

ST1 NORDIC OY FINANCIAL STATEMENTS RELEASE 2023

Consolidated key figures

	2023	2022*)
Net sales, MEUR	8,209.6	10,474.8
Operating profit/loss, MEUR	185.6	285.3
Operating profit as % of net sales	2.3	2.7
Profit/loss for the financial period, MEUR	146.7	235.4
Return on equity, %	11.0	19.5
Equity ratio	55.7	50.9

**) The figures for the comparison year have been restated*

Net sales of the St1 Nordic group in 2023 amounted to EUR 8.2 billion, representing a year-on-year decrease of EUR 2.3 billion. The decrease in net sales was due to the development of the world market prices of oil products during the year and the maintenance turnaround of the Gothenburg oil refinery. The distribution of net sales by country remained very similar to the previous years, with Finland representing 23%, Sweden 51%, Norway 25% and the UK 1% of net sales. The relative share of net sales represented by renewable energy increased as the prices of conventional fuels decreased. In addition, production was suspended during the maintenance turnaround of the refinery, which further reduced our total sales of conventional fuels.

Operating profit amounted to EUR 185.6 million, a decrease of nearly EUR 100 million compared to the previous year. Profit after tax came to EUR 146.7 million, compared to EUR 235.4 million in the previous year. The refining margin was lower than the exceptionally high level seen in the previous year but, nevertheless, it remained at a good level. The margin was also affected by the refinery maintenance turnaround in the spring. Inventory items and valuation items also had a negative effect on profit performance. The result of the biogas business turned positive. The subsidiary St1 Oy recognised write-downs in connection with the closure of the bioethanol plants in Kajaani, Vantaa and Lahti in late 2023.

Cash flow from operating activities amounted to EUR 361.8 million. Investments amounted to a total of EUR 241.1 million. The largest of these were the biorefinery under construction in Gothenburg and the quadrennial maintenance turnaround of the refinery. Investments were also made in the biogas upgrading and liquefaction refinery in Borås, Sweden, for example.

The group's equity amounted to EUR 1,377.2 million at the end of the financial period, and its equity ratio was 55.7. 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:

The geopolitical situation has contributed to instability in the oil market, which has inevitably affected the prices and availability of fuels. St1's key task is to secure the supply of fuel for society.

As a company, we continued to play our role in driving forward the energy transition by investing heavily in renewable energy. Last year, St1's investments in renewable energy totalled just over EUR 111 million, representing 46% of the total investments made during the year. The remaining 54% of the investments were allocated to the maintenance turnaround of the refinery, the Nordic station and logistics network, and information systems.

The biorefinery in Gothenburg was completed last year at the same site as our oil refinery. It now produces renewable aviation fuel (SAF) and renewable diesel (HVO). To support production, we have built our own value chain for highly competitive raw material procurement.

We see biogas as an important and quick solution for taking advantage of the circular economy to reduce carbon dioxide emissions. Last year, we continued our strong investment programme in biogas production, liquefaction and the distribution network in Finland, Sweden and Norway. We implemented our projects both alone and in collaboration with our strong partners. The most visible achievement was the construction of the new biogas upgrading and liquefaction refinery in Borås, Sweden. It supports our goal of being a leading company in the full value chain of liquefied biogas in our Nordic home markets.

St1 is also investing in the construction of a high power electric charging network in Norway, Finland and Sweden. We have also taken significant steps with regard to our wind and solar power development portfolio of 1,855 MW, including our first solar park investment in Gothenburg, Sweden.

In spite of the challenges associated with accelerating the energy transition, we are continuing the development of our ambitious Power-to-X projects. However, the emergence of a profitable market for synthetic fuels will take more time than previously anticipated, and the breakthrough of synthetic fuels has not materialised yet.

In 2023, we also strengthened our compliance and due diligence processes related to corporate responsibility. They will help us secure sustainability certificates for our raw materials and products. Last year, the focus was on our HVO, biogas and wind power projects, which are strategic priorities in our energy transition.

Following a year of good financial performance, the strategic future prospects of our business appear stable, and we will continue to pursue our energy transition with the support of a strong balance sheet.

Financial information:

2023 financial statements including the auditor's report.

St1 Nordic Oy will publish an integrated Game Changer report on 15 April 2024 and the first-half interim report on 30 August 2024.

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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 more 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 1259 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