Financial statements

2021

ST1 NORDIC OY

Contents

Report for 1 January 2021–31 December 2021

Business operations and financial performance of St1 Nordic Oy

St1 Nordic Oy is the parent company to St1 Nordic group which is a versatile 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 expanded to the biogas sector by acquiring E.ON Biofor Sverige AB in Sweden on June 30, 2021. The company (now called St1 BioGas AB) produces, imports and exports biogas and delivers it to customers through several sales channels. 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 hundreds of thousands of customer visits daily for refueling as well as food, shop and car wash offering. EV charging is currently offered in Norway and Sweden.

The group manufactures, develops and refines liquid fuels at its oil refinery in Gothenburg, Sweden. The refinery's annual capacity is 30 million barrels of crude oil. Most of the refinery's production is sold in Sweden through the retail station network and other sales channels. St1 focuses heavily on the energy transition at the refinery; a renewable diesel facility is under construction at the refinery site. The groups has also strengthened its waste raw material business by acquiring Brocklesby Ltd in the UK in early 2022.

St1 also focuses strongly on other renewable energy initiatives. The group has production facilities producing bioethanol from waste in Kajaani, Vantaa, Lahti, Hamina and Gothenburg in connection with the refinery. The Kajaani facility focuses particularly on product development. The subsidiary St1 Lähienergia Oy installs devices based on geothermal heat. St1 operates wind parks on a service agreement in Finland. The group has industrial wind power projects in Northern Norway, Sweden and Finland. The Norwegian projects are the largest.

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

The group's revenue in 2021 was MEUR 6,381.5 which was MEUR 1,458.4 more than in the previous year. The increase in turnover was due to the sharp increase in oil product prices on the world market during the year and to some extent

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

	2021	2020	2019	2018	2017
Net sales, MEUR	30.9	41.8	51.1	50.5	37.5
Operating profit/loss, MEUR	-3.7	11.0	13.0	14.8	15.8
Operating profit, % of net sales	-11.9	26.2	25.4	29.3	42.2
Profit for the period, MEUR	78.3	28.6	27.1	44.0	159.4
Return on equity %	14.0	5.5	5.3	8.7	40.1
Equity ratio %	80.7	63.6	63.5	67.2	65.0

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

	2021	2020	2019	2018	2017
Net sales, MEUR	6,381.5	4,923.1	6,588.0	6,885.2	5,093.5
Operating profit/loss, MEUR	181.4	162.9	150.1	63.1	176.6
Operating profit % of net sales	2.8	3.3	2.3	0.9	3.5
Profit for the period, MEUR	148.8	126.8	119.1	55.3	372.8
Return on equity %	14.0	13.5	14.3	7.0	23.4*
Equity ratio	53.8	57.7	46.3	40.7	42.7

* calculated excluding the merger profit on the profit and loss statement

to the increase in service stations and direct sales volumes. An increasing part of liquid fuels are bio products, whose share increased to almost 19 % of 2021 revenue.

24 % of revenue came from Finland, 50 % from Sweden and 26 % from Norway.

The group's operating profit was MEUR 181.4 which was MEUR 18.5 more than in the previous year.The refinery and wholesale margin were significantly above prior year's level as demand in the oil market recovered from the COVID-19 pandemic. In addition, the significant increase in the oil price during the year contributed positively to the result through inventory impact. Despite fierce price competition and the local effects of the COVID-19 pandemic, the Retail and Commercial Fuels markets somewhat improved the result levels.

The subsidiary St1 Oy booked a write-off on the Otaniemi geothermal pilot heat plant investment. The originally planned ESG technology has proven very challenging and the project now explores the best techno-economic solution. The company also made a write-off on the Hämeenlinna Bionolix plant which produces ethanol and biogas as the plant's productivity has remained very low.

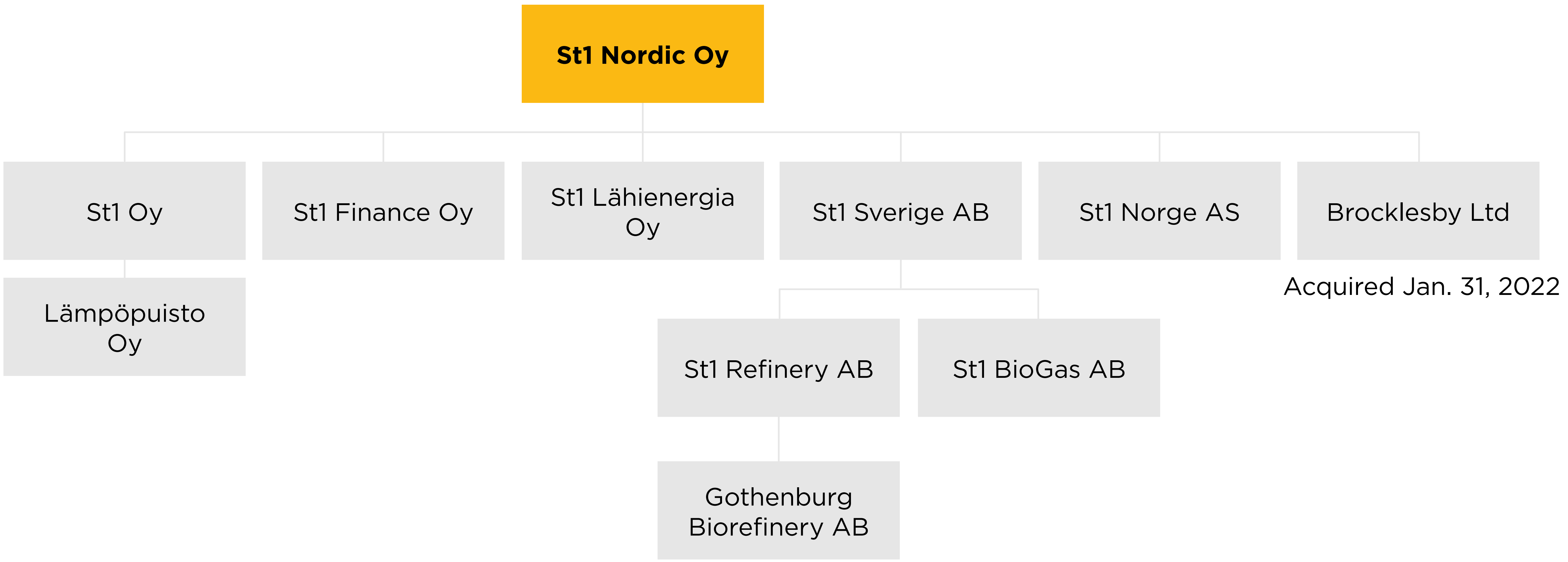
Group structure

The most notable change in the group structure during 2021 was the above-mentioned acquisition of biogas business in Sweden, the company operates under the name St1 BioGas AB.

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, St1 BioGas 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, of which the latter conducts aircraft refueling 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 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
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	38,737,118
B-shares				4,912,285	4,912,285

Investments

The group's largest investment in 2021 was focused on the construction of the renewable diesel plant in Gothenburg. The plant is estimated to be in production in the third quarter of 2023.

In June 2021, the subsidiary St1 Sverige AB acquired the entire share capital of E.ON Biofor Sverige AB. The company operates under the name St1 BioGas AB and is engaged in biogas production, distribution and export in Southern and South-Western Sweden and in the Stockholm area.

In the Retail business, the investments were focused on selected growth targets and, among others, EV charging stations in Norway. 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 279.2. Of this, investments in renewable energy amounted to MEUR 86.9.

Technological initialization 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 enzyme production technology for decomposing sawdust pulp.

The said expenditure fulfills requirements set for capitalization by the Ministry of Trade and Industry. The capitalized development expenses are shown as a separate item and depreciated over their economic lifetime, however, as a maximum of 10 years. Depreciation starts when the projects are in production. Should an 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 83.3. in 2021 (MEUR 15.4 in prior year). Research and development expenses comprise the expenses for development of new production technologies and production methods for fuels from solid biomass, biogas, and synthetic fuels, as well as expenses for the development of geothermal energy. The expenses were higher in 2021 due to one-time bookings in the Otaniemi and Hämeenlinna projects.

Assessment of the most significant risks and uncertainties

Risk management policy and risk management arrangement

In the St1 Nordic group, risk management refers to a systematic and proactive approach to analyze and manage the threats and opportunities for the operations, rather than solely eliminating the risks. For this purpose, the group's risk management is based on an awareness of the key threats, including strategic, operational and financial risks that can prevent the group from achieving its objectives.

The Board of Directors is responsible for the company's and group's risk management policy and for monitoring its implementation. The CEO is responsible for the appropriate organization 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 in the responsibility for identifying risks that might threaten the achievement of the group's objectives.

Strategic and operational risks

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

- Prolonged fierce competition in the traffic fuel retail market may reduce profitability also in the future.
- Insufficient refining margins on petroleum products to cover the refining costs.
- 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 of 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 of sales receivables is managed through a uniform credit policy and efficient debt-collection. Principles used for the measurement of trade receivables and inventories in the financial statements are consistent with 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 of information systems through measures such as duplicating critical information systems and data communications links, paying attention to the selection of partners and standardizing the workstation models and information security practices used in the group.

The group continuously takes various measures aiming to protect it from cyber risks. This includes both preventive and continuous monitoring work. External resources are also regularly used to assess cyber risks. The personnel's awareness of cyber security issues is enhanced by regular training.

The group's core competencies are related to business processes comprising oil refining, sales and procurement as well as the requisite support functions, such as information management, finance, human resources, real estate services, logistics, marketing and communications. In addition, the personnel gains significant technical knowledge in renewable energy projects. Unexpected and significant weakening of the group's core competencies is an identified risk. The group 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 may affect the group's revenue include decisions by the government or authorities on how different forms of energy are combined, subsidized or taxed, general economic trends, and, in the case of heating oil, regionally prevailing temperatures. The COVID-19 pandemic and the energy crisis in 2021 led to volatility in the energy market and showed that the group's operations can face sudden and strong impacts.

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. The group's environmental protection obligations have been defined by legislation and the quality programs applied by the company. The financial statements include a provision for environmental liabilities, that is reviewed for each financial period.

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 insure itself against all risks that are financially or otherwise reasonable. The group's insurance 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 25 million of interest rate-sensitive loans (appr. EUR 10 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 by 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.

An estimate of probable future development

From the group management's perspective, the business environment will remain challenging and volatile. In the traffic fuels trade, competition in the group's home market remains over emphasized. The group aims to further improve its competitiveness by rationalizing systems and business processes, taking measures to improve the average sales of retail stations as well as making carefully targeted investments. When feasible, refining margin, utilities and end products are price hedged. The group's financing position is strong per se, and the group believes that its liquidity will remain good.

Significant events after the end of the financial period

The company acquired the entire share capital of the UK based Brocklesby Limited on January 31, 2022. The company is engaged in waste raw material collection to serve, for example, as renewable diesel raw material.

As planned, the transition to a joint venture with SCA on the production of renewable diesel was carried out on February 1, 2022. St1 Refinery AB sold 50 % of St1 Biorefinery Gothenburg AB to Scastone AB, a company set up in the autumn. St1 Sverige AB sold 50 % of Scastone AB to SCA.

Subsidiary St1 Oy established according to plan a joint venture, Suomen Lantakaasu Oy, together with Valio Oy on February 4, 2022. The company will focus on biogas production.

The group follows tightly the impacts of the war in Ukraine on the energy market. In particular, the large price fluctuations of crude oil and energy products are expected to bring uncertainty to the operating environment. St1 does not use Russian crude oil at its refinery.

Personnel

Key figures describing the group's personnel

	2021	2020	2019	2018	2017
Average number of personnel during the financial period	970	880	793	774	556
Wages and salaries during the financial period, MEUR	72.5	60.0	58.4	53.1	40.4

Organisation

The company's Board of Directors consisted until December 31, 2021 of Mika Anttonen (chair), Mikko Koskimies, Kim Wiio, Sampsa Halinen and Kati Ihamäki. Sampsa Halinen resigned from the board on January 1, 2022 upon transferring to the operative position of Director, Energy Trade and Logistics. 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 through our operations. We work constantly toward enabling a more sustainable value chain. We believe that we will achieve 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 just as important is the way we reach our goals. We have committed to United Nations Global Compact and its ten principles, which is one step toward making our responsible business principles and sustainability targets more transparent in our daily operations. The corporate management, the Board of Directors, and the personnel shall respect and follow these principles that 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 United Nations Guiding Principles on Business and Human Rights (UNGP) which states the governments' duty is to protect human rights and the businesses' responsibility is 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 respective business partners, to commit to these ethical and sustainable principles within their business operations, and to support their use within their sphere of influence and decision-making.

In 2021, the St1 group's sustainability team was reinforced through additional recruitments and the emphasis for the development work was adjusted with our updated materiality analysis and the principles prioritization in line with the UN SDG Ambition Program. The themes for our sustainability work remained to be Impacts on People, Sustainable Carbon Cycle, Transparency and Competence Development. The focal points of our sustainability work in 2021 were developing the Group level sustainability agenda and objectives for the upcoming years, and further enhancing our capabilities in assessing the overall impact of our value chain. In addition, we conducted a group-wide gap analysis for our internal management systems to further develop our compliance and reporting practices. We continue our development endeavors 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 on the company's website www.st1.com on April 30, 2022, at the latest. The report complies, as appropriate, with the Global Reporting Initiative Standards and contains the non-financial information material of St1 as required by the Accounting Act. Our oil refinery in Gothenburg also complies with the ISO 14001 environmental management system requirements.

Proposal for profit distribution

The Board of Directors proposes to the general meeting that the company will pay a dividend of 15,882,218 euros and transfer the remaining financial year's profit to the Retained earnings account.

There have 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.-31.12.2021	1.1.–31.12.2020
NET SALES	1.	6,381,515	4,923,130
Manufacturing for own use		2	141
Other operating income	2.	138,164	181,244
Materials and services			
Materials, supplies and products			
Purchases during the period		-5,877,041	-4,555,911
Change in inventories		59,547	175
External services		-9,069	-7,093
		-5,826,563	-4,562,829
Personnel expenses			
Wages and salaries		-72,481	-59,953
Social security costs			
Pension costs		-9,201	-8,201
Other social security costs		-15,047	-11,894
		-96,729	-80,048
Depreciation and amortisation			
Depreciation and amortisation according to plan	5.	-76,928	-71,677
Amortisation of goodwill	5.	-14,383	3,589
Reduction in value of noncurrent assets	5.	-69,902	-5,776
		-161,212	-73,864
Other operating expenses	6.	-253,754	-224,838

In thousand euros	Notes	1.1.-31.12.2021	1.1.–31.12.2020
OPERATING PROFIT		181,423	162,936
Finance income and costs			
Income from other investments of non-current assets			
Share of profit of investments using the equity method	7.	4,710	-2,282
Other interest and finance income	7.	3,455	6,771
Exchange rate gain	7.	2,948	318
Interest expenses and other finance costs			
To others	7.	-4,909	-27,067
		6,204	-22,260
PROFIT BEFORE APPROPRIATIONS AND TAX		187,627	140,676
Current income tax	9.	-42,182	-16,690
Deferred tax	9.	3,408	2,812
		-38,774	-13,879
PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST		148,853	126,797
Minority interest		-96	0
PROFIT FOR THE PERIOD		**148,756**	**126,797**

Consolidated balance sheet

In thousand euros	Notes	31.12.2021	31.12.2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Capitalised development expenditure	10.	1,175	1,652
Intangible rights	10.	34,819	30,926
Goodwill	10.	1,459	2,478
Goodwill on consolidation	10.	178,938	156,564
Other capitalised long-term expenditure	10.	1,026	1,280
		217,417	192,900
Tangible assets			
Land and water areas	11.	210,392	209,662
Buildings and structures	11.	149,751	137,383
Machinery and equipment	11.	410,455	381,805
Other tangible assets	11.	37,248	28,455
Advance payments and construction in progress	11.	194,515	163,755
		1,002,361	921,060
Investments			
Investments in associated companies	13.	23,834	23,221
Other shares and holdings	13.	2,415	2,416
Other receivables	13.	357	263
		26,605	25,900

In thousand euros	Notes	31.12.2021	31.12.2020
CURRENT ASSETS			
Inventories			
Materials and supplies		228,985	169,438
Receivables			
Non-current receivables			
Trade receivables		1,447	1,940
Deferred tax assets	17.	13,509	1,690
Loan receivables		4,225	3,768
Other receivables		6,129	4,259
		25,310	11,656
Current receivables			
Trade receivables		497,337	301,919
Loan receivables		0	2
Other receivables		6,561	30,490
Prepayments and accrued income	19.	65,036	46,285
		568,933	378,697
Cash and cash equivalents		26,521	29,429
		2,096,132	**1,729,079**

In thousand euros	Notes	31.12.2021	31.12.2020
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.	884,283	775,347
Profit (loss) for the period	15.	148,756	126,797
		1,087,271	956,376
Total equity		1,127,464	996,569
MINORITY SHARE		1,532	4
PROVISIONS			
Other provisions	16.	53,289	53,629
		53,289	53,629

In thousand euros	Notes	31.12.2021	31.12.2020
LIABILITIES			
Non-current			
Loans from financial institutions		9,756	9,966
Deferred tax liabilities	17.	35,509	36,751
Other liabilities		45	76
Accruals and deferred income		8,242	8,036
		53,551	54,829
Current			
Loans from financial institutions		15,288	1,176
Commercial paper		72,000	59,000
Advance payments		666	808
Trade payables		126,850	103,702
Deferred tax liabilities	17.	58,312	44,422
Liabilities to associated companies			
Trade payables		291,297	134,994
Other liabilities		199,027	204,166
Accruals and deferred income	20.	96,854	75,780
		860,295	624,048
		2,096,132	**1,729,079**

Consolidated cash flow statement

In thousand euros	1.1.–31.12.2021	1.1.–31.12.2020
Cash flow from operating activities:		
Profit (loss) before appropriations and income tax	187,627	140,676
Adjustments:		
Depreciation and amortisation according to plan	91,310	68,087
Other income and expenses with non-cash transactions	-9,004	-47,546
Other finance income and costs	-1,494	19,978
Impairment of investments in non-current assets	69,902	0
Cash flow before change in working capital	338,341	181,195
Change in working capital:		
Increase (-)/ decrease (+) in current non-interest bearing receivables	-184,804	144,492
Increase (-)/ decrease (+) in inventories	-59,547	-175
Increase (+)/ decrease (-) in current non-interest bearing payables	190,335	-195,162
Cash flow from (used in) operating activities before financial items and taxes	284,325	130,351
Interest paid and charges on other finance costs	-3,130	-3,500
Interest received	1,911	1,962
Taxes paid	-49,361	-21,946
Net cash generated from operating activities (A)	233,745	106,866

In thousand euros	1.1.–31.12.2021	1.1.–31.12.2020
Cash flow from investing activities:		
Purchase of tangible and intangible assets	-197,529	-121,187
Acquisitions deducted by acquired cash and cash aquivalents	-81,646	-3,516
Proceeds from sale of tangible and intangible assets	26,528	131,419
Investments in associated companies	-661	0
Proceeds from sale of associated companies	4,753	0
Dividends received	1,453	4,293
Net cash used in investing activities (B)	-247,100	11,010
Cash flow from financing activities:		
Proceeds from current loans	26,051	0
Repayment of current loans	0	-88,137
Proceeds from non-current loans	0	9,966
Repayment of non-current loans	0	-3,915
Dividends paid and other profit distribution	-15,604	-15,107
Net cash used in financing activities (C)	10,448	-97,193
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	-2,908	20,683
Cash and cash equivalents at beginning of period	29,429	8,746
Cash and cash equivalents at end of period	26,521	29,429

Parent company income statement

In euros	Notes	1.1.–31.12.2021	1.1.–31.12.2020
NET SALES	1.	30,861,012.00	41,779,988.76
Other operating income	2.	1,585,416.37	13,681,563.01
Raw materials and services			
Raw materials and consumables			
Purchases during the financial year		-346,080.00	-11,613,126.88
Variation in stocks		346,080.00	0.00
		0.00	-11,613,126.88
Personnel expenses			
Wages and salaries		-6,834,115.71	-5,723,333.09
Social security costs			
Pension costs		-1,033,698.32	-835,745.67
Other social security costs		-359,685.03	-249,811.00
		-8,227,499.06	-6,808,889.76
Depreciation according to plan	5.	-7,471,131.91	-6,850,280.53
Other operating expenses	6.	-20,409,416.61	-19,237,900.99

In euros	Notes	1.1.–31.12.2021	1.1.–31.12.2020
OPERATING PROFIT (-LOSS)		-3,661,619.21	10,951,353.61
Finance income and costs			
Income from shares in group companies	7.	74,353,534.19	16,339,669.49
Income from shares in associated companies	7.	4,604,197.81	4,293,106.87
Other interest and finance income			
From group companies	7.	3,589,712.41	5,199,701.31
From others	7.	2,290,246.88	591,576.33
Interest expenses and other finance costs			
To group companies	7.	-1,598,785.30	-5,004,636.84
To others	7.	-1,249,125.29	-1,861,969.95
		81,989,780.70	19,557,447.21
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX		78,328,161.49	30,508,800.82
Appropriations			
Change in cumulative accelerated depreciation	8.	0.00	0.00
		0.00	0.00
Income taxes	9.	1,681.63	-1,955,402.42
PROFIT FOR THE PERIOD		**78,329,843.12**	**28,553,398.40**

Parent company balance sheet

In euros	Notes	31.12.2021	31.12.2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	10.	34,215,653.68	29,976,885.99
Advance payments and construction in progress	10.	3,363,040.82	5,100,681.63
Other capitalised long-term expenses	10.	191,894.59	252,492.79
		37,770,589.09	35,330,060.41
Property, plant and equipment			
Machinery and equipment	11.	519,696.89	690,423.41
Advance payments and construction in progress	11.	0.00	0.00
		519,696.89	690,423.41
Investments			
Shares in group companies	13.	456,270,198.67	498,903,698.67
Receivables from group companies	14.	1,340,000.00	1,290,000.00
Investments in associated companies	13.	23,476,917.03	25,079,124.31
Other shares and holdings	13.	20,765.69	20,765.69
		481,107,881.39	525,293,588.67

In euros	Notes	31.12.2021	31.12.2020
CURRENT ASSETS			
Inventories			
Materials and supplies		346,080.00	0.00
		346,080.00	0.00
Receivables			
Non-current receivables			
Receivables from group companies	14.	101,495,447.50	148,685,535.45
		101,495,447.50	148,685,535.45
Current receivables			
Receivables from group companies	14.	104,816,612.85	103,349,006.49
Trade receivables		605,202.15	2,914.00
Other receivables		879,204.00	686,451.22
Prepaid expenses and accrued income	19.	5,747,399.04	3,929,692.24
		112,048,418.04	107,968,063.95
Cash and cash equivalents		2,885.71	13,684,947.73
		733,290,998.62	**831,652,619.62**

In euros	Notes	31.12.2021	31.12.2020
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.	459,064,355.97	446,005,804.77
Profit for the period		78,329,843.12	28,553,398.40
		591,625,760.75	528,790,764.83
TOTAL EQUITY		591,725,760.75	528,890,764.83

In euros	Notes	31.12.2021	31.12.2020
LIABILITIES			
Current			
Loans from financial institutions		15,287,554.17	1,175,659.46
Commercial paper		72,000,000.00	59,000,000.00
Trade payables		2,951,105.14	2,407,443.54
Liabilities to group companies	18.	47,685,967.00	236,026,867.44
Other liabilities		149,050.17	134,505.01
Accruals and deferred income	20.	3,491,561.39	4,017,379.34
		141,565,237.87	302,761,854.79
TOTAL LIABILITIES		141,565,237.87	302,761,854.79
		733,290,998.62	**831,652,619.62**

Parent company cash flow statement

In euros	1.1.–31.12.2021	1.1.–31.12.2020
Cash flow from operating activities:		
Profit (loss) before appropriations and income tax	78,328,161.49	30,508,800.82
Adjustments:		
Depreciation and amortisation according to plan	7,471,131.91	6,850,280.53
Finance income and costs	-80,926,406.26	-23,647,592.78
Cash flow before change in working capital	4,872,887.14	13,711,488.57
Change in working capital:		
Increase (-)/ decrease (+) in inventories	-346,080.00	0.00
Increase (-)/ decrease (+) in current non-interest bearing receivables	-1,472,391.95	10,760,185.81
Increase (+)/ decrease (-) in current non-interest bearing payables	2,973,564.77	5,470,042.44
Cash flow from operating activities before financial items and taxes	6,027,979.96	29,941,716.82
Interest paid and other financial expenses	-1,788,901.97	-4,365,330.02
Interest received from operating activities	570,460.05	1,276,439.50
Taxes paid (received)	-3,847,459.13	-737,172.11
Net cash generated from operating activities (A)	962,078.91	26,115,654.19

In euros	1.1.–31.12.2021	1.1.–31.12.2020
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	-9,740,934.07	-8,543,313.82
Proceeds from sale of property, plant and equipment and intangible assets	0.00	42,500.00
Investments in associated and subsidiary companies	-16,500.00	-1,505,120.67
Proceeds from sale of associated and subsidiary companies	4,753,200.00	0.00
Loans granted	-50,000.00	0.00
Dividends received*	3,504,465.29	4,293,106.90
Net cash used in investing activities (B)	-1,549,768.78	-5,712,827.59
Cash flow from financing activities:		
Proceeds from current loans	27,111,894.71	105,268,805.07
Repayment of current loans	-24,711,419.66	-99,387,405.52
Repayment of long-term loans*	0.00	0.00
Dividends paid and other profit distribution	-15,494,847.20	-15,107,476.02
Net cash used in financing activities (C)	-13,094,372.15	-9,226,076.47
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	-13,682,062.02	11,176,750.13
Cash and cash equivalents at beginning of period	13,684,947.73	2,508,197.60
Cash and cash equivalents at end of period	2,885.71	13,684,947.73

* The comparison year figure has been adjusted

Notes to the financial statement 31 December 2021

Accounting principles for the financial statements

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

Consolidated financial statements
Changes occurred in the group structure during the year 2021 due to acquisitions, mergers and disposals. St1 Sverige AB established the daughter company Scastone AB in October 2021. On June 30, 2021, St1 Sverige AB acquired St1 BioGas AB (former E.ON Biofor AB) entire share capital. The company owns the production companies Falkenbergs Biogas AB (65 %) and Söderåsens Bioenergi AB (63,25 %). St1 Norge AS acquired 33 % of the company Biogas Aksdal AS in April 2021. The company focuses on biogas. St1 Sverige AB acquired Wästgötavind AB, a company developing industrial windpower, in April 2021. The Norwegian daughter company Shell Narvik AS dissolved and the Swedish company Skansfred AB merged into St1 Sverige AB, both occurred during the first quarter. St1 Nordic Oy sold its 20 % share is Lamia Oy in November 2021.

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, St1 BioGas AB, Falkenbergs Biogas AB, Söderåsens Bioenergi AB, Wästgöta Wind AB, St1 Norge Group AS, St1 Norge AS, Shell Madla AS, Nemob 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, 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 inter-company 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 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	5–10 years
sortware 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 strategically 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 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Fuels	6,347.7	4,878.1	0.0	0.0
Energy products and electricity	26.8	38.2	0.0	11.6
Other	7.0	6.9	30.9	30.2
	6,381.5	**4,923.1**	**30.9**	**41.8**
Domestic	1,545.8	1,243.3	12.5	12.1
Foreign	4,835.8	3,679.8	18.3	29.7
	6,381.5	**4,923.1**	**30.9**	**41.8**

2. Other operating income

MEUR	Consolidated 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Gains on sale of non-current assets and shares	16.0	53.5	0.0	0.0
Other operating income	122.2	127.7	1.6	13.7
	138.2	**181.2**	**1.6**	**13.7**

3. Average number of personnel

	Consolidated 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Personnel on average	970	880	66	60
	970	**880**	**66**	**60**

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 2,629,878 (EUR 2,316,836 in 2020).

5. Depreciation, amortisation and impairment charges

In thousand euros	Consolidated 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Depreciation and amortisation according to plan				
Intangible assets				
Capitalised development expenses	483	1,247	0	0
Intangible rights	7,563	6,881	7,240	6,570
Goodwill	970	1,000	0	0
Other long-term capitalised expenditure	400	926	61	58
Tangible assets				
Buildings and structures	12,890	12,817	0	0
Machinery and equipment	51,751	45,649	171	173
Other tangible assets	2,870	3,158	0	0
	76,928	**71,677**	**7,471**	**6,801**
Amortisation /recognition of goodwill on consolidation	14,383	-3,589		
	14,383	**-3,589**		
Impairment of investments to non-current assets				
Intangible rights	46	0	0	0
Other long-term capitalised expenditure	17	0	0	0
Buildings and structures	2,065	3,275	0	0
Land and water areas	88	161	0	0
Machinery and equipment	7,211	2,333	0	49
Other tangible assets	60,475	7	0	0
	69,902	5,776	0	49
Depreciation and amortisation according to plan, total	**161,212**	**73,864**	**7,471**	**6,850**

The subsidiary St1 Oy booked a write-off on Otaniemi geothermal pilot heat plant investment. The originally planned ESG technology has proven very challenging and the project now explores the best techno-economic solution. The company also made a write-off on the Hämeenlinna Bionolix plant which produces ethanol and biogas as the plant's productivity has remained very low.

The subsidiary St1 Norge AS booked a write-off on the Kirkenäs terminal in Norway as there was uncertainty about the continuation of its operation.

6. Other operating expenses

In thousand euros	Consolidated 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Rents	36,715	35,659	1,204	1,216
Advertising and sales promotion	26,656	25,797	66	43
Operating and maintenance expenses	88,491	73,137	112	123
Other operating expenses	101,892	90,245	19,028	17,855
	253,754	**224,838**	**20,409**	**19,238**
Audit expenses				
Audit	685	698	101	93
Tax consultation	364	81	57	32
Other services	58	734	0	158
	1,107	**1,513**	**158**	**283**

7. Finance income and expenses

In thousand euros	Consolidated 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Income from investments in other non-current assets				
From group companies	0	0	74,354	16,340
From associated companies	4,710	-2,282	4,604	4,293
	4,710	**-2,282**	**78,958**	**20,633**
Other interest and finance income				
From group companies	0	0	3,590	5,200
From others	6,404	7,089	2,290	592
	6,404	**7,089**	**5,880**	**5,791**
Impairment of investments				
Impairment of investments to non-current assets	0	0	0	0
Impairment of investments to current assets	0	0	0	0
Interest costs and other finance costs				
To group companies	0	0	1,599	5,005
To others	4,909	27,067	1,249	1,862
	4,909	**27,067**	**2,848**	**6,867**
Finance income and expenses, total	**6,204**	**-22,260**	**81,990**	**19,557**

8. Appropriations

In thousand euros	Consolidated 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Change in accelerated depreciation	0	0	0	0
Group contribution received/given	0	0	0	0
	0	**0**	**0**	**0**

9. Income taxes

In thousand euros	Consolidated 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Current tax on profits for the financial period	-42,182	-16,690	2	-1,955
Change in deferred taxes	3,408	2,812	0	0
	-38,774	**-13,879**	**2**	**-1,955**

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.

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, 2021	49,807	1,200	5,101	56,108
Additions	18	0	9,723	9,741
Disposals	0	0	0	0
Transfers	11,461	0	-11,461	0
Acquisition cost December 31, 2021	61,285	1,200	3,363	65,849
Accumulated amortisation January 1, 2021	-19,830	-948	0	-20,778
Amortisation during the financial period	-7,240	-61	0	-7,300
Accumulated amortisation December 31, 2021	-27,070	-1,008	0	-28,078
Net book value December 31, 2021	34,216	192	3,363	37,771

In thousand euros	Goodwill	Development expenses	Intangible rights
Group			
Acquisition cost January 1, 2021	15,224	4,850	58,757
Additions	0	6	11,488
Disposals	0	0	-46
Translation difference	-49	0	14
Acquisition cost December 31, 2021	15,175	4,856	70,214
Accumulated amortisation January 1, 2021	-12,746	-3,197	-27,832
Amortisation during the financial period	-970	-483	-7,563
Accumulated amortisation December 31, 2021	-13,716	-3,681	-35,395
Net book value December 31, 2021	1,459	1,175	34,819

In thousand euros	Other long-term expenses	Goodwill on consolidation	Total
Acquisition cost January 1, 2021	16,142	221,816	316,789
Additions	163	36,813	48,471
Disposals	-17	0	-63
Translation difference	0	-56	-92
Acquisition cost December 31, 2021	16,288	258,573	365,106
Accumulated depreciation January 1, 2021	-14,862	-65,252	-123,889
Depreciation during the financial period	-400	-14,383	-23,799
Accumulated depreciation December 31, 2021	-15,262	-79,634	-147,688
Net book value December 31, 2021	1,026	178,938	217,417

11. Tangible assets

In thousand euros	Machinery and equipment	Advance payments and construction in progress	Total
Parent company			
Acquisition cost January 1, 2021	1,329	0	1,329
Additions	0	0	0
Disposals	0	0	0
Transfers	0	0	0
Acquisition cost December 31, 2021	1,329	0	1,329
Accumulated depreciation January 1, 2021	-638	0	-638
Depreciation during the financial period	-171	0	-171
Accumulated depreciation December 31, 2021	-809	0	-809
Net book value December 31, 2021	520	0	520

In thousand euros	Land	Buildings	Machinery and equipment	Other tangible assets
Group				
Acquisition cost January 1, 2021	140,016	271,992	725,978	59,869
Additions	205	27,029	87,793	88,791
Disposals	-111	-1,963	-8,613	-77,220
Translation difference	635	192	1,210	104
Acquisition cost December 31, 2021	140,746	297,250	806,367	71,544
Accumulated depreciation January 1, 2021	0	-156,668	-367,966	-34,058
Depreciation during the financial period	0	-12,890	-51,739	-2,882
Accumulated depreciation December 31, 2021	0	-169,558	-419,705	-36,940
Revaluations January 1, 2021	69,646	22,059	23,793	2,644
Additions	0	0	0	0
Disposals	0	0	0	0
Revaluations December 31, 2021	69,646	22,059	23,793	2,644
Net book value December 31, 2021	210,392	149,751	410,455	37,248

In thousand euros	Advance payments and construction in progress	Total
Group		
Acquisition cost January 1, 2021	163,755	1,361,610
Additions	184,849	388,668
Disposals	-153,579	-241,486
Translation difference	-510	1,630
Acquisition cost December 31, 2021	194,515	1,510,422
Accumulated depreciation January 1, 2021	0	-558,692
Depreciation during the financial period	0	-67,511
Accumulated depreciation December 31, 2021	0	-626,203
Revaluation January 1, 2021	0	118,142
Additions	0	0
Disposals	0	0
Revaluation December 31, 2021	0	118,142
Net book value December 31, 2021	194,515	1,002,361

Disposals include 69,839,124 eur reduction in value of tangible assets and 62,583 eur reduction in intangible assets.

12. Revaluations

The revaluation is based on discounted cash flow calculation made by the company, income value and in some cases on building rights 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	100.00%	100.00%
St1 Sverige AB	100.00%	100.00%
St1 Refinery AB	100.00%	0.00%
St1 Gothenburg Biorefinery AB	100.00%	0.00%
Wästgöta Wind AB	100.00%	0.00%
St1 BioGas AB	100.00%	0.00%
Falkenbergs Biogas AB	65.00%	0.00%
Söderåsens Bioenergi AB	63.25%	0.00%
Scastone 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%
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 28,153,252.25 and profit for the period EUR 3,481,380.06	49%	49%
Brang Oy, Turku Equity EUR 158,543.56 and profit for the period EUR -26,499.82	25%	0%
Aviation Fuelling Services Norway AS Equity EUR 11,685,502.38 and profit for the period EUR 4,720,995.94, remaining goodwill on consolidation EUR 5,121,304,24	50%	50%
Biogass Energi Aksdal AS Equity EUR 103,313.16 and profit for the period EUR -59,942.18, remaining goodwill on consolidation EUR 555,729,53	33.3%	0%
Knapphus Energi Norge AS, Vindafjord Equity EUR 28,546.78 and profit for the period EUR -41,664.42	49%	0%

Investments, parent company

	Shares			
In thousand euros	Group companies	Associated companies	Others	Total
Acquisition cost January 1, 2021	498,904	25,079	21	524,003
Additions	17	0	0	17
Disposals	-42,650	-1,602	0	-44,252
Acquisition cost December 31, 2021	456,270	23,477	21	479,768
Net book value December 31, 2021	456,270	23,477	21	479,768

Investments in the group

	Shares		Receivables	
In thousand euros	Associated companies	Others	Others	Total
Acquisition cost January 1, 2021	23,221	2,416	263	25,900
Additions	613	0	0	613
Disposals		0	0	0
Acquisition cost December 31, 2021	23,834	2,416	263	26,513
Net book value December 31, 2021	23,834	2,416	263	26,513

14. Receivables from group companies

	Consolidated		Parent company	
In thousand euros	**2021**	**2020**	**2021**	**2020**
Current				
Trade receivables	0	0	3,435	2,654
Other receivables	0	0	63	116
Equity loans	0	0	1,340	1,290
Loan receivables	0	0	101,319	100,580
	0	**0**	**106,157**	**104,639**
Non-current				
Loan receivables	0	0	101,495	148,686

15. Equity

	Consolidated		Parent company	
In thousand euros	**2021**	**2020**	**2021**	**2020**
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	
Reserve for invested unrestricted equity December 31	54,232	54,232	54,232	54,232
Retained earnings January 1	902,145	784,113	474,559	461,113
Dividend distribution	-15,495	-15,107	-15,495	-15,107
Adjustment to prior period taxes	0	-1,203	0	0
Translation differences of foreign subsidiaries	-2,367	7,545	0	0
Retained earnings December 31	884,283	775,347	459,064	446,006
Profit for the period	148,756	126,797	78,330	28,553
	1,087,271	956,376	591,626	528,791
Capitalized development expenditure	-1,175	-1,652	0	0
Distributable earnings December 31	1,086,095	954,724	591,626	528,791
Equity total	1,127,464	996,569	591,726	528,891

The company's share capital by type of shares	31.12.2021	31.12.2020
Shares, amount	38,737,118 (100%)	38,737,118 (100%)

The Board of Directors proposes to the general meeting that the company pays a dividend on the previous financial year's profit of EUR 15,882,218 (0,41 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	**2021**	**2020**
Certain retirement pensions for which company is liable	34,353	36,314
Other provisions	648	474
Expected environmental obligations	18,289	16,841
Total provisions	**53,289**	**53,629**

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	**2021**	**2020**
Deferred tax assets		
From provisions	13,509	1,690
	13,509	**1,690**
Deferred tax liabilities		
From appropriations	58,312	44,422
From revaluations and goodwill allocations	35,509	36,751
From consolidation	0	0
	93,821	**81,174**

18. Liabilities to group companies

	Consolidated		Parent company	
In thousand euros	**2021**	**2020**	**2021**	**2020**
Current loans:				
Trade payables	0	0	534	268
Other liabilities	0	0	47,151	234,560
Accruals and deferred income	0	0	0	1,199
	0	**0**	**47,686**	**236,027**

19. Adjusting entries for assets/Receivables carried forward

	Consolidated		Parent company	
In thousand euros	**2021**	**2020**	**2021**	**2020**
Financing cost allocations	90	479	90	99
Tax receivables	6,877	1,552	2,896	0
Other adjusting entries	58,069	44,253	2,761	3,830
	65,036	**46,285**	**5,747**	**3,929**

20. Accrued expenses

	Consolidated		Parent company	
In thousand euros	**2021**	**2020**	**2021**	**2020**
Personnel cost accruals	33,991	29,770	861	822
Interest accruals	85	23	0	0
Tax accruals	25,935	26,500	0	953
Other accrued expenses	36,842	19,487	2,630	2,243
	96,854	**75,780**	**3,492**	**4,017**

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 72 MEUR (59 MEUR in 2020 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	**2021**	**2020**	**2021**	**2020**
Bank guarantees	7,937	8,105	0	0
Guarantees on behalf of group companies				
Other guarantees	155,540	179,758	154,877	179,054

Oil has been pledged as against the oil financing facility (EUR 102,955,570) and oil (EUR 110,041,860) and oil products receivables (EUR 103,795,170) 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 37,116,406,80, derivatives liabilities EUR 6,511,231 and L/C liabilities EUR 25,815,168 on 31 December 2021.

	Consolidated		Parent company	
In thousand euros	**2021**	**2020**	**2021**	**2020**
Rent liabilities				
No later than one year	25,955	24,634	1,230	1,222
Later than one year	164,547	154,729	9,038	10,096

	Consolidated		Parent company	
In thousand euros	**2021**	**2020**	**2021**	**2020**
Future leasing payments:				
No later than one year	2,006	1,965	381	369
Later than one year	1,943	1,794	287	260
Total	**3,949**	**3,759**	**668**	**629**
Residual value liability	50	37	7	7

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 2022 to 2023. There are contracts with several counterparties. Fair values at the closing date are presented in the table.

	Consolidated		Parent company	
	2021	**2020**	**2021**	**2020**
Volume, mill. bbl	3.5	1.7	0.0	0.0
Fair value, thousand euro	522	14,719	0	0
Foreign exchange derivatives				
Volume, mill. Eur	182	155	85	71
Fair value, thousand euro	-58	2,338	-247	947

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

Signatures to the financial statements and the report on operations

Helsinki, 29 March 2022

Mika Anttonen
Chairman of the board

Kim Wiio
member of the board

Mikko Koskimies
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, 30 March 2022

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.-31.12.2021. 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 30 March 2022

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

St1 Nordic Oy

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