

Fintoil Q4-2021 Bondholder report

General Market Information

The development of the market situation has remained in line with the previous quarter. The prices of both end products and raw materials have continued to rise. The prices of both raw materials and end products rose by about 10%. The increase was facilitated by the will to ensure the availability of raw material and products by 2022 in a reasonably tight supply situation.

Despite the increase in the price level of the raw material, Crude Tall Oil, the refining margin has remained stable.

Hamina Construction Project

During Quarter 4 the construction project has been continuing mostly according to plan. Cooperation with NES is close and tight. During the Christmas period the construction site was quite silent for 10 days.

During Quarter 4 Purchase Orders were issued for the amount of 5,6 M€. Major orders were issued for electrification work, insulation work and Thermo oil.

At the end of December the completion rate is 59% compared to 65% planned completion rate. The cumulative actual committed cost at the end of December is 68,6 M€. The forecast prepared by the EPCM partner at the end of December is 82,6 M€ which is 1,5 M€ or 1,8% above the original Budget for the project.

General proceedings

The organization is growing according to plan. 2 new employees were hired during quarter 4, joining the company in early January. Recruitment of the production staff will start during Q1 2022.

Negotiations with raw material suppliers are ongoing and contracts are being signed. Some contracts signed in writing and some verbally with final written contract pending. First deliveries from one raw-material vendor started already in January and CTO is physically shipped to Fintoil premises.

Negotiations with customer candidates for all major products are ongoing and proceeding well. First contracts are already signed.

Chemical permission from local authority (Tukes) received in December.

Fintoil Hamina Oy 7.500 per cent. Senior Secured Notes

ISIN: FI4000508007

Information to Noteholders

Reporting period: December 31, 2021

Construction report

		Confirmation
(i)	Confirmation that the construction of the refinery is progressing in accordance with the EPCM Contract	Confirmed
	Confirmation of any adjustments or alterations that have been made that may cause delays or curtailment of construction of the Refinery	None
(iii)	Confirmation that the Completion Date will occur prior to the Long Stop Date	Confirmed
(iv)	Confirmation that no Cost Overrun Event is continuing and the amount of any Cost Overrun (if any) as at the relevant Quarter Date	Confirmed
	The EPCM contractor estimates the final forecast cost at EUR 82.583m, EUR 1.518m (1.8%) above the approved EPCM budget of EUR 81.065m	
Equity / (Equity + Interestbearing Debt)		
(v)	Information required for the calculation of the Equity Ratio (as applicable prior to the Long Stop Date)	36,25 / (36,25+70,0) 34,1 %
	Pre completion Equity to the aggregate of Pre Completion Equity and the aggregate of the amounts paid to the issuer from the Escrow Account pursuant to clause 4 and other interest bearing debt of the issuer	
(vi)	The amount of Incurred Construction Costs and Remaining Construction Costs	
	- Incurred Construction Costs (Committed cost, NES reporting)	68,6 M€
	- Remaining Construction Costs	14,0 M€
	- Original Budget	81,1 M€
	- Latest Estimate	82,6 M€
	- Estimated Cost overrun	1,5 M€ 1,8 %