

Fintoil Hamina Oy

Quarterly Financial Statements, 2024-Q1

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Management report

Market

The market conditions for raw materials (CTO) have continued to improve during Q1. Closing of Ingevity De Ridder plant took place in February which had an immediate impact on both available volume and price. We expect the CTO-price to continue to decline during rest of the year.

We expect that the market for fatty acid products will improve during second half of 2024. Main reasons being closing of De Ridder mill as well as the increase in blending mandate related volumes for year 2025.

The demand and price of TOR products remain still weak. Some signs are visible that there could be both demand- and price increases in the TOR market in the near future.

Demand for Tall Oil Pitch products remains stable and good.

There has been a political strike in Finland, closing all the harbours for almost 4 weeks. This has had a big effect on Fintoil shipments as well. The strike continued until April 7 effecting also the beginning of April.

Operational View

Hamina CTO-refinery plant has been performing well throughout Q1. The production has been running smoothly and all products have been produced according to specifications.

Fintoil has continued to gain new customers in different territories and different product segments. During year 2024 Fintoil operations will continue to build strong commitments and good customer relationships in all business segments.

The organization has been stable and there has been no major changes among the personnel.

In 2024, Fintoil expects production volume at its Hamina refinery to increase compared to 2023 and aims to refine ca. 100 000 tonnes of feedstock to crude tall oil derivatives so that shipments in H2 are expected to be higher than in H1 based on agreements with customers. In March, shipments were affected by labor union strikes. In April, shipments were higher compared to monthly shipments in Q1'2024.

Based on the positive feedback received from equity and debt investors, the company seeks to strengthen its financial profile by raising additional equity financing from its current shareholders and to extend the maturity of its outstanding senior debt financing. The company will approach all bondholders on details in Q2'2024.

Profit & Loss statement – Q1 2024

	2 024 Q1	2023 Q1	2023 Q1-Q4
Gross revenue	19 018	24 432	83 924
Logistic costs	1 331	941	3 843
Net Revenue (after logistic costs)	17 687	23 491	80 081
Other Operating Income	0	0	10
Materials & Services	17 046	19 404	69 984
Personnel expenses	699	723	2 752
Depreciations and amortizations	1 584	1 559	6 244
Other Operating expenses	622	603	2 241
Operating Profit (- Loss)	-2 264	1 202	-1 131
	-12,8%	5,1%	-1,4%
Financial Income	0	0	0
Financial Expenses	1 477	1 548	6 055
Profit (loss) before tax	-3 741	-346	-7 186
	-21,2%	-1,5%	-9,0%
Income Tax	0	0	0
Profit (Loss) for the financial period	-3 741	-346	-7 186

Balance sheet – 31.3.2024

ASSETS	31.3.2024	31.3.2023	31.12.2023
Non-Current Assets			
Property Plant and equipment	101 417	106 844	102 785
Goodwill	752	841	774
Other intangible assets	2 002	1 045	2 073
Total Non-Current Assets	104 171	108 730	105 632
Current assets			
Inventories	5 757	8 475	7 424
Trade and other receivables	12 871	12 708	9 045
Cash and Cash equivalents	197	5 498	6 588
Total Current Assets	18 825	26 681	23 058
TOTAL ASSETS	122 996	135 411	128 690

EQUITY AND LIABILITIES	31.3.2024	31.3.2023	31.12.2023
Equity			
Share Capital	11 250	11 250	11 250
Capital Reserves	42 000	40 000	40 000
Profit/loss from previous period	-12 092	-4 906	-4 906
Profit/loss from period	-3 741	-346	-7 186
Total Equity	37 417	45 998	39 158
Liabilities			
Bond Loan	70 000	70 000	70 000
Revolving Credit Facility	2 000	9 000	4 000
Other short-term liabilities	13 579	10 413	15 532
Total liabilities	85 579	89 413	89 533
TOTAL EQUITY AND LIABILITIES	122 996	135 411	128 690

Cashflow calculation – Q1 2024

	2024	2023	2023
	Q1	Q1	Q1-Q4
Cashflow from Operations			
EBIT	-2 264	1 202	-1 131
Depreciations And Amortizations	1 584	1 277	6 244
Net Financing Items	-2 823	-1 548	-6 055
Taxes	0	0	0
Cashflow from Operations	-3 503	931	-942
Change in Working Capital			
Change in non-interest bearing receivables, incr./decr.(+)	-3 826	1 282	4 394
Change in Inventories, incr./decr.(+)	1 668	-555	385
Change in non-interest bearing liabilities, incr.(+)/decr.-)	-607	-9 714	-3 932
Change in Working Capital	-2 765	-8 987	847
Cashflow from operations Total	-6 268	-8 056	-95
Investments			
Capital expenditures	-122	646	-1 223
Financing			
Change in Share Capital & Capital Reserves	2 000	0	0
Change in interest-bearing receivables, incr./decr.(+)	0	0	0
Change in shortterm loans	0	0	0
Change in longterm loans	0	0	0
Dividends paid	0	0	0
Change in SSRCF	-2 000	-1 000	-6 000
Cashflow from financing	0	-1 000	-6 000
Change in cash during the period	-6 391	-8 410	-7 318
Cash at the beginning of the period	6 588	13 906	13 906
Cash at the end of the period	197	5 496	6 588

Financial Covenants – 31.3.2024

Fintoil Hamina Oy, 70 m€ Bondloan

11.1 Maintenance test

	31.12.2022	31.3.2023	30.6.2023	30.9.2023	31.12.2023	31.3.2024
Equity ratio						
Minimum value	30,0 %	30,0 %	30,0 %	30,0 %	30,0 %	30,0 %
Equity Ratio Total Equity to Total Assets	31,6 %	34,0 %	33,5 %	32,8 %	30,4 %	30,4 %

11.4 Incurrence test

	31.12.2022	31.3.2023	30.6.2023	30.9.2023	31.12.2023	31.3.2024
Leverage ratio						
Minimum value Net Interest bearing debt to EBITDA	< 2,5x	< 2,5x	< 2,5x	< 2,5x	< 2,5x	< 2,5x
NIBD (Interest bearing debt ./ Cash)	66,1	73,5	73,3	76,2	67,4	71,8
EBITDA 12 m		11,00	8,61	7,02	5,11	1,67
No event of default is continuing or would occur upon the incurrence of the relevant Financial indebtedness in respect of which the Incurrence test is made		6,7	8,5	10,9	13,2	42,9
		EBITDA Q1 *4	EBITDA H1 *2	EBITDA 9m->12m	EBITDA 2023	EBITDA Q2/23-Q1/24

Fintoil Hamina Oy, 10 M€ SSRFC

22.2 Financial Condition

	31.12.2022	31.3.2023	30.6.2023	30.9.2023	31.12.2023	31.3.2024
Leverage ratio						
Minimum value	< 1	< 1	< 1	< 1	< 1	< 1
Super Senior Total debt	10,00	9,00	7,00	7,00	4,00	2,00
EBITDA 12 m		11,00	8,61	7,02	5,11	1,67
No event of default is continuing or would occur upon the incurrence of the relevant Financial indebtedness in respect of which the Incurrence test is made		0,818	0,813	0,998	0,782	1,196
		EBITDA Q1 *4	EBITDA H1 *2	EBITDA 9m->12m	EBITDA 2023	EBITDA Q2/23-Q1/24

*) Financial condition covenant was breached, mainly due to strikes in the Finnish logistic chain. Issue has been resolved by waiver negotiations together with Nordea and the default is thus mitigated.

