



Annual Report 2022





Contents

Savosolar in brief.....	3
CEO's review	4
Green transition is the core of our strategy.....	6
Marine Logistics	7
Renewable Energy	11
Sustainability.....	14
Board of Directors and Management team.....	20
Financial reports	21
Information for investors	48

Savosolar in brief

Savosolar Plc is a Finnish public limited company listed on Nasdaq First North Growth Market Sweden and Nasdaq First North Growth Market Finland.

Since 1 December 2022, the Savosolar Group has had two business areas: Renewable Energy and Marine Logistics. Until 1 December 2022, Savosolar Plc's business consisted entirely of renewable energy.

The Renewable Energy business area designs and delivers clean energy production systems as comprehensive deliveries. The systems are built around large-scale solar heating systems implemented using high-performance solar thermal collectors manufactured by the company. Other energy production and storage solutions can be flexibly combined with the systems. The company has taken the use of large solar thermal systems to a new level with its patented technology based on optically coated direct flow absorbers. With this leading technology, Savosolar enables its customers to produce clean and competitive energy.

The Marine Logistics business consists of the business operations of Meriaura Oy and VG-EcoFuel Oy, part of Savosolar Group. Meriaura 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. Around two thirds of Meriaura's revenue come from dry cargo or bulk cargo, and around a third comes from project deliveries. The company focuses on environmentally sustainable marine transport services that reduce carbon emissions from marine transport. Its environmentally friendly solutions are based on long-term affreightment agreements, a modern fleet, and a strong market position in renewable energy construction projects. VG-EcoFuel Oy produces recycled biofuels from bio-oils and recycled oils generated as industrial by-products.

Meriaura Oy became part of Savosolar Group through an exchange of shares with VG-Shipping Oy (name changed to Meriaura Invest Oy 17 February 2023). In the merger, Meriaura Oy, owned by VG-Shipping Oy, became a subsidiary of Savosolar Plc, and VG-Shipping became the largest shareholder in Savosolar, with a holding of around 70%.

Savosolar Plc is domiciled in Mikkeli. It also has locations in Vantaa, France, and China, wholly owned subsidiaries in Denmark and Germany, and a collector production plant in Mikkeli. Meriaura Oy is domiciled in Turku.

Savosolar Plc is a Finnish public limited company listed on Nasdaq First North Growth Market Sweden and Nasdaq First North Growth Market Finland.

CEO's review

“At the beginning of 2023, Savosolar is a very different group from what it was a year ago. Alongside its solar thermal business operations, the renewed Savosolar Group offers sustainable maritime transport, and its operations also include the production and sale of biofuels.

The new Savosolar has had two business areas since 1 December 2022: Renewable Energy and Marine Logistics. Meriaura, a provider of sustainable low-carbon marine transport, merged with Savosolar at the end of November in response to the increased demand for solutions based on renewable energy and the deficiency in the supply required for the green transition.

The merged Savosolar has a stronger balance sheet and cash flow, which accelerates business expansion in solar heat, low-carbon marine logistics, and other projects promoting the green transition.

The Savosolar Group's revenue grew significantly in 2022 and was EUR 8.6 million. Around 44% of its revenue came from renewable energy,

and around 56% from marine logistics. Compared with 2021, when the revenue came entirely from renewable energy, our full-year revenue increased by 51% in 2022. The full-year result was negative, but profitability developed favourably in projects and because of the merger of Meriaura. However, Meriaura's figures only had an impact on December. The consolidated operating result in 2022 amounted to EUR -3.8 (-4.6) million.

The interest in solar heat remained strong throughout the year. In addition to stricter climate targets, the increase was driven by the need for energy self-sufficiency, particularly in Europe, and by the dramatic fluctuation of the prices of fossil fuels and higher emission allowance fees. The growing use of biomass has caused its price to rise and reduced its availability, which makes solar heat and biofuels an increasingly interesting combination. In the future, Savosolar will be able to offer more customised comprehensive deliveries of renewable energy and possibly to participate in energy production.



In the future, Savosolar will be able to offer more customised comprehensive deliveries of renewable energy and possibly to participate in energy production.

Jari Varjotie, CEO, Savosolar Plc

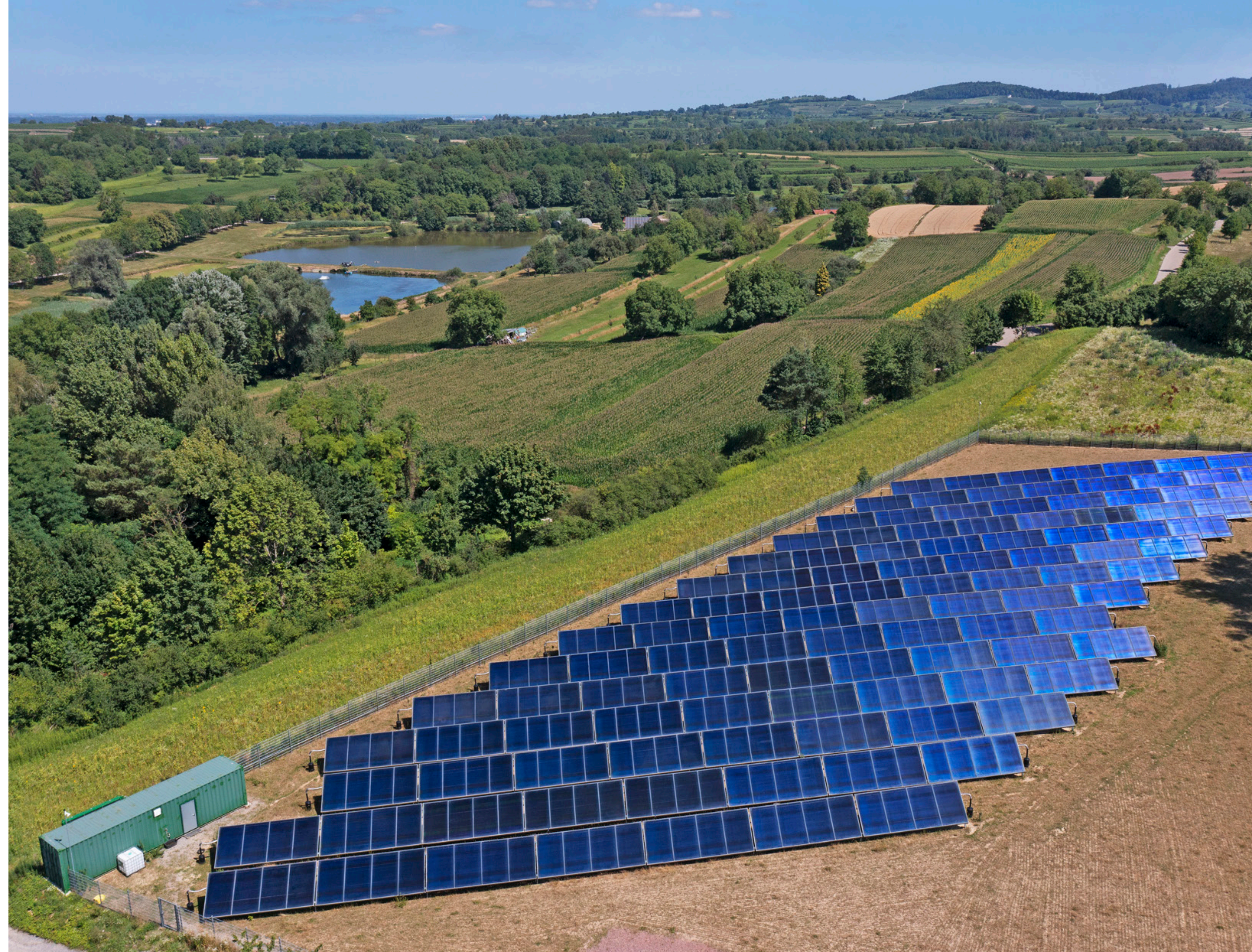


Several large solar thermal systems for industrial processes and district heating are being planned in Europe. In the turbulent energy situation, the final investment decisions were not made during 2022 as expected. Higher prices and financial costs have also made decision making slower.

In the Renewable Energy business, our most significant order in 2022 was a delivery agreement with Newheat SAS for a solar thermal system of around 15,000 square metres and around EUR 3.0 million for process heating in the food industry in Verdun in France. The delivery is the largest solar thermal system to be built for heating industrial processes in Europe so far. In 2022, Savosolar also signed a delivery agreement with the La Caridad mine in Sonora in Mexico. For us, this agreement is an important entry into the mining industry and Latin America.

For Meriaura, 2022 was one of the best years financially and in terms of operations. It is particularly remarkable that at the same time, Meriaura was able to significantly reduce its emissions by more than 11% compared to the previous year. The utilisation rate of both bulk cargo and the deck cargo carriers in project logistics transport was high throughout the year. For example, the transport of wind turbines, harbour cranes, and ship blocks was carried out in the review period. For 2023, the outlook for both project cargo and the bulk business is good.

The merger supports our goals to grow profitably and more rapidly in both business areas. In recent months, we have already begun to see how we can develop and expand our business operations so that they cover a growing part of our current and future customers' needs for clean energy and low-carbon marine logistics. In addition, it enables our shareholders to become more broadly involved in the growth market for renewable energy."



Green transition is at the core of our strategy

In Renewable Energy, the goal is to accelerate growth significantly and thereby achieve profitability in business operations. The goal is for Savosolar to be the leading global provider of solar thermal systems in the market for district heating and industrial process heating. The Renewable Energy business unit 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 can develop flexible business models for its customers' needs, for example, in the role of an energy supplier, 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.

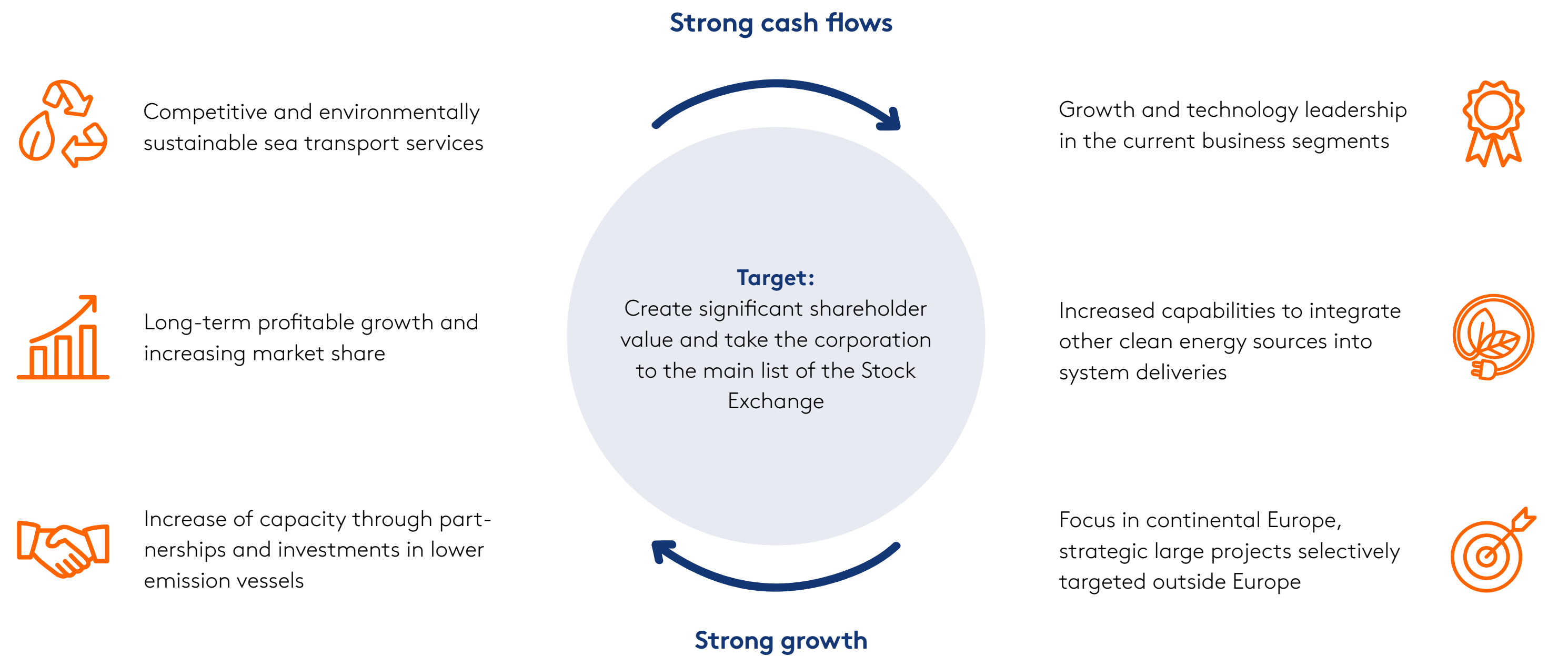
Savosolar's solar thermal collector technology and system design expertise, as well as its strong local and global partners, play a key role in the implementation of its renewable energy strategy. The geographical focus of operations continues to be in Europe, but the company is also actively seeking partners and marketing its products and services outside 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 Savosolar's products.

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 the Savosolar Group's Marine Logistics unit is one of the leading providers of project shipping. The aim is to grow the market share by increasing transport capacity, 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.

The Savosolar 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 company is well positioned to respond to the growing demand for renewable energy solutions and support customers in the green transition.

The strategy of the combined company will centre around accelerating the green transition of our customers



Marine Logistic

Great achievements in uncertain times

"The year 2022 was anything but ordinary. In our industry, we are used to responding to changing conditions and challenges. However, we did not expect the combination of challenges created by war, galloping inflation, the energy crisis, and climate change just when life was gradually returning to normal after the Covid pandemic. Amidst geopolitical tension and uncertainty, the importance of our business activities in maintaining the functions of society has grown, and our responsibility for security of supply has been emphasized.

Despite the challenging operating environment, the 2022 financial period was one of the best in the company's history. The improvement in the result is above all derived from the bulk business, which benefited from high demand, high fuel prices, and a well-constructed client portfolio. Meriaura Oy's turnover for the 1 January–31 December 2022 financial period was €69.3 million, increasing by about 31% from the previous financial period. The turnover for operations in bulk was €47.2 million, and for project operations it was €18.0 million. The proportion of the bulk business in the turnover was 68%, and the project business was 27%.

Another major success was achieved in terms of emissions reduction. We had set a goal of reducing carbon dioxide emissions by four percent compared to the previous year (CO₂/cargo volume transported/distance

travelled). The achieved reduction was as much as 11.2%. The excellent result is the sum of many different factors, and it has required seamless cooperation and commitment to common goals of both land and sea personnel. What makes the result particularly positive is that at the same time we have had a very good financial result, and the reduction has taken place during high market activity when emissions traditionally increase. The good result encourages us to increase our target level, and the guiding star in this work will continue to be continuous improvement.

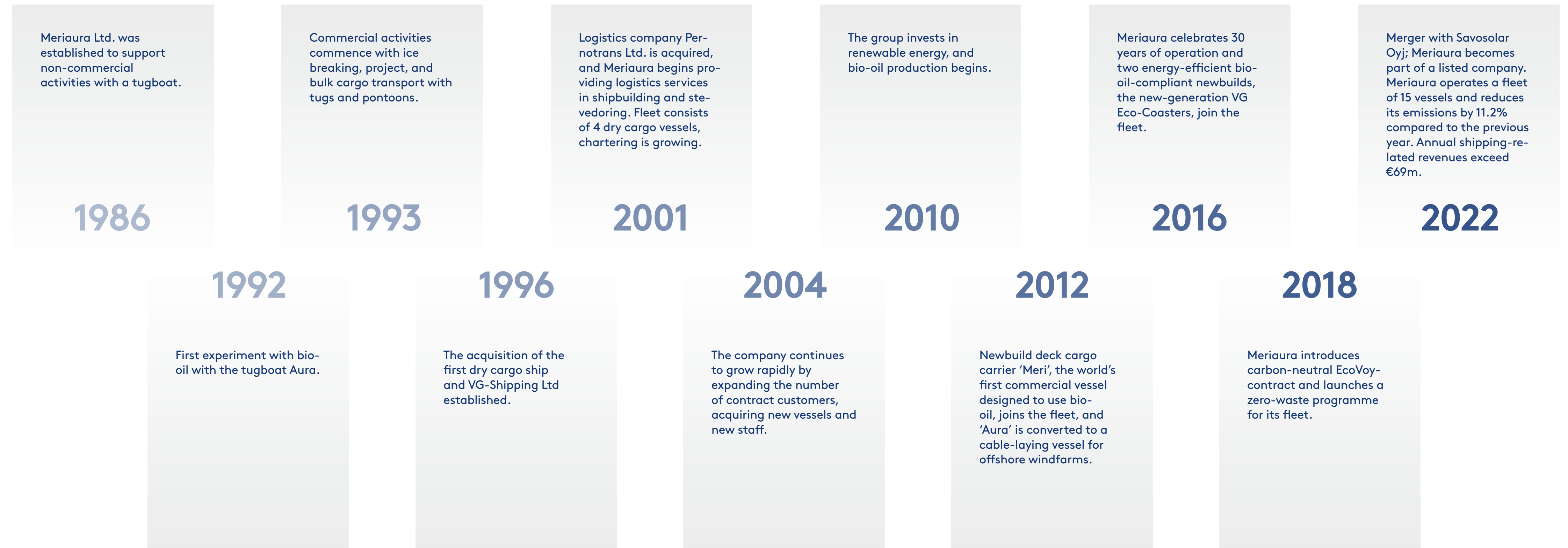
At the end of the year, we took a big step in the company's history when we became part of a listed group. In addition to profitable growth, the common goal of the combined companies is to accelerate and support our customers' green transition. Operating in the maritime logistics segment, Meriaura is investing heavily in reducing the environmental impact of its operations and has profiled itself as a pioneer in developing lower-emission sea transports and in commercializing solutions. Competitiveness is sought through the development of new vessel concepts and fuel solutions. We have made significant investments, both in improving the biofuel production process and in ship technology. We believe that the demand for almost carbon-neutral sea transport will strengthen, and that with our customers and other stakeholders, we can be a trendsetter in responsible sea transport."

Beppe Rosin, CEO, Meriaura



Sustainable shipping for almost four decades

Meriaura is a Finnish shipping company that transports industrial bulk, recycled and raw materials, and demanding project cargos in Northern Europe. Our vision is to be the leading forerunner in environmentally friendly, innovative, and solution-oriented maritime transport and ship management services.



Partnerships with the owners of time-chartered vessels

Meriaura owns about half the vessels the company charters, and about half are rented – that is, time-chartered. Time-charter contracts are based on long-term cooperation; we know the owners of the vessels well. These contract partners are from Finland or other EU countries. Some of the time-chartered vessels have our own captain, i.e. a pilot-exempted Master hired by Meriaura. We thus ensure very good and smooth communication between the ship owning company, the ship, and the land organisation of Meriaura. The mutual cooperation aims for the most efficient and economical operation possible.

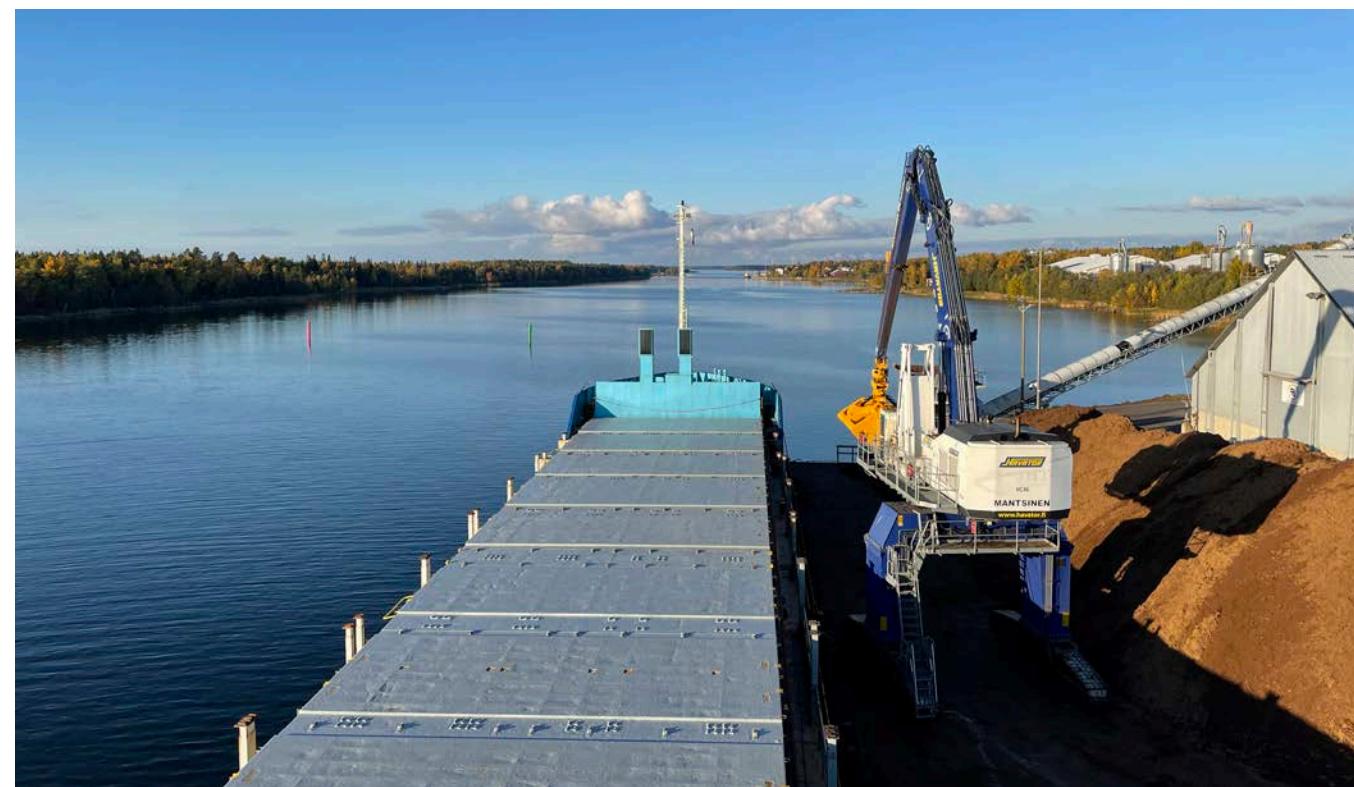
During 2022, VG-Shipping acquired a share in two Finnish shipping companies: Helmer Lundström Ab Oy and Rederi Ab Nathalie, from which Meriaura has time-chartered vessels for many years. With this cooperation, we ensure suitable Finnish tonnage for our long-term use. We also strengthen the future of the Finnish shipping industry and Finland's security of supply, and we are better able to meet the challenges of the green transition.



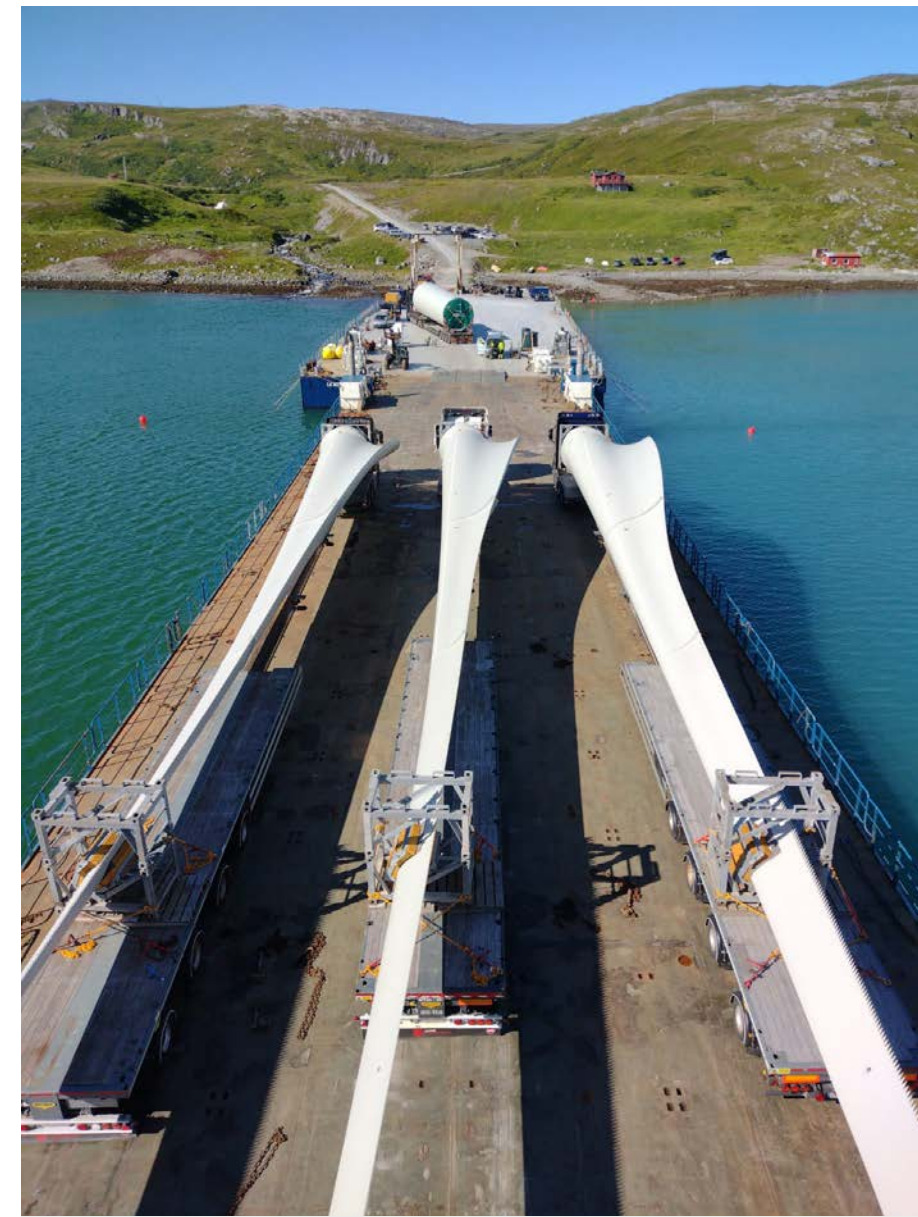
Work at sea in pictures



Meri's open deck carriers transport various types of harbour cranes.



M/V Lottaland loading potting soil to be transported to the Netherlands.



Wind turbine blades are transported to wind farm projects both on land and at sea.

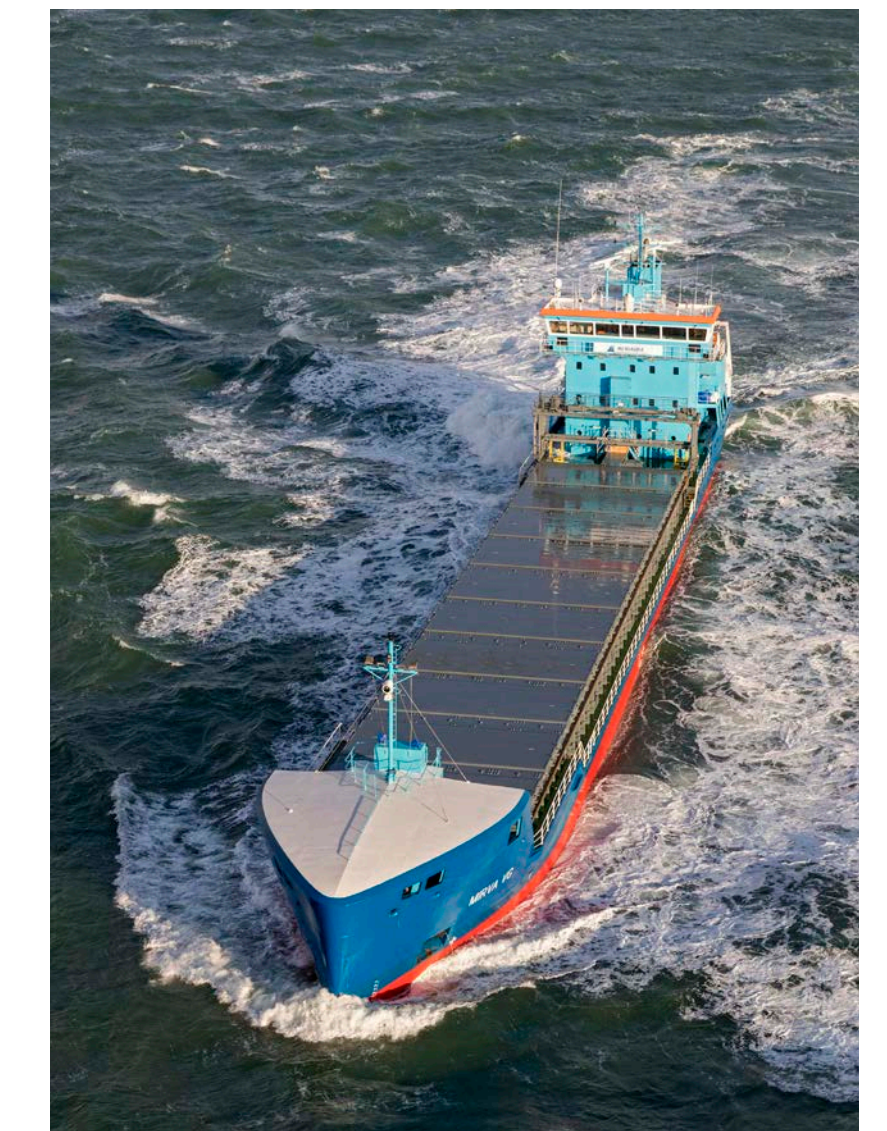
Meri's open deck carriers transport various types of harbour cranes.



Open deck carrier Meri carrying ship blocks, arriving at Turku Shipyard, Meyer Turku.



Meri's open deck carriers transport various types of harbour cranes.



Renewable energy

Solar Thermal is clean and renewable energy

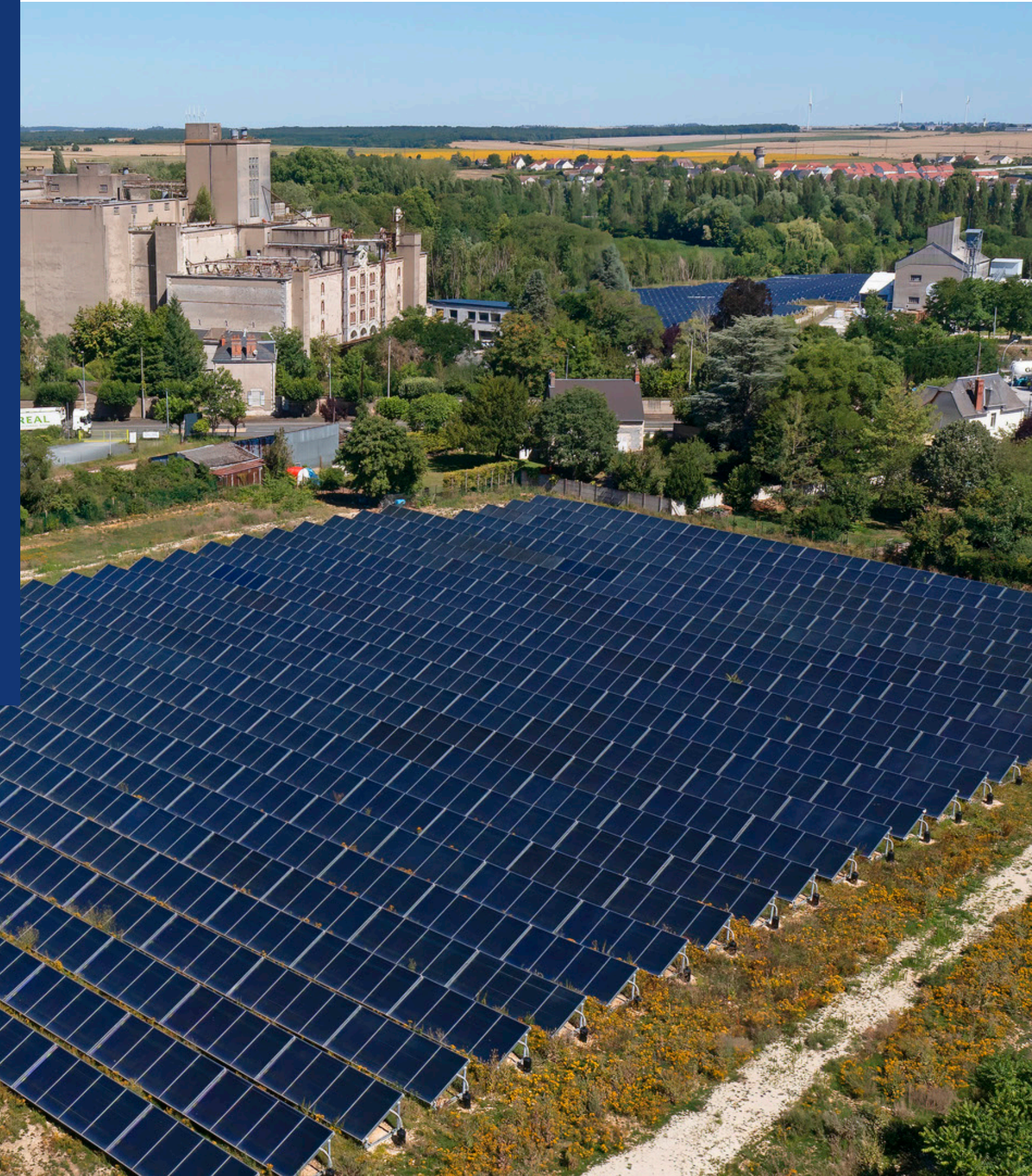
In general, heating is the largest energy use worldwide. Providing heating for homes, industry, and other purposes accounts for around 50% of total energy consumption globally, which is significantly more than e.g. electricity (20%) and transport (30%). Solar thermal is genuinely clean and renewable energy.

Several studies have shown that after the tank storage of fossil fuels, i.e. oil and gas, it is most effective to store energy as thermal energy in a large water reservoir. Thanks to the development of large heat storage, it is also possible to store heat during the summer for winter use.

Savosolar provides well-designed and efficient solar thermal systems for the heating of towns and communities, as well as industrial processes. A solar collector field can be installed either on open fields or integrated into building roofs.

The main benefits of using large solar thermal are:

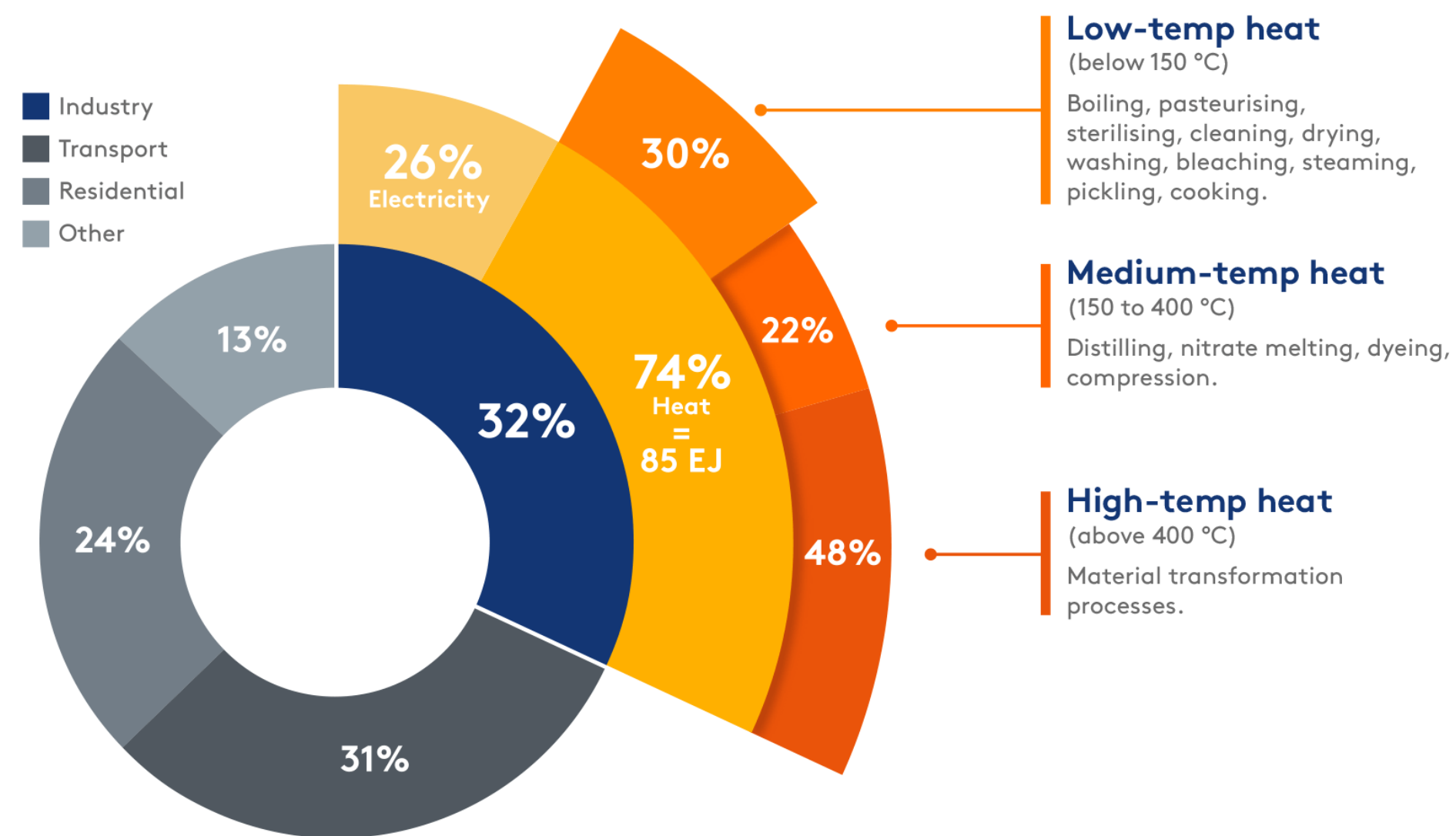
- Competitive cost of heat for over 25 years.
- Energy cost stability for over 25 years.
- Independent energy production without fuel costs and less political dependency.
- Very low carbon footprint.
- Simple to combine with other heat sources.
- Relatively easy to store for later use.



Solar heat for industrial processes

Solar heat for industrial processes (SHIP) continues its steady growth. Thirty-two per cent of the world's energy demand is used by industry, and around 75% of this is for heat. Of industrial heat use, some 30% is low temperature heat (<150 °C), which is particularly suitable for production by solar heat. Several industries benefit from different applications of solar thermal process heating. Among them are greenhouses, mining companies, dairies, brewing companies, and other food industries.

Flat plate collector-based solar plants provide a competitive source of heat for applications requiring heat below <100 °C.



Source: IEA/IRENA 2017

Case: Solar thermal for malt processing, Issoudun, France

The Issoudun solar thermal plant in France delivered by Savosolar is an excellent example of industrial decarbonisation in action.

More than 14,000 m² at the time of commissioning in 2021, the Issoudun system was the largest solar heating system in France and the largest solar thermal system for industrial process heating in Europe.

The solar thermal plant provides heat to the Boortmalt Group's malt-processing plant and is owned by Kyotherm. The French company Kyotherm and its affiliate Kyotherm Solar are investment companies specialising in the third-party financing of renewable heat and energy efficiency projects.

The Issoudun plant produces around 8.5 GWh per year, reducing CO₂ emissions by 2,200 tonnes per year, thus helping Boortmalt to reach their goal of reducing the company's CO₂ emissions by 50% by 2030. Overall, the solar thermal plant provides 10% of the annual heat consumption of the malthouse, contributing 35% of the annual heat use of the drying process.

Issoudun

Year of commissioning	2021
Solar collector area (gross)	14,252 m ²
Nominal Solar Capacity	10.6 MW
Annual Solar Production	8.5 GWh/a
CO ₂ emissions reduced	2,200 tonnes/a



Every step towards more sustainable production is a further step towards meeting the expectations of our customers, and ultimately of consumers.

Paul-Yves L'Anthoën,
Axereal Group CEO



The Issoudun project was the largest in Europe of its kind and was therefore a challenge in its own right. I'm proud that our team was able to deliver this solar thermal plant, which is better than expected in terms of its impact on the end user's process.

Maxime Viot, Design Engineer,
Savosolar Oyj

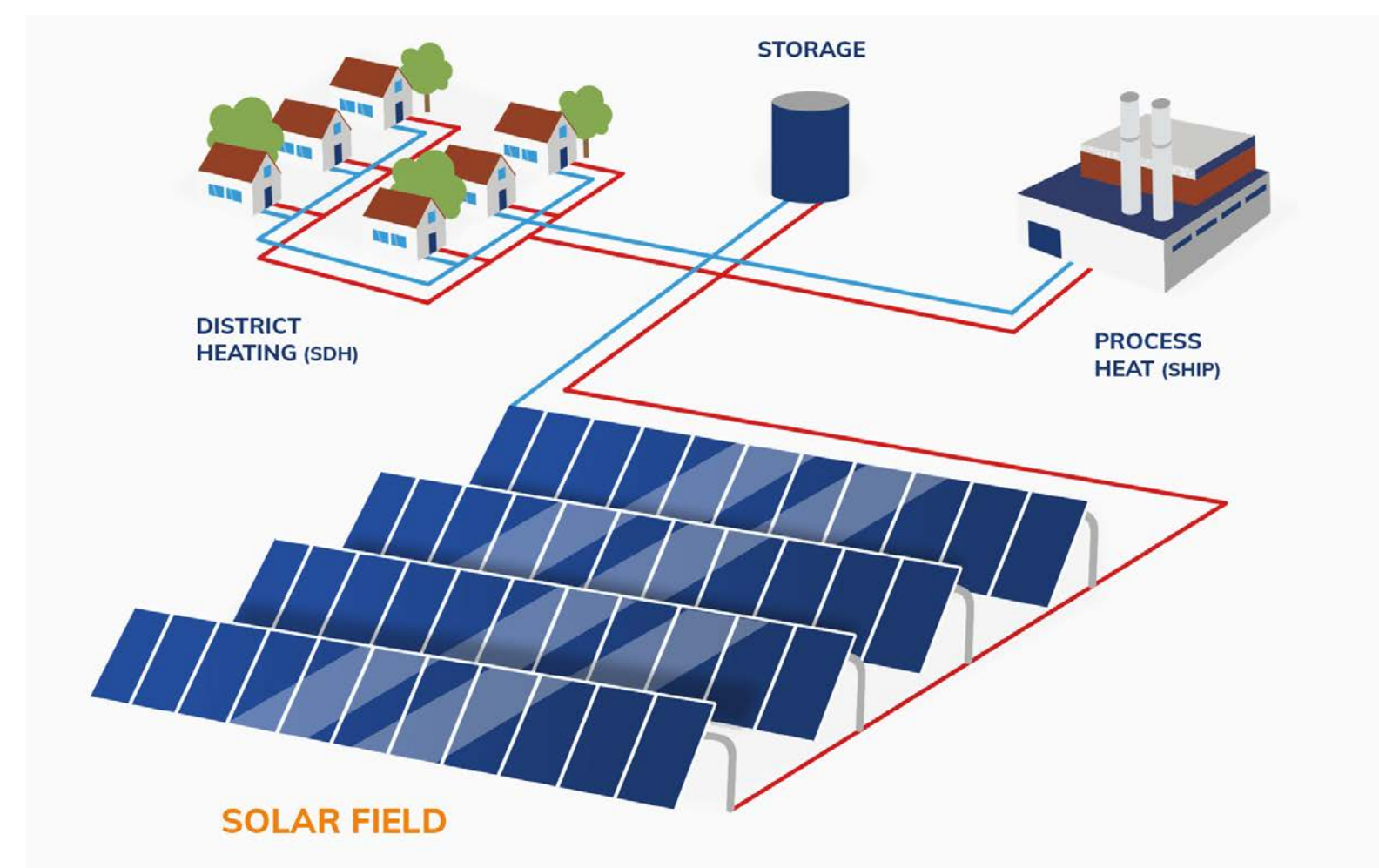
Solar heat for district heating

District heating is a very suitable application for solar thermal heating, especially in networks with low temperatures (<100 °C). Solar thermal is also compatible for integration with any other heating source the district heating plant is currently using.

In most cases, solar energy contributes up to 20% of annual heat demand. Using seasonal storage can increase this fraction to 60% or more.

District heating has a significant role to play in the future of clean energy production in the area of heating and cooling. It is forecast that by 2050, it will be possible to produce 50 per cent of heating in Europe with district heating, as this is the easiest and most cost-effective way for the production and distribution of clean energy.

The number of solar district heating systems continues to grow, as they prove one after the other to be worth the investment, not only ecologically but also economically.



Case: Fewer greenhouse gases from district heating, Creutzwald, France

The solar thermal system delivered by Savosolar decreases the carbon footprint of Creutzwald.

The Cellcius plant in Creutzwald, France delivered by Savosolar underlines the impact of solar thermal on the economic and ecological footprint of district heating. Due to the solar thermal plant, approximately 17% less natural gas was needed for the heating.

The plant was commissioned in 2021, and it is the largest solar district heating plant in France. With a collector area of 5,600 m², it generates over 2,600 MWh of clean energy annually.

During the two first years of operation, 2021 and 2022, the plant has exceeded its annual production target of 2.6 GWh. The solar thermal plant will save 560 tonnes of CO₂eq. of greenhouse gas emissions per year.

The Cellcius plant is owned and operated by the companies La Française de l'Énergie and ENES. La Française de l'Énergie (LFDE) is listed on Euronext and produces gas, green electricity, and heat in Northern France, Eastern France and Benelux. ENES is the energy service company of the city of Creutzwald, owning and operating the district heating network.

Creutzwald

Year of commissioning	2021
Solar collector area(gross)	6,048 m ²
Nominal Solar Capacity	4.3 MW
Annual Solar Production	2.6 GWh/a
CO ₂ emissions reduced	560 tonnes/a



With the Cellcius solar thermal plant we have achieved nearly 17% savings on our annual consumption of natural gas for district heating.

Benjamin Merle, Solar thermal plant operator, ENES



I was thrilled to work on such an interesting project, and especially now that the excellent performance of the solar thermal plant is evident, I am very proud of our team's achievement.

Fabien Barre, Project Manager, Savosolar Oyj

Responsibility is at the core of all our operations

Leading pioneer in environmentally friendly, innovative and solution-oriented maritime transport

Over the years, the growing concern for the well-being of the environment and social factors have become a common theme at Meriaura, with the reduction of harmful impacts on the environment, economic success, and a well-functioning working community set as the main goals. Our future transport concept aims for a mode of transport that is as carbon-neutral as possible. The goal is to create a new kind of competitive advantage from an operating method that takes the environment better into account.

Measurable indicators help achieve goals

Meriaura has always been known for its ambitious environmental goals. We are committed to promoting environmental values in our everyday work and are constantly looking for cost-effective solutions to environmental challenges. However, good intentions are only half the battle if precise goals or their follow-up are not defined. We have therefore compiled an environmental system under the Ecocompass programme, from which we are gradually moving towards ISO 14001 certification. We

have defined measurable indicators for concrete goals so that we can adhere to the principle of continuous improvement and systematically develop our operations in the right direction. During 2022, we also created an environmental programme for VG-EcoFuel.

Crew safety in a changed world situation

With the war in Ukraine, one aspect of responsible operations has been accentuated: the safety and well-being of the crew. During the first days of the war, we were the first shipping company to make the decision to suspend traffic to Russia. The most important reason for this was the deteriorating safety of our Ukrainian personnel in Russian ports that came to our attention.

We promised our Ukrainian sea personnel that we would stand by them in the crisis and offered them and their immediate families the opportunity to live temporarily in Finland. We helped several family members to safety by arranging travel and accommodation for them, and we also helped them start a new life in Finland by arranging work. During the year, we have also made donations to help the victims of the war in Ukraine, both as a company and on behalf of the staff.





Emission reductions and efficiency go hand in hand

Meriaura managed to reduce its ships' emissions by 11.2 percent during 2022 compared to the previous year. Emissions per tonne of transported cargo per nautical mile decreased by 7.8% for the bulk fleet and 20.6% for deck cargo ships. Success in reducing emissions is the sum of many small things, the most important of which are the minimisation of ballast trips, the maximisation of utilisation rate of the ship's cargo capacity, and efficiency in port operations.

The biggest source of emissions for a shipping company is ship fuel. Meriaura therefore closely monitors ship emissions and relates them to the transport work performed. During 2021, the company developed software for monitoring CO₂ emissions and a monitoring system for the entire fleet. Emissions per tonne of transported cargo per nautical mile, or "tonne mile", was selected as the most reasonable monitoring unit. The data for the entire fleet has now been collected for two whole years, and we can say with great satisfaction that we have significantly exceeded our annual emission reduction goal of four per cent for 2022.

The tonne-mile emission was reduced by 7.8% for the bulk fleet. Success in the minimisation of ballast trips is based on the correct and carefully selected traffic area, as well as a suitable and homogeneous fleet. Customers are in a key position because they decide where the cargoes need to be taken. The customer's batch sizes must also correspond as well as possible to the cargo capacity of the ships. Harmony in the customer

portfolio creates synergy. The Nautic Ai Fleetrange digital application plays an important role in the planning and optimisation of ship programs. Competent onboard staff guarantees economical navigation. Efficient port operations reduce the waiting time at ports and enable economic navigation in sea legs, which saves fuel and reduces emissions.

Emissions from deck and special cargo vessels decreased by 20.6% compared to 2021. The marked improvement is partly explained by the fact that in 2021 the result was worsened by a long time-charter period, which also made it difficult to plan the spot charter. In 2022, expensive fuel encouraged driving with ecospeed, and the so-called "Virtual Arrival" was introduced, which means that the arrival is adapted to the readiness of the port to start cargo operations instead of rushing to wait. The docking of both deck cargo ships in early 2022 also helped reduce fuel consumption through the sound coating of the hull. The chartering profile has also changed: in 2022, deck cargo ships made more long-distance transports—for example, to Spain, which is not part of Meriaura's everyday traffic area. In this case, the share of ballast trips decreases in relation to carrying cargo.

Achieving the emission reduction targets, i.e. the continuous reduction of emissions in the coming years as well, requires not only further improvement in operational efficiency, but also an increase in the use of renewable fuels. We increased the use of our inhouse waste-based biofuel in our fleet at the beginning of 2023. When running on 100% biofuel, the fuel-related lifecycle emissions of sea transport are almost 98% lower than with fossil fuels.

Lower emissions with certified bio-oil

Biofuels from recycled oils

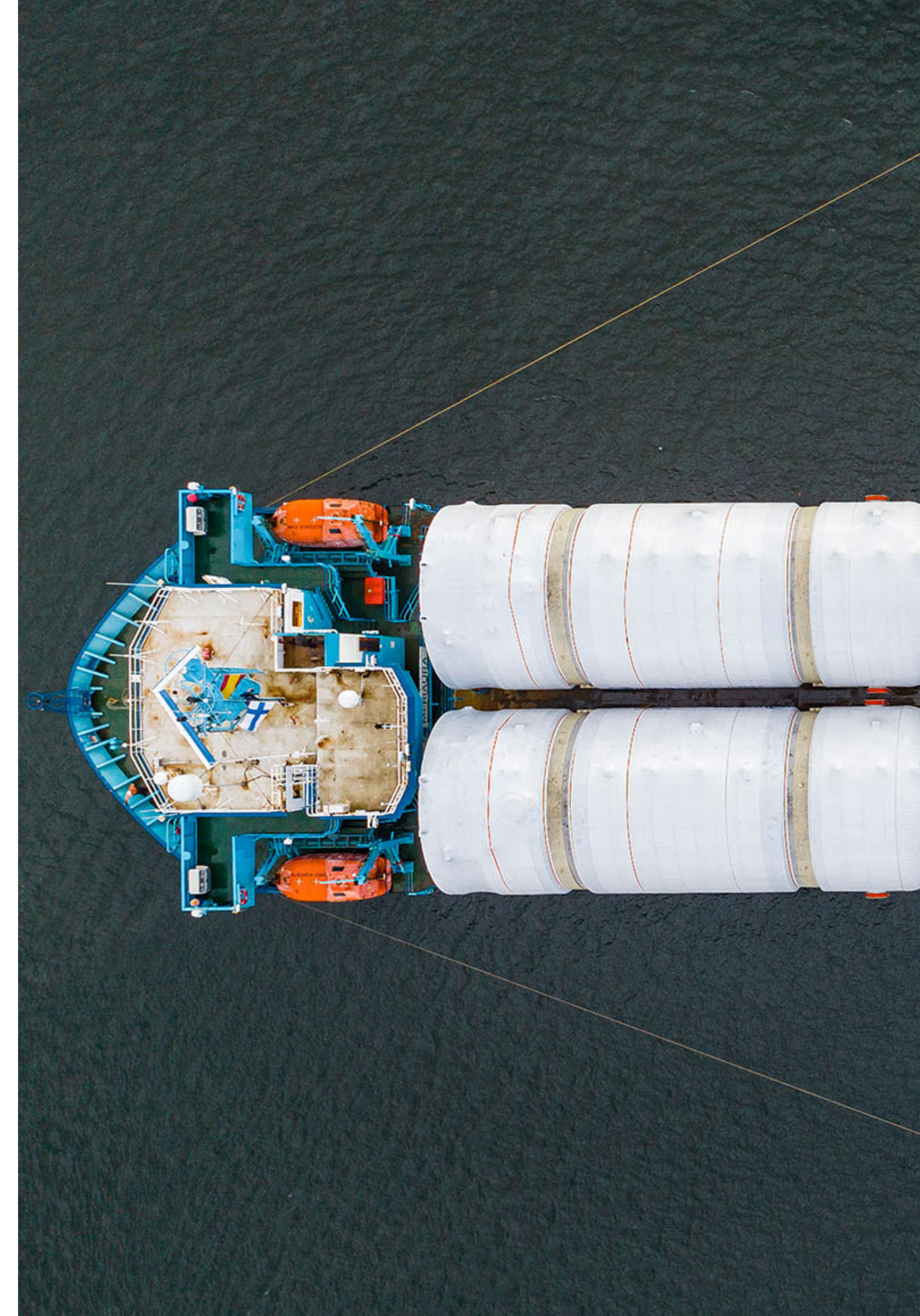
Meriaura's subsidiary VG-EcoFuel collects recycled and waste-based oils generated as industrial by-products and processes them for further use in Uusikaupunki. EcoFuel's raw materials are 100% recycled and waste-based, and the biofuel processed from them therefore has an up to 97.7% lower greenhouse gas emission impact than fossil oils and fuels. Waste-based biofuels are a sustainable option for replacing virgin bio-oils because they do not compete with food production, and the raw materials are sourced from nearby areas.

VG Marine EcoFuel™ produced at the facility is a sulphur-free fuel made from recycled vegetable oil that can be used as marine fuel as such or mixed with fossil diesel fuel. During 2022, a new pilot biofuel production line was installed at VG-EcoFuel's premises, and ship trials were started with the renewed VG Marine EcoFuel as part of Meriaura's development project financed by Business Finland. The aim of the project is to develop a good-quality standard-compliant biofuel, thus creating a basis for a carbon-neutral transport concept.

Since the beginning of VG-EcoFuel's operation, the company has had a national sustainability system that meets the requirements of the EU renewable energy RED II directive and national legislation. At the end of 2022, VG-EcoFuel changed to the similar but internationally better-known ISCC certificate (International Sustainability and Carbon Certification).

Collection of bio-oil

During 2022, we intensified the collection of bio-oil in the Turku region and expanded the collection to the capital region. The vast majority of used cooking oils from restaurants and bakeries in Turku and nearby municipalities are recycled to VG-EcoFuel for further processing, either directly from restaurants or through wholesale collection points. Larger batches from our contract partners are received directly at our production facility in Uusikaupunki. We are also constantly researching and investigating other raw material sources.





Personnel

Working conditions onboard

At the end of 2022, Meriaura Group employed 101 seafarers on its vessels. In addition to our own ships, we crewed the research vessel Aranda, as well as two split barges. Many of Meriaura's time-charter vessels also have our "own captain", i.e. a pilot-exempted master employed by Meriaura. In general, we work in five-week shifts. Working at sea differs from normal work in many ways. It requires adaptation to special conditions, e.g. to rough seas, and to nightshifts for some personnel. During the shift, the staff do not have the opportunity for a normal private life, and their free time is also spent in the workplace. The professional qualifications and health requirements of seafarers are defined more precisely than usual by international agreements and national legislation.

Professional skills have no gender

At Meriaura, we offer everyone the same opportunities to work and advance in their careers. For us, gender does not define the level of professionalism. About half our office staff are women, but female seafarers are still rare today. In 2022, four women worked on board our ships. We offer flexible working options to make work-life balance easier.

We survey job satisfaction annually

The annual job satisfaction survey of marine personnel is an important tool for monitoring working conditions and striving for continuous improvement. The working atmosphere, living, working, and leisure conditions on board, administration and management, communication, and the smoothness of cooperation between the operational functions of the ship and the office are surveyed annually.

During 2022, we updated telecommunication connections, electronics, and software, as well as fitness equipment on some of our ships based on the 2021 survey feedback (the respondents were 68 members of the sea staff). Work to make meals more varied was started during 2022, and this will be promoted during 2023. The main theme of the survey carried out in January 2023 is welfare at work.

Our products and services contribute to mitigating climate change

Savosolar Renewable Energy is committed to mitigating human-induced global climate change through eco-innovative products and services. Savosolar also continuously promotes innovativeness in all its operations to minimise the company’s overall environmental footprint and maximise the handprint in environment and society. At Savosolar, we continuously improve our products and our own working methods to achieve company targets. Quality is an integrated part of our business, and it is embedded in our way of working.

We continuously seek to deepen our understanding of risks related to negative impacts on the environment and sustainability and set clear targets and action plans to reduce this risk. We encourage all our stakeholders to do the same and train our personnel to be actively engaged in this endeavour. We recognise the importance of the preservation of biodiversity and act promptly to reduce any harmful impacts on it.

Savosolar is committed to encouraging equality, diversity and inclusion among our workforce. We aim to create and sustain a working environment free of bullying, harassment, victimisation and unlawful discrimination, promoting dignity and respect for all, and where individual differences and the contributions of all staff are recognised and valued.

Savosolar’s global impact based on renewable energy

By designing and delivering large-scale solar thermal solutions to district heating producers and industry, Savosolar helps communities and companies reduce CO₂ emissions with clean heat. In 2022, Savosolar calculated the carbon footprint of its solar collectors, and the calculation of the carbon footprint of a solar thermal field will be completed during 2023.

The total capacity installed by Savosolar is 90 MW, with an average annual energy production of 82,000MWh/a. This equates to the elimination of a total of 20,400 tonnes of CO₂ emissions.

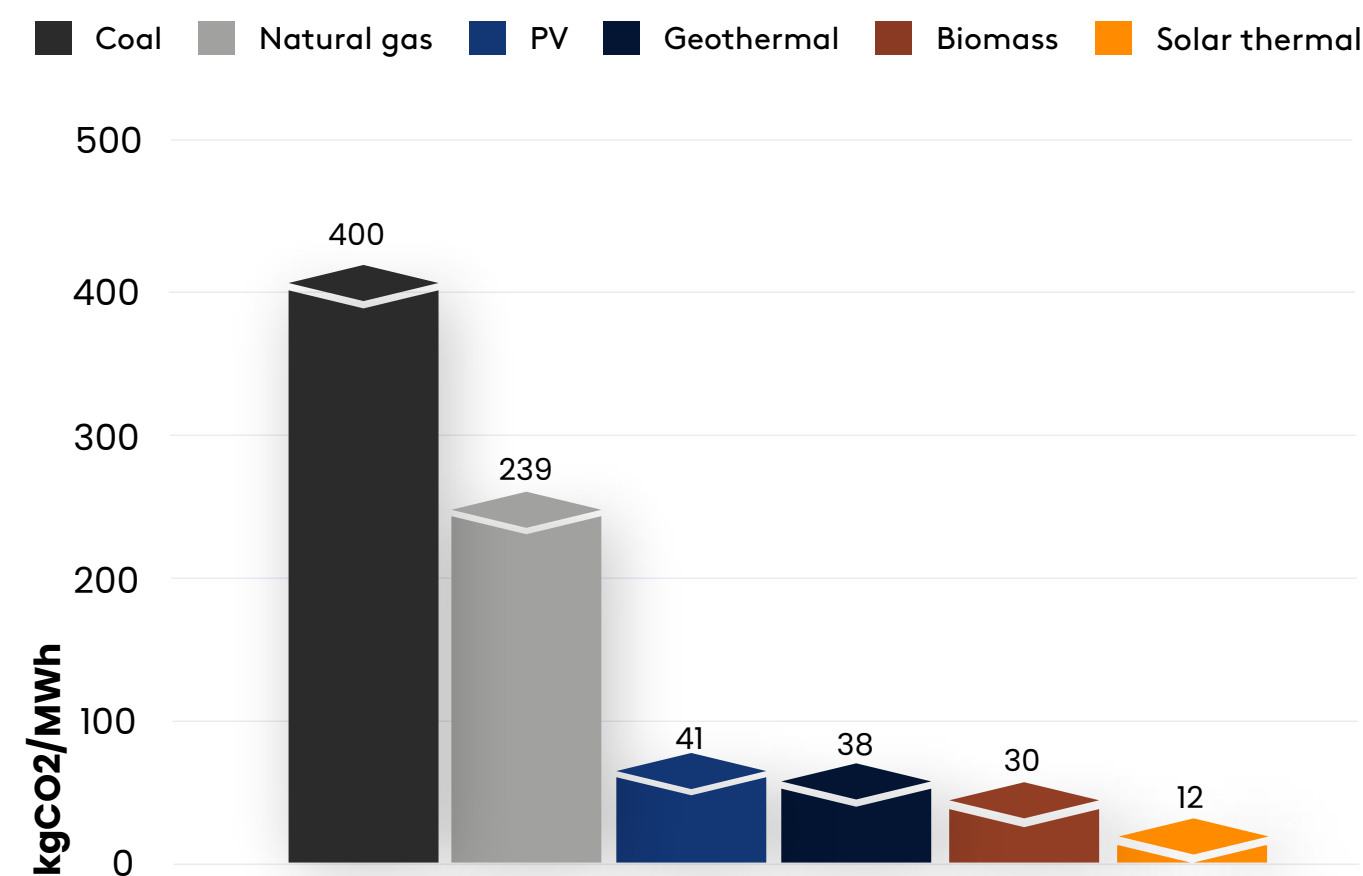


* Estimated with a global average of 0.65 MWh/m² ** Using natural gas as the comparison fuel (220 t/GWh)

Solar heat is a very low-emission form of heat production

A comparison of renewable forms in energy production made by a French research institute in 2021 shows that the average carbon dioxide emissions of solar thermal per MWh are about 3.5 times lower than solar electricity, more than three times lower than geothermal energy, and about 2.5 times lower than biomass.

The environmental friendliness of solar heat as the most efficient form of renewable energy is also supported by the surface area required by solar heat. The surface area required to produce energy with solar heat is about three times smaller than producing the same energy with solar electricity and as much as 40 times smaller than the corresponding amount of energy produced with biomass.



Sources: Inuk ST Plant CO₂ footprint study 2021 / Grec report 2014, group III / Ademe

Average CO2 emissions per MWh produced by different forms of renewable energy production



Governance

Board of Directors

Kirsi Suopelto

Chair of the Board

Born in 1976, MSc (Law) and MBA. Board member since 1 December 2022. Independent of major shareholders, non-independent of the company.

Eero Auranne

Vice Chair of the Board

Born in 1959, MSc (Electrical Engineering). Member of the Board of Savosolar since August 2018 and Chair of the Board from April 2020 to November 2022. Independent of the company and of major shareholders.

Jussi Mälkiä

Board member

Born in 1962, Master Mariner's certificate. Board member since 1 December 2022. Non-independent of the company and major shareholders. Founder and Chair of Meriaura Group.

Ari Virtanen

Board member

Born in 1958, Electrical Engineer and MBA. Board member since August 2018. Independent of the company and of major shareholders.

Eljas Repo

Board member

Born in 1961, MSocSc. Member of the Board of Savosolar since April 2022. Independent of the company and of major shareholders.

Ville Jussila

Board member

Born in 1985, MSc (Economics). Board member since 1 December 2022. Independent of major shareholders, non-independent of the company.

Management Team

Jari Varjotie

CEO, Director of Renewable Energy

Born in 1960, MSc (Production Technology). CEO of Savosolar and member of the management team since November 2010.

Bengt-Erik Rosin

Director of Marine Logistics

Born in 1965, MSc (Agronomics) and BSc (Econ.). Member of the management team since 1 December 2022.

Kirsi Suopelto

VP, Strategy

Born in 1976, MSc (Law) and MBA. Member of the management team since 1 December 2022.

Heikki Timonen

CFO

Born in 1967, MSc (Econ.). CFO of Savosolar and member of the management team since April 2019.

Financial statements

1 January 2022 - 31 December 2022





Contents

Report of the Board of Directors	23
Income statement	32
Balance sheet	33
Cash flow statement.....	35
Notes	36
Signatures.....	45
Auditor's note	45
Auditor's report.....	46

Savosolar Plc's Report of the Board of Directors for 2022

Savosolar Plc is a Finnish limited liability company listed on Nasdaq First North Growth Market Sweden and Nasdaq First North Growth Market Finland.

Since 1 December 2022, the Savosolar Group has had two business areas: Renewable Energy; and Marine Logistics. Until 1 December 2022, Savosolar Plc's business consisted entirely of renewable energy.

The renewable Energy business area designs and delivers clean energy production systems as comprehensive deliveries. The systems are built around large-scale solar heating systems implemented using high-performance solar thermal collectors manufactured by the company. Other energy production and storage solutions can be flexibly combined with the systems. The company has taken the use of large solar thermal systems to a new level with its patented technology based on optically coated direct flow absorbers. With this leading technology, Savosolar enables its customers to produce clean and competitive energy. The Renewable Energy business consists of the business operations of Savosolar Plc.

The Marine Logistics business consists of the business operations of Meriaura Oy and VG-EcoFuel Oy. Meriaura 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. Around two thirds of Meriaura's revenue come from dry cargo, or bulk cargo, and around a third comes from project deliveries. The company focuses on environmentally sustainable marine transport services that reduce carbon emissions from marine transport. Its environmentally friendly solutions are based on long-term affreightment agreements, a modern fleet and a strong market position in renewable energy construction projects. VG-EcoFuel Oy produces recycled biofuels from bio-oils and recycled oils generated as industrial by-products.

Meriaura Oy became part of Savosolar Group through an exchange of shares with VG-Shipping Oy (Meriaura Invest Oy since 17 February 2023). In the merger, Meriaura Oy, owned by VG-Shipping Oy, became a subsidiary of Savosolar Plc, and VG-Shipping became the largest shareholder in Savosolar, with a holding of around 70%

Savosolar Plc is domiciled in Mikkeli. It also has locations in Vantaa, France and China, wholly owned subsidiaries in Denmark and Germany, and a collector production plant in Mikkeli. Meriaura Oy is domiciled in Turku.

Merger with Meriaura Oy

On 29 August 2022, Savosolar Plc announced that it had signed a conditional share exchange agreement with VG-Shipping Oy to acquire all the shares in Meriaura Oy, a marine logistics company, and the business operations of VG-EcoFuel Oy, a producer and marketer of biofuels.

The transaction was implemented through a directed share issue to VG-Shipping Oy, which owned all the shares in Meriaura Oy. Meriaura's revenue was EUR 33.2 million in the first half of 2022, and its operating profit was EUR 4.1 million. Its number of personnel was 148. Its revenue increased by 30% year-on-year. VG-EcoFuel's revenue was EUR 0.6 million in the first half of 2022, and its operating profit was EUR 0.02 million. Its revenue increased by 30% year-on-year. In accordance with the share exchange agreement, Meriaura Oy and VG-EcoFuel Oy had a maximum of EUR 21 million in interest-bearing debt and a minimum of EUR 4.4 million in cash at hand and in bank at the time of the transaction.

Following the guarantee related to the share exchange agreement and VG-Shipping's 2-2021 option rights in Savosolar Plc and the directed share issue, the holding of Savosolar's previous shareholders in the new

group of companies after the share exchange agreement was around 28%, and VG-Shipping's holding was around 72%.

On 18 November 2022, Savosolar Plc published a company description related to the acquisition of all the shares in Meriaura Oy. The company description is available on the company's website at <https://savosolar.com/investors/share/meriaura-merger/>

Market environment 2022

Renewable Energy

Savosolar's Renewable Energy business focuses on segments with high growth potential. These include the solar district heating market (Solar District Heating, SDH) in Europe, and systems for generating heat for industrial processes (Solar Heat for Industrial Processes, SHIP), where markets with most potential for Savosolar are in Europe, Latin America, Australia and Africa.

The most active European market for solar heating systems is currently France, where the government has promoted the increased use of clean energy in heat production over the long term. France already has several project developers who invest in the production of solar thermal energy and sell heat to their end customers' industrial processes through long-term supply contracts. A similar trend can be seen elsewhere in Europe and even in district heat production. The demand for solar energy systems has also increased significantly in Germany in recent years.

According to Solar Heat Europe, the European solar thermal market began to recover from the pandemic in 2021, such that new capacity (1.46 GWth) was built than in the previous year. In 2021, the capacity available in Europe was 37.8 GWth, which corresponds to a collection area of around 54 million square metres. However, growth has been slower than the targets set by the European Union in 2020.

Interest in solar heat for industrial processes (SHIP) has increased globally. So far, the systems are relatively small and often generate process heat with a temperature of over 100°C, but the trend is towards a larger scale with temperatures of both under and over 100°C. According to a study published by Solrico in early 2022 and a study by AEE INTEC, a total of 78 new SHIP plants were documented globally in 2021, with a total collection area of 51,539 m² (36 MWth). Most of these SHIP plants are in the food, mining and textile sectors

However, the turbulence in the energy sector, inflation and the higher costs of financing have slowed investment decisions. Consequently, investments in renewable energy production did not progress as expected in 2022. Energy investments are decisions made for the long term, even decades, and are significantly affected by short-term cost fluctuations.

Marine Logistics

The demand for bulk cargo is affected by both global and regional economic activity. In the early 2000s, the demand for bulk cargo exceeded the supply. The number of new bulk cargo ships increased rapidly after this, which – combined with the global financial crisis – led to a sharp decline in cargo prices. Currently, the number of new ships under construction is relatively low, and Meriaura's view is that overcapacity is disappearing and the market has recovered. This applies to ships with an ice classification in particular.

According to Danish Ship Finance, bulk cargo shipping increased by 4% in 2021, driven by recovery in coal and small bulk products. Freight

prices were also high at that time. Danish Ship Finance estimates that demand increased by around 0.2% in 2022, and at the same time, the bulk cargo fleet grew by 3%.

Special cargo and project cargo shipping

Larger or otherwise demanding cargo requires completely different equipment and infrastructure and more experienced staff than bulk cargo. The planning of transport is also much more demanding.

Large-scale special cargo includes, for example, tower, blade and generator components for wind turbines, as well as harbour cranes, which

account for a significant part of the demanding transport operations provided by Meriaura. The use of wind power is expected to continue to grow in the coming years, which will increase the market for project cargo business operations. The inclusion of transport service providers in projects as early as in the planning phase has increased in recent years.

Results and business development in 2022

Since 1 December 2022, the Savosolar Group has two business areas, which are reported as separate business segments: Renewable Energy and Marine Logistics. Before that, the Group's business operations consisted entirely of renewable energy business operations

CONSOLIDATED KEY FIGURES BY REVIEW PERIOD (TABLE 1)¹

EUR 1,000	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Change (%) 2022/2021
Revenue, Group	5,701	329	6,503	869	8,635	2,497	245.8
Renewable Energy	844	329	1,646	869	3,778	2,497	
Marine Logistics	4,857		4,857		4,857		
Operating profit/loss (EBIT), Group	-236	-1,336	-1,332	-2,353	-3,763	-4,554	17.4
Renewable Energy	-747	-1,336	-1,843	-2,353	-4,274	-4,554	
Marine Logistics	511		511		511		
Profit/loss for the period, Group	-353	-2,235	-1,510	-3,439	-4,067	-5,772	29.6
Renewable Energy	-801	-2,235	-1,958	-3,439	-4,515	-5,772	
Marine Logistics	448		448		448		
Earnings per share EUR, basic	-0.001	-0.017	-0.005	-0.033	-0.017	-0.066	74.2
Earnings per share EUR, diluted	-0.001	-0.008	-0.004	-0.012	-0.015	-0.021	28.6

¹ The Group's figures include Marine Logistics (Meriaura Oy) only in December 2022. October-December 2022 are rough figures, as no actual Group consolidation has been done for the third quarter.

Revenue January–December 2022

As of December 1, 2022, Savosolar Group has two business areas: Renewable Energy and Maritime Logistics. Until 1 December 2022, Savosolar Oyj's business consisted entirely of renewable energy business.

The Group's revenue for the full year 2022 amounted to EUR 8.6 (2.5) million. Of its full-year revenue, EUR 3.8 million, or around 44%, came from Renewable Energy, and EUR 4.9 million, or around 56%, came from Marine Logistics.

PRO FORMA KEY FIGURES BY BUSINESS AREA (TABLE 2)

(EUR 1,000)	Jan–Dec 2022	Jul–Dec 2022	Jan–Jun 2022
Revenue, Group	73,209	38,031	35,179
Renewable Energy	3,778	1,647	2,132
Marine Logistics	69,431	36,384	33,047
Operating profit/loss (EBIT), Group	5,198	3,944	1,254
Renewable Energy	-4,274	-1,843	-2,431
Marine Logistics	9,472	5,787	3,685
Profit/loss for the period, Group	4,033	3,354	679
Renewable Energy	-4,515	-1,958	-2,557
Marine Logistics	8,548	5,312	3,236
Equity ratio, %, Group	55 %	55 %	50 %

To facilitate the comparison of the Group's business performance, key pro forma figures for the full financial year and for January–June 2022 and July–December 2022 are presented in Table 2.

The pro forma table thus provides information about the Group as a whole and the corresponding figures separately for both its business areas if they had been part of the Savosolar Group throughout the 2022 financial year.

Main events during the reporting period

In March 2022, Savosolar signed an agreement with Newheat SAS on the delivery of a solar thermal field of around EUR 3 million to Verdun, France.

Once completed, the system will produce heat for Lactalis Group's whey powder factory, and will be the largest solar heating system in France for industrial process heat. The system was delivered to the customer in late 2022 and is expected to be commissioned in the spring of 2023. In June 2022, Savosolar signed an agreement with Jorgensen Thermal Solutions ApS on the delivery of a solar thermal field to the La Caridad mine in Sonora, Mexico. Jorgensen serves as the main contractor in the project. Once completed, the solar thermal field will supply process heat for a mining facility of Mexicana De Cobre S.A. The value of the delivery for Savosolar is around EUR 0.2 million. The field was delivered to the customer in late 2022 and will be commissioned in 2023. For Savosolar, the agreement is an important entry into the mining industry and Latin America, where the mining industry is eagerly looking for renewable and clean energy sources for the production of electricity and heat for its processes.

The solar thermal system delivered to Guangzhou Power Supply Bureau, Guangdong Power Grid Co. in China in 2021 was commissioned in June 2022.

Renewable Energy's order backlog at the end of the financial year stood at around EUR 0.3 (0.4) million. At the end of the financial year, the value of active sales identified for the coming few years was around EUR 173 (138) million, of which projects in the planning and tendering phase accounted for around EUR 42 (15) million.

The turnover and the profitability of Meriaura Oy clearly improved from the previous year. The improvement is above all derived from the bulk business, which benefited from high demand, a well-constructed client portfolio and improved utilisation rates. Favourable demand in the on-the-spot market and the higher fuel prices stimulated a clear increase in price levels of freight rates compared to the previous year.

In the project cargo, the profitability also improved slightly, despite the planned docking of project cargo vessels at the beginning of the year, and the accident of M/S Meri in November. The positive development is mainly based on long-term partnerships and special skills in the transportation of wind turbines, harbour cranes and ship blocks.

Meriaura's bulk-business comprises of both own vessels and vessels hired from partners outside the company. Meriaura has spread the risks related to hired tonnage by collaborating with several different shipowners. The forward contracts, pertaining to chartered vessels, with owners outside the Group have also been spread. The contract periods for hired tonnage vary from one to five years. Fuel clauses have been included in long-term transportation contracts.

The company invests heavily in reducing the environmental impact of its operations and has demonstrated to be a pioneer in developing and commercializing solutions that reduce the burden on the environment. The competitive edge is pursued through the development of vessel concepts and fuel solutions. As an example, Meriaura signed a letter of intent together with Green North2 and Wärtsilä in September 2022 for designing and building a cargo vessel that uses "green ammonia" as fuel.

In addition to the quality and environmental management systems already in use in the company and the vessels, Meriaura decided to begin preparations for using an environmental management system that conforms to the ISO 14001 standard. Decisions were also made to introduce the ISAE3000 standard to substantiate the company's use of biofuel based on the EcoVoy concept.

Costs and earnings

The Savosolar Group's operating result (EBIT) for 2022 amounted to EUR -3.8 (-4.6) million. The costs related to materials and services in 2022 totalled EUR 6.6 (2.4) million. Personnel costs amounted to EUR 3.2 (2.2) million. Other operating expenses totalled EUR 2.6 (2.1) million. Net financial income and expenses amounted to EUR -0.3 (-1.2) million.

The net profit for the financial year stood at EUR -4.1 (-5.8) million. Basic earnings per share were EUR -0.017 (-0.066), and diluted earnings per share were EUR -0.015 (-0.021).

Financing

Savosolar Plc's balance sheet total stood at EUR 64.4 (8.2) million on 31 December 2022. Inventories stood at EUR 3.4 (1.9) million. Cash at hand and in bank at the end of the financial year totalled EUR 3.8 (4.1) million. Current receivables totalled EUR 6.2 (0.8) million, of which trade receivables accounted for EUR 3.3 (0.5) million.

Equity stood at EUR 35.4 (6.5) million. The equity ratio was 55.0 (81.0) %.

Liabilities amounted to EUR 28.8 (1.5) million, of which EUR 17.3 (0.1) were non-current and EUR 11.4 (1.3) million were current liabilities. Trade payables accounted for EUR 3.4 (0.6) million of the current liabilities. Accruals and deferred income accounted for EUR 3.5 (0.4) million of the current liabilities.

Cash flow from operating activities was EUR -5.4 (-6.0) million, and cash flow from investing activities was EUR -28.0 (0.0) million. Cash flow from financing activities was EUR 33.1 (7.6) million. The Savosolar Group's cash and cash equivalents totalled EUR 3.8 (4.1) million on 31 December 2022.

Investments and product development

Investments in the financial year totalled EUR 28.0 (0.0) million. Investments of the parent company totalled EUR 31.6 million, of which EUR 31.4 million was related to the acquisition of Meriaura Oy and EUR 0.2 was related to production. The Savosolar Group's production capacity for solar heat collectors enables EUR 25-30 million in revenue in Renewable Energy with the current business model.

Management and personnel

At the end of the financial year, the Savosolar Group had 172 (34) employees: 35 (34) in Renewable Energy and 137 in Marine Logistics.

On 31 December 2022, the Savosolar Group's Executive Management Group consisted of the following members: Jari Varjotie, Managing Director; Beppe (Bengt-Erik) Rosin, Managing Director, Meriaura Oy; Kirsi Suopelto, Vice President, Strategy; and Heikki Timonen, CFO.

Beppe Rosin, Managing Director of Meriaura Oy, was appointed as a member of the Executive Management Group in connection with the merger of Savosolar and Meriaura on 1 December 2022. Kirsi Suopelto was appointed as Vice President, Strategy, and a member of the Executive Management Group on 8 December 2022.

Business development

During the financial year, Savosolar continued to develop its renewable energy products and offering by strengthening its ability to integrate various clean sources of heat, for example. Towards the end of the year, its operational development focused on integrating the operations of the merged Group and analysing the strategic growth opportunities enabled by the new Group structure.

Resolutions of Savosolar Plc's general meetings

Annual General Meeting on 26 April 2022

Savosolar Plc's Annual General Meeting (AGM) was held in Helsinki on 26 April 2022. The AGM adopted the financial statements for 2021 and decided that the loss for the financial year (EUR -5,772,019.07) be carried over to the retained earnings/losses account and that no dividend be paid.

The AGM decided that the members of the Board of Directors be paid the following fees for their term: EUR 21,600 for the Chair of the Board and EUR 10,800 for each of the other members of the Board.

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. 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 Savosolar Plc's half-year report for 1 January to 30 June 2022 will be used as the value of the share.

The AGM re-elected Feodor Aminoff, Eero Auranne, Mikael Lemström and Ari Virtanen as members of the Board of Directors and elected Eljas Repo as a new member of the Board. At its inaugural meeting, the Board of Directors elected Eero Auranne as Chair of the Board.

The Board of Directors decided that the auditor's fees will be paid against a reasonable invoice accepted by the company. The auditing firm Tilintarkastus Inkeröinen & Himanen Oy was elected as the company's auditor, with Juho Himanen, Authorised Public Accountant, as the principal auditor.

Extraordinary General Meeting on 25 November 2022

Savosolar Plc held an Extraordinary General Meeting (EGM) in Helsinki on 25 November 2022. In accordance with the Board of Directors' proposal, the EGM made the following decisions concerning the acquisition of Meriaura Oy through an exchange of shares, in which shares in Savosolar are used as consideration.

The EGM authorised the Board of Directors to decide on the issue of new shares in Savosolar Plc in a directed share issue in deviation from the shareholders' pre-emptive right under the Limited Liability Companies Act. The directed share issue was related to the exchange of shares through which Savosolar Plc acquired all the shares in Meriaura Oy. Meriaura Oy owns all the shares in VG-EcoFuel Oy (Biolaite Oy until 7 December 2022). The shares will be issued to be subscribed for by VG-Shipping Oy in accordance with the share exchange agreement between Savosolar Oyj and VG-Shipping Oy, the only shareholder in Meriaura Oy. The subscription price will be paid in consideration in kind consisting of the entire share capital of Meriaura Oy. Based on the authorisation, the Board of Directors may issue a maximum of 547,906,581 new shares in Savosolar to VG-Shipping Oy in a directed share issue. The new shares to be issued correspond to around 70.0% of all the shares in Savosolar following the implementation of the exchange of shares. The authorisation was valid until 31 December 2022.

The EGM decided to authorise the Board of Directors to decide on share issues in one or more instalments and on the issue of option rights and other special rights entitling their holders to shares under chapter 10, section 1 of the Limited Liability Companies Act as follows: The maximum number of shares to be issued based on the authorisation is 295,000,000, including a directed issue of a maximum of 17,857,142 new shares in the company to VG-Shipping Oy or parties determined by VG-Shipping Oy under the subscription guarantee related to the 2-2021 option rights (TO9) in Savosolar. The Board of Directors decides on all the terms and conditions of share issues and the issue of options

and other special rights entitling their holders to shares. Shares may be transferred either against payment or free of charge in the company's share issues. The authorisation is valid until 30 June 2024 and revokes the authorisation granted by the EGM on 1 October 2021.

The EGM decided to approve the exchange of shares and authorise the Board of Directors to take the other necessary measures and confirm its implementation.

In addition, in accordance with the Board's proposal, the EGM decided to amend Section 2 ("Line of Business") of Savosolar Plc's Articles of Association as follows: "Section 2 Line of Business The company's line of business is to conduct business operations related to maritime logistics and solar and other renewable energy. The company may have investment activities. The company can operate directly or through its subsidiaries or associated companies."

In accordance with the Board of Directors' proposal, the EGM decided that the Board's fees determined by the AGM on 26 April 2022 remain unchanged with the following exceptions: the members leaving the Board are entitled to 7/12 of the fees determined, and the new members of the Board are entitled to 5/12 of the fees determined. Accordingly, the current Chair of the Board is entitled to 7/12 of the fees determined to be paid to the Chair and 5/12 of the fees for the other members of the Board. The new Chair of the Board is entitled to 5/12 of the fee determined to be paid to the Chair.

In accordance with the Board of Directors' proposal, the EGM decided that six (6) members be elected to the Board. Eero Auranne, Ari Virtanen and Eljas Repo were re-elected as members of the Board, and Kirsi Suopelto, Jussi Mälkiä and Ville Jussila were elected as new Board members. The composition of the Board was conditional on the implementation of the share exchange. The new Board elected Kirsi Suopelto as Chair of the Board and Eero Auranne as Vice Chair.

Board of Directors and auditor

Until 26 April 2022, Savosolar Plc's Board of Directors consisted of the following members: Eero Auranne (Chair), Feodor Aminoff, Mikael Lemström, Eljas Repo and Ari Virtanen. All the members of the Board are independent of the company and its major shareholders.

Until 30 November 2022, Savosolar Plc's Board of Directors consisted of the following members: Eero Auranne (Chair), Feodor Aminoff, Mikael Lemström, Eljas Repo and Ari Virtanen. All the members of the Board are independent of the company and its major shareholders.

The auditing firm Tilintarkastus Inkeröinen & Himanen Oy (Saimaa Audit Oy since 7 November 2022) has served as the company's auditor, with Juho Himanen, APA, as the principal auditor.

On 31 December 2022, the members of the Board of Directors and the Managing Director held, either directly or through their controlled entities, a total of 548,133,799 shares in Savosolar Plc, or 69.99% of all the shares and votes in the company.

Related party transactions

Meriaura Oy time chartered a vessel name Ramona from VG-Shipping Oy (from 17 February 2023 Meriaura Invest Oy) and took care of its technical service until end of December. VG-Shipping Oy sold the Ramona vessel at the end of 2022 to Meriaura at fair value. In December, Meriaura Oy had and still has market-based land lease agreements with Skogby Strand and VG-Port Oy.

Meriaura Oy performed in December 2022 and continues to perform and sell monthly 2023 small-scale administrative services to VG-Shipping Oy at fixed prices. In addition, Meriaura Oy has a cooperation agreement

between Aura Mare Oy and EcoPorts Finland Oy, which are not part of the Savosolar Group, for consulting and stevedoring.

The remaining purchase price of the business purchased by VG-EcoFuel Oy from Uudenkaupungin Kiertotalouskinteistöt Oy on 30.10.2022 for 2,200,000 euros was 1,585,405 euros on 31.12.2022. The remaining purchase price has been made into a promissory note with a fixed interest rate of 3.0%, and the loan is due for payment on 30 October 2025. Uudenkaupungin Kiertotalouskinteistöt Oy is a wholly owned subsidiary of Aura Mare Oy.

Related party actions did not have a significant impact on Meriaura Oy or Savosolar Group December turnover or result.

Share

Number of shares

Savosolar has one series of shares. Its number of shares on 31 December 2022 was 783,135,875 (31 December 2021: 165,187,636). Each share carries one vote at the general meeting of shareholders. The company does not hold any treasury shares. The average number of shares during the financial year was 474,161,756 (88,002,694).

During the financial year, the number of shares increased by 617,948,239 new shares, of which 547,906,581 shares were related to the acquisition of all the shares in Meriaura Oy through an exchange of shares, 17,857,142 shares were related to the directed share issue carried out based on the guarantee granted by VG-Shipping for the 2-2021 option rights, and 412,188 shares were related to the Board's share rewards. Following the share subscriptions under the 1-2021 option rights, the number of shares increased by 33,991,820 new shares, which were entered into the Trade Register on 8 April 2022. Following the share subscriptions under the

2-2021 option rights, the number of shares increased by 17,780,508 new shares, which were entered into the Trade Register on 3 October 2022.

Current option programmes

Savosolar currently has one option programme in place: the 3-2021 option programme (option rights TO10), with a subscription period from 20 March to 31 March 2023. The 3-2021 option programme includes 38,719,767 option rights, each of which entitles its holder to subscribe for one new share in Savosolar Plc. The share subscription price is the company's volume-weighted average share price, less 25%, on First North Growth Market Finland between 6 March and 16 March 2023. However, the subscription price may not exceed EUR 0.13 per share. The SEK-denominated subscription price will be determined based on the Swedish Riksbank's EURSEK rate one business day prior to the start date of the subscription period.

Directed share issue

On 30 November 2022, based on the authorisation granted by the Extraordinary General Meeting on 25 November 2022, Savosolar's Board of Directors decided to carry out a directed share issue through which 547,906,581 new shares in Savosolar Plc were offered to be subscribed for by VG-Shipping Oy at a total subscription price of EUR 30.0 million. VG-Shipping Oy has subscribed for the shares and has paid the subscription price in consideration in kind by transferring its 3,012 shares in Meriaura Oy to Savosolar. The shares represent 100% of all the shares and votes in Meriaura Oy. Meriaura Oy owns all the shares in VG-EcoFuel Oy (Biolaite Oy until 9 December 2022). The shares in Savosolar issued in the exchange of shares are subject to a lock-up for 12 months from the date of execution of the share exchange. The lock-up did not apply to the sale of shares to Hybrid Consulting Oy that took place on 27 December 2022.

In addition, based on the authorisation granted by the Extraordinary General Meeting on 25 November 2022, Savosolar's Board of Directors decided to carry out a directed share issue to VG-Shipping Oy and Hybrid Consulting Oy related to the EUR 1,000,000 guarantee given by VG-Shipping Oy as part of the share exchange agreement. The directed share issue concerned the subscription of shares, in accordance with the terms and conditions of the original option programme, that had not been subscribed for under the 2-2021 option programme (TO9). A total of 17,857,142 new shares in Savosolar Plc were offered to be subscribed for. Of this total, VG-Shipping Oy subscribed for 14,285,714 shares, and Hybrid Consulting Oy subscribed for 3,571,428 shares. The subscription price was EUR 0.056 per share, which corresponds to the subscription price used in the 2-2021 option programme.

Following these share issues, the total number of shares in Savosolar Plc increased from 216,959,964 to 782,723,687. The shares subscribed for in the share issues were entered into the Trade Register on 2 December 2022, and trading in the new shares on Nasdaq First North Growth Market Sweden and Nasdaq First North Growth Market Finland began on 5 December 2022. The shares in Savosolar issued in the exchange of shares are subject to a lock-up for 12 months from the date of execution of the share exchange. The lock-up did not apply to the sale of shares to Hybrid Consulting Oy that took place on 27 December 2022.

Directed share issue related to the Board of Directors' fees

On 12 December 2022, in accordance with the resolutions of the Annual General Meeting on 26 April 2022 and the Extraordinary General Meeting on 25 November 2022, the Board of Directors decided to carry out a directed share issue as part of the Board members' remuneration arrangements. The company issued a total of 412,188 new shares to be subscribed for by the members of the Board without consideration. When calculating the number of shares, the volume-weighted average price of the company's share on First North Growth Market Finland

between 18 August and 31 August 2022 was used as the value per share (around EUR 0.06725). The shares were entered into the Trade Register on 28 December 2022, and trading in the shares began on 29 December 2022.

The Board of Directors' current authorisation to issue shares

The Extraordinary General Meeting on 25 November 2022 decided to authorise the Board of Directors to decide on share issues in one or more instalments and on the issue of option rights and other special rights entitling their holders to shares under chapter 10, section 1 of the Limited Liability Companies Act as follows: The maximum number of shares to be issued based on the authorisation is 295,000,000, including a directed issue of a maximum of 17,857,142 new shares in the company to VG-Shipping Oy or parties determined by VG-Shipping Oy under the guarantee granted by VG-Shipping Oy related to the 2-2021 option rights (TO9) in the company. Shares may be transferred either against payment or free of charge in the company's share issues. The authorisation is valid until 30 June 2024 and revokes the authorisation granted by the EGM on 1 October 2021. Of the authorisation, 276,730,670 shares remained unused at the end of the financial year.

Trading in the company's shares

During the financial year, the price of Savosolar Plc's share on First North Growth Market Sweden varied between SEK 0.30 and 1.25 (SEK 0.42 and 1.59). The closing price was SEK 0.76 (0.48). On First North Growth Market Finland, the share price varied between EUR 0.030 and 0.117 (EUR 0.044 and 0.158). The closing price was EUR 0.070 (0.048). Savosolar's total trading volume in 2022 was 171,348,887 (84,412,388) shares on First North Growth Market Sweden and 269,847,495 (115,147,890) shares on First North Growth Market Finland. Savosolar Plc had 17 377 (14,931) shareholders on 31 December 2022.

General risks and uncertainties related to business operations

Key risks related to the Renewable Energy business

The most significant risks related to the Renewable Energy business of the Savosolar Group are the ability to secure an increasing number of new major delivery projects to achieve growth in line with the strategy and the ability to improve business efficiency through volume growth to achieve profitability in operations. Savosolar continuously aims to improve its operational efficiency and price competitiveness by expanding its offering and reducing the costs of collectors and deliveries, among other means. If the company fails to improve its competitiveness in response to customers' changing needs, its growth and/or profitability may develop negatively in relation to expectations.

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

The war in Ukraine has increased uncertainty concerning the availability and prices of many materials and components. Although Savosolar does not directly use Russian or Ukrainian materials and components in its products, the war may cause the exceptionally high prices of materials and components and the longer delivery times to continue to prevail. If the war is prolonged much further, it may slow the growth of Savosolar's business operations and the improvement of its profitability. On the other hand, the increase in energy prices and the decrease in the use of Russian fossil fuels, as well as the higher need for energy self-sufficiency resulting from the war, are estimated to have a positive impact on the demand for renewable energy, which also facilitates the development of Savosolar's business operations.

Savosolar's Renewable Energy organisation is still relatively narrow, and the company's development is significantly affected by its ability to attract new talent to enable growth and by its management and key personnel's expertise, experience and commitment.

Key risks related to the Marine Logistics business

The Russian attack on Ukraine and the ensuing geopolitical tensions have reduced the predictability of marine transport. Trade sanctions can have a positive or negative impact on industrial customers' flow of goods and volumes in Marine Logistics.

The transport volumes in Marine Logistics are also generally affected by business cycles. Any prolonged negative business cycles may also have a significant impact on delivery volumes and profitability in Marine Logistics.

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' changing 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.

Risks related to the Group's financial position

Several simultaneous major projects may significantly increase the need for working capital and guarantee facilities in Renewable Energy. The Marine Logistics business may also need significant additional funding to increase its fleet in a competitive manner. A general weakening of the financial markets or stricter regulations in the banking sector may reduce banks' and other financial institutions' opportunities to offer funding options and thereby lead to tighter terms and conditions for financing. Unfavourable changes in the financial markets and/or any steep decline in the Group's financial situation may lead to a situation where the Savosolar Group is unable to secure the funding it needs, which may slow the achievement of growth.

The Board of Directors actively monitors the development of the Group's profitability and cash flow and, together with the Group's management, seeks the best solutions to develop the Group towards profitable long-term business operations that create added value for its shareholders. The 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. However, it cannot be guaranteed that the volume and profitability of the Group's business operations will grow as expected or that the Group will secure sufficient additional funding on terms and conditions that are favourable enough for its shareholders. If the Group fails to achieve growth and improve its profitability and/or secure additional funding in line with its business needs, the Group may be forced to postpone the implementation of its growth plans or, in the worst case, divest its operations or assets.

Strategy and long-term goals

In Renewable Energy, the goal is to accelerate growth significantly and thereby achieve profitability in business operations. The goal is for Savosolar to be the leading provider of solar thermal systems in the market for district heating and industrial process heating globally. The Renewable Energy business unit 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, for example in the role of an energy supplier, 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.

Savosolar's solar thermal collector technology and system design expertise, as well as its strong local and global partners, play a key role in the implementation of its renewable energy strategy. The geographical focus of operations continues to be in Europe, but the company is also actively seeking partners and marketing its products and services outside 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 Savosolar's products.

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 the Savosolar Group's Marine Logistics unit is one of the leading providers of project shipping. The aim is to grow the market share by increasing transport capacity, 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.

The Savosolar 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 company is well positioned to respond to the growing demand for renewable energy solutions and support customers in the green transition.

Market outlook

Renewable Energy

The growth outlook for large solar thermal systems is promising. The war in Ukraine has increased the need for energy self-sufficiency, particularly in Europe. In addition, the higher prices of fossil fuels, 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.

In solar district heating, Savosolar has a good market position in European countries, such as Denmark, France, Germany and Poland. Because of gas availability problems and the increase in the market prices for thermal energy, the demand for solar thermal solutions is expected to grow rapidly in these markets.

In 2022, the industrial heat projects implemented in Europe had in common the fact that they were developed by investors with long-term heat sales contracts with industrial plants. This model is expected to become more widely used and accelerate the use of solar heat in industry.

The company's view is that the SHIP market has become more active as a result of the high costs of fossil fuels and industry targets to reduce production emissions.

Marine Logistics

For 2023, the outlook for both project cargo and bulk business are good. The demand for services in both segments is expected to stay above the long-term average. Danish Ship Finance expects bulk cargo demand to increase by around 2%, and the bulk cargo fleet to grow by 3% in 2023.

A significant part of the company's orderbook comprises of cargo not very sensitive to economic fluctuations, such as fertilisers, feed raw materials, crops, minerals and renewable energy. Bulk cargo is a com-

petitive sector, but a significant part of Meriaura's business operations is related to ports frozen in the winter. This limits the competitors in contract-based business operations to companies with ships with an ice classification. In project cargo, transportations of investments in renewable energy, especially in renewable energy, are expected to increase.

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 increased use of biofuels is supported not only by emission targets, but also by their Finnish 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.

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 increased use of biofuels is supported not only by emission targets, but also by their Finnish 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.

Board of Directors' proposal to the annual general meeting on the treatment of the loss and the distribution of dividends

Board of Directors proposes to the Annual General Meeting that the loss for the financial year (EUR -4,998,487.33) be carried over to retained earnings and losses and that no dividend be paid.

Annual General Meeting

The Annual General 2023 Meeting of Savosolar Plc is scheduled to be held in Helsinki on 10 May 2023 at 2 pm. The notice of the meeting will be published as a separate stock exchange release.

Vantaa on 4 April, 2023

SAVOSOLAR PLC

Board of Directors

Income statement

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
TURNOVER	8,634,578.85	2,496,717.46	3,777,514.77	2,496,717.46
Change in inventory, finished goods	32,750.00	0.00	0.00	0.00
Other operating income	157,053.20	36,745.18	5,263.45	33,941.86
Materials and services				
Raw materials and consumables				
Purchases during the financial year	-4,063,563.90	-1,728,191.73	-2,990,972.62	-1,677,923.88
Change in inventory	353,180.79	561,935.42	491,273.04	561,935.42
External services	-2,895,086.05	-1,252,348.83	-1,140,286.64	-1,304,802.39
Total materials and services	-6,605,469.16	-2,418,605.14	-3,639,986.22	-2,420,790.85
Personnel expenses				
Wages and salaries	-2,728,093.05	-1,889,182.82	-2,235,500.02	-1,913,273.54
Social security expenses				
Pension expenses	-381,798.62	-251,349.49	-299,556.74	-251,349.49
Other social security expenses	-88,047.71	-73,846.10	-61,931.59	-56,861.80
Total personnel expenses	-3,197,939.38	-2,214,378.41	-2,596,988.35	-2,221,484.83

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	1.1.-31.12.2022	1.1.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Depreciation and amortization				
Depreciation according to plan	-704,130.50	-386,677.33	-283,683.50	-380,039.50
Amortization of goodwill on consolidation	518,362.85	-300.00	0.00	0.00
Depreciation and amortization total	-185,767.65	-386,977.33	-283,683.50	-380,039.50
Other operating expenses	-2,598,162.98	-2,051,202.41	-2,059,946.58	-2,062,211.40
OPERATING PROFIT (-LOSS)	-3,762,957.11	-4,537,700.65	-4,797,826.43	-4,553,867.26
Financial income and expenses				
Interest and other financial income	34,546.12	17,220.55	42,262.37	37,181.51
Interest and other financial expenses	-335,245.54	-1,216,737.94	-242,923.27	-1,255,333.32
Total financial income and expenses	-300,699.42	-1,199,517.39	-200,660.90	-1,218,151.81
PROFIT (-LOSS) BEFORE APPROPRIATIONS AND TAXES	-4,063,656.53	-5,737,218.04	-4,998,487.33	-5,772,019.07
Income taxes	-2,932.99	-3,043.69	0.00	0.00
Minority share	0.00	2,700.00	0.00	0.00
PROFIT (-LOSS) FOR THE REPORTING PERIOD	-4,066,589.52	-5,737,561.73	-4,998,487.33	-5,772,019.07

Balance sheet

ASSETS	Consolidated group	Consolidated group	Parent company	Parent company
EUR	31.12.2022	31.12.2021	31.12.2022	31.12.2021
NON-CURRENT ASSETS				
Intangible assets				
Development costs	543,123.24	431,094.62	343,345.82	431,094.62
Intangible rights	55,375.35	75,934.23	55,375.35	75,934.23
Goodwill	2,079,661.64	0.00	0.00	0.00
Group goodwill	88,216.05	1,500.00	0.00	0.00
Other long-term expenses	81,262.78	29,842.38	81,262.78	29,842.38
Advance payments	1,235,342.90	0.00	0.00	0.00
Total intangible assets	4,082,981.96	538,371.23	479,983.95	536,871.23
Fixed assets				
Buildings	655,262.41	0.00	0.00	0.00
Machinery and equipment	45,828,313.51	490,120.72	487,342.77	479,726.72
Prepayments and fixed assets under construction	34,457.17	0.00	34,457.17	0.00
Total fixed assets	46,518,033.09	490,120.72	521,799.94	479,726.72
Investments				
Shares in group companies	0.00	0.00	31,531,691.29	161,887.19
Other shares	336.18	336.18	0.00	0.00
Total Investments	336.18	336.18	31,531,691.29	161,887.19
TOTAL NON-CURRENT ASSETS	50,601,351.23	1,028,828.13	32,533,475.18	1,178,485.14

ASSETS	Consolidated group	Consolidated group	Parent company	Parent company
EUR	31.12.2022	31.12.2021	31.12.2022	31.12.2021
CURRENT ASSETS				
Inventory				
Materials and supplies	671,474.72	703,546.22	671,474.72	703,546.22
Work in progress	142,513.44	47,874.97	37,412.44	47,874.97
Finished goods	1,517,376.60	930,498.66	1,471,150.60	930,498.66
Other inventories	943,576.78	18,381.80	11,536.93	18,381.80
Advance payments	90,966.73	173,192.61	90,966.73	173,192.61
Inventory total	3,365,908.27	1,873,494.26	2,282,541.42	1,873,494.26
Long-term receivables				
Other receivables	355,361.28	247,094.60	38,694.60	247,094.60
Total long-term receivables	355,361.28	247,094.60	38,694.60	247,094.60
Short-term receivables				
Sales receivables	3,302,849.96	452,523.54	445,957.67	452,523.54
Receivables from group undertakings	166,666.67	0.00	41,829.20	4,293.47
Loan receivables	198,256.36	0.00	0.00	0.00
Other receivables	197,695.41	65,849.60	47,174.49	62,510.57
Prepayments and accrued income	2,369,417.62	293,155.63	469,632.96	290,989.77
Total current receivables	6,234,886.01	811,528.76	1,004,594.32	810,317.35
Cash and cash equivalents	3,813,770.75	4,151,045.22	728,631.86	4,069,718.37
TOTAL CURRENT ASSETS	13,769,926.31	7,083,162.84	4,054,462.20	7,000,624.58
TOTAL ASSETS	64,371,277.54	8,111,990.97	36,587,937.38	8,179,109.72

Balance sheet

EQUITY AND LIABILITIES	Consolidated group	Consolidated group	Parent company	Parent company
EUR	31.12.2022	31.12.2021	31.12.2022	31.12.2021
EQUITY				
Share capital	470,210.00	470,210.00	470,210.00	470,210.00
Reserve for invested unrestricted equity	84,947,672.58	51,913,040.29	84,947,672.58	51,913,040.29
Retained earnings	-45,947,223.93	-40,209,659.45	-45,879,861.27	-40,107,842.20
Earnings for the reporting period	-4,066,589.52	-5,737,561.73	-4,998,487.33	-5,772,019.07
TOTAL EQUITY	35,404,069.14	6,436,029.11	34,539,533.98	6,503,389.02
OBLIGATORY RESERVES				
Other obligatory reserves	209,692.02	209,517.13	209,692.02	209,517.13
OBLIGATORY RESERVES TOTAL	209,692.02	209,517.13	209,692.02	209,517.13
LIABILITIES				
Non-Current liabilities				
Loans from financial institutions	14,813,491.55	119,254.00	199,626.00	119,254.00
Other liabilities	2,510,531.84	0.00	0.00	0.00
Total non-current liabilities	17,324,023.39	119,254.00	199,626.00	119,254.00

EQUITY AND LIABILITIES	Consolidated group	Consolidated group	Parent company	Parent company
EUR	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Current liabilities				
Loans from financial institutions	3,194,415.56	123,500.00	43,128.00	123,500.00
Advances received	966.88	154,705.09	966.88	154,705.09
Accounts payable	3,435,967.90	568,833.70	1,032,312.53	563,073.66
Amounts owned to group undertakings	0.00	0.00	101,620.87	71,893.83
Other liabilities	1,339,668.95	97,994.81	56,055.06	42,618.86
Accruals and deferred income	3,462,473.70	402,157.13	405,002.04	391,158.13
Total current liabilities	11,433,492.99	1,347,190.73	1,639,085.38	1,346,949.57
TOTAL LIABILITIES	28,757,516.38	1,466,444.73	1,838,711.38	1,466,203.57
TOTAL EQUITY AND LIABILITIES	64,371,277.54	8,111,990.97	36,587,937.38	8,179,109.72

Cash flow statement

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
Cash flow from				
Profit (-loss) before extraordinary items	-4,063,656.53	-5,737,218.04	-4,998,487.33	-5,772,019.07
Adjustments				
Depreciation according to plan	185,767.65	386,977.33	283,683.50	380,039.50
Other income and expenses from non-cash items	-2,760.85	-116,374.22	174.89	-72,926.53
Financial income and expenses	300,699.42	1,199,517.39	200,660.90	1,218,151.81
Cash flow before change in working capital	-3,579,950.31	-4,267,097.54	-4,513,968.04	-4,246,754.29
Change in working capital				
Increase (-) or decrease (+) in current interest-free receivables	-1,018,700.05	534,025.03	-194,276.97	533,528.97
Increase (-) or decrease (+) in inventories	-240,101.60	-699,447.17	-409,047.16	-699,447.17
Increase (+) or decrease (-) in current interest-free payables	-307,392.75	-355,569.51	372,507.81	-333,156.77
Cash flow from operations before financial items and taxes	-5,146,144.71	-4,788,089.19	-4,744,784.36	-4,745,829.26
Interest paid and other financial expenses	-335,245.54	-1,216,737.94	-242,923.27	-1,255,333.32
Interest received and other financial income	34,546.12	17,220.55	1,920.81	17,104.15
Cash flow before extraordinary items	-5,446,844.13	-5,987,606.58	-4,985,786.82	-5,984,058.43
Cash flow from operating activities (A)	-5 446 844,13	-5 987 606,58	-4 985 786,82	-5 984 058,43

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
Cash flow from investing activities				
Purchase of intangible and tangible assets	-1,060,644.17	-62,608.30	-268,869.44	-61,408.02
Investments in subsidiaries	-26,938,591.59	0.00	-31,369,804.10	0.00
Dividends received from investments	0.00	0.00	40,341.56	20,077.36
Cash flow from investing activities (B)	-27,999,235.76	-62,608.30	-31,598,331.98	-41,330.66
Cash flow from financing activities				
Share issue	33,034,632.29	7,616,863.57	33,034,632.29	7,616,863.57
Proceeds from long-term borrowings	0.00	52,212.00	0.00	52,212.00
Repayment of long-term borrowings	-134,226.87	-354,161.65	0.00	-354,161.65
Other long-term receivables	208,400.00	281,765.01	208,400.00	281,765.01
Cash flow from financing activities (C)	33,108,805.42	7,596,678.93	33,243,032.29	7,596,678.93
Net cash flow (A+B+C)	-337,274.47	1,546,464.05	-3,341,086.51	1,571,289.84
Cash at the beginning of period	4,151,045.22	2,604,581.17	4,069,718.37	2,498,428.53
Cash at the end of period	3,813,770.75	4,151,045.22	728,631.86	4,069,718.37

Notes

Accounting principles for consolidated financial statements

The financial accounts have been prepared following the principle of continuity of operations. The parent company of the Group is Savosolar Plc, domiciled in Mikkeli, Finland. Copy of financial statements is available from the parents' company head office. "For 2022 consolidated financial statements are prepared for the first time. Comparative information has been included for previous fiscal year, 2021." The parent company acquired 100% of Meriaura Ltd's shares in 30.11.2022. Meriaura Ltd and its subsidiary VG-Ecofuel Ltd have been consolidated to financial statements from 1.12.2022 and thus consolidated financials for 2022 and 2021 are not comparable.

Valuation principles and methods

Inventories are valued at the acquisition cost, or at lower fair value. The acquisition cost of inventories includes the variable production costs. Non-current assets have been valued to their acquisition costs. Depreciation according to plan regarding development expenses, intangible rights and other long-term expenses have been calculated as a straight line depreciation from the original acquisition cost. Expenditure depreciation from the residue has been used for other non-current assets, starting from the period when the non-current asset was taken into use.

Depreciation according to plan:

	2022	2021
Development expenses	5/10 yrs straight line	5/10 yrs straight line
Intangible rights	5/10 yrs straight line	5/10 yrs straight line
Other long-term expenses	5 yrs straight line	5 yrs straight line
Machinery and equipment	25% of residual value	25% of residual value
Group goodwill	10 yrs straight line	

The depreciation period for activated development expenses can also be longer than five years if the product being developed is unique and the development expenses are believed to generate income for over 5 years. Grants received for development costs have been recorded as decrease in acquisition cost.

Meriaura Ltd sub-group depreciation according to plan are:

	Estimated time	Depreciation %	Depreciation method
Goodwill	5	20 %	Straight line
Group goodwill	5	20 %	Straight line
Machinery and equipment (Eeva VG ja Mirva VG)	15	7 %	Straight line
Machinery and equipment Meri	10	10 %	Straight line
Machinery and equipment Aura	8	13 %	Straight line
Machinery and equipment Aava VG	8	13 %	Straight line
Machinery and equipment Helena VG	10	10 %	Straight line
Machinery and equipment kurottajat	2	50 %	Straight line

Revenue recognition

Long duration projects are recognised as revenue based on the percentage of completion. The degree of completion of long duration projects has been determined by comparing the actual costs of the project with the estimated total project costs that can be reliably determined. Projects of minor importance in accordance with the principle of materiality have been recognized on the basis of the delivery of the project.

Group structure

Parent company Savosolar Plc (domiciled in Mikkeli) owns:

	%	Domicile
Meriaura Ltd	100	Turku
Savosolar Aps	100	Denmark
Savosolar GmbH	100	Germany
Savolaser Ltd	55	Mikkeli

Parent company Meriaura Ltd of the sub-group Meriaura owns:

	%	Domicile
VG-EcoFuel Ltd	100	Uusikaupunki

Savosolar Plc's parent company is Meriaura Invest Ltd, ownership of Savosolar Oyj at 31.12.2022 was 67,93%.

Clarification of consolidation

VG-Ecofuel Ltd has been consolidated to Meriaura sub-group. All subsidiaries have been consolidated to Savosolar Oyj group.

Accounting policy of consolidated financial statement

Group transactions

Transactions between group companies, change in unrealized margins of internal deliveries, internal dividends, mutual receivables and liabilities and internal ownership have been eliminated.

Minority share

Minority shares have been separated into a separate item in the consolidated balance sheet for those subsidiaries with positive equity.

Conversion difference

The income statements of foreign group companies have been changed to the average exchange rate of the financial year and the balance sheets have been changed to using exchange rate on the balance sheet date. Exchange rate differences arising in the conversion, as well as in the conversion of foreign subsidiaries own capital the resulting translation differences are booked in retained earnings.

Comparability of the figures from previous financial years

The financial years of the parent company are comparable.

The financial periods of the group are not comparable with each other, because the Meriaura sub-group was acquired at end November 2022 and have been consolidated since December 1, 2022.

Foreign currency items

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transactions. Currency differences have been recognised in profit and loss. Foreign currency receivables and liabilities have been converted to Euros according to the exchange rate of the Balance Sheet date.

Notes to the profit and loss account

Turnover

SPECIFICATION OF REVENUE	Consolidated group		Parent company	
	2022	2021	2022	2021
EUR				
Revenue recognized according to degree of completion	3,349,617.38	2,208,696.13	3,349,617.38	2,208,696.13
Other Revenue	5,284,961.47	288,021.33	427,897.39	288,021.33
Total Revenue	8,634,578.85	2,496,717.46	3,777,514.77	2,496,717.46
The Cumulative Revenue from current and previous financial year of non-delivered projects, where income is recognized according to degree of completion	3,209,465.93	1,918,657.77	3,209,465.93	1,918,657.77
Unrecognized revenue of non-delivered projects	209,808.86	321,057.26	209,808.86	321,057.26

Obligatory reserves

Warranty provision is EUR 209,692.02 at 31 December 2022. The change in warranty reserve was an increase of EUR 52,430.63 and decreased EUR -52,255.74. The Warranty provision is booked for possible warranties.

Notes concerning personnel and governing bodies

Personnel costs

EUR	Consolidated group		Parent company	
	2022	2021	2022	2021
Wages and salaries	2,728,093.05	1,889,182.82	2,235,500.02	1,913,273.54
Pension expenses	381,798.62	251,349.49	299,556.74	251,349.49
Other social security expenses	88,047.71	73,846.10	61,931.59	56,861.80
	3,197,939.38	2,214,378.41	2,596,988.35	2,221,484.83
Wages and salaries of Board members and CEO			215,493.68	197,759.70

Average number of personnel

	Consolidated group		Parent company	
	2022	2021	2022	2021
Average number of employees during the financial year	179	37	30	34

Other operating expenses

EUR	Consolidated group	Consolidated group	Parent company	Parent company
	2022	2021	2022	2021
Administration expenses	934,750.94	840,900.46	828,338.07	877,943.78
Premises expenses	477,496.78	439,038.43	430,727.90	431,030.96
Telephone-, IT- ja office expenses	31,607.85	29,929.12	27,303.86	25,779.05
Travelling expenses	161,290.51	123,435.07	114,253.72	128,386.43
Sales & marketing expenses	82,515.14	54,772.00	94,117.07	46,994.88
Development expenses	205,741.98	119,634.58	152,294.74	119,634.58
Quality	63,164.40	54,373.62	22,743.62	54,373.62
Machinery and equipment costs	460,465.86	241,597.54	266,887.66	233,467.88
Other operating expenses	181,129.52	147,521.59	123,279.94	144,600.22
Total	2,598,162.98	2,051,202.41	2,059,946.58	2,062,211.40

Auditor's fees

Figures are included in the Administration expenses presented above.

EUR	Consolidated group	Consolidated group	Parent company	Parent company
	2022	2021	2022	2021
Statutory audit	34,697.14	17,197.73	13,500.00	13,500.00
Other services	16,314.80	2,150.00	8,700.00	2,150.00
	51,011.94	19,347.73	22,200.00	15,650.00

Financial expenses

EUR	Consolidated group	Consolidated group	Parent company	Parent company
	2022	2021	2022	2021
Expenses of rights issue	184,348.79	1,107,049.35	184,348.79	1,107,049.35
Other financing and interest expenses	150,896.75	109,688.59	58,574.48	148,283.97
	335,245.54	1,216,737.94	242,923.27	1,255,333.32

Notes the the Balance sheet

Change in fixed assets

INTANGIBLE ASSETS	Consolidated group	Consolidated group	Parent company	Parent company
	2022	2021	2022	2021
DEVELOPMENT EXPENSES				
Acquisition cost 1 Jan	2,430,332.30	2,430,332.30	2,430,332.30	2,430,332.30
Increase 1 Jan - 31 Dec	235,384.02	0.00	32,051.05	0.00
Acquisition cost 31 Dec	2,665,716.32	2,430,332.30	2,462,383.35	2,430,332.30
Accumulated depreciation	-1,999,237.68	-1,819,182.23	-1,999,237.68	-1,819,182.23
Depreciation in reporting period	-123,355.40	-180,055.45	-119,799.85	-180,055.45
Bookkeeping value 31 Dec	543,123.24	431,094.62	343,345.82	431,094.62
INTANGIBLE RIGHTS				
Acquisition cost 1 Jan	209,931.90	209,931.90	209,931.90	209,931.90
Increase 1 Jan - 31 Dec	0.00	0.00	0.00	0.00
Acquisition cost 31 Dec	209,931.90	209,931.90	209,931.90	209,931.90
Accumulated depreciation	-133,997.66	-113,438.79	-133,997.66	-113,438.79
Depreciation in reporting period	-20,558.88	-20,558.87	-20,558.88	-20,558.87
Bookkeeping value 31 Dec	55,375.36	75,934.23	55,375.35	75,934.23
GOODWILL + GROUP GOODWILL				
Acquisition cost 1 Jan	3,000.00	3,000.00	0.00	0.00
Increase 1 Jan - 31 Dec	2,212,794.20	0.00	0.00	0.00
Acquisition cost 31 Dec	2,215,794.20	3,000.00	0.00	0.00

INTANGIBLE ASSETS	Consolidated group	Consolidated group	Parent company	Parent company
	2022	2021	2022	2021
Accumulated depreciation	-1,500.00	-1,200.00	0.00	0.00
Depreciation in reporting period	-46,416.51	-300.00	0.00	0.00
Bookkeeping value 31 Dec	2,167,877.69	1,500.00	0.00	0.00
OTHER LONG-TERM EXPENSES				
Acquisition cost 1 Jan	817,208.68	788,116.18	817,208.68	788,116.18
Increase 1 Jan - 31 Dec	60,235.14	29,092.50	60,235.14	29,092.50
Acquisition cost 31 Dec	877,443.82	817,208.68	877,443.82	817,208.68
Accumulated depreciation	-787,366.29	-762,576.77	-787,366.29	-762,576.77
Depreciation in reporting period	-8,814.74	-24,789.52	-8,814.74	-24,789.52
Bookkeeping value 31 Dec	81,262.78	29,842.38	81,262.78	29,842.38
ADVANCES RECEIVED				
Bookkeeping value 1 Jan	0.00	0.00	0.00	0.00
Increase 1 Jan - 31 Dec	1,235,342.90	0.00	0.00	0.00
Decrease 1 Jan - 31 Dec	0.00	0.00	0.00	0.00
Bookkeeping value 31 Dec	1,235,342.90	0.00	0.00	0.00

The group's advances received includes development costs capitalized by Meriaura Ltd, which are related to the development project, which is in progress at the time of the financial statements and which is estimated to be completed in 2023.

TANGIBLE ASSETS	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
BUILDINGS AND STRUCTURES				
Acquisition cost 1 Jan	0.00	0.00	0.00	0.00
Increase 1 Jan - 31 Dec	660,605.78	0.00	0.00	0.00
Acquisition cost 31 Dec	660,605.78	0.00	0.00	0.00
Accumulated depreciation	0.00	0.00	0.00	0.00
Depreciation in reporting period	-5,313.37	0.00	0.00	0.00
Bookkeeping value 31 Dec	655,292.41	0.00	0.00	0.00
MACHINERY AND EQUIPMENT				
Acquisition cost 1 Jan	2,749,123.99	2,705,073.85	2,732,092.16	2,688,042.02
Increase 1 Jan - 31 Dec	45,288,164.36	44,050.14	142,126.08	44,050.14
Acquisition cost 31 Dec	48,037,288.35	2,749,123.99	2,874,218.24	2,732,092.16
Accumulated depreciation	-2,259,003.24	-2,097,729.75	-2,252,365.41	-2,097,729.75
Depreciation in reporting period	-499,971.60	-161,273.49	-134,510.03	-154,635.66
Bookkeeping value 31 Dec	45,278,313.51	490,120.75	487,342.77	479,726.72
FIXED ASSETS UNDER CONSTRUCTION				
Bookkeeping value 1 Jan	0.00	11,734.62	0.00	11,734.62
Increase 1 Jan - 31 Dec	44,635.37	0.00	44,635.37	0.00
Decrease 1 Jan - 31 Dec	-10,178.20	-11,734.62	-10,178.20	-11,734.62
Bookkeeping value 31 Dec	34,457.17	0.00	34,457.17	0.00

TANGIBLE ASSETS	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
INVESTMENTS				
Bookkeeping value 1 Jan	336.18	336.18	161,887.19	161,887.19
Increase 1 Jan - 31 Dec	0.00	0.00	31,369,804.10	0.00
Bookkeeping value 31 Dec	336.18	336.18	31,531,691.29	161,887.19

Receivables from group companies

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
RECEIVABLES FROM GROUP COMPANIES	166,666.67	0.00	41,829.20	4,29347

Debts to group companies

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
TRADE PAYABLES TO GROUP COMPANIES	0.00	0.00	101,620.87	71,893.83

Prepayments and accrued income

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
ACCRUALS				
Degree of completeness receivables	361,738.58	171,115.09	361,738.58	171,115.09
Advances in port charges	93,760.31	0.00	0.00	0.00
Insurance compensation, accrual	150,902.30	0.00	0.00	0.00
Invoicing accrual, management ships	427,976.97	0.00	0.00	0.00
Trafi maritime subsidies accrual 7-12/2022	648,716.60	0.00	0.00	0.00
Other prepayments	686,322.86	122,040.54	107,894.38	119,874.68
	2,369,417.62	293,155.63	469,632.96	290,989.77

Prepayments and deferred income

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
ACCRUALS				
Liabilities related to personnel	2,770,162.70	325,133.55	347,464.93	314,134.55
Other accruals and deferred income	692,311.00	77,023.58	57,537.11	77,023.58
	3,462,473.70	402,157.13	405,002.04	391,158.13

Capital and reserves

	Consolidated group	Consolidated group	Parent company	Parent company
EUR	2022	2021	2022	2021
Restricted equity				
Subscribed capital 1 Jan	470,210.00	470,210.00	470,210.00	470,210.00
Increase in subscribed capital	0.00	0.00	0.00	0.00
Subscribed capital 31 Dec	470,210.00	470,210.00	470,210.00	470,210.00
Restricted equity in total	470,210.00	470,210.00	470,210.00	470,210.00
Other reserves				
Invested unrestricted equity fund 1 Jan	51,913,040.29	44,296,176.72	51,913,040.29	44,296,176.72
Increase in Invested unrestricted equity fund	33,034,632.29	7,616,863.57	33,034,632.29	7,616,863.57
Invested unrestricted equity fund 31 Dec	84,947,672.58	51,913,040.29	84,947,672.58	51,913,040.29
Retained profit (-loss) 1 Jan	-45,947,221.18	-40,209,681.21	-45,879,861.27	-40,107,842.20
Conversion difference	-2.75	21.76	0.00	0.00
Retained profit (-loss) 31 Dec	-45,947,223.93	-40,209,659.45	-45,879,861.27	-40,107,842.20
Profit (-loss) for the financial year	-4,066,589.52	-5,737,561.73	-4,998,487.33	-5,772,019.07
Unrestricted equity in total	34,933,859.13	5,965,819.11	34,069,323.98	6,033,179.02
Capital and reserves in total 31 Dec	35,404,069.14	6,436,029.11	34,539,533.98	6,503,389.02

Distributable funds

	2022	2021
Invested unrestricted equity fund	84,947,672.58	51,913,040.29
Retained profit/loss	-45,879,861.27	-40,107,842.20
Loss for financial year	-4,998,487.33	-5,772,019.07
Activated development costs	-343,345.82	-431,094.62
Distributable funds 31 Dec	33,725,978.16	5,602,084.40

The distributable funds of the company are EUR 33,725,978.16.

Proposal by the Board of Directors on procedures concerning the company's result

Loss for the financial year 2022 is -4,998,487.33 EUR. The Board of Directors proposes to the Annual General Meeting that the loss for the period EUR -4,998,487.33 be transferred to the retained profit/loss account and that no dividend be paid.

Guarantees and contingent liabilities

Loans and bank guarantees with business mortgage as collateral and value of collateral

EUR	Consolidated group 2022	Consolidated group 2021	Parent company 2022	Parent company 2021
Loans from financial institutions	18,007,907.11	0.00	242,754.00	242,754.00
which mature after more than 5 years	960,000.00	0.00	0.00	0.00
Finnvera Plc has guaranteed these liabilities	8,119,857.26	0.00	0.00	0.00
Bank guarantees with business mortgage as collateral	13,700,000.00	1,200,000.00	1,200,000.00	1,200,000.00
Ship mortgage as collateral for bank guarantees	97,560,000.00	0.00	0.00	0.00
VG-Shipping Ltd's guarantees for Meriaura Ltd's liabilities	24,229,619.70	0.00	0.00	0.00
Bank accounts pledged as collaterals	244,701.62	244,701.62	36,301.62	244,701.62
Limit account	1,000,000.00	0.00	0.00	0.00
Collaterals given for warranty period and for deliveries	724,635.92	724,635.92	642,222.66	724,635.92
Collaterals for rent	2,392.98	2,392.98	2,392.98	2,392.98
Other given collaterals	8,026.95	8,026.95	8,026.95	8,026.95
Leasing liabilities	37,881.22	37,881.22	23,760.35	37,881.22
Rent liabilities	91,887.42	84,195.39	91,887.42	84,195.39

Subsidiary Meriaura Ltd has a market-based time charter contract with Helmer Lundström Ab until the end of 2027. Helmer Lundström Ab is an associated company of VG-Shipping Ltd.

The subsidiary Meriaura Ltd has a market-based time charter contract lasting until the end of 2024 with Marship Minibulker Flotte GmbH & Co. with KG. Marship Minibulker Flotte GmbH & Co. KG is an associate company of VG-Shipping Ltd.

Subsidiary Meriaura Ltd has market-based time charter agreements with Rederi AB Nathalie that last until the end of 2024. Rederi AB Nathalie is an associated company of VG-Shipping Ltd.

Derivative contracts

During the financial year, derivative contracts (interest rate swaps) have been used to hedge against interest rate risk at the subsidiary Meriaura Ltd.

	Face value	Maturity	Market value
Interest rate swap/Nordea	13,000,000.00	18.6.2029	526,098.00

Transactions with related parties

Subsidiary Meriaura Ltd acquires and sells services from its related companies. Transactions with related parties correspond to transactions with unrelated parties.

Related companies are VG-Shipping Ltd, Rederi Ab Nathalie, Helmer Lundström Ltd, Aura Mare Ltd, VG-EcoFuel Ltd, Marship Minibulker Flotte GmbH & Co. KG, Malkia Ltd, Skogby Strand Ltd, VG-Port Ltd, Biolinja Ltd, Sybimar Ltd and Gaiamare Ltd.

Meriaura Ltd sold the Mirva VG vessel to Helmer Lundström Ltd on September 8, 2022 and rented the vessel back. Meriaura Ltd bought a vessel named Ramona from VG-Shipping Ltd on 30 December 2022.

	Dec 2022	Jan-Dec 2022
Sales of services	176,478.03	699,177.94
Purchases of services	576,864.23	7,334,720.78

Structural and Financial arrangements

The Parent company has had share issues during the financial period; TO8 on March/April and TO9 on September where shares were subscribed with option rights. On November 30 Savosolar Plc acquired all the shares in Meriaura Ltd from VG-Shipping Ltd in share exchange deal and at the same time had a directed share issue to VG-Shipping Ltd. Further information on share issues is given in the report of the Board of Directors.

Shares of the company

	Parent company 2022	Parent company 2021
Shares, (1 vote/share), pcs	783,135,875	165,187,636

General risks and factors of uncertainty concerning operations

Several simultaneous major projects may significantly increase the need for working capital and guarantee facilities in Renewable Energy. The Marine Logistics business may also need significant additional funding to increase its fleet in a competitive manner. A general weakening of the financial markets or stricter regulations in the banking sector may reduce banks' and other financial institutions' opportunities to offer funding options and thereby lead to tighter terms and conditions for financing. Unfavourable changes in the financial markets and/or any steep decline in the Group's financial situation may lead to a situation where the Savosolar Group is unable to secure the funding it needs, which may slow the achievement of growth.

The Board of Directors actively monitors the development of the Group's profitability and cash flow and, together with the Group's management, seeks the best solutions to develop the Group towards profitable long-term business operations that create added value for its shareholders. The 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. However, it cannot be guaranteed that the volume and profitability of the Group's business operations will grow as expected or that the Group will secure sufficient additional funding on terms and conditions that are favourable enough for its shareholders. If the Group fails to achieve growth and improve its profitability and/or secure additional funding in line with its business needs, the Group may be forced to postpone the implementation of its growth plans or, in the worst case, divest its operations or assets.

Holdings in other companies

Name and domicile	Holding	Equity	Profit (-loss) for the reporting period
Meriaura Ltd, Turku	100,00 %	32,457,988.36	8,669,223.66
Savosolar Aps, Denmark	100,00 %	15,947.29	6,886.39
Savosolar GmbH, Germany	100,00 %	51,273.95	4,446.66
Savolaser Ltd, Mikkeli	55,00 %	-4,675.97	-1,476.34

SIGNATURES TO FINANCIAL STATEMENTS

In Mikkeli 4.4.2023

Kirsi Suopelto
Chairman of the Board

Jari Varjotie
Managing director

Eero Auranne
Vice Chairman of the Board

Ville Jussila
Member of the Board

Jussi Mälkiä
Member of the Board

Eljas Repo
Member of the Board

Ari Virtanen
Member of the Board

AUDITOR'S NOTE

In Mikkeli 4.4.2023

Saimaa Audit Oy
Public Audit Company

Juho Himanen
APA

Auditor's report (Translation of the Finnish Original)

To the Annual General Meeting of Savosolar Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Savosolar Oyj (business identity code 2309682-6) for the year ended 31 December, 2022. The financial statements comprise the balance sheet, income statement, cash flow statement and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the parent company and the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's and the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for my audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Mikkeli 4 April, 2023

Saimaa Audit Oy

Public Audit Company

Juho Himanen

APA

Information for investors and shareholders

Share

Savosolar Plc is a Finnish limited liability company listed on Nasdaq First North Growth Market Sweden and Nasdaq First North Growth Market Finland.

Savosolar has one series of shares. Its number of shares on 31 December 2022 was 783,135,875. Each share carries one vote at the general meeting of shareholders. The company does not hold any treasury shares. Savosolar Plc had 17,377 shareholders on 31 December 2022.

Investor communication

Savosolar is committed to communicating actively and transparently with all stakeholders. The company strives to give a truthful picture of the company's operations, operating environment, strategy, goals, and financial performance. The website www.savosolar.com and company releases published through Nasdaq are the most important sources of information about the operations and financials.

Savosolar observes a 30-day closed period preceding the publication of its financial results. During this period, the company's representatives do not meet with investors or analysts or comment on the company's financial position, business, or strategy. During the closed period, the management's trading in the company's financial instrument on its own account or that of a third party, directly or indirectly, is also prohibited. At other times, we are happy to answer the enquiries of analysts and investors by phone or email or at the arranged investor meetings.

Annual General Meeting

The General Meeting of shareholders is the company's highest decision-making body. The company's Board of Directors convenes the General Meeting annually within six months of the end of the financial period. Shareholders have the right to attend the Shareholders' Meeting if they have been entered into the register of shareholders at least eight working days before the meeting.

Savosolar's Annual General Meeting 2023 is scheduled to be held in Helsinki on 10 May 2023 at 2 pm (EEST). The invitation to the annual general meeting will be announced separately later with a stock exchange release.

Financial reporting in 2023

Savosolar will publish the following financial releases in 2023:

- The business review for January–March will be published on 8 May 2023.
- The half-year report for January–June will be published on 28 August 2023.
- The business review for July–September will be published on 6 November 2023.

The financial reports, as well as other company announcements and official information, will be published in Finnish and English.

Contact information

info@savosolar.com
+358 (0)10 271 0810

CFO
Heikki Timonen
heikki.timonen@savosolar.com
+358 40 733 5853

Certified Adviser
Augment Partners AB
info@augment.se
+46 8-604 22 55

Basic share information

Listed on Nasdaq First North Growth Market, Sweden; Nasdaq First North Growth Market, Finland.

Symbols:
First North Groth Market Sweden: SAVOS
First North Groth Market Finland: SAVOH

ISIN: FI4000425848

Sector: Energia

Number of shares 31 December 2022: 783,135,875

Listing date: 27 April 2015

