

Meriaura Oy

Comments on the earnings development and financial position during H1 2022

Meriaura Oy's turnover for the 1.1. – 30.6.2022 period was €33,2 million (€25,6 million in 1.1 – 30.6.2021). The turnover for operations in bulk was €23,6 million (€16,2 million in 2021), and for project operations it was €8,2 million (€9,1 million in 2021). The proportion of the bulk business in the turnover was 71% (67% in 2021) and the project business was 25% (29% in 2021). In addition to years 2021 figures, due to last years' business arrangements Meriaura Oy had also turnover from vessel management of €1,2 million and other administration of €0,2 million from the Jan-Jun period.

The improvement in the result can be ascribed, above all, to the bulk business, which benefitted from favourable demand, bunker prices and a successfully built client portfolio. The prospects for both the project and bulk business units for the ongoing financial year are good for the most part. The outlook for the second half of the year remains good despite the uncertainty caused by Russia's war in Ukraine. Exceptionally strong demand in the Mediterranean and the continent has led to less capacity in the Baltic Sea and consequently the freight rates have remained stable and secured a continued good utilization rate for the tonnage. For the project business the turnover and profitability for the second half are expected to improve compared to H1 as demand for heavy cargo transports have increased in most segments and large investments in especially the energy sector predicts the market to remain strong. The company's financial status is stable.

Significant events during H1 2022

Planned 10-year Annual Service dockings of both project vessels affected the project business turnover for H1; both vessels were away from the traffic for about a month during H1.

Bunker prices have been all time high due to Russia's war actions in Ukraine and due to increased geopolitical tension. However, company managed to pass this steep increase in prices to freight prices and profitability of business continued to improve.

In general, a large number of the seamen come from Ukraine or Russia. Russia's war actions and corona pandemic together have made the recruitment of qualified crew members significantly more difficult than before, but the company has fared well despite the difficult manning situation.

Significant events after 30 June 2022

Meriaura has divested two of its vessels. Mirva VG was sold to a close partner and the vessel was chartered back on a long-term contract and will thus continue in the Meriaura fleet. The time charter agreement of MV Polaris ended as planned in September and the Vessel was sold and delivered to new Owners in October.

Meriaura Oy bought 100% of shares of Biolaite Oy on 15.8.2022. On October 2022 Biolaite Oy acquired business operations from VG EcoFuel Oy and will continue to develop VG MarineEcoFuel™ as a Meriaura Oy subsidiary.

On 29. August, the parent company of Meriaura Oy, VG-Shipping Oy, signed a conditional share exchange agreement with Savosolar Oyj for the sale of Meriaura Oy and the business of VG EcoFuel Oy. According to the agreement, Savosolar's current shareholders will own 30 % and VG-Shipping Oy 70 % of the new corporate entity, and the transaction will be implemented by 30 November 2022. The new shares issued in the direct share offering to implement the transaction have been planned to be included in the trading on First North Growth Market.

Accounting principles

Figures for H1 2022 are unaudited. Bookkeeping and reporting are based on Finnish Accounting Standards (FAS) using the same principles as in Financial Statements for 2021.

Key Figures for Financial Status

Key figures for financial status				
		H12022	H12021	FY2021
Turnover		33 214	25 623	52 863
EBITDA		6 549	2 056	4 217
EBITDA % (from net turnover)		20 %	8 %	8 %
Operating profit (EBIT)		4 060	2 056	4 217
Operating profit (EBIT) %		12 %	8 %	8 %
Profit for The Financial Year		3 529	2 047	4 180
Profit for The Financial Year %		11 %	8 %	8 %
Equity		39 818	4 155	36 289
Interest Bearing Liabilities		21 837	249	24 536
Balance Sheet Total		68 689	6 119	96 277
Return on Equity (ROE) %		19 %	131 %	22 %
Return on Capital Employed (ROCE) %		13 %	93 %	7 %
Equity ratio %		58 %	68 %	38 %
Interest Bearing liabilities / Ebitda		1,7	0,1	5,8
Amount of Personnel at the end of acc. period		146	17	17

MERIAURA OY

Balance sheet	30.6.2022	30.6.2021	31.12.2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	939 600,00	0,00	964 000,00
Group goodwill	89 998,00	0,00	100 000,00
Advance payments	254 083,62	0,00	0,00
Intangible assets total	1 283 681,62	0,00	1 064 000,00
Tangible assets			
Machinery and equipment	57 080 037,95	0,00	57 050 000,00
Tangible assets total	57 080 037,95	0,00	57 050 000,00
Investments			
Other shares and similar rights of ownership	0,00	269,10	0,00
Investments total	0,00	269,10	0,00
NON-CURRENT ASSETS TOTAL	58 363 719,57	269,10	58 114 000,00
CURRENT ASSETS			
Stocks			
Other stocks	1 783 531,28	705 273,40	753 655,20
Stocks total	1 783 531,28	705 273,40	753 655,20
Long-term debtors			
Loan receivables	1 450 000,00	0,00	1 380 000,00
Long-term debtors total	1 450 000,00	0,00	1 380 000,00
Short-term debtors			
Trade debtors	2 975 107,40	1 743 311,67	1 846 090,68
Receivables from group undertakings	1 044,00	0,00	29 923 692,04
Loan receivables	201 440,18	800 000,00	0,00
Other receivables	4 258,29	47 147,22	43 582,45
Prepayments and accrued income	1 536 519,53	159 034,27	127 319,96
Short-term debtors total	4 718 369,40	2 749 493,16	31 940 685,13
Cash in hand and at banks			
Cash in hand and at banks total	2 373 817,49	2 710 938,69	4 089 195,45
CURRENT ASSETS TOTAL	10 325 718,17	6 165 705,25	38 163 535,78
TOTAL ASSET	68 689 437,74	6 165 974,35	96 277 535,78

MERIAURA OY

Balance sheet	30.6.2022	30.6.2021	31.12.2021
LIABILITIES			
CAPITAL AND RESERVES			
Subscribed capital	8 400,00	8 400,00	8 400,00
Share issue	0,00	0,00	30 000 000,00
Other reserves (limited liability co.)			
Reserve for invested free own capital (Inc.)	30 000 000,00	0,00	0,00
Other reserves total	30 000 000,00	0,00	0,00
Retained earnings (loss)	6 280 364,69	2 099 888,41	2 099 888,41
Profit (loss) for the financial year	3 528 939,78	2 046 529,05	4 180 476,28
CAPITAL AND RESERVES TOTAL	39 817 704,47	4 154 817,46	36 288 764,69
CREDITORS			
Long-term creditors			
Loans from credit institutions	19 054 919,24	149 999,00	20 737 080,70
Total long-term creditors	19 054 919,24	149 999,00	20 737 080,70
Short-term creditors			
Loans from credit institutions	2 782 619,96	100 000,00	3 799 414,84
Advances received	2 712,42	26 271,16	0,00
Trade creditors	3 344 540,99	1 187 990,53	1 523 264,59
Amounts owed to group undertakings	50 283,15	0,00	31 513 925,98
Amounts owed to participating interest under	2 608,53	0,00	0,00
Other creditors	557 845,52	14 265,84	331 566,45
Accruals and deferred income	3 076 203,46	532 630,36	2 083 518,53
Total short term capital	9 816 814,03	1 861 157,89	39 251 690,39
CREDITORS TOTAL	28 871 733,27	2 011 156,89	59 988 771,09
TOTAL LIABILITIES	68 689 437,74	6 165 974,35	96 277 535,78
Number of shares outstanding	3012	12	3012

MERIAURA OY

Profit and loss statement	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
NET TURNOVER	33 213 690,79	25 623 186,11	52 862 627,06
OTHER OPERATING INCOME	27 326,94	3 972,90	5 472,90
RAW MATERIALS AND SERVICES			
Raw materials and consumables			
Purchases during the financial year	-8 101 819,42	-3 768 915,78	-8 250 374,80
Variation in stocks (increase +, decrease -)	805 342,70	145 327,47	99 854,52
External services	-11 933 444,97	-18 713 102,07	-37 341 635,42
Raw material and services total	-19 229 921,69	-22 336 690,38	-45 492 155,70
STAFF EXPENSES			
Wages and salaries	-3 886 325,84	-548 482,47	-1 562 549,63
Social security expenses			
Pension expenses	-367 006,87	-94 888,66	-279 398,77
Other social security expenses	-170 146,28	-15 728,58	-42 620,63
Staff expenses total	-4 423 478,99	-659 099,71	-1 884 569,03
DEPRECIATION AND REDUCTION IN VALUE			
Depreciation according to plan	-2 489 194,37	0,00	0,00
Depreciation and reduction in value total	-2 489 194,37	0,00	0,00
OTHER OPERATING CHARGES	-3 038 306,87	-575 846,80	-1 274 568,56
OPERATING PROFIT (LOSS)	4 060 115,81	2 055 522,12	4 216 806,67
FINANCIAL INCOME AND EXPENSES			
Other interest and financial income			
From others	464,44	2 248,34	18 864,22
Interest and other financial expenses			
Others	-524 430,64	-11 241,41	-37 791,81
Financial income and expenses total	-523 966,20	-8 993,07	-18 927,59
PROFIT BEFORE TAX AND APPROPRIATIONS	3 536 149,61	2 046 529,05	4 197 879,08
INCOME TAXES			
Income taxes from current and previous period	-7 209,83	0,00	-17 402,80
PROFIT (LOSS) FOR THE FINANCIAL YEAR	3 528 939,78	2 046 529,05	4 180 476,28

Meriaura Oy Cash Flow Statement

	30.6.2022	30.6.2021	31.12.2021
Cash flow from operations			
Profit (Loss) before taxes and appropriations	3 536 149,61	2 046 529,05	4 197 879,08
Adjustments:			
Sales profit of fixed assets	0,00	0,00	0,00
Depreciations according to plan	2 489 194,37	0,00	0,00
Financial income and expenses	523 966,20	8 993,07	18 927,59
Cash flow from operations before change in working capital:	6 549 310,18	2 055 522,12	4 216 806,67
Change in working capital:			
Change in short-term non-interest debtors, increase (-)/ decrease (+)	27 222 315,73	-524 299,88	-29 762 639,07
Change in stocks, increase (-) /decrease (+)	-1 029 876,08	-167 012,67	-215 394,47
Change in short-term non-interest creditors, increase (+)/ decrease (-)	-28 418 081,48	-783 031,61	32 955 233,27
Cash flow from operations before financials and taxes	4 323 668,35	581 177,96	7 194 006,40
Paid interests and other financial expenses	-524 430,64	-11 241,41	-37 791,81
Interest and financial income	464,44	2 248,34	18 864,22
Paid taxes	-7 209,83	0,00	-17 402,80
Cash flow from operations altogether	3 792 492,32	572 184,89	7 157 676,01
Cash flow from operations (A)	3 792 492,32	572 184,89	7 157 676,01
Cash flow from investments:			
Investments to tangible and intangible assets	-2 738 913,94	0,00	-58 114 000,00
Proceeds from tangible and intangible assets	0,00	0,00	269,10
Other investments	-70 000,00	0,00	-1 380 000,00
Share subscription of subsidiary	0,00	0,00	0,00
Repayment of given debts	0,00	0,00	0,00
Cash flow from investments (B)	-2 808 913,94	0,00	-59 493 730,90
Cash flow from financing			
Share issue	0,00	0,00	30 000 000,00
Increase in short-term loans	0,00	0,00	3 681 790,80
Repayments of short-term loans	-1 016 794,88	-17 624,04	0,00
Increase in long-term loans	0,00	0,00	20 532 675,94
Repayments of long-term loans	-1 682 161,46	-54 405,76	0,00
Paid dividends	0,00	0,00	0,00
Cash flow from financing (C)	-2 698 956,34	-72 029,80	54 214 466,74
Change in liquid assets (A+B+C) increase (+)/ decrease (-)	-1 715 377,96	500 155,09	1 878 411,85
Liquid asset in the beginning of accounting period	4 089 195,45	2 210 783,60	2 210 783,60
Liquid asset at the end of accounting period	2 373 817,49	2 710 938,69	4 089 195,45