

ST1 NORDIC OY'S FINANCIAL STATEMENTS RELEASE 2021

Consolidated key figures

	2021	2020
Net sales, MEUR	6381.5	4923.1
Operating profit/loss, MEUR	181.4	162.9
Operating profit as % of net sales	2.8	3.3
Profit/loss for the financial period, MEUR	148.8	126.8
Return on equity, %	14.0	13.5
Equity ratio	53.8	57.7

The net sales of the St1 Nordic group in 2021 amounted to EUR 6.4 billion, up EUR 1.5 billion year-on-year. The 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 24%, Sweden for 50% and Norway for 26% of net sales.

Operating profit amounted to EUR 181.4 million, up EUR 18.5 million year-on-year. Earnings after tax amounted to EUR 148.8 million, while earnings in the previous year amounted to EUR 126.8 million. Refining and wholesale margins were considerably higher than in the previous year as the oil markets recovered from the COVID-19 pandemic. The significant increase in the oil price during the year had a positive impact on the result through the inventory impact. Regardless of the ongoing strong price competition and local impacts caused by the COVID-19 pandemic, the Retail and Direct Sales markets slightly improved their performance levels. Write downs carried out by the subsidiary St1 Oy concerning the investment in the Otaniemi geothermal heating plant pilot project in Espoo, Finland, and the Bionolix plant producing ethanol and biogas in Hämeenlinna, Finland, decreased the results.

Cash flow from operating activities amounted to EUR 233.7 million. The company made the largest investments in its history: a total of EUR 279.1 million. Most of the investments concerned the biorefinery to be built in Gothenburg and the acquisition of the St1 BioGas AB in Sweden.

The group's equity amounted to EUR 1,127.5 million at the end of the financial period, and its equity ratio was 53.8. St1 Nordic Oy's Board of Directors proposes to the Annual General Meeting that the company distribute a dividend of EUR 0.41/share, a total of EUR 15.9 million.

Henrikki Talvitie, CEO of St1 Nordic Oy:

Regardless of the challenging market situation, St1 performed strongly in 2021. Our organisation continued the business development and planned investments in the current business operations as well as in renewable energy projects.

In 2021, St1 started its expansion to the biogas business in all its operating countries. This step supports St1's vision and is a concrete continuation of our work promoting the energy sector transition. In Sweden, St1 acquired St1 BioGas AB (formerly E.ON Biofor AB), one of the leading

operators in its field in Sweden with an approximately 30% market share in the transport segment. In Norway, we are part of the joint venture building a biogas refuelling network. In Finland, we started to cooperate with Valio Ltd in producing biogas for transport fuel from dairy farm manure and farming side streams. The joint venture Suomen Lantakaasu Oy was established in March 2022.

An increasing proportion of our net sales is generated from biofuels – their proportion was more than 19% in 2021. The construction of the biorefinery in connection with the refinery in Gothenburg is underway and it is estimated that the biorefinery will be put into operation during the second half of 2023. St1 and SCA signed a joint venture agreement on SCA supplying tall oil as raw material for the biorefinery. SCA owns half of the joint venture, which now owns 50% of the company building the biorefinery, Biorefinery Gothenburg AB. In early 2022, St1 expanded the renewable biofuel value chain into waste materials by acquiring Brocklesby Ltd from the UK. The company collects and processes food waste and is one of the leading raw material processors in its field in the UK.

At the end of 2021, St1 agreed with CapMan Infra on geothermal heat investments in Finland. CapMan Infra acquired St1 Lähienergia Oy's geothermal heating plant portfolio and St1 Lähienergia continues to build geothermal heating plants for the portfolio.

The Otaniemi geothermal heating plant pilot project development progressed into a phase where the best technical and economic implementation is examined. The Engineered Geothermal System (EGS) technology has proven to be extremely challenging and the aim of the ongoing examination phase is to get the best possible heat power from the plant. A write down concerning the project was recorded for 2021 due to changes in the profit expectations.

The year 2022 is strongly characterised by the situation in Ukraine and its significant impacts on the global energy markets. Although St1 is not operating in Russia and does not use Russian crude oil in its refinery, market volatility requires constant attention and may cause even major profit impacts. Increasing biofuel blending obligations in all our operating countries present a challenge, but the refinery to be completed in Gothenburg next year will offer much-needed capacity. St1 continues also the creation of the synthetic fuels value chain and exploring the increase of carbon sinks as part of mitigating climate change. The gradual transition towards renewable energy sources in accordance with our vision has become all the more important.

Financial information:

2021 financial statements including auditor's report.

St1 Nordic Oy will publish an integrated Game Changer report on 29 April 2022 and the first-half interim report on 31 August 2022.

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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 friendly sustainable energy solutions. St1 focuses on the fuel marketing activities, oil refining and renewable energy solutions, such as advanced biofuels 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 1,200 people. www.st1.com