

## ST1 NORDIC OY'S INTERIM REPORT JANUARY–JUNE 2022

### Consolidated key figures

	1/1–30/6/2022	1/1–30/6/2021	2021
Net sales, MEUR	5,045.0	2,790.5	6,381.5
Operating profit/loss, MEUR	276.6	101.0	181.4
Operating profit as % of net sales	5.5	3.6	2.8
Profit/loss for the financial period, MEUR	226.6	105.2	148.8
Return on equity, %	37.3	20.2	14.0
Equity ratio	49.7	53.7	53.8

The net sales of the St1 Nordic group for the first half of 2022 amounted to EUR 5.0 billion, which is over 80% more than last year. The net sales increased due to the sharp increase in the world market price of refined oil products during the first six months of the year. The sales volume increased in Finland and the aviation fuel sales in Norway. Finland accounted for 22%, Sweden for 53% and Norway for 25% of net sales.

Operating profit amounted to EUR 276.6 million, which is EUR 175.6 million more than in the corresponding period in the previous year. Profit after tax amounted to EUR 226.6 million, while profit for 2021 amounted to EUR 105.2 million. The increase in profit was due to the refining margin that was significantly higher than usual in the second quarter, as well as the inventory impact resulting from the sharp increase in oil prices. The effect of valuation items, i.e. price changes and future refining margin hedges, on the result was approximately EUR 125 million. The operating environment in the Retail market was challenging due to the availability of bioproducts and cost increases.

Cash flow from operating activities amounted to EUR 195.8 million. The most significant investment was the construction of a biorefinery in Gothenburg, which is currently under way. Investments were also made in the station and terminal network. At the end of January, St1 acquired the entire share capital of Brocklesby Ltd, which operates in the UK. The company processes waste fats and other raw materials into raw materials for renewable diesel.

The group's equity amounted to EUR 1,304.6 million at the end of the financial period, and its equity ratio was 49.7.

#### **Henrikki Talvitie, CEO of St1 Nordic Oy:**

The situation in the energy markets has been extremely challenging and volatile during the spring and summer. Fluctuations in the prices of crude oil, oil products, biogas and electricity have been significant. In the market situation, St1 benefited particularly from the high refining margins, which have now already fallen from their peak levels. On the other hand, the high price level of biogas and biocomponents for transport fuels and electricity has rendered the operating environment challenging.

At the end of January, we acquired the entire share capital of the UK-based Brocklesby Ltd, which expanded our renewable biofuel value chain in waste materials. Brocklesby is a recycling expert of used cooking oil and fatty food waste, being one of the UK's leading refiners in this field. The company will also be a major supplier of raw materials for the biorefinery currently under construction at the St1 refinery in Gothenburg. It is estimated that the Biorefinery Gothenburg will commence its production during the second half of 2023.

SCA owns half of the joint venture, which now owns 50% of the company building the biorefinery, Biorefinery Gothenburg AB. Within the framework of this cooperation, SCA will be supplying tall oil as raw material for the biorefinery. The cooperation also led to St1 expanding its development activities to process solid biomass into transport fuel. In addition to the Cellulinox plant in Kajaani, this development work is carried out in cooperation with SCA in Östrand Biorefinery in Sweden.

In August, we made an investment decision to start upgrading biogas and build a liquefaction refinery in Borås, Sweden. At the same time, we concluded a long-term gas supply agreement with Borås Energi och Miljö. The investment receives support from Klimatklivet programme and it contributes to the expansion of St1's network of biogas filling stations in the Nordics.

2022 has started as a very challenging year in the energy markets. Our task is to ensure the uninterrupted availability of currently used fuels to our customers, while at the same time investing more heavily in the development of renewable energy value chains. We have, for example, launched a feasibility study in cooperation with Vattenfall to develop a fossil-free value chain for production of synthetic electro fuel. If the project is implemented, production could start in 2029 on the west coast of Sweden and the capacity could gradually increase to one million cubic metres.

We have ambitious goals for our own energy transition. We are continuously strengthening our organisation both internally and by recruiting to support profitably and sustainably growing business operations.

**Unaudited financial information:**

Consolidated income statement 1/1/2022–30/6/2022, 1/1/2021–30/6/2021, 1/1/2021–31/12/2021

Consolidated balance sheet 30/6/2022, 31/12/2021

Consolidated cash flow statement 1/1/2022–30/6/2022, 1/1/2021–31/12/2021

St1 Nordic Oy will publish its financial statements release for 2022 on 31 March 2023.

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**St1 Nordic Oy** is an energy group whose vision is to be the leading producer and seller of CO2-aware energy. The Group researches and develops economically viable, environmentally sustainable energy solutions. St1 focuses on fuels marketing activities, oil refining and renewable energy solutions such as waste-based advanced biofuels and industrial wind power. The Group has 1290 St1 and Shell branded retail stations and gas filling points in Finland, Sweden and Norway. Headquartered in Helsinki, St1 employs currently more than 1200 people. [www.st1.com](http://www.st1.com)