2020 Financial statements

ST1 NORDIC OY

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Report for 1 January 2020–31 December 2020

Business operations and financial performance of St1 Nordic Oy

St1 Nordic Oy is the parent company to St1 Nordic group which is a versatile Nordic player in the energy sector. The group engages in sale of traffic and heating fuels to consumers and the corporate sector in Finland, Sweden and Norway, as well as to the marine sector in Sweden and Norway and to air traffic in Norway. The group operates a total of 1,257 retail stations under the St1 and Shell brands in Finland and Sweden and under the Shell brand in Norway. St1 and Shell service stations and unmanned stations have more than 600,000 customer visits daily for refuelling as well as food, shop and car wash offering. St1 follows the development of EV charging business and currently offers EV charging at 31 sites in Norway. In addition, the first EV charging site was opened in Sweden.

The group manufactures, develops and refines liquid fuels at its oil refinery in Gotherburg, Sweden. The refinery's annual capacity is 30 million barrels of crude oil. The majority of the refinery's production is sold in Sweden through the retail station network and other sales channels. St1 focuses strongly on renewable energy initiatives. The group has production facilities producing bioethanol from waste in Kajaani, Vantaa, Lahti, Hamina and Gothenburg in connection with the refinery. Especially the Kajaani facility focuses also on product development. In Otaniemi, Espoo, preparation of a geothermal heat pilot plant utilizing the world's deepest heat production wells continues. In addition, the subsidiary St1 Lähienergia Oy sells and installs devices based on geothermal heat.

St1 Nordic Oy sold the industrial wind power production which it owned through the associated company Tuuliwatti Oy in October 2020. St1 continues to operate the wind farms through a service agreement. Next the group aims at investing in industrial windpower in Northern Norway where projects are in permitting stage.

With an objective to maximise the competitiveness of the group's fuel procurement, the purchase of liquid fuels is centralised in the group's associated company North European Oil Trade Oy (Neot). Neot purchases the majority of the Gothenburg refinery's production.

The group's revenue in 2020 was MEUR 4,293.0 which was MEUR 1,665.2 less than in the previous year. The decline in turnover was due to the sharp decline of oil products prices on the world market in spring 2020 and to some extent to decline in service stations sales volumes. Otherwise there were no significant changes in sales volumes apart from aviation fuel sales to associated company Aviation Fuelling Services Norway AS

Key indicators of St1 Nordic Oy’s financial position and results of operations:

	2020	2019	2018	2017	2016
Net sales, MEUR	41.8	51.1	50.5	37.5	30.3
Operating profit/loss, MEUR	11.0	13.0	14.8	15.8	6.6
Operating profit, % of net sales	26.2	25.4	29.3	42.2	21.7
Profit for the period, MEUR	28.6	27.1	44.0	159.4	172.8
Return on equity, %	5.5	5.3	8.7	40.1	69.0
Equity ratio, %	63.6	63.5	67.2	65.0	50.8

Key indicators of St1 Nordic group´s financial position and results of operations:

	2020	2019	2018	2017	2016
Net sales, MEUR	4,923.1	6,588.0	6,885.2	5,093.5	4,390.4
Operating profit/loss, MEUR	162.9	150.1	63.1	176.6	150.5
Operating profit, % of net sales	3.3	2.3	0.9	3.5	3.4
Profit for the period, MEUR	126.8	119.1	55.3	372.8	112.7
Return on equity, %	13.5	14.3	7.0	23.4*	30.9
Equity ratio, %	57.7	46.3	40.7	42.7	31.3

* Calculated excluding the merger profit on the profit and loss statement.

which declined by 50 % due to reduced air traffic. An increasing part of liquid fuels are bio products, the share of which increased to almost 19 % of 2020 revenue.

25 % of revenue came from Finland, 48 % from Sweden and 27 % from Norway.

The group's operating profit was MEUR 162.9 which was MEUR 12.8 more than in the previous year. Refinery and wholesale margin was significantly below prior year's level as demand on the oil market declined due to COVID-19 pandemic, but was still positive as a whole. The improvement in 2021 to 2022 refinery margin hedges compensated for the result impact from oil price decline on inventory. Despite tight price competition and the COVID-19 pandemic, Retail and Commercial Fuels markets maintained the result levels. The result was also positively impacted by the sale of Tuuliwatti Oy business in October 2020. The subsidiary St1 Norge AS booked a MEUR -4.2 write-off on the Kirkenäs terminal in Norway as there is uncertainty about the continuation of its operation.

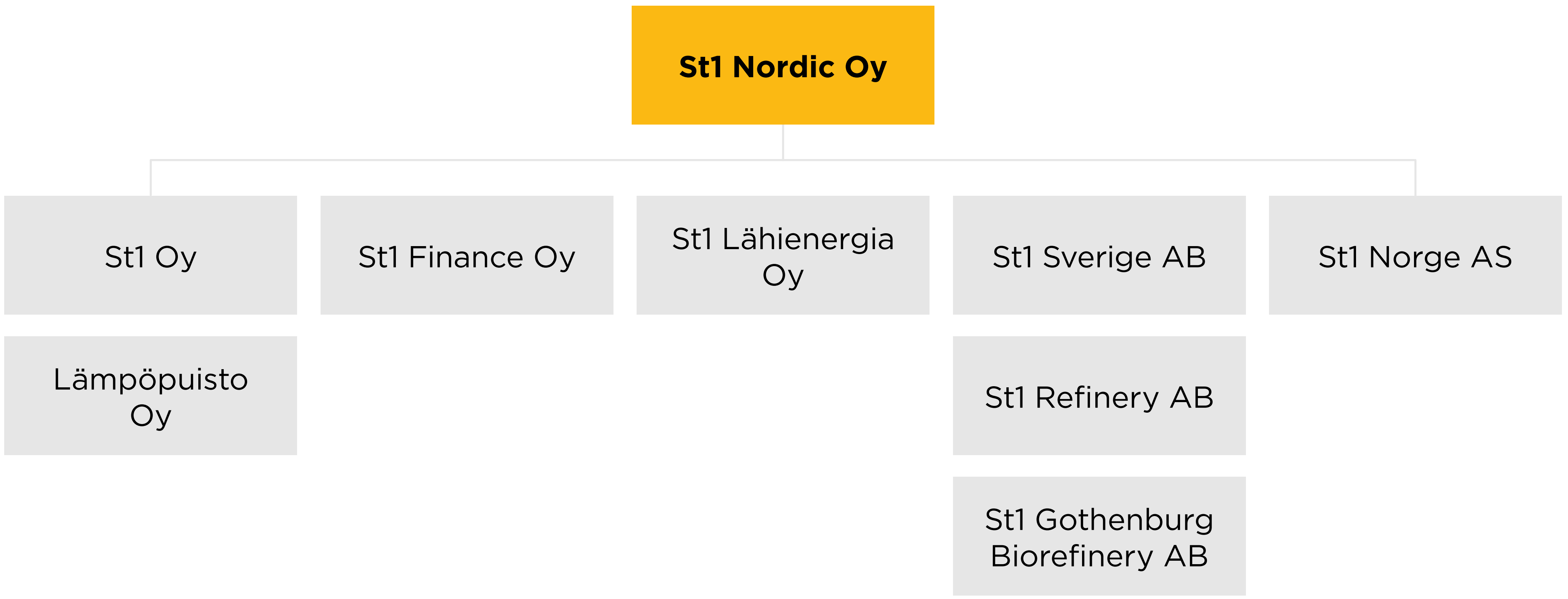
Group structure

There were no significant changes in the group structure during 2020 apart from the above mentioned sale of Tuuliwatti ownership.

In addition to the parent company, St1 Nordic group consists now of the operative subsidiaries St1 Oy, Lämpöpuisto Oy St1 Finance Oy, St1 Lähienergia Oy, St1 Sverige AB, St1 Refinery AB, St1 Gothenburg Biorefinery AB and St1 Norge AS.

St1 Nordic Oy's most significant associated companies comprise North European Oil Trade Oy and the Norwegian Aviation Fuelling Services Norway AS. The associated company is engaged in the aircraft refuelling in Norway and purchases its products from St1 Norge AS.

Chart of the group's main companies



Accociated companies – partly owned by St1 Nordic Oy

Company shares

	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Share capital	100,000	100,000	100,000	100,000	100,000
A-shares	38,737,118	38,737,118	38,737,118	38,737,118	20,000,000
B-shares			4,912,285	4,912,285	4,912,285

Investments

The group's largest investment in 2020 was focused on the construction of the renewable diesel plant in Gothenburg. Actual construction started in 2020 and the plant is estimated to be completed in the beginning of 2023.

Works on the geothermal heat plant in Otaniemi, Espoo were continued during 2020. The drilling works were finalized and at the moment cross flow tests preceding the actual commissioning are being designed.

The subsidiary St1 Sverige AB acquired in April Skansfred AB which owns a liquid fuels terminal in Gävle, north of Stockholm. The terminal will further enhance St1's logistics in Sweden.

Other investments were directed at developing and maintaining current operations.

The group's investments in intangible and tangible assets and daughter company and associated company shares amounted to MEUR 124.7. Out of this, investments into renewable energy amounted to MEUR 51.3.

Technological initialisation expenditure includes development projects aimed at developing methods for producing ethanol to be used as advanced traffic fuel and other biorefining products from softwood sawdust and starch production process residues as well as entzyme production technology for decomposing sawdust pulp. In addition, the development costs for the construction of geothermal pilot heat plant have been capitalized as development expenditure.

The said expenditure fulfills requirements set for capitalization by the Ministry of Trade and Industry. The capitalised development expenses are shown as a separate item and depreciated over their economic lifetime, however as a maximum in 10 years. Depreciation starts when the projects are in production. Should investment decision not be made, the development expenses would be written off.

Research and development expenses

The research and development expenses of St1 Nordic group were MEUR 15.4. in 2020 (MEUR 15.4 in prior year). Research and development expenses comprise the expenses related to development of new production technologies and methods for production of fuels from solid biomass, biogas and synthetic fuels.

Assessment of the most significant risks and uncertainties

Risk management policy and arranging risk management

In the St1 Nordic group, risk management refers to a systematic and proactive approach to analyse and manage the opportunities and threats related to operations, rather than solely eliminating the risks. For this purpose, the group's risk management is based on awareness of the key threats, including strategic, operational and financial risks as well as risk of loss or damage, which have the potential to prevent the group from achieving its objectives.

The Board of Directors is responsible for the company's and group's risk management policy and monitors its implementation. The CEO is responsible for the appropriate organisation of risk management measures. Risk management has been integrated into the daily business operations and decision-making of business units and the group's support functions. Thus, each employee shares a responsibility to identify risks that might threaten the achievement of the group's objectives.

Strategic and operational risks

The group has defined a number of potential risks that could affect its future profitability and development:

- Prolonged hard competition in the traffic fuel retail market may reduce profitability also in the future
- Refining margins on petroleum products may turn out to be insufficient to cover the costs related to refining.
- The group may incur considerable costs due to environmental legislation and regulations, affecting the group's financial performance.
- Political, financial and legislative changes may affect the group's result and demand for products.
- Risks related to the branch, sustainability and climate change may affect the group's result and demand for products in the long-term.

The price risks related to petroleum products and refining margins can be managed with derivatives.

In accordance with the nature of the group's business operations, the largest balance sheet items consist of trade receivables and inventories.

The credit loss risk related to sales receivables is managed through a uniform credit policy and efficient debt-collection activities. Principles used for the measurement of trade receivables and inventories in the financial statements are consistent and based on the principle of prudence.

The continuity of the group's business operations is based on functional and reliable information systems. The group seeks to manage the risks related to information systems through measures such as duplicating critical information systems and data communications links, paying attention to the selection of partners and standardising the work station models, software and information security practices used in the group.

The group's core competencies are related to business processes comprising oil refining, sales and procurement and to the requisite support functions, such as information management, finance, human resources, real estate services, logistics, marketing and communications. In addition, personnel gains significant technical knowledge in renewable energy projects. Unexpected and significant weakening of the group's core competencies would present a risk. The company continuously seeks to improve the core competencies and other significant competencies of its personnel by offering opportunities for in-work learning and training, as well as by recruiting competent new employees, as needed.

The most significant portion of the group's revenue consists of retail and wholesale trade of liquid fuels as well as exports. Taking the group's line of business and products into account, factors that might affect the group's revenue include decisions by the government or the authorities on how different forms of energy are combined, subsidised or taxed, as well as general economic trends and, with regard to heating oil, regionally prevailing temperatures. COVID-19 pandemic and subsequent demand disturbance on the oil market showed that the group's operations can face sudden and strong, negative impacts. The group, together with its partners, was however quickly able to adapt to the prevailing situation.

Risks of loss or damage

The company seeks to protect itself from significant risks to its assets by regularly reviewing its insurance policies as part of the overall risk management process. The company strives to cover with insurance all risks which are financially or otherwise reasonable. The group's insurance portfolio's coverage is subject to regular reviews.

There are no pending trials or any other legal risks that the Board is aware of, which would materially affect the results of the group's operations.

Financial risks

Management of financial risks: The parent company manages the financing operations for the whole group.

In order to secure liquidity, the group has bank overdraft facilities.

Interest rate risk: At the end of the financial year, the group had approximately EUR 10 million of interest rate-sensitive loans. In the previous year interest-bearing loan portfolio was approximately EUR 13 million. Derivative agreements can be used to help in the management of interest rate risks. Interest rate derivates were not in use at the end of the financial year.

Currency risk: The group's operative currency risk is mainly driven from crude oil purchases and inventory denominated in USD. In addition, the group is exposed to currency risk through the foreign currency denominated equity items of Swedish and Norwegian subsidiaries as well as eventual currency receivables from and liabilities with these companies. Currency risks can be managed through forward agreements.

Environmental risks

In order to eliminate the risk of human casualties or oil spills and the related costs, attention must be paid to safe and environmentally sound operating methods in the group's operations. St1 has systematically evaluated and monitored its environmental obligations, as well as the obligations arising at group operating sites. Environmental protection obligations have been defined within the scope of legislation and in the quality programmes applied by the company. The financial statements include a provision for environmental liabilities, which is reviewed for each financial period.

Cyber risks

The group continuosly takes various measures aiming to protect it from cyber risks. This includes continuous preventive work and measures to increase the personnel's awareness of cyber security related topics.

An estimate of probable future development

In the view of the group management, the business environment will remain challenging and volatile. In the traffic fuels trade, competition in the group's home market, particularly in Finland, remains over-emphasised. The group aims to further improve its competitiveness by rationalising systems and business processes, by measures to improve the average sales of retail stations as well as through carefully targeted investments. When feasible, refining margin is hedged. The group continues to adapt to the situation caused by the COVID-19 pandemic and is actively preparing for normalization of the circumstances. The group's financing position is strong per se and the group believes that its liquidity will remain good.

Analysis work on preparation for commissioning of daughter company St1 Oy's geothermal heat plant in Otaniemi continues, after which more information will be available on the plant's production capacity.

Significant events after the end of the financial period

There have been no significant events after the end of the financial period.

Personnel

Key figures describing the group’s personnel

	2020	2019	2018	2017	2016
Average number of personnel during the financial period	880	793	774	556	537
Wages and salaries during the financial period, MEUR	60.0	58.4	53.1	40.4	40.2

Organisation

The company's Board of Directors consisted of Mika Anttonen (chair), Mikko Koskimies, Kim Wiio, Sampsa Halinen and Kati Ihamäki. Henrikki Talvitie acted as the company's Chief Executive Officer.

The company's auditor is PricewaterhouseCoopers Oy and Authorized Public Accountant Janne Rajalahti is the Auditor in charge.

Disclosure of non-financial information

The vision of St1 is to be a leading producer and seller of CO_2 -aware energy, thereby enabling positive societal impact in all our operations. We work constantly towards enabling more sustainable value chain. We believe we will attain this vision by running a responsible and profitable business where economic performance, social responsibility and environmental sustainability are balanced. Achieving the results is important, but equally important is the way we reach our goals. We have committed to UN Global Compact and its ten principles, which is one step forward in bringing responsible business principles and sustainability targets more transparent in our daily operations. The corporate management, the Board of Directors and personnel shall respect and follow these principles which have been approved by the Board of Directors, in addition to relevant national legislation and other regulation concerning the business operations. Our approach to human rights is based on the UN Guiding Principles on Business and Human Rights (UNGP) which states the governments's duty to protect human rights and businesses' responsibility to respect them, and offer appropriate and effective remedies if breached. We respect the rights laid down in the International Bill of Human Rights as well as the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We expect all our Partners and their business partners to commit to these ethical and sustainable principles within their business operations, and supporting their active use within their sphere of influence and decision making.

In 2020 the St1 Group's sustainability team was enforced through additional recruitments and the emphasis for the development work was derived from the themes acknowledged during the implementation of the St1 internal sustainability program RESPECT. Impacts on People, Sustainable Carbon Cycle, Transparency and Competence Development are themes through which the RESPECT development has continued both on corporate level and on business unit level. Actions taken during 2020 focused on increasing the internal competence level through trainings and understanding the extent of impact assessment of our value chain. The most important emphasis together with competence development was understanding the impact our value chain has on people. After signing the commitment to UN Global Compact, St1 Code of Conduct was updated, and a separate Human Rights Policy was formed and approved. In addition, we launched SpeakUp reporting channel. We also conducted a third-party human rights risk assessment that considers our entire value chain. We continue our development endeavours together in strong collaboration with our associated company North European Oil Trade Oy, and other respective partners within our value chain.

St1 Nordic publishes its integrated corporate responsibility report at its internet site www.st1.com on 30 April 2021 the latest. The report complies, as appropriate, with the Global Reporting Initiative Standards and contains the non-financial information material to St1 as required by the Accounting Act. Additionally, our oil refinery in Gothenburg complies both with 14001 and EMAS environmental management system (the Eco-Management and Audit Scheme) and publishes EMAS report after auditing in June 2021 the latest.

Proposal for profit distribution

The Board of Directors proposes to the general meeting that the company will pay a dividend of 15,494,847 euros and transfers the remaining financial year's profit to the 'Retained earnings account'.

There has been no significant changes in the company's financial position after the closure of the financial year. The company's liquidity is good and the proposed distribution does not in the board's opinion put the company's liquidity at risk.

Consolidated income statement

In thousand euros	Notes	1.1.–31.12.2020	1.1.–31.12.2019
NET SALES	1.	4,923,130	6,588,318
Manufacturing for own use		141	2,640
Other operating income	2.	181,244	143,555
Materials and services			
Materials, supplies and products			
Purchases during the period		-4,555,911	-6,215,465
Change in inventories		175	43,058
External services		-7,093	-9,367
		-4,562,829	-6,181,774
Personnel expenses			
Wages and salaries		-59,953	-58,375
Social security costs			
Pension costs		-8,201	-9,291
Other social security costs		-11,894	-11,443
		-80,048	-79,109
Depreciation and amortisation			
Depreciation and amortisation according to plan	5.	-71,677	-65,691
Amortisation of goodwill	5.	3,589	-12,023
Reduction in value of noncurrent assets		-5,776	-7,592
		-73,864	-85,306
Other operating expenses	6.	-224,838	-238,185

In thousand euros	Notes	1.1.–31.12.2020	1.1.–31.12.2019
OPERATING PROFIT		162,936	150,140
Finance income and costs			
Income from other investments of non-current assets			
Share of profit of investments using the equity method	7.	-2,282	8,054
Other interest and finance income	7.	6,771	8,877
Exchange rate gain	7.	318	1,458
Impairment of investments in current assets		0	-4,474
Interest expenses and other finance costs			
To others	7.	-27,067	-6,724
		-22,260	7,191
PROFIT BEFORE APPROPRIATIONS AND TAX		140,676	157,330
Current income tax	9.	-16,690	-31,402
Deferred tax	9.	2,812	-6,869
		-13,879	-38,271
PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST		126,797	119,059
PROFIT FOR THE PERIOD		**126,797**	**119,059**

Consolidated balance sheet

In thousand euros	Notes	31.12.2020	31.12.2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Capitalised development expenditure	10.	1,652	2,887
Intangible rights	10.	30,926	33,462
Goodwill	10.	2,478	3,380
Goodwill on consolidation	10.	156,564	165,316
Other capitalised long-term expenditure	10.	1,280	2,072
		192,900	207,117
Tangible assets			
Land and water areas	11.	209,662	207,310
Buildings and structures	11.	137,383	138,164
Machinery and equipment	11.	381,805	346,176
Other tangible assets	11.	28,455	30,486
Advance payments and construction in progress	11.	163,755	151,859
		921,060	873,995
Investments			
Investments in associated companies	13.	23,221	99,406
Other shares and holdings	13.	2,416	2,426
Other receivables	13.	263	261
		25,900	102,093

In thousand euros	Notes	31.12.2020	31.12.2019
CURRENT ASSETS			
Inventories			
Materials and supplies		169,438	169,263
Receivables			
Non-current receivables			
Trade receivables		1,940	2,331
Deferred tax assets	17.	1,690	2,355
Loan receivables		3,768	5,289
Other receivables		4,259	4,968
		11,656	14,943
Current receivables			
Trade receivables		301,919	452,772
Loan receivables		2	5
Other receivables		30,490	15,421
Prepayments and accrued income	19.	46,285	54,679
		378,697	522,877
Cash and cash equivalents		29,429	8,746
		1,729,079	**1,899,035**

In thousand euros	Notes	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15.	100	100
Revaluation reserve	12.,15.	40,093	40,093
		40,193	40,193
Reserve for invested unrestricted equity	15.	54,232	54,232
Retained earnings	15.	775,347	665,053
Profit (loss) for the period	15.	126,797	119,059
		956,376	838,344
Total equity		996,569	878,537
MINORITY SHARE		4	0
PROVISIONS			
Other provisions	16.	53,629	50,436
		53,629	50,436

In thousand euros	Notes	31.12.2020	31.12.2019
LIABILITIES			
Non-current			
Loans from financial institutions		9,966	0
Deferred tax liabilities	17.	36,751	36,701
Other liabilities		76	5,002
Accruals and deferred income		8,036	8,360
		54,829	50,062
Current			
Loans from financial institutions		1,176	13,312
Commercial paper		59,000	135,000
Advance payments		808	773
Trade payables		103,702	265,094
Deferred tax liabilities	17.	44,422	47,489
Liabilities to associated companies			
Trade payables		134,994	158,440
Other liabilities		204,166	221,992
Accruals and deferred income	20.	75,780	77,898
		624,048	919,999
		1,729,079	**1,899,035**

Consolidated cash flow statement

In thousand euros	1.1.–31.12.2020	1.1.–31.12.2019
Cash flow from operating activities:		
Profit (loss) before appropriations and income tax	140,676	157,330
Adjustments:		
Depreciation and amortisation according to plan	68,087	77,715
Other income and expenses with non-cash transactions	-47,546	-11,441
Other finance income and costs	19,978	863
Cash flow before change in working capital	181,195	224,467
Change in working capital:		
Increase (-)/ decrease (+) in current non-interest bearing receivables	144,492	65,828
Increase (-)/ decrease (+) in inventories	-175	-43,058
Increase (+)/ decrease (-) in current non-interest bearing payables	-195,162	-11,918
Cash flow from (used in) operating activities before financial items and taxes	130,351	235,319
Interest paid and charges on other finance costs	-3,500	-6,380
Interest received	1,962	3,959
Taxes paid	-21,946	-7,342
Net cash generated from operating activities (A)	106,866	225,556

In thousand euros	1.1.–31.12.2020	1.1.–31.12.2019
Cash flow from investing activities:		
Purchase of tangible and intangible assets	-121,187	-136,079
Acquisitions deducted by acquired cash and cash equivalents	-3,516	-4,998
Proceeds from sale of tangible and intangible assets	131,419	798
Proceeds from sale of subsidiaries	0	7,097
Proceeds from other investments	0	29,717
Dividends received	4,293	3,655
Net cash used in investing activities (B)	11,010	-99,811
Cash flow from financing activities:		
Proceeds from current loans	0	35,000
Repayment of current loans	-88,137	-187,809
Proceeds from non-current loans	9,966	0
Repayment of non-current loans	-3,915	0
Dividends paid and other profit distribution	-15,107	-12,009
Net cash used in financing activities (C)	-97,193	-164,818
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	20,683	-39,073
Cash and cash equivalents at beginning of period	8,746	47,819
Cash and cash equivalents at end of period	29,429	8,746

Parent company income statement

In euros	Notes	1.1.–31.12.2020	1.1.–31.12.2019
NET SALES	1.	41,779,988.76	51,114,646.67
Other operating income	2.	13,681,563.01	17,418,909.86
Raw materials and services			
Raw materials and consumables			
Purchases during the financial year		-11,613,126.88	-25,391,362.90
Personnel expenses			
Wages and salaries		-5,723,333.09	-4,802,435.05
Social security costs			
Pension costs		-835,745.67	-796,518.12
Other social security costs		-249,811.00	-220,607.98
		-6,808,889.76	-5,819,561.15
Depreciation according to plan	5.	-6,850,280.53	-6,031,175.23
Other operating expenses	6.	-19,237,900.99	-18,338,092.38

In euros	Notes	1.1.–31.12.2020	1.1.–31.12.2019
OPERATING PROFIT		10,951,353.61	12,953,364.87
Finance income and costs			
Income from shares in group companies	7.	16,339,669.49	12,941,480.57
Income from shares in associated companies	7.	4,293,106.87	3,654,663.28
Other interest and finance income			
From group companies	7.	5,199,701.31	7,458,104.82
From others	7.	591,576.33	1,216,023.03
Impairment of investments in current assets	7.	0.00	-4,474,336.74
Interest expenses and other finance costs			
To group companies	7.	-5,004,636.84	-888,209.37
To others	7.	-1,861,969.95	-3,054,556.12
		19,557,447.21	16,853,169.47
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX		30,508,800.82	29,806,534.34
Appropriations			
Change in cumulative accelerated depreciation	8.	0.00	45,601.71
		0.00	45,601.71
Income taxes	9.	-1,955,402.42	-2,722,224.90
PROFIT FOR THE PERIOD		**28,553,398.40**	**27,129,911.15**

Parent company balance sheet

In euros	Notes	31.12.2020	31.12.2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	10.	29,976,885.99	31,741,678.60
Advance payments and construction in progress	10.	5,100,681.63	1,720,771.24
Other capitalised long-term expenses	10.	252,492.79	7,529.09
		35,330,060.41	33,469,978.93
Property, plant and equipment			
Machinery and equipment	11.	690,423.41	591,081.43
Advance payments and construction in progress	11.	0.00	106,982.07
		690,423.41	698,063.50
Investments			
Shares in group companies	13.	498,903,698.67	454,748,578.00
Receivables from group companies	14.	1,290,000.00	1,290,000.00
Investments in associated companies	13.	25,079,124.31	67,729,124.31
Other shares and holdings	13.	20,765.69	20,765.69
		525,293,588.67	523,788,468.00

In euros	Notes	31.12.2020	31.12.2019
CURRENT ASSETS			
Receivables			
Non-current receivables			
Receivables from group companies		148,685,535.45	142,788,786.38
		148,685,535.45	142,788,786.38
Current receivables			
Receivables from group companies	14.	103,349,006.49	102,830,552.65
Trade receivables	14.	2,914.00	19,749.16
Other receivables		686,451.22	42,809.37
Prepaid expenses and accrued income	19.	3,929,692.24	5,054,748.20
		107,968,063.95	107,947,859.38
Cash and cash equivalents		13,684,947.73	2,508,197.60
		831,652,619.62	**811,201,353.79**

In euros	Notes	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15.	100,000.00	100,000.00
Reserve for invested unrestricted equity	15.	54,231,561.66	54,231,561.66
Retained earnings	15.	446,005,804.77	433,983,369.64
Profit for the period		28,553,398.40	27,129,911.15
		528,790,764.83	515,344,842.45
TOTAL EQUITY		528,890,764.83	515,444,842.45
APPROPRIATIONS			
Cumulative accelerated depreciation		0.00	0.00

In euros	Notes	31.12.2020	31.12.2019
LIABILITIES			
Non-current			
Liabilities to group companies	18.	0.00	16,100,388.56
		0.00	16,100,388.56
Current			
Loans from financial institutions		1,175,659.46	13,312,367.64
Commercial paper		59,000,000.00	135,000,000.00
Trade payables		2,407,443.54	1,448,937.91
Liabilities to group companies	18.	236,026,867.44	126,573,415.96
Other liabilities		134,505.01	98,770.70
Accruals and deferred income	20.	4,017,379.34	3,222,630.57
		302,761,854.79	279,656,122.78
TOTAL LIABILITIES		302,761,854.79	295,756,511.34
		831,652,619.62	**811,201,353.79**

Parent company cash flow statement

In euros	1.1.–31.12.2020	1.1.–31.12.2019
Cash flow from operating activities:		
Profit (loss) before appropriations and income tax	30,508,800.82	29,806,534.34
Adjustments:		
Depreciation and amortisation according to plan	6,850,280.53	6,031,175.23
Finance income and costs	-23,647,592.78	-22,016,364.66
Cash flow before change in working capital	13,711,488.57	13,821,344.91
Change in working capital:		
Increase (-)/ decrease (+) in current non-interest bearing receivables	10,760,185.81	3,911,976.52
Increase (+)/ decrease (-) in current non-interest bearing payables	5,470,042.44	3,609,526.92
Cash flow from operating activities before financial items and taxes	29,941,716.82	21,342,848.35
Interest paid and other financial expenses	-4,365,330.02	-6,135,367.89
Interest received from operating activities	1,276,439.50	2,376,874.27
Taxes paid (received)	-737,172.11	-2,380,541.90
Net cash generated from operating activities (A)	26,115,654.19	15,203,812.83

In euros	1.1.–31.12.2020	1.1.–31.12.2019
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	-8,543,313.82	-9,372,364.12
Proceeds from sale of property, plant and equipment and intangible assets	42,500.00	0.00
Investments in associated and subsidiary companies	-1,505,120.67	-1,500,000.00
Proceeds from other investments	0,00	29,716,905.69
Dividends received	20,632,776.36	16,596,143.85
Net cash used in investing activities (B)	10,626,841.87	35,440,685.42
Cash flow from financing activities:		
Proceeds from current loans	105,268,805.07	82,964,317.57
Repayment of current loans	-99,387,405.52	-100,000,000.00
Repayment of long-term loans	-16,339,669.46	-19,220,744.91
Dividends paid and other profit distribution	-15,107,476.02	-12,008,506.58
Net cash used in financing activities (C)	-25,565,745.93	-48,264,933.92
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	11,176,750.13	2,379,564.33
Cash and cash equivalents at beginning of period	2,508,197.60	128,633.27
Cash and cash equivalents at end of period	13,684,947.73	2,508,197.60

Notes to the financial statement 31 December 2020

Accounting principles for the financial statements

Financial period
The company's financial period is from 1 January to 31 December.

Consolidated financial statements
St1 Nordic Oy's associated company Tuuliwatti Oy demerged into two companies, Tuulivoltti Oy and Gigawatti Oy, which were half and half owned by their owners, St1 Nordic Oy and S-Voima Oy. Immediately after the demerger, St1 Nordic Oy acquired S-Voimas share of Tuulivoltti Oy and sold to S-Voima its share in Gigawatti Oy. After the transaction Tuulivoltti Oy sold its wind power production assets to Exilion Tuuli. The transaction concluded by Tuulivoltti Oy during the financial year includes EUR 9,1 million of withheld purchase price which has not been included as a receivable according to the principle of prudency. In Norway St1 Norge AS acquired 60,7 % of Gaissa AS which owns 66 % of Grenselandet AS. St1 Norge AS previously held already 34 % of Grenselandet AS which is a company in the process of permitting industrial wind power. Shell Klett AS merged into St1 Norge AS and Shell Madla AS demerged from St1 Norge AS. In Sweden St1 Sverige AB acquired Skansfred AB. The subsidiaries St1 Oy, Lämpöpuisto Oy, St1 Lähienergia Oy, St1 Finance Oy, Tuulivoltti Oy, St1 Renewable Energy (Thailand) Ltd, St1 Sverige AB, St1 Refinery AB, St1 Biorefinery Gothenburg AB, Skansfred AB, St1 Norge Group AS, St1 Norge AS, Shell Madla AS, Nemob AS, Shell Narvik AS Gaissa AS and Grenselandet AS are consolidated in St1 Nordic group financial statements. Associated companies North European Oil Trade Oy, Aviation Fuelling Services Norway AS, Lamia Oy, Brang Oy and Knapphus Energi Norge AS are consolidated in the financial statements of St1 Nordic Oy using the equity method.

St1 Nordic Oy's parent company is Keele Oy, which prepares the consolidated financial statements in which St1 Nordic Oy group is included in. Copies of the consolidated financial statements are available at: Keele Oy, Firdonkatu 2, 00520 Helsinki, Finland.

The group’s intercompany transactions, margins, receivables and payables have been eliminated. Internal ownership has been eliminated using the acquisition method. Minority interest has been separated from consolidated equity and profit and it is shown as a separate line item in the consolidated income statement and balance sheet.

The income statements of foreign group companies have been converted into euros at the average foreign rate of exchange rates during the financial period. The balance sheet has been converted into the Finnish currency using the closing date exchange rate. Translation differences resulting from the currency conversions, as well as translation differences in foreign subsidiaries' equity arising from conversion, have been presented in 'retained earnings'.

Valuation of inventories
Liquid fuel inventories are valued at the last day's purchase price in the group companies. If inventory would be valued using the FIFO method, the difference would not be material. Other inventories are valued according to the FIFO principle using cost of purchase, or cost of repurchase, or likely sale price, if lower.

Measurement of non-current assets
Intangible and tangible assets have been capitalised at cost. Depreciation and amortisation according to plan have been recognised on a straight-line basis during the economic life of the assets. Depreciation and amortisation starts in the month when the assets have been taken into use. A revaluation of land has been recognised in the consolidated financial statements based on the land's market value.

Depreciation and amortisation periods in the group

capitalised development expenditure	10 years
software programs	7 years
other long-term capitalised expenditure	5–7 years
trademarks	20 years
goodwill	5–20 years
buildings and structures	20–50 years
machinery and equipment	3–20 years
other tangible assets	10–30 years

Goodwill on consolidation
Goodwill on consolidation is amortised on straight-line basis over 10–20 years. In addition, additional amortisation is booked if there is a decrease in the future income expectations of the assets to which goodwill is allocated. Goodwill on consolidation has been compounded of trategically important acquisitions, the effect of which expands over 10–20 years.

Deferred tax assets and liabilities in the group
A deferred tax asset has been recognised for provisions and a deferred tax liability for appropriations for the part not yet deducted in taxation, by applying the following years' tax rate as confirmed on the closing date.

Foreign currency items in the group
Receivables and payables denominated in foreign currencies have been converted into the Finnish currency using the closing date exchange rate.

Notes to the income statement

1. Net sales

MEUR	Consolidated 2020	Consolidated 2019	Parent company 2020	Parent company 2019
Fuels	4,878.1	6,533.1	0.0	0.0
Energy products and electricity	38.2	48.0	11.6	24.9
Other	6.9	7.2	30.2	26.2
	4,923.1	**6,588.3**	**41.8**	**51.1**
Domestic	1,243.3	1,521.9	12.1	35.3
Foreign	3,679.8	5,066.4	29.7	15.8
	4,923.1	**6,588.3**	**41.8**	**51.1**

2. Other operating income

MEUR	Consolidated 2020	Consolidated 2019	Parent company 2020	Parent company 2019
Gains on sale of non-current assets and shares	53.5	7.5	0.0	0.0
Other operating income	127.7	136.0	13.7	17.4
	181.2	**143.6**	**13.7**	**17.4**

3. Average number of personnel

	Consolidated 2020	Consolidated 2019	Parent company 2020	Parent company 2019
Personnel on average	880	793	60	55
	880	**793**	**60**	**55**

4. Management salaries and fees

Wages and salaries paid to the members of the board and the managing directors during the financial period amounted to EUR 2,316,836 (EUR 2,060,559 in 2019).

5. Depreciation, amortisation and impairment charges

In thousand euros	Consolidated 2020	Consolidated 2019	Parent company 2020	Parent company 2019
Depreciation and amortisation according to plan				
Intangible assets				
Capitalised development expenses	1,247	385	0	0
Intangible rights	6,881	5,636	6,570	5,615
Goodwill	1,000	1,188	0	0
Other long-term capitalised expenditure	926	754	58	264
Tangible assets				
Buildings and structures	12,817	13,136	0	0
Machinery and equipment	45,649	42,036	173	153
Other tangible assets	3,158	2,557	0	0
	71,677	**65,691**	**6,801**	**6,031**
Amortisation /recognition of goodwill on consolidation	-3,589	12,023		
	-3,589	**12,023**		
Impairment of investments to non-current assets	5,776	7,592	49	0
Depreciation and amortisation according to plan, total	**73,864**	**85,306**	**6,850**	**6,031**

Depreciation plan for Kajaani plant has been adjusted from 20 years to 10 years to reflect the product development nature of the facility.

6. Other operating expenses

In thousand euros	Consolidated 2020	Consolidated 2019	Parent company 2020	Parent company 2019
Rents	35,659	37,675	1,216	1,735
Advertising and sales promotion	25,797	27,079	43	124
Operating and maintenance expenses	73,137	77,007	123	109
Other operating expenses	90,245	96,423	17,855	16,370
	224,838	**238,184**	**19,238**	**18,338**
Audit expenses				
Audit	698	786	93	108
Tax consultation	81	33	32	22
Other services	734	77	158	0
	1,513	**896**	**283**	**130**

7. Finance income and expenses

In thousand euros	Consolidated 2020	Consolidated 2019	Parent company 2020	Parent company 2019
Income from investments in other non-current assets				
From group companies	0	0	16,340	12,941
From associated companies	-2,282	8,054	4,293	3,655
	-2,282	**8,054**	**20,633**	**16,596**
Other interest and finance income				
From group companies	0	0	5,200	7,458
From others	7,089	10,335	592	1,216
	7,089	**10,335**	**5,791**	**8,674**
Impairment of investments				
Impairment of investments to non-current assets	0	0	0	0
Impairment of investments to current assets	0	4,474	0	4,474
Interest costs and other finance costs				
To group companies	0	0	5,005	888
To others	27,067	6,724	1,862	3,055
	27,067	**6,724**	**6,867**	**3,943**
Finance income and expenses, total	**-22,260**	**7,191**	**19,557**	**16,853**

8. Appropriations

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Change in accelerated depreciation	0	0	0	-45
Group contribution received/given	0	0	0	0
	0	**0**	**0**	**-45**

9. Income taxes

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Current tax on profits for the financial period	-16,690	-31,402	-1,955	-2,722
Change in deferred taxes	2,812	-6,869	0	0
	-13,879	**-38,271**	**-1,955**	**-2,722**

Notes to the balance sheet

Tangible and intangible assets

Capitalised development expenditure and intangible rights

Technological initialisation expenditure includes development projects aimed at developing methods for producing ethanol to be used as advanced traffic fuel as well as other biorefinery products from softwood sawdust and starch production process residues as well as entzyme production technology for decomposing sawdust pulp. In addition, the development costs for the construction of geothermal pilot heat plant have been capitalized as development expenditure.

The said expenditure fulfills requirements set for capitalization by the Ministry of Trade and Industry. The capitalised development expenses are shown as a separate item and depreciated over their economic lifetime, however as a maximum in 10 years. Depreciation starts when the projects are in production.

Should investment decision not be made, the development expenses would be written off.

10. Intangible assets

In thousand euros	**Intangible rights**	**Other long-term expenses**	**Advance payments and construction in progress**	**Total**
Parent company				
Acquisition cost January 1, 2020	45,002	897	1,721	47,620
Additions	3	14	8,470	8,487
Disposals	0	0	0	0
Transfers	4,802	288	-5,090	0
Acquisition cost December 31, 2020	49,807	1,200	5,100	56,107
Accumulated amortisation January 1, 2020	-13,260	-890	0	-14,150
Amortisation during the financial period	-6,570	-58	0	-6,627
Accumulated amortisation December 31, 2020	-19,830	-948	0	-20,777
Net book value December 31, 2020	29,977	252	5,100	35,330

Group	**Development expenses**	**Intangible rights**	**Goodwill**
Acquisition cost January 1, 2020	4,838	54,414	15,126
Additions	11	4,364	0
Disposals	0	-19	-114
Translation difference	0	-2	213
Acquisition cost December 31, 2020	4,850	58,757	15,224
Accumulated amortisation	-1,951	-20,951	-11,746
Amortisation during the financial period	-1,247	-6,881	-1,000
Accumulated amortisation December 31, 2020	-3,197	-27,832	-12,746
Net book value December 31, 2020	1,652	30,926	2,478

In thousand euros	Goodwill on consolidation	Other long-term expenses	Total
Acquisition cost January 1, 2020	218,070	16,008	308,455
Additions	3,631	158	8,165
Disposals	0	0	-133
Translation difference	114	-24	302
Acquisition cost December 31, 2020	221,816	16,142	316,789
Accumulated depreciation January 1, 2020	-52,755	-13,936	-101,338
Depreciation during the financial period	-12,497	-926	-22,551
Accumulated depreciation December 31, 2020	-65,252	-14,862	-123,889
Net book value December 31, 2020	156,564	1,280	192,900

11. Tangible assets

In thousand euros	Machinery and equipment	Advance payments and construction in progress	Total
Parent company			
Acquisition cost January 1, 2020	1,056	107	1,163
Additions	70	287	357
Disposals	-84	-107	-191
Transfers	287	-287	0
Acquisition cost December 31, 2020	1,329	0	1,329
Accumulated depreciation January 1, 2020	-465	0	-465
Depreciation during the financial period	-173	0	-173
Accumulated depreciation December 31, 2020	-638	0	-638
Net book value December 31, 2020	690	0	690

In thousand euros	Land	Buildings	Machinery and equipment	Other tangible assets
Group				
Acquisition cost January 1, 2020	137,664	259,956	644,700	58,742
Additions	6,857	107,394	312,482	1,676
Disposals	-3,987	-95,353	-229,062	-402
Translation difference	-518	-5	-2,142	-149
Acquisition cost December 31, 2020	140,016	271,992	725,978	59,869
Accumulated depreciation January 1, 2020	0	-143,851	-322,317	-30,900
Depreciation during the financial period	0	-12,817	-45,649	-3,158
Accumulated depreciation December 31, 2020	0	-156,668	-367,966	-34,058
Revaluations January 1, 2020	69,646	22,059	23,793	2,644
Additions	0	0	0	0
Disposals	0	0	0	0
Revaluations December 31, 2020	69,646	22,059	23,793	2,644
Net book value December 31, 2020	209,662	137,383	381,805	28,455

In thousand euros	Advance payments and construction in progress	Total
Acquisition cost January 1, 2020	151,859	1,252,922
Additions	113,987	542,397
Disposals	-104,046	-432,850
Translation difference	1,955	-859
Acquisition cost December 31, 2020	163,755	1,361,610
Accumulated depreciation January 1, 2020	0	-497,069
Depreciation during the financial period	0	-61,623
Accumulated depreciation December 31, 2020	0	-558,692
Revaluation January 1, 2020	0	118,142
Additions	0	0
Disposals	0	0
Revaluation December 31, 2020	0	118,142
Net book value December 31, 2020	163,755	921,060

12. Revaluations

The revaluation is based on discounted cash flow calculation made by the company, income value and in which are supported by an independent third-party expert's valuation on the likely sale price of the land.

13. Investments

Group companies	Group ownership	Parent ownership
St1 Oy	100.00%	100.00%
St1 Lähienergia Oy	79.11%	79.11%
St1 Sverige AB	100.00%	100.00%
St1 Refinery AB	100.00%	0.00%
St1 Gothenburg Biorefinery AB	100.00%	0.00%
Skansfred AB	100.00%	0.00%
St1 Norge AS	100.00%	0.00%
St1 Norge Group AS	100.00%	100.00%
Lämpöpuisto Oy	100.00%	0.00%
St1 Finance Oy	100.00%	100.00%
Kiinteistö Oy Uusmarjala	77.27%	0.00%
Tuulivoltti Oy	100.00%	100.00%
Shell Madla AS	100.00%	0.00%
Gaissa AS	60.72%	0.00%
Grenselandet AS	100.00%	0.00%
Shell Narvik AS	100.00%	0.00%
Nemob AS	100.00%	0.00%
St1 Renewable Energy (Thailand) Ltd	100.00%	0.00%

Associated companies	Group ownership	Parent ownership
North European Oil Trade Oy -Group, Helsinki Equity EUR 24,851,438.81 and result for the period EUR 3,772,175.63	49%	49%
Brang Oy, Turku Equity EUR 185,043.38 and result for the period EUR -48,217.19	25%	0%
Lamia Oy, Helsinki Equity EUR 2,491,138.88 and result for the period EUR 2,122,702.62	20%	20%
Aviation Fuelling Services Norway AS Equity EUR 8,705,077.01 and result for the period EUR 2,745,497.51, remainin goodwill on consolidation EUR 6,486,985.37	50%	50%
Knapphus Energi Norge AS, Vindafjord Equity EUR 28,551.66 and result for the period EUR -40,060.49	49%	0%

Investments, parent company

	Shares			
In thousand euros	Group companies	Associated companies	Others	Total
Acquisition cost January 1, 2020	454,749	67,729	21	522,498
Additions	44,155	0	0	44,155
Disposals	0	-42,650	0	-42,650
Acquisition cost December 31, 2020	498,904	25,079	21	524,003
Net book value December 31, 2020	498,904	25,079	21	524,003

Investments in the group

	Shares		Receivables	
In thousand euros	Associated companies	Others	Others	Total
Acquisition cost January 1, 2020	99,406	2,426	261	102,093
Additions	0	0	2	2
Disposals	-76,185	-10	0	-76,195
Acquisition cost December 31, 2020	23,221	2,416	263	25,900
Net book value December 31, 2020	23,221	2,416	263	25,900

14. Receivables from group companies

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Current				
Trade receivables	0	0	2,654	356
Other receivables	0	0	116	0
Equity loans	0	0	1,290	1,290
Loan receivables	0	0	100,580	102,474
	0	**0**	**104,639**	**104,121**
Non-current				
Loan receivables	0	0	148,686	142,789

15. Equity

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Share capital January 1	100	100	100	100
Increase in the share capital				
Share capital December 31	100	100	100	100
Revaluation reserve January 1	40,093	40,093	0	0
Change	0	0	0	0
Revaluation reserve December 31	40,093	40,093	0	0
Reserve for invested unrestricted equity January 1	54,232	54,232	54,232	54,232
Change	0	0	0	0
Reserve for invested unrestricted equity December 31	54,232	54,232	54,232	54,232
Retained earnings January 1	784,113	692,307	461,113	445,992
Dividend distribution	-15,107	-12,009	-15,107	-12,009
Adjustment to prior period taxes	-1,203	-11,480	0	0
Translation differences of foreign subsidiaries	7,545	-3,765	0	0
Retained earnings December 31	775,347	665,053	446,006	433,983
Profit for the period	126,797	119,059	28,553	27,130
	956,376	838,344	528,791	515,345
Capitalized development expenditure	-1,652	-2,887	0	0
Distributable earnings December 31	954,724	835,457	528,791	515,345
Equity total	996,569	878,537	528,891	515,445

The company's share capital by type of shares	31.12.2020	31.12.2019
Shares, amount	38,737,118 (100%)	38,737,118 (100%)

The company did not pay a dividend in spring 2020 due to the uncertainty caused by the COVID-19 situation but authorized the board to decide on the payment of a dividend of maximum EUR 15,107,476.02 (0,39 EUR/share). The board decided in a meeting on 16 September 2020 to pay a dividend of such amount.

The Board of Directors proposes to the general meeting that the company pays a dividend on the previous financial year's profit of EUR 15,494,847 (0,40 EUR/share) and transfers the profit for the financial period to account "retained earnings". There has been no material change in the company's financial position after the end of the financial period. The company's liquidity is good and it is the board's opinion that the proposed dividend distribution does not put the company's liquidity at risk.

16. Provisions

	Consolidated	
In thousand euros	**2020**	**2019**
Certain retirement pensions for which company is liable	36,314	35,703
Other provisions	474	988
Expected environmental obligations	16,841	13,745
Total provisions	**53,629**	**50,436**

Environmental obligations: The total liability cannot be reliably determined. A provision has been recognised for known liabilities, for which the company is likely to be responsible for in the near future. These liabilities relate mainly to the environmental obligations concerning soil decontamination. Change in the provision has been recognised in other operating expenses against actual costs.

Pension provision is mainly composed of pension provisions in St1 Sverige AB and St1 Refinery AB as well as pension provision in St1 Oy.

17. Deferred tax assets and liabilities

	Consolidated	
In thousand euros	**2020**	**2019**
Deferred tax assets		
From provisions	1,690	2,355
	1,690	**2,355**
Deferred tax liabilities		
From appropriations	44,422	47,489
From revaluations and goodwill allocations	36,751	36,701
From consolidation	0	0
	81,174	**84,190**

18. Liabilities to group companies

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Non-current loans	0	0	0	16,100
Current loans				
Trade payables	0	0	268	727
Other liabilities	0	0	234,560	125,843
Accruals and deferred income	0	0	1,199	4
	0	**0**	**236,027**	**142,674**

19. Adjusting entries for assets/Receivables carried forward

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Financing cost allocations	479	79	99	79
Tax receivables	1,552	2,273	0	269
Other adjusting entries	44,253	52,328	3,830	4,707
	46,285	**54,679**	**3,929**	**5,055**

20. Accrued expenses

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Personnel cost accruals	29,770	31,832	822	615
Interest accruals	23	3	0	0
Tax accruals	26,500	19,194	953	0
Other accrued expenses	19,487	26,868	2,243	2,608
	75,780	**77,898**	**4,017**	**3,222**

21. Financial instruments

Commercial paper program

St1 Nordic launched a Commercial paper program in November 2016. Maximum size of the program is 200 MEUR and it is used for short-term working capital purposes. Outstanding amount at the end of the year was 59 MEUR (135 MEUR in 2019 financial period).

Revolving Facility Agreement

St1 renewed its 150 million euro revolving facility agreement in 2018 for a new 3-year term. The facility also includes two option years the use of which has already been decided upon. In addition, the 50 MEUR accordion was taken into use in 2019.

Green Loan Facility Agreement

Subsidiary St1 Refinery AB signed in March 2020 a EUR 150 million financing agreement for the financing of the Gothenburg renewable diesel plant. The agreement includes a green loan element.

Oil financing facility

St1 Sverige AB has a 100 million dollar oil financing facility. The facility was not drawn at year-end.

22. Commitments and contingencies

The group has not given business mortgages, real estate mortgages or shares as collateral.

Guarantees

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Bank guarantees	8,105	7,790	0	0
Guarantees on behalf of group companies				
Other guarantees	179,758	291,782	179,054	291,782

Oil has been pledged as against the oil financing facility (EUR 65,051,945) and oil (EUR 71,923,319) and oil products receivables (EUR 68,401,083) have been pledged against account payables of oil. The oil financing facility was not in use at year end.

In addition, a guarantee was given for the associated company North European Oil Trade Oy's accounts payable amounting to EUR 15,398,304, derivatives liabilities EUR 36,956 and L/C liabilities EUR 44,515,217 on 31 December 2020.

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Rent liabilities				
No later than one year	24,634	24,548	1,222	1,276
Later than one year	154,729	140,169	10,096	11,295

	Consolidated		Parent company	
In thousand euros	**2020**	**2019**	**2020**	**2019**
Future leasing payments				
No later than one year	1,965	2,466	369	358
Later than one year	1,794	3,258	260	336
Total	**3,759**	**5,724**	**629**	**694**
Residual value liability	37	94	7	6

In addition, guarantees have been given for lease agreements of the subsidiaries. The subsidiaries may also have environmental liabilities which materialize over the long-run and the amount of which can not be calculated in a reliable way. These are not included on the balance sheet.

Derivatives

Price hedging of compulsory storage obligation

The group can use long-term commodity derivatives to hedge against price risk associated with inventory kept for the compulsory storage obligation in Sweden. Price of compulsory storage obligation inventory is in such case fixed with a commodity hedge. The hedge has been assessed efficient. The hedged part of compulsory storage obligation inventory and the commodity derivatives hedging it would be handled with the net practice according to KILA 1912/2014 opinion. There were no open price hedges at the closing date.

In addition, and in accordance with its risk management policies, the group may hedge the variations in inventory levels of operating activities with short-term commodity derivatives in different oil products. The changes in the value of the short-term commodity derivatives are reconciled daily against the counterparty, and they are recognised as income or expense in the income statement.

Refinery margin hedges

Part of the future refining margins consisting of the price difference between refined end products and crude oil price have been hedged for 2021 to 2022. There are contracts with several counterparties. Fair values at the closing date are presented in the table.

	Consolidated		Parent company	
	2020	**2019**	**2020**	**2019**
Volume, mill. bbl	1.7	15.9	0.0	0.0
Fair value, thousand euro	14,719	-76,263	0	0
Foreign exchange derivatives				
Volume, mill. Eur	155	259	71	118
Fair value, thousand euro	2,338	-331	947	-90

Unrealized positive fair value changes are not booked to the income statement.

Signatures to the financial statements and the report on operations

Helsinki, 25 March 2021

Mika Anttonen
Chairman of the board

Kim Wiio
member of the board

Mikko Koskimies
member of the board

Sampsa Halinen
member of the board

Kati Ihamäki
member of the board

Henrikki Talvitie
CEO

Auditor's Note
Our auditor's report has been issued today.

Helsinki, 26 March 2021

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

Auditor’s Report
(Translation of the Finnish Original)

To the Annual General Meeting of St1 Nordic Oy

Report on the Audit of the Financial Statements

Opinion
In our opinion, the financial statements give a true and fair view of the group’s and the company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of St1 Nordic Oy (business identity code 2082259-7) for the financial period 1.1.-31.12.2020. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

Basis for Opinion
We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor’s Responsibilities for the Audit of Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements
The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company’s and the group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information that we have obtained prior to the date of this auditor's report is the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 26 March 2021

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

St1 Nordic Oy

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