

Nordic Yards Group

Interim financial statements 31 December 2024

Contents

Annual report	3
Interim financial statements	
Profit and loss account	6
Balance sheet	8
Notes to the financial statements	12
Signatures of the annual report and interim financial statements	16
Auditor's notation	16
Accounting books used	17

FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 1 JANUARY 2024 - 31 DECEMBER 2024

The Nordic Yards Group was formed on 17 January 2023, when Nordic Yards Oy acquired all company shares of Uudenkaupungin Työvene Oy.

The new normal financial year of the group was changed to 1 July - 30 June in 2024.

KEY FIGURES	Jan - Dec 2024	Jan - Dec 2023	Jan - Dec 2022
	Nordic Yards Group	Nordic Yards Group	Uudenkaupungin Työvene Oy
Turnover (tEUR)	19 441	16 681	14 886
Change in turnover (%)	16,55 %	12,06 %	7,83 %
Operating profit (tEUR)	921	254	703
Operating profit (%)	4,74 %	1,52 %	4,72 %
Return on equity (%)	36,77 %	0,00 %	44,12 %
Equity-to-assets ratio (%) (incl. subordinated loan)	36,34 %	41,44 %	41,78 %

PERSONNEL

Nordic Yards Oy does not have any personnel. The number of personnel at Uudenkaupungin Työvene Oy was 55 at the beginning of the financial year and 69 at the end of 2024. In addition to company personnel, there were personnel working in hull work, electrical installation and interior decoration, along with plumbing and surface treatment work.

The total wages, salaries and fees for the financial period amounted to EUR 3,093,758.00.

	Jan - Dec 2024	Jan - Dec 2023	Jan - Dec 2022
	Nordic Yards Group	Nordic Yards Group	Uudenkaupungin Työvene Oy
Wages, salaries and fees (tEUR)	3 094	2 424	1 902

NOTABLE EVENTS DURING THE FINANCIAL YEAR

Construction of the suction dredger for delivery to Poland's Maritime Office in Gdynia was completed and the first dredging tests conducted on the Polish coast were successful. The vessel was delivered to the customer in July. The vessel met all performance requirements set for it. The construction of offshore patrol boats for the Finnish Border Guard in cooperation with Meyer Turku progressed according to schedule, with the exception of a delay in hull production in Poland. A great deal of progress was made on the SWATH vessel project, advancing all the way to the production phase. At the time of these interim financial statements, the first hull is nearly completed.

In the summer, the first conditional agreements on the construction of a total of four hybrid battery-powered passenger vessels were signed by a Nordic customer. The customer won the public call for bids and the vessel deal will be confirmed when the agreements with the end customer enter into force.

The Group won a public call for bids together with Baltic Workboats for the construction of a pilot mother ship for delivery to Belgium. The agreement contains an option for the construction of a second vessel. The total value of the deal, including options, is approximately EUR 110 million.

The subsidiary recruitment project was a success, nearly doubling its own number of personnel over a two-year period. At the end of December 2024, the company's order backlog of undelivered vessels was over EUR 180 million, consisting of two offshore patrol vessels and three wind farm service vessels, along with a pilot mother ship and option vessel.

In November, the company shareholders signed a share exchange agreement, in which the entire share capital of Nordic Yards Oy would become shares in the Summa Defence group. The acquisition will have a considerably positive impact on the financial capacity of the company, facilitating both business growth and investments accelerating financial performance. The acquisition is expected to be finalised in the spring of 2025. Summa Defence will be listed on the Helsinki Stock Exchange.

ESTIMATE OF FUTURE DEVELOPMENT

At the time of these interim financial statements, the group's order backlog was the strongest in its history, extending all the way to 2030. There is a large number of suitable projects in the order book and the prospects extend all way to the beginning of the next decade.

Acquisition of the company by the Summa Defence group provides the company with a solid foundation for business. The opportunities offered by the current geopolitical situation in the defence sector will open a host of new opportunities for expanding operations.

ENVIRONMENTAL PROTECTION

The group holds an environmental permit issued by the Regional State Administrative Agency. Uudenkaupungin Työvene Oy was granted an ISO14001 environmental management certificate at the start of 2016.

ASSESSMENT OF SIGNIFICANT OPERATIONAL RISKS

1. General economic situation

The global economic situation remains unstable, which causes, among other things, instability in material prices and trading in different currencies.

2. Price competition

In shipbuilding, the cost of labour forms a considerable share of the price of a vessel, and the high cost of labour in Finland reduces the company's ability to compete on international markets.

3. Business growth

The group's business is expected to experience major growth during this financial year and those in the future. This growth brings with it challenges in, for example, the arrangement of financing and successful recruitment.

ADMINISTRATION

The Nordic Yards Oy Board of Directors consists of chair Janne Kosomaa and ordinary members Juha Granqvist, Margus Vanaselja and Märten Vaikmaa.

Kare Kotiranta (APA) of Nexia Oy serves as the auditor for the company.

PROPOSAL BY THE BOARD OF DIRECTORS FOR THE DISTRIBUTION OF PROFIT

The Board proposes that no dividends be paid on the basis of these interim financial statements, and that profits/losses be moved to the previous financial periods.

PROFIT AND LOSS ACCOUNT	<u>Jan - Dec 2024</u>	<u>Jan - Dec 2023</u>
Turnover	19 441 487,74	16 680 542,56
Increase (+)/decrease (-) in work in progress	-84 960,00	-111 382,93
Capitalised production	2 989 541,00	0,00
Materials and services		
Materials, supplies and consumables		
Purchases during the financial period	6 755 260,08	5 754 091,29
External services	8 493 785,32	5 960 920,33
Personnel expenses		
Wages, salaries and fees	3 053 047,90	2 313 432,47
Social security expenses		
Pension expenses	570 708,91	431 703,71
Other indirect employee costs	143 022,29	93 341,37
Depreciation according to plan	497 980,00	278 261,00
Depreciation on consolidated goodwill	107 711,80	107 712,00
Other operating expenses	1 803 748,29	1 376 163,91
Operating profit/loss	920 804,15	253 533,55
Financial income and expenses:		
Other interest and financial income	394,12	680,26
Interest and other financial expenses	-376 770,83	-249 838,06
Profit/loss before appropriations and taxes	544 427,44	4 375,75
Income taxes	-91 987,86	0,00
Other direct taxes	0,00	0,00
Profit/loss for the financial year	452 439,58	4 375,75

PROFIT AND LOSS ACCOU PARENT COMPANY	<u>Jan - Dec 2024</u>	<u>Jan - Dec 2023</u>
Turnover	0,00	0,00
Work in progress increas (+)/decrease (-)	0,00	0,00
Capitalised production	0,00	0,00
Materials and services		
Materials, supplies and consumables		
Purchases during the financial period	0,00	0,00
External services	0,00	0,00
Personnel expenses		
Wages, salaries and fees	0,00	0,00
Social security expenses		
Pension expenses	0,00	0,00
Other indirect employee costs	0,00	0,00
Depreciation according to plan	0,00	0,00
Other operating expenses	5 299,08	499,00
Operating profit/loss	-5 299,08	-499,00
Financial income and expenses:		
Dividend income	260 000,00	405 000,00
Other interest and financial income	0,00	0,00
Interest and other financial expenses	-131 412,42	-132 642,70
Profit/loss before appropriations and taxes	123 288,50	271 858,30
Income taxes	0,00	0,00
Other direct taxes	0,00	0,00
Profit/loss for the financial year	123 288,50	271 858,30

BALANCE SHEET, GROUP	<u>31.12.2024</u>	<u>31.12.2023</u>
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development costs	2 844 380,00	5 946,00
Goodwill	554 962,06	597 651,53
Other long-term expenses	86 463,42	35 815,68
Consolidated goodwill	<u>1 400 252,94</u>	<u>1 507 965,00</u>
Total intangible assets	4 886 058,42	2 147 378,21
Tangible assets		
Buildings	1 339 902,40	1 250 783,76
Machinery and equipment	536 869,32	385 589,51
Other tangible assets	<u>144 906,12</u>	<u>0,00</u>
Total tangible assets	2 021 677,84	1 636 373,27
Fixed asset securities and investments		
Subsidiary shares	0,00	0,00
Shares and other interests	64 211,28	64 211,28
Receivables from associated companies	<u>0,00</u>	<u>0,00</u>
Investments in total	64 211,28	64 211,28
CURRENT ASSETS		
Inventories		
Work in progress	0,00	84 960,00
Receivables		
Trade receivables	431 762,44	222 401,98
Prepayments and accrued income	758 592,31	235 951,99
Other receivables	<u>121 496,96</u>	<u>0,00</u>
Receivables in total	1 311 851,71	458 353,97
Financial assets		
Securities	0,00	0,00
Cash and cash at banks		
Cash and cash at banks	2 836 445,48	5 557 916,00
ASSETS IN TOTAL	<u>11 120 244,73</u>	<u>9 949 192,73</u>

BALANCE SHEET, GROUP

31.12.2024

31.12.2023

LIABILITIES

Shareholders' equity

Share capital	0,00	0,00
SVOP fund	1 000 000,00	1 000 000,00
Profit from previous financial periods	4 375,75	0,00
Profit/loss for the financial year	<u>452 439,58</u>	<u>4 375,75</u>
Total equity	1 456 815,33	1 004 375,75

Liabilities

Long-term

Subordinated loans	1 270 177,00	1 270 177,00
Loans from credit institutions	<u>51 548,10</u>	<u>670 266,38</u>
Long-term liabilities in total	1 321 725,10	1 940 443,38

Short-term

Loans from credit institutions	618 718,20	618 718,52
Prepayments received	3 635 543,00	4 460 619,20
Accounts payable	3 055 904,15	1 175 181,83
Other short-term liabilities	11 152,79	5 374,79
Accrued expenses	<u>1 020 386,16</u>	<u>744 479,26</u>
Short-term liabilities in total	8 341 704,30	7 004 373,60

EQUITY AND LIABILITIES IN TOTAL

11 120 244,73

9 949 192,73

BALANCE SHEET PARENT COMPANY	<u>31.12.2024</u>	<u>31.12.2023</u>
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development costs	0,00	0,00
Goodwill	0,00	0,00
Other long-term expenses	0,00	0,00
Consolidated goodwill	<u>0,00</u>	<u>0,00</u>
Total intangible assets	0,00	0,00
Tangible assets		
Buildings	0,00	0,00
Machinery and equipment	0,00	0,00
Other tangible assets	<u>0,00</u>	<u>0,00</u>
Total tangible assets	0,00	0,00
Fixed-asset securities and investments		
Subsidiary shares	3 149 600,00	3 149 600,00
Shares and other interests	0,00	0,00
Receivables from associated companies	<u>0,00</u>	<u>0,00</u>
Investments in total	3 149 600,00	3 149 600,00
CURRENT ASSETS		
Inventories		
Work in progress	0,00	0,00
Receivables		
Trade receivables	0,00	0,00
Prepayments and accrued income	0,00	0,00
Other receivables	<u>0,00</u>	<u>0,00</u>
Receivables in total	0,00	0,00
Financial assets		
Securities	0,00	0,00
Cash and cash at banks		
Cash and cash at banks	3 148,60	61 694,60
ASSETS IN TOTAL	<u>3 152 748,60</u>	<u>3 211 294,60</u>

BALANCE SHEET PARENT COMPANY	<u>31.12.2024</u>	<u>31.12.2023</u>
LIABILITIES		
Shareholders' equity		
Share capital	0,00	0,00
SVOP fund	1 000 000,00	1 000 000,00
Profit from previous financial periods	271 858,30	0,00
Profit/loss for the financial year	<u>123 288,50</u>	<u>271 858,30</u>
Total shareholders' equity	1 395 146,80	1 271 858,30
Liabilities		
Long-term		
Subordinated loans	1 270 177,00	1 270 177,00
Loans from credit institutions	<u>23 377,24</u>	<u>303 998,92</u>
Long-term liabilities in total	1 293 554,24	1 574 175,92
Short-term		
Loans from credit institutions	280 621,68	280 621,68
Prepayments received	0,00	0,00
Accounts payable	0,00	0,00
Other short-term liabilities	0,00	0,00
Accrued expenses	<u>183 425,88</u>	<u>84 638,70</u>
Short-term liabilities in total	464 047,56	365 260,38
EQUITY AND LIABILITIES IN TOTAL	<u>3 152 748,60</u>	<u>3 211 294,60</u>

NOTES TO FINANCIAL STATEMENTS

The valuation basis and methods and the matching principles and methods followed in preparing the financial statements

Fixed assets have been marked on the balance sheet at acquisition cost, deducted by depreciation according to tax depreciations.

Inventories have been valued at their original acquisition cost according to the FIFO principle or at lower replacement value or probable selling price.

Project income is recognised according to its maturity.

Goodwill

Goodwill from the subsidiary merger is written off as straight-line depreciation over 10 years.

Currency items

Balance sheet items denominated in foreign currency are valued in the financial statements the Bank of Finland average exchange rate on the closing date of the financial period (31 December 2024).

NOTES TO THE PROFIT AND LOSS ACCOUNT

Turnover

During the financial year, partial recognition is applied according to project maturity, amounting to EUR 15.6 million.

Notes concerning personnel and organ members

During the period under review, the average number of personnel at Uudenkaupungin Työvene Oy was:

Officers	27
Employees	<u>35</u>
	62

The Managing Director and Board of Directors of Uudenkaupungin Työvene Oy were paid a combined total of EUR 239,124 in salaries and other remuneration.

Basis for planned depreciation and changes to it

Planned depreciation is calculated according to a depreciation plan prepared in advance. Depreciation periods according to plan:

Buildings and constructions	4-7 %
Lightweight outfitting hall	20 %
Heavy machinery and equipment	25 %
Other machinery and equipment	25 %
Cars and company bicycles	25 %
Other long-term expenses	4 years
Development expenses	5 years
Restoration of land areas	10 years
Goodwill from merger	10 years
Consolidated goodwill	15 years

Investments made during the financial period are depreciated for the entire year, with the exception of development expenses, whose depreciations commence when a development project is completed.

Depreciation according to plan	<u>Jan - Dec 2024</u>	<u>Jan - Dec 2023</u>
Goodwill from merger	42 690,00	213 449,00
Development costs	151 107,00	11 890,00
Other long-term expenses	25 025,00	13 676,00
Buildings and constructions	84 100,00	81 475,00
Machinery and equipment	168 729,00	115 717,00
Cars and company bicycles	10 228,00	12 813,00
Restoration of land areas	16 101,00	-
	<u>497 980,00</u>	<u>449 020,00</u>
 Depreciation on consolidated goodwill	 107 712,00	 107 712,00
 Other operating expenses	 1 803 748,29	 1 376 163,91
 Material items of other business expenses		
Real property expenses	262 570,77	226 528,36
Production expenses	945 738,69	697 818,96
Leases	56 579,74	55 339,71
Transport equipment expenses	155 887,57	137 325,45
Sales expenses	74 387,76	14 000,14
Administrative expenses	308 583,76	245 151,29
	<u>1 803 748,29</u>	<u>1 376 163,91</u>

NOTES ON THE BALANCE SHEET

Fixed assets and other long-term investments

	<u>Jan - Dec 2024</u>	<u>Jan - Dec 2023</u>
<i>Intellectual property rights</i>		
Residual expenditures according to plan 1 January	35 815,68	2 287,29
Increases	75 672,74	47 204,39
Depreciations	- 25 025,00	- 13 676,00
Residual expenditures according to plan 31 December	86 463,42	35 815,68
Development costs 1 January	5 946,00	17 836,00
Increases	2 989 541,00	-
Depreciations	- 151 107,00	- 11 890,00
Development costs 31 December	2 844 380,00	5 946,00
Goodwill from the merger 1 January	597 652,53	640 342,53
Increases	-	-
Depreciations	- 42 690,47	- 42 690,00
Goodwill from the merger 31 December	554 962,06	597 652,53
<i>Buildings and constructions</i>		
Residual value according to plan 1 January	1 250 783,76	1 051 546,99
Increases	173 218,62	280 711,77
Depreciations	- 84 099,98	- 81 475,00
Residual value according to plan 31 December	1 339 902,40	1 250 783,76
<i>Restoration of land areas</i>		
Residual value according to plan 1 January	-	-
Increases	161 007,12	-
Depreciations	- 16 101,00	-
Residual value according to plan 31 December	144 906,12	-
<i>Machinery and equipment</i>		
Residual value according to plan 1 January	385 589,51	353 361,14
Increases	330 236,82	160 758,37
Depreciations	- 178 957,01	- 128 530,00
Residual value according to plan 31 December	536 869,32	385 589,51
Consolidated goodwill 1 January	1 507 964,74	1 615 677,00
Depreciations	- 107 711,80	- 107 712,26
Consolidated goodwill 31 December	1 400 252,94	1 507 964,74

Item-by-item specification of the increases and decreases of equity items, as well as transfers between these during the financial year

	<u>Jan - Dec 2024</u>	<u>Jan - Dec 2023</u>
Share capital at the start of the financial period 1 Jan	-	-
Change	-	-
Share capital 31 Dec	-	-
Other funds at the start of the financial period 1 Jan	1 000 000,00	
Change		1 000 000,00
Other funds 31 Dec	1 000 000,00	1 000 000,00
Retained earnings at the start of the financial period	4 375,75	-
Payment of dividends	-	-
Retained earnings 31 Dec	4 375,75	-
Profit/loss for the financial year	452 439,58	4 375,75
Non-restricted equity 31 Dec	1 456 815,33	1 004 375,75
Total equity 31 Dec	1 456 815,33	1 004 375,75
Distributable non-restricted equity 31 Dec	1 456 815,33	1 004 375,75

GUARANTEES AND CONTINGENT LIABILITIES IN THE NOTES

Collateral in total

Uudenkaupungin Työvene Oy shares 1-1200	1,200 shares
Property mortgages	3 680 000,00
Business mortgages in total	39 455 000,00
Collateral in total	43 135 000,00

Mortgages are pledged as guarantees for the bank loan, account and guarantee limit. As of 31 December, the bank guarantee limit amounted to EUR 3,696,206.70.

Subordinated loans

In 2023, the company has subordinated loans provided for by the Limited Liability Companies Act in the amount of EUR 1,270,177.00. This has a repayment period of 3-5 years and a fixed interest rate of 8-12% p.a.

Land and building leasing agreements

Uudenkaupungin Työvene Oy has leased the shipyard lot from the City of Uusikaupunki for an agreement period of 30 years. The lease liability for the next financial year is EUR 43,800.00 and for the remainder of the agreement period EUR 832,200.00. The company has leased industrial hall at Telakkatie 3 for the construction of SWATH hulls. The lease agreement ends in 2025 and the lease liability as of 31 December 2024 is EUR 115,000.00. The company commissioned the construction of a second lightweight production hall with lease-purchase financing in 2024. The lease liability for the next financial year is EUR 25,000.00 and for the remainder of the agreement period EUR 100,200.00.

Signatures of the Board of Directors

Uusikaupunki, 21 February 2025

Janne Kosomaa
Chairman of the Board of Directors

Juha Granqvist
Board member

Margus Vanaselja
Board member

Mårten Vaikmaa
Board member

Auditor's notation

A report on the audit carried out has been submitted today.

Helsinki, February 2025

Kare Kotiranta, APA
Nexia Oy

List of accounting books used

Journal and nominal ledger	Electronic archives
Ledger specifications	Electronic archives
Payroll accounting	Electronic archives
Cash accounting	Cash books
Balance sheet	Bound