

Meriaura Group Plc's Half-year report for January–June 2023

Consolidated key figures in April–June 2023

- Revenue in April–June amounted to EUR 15.3 million (April–June 2022: EUR 0.7 million).
- EBITDA in April–June was EUR 1.1 million (EUR -1.2 million), or 7.2% of revenue.
- The result in April–June was EUR -0.5 million (EUR -1.4 million).

Consolidated key figures and significant events in January–June 2023

- Revenue in January–June amounted to EUR 31.5 million (January–June 2022: EUR 2.1 million).
- EBITDA in January–June was EUR 2.6 million (EUR -2.3 million), or 8.3% of revenue.
- The result in January–June was EUR -0.6 million (EUR -2.5 million).
- Earnings per share in January–June were EUR -0.001 (-0.014).
- Kirsi Suopelto started as the CEO of the Group on 12 May 2023.
- The Renewable Energy business was sold to Meriaura Energy Ltd, a new wholly owned subsidiary of the parent company, on 31 May 2023. Savosolar will continue to be used as an auxiliary business name and a brand in business operations.
- The change of name from Savosolar Plc to Meriaura Group Plc took place on 1 June 2023, and the company's new trading codes are MERIH (First North Growth Market Finland) and MERIS (First North Growth Market Sweden).
- Meriaura Energy Ltd entered into an agreement with Bauer Holzenergie GmbH on the delivery of a solar thermal system to Bad Rappenau in Germany. The value of the agreement is around EUR 9 million. The agreement is conditional on a building permit.

The comparison figures from 2022 presented in the Group's key figures and later in this half-year report are previously published financial figures for Savosolar Plc, unless otherwise stated.

KIRSI SUOPELTO, CEO OF MERIAURA GROUP PLC:

“Meriaura Group's revenue developed almost as expected in the first half of 2023. In Marine Logistics, revenue continued to develop favourably over the long term, although revenue was lower than in the comparison period. In 2022, the revenue of Marine Logistics grew at an exceptional rate when the Russian attack on Ukraine caused a spike in transport demand and freight prices.

The revenue of Marine Logistics in April–June was EUR 15 million, and its EBITDA was EUR 2.3 million. The revenue of Marine Logistics in the first half of the year was EUR 31 million, and its EBITDA was EUR 4.8 million, or 15.5% of revenue. Slightly more than two-thirds of the revenue consisted of bulk transport, and nearly one-third consisted of project shipments. The ratio between contract shipments and spot shipments remained unchanged.

We have applied for assurance in accordance with the ISAE 3000 standard from KPMG for our EcoVoy concept, which provides our customers with almost completely carbon-free maritime transport based on the use of biofuels. EcoVoy underwent the Readiness Assessment phase in the summer, and the aim is to obtain an assurance statement in the early autumn.

Despite the weaker outlook for maritime transport in general, we expect the demand for our Marine Logistics business to remain at a reasonably good level towards the end of the year thanks to our strong contract base. However, the seasonality typical of the business will be visible in the third quarter, as industrial transport decreases during the summer holiday season.

Renewable Energy's revenue was EUR 0.3 million in the second quarter, and its operating result remained negative. However, at the end of the review period, we announced our largest solar thermal system delivery agreement to date, with Bauer Holzenergie in Bad Rappenau, Germany. The solar thermal collector field to be delivered will be nearly 29,000 square metres, and the value of the agreement is around EUR 9 million. The delivery agreement is conditional on obtaining a building permit, which is expected to be secured during the summer.

In Finland, during the review period, we handed over a solar thermal system worth around EUR 0.2 million to Etelä-Savon Energia for district heating production. The company is aiming for zero-emission energy production. This solar thermal system is the second system we have delivered to Etelä-Savon Energia and currently the largest solar thermal system in Finland.

Increasing the use of renewable energy is important for industry and district heating companies, primarily because of the higher prices of emission allowances. However, investment decisions have been delayed by rising inflation and the cost of financing. We expect market activity to increase in the second half of the year, and we are well positioned to respond to the growth in demand thanks to the Group's structural changes, strong balance sheet and good tender backlog."

MERIAURA GROUP

Change of name and basic business information

Meriaura Group Plc has two business areas: Marine Logistics and Renewable Energy. The company operated under the name Savosolar Plc until 31 May 2023. On 12 May 2023, the Annual General Meeting decided to change the name of the company to Meriaura Group Plc, and the change came into force on 1 June 2023. Based on the authorisation of the Annual General Meeting, Savosolar Plc's Renewable Energy business was sold to Meriaura Energy Ltd, a new subsidiary wholly owned by the Group's parent company, on 31 May 2023. Savosolar will remain Meriaura Energy's auxiliary business name and solar thermal brand.

The change clarifies the Group's structure, as the Renewable Energy business operates as a separate entity from the Group's parent company, similarly to the Marine Logistics business. The Marine Logistics business is operated by Meriaura Ltd, a wholly owned subsidiary of Meriaura Group, and its wholly owned biofuel producer, VG-EcoFuel Ltd. The parent company focuses on the Group's administration and investor relations and provides financial and other services for its business operations. Administrative services were previously included in the figures for the Renewable Energy business.

Meriaura Ltd, part of Marine Logistics business area, is a major provider of transport for dry cargo and demanding project deliveries in Northern Europe, especially in the Baltic Sea and North Sea regions. The company focuses on environmentally sustainable marine transport services that reduce carbon emissions from marine transport. Marine Logistics also includes VG-EcoFuel Ltd, which produces recycled biofuels from bio-oils and recycled oils generated as industrial by-products.

Meriaura Energy Ltd, operating in Renewable Energy business, designs and delivers clean energy production systems as turnkey deliveries. The systems are built around large-scale solar thermal systems implemented using high-performance solar thermal collectors manufactured by the company.

Meriaura Group reports separately the revenue, EBITDA, operating profit and profit for the period of the Marine Logistics and Renewable Energy businesses.

Meriaura Group Plc was formed in the autumn of 2022 through a transaction in which Savosolar Plc (Meriaura Group Plc since 1 June 2023) acquired all the shares in Meriaura Ltd and the business operations of VG-EcoFuel Ltd from VG-Shipping Ltd (Meriaura Invest Ltd since 1 March 2023) under a share exchange agreement. The transaction was completed on 30 November 2022.

The comparison figures in this half-year report refer to reported figures of the corresponding period in 2022, unless otherwise indicated. Before the business arrangement that entered into force on 30 November 2022, the business operations consisted entirely of Renewable Energy business of Savosolar Plc (now Meriaura Group Plc). To improve the comparability of the Group's business performance, Table 2 in the text section of this report presents the key pro forma figures for the first and second quarters of 2022 and for the financial year 2022. The pro forma figures describe what the situation would have been if the Marine Logistics business had been part of the Savosolar Group since 1 January 2022.

The seasonality of business operations

The business operations of Marine Logistics are seasonal in the sense that the demand for dry cargo shipments is usually lower in the third quarter than in the other quarters. For this reason, the docking and maintenance of ships are scheduled for the third quarter as far as possible. Most of Meriaura's full-year fairway dues are collected in the first quarter, which burdens the first-quarter result.

The Renewable Energy business consists of project business operations, in which revenue may differ significantly between quarters and years in accordance with project delivery phases.

ACCOUNTING PRINCIPLES

This half-year report is unaudited. The release has been prepared in accordance with the Finnish Accounting Standards (FAS) using the same principles as in the 2022 financial statements. The information is presented to the extent required by Section 4.4 of the Nasdaq First North Growth Market Rules. The comparison figures refer to the corresponding period in 2022, unless otherwise indicated.

DEVELOPMENT OF BUSINESS IN JANUARY–JUNE 2023

Revenue in April–June

Meriaura Group's revenue in April–June was EUR 15.3 (0.7) million. Of its revenue, EUR 15.0 million came from Marine Logistics and EUR 0.3 million from Renewable Energy. In the second quarter of 2022, Marine Logistics' pro forma revenue was EUR 18.4 million, and Renewable Energy's pro forma revenue was EUR 0.7 million.

In Marine Logistics, the demand for transport and the utilisation rates of ships were slightly lower than in the previous year. In the comparison period, the Russian attack on Ukraine caused a spike in transport demand and freight prices. In the long term, however, revenue remained at a good level. The demand for bulk transport remained stable, but project shipments suffered from changes in customer schedules and from repairs caused by an accident on a vessel *Meri* in November 2022. Revenue was also reduced by a significant decrease in the price of marine fuel charged to customers compared with the previous year.

Renewable Energy handed over a solar thermal system to Etelä-Savon Energia (ESE) for district heating production in May. The size of the solar thermal system is 415 square metres, and the nominal output of the collector field is 360 kW. The value of the delivery was around EUR 0.2 million.

Revenue in January–June

Meriaura Group's revenue in January–June was EUR 31.5 (2.1) million. Of its revenue, EUR 31.0 million came from Marine Logistics and EUR 0.5 million from Renewable Energy. In the first half of 2022, Marine Logistics' pro forma revenue was EUR 33.0 million, and Renewable Energy's pro forma revenue was EUR 2.1 million.

In Marine Logistics, revenue continued to develop favourably over the long term, although revenue was lower than in the comparison period. The 15-day stevedore strike in Finland had a minor negative impact on bulk transport in the first quarter. Project shipments suffered from changes in customer schedules and the repairs to the damage incurred by a vessel *Meri* in an accident in the Kiel Canal in November 2022. The repairs took around seven weeks to complete. Bulk transport represented slightly more than 70% of revenue. Of the bulk transport, around two-thirds consisted of contract transport and around one-third consisted of spot sales. The proportion of project shipments of revenue decreased slightly because of the docking of MV *Meri* and was just under 30%.

In Renewable Energy, a new significant order was received only at the end of the period. Before that, operations were adjusted to reduce costs. Renewable Energy's order backlog at the end of the review period stood at around EUR 9.2 (1.5) million. Of the order backlog for the review period, EUR 9.0 million is conditional on a building permit that is expected to be secured during the summer. The value of active identified projects in the market for the coming few years was around EUR 197 (130) million, of which projects in the planning and tendering phase accounted for around EUR 39 (35) million.

Costs and earnings

Meriaura Group's EBITDA in April–June was EUR 1.1 (-1.2) million, or 7.2% of revenue. Of its EBITDA, EUR 2.3 million came from Marine Logistics and EUR -1.2 million from Renewable Energy. In April–June, the operating result was EUR -0.2 (-1.2) million, and the net result was EUR -0.5 (-1.4) million.

Meriaura Group's EBITDA in January–June was EUR 2.6 (-2.3) million, or 8.3% of revenue. Of its EBITDA, EUR 4.8 million came from Marine Logistics and EUR -2.2 million from Renewable Energy. Marine Logistics' second-quarter EBITDA decreased year-on-year, as the demand for maritime transport and freight prices was exceptionally high in the previous year, particularly in the second quarter of 2022, because of the Russian attack on Ukraine. In January–June, the Group's operating result (EBIT) was EUR -0.1 (-2.4) million, and the net result was EUR -0.6 (-2.5) million.

Meriaura Group's costs related to materials and services in January–June totalled EUR 19.9 (2.1) million. Personnel costs increased year-on-year because of the Marine Logistics business and amounted to EUR 5.6 (1.3) million. Other operating expenses increased for the same reason, totalling EUR 4.1 (1.0) million. The operating result (EBIT) for January–June 2023 amounted to EUR -0.6 (-2.5) million.

Net financial income and expenses for January–June amounted to EUR -0.5 (-0.1) million.

The result for the period stood at EUR -0.6 (-2.5) million. Basic earnings per share were EUR -0.001 (-0.014), and diluted earnings per share were EUR -0.001 (-0.009).

Table 1: Comparison by review period (FAS, unaudited)

(EUR 1,000)	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Change, %	Jan–Dec 2022
Revenue, Group	15,283	685	31,471	2,132	1,376	8,635
Marine Logistics	14,951	-	30,982	-		4,857
Renewable Energy	332	685	489	2,132	-77	3,778
EBITDA, Group	1,099	-1,173	2,602	-2,272	215	-3,577
Marine Logistics	2,287	-	4,807	-		928
Renewable Energy	-1,188	-1,173	-2,205	-2,272	3	-4,505
Operating profit/loss (EBIT), Group	-221	-1,247	-64	-2,423	97	-3,763
Marine Logistics	1,037	-	2,277	-		511
Renewable Energy	-1,258	-1,247	-2,341	-2,423	3	-4,274
Profit/loss for the period, Group	-504	-1,352	-584	-2,549	77	-4,067
Marine Logistics	857	-	1,886	-		448
Renewable Energy	-1,361	-1,352	-2,470	-2,549	3	-4,515
Earnings per share, Group						
Basic	-0.001	-0.007	-0.001	-0.014	93	-0.017
Diluted	-0.001	-0.005	-0.001	-0.009	89	-0.015

Table 2: Pro forma comparison by review period (FAS, unaudited)

(EUR 1,000)	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Change (%)	Jan–Dec 2022
Revenue, Group	15,283	19,124	31,471	35,179	-11	73,209
Marine Logistics	14,951	18,439	30,982	33,047	-6	69,431
Renewable Energy	332	685	489	2,132	-77	3,778
EBITDA, Group	1,099	2,492	2,602	3,722	-30	9,991
Marine Logistics	2,287	3,665	4,807	6,000	-20	14,496
Renewable Energy	-1,188	-1,173	-2,205	-2,278	-3	-4,505
Operating profit/loss (EBIT), Group	-221	1,242	-64	1,254	-105	5,198
Marine Logistics	1,037	2,497	2,277	3,685	-38	9,472
Renewable Energy	-1,258	-1,255	-2,341	-2,431	-4	-4,274
Profit/loss for the period, Group	-504	930	-584	679	-186	4,033
Marine Logistics	857	2,289	1,886	3,236	-42	8,548
Renewable Energy	-1,361	-1,359	-2,470	-2,557	3	-4,515

The pro forma comparison is presented on the assumption that Meriaura's Marine Logistics business would have been part of the Meriaura Group (formerly the Savosolar Group) since 1 January 2022. In reality, it has been part of the Meriaura Group since 1 December 2022.

Financing

The Group's balance sheet total stood at EUR 62.3 (8.5) million on 30 June 2023. Inventories stood at EUR 3.5 (3.1) million. Cash and cash equivalents at the end of the review period totalled EUR 4.3 (2.5) million. The company's equity ratio at the end of the review period was 57.3 (59.1) per cent. Liabilities amounted to EUR 26.4 (3.3) million, of which EUR 16.3 (0.2) were non-current and EUR 10.1 (3.1) million were current liabilities. Of the non-current liabilities, loans from credit institutions for the acquisition of ships accounted for EUR 13.3 (0.2) million. Of the current liabilities, trade payables accounted for EUR 2.7 (1.1) million, and accruals and deferred income accounted for EUR 2.9 (1.8) million.

Cash flow from operating activities in the first half of the year was EUR 0.4 (-2.5) million, and cash flow from investing activities was EUR -0.1 (-0.1) million. Cash flow from financing activities in the first half of the year was EUR 0.2 (1.0) million. The Group's cash and cash equivalents stood at EUR 4.3 (2.5) million on 30 June 2023.

Personnel and management

Meriaura Group had 160 employees at the end of the review period (172 at the end of 2022). Of its personnel, 32 (32) worked in Renewable Energy and 125 (137) in Marine Logistics. The parent company employed three people at the end of the review period.

Kirsi Suopelto started as the CEO of the Group on 12 May 2023. She previously served as Vice President, Strategy, and Chair of the Group's Board of Directors. By decision of the Annual General Meeting, the previous CEO, Jari Varjotie, became a member of the Board of Directors of Meriaura Group Plc, the Group's parent company, on 12 May 2023. Antti Lilleberg, who had served as Vice President, Sales, at Savosolar Plc since 2020, was appointed as the CEO of Meriaura Energy Ltd as of 1 June 2023.

On 30 June 2023, the Group's Executive Management Group consisted of the following members: Kirsi Suopelto, CEO; Heikki Timonen, CFO; Beppe Rosin, CEO of Meriaura Ltd; and Antti Lilleberg, CEO of Meriaura Energy Ltd.

Significant events during the review period

The development of the EcoVoy concept continued in the Marine Logistics business. The EcoVoy agreement offers customers the opportunity to purchase almost completely carbon-free maritime transport based on the use of biofuels. The company has applied for external assurance for the EcoVoy concept in accordance with the ISAE 3000 standard. The system has undergone the Readiness Assessment phase and will be audited in September with the aim of obtaining an assurance statement for the system in the early autumn.

On 27 June 2023, Meriaura Energy signed an agreement with Bauer Holzenergie GmbH u. Co.KG on the comprehensive delivery of a solar thermal system to Bad Rappenau, Germany. The value of the delivery contract is around EUR 9 million. The solar thermal system to be delivered will produce heat to an extended district heating network. The agreement is conditional on obtaining a building permit, which is expected to be secured during the summer. The delivery of the system is scheduled to start in 2023, and its commissioning is expected to take place in 2024.

The commissioning of a solar thermal system producing process heat for industry took place in Verdun, France, in the first quarter. It is currently the largest solar thermal system in Europe. A solar thermal system was handed over to Etelä-Savon Energia in Mikkeli in the second quarter.

RESOLUTIONS OF MERIAURA GROUP PLC'S ANNUAL GENERAL MEETING AND THE INAUGURAL MEETING OF THE BOARD OF DIRECTORS

The Annual General Meeting of Savosolar Plc (Meriaura Group Plc since 1 June 2023) was held in Helsinki on 12 May 2023. The Annual General Meeting decided to discharge the members of the Board of Directors and the CEO from liability for the period between 1 January 2022 and 31 December 2022 and concerning the preparation of the financial statements, and adopted the financial statements for the 2022 financial year. The Annual General Meeting decided that the loss for the financial year (EUR -4,998,487.33) be carried over to the retained earnings/losses account and that no dividend be paid.

Board of Directors' fees

The Annual General Meeting resolved that the members of the Board of Directors be paid the following fees for the term that begins at the close of the Annual General Meeting and ends at the close of the next Annual General Meeting following their election: EUR 21,600 for the Chair of the Board and EUR 10,800 for each of the other members of the Board. Kati Ihamäki, whose Board membership will not start until 1 November 2023, is entitled to 50% of the fees determined for the Board members.

Around 40% of the fees will be paid to the members of the Board by issuing new shares in the company based on the authorisation granted to the Board, and around 60% in cash. The cash portion of the fees will be paid monthly in twelve instalments to the extent that it exceeds the amount of withholding tax on the fee. Concerning the proportion of the fees to be paid in shares, the number of shares will be based on the value of the company's share on First North Growth Market Finland. The volume-weighted average price of the share over the two (2) weeks immediately following the publication date of the company's half-year report for 1 January to 30 June 2023 will be used as the value of the share. Alternatively, the remuneration shares can be purchased in the name of and on behalf of the Board members. If shares cannot be granted during the aforementioned periods because of insider regulations, they will be granted at the earliest time permitted by the insider rules in force. A Board member may not dispose of any shares received as remuneration until their membership of the Board of Directors has ended. In addition, it was resolved that the members of the Board of Directors be reimbursed for reasonable travel and accommodation expenses.

Board members and the auditor

The Annual General Meeting re-elected Jussi Mälkiä and Ville Jussila as members of the Board of Directors, and elected Feodor Aminoff, Timi Hyppänen and Jari Varjotie as new members of the Board, as well as Kati Ihamäki as of 1 November 2023.

Audit firm KPMG Oy Ab was elected as the company's auditor. KPMG announced that it will appoint Henry Maarala, APA, as the principal auditor.

Amendments to the Articles of Association

The Annual General Meeting decided that amendments will be made to the company's Articles of Association concerning its name, domicile and auditor. Following the amendments, the company name is Meriaura Group Oyj in Finnish, Meriaura Group Abp in Swedish and Meriaura Group Plc in English. The company is domiciled in Turku. The company must have an auditor, and its auditor must be an audit firm approved by the Finnish Patent and Registration Office. The auditor's term of office ends at the close of the first Annual General Meeting following their election.

Transfer of Savosolar Plc's business to a subsidiary

The Annual General Meeting decided to authorise the Board of Directors to decide on a possible business transfer, in which the company's solar thermal business would be transferred fully or partly to Meriaura Energy Ltd, the company's wholly owned subsidiary. The Board of Directors was authorised to decide on all the terms and conditions for the possible business transfer.

Decisions of the organizing meeting of the Board of Directors

The Board of Directors elected at the Annual General Meeting held its organizing meeting after the Annual General Meeting and elected Jussi Mälkiä as Chair of the Board and Feodor Aminoff as Vice Chair of the Board from among its members.

The decisions of the Annual General Meeting were published in full on 12 May 2023 by means of a company release, which can be found on the Group's website www.meriauragroup.com under "Investors".

RELATED PARTY TRANSACTIONS

The company had no significant related party transactions during the reporting period.

SHARE

Meriaura Group Plc has one series of shares. The company changed its name during the review period, and its trading codes changed accordingly. Since 1 June 2023, the new trading code has been MERIS (formerly SAVOS) on First North Growth Market Sweden and MERIH (formerly SAVOH) on First North Growth Market Finland.

The number of shares on 30 June 2023 was 800,102,141 (199,179,456). The company does not hold any treasury shares. Each share carries one vote at a general meeting of shareholders. The average number of outstanding shares by month during the review period, adjusted for share issues, was 790,728,513 (180,962,845).

As a result of share subscriptions based on warrants 3-2021, the number of shares increased by 16,966,266 new shares during the period. The subscription period for Savosolar Plc's shares based on warrants 3-2021 ran from 20 March to 31 March 2023. Around 43.8% of the warrants were exercised to subscribe for shares. Through the share subscriptions based on the warrants, the company raised around EUR 0.92 million in new equity before costs. The company does not have any stock option programmes remaining.

During the period, the share price on First North Growth Market Sweden fluctuated between SEK 0.575 and 0.989 (SEK 0.300 and 0.565). The closing price was SEK 0.840 (SEK 0.385). On First North Growth Market Finland, the share price fluctuated between EUR 0.052 and 0.084 (EUR 0.030 and 0.052). The closing price was EUR 0.073 (EUR 0.034). Meriaura Group's combined trading volume in January–June 2023 was 17,704,304 (65,212,947) shares on First North Growth Market Sweden and 70,128,225 (112,413,227) shares on First North Growth Market Finland.

Current authorisations of the Board of Directors

The Extraordinary General Meeting held on 25 November 2022 decided to authorise the Board of Directors to decide, in one or more instalments, on the issue of shares and the issue of option rights and other special rights entitling their holders to shares in accordance with chapter 10, section 1 of the Limited Liability Companies Act, up to 295,000,000 shares. The authorisation is valid until 30 June 2024, and 276,730,670 shares remain unused under the authorisation.

Largest shareholders on 30 June 2023

Shareholder	Number of shares held	Percentage of all shares
MERIAURA INVEST OY (formerly VG-SHIPPING OY) ¹	529,381,765	66.16
HYBRID CONSULTING OY ²	33,801,313	4.22
SJÖBLOM, KATRI PAULIINA	5,244,741	0.66
FÖRSÄKRINGSAKTIEBOLAGET AVANZA PENSION	5,000,555	0.62
JOKINEN, JUKKA	4,500,000	0.56
GEUST, JOHAN NIKLAS ERIK	4,063,112	0.51
HELLÉN, STEFAN ANDERS	4,000,000	0.50
LILJA ANSA ANITTA	3,562,264	0.45
SJÖBLOM, KARI TAPIO	3,007,165	0.38
RABN GROUP OY	2,580,645	0.32
10 largest shareholders, total	595,141,560	74.38

TOTAL	800,102,141	100
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- 1) Meriaura Invest is a controlled entity of Jussi Mälkiä.
- 2) Hybrid Consulting Oy is an entity influenced by Kirsi Suopelto.

GENERAL RISKS AND UNCERTAINTIES RELATED TO BUSINESS OPERATIONS

Key risks related to the Marine Logistics business

The transport volumes and profitability of Marine Logistics are generally affected by economic cycles. The Russian attack on Ukraine and the ensuing geopolitical tensions have reduced the predictability of marine transport.

Bulk transport in Marine Logistics is based on the company's own dry cargo vessels and those leased from external partners. Meriaura has diversified the risks associated with leased tonnage by cooperating with several shipowners. In addition, the contract periods of ships chartered from external owners have been diversified. Long-term transport contracts include fuel clauses.

In Marine Logistics, the achievement of emission reduction targets requires long-term investments in a more energy-efficient fleet and increased use of alternative, cleaner fuels. Meriaura has successfully invested in new ship types and has carried out long-term research and development to create solutions to enable the use of waste-based biofuel in ships. If the development projects do not turn out to be relevant in terms of customers' needs, or if the prices of the low-emission fuels used by Meriaura increase significantly or their quality does not improve as expected, this may have an adverse impact on the growth and financial performance of the Group's business operations.

Key risks related to the Renewable Energy business

Renewable energy is subject to major growth expectations. Growth expectations may bring new technologies or competitors to the market, and regulations and economic incentives may change significantly.

The most significant risk in the Renewable Energy business is related to increasing the order backlog so that the operations become profitable on a permanent basis. If Meriaura Energy is unable to increase its order backlog and operating volume and ensure the efficiency of its operations, its growth and/or profitability may develop negatively compared with expectations.

Risks related to the Group's financial position

The Marine Logistics business may need significant additional funding to increase its fleet in a competitive manner. Several simultaneous major deliveries of renewable energy may significantly increase the need for working capital and facilities in Renewable Energy. A general weakening of the financial markets, higher costs of financing and/or reduced availability of financing may weaken the Group's financing options and lead to tighter terms and conditions for financing.

Meriaura Group's Board of Directors continuously assesses the sufficiency of financing as an important part of the Group's growth strategy. Considering the Group's strong balance sheet and the market outlook for its business operations, the Board is confident that the Group will be able to secure the necessary funding in the form of equity and debt to achieve growth and profitability in line with its strategy.

STRATEGY AND LONG-TERM GOALS

Marine Logistics provides its customers with competitive and environmentally sustainable marine transport services, which also reduce carbon emissions from marine transport. The goal is profitable growth in the long term. Its operations focus on the Baltic Sea and North Sea regions, where Meriaura is a leading provider of project shipping. The aim is to grow the market share by increasing transport capacity by renting ships and building new low-emission ships for the company. In addition to focusing on organic growth, the Marine Logistics business continues to identify strategic partners and potential corporate and business arrangements.

Meriaura's long-term affreightment agreements, modern fleet and strong market position in renewable energy construction projects provide a strong cash flow to support rapid growth and improved profitability in both Marine Logistics and Renewable Energy.

In the Renewable Energy business, the goal is to accelerate growth significantly and thereby achieve profitability in business operations. The goal is for the company to be the leading provider of solar thermal systems in the market for district heating and industrial process heating globally. The Renewable Energy business will also increase its ability to integrate other sources of clean and renewable energy into its system deliveries. With its expanding expertise and stronger financial resources, Renewable Energy is able to develop flexible business models for its customers' needs as an energy supplier, for example, in addition to being an equipment manufacturer and system supplier. VG-EcoFuel provides the Group with biofuel expertise that the Renewable Energy business can use more extensively in the heating sector. Solar thermal collector technology and system design expertise, as well as strong local partners, play a key role in the implementation of Renewable Energy's strategy. The geographical focus of operations is in Europe. In line with the strategy, energy systems are implemented as comprehensive deliveries in cooperation with partners. The partners in different countries also serve as a sales channel for Meriaura Energy's products.

The Meriaura Group's goal is to create significant value for its shareholders, and its long-term goal is to be listed on the stock exchange main list. The Group is well positioned to respond to the growing demand for renewable energy solutions and support customers in the green transition.

MARKET OUTLOOK

Marine Logistics

Meriaura's vessels are involved in contract shipping and the tramp trade in Europe, mainly in the Baltic Sea and the North Sea. Meriaura specialises in the marine transport of industrial products and raw materials (bulk cargo) and the transport of demanding special cargo. Around two-thirds of Meriaura's revenue comes from bulk cargo, and around one-third comes from special cargo and project cargo.

The demand for maritime transport is affected by general economic development, and the industry has historically been rather volatile. Significant increases in prices, rapidly rising interest rates and the war in Ukraine continue to create uncertainty about general economic development.

Bulk cargo is a competitive sector where the market participants range from large multinational companies to small regional businesses. Around two-thirds of Meriaura's revenue from bulk transport consists of cargo based on long-term contracts that are relatively stable in terms of demand in the food product chain and raw materials for bioenergy, for example. In the spot market, fluctuations in demand and supply are reflected in freight prices more rapidly. In addition, a significant proportion of Meriaura's contract transport consists of cargo flows whose year-round transport requires ice-class equipment.

Compared with bulk transport, the transport of heavy and large-scale project cargo requires different type of ship capacity and special expertise. Meriaura has broad and varied experience in project shipments, such as the transport of ship blocks and harbour cranes, and it has been involved in the various phases of wind power

construction for a long time. Investments in renewable energy production are expected to continue, and major wind power projects are in progress and being planned in Meriaura's field of operations, both onshore and offshore.

Recycled biofuels

Biofuels are generally regarded as a cost-effective and environmentally friendly alternative to oil and other fossil fuels. Most biofuels are used as transport fuels, but they can also be used for heating and electricity production. The value of the global biofuel market is estimated at around USD 155 billion in 2021, and the market is expected to grow to around USD 230 billion by 2027, at an annual rate of 6.9% (CAGR). The use of biofuels is expected to increase as their prices decrease as a result of research and development and their supply is commercialised. The growth is supported not only by emission targets, but also by their local origin, which reduces dependence on imported oil. Various regulations and tax incentives to support the use of biofuels are also expected to increase the demand for biofuels in the transport sector around the world.

Renewable Energy

The war in Ukraine has highlighted the need for energy self-sufficiency, particularly in Europe. In addition, emission reduction targets, the higher prices of emission allowances and incentives to increase the use of renewable energy have improved the competitiveness of solar heat. However, turbulence in the energy sector, higher inflation and higher costs of financing have slowed investment decisions.

Meriaura Group's Renewable Energy business focuses on segments with high growth potential. These include solar district heating (SDH) and systems for generating heat for industrial processes (solar heat for industrial processes, SHIP). Meriaura Group has strong references and a good market position in these areas, especially in France, Germany and Poland, where the demand for solar thermal solutions is expected to grow rapidly.

A significant increase in demand can be seen in large solar thermal systems, the main market for the Renewable Energy business. In 2022, the capacity installed in the German solar thermal market increased by 11% from the previous year and was around 496 MW (448 MW installed in 2021). The growth trend is expected to continue (source: Solarthermalworld 2022).

According to Solarthermalworld, there are currently around 6,000 municipalities, towns or cities in Europe that have a district heating network, but only around 270 of them use solar heat. The number of solar thermal plant development projects for district heating production is currently at a record high.

Solar thermal systems generating process heat for industry have historically been relatively small, but the size of plants has grown significantly in recent years. Meriaura Energy has already delivered systems with a capacity of more than 10 MW, and the scale of plants is expected to continue to grow. The operating model in which the developer is an investor with a long-term heat sales contract with an industrial plant is expected to become more common and accelerate the use of solar heat in industry.

FINANCIAL REPORTING IN 2023

Meriaura Group's business review for January–September will be published on 6 November 2023.

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Meriaura Group Plc discloses the information provided herein pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 28 August 2023 at 8.30 a.m. (CEST) by the aforementioned person.

ANNEXES

- 1 Comparison by reporting period
- 2 Income statement
- 3 Balance sheet
- 4 Cash flow statement
- 5 Calculation of changes in equity
- 6 Financial ratios and calculation of key figures

Meriaura Group in brief

Meriaura Group Plc has two business areas: Marine Logistics and Renewable Energy.

Marine Logistics (Meriaura Ltd) is a major provider of transport for bulk cargo and demanding project deliveries in Northern Europe, especially in the Baltic Sea and North Sea regions. The company provides its customers with competitive and environmentally sustainable marine transport services, which also reduce carbon emissions from marine transport. Its long-term affreightment agreements, modern fleet and strong market position in renewable energy construction projects enable freight that supports environmentally friendly solutions. As part of Marine Logistics, VG-EcoFuel Ltd produces recycled biofuels from bio-oils and recycled oils generated as industrial by-products.

The Renewable Energy business (Meriaura Energy Ltd) designs and delivers clean energy production systems as comprehensive deliveries. The systems are built around large-scale solar thermal systems implemented using high-performance solar heat collectors manufactured by the company. Other energy production and storage technologies can also be combined with the systems. The company has taken solar thermal technology to a new level, and its collectors have patented nano-coated direct flow absorbers. With this leading technology, Meriaura Energy enables its customers to produce clean and competitive energy.

Meriaura Group Plc's shares are listed on Nasdaq First North Growth Market Sweden under the symbol MERIS and on Nasdaq First North Growth Market Finland under the symbol MERIH. www.meriauragroup.com

The company's Certified Adviser is Augment Partners AB, info@augment.se, tel. +46 8 604 22 55.

ANNEX 1
COMPARISON BY REPORTING PERIOD (FAS, unaudited)

(EUR 1,000)	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Revenue	15,283	685	31,471	2,132
Operating profit/loss (EBIT)	-221	-1,247	-64	-2,423
Profit/loss for the period	-504	-1,352	-584	-2,549
Earnings per share, €				
undiluted	-0.001	-0.007	-0.001	-0.014
diluted	-0.001	-0.005	-0.001	-0.009

ANNEX 2
INCOME STATEMENT (FAS, unaudited)

(EUR 1,000)	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Revenue	31,471	2,132	8,635
Other operating income	742	2	157
Materials and services	-19,906	-2,120	-6,573
Personnel costs	-5,563	-1,265	-3,198
Depreciation and impairment	-2,666	-151	-186
Other operating expenses	-4,143	-1,020	-2,598
Operating profit/loss	-64	-2,423	-3,763
Financial income	58	1	35
Financial expenses	-570	-127	-335
Profit/loss before appropriations and taxes	-576	-2,549	-4,064
Profit/loss for the period/financial year	-584	-2,549	-4,067

Earnings per share and number of shares	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Earnings per share, basic, EUR	-0.001	-0.014	-0.017
Earnings per share, diluted, EUR	-0.001	-0.009	-0.015
Number of outstanding shares at the end of the review period	800,102,141	199,179,456	783,135,875
Number of outstanding shares at the end of the period, adjusted for the dilutive effect	800,102,141	276,618,990	821,855,642
Average number of outstanding shares by month, adjusted for share issues	790,728,513	180,962,845	241,182,034
Average number of outstanding shares in the review period, adjusted for the dilutive effect	790,728,513	258,402,379	279,901,801

ANNEX 3
BALANCE SHEET (FAS, unaudited)

(EUR 1,000)	30/06/2023	30/06/2022	31/12/2022
Liabilities			
Non-current assets			
Intangible assets	4,330	465	4,083
Tangible assets	43,732	540	46,518
Shares in Group companies	0	162	0
Total non-current assets	48,062	1,167	50,601
Current assets			
Inventories	3,523	3,121	3,366
Non-current receivables	165	231	355
Trade receivables	2,998	269	3,303
Receivables from Group companies	0	1	167
Loan receivables	5		198
Other receivables	129	144	198
Prepayments and accrued income	3,208	1,123	2,369
Cash at hand and in bank	4,254	2,461	3,814
Total current assets	14,283	7,350	13,770
Total assets	62,345	8,517	64,371
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(EUR 1,000)	30/06/2023	30/06/2022	31/12/2022
Equity and liabilities			
Equity			
Share capital	470	470	470
Share issue			
Paid-up unrestricted equity reserve	85,858	52,933	84,948
Retained losses	-50,014	-45,880	-45,947
Profit/loss for the period/financial year	-584	-2,549	-4,067
Total equity	35,730	4,974	35,404
Mandatory provisions			
Other mandatory provisions	209	213	210
Total non-current liabilities			
Loans from financial institutions	13,349	243	14,813
Other liabilities	2,913		2,511
Total non-current liabilities	16,262	243	17,324
Total current liabilities			
Loans from financial institutions	2,932		3,194
Advances received		105	1
Trade payables	2,732	1,075	3,436

Liabilities to Group companies	375	85	0
Other liabilities	1,157	60	1,340
Accruals and deferred income	2,949	1,762	3,462
Total current liabilities	10,144	3,087	11,433
Total liabilities	26,406	3,330	28,757
Total equity and liabilities	62,345	8,517	64,371

ANNEX 4
CASH FLOW STATEMENT (FAS, unaudited)

(EUR 1,000)	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Business operations			
Net profit/loss for the period/financial year	-576	-2,549	-4,064
Adjustments	3,169	281	484
Increase/decrease in current receivables	-106	-711	-1,019
Increase/decrease in inventories	-157	-1,247	-240
Increase/decrease in current non-interest-bearing debts	-1,401	1,864	-307
Interests from operating activities	-512	-127	-301
Cash flow from operations	417	-2,489	-5,447
Investments			
Investments	-127	-139	-1,060
Investments in subsidiaries			-26,939
Dividends received on investments	0	0	0
Cash flow from investment activities	-127	-139	-27,999
Financing			
Paid share issue	910	1,020	33,035
Withdrawals of non-current loans	402	0	0
Repayments of non-current loans	-1,727	0	-134
Withdrawals of current loans	375	0	0
Repayments of current loans	190	0	0
Other non-current receivables			208
Cash flow from financing activities	150	1,020	33,109
Change in cash and cash equivalents	440	-1,608	-337
Cash and cash equivalents at the beginning of period	3,814	4,070	4,151
Cash and cash equivalents at the end of period	4,254	2,461	3,814

ANNEX 5
CALCULATION OF CHANGES IN EQUITY (FAS, unaudited)

(EUR 1,000)	Share capital	Paid-up unrestricted equity fund	Retained earnings	Net profit for the financial year	Total
Equity on 1 Jan 2023	470	84,948	-50,014	0	35,404
Share issue	0	910	0	0	910
Net profit/loss for the reporting period	0	0	0	-584	-584
Equity on 30 June 2023	470	85,858	-50,014	-584	35,730
Equity on 01 January 2022	470	51,913	-45,880	0	6,503
Share issue	0	1,020	0	0	1,020
Net profit/loss for the reporting period	0	0	0	-2,549	-2,549
Equity on 30 Jun 2022	470	52,933	-45,880	-2,549	4,974

ANNEX 6**FINANCIAL RATIOS AND CALCULATION OF KEY FIGURES (FAS, unaudited)**

(EUR 1,000)	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Revenue	31,471	2,132	8,635
Profit/loss for the period/financial year	-584	-2,549	-4,067
Cash and cash equivalents	4,254	2,461	3,814
Equity	35,730	4,974	35,404
Equity ratio, %	57.3	59.1	55.0

Calculation of key figures

Equity ratio, %	Equity in balance sheet at the end of the period x 100 / Total assets - advances received
Number of outstanding shares	Number of outstanding shares at the end of the period
Number of outstanding shares on average	Average number of outstanding shares by month, adjusted for share issues
Earnings per share, EUR	Net profit for the financial year / Average number of outstanding shares by month, adjusted for share issues