

ST1 NORDIC OY, FINANCIAL STATEMENTS RELEASE 2020

Consolidated key figures

	2020	2019
Net sales, MEUR	4,923.1	6,588.3
Operating profit/loss, MEUR	162.9	150.1
Operating profit as % of net sales	3.3	2.3
Profit/loss for the financial period, MEUR	126.8	119.1
Return on equity, %	13.5	14.3
Equity ratio	57.7	46.3

The net sales of the St1 Nordic group for 2020 amounted to EUR 4.9 billion, which is EUR 1.7 billion less than last year. The decrease of the net sales was caused by the strong decline in international oil prices in the spring of 2020 and slightly decreased sales volumes of petrol stations. In other respects, the sales volumes have not changed significantly, with the exception of the aviation fuel sales to the affiliated company Aviation Fuelling Services Norway AS which decreased by 50% due to the air traffic reduction. Finland accounted for 25%, Sweden for 48% and Norway for 27% of net sales.

Operating profit amounted to EUR 162.9 million, up EUR 12.8 million year-on-year. Profit after tax amounted to EUR 126.8 million, while profit for 2019 amounted to EUR 119.1 million. Due to the COVID-19 pandemic, the refining and wholesale margins were significantly lower than the previous year due to the decline in oil market demand whilst remaining positive as a whole. The inventory impact of the declined oil prices on the result is offset by the improvements of the refining margin hedges in 2021 and 2022. Regardless of the strong price competition and the COVID-19 pandemic, the Retail and Direct Sales markets maintained their performance levels. The results were also positively affected by the sale of our share of the associated company Tuuliwatti Oy's business operations in October 2020.

Cash flow from operating activities was strong, amounting to EUR 106.9 million. Investments totalled EUR 124.7 million, most of which concerned the biorefinery to be built in Gothenburg, Sweden.

The group's equity amounted to EUR 996.6 million at the end of the financial period, and its equity ratio was 57.7. St1 Nordic Oy's Board of Directors proposes to the Annual General Meeting that the company distribute a dividend of EUR 0.40/share, a total of EUR 15.5 million.

Henrikki Talvitie, CEO of St1 Nordic Oy:

Our strong Nordic organisation made our excellent performance possible even during this exceptional year of 2020. Our business operations continued to be profitable, we carried out the investments and divestment as planned and continued to develop new business projects.

St1's vision is clear and ambitious. During the recent years, we have identified the areas in which we can best implement our goal to mitigate climate change by investing in the solutions for global

energy challenges and energy sector transition, while ensuring the required cash flow. We need to take concrete steps to implement our strategy in a consistent and long-term manner. In the transition, we will concentrate on investments which produce biofuels from sustainable feedstock, lignocellulose-based biofuel research and development, geothermal heat research and development as well as the creation of the synthetic fuels value chain.

An increasing proportion of our net sales is generated from biofuels – their proportion was nearly 19% already in 2020. The construction of the biorefinery in connection with the refinery in Gothenburg is underway and it is estimated that the biorefinery will be completed at the beginning of 2023. The refinery will be able to flexibly process a wide range of feedstock meeting current and future specifications for renewable fuels. The drilling works of the Otaniemi geothermal heating plant in Espoo, Finland, were completed in 2020. At the moment, the cross-flow tests preceding the actual commissioning are under preparation. We are also exploring the increase of carbon sinks as part of mitigating climate change. The sale of the business operations of the associated company Tuuliwatti in October 2020 and resulting cash funds will support St1's ability to strongly invest in new renewable energy projects in the future.

St1 Nordic signed the UN Global Compact initiative in April 2020. We have undertaken to comply with and implement its ten principles related to human rights, labour, the environment and anti-corruption activities through our own sustainability work.

Naturally, we are also focusing on taking care of the exceptional situation caused by the COVID-19 pandemic and ensuring the safety of our personnel and customers. We are looking ahead and preparing ourselves for the return to more normal life – stronger than ever before.

Financial information:

2020 financial statements including auditor's report.

St1 Nordic Oy will publish an integrated report on 30 April 2021 and the first-half interim report on 31 August 2021.

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St1 Nordic Oy is a Nordic energy Group whose vision is to be the leading producer and seller of CO₂-aware energy. The Group researches and develops economically viable, environmentally friendly sustainable energy solutions. St1 focuses on fuels marketing activities, oil refining and renewable energy solutions such as waste-based advanced ethanol fuels and industrial wind power. The group has 1,250 St1 and Shell branded service stations in Finland, Sweden and Norway. Headquartered in Helsinki, St1 currently employs approximately 980 people. www.st1.com