

MeriAURA Group Plc's half-year report for January–June 2024

Consolidated key figures in April–June 2024

- Revenue in April–June amounted to EUR 22.1 million (April–June 2023: EUR 15.3 million).
- EBITDA in April–June was EUR 2.3 million (EUR 1.1 million), or 10.4% of revenue.
- The operating result (EBIT) was EUR 0.8 million (EUR -0.2 million), or 3.5% of revenue.
- The result in April–June was EUR 0.3 million (EUR -0.5 million).

Consolidated key figures and significant events in January–June 2024

- Revenue in January–June amounted to EUR 40.0 million (January–June 2023: EUR 31.5 million).
- EBITDA was EUR 3.5 million (EUR 2.6 million), or 8.7% of revenue.
- The operating result (EBIT) was EUR 0.6 million (EUR -0.1 million), or 1.5% of revenue.
- The result in January–June was EUR -0.2 million (EUR -0.6 million).
- Earnings per share in January–June were EUR 0.000 (-0.001).
- MeriAURA Oy placed an order for two Eco Trader vessels (around EUR 34 million in total).
- An agreement on the delivery of a solar thermal plant (ca. EUR 1.7 million) to Palau-del-Vidre, France.
- An agreement on the delivery of a solar thermal plant (ca. EUR 5.0 million) to the City of Lübeck district heating company in Germany.
- A conditional decision to sell a minority share in MeriAURA Oy to MeriAURA Invest Oy.

Significant events after the review period

- The sale of a minority share in MeriAURA Oy to MeriAURA Invest Oy. The transaction price for the 20.6% holding was EUR 4.55 million.
- CEO Kirsi Suopelto resigned, and Jussi Mälkiä, currently Chair of the Board, will become the new CEO on 1 October 2024. Antti Vehviläinen, currently Vice Chair of the Board, will become Chair of the Board on 1 October 2024.

KIRSI SUOPELTO, CEO OF MERIAURA GROUP PLC:

“The Meriaura Group’s first half of 2024 met our expectations. Both our revenue and profitability improved. Our revenue for January–June was EUR 40 million, which means an increase of 27% from the previous year. Both our business areas’ revenue developed strongly, particularly in the second quarter. After the strikes in the early part of the year, the demand for marine transport returned to normal levels and, as usual, decreased towards the end of the period because of the summer holiday season. The demand for project shipments remained strong throughout the review period.

In the first half of the year, Marine Logistics’ revenue was EUR 34.1 million, and Renewable Energy’s revenue was EUR 5.8 million.

Renewable Energy’s revenue was boosted especially by the delivery of a solar thermal plant to Bad Rappenau in Germany and by Rasol Oy, a solar power system supplier acquired in November 2023. The integration of Rasol Oy’s operations into the Renewable Energy business has progressed as planned. However, revenue from solar power systems fell short of our expectations in the early part of the year, as challenging weather conditions and strikes delayed installation and demand slowed as a result of the stabilisation of energy price fluctuations.

Our profitability also improved, particularly in the second quarter. Our EBITDA for the second quarter was EUR 2.3 million, or 10.4% of revenue. Our EBITDA for January–June was EUR 3.5 million, or 8.7% of revenue, compared with 8.3% in the previous year. The EBITDA was primarily boosted by improved profitability in Renewable Energy as a result of higher revenue. The operating result (EBIT) for January-June turned to positive, and was MEUR 0.6 million, or 1.5% of revenue.

The most significant events in the second quarter included two new orders for Renewable Energy. The solar thermal plant to be built in Palau-del-Vidre in France will provide heat to the greenhouses of Les Serres Vermeil SARL, which grows organic vegetables, and will be our first delivery to this customer segment. The project (around EUR 1.7 million) has been developed in collaboration with Eiffage Energie Systèmes – Cogénération SAS, one of the largest construction groups in France. The other new order is a solar thermal plant (around EUR 5 million) for the City of Lübeck district heating company.

In Marine Logistics, we placed a significant order in the second quarter for two new Eco Trader cargo vessels from Bodewes International Shipbuilding B.V. in the Netherlands. The construction of these energy-efficient bio-oil-fuelled vessels has started, and the vessels will be handed over to us in January and December 2026. The total value of the order is around EUR 34 million.

We expect the demand for both our marine logistics services and renewable energy solutions to continue to be stable. This is based on our strong order backlog in both bulk transport and project shipments, and on customers’ growing interest in low-emission transport. However, general economic uncertainty may affect the demand for and price level of marine transport. In the renewable energy market, interest in clean and low-emission forms of energy is growing. The trend is supported by tighter emission reduction requirements and expectations of lower financing costs.

It has been great to develop two businesses with ambitious sustainability goals. Now as I leave the company for new duties, these businesses are well-positioned to meet customers’ needs in a constantly changing operating environment. I would like to take this opportunity to thank all our partners, customers and shareholders, and especially our employees, for a rewarding time at Meriaura Group.”

MERIAURA GROUP

Basic information

Meriaura Group is a marine logistics and renewable energy company with two business areas: Marine Logistics and Renewable Energy. The Meriaura Group reports each business area's revenue, EBITDA and operating result separately. Meriaura Group Plc operated under the name Savosolar Plc until 31 May 2023.

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

Meriaura Energy Oy, which is part of the Renewable Energy business, designs and delivers clean energy production systems. The systems are built around large-scale solar thermal systems with high-performance solar thermal collectors manufactured by the company. Rasol Oy, which is part of the Renewable Energy business, supplies solar power systems for buildings, businesses and solar parks.

The seasonality of business operations

In Marine Logistics, the demand for dry cargo shipments is usually lower in the third quarter than in the other quarters. For this reason, the docking and maintenance of ships are scheduled for the third quarter as far as possible. No significant docking of the company's own ships is scheduled for 2024. Most of Marine Logistics' full-year fairway dues are collected in the first quarter, which has a negative impact on the first-quarter result.

The Renewable Energy business consists of project business operations, in which revenue may differ significantly between quarters and years in accordance with project delivery phases. In the winter, because of weather conditions, solar power systems can only be installed to a limited extent.

Reporting principles

This half-year report is unaudited. The release has been prepared in accordance with the Finnish Accounting Standards (FAS) by applying the same principles as in the 2023 financial statements. The information is provided to the extent required by section 4.4 of the rules of the Nasdaq First North Growth Market. The comparison figures refer to the corresponding period in 2023, unless otherwise indicated.

BUSINESS OPERATIONS IN JANUARY–JUNE 2024

Revenue in April–June

The Meriaura Group's revenue in April–June was EUR 22.1 (15.3) million. Of its revenue, EUR 18.2 (15.0) million came from Marine Logistics and EUR 3.9 (0.3) million from Renewable Energy.

In Marine Logistics, the demand for shipments and the utilisation rates of ships remained at a good level. Revenue was boosted by higher transport capacity than in the comparison period and good demand for project shipments. Renewable Energy's revenue was boosted especially by the delivery to Bad Rappenau and by Rasol Oy, a solar power system supplier acquired in November 2023.

Revenue in January–June

The Meriaura Group's revenue for January–June increased by 26.9% and amounted to EUR 40.0 (31.5) million. Of its revenue, EUR 34.1 (31.0) million came from Marine Logistics and EUR 5.8 (0.5) million from Renewable Energy.

Marine Logistics' revenue developed favourably despite strikes and challenging weather conditions in the first quarter. Bulk transport represented around two-thirds of revenue. Of the bulk transport, around two-thirds consisted of contract transport and around one-third consisted of spot sales. Project shipments continued to represent around one-third of revenue.

Renewable Energy's revenue increased thanks to projects in the delivery phase. Renewable Energy's order backlog at the end of the review period stood at around EUR 10.1 (9.2) million. The value of active sales identified for the coming few years was around EUR 299 (197) million, of which projects in the planning and tendering phase accounted for around EUR 61 (39) million.

Result in April–June

The Meriaura Group's EBITDA in April–June was EUR 2.3 (1.1) million, or 10.4% (7.2%) of revenue. Marine Logistics represented EUR 2.7 (2.3) million of the EBITDA. Renewable Energy's EBITDA was EUR -0.4 (-1.2) million. In April–June, the operating result was EUR 0.8 (-0.2) million, and the net result was EUR 0.3 (-0.5) million.

Result in January–June

The Meriaura Group's EBITDA in January–June improved to EUR 3.5 (2.6) million, or 8.7% (8.3%) of revenue. Marine Logistics represented EUR 4.9 (4.8) million of the EBITDA. Renewable Energy's EBITDA was EUR -1.2 (-2.2) million. In January–June, the Group's operating result (EBIT) was EUR 0.6 (-0.1) million, and the net result was EUR -0.2 (-0.6) million. Profitability was boosted especially by higher revenue in Renewable Energy. The growth in profitability was somewhat slowed down by the weaker price level in the spot market, and by the strikes and challenging weather conditions in the first quarter.

Meriaura Group's costs related to materials and services in January–June totalled EUR 27.0 (19.9) million. The increase in material costs mainly consists of Renewable Energy's deliveries. Personnel costs amounted to EUR 5.5 (5.6) million. Other operating expenses totalled EUR 4.2 (4.1) million.

Net financial income and expenses for January–June amounted to EUR -0.7 (-0.5) million.

The profit for the period stood at EUR -0.2 (-0.6) million. Earnings per share were EUR 0.000 (-0.001).

Key figures (FAS, unaudited)

(EUR 1,000)	4–6/2024	4–6/2023	1–6/2024	1–6/2023	Change %	1–12/2023
Revenue, Group	22,096	15,283	39,951	31,471	26.9%	66,183
Marine Logistics	18,211	14,951	34,122	30,982	10.1%	62,836
Renewable Energy	3,885	332	5,829	489	1,092%	3,386
Others	-	-	-	-	-	-39
EBITDA, Group	2,300	1,099	3,493	2,602	34.2%	6,325
Marine Logistics	2,748	2,287	4,876	4,807	1.4%	10,149
Renewable Energy	-347	-1,188	-1,234	-2,205	44.0%	-3,544
Others	-101	-	-149	-	-	-280
Proportion of revenue, %	10.4%	7.2%	8.7%	8.3%		9.6%

Operating profit/loss (EBIT), Group	781	-221	595	-64	1,030%	1,043
Marine Logistics	1,451	1,037	2,262	2,277	-0.7%	5,149
Renewable Energy*	-396	-1,258	-1,345	-2,341	42.5%	-3,796
Others	-274		-322			-310
Proportion of revenue, %	3.5%	-1.4%	1.5%	-0.2%		1.6%
Net profit/loss for the review	281	-504	-177	-584		-271
Proportion of revenue, %	1.3%	-3.3%	-0.4%	-1.9%		-0.4%
Earnings per share, Group						
Diluted and undiluted	0.000	-0.001	0.000	-0.001		0.000

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

Balance sheet, financing and investments

The Group's balance sheet total stood at EUR 74.6 (62.3) million on 30 June 2024. Inventories stood at EUR 2.8 (3.5) million. Cash at hand and in bank at the end of the review period totalled EUR 7.0 (4.3) million. The company's equity ratio at the end of the review period was 53.8% (57.3%). Liabilities amounted to EUR 34.4 (26.4) million, of which EUR 21.5 (16.3) were non-current and EUR 13.0 (10.1) million were current liabilities. Of the non-current liabilities, loans from credit institutions for the acquisition of ships accounted for EUR 13.3 (16.0) million. Of the current liabilities, trade payables accounted for EUR 4.1 (2.7) million, and accruals and deferred income accounted for EUR 4.7 (2.9) million.

Cash flow from operating activities in the first half of the year was EUR -0.3 (0.4) million, and cash flow from investing activities was EUR -5.3 (-0.1) million. Cash flow from financing activities in the first half of the year was EUR 4.9 (1.0) million. The Group's cash and cash equivalents stood at EUR 7.0 (4.3) million on 30 June 2024.

The amount of investments increased significantly from the comparison period as a result of orders for two new Eco Trader vessels. The value of the orders for new vessels is around EUR 34 million. On 30 June 2024, EUR 4.6 million of the vessel investments was capitalised on the balance sheet for capital expenditure in progress, and EUR 1.5 million in loans has been drawn down for the investments.

Personnel and management

The Meriaura Group had 172 (160) employees at the end of the review period. Of its personnel, 47 (32) worked in Renewable Energy and 122 (125) in Marine Logistics. At the end of the review period, the parent company had three employees.

On 30 June 2024, the Group's Executive Management Group consisted of the following members: Kirsi Suopelto, CEO; Heikki Timonen, CFO; Beppe Rosin, CEO of Meriaura Oy; and Antti Lilleberg, CEO of Meriaura Energy Oy.

Significant events during the review period

On 15 April 2024, Meriaura Group announced that Meriaura Oy, which is part of the Group, had signed an agreement on the acquisition of two Eco Trader cargo vessels from Bodewes International Shipbuilding B.V. in the Netherlands. The value of the acquisition is around EUR 34 million. The vessels will be built in the Netherlands and handed over to Meriaura in January and December 2026. Of the investment, 20% is self-financed, and 80% is financed by debt. The vessels ordered are 105 metres long, with a capacity of 6,750 tonnes, in ice class 1A. They are designed to generate as little emissions as possible. The vessels can be

operated with biofuel produced from recycled raw material by Meriaura's subsidiary VG-EcoFuel Oy. In addition to using renewable fuel, emission reductions are achieved through, for example, hull optimisation and more efficient engine technology supplied by Wärtsilä. The larger vessel size also improves economic efficiency and reduces the environmental load caused by transport.

On 15 April 2024, Meriaura Group announced that Meriaura Energy Oy had signed an agreement on a turnkey delivery of a solar thermal system to Les Serres Vermeil SARL, a producer of organic vegetables in Palau-del-Vidre, France. The project (around EUR 1.7 million) includes the delivery of a 5,800 m² solar thermal system, which will produce heat for a greenhouse owned by the customer, reducing its carbon dioxide emissions. The project has been developed in collaboration with Eiffage Energie Systèmes – Cogénération SAS, which is part of the Eiffage Group, a French construction and infrastructure group. The construction of the plant will begin in the autumn of 2024 and is scheduled to be completed in early 2025.

On 25 April 2024, the company announced a conditional decision to sell a minority share in Meriaura Oy to Meriaura Invest Oy through a transaction that would offset Meriaura Invest's loan receivable of EUR 4.4 million from Meriaura Group Plc. The loan has enabled the delivery of the Bad Rappenau project. The unsecured loan is long term at an annual interest rate of 6%. According to an estimate made by the company on 25 April 2024, the minority share would correspond to a holding of around 15–25% in Meriaura. The decision was conditional on the approval of the new Board of Directors elected at Meriaura Group's Annual General Meeting on 3 May 2024. On 2 July 2024, the new Board of Directors decided on the sale of the minority share in accordance with the plan announced on 25 April 2024. The transaction price for the 20.6% holding was EUR 4,552,659.73, which offset Meriaura Invest's loan receivable of EUR 4.4 million with interest. In accordance with the terms and conditions of the transaction, Meriaura Group has the right to redeem the Meriaura Oy shares at their original purchase price by the end of 2024. The acquisition will strengthen the Group's balance sheet and improve opportunities to expand the funding base in the future. The arrangement also supports the ship investment announced by Meriaura in the spring, ensuring compliance with the ownership permanence requirement for its financing.

On 2 May 2024, Meriaura Group announced that Meriaura Energy Oy had entered into an agreement with Stadtwerke Lübeck Energie GmbH on the turnkey delivery of a solar thermal system to Lübeck, Germany. The project (nearly EUR 5 million) covers a 12,000 m² solar thermal system for district heating, as well as heat storage. The implementation of the project has begun, and the construction work on the field is about to begin. The project is expected to be completed in 2025.

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

Meriaura Group Plc's Annual General Meeting (AGM) was held in Helsinki on 3 May 2024. The AGM adopted the financial statements for 2023 and decided that the profit for the financial year (EUR 7,844,371.11) be carried over to the retained earnings/losses account and that no dividend be paid. The AGM resolved to grant discharge from liability for the members of the Board of Directors and the CEO for the period 1 January to 31 December 2023 and concerning the preparation of financial statements.

Board of Directors' fees

The Annual General Meeting resolved that the members of the Board of Directors be paid the following fees for the term that begins at the close of the Annual General Meeting and ends at the close of the next Annual General Meeting following their election: EUR 21,600 for the Chair of the Board and EUR 10,800 for each of the other members of the Board.

Around 40% of the fees will be paid to the members of the Board by issuing new shares in the company based on the authorisation granted to the Board, and around 60% in cash. The cash portion of the fees will be paid monthly in twelve instalments to the extent that it exceeds the amount of withholding tax on the fee. Concerning the proportion of the fees to be paid in shares, the number of shares will be based on the value of the company's share on First North Growth Market Finland. The volume-weighted average price of the share over the two (2) weeks immediately following the publication date of Meriaura Group Plc's half-year report for 1 January to 30 June 2024 will be used as the value of the share. Alternatively, the remuneration shares can be purchased in the name of and on behalf of the Board members.

Board members and the auditor

The Annual General Meeting re-elected Jussi Mälkiä, Ville Jussila and Kati Ihamäki as members of the Board based on their consent, and elected Patrik Rautaheimo and Antti Vehviläinen as new Board members.

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

Authorisation of the Board of Directors to decide on share issues and the issue of special rights entitling their holders to shares

In accordance with the Board's proposal, the Annual General Meeting decided to authorise the Board of Directors to decide on share issues in one or more instalments and on the issue of option rights and other special rights entitling their holders to shares under chapter 10, section 1 of the Limited Liability Companies Act as follows:

The number of shares to be issued based on the authorisation may in total amount to a maximum of 500,000,000 shares. The Board of Directors decides on all the terms and conditions of share issues and the issue of options and other special rights entitling their holders to shares. The issue of shares and of options and other special rights entitling their holders 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 to do so.

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 with regard to the interests of all shareholders in the company.

The authorisation is valid until 30 June 2026 and revokes the authorisation granted by the Extraordinary General Meeting on 25 November 2022.

Decisions of the inaugural meeting of the Board of Directors

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

The decisions of the Annual General Meeting were published in full on 3 May 2024 by means of a company release, which can be found on Meriaura Group's website <http://www.meriauragroup.com> under "Investors".

RELATED PARTY TRANSACTIONS

On 25 April 2024, the company announced a conditional decision to sell a minority share in Meriaura Oy to Meriaura Invest Oy. The transaction was completed after the review period on 2 July 2024. More detailed information is provided under “Significant events during the review period” in this half-year report.

SHARE

Meriaura Group Plc has one series of shares. The number of shares on 30 June 2024 was 866,801,277 (30 June 2023: 800,102,141). The company does not hold any treasury shares. Each share carries one vote at a general meeting of shareholders. The average number of outstanding shares by month during the review period, adjusted for share issues, was 866,801,277 (790,728,513).

During the period, the share price on First North Growth Market Sweden fluctuated between SEK 0.358 and 0.641 (SEK 0.575 and 0.989). The closing price was SEK 0.480 (0.840). On First North Growth Market Finland, the share price fluctuated between EUR 0.040 and 0.054 (EUR 0.052 and 0.084). The closing price was EUR 0.043 (EUR 0.073). Meriaura Group’s combined trading volume in January–June 2024 was 6,831,760 (17,704,304) shares on First North Growth Market Sweden and 30,381,152 (70,128,225) shares on First North Growth Market Finland.

Current authorisations of the Board of Directors

On 3 May 2024, the Annual General Meeting decided to authorise the Board of Directors to decide, in one or more instalments, on share issues and the issue of option rights and other special rights entitling their holders to shares in accordance with chapter 10, section 1 of the Limited Liability Companies Act, up to 500,000,000 shares in total.

Largest shareholders on 30 June 2024

Shareholder	Number of shares held	Percentage of all shares
MERIAURA INVEST OY ¹	536,181,765	61.86
HYBRID CONSULTING OY ²	33,801,313	3.90
EERO LEHVONEN	31,450,614	3.63
OLLI-MARKUS RANTAVUORI	24,563,431	2.83
KATRI PAULIINA SJÖBLOM	5,244,741	0.61
JUKKA JOKINEN	4,100,000	0.47
JOHAN NIKLAS ERIK GUEST	4,063,112	0.47
STEFAN ANDERS HELLÉN	4,000,000	0.46
FÖRSÄKRINGSAKTIEBOLAGET AVANZA PENSION	3,839,840	0.44
ANSA ANITTA LILJA	3,783,264	0.44
10 largest shareholders, total	651,028,080	75.11
TOTAL	866,801,277	100

-
- 1) Meriaura Invest Oy is a controlled entity of Jussi Mälkiä.
 - 2) Hybrid Consulting Oy is an entity influenced by Kirsi Suopelto.
-

GENERAL RISKS AND UNCERTAINTIES RELATED TO BUSINESS OPERATIONS

Key risks related to the Marine Logistics business

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

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

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

Key risks related to the Renewable Energy business

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

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

Risks related to the Group's financial position

In the Marine Logistics business, significant investments are required for maintaining and improving the competitiveness of the fleet. Several simultaneous major deliveries of renewable energy may significantly increase the need for working capital and facilities in Renewable Energy.

A general weakening of the financial markets, higher costs of financing and/or reduced availability of financing may weaken the Group's financing options and lead to tighter terms and conditions for financing.

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

STRATEGY AND LONG-TERM GOALS

Marine Logistics provides its customers with competitive and environmentally sustainable marine transport services, which also reduce carbon emissions from marine transport. The goal is profitable growth in the long term. Its operations focus on the Baltic Sea and North Sea regions, where Meriaura is one of the leading providers of project shipping. The aim is to grow the market share by increasing transport capacity, renting ships and building new low-emission ships for the company. Meriaura's climate strategy aims for carbon neutrality as early as the 2030s, much earlier than the industry as a whole. In addition to focusing on organic growth, the Marine Logistics business continues to identify strategic partners and potential corporate and business arrangements.

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

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

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

MARKET OUTLOOK

Marine Logistics

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

The demand for marine transport is affected by general economic development, and the industry has historically been rather volatile. Geopolitical events can also have significant impacts on the marine transport market.

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

Compared with bulk transport, the transport of heavy and large-scale project cargo requires different type of ship capacity and special expertise. Meriaura has broad and varied experience in project shipments, such as the transport of ship blocks and harbour cranes, and it has been involved in the various phases of wind power construction for a long time. Investments in renewable energy production are expected to continue, and major wind power projects are in progress and being planned in Meriaura's field of operations, both onshore and offshore.

Recycled biofuels

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

Renewable Energy

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

Meriaura Group's Renewable Energy business focuses on segments with high growth potential. These include solar district heating (SDH) and systems for generating heat for industrial processes (solar heat for industrial processes, SHIP), as well as solar power parks and renewable energy solutions for buildings. In terms of solar heat, Meriaura Group has strong references and a good market position, especially in France, Germany and Poland, where the demand for solar thermal solutions is expected to grow rapidly. Rasol Oy offers solar power solutions in Finland for single-family homes, limited liability housing companies, farms, and commercial and industrial properties.

A significant increase in demand can be seen in large solar thermal systems, the main market for the Renewable Energy business. In January 2024, the installed capacity of solar heat used for the production of district heating in Germany was around 112 MW, and the size of projects under construction and preparation was around 356 MW (source: EurObserER 2024). The significance of solar heat in the production of heat for industrial processes continues to grow. At the end of 2023, the global installed capacity was 837 MW (source: Solarthermalworld 2024). At the end of June 2024, the value of active sales identified by the company for the coming few years was around EUR 299 (197) million, of which projects in the planning and tendering phase accounted for around EUR 61 (39) million.

The market for energy solutions for buildings is expected to grow significantly across the EU. The EU Energy Efficiency Directive requires the use of solar energy in all new buildings if its use is technically and economically feasible. In practice, this means the installation of solar panels or collectors in all new single-family homes by 2029. Public buildings larger than 250 square metres must have solar panels installed by 2030, and smaller new public buildings by 2026.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

On 2 July 2024, Meriaura Group Plc announced that Meriaura Group's Board of Directors had decided to sell a minority share in Meriaura Oy, a subsidiary engaged in marine logistics, to Meriaura Invest Oy, the Group's largest shareholder. Meriaura Group had announced the plan on 25 April 2024. The transaction will result a consolidated accounting loss of approximately EUR -3.3 million to financial items for the third quarter 2024.

On 31 July 2024, Meriaura Group announced that its CEO, Kirsi Suopelto, had resigned and would be joining a new employer. Suopelto will serve as the CEO of Meriaura Group until 30 September 2024. The company's Board of Directors has appointed the current Chair of the Board, Maritime Counsellor Jussi Mälkiä, as the CEO from 1 October 2024. Antti Vehviläinen, a member and Vice Chair of the Board, will become Chair of the Board on 1 October 2024.

FINANCIAL REPORTING IN 2024

Meriaura Group's business review for January–September will be published on 31 October 2024.

MERIAURA GROUP PLC
Board of Directors

More information:

Kirsi Suopelto, CEO

Tel. +358 50 560 2349

Email: kirsi.suopelto@meriaura.com

Meriaura Group Plc discloses the information provided herein pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 22 August 2024 at 8.30 a.m. (CEST) by the aforementioned person.

ANNEXES

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

Meriaura Group in brief

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

Meriaura Oy, which engages in the Marine Logistics business, is a major provider of transport for bulk cargo and demanding project deliveries in Northern Europe, especially in the Baltic Sea and North Sea regions. The company provides its customers with competitive low-emission marine transport services, which are based on long-term affreightment agreements, a modern fleet and the active development of operational sustainability. In addition, Meriaura has a strong market position as a marine transport provider in renewable energy construction projects.

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

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

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

www.meriauragroup.com

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

ANNEX 1
COMPARISON BY REVIEW PERIOD (FAS, unaudited)

(EUR 1,000)	4-6/2024	4-6/2023	1-6/2024	1-6/2023
Revenue	22,096	15,283	39,951	31,471
Operating profit/loss (EBIT)	781	-221	595	-64
Profit/loss for the period	281	-504	-177	-584
Earnings per share, €				
undiluted	0,000	-0.001	0,000	-0.001
diluted	0,000	-0.001	0,000	-0.001

ANNEX 2
INCOME STATEMENT (FAS, unaudited)

(EUR 1,000)	1-6/2024	1-6/2023	1-12/2023
Revenue	39,951	31,471	66,183
Other operating income	159	742	883
Materials and services	-27,037	-19,906	-42,126
Personnel costs	-5,476	-5,563	-10,924
Depreciation and impairment	-2,897	-2,666	-5,282
Other operating expenses	-4,249	-4,143	-7,714
Operating profit/loss	595	-64	1,043
Financial income	101	58	111
Financial expenses	-836	-570	-1,486
Profit/loss before appropriations and taxes	-139	-576	-332
Income tax	-37	-7	-62
Profit/loss for the period/financial year	-177	-584	271

Earnings per share and number of shares	1-6/2024	1-6/2023	1-12/2023
Earnings per share, basic, EUR	0,000	-0.001	0,000
Earnings per share, diluted, EUR	0,000	-0.001	0,000
Number of outstanding shares at the end of the review period	866,801,277	800,102,141	866,801,277
Number of outstanding shares at the end of the period, adjusted for the dilutive effect	866,801,277	800,102,141	866,801,277
Average number of outstanding shares by month, adjusted for share issues	866,801,277	790,728,513	800,377,550
Average number of outstanding shares in the review period, adjusted for the dilutive effect	866,801,277	790,728,513	800,377,550

ANNEX 3
BALANCE SHEET (FAS, unaudited)

(EUR 1,000)	30 June 2024	30 June 2023	31 Dec 2023
Assets			
Non-current assets			
Intangible assets	7,227	4,330	7,636
Tangible assets	44,563	43,732	41,779
Total non-current assets	51,791	48,062	49,415
Current assets			
Inventories	2,829	3,523	2,515
Non-current receivables	35	165	107
Trade receivables	5,927	2,998	4,250
Loan receivables	-	5	-
Other receivables	516	129	311
Prepayments and accrued income	6,432	3,208	3,520
Cash at hand and in bank	7,023	4,254	7,726
Total current assets	22,763	14,283	18,429
Total assets	74,554	62,345	67,844
Equity and liabilities			
Equity			
Share capital	470	470	470
Share issue			
Paid-up unrestricted equity reserve	89,804	85,858	89,804
Retained losses	-50,265	-50,014	-50,014
Profit/loss for the period/financial year	-177	-584	-271
Total equity	39,832	35,730	39,989
Mandatory provisions			
Other mandatory provisions	303	209	240
Non-current liabilities			
Loans from financial institutions	15,646	13,349	12,257
Other liabilities	5,820	2,913	5,644
Total non-current liabilities	21,467	16,262	17,901

Total current liabilities			
Loans from financial institutions	2,768	2,932	3,157
Advances received	518	-	20
Trade payables	4,137	2,732	2,898
Other liabilities	815	1,532	675
Accruals and deferred income	4,714	2,949	2,964
Total current liabilities	12,952	10,144	9,714
Total liabilities	34,419	26,406	27,615
Total equity and liabilities	74,554	62,345	67,844

ANNEX 4
CASH FLOW STATEMENT (FAS, unaudited)

(EUR 1,000)	1–6/2024	1–6/2023	1–12/2023
Business operations			
Profit/loss for the period/financial year	-139	-576	-332
Adjustments	3,730	3,169	6,747
Increase/decrease in current receivables	-4,795	-106	-1,496
Increase/decrease in inventories	-314	-157	947
Increase/decrease in current non-interest-bearing debts	1,939	-1,401	180
Interests from operating activities	-734	-512	-1,375
Cash flow from operations	-313	417	2,778
Investments			
Investments	-5,339	-127	-677
Investments in subsidiaries	-	-	-3,765
Dividends received on investments	-	-	-
Cash flow from investment activities	-5,339	-127	-4,442
Financing			
Paid share issue	-	910	4,856
Withdrawals of non-current loans	3,389	402	2,730
Repayments of non-current loans	-388	-1,727	-2,263
Withdrawals of current loans	2,800	375	-
Repayments of current loans	-1,100	-	-
Other non-current loans	177	-	-
Other non-current receivables	72	190	253
Cash flow from financing activities	4,950	150	5,576
Change in cash and cash equivalents	-702	440	3,912
Cash and cash equivalents at the beginning of period	7,726	3,814	3,814
Cash and cash equivalents at the end of period	7,023	4,254	7,726

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

(EUR 1,000)	Share capital	Paid-up unrestricted equity fund	Retained earnings	Net profit for the period	Total
Equity on 1 Jan 2024	470	89,804	-50,265	-	40,009
Share issue	0	-	-	-	-
Net profit/loss for the period	0	-	-	-177	-177
Equity on 30 Jun 2024	470	89,804	-50,265	-177	39,832
Equity on 1 Jan 2023	470	84,948	-50,014	0	35,404
Share issue	0	910	0	0	910
Net profit/loss for the period	0	0	0	-584	-584
Equity on 30 Jun 2023	470	85,858	-50,014	-584	35,730

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

(EUR 1,000)	1–6/2024	1–6/2023	1–12/2023
Revenue	39,951	31,471	66,183
Profit/loss for the period/financial year	-177	-584	-271
Cash and cash equivalents	7,023	4,254	7,726
Equity	39,832	35,730	39,989
Equity ratio, %	53.8	57.3	59.0

Calculation of key figures

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