

Aspo Plc
Inside information
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Inside information: Aspo subsidiary ESL Shipping builds a series of fossil free handy sized vessels to serve the Nordic green transition

ESL Shipping, a subsidiary of Aspo Group, builds a series of four new, fossil free handy sized vessels. These new 1A ice class vessels are top of the market in terms of cargo capacity, technology and innovation. The total value of the four ships is approximately EUR 186 million and this investment will take place during the years 2024–2028. ESL Shipping has the option to expand the order with several ships.

The competitiveness of these next generation ships is based on over time increasing customer preference towards fossil free cargo solutions. The new vessels can be operated entirely fossil free by use of green hydrogen-based E-fuel, namely e-methanol. The competitiveness of these next generation vessels is in addition a function of market leading energy efficiency, efficient and flexible cargo space design and lower costs to operate.

The loading capacity of the vessels is 17.000 tonnes (dwt), length 150 meters, breadth 23,77 meters and shallow maximum draft of 8,6 meters. The new vessels will be built in Nanjing, China at China Merchants Jinling Shipyard (Nanjing) Co, Ltd. The vessels will enter service starting from the third quarter of 2027. The fourth ship of this series will enter service in the first quarter of 2028.

The design of the ships and comprehensive model tests have been carried out together with leading Finnish ship designer Deltamarin Ltd and Swedish SSPA model test facility. ESL Shipping has been from the beginning closely involved in the design of the vessels to ensure that they are fully tailored to meet local customer needs. Majority of major equipment, such as power train including battery hybrid drive, cargo handling equipment and many other leading technologies come from European companies.

" This investment is fully aligned with Aspo's portfolio vision and financial ambition as communicated on Aspo's capital markets day on May 14, 2024. ESL Shipping aims to be at the forefront in supporting its industrial partners towards delivering entirely fossil-free products and services. This investment in fossil free handy sized vessels is a natural step to take now, when the still ongoing investment in low-emission hybrid coasters has proven to be highly successful", says Rolf Jansson, CEO of Aspo.

"Our strategy is based on sustainability leadership and our unique ability to develop and provide reliable infrastructure for the ice-bound Nordic green transition industries. We have developed these state of the art, highly flexible multi-fuel vessels in close cooperation with our industrial partners," says Mikki Koskinen, Managing Director of ESL Shipping and Chairman of the Board of AtoB@C Shipping.

ESL Shipping has strengthened its balance sheet by an equity injection of EUR 45 million as communicated previously on February 8, 2024. In connection with the vessel order,

the possibilities of using various ship ownership and financing solutions to accelerate business growth and expand the service will be explored. This may include, among others, pooling as a financial instrument, already successfully used by ESL Shipping when financing the smaller hybrid coaster vessels. The actions and the timing will be done in line with Aspo's portfolio strategy and financial targets.

ASPO PLC

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Aspo creates value by owning and developing business operations sustainably and in the long term. Our companies aim to be market leaders in their sectors. They are responsible for their own operations, customer relationships and the development of these aiming to be forerunners in sustainability. Aspo supports its businesses profitability and growth with the right capabilities. Aspo Group has businesses in 17 different countries, and it employs a total of approximately 800 professionals.

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