

Meriaura Group Plc's business review for January–March 2024

The Group's key figures for January–March 2024

- Revenue in January–March amounted to EUR 17.9 million (January–March 2023: EUR 16.2 million).
- EBITDA was EUR 1.2 million (EUR 1.5 million), or 6.7% of revenue.
- The operating result (EBIT) was EUR -0.2 million (EUR 0.2 million), or -1.0% of revenue.
- The net result for January–March was EUR -0.5 million (EUR -0.1 million), or -2.6% of revenue.

KIRSI SUOPELTO, CEO OF THE MERIAURA GROUP:

“The first quarter of 2024 was challenging for both marine logistics and solar power installations as a result of harsh ice conditions, snow loads and labour market disturbances in Finland. These caused extra work and slowed down transport, which reduced operational efficiency and performance.

Our revenue for January–March was EUR 17.9 million, compared with EUR 16.2 million in the corresponding period in the previous year. Revenue was increased mainly due to the solar heat system delivery of Renewable Energy in Germany. Marine Logistics' revenue slightly decreased from the previous year and was EUR 15.9 million. Group EBITDA decreased slightly year-on-year and was EUR 1.2 million, or 6.7% of revenue.

The ice conditions and strikes mainly had a negative impact on the revenue and result of bulk transport. One of our two deck cargo ships specialising in project shipments operated in the Mediterranean during the period, and the utilisation rates of our deck cargo ship operating in the Baltic Sea also remained good. The proportion of project shipments was slightly higher than usual in the first quarter. In the middle of the period, we rented a new deck cargo ship in response to our spring and early summer order backlog.

The cold winter and strikes also hampered solar power installations. Because of the weather conditions, installation was largely not possible until late March, after which the work was slowed down by delays in the delivery of installation materials. However, the installation of the solar thermal plant to be delivered to Bad Rappenau, Germany, has progressed as planned, and the construction of the field started in March.

After the review period, we announced the acquisition of two new vessels and significant orders received by Renewable Energy. In April, Meriaura Oy signed an agreement on the acquisition of two Eco Trader cargo vessels from Bodewes International Shipbuilding B.V. in the Netherlands. Running on bio-oil, the vessels are designed to be energy efficient and generate as little emissions as possible. They will be built in the Netherlands and handed over to Meriaura in January and December 2026. The value of the investment is around EUR 34 million.

In addition, in April, we disclosed an agreement on a turnkey delivery of a solar thermal plant to Palau-del-Vidre in France. The plant will provide heat to the greenhouses of Les Serres Vermeil SARL, which grows organic vegetables, and will also be our first delivery to this customer segment. The EUR 1.7 million project has been developed in collaboration with Eiffage Energie Systèmes – Cogénération SAS, one of the largest construction groups in France.

On 2 May, we announced an agreement on delivery a solar thermal plant for the district heating network operator of Lübeck in Germany. The value of the contract between Meriaura Energy Oy and Stadtwerke Lübeck Energie GmbH is almost EUR 5 million, and involves the construction of a solar thermal field and a thermal storage supplying heat to the district heating network. The plant is scheduled to be completed at the beginning of 2025.

The continuation of the strikes into early April and the time required for the normalisation of port operations will also affect our operational efficiency in the second quarter. On the other hand, we estimate that the postponement of some transport operations until early summer because of the strike may even out the seasonal variation.

We expect the demand for both our marine logistics services and renewable energy solutions to continue at a good level. This is based on our strong order backlog in both bulk transport and project shipments, and on customers' growing interest in low-emission transport. In the renewable energy market, interest in clean and low-emission forms of energy is also growing, supported by stricter emissions reduction requirements and expectations of lower prices for financing and lower inflation."

MERIAURA GROUP

Basic information

The Meriaura Group has two business areas: Marine Logistics and Renewable Energy. The Group reports each business area's revenue, EBITDA and operating result separately. Meriaura Group Plc operated under the name Savosolar Plc until 31 May 2023.

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

Meriaura Energy Oy, which is part of the Renewable Energy business, designs and delivers clean energy production systems. The systems are built around large-scale solar thermal systems with high-performance solar thermal collectors manufactured by the company. The Renewable Energy business also includes Rasol Oy, a supplier of solar power systems, which was acquired through a share exchange in November 2023.

The seasonality of business operations

In Marine Logistics, 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. No significant docking of the company's own ships is scheduled for 2024. Most of Marine Logistics' full-year fairway dues are collected in the first quarter, which has a negative impact on 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. Solar power systems can only be installed to a limited degree in the winter months, as roofs are covered by snow and are slippery.

Reporting principles

This business review has been prepared in accordance with the Finnish Accounting Standards (FAS) by applying the same principles as in the 2023 financial statements. The comparison figures in the business review refer to

reported figures of the corresponding period in 2023, unless otherwise indicated. The business review has not been audited.

BUSINESS OPERATIONS IN JANUARY–MARCH

The Meriaura Group’s revenue in January–March increased by 10.3% and was EUR 17.9 (16.2) million. Of its revenue, EUR 15.9 (16.0) million came from Marine Logistics and EUR 1.9 (0.2) million from Renewable Energy. In Renewable Energy, revenue was boosted primarily by the delivery of the solar thermal system to Bauer Holzenergie GmbH in Germany.

The operating environment in the first quarter was challenging for Marine Logistics as a result of harsh ice conditions and labour market disturbances. The ice situation and strikes had a negative impact on operational efficiency and performance in bulk transport, in particular. The utilisation rates in project shipments remained at a good level despite the strike.

Revenue growth was slowed down by the docking of a time-chartered bulk vessel for almost the entire period. Correspondingly, a new vessel was rented for project shipments in the middle of the period. The proportion of bulk transport of revenue was slightly smaller than before, just under two-thirds. Of this, around two-thirds consisted of contract transport, and one-third consisted of spot shipments. Project shipments by deck cargo ships accounted for slightly more than one-third of Marine Logistics’ revenue.

In Renewable Energy, the delivery of the solar thermal system to Bauer Holzenergie has progressed as planned. The system is scheduled to be commissioned in the fourth quarter of 2024. The order backlog of Rasol Oy’s solar power systems has remained at a reasonably good level, but deliveries have been slowed down by the shortage of materials caused by strikes, as well as snow loads on roofs.

The Meriaura Group’s EBITDA in January–March was EUR 1.2 (1.5) million, or 6.7% (9.3) of revenue. Of its EBITDA, EUR 2.1 (2.5) million came from Marine Logistics and EUR -0.9 (-1.0) million from Renewable Energy. The EBITDA was burdened, in particular, by delays and special arrangements caused by ice conditions, snow loads and strikes in marine logistics and solar power installations. The operating result (EBIT) was EUR -0.2 (0.2) million, of which Marine Logistics accounted for EUR 0.8 (1.2) million and Renewable Energy for EUR -0.9 (-1.1) million. The profit for the period was EUR -0.5 (-0.1) million, or -2.6% (-0.5) of revenue. Around 90% of Marine Logistics’ annual fairway dues were paid in the first quarter.

Cash and cash equivalents totalled EUR 8.0 (3.6) million on 31 March 2024. Equity at the end of the review period amounted to EUR 39.5 (35.6) million, and the equity ratio was 57.3% (65.1).

Key figures (FAS, unaudited)

(EUR 1,000)	1–3/2024	1–3/2023	Change (%)	1–12/2023
Revenue, Group	17,885	16,188	10.3%	66,183
Marine Logistics	15,911	16,031	-0.7%	62,836
Renewable Energy	1,944	157	1,138%	3,386
Others				-39
EBITDA, Group	1,193	1,503	-20.6%	6,325
Marine Logistics	2,128	2,520	-15.6%	10,149
Renewable Energy	-887	-1,017	12.8%	-3,544
Others	-48			-280
Proportion of revenue, %	6.7%	9.3%		9.6%
Operating profit/loss (EBIT), Group	-186	157	-218%	1,043

Marine Logistics	811	1,240	-34.6%	5,149
Renewable Energy*	-949	-1,083	12.4%	-3,796
Others	-48			-310
Proportion of revenue, %	-1.0%	1.0%		1.6%
Net profit/loss for the review period, Group	-458	-80	-473%	-271
Proportion of revenue, %	-2.6%	-0.5%		-0.4%

*Amortisation of consolidated goodwill arising from the parent company for Meriaura Energy Oy in connection with the business transfer on 31 May 2023 has been eliminated in business-specific key figures within the Renewable Energy business.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

After the review period on 11 April 2024, Meriaura Group Plc published the notice of the Annual General Meeting, which will be held in Helsinki on 3 May 2024.

On 15 April 2024, Meriaura Group announced that Meriaura Oy, which is part of the Group, had signed an agreement on the acquisition of two Eco Trader cargo vessels from Bodewes International Shipbuilding B.V. in the Netherlands. The value of the acquisition is around EUR 34 million. The vessels will be built in the Netherlands and handed over to Meriaura in January and December 2026. Of the investment, 20% is self-financed, and 80% is financed by debt.

The Eco Trader vessels ordered are 105 metres long, with a capacity of 6,750 tonnes, in ice class 1A. They are designed to generate as little emissions as possible. The vessels can be operated with biofuel produced from recycled raw material by Meriaura's subsidiary VG-EcoFuel Oy. In addition to using renewable fuel, emission reductions are achieved through, for example, hull optimisation and more efficient engine technology supplied by Wärtsilä.

Eco Trader vessels are around 30% larger than Ecocoaster vessels. This responds to market and customer needs, and the larger vessel size also improves economic efficiency and reduces the environmental load caused by transport. The International Maritime Organisation (IMO) is aiming for carbon-neutral shipping by around 2050. Meriaura's climate strategy is aiming for carbon neutrality in the 2030s.

On 15 April 2024, Meriaura Group announced that Meriaura Energy Oy had signed an agreement on a turnkey delivery of a solar thermal plant to Les Serres Vermeil SARL, a producer of organic vegetables in Palau-del-Vidre, France. The project, worth around EUR 1.7 million, includes the construction of a 5,800 m² solar thermal field, which will produce heat for a greenhouse owned by Serres Vermeil.

The solar thermal plant will reduce carbon dioxide emissions from Serres Vermeil's greenhouse operations. The project has been developed in collaboration with Eiffage Energie Systèmes – Cogénération SAS, which is part of the Eiffage Group, a French construction and infrastructure group. The construction of the plant is scheduled to start in 2024 and be completed at the beginning of 2025.

On 25 April 2024, the company announced a conditional decision to sell a minority share in Meriaura Oy to Meriaura Invest Oy. If implemented, the transaction will offset Meriaura Invest's loan receivable of EUR 4.4 million from Meriaura Group Plc. According to the company's current estimate, this could correspond to approximately 15-25% ownership of Meriaura. The decision is conditional on the approval of the new Board of Directors to be elected at Meriaura Group's Annual General Meeting on 3 May 2024. The loans have been used to enable the delivery of the Bad Rappenau project and cover operating costs. The unsecured loans are long

term at an annual interest rate of 6%. In accordance with the terms and conditions of the transaction, Meriaura Group will have the right to redeem the Meriaura shares at their original purchase price by the end of 2024. The acquisition will strengthen the Group's balance sheet and improve opportunities to expand the funding base in the future. The arrangement will also contribute to Meriaura's newly announced vessel investment ensuring compliance with the ownership permanence requirement ('change of control') for its financing.

In addition, a shareholder agreement will be drawn up between Meriaura Group and Meriaura Invest on the ownership rules applicable to Meriaura. As part of the arrangement, Meriaura Invest will also undertake to guarantee the project funding that Meriaura Energy will apply for.

On 2 May 2024, Meriaura Group announced that Meriaura Energy Oy has signed a contract with Stadtwerke Lübeck Energie GmbH for the turn-key delivery of a solar thermal plant in Lübeck, Germany. The contract, valued at almost EUR 5 million, involves the construction of a solar thermal field of approximately 12,000 m² in area and a thermal storage supplying heat to the district heating network. In accordance with the agreement, the execution of the project will start immediately, but the construction work of the facility in Germany can only start after the customer receives a building permit. The solar thermal plant is scheduled to be completed at the beginning of 2025.

ANNUAL GENERAL MEETING AND FINANCIAL REPORTING IN 2024

The Annual General Meeting will be held on 3rd May 2024.

The half-year report for January–June will be published on 22 August 2024.

The business review for July–September will be published on 31 October 2024.

The financial reports will be published in Finnish and English.

MERIAURA GROUP PLC
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This company release contains information that Meriaura Group Plc is required to disclose under the Market Abuse Regulation (MAR). The company release was submitted for publication on 3 May 2024 at 7.30 am (CEST) by the aforementioned person.

Meriaura Group in brief

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

Marine Logistics business is carried out by Meriaura Ltd, which 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 low-emission marine transport services, based on long-term affreightment agreements, modern fleet, and active development of its operational sustainability. In addition, Meriaura has a strong market position in the marine logistics in renewable energy construction projects.

The Marine Logistics business also includes VG-EcoFuel Ltd which produces biofuels from bio-oils and recycled oils generated as industrial by-products.

The Renewable Energy business focuses on comprehensive clean energy systems. Meriaura Energy Ltd designs and delivers clean energy production systems as comprehensive deliveries for industrial use and district heating. The energy production is based on large-scale solar thermal systems implemented using high-performance solar thermal collectors manufactured by the company. The Renewable Energy business also includes Rasol Ltd, specialised in delivering high-quality solar power systems for real estates, companies and solar parks.

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

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