

ST1 NORDIC OY FINANCIAL STATEMENTS RELEASE 2022

Consolidated key figures

	2022	2021
Net sales, MEUR	10,474.8	6,381.5
Operating profit/loss, MEUR	284.4	181.4
Operating profit as % of net sales	2.7	2.8
Profit/loss for the financial period, MEUR	234.6	148.8
Return on equity, %	19.3	14.0
Equity ratio	51.2	53.8

Net sales of the St1 Nordic group in 2022 amounted to EUR 10.5 billion, up EUR 4.1 billion year-on-year. Net sales increased due to the sharp increase in the world market prices of oil products during the year as well as to the slightly increased sales volumes of service stations and direct sale. Finland accounted for 22%, Sweden for 52%, Norway for 25% and the UK for 1% of net sales.

Operating profit amounted to EUR 284.4 million, up EUR 103.0 million year-on-year. Earnings after tax amounted to EUR 234.6 million, while earnings in the previous year amounted to EUR 148.8 million. Refining and wholesale margins were significantly higher than in the previous year due to the volatility in the energy market caused by the global geopolitical situation. Due to continued intense price competition, the performance of the Retail and Direct Sales market weakened. The performance of the biogas business was negatively affected by the high market price of gas products, especially towards the end of the year.

The subsidiary St1 Oy made a write-down related to the investment in the pilot geothermal heating plant in Otaniemi. At this stage, St1 is offering the wells for scientific research.

Cash flow from operating activities amounted to EUR 226.5 million. Investments amounted to a total of EUR 284.6 million. The largest of these were the biorefinery under construction in Gothenburg and the acquisition of Brocklesby Ltd in the UK in early 2022.

The group's equity amounted to EUR 1,308.2 million at the end of the financial period, and its equity ratio was 51.2. St1 Nordic Oy's Board of Directors proposes to the Annual General Meeting that the company distribute a dividend of EUR 1.00/share, a total of EUR 38.6 million.

Henrikki Talvitie, CEO of St1 Nordic Oy:

Our operating environment in 2022 was very volatile and challenging. Changes were rapid and the energy market experienced a number of unprecedented events, particularly in terms of prices, as a result of the war in Ukraine. Maintaining security of supply and monitoring the market were key in all parts of our value chains and St1 delivered a strong performance in 2022. We also rigorously pursued our planned investments, both in our existing business and, in particular, in new renewable energy projects. Our investment in renewable energy production exceeded EUR 110 million.

Our most significant expansion in 2022 was the acquisition of Brocklesby Ltd, a processor of renewable biofuel waste feedstocks in the UK, early in the year. The company collects and processes food waste and is one of the UK's leading raw material processors in this sector. Brocklesby will supply feedstock for the production of renewable diesel and sustainable aviation fuel (SAF) to a biorefinery in Gothenburg, which will come on stream at the end of 2023. In addition, St1 and SCA signed a joint venture agreement on SCA supplying tall oil feedstock for the Gothenburg biorefinery. SCA owns half of the joint venture, which now owns 50% of the company building the biorefinery, Biorefinery Gothenburg AB.

In Finland, the distribution obligation was relaxed in order to curb the rise in fuel prices due to the sharp increase in world market prices for products. Renewable energy accounted for 17.4% of our net sales in 2022, of which our own generation will account for a significantly larger share in the future.

St1 continues to develop its biogas business. In Sweden, an investment decision was taken to build a biogas processing and liquefaction plant in Borås. Construction is underway and the biorefinery is expected to be operational by the end of this year. In Finland, we started working with Valio Oy to produce biogas from manure and agricultural by-products for transport fuel by setting up a joint venture, Suomen Lantakaasu Oy, in March 2022. The company plans to build its first plant, the largest biogas plant in Finland, in the sub-region of Upper Savonia. The next step in the project is to launch a tender for the construction of the plant and a more detailed design process. The project will proceed to the investment decision stage once environmental and building permits, among others, have been obtained.

We are also planning Finland's first synthetic methanol production plant adjacent to the Finnsementti factory in Lappeenranta. The project is designed to produce renewable synthetic methanol to be used, for example, as a marine and road transport fuel to replace fossil fuels. The project will develop a synthetic methanol value chain that is replicable and scalable. The project will progress to the investment decision stage once the planning and impact assessment processes required for permits and the business plan for the value chain have been completed. We are also developing a fossil-free value chain for synthetic jet fuel production in Sweden in collaboration with Vattenfall, based on a letter of intent signed in June 2022.

For St1, 2023 will be a particularly interesting year as the largest investment in our history, the Gothenburg biorefinery, will be completed in the third quarter of the year. Before that, the Gothenburg refinery will undergo a quadrennial maintenance shutdown. The war in Ukraine continues to have a strong impact on global energy markets. As was the case last year, market volatility could have a major impact on performance in the current year. We are strongly pursuing our vision of a step-by-step transition towards renewable energy sources.

Financial information:

2022 financial statements including auditor's report.

St1 Nordic Oy will publish an integrated Game Changer report on 30 April 2023 and the first-half interim report on 31 August 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 1270 St1 and Shell branded retail stations and gas filling points in Finland, Sweden and Norway. Headquartered in Helsinki, St1 employs currently more than 1000 people. www.st1.com