



Company Description for Savosolar Oyj due to the acquisition of Meriaura Oy and Biolaite Oy (name change to VG-EcoFuel Oy pending), and the continued listing on Nasdaq First North Growth Market



Augment

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Important information about Nasdaq First North Growth Market

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a certified adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

Important information

General

This company description (the "Company Description") has been drawn up by Savosolar Oyj, corporate registration number 2309682-6 ("Savosolar" or the "Company"), due to the Company's acquisition of all shares in Meriaura Oy, corporate registration number 0669579-8 ("Meriaura"), which owns all shares in Biolaite Oy (name change to VG-EcoFuel Oy pending), corporate registration number 270001-5 ("VG-EcoFuel") through a share exchange and Savosolar's application for continued listing on the Nasdaq First North Growth Market ("Nasdaq First North"). Augment Partners AB, corporate registration number 556585-1267 ("Augment"), is the Company's Certified Adviser. The "Group" refers to the new group including Savosolar and its existing subsidiaries as well as Meriaura and VG-EcoFuel.

The Company Description has not been drawn up in accordance with Regulation (EU) 2017/1129 (the "Regulation") and thus does not constitute a prospectus. The Company Description has thus not been approved by or registered with the Financial Supervisory Authority. The Company Description is governed by Swedish law. Disputes due to the Company Description and related legal relationships must be exclusively decided by a Swedish court.

This Company Description does not constitute an offer to subscribe for, or otherwise acquire, shares in Savosolar in either Sweden or any other jurisdiction. Distribution of this Company Description is subject to restrictions in law and other regulations. The Company Description must not be distributed in or to the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, or any other jurisdiction where such distribution requires a prospectus, registration, or measures other than those which follow from Swedish law or otherwise contravene the rules of that jurisdiction. Savosolar has not taken, and will not take, any action to permit a public offering of securities in any jurisdiction. Persons who receive copies of this Company Description, or who wish to invest in Savosolar, must inform themselves and comply with such restrictions. Actions in violation of the restrictions may constitute violations of applicable securities laws.

The shares of Savosolar have not been registered and will not be registered under the United States Securities Act of 1933 as currently amended ("Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or in other manner transferred, directly or indirectly, in or to the United States, except pursuant to an applicable exemption from, or through a transaction not covered off, the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction of the United States.

Forward-looking statements

The corporate statement contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and statements and opinions that relate to the future and that, for example, contain words such as "assumes", "believes", "intends", "estimates", "projects", "should", "anticipates", "predicts", "expects", "holds the view", "may", "will", "plans", "potential", "forecasts", "could", "as far as known", or similar expressions, where the intention is to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Company Description that address future financial performance, plans and expectations for the Group's operations and management, future growth and profitability, and the general economic and legal environment and other matters affecting the Group. Forward-looking statements are based on current estimates and assumptions based on the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results, including the Group's cash flow, financial condition and results of operations, to differ materially from, or not meet the expectations expressed or implied by, such statements, or to be less favourable than the results expressed or implied by such statements. Similarly, potential investors should not place undue reliance on these forward-looking statements and are

strongly advised to read the Company Description. Neither the Company nor Augment can give any assurance as to the future accuracy of the opinions presented, or whether the anticipated developments will actually occur. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, it is possible that the future events mentioned in the Company Description will not occur. The forward-looking estimates and projections derived from third-party studies and referred to in the Company Description may prove to be inaccurate. Actual results, performance, or events could differ materially from those indicated by such statements as a result of, without limitation: changes in general economic conditions, particularly economic conditions in the markets in which the Group operates, changes in interest rates, changes in currency exchange rates, changes in the level of competition, changes in laws and regulations and the occurrence of accidents or injuries. Subsequent to the release of the Company Description, neither the Company nor Augment undertakes, except as required by law or the Nasdaq First North's rules for issuers, to update any forward-looking statements or to conform any such forward-looking statements to actual events or developments.

Industry and market information

The Company Description contains industry and market information relating to the Group's business and the market in which the Group operates. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources. Industry publications or reports generally state that information reproduced therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information cannot be guaranteed. Savosolar has not verified the information, and therefore cannot guarantee the accuracy, of the industry and market information reproduced in the Company Description that has been obtained, or is derived, from industry publications or reports. Such information is based on market research, which by its nature is based on sampling and subjective judgments, including judgments as to the type of products and transactions that should be included in the relevant market, both by those conducting the research and those surveyed. The Company Description also contains estimates of market data and information derived therefrom that cannot be obtained from publications of market research institutions or any other independent sources. Such information has been prepared by Savosolar based on third-party sources and the Group's own internal estimates. In many cases, there is no publicly available information and such market data from, for example, industry associations, government agencies, or other organizations or institutions. Savosolar believes that its estimates of market data and information derived therefrom are useful in providing investors with a better understanding of both the industries in which the Group operates and the Group's position within those industries. The third-party information has been accurately reported and, to the best of Savosolar's knowledge and belief, no facts have been omitted that would make the reported information inaccurate or misleading. The contents of the Company's website, any of the Group companies' websites or any third party mentioned herein do not form part of the Company Description.

Presentation of financial information

Financial and other information presented in the Company Description has been rounded off to make the information more accessible to the reader. Unless otherwise expressly stated, no financial information in the Company's Description has been audited or reviewed by the Company's auditor. "SEK" stands for Swedish kronor, "MSEK" stands for millions of Swedish kronor and "KSEK" stands for thousands of Swedish kronor. "EUR" stands for euro, "MEUR" stands for millions of euros and "KEUR" stands for thousands of euros.

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Financial calendar

Extraordinary General Meeting	25 November 2022
Year-end report	6 March 2023
Annual General Meeting	10 May 2023

Other information

ISIN code	FI4000425848
Legal entity identifier (LEI)	743700J1YZ8IEJAPDL21
Ticker	SAVOH (FI), SAVOS (SWE)

Background and motive to the acquisition of Meriaura and VG-EcoFuel

The transaction in brief

On 29 August 2022, Savosolar signed a conditional share exchange agreement with VG-Shipping Oy ("VG-Shipping") to acquire all shares of Meriaura and VG-EcoFuel, a wholly owned subsidiary of Meriaura (the "Transaction"). The Transaction, contingent on the decisions of Savosolar's Extraordinary General Meeting on 25 November 2022, will be implemented by organising a directed share offering to VG-Shipping, which owns all the shares of Meriaura. As part of the share exchange agreement, VG-Shipping gave a EUR 1.0 million underwriting commitment for the subscription of shares not subscribed based on TO9 warrants in September 2022. This will be carried out as a separate directed issue to VG-Shipping (80 per cent of the issue) and Hybrid Consulting Oy (20 per cent of the issue). Following the Transaction and the directed issue based on the underwriting commitment, the current shareholders of Savosolar will hold approximately 28 per cent and VG-Shipping approximately 72 per cent of Savosolar's shares and votes. Prior to the Transaction, Meriaura acquired Biolaite Oy (name change to VG-EcoFuel Oy pending) from Aura Mare Oy and Biolaite Oy acquired the business operations of VG EcoFuel Oy (name change to Suomen Kiertotalouskiinteistö Oy pending).

In the Transaction, the implied value of Meriaura's shares has been defined as EUR 30.0 million and the subscription price as EUR 0.05475 for the shares directed to VG-Shipping. The subscription price is 53.4 per cent higher than Savosolar's closing price on the trading day prior to the announcement 26 August 2022 (EUR 0.0357 per share) and 42.2 per cent higher than the volume-weighted average price of Savosolar's shares on Nasdaq First North Growth Market Finland during the 3 months prior to the announcement (approximately EUR 0.0385 per share). The subscription price in the directed issue based on the underwriting commitment for the TO9 warrants is EUR 0.056 per share.

After the Transaction and the directed issue based on the underwriting commitment for the TO9 warrants, Savosolar's number of shares rises to 782,723,687 shares. Before the Transaction, Savosolar has 216,959,964 shares. There are 547,906,581 shares to be directed to VG-Shipping in the Transaction and 17,857,142 shares to be directed to VG-Shipping and Hybrid Consulting Oy based on the underwriting commitment.

The share exchange agreement also determines that at the time of the Transaction, Meriaura and VG-EcoFuel together have a maximum of EUR 21 million of interest-bearing debt and at least EUR 4.4 million of cash and cash equivalents.

Background and motive

Following the Transaction, the Group is better positioned to meet the growing demand for renewable energy and fill the supply gap. The merger is expected to speed up business expansion in large-scale solar heat, low-carbon marine logistics, and other projects promoting the green transition.

In VG-Shipping, Savosolar gets a long-term, committed anchor owner with a strong track record in successful business development in marine logistics and the production and utilisation of renewable energy. The new owner will bring stability and predictability to the business of the Company. Jussi Mälkiä who will continue as the principal owner and Chairman of the Board of VG-Shipping, has many years of experience investing in low-carbon marine logistics and strives to find new solutions for the good of the environment.

Meriaura is growing steadily and profitably and is a pioneer in providing low-carbon marine transport. Meriaura's long shipping contracts, modern fleet, and strong market position in renewable energy construction projects are aimed to make the Group profitable and provide stable and strong cash flows, which strengthens the balance sheet. The stronger financial position improves the possibilities to make investments and underpins long-term profitable growth and value creation. Going forward, Savosolar can provide and deliver more tailored renewable energy turnkey solutions and, if needed, engage in energy production. The merger subsequently allows the shareholders to better access the growing market of renewable energy. The products and services of Savosolar, Meriaura and VG-EcoFuel complement each other, and there are very few overlaps.

Savosolar's Board of Directors believe that the Transaction will create significant value for the Company's current and future shareholders with the expansion of business opportunities.



Changes in Savosolar's Board and Management

At the Extraordinary General Meeting deciding on the Transaction, a proposal is made that the Company's current Board members Eero Auranne, Eljas Repo, and Ari Virtanen will continue, and that Jussi Mälkiä, Kirsi Suopelto, and Ville Jussila are selected as new Board members. Kirsi Suopelto is proposed to be the Chair of the Board and Eero Auranne the Vice Chair. Jari Varjotie will continue as Savosolar's CEO and Bengt-Erik Rosin as Meriaura's Managing Director.

Preliminary time schedule

- 25 November 2022: Extraordinary General Meeting.
- 2 December 2022: Registration in the Finnish Trade Register.

Liability statement of the Board of Directors

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in the Company Description.

18 November 2022

Savosolar Oyj

The Board of Directors

Market overview

The Company Description contains information about the Group's activities and the markets in which the Group operates. Information on market growth, market size and the Group's market position relative to competitors listed in this Company Description relates to the Group's overall assessment based on both internal and external sources. Unless otherwise stated, the information in this section is based on the Group's analyses and internal market information. The sources which are the basis for the Group's assessment include a multitude of third-party market information. The Company has accurately reproduced such third-party information and, as far as the Company is aware and is able to ascertain from information published by the third-party from which the information was obtained, no facts have been omitted which would make the reproduced information inaccurate or misleading. The Company has, however, not independently verified the correctness or completeness of any third-party information and the Company can therefore not guarantee its correctness or completeness. Market and industry information contains estimates regarding future market development and other so-called forward-looking information. Forward-looking information is not a guarantee of future results or developments, and actual results may differ materially from those in the forward-looking information.

Renewable energy

The Group's Renewable Energy business unit designs and delivers large solar thermal solutions for district heating and industrial process heating. The solar thermal solutions are based on high-efficient solar thermal collectors developed by Savosolar, which are built with Savosolar's own optically coated direct-flow absorbers. In addition, Savosolar manufactures and sells solar thermal absorbers and electromagnetic interference coatings for some customers' special solutions. Savosolar focuses especially on segments with high potential for rapid growth. These segments are (i) the solar district heating (SDH) market in Europe, particularly in Germany, France, Poland, Finland, Sweden, Denmark, Spain, and some Eastern European countries, and (ii) solar heating for industrial processes (SHIP), for which the most potential markets from the Company's point of view are in Europe, Latin America, Australia, and Africa. This means that the Company is particularly interested in large installations (over 1,000 m²) where the efficiency of the systems is the most important factor for the user. The market for large installations (over 1,000 m²; over 700 kWth installations) is also attractive due to the high growth prospects of the segment and the growing interest in large-scale projects instead of fossil heat sources around the world to reduce emissions, reduce the cost of heating and increase the security of supply for the heating energy in these critical to society sectors.

The growing adoption of sustainable energy is driving the growth of the solar heating market. The current war in Ukraine has heavily impacted the energy market and accelerated the adoption of sustainable energy, as Russia supplied around 45 per cent of the European Union's gas imports for industry, homes and electricity generation in 2021.¹ The war has therefore raised concerns about energy prices and availability on the market.

Solar heating solutions can quickly decrease the use of fossil fuels in some heating applications and reduce the European dependence on natural gas. Furthermore, the high gas prices and shortage of supply have increased the prices of heating

energy, thus significantly improving the competitiveness of solar heating applications.

SOLAR DISTRICT HEATING

Solar district heating systems are a major large-scale application for solar thermal technology. These large systems are integrated into local district heating networks for heating both domestic hot water and residential and industrial properties. During the warm seasons, they can completely replace other, traditionally fossil-based, heat sources.

Governments, companies, and communities across the globe are focusing on adopting sustainable energy to decrease their dependency on fossil fuels and increase the utilisation of clean energy sources such as solar, wind, hydropower, and bioenergy. The growing adoption of sustainable energy is expected to boost the utilisation of solar district heating systems especially, as they offer the most cost-effective heating solutions to commercial, residential, and industrial customers compared to existing heating solutions.

The commercial use of solar district heating has increased in Europe, where Denmark has been a distinct industry pioneer and was also Savosolar's primary target country in the past. Denmark dominated the market for large-scale solar thermal systems for about a decade, until its peak in 2018 when the market slowed down due to a shift in the focus areas of the state subsidy policy. In addition to the dormant Danish market, Savosolar has established a position to sell its solutions elsewhere in Europe, such as in France and Germany. Given the increased market prices of heating energy driven by the shortage of gas, the demand for solar solutions in heating in these markets is foreseen to increase rapidly.²

According to the Company, France currently has the most active market for large solar heating systems in Europe and has the second most large systems in operation after Denmark. In accordance with EU strategies, the French government invests in increasing the use of clean energy in heat production through state subsidy measures. The market for

¹ <https://www.iea.org/news/how-europe-can-cut-natural-gas-imports-from-russia-significantly-within-a-year>

² <https://www.iea-shc.org/Data/Sites/2/publications/Solar-Heat-Worldwide-2022.pdf>

large solar thermal systems has taken root even faster than expected. There are already several project developers on the market who invest in the production of solar thermal energy and distribute heat to establishments such as industrial process plants. These actors can invest efficiently and make the systems work faster than municipal actors.

Demand for solar energy systems in Germany has increased significantly the past few years, due to increased state subsidies and rising fossil fuel prices. Even before Russia started its war against Ukraine and energy concerns took centre stage, the new German government had been determined to dedicate considerable efforts to climate and energy reforms. The war has prompted the economy and climate ministry to present a wealth of amendments to existing laws and funding schemes even faster than planned – mainly geared towards boosting the country's renewable capacity.

By the end of 2021, 299 solar district heating systems (>350 kW_{th}, 500 m²) with an installed capacity of 1,645 MW_{th} (2.35 million m²) were in operation worldwide. In 2021, 44 new solar heating systems for district heating or residential, commercial and public buildings (>350 kW_{th}, 500 m²) with a capacity of 142 MW_{th} were built worldwide. Twenty of these systems were installed in China and fourteen in Europe, including one extension, seven in Turkey and three in Mexico.²

In 2021 Savosolar was commissioned for a solar district heating system in Creutzwald, France, with a capacity of 4.3 MW_{th}. Other notable plants commissioned in 2021 by Savosolar's competitors were the solar district heating system in Præstø, Denmark, with a capacity of 5.6 MW_{th}, as well as the Nahwärme Friesach in Austria and the system in Mühlhausen, Germany, both with a capacity of 4.0 MW_{th}.²

The global market potential for district heating is over one billion square metres, which translates into a potential market of several hundred billion euros. However, even if only 10 per cent of this were to be achieved by 2050, it would mean an annual collector field market exceeding EUR 1 billion for district heating.³

SOLAR HEATING FOR INDUSTRIAL PROCESSES

Many industrial processes require heat, which makes the industrial heat market an attractive prospect. Globally, interest in solar heating for industrial processes (SHIP) has grown. Several promising projects have been launched in recent years, and systems of up to 100 MW_{th} have been built.² Although most of the heat used in industry is below 100 degrees Celsius, solar radiation can also produce heat up to 400 degrees Celsius. The systems are still relatively small and involve more than one hundred degrees of process heat, but progress is being made on a larger scale in both temperature ranges above and below one hundred degrees.⁴

According to a study published by Solrico in early 2022 and a survey by AEE INTEC, 78 new SHIP plants with a collector area of 51,539 m² (36 MW_{th}) were documented in 2021 worldwide. Thus, the number of SHIP projects in operation adds up to at least 975 systems with an overall installed collector area of 1.2 million m². Most of the largest documented SHIP plants are in use in the food, mining and textile sectors.² In 2021, Savosolar commissioned the largest industrial process solar heating system in France in Issoudun. The heat is used by the factory of Boortmal for drying the malts. Currently, Savosolar is delivering an even bigger system in Verdun, France for Newheat. This system is built for the milk powder factory of Lacta Group.

The Company sees that the SHIP market has been further activated by the high cost and scarcity of fossil fuels as well as by the industries' initiatives towards lower emissions in their own production.

COMPETITIVE LANDSCAPE

According to Solar Heat Europe, the total solar thermal market in Europe reached a turnover of EUR 1.7 billion in 2020. In 2020, 1.35 GWth of new capacity was installed, a decrease from 1.59 GWth in 2019. In Europe, the cumulative available capacity in 2020 was 37 GWth, corresponding to a collector area of 53,5 million m².⁵

There has been significant growth in Savosolar's primary market targets of large installations (over 1,000 m²), and growth is expected to accelerate. There are few global competitors in this market, with GreenOneTec being a prominent example. GreenOneTec has mainly supplied collectors to integrators so far, but after acquiring the Arcon-Sunmark production line after Arcon closed in April 2020, GreenOneTec announced that it will expand its operations to include turnkey deliveries directly to customers.

Other system integrators with experience in heating systems, but not directly in solar heat, have also started to enter the market and are looking for a solar thermal partner for themselves. Viessmann and Ritter Solar mainly supply heating systems with vacuum tube collectors to the German market.

China is by far the world's largest solar thermal market, but unlike the photovoltaic market, Chinese large-scale flat plate collectors have so far not had a significant impact on the European solar thermal market. The production of Chinese companies is mainly focused on the domestic and Asian markets. Such collectors are generally not valued in Europe, and the prices of high-quality collectors from Chinese manufacturers are on par with those of their European competitors. Over the last couple of years, the Chinese have invested in large collectors and systems for their own markets by establishing cooperation with European manufacturers.

³ Global Energy Transformation, A Roadmap to 2050, International Renewable Energy Agency 2018 https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Apr/IRENA_Report_GET_2018.pdf

⁴ Solar Heat Worldwide 2019 - Global Market Development and Trends in 2018, Detailed Market Figures 2017; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2019

⁵ Solar Heat Markets in Europe - Trends and Market Statistics 2020, ESTIF http://solarheateurope.eu/wpcontent/uploads/2022/03/Solar_Heat_Market_2021_final_single_pages.pdf

Marine logistics

Meriaura is a major transporter of industrial dry bulk and general cargo in Northern Europe and especially in the Baltic and North Sea areas. Meriaura manages large volume contracts as well as single shipments.

THE GLOBAL DRY BULK CARGO MARKET

A dry bulk commodity is a raw material that is shipped in large unpackaged parcels. Dry bulk consists of mostly unprocessed materials that are destined to be used in the global manufacturing and production process. The commodities, which can include grain, metal, and energy materials, are transported long distances in bulk by sea in large cargo vessels by companies that specialise in dry bulk delivery. Dry bulk transports can roughly be divided into deep- and short-sea shipping. In deep-sea shipping the vessel size is remarkably larger and the duration of the voyages longer than in short-sea shipping where the average duration of a voyage is only a few days and lot sizes typically being 3,000–6,000 tonnes.

In the early 2000s, demand for dry bulk shipping exceeded available supply, leading to high dry bulk rates during the period. However, a combination of strong new orders for dry bulk ships and the global financial crisis led to a sharp decline in dry bulk rates and left the market with more leftover capacity than the growth of world trade would have demanded.⁶ Excess capacity is removed from the market slowly since the average age of a ship is around 25 years. Currently, relatively few ships are being built, and Meriaura believes that the removal of excess capacity is progressing and that the market has recovered.

The dry bulk market can be analysed in terms of demand and supply for ship capacity available in deadweight tonnage (dwt). The relatively slower growth of the global dry bulk fleet compared to the growth in dwt demand has led to an increasing utilisation rate of the fleet since 2016.

DEMAND

Trade of dry bulk commodities is affected both by global and regional economic activities, as it follows economic, political, regulatory, and seasonal trends. In this sense, the changes in the dry bulk trade have been in line with the world economy. According to Danish Ship Finance, seaborne trade volumes increased by 4 per cent in 2021, driven by a rebound in coal and minor bulk commodities.⁷ As such, the dry bulk market has continued to follow a positive trajectory on the demand side in recent years. Freight rates were kept high in 2021 because of strong demand for most dry bulk commodities combined with restrictions and problems at ports tying up ships for longer than usual due to the lingering effects of the pandemic.⁸ While the dry bulk shipping industry enjoyed multi-year high profits in 2021, and optimism has been widespread, there may be cause for concern. Underlying demand drivers are weakening in the current macroeconomic environment, which may cause volatility and reduced freight rates in the global dry bulk shipping market.⁹ However, Meriaura has not yet noted such freight rate reductions in the markets it is active.

SUPPLY

There are several factors influencing the supply side of dry bulk shipping, with the most fundamental factors being the order book from the shipyards and the number of ships that are being scrapped each year. The underlying drivers behind how many ships are being ordered and scrapped at any given time has to do with i) the current fleet size, ii) the age of the fleet, iii) government and international shipping regulations, iv) future market expectations, v) access to financing and vi) other factors that can potentially affect the shipping cycle.

According to BIMCO (Baltic and International Maritime Council), contracting of new building ships from January to April 2022 measured in dwt, has been the lowest since 1999. The orderbook is only approximately 6.6 per cent of the trading fleet and deliveries in the coming years will be low. Contracting is expected to remain low for the rest of 2022 and during 2023 as high newbuilding prices are discouraging owners. Meanwhile, the yards have very large orderbooks and, in any case, any ship contracted now would not be delivered before 2024 at the earliest.¹⁰

Demolition of old ships slowed significantly in 2021 as high freight rates encouraged continued trading and it is expected to remain at about the same level in the short term.¹⁰ In the long term however, older vessels may be scrapped at a higher rate due to high fuel consumption, lack of maintenance, uneconomical upgrading requirements caused by new environmental regulations, as well as other factors.

FUTURE MARKET EXPECTATIONS

Meriaura's view for the future of the dry bulk market is that the ratio of supply and demand of vessels, is likely to level out during the next few years, creating an improved demand/supply balance, and keeping freight rates stable. This is especially true for ice-classed vessels, which is relevant in Meriaura's core market. Danish ship finance forecasts that the dry bulk fleet growth will be 3 per cent in 2022, and 3 per cent in 2023, compared with 4 per cent in 2021, 5 per cent in 2020 and 4 per cent in 2019. Dry bulk demand growth rate is expected to decline to around 0.2 per cent in 2022 and settle at 2 per cent in 2023 compared to 4 per cent in 2021, -2 per cent in 2020 and 1 per cent in 2019.⁷

As most relevant shipyards sold out their capacity for constructing vessels up until the middle of 2022, there is a certain degree of visibility for supply growth in the coming years. Meriaura believes that the supply of vessels may be modest in a historical perspective, caused by a tapering off in the delivery of new vessels. If Meriaura's expectations of modest growth in the fleet prove to be correct, and the demand for dry bulk transportation is stable or increasing, Meriaura believes that rates for dry bulk vessels will remain good, and that dry bulk vessel values may subsequently increase accordingly. This is a result of increased capacity utilisation over a smaller fleet on the freight market. However, seasonal fluctuations in the demand are typical for the business and likely to occur also henceforth.

⁶ <https://etfmg.com/wp-content/uploads/2019/03/BDRY-Primer-2022.pdf>

⁷ <https://www.shipfinance.dk/media/2209/shipping-market-review-may-2022.pdf>

⁸ https://www.bimco.org/news/market_analysis/2021/20210903-dry-bulk---profits-surge-to-multi-year-highs-as-pandemic-related-demand-and-disruptions-linger

⁹ <https://www.seatrade-maritime.com/dry-cargo/weak-dry-bulk-market-forecast-2023-bdi-average-down-20-30>

¹⁰ https://www.bimco.org/news/market_analysis/2022/20220607-smoo-bulk

HEAVY CARGO AND SPECIAL PROJECTS

Cargo with larger dimensions requires a completely different set of equipment, infrastructure, and experienced personnel compared to other segments of shipping. Dealing with cargo dimensions is an everyday endeavour for transporters. Parts and modular packages are being produced in far-flung parts of the world, then shipped to final destinations. The packages are more critical, requiring detailed planning. Getting transportation providers more involved in the early stages of the planning process has been a trend for the past five years.¹¹

According to global energy sources, the decade-long trend of strong growth in renewable energy capacity continued in 2021. Approximately half of the renewable energy produced in 2021 was by wind power¹², and parts for towers, blades and generators of wind turbines, are some of Meriaura's main transport items. The trend is expected to continue in the coming years in order to achieve the global climate objectives and sustainable development goals. The positive outlook for renewable energy is driving the current project logistics market. In order to generate the required amount of power in the future, energy companies need to develop the necessary infrastructure, commence new projects, and install power generation equipment. This scenario is going to create demand for project logistics.

COMPETITIVE LANDSCAPE

Dry bulk shipping is a competitive industry with market participants ranging from large multinational companies to smaller regional companies with fewer units. Competition for the transportation of dry bulk commodities can be intense and depends on price, location, size, age, condition, acceptability of the vessel and its operators, as well as the ability to secure contracts with charterers.

There is a large number of competitors in the market for dry cargo and very few trade barriers regulating the business. Thus, the competition in a certain market may vary from time to time depending on the demand/supply balance in other market areas. However, as a remarkable share of Meriaura's business goes to or from ports that are icebound during the winter season, the core competitors for the contract-based business are limited to those who operate ice-classed tonnage.

The competition in the heavy cargo segment is different from dry bulk, as the cargoes are very heterogenous, and the number of competitors and tonnage is more limited. Thus, the competitive situation is usually related to the cargo in question and competitors can depend on the features of the cargo. The competitors include barge and tug combinations, heavy-lifters, MPP vessels or other open deck carriers. However, in large project entities, where many different abilities are required, there may be cooperation between two or more companies.

Recycled biofuels

Biofuel is fuel derived from biomass like plants, algae material or animal waste. Since such feedstock material can be replenished readily, biofuel is considered a source of renewable energy unlike fossil fuels such as petroleum, coal, and natural gas. Biofuel is commonly advocated as a cost-effective and environmentally benign alternative to petroleum and other fossil fuels, particularly within the context of rising petroleum prices and increased concern over the contributions made by fossil fuels to global warming. Most biofuels are used as transportation fuels, but they may also be used for heating and electricity generation.¹³

Biofuels are an emerging, cleaner fuel option to consider over conventional fossil fuels in the future. The global biofuels market was valued at USD 154.7 billion in 2021 and is expected to grow to USD 231.2 billion at a compound annual growth rate (CAGR) of 6.9 per cent by 2027. The biofuels market can be divided by form, into solid, liquid, and gaseous biofuels. Out of the form segments, liquid biofuel held the largest revenue share in 2021 owing to the rising focus on energy security and the application of liquid biofuels in flexible-fuel vehicles, with gaseous biofuels coming in a distant second.¹⁴

The availability of funds for research and development for the development of biofuels at a lower cost will enhance the adoption of biofuels. In addition, ongoing research for the commercialisation of second and third-generation biofuels will further boost the growth of the market in the future.¹⁵

The currently rising demand for biofuels is attributed to the increasing need for reducing dependency on imported oil. The war in Ukraine has significantly disturbed the markets and created an energy supply shortage in Europe. Biofuels can be manufactured domestically and lower dependency on foreign oils, which is a major factor driving growth in the market.

Limited availability of fossil fuel-based resources and growing awareness regarding curbing carbon emissions are some of the other factors that are likely to drive the market. Also, various supporting regulatory policies and tax incentives across the world on the utilisation of biofuels are anticipated to enhance their demand in the transportation sector.

COMPETITIVE LANDSCAPE

The price for VG-EcoFuel's products comes from market demand, which is predicted to be at a very high level in the future. Hence, competition is expected to rise in acquiring raw materials for production, possibly increasing costs.

There are two other considerable actors in this market in Finland, Rasmix Oy and Suomen Kasviöljykierrätys Oy.

¹¹ <https://www.researchandmarkets.com/reports/5552614/project-logistics-market-growth-trends-covid>

¹² <https://www.iea.org/reports/renewable-electricity>

¹³ <https://www.eia.gov/energyexplained/biofuels/#:~:text=Most%20biofuels%20are%20used%20as,or%20require%20use%20of%20biofuels>

¹⁴ <https://www.grandviewresearch.com/industry-analysis/biofuels-market#:~:text=The%20global%20biofuels%20market%20size,animal%20waste%2C%20or%20algae%20material.>

¹⁵ <https://www.emergenresearch.com/industry-report/biofuels-market>

Business overview

Overview

After the Transaction, the Group will have two business units:

- Renewable Energy
- Marine Logistics

Renewable Energy consists of the business operations of Savosolar, while Marine Logistics consists of the business operations of Meriaura and VG-EcoFuel. The goal with the Transaction is to better meet the growing demand for solutions based on renewable energy and fill the supply gap. The Group is looking to speed up business expansion in large-scale solar heat, low-carbon marine logistics, and other projects promoting the green transition.

Renewable Energy

The Renewable Energy business unit consists of the business operations of Savosolar.

SOLAR THERMAL HEAT

Savosolar designs and delivers large-scale solar thermal systems to district heating producers and industrial companies. The systems are based on highly efficient solar thermal collectors developed by Savosolar, and at their core are the Company's own optically coated direct flow absorbers. This leading technology and strong, customer-oriented system design allow Savosolar to help its clients in producing clean and competitive energy. Savosolar's main business is turnkey delivery of heating systems. In addition, absorbers and collectors are supplied and installed separately. According to information available to the Management of the Company, Savosolar's absorbers are the most efficient large-scale solar thermal absorbers in the world. The Company began product deliveries in June 2011, large systems deliveries in 2015, and currently, the Company's total number of large systems delivered exceeds 100,000 m².

Savosolar supports its customers in achieving environmental and business goals by reducing their energy costs and carbon footprint. Savosolar is constantly investing in product development in order to maintain its technology leadership and to improve its offered competitiveness to customers in the growing markets of heat energy.

The customers within solar thermal heat are, among others, municipal district heating companies and industrial companies using and needing heat in their processes. In addition, customers can be integrators supplying heating and cooling systems to the above-mentioned customer groups or investment companies that invest in energy systems and sell heating or cooling to those who need it, that is, industrial or commercial companies or energy companies. So far, Savosolar has delivered collectors and systems in 18 different countries.

Marine Logistics

The Marine Logistics business unit consists of the business operations of Meriaura, a company specialised in marine transport including operating and owning ships, and the business operations of VG-EcoFuel. Meriaura operates a fleet

of 15 vessels of which Meriaura owns five and the rest are time-chartered for Meriaura's use. Meriaura focuses on freight that supports renewable energy forms and environmentally friendly solutions.

Meriaura concentrates on energy savings and energy efficiency, and the use of bio-based fuels to achieve carbon neutrality, among other things. These combined with more traditional transport optimisation measures, benefit the business unit's current and future clients in the form of cleaner and more economical transports.

INDUSTRIAL DRY BULK

Meriaura is a major transporter of industrial dry bulk and general cargo in Northern Europe, especially in the Baltic and the North Sea areas. Industrial dry bulk accounts for approximately two thirds of Meriaura's total revenue. The dry cargo vessels operated by Meriaura have an annual capacity of approximately 3 million tonnes.

The main commodities carried are:

- Agri bulk (grain, fertilisers, feedstuff)
- Biofuels
- Recyclables
- Minerals
- Forest industry products and wood supply
- Project cargo and break bulk

Meriaura values long-term partnerships that are based on knowing the customer's business and on good individual service. Contract traffic is supplemented with cargoes from the spot market in order to achieve optimal routes and transport efficiency. On each voyage, customers are provided with a carbon footprint report that they can use for their own purposes. Using digital solutions, the operators monitor the progress of the ships' voyages at sea and operations in the port, in real time. Optimal transport efficiency is economical but also environmentally friendly.

HEAVY CARGO AND SPECIAL PROJECTS

Transporting demanding cargoes is another part of Meriaura's core business. Tailored solutions are served as different kinds of combinations such as pre-carriage, sea transport by vessel or barge, port handling in loading and discharging ports, terminal and cargo handling, warehousing, transshipments and on-carriage to destination. The goal is to create a cost-effective delivery chain which saves time and money and guarantees timely deliveries.

Meriaura's open deck carriers Meri and Aura are designed for extremely demanding special and heavy cargo transport and offshore operations. Both vessels have ice class 1A, which makes them unique. According to Meriaura's knowledge, Meri is the first cargo vessel in the world that has been designed to use bio-oil as a power source. Meri and Aura carry out more than 100 heavy cargo transport and offshore projects annually.



Meriaura is a transportation specialist for wind energy projects in northern Europe and the Baltic Sea areas. Meriaura has successfully realised several transportations for wind turbine generators, blades, towers and other main components either directly or indirectly related to specific wind farm projects. Other market segments served by Meriaura include shipbuilding, oil and gas, port logistics and heavy construction.

OVERVIEW OF THE FLEET

Meriaura's fleet consists of modern and versatile dry cargo ships and multipurpose deck cargo carriers designed for projects and special cargo. At the date of this Company Description, the fleet consists of two (2) deck cargo carriers and thirteen (13) general cargo carriers. Meriaura actively develops its fleet and equipment to meet the needs of the business and the environment.

M/S Eeva VG, and M/S Mirva VG are extremely energy-efficient dry cargo carriers capable of using alternative fuels

such as EcoFuel produced by VG-EcoFuel and are thereby classified as VG EcoCoasters by Meriaura. All ships are designed to operate safely in the harsh and difficult weather conditions of the northern maritime region.

Meriaura operates a total of fifteen (15) vessels, five (5) of which are fully owned by Meriaura, and the rest time chartered. The book value of the fully owned vessels as of 30 June 2022 was EUR 46.2 million and the estimated market value EUR 50.8 million (independent broker estimate by Thunship Oy, 14 June 2022).

Meriaura also handles crewing and technical management of research vessel R/V Aranda. R/V Aranda is a modern, ice-reinforced research vessel built for Baltic Sea research, but in principle, operable in all seas. Aranda's administration is done by the Finnish Environment Institute (SYKE). Since Meriaura does not operate Aranda, but handles its manning and technical maintenance, it is not included in Meriaura's capacity.

"M/S Meri"

Type: Deck cargo carrier
 Yard: Turku
 Built: 2012 STX FINLAND
 DWCC: Projekt cargoes 3500mt
 LOA: 105,40 m
 Beam: 18,8 m

Vessel owned by Meriaura

"M/S Aurelie"

Type: General cargo ship
 Yard: Mariehamn
 Built: 1998 The Netherlands
 DWT: 4135
 LOA: 89,80 m
 Beam: 13,60 m

Vessel time chartered to Meriaura

"M/S Inge B"

Type: General cargo carrier
 Yard: St. Johns
 Built: 1998
 DWCC: 4716
 LOA: 89,90 m
 Beam: 13,172 m

Vessel time chartered to Meriaura

"M/S Eeva VG"

Type: VG EcoCoaster
 Yard: Turku
 Built: 2016 Royal Bodewes,
 Papenburg Germany
 DWT: 5019
 LOA: 103 m
 Beam: 13,60 m

Vessel owned by Meriaura

"M/S Baltic Sailor"

Type: General cargo carrier
 Yard: Riga
 Built: 2000
 DWT: 3110
 LOA: 82,50 m
 Beam: 12,60 m

Vessel time chartered to Meriaura

"M/V LORALAND"

Type: General cargo carrier
 Yard: Riga
 Built: 1998 The Netherlands
 DWT: 5019
 LOA: 89,90 m
 Beam: 13,60 m

Vessel time chartered to Meriaura

"M/S Nathalie"

Type: General cargo carrier
 Yard: Mariehamn
 Built: 2003
 DWT: 5019
 LOA: 95,32 m
 Beam: 13,35 m

Vessel time chartered to Meriaura

"M/S Ramona"

Type: General cargo carrier
 Yard: Turku
 Built: 1985
 DWT: 1529
 LOA: 74,8 m
 Beam: 10,8 m

Vessel time chartered to Meriaura

"M/S Lottaland"

Type: General cargo carrier
 Yard: Riga
 Built: 1997 Bodewes Scheepswerf,
 The Netherlands
 DWT: 4967
 LOA: 89,8 m
 Beam: 13,60 m

Vessel time chartered to Meriaura

"M/S Friendland"

Type: General cargo carrier
 Yard: Riga
 Built: 2003
 DWT: 4680
 LOA: 104,00 m
 Beam: 15,00 m

Vessel time chartered to Meriaura

"M/S Aura"

Type: Deck cargo carrier
 Yard: Turku
 Built: 2008 Gdanska Stocznia
 Remontowa S.A., Poland
 DWT: 4967
 LOA: 101,8 m
 Beam: 18,8 m

Vessel owned by Meriaura

"M/S Travetal"

Type: General cargo ship
 Yard: Limassol
 Built: 2008
 DWT: 4188
 LOA: 89,98 m
 Beam: 15,2 m

Vessel time chartered to Meriaura

"M/S Aava VG"

Type: General cargo ship
 Yard: Limassol
 Built: 1998 Bodewes Scheepswerf,
 The Netherlands
 DWT: 4282,57
 LOA: 89,72 m
 Beam: 13,60 m

Vessel owned by Meriaura

"M/S Mirva VG"

Type: VG EcoCoaster
 Yard: Turku
 Built: 2016 Royal Bodewes,
 Papenburg Germany
 DWT: 5019
 LOA: 103 m
 Beam: 13,60 m

Vessel time chartered to Meriaura

"M/S Helena VG"

Type: General cargo carrier
 Yard: Limassol
 Built: 2011
 DWT: 3300
 LOA: 86,00 m
 Beam: 12,40 m

Vessel owned by Meriaura

VG-ECOFUEL

VG-EcoFuel produces recycled biofuels in its refinery in Uusikaupunki, Finland. VG-EcoFuel collects recycled and waste-based oils generated as industrial by-products and processes them for further use. The biofuel called VG Marine EcoFuel™ (VG MEF) can be used to replace fossil fuels, which significantly reduces greenhouse gas emissions. The main customer for VG MEF is Meriaura and potential customers are all shipowners and other buyers of used cooking oils in Europe.

The raw materials are 100 per cent recycled and waste-based, and therefore the biofuel processed from them has a 60-97 per cent lower greenhouse gas emission impact compared to fossil oils and fuels.

VG-EcoFuel uses cooking oils from restaurants all over Finland as raw material, and further processes them at their facility. By optimizing the logistics involved in recycling waste oil, VG-EcoFuel involves restaurants in combatting climate change in a concrete way.

VG-EcoFuel's bio-oil plant works in close cooperation with a neighbouring biogas plant. The energy produced in the process comes from the biogas plant, whereas the waste generated in production can in turn be used as raw material for biogas production.

Strategy

The merger creates new growth potential for the Group's business units, Marine Logistics and Renewable Energy, and synergies in group functions. The overall goal of the Company is to produce significant value to shareholders with a long-term aim to take the corporation to the main list of the Stock Exchange.

The mission of the Marine Logistics business unit is to serve clients in its industry with competitive and environmentally sustainable sea transport services and contribute to decarbonising the marine logistics industry.

The Marine Logistics business unit targets long-term profitable growth. Operations are focused on the Baltic and North Sea region. The business unit is one of the leading providers of project sea transports in the region. The targeted market share growth is achieved through increasing the fleet capacity in both project and bulk sea transports. The capacity will

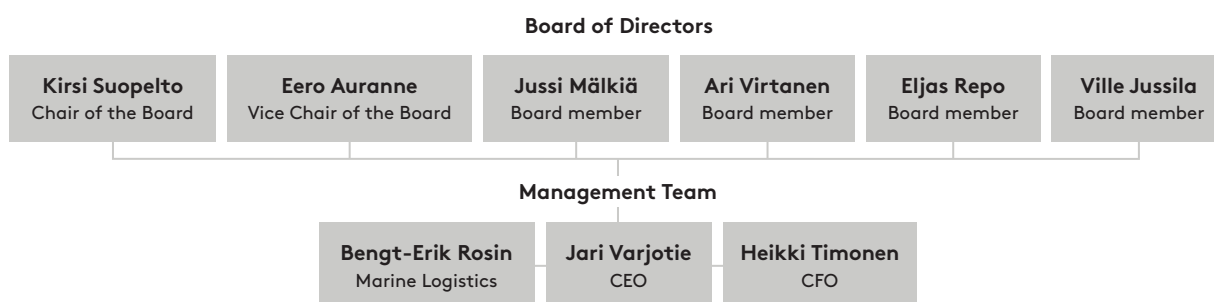
be increased through chartered ships through partnerships, as well as investing in the own fleet by building new ships with lower emission levels. In addition to the organic growth, the business unit continues to evaluate strategic collaborations and M&A targets.

The Marine Logistics business has stable profitability and strong cash flow and balance sheet. It can thus support the Group's growth also in the other business unit, Renewable Energy.

The Renewable Energy business unit has high growth potential. The goal is to grow in the current business segments of large scale solar heating systems for district heating and industrial process heating, and be the leading supplier in these segments. The geographical focus of the Renewable Energy business unit is continental Europe. Strategic large projects are also selectively targeted outside Europe in the industrial process heat applications. Additionally, the Company aims to increase capabilities to integrate other clean renewable energy sources into the system deliveries. This will enable the business unit to develop flexible business models, for example taking the role of an energy supplier, in addition to being an equipment manufacturer and system supplier. VG-EcoFuel brings know-how of biofuels to the Group. The Renewable Energy segment will utilise the new know-how for other purposes in the heating sector and further accelerate the green transition with its customers.

Organisation

The Company has a Board of Directors chosen by the shareholders at the Annual General Meeting. The CEO is appointed by the Board of Directors. The CEO manages the day-to-day administration of the Company in accordance with the instructions and regulations issued by the Board of Directors. The members of the Group's Management team act directly under the supervision of the CEO, and the CEO leads the Management team. The composition of the Board of Directors and the Management presented in the figure below is conditional on the Extraordinary General Meeting's decision regarding the election of the Board of Directors and the completion of the Transaction, and as such is not representative of the organisation as of the date of the Company Description.



Risk factors

Investors considering investing in the Company are advised to carefully review all the information in this Company Description, especially the risk factors presented later in the Company Description. Issues that may possibly affect the investment decision are also dealt with elsewhere in the Company Description. If one or more of the risk factors described in this section is realised, it may have a negative effect on the Group's business, financial condition and results of operation and/or the value of the Company's shares. The following description of risk factors is based on information known and projected when preparing the Company Description, and therefore the description of risk factors is not necessarily exhaustive. Additional risks and uncertainties that the Company is not currently aware of or which it currently considers to be immaterial may have a material adverse effect on the Group's business, results of operation and financial position. The Company's shares may decline in value due to the realisation of these risks, which could lead to investors losing parts of, or all their invested capital.

The risks presented here are divided into a limited number of categories according to their nature. Within each category, the risk factors estimated to be most material based on an overall evaluation are presented first. However, the order in which the risk factors are presented in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of presentation of the categories does not represent any evaluation of the materiality of the risks within that category, when compared to risks in another category.

Risks related to the Group's business and operating environment

RISKS RELATED TO THE RENEWABLE ENERGY BUSINESS UNIT

Savosolar may not succeed in its growth and implementing its internationalisation strategy in accordance with its plans

Savosolar is expanding its business to new countries both in Europe and outside Europe. It is possible that the Company will not be able to anticipate all new challenges related to establishing itself on new markets or have access to all the resources needed in the new market areas. It is also possible that the projects planned in the new markets will move forward or that competing products and services have a greater foothold in some of these countries. If such risks are realised, Savosolar may fail to expand to some other market areas, whereby the potential growth of Savosolar can slow down, or the cost of some delivery in a new market may be higher than anticipated, and Savosolar's profitability will suffer.

The factors described above, alone or combined, may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or value of the Company's securities.

There can be no assurance that Savosolar will be able to improve its profitability in the targeted manner and the operations may stay unprofitable for an unforeseeable future

Savosolar constantly strives to improve the efficiency of its operations and its price competitiveness by, among other things, reducing the manufacturing costs of collectors, striving for savings in collector manufacturing materials and project-related purchases. The improvement in the Company's cost efficiency would correspondingly increase the Company's

price competitiveness and improve the Company's chances of winning new solar thermal projects.

Achieving savings on a larger scale requires that the volume of Savosolar's sales and thus purchases to be increased from the current level. The Company may not be able to increase the volume and turnover of its business by winning new solar thermal projects and improving its profitability.

Failure by the Company to improve its profitability could have a material adverse effect on the Group's results of operations, financial condition, future prospects and/or the value of the Company's securities.

Changes may occur in Savosolar's competitive environment that may adversely affect market prices of the products and/or the Company's market position

Savosolar's business environment is facing high growth expectations globally. The high growth expectations may bring new technologies or competitors to the market, and changes in legislation in primary markets may benefit competing technologies, and therefore weaken the Company's relative competitiveness. Maintaining and further improving the Company's competitiveness to meet the current and likely future growing demand in the market requires continuous development of the Company's offering and reduction of unit costs without compromising on quality. If the Company is unable to maintain and improve its competitiveness and decrease unit costs due to volume growth, the Company's competitiveness may weaken in relation to competitors or competing technologies.

Intensified competition or other changes in the Company's main market areas, such as fiscal and other regulatory decisions, may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or value of the Company's securities.

There may be changes in the amount of investment subsidies that adversely affect the demand for Savosolar's products and/or the price level

In Germany and France, for example, there are state and regional (state, provincial) subsidies, which are usually 10-60 per cent investment subsidies, as well as regulations favouring large installations, which benefit for example, Savosolar (fuel taxes, EU emission reduction targets, emissions trading). If subsidies and favourable regulations decrease in the future and/or are more favourable to competing heat production methods, the growth of Savosolar's target market may slow down, demand for the Company's products may weaken and/or put downward pressure on the Company's product prices which may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or value of the Company's securities.

Rising raw material prices or poor availability due to the war in Ukraine may increase Savosolar's costs or cause production constraints

The war in Ukraine, for example, has increased uncertainty concerning the availability and prices of materials and components. Manufacturing is directly affected by the price of steel and aluminium, as well as capacity in the world to supply a special glass required for the Company's collectors. No Russian or Ukrainian components are used in Savosolar's products. However, the war can maintain exceptionally high material and component prices due to high energy prices, and prolonged delivery times. If continued for a long time, these may slow down the growth of Savosolar's business and the improvement of profitability.

So far, the Company has been able to anticipate its purchases with suppliers so that increases in material prices have not fully affected the Company's cost structure. However, if world market prices for raw materials continue to rise and availability becomes more difficult, these problems may slow down the Company's production or affect the pricing of the Company's products and thus cause significant harm to the Group's business, results of operations, financial condition, prospects and/or value of the Company's securities.

Savosolar is dependent on large individual solar thermal projects, where there is uncertainty regarding the implementation, the timing, the winning of tenders and the signing of final contracts regarding the projects

The size of individual solar thermal projects in which Savosolar participates is typically in the millions of euros. The implementation and timing of projects are affected by, among other things, the price of competing energy sources and the prevailing support policy.

The above-mentioned solar thermal projects are almost always accompanied by a tender. As other bidders typically participate in tenders, there is no assurance that the Company will win the tender and thus be able to negotiate the final contract with the customer. Further information on Savosolar's market position can be found in the "Market overview – Renewable energy – Competitive landscape" section of the Company Description. Even if the Company wins a tender for a project and is given the primary right to negotiate a contract with a customer, there is no assurance that contract

negotiations will result in a final supply contract. In addition, there is no guarantee that Savosolar will be able to complete the delivery and construction of systems to a customer on schedule, due to any unforeseen circumstances that may arise.

The cancellation, postponement, or loss of related tenders for individual solar thermal projects or the failure of contract negotiations may have a material adverse effect on the Group's results of operations, financial condition, prospects and/or value of the Company's securities.

Technical problems may cause interruptions in the manufacturing process of Savosolar

In all manufacturing processes there is risk of technical problems. As Savosolar is currently using just one coating line, the technical problems of the coating line may cause serious delays in deliveries. This has happened in the past, and despite Savosolar's preventive measures, it is possible that the Company's manufacturing processes may be seriously disrupted in the future.

Interruptions in the manufacturing process can cause delays in the delivery of the Company's products to customers, and this can result in additional costs or contractual penalties or in an extreme case even termination of contracts for the Company. All Savosolar's current customer agreements have clauses for delays in deliveries. Interruptions in the manufacturing process may therefore have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or the value of the Company's securities.

Savosolar may not be able to sufficiently protect its intellectual property rights

Savosolar takes active measures to obtain protection of its intellectual property by obtaining patents and undertaking monitoring activities in its major markets.

In addition to patents and patent applications, Savosolar relies on trade secrets and know-how in combination with non-disclosure agreements and certain other agreements to protect intellectual property rights. The patent application provides protection for an invention for the processing period of the application. However, there can be no assurance that the patent applications filed now or in the future will be granted or that future patent protection obtained will give sufficient protection against competitors. There can also be no assurance that the measures Savosolar takes will effectively deter competitors from improper use of its intellectual property. Savosolar may also be required to take active safeguards through legal means to prevent infringement of the Company's intellectual property rights, which may result in significant costs, and it is not certain that the use of legal remedies will result in decisions favourable to the Company.

Negative decisions regarding the Company's patent applications or other failure to protect Savosolar's intellectual property may have a material adverse effect on the Group's business, financial condition, results of operations, prospects and/or the value of the Company's securities.

Savosolar may infringe intellectual property rights or claims may be made against the Company on such infringements

Certain technologies and processes used by Savosolar may be protected by intellectual property rights in certain countries, and non-infringement intellectual property rights by Savosolar cannot always be necessarily completely ruled out with certainty. Such parties may take legal action against the infringement of these intellectual property rights, Savosolar may be forced to cease to use such technology in its products, and/or any such claims could delay or prevent the development and delivery of its products by Savosolar.

Further, Savosolar may have to replace its technology with another technology or acquire a license for the use of such technology, in which case the Company may have to pay license fees or royalties for its use. There are no guarantees that Savosolar is able to obtain such licenses at commercially acceptable terms, if at all. Potential patent infringements may cause significant costs for Savosolar and there are no guarantees that Savosolar can successfully refuse such claims. Any infringements of third-party immaterial property rights or any potential claims by third parties may have a material adverse effect on the Group's business, financial condition, results of operations, prospects and/or the value of the Company's securities.

Savosolar is reliant on its ability to recruit and retain relevant key personnel

Savosolar has a relatively small organisation, resulting in a dependence on individual employees. The Company's future development depends largely on the knowledge, experience and commitment of management and other key personnel. The Company could be adversely affected in the short term if any of these people would leave. Even though the Company has a good reputation and so far, has been able to recruit competent employees, and the Transaction is expected to strengthen Company's image as an employer, it is not either certain that the Company in the future will be able to recruit new qualified employees to the extent that the Company wishes. The Company has also held co-operation negotiations for indecent years, in which personnel have been laid off, which may have a negative impact on the commitment of the Company's current employees and the Company's attractiveness as an employer. Failure in recruiting and retaining relevant key personnel may have a material adverse effect on the Group's business, financial condition, results of operations, prospects and/or the value of the Company's securities.

Savosolar may not be able to utilise all tax losses incurred

Savosolar has a total of EUR 44,077,693 of confirmed tax losses for the years 2012-2021. It is possible to deduct tax losses from the resulting profits during the ten (10) tax years following the occurrence of the loss. Deferred tax assets due to tax losses have not been booked in the balance sheet. Due to the share issues made and the transactions made in the Company's shares in multilateral trading, there have been changes in the Company's ownership that may limit the use of accumulated tax losses in the future. The Company has previously applied to the tax authorities for an exemption to use tax losses despite the changes in ownership, and the Company has previously received an exemption from the tax authorities for the use of tax losses in 2010-2021 related

changes in ownership in 2010, 2013, 2015, 2016, 2017, 2018, 2019, 2020 and 2021. The amounts of losses confirmed in the Company's taxation for the tax years 2012-2021 are as follows (EUR thousand): 2012: 1,979.3, 2013: 1,836.9, 2014: 2,204.8, 2015: 4,071.7, 2016: 5,686.3, 2017: 5,621.8, 2018: 6,475.6, 2019: 6,005.8, 2020: 4,651.5 and 2021: 5,544.0.

The use of tax losses requires taxable profits in the future. There is no certainty that the Company will generate sufficient profit in the future to be able to utilise the tax losses partly or in full before they expire, and the tax losses cannot be utilised by the Marine Logistics business unit due to Meriaura's tonnage taxation. Non-utilisation of tax losses in part or full would be the result of the Company's future non-profitable operations and would adversely affect the Group's financial condition and/or results of operations.

RISKS RELATED TO THE MARINE LOGISTICS BUSINESS UNIT

Changes may occur in Meriaura's operating environment that may adversely affect the market position and/or market prices of Meriaura's services

External factors, such as the general economic situation, international competitiveness of client companies, willingness in the industry to make investments, regulation, and other political decisions may affect demand, and therefore the pricing of Meriaura's services.

The dry bulk industry is highly competitive, capital intensive and highly fragmented. Competition arises primarily from other vessel owners, some of whom may have greater resources and access to capital than Meriaura has. Competition among vessel owners for the seaborne transportation of dry bulk cargo can be intense and depends on the charter rate, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Due in part to the highly fragmented market, many of Meriaura's competitors with greater resources and access to capital could operate larger fleets than Meriaura may operate and thus be able to offer lower charter rates or higher quality vessels. If this were to occur, Meriaura may be unable to retain or attract new charterers on attractive terms or at all, which may have a material adverse effect on business prospects, financial condition, liquidity and operations.

Russia's war of aggression in Ukraine and the subsequent tension in the geopolitical situation significantly increases uncertainty in the industry and weakens predictability. Sanctions and countersanctions, among other things, may have an impact on industrial clients' flow of goods and volumes. The significant increase in energy prices and possible disturbances in fuel availability raise expenses. Predicting the impact of the prevalent crisis will have on the demand for maritime transport is difficult. The possible deceleration in economic growth and general uncertainty may lead to a decline in transport volumes or, conversely, the impact may be the opposite when logistic chains are reorganised. The increase in fuel costs raises sea freight rates, but at the same time, it improves the relative competitiveness of sea transport compared to other forms of transportation.

The factors described above, alone or combined, may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or value of the Company's securities.

Inefficiencies in operations may impact Meriaura's performance

Meriaura's current operating and financial systems may not be adequate if Meriaura decides to expand its fleet. The operating and financial systems used in the industry are constantly developing, and Meriaura may not be able to implement the most recent systems efficiently. In addition, Meriaura relies on its ability to identify job competencies and recruit additional personnel such as seafarers, shoreside administrative and management personnel. Meriaura may not be able to retain, motivate, or continue to hire suitable employees in sufficient numbers in the future.

If Meriaura is unable to operate its vessels or operating and financial systems efficiently, or if the personnel are unable to operate the systems effectively or recruit suitable employees in sufficient numbers, it may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or value of the Company's securities.

Meriaura may not be able to renew expiring time charter contracts at an acceptable rate, or at all

Meriaura currently operates a total of fifteen (15) vessels, five (5) of which are fully owned by Meriaura, and the rest time chartered.

Demand for vessel capacity has historically exhibited seasonal variations and, as a result, fluctuations in charter rates. This seasonality may result in volatility in operating results for vessels. Unpredictable weather patterns may disrupt vessel scheduling and supplies of certain commodities to the extent that Meriaura must enter a new charter contract or renew an existing charter contract for a vessel in the fleet during a time when seasonal variations have reduced prevailing charter rates. If the charter rates are deemed unacceptable, or there are no time charter contracts available, Meriaura may not be able to renew existing contracts or enter new time charter contracts.

The loss of any time charters, or a decline in charter rates or increase in payments under time charters, could have a material adverse effect on the Group's business, results of operations, financial condition prospects and/or value of the Company's securities.

Damage to vessels, equipment or crew, as well as technical faults may cause interruptions in Meriaura's operations

Owning a vessel involves technical and operational risks which can become a reality and disturb operations as unforeseen technical problems and accidents. In terms of controlling technical and operational risks, quality planning and implementation of operations are essential. Challenges to normal vessel management and crewing caused by unexpected situations can complicate operations.

The operation of a vessel has certain unique operational and technical risks which include mechanical failure, collision,

property loss, cargo loss or damage as well as personal injury, illness or even loss of life and could lead to an environmental disaster. Vessels may develop unexpected mechanical and operational problems due to several reasons including improper maintenance and weather conditions. With a vessel, the cargo itself and its interaction with the vessel may create operational risks. Cargoes are often heavy, dense and easily shifted, and they may react badly to water exposure. In addition, vessels are often subjected to battering treatment during unloading operations. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures or with steel plate diminution may be more susceptible to breach while at sea. Breaches of a dry bulk vessel's hull may lead to the flooding of the vessel's holds.

If vessels are not adequately maintained, or operational and technical risks addressed, Meriaura may face an interruption in operations, which may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or value of the Company's securities.

Meriaura may not be able to acquire suitable vessels and equipment to maintain operations

Meriaura intends to maintain its business operations through selective acquisitions of equipment, by chartering vessels, or by ordering new building vessels. Future growth will primarily depend on Meriaura's ability to locate and acquire suitable additional vessels and equipment and successfully supervise any new builds Meriaura may order and obtain required debt or equity financing on acceptable terms. A delay in the delivery of any purchased vessel and equipment, or the failure of the shipyard to deliver a vessel at all, could cause Meriaura to breach obligations under a related charter and could adversely affect earnings. In addition, the delivery of any of these vessels and equipment with substantial defects could have similar consequences.

If suitable vessels and/or equipment are not acquired on time, Meriaura may face an interruption in operations, which may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or the value of the Company's securities.

Meriaura may not be able to hire sufficient personnel to maintain operations

The uncertainty factors related to the vessels' crew include the availability of skilled and committed personnel for a given need. Meriaura generally bears crewing costs under its owned vessels charters, and as such increases in crew costs may adversely affect profitability. In addition, labour disputes or unrest, including work stoppages, strikes and/or work disruptions or increases imposed by collective bargaining agreements covering Meriaura's crew on board Meriaura's vessels could result in higher personnel costs or availability, and significantly affect financial performance. Crewing costs in the shipping industry may vary immensely. To maintain its competitiveness, Meriaura must ensure that the difference in crewing costs does not immoderately increase while retaining an adequate crew for maintaining operations.

A significant number of the seamen on the vessels in areas of operation are Ukrainian and Russian, which may make obtaining qualified crew members more difficult. There are

also Ukrainians and Russians serving on both Meriaura's own vessels and on time-chartered vessels. The extent to which this will impact Meriaura's future results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.

If Meriaura is not able to retain or hire enough personnel, Meriaura may not be able to adequately staff its vessels, which could have a material adverse effect on the Group's operations, financial condition, prospects and/or the value of the Company's securities.

Meriaura's counterparties may not fulfil their commitments

Meriaura has entered, and may enter in the future, into various contracts, including new building contracts, charter parties with customers where Meriaura charters its vessels to customers for shipping purposes, or charter parties with suppliers where Meriaura charters vessels from suppliers to use for its operations. In addition, Meriaura may enter in loan agreements with lenders, vessel management, pooling arrangements, and other agreements with other entities, which subject Meriaura to counterparty risks.

Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities. In addition, in depressed market conditions, charterers may have the incentive to renegotiate their charters or default on their obligations under charters. Should a charterer in the future fail to honour its obligations under agreements with Meriaura, it may be difficult to secure substitute employment for Meriaura's vessels, and any new charter arrangements secured on the spot market may be at lower rates, depending on the then existing charter rate levels, compared to the rates currently being charged for Meriaura's vessels. In addition, if the charterer of a vessel that is used as collateral under one or more of Meriaura's loan agreements defaults on its charter obligations to Meriaura or Meriaura fails to comply with its obligations under a charter party, such default may trigger or constitute an event of default under Meriaura's loan agreements, which may allow the bank to exercise remedies under Meriaura's loan agreements.

The loss of any material charterers, time charters or vessels, or a decline in payments from charterers may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or the value of the Company's securities.

Meriaura may be susceptible to information technology risk

In the ordinary course of business, Meriaura relies on information technology networks and systems to process, transmit, and store electronic information and to manage or support a variety of business processes and activities. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns, hardware or software failures, power outages, computer viruses, cyber-attacks, telecommunication failures, user errors or catastrophic events. Risks and vulnerabilities can also arise out of inadequacies in the design, integration and/or maintenance of information technology systems, as well as lapses in cyber discipline.

Meriaura's information technology systems are becoming increasingly integrated, so damage, disruption or shutdown to the system could result in a more widespread impact.

If Meriaura's information technology systems suffer severe damage, disruption or shutdown, and business continuity plans do not effectively resolve the issues in a timely manner, Meriaura's operations could be disrupted, which may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or the value of the Company's securities.

Development projects may not be the correct choices from a customer's needs

Meriaura has successfully invested in new types of vessels in its line of business. Achieving the goals to reduce emissions calls for substantial investments in a more energy-efficient fleet and faster development and production of alternative fuels. Meriaura has engaged in longstanding research and development and devised solutions to enable the use of waste-based biofuel on vessels.

Future development projects chosen by Meriaura may not be the correct choices from a customer's needs, which may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or the value of the Company's securities.

Rising raw material prices or poor availability or quality of raw material, may increase VG-EcoFuel's costs or cause production constraints

There may be uncertainty concerning the availability, quality, and prices of raw materials used by VG-EcoFuel. Refining is directly affected by the price and availability of used cooking oils.

If market prices for raw materials rise or availability or quality decreases, VG-EcoFuel's production may slow down, or affect the pricing or profitability of VG-EcoFuel's products and thus cause an adverse effect to the Group's business, results of operations, financial condition, prospects and/or value of the Company's securities.

Legal and regulatory risks

ENVIRONMENTAL LAWS

Hazardous substances are used and generated in Savosolar's manufacturing process and the Company may need an environmental permit in the future

There are some elements in Savosolar's manufacturing process which can create risks to the health of the Company's employees if not properly protected. These are aluminium dust resulting from grinding, brazing fumes, dust from insulation materials and fumes from chemicals used for cleaning of the absorbers (industrial alcohol, acetone). Although the Company has internal safety procedures and guidelines in place in order to prevent exposure of its employees to hazardous substances, it cannot be guaranteed that the Company is always able to ensure that its employees follow such procedures and adhere to guidelines. Accordingly, it cannot be ruled out that the Company would not be exposed to claims based on a

breach of the Employment Safety Act (738/2002, as amended) which may have a material adverse effect on the Group's business, financial condition, results of operations, prospects and/or the value of the Company's securities.

Liability for remediation of spills and releases of hazardous substances

Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject Meriaura to liability without regard to whether Meriaura was negligent or at fault. In certain circumstances, these laws and requirements may impose strict liability, rendering Meriaura liable for environmental and natural resource damages without regard to negligence or fault on Meriaura's part. Implementation of new environmental laws or regulations applicable to vessels may subject Meriaura to fines, penalties and/or increased costs, may limit the operational capabilities of its vessels and could materially and adversely affect its operations and financial condition. Meriaura may be required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. While Meriaura currently maintains insurance coverage of the type and in amounts it believes to be customary in the industry, there can be no assurance that Meriaura's insurances will be sufficient to cover all such risks or that any claims will not have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or the value of the Company's securities. Additionally, the Group cannot predict the cost of compliance with any new environmental protection and other laws and regulations that may become effective in the future.

Regulatory changes may negatively affect Meriaura's profitability in the future

The European Commission has proposed expanding emissions trading to shipping. Emissions trading would start in stages. In 2023, 20 per cent of emissions would be covered by emissions trading. From 2026, shipping emissions would be fully covered by emissions trading. In emissions trading, marine transport operators pay for the right to cause carbon dioxide emissions. Emissions trading has been estimated to increase the costs of shipping, and the combined effects with the increased fuel costs could result in a shift of transport from sea to land, which could reduce Meriaura's volumes and/or margins if applicable to its business.

If this would occur, it may have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or the value of the Company's securities.

Financial risks

The Group is likely to need more external financing and it is not certain that it will receive financing on favourable terms or at all

Multiple simultaneous large projects can increase the need for Savosolar's working capital, which in similar project deliveries is usually covered by project funding. In addition, Meriaura may require additional financing in order to acquire vessels for maintaining or growing its fleet. Negative changes, such as the general weakening of financial markets or the tightening of regulation in the banking sector, may weaken the ability

of banks and other financial institutions to provide financing options and lead to stricter financing conditions. Such negative changes may have a negative impact on the Group's ability to obtain funding. There is also no guarantee that the Group will be able to obtain the funding possibly needed in a timely manner and on favourable terms. In project deliveries, customers also typically require bank guarantees for both the construction period and the warranty period. Adverse changes in the financial markets and/or a sharp deterioration in the Group's financial situation may lead to a situation where Savosolar no longer receives a sufficient guarantee limit to be used for new project deliveries required by volume growth.

Failure to obtain financing, increase in financing costs, or unfavourable conditions may have a material adverse effect on the Group's results of operations, financial condition, prospects and/or value of the Company's securities.

The Group may not be able to generate sufficient cash flow to satisfy the repayment of its debt obligations

The Group cannot be sure that it will be able to generate cash flow in amounts that is sufficient to satisfy the repayment its debt obligations. If the Group is not able to satisfy these obligations, it may have to undertake alternative financing plans or sell assets. In addition, debt service payments and (as applicable) the Group's future credit facilities may limit funds otherwise available for working capital, investments, payment of cash distributions and other purposes. If the Group is unable to meet its debt obligations, or if it otherwise defaults under its credit facilities, the Group's lenders could declare the debt, together with accrued interest and fees, to be immediately due and payable, which could result in the acceleration of other indebtedness that the Group may have at such time and the commencement of similar foreclosure proceedings by other lenders. If the Group runs out of working capital, and cannot meet its debt obligations, the Group companies could face liquidation proceedings and, at worst, bankruptcy.

The Group may be adversely affected by increase in interests and fluctuations in exchange rates

The interest rate on debt financing is commonly based on Euribor plus a margin and is hence exposed to fluctuations in interest rates. In addition, Meriaura is exposed to exchange rate fluctuations. For example, Meriaura purchases fuel from suppliers with a cost base in foreign currency and is thus exposed to currency risk primarily in USD. Consequently, Meriaura's costs are affected by fluctuations in the value of USD against EUR. However, the Bunker Adjustment Factor (BAF) is usually included in client agreements.

The Group may mitigate the currency and residual interest rate risk through the use of financial derivatives. Meriaura has already in place an interest rate swap agreement that protects Meriaura against increase in Euribor. Any use of financial derivatives would involve certain risks, including the risk that losses on a hedged position could exceed the notional amount invested in the instrument and there is a risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations.

Significant interest rate or exchange rate fluctuations, losses on a hedged position, or failure by a counterparty in a derivative transaction to fulfil its obligations may have an adverse

effect on the Group's business, results of operations, financial condition, prospects and/or the value of the Company's securities.

Risks related to the Company's shares

The amount of possible future dividends to be distributed to shareholders is not certain

Under the provisions of the Companies Act, the amount of any dividend that the Company will be permitted to distribute is limited to the amount of distributable funds shown on its latest audited financial statements adopted by the general meeting of shareholders.

Dividend payments to shareholders are dependent on the Company's financial results and capital requirements. Considering the Group's current investments and growth prospects, in addition to the Company's liquidity and financial position in general, dividends are not expected to be paid in the near future. The Company currently intends to use future earnings to fund the development and growth of the Group.

No dividends have been paid so far and there can be no assurance that distributable funds will be available in the future. If no dividends are paid, any returns for an investor will depend entirely on the future price development of the Company's share.

Holders of shares in the Company registered in custodial nominee accounts may not be able to exercise their voting rights

Beneficial owners of shares in the Company whose shares are registered in a custodial nominee account will not be able to exercise their voting right unless their ownership is re-registered in their names with Euroclear Finland prior to the general meeting of shareholders of the Company. The same applies to those shareholders whose shares are registered with Euroclear Sweden. There can be no assurance that beneficial owners of shares in the Company will receive the notice for a general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their shares or otherwise exercise their voting right in the manner desired by such beneficial owners. There can further be no assurance that the nominees in fact do carry out all necessary measures to enable such investors to attend a general meeting of shareholders, even where properly instructed by such investors.

Concentration of ownership

After the Transaction and the directed issue based on the underwriting agreement for the TO9 warrants, VG-Shipping holds approximately 72 per cent of all the shares and votes issued and outstanding in the Company. VG-Shipping may therefore have influence on the outcome of matters dealt with at general meetings. Such matters include election of Board members, share issues and deciding on the use of distributable funds and payment of dividends. VG-Shipping's interests may sometimes differ from the other shareholders' interests. This may have a material adverse effect on the position of the Company's other shareholders. Further, the concentration of ownership could delay or deter a change of control of the Company, deprive the Company's shareholders the opportunity to receive a premium for their shares as part of a sale of the Company and adversely affect the market price and liquidity of the shares.

Future issues or sales of a substantial number of shares or rights entitling to shares could have a negative effect on the market price of the shares and cause dilution

Future issues or sales of a substantial number of shares or rights entitling to shares, or the perception that such issues or sales may occur in the future, can have a material adverse effect on the market price of the shares as well as on the Company's ability to acquire equity financing. Additionally, any future rights issues or directed issues of shares or rights entitling to shares will dilute a shareholder's proportion of the shares and votes to the extent that the shareholder decides not to, or is not entitled to, subscribe to those shares or rights entitling to shares. It is also possible that the Company will use the Company's shares as a means of payment in future acquisitions, which could have a material adverse effect on the market price of the Company's share.

Historical financial information

Savosolar's, Meriaura's, Biolaite Oy's and VG EcoFuel Oy's accounts and audit reports for the financial periods 2020 and 2021 and unaudited financial information of the six-month period between 1 January – 30 June 2022, are incorporated by reference and form a part of the Company Description and shall be read as a part thereof. These accounts can be found in the companies' annual reports and half year reports for the financial periods mentioned, including audit reports, which

are incorporated in their entirety. The annual reports have been audited by the respective company's auditor and the half year reports have not been audited.

Savosolar's, Meriaura's, Biolaite Oy's and VG EcoFuel Oy's financial statements have been prepared in accordance with the Finnish Accounting Standards ("FAS").

Pro forma financial information

Background

On 29 August 2022, Savosolar signed a conditional share exchange agreement with VG-Shipping to acquire all shares of Meriaura and VG-EcoFuel, a wholly owned subsidiary of Meriaura (the "Transaction"). The Transaction, contingent on the decisions of Savosolar's Extraordinary General Meeting on 25 November 2022, will be implemented by organising a directed share offering to VG-Shipping, which owns all the shares of Meriaura. The current shareholders of Savosolar will hold approximately 28 per cent and VG-Shipping approximately 72 per cent of Savosolar's shares and votes. The Transaction is intended to be closed on 30 November 2022.

Prior to the Transaction, Meriaura acquired Biolaite Oy (name change to VG-EcoFuel Oy pending) from Aura Mare Oy and Biolaite Oy acquired the business operations of VG EcoFuel Oy (name change to Suomen Kiertotalouskiinteistö Oy pending). Meriaura has divested two ships, Mirva and Polaris. The loans from Business Finland previously held by VG-Shipping have also been transferred to Meriaura. Furthermore, a dividend will be paid out from Meriaura in connection with the Transaction.

Purpose of pro forma statements

The purpose of the proforma financial information in this section is to illustrate the hypothetical effects that the Transaction, as well as the other transactions described above, could have had on the Group's:

- income statement for the period 1 January – 30 June 2022 as if the transactions had been completed 1 January 2022; and
- balance sheet as of 30 June 2022 as if the transactions had been completed on 30 June 2022.

The hypothetical consolidated income statement and balance sheet for the Group presented in this section may deviate from the actual consolidated income statement and balance sheet Savosolar would have had if the transaction had been

completed as of the date above. The pro forma financial information is also not intended to indicate Savosolar's future income statement or balance sheet.

Consequently, readers of the Company Description should therefore not place too much emphasis on the pro forma financial information in the event of a decision to invest in Savosolar. The proforma financial information should be read together with other information in the Company Description, such as the sections "Historical Financial Information" and "Capitalisation, indebtedness and other financial information".

Basis for the pro forma financial information

The pro forma income statement for the period 1 January – 30 June 2022 and the proforma balance sheet as of 30 June 2022 are based on Savosolar's unaudited income statement and balance sheet for the same period, as well as Meriaura's, Biolaite Oy's and VG EcoFuel Oy's unaudited income statements and balance sheets for the same period.

Savosolar applies accounting principles in accordance with FAS. The financial information for Meriaura, Biolaite Oy and VG EcoFuel Oy has been prepared in accordance with FAS. The pro forma financial statements have been prepared in accordance with Savosolar's accounting principles FAS.

Proforma adjustments

The pro forma adjustments are described in the notes to the proforma income statement and balance sheet.

No pro forma adjustments regarding synergy effects or integration costs have been taken into account, unless otherwise stated.

Income statement

KEUR	[A] Savosolar	[B] Meriaura	[C] Adjustments & eliminations	Pro forma
Revenue	2,132	33,047	0	35,179
Other operating income	10	25	0	35
Materials and services	-2,120	-20,540	0	-22,660
Personnel costs	-1,265	-3,705	0	-4,970
Depreciations and write-downs	-153	-2,315	0	-2,468
Other operating expenses	-1,035	-2,824	0	-3,859
Operating profit/loss	-2,431	3,685	0	1,254
Financial income	1	0	0	1
Financial expenses	-125	-442	0	-567
Profit/loss before appropriations and taxes	-2,555	3,243	0	688
Net profit/loss for the reporting period/financial year	-2,557	3,236	0	679

Balance sheet

KEUR	[A] Savosolar	[B] Meriaura	[C] Adjustments & eliminations	Pro forma
Assets				
Non-current assets				
Intangible assets	467	2,923	0	3,390
Tangible assets	537	47,033	0	47,570
Shares in group companies	0	0	0	0
Total non-current assets	1,004	49,956	0	50,960
Current assets				
Inventories	3,121	1,752	0	4,873
Non-current receivables	231	1,450	0	1,681
Trade receivables	269	2,975	0	3,244
Receivables from participating in interest undertakings	0	66	0	66
Other receivables	149	216	0	365
Prepayments and accrued income	1,123	1,267	0	2,390
Cash and cash equivalents	2,544	4,400	0	6,944
Total current assets	7,437	12,126	0	19,563
Total assets	8,441	62,082	0	70,523

KEUR	[A] Savosolar	[B] Meriaura	[C] Adjustments & eliminations	Pro forma
<i>Equity and liabilities</i>				
Equity				
Share capital	470	8	-8	470
Share issue	0	0	30,000	30,000
Paid-up unrestricted equity reserve	52,933	30,000	-30,000	52,933
Retained losses	-45,936	727	-727	-45,936
Net profit/loss for the reporting period/financial year	-2,557	3,237	-3,237	-2,557
Total equity	4,910	33,972	-3,972	34,910
Mandatory provisions				
Other mandatory provisions	213	0	0	213
Group reserve			2,642	2,642
Non-current liabilities				
Loans from financial institutions	243	17,105	0	17,348
Total non-current liabilities	243	17,105	0	17,348
Current liabilities				
Loans from financial institutions	0	2,229	0	2,229
Advances received	105	3	0	108
Trade payables	1,103	3,345	0	4,448
Amounts owed to group undertakings	0	53	0	53
Other liabilities	470	2,294	0	2,391
Accruals and deferred income	470	3,081	1,330	6,182
Total current liabilities	4,910	11,004	1,330	15,409
Total liabilities	3,318	28,109	1,330	32,757
Total equity and liabilities	8,441	62,082	0	70,523

Notes

A. Savosolar's income statement and balance sheet after consolidating Savosolar's previous subsidiaries:

- Savosolar has two wholly owned subsidiaries in Denmark (Savosolar ApS) and Germany (Savosolar GmbH). In addition, Savosolar owns 55.0 per cent of the shares in Savolaser Oy, which is currently a dormant company.
- Since Savosolar previously has been a small group, no consolidation of financial statements has previously been made under regular circumstances in accordance with Bookkeeping Act § 6:1, however, in connection with the Transaction, consolidated reports are provided.

These adjustments are illustrated in the tables below.

Income statement

KEUR	Savosolar Jan-June 2022	Savolaser Oy	Savosolar GmbH	Savosolar Aps	Eliminations	Pro forma Savosolar
Revenue	2,132	0	74	133	-206	2,132
Other operating income	1	0	8	0	0	10
Materials and services	-2,120	0	0	-2	3	-2,120
Personnel costs	-1,265	0	-58	-87	145	-1,265
Depreciations and write-downs	-151	0	-3	0	0	-153
Other operating expenses	-1,020	-1	-19	-37	43	-1,035
Operating profit/loss	-2,423	-1	3	6	-15	-2,431
Financial income	1	0	0	0	0	1
Financial expenses	-127	0	0	-1	2	-125
Profit/loss before appropriations and taxes	-2,549	-1	3	5	-13	-2,555
Net profit/loss for the reporting period/financial year	-2,549	-1	2	5	-13	-2,557

Balance sheet

KEUR	Savosolar 30 June 2022	Savolaser Oy	Savosolar GmbH	Savosolar Aps	Eliminations	Pro forma Savosolar
Assets						
Non-current assets						
Intangible assets	465	0	0	0	1	467
Tangible assets	540	0	8	0	-10	537
Shares in group companies	162	0	0	0	-162	0
Total non-current assets	1,167	0	8	0	-171	1,004
Current assets						
Inventories	3,121	0	0	0	0	3,121
Non-current receivables	231	0	0	0	0	231
Trade receivables	269	0	0	0	0	269
Receivables from participating in interest undertakings	1	0	35	49	-84	0
Other receivables	144	0	3	2	0	149
Prepayments and accrued income	1,123	0	0	0	0	1,123
Cash and cash equivalents	2,461	1	33	49	0	2,544
Total current assets	7,351	1	71	100	-84	7,437
Total assets	8,517	1	78	100	-255	8,441

KEUR	Savosolar 30 June 2022	Savolaser Oy	Savosolar GmbH	Savosolar Aps	Eliminations	Pro forma Savosolar
<i>Equity and liabilities</i>						
Equity						
Share capital	470	3	25	7	-35	470
Share issue	0	0	0	0	0	0
Paid-up unrestricted equity reserve	52,933	3	0	0	43	52,933
Retained losses	-45,880	-9	22	45	-114	-45,936
Net profit/loss for the reporting period/ financial year	-2,549	-1	2	5	-13	-2,557
Total equity	4,974	-4	49	57	-165	4,910
Mandatory provisions						
Other mandatory provisions	213	0	0	0	0	213
Non-current liabilities						
Loans from financial institutions	243	0	0	0	0	243
Total non-current liabilities	243	0	0	0	0	243
Current liabilities						
Loans from financial institutions	0	0	0	0	0	0
Advances received	105	0	0	0	0	105
Trade payables	1,075	0	13	14	0	1,103
Amounts owed to group undertakings	85	5	0	0	-90	0
Other liabilities	60	0	8	29	0	97
Accruals and deferred income	1,762	0	8	0	0	1,771
Total current liabilities	3,087	5	30	43	-90	3,075
Total liabilities	3,330	5	30	43	-90	3,318
Total equity and liabilities	8,517	1	78	100	-255	8,441

B. Meriaura's income statement and balance sheet after the following adjustments:

- Meriaura has divested two ships, Mirva and Polaris.
- The loans from Business Finland previously held by VG-Shipping have been transferred to Meriaura.
- Biolaite Oy has been acquired by Meriaura.
- The business previously conducted by VG EcoFuel Oy has been acquired by Biolaite Oy.
- A dividend will be paid out from Meriaura in connection with the Transaction.

These adjustments are illustrated in the tables below.

Income statement

KEUR	Meriaura Jan–June 2022	Divestments of ships	Transfer of Business Finland loans	Acquisition of Biolaite Oy	The business of VG EcoFuel Oy acquired by Biolaite Oy	Eliminations	Pro forma Meriaura
Revenue	33,214	-791	0	0	634	-10	33,047
Other operating income	27	-2	0	0	0	0	25
Materials and services	-19,230	-989	0	0	-321	0	-20,540
Personnel costs	-4,423	718	0	0	0	0	-3,705
Depreciations and write-downs	-2,489	361	0	0	-187	0	-2,315
Other operating expenses	-3,038	434	0	-3	-227	10	-2,824
Operating profit/loss	4,060	-269	0	-4	-102	0	3,685
Financial income	0	0	0	0	0	0	0
Financial expenses	-524	94	-3	0	-9	0	-442
Profit/loss before appropriations and taxes	3,536	-175	-3	-4	-111	0	3,243
Net profit/loss for the re- porting period/financial year	3,529	-175	-3	-4	-111	0	3,236

Balance sheet

KEUR	Meriaura 30 June 2022	Divestments of ships	Transfer of Business Finland loans	Acquisition of Biolaite Oy	The business of VG EcoFuel Oy acquired by Biolaite Oy	Dividend	Pro forma Meriaura
Assets							
Non-current assets							
Intangible assets	1,284	0	280	0	1,359	0	2,923
Tangible assets	57,080	-10,769	0	2	719	0	47,033
Shares in group companies	0	0	0	0	0	0	0
Total non-current assets	58,364	-10,769	280	2	2,078	0	49,956
Current assets							
Inventories	1,784	-130	0	0	98	0	1,752
Non-current receivables	1,450	0	0	0	0	0	1,450
Trade receivables	2,975	0	0	0	0	0	2,975
Receivables from participating in interest undertakings	1	0	0	65	0	0	66
Other receivables	206	10	0	0	0	0	216
Prepayments and accrued income	1,537	-270	0	0	0	0	1,267
Cash and cash equivalents	2,374	7,097	483	0	0	-5,554	4,400
Total current assets	10,326	6,708	483	65	98	-5,554	12,126
Total assets	68,689	-4,061	763	68	2,176	-5,554	62,082

KEUR	Meriaura 30 June 2022	Divestments of ships	Transfer of Business Finland loans	Acquisition of Biolaite Oy	The business of VG EcoFuel Oy acquired by Biolaite Oy	Dividend	Pro forma Meriaura
<i>Equity and liabilities</i>							
Equity							
Share capital	8	0	0	0	0	0	8
Share issue	0	0	0	0	0	0	0
Paid-up unrestricted equity reserve	30,000	0	0	0	0	0	30,000
Retained earnings	6,280	0	0	1	0	-5,554	727
Net profit/loss for the report- ing period/financial year	3,529	-175	-3	-4	-111	0	3,237
Total equity	39,818	-175	-3	-3	-111	-5,554	33,972
Mandatory provisions							
Other mandatory provisions	0	0	0	0	0	0	0
Non-current liabilities							
Loans from financial institu- tions	19,055	-3,332	763	0	620	0	17,105
Total non-current liabilities	19,055	-3,332	763	0	620	0	17,105
Current liabilities							
Loans from financial institu- tions	2,783	-554	0	0	0	0	2,229
Advances received	3	0	0	0	0	0	3
Trade payables	3,345	0	0	1	0	0	3,345
Amounts owed to group undertakings	53	0	0	0	0	0	53
Other liabilities	558	0	0	70	1,666	0	2,294
Accruals and deferred income	3,076	0	3	0	1	0	3,081
Total current liabilities	9,817	-554	3	1	1,667	0	11,004
Total liabilities	28,872	-3,886	766	1	2,287	0	28,109
Total equity and liabilities	68,689	-4,061	763	68	2,176	-5,554	62,082

C. In the Transaction, the implied value of Meriaura's shares has been defined as EUR 30,000 thousand and the subscription price as EUR 0.05475 for the shares directed to VG-Shipping. The shares have no nominal value. Transaction costs, including advisory fees and transfer tax, are reflected under liabilities and amount to approximately EUR 1,330 thousand. Meriaura's equity at the time of the Transaction amounts to approximately EUR 33,972 thousand, creating negative goodwill of approximately EUR 2,642 thousand. The negative goodwill has been booked as a group reserve in the balance sheet.

Auditor's report regarding pro forma statements

SAIMAA AUDIT

1

To the Board of Directors of Savosolar Oyj

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A COMPANY DESCRIPTION

We have completed our assurance engagement to report on the compilation of pro forma financial information of Savosolar Oyj by the Board of Directors and the Managing Director. The pro forma financial information comprises pro forma balance sheet as at 30 June 2022, pro forma income statement for the period ended 30 June 2022 and it is set out on pages 22–28 in section “Pro Forma Financial Information” of the company description issued by the company.

The applicable basis used by the Board of Directors and the Managing Director in compiling the pro forma financial information is specified in Annex 20 of Commission Delegated Regulation (EU) 2019/980 and described on pages 22–28 in section Pro Forma Financial Information.

The pro forma financial information has been compiled by the Board of Directors and the Managing Director to illustrate the impact of the transaction set out on pages 22–28 in section Pro Forma Financial Information on the company's financial position as at 30 June 2022 and the company's financial performance for the period ended 30 June 2022, as if the transactions had taken place at 30 June 2022 for the pro forma balance sheet and at 1 January 2022 for the pro forma income statement.

As part of this process, information about the company's financial position and financial performance has been extracted by the Board of Directors and the Managing Director from the interim reports for the period ended 30 June 2022, on which no review report has been published.

Responsibility of the Board of Directors and the Managing Director for the pro forma financial information

Board of Directors and the Managing Director are responsible for compiling the pro forma financial information in accordance with Commission Delegated Regulation (EU) 2019/980

The Practitioner's Independence and Quality Control

We are independent from the company according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The practitioner applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The Practitioner's responsibilities

Our responsibility is to express an opinion, as required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980, as to whether the pro forma financial information has been compiled, in all material respects, by the Board of Directors and the Managing Director on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

**SAIMAA
AUDIT**

2

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) Assurance engagements to report on the compilation of pro forma financial information, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the Board of Directors and the Managing Director, in all material respects, in accordance with Commission Delegated Regulation (EU) 2019/980.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a company description is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the Board of Directors and the Managing Director in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the basis stated has been consistently applied in the pro forma adjustments; and
- the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- the pro forma financial information has been properly compiled on the basis stated on pages 22-28 of the company description and
- the basis stated is consistent with the accounting policies applied by the issuer.

Restriction to the distribution of the report

This report has been issued solely for the purposes of including in the company description.

**SAIMAA
AUDIT**

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Mikkeli 18 November 2022

Saimaa Audit Oy
Authorized Public Accountants

Juho Himanen
KHT

Capitalisation, indebtedness and other financial information

In this section, the Group's pro forma capital structure and indebtedness per 30 September 2022 is reported. The tables in this section should be read together with the section "Pro forma financial information", "Historical financial information" and the Group companies' financial reports for the reporting periods January–June 2022, 2021, and 2020. See the section "Shares, share capital & ownership" for further information regarding the Company's share capital and shares.

Capital structure

The table below shows the Group's capital structure as of 30 September 2022. The Group's equity amounted to EUR 34,804 thousand of which the Group's share capital amounted to EUR 470 thousand. Only interest-bearing liabilities have been included.

KEUR	30 September 2022
Current liabilities	
Guaranteed	0
Secured	2,549
Unguaranteed/unsecured	593
Total current liabilities	3,142
Non-current liabilities	
Guaranteed	0
Secured	15,284
Unguaranteed/unsecured	2,570
Total non-current liabilities	17,854
Equity	
Share capital	470
Other reserves	83,920
Retained earnings including net profit	-49,586
Total equity	34,804

Net debt

The table below shows the Group's net debt as of 30 September 2022. Only interest-bearing liabilities have been included.

KEUR	30 September 2022
A) Cash	6,309
B) Other cash equivalents	0
C) Readily realisable securities	193
D) Total liquidity (A+B+C)	6,502
E) Short-term financial receivables	484
F) Current bank liabilities	0
G) Current portion of long-term debt	2,549
H) Other current liabilities	642
I) Total short-term liabilities (F+G+H)	3,191
J) Net short-term debt (I-E-D)	-3,795
K) Long-term bank loans	15,527
L) Bonds/convertible loans issued	0
M) Other long-term loans	2,570
N) Long-term debt (K+L+M)	18,097
O) Net indebtedness (J+N)	14,303

Statement regarding working capital

The Board of Directors considers that the existing working capital, as of the date of this Company Description, covers the Group's working capital requirements for the next twelve months.

Board of Directors, Management and auditor

Pursuant to section 4 of the Articles of Association of the Company, the Company shall have a Board of Directors with no less than three (3) and no more than seven (7) members, which the shareholders choose at the Annual General Meeting. The term of office of each member of the Board of Directors shall end at the end of the next Annual General Meeting. The Board of Directors chooses a Chair of the Board among themselves. The opinion of the majority of the members in attendance in the meeting shall constitute the decision of the Board of Directors. In the event of a tie, the chairman shall have the casting vote. The Board of Directors has not appointed any committees among its members.

The Board that is proposed to be elected during an Extraordinary General Meeting on 25 November 2022, is presented below. The shareholdings presented in this section reflect the situation after the Transaction and the directed issue based on the underwriting commitment for the TO9 warrants.

Name	Position	Born	Member since	Independent of the Company	Independent of the shareholders
Kirsi Suopelto	Chair of the Board	1976	2022*	No	Yes
Eero Auranne	Vice Chair of the Board	1959	2018	Yes	Yes
Jussi Mälkiä	Board member	1962	2022*	No	No
Ari Virtanen	Board member	1958	2018	Yes	Yes
Eljas Repo	Board member	1961	2022	Yes	Yes
Ville Jussila	Board member	1985	2022*	No	Yes

*New Board member

Kirsi Suopelto

Chair of the Board - Born in 1976, M.Sc. (Law) and M.B.A

Kirsi has over 20 years of experience from financial services, both in legal and commercial roles. Kirsi has served several financial services providers in Finland and abroad, most recently as COO/Executive Vice President of the Finnish Savings Bank Group's asset management company. She has also promoted industry interests within Finance Finland and Fintech Finland, especially focusing on digitalisation and financial innovation. Kirsi is Chair of the Board and owner of Hybrid Consulting Oy, a consultancy focusing on business development, financial and legal advice for investments in start-up and scale-up businesses. In addition, Kirsi is Chair of the Board of Votech Oy, as well as a Board member at Marshfield Oy. Kirsi is a new member of the Board of Savosolar.

Kirsi owns 50.0 per cent of Hybrid Consulting Oy which owns 3,571,428 shares in the Company.

Eero Auranne

Vice Chair of the Board - Born in 1959, M.Sc. (Electrical Engineering)

Eero has been a member of the Board of Savosolar since August 2018 and was prior Chair of the Board since April 2020. Some of Eero's prior key work experience include CEO positions at Empower Oy (2012-2017), and Enprima Oy (2003-2005), as well as President of Energy Division at ÅF AB (2006-2012). Eero is also Chair of the Board of Nevel Oy, Tuulipuisto Lakiakangas 1 Oy, Skip Wind 4 Oy, Skip Wind 5 Oy, as well as Chair and owner of Enordic Oy, Sendiprima Oy, Sendiprima AB, and Board member of Ånberg Vind AB.

Eero owns 220,756 shares in the Company.

Jussi Mälkiä

Board member - Born in 1962, Master mariner's certificate

Jussi is the founder and the Chair of Meriaura Group. Jussi has a vast level of experience in various areas of the logistics and maritime sector, first as a sea captain and later as a manager and specialist. Jussi is CEO for VG-Shipping Oy and Chair of the Board for VG-Shipping Oy, Shipowners' Foundation, Sybimar Oy, Skogby Strand Ab, and VG-Port Oy. Additionally, Jussi is a Board member of Aura Mare Oy, Malkia Oy, VG EcoFuel Oy, Biolaite Oy, Biolinja Oy Uusikaupunki, Gaiamare Oy, Shipowners' Association, as well as Naantalin Energia Oy. Jussi is a new member of the Board of Savosolar.

Jussi, directly and indirectly, owns 85.7 per cent of VG-Shipping which owns 562,192,295 shares in the Company. Jussi also owns 70,621 shares in the Company indirectly through family members.

Ari Virtanen

Board member - Born in 1958, Electrical Engineer and MBA

Ari has been a member of the Board of Savosolar since August 2018. Some of Ari's prior key work experience include CEO positions at Takoma Oyj (2012-2014), Högfors Oy (2007-2009), AS Finmec (2004-2007) as well as acting COO of Proxion Solutions Oy (2017-2018). Ari is also a member of the Board and a member of Auditing Committee of Kesla Oyj, a Board member at Phyla Regeneration Services Ltd. (London), and owner and Board member of Karugrid Ltd, Advion Solutions Ltd and Advion Soluciones SA de CV (México).

Ari owns 141,622 shares in the Company.

Eljas Repo

Board member - Born in 1961, M.Soc.Sc.

Eljas has been a member of the Board of Savosolar since April 2022. His prior credentials include CEO of Arvopaperimediata (1998-2004), Editor in Chief of Arvopaperi (1998-2016), and Editor at Kauppalehti. Eljas is also a member of the Board of Ovaro Kiinteistösi joitus Oy, Ahlbäck Literary Agency Oy, Helsingin Pörssiklubi ry and Finnish Business Angels Network. Additionally, Eljas is CEO and owner of Repo Media Oy and Varianssi Oy.

Eljas owns 51,530 shares in the Company directly and 100 per cent of Varianssi Oy which owns 650,539 shares in the Company.

Ville Jussila

Board member - Born in 1985, M.Sc. (Economics)

Prior to joining the Board, Ville has worked in Meriaura Group for 13 years and held positions such as Head of Finance, Controller and Business Director of Bio and circular economy. Currently, Ville is the Managing Director of Aura Mare Oy and he is also a Board member of Sybimar Oy, Skogby Strand Ab, Biolaite Oy, Lounais-Suomen Työkälupalvelu Oy, Biolinja Oy Uusikaupunki and VG-Port Oy.

Ville owns 0.05 per cent of VG-Shipping which owns 562,192,295 shares in the Company.

MANAGEMENT**Jari Varjotie**

CEO - Born in 1960, M.Sc. (Production Technology)

Jari is the CEO of Savosolar since 20 November 2010 and has over 30 years of experience as an industrialist. Before working at Savosolar, Jari worked at Winwind Oy during 2007-2010. During his time there he worked as the COO and the Managing Director for Europe. He also worked in various top management positions at Perlos Corporation during 2000-2007. Jari is also Chairman of the Board for Savosolar ApS, Savolaser Oy, and Finnish Clean Energy Association.

Jari owns 117,789 shares in the Company.

Heikki Timonen

CFO - Born in 1967, M.Sc. (Econ.)

CFO of Savosolar since April 2019. Heikki has worked in the field of finance since 1996 with previous positions at Cultor Oy, Rettig Ab, Exel Composites Oy and ten years as CFO of Serres Oy/Serres Group Oy. His key areas of strength are operative financial management, transformation and growth management, business-driven process and ICT development as well as strategy work and strategy implementation.

Heikki owns 187,500 shares in the Company.

Bengt-Erik Rosin

Managing Director of Marine Logistics - Born in 1965, M.Sc., (Agronomics) and B.Sc. (Econ.)

Bengt-Erik Rosin is the Managing Director of Meriaura since December 2018 and has over 30 years of experience from various management positions within the agricultural industry, resale, and logistics. Before joining Meriaura in 2014 he worked at Raisio Oy

Bengt-Erik owns 100,000 shares in the Company directly and 0.2 per cent of VG-Shipping which owns 562,192,295 shares in the Company.

Other information regarding the Board and Management

None of the Board members or Senior Executives has any family ties to another Board member or Senior Executive. Apart from the related party transactions and conflicts of interest that are disclosed for in the section "Legal issues and additional information" there are no conflicts of interest or potential conflicts of interest between a Board member's or Senior Executive's commitments towards the Company and their private interests and/or other commitments.

Several Board members and Senior Executives have financial interests in the Company in terms of holding shares in the Company. None of the Board members or Management members has been elected or appointed as a result of a special agreement with major shareholders, customers, suppliers or other parties.

None of the Board members or Senior Executives has, in the past five years, (i) been convicted in fraud-related court proceedings, (ii) represented a company that has been declared bankrupt or involuntarily placed into liquidation, (iii) been officially tied to and/or sanctioned for violations by regulatory authorities (including recognised professional organisations), or (iv) been prohibited by a governmental or judicial body from serving as a member of a company's administrative, Management or supervisory bodies or from executive or supervisory functions within a company.

Remuneration and benefits to the Board and senior executives

Decisions on fees and other compensation for Board members, including the chairman, are made at the general meeting.

For the financial year 2021 a total of EUR 54.0 (46.4) thousand was paid to the members of the Board of Directors, including a total of 217,001 (110,766) new shares transferred as part of the Board of Directors' remuneration. Wages and salaries of Board members and CEO were EUR 197.759 in total.

In 2021, EUR 143.8 thousand (2020: EUR 128.8 thousand) including fringe benefits was paid to CEO Jari Varjotie and EUR 779.0 thousand (2020: EUR 546.3 thousand) to the other members of the Management team.¹⁶

¹⁶ Savosolar's Management during 2020 and 2021 respectively



Under his service contract Managing Director Jari Varjotie is not entitled to any voluntarily pension schemes paid by the Company. In case the Company terminates Varjotie's service contract, the Company shall pay Varjotie a normal monthly salary during the termination period of four (4) months, and a severance payment corresponding to five (5) months' salary.

The Annual General Meeting held on 26 April 2022 resolved that the members of the Board of Directors be paid the following remuneration for the term that begins at the close of the Annual General Meeting and ends at the close of the next Annual General Meeting following the election: EUR 21,600 for the Chairman of the Board and EUR 10,800 for each of the other members of the Board. Approximately 40 per cent of the remuneration is to be paid to the members of the Board of Directors by giving to the Board members new shares in the Company based on the authorisation granted to the Board of Directors, and approximately 60 per cent in cash.

Auditors

The Annual General Meeting of shareholders held on 26 April 2022 elected auditing firm Saimaa Audit Oy (previously Tilintarkastus Inkeröinen & Himanen Oy) as the Company's auditor, with Juho Himanen, Authorised Public Accountant, as the principal auditor. The term of the auditor will end at the closing of the Annual General Meeting in the year 2023.

REMUNERATION TO AUDITORS

In accordance with the proposal of the Board of Directors, the Annual General Meeting of shareholders held on 26 April 2022 resolved that the auditor's fees will be paid according to the auditor's reasonable invoice approved by the Company.

Shares, share capital and ownership

Shares and share capital

The number of registered shares of the Company prior to the Transaction is 216,959,964 and the attributed share capital is EUR 470,210.00. After the Transaction and the directed issue based on the underwriting commitment for the TO9 warrants, the number of shares rises to 782,723,687 shares and the attributed share capital amounts to EUR 470,210.00. The Company has only one series of shares with the ISIN code FI4000425848. The shares have been issued according to Finnish law and are denominated in euro. The shares that are traded on First North Finland are traded and settled in euro. The shares that are traded on First North Sweden are traded and settled in Swedish krona. The shares are freely transferable and have no nominal value.

Authorisations

AUTHORISATION GRANTED BY THE EXTRAORDINARY GENERAL MEETING ON 1 OCTOBER 2021

The Extraordinary General Meeting on 1 October 2021 authorised the Board of Directors to decide, in one or more transactions, on the issuance of shares and the issuance of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act as follows:

The number of shares to be issued based on the authorisation may in total amount to a maximum of 275,000,000 shares.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of options and other special rights entitling to shares. The issuance of shares and of options and other special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue), if there is a weighty financial reason for the Company.

Shares may be conveyed either against payment or free of charge in the Company's share issues. A directed share issue may be a share issue without payment only if there is an especially weighty reason for the same both for the Company and in regard to the interests of all shareholders in the Company.

The authorisation is valid until 30 September 2026. Of the authorisation 81,183,075 shares were remaining on 30 June 2022.

AUTHORISATIONS PROPOSED TO THE EXTRAORDINARY GENERAL MEETING ON 25 NOVEMBER 2022

Authorising the Board of Directors to decide on a directed share issue to Meriaura sole shareholder VG-Shipping

The Board of Directors proposes that the Extraordinary General Meeting on 25 November 2022 resolves to authorise the Board of Directors to decide on a directed share issue of new shares in the Company against consideration in deviation from the shareholders' pre-emptive subscription right in accordance with the Limited Liability Companies Act.

The directed share issue relates to the share exchange where the Company acquires all the shares in Meriaura. Meriaura in turn owns all the shares in Biolaite Oy (name change to VG-EcoFuel Oy pending). Therefore, there is a weighty financial reason for the Company to deviate from the shareholders' pre-emptive subscription right in accordance with the Limited Liability Companies Act.

The shares are offered for subscription to VG-Shipping in accordance with the share exchange agreement between the Company and Meriaura's sole shareholder VG-Shipping. The subscription price is paid by means of contribution in kind, which comprises all the shares in Meriaura.

Based on the authorisation, the Board of Directors may issue in the directed share issue a maximum of 547,906,581 new shares of the Company to VG-Shipping.

The Board of Directors is authorised to resolve on final execution of the share issue as well as within the limits of the Limited Liability Companies Act on all other matters and conditions relating to issuance of shares as well as rights relating to shares.

The authorisation is proposed to be in force until 31 December 2022. The authorisation does not cancel previous authorisations to resolve on the issuance of shares or the issuance of options and other special rights entitling to shares.

Authorising the Board of Directors to decide on issuance of shares, options and other special right

The Board of Directors proposes that the Extraordinary General Meeting on 25 November resolves to authorise the Board of Directors to decide, in one or more transactions, on the issuance of shares and the issuance of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act as follows:

The number of shares to be issued based on the authorisation may in total amount to a maximum of 295,000,000 shares, including the directed share issue of a maximum of 17,857,142 new shares based on the underwriting commitment for the TO9 warrants.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of options and other special rights entitling to shares. The issuance of shares and of options and other special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue), if there is a weighty financial reason for the Company.

Shares may be conveyed either against payment or free of charge in the Company's share issues. A directed share issue may be a share issue without payment only if there is an especially weighty reason for the same both for the Company and in regard to the interests of all shareholders in the Company.

The authorisation is valid until 30 June 2024, and it replaces the authorisation granted by the Extraordinary General Meeting on 1 October 2021.

Certain rights attached to shares

The rights attached to the shares are determined on the basis of the Companies Act as amended and other legislation prevailing in Finland from time to time.

Rights attached to the shares include the right to participate in the general meeting of the Company and to vote at such meeting. Each share entitles to one vote at the general meetings of the shareholders.

In order to attend and vote at the general meeting of shareholders of the Company, a shareholder must, pursuant to the Articles of Association of the Company, register with the Company at the latest on the date referred to in the notice convening the meeting, which may be at the earliest ten (10) days before the general meeting of shareholders. Shareholders must comply with the requirements in respect of the Company's shares registered in Euroclear Finland or Euroclear Sweden, as the case may be, and any instructions provided in the relevant notice of the general meeting of shareholders.

In order for a shareholder with shares registered in Euroclear Finland to have the right to attend and vote at a general meeting of shareholders of the Company, a shareholder must be registered at least eight (8) Finnish business days prior to the relevant general meeting of shareholders in the shareholder register maintained by Euroclear Finland in accordance with Finnish law. An owner of nominee-registered shares contemplating attending and voting at the general meeting of shareholders of the Company should seek a temporary registration in the shareholder register maintained by Euroclear Finland by the date announced in the notice to the general meeting of shareholders of the Company, which date must be after the record date of the general meeting of shareholders of the Company. A notification for temporary registration of an owner of nominee-registered shares into the shareholder register of the Company is considered notice of attendance at the general meeting of shareholders.

In order for a shareholder with shares registered in Euroclear Sweden to have the right to attend and vote at a general meeting of shareholders must (i) be registered in the shareholder register of the Company maintained by Euroclear Sweden on the record date of the general meeting of shareholders, i.e. eight (8) Finnish business days prior to the general meeting of shareholders, and (ii) request temporary registration of ownership of the Company in the shareholder register maintained by Euroclear Finland by the date announced in the notice to convene the general meeting.

Furthermore, shareholders with shares registered in Euroclear Sweden in the name of a nominee, through a bank or a securities institution, must, in order to have the right to attend the general meeting of shareholders of the Company, (i) temporarily re-register their shares of the Company in their own name in the register maintained by Euroclear Sweden by instructing their nominee to send to Euroclear Sweden the request for temporary registration into the shareholder register of the Company maintained by Euroclear Sweden,

and (ii) procure that the nominee sends the abovementioned request for temporary registration in the shareholder register maintained by Euroclear Finland on their behalf.

A request for temporary registration of ownership in the shareholder register of the Company maintained by Euroclear Finland is considered notice of attendance at the general meeting of shareholders.

All the shares of the Company entitle to equal financial rights, including the right to dividends and other distribution of funds, for example, the right to possible distribution of funds in the event of dissolution of the Company.

Based on the financial statements on 31 December 2021 or 31 December 2020 or otherwise before the date of the Company Description, the Company has not paid dividends and there is no guarantee that it will have any distributable funds in the future. Decisions on a possible distribution of dividends or other distribution of funds would be made in accordance with the Companies Act as follows:

Dividends may be paid, and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the Company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on a proposal by the Board of Directors of the Company. Pursuant to the Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the general meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or its Articles of Association, such financial statements must be audited.

The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the parent company's financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity is based, subject to any material changes in the financial condition of the company since the financial statements were prepared. A parent company of a consolidated group of companies may not distribute more than the amount of distributable funds shown on the parent company's latest audited and adopted financial statements. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent.

The dividend may not also exceed the amount proposed or otherwise accepted by the Board of Directors unless so requested at the general meeting by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company, in which case, the dividend can be no more than the lesser of (i) at least one-half of the profit for the preceding financial year less the amount that the Articles of Association of the company require to be left undistributed (if any) and (ii) the amount of distributable funds as described above. However, in such case, the dividend cannot exceed 8 per cent of the total shareholders' equity of the company and



the distributable amount must be adjusted for any dividends declared during the financial year before the annual general meeting of shareholders.

In the regard of shares registered in Finland's i.e., Euroclear Finland's book-entry system the dividends and other distributions of funds are paid to shareholders, or their nominees entered in the register of shareholders of the Company on the relevant record date. Under Euroclear Finland's book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register.

In regard of shares registered in Sweden's book-entry system, the dividends and other distributions of funds are paid to those holders of the shares whose names are entered into the Swedish central securities register as at a certain record date and distributed to bank accounts designated by the holders registered with Euroclear Sweden. It is expected that shareholders registered with Euroclear Sweden will receive payment one banking day after the payment date for shareholders registered with Euroclear Finland. If the registered holder registered in Sweden is a nominee custodian, the nominee custodian receives the dividend and other economic rights conferred by the shares on behalf of the beneficial owner.

The right to dividends expires (by statute of limitation) after three years from the date of payment of the respective dividend.

According to the Companies Act, the shareholders of the company have the pre-emptive right to subscribe for shares in proportion to their shareholdings, unless otherwise provided in the resolution regarding the issue. Deviating from the shareholders' pre-emptive subscription right requires that there is a weighty financial reason for deviating. As stated above with respect to dividends, the right to subscribe for shares in rights issues is also based on the ownership of the company on the record date.

A redemption right and obligation as set out in the Companies Act is attached to the Company's shares. Under the Companies Act, a shareholder with shares representing more than nine-tenths of all shares and voting rights attached to all shares in a company has the right to redeem shares of other shareholders in such company against fair value. Such a shareholder is correspondingly obliged to redeem if the shareholder entitled to have its shares redeemed demands the redemption of its shares. The Articles of Association of the Company does not contain redemption or conversion clauses.

The shares entitle to the above described and other shareholder rights in the Company after they have been registered within the Trade Register and delivered to the shareholder's book-entry account.

Share capital development

The following table shows the number of shares issued by the Company between 1 January 2020, and the date of this Company Description. On these dates the issued shares have been fully paid and registered in the Trade Register:

Date	Transaction	Change in total shares	Total shares	Change in share capital	Total share capital (EUR)	Subscription price
9 March 2020	Directed issue (Board members' remuneration)	1,065,875	1,932,968,654	-	470,210.00	SEK 0.1078
22 May 2020	Reverse split 1:100	-1,913,635,616	19,333,038	-	470,210.00	-
26 June 2020	Rights issue	28,999,557	48,332,595	-	470,210.00	EUR 0.15
30 September 2020	Directed issue (Board members' remuneration)	110,766	48,443,361	-	470,210.00	EUR 0.195
1 December 2020	Share subscriptions based on warrants	13,222,734	61,666,095	-	470,210.00	EUR 0.1148
1 December 2020	Directed issue	1,275,897	62,941,992	-	470,210.00	SEK 1.183
29 March 2021	Share subscriptions based on warrants	12,977,135	75,919,127	-	470,210.00	EUR 0.0960
29 March 2021	Directed issue	1,521,496	77,440,623	-	470,210.00	SEK 0.977
23 September 2021	Share subscriptions based on warrants	10,089,389	87,530,012	-	470,210.00	EUR 0.07
9 November 2021	Rights issue	77,440,623	164,970,635	-	470,210.00	EUR 0.07
17 December 2021	Directed issue (Board members' remuneration)	217,001	165,187,636	-	470,210.00	EUR 0.0995
8 April 2022	Share subscriptions based on warrants	33,991,820	199,179,456	-	470,210.00	EUR 0.03
30 September 2022	Share subscriptions based on warrants	17,780,508	216,959,964	-	470,210.00	EUR 0.056

In the financial year ended 31 December 2020, the number of shares first decreased in the spring of 2020 in a ratio of 1:100 as a result of the combination of shares. The number of shares then later increased as a result of a rights issue, directed share issues and shares subscribed with warrants.

In the financial year ended 31 December 2021, the number of shares increased as a result of shares subscribed with warrants and directed share issues, a right issue and as a part of the Board members' remuneration system.

In the financial year of 2022, the number of shares has increased as a result of shares subscribed with warrants.

Ownership

The table below shows the largest owners in the Company as of 7 November 2022 according to information from Euroclear, and thereafter known changes including the changes that occur due to the implementation of the Transaction and the directed issue based on the underwriting commitment for the TO9 warrants.

Shareholder	Shares	Ownership	Votes
VG-Shipping Oy	562,192,295	71.8%	71.8%
Avanza Pension	5,058,726	0.6%	0.6%
Jokinen Jukka	4,400,000	0.6%	0.6%
Geust Johan Niklas Erik	4,063,112	0.5%	0.5%
Hellén Stefan Andreas	3,632,500	0.5%	0.5%
Hybrid Consulting Oy	3,571,428	0.5%	0.5%
Lilja Ansa Anitta	3,167,264	0.4%	0.4%
Pyykönen Riku Tapani	2,300,000	0.3%	0.3%
Sjöblom Katri Pauliina	2,143,036	0.3%	0.3%
Nordnet Pensionsförsäkring AB	2,091,217	0.3%	0.3%
Other	190,104,109	24.3%	24.3%
Total	782,723,687	100.0%	100.0%

Lock-ups

In connection with the implementation of the Transaction, VG-Shipping will give the Company the following transfer restriction commitment regarding the Company's shares.

VG-Shipping undertakes not to sell, pledge or otherwise transfer directly or indirectly the Company's shares that VG-Shipping receives as consideration in connection with the Transaction ("Consideration Shares") without the Company's prior written consent, however, so that VG-Shipping has the right without separate consent from the Company to sell or otherwise transfer a maximum of 38,856,873 Consideration Shares to Hybrid Consulting Oy ("Right of Transfer").

The commitment is valid from the date of its signing and its validity period ends twelve (12) months after the date of signature, unless the Company has previously waived the agreed transfer restriction. The commitment applies to all of the Consideration Shares VG-Shipping owns, with the exception of the aforementioned Right of Transfer. The commitment is conditional to the closing of the Transaction and will be signed in connection with the closing of the Transaction.

Dividend policy

The Company has not paid dividend based on the financial statements as of 31 December 2021, 31 December 2020 or otherwise prior to the date of this Company Description. In the forthcoming years, the Company will focus on financing the growth and the development of Group's business and the Company will adhere to a stringent dividend policy, tied to the Company's results and financial standing. The Company has not made a dividend policy or a decision to distribute dividends in the near future. In the event dividends are distributed, all shares of the Company will be entitled to equal dividends.

Trading in the share

The ISIN code for the shares is FI4000425848 and the trading symbol SAVOH on the Nasdaq First North Growth Market Finland marketplace ("First North Finland") maintained by Nasdaq Helsinki Oy and SAVOS on the Nasdaq First North Growth Market Sweden marketplace ("First North Sweden") maintained by Nasdaq Stockholm. The Company's shares have been traded on the First North Finland since 24 April 2015, and First North Sweden since 2 April 2015.

Stock option programs

WARRANT PLAN 3-2021

Based on the authorisation granted by the Extraordinary General Meeting on 1 October 2021, the Company's Board of Directors resolved to issue warrants (the "Warrants TO10") free of charge to persons subscribing for shares in the Company's rights issue carried out during the period between 11 October 2021 and 27 October 2021.

The number of warrants issued was 38,719,767 and they entitle their holders to subscribe to a maximum of 38,719,767 new shares in the Company. Each Warrant TO10 entitles its holder to subscribe to one (1) new share in the Company. The share subscription price shall be recorded in the Company's reserve for invested unrestricted equity.

The subscription period for shares subscribed for on the basis of the Warrants TO10 shall be 20 March – 31 March 2023. The share subscription price is determined by the volume weighted average price of the Company's share on First North Finland between 6 March – 16 March 2023, with an applied discount of 25 per cent. The subscription price, however, cannot exceed EUR 0.13 per share. The shares to be subscribed for based on the Warrants TO10 and delivered through Euroclear Sweden will be payable in Swedish krona. The Swedish krona-denominated subscription price will be determined using the Swedish Riksbank's EURSEK rate on 17 March 2023.

Certified Adviser

All companies whose shares are traded on Nasdaq First North must hire a Certified Adviser to guide and assist the Company. The Company's Certified Adviser monitors the Company to ensure that it complies with Nasdaq First North's framework for market and investor disclosure. The Company has appointed Augment as its Certified Adviser. The agreement with Augment is ongoing with a mutual notice period of 3 months. Augment does not hold shares in the Company at the time of approval of this Company Description.

Central Securities Depository

The Company's shares are issued as book-entries in the book-entry system maintained by Euroclear Finland Oy and registered also to Euroclear Sweden AB. The shareholder registers are maintained by Euroclear Sweden AB, Box 191, 101 23 Stockholm, and Euroclear Finland Oy, Urho Kekkosen katu 5 C, 00100 Helsinki, Finland.

According to the Companies Act, a share certificate regarding a company's share can be issued only to a designated person but a share certificate cannot be issued at all when the company's shares are linked to the book-entry system, as Savosolar's shares are.

Corporate governance

General

Savosolar organises its administration in accordance with the Finnish Limited Liability Companies Act and the Articles of Association. The administration of Savosolar also complies with the Nasdaq First North Growth Market Rulebook. Savosolar's shares are listed in Nasdaq First North Growth Market Sweden and Nasdaq First North Growth Market Finland.

According to the Finnish Limited Liability Companies Act, the administration is divided between the General Meeting of shareholders, the Board of Directors and the CEO. The highest decision-making body is the Annual General Meeting, which is composed of the Company's shareholders. The Board of Directors, elected by the Annual General Meeting, and the CEO, elected by the Board, are responsible for the management and strategy of the company. Other members of the Management team assist the CEO in his/her tasks. The Company does not follow the recommendations of the Corporate Governance Code for Finnish listed companies because the Company does not deem it expedient in view of the Company's size and scope of business.

Annual general meeting

The General Meeting of shareholders is the highest decision-making body of the Company. The Company's Board of Directors convenes the General Meeting annually within six months of the end of the financial period.

As stipulated in the Finnish Limited Liability Companies Act and the Articles of Association, the Annual General Meeting decides on the adoption of the financial statements, the use of profits shown on the balance sheet, the granting of release from liability to the members of the Board of Directors and the CEO, the number of members of the Board of Directors, as well as the remuneration of the members of the Board of Directors and the auditor/s. The Annual General Meeting also elects the members of the Board and the auditor, and resolves any other matters included in the notice of the meeting. The Shareholders' meeting also has the right *inter alia* to amend the Articles of Association and make decisions and authorise the Board of Directors to make decisions on the acquisition of treasury shares, share issues and option programmes.

An Extraordinary General Meeting can be convened to discuss a necessary issue, or when the Board finds it needed or legislation otherwise stipulates it must be held. A General Meeting of shareholders must also be convened if requested in writing by the company's auditor or a group of shareholders whose total number of shares constitutes at least one-tenth of the number of shares issued by the company that is not in the company's possession.

NOTICE OF ANNUAL GENERAL MEETING

Notice of the General Meeting is published as a company announcement and on the Company's website. This notice includes the agenda for the meeting, typically proposals made by the Board and the Board Committees to the meeting and

instructions regarding registration and attendance. 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. The Board may decide that the shareholders have to declare to the company their intention to attend in the manner specified in the notice. Holders of nominee-registered shares can also attend the Shareholders' meeting by registering themselves in the register of shareholders on a temporary basis.

RIGHT TO PARTICIPATE IN THE MEETING

Shareholders have the right to have matters falling within the competence of the general meeting by virtue of the Companies Act included in the general meeting agenda, provided they demand, in writing, the Board of Directors to do so early enough that the item can be included in the notice of meeting.

A shareholder can attend the Shareholders' meeting either in person, or via a representative. In the shareholders' meeting all shareholders have the right to raise questions and suggest decisions for consideration by the meeting.

Besides the Company's domicile Mikkeli, general meetings may be held in the city of Helsinki, Finland or the city of Stockholm, Sweden.

The Board of Directors

The Board of Directors shall see to the administration of the Company and the appropriate organisation of its operations. The Board of Directors shall be responsible for the appropriate arrangement of the control of the Company accounts and finances. The Board of Directors or a member of the Board of Directors shall not comply with a decision of the general meeting of shareholders or the Board of Directors where it is invalid owing to being contrary to the Finnish Companies Act or the Articles of Association. The general meeting of shareholders elects the members of the Board of Directors. According to the Company's Articles of Association, the Board of Directors shall consist of three (3) to seven (7) members elected by the shareholders at a general meeting. The term of office of each member of the Board of Directors ends at the adjournment of the first annual general meeting of shareholders following the election. The opinion of the majority of the members in attendance in the meeting shall constitute the decision of the Board of Directors. In the event of a tie the chairman shall have the casting vote. The chairman of the Board shall be elected by the Board of Directors. The business address of the members of the Board of Directors is *Insinöörinkatu 7, 50150 Mikkeli*.

The CEO is appointed by the Board of Directors. The CEO manages the day-to-day administration of the Company in accordance with the instructions and regulations issued by the Board of Directors. The CEO is responsible for ensuring that the Company's accounting is in accordance with the law and that financial management is arranged in a reliable manner. The CEO shall provide the Board of Directors and its



members with information necessary for the performance of the Board's duties. The Company's CEO may take unusual and far-reaching actions, from the point of the view of the scope and quality of the Company's operations, only when authorised by the Board of Directors or if it is not possible to wait for the decision from the Board of Directors without causing significant harm to the Company's business. In the latter case, the Board of Directors shall be informed of such action as soon as possible. The members of the Company's Management team act directly under the supervision of the CEO, and the CEO leads the Management team. All members of the Management team are employed by Savosolar except for Bengt-Erik Rosin, who is employed by Meriaura. The business address of the members of the Management team is Insinöörinkatu 7, 50150 Mikkeli.

Internal control

The Board of Directors is responsible for the overall supervision and control of the Company and its Management. In particular, the Board of Directors monitors compliance with applicable laws and regulations. The CEO and the Management team are supervised by the Board of Directors and its committees in their respective areas. The CEO regularly informs the Board of Directors, as well as at each meeting, about the general development of the Group and about notable transactions and decisions he or she has taken.

Audit

External auditing verifies that the financial statements give correct and sufficient information on the Company's financial performance and financial position during the financial period. The auditor submits an auditing report required by law to the Company's shareholders together with the Company's annual financial statements. Audits during the financial period are reported to the Board of Directors. The auditor and the Board of Directors meet at least once a year. The auditor is elected by the General Meeting of shareholders. The auditor's term of office covers the financial period during which he or she is elected and ends at the closing of the next ordinary General Meeting of shareholders following his or her election. The ordinary General Meeting of shareholders held on 26 April 2022 elected auditing firm Saimaa Audit Oy (previously Tilintarkastus Inkeröinen & Himanen Oy) as the Company's auditor, with Juho Himanen, Authorised Public Accountant, as the principal auditor.

Articles of association

Below follows the Articles of Association that are proposed to be adopted by the Extraordinary General Meeting on 25 November 2022. The adoption of the Articles of Association is conditional and assume that the Extraordinary General Meeting also approves of the Transaction.

1 § Registered name and domicile

The registered name of the Company is Savosolar Oyj, in Swedish Savosolar Abp and in English Savosolar Plc. The domicile of the Company is Mikkeli.

2 § Line of business

The Company's line of business is to conduct business related to maritime logistics as well as solar and other renewable energy. The Company may have investment activities. The Company can operate directly or through its subsidiaries or associated companies.

3 § Shares and book-entry system

Company's shares belong to the book-entry securities system.

4 § Board of Directors and the Managing Director

The Company shall have the Board of Directors, which comprises no fewer than three (3) and no more than seven (7) members. The term of office of each member of the Board of Directors ends at the adjournment of the first annual general meeting of shareholders following the election. The Company shall have a Managing Director. The Managing Director is nominated by the Board of Directors.

5 § Representation of the Company

The Company shall be represented by the Board of Directors but also the chairman of the Board of Directors and the Managing Director alone and two members of the Board of Directors acting jointly. The Board of Directors may grant procuration or representation right to a nominated person.

6 § Auditors

The Company shall have one ordinary auditor and one deputy auditor. In case an auditing firm certified by the Finland Chamber of Commerce or chamber of commerce is elected as auditor, deputy auditor does not need to be elected. The term of office of the auditors ends at the adjournment of the annual general meeting of shareholders first following the election.

7 § Summons, registration period and venue of general meeting of shareholders

The notice to convene a general meeting of shareholders must be delivered to the shareholders by publishing the notice on the website of the Company or otherwise in a verifiable manner no earlier than three (3) months and no later than three (3) weeks prior to the general meeting of shareholders, however, in any case, at least nine (9) days prior to the record date of the general meeting of shareholders pursuant to the Finnish Companies Act.

Where the Board of Directors so decides, a shareholder must register with the Company in order to participate in the general meeting of shareholders. In such case, shareholders must register no later than on the date referred to in the notice convening the meeting, which date may be at the earliest ten (10) days prior to the general meeting of shareholders.

Besides the Company's domicile, general meetings may held in the City of Helsinki, Finland or the City of Stockholm, Sweden.

8 § Annual general meeting of shareholders

The annual general meeting of shareholders shall be held each year within six (6) months from the end of the financial period of the Company on a date resolved by the Board of Directors.

The meeting shall:

be presented with:

1. the financial statements and, when needed the report of the Board of Directors;
2. the auditor's report.

resolve upon:

- the adoption of the financial statements.
- the use of profits shown on the balance sheet.
- the discharge of members of the Board of Directors and the Managing Director from liability.
- the remuneration of the members of the Board of Directors and the auditor.
- the number of the members of Board of Directors.

elect:

- the members of the Board of Directors
- the ordinary auditor and deputy auditor.

Legal issues and additional information

General information about the Company

The business name of the Company is Savosolar Oyj. The Company is a public limited liability Company incorporated on 19 January 2010 in Finland, and it is organised under the laws of Finland. The Company is registered in the Finnish Trade Register under the business identity number 2309682-6. The registered address of the Company is Insinöörikatu 7, 50100 Mikkeli, Finland and its telephone number is +358 (0) 10 2710 810. The Company is headquartered in Mikkeli, Finland.

According to the Articles of Association proposed to the Extraordinary General Meeting on 25 November 2022, the Company's line of business is to conduct business related to maritime logistics as well as solar and other renewable energy. The Company may have investment activities. The Company can operate directly or through its subsidiaries or associated companies.

Group structure

After the Transaction, Savosolar will own 100 per cent of Meriaura, which owns 100 per cent of VG-EcoFuel.

Savosolar has two wholly owned subsidiaries in Denmark (Savosolar ApS) and Germany (Savosolar GmbH). In addition, Savosolar owns 55.0 per cent of the shares in Savolaser Oy, which is currently a dormant company. The rest of Savolaser's shares are owned by Veslatec Oy. The Company has had its own office in France since June 2021 and the Company has operated locally in China through the FinChi organisation with its own staff since 2019.

The purpose of the subsidiaries and offices is primarily to increase the presence and credibility of the Company and its offering in markets that are locally important to the Company. The Company expects the number of subsidiaries and offices to grow in the coming years as the Company expands and grows its operations. Project sales and project deliveries are made by Savosolar Oyj, and Savosolar Oyj is responsible for project guarantees and after-sales. The majority of the costs of subsidiaries and offices are personnel costs. They finance their operations by invoicing their personnel and other fixed costs to the parent company on a cost-plus basis, in accordance with the agreements between them and the parent company.

Since Savosolar has been a small group before the execution of the Transaction, no consolidation of financial statements has been made in accordance with the Bookkeeping Act § 6:1. If the consolidated financial statements had been made, it would not have had a substantial effect to get the true and fair view of the group's result of operations and financial position.

Legal and arbitration proceedings

The Group has not during the past 12 months been a party to governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Savosolar is aware), which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Group.

Transactions with related parties

MERIAURA

Business transfers

Meriaura has signed a business purchase agreement with VG-Shipping on 17 December 2021, with which VG-Shipping sold its shipping, manning and maritime logistics business to Meriaura. Closing of the transaction took place on 31 December 2021. After the closing, VG-Shipping owned only m/s Ramona ship and the ship's crew and other contracts related to the ship. Meriaura has a market terms time charter agreement and ship management agreement with VG-Shipping concerning m/s Ramona until 31 December 2022. For the year 2022, VG-Shipping has invoiced a total of EUR 802,556 for the time charters and Meriaura has received EUR 20,064 in commissions. Based on the ship management agreement, Meriaura has received EUR 22,000 for the year 2022. The business included seven (7) ships (Aura, Meri, Eeva, Mirva, Aava, Helena and Polaris), as well as the related chattels, materials and documents. Also, the contract for the marine research vessel Aranda and the contracts for ship management and crew services listed in the business purchase agreement were transferred to Meriaura as part of the business. In addition, the business included a significant number of personnel. The purchase price of the business was EUR 57,150,000, adjusted for vacation pay and return from vacation liabilities accumulated up to the closing date.

Meriaura has signed a business purchase agreement with Aura Mare Oy on 17 December 2021, with which Aura Mare Oy sold its financial and administrative services business to Meriaura. Closing of the transaction took place on 31 December 2021. The business has included personnel and the Sonet service contract between CGI Suomi Oy and Aura Mare Oy. The business did not include other contracts, fixed assets, inventory or financial assets. The purchase price of the business was EUR 1,044,000, adjusted by vacation pay and return from vacation liabilities accumulated up to the closing date.

Biolaite Oy (name change to VG-EcoFuel Oy pending) has signed a business purchase agreement with VG EcoFuel Oy (name change to Suomen Kiertotalouskiinteistöt Oy pending) on 17 August 2022, with which VG EcoFuel Oy has sold the bio-oils and biofuels processing business located in Uusikaupunkki to Biolaite Oy. Closing of the transaction took place on 31 October 2022. The business included all fixed assets in use by the business at the time of signing, including the process equipment and excluding the oil storage building in Uusikaupunkki with its lease rights, as well as the movable assets in

use at the time of the closing. The business also included the contracts related to the business. The seller also handed over to Biolaite Oy all permits related to the transferred business (environmental permit, and registration as a feed industry operator). The purchase price of the transferred business was EUR 2,200,000.

Consultancy agreement with Hybrid Consulting Oy

Hybrid Consulting Oy, which is owned by Kirsi Suopelto who is proposed to be elected as the new Chair of the Board of Savosolar and Ari Kaaro who serves on the Board of Meriaura, has a consultancy agreement with Meriaura regarding advisory services in relation to Transaction. Kirsi Suopelto is also the Chair of the Board and CEO of Hybrid Consulting Oy. The agreement has been made on market terms and will end at the time of the closing of the Transaction. During the financial years 2020, 2021 and 2022 Hybrid Consulting Oy has invoiced EUR 0, EUR 3,720 and EUR 12,400 respectively.

Other agreements

Meriaura and VG-EcoFuel have agreements with various companies, whose shares are fully or partly owned by the future Board member of the Company Jussi Mälkiä or where his relatives work. These agreements are the following:

Meriaura has entered into an agreement with Aura Mare Oy for the purchase of office and administrative services. Office services include office space rent (800 m², Linnankatu 88, Turku), warehouse rent (300 m², Naantali), electricity, water and waste management, parking space and vehicle rentals, IT equipment and software rentals, and other machine and equipment rentals. Administrative services include consulting, communication and financial services. The total price of the services is currently EUR 57,250 per month. The contract has started on 1 January 2022 and is valid indefinitely with a notice period of three (3) months. The prices are revised annually at the beginning of January, taking into account the essential changes in the costs related to the services.

Biolaite Oy (name change to VG-EcoFuel Oy pending) has signed a lease agreement with VG EcoFuel Oy (name change to Suomen Kiertotalouskiinteistöt Oy pending) on 17 August 2022, which concerns approximately 684 m² of production space at Kaatopaikantie 1, 23500 Uusikaupunki. The rental property also includes a storage area in the yard with an area of approximately 9,000 m². The rental period is 1 November 2022 - 31 December 2027, after which the contract is valid indefinitely with a one-year notice period. The amount of the rent is EUR 10,000 per month and it is tied to the cost of living index. There is also an oral electricity and heat agreement between Biolaite Oy (name change to VG-EcoFuel Oy pending) and VG EcoFuel Oy (name change to Suomen Kiertotalouskiinteistöt Oy pending).

Meriaura has granted an interest-free capital loan of EUR 300,000 to Skogby Strand AB on 4 June 2021. The loan was fully repaid on 9 November 2022.

Meriaura has oral financial and salary administration agreements where Meriaura is the provider of services to Aura Mare Oy, Biolaite Oy (name change to VG-EcoFuel Oy pending), Biolinja Oy Uusikaupunki, Gaiamare Oy, Malkia Oy, Port-Master Oy, Skogby Strand AB, Sybimar Oy, VG EcoFuel Oy (name

change to Suomen Kiertotalouskiinteistöt Oy pending), VG-Port Oy, VG-Trans Oy and VG-Shipping, totalling approximately EUR 12,000 per month.

Meriaura has rented approximately 2,000 m² storage area (gypsum area) and a storage container at Puhdistamontie 5, 21100 Naantali from VG-Port Oy. The rental period started on 1 June 2022 and is valid indefinitely with a notice period of two (2) months. The rent amount is EUR 2,200 per month.

Meriaura has leased from Skogby Strand AB the harbour quay and the nearby warehouse area at Skogbyntie, 10680 Raasepori. The rental agreement is for a fixed period between 1 July 2021 and 30 June 2024, after which the agreement continues indefinitely with a notice period of six (6) months. The amount of the rent is EUR 3,000 per month, in addition to which the lessor charges a freight fee of EUR 0.50/tonne for goods passing through the port.

Meriaura and Malkia Oy have a market terms agreement based on which Malkia Oy provides cleaning services and office reception services to Meriaura at the Linnankatu 88, Turku premises from 1 January 2022 until further notice.

Biolaite Oy (name change to VG-EcoFuel Oy pending) has a market terms agreement with Port-Master Oy, according to which Port-Master Oy collects used vegetable oil accumulated from restaurant operations and delivers it to Biolaite Oy's (name change to VG-EcoFuel Oy pending) factory. The agreement is valid indefinitely with a notice period of six (6) months. For the years 2021-2022, Port-Master Oy has invoiced a total of EUR 79,888.

Biolaite Oy (name change to VG-EcoFuel Oy pending) also has an oral agreement with Biolinja Oy Uusikaupunki on staffing services (3-4 persons) as well as oral agreements with Aura Mare Oy on transportation services (need and order based) and on sales and business management services (services provided by Ville Jussila).

VG-Shipping has given guarantees for repayment of Meriaura's debts to Nordea Bank Oyj and Finnvera Oyj.

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Further information on the remuneration and benefits of the members of the Board of Directors and the Management team for the financial years which ended 31 December 2021 is presented in the section "Board of directors, Management and auditor – Remuneration and benefits to the Board and Senior Executives".

In the financial years ended 31 December 2020, 31 December 2021 or in the current financial year, as of the date of the Company Description, the Group has not had any other significant related party transactions than the ones referred to above.

Meriaura's tonnage taxation

A shipowner fulfilling the preconditions for tonnage tax may select a tonnage tax instead of an income tax for cargo and passenger transport and operations closely related to such transport. The objective of tonnage tax is to strengthen the operating conditions of shipping so that Finnish vessels can

better succeed in international competition and have an opportunity to safeguard Finnish shipping and the security of supply. The tonnage tax makes it possible to operate as large a portion as possible of foreign trade export and import transports, as well as passenger traffic, with tonnage under the Finnish flag, which employs Finnish seafarers. Meriaura applies tonnage tax to most of its income; only a small part of Meriaura's business is under income taxation.

Intellectual property rights

Savosolar has five (5) patents granted and has submitted two (2) applications for patents.

Savosolar's competitiveness in solar heating systems is based on e.g., the Company's solar thermal collector. According to the information available to Management, the Company's large collector is the most efficient large solar thermal flat plate collector in the world. One of the Company's strengths throughout its history has been a strong approach based on product development and research in the competitive utilisation of solar heat in a way that adds value to customers.

Unlike many competitors, the Company has gone its own way in collector technology and its manufacturability, which has, according to the Management of the Company, provided the Company with competitive ability. In order to maintain its competitive advantage, based in part on research and development, the Company actively seeks to protect its unique product technology and its critical manufacturing methods by patenting its inventions in a commercially reasonable manner. Infringement of Savosolar's patents would not be likely to directly benefit a competitor in the short- to medium-term due to its expertise in collector manufacturability.

The Finnish Patent and Registration Office has on 14 August 2015 granted Savosolar with the Finnish trademarks for the word mark Savosolar and the combination of word and figure including in the Savosolar logo. The trademarks have been granted in the classes 9 (solar panels), 11 (solar-heating equipment), 37 (solar heating system installation services) and 42 (solar heating systems planning services). The trademarks are valid for ten years from the registration date. The opposition period relating to the trademarks ended on 14 October 2015.

Meriaura owns the following trademarks

- VG Marine Ecofuel, applicant VG-Shipping Oy, application date 24.1.2014, registration number 261470, start date of validity 30.6.2014 and end date 30.6.2024. Trademark class 4 – fuels.
- Logo VG Marine Ecofuel, operator VG-Shipping Oy, application date 20.3.2014, registration number 261400, validity start date 13.6.2014 and end date 13.6.2024. Trademark class 4 – fuels.
- VG EcoCoaster, applicant VG-Shipping Oy, application date 11.9.2014, registration number 263365, validity start date 13.5.2015 and end date 13.5.2025. Trademark class 12 – Land, water and air vehicles.
- Meriaura EcoVoy, applicant Meriaura Oy, registration number 0181148630, validity start date 21.2.2020 and end date 8.11.2029.

Conflicts of interest

The conflicts of interest of the management of Finnish companies are regulated in the Companies Act. Pursuant to the disqualification rule in chapter 6 section 4 of the Companies Act, a member of the Board of Directors shall not participate in the consideration of a matter pertaining to a contract between the member and the Company. A member of the Board of Directors shall likewise not participate in the consideration of a matter pertaining to a contract between the Company and a third party, if the member is to derive an essential benefit in the matter and that benefit may be contrary to the interests of the Company. The above-mentioned disqualification provision shall respectively be applied to other legal acts and court proceedings as well as to other exercise of right of action. The same provisions are applied to the managing director. The members of the Board of Directors, the managing director or other members of the Management team do not have conflicts of interests between their tasks in relation to the Company and their private interests or other duties, and none of them has been appointed to their position in the Company pursuant to an arrangement or understanding with major shareholders, customers, suppliers or others.

Documents incorporated by reference

The following documents are incorporated into the Company Description by reference and thus form part of the Company Description. The parts of the documents below that are not incorporated are either not relevant to an investor or are reproduced elsewhere in the Company Description.

- Savosolar Oyj's audited annual reports and associated auditor's reports for the financial years 2021 and 2020.
- Meriaura Oy's audited annual reports and associated auditor's reports for the financial years 2021 and 2020.
- VG EcoFuel Oy's audited annual reports and associated auditor's reports for the financial years 2021 and 2020.
- Biolaite Oy's audited annual reports and associated auditor's reports for the financial years 2021 and 2020.
- Savosolar Oyj's unaudited half year report for the period January – June 2022.
- Meriaura Oy's unaudited half year report for the period January – June 2022.
- VG EcoFuel Oy's unaudited half year report for the period January – June 2022.
- Biolaite Oy's unaudited half year report for the period January – June 2022.

The Company Description and the documents incorporated by reference in accordance with the above will be available in electronic form on the Company's website during the Company description's period of validity, www.savosolar.com. The Articles of Association are also available on the website.

ADDRESSES

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