



Neste Corporation
Financial Statements
Release
2023

8 February 2024

NESTE

Neste's Financial Statements Release for 2023

Strong end for the year, cash flow the highlight in 2023

Year 2023 in brief:

- Comparable EBITDA totaled EUR 3,458 million (EUR 3,537 million)
- EBITDA totaled EUR 2,548 million (EUR 3,048 million)
- Cash flow before financing activities totaled EUR 751 million (EUR -390 million)
- Comparable return on average capital employed (Comparable ROACE) was 23.9% over the last 12 months (30.1%)
- Leverage ratio was 22.7% at the end of December (31 Dec 2022: 13.9%)
- Comparable earnings per share were EUR 2.88 (EUR 3.04)
- Earnings per share: EUR 1.87 (EUR 2.46)
- Board of Directors will propose a dividend of EUR 1.20 per share (1.52), totaling EUR 922 million (EUR 1,168 million)

Fourth quarter in brief:

- Comparable EBITDA totaled EUR 797 (894) million
- EBITDA totaled EUR 672 (748) million
- Renewable Products' comparable sales margin* was USD 813 (755)/ton
- Oil Products' total refining margin was USD 18.9 (23.5)/bbl
- Cash flow before financing activities was EUR 475 (596) million
- Comparable earnings per share were EUR 0.66 (EUR 0.84)

* Calculation formula has been adjusted effective 1 January 2023; and the figures for 2022 restated. Q4/22 comparable sales margin with the previous calculation reached USD 783/ton.

President and CEO Matti Lehmus:

“Neste ended the year 2023 with strong results in all business units. The fourth quarter comparable EBITDA reached EUR 797 (894) million. The change in the result versus the corresponding period last year was driven by Oil Products, where the total refining margin decreased year-on-year yet reaching a good level of USD 18.9 (23.5)/bbl supported by successful operational performance. In Renewable Products, we were able to optimize our sales and feedstock sourcing in a more challenging market environment, resulting in a comparable sales margin of USD 813 (755)/ton. The sales volume of renewable diesel and sustainable aviation fuel (SAF) amounted to 843,000 (779,000) tons in line with our target. We also generated a strong cash flow before financing activities of EUR 475 (596) million despite our continuing growth investments.

The year 2023 was impacted by geopolitical tensions and high inflation. The market environment was most favourable in the third quarter, after which the market, particularly in Renewable Products, weakened towards the end of the year. Our full-year comparable EBITDA reached EUR 3,458 (3,537) million. As to the Group's financial targets, we reached a Comparable ROACE of 23.9% over the last 12 months and a leverage ratio of 22.7% at the end of the year, both clearly meeting our financial target levels. Cash flow before financing activities was a clear highlight, reaching EUR 751 million, supported by successful working capital management and significantly exceeding the previous year's level of EUR -390 million. Our solid financial position enables the continued implementation of our growth strategy going forward.

Renewable Products posted a full-year comparable EBITDA of EUR 1,906 (1,762) million and we were able to increase our comparable sales margin to USD 863 (779)/ton. This was enabled by successful global optimization across feedstocks, markets and products. Sales volumes in renewable diesel and SAF were 3.3 (3.0) million tons, impacted by the delayed ramp-up in our Singapore expansion and the Martinez joint operation. In the fourth quarter, our comparable EBITDA reached EUR 433 (415) million and the Singapore new line utilization rate increased according to our expectation to approximately 75%. The share of waste and residue feedstocks remained high throughout the year and averaged 92% (95%) of our total renewable material inputs in 2023.

Oil Products posted a full-year comparable EBITDA of EUR 1,434 (1,654) million. While decreasing from the high level of 2022, the main product margins remained healthy and our operational performance was strong with the utilization rate improving to 88 (85)%. The total refining margin for the full-year was USD 21.1 (23.4)/bbl. In the fourth quarter, the Oil Products' comparable EBITDA reached EUR 330 (450) million supported by good operational performance. In December, we announced a gradual long-term transformation of Neste's crude oil refinery in Porvoo, Finland into a leading renewable and circular solutions refining hub. The planned transformation requires multiple separate investment decisions before targeted completion in the mid 2030s. We expect the long-term capacity potential after the transformation to be approximately 3 million tons of renewable and circular products.

Marketing & Services generated a full-year comparable EBITDA of EUR 118 million (EUR 126 million). In a somewhat more challenging market, we were again able to deliver strong unit margins and gain market share in our main products.

We initiated a savings program in the second half of 2023, which supported the decrease of the fixed costs growth rate during the second half of the year. In November, we announced a plan to simplify our organizational structure and operational model to secure the execution of our growth strategy and to strengthen our long-term competitiveness. The planned program is estimated to result in total annual cost savings of approximately EUR 50 million, the majority to be realized in 2024. Compared to the baseline year 2022, we are also on track with our Neste Excellence program to reach over EUR 350 million of value creation by the end of 2026.

Looking forward into 2024, I remain confident in Neste's ability to continue the successful execution of our renewable growth strategy and optimize our performance in a more challenging market environment.

Outlook

Short term market outlook

The uncertainty in the global economic outlook and geopolitical situation continues. We expect market volatility in Renewable Products and Oil Products to remain high. In Renewable Products, bioticket and renewable credit prices have decreased to a lower level in early 2024 compared to 2023. In Oil Products, the refining market has stayed relatively stable during the beginning of 2024.

Guidance

Renewable Products' total sales volume is expected to increase from 2023 and to reach approximately 4.4 Mt (+/- 10%) in 2024, out of which SAF sales volume is expected to be 0.5–1.0 Mt. Renewable Products' full-year 2024 average comparable sales margin is expected to be in the range of USD 600–800/ton.

Oil Products' total sales volume in 2024 is expected to be lower than in 2023, impacted by the planned Porvoo major turnaround in the second quarter. Oil Products' full-year 2024 total refining margin is expected to be lower than in 2023.

Additional information

In Renewable Products, Singapore is scheduled to have a 6-week and Rotterdam a 4-week maintenance shutdown in the third quarter. Singapore's new line is also scheduled to have an 8-week maintenance shutdown in the fourth quarter. Renewable Products' full-year sales volume is impacted by the planned maintenance shutdowns and the ramp-up timeline of Martinez and the Singapore new line to reach full capacity. In Singapore, stable SAF production was reached in the fourth quarter and SAF sales are expected to increase from the second quarter onwards. Martinez Renewables facility is currently operating at slightly below 50% of nameplate capacity, following the fire at the end of 2023. Work is ongoing to proceed with repairs to ensure safe and reliable operations.

In Oil Products, the Porvoo major turnaround is scheduled for the second quarter with an estimated capex of EUR 390 million and a comparable EBITDA impact of approximately EUR 190 million for Oil Products and EUR 40 million for Renewable Products. The two-day strike at the beginning of February had an impact on customer deliveries from Porvoo refinery and affected production over a 5-7 days period.

In Marketing & Services the sales volumes and unit margins are expected to follow the previous years' seasonality pattern.

The Group's total fixed costs in 2024 are expected to be somewhat higher than in 2023 due to the Porvoo major turnaround and the build-up of resources for the growth projects under construction. The fixed costs growth trend is expected to level out compared to 2023 due to cost saving and efficiency measures.

The Group's full-year 2024 cash-out capital expenditure excluding M&A is estimated to be approximately EUR 1.4–1.6 billion. The share of maintenance and strategic capex is expected to represent approximately 40% and 60%, respectively, as the Porvoo major turnaround increases maintenance capex.

Neste's Financial Statements Release, 1 January - 31 December 2023

The Financial Statements Release is unaudited.

Figures in parentheses refer to the corresponding period for 2022, unless otherwise stated.

Key Figures

| EUR million (unless otherwise noted) | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|--|----------|----------|--------|--------|--------|
| Revenue | 6,303 | 6,562 | 5,973 | 22,926 | 25,707 |
| EBITDA | 672 | 748 | 889 | 2,548 | 3,048 |
| Comparable EBITDA* | 797 | 894 | 1,047 | 3,458 | 3,537 |
| Operating profit | 415 | 589 | 669 | 1,682 | 2,410 |
| Profit before income taxes | 407 | 563 | 618 | 1,596 | 2,279 |
| Net profit | 400 | 514 | 539 | 1,436 | 1,891 |
| Comparable net profit | 508 | 642 | 674 | 2,216 | 2,336 |
| Earnings per share, EUR | 0.52 | 0.67 | 0.70 | 1.87 | 2.46 |
| Comparable earnings per share, EUR | 0.66 | 0.84 | 0.88 | 2.88 | 3.04 |
| Investments | 616 | 668 | 467 | 2,351 | 2,218 |
| Net cash generated from operating activities | 690 | 740 | 796 | 2,279 | 1,197 |

| | 31 Dec 2023 | 31 Dec 2022 |
|---|-------------|-------------|
| Total equity | 8,463 | 8,327 |
| Interest-bearing net debt | 2,488 | 1,344 |
| Capital employed | 12,532 | 10,942 |
| Comparable return on average capital employed after tax (Comparable ROACE)**, % | 23.9 | 30.1 |
| Equity per share, EUR | 11.02 | 10.83 |
| Leverage ratio, % | 22.7 | 13.9 |

* Comparable EBITDA is calculated by excluding inventory valuation gains/losses, unrealized changes in the fair value of open commodity and currency derivatives, capital gains/losses, and other adjustments from the reported EBITDA.

** Last 12 months.

The Group's fourth-quarter 2023 results

Neste's revenue in the fourth quarter totaled EUR 6,303 (6,562) million. Higher sales volumes had a positive impact of approximately EUR 0.3 billion, but revenue decreased due to lower market and sales prices, which had a negative impact of approximately EUR -0.7 billion. Additionally, a weaker US dollar had a negative impact of approximately EUR -0.2 billion, but was offset by an increase in trading volumes, mainly in Oil Products, positively impacting the revenue by approximately EUR 0.4 billion year-over-year.

The Group's comparable EBITDA was EUR 797 (894) million. Renewable Products' comparable EBITDA was EUR 433 (415) million, mainly due to a higher sales margin, while fixed costs and foreign exchange rates had a negative impact on the result. Oil Products' comparable EBITDA was EUR 330 (450) million, mainly as a

result of a lower refining market and foreign exchange rates year-on-year, whereas sales volumes and fixed costs had a positive impact on the segment's result. Marketing & Services' comparable EBITDA was EUR 25 (21) million. The Others segment's comparable EBITDA was EUR 3 (4) million.

The Group's EBITDA was EUR 672 (748) million, which was impacted by inventory valuation losses totaling EUR -255 (-200) million and changes in the fair value of open commodity and currency derivatives totaling EUR 128 (48) million, mainly related to margin and utility price hedging. Profit before income taxes was EUR 407 (563) million, and net profit EUR 400 (514) million. Comparable earnings per share were EUR 0.66 (0.84), and earnings per share EUR 0.52 (0.67).

The Group's full-year 2023 results

Neste's full-year 2023 revenue totaled EUR 22,926 (25,707) million. Higher sales volumes had a positive impact of approximately EUR 1.1 billion, but revenue decreased due to lower market and sales prices, which had a negative impact of approximately -4.3 billion. A weaker US dollar had a negative impact of approximately EUR -0.5 billion on the revenue and the increasing trading volumes mainly in Oil Products impacted positively on the revenue by approximately EUR 0.9 billion.

The Group's comparable EBITDA was EUR 3,458 (3,537) million. Renewable Products' comparable EBITDA was EUR 1,906 (1,762) million, mainly due to the higher sales margin and higher sales volume while the increased fixed costs and a weaker US dollar year-over-year had a negative impact on the result. Oil Products' full-year comparable EBITDA was EUR 1,434 (1,654) million, mainly as a result of lower refining market, higher sales volumes, increased fixed costs and a weaker US dollar than in 2022. Marketing & Services' comparable EBITDA was EUR 118 (126) million. The Others segment's comparable EBITDA was EUR -2 (-4) million.

The Group's EBITDA was EUR 2,548 (3,048) million, which was impacted by inventory valuation losses of EUR -827 (-352) million and changes in the fair value of open commodity and currency derivatives totaling EUR -98 (-131) million, mainly related to margin and utility price hedging. Profit before income taxes was EUR 1,596 (2,279) million, and net profit EUR 1,436 (1,891) million. Comparable earnings per share were EUR 2.88 (3.04), and earnings per share EUR 1.87 (2.46).

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|--|----------|----------|--------|-------|-------|
| COMPARABLE EBITDA | 797 | 894 | 1,047 | 3,458 | 3,537 |
| - inventory valuation gains/losses | -255 | -200 | 7 | -827 | -352 |
| - changes in the fair value of open commodity and currency derivatives | 128 | 48 | -166 | -98 | -131 |
| - capital gains/losses | 0 | 1 | 1 | 7 | 10 |
| - other adjustments | 3 | 6 | 0 | 8 | -16 |
| EBITDA | 672 | 748 | 889 | 2,548 | 3,048 |

Variance analysis (comparison to corresponding period), MEUR

| | 10-12 | 1-12 |
|---------------------------------|-------|-------|
| Group's comparable EBITDA, 2022 | 894 | 3,537 |
| Sales volumes | 24 | 147 |
| Sales margin | -21 | 236 |
| Currency exchange | -61 | -157 |
| Fixed costs | -13 | -274 |
| Others | -25 | -31 |
| Group's comparable EBITDA, 2023 | 797 | 3,458 |

Variance analysis by segment (comparison to corresponding period), MEUR

| | 10-12 | 1-12 |
|---------------------------------|-------|-------|
| Group's comparable EBITDA, 2022 | 894 | 3,537 |
| Renewable Products | 18 | 145 |
| Oil Products | -121 | -221 |
| Marketing & Services | 4 | -7 |
| Others including eliminations | 1 | 5 |
| Group's comparable EBITDA, 2023 | 797 | 3,458 |

Financial targets

Comparable return on average capital employed after tax (Comparable ROACE) and leverage ratio are Neste's key financial targets. The company's long-term Comparable ROACE target is over 15%, and the leverage ratio target is below 40%. At the end of December, Comparable ROACE calculated over the last 12 months was 23.9%, and leverage ratio remained well within the target area at 22.7%.

| | 31 Dec 2023 | 31 Dec 2022 |
|--|----------------|----------------|
| Comparable return on average capital employed after tax (Comparable ROACE)*, % | 23.9 | 30.1 |
| Leverage ratio (net debt to capital), % | 22.7 | 13.9 |

*Last 12 months. Calculation formula adjusted effective 1 January 2023; figures for 2022 restated.

Cash flow, investments and financing

The Group's net cash generated from operating activities totaled EUR 2,279 (1,197) million during 2023. The increase compared to last year mainly resulted from net working capital change not tying cash in 2023 compared to 2022. Cash flow before financing activities was EUR 751 (-390) million during 2023 and the Group's net working capital in days outstanding was 41.0 days (35.4 days) on a rolling 12-month basis at the end of the fourth quarter.

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|--|----------|----------|--------|--------|--------|
| EBITDA | 672 | 748 | 889 | 2,548 | 3,048 |
| Capital gains/losses | 0 | 0 | 0 | 0 | 0 |
| Other adjustments | -225 | -304 | 190 | 108 | -55 |
| Change in net working capital | 495 | 601 | -268 | 21 | -1,357 |
| Finance cost, net | -38 | -8 | 4 | -91 | -42 |
| Income taxes paid | -213 | -298 | -19 | -307 | -398 |
| Net cash generated from operating activities | 690 | 740 | 796 | 2,279 | 1,197 |
| Capital expenditure | -416 | -446 | -246 | -1,607 | -1,757 |
| Other investing activities | 201 | 302 | -147 | 79 | 170 |
| Free cash flow (Cash flow before financing activities) | 475 | 596 | 403 | 751 | -390 |

Cash-out investments totaled EUR 1,621 (1,758) million, and were EUR 1,431 (990) million excluding M&A in 2023. Maintenance investments accounted for EUR 305 (249) million and productivity and strategic investments for EUR 1,316 (1,509) million. According to Neste's strategy, significant growth investments

continued into Renewable Products where investments amounted to EUR 1,365 (1,553) million. Oil Products' investments amounted to EUR 208 (130) million, and Marketing & Services' investments totaled EUR 16 (21) million. Investments in the Others segment were EUR 32 (55) million, concentrating on IT and business infrastructure upgrades.

In order to support further business growth, Neste established in 2023 a Euro Medium Term Note (EMTN) program and completed three green bond issues (altogether EUR 1.6 billion) under the program. These were the first transactions for Neste as a rated A3 issuer. The bonds have maturities of 2029, 2031 and 2033 and pay a fixed coupon of 3.875 per cent (2029 and 2031) and 4.250 per cent (2033). Neste also completed a tender offer for the bond maturing in 2024 and bought back EUR 199 million in aggregate nominal amount of notes.

Interest-bearing net debt was EUR 2,488 million at the end of December 2023, compared to EUR 1,344 million at the end of 2022. The average interest rate of borrowing at the end of December was 3.6% (2.3%) and the average maturity 5.1 (2.5) years. At the end of the fourth quarter the Net debt to EBITDA ratio was 1.0 (0.4) over the last 12 months. The leverage ratio was 22.7% at the end of December (31 Dec 2022: 13.9%).

The Group's liquid funds and committed, unutilized credit facilities amounted to EUR 3,480 million at the end of December (31 Dec 2022: 2,871 million). There are no financial covenants in the Group companies' existing loan agreements.

In accordance with its hedging policy, Neste hedges a large part of its net foreign currency exposure for the next 12 months, mainly using forward contracts and currency options. The most important hedged currency is the US dollar. At the end of December, the Group's foreign currency hedging ratio was approximately 55% of the sales margin for the next 12 months.

US dollar exchange rate

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|--------------------------|----------|----------|--------|------|------|
| EUR/USD, market rate | 1.08 | 1.02 | 1.09 | 1.08 | 1.05 |
| EUR/USD, effective rate* | 1.08 | 1.07 | 1.06 | 1.06 | 1.11 |

* The effective rate includes the impact of currency hedges.

Segment reviews

Neste's businesses are grouped into four reporting segments: Renewable Products, Oil Products, Marketing & Services, and Others.

Renewable Products

Key financials

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|-------------------------------------|----------|----------|--------|-------|-------|
| Revenue, MEUR | 2,263 | 2,597 | 2,197 | 8,466 | 9,905 |
| EBITDA, MEUR | 393 | 536 | 256 | 1,049 | 1,328 |
| Comparable EBITDA, MEUR | 433 | 415 | 545 | 1,906 | 1,762 |
| Operating profit, MEUR | 245 | 468 | 130 | 568 | 1,046 |
| Net assets, MEUR | 8,069 | 6,433 | 7,887 | 8,069 | 6,433 |
| Return on net assets*, % | 7.5 | 18.6 | 11.1 | 7.5 | 18.6 |
| Comparable return on net assets*, % | 18.9 | 26.6 | 20.9 | 18.9 | 26.6 |
| Comparable sales margin, USD/ton** | 813 | 755 | 912 | 863 | 779 |

* Last 12 months

** Calculation formula has been adjusted effective 1 January 2023; and the figures for 2022 restated. Q4/22 comparable sales margin with the previous calculation reached USD 783/ton and 2022 USD 804/ton.

Variance analysis (comparison to corresponding period), MEUR

| | 10-12 | 1-12 |
|-------------------------|-------|-------|
| Comparable EBITDA, 2022 | 415 | 1,762 |
| Sales volumes | 2 | 83 |
| Sales margin | 83 | 374 |
| Currency exchange | -34 | -79 |
| Fixed costs | -32 | -233 |
| Others | 0 | 0 |
| Comparable EBITDA, 2023 | 433 | 1,906 |

Key drivers

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|---|----------|----------|--------|------|-------|
| Biomass-based diesel (D4) RIN, USD/gal | 0.84 | 1.82 | 1.40 | 1.35 | 1.69 |
| California LCFS Credit, USD/ton | 69 | 66 | 75 | 73 | 99 |
| Palm oil price*, USD/ton | 802 | 838 | 834 | 833 | 1,116 |
| Waste and residue's share of total feedstock**, % | 93 | 96 | 88 | 92 | 95 |

* CPO BMD 3rd, Crude Palm Oil Bursa Malaysia Derivatives 3rd month futures price

** Calculation formula has been adjusted to include also Martinez joint operations Neste's share of feedstock

Renewable Products' fourth-quarter comparable EBITDA totaled EUR 433 million, compared to EUR 415 million in the fourth quarter of 2022. Sales margin reached USD 813 (755)/ton in the fourth quarter, improving the comparable EBITDA by EUR 83 million compared to the corresponding period last year. This was mainly driven by net impact from declining bioticket and renewable credit prices, lower feedstock and production costs and the impact of hedges year-over-year. The US Blender's Tax Credit (BTC) contribution included in the sales margin was EUR 111 (87) million in the fourth quarter. Compared to the third-quarter sales margin USD 912/ton, the sales margin decrease was driven by a decrease in diesel price and weakening RIN D4 prices, but this was partially offset by the decrease in waste and residue price level and a positive RIN hedging result.

Singapore ramp-up proceeded according to company expectations and 75% capacity and stable SAF production was reached by the end of 2023.

The sales volumes were slightly higher than in the corresponding period last year, which had a positive impact of EUR 2 million on the comparable EBITDA. During the fourth quarter approximately 61% (66%) of the volumes were sold to the European market and 39% (34%) to North America. The share of 100% renewable diesel delivered to end-users was 21% (30%) in the fourth quarter. Our renewable diesel production capacity had an average utilization rate of 102% (75%) during the quarter. The share of waste and residue inputs was 93% (96%). A weaker US dollar, excluding currency hedges, had a negative impact of EUR -33 million on the segment's comparable EBITDA compared to the corresponding period last year. The segment's fixed costs were EUR 32 million higher year-over-year as the growth strategy execution continues. Renewable Products' comparable return on net assets was 18.9% (26.6%) at the end of December based on the previous 12 months.

Renewable Products' full-year comparable EBITDA was EUR 1,906 (1,762) million. The comparable sales margin was higher than in 2022 and reached USD 863 (779). The higher sales margin had a positive impact of EUR 374 million on the comparable EBITDA year-on-year. The BTC contribution was EUR 417 (312) million during 2023. Sales volumes increased and had an impact of EUR 83 million year-over-year. The weaker US dollar had a negative impact of EUR -79 million on the segment's comparable EBITDA compared to the previous year. The segment's fixed costs were EUR 233 million higher than in 2022, as Neste continued to build up its capabilities to support its growth strategy.

During the year, feedstock prices were supported mid-year especially by strong US demand. However, towards the end of the year, feedstock prices were affected by low US credit price levels, especially RINs, and started to decline. The D4 RIN started the year at USD 1.7 and ended the year at USD 0.8. The California Low Carbon Fuel Standard (LCFS) credit price also decreased to about USD 70/ton due to further growing credit bank mainly due to the increasing renewable diesel production. Also the European renewable diesel spot premium levels and bioticket prices weakened clearly towards the end of the year.

In 2023, the European Union (EU) has launched investigations on Asian biodiesel imports to the EU which could have an impact on these flows and also the price of biofuels in the EU going forward.

Key drivers impacting the comparable sales margin in Renewable Products include feedstock and middle distillate market prices, the development of renewable diesel price premiums, bioticket and renewable credit price levels, SAF and Martinez sales volume development as well as margin hedging.

Production

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|---------------------------------------|----------|----------|--------|-------|-------|
| Renewable Diesel*, 1,000 ton | 814 | 572 | 802 | 3,267 | 2,831 |
| SAF, 1,000 ton | 103 | 44 | 55 | 251 | 158 |
| Other products, 1,000 ton | 52 | 47 | 59 | 210 | 249 |
| Utilization rate**, own production, % | 102 | 75 | 92 | 98 | 91 |

* Including production from Martinez joint operation.

** Based on a nameplate capacity of 3.3 Mton/a

Sales

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|--|----------|----------|--------|-------|-------|
| Renewable Diesel, 1,000 ton | 804 | 741 | 823 | 3,164 | 2,927 |
| SAF, 1,000 ton | 40 | 39 | 36 | 139 | 105 |
| Other products, 1,000 ton | 27 | 29 | 24 | 79 | 95 |
| Share of sales volumes to Europe, % | 61 | 66 | 55 | 61 | 67 |
| Share of sales volumes to North America, % | 39 | 34 | 45 | 39 | 33 |

Oil Products

Key financials

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|-------------------------------------|----------|----------|--------|--------|--------|
| Revenue, MEUR | 3,750 | 3,657 | 3,442 | 13,285 | 14,596 |
| EBITDA, MEUR | 247 | 184 | 602 | 1,375 | 1,619 |
| Comparable EBITDA, MEUR | 330 | 450 | 472 | 1,434 | 1,654 |
| Operating profit, MEUR | 159 | 111 | 527 | 1,068 | 1,337 |
| Net assets, MEUR | 2,384 | 2,652 | 2,654 | 2,384 | 2,652 |
| Return on net assets*, % | 42.6 | 46.6 | 37.9 | 42.6 | 46.6 |
| Comparable return on net assets*, % | 45.0 | 48.0 | 47.0 | 45.0 | 48.0 |
| Total refining margin, USD/bbl | 18.9 | 23.5 | 26.9 | 21.1 | 23.4 |

* Last 12 months

Variance analysis (comparison to corresponding period), MEUR

| | 10-12 | 1-12 |
|-------------------------|-------|-------|
| Comparable EBITDA, 2022 | 450 | 1,654 |
| Sales volumes | 25 | 69 |
| Total refining margin | -104 | -138 |
| Currency exchange | -27 | -78 |
| Fixed costs | 14 | -37 |
| Others | -28 | -37 |
| Comparable EBITDA, 2023 | 330 | 1,434 |

Oil Products' comparable EBITDA totaled EUR 330 (450) million in the fourth quarter. For the fourth quarter Neste expected a somewhat lower total refining margin compared to the third quarter of 2023. The total refining margin was finally USD 18.9/bbl compared to USD 26.0/bbl in the third quarter. Compared to the margin of USD 23.5/bbl in the corresponding period last year, the lower total refining margin had a negative impact of EUR -104 million on the segment's comparable EBITDA year-over-year. Sales volumes were higher than in the corresponding period last year, which had a positive impact of EUR 25 million on the comparable EBITDA. The weaker US dollar had a negative impact of EUR -27 million on the comparable EBITDA year-on-year. The segment's fixed costs were EUR 14 million lower than in the corresponding period last year. Oil Products' comparable return on net assets was 45.0% (48.0%) at the end of December over the previous 12 months. The average utilization rate of the Porvoo refinery was 92% (78%).

Oil Products' full-year comparable EBITDA was EUR 1,434 (1,654) million. The total refining margin averaged USD 21.1/bbl (23.4/bbl) in 2023. The slightly lower total refining margin had a negative impact of EUR -138 million on the comparable EBITDA compared to the previous year. Sales volumes were higher year-over-year and this had a positive impact of EUR 69 million on the comparable EBITDA. The weaker US dollar had a negative impact of EUR -78 million on the comparable EBITDA, and the segment's fixed costs were EUR 37 million higher than in 2022.

Crude oil prices were volatile during 2023, and Brent dated traded between USD 72/bbl and USD 98/bbl. During the first half of the year the price was following a weakening macro-economic outlook. During the autumn crude oil prices were trending upwards as OPEC's voluntary cuts, the summer driving and cooling season demand together with improved investor risk sentiment boosted prices to almost USD 100/bbl level. Support faded away towards the year end as the demand outlook turned softer again, and crude oil price ended the year at USD 78/bbl, close to the level at the start of the year.

Overall, European refining margins were volatile but strong during 2023. Towards the year-end high margins came downwards as refinery outages eased and seasonally softer demand started to have an impact. On average both diesel and gasoline cracks were above their long-term averages. Key utility prices were clearly lower year-on-year and supported refining economics in Europe.

| Production | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|------------------------------------|----------|----------|--------|--------|--------|
| Refinery | | | | | |
| - Production, 1,000 ton | 2,875 | 2,613 | 2,833 | 11,148 | 11,176 |
| - Utilization rate, % | 92 | 78 | 92 | 88 | 85 |
| Refinery production costs, USD/bbl | 6.2 | 8.8 | 6.2 | 6.6 | 7.5 |

Sales from in-house production, by product category (1,000 t)

| | 10-12/23 | % | 10-12/22 | % | 7-9/23 | % | 2023 | % | 2022 | % |
|---------------------|--------------|------------|--------------|------------|--------------|------------|---------------|------------|---------------|------------|
| Middle distillates* | 1,517 | 48 | 1,332 | 44 | 1,361 | 47 | 5,631 | 47 | 5,403 | 48 |
| Light distillates** | 1,196 | 38 | 1,166 | 38 | 1,124 | 39 | 4,430 | 37 | 4,438 | 39 |
| Heavy fuel oil | 313 | 10 | 407 | 13 | 298 | 10 | 1,321 | 11 | 930 | 8 |
| Base oils | 67 | 2 | 53 | 2 | 79 | 3 | 283 | 2 | 296 | 3 |
| Other products | 86 | 3 | 80 | 3 | 45 | 2 | 220 | 2 | 244 | 2 |
| TOTAL | 3,178 | 100 | 3,039 | 100 | 2,907 | 100 | 11,885 | 100 | 11,310 | 100 |

* Diesel, jet fuel, heating oil, low sulphur marine fuels

** Motor gasoline, gasoline components, LPG

Sales from in-house production, by market area (1,000 t)

| | 10-12/23 | % | 10-12/22 | % | 7-9/23 | % | 2023 | % | 2022 | % |
|------------------|----------|----|----------|----|--------|----|-------|----|-------|----|
| Baltic Sea area* | 1,723 | 54 | 1,819 | 60 | 1,799 | 62 | 6,976 | 59 | 6,843 | 61 |
| Other Europe | 932 | 29 | 775 | 25 | 600 | 21 | 3,110 | 26 | 2,897 | 26 |
| North America | 235 | 7 | 231 | 8 | 310 | 11 | 1,038 | 9 | 943 | 8 |
| Other areas | 288 | 9 | 215 | 7 | 198 | 7 | 762 | 6 | 627 | 6 |

* Finland, Sweden, Estonia, Latvia, Lithuania, Poland, Denmark

Marketing & Services

| Key financials | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|-------------------------------------|----------|----------|--------|-------|-------|
| Revenue, MEUR | 1,374 | 1,561 | 1,315 | 5,168 | 5,876 |
| EBITDA, MEUR | 24 | 21 | 42 | 117 | 127 |
| Comparable EBITDA, MEUR | 25 | 21 | 42 | 118 | 126 |
| Operating profit, MEUR | 13 | 13 | 34 | 84 | 98 |
| Net assets, MEUR | 236 | 227 | 235 | 236 | 227 |
| Return on net assets*, % | 34.6 | 40.8 | 33.9 | 34.6 | 40.8 |
| Comparable return on net assets*, % | 35.2 | 40.5 | 33.9 | 35.2 | 40.5 |

* Last 12 months

| Variance analysis (comparison to corresponding period), MEUR | 10-12 | 1-12 |
|--|-------|------|
| Comparable EBITDA, 2022 | 21 | 126 |
| Sales volumes | -3 | -5 |
| Unit margins | 5 | 4 |
| Currency exchange | 0 | 0 |
| Fixed costs | 4 | -6 |
| Others | -2 | 0 |
| Comparable EBITDA, 2023 | 25 | 118 |

Marketing & Services' comparable EBITDA was EUR 25 (21) million in the fourth quarter. Diesel and light fuel oil market demand continued to decline in Finland, resulting in lower sales volume than in the corresponding period last year, which had a negative impact of EUR -3 million on the comparable EBITDA. Unit margins increased and had a positive impact of EUR 5 million on the comparable EBITDA year-over-year. The segment's fixed costs were EUR 4 million lower than in the fourth quarter of 2022. Marketing & Services' comparable return on net assets was 35.2% (40.5%) at the end of December on a rolling 12-month basis.

Marketing & Services segment's full-year comparable EBITDA was EUR 118 (126) million. Sales volumes were lower compared to the same period last year, which had a negative impact of EUR -5 million on the comparable EBITDA. Average unit margins were slightly higher and this had a positive impact of EUR 4 million on the result year-over-year. The segment's fixed costs were EUR 6 million higher compared to 2022, driven by inflation and IT development costs.

According to its strategy, Marketing & Services also continued rolling out electric charging at its largest stations.

| Sales volumes by main product categories, million liters | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|--|----------|----------|--------|-------|-------|
| Gasoline, station sales | 153 | 149 | 167 | 620 | 600 |
| Diesel, station sales | 405 | 414 | 397 | 1,590 | 1,620 |
| Heating oil | 232 | 293 | 180 | 793 | 907 |

| Net sales by market area, MEUR | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|--------------------------------|----------|----------|--------|-------|-------|
| Finland | 1,100 | 1,236 | 1,022 | 4,114 | 4,601 |
| Baltic countries | 274 | 326 | 293 | 1,054 | 1,275 |

Others

Key financials

| | 10-12/23 | 10-12/22 | 7-9/23 | 2023 | 2022 |
|-------------------------|----------|----------|--------|------|------|
| Comparable EBITDA, MEUR | 3 | 4 | -6 | -2 | -4 |
| Operating profit, MEUR | -9 | -7 | -17 | -41 | -70 |

The Others segment consists of Engineering Solutions and common corporate costs. The comparable EBITDA of the Others segment totaled EUR 3 million (4 million) in the fourth quarter. The full-year comparable EBITDA of the Others segment totaled EUR -2 million (-4 million).

Annual General Meeting

Neste Corporation's Annual General Meeting (AGM) was held on 28 March 2023 at Messukeskus, Helsinki Expo and Convention Centre. The AGM supported all the proposals presented to the meeting and approved the remuneration report. The AGM adopted the company's Financial Statements and Consolidated Financial Statements for 2022 and discharged the Board of Directors and the President & CEO from liability for 2022.

Dividend payment

The AGM approved the Board of Directors' proposal that an ordinary dividend of EUR 1.02 per share would be paid plus an extraordinary dividend of EUR 0.25 per share, i.e., EUR 1.27 per share in total. It was decided to pay the ordinary dividend in two installments. In addition, in accordance with the proposal by the Board of Directors, the AGM authorized the Board to decide, in its discretion, on the payment of a second extraordinary dividend of EUR 0.25 per share, by 31 October 2023. The Board expected that this discretionary second extraordinary dividend would be paid, unless there was a significant deterioration in the business environment during 2023.

The first installment of the ordinary dividend, EUR 0.51 per share, and the extraordinary dividend of EUR 0.25 per share, i.e., altogether EUR 0.76 per share, was paid to shareholders registered in the shareholders' register of the Company on the record date for the dividend payment, which was 30 March 2023. The first installment of the ordinary dividend and the extraordinary dividend was paid on 6 April 2023.

The second installment of the ordinary dividend, EUR 0.51 per share, was paid to shareholders registered in the shareholders' register of the Company on the record date for the second installment of the ordinary dividend, which was 29 September 2023. The second installment of the ordinary dividend was paid on 6 October 2023.

Based on the above authorization, the Board of Directors decided on 27 September 2023 on the payment of a second extraordinary dividend of EUR 0.25 per share. The second extraordinary dividend was paid to a shareholder registered in the Company's shareholder register on the record date for the payment of the second extraordinary dividend on 29 September 2023. The second extraordinary dividend was paid on 6 October 2023.

Composition and remuneration of the Board of Directors

In accordance with the proposal made by the Shareholders' Nomination Board, the AGM confirmed the number of members of the Board of Directors at nine.

The AGM decided that the following were re-elected to serve until the end of the next AGM: Matti Kähkönen, John Abbott, Nick Elmslie, Just Jansz, Jari Rosendal, Eeva Sipilä and Johanna Söderström. Heikki Malinen and Kimmo Viertola were elected as new members.

Matti Kähkönen was re-elected as Chair and Eeva Sipilä was elected as Vice Chair.

The AGM decided on the remuneration to the Board for the term starting at the end of the 2023 AGM and ending at the end of the 2024 AGM as follows:

- Chair: EUR 95,000
- Vice Chair: EUR 60,000
- Chair of Audit Committee: EUR 60,000 if he or she does not simultaneously act as Chair or Vice Chair of the Board
- Member: EUR 45,000

The AGM decided on the remuneration for committee work as follows:

- other members of the Audit Committee than its Chair will, for such position, be paid EUR 5,000
- the Chair of the Personnel and Remuneration Committee will, for such position, be paid EUR 6,000, and its members will, for such position, be paid EUR 2,500
- the Chair of another committee established based on Board decision will, for such position, be paid EUR 6,000, and its members will, for such position, be paid EUR 2,500.

The AGM decided on the remuneration for participation in Board or committee meetings:

- EUR 1,000 for meetings held in the member's home country;
- EUR 2,000 for meetings held in the same continent as the member's home country; and
- EUR 3,000 for meetings held outside the same continent as the member's home country.
- The meeting fee for meetings held over the telephone or through other means of data communication is paid according to the fee payable for meetings held in each member's home country.
- In addition, compensation for expenses is paid in accordance with the Company's travel guidelines.

The AGM decided that a portion of 40% of the fixed annual fee will be paid in the form of shares and the remainder in cash. Committee and meeting fees will be paid in cash. The shares will be purchased directly on behalf of the Board members within two weeks as of the first trading day of the Helsinki Stock Exchange following the publication of the interim report for the period 1 January to 31 March 2023. If the shares are not purchased and/or delivered based on a reason pertaining to the Company or the Board member, the fee will be in cash in its entirety. The Company is responsible for any transfer tax potentially levied on the purchase.

Company Auditor

In accordance with a proposal by the Board of Directors, KPMG Oy Ab, Authorized Public Accountants, were re-elected as the company's Auditor, with Authorized Public Accountant Leenakaisa Winberg as the principally responsible auditor for Neste Corporation, until the end of the next AGM. Payment for their services shall be made in accordance with their invoice approved by the Company.

Authorizing the Board of Directors to decide the buyback of Company shares

The AGM approved the authorization, under which the Board is authorized to decide the purchase of and/or take as security a maximum of 23,000,000 Company shares using the Company's unrestricted equity. The number of shares shall be equivalent to approximately 2.99% of the Company's total shares.

Shares may be purchased in one or more lots. The purchase price shall be at least the lowest price paid for Company shares in regulated trading at the time of purchase and no more than the highest price paid for Company shares in regulated trading at the time of purchase. In connection with the buyback of Company shares, derivative, share lending, or other agreements that are normal within the framework of capital markets may take place in accordance with legislative and regulatory requirements and at a price determined by the market. The authorization shall allow the Board to decide to purchase shares otherwise than in proportion to shareholders' current holdings (directed buyback).

Shares so purchased can be used as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, as part of the Company's incentive program, or be retained, conveyed, or canceled by the Company.

The Board of Directors shall decide the other terms related to the buyback of Company shares. The Buyback authorization shall remain in force for eighteen (18) months from the decision taken by the AGM.

Authorizing the Board of Directors to decide on share issue

The AGM approved the authorization, under which the Board is authorized to take one or more decisions on the issuance of new shares and/or the conveyance of treasury shares held by the Company, provided that the number of shares thereby issued and/or conveyed totals a maximum of 23,000,000 shares, equivalent to approximately 2.99% of all the Company's shares.

The new shares may be issued and/or the treasury shares held by the Company may be conveyed to the Company's shareholders in proportion to the shares they already own or through a directed share issue that bypasses shareholders' pre-emptive rights if the Company has a weighty financial reason for doing so, such as using the shares in question as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, or as part of the Company's incentive program.

The new shares may be issued and/or the treasury shares held by the Company may be conveyed against payment or free of charge. A directed share issue may only be made free of charge if there is a particularly weighty financial reason, in respect of the Company's interests and those of all of its shareholders, for doing so. The new shares may also be issued free of charge to the Company itself.

The Board shall decide on other terms and conditions of share issue. The authorization shall remain in force for eighteen (18) months from the decision taken by the AGM.

Amendment of Sections 3 and 10 of the Articles of Association

The AGM approved the Board's proposal to amend Articles 3 and 10 of the Company's Articles of Association. A technical amendment was made to Article 3 to the effect that the outdated reference to the 1991 Finnish Act on Book-entry Securities System was deleted. Article 10 was amended to the effect that General Meetings of Shareholders can, instead of a physical meeting venue, also be held remotely without a meeting venue if the Board of Directors so decides.

Shares, share trading, and ownership

Neste's shares are listed at NASDAQ Helsinki Ltd. The share price closed the fourth quarter at EUR 32.21, up by 0.25% compared to the end of the third quarter. At its highest during the quarter, the share price reached EUR 48.50, while the lowest share price was EUR 28.55. Market capitalization was EUR 24.8 billion as of 31 December 2023. An average of 1.37 million shares were traded daily, representing 0.2% of the company's shares.

At the end of December 2023, Neste held 1,011,311 treasury shares. Neste's share capital registered with the Trade Register totaled EUR 40 million, and the total number of shares was 769,211,058.

The Board of Directors has no authorization to issue convertible bonds or share options.

As of 31 December 2023, the State of Finland owned directly 44.2% (35.9% at the end of 2022) of outstanding shares, reflecting the Finnish Government's decision to return the Climate Fund's (Ilmastorahasto Oy) 8.31% shareholding in Neste Corporation to direct state ownership executed in the third quarter. Foreign institutions owned 36.8% (39.7%), Finnish institutions 10.6% (16.8%), and households 8.4% (7.6%) of outstanding shares.

Personnel

Neste employed an average of 6,018 (5,244) employees in the fourth quarter, of which 2,114 (1,642) were based outside Finland. At the end of December, the company had 6,014 employees (5,428), of which 2,190 (1,810) were located outside Finland.

Environmental, Social and Governance (ESG)

Key figures

| | 10-12/23 | 10-12/22 | 2023 | 2022 |
|---------------------------------|----------|----------|------|------|
| TRIF* | 1.7 | 2.3 | 2.3 | 2.0 |
| PSER** | 2.4 | 0.8 | 1.2 | 1.4 |
| GHG emission reduction, Mton*** | 3.1 | 2.9 | 11.0 | 11.1 |

* Total Recordable Incident Frequency, number of cases per million hours worked. Includes both Neste's and contractors' personnel, except for Demeter, Walco and SeQuential, and green-field expansion projects, which were internally reported and followed up separately in 2023.

** Process Safety Event Rate, number of cases per million hours worked. The figure includes all operations in applicable facilities at Neste.

*** Annual greenhouse gas (GHG) reduction achieved with Neste's renewable products compared to 100% crude oil based fuel. Calculation method complies with the EU Renewable Energy Directive II (EU) 2018/2001 and the California LCFS methodology, which has been applied in the GHG reporting for volumes sold in the US since the beginning of 2022. Q4 GHG reduction includes some impact from Q2 & Q3 sales.

Neste continues to measure and report TRIF (Total Recordable Incident Frequency) and PSER (Process Safety Event Rate) as the company's long-term safety key performance indicators (KPIs). In 2023 the new organizational units in the US, for example Mahoney Environmental, were included in the TRIF KPI while in 2022 they were reported separately due to the ongoing integration process. The year-on-year TRIF figures are therefore not directly comparable.

Neste's occupational safety incident frequency is measured by the TRIF indicator. Fourth quarter TRIF performance 1.7 improved while the full year TRIF 2.3 was higher than in 2022. Process safety and PSER performance 2.4 decreased in the fourth quarter while full year performance of 1.2 was an improvement relative to 2022.

Neste produces renewable products that enable its customers to reduce their greenhouse gas (GHG) emissions. In 2023, this GHG reduction was 11.0 (11.1) million tons.

Emissions from operations at Neste's refineries were in substantial compliance at all sites during 2023. 13 (3) non-compliance incidents occurred at Neste's operations with limited local environmental impact only. These include non-compliance in environmental permits of the Rotterdam refinery.

No serious environmental incidents resulting in pollution liability occurred at Neste's refineries or other production sites.

In 2023, Neste continued to turn its sustainability vision into concrete actions across all the focus areas: climate, biodiversity, human rights, and raw materials and supply chain. The sustainability vision sets high standards for sustainability across industries and pushes Neste's own strategic actions forward. The vision also supports meeting the increasing requirements for sustainability reporting, imposed by for example the Corporate Sustainability Reporting Directive (CSRD) in the EU.

In 2023, Neste continued to make progress towards its strategic climate commitments, which are strongly integrated into Neste's corporate strategy and decision-making. Singapore Expansion and Martinez Renewables started operations which enabled Neste to proceed towards its 2030 target of helping customers to reduce their GHG emissions by at least 20 million tons of CO₂-equivalent annually. Neste also continued various initiatives aiming to reduce its production GHG emissions (Scope 1 & 2) by 50% by 2030 compared to 2019 and reach carbon neutral production by 2035. Renewable electricity remains as a key initiative in the short-term, and Neste for example signed a purchase agreement for solar power supply in Finland. A key long-term initiative, the renewable hydrogen project aiming to build a 120 MW electrolysis unit in Porvoo proceeded to the basic engineering phase. For Scope 3 emissions, Neste's aims to reduce the use phase emission intensity of its sold products by 50% by 2040 compared to 2020, and is committed to work with its suppliers and partners to reduce GHG emissions across the entire value chain. As a major milestone, Neste announced in 2023 that its crude oil refinery in Porvoo, Finland will be gradually transformed into a leading renewable and circular solutions refining hub. The planned Porvoo refinery transformation and transitioning from crude oil to 100% renewable and circular raw materials is expected to significantly reduce the use phase emissions intensity of sold products. The transformation is also likely to reduce both Neste's production (Scope 1 & 2) as well as value chain (Scope 3) emissions.

In 2023, Neste continued to develop its roadmap toward its biodiversity vision of achieving nature positive value chain by 2040. Neste aims at creating net positive impacts (NPI) for biodiversity from new activities from 2025 onwards, and targets no net loss (NNL) of biodiversity from all ongoing activities by 2035. Neste is developing a systematic approach to delivering net positivity on biodiversity on all its new activities by 2025. In 2023, Neste was selected to the initial target validation group for science-based targets (SBTs) for nature, by the Science Based Targets Network (SBTN), which is aiming to set the global standard for ambitious and measurable corporate actions on nature. Globally, only 17 companies were invited to the target validation group to pilot a global framework for setting targets, and measuring and validating organizations' nature work.

In 2023, Neste was recognized as a Leader in Global Child Forum's global children's rights and business benchmark, The State of Children's Rights and Business 2023. Neste was ranked among the top 15 companies out of the 795 benchmarked companies across eight sectors and six regions and placed as 2nd out of the 119 companies in the energy and utilities sector.

In 2023, Neste completed its first internal living wage gap assessments covering all countries in our global operations, using data provided by the Fair Wage Network. The analysis of assessment results will continue in 2024, ensuring a thorough evaluation of diverse remuneration elements in all locations worldwide. Neste is

committed to a learning-by-doing approach, continuously enhancing expertise and refining its methodologies throughout its living wage journey.

Neste continued the implementation of its Supplier Code of Conduct (SCoC) in 2023. In order to ensure suppliers' compliance with Neste's SCoC Neste assessed all new renewable as well as fossil raw material suppliers against sustainability criteria. The number of sustainability audits was also increased. Neste introduced additional language versions of our SCoC implementation guide for suppliers and carried out training for our renewable raw material suppliers in Asia, Oceania, the Americas and EMEA with focus on environmental management and health and safety. Neste also organized capability building on the Neste Supplier Code of Conduct requirements to main contractors at the Rotterdam refinery.

In 2023, Neste published its annual Green Finance Report for 2022. The Green Finance Report, which covered green financing activities in 2022, demonstrated commitment to combating climate change and accelerating a shift towards a circular economy. In June 2022, Neste increased its green debt portfolio to EUR 1 billion with a EUR 500 million 3-year green term loan, which includes optionality for two 1-year extensions. This loan further supports Neste's strategy to grow in renewable and circular solutions – a key driver towards achieving Neste's climate goals. Accompanied with the unallocated portion of Neste's EUR 500 million 7-year green bond issued in 2021, the proceeds of the green term loan have been fully allocated to investments in Renewable Products' production capacity.

Neste was included in the Dow Jones Sustainability World Index for the 17th consecutive time in 2023. Neste reached AAA rating in 2023 in MSCI ESG Rating Index measuring the company's resilience to long-term ESG risks, and continues to be the leading energy company on the Global 100 list of most sustainable companies by the Corporate Knights.

Read more about the topics on [Neste's website](#).

Innovation

Neste's innovation expenditure totaled EUR 94 million (85 million) in 2023. In 2023, the focus was especially on optimizing and widening the renewable and circular raw material selection and enhancing product optionality. In order to further strengthen its R&D and innovation capabilities globally, Neste established an Innovation Center in Singapore that has been operational since early 2023.

In recognition of its innovation work, a group of Neste inventors was honored with the prestigious European Inventor Award 2023 in the industry category. The award was granted by the European Patent Office (EPO) for work on converting waste and residues into high-quality renewable solutions.

Developing co-operations and preparing for technology demonstrations for scalable sustainable raw material sources continued in the Innovation business platforms, focusing on raw material pools such as lignocellulose, algae, carbon dioxide and renewable electricity utilization for green hydrogen production.

During 2023, the MultiPLHY project demonstrating renewable hydrogen production at Neste's Rotterdam refinery proceeded to the commissioning phase. Another renewable hydrogen project of the company focuses on investing in production capacity of renewable hydrogen at the Porvoo refinery. This project entered the basic engineering phase. In November 2023, the Ministry of Economic Affairs and Employment in Finland granted an energy investment aid of EUR 1.96 million for heat recovery from hydrogen production.

Expanding the use of renewable waste and residues continued in 2023. Approximately 4.0 million tons (3.5 Mt) of waste and residue raw materials were used during the year and the share totaled 92%* of Neste's renewable raw material inputs in 2023. Neste continued to advance its research efforts dedicated to increasing the use of challenging raw materials and novel vegetable oils (NVO).

Neste's R&D efforts are instrumental in supporting the transformation of the Porvoo refinery into a renewables and circular solutions refining hub. R&D efforts supported bio co-processing as well as the company's efforts to scale-up chemical recycling. In December 2023, Neste announced that it had already processed more than 6,000 tons of liquefied waste plastic.

* Calculation formula has been adjusted to include also Martinez joint operations Neste's share of feedstock

Main events published during 2023

On 27 January, Neste announced that the Shareholders' Nomination Board had forwarded to the Board of Directors of the Company its proposals to the 2023 AGM. The Nomination Board proposed that Matti Kähkönen be re-elected as the Chair of the Board of Directors. In addition, the current members of the Board, John Abbott, Nick Elmslie, Martina Flöel, Just Jansz, Jari Rosendal, Eeva Sipilä, and Johanna Söderström were proposed to be re-elected for a further term of office. The Nomination Board proposed that Eeva Sipilä should be elected as the Vice Chair of the Board. Further, the Nomination Board proposed that the Board should have ten members and that Heikki Malinen and Kimmo Viertola should be elected as new members.

On 6 March, Neste announced that it invited the holders of the EUR 400,000,000 1.50 per cent. notes due June 2024 (ISIN: FI4000261201), issued by Neste Corporation, to tender their Notes for cash on the terms and conditions set out in the tender offer memorandum dated 6 March 2023. Neste also announced its intention to issue new euro-denominated fixed-rate notes.

On 10 March, Neste announced that Martina Flöel, a member of the Board of Directors of Neste Corporation, would not be available for re-election in the Annual General Meeting (AGM) on 28 March 2023. The reason for this was a potential conflict of interest relating to Flöel's other engagements which had arisen after the proposal by Neste's Shareholders' Nomination Board. The Nomination Board had, according to the stock exchange release published on 27 January 2023, proposed Flöel to be re-elected as a member of the Board and that the Board should have ten members. The Nomination Board had, after Flöel's announcement, decided to keep its proposal valid in all other respects. This meant that according to the proposal of the Nomination Board, the Board should have nine members instead of ten.

On 14 March, Neste announced the results of the invitation to the holders of its EUR 400,000,000 1.50 per cent. notes due June 2024 (ISIN: FI4000261201) to tender their Notes for cash on the terms and conditions set out in the tender offer memorandum dated 6 March 2023. At the Expiration Deadline of 4:00 p.m. (Finnish time) on 13 March 2023, valid Tender Instructions of EUR 198,800,000 in aggregate nominal amount of Notes were received pursuant to the Tender Offer. The Company announced that it would accept for purchase EUR 198,800,000 in aggregate nominal amount of the Notes pursuant to the Tender Offer.

On 15 March, Neste announced that it had transferred a total of 112,310 treasury shares without consideration to the participants of Neste Group's Performance Share Plan 2020–2022 and the Restricted Share Plan 2020–2022 as share rewards based on the terms and conditions of these plans. The plans were part of the share-based incentive scheme 2019 of Neste, announced with a stock exchange release on 11 December 2018. The transfer of own shares was implemented as a directed share issue without consideration based on a decision made by the Board of Directors of Neste Corporation. The decision of the Board of Directors was based on a share issue authorization granted by the Annual General Meeting of Shareholders on 18 May 2020. After this transfer of own shares Neste Corporation held 1,015,578 own shares.

On 5 April, Neste announced a change in the Neste Executive committee. Mr Thorsten Lange, Executive Vice President, Renewable Aviation since January 2020, stepped down as a member of the Executive Committee and left the company. The search for his successor had been initiated. Mr Sami Jauhainen, Vice President, Renewable Aviation, APAC, took the lead in the Renewable Aviation business on an interim basis. Mr

Jauhiainen was not a member of the Executive Committee but reported directly to the President and CEO Matti Lehmus.

On 22 May, Neste announced that it had on 22 May 2023 transferred 4,267 treasury shares to a key person participating in the Performance Share Plan 2020–2022 and Restricted Share Plan 2020–2022 of Neste Corporation. The shares were transferred as a share reward without consideration in accordance with the terms and conditions of the plans.

On 16 June, Neste announced a change in the Neste's executive committee. Mercedes Alonso, Executive Vice President of Neste's Renewable Polymers and Chemicals business unit had decided to leave the company to pursue other opportunities, and she would step down by the beginning of the fourth quarter.

On 19 June, Neste announced that it was holding Capital Markets Day 2023 in London on 20 June 2023, featuring presentations on company strategy, market outlook, and value creation. Neste also announced that its dividend policy had been updated as follows: "Neste's target is to pay a competitive and over time growing dividend." The former dividend policy was that the company distributed at least 50% of the company's comparable net profit for the year in the form of dividends.

On 2 August, Neste announced that Jari Rosendal, a member of the Board of Directors of Neste Corporation, had died after a short illness. Rosendal had served on Neste's Board of Directors as of 2018. Neste's Board of Directors would for the time being consist of eight members.

On 6 September, Neste announced the people appointed to the Shareholders' Nomination Board. The following members had been appointed to Neste's Shareholders' Nomination Board: The Chair, Senior Ministerial Adviser, Financial Affairs Maija Strandberg of the Ownership Steering Department in the Prime Minister's Office of Finland; Timo Sallinen, Senior Vice President, Investments of Varma Mutual Pension Insurance Company; President and CEO Jouko Pölönen of Ilmarinen Mutual Pension Insurance Company and Matti Kähkönen, the Chair of Neste's Board of Directors.

On 12 September, Neste updated its third-quarter 2023 outlook regarding Oil Products and the status of its Singapore new line ramp-up. The new updated outlook was: Neste's Oil Products' third-quarter total refining margin was expected to be significantly higher than in the second quarter of 2023 (USD 16.7/bbl). Following the restart of the renewable diesel and sustainable aviation fuel (SAF) production at the Singapore refinery expansion in August, the ramp-up had been slowed down due to a recent shutdown at the new line for additional equipment inspection and repair works.

On 26 September, Neste received a notification under Chapter 9, Section 10 of the Finnish Securities Market Act (FSMA). According to the notification by the Finnish Climate Fund (Ilmastorahasto Oy), the holding of the entity referred to therein in Neste Corporation had on 22 September 2023 decreased below 5% of the total number of shares and voting rights of Neste Corporation.

On 27 September, Neste announced that the Board of Directors had decided on payment of a second extraordinary dividend installment. After having considered the current business environment, the Board of Directors decided on the payment of a second extraordinary dividend of EUR 0.25 per share.

On 1 November, Neste announced its plans to simplify its organizational structure to improve efficiency and strengthen long-term competitiveness. Renewable Aviation, Renewable Road Transportation, and Renewable Polymers and Chemicals business units were merged into one Renewable Products business unit covering all renewables businesses. Furthermore, the company planned to align its functions to better support business-driven ways of working. The organizational changes had also an effect on the structure and composition of the Executive Committee of Neste.

Events published after the reporting period

On 30 January, Neste announced that the Porvoo refinery processes would be brought into a safe state for the duration of the political strike that took place on 1 and 2 February 2024.

All the releases and news can be found here:

<https://www.neste.com/for-media/releases-and-news>

Potential risks

Despite recent signs of improvement, the general market and economic outlook remains fragile with high inflation in Europe and the US, high interest rates and trade tensions. Neste's growth and financial performance may be impacted by the general macroeconomic, security-related and political uncertainties and events. In addition, regulatory changes on the European Union or individual member state level or in the US may adversely affect particularly Neste's renewables businesses.

Headline inflation has started declining but still remains elevated and could have negative impacts on the business environment. Inflation could also increase the operating costs and costs of ongoing capital investments that relate to sourcing of feedstock, utilities, labor, services, equipment and materials.

Demand for fossil and renewable end products could change as a result of higher prices and additional regulatory measures that relate to the share or calculation of renewables in transportation fuels. Also changes in market prices and the competitive situation can have adverse effects on Neste's businesses.

The continuing war in Ukraine and the escalated crisis in the Middle East have intensified geopolitical risks that could have a material impact on the global and European energy markets. The war and crisis may result in further trade sanctions, impact supply chains and impact market demand and supply conditions. It could also create further pressure on the prices of feedstock, materials, services, logistics and utilities and contribute to the energy crisis, especially in Europe.

Other risks potentially affecting Neste's financial results in the next 12 months include any scheduled or unexpected shutdowns at Neste's refineries, delays in growth projects or in the ramp-up of new production facilities, potential strikes, cyber and IT related risks, counterparty risks and outcome of legal proceedings.

For more detailed information on Neste's risks and risk management, please refer to the Annual Report and the Notes to the Financial Statement.

Dividend distribution proposal

Neste's policy is to pay a competitive and over time growing dividend. The parent company's distributable equity as of 31 December 2023 amounted to EUR 3,835 million, and there have been no material changes in the company's financial position since the end of the financial year.

The Board of Directors proposes to the AGM that a dividend of EUR 1.20 per share shall be paid on the basis of the approved balance sheet for 2023. The dividend shall be paid in two installments.

The first installment of the dividend, EUR 0.60 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for the dividend payment, which shall be 2 April 2024. The Board proposes to the AGM that the first installment of the dividend would be paid on 9 April 2024.

The second installment of the dividend, EUR 0.60 per share, will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for the second installment of the dividend, which shall be 2 October 2024. The Board proposes to the AGM that the second installment of the dividend would be paid on 9 October 2024. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations on the Finnish book-entry system would be changed, or otherwise so require.

The proposed total dividend EUR 1.20 per share represents a yield of 3.7% (at year-end 2023 share price of EUR 32.21) and 41.6% of the comparable earnings per share in 2023. The total dividend payout in 2024 amounts to approximately EUR 922 million.

Reporting date for the company's first-quarter 2024 results

Neste will publish its first-quarter 2024 results on 25 April 2024 at approximately 9:00 a.m. EET.

Espoo, 7 February 2024

Neste Corporation
Board of Directors

Further information:

Matti Lehmus, President and CEO, tel. +358 10 458 11
Martti Ala-Härkönen, CFO, tel. +358 40 737 6633
Anssi Tammilehto, VP, Investor Relations, tel. +358 50 458 8436

Conference call

A conference call in English for investors and analysts will be held today, 8 February 2024, at 3 p.m. Finland / 1 p.m. London / 8 a.m. New York. In order to receive the participant dial in numbers and a unique personal PIN, participants are requested to register using this link:

<https://register.vevent.com/register/BI5e4cd2a5ba7d4bb99c633edbc0c149d9>. The conference call can also be followed as a webcast.

The preceding information contains, or may be deemed to contain, "forward-looking statements". These statements relate to future events or our future financial performance, including, but not limited to, strategic plans, potential growth, planned operational changes, expected capital expenditures, future cash sources and requirements, liquidity and cost savings that involve known and unknown risks, uncertainties, and other factors that may cause Neste Corporation's or its businesses' actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, such forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential," or "continue," or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements made in this report are based on information presently available to management and Neste Corporation assumes no obligation to

update any forward-looking statements. Nothing in this report constitutes investment advice and this report shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.

NESTE GROUP
JANUARY - DECEMBER 2023
The financial statements release is unaudited
FINANCIAL STATEMENTS SUMMARY AND NOTES TO THE FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF INCOME

| EUR million | Note | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|--|------|--------------|------------|---------------|-----------|
| Revenue | 2, 3 | 6,303 | 6,562 | 22,926 | 25,707 |
| Other income | | 21 | 18 | 55 | 54 |
| Share of profit (loss) of associates and joint ventures | 7 | -5 | 1 | 1 | 2 |
| Materials and services | | -5,287 | -5,491 | -19,098 | -21,648 |
| Employee benefit costs | | -157 | -162 | -642 | -545 |
| Depreciation, amortization and impairments | 3 | -257 | -160 | -866 | -638 |
| Other expenses | | -203 | -181 | -695 | -522 |
| Operating profit | 3 | 415 | 589 | 1,682 | 2,410 |
| Financial income and expenses | | | | | |
| Financial income | | 17 | 5 | 45 | 9 |
| Financial expenses | | -23 | -18 | -122 | -60 |
| Exchange rate and fair value gains and losses | | -3 | -13 | -9 | -80 |
| Total financial income and expenses | | -9 | -26 | -86 | -131 |
| Profit before income taxes | | 407 | 563 | 1,596 | 2,279 |
| Income tax expense | | -6 | -49 | -160 | -388 |
| Profit for the period | | 400 | 514 | 1,436 | 1,891 |
| Profit attributable to: | | | | | |
| Owners of the parent | | 400 | 514 | 1,433 | 1,888 |
| Non-controlling interests | | 0 | 0 | 3 | 3 |
| | | 400 | 514 | 1,436 | 1,891 |
| Earnings per share from profit attributable to the owners of the parent (in euro per share) | | | | | |
| Basic earnings per share | | 0.52 | 0.67 | 1.87 | 2.46 |
| Diluted earnings per share | | 0.52 | 0.67 | 1.87 | 2.46 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR million | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|--|------------|------------|--------------|-----------|
| Profit for the period | 400 | 514 | 1,436 | 1,891 |
| Other comprehensive income net of tax: | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurements on defined benefit plans | -3 | -31 | 11 | 18 |
| Net change of other investments at fair value | 0 | 0 | -3 | -5 |
| Total | -3 | -31 | 8 | 13 |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Translation differences | -74 | -149 | -66 | -56 |
| Cash flow hedges | | | | |
| recorded in equity | 80 | 219 | 50 | 19 |
| transferred to income statement | 4 | 23 | -85 | 90 |
| Share of other comprehensive income of investments accounted for using the equity method | -5 | 1 | -4 | 17 |
| Total | 5 | 94 | -105 | 70 |
| Other comprehensive income for the period, net of tax | 2 | 63 | -97 | 82 |
| Total comprehensive income for the period | 402 | 577 | 1,339 | 1,973 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 402 | 577 | 1,336 | 1,970 |
| Non-controlling interests | 0 | 0 | 3 | 3 |
| | 402 | 577 | 1,339 | 1,973 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| EUR million | Note | 31 Dec 2023 | 31 Dec 2022 |
|--|------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 6 | 496 | 401 |
| Intangible assets | 6 | 185 | 169 |
| Property, plant and equipment | 6 | 7,786 | 6,570 |
| Investments in associates and joint ventures | 7 | 58 | 63 |
| Non-current receivables | 9 | 126 | 103 |
| Deferred tax assets | | 127 | 59 |
| Derivative financial instruments | 9 | 26 | 5 |
| Other financial assets | 9 | 54 | 44 |
| Total non-current assets | | 8,858 | 7,413 |
| Current assets | | | |
| Inventories | | 3,366 | 3,648 |
| Trade and other receivables | | 1,913 | 2,138 |
| Current tax assets | | 76 | 40 |
| Derivative financial instruments | 9 | 190 | 406 |
| Current investments | | 5 | 0 |
| Cash and cash equivalents | 9 | 1,575 | 1,271 |
| Total current assets | | 7,125 | 7,504 |
| Total assets | 3 | 15,983 | 14,917 |
| EQUITY | | | |
| Capital and reserves attributable to the owners of the parent | | | |
| Share capital | | 40 | 40 |
| Other equity | | 8,423 | 8,282 |
| Total | | 8,463 | 8,322 |
| Non-controlling interests | | 0 | 5 |
| Total equity | | 8,463 | 8,327 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Interest-bearing liabilities | 9 | 3,487 | 1,964 |
| Deferred tax liabilities | | 317 | 336 |
| Provisions | | 187 | 200 |
| Pension liabilities | | 93 | 119 |
| Derivative financial instruments | 9 | 6 | 12 |
| Other non-current liabilities | | 42 | 43 |
| Total non-current liabilities | | 4,132 | 2,674 |
| Current liabilities | | | |
| Interest-bearing liabilities | 9 | 581 | 651 |
| Current tax liabilities | | 15 | 43 |
| Derivative financial instruments | 9 | 212 | 200 |
| Trade and other payables | | 2,580 | 3,022 |
| Total current liabilities | | 3,388 | 3,916 |
| Total liabilities | 3 | 7,520 | 6,590 |
| Total equity and liabilities | | 15,983 | 14,917 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| EUR million | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|---|-------------------|-------------------|------------------|------------------|
| Cash flows from operating activities | | | | |
| Profit before income taxes | 407 | 563 | 1,596 | 2,279 |
| Adjustments, total | 40 | -118 | 1,060 | 715 |
| Change in net working capital | 495 | 601 | 21 | -1,357 |
| Cash generated from operations | 942 | 1,046 | 2,677 | 1,637 |
| Finance cost, net | -38 | -8 | -91 | -42 |
| Income taxes paid | -213 | -298 | -307 | -398 |
| Net cash generated from operating activities | 690 | 740 | 2,279 | 1,197 |
| Cash flows from investing activities | | | | |
| Capital expenditure | -416 | -445 | -1,430 | -1,743 |
| Acquisitions of subsidiaries | 0 | 0 | -176 | -14 |
| Proceeds from sales of subsidiaries, joint arrangements and other business operations | 0 | 0 | 0 | 157 |
| Proceeds from capital repayments in joint arrangements | 0 | 0 | 0 | 13 |
| Proceeds from sales of property, plant and equipment | 0 | 14 | 0 | 30 |
| Changes in long-term receivables and other financial assets | 201 | 288 | 78 | -31 |
| Cash flows from investing activities | -215 | -144 | -1,528 | -1,588 |
| Cash flow before financing activities | 475 | 596 | 751 | -390 |
| Cash flows from financing activities | | | | |
| Net change in loans and other financing activities | 361 | 16 | 1,002 | 752 |
| Repayments of lease liabilities | -84 | -39 | -254 | -157 |
| Transactions with non-controlling interests | -18 | 0 | -18 | 0 |
| Dividends paid to the owners of the parent | -584 | -316 | -1,168 | -630 |
| Dividends paid to non-controlling interests | 0 | 0 | -3 | -2 |
| Cash flows from financing activities | -324 | -339 | -441 | -37 |
| Net increase (+) / decrease (-) in cash and cash equivalents | 150 | 257 | 311 | -427 |
| Cash and cash equivalents at the beginning of the period | 1,430 | 1,027 | 1,271 | 1,696 |
| Exchange gains (+) / losses (-) on cash and cash equivalents | -6 | -13 | -7 | 3 |
| Cash and cash equivalents at the end of the period | 1,575 | 1,271 | 1,575 | 1,271 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR million | Share capital | Reserve fund | Reserve of invested unrestricted equity | Treasury shares | Fair value and other reserves | Actuarial gains and losses | Translation differences | Retained earnings | Owners of the parent | Non-controlling interests | Total equity |
|--|---------------|--------------|---|-----------------|-------------------------------|----------------------------|-------------------------|-------------------|----------------------|---------------------------|--------------|
| Total equity at 1 Jan 2023 | 40 | 7 | 16 | -5 | 98 | -78 | -66 | 8,309 | 8,322 | 5 | 8,327 |
| Profit for the period | | | | | | | | 1,433 | 1,433 | 3 | 1,436 |
| Other comprehensive income for the period, net of tax | | | | | -43 | 11 | -66 | | -97 | 0 | -97 |
| Total comprehensive income for the period | 0 | 0 | 0 | 0 | -43 | 11 | -66 | 1,433 | 1,336 | 3 | 1,339 |
| Transactions with the owners in their capacity as owners | | | | | | | | | | | |
| Dividend decision | | | | | | | | -1,168 | -1,168 | -3 | -1,171 |
| Transactions with non-controlling interests | | | | | | | | -27 | -27 | -4 | -31 |
| Share-based compensation | | | | 1 | | | | 0 | 1 | | 1 |
| Transfer from retained earnings | | 0 | | | | | | 0 | -1 | | -1 |
| Total equity at 31 December 2023 | 40 | 7 | 16 | -5 | 56 | -67 | -131 | 8,548 | 8,463 | 0 | 8,463 |

| EUR million | Share capital | Reserve fund | Reserve of invested unrestricted equity | Treasury shares | Fair value and other reserves | Actuarial gains and losses | Translation differences | Retained earnings | Owners of the parent | Non-controlling interests | Total equity |
|--|---------------|--------------|---|-----------------|-------------------------------|----------------------------|-------------------------|-------------------|----------------------|---------------------------|--------------|
| Total equity at 1 Jan 2022 | 40 | 19 | 16 | -6 | -22 | -96 | -10 | 7,040 | 6,981 | 4 | 6,985 |
| Profit for the period | | | | | | | | 1,888 | 1,888 | 3 | 1,891 |
| Other comprehensive income for the period, net of tax | | | | | 120 | 18 | -56 | | 82 | 0 | 82 |
| Total comprehensive income for the period | 0 | 0 | 0 | 0 | 120 | 18 | -56 | 1,888 | 1,970 | 3 | 1,973 |
| Transactions with the owners in their capacity as owners | | | | | | | | | | | |
| Dividend decision | | | | | | | | -630 | -630 | -2 | -632 |
| Share-based compensation | | | | 1 | | | | -1 | 0 | | 0 |
| Transfer from retained earnings | | -12 | | | | | 0 | 12 | 0 | | 0 |
| Total equity at 31 Dec 2022 | 40 | 7 | 16 | -5 | 98 | -78 | -66 | 8,309 | 8,322 | 5 | 8,327 |

KEY FIGURES

| | 31 Dec 2023 | 31 Dec 2022 |
|--|--------------------|----------------|
| Revenue | 22,926 | 25,707 |
| Profit for the period | 1,436 | 1,891 |
| Earnings per share (EPS), EUR | 1.87 | 2.46 |
| Alternative performance measures | | |
| EBITDA, EUR million | 2,548 | 3,048 |
| Comparable EBITDA, EUR million | 3,458 | 3,537 |
| Capital employed, EUR million | 12,532 | 10,942 |
| Interest-bearing net debt, EUR million | 2,488 | 1,344 |
| Capital expenditure and investment in shares, EUR million | 2,351 | 2,218 |
| Comparable return on average capital employed, after tax, (Comparable ROACE) % | 23.9 | 30.1 |
| Return on equity, (ROE) % | 17.9 | 25.1 |
| Equity per share, EUR | 11.02 | 10.83 |
| Cash flow per share, EUR | 2.97 | 1.56 |
| Comparable earnings per share, EUR | 2.88 | 3.04 |
| Comparable net profit | 2,216 | 2,336 |
| Equity-to-assets ratio, % | 53.1 | 56.3 |
| Leverage ratio, % | 22.7 | 13.9 |
| Net working capital in days outstanding | 41.0 | 35.4 |
| Net Debt to EBITDA, % | 1.0 | 0.4 |
| Dividend per share | 1.20 ¹⁾ | 1.52 |
| Dividend payout ratio, % | 64.3 ¹⁾ | 61.8 |
| Dividend yield, % | 3.7 ¹⁾ | 3.5 |
| Price/earnings ratio (P/E) | 17.26 | 17.50 |
| Weighted average number of shares outstanding | 768,175,637 | 768,060,103 |
| Number of shares outstanding at the end of the period | 768,199,747 | 768,083,170 |
| Average number of personnel | 6,018 | 5,244 |

¹⁾ Board of Directors proposal to the Annual General Meeting.

Neste presents Alternative Performance Measures (APM) to enhance comparability between financial periods as well as to reflect operational performance and financial risk level. These indicators should be examined together with the IFRS-compliant performance indicators. The detailed reasons for the use of APMs can be found on Neste's Annual Report 2022 and website www.neste.com together with the calculation of key figures.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim report should be read in conjunction with Neste's annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS. The accounting policies applied are consistent with those followed in the preparation of Neste's annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new and amended standards as set out below.

Neste has applied new standards and interpretations published by IASB that are effective for the first time for financial reporting periods commencing on 1 January 2023. These standards and interpretations did not have a material impact on the results or financial position of Neste, or the presentation of the condensed interim report.

Neste has prepared for the adoption of minimum tax rules (Pillar 2) in the beginning of 2024 and disclose information about the impacts in the 2023 financial statements according to IAS 12.

Neste increased its ownership in its subsidiary Neste Demeter on November 1, 2023. In addition, Neste has an obligation to redeem the remaining non-controlling interest of Neste Demeter within an agreed period, thus the share of the non-controlling interest has not been recognised in the statement of financial position. The obligation has been measured at fair value and recorded as a liability in the consolidated statement of financial position.

The condensed interim report is presented in million euros unless otherwise stated. The figures in the tables are subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

The IFRS principles require the management to make estimates and assumptions when preparing financial statements. Although these estimates and assumptions are based on the management's best knowledge of today, the final outcome may differ from the estimated values presented in the financial statements.

Key accounting considerations related to geopolitical and economical uncertainty

Neste continued to assess the impacts of geopolitical and economical uncertainty by reviewing the carrying values of the balance sheet items, which did not indicate a need for asset impairments. Neste's financial position remained strong with liquid funds EUR 1,580 million and committed unutilized credit facilities EUR 1,900 million on 31 December 2023.

2. REVENUE

REVENUE BY CATEGORY

| External revenue | 10-12/2023 | | | | | 10-12/2022 | | | | |
|---------------------|--------------------|--------------|----------------------|----------|--------------|--------------------|--------------|----------------------|-----------|--------------|
| | Renewable Products | Oil Products | Marketing & Services | Others | Total | Renewable Products | Oil Products | Marketing & Services | Others | Total |
| Fuels ¹⁾ | 2,062 | 2,634 | 1,331 | 0 | 6,027 | 2,277 | 2,333 | 1,508 | 0 | 6,118 |
| Middle distillates | 2,015 | 1,545 | 1,085 | 0 | 4,646 | 2,223 | 1,360 | 1,257 | 0 | 4,839 |
| Light distillates | 47 | 928 | 245 | 0 | 1,220 | 55 | 806 | 250 | 0 | 1,111 |
| Heavy fuel oil | 0 | 160 | 1 | 0 | 161 | 0 | 167 | 1 | 0 | 168 |
| Other products | 138 | 94 | 27 | 0 | 259 | 257 | 115 | 38 | 0 | 410 |
| Other services | 2 | 7 | 3 | 6 | 17 | 3 | 18 | 3 | 10 | 34 |
| Total | 2,201 | 2,735 | 1,361 | 6 | 6,303 | 2,538 | 2,465 | 1,549 | 10 | 6,562 |

| External revenue | 1-12/2023 | | | | | 1-12/2022 | | | | |
|---------------------|--------------------|--------------|----------------------|-----------|---------------|--------------------|---------------|----------------------|-----------|---------------|
| | Renewable Products | Oil Products | Marketing & Services | Others | Total | Renewable Products | Oil Products | Marketing & Services | Others | Total |
| Fuels ¹⁾ | 7,522 | 9,162 | 5,003 | 0 | 21,687 | 8,629 | 9,538 | 5,679 | 0 | 23,846 |
| Middle distillates | 7,383 | 5,141 | 3,986 | 0 | 16,510 | 8,467 | 5,283 | 4,559 | 0 | 18,309 |
| Light distillates | 139 | 3,404 | 1,012 | 0 | 4,556 | 162 | 3,570 | 1,116 | 0 | 4,848 |
| Heavy fuel oil | 0 | 616 | 5 | 0 | 620 | 0 | 685 | 5 | 0 | 690 |
| Other products | 685 | 338 | 107 | 0 | 1,129 | 1,008 | 605 | 129 | 0 | 1,742 |
| Other services | 5 | 66 | 12 | 26 | 109 | 4 | 80 | 9 | 26 | 119 |
| Total | 8,212 | 9,566 | 5,123 | 26 | 22,926 | 9,640 | 10,223 | 5,818 | 26 | 25,707 |

¹⁾ Light distillates comprise motor gasoline, gasoline components, LPG, renewable naphtha, and biopropane. Middle distillates comprise diesel, aviation fuels, low sulphur marine fuels, heating oil, renewable fuels, and sustainable aviation fuels. RINs (Renewable Identification Number), LCFS (Low Carbon Fuels Standard) credits, and BTCs (Blender's Tax Credits) are included in the corresponding fuel categories in the Renewable Products segment.

TIMING OF REVENUE RECOGNITION

| External revenue | 10-12/2023 | | | | | 10-12/2022 | | | | |
|---------------------------------------|--------------------|--------------|----------------------|----------|--------------|--------------------|--------------|----------------------|-----------|--------------|
| | Renewable Products | Oil Products | Marketing & Services | Others | Total | Renewable Products | Oil Products | Marketing & Services | Others | Total |
| Goods transferred at point in time | 2,200 | 2,728 | 1,358 | 0 | 6,286 | 2,535 | 2,447 | 1,546 | 0 | 6,528 |
| Services transferred at point in time | 2 | 7 | 3 | 0 | 11 | 3 | 18 | 3 | 0 | 24 |
| Services transferred over time | 0 | 0 | 0 | 6 | 6 | 0 | 0 | 0 | 10 | 10 |
| Total | 2,201 | 2,735 | 1,361 | 6 | 6,303 | 2,538 | 2,465 | 1,549 | 10 | 6,562 |

| External revenue | 1-12/2023 | | | | | 1-12/2022 | | | | |
|---------------------------------------|--------------------|--------------|----------------------|-----------|---------------|--------------------|---------------|----------------------|-----------|---------------|
| | Renewable Products | Oil Products | Marketing & Services | Others | Total | Renewable Products | Oil Products | Marketing & Services | Others | Total |
| Goods transferred at point in time | 8,207 | 9,499 | 5,110 | 0 | 22,816 | 9,637 | 10,143 | 5,809 | 0 | 25,589 |
| Services transferred at point in time | 5 | 66 | 12 | 1 | 84 | 4 | 80 | 9 | 1 | 93 |
| Services transferred over time | 0 | 0 | 0 | 25 | 25 | 0 | 0 | 0 | 25 | 25 |
| Total | 8,212 | 9,566 | 5,123 | 26 | 22,926 | 9,640 | 10,223 | 5,818 | 26 | 25,707 |

REVENUE BY OPERATING SEGMENT

| 10-12/2023 | Renewable Products | Oil Products | Marketing & Services | Others | Eliminations | Total |
|------------------|-----------------------|-----------------|-------------------------|-----------|---------------|--------------|
| External revenue | 2,201 | 2,735 | 1,361 | 6 | 0 | 6,303 |
| Internal revenue | 62 | 1,015 | 13 | 17 | -1,106 | 0 |
| Total revenue | 2,263 | 3,750 | 1,374 | 22 | -1,106 | 6,303 |

| 10-12/2022 | Renewable Products | Oil Products | Marketing & Services | Others | Eliminations | Total |
|------------------|-----------------------|-----------------|-------------------------|--------|--------------|-------|
| External revenue | 2,538 | 2,465 | 1,549 | 10 | 0 | 6,562 |
| Internal revenue | 59 | 1,191 | 12 | 27 | -1,290 | 0 |
| Total revenue | 2,597 | 3,657 | 1,561 | 37 | -1,290 | 6,562 |

| 1-12/2023 | Renewable Products | Oil Products | Marketing & Services | Others | Eliminations | Total |
|------------------|-----------------------|-----------------|-------------------------|------------|---------------|---------------|
| External revenue | 8,212 | 9,566 | 5,123 | 26 | 0 | 22,926 |
| Internal revenue | 254 | 3,720 | 45 | 75 | -4,094 | 0 |
| Total revenue | 8,466 | 13,285 | 5,168 | 100 | -4,094 | 22,926 |

| 1-12/2022 | Renewable Products | Oil Products | Marketing & Services | Others | Eliminations | Total |
|------------------|-----------------------|-----------------|-------------------------|--------|--------------|--------|
| External revenue | 9,640 | 10,223 | 5,818 | 26 | 0 | 25,707 |
| Internal revenue | 265 | 4,373 | 58 | 120 | -4,816 | 0 |
| Total revenue | 9,905 | 14,596 | 5,876 | 147 | -4,816 | 25,707 |

REVENUE BY OPERATING DESTINATION

| | 10-12/2023 | | | | | 10-12/2022 | | | | |
|---------------------------------------|-----------------------|-----------------|-------------------------|----------|--------------|-----------------------|-----------------|-------------------------|-----------|--------------|
| | Renewable Products | Oil Products | Marketing & Services | Others | Total | Renewable Products | Oil Products | Marketing & Services | Others | Total |
| External revenue | | | | | | | | | | |
| Finland | 96 | 501 | 1,085 | 6 | 1,688 | 74 | 871 | 1,222 | 10 | 2,177 |
| Other Nordic countries | 547 | 264 | 1 | 0 | 811 | 766 | 325 | 0 | 0 | 1,091 |
| Baltic Rim | 18 | 145 | 275 | 0 | 437 | 28 | 133 | 326 | 0 | 487 |
| Other European countries | 499 | 777 | 1 | 0 | 1,277 | 586 | 706 | 1 | 0 | 1,293 |
| North and South America ¹⁾ | 942 | 1,045 | 0 | 0 | 1,987 | 1,015 | 430 | 0 | 0 | 1,445 |
| Other countries | 99 | 2 | 0 | 0 | 102 | 69 | 0 | 0 | 0 | 70 |
| Total | 2,201 | 2,735 | 1,361 | 6 | 6,303 | 2,538 | 2,465 | 1,549 | 10 | 6,562 |

| | 1-12/2023 | | | | | 1-12/2022 | | | | |
|---------------------------------------|-----------------------|-----------------|-------------------------|-----------|---------------|-----------------------|-----------------|-------------------------|-----------|---------------|
| | Renewable Products | Oil Products | Marketing & Services | Others | Total | Renewable Products | Oil Products | Marketing & Services | Others | Total |
| External revenue | | | | | | | | | | |
| Finland | 406 | 2,021 | 4,063 | 26 | 6,515 | 352 | 3,547 | 4,536 | 24 | 8,459 |
| Other Nordic countries | 2,175 | 1,101 | 2 | 0 | 3,278 | 2,930 | 1,416 | 2 | 0 | 4,348 |
| Baltic Rim | 40 | 620 | 1,055 | 0 | 1,715 | 73 | 500 | 1,278 | 0 | 1,850 |
| Other European countries | 1,984 | 2,789 | 3 | 0 | 4,775 | 2,399 | 2,729 | 2 | 1 | 5,131 |
| North and South America ¹⁾ | 3,444 | 2,993 | 0 | 0 | 6,437 | 3,685 | 2,000 | 0 | 1 | 5,685 |
| Other countries | 163 | 42 | 0 | 0 | 205 | 202 | 31 | 0 | 1 | 234 |
| Total | 8,212 | 9,566 | 5,123 | 26 | 22,926 | 9,640 | 10,223 | 5,818 | 26 | 25,707 |

¹⁾ Mainly related to the USA.

3. SEGMENT INFORMATION

Neste's operations are grouped into four reporting segments: Renewable Products, Oil Products, Marketing & Services, and Others. The Others segment consists of Engineering Solutions and common corporate costs. The performance of the reportable segments are reviewed regularly by the chief operating decision-maker, Neste President & CEO, to assess the performance and to decide on allocation of resources.

| REVENUE | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|----------------------|-------------------|-------------------|------------------|------------------|
| Renewable Products | 2,263 | 2,597 | 8,466 | 9,905 |
| Oil Products | 3,750 | 3,657 | 13,285 | 14,596 |
| Marketing & Services | 1,374 | 1,561 | 5,168 | 5,876 |
| Others | 22 | 37 | 100 | 147 |
| Eliminations | -1,106 | -1,290 | -4,094 | -4,816 |
| Total | 6,303 | 6,562 | 22,926 | 25,707 |

| OPERATING PROFIT | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|-------------------------|-------------------|-------------------|------------------|------------------|
| Renewable Products | 245 | 468 | 568 | 1,046 |
| Oil Products | 159 | 111 | 1,068 | 1,337 |
| Marketing & Services | 13 | 13 | 84 | 98 |
| Others | -9 | -7 | -41 | -70 |
| Eliminations | 7 | 4 | 2 | -1 |
| Total | 415 | 589 | 1,682 | 2,410 |

| EBITDA | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|----------------------|-------------------|-------------------|------------------|------------------|
| Renewable Products | 393 | 536 | 1,049 | 1,328 |
| Oil Products | 247 | 184 | 1,375 | 1,619 |
| Marketing & Services | 24 | 21 | 117 | 127 |
| Others | 2 | 4 | 5 | -24 |
| Eliminations | 7 | 4 | 2 | -1 |
| Total | 672 | 748 | 2,548 | 3,048 |

| COMPARABLE EBITDA | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|--------------------------|-------------------|-------------------|------------------|------------------|
| Renewable Products | 433 | 415 | 1,906 | 1,762 |
| Oil Products | 330 | 450 | 1,434 | 1,654 |
| Marketing & Services | 25 | 21 | 118 | 126 |
| Others | 3 | 4 | -2 | -4 |
| Eliminations | 7 | 4 | 2 | -1 |
| Total | 797 | 894 | 3,458 | 3,537 |

| DEPRECIATION, AMORTIZATION AND IMPAIRMENTS | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|---|-------------------|-------------------|------------------|------------------|
| Renewable Products | 148 | 68 | 480 | 282 |
| Oil Products | 87 | 73 | 307 | 282 |
| Marketing & Services | 11 | 7 | 33 | 29 |
| Others | 11 | 11 | 46 | 46 |
| Eliminations | 0 | 0 | 0 | 0 |
| Total | 257 | 160 | 866 | 638 |

| CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|--|-------------------|-------------------|------------------|------------------|
| Renewable Products | 427 | 563 | 1,915 | 1,952 |
| Oil Products | 159 | 78 | 336 | 180 |
| Marketing & Services | 5 | 7 | 38 | 24 |
| Others | 24 | 21 | 61 | 62 |
| Eliminations | 0 | 0 | 0 | 0 |
| Total | 616 | 668 | 2,351 | 2,218 |

| TOTAL ASSETS | 31 Dec 2023 | 31 Dec 2022 |
|----------------------|--------------------|--------------------|
| Renewable Products | 9,275 | 7,894 |
| Oil Products | 3,849 | 4,493 |
| Marketing & Services | 647 | 704 |
| Others | 480 | 351 |
| Unallocated assets | 2,131 | 1,932 |
| Eliminations | -397 | -458 |
| Total | 15,983 | 14,917 |

| | 31 Dec 2023 | 31 Dec 2022 |
|----------------------|----------------|----------------|
| NET ASSETS | | |
| Renewable Products | 8,069 | 6,433 |
| Oil Products | 2,384 | 2,652 |
| Marketing & Services | 236 | 227 |
| Others | 104 | 141 |
| Eliminations | -11 | -14 |
| Total | 10,783 | 9,440 |

| | 31 Dec 2023 | 31 Dec 2022 |
|--------------------------|----------------|----------------|
| TOTAL LIABILITIES | | |
| Renewable Products | 2,046 | 1,909 |
| Oil Products | 1,521 | 1,866 |
| Marketing & Services | 473 | 529 |
| Others | 384 | 221 |
| Unallocated liabilities | 3,483 | 2,510 |
| Eliminations | -387 | -444 |
| Total | 7,520 | 6,590 |

| | 31 Dec 2023 | 31 Dec 2022 |
|--------------------------------|----------------|----------------|
| RETURN ON NET ASSETS, % | | |
| Renewable Products | 7.5 | 18.6 |
| Oil Products | 42.6 | 46.6 |
| Marketing & Services | 34.6 | 40.8 |

| | 31 Dec 2023 | 31 Dec 2022 |
|---|----------------|----------------|
| COMPARABLE RETURN ON NET ASSETS, % | | |
| Renewable Products | 18.9 | 26.6 |
| Oil Products | 45.0 | 48.0 |
| Marketing & Services | 35.2 | 40.5 |

QUARTERLY SEGMENT INFORMATION

| QUARTERLY REVENUE | 10-12/2023 | 7-9/2023 | 4-6/2023 | 1-3/2023 | 10-12/2022 | 7-9/2022 | 4-6/2022 | 1-3/2022 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Renewable Products | 2,263 | 2,197 | 2,164 | 1,842 | 2,597 | 2,403 | 2,728 | 2,176 |
| Oil Products | 3,750 | 3,442 | 2,919 | 3,174 | 3,657 | 3,877 | 4,043 | 3,019 |
| Marketing & Services | 1,374 | 1,315 | 1,189 | 1,290 | 1,561 | 1,604 | 1,481 | 1,229 |
| Others | 22 | 17 | 30 | 31 | 37 | 37 | 38 | 35 |
| Eliminations | -1,106 | -998 | -951 | -1,039 | -1,290 | -1,339 | -1,251 | -937 |
| Total | 6,303 | 5,973 | 5,351 | 5,298 | 6,562 | 6,583 | 7,039 | 5,523 |
| QUARTERLY OPERATING PROFIT | 10-12/2023 | 7-9/2023 | 4-6/2023 | 1-3/2023 | 10-12/2022 | 7-9/2022 | 4-6/2022 | 1-3/2022 |
| Renewable Products | 245 | 130 | 158 | 36 | 468 | -126 | 219 | 485 |
| Oil Products | 159 | 527 | 135 | 246 | 111 | 381 | 571 | 275 |
| Marketing & Services | 13 | 34 | 21 | 16 | 13 | 31 | 28 | 26 |
| Others | -9 | -17 | -6 | -10 | -7 | -8 | -42 | -13 |
| Eliminations | 7 | -6 | 4 | -3 | 4 | 12 | -6 | -10 |
| Total | 415 | 669 | 312 | 285 | 589 | 289 | 769 | 762 |
| QUARTERLY EBITDA | 10-12/2023 | 7-9/2023 | 4-6/2023 | 1-3/2023 | 10-12/2022 | 7-9/2022 | 4-6/2022 | 1-3/2022 |
| Renewable Products | 393 | 256 | 276 | 124 | 536 | -39 | 284 | 546 |
| Oil Products | 247 | 602 | 210 | 317 | 184 | 443 | 645 | 348 |
| Marketing & Services | 24 | 42 | 29 | 23 | 21 | 38 | 35 | 33 |
| Others | 2 | -4 | 5 | 2 | 4 | 3 | -31 | -1 |
| Eliminations | 7 | -6 | 4 | -3 | 4 | 12 | -6 | -10 |
| Total | 672 | 889 | 523 | 463 | 748 | 456 | 927 | 916 |
| QUARTERLY COMPARABLE EBITDA | 10-12/2023 | 7-9/2023 | 4-6/2023 | 1-3/2023 | 10-12/2022 | 7-9/2022 | 4-6/2022 | 1-3/2022 |
| Renewable Products | 433 | 545 | 513 | 415 | 415 | 389 | 538 | 419 |
| Oil Products | 330 | 472 | 239 | 393 | 450 | 537 | 529 | 137 |
| Marketing & Services | 25 | 42 | 29 | 23 | 21 | 38 | 35 | 32 |
| Others | 3 | -6 | 0 | 2 | 4 | 3 | -10 | -1 |
| Eliminations | 7 | -6 | 4 | -3 | 4 | 12 | -6 | -10 |
| Total | 797 | 1,047 | 784 | 830 | 894 | 979 | 1,085 | 578 |
| QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS | 10-12/2023 | 7-9/2023 | 4-6/2023 | 1-3/2023 | 10-12/2022 | 7-9/2022 | 4-6/2022 | 1-3/2022 |
| Renewable Products | 148 | 125 | 119 | 89 | 68 | 87 | 66 | 61 |
| Oil Products | 87 | 75 | 74 | 71 | 73 | 62 | 74 | 73 |
| Marketing & Services | 11 | 7 | 8 | 7 | 7 | 8 | 7 | 7 |
| Others | 11 | 13 | 11 | 11 | 11 | 11 | 12 | 12 |
| Eliminations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 257 | 220 | 212 | 178 | 160 | 167 | 158 | 153 |
| QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES | 10-12/2023 | 7-9/2023 | 4-6/2023 | 1-3/2023 | 10-12/2022 | 7-9/2022 | 4-6/2022 | 1-3/2022 |
| Renewable Products | 427 | 385 | 390 | 713 | 563 | 956 | 229 | 204 |
| Oil Products | 159 | 58 | 48 | 71 | 78 | 44 | 25 | 34 |
| Marketing & Services | 5 | 8 | 20 | 5 | 7 | 9 | 5 | 4 |
| Others | 24 | 15 | 11 | 11 | 21 | 16 | 13 | 12 |
| Eliminations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 616 | 467 | 469 | 799 | 668 | 1,025 | 272 | 254 |
| QUARTERLY NET ASSETS | 31 Dec 2023 | 30 Sep 2023 | 30 Jun 2023 | 31 Mar 2023 | 31 Dec 2022 | 30 Sep 2022 | 30 Jun 2022 | 31 Mar 2022 |
| Renewable Products | 8,069 | 7,887 | 7,868 | 7,411 | 6,433 | 5,984 | 5,495 | 5,526 |
| Oil Products | 2,384 | 2,654 | 2,394 | 2,435 | 2,652 | 3,311 | 3,510 | 2,828 |
| Marketing & Services | 236 | 235 | 254 | 268 | 227 | 268 | 258 | 234 |
| Others | 104 | -454 | -300 | -894 | 141 | -136 | -180 | -536 |
| Eliminations | -11 | -19 | -14 | -19 | -14 | -19 | -32 | -27 |
| Total | 10,783 | 10,304 | 10,202 | 9,201 | 9,440 | 9,407 | 9,050 | 8,025 |

4. ACQUISITIONS AND DISPOSALS

Acquisitions

On 13 January 2023, Neste acquired SeSequential Environmental Services, LLC, and Pure SQ, LLC from Crimson Renewable Energy Holdings, LLC. Through the transaction, Neste acquired used cooking oil collection and aggregation business in US West Coast.

The fair value of acquired net assets are presented in the table below. Based on purchase price allocation, a portion of the purchase price was allocated to supplier and customer relations that have been recognized as intangible assets. The recognized goodwill represents the value of acquired business knowledge and synergies, and is deductible for income tax purposes. The purchase price was paid fully in cash and includes approximately EUR 18 million of contingent consideration. The final amount of the contingent consideration depends on how certain targets are achieved during 2023. The transaction costs of the acquisition are included in other expenses in the consolidated statement of income. The acquisition does not have a material impact on the Group's revenue nor profit.

| Assets and liabilities | Fair value |
|--|-------------------|
| Intangible assets | 43 |
| Property, plant and equipment | 29 |
| Inventories | 3 |
| Trade and other receivables | 2 |
| Total assets | 77 |
| Interest-bearing liabilities | 6 |
| Trade and other payables | 10 |
| Total liabilities | 16 |
| Fair value of acquired net assets | 61 |
| Consideration transferred | 165 |
| Fair value of acquired net assets | -61 |
| Goodwill | 104 |
| Cash flows of the acquisition | |
| Consideration, paid in cash | -165 |
| Acquiree's liabilities paid off at closing | -1 |
| Transaction costs of the acquisition | -1 |
| Net cash flow on acquisition | -167 |

5. RECONCILIATION OF KEY FIGURES TO IFRS FINANCIAL STATEMENTS

RECONCILIATION BETWEEN COMPARABLE EBITDA, EBITDA AND OPERATING PROFIT

| Group | 10-12/2023 | 10-12/2022 | 7-9/2023 | 1-12/2023 | 1-12/2022 |
|--|-------------------|-------------------|-----------------|------------------|------------------|
| COMPARABLE EBITDA | 797 | 894 | 1,047 | 3,458 | 3,537 |
| inventory valuation gains/losses | -255 | -200 | 7 | -827 | -352 |
| changes in the fair value of open commodity and currency derivatives | 128 | 48 | -166 | -98 | -131 |
| capital gains and losses | 0 | 1 | 1 | 7 | 10 |
| other adjustments | 3 | 6 | 0 | 8 | -16 |
| EBITDA | 672 | 748 | 889 | 2,548 | 3,048 |
| depreciation, amortization and impairments | -257 | -160 | -220 | -866 | -638 |
| OPERATING PROFIT | 415 | 589 | 669 | 1,682 | 2,410 |
| Renewable Products | 10-12/2023 | 10-12/2022 | 7-9/2023 | 1-12/2023 | 1-12/2022 |
| COMPARABLE EBITDA | 433 | 415 | 545 | 1,906 | 1,762 |
| inventory valuation gains/losses | -156 | -30 | -129 | -784 | -299 |
| changes in the fair value of open commodity and currency derivatives | 116 | 151 | -160 | -73 | -135 |
| capital gains and losses | 0 | 0 | 0 | 0 | 0 |
| other adjustments | 0 | 0 | 0 | 0 | 0 |
| EBITDA | 393 | 536 | 256 | 1,049 | 1,328 |
| depreciation, amortization and impairments | -148 | -68 | -125 | -480 | -282 |
| OPERATING PROFIT | 245 | 468 | 130 | 568 | 1,046 |
| Oil Products | 10-12/2023 | 10-12/2022 | 7-9/2023 | 1-12/2023 | 1-12/2022 |
| COMPARABLE EBITDA | 330 | 450 | 472 | 1,434 | 1,654 |
| inventory valuation gains/losses | -99 | -169 | 136 | -43 | -53 |
| changes in the fair value of open commodity and currency derivatives | 12 | -104 | -6 | -25 | 4 |
| capital gains and losses | 0 | 1 | -1 | 5 | 10 |
| other adjustments | 4 | 6 | 0 | 4 | 4 |
| EBITDA | 247 | 184 | 602 | 1,375 | 1,619 |
| depreciation, amortization and impairments | -87 | -73 | -75 | -307 | -282 |
| OPERATING PROFIT | 159 | 111 | 527 | 1,068 | 1,337 |
| Marketing & Services | 10-12/2023 | 10-12/2022 | 7-9/2023 | 1-12/2023 | 1-12/2022 |
| COMPARABLE EBITDA | 25 | 21 | 42 | 118 | 126 |
| inventory valuation gains/losses | 0 | 0 | 0 | 0 | 0 |
| changes in the fair value of open commodity and currency derivatives | 0 | 0 | 0 | 0 | 0 |
| capital gains and losses | 0 | 0 | 0 | 0 | 0 |
| other adjustments | -1 | 0 | 0 | -1 | 1 |
| EBITDA | 24 | 21 | 42 | 117 | 127 |
| depreciation, amortization and impairments | -11 | -7 | -7 | -33 | -29 |
| OPERATING PROFIT | 13 | 13 | 34 | 84 | 98 |
| Others | 10-12/2023 | 10-12/2022 | 7-9/2023 | 1-12/2023 | 1-12/2022 |
| COMPARABLE EBITDA | 3 | 4 | -6 | -2 | -4 |
| inventory valuation gains/losses | 0 | 0 | 0 | 0 | 0 |
| changes in the fair value of open commodity and currency derivatives | 0 | 0 | 0 | 0 | 0 |
| capital gains and losses | 0 | 0 | 2 | 2 | 0 |
| other adjustments | 0 | 0 | 0 | 5 | -20 |
| EBITDA | 2 | 4 | -4 | 5 | -24 |
| depreciation, amortization and impairments | -11 | -11 | -13 | -46 | -46 |
| OPERATING PROFIT | -9 | -7 | -17 | -41 | -70 |

RECONCILIATION BETWEEN COMPARABLE EBITDA AND COMPARABLE NET PROFIT

| | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|---|------------|------------|--------------|--------------|
| COMPARABLE EBITDA | 797 | 894 | 3,458 | 3,537 |
| depreciation, amortization and impairments | -257 | -160 | -866 | -638 |
| items in depreciation, amortization and impairments affecting comparability | 0 | 2 | 0 | 27 |
| total financial income and expenses | -9 | -26 | -86 | -131 |
| income tax expense | -6 | -49 | -160 | -388 |
| non-controlling interests | 0 | 0 | -3 | -3 |
| tax on items affecting comparability | -17 | -19 | -128 | -68 |
| COMPARABLE NET PROFIT | 508 | 642 | 2,216 | 2,336 |

RECONCILIATION OF COMPARABLE RETURN ON AVERAGE CAPITAL EMPLOYED, AFTER TAX (COMPARABLE ROACE), %

| | 31 Dec 2023 | 31 Dec 2022 |
|---|----------------|----------------|
| COMPARABLE EBITDA, LAST 12 MONTHS | 3,458 | 3,537 |
| depreciation, amortization and impairments | -866 | -638 |
| items in depreciation, amortization and impairments affecting comparability | 0 | 27 |
| financial income | 45 | 9 |
| exchange rate and fair value gains and losses | -9 | -80 |
| income tax expense | -160 | -388 |
| tax on other items affecting comparable ROACE | -145 | -76 |
| Comparable net profit, net of tax | 2,324 | 2,391 |
| Capital employed average | 11,514 | 9,823 |
| Assets under construction average | -1,789 | -1,880 |
| COMPARABLE RETURN ON AVERAGE CAPITAL EMPLOYED, AFTER TAX (COMPARABLE ROACE), % | 23.9 | 30.1 |

RECONCILIATION OF EQUITY-TO-ASSETS RATIO, %

| | 31 Dec 2023 | 31 Dec 2022 |
|----------------------------------|----------------|----------------|
| Total equity | 8,463 | 8,327 |
| Total assets | 15,983 | 14,917 |
| Advances received | -39 | -138 |
| EQUITY-TO-ASSETS RATIO, % | 53.1 | 56.3 |

RECONCILIATION OF NET WORKING CAPITAL IN DAYS OUTSTANDING

| | 31 Dec 2023 | 31 Dec 2022 |
|--|----------------|----------------|
| Operative receivables | 1,788 | 1,902 |
| Inventories | 3,366 | 3,648 |
| Operative liabilities | -2,581 | -3,057 |
| Net working capital | 2,573 | 2,494 |
| Revenue, last 12 months | 22,926 | 25,707 |
| NET WORKING CAPITAL IN DAYS OUTSTANDING | 41.0 | 35.4 |

6. CHANGES IN GOODWILL, INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND COMMITMENTS

| | 31 Dec 2023 | 31 Dec 2022 |
|---|----------------|----------------|
| CHANGES IN GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT | | |
| Opening balance | 7,140 | 5,667 |
| Additions | 2,160 | 2,217 |
| Acquisitions | 176 | 10 |
| Depreciation, amortization and impairments | -866 | -638 |
| Disposals | -83 | -90 |
| Assets held for sale | 0 | 24 |
| Translation differences | -60 | -52 |
| Closing balance | 8,467 | 7,140 |
| COMMITMENTS | | |
| Commitments to purchase property, plant and equipment, and intangible assets | 710 | 810 |
| Other commitments | 8 | 8 |
| Total | 718 | 818 |

Capital commitments are mainly related to an expansion project in the refinery in Rotterdam which will extend Neste's renewable products overall capacity.

7. CHANGES IN INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

| | 31 Dec 2023 | 31 Dec 2022 |
|--|----------------|----------------|
| INVESTMENTS IN ASSOCIATES AND JOINT VENTURES | | |
| Opening balance | 63 | 60 |
| Share of profit (loss) of associates and joint ventures | 1 | 2 |
| Share of other comprehensive income of investments accounted for using the equity method | -4 | 17 |
| Translation differences | -1 | 1 |
| Capital repayments | 0 | -13 |
| Dividends | 0 | -15 |
| Investments | 0 | 12 |
| Other changes | 0 | -1 |
| Closing balance | 58 | 63 |

8. INTEREST-BEARING NET DEBT AND LIQUIDITY

| | 31 Dec 2023 | 31 Dec 2022 |
|--|----------------|----------------|
| INTEREST-BEARING NET DEBT | | |
| Non-current interest-bearing liabilities ¹⁾ | 3,487 | 1,964 |
| Current interest-bearing liabilities ²⁾ | 581 | 651 |
| Interest-bearing liabilities | 4,068 | 2,615 |
| Current investments | -5 | 0 |
| Cash and cash equivalents | -1,575 | -1,271 |
| Liquid funds | -1,580 | -1,271 |
| Interest-bearing net debt | 2,488 | 1,344 |

¹⁾ Including EUR 768 million of lease liabilities at 31 Dec 2023 (31 Dec 2022: EUR 425 million)

On 6 March 2023, Neste announced that it invites the holders of its EUR 400 million 1.50 per cent notes due June 2024 to tender their notes for cash on the terms and conditions set out in the tender offer memorandum. On 14 March, Neste accepted purchase of EUR 199 million in aggregate nominal amount of the notes pursuant to the tender offer.

In March 2023, Neste issued EUR 500 million green bond with 6-year maturity and a EUR 500 million green bond with 10-year maturity under its EMTN (Euro Medium Term Note) programme established on 6 March 2023, and will pay a fixed coupon of 3.875% and 4.250%, respectively. The proceeds from the issues will be applied for eligible projects and assets as set out in Neste Corporation's Green Finance Framework.

In November 2023, Neste issued EUR 600 million green bond with 7.5-year maturity under its EMTN (Euro Medium Term Note) programme established on 6 March 2023, and will pay a fixed coupon of 3.875 per cent. The proceeds from the issue will be applied for Eligible Projects and Assets as set out in Neste Corporation's Green Finance Framework.

²⁾ Including EUR 199 million of lease liabilities at 31 Dec 2023 (31 Dec 2022: EUR 110 million)

| | 31 Dec 2023 | 31 Dec 2022 |
|--|----------------|----------------|
| LIQUIDITY, UNUSED COMMITTED CREDIT FACILITIES AND DEBT PROGRAMS | | |
| Liquid funds | 1,580 | 1,271 |
| Unused committed credit facilities | 1,900 | 1,600 |
| Total | 3,480 | 2,871 |
| In addition: Unused commercial paper program (uncommitted) | 400 | 54 |

9. FINANCIAL INSTRUMENTS

No significant changes were made to Neste's risk management policies during the reporting period. Aspects of Neste's financial risk management objective and policies are consistent with those disclosed in the consolidated financial statements 2022.

| | 31 Dec 2023 | | 31 Dec 2022 | |
|---|---------------|----------------|---------------|----------------|
| | Nominal value | Net fair value | Nominal value | Net fair value |
| Interest rate and currency derivatives | | | | |
| Interest rate swaps | | | | |
| Hedge accounting | 550 | 26 | 0 | 0 |
| Non-hedge accounting | 0 | 0 | 0 | 0 |
| Currency derivatives | | | | |
| Hedge accounting | 2,861 | 48 | 3,925 | 90 |
| Non-hedge accounting | 1,849 | 14 | 3,083 | 91 |

| | 31 Dec 2023 | | | 31 Dec 2022 | | |
|------------------------------|-------------|--------------------|----------------|-------------|--------------------|----------------|
| | Volume GWh | Volume million bbl | Net fair value | Volume GWh | Volume million bbl | Net fair value |
| Commodity derivatives | | | | | | |
| Sales contracts | | | | | | |
| Non-hedge accounting | 0 | 24 | 79 | 18 | 25 | 0 |
| Purchase contracts | | | | | | |
| Non-hedge accounting | 3,029 | 25 | -169 | 2,616 | 19 | 18 |

Commodity derivative contracts include oil, vegetable oil, electricity, freight, and gas derivatives.

The fair values of derivative financial instruments subject to public trading are based on market prices as of the balance sheet date. The fair values of other derivative financial instruments are based on the present value of cash flows resulting from the contracts, and, in respect of options, on evaluation models. The amounts also include unsettled closed positions. Derivative financial instruments are mainly used to manage Neste's currency, interest rate and price risk.

Financial assets and liabilities by measurement categories and fair value hierarchy as of December 31, 2023

| Balance sheet item | Fair value through OCI | Fair value through profit or loss | Amortized cost | Carrying amount | Fair value | Fair value hierarchy | | |
|---|------------------------|-----------------------------------|----------------|-----------------|------------|----------------------|---------|---------|
| | | | | | | Level 1 | Level 2 | Level 3 |
| Non-current financial assets | | | | | | | | |
| Non-current receivables | | | 126 | 126 | 126 | | | |
| Derivative financial instruments | | 26 | | 26 | 26 | 0 | 26 | |
| Other financial assets | 46 | 8 | | 54 | 54 | | | 54 |
| Current financial assets | | | | | | | | |
| Trade and other receivables ¹⁾ | | | 1,872 | 1,872 | 1,872 | | | |
| Derivative financial instruments | 52 | 138 | | 190 | 190 | 37 | 153 | |
| Current investments | | | 5 | 5 | 5 | | | |
| Cash and cash equivalents | | | 1,575 | 1,575 | 1,575 | | | |
| Financial assets | 98 | 173 | 3,578 | 3,848 | 3,848 | | | |
| Non-current financial liabilities | | | | | | | | |
| Interest-bearing liabilities | | | 3,487 | 3,487 | 3,503 | 2,125 | 1,377 | |
| Derivative financial instruments | | 6 | | 6 | 6 | | 6 | |
| Other non-current liabilities ¹⁾ | | 22 | 18 | 40 | 40 | | | 22 |
| Current financial liabilities | | | | | | | | |
| Interest-bearing liabilities | | | 581 | 581 | 579 | 199 | 380 | |
| Derivative financial instruments | 4 | 208 | | 212 | 212 | 40 | 172 | |
| Trade and other payables ¹⁾ | | 9 | 2,424 | 2,433 | 2,433 | | | 9 |
| Financial liabilities | 4 | 246 | 6,509 | 6,759 | 6,773 | | | |

¹⁾ excluding non-financial items

Derivative financial instruments under Fair value through OCI -category meet criteria for hedge accounting.

Financial instruments that are measured at fair value in the balance sheet and the interest-bearing liabilities are presented according to fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs for the asset or liability that is not based on observable market data.

Interest-bearing liabilities at level 1 consist of listed bonds. Derivative financial instruments at level 1 consist of commodity derivatives which are directly valued based on exchange quotations. Other financial assets in fair value through profit and loss category include unlisted other investments of EUR 8 million. Other financial assets in fair value through other comprehensive income category include unlisted shares of EUR 46 million. Other financial liabilities in fair value through profit and loss category mainly consist contingent considerations of acquisition made in ended financial year and prior years. Fair values are determined in accordance with IFRS 13.

During the reporting period there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

10. RELATED PARTY TRANSACTIONS

Neste has a related party relationship with its subsidiaries, joint arrangements, associates and the entities controlled by Neste's controlling shareholder the State of Finland. Related party includes also the members of the Board of Directors, the President and CEO, and other members of the Neste Executive Committee (key management persons), close members of the families of the mentioned key management persons, and entities controlled or jointly controlled by the mentioned key management persons or close members of those persons' families.

Parent company of Neste is Neste Corporation. The transactions between the Company, its subsidiaries, and joint operations, which are related parties of the Company, have been eliminated during consolidation and are not disclosed in this note. Details of transactions between Neste and other related parties are disclosed below. All related party transactions are on an arm's length basis.

| | 31 Dec 2023 | 31 Dec 2022 |
|---|----------------|----------------|
| Transactions carried out with joint ventures and other related parties | | |
| Sales of goods and services | 260 | 430 |
| Purchases of goods and services | 256 | 503 |
| Financial income and expenses | 5 | 3 |
| Receivables | 145 | 160 |
| Liabilities | 9 | 22 |

11. CONTINGENT LIABILITIES

| | 31 Dec 2023 | 31 Dec 2022 |
|---------------------------------|----------------|----------------|
| Contingent liabilities | | |
| On own behalf for commitments | | |
| Real estate mortgages | 26 | 26 |
| Other contingent liabilities | 24 | 49 |
| Total | 50 | 75 |
| On behalf of joint arrangements | | |
| Pledged assets | 114 | 89 |
| Total | 114 | 89 |
| On behalf of others | | |
| Guarantees | 1 | 1 |
| Total | 1 | 1 |
| Total | 164 | 164 |

12. DISPUTES AND POTENTIAL LITIGATIONS

Neste is involved in legal proceedings and disputes incidental to its business. In management's opinion, the outcome of these cases is difficult to predict but not likely to have material effect on the Neste's financial position.

13. EVENTS AFTER THE REPORTING PERIOD

On 30 January, Neste announced that the Porvoo refinery processes will be brought into a safe state for the duration of the political strike announced to take place on 1 and 2 February 2024.

NESTE
Change runs on renewables

NESTE