totalled EUR 9,150,000.00. The credit agreement of Arctia Karhu Ltd includes a specific condition on the permanence of ownership: the ownership of Arctia Ltd must be at least 90% of the shares and voting rights of the borrower.

The parent company's all loans from financial institutions include a specific condition on the permanence of ownership: The ownership of the Finnish State must be 50.1% of the shares and voting rights of the borrower.

Arctia Meritaito Ltd has a guarantee limit of EUR 5,000,000.00 granted by a bank. Of this sum, EUR 611,910.50 was used on 31 December 2024 (EUR 1,052,505.08 on 31 December 2023).

## 5. NOTES ON SECURITIES AND CONTINGENT LIABILITIES (1000 EUR)

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Other contingent liabilities				
Current account facilities				
Total amount of the facility	5,000	5,000	0	0
In use	0	0	0	0
Responsibilities for corporate cards	16	11	1	1
VAT refund liabilities				
The VAT refund liability on real estates in 2024 totalled 7,105.05 euroa (EUR 13,289.11 in 2023).				
Other responsibility				
Arctia Meritaito Ltd has sold the Pikkumustola, property identification number 405-457-8-54, on November 15, 2024. The purchase price is 250,000.00 EUR and the property was transferred to the buyer on January 15, 2025. Payment of the purchase price includes a condition that a deviation permit for the property is obtained by March 31, 2025.				

## 6. DERIVATIVES (1000 euroa)

Interest rate swaps				
Total loan capital	17,000	18,000	17,000	18,000
Value of underlying commodities	8,100	8,400	8,100	8,400
Market value of agreements	259	422	259	422
The interest rate swaps have been made to hedge a long-term parent company and subsidiary loan.				
Currency forwards				
Currency nominal value NOK	16,800	0	0	0
Market value	13	0	0	0
Currency nominal value USD	1,750	0	0	0
Market value	-21	0	0	0

## SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT

Helsinki, 13 March 2025

Kari Savolainen  
Chairman of the Board

Kati Pallasaho

Matti-Mikael Koskinen

Leenä Mörttinen

Jukka Hölsä

Maunu Visuri  
President and CEO

### AUDITORS' REPORT

A report on the audit of accounts has been issued today.

Helsinki, 13 March 2025

KPMG Oy Ab

Ari Eskelinen  
KHT

### LIST OF ACCOUNTING BOOKS, RECORD TYPES AND STORAGE MEDIA

Balance sheet book  
Daybook and general ledger  
Purchase invoices  
Payment receipts  
Sales invoices  
Transaction receipts  
Bank receipts  
Memo receipts  
Payroll accounting receipts  
Intangible asset transactions  
Cash vouchers  
Travel expense receipts  
Notes vouchers

# Auditor's Report

TO THE ANNUAL GENERAL MEETING OF  
ARCTIA LTD

REPORT ON THE AUDIT OF THE FINANCIAL  
STATEMENTS

## OPINION

We have audited the financial statements of Arctia Oy (business identity code 2302573-7) for the year ended 31 December, 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

## BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for

the Audit of Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Auditor's Report Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- We plan and perform the group audit to obtain a sufficient amount of appropriate audit evidence regarding the financial information of entities or business units within the group as a basis for issuing the audit opinion on the

consolidated financial statements. We are responsible for directing, supervising, and reviewing the audit work conducted for the group audit. We take sole responsibility for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **OTHER REPORTING REQUIREMENTS OTHER INFORMATION**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and

regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations. If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

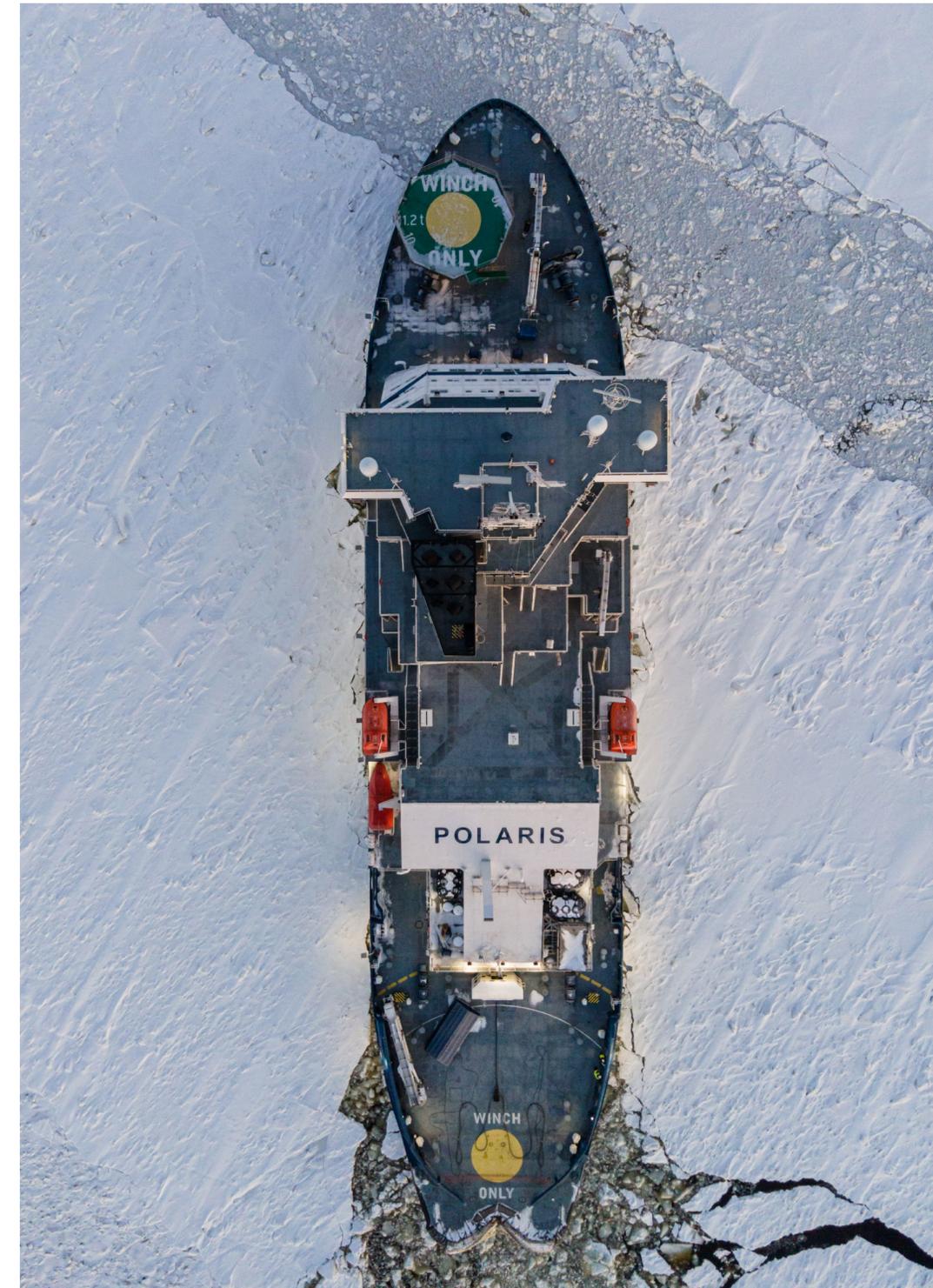
### **OTHER OPINIONS**

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet (and the distribution of other unrestricted equity) is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors of the parent company and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki, 5 March, 2024

KPMG OY AB  
Ari Eskelinen  
KHT

**APPENDIX 1. Materiality of sustainability topics according to the double materiality assessment and top 5 risks and opportunities**



Top 5 risks	Description of the risk	Mitigation methods
Lacking ability to meet owners sustainability requirements.	Owner policy expects eg. science based targets, carbon neutrality target and promoting diversity.	Sustainability program should be developed further and execute actions promoting sustainability. Clear KPIs and follow-up needed.
Accident/deviation causing a serious environmental damage.	Arctias vessel causes/is part of an event causing serious environmental pollution and loss of habitats.	The environmental program must be developed as well as evaluation and mitigation of environmental risks.
Non-energy efficient machine fleet, that reduces competitiveness.	Lacking ability to invest in new fleet makes competitors modern fleet more succesful and competitive in tendering.	Fleet renewal plan must be updated and executed, with focus on capital employed in the fleet.
Investments in wrong technology.	Capital is employed for decades eg. when investing in new icebreaker, in case the chosen technology does not represent coming technological development.	Even the new technologies should be tested, but ability to change must be taken into account.
Failing to build and keep up the employer brand.	As the competition of competent workforce rises, Arctia does not appear as an attractive employer.	Develop work circulation, well-being and comfortability at work, coomitment of key persons.
Top 5 opportunities	Description of the opportunity	
Utilizing digitalization and the AI.	Utilize digitalization and artificial intelligence to promote energy efficiency and reduce operating costs without significant investments.	Utilize existing technologies comprehensively, develop competencies in using digital tools.
New business opportunities for a sustainable actor.	Arctias sustainable brand gives competitive advantage in renewable energy projects in the Baltic Sea reagon.	Report the development of sustainability KPIs openly and transparently, focus on accessibility and develop procurement criterion.
Life cycle plans of the ships as a promoter of employer brand.	Significant volumes of resources are used in our fleet, thorough practice of the life cycle plannig helps to keep the resources in original purpose.	More communication about the life cycle planning and maintanance of the vessels.
Arctias role in Finnish security of service.	Arctia has a well established role when it comes to smooth maritime transport in Finland. It is beneficial in for the security of service and when developing new business.	Further develop stakeholder dialogue and societal relations.
Corporate culture initiative, that promotes social sustainability.	Uniform, open and equal corporate culture promotes well being at work and productivity.	Actively develop corporate culture initiative and execute the actions identified beneficial for the culture.

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