

Merιαura Group Plc

Business review, insider information

31 October 2024 at 8.30 am (CET)

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

The Group's key figures and significant events in the third quarter

- Revenue in July–September amounted to EUR 18.8 million (July–September 2023: EUR 15.7 million).
- EBITDA was EUR 1.4 (1.7) million, or 7.6% of revenue.
- Operating profit (EBIT) was EUR 0.0 (0.3) million, or 0% of revenue.
- Profit without non-recurring items was EUR -0.4 (0.0) million, and Profit with non-recurring items was EUR -3.8 (0.0) million, or -20% of revenue.
- The sale of a minority share in Merιαura Oy to Merιαura Invest Oy. The purchase price for the 20.6% holding was EUR 4.6 million.
- Jussi Mälkiä started as the new CEO after the review period on 1 October 2024. Antti Vehviläinen, previously Vice Chair of the Board of Directors, became Chair of the Board on 1 October 2024.

The Group's key figures for January–September 2024

- Revenue in January–September amounted to EUR 58.8 million (January–September 2023: EUR 47.1 million).
- EBITDA was EUR 4.9 (4.3) million, or 8.4% of revenue.
- Operating profit (EBIT) was EUR 0.6 (0.2) million, or 1.0% of revenue.
- Profit without non-recurring items was EUR -0.6 (-0.6) million in January–September, and Profit with non-recurring items was EUR -3.9 (-0.6) million, or -7% of revenue.

JUSSI MÄLKIÄ, CEO OF THE MERIAURA GROUP:

“Our third-quarter revenue increased to EUR 18.8 million. Because of the European holiday season, the third quarter is typically the slowest quarter of the year in Marine Logistics, which was also the case this year. Of the revenue, EUR 15.7 million came from Marine Logistics and EUR 3.2 million from Renewable Energy. Profit without non-recurring items was slightly negative in the third quarter, at EUR -0.4 million.

Our revenue for January–September increased from the comparison period and was EUR 58.8 million, of which EUR 49.8 million came from Marine Logistics and EUR 9.0 million from Renewable Energy. In Marine Logistics, revenue increased year-on-year as a result of higher tonnage. In Renewable Energy, solar thermal system deliveries and the acquisition of Rasol Oy in November 2023 contributed to revenue growth. Our solar thermal deliveries in Bad Rappenau and Lübeck in Germany and in Palau-Del-Vidre in France are progressing as planned.

EBITDA for January–September increased in euros, but profitability remained slightly below the comparison period. In Marine Logistics, the summer season and the general uncertain economic situation were reflected in

the demand for and price level of spot shipments in particular. Fluctuations in demand posed challenges to operational efficiency, but we were able to keep the utilisation and loading rates of ships at an acceptable level by focusing on reducing port turnaround times and ballast trips, for example. The cost-effectiveness and profitability of the Renewable Energy business segment has been further improved, with economies of scale in both solar thermal and solar power deliveries. Our goal is to move towards larger deliveries in solar power installations as well and turn the Renewable Energy business profitable.

In Renewable Energy, our long-term efforts to improve our competitiveness, as well as our sales and marketing activities in Germany, are bearing fruit. After the review period in October, we signed an agreement with BürgerEnergie Steyerberg-Fermwärme eG for the turnkey delivery of a solar thermal plant worth around EUR 5.3 million to Steyerberg, Germany. We have received an investment subsidy decision for the project, but the agreement is conditional on a funding decision and a building permit, which are expected to be secured during the autumn of 2024.

We expect the demand for Marine Logistics to remain at a reasonable level towards the end of the year, and we expect the demand for Renewable Energy solutions to remain at least reasonable. This is based on our strong order backlog in both bulk transport and project shipments, and on customers' growing interest in low-emission transport and our EcoVoy concept in the longer term. In the renewable energy market, lower interest rates and more stable inflation levels are expected to strengthen the investment appetite for clean and low-emission energy production, which has low operating costs after its construction investments. This outlook is also supported by the weight of environmentally sustainable solutions on the agenda of the new European Commission."

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 PERFORMANCE

Revenue and result in July–September

The Meriaura Group's revenue for July–September increased by 20% and amounted to EUR 18.8 (15.7) million. Of its revenue, EUR 15.7 (15.5) million came from Marine Logistics and EUR 3.2 (0.2) million from Renewable Energy. Revenue was boosted primarily by the delivery of the solar thermal system to Bauer Holzenergie GmbH and the district heating companies of the City of Lübeck in Germany, and by the acquisition of Rasol Oy in November 2023. In solar thermal systems, the average size of deliveries has increased, but order volumes were lower than expected in the summer as a result of the market slowdown arising from the stabilisation of electricity price fluctuations.

Marine transport revenue continued to grow moderately despite the docking of a few rental vessels in the third quarter.

The Meriaura Group's EBITDA in July–September was EUR 1.4 (1.7) million, or 7.6% (10.6) of revenue. Of its EBITDA, EUR 1.9 (2.3) million came from Marine Logistics and EUR -0.5 (-0.7) million from Renewable Energy. The operating profit (EBIT) was EUR 0.0 (0.2) million, of which Marine Logistics accounted for EUR 0.6 (1.0) million and Renewable Energy for EUR -0.6 (-0.7) million.

There are still challenges in the profitability of the Renewable Energy business area, although our profitability improvement efforts have produced results, and relative profitability has improved. In Marine Logistics, the third quarter is typically the weakest quarter of the year. In line with this, the profitability of the actual business operations was slightly negative in the third quarter.

The profit for the period was EUR -3.8 (0.0) million, or -20.0% (0.0) of revenue. A sale loss of EUR 3.3 million arising from the sale of a minority share in Meriaura Oy to Meriaura Invest Oy had a negative impact on the third-quarter result. The loss on sale has been recognised in the group of financial expenses because the transaction has been used to arrange The Group's financing. The recognition of the sale loss has no cash flow effect.

Revenue and result in January–September

The Meriaura Group's revenue for January–September increased by 25% and amounted to EUR 58.8 (47.1) million. Of its revenue, EUR 49.8 (46.5) million came from Marine Logistics and EUR 9.0 (0.7) 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 and the acquisition of Rasol Oy in November 2023. Marine Logistics' revenue also developed favourably despite the strikes and challenging weather conditions in the first quarter. Bulk transport continued to represent around two-thirds of revenue. Of the bulk transport, around two-thirds consisted of contract transport and around one-third consisted of spot sales. Project shipments represented around one-third of revenue.

The Meriaura Group's EBITDA in January–September was EUR 4.9 (4.3) million, or 8.4% (9.0) of revenue. Of its EBITDA, EUR 6.8 (7.2) million came from Marine Logistics and EUR -1.7 (-2.9) million from Renewable Energy. The operating result (EBIT) was EUR 0.6 (0.2) million, of which Marine Logistics accounted for EUR 2.9 (3.3) million and Renewable Energy for EUR -1.9 (-3.1) million. Relative profitability improved as a result of higher revenue and cost-effectiveness in Renewable Energy. The growth in profitability was somewhat slowed down by the weaker price level in the spot market, and by the strikes and challenging weather conditions in the first quarter.

The profit for the period was EUR -3.9 (-0.6) million, or -6.7% (-1.0) of revenue. A loss on sale of EUR 3.3 million arising from the sale of a minority share in Meriaura Oy to Meriaura Invest Oy had a negative impact on the third-quarter result.

The Meriaura Group's cash and cash equivalents totalled EUR 10.6 (3.6) million on 30 September 2024. Equity at the end of the review period amounted to EUR 37.8 (35.8) million, and the equity ratio was 49.9% (57.5).

Key figures (FAS, unaudited)

(EUR 1,000)	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Change (%)	Jan-Dec 2023
Revenue, Group	18,820	15,674	58,771	47,145	25%	66,183
Marine Logistics	15,654	15,488	49,776	46,470	7%	62,836
Renewable Energy	3,166	186	8,995	675	1,233%	3,386
Others						-39
EBITDA, Group	1,434	1,661	4,927	4,263	16%	6,325
Marine Logistics	1,907	2,344	6,783	7,151	-5%	10,149
Renewable Energy	-486	-683	-1,720	-2,888	40%	-3,544
Others	13	-	-136	-		-280
EBITDA, % of revenue	7.6%	10.6%	8.4%	9.0%		9.6%
Operating profit/loss (EBIT), Group	-24	261	571	197	190%	1,043
Marine Logistics	588	1,002	2,850	3,279	-13%	5,149
Renewable Energy*	-550	-741	-1,896	-3,082	38%	-3,796
Others	-62	-	-384	-		-310
Operating profit, % of revenue	-0.13%	1.7%	1.0 %	0.4%		1.6%
Net profit/loss for the review period, Group	-3,766	32	-3,943	-552		-271
Result, % of revenue	-20.0%	0.2%	-6.7%	-1.1%		-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 during the review period

On 2 July 2024, the MeriAURA Group's Board of Directors decided to sell a minority stake in MeriAURA Oy to MeriAURA Invest Oy in accordance with the plan announced on 25 April 2024. The transaction price for the 20.6% holding was EUR 4.6 million, which offset MeriAURA Invest's loan receivable of EUR 4.4 million with interest. The loan enabled the delivery of the Bad Rappenau project. The unsecured loan was long term at an annual interest rate of 6%. The acquisition strengthened the Group's balance sheet and will improve opportunities to expand the funding base in the future. The arrangement also supports the ship investment announced by MeriAURA in the spring, ensuring compliance with the ownership permanence requirement for its financing. A sale loss of EUR 3.3 million arising from the sale of the minority stake in MeriAURA Oy was recognised in the Group's third-quarter result.

The construction project of the two Eco Trader cargo vessels ordered by MeriAURA Oy in the spring of 2024 has started as scheduled, and the construction of the first vessel will begin in the spring of 2025. Ordered from Bodewes International Shipbuilding B.V. in the Netherlands, the vessels will be delivered to MeriAURA in 2026.

The turnkey delivery of the solar thermal system to Palau-del-Vidre, France, announced by MeriAURA Energy in the spring of 2024, began in October. The system, worth around EUR 1.7 million, will generate heat for the greenhouse of organic vegetable producer Les Serres Vermeil SARL, and is scheduled to be completed in the spring of 2025.

Announced in May, the delivery contract for a solar thermal plant to the district heating company of the City of Lübeck in Germany has progressed well, and the customer has secured a building permit. The total contract between MeriAURA Energy Oy and Stadtwerke Lübeck Energie GmbH is worth nearly EUR 5 million, and the system is scheduled to be commissioned in the summer of 2025.

The delivery of the solar thermal system to Bad Rappenau in Germany is nearing completion, and the commissioning of the system is planned for the last quarter of 2024.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

On 15 October 2024, MeriAURA Group announced that MeriAURA Energy Oy had agreed with BürgerEnergie Steyerberg-Fermwärme eG on the turnkey delivery of a solar thermal plant to Steyerberg, Germany.

The project is worth around EUR 5.3 million. It covers a 13,700 m² solar thermal plant for district heating, as well as heat storage. We have received an investment subsidy decision for the project, but the agreement is conditional on a funding decision and a building permit, which are expected to be secured during the autumn of 2024. The project is expected to be completed during 2025.

MERIAURA GROUP PLC
Board of Directors

More information:

Jussi Mälkiä, CEO

Tel. +358 40 078 5489

Email: firstname.lastname@meriaura.com

Meriaura Group Plc discloses the information provided herein pursuant to the EU Market Abuse Regulation. The information was submitted for release on 31 October 2024 at 8.30 am (CET) by the aforementioned person.

Meriaura Group in brief

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

Meriaura Oy, which engages in the Marine Logistics business, 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 low-emission marine transport services, which are based on long-term affreightment agreements, a modern fleet and the active development of operational sustainability. In addition, Meriaura has a strong market position as a marine transport provider in renewable energy construction projects.

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

The Renewable Energy business focuses on comprehensive clean energy solutions. Meriaura Energy Oy designs and delivers clean energy production systems as comprehensive deliveries for industry and district heat production. Energy production is built around large-scale solar thermal systems implemented using high-performance solar thermal collectors manufactured by the company. The Renewable Energy business also includes Rasol Oy, which provides high-quality solar power systems for buildings, businesses 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

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