



Neste Corporation
Interim Report
January–March 2024

25 April 2024

NESTE

Neste's Interim Report for January–March 2024

Demonstrating resilience in a weak renewables market

First quarter in brief:

Figures in parentheses refer to the corresponding period for 2023, unless otherwise stated.

- Comparable EBITDA totaled EUR 551 million (EUR 830 million)
- EBITDA totaled EUR 442 million (EUR 463 million)
- Renewable Products' comparable sales margin was USD 562/ton (USD 945/ton)
- Oil Products' total refining margin was USD 20.4/bbl (USD 21.8/bbl)
- Cash flow before financing activities was EUR -340 million (EUR -102 million)
- Comparable return on average capital employed (Comparable ROACE) was 20.1% over the last 12 months (31.8%)
- Leverage ratio was 27.9% at the end of March (31.12.2023: 22.7%)
- Full-year guidance unchanged

President and CEO Matti Lehmus:

“Our focus was on defending margins in a more challenging market as the market situation in renewable diesel was clearly weaker in the first quarter of 2024 compared to the previous year. In Oil Products the refining margin remained healthy, although somewhat lower compared to previous year’s corresponding period. Our comparable EBITDA in the first quarter reached EUR 551 million compared to EUR 830 million last year. Neste’s operations in Finland were impacted by political strikes during the first quarter, with a total comparable EBITDA impact of approximately EUR -10 to -15 million. Our cash flow before financing activities was EUR -340 (-102) million, impacted by higher inventories mainly due to preparing for the upcoming major turnaround in Porvoo and sustainable aviation fuel (SAF) base inventory build-up.

In Renewable Products, our comparable EBITDA totaled EUR 242 (415) million in the first quarter, impacted by a clearly weaker market in renewable diesel. Our comparable sales margin was USD 562 (945)/ton. Our sales volume was 849 (678) thousand tons as demand was seasonally lower. Sales volumes were also affected by the build-up of inventories in the SAF supply chain and the preparation for the upcoming maintenance turnarounds during 2024. Production at the Singapore second line was stable during the quarter and production of SAF was ramped up according to plan. During the first quarter the share of waste and residue inputs was 91%.

In Oil Products, comparable EBITDA totaled EUR 278 (393) million in the first quarter. Operational performance at the Porvoo refinery was solid with a utilization rate of 91% (81%) and the total refining margin during the quarter reached 20.4 (21.8) USD/bbl. The domestic sales volume in the quarter was impacted by the political strikes in Finland, which was also reflected in the inventory build-up.

In Marketing & Services, our comparable EBITDA was EUR 23 (23) million in the first quarter. Neste’s market share remained on a high level in spite of the logistics challenges caused by the political strike.

We completed our organizational change process during the quarter. With a simplified organizational structure and operational model, we strengthen our long-term competitiveness and improve our cost efficiency. The restructuring is expected to result in total annual cost savings of approximately EUR 50 million going forward.

We hosted an analyst day in Rotterdam in March, reviewing Neste's resilient growth strategy and unique competitive advantages as well as our latest market view in renewables. Our growth strategy in renewable and circular solutions is based on expansion in the most attractive market segments, while at the same time continuing to strengthen our global feedstock sourcing platform and optimization capabilities. Driven by regulatory developments and expected voluntary demand development, we updated our long-term demand forecast upwards compared to our earlier view. Neste's focus in 2024 is on operational execution related to our growth projects, a substantial increase of our SAF sales and streamlining our cost base."

Outlook

Market outlook for 2024

The uncertainty in the global economic outlook and geopolitical situation continues and is expected to continue creating market volatility. In Renewable Products, bioticket and renewable credit prices and renewable diesel price premiums are expected to remain at a lower level compared to 2023. Feedstock prices continue to be volatile. In Oil Products, the refining market continues to be impacted by geopolitical tensions.

Guidance for 2024

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 Mton. 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, after which full capacity is expected to be reached. Renewable Products' full-year sales volume is impacted by the planned maintenance shutdowns and the ramp-up timeline of Martinez Renewables joint operation (Martinez) and the Singapore new line to reach full capacity. In Singapore, SAF production was ramped up during the first quarter. SAF sales are expected to increase from the second quarter onwards, growing toward the end of the year. The Martinez 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.

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 Interim Report, 1 January – 31 March 2024

The Interim Report is unaudited.

Figures in parentheses refer to the corresponding period for 2023, unless otherwise stated.

Key Figures

EUR million (unless otherwise noted)

	1-3/24	1-3/23	10-12/23	2023
Revenue	4,801	5,298	6,303	22,926
EBITDA	442	463	672	2,548
Comparable EBITDA*	551	830	797	3,458
Operating profit	200	285	415	1,682
Profit before income taxes	189	276	407	1,596
Net profit	162	238	400	1,436
Comparable net profit	256	553	508	2,216
Earnings per share, EUR	0.21	0.31	0.52	1.87
Comparable earnings per share, EUR	0.33	0.72	0.66	2.88
Cash-out investments	302	550	417	1,621
Net cash generated from operating activities	-31	377	690	2,279

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Total equity	7,667	7,566	8,463
Interest-bearing net debt	2,973	1,736	2,488
Capital employed	12,009	11,049	12,532
Comparable return on average capital employed after tax (Comparable ROACE)**, %	20.1	31.8	23.9
Equity per share, EUR	9.98	9.84	11.02
Leverage ratio, %	27.9	18.7	22.7

* 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 first quarter 2024 results

Neste's revenue in the first quarter totaled EUR 4,801 million (5,298 million). The decrease in revenue was driven by lower market and sales prices, which had a negative impact of approx. EUR 0.3 billion. Sales volumes had a negative impact of approx. EUR 0.1 billion in total as Renewable Products' volume increase offsets the decrease in Oil Products' volumes year-over-year. Slightly weaker US dollar had a minor negative impact on the revenue compared to the corresponding period last year. Also other drivers decreased revenue by approx. EUR 0.1 billion driven by lower trading volumes, mainly in Oil Products.

The Group's comparable EBITDA was EUR 551 million (830 million). Renewable Products' comparable EBITDA was EUR 242 million (415 million), mostly driven by a lower sales margin as a result of a weaker market, higher sales volume and increased fixed costs compared to the first quarter of 2023. Oil Products' comparable EBITDA totaled EUR 278 million (393 million), following the somewhat lower refining margins and reduced sales volume due to the upcoming turnaround. Marketing & Services comparable EBITDA was EUR 23 million (23 million). The Others segment's comparable EBITDA was EUR 8 million (2 million).

The Group's EBITDA was EUR 442 million (463 million), which was impacted by inventory valuation losses of EUR -129 million (-274 million), and changes in the fair value of open commodity and currency derivatives totaling EUR 30 million (-98 million). Profit before income taxes was EUR 189 million (276 million), and net profit EUR 162 million (238 million). Comparable earnings per share were EUR 0.33 (0.72), and earnings per share EUR 0.21 (0.31).

One-off costs related to restructuring, totaling EUR 13 million, had an impact on the first quarter results. These one-off costs have been eliminated from comparable EBITDA.

	1-3/24	1-3/23	10-12/23	2023
COMPARABLE EBITDA	551	830	797	3,458
- inventory valuation gains/losses	-129	-274	-255	-827
- changes in the fair value of open commodity and currency derivatives	30	-98	128	-98
- capital gains/losses	2	4	0	7
- other adjustments	-13	0	3	8
EBITDA	442	463	672	2,548

Variance analysis (comparison to corresponding period), MEUR

	1-3
Group's comparable EBITDA, 2023	830
Sales volumes	-11
Sales margin	-238
Currency exchange	-11
Fixed costs	-16
Others	-4
Group's comparable EBITDA, 2024	551

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

1-3

Group's comparable EBITDA, 2023	830
Renewable Products	-173
Oil Products	-116
Marketing & Services	-1
Others, including eliminations	9
Group's comparable EBITDA, 2024	551

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 15%, and the leverage ratio target is below 40%. At the end of March, Comparable ROACE calculated over the last 12 months was 20.1%, and leverage ratio remained below the 40% target at 27.9%.

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Comparable return on average capital employed after tax (Comparable ROACE)*, %	20.1	31.8	23.9
Leverage ratio (net debt to capital), %	27.9	18.7	22.7

*Last 12 months

Cash flow, investments and financing

The Group's net cash generated from operating activities totaled EUR -31 million (377 million) during the first quarter of 2024. Cash flow was impacted by higher inventories, mainly due to preparing for the upcoming major turnaround in Porvoo, SAF base inventory build-up and seasonally slow demand for renewable diesel. Cash flow before financing activities was EUR -340 million (-102 million). The Group's net working capital in days outstanding was 33.0 days (25.7 days) on a rolling 12-month basis at the end of the first quarter, lower than at the end of year 2023 (41.0).

	1-3/24	1-3/23	10-12/23	2023
EBITDA	442	463	672	2,548
Capital gains/losses	-2	0	0	0
Other adjustments	-7	180	-225	108
Change in net working capital	-382	-209	495	21
Finance cost, net	-34	-23	-38	-91
Income taxes paid	-48	-34	-213	-307
Net cash generated from operating activities	-31	377	690	2,279
Capital expenditure	-301	-550	-416	-1,607
Other investing activities	-9	71	201	79
Free cash flow (Cash flow before financing activities)	-340	-102	475	751

Cash-out investments excluding M&A were EUR 291 million (374 million), and totaled EUR 302 million (550 million) including M&A in the first quarter of 2024. Maintenance investments accounted for EUR 81 million (67 million) and productivity and strategic investments for EUR 222 million (484 million). Renewable Products'

investments were EUR 244 million (506 million), mainly related to the refinery capacity expansion projects. Oil Products' investments amounted to EUR 51 million (35 million), and Marketing & Services' investments totaled EUR 8 million (3 million). Investments in the Others segment were EUR 0 million (7 million).

Interest-bearing net debt was EUR 2,973 million at the end of March 2024, compared to EUR 2,488 million at the end of 2023. The average interest rate of borrowing at the end of March was 3.6% (3.1%) and the average maturity was 4.6 (4.6) years. At the end of the first quarter the Net debt to EBITDA ratio was 1.2 (0.7) over the last 12 months.

The Group's liquid funds and committed, unutilized credit facilities amounted to EUR 3,268 million at the end of March (31 Dec 2023: 3,480 million). There are no financial covenants in the Group companies' current loan agreements.

In accordance with the 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 March the Group's foreign currency hedging ratio was approx. 55% of the sales margin for the next 12 months.

US dollar exchange rate

	1-3/24	1-3/23	10-12/23	2023
EUR/USD, market rate	1.09	1.07	1.08	1.08
EUR/USD, effective rate*	1.09	1.05	1.08	1.06

* 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

	1-3/24	1-3/23	10-12/23	2023
Revenue, MEUR	1,766	1,842	2,263	8,466
EBITDA, MEUR	101	124	393	1,049
Comparable EBITDA, MEUR	242	415	433	1,906
Operating profit, MEUR	-47	36	245	568
Net assets, MEUR	8,594	7,411	8,069	8,069
Return on net assets*, %	6.1	9.7	7.5	7.5
Comparable return on net assets*, %	15.0	23.8	18.9	18.9
Comparable sales margin, USD/ton	562	945	813	863

* Last 12 months

Variance analysis (comparison to corresponding period), MEUR

1-3

Comparable EBITDA, 2023	415
Sales volumes	61
Sales margin	-213
Currency exchange	-5
Fixed costs	-27
Others	11
Comparable EBITDA, 2024	242

Key drivers

	1-3/24	1-3/23	10-12/23	2023
Biomass-based diesel (D4) RIN, USD/gal	0.58	1.66	0.84	1.35
California LCFS Credit, USD/ton	64	66	69	73
Palm oil price*, USD/ton	836	904	802	833
Waste and residues' share of total feedstock, %	91	96	93	92

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

Renewable Products' first quarter comparable EBITDA totaled EUR 242 million, compared to EUR 415 million in the first quarter of 2023. The comparable sales margin was USD 562 (945)/ton, affected by the challenging market as more renewables capacity was brought into the market particularly in renewable diesel. Despite growing demand in the US, the low Renewable Identification Number (RIN) D4 price had a material impact on the US margin during the first quarter. In Europe, the market was also weaker as renewable diesel premium levels decreased substantially year-over-year. The proportion of waste and residue inputs was 91% (96%) and average feedstock price was slightly lower than in the previous quarter. Martinez had a diluting impact on Neste's overall sales margin.

Production at the Singapore second line was stable during the quarter and production of SAF was ramped up according to plan. Martinez production is still constrained and below 50% of nameplate capacity, impacting also the overall economics of the site alongside with the weakened US market. Neste's own renewables production facilities had an average utilization rate of 88% (93%) during the quarter.

The lower sales margin had a negative impact of EUR -213 million on the comparable EBITDA compared to the same period last year. The US Blender's Tax Credit (BTC) contribution included in the sales margin was EUR 129 million (EUR 73 million).

Sales volume was 849 (678) thousand tons with growth versus previous year's first quarter enabled by added capacity. However, the sales volume was impacted by seasonally low demand, the build-up of inventories in the SAF supply chain and preparation for the upcoming maintenance turnarounds during 2024. SAF sales are expected to increase from the second quarter onwards, growing toward the end of the year. During the first quarter approx. 51% (65%) of the renewable diesel and SAF volumes were sold to the European market and 49% (35%) to North America. The increased sales volumes had a positive impact of 61 MEUR year-over-year on comparable EBITDA.

A weaker US dollar had a small negative impact of EUR -5 million on the comparable EBITDA year-on-year. The segment's fixed costs were EUR 27 million higher than in the corresponding period of 2023. Renewable Products' comparable return on net assets was 15.0% (23.8%) at the end of March based on the previous 12 months.

The downward trend of vegetable oil markets began to change in March when the palm oil supply shortage led to increased prices. Waste and residue (W&R) prices were weakening in the early part of the quarter, particularly in the US mainly because of the market dynamics including decreasing RIN D4 price and margins. W&R markets stabilized at the end of the quarter following the increase in vegetable oil prices. Used cooking oil prices in Europe strengthened because of Red Sea logistics problems and potential EU's UCOME (used cooking oil methyl ester) anti-dumping measures. Animal fat demand showed signs of recovery but record high Australian output helped keep prices contained. US credit (D4 RIN & LCFS) prices weakened due to the strong end of 2023 credit generation but recovered slightly towards the end of the quarter.

Production

	1-3/24	1-3/23	10-12/23	2023
Renewable Diesel, 1,000 ton	933	747	814	3,267
SAF, 1,000 ton	167	42	103	251
Other products*, 1,000 ton	35	26	21	101
TOTAL	1,135	815	938	3,618
Utilization rate**	88	93	102	98

* Other products excluding off-gas volumes, comparison of 2023 adjusted accordingly

** Based on nominal capacity of 4.5 Mton/a of own operations, comparison of 2023 based on nameplate capacity of 3.3 Mton/a

Sales

	1-3/24	1-3/23	10-12/23	2023
Renewable Diesel, 1,000 ton	788	638	804	3,164
SAF, 1,000 ton	41	23	40	139
Other products, 1,000 ton	20	17	27	79
TOTAL	849	678	870	3,382
Share of RD & SAF sales volumes to Europe, %	51	65	61	61
Share of RD & SAF sales volumes to North America, %	49	35	39	39

Oil Products

Key financials

	1-3/24	1-3/23	10-12/23	2023
Revenue, MEUR	2,669	3,174	3,750	13,285
EBITDA, MEUR	318	317	247	1,375
Comparable EBITDA, MEUR	278	393	330	1,434
Operating profit, MEUR	243	246	159	1,068
Net assets, MEUR	2,467	2,435	2,384	2,384
Return on net assets*, %	43.2	44.4	42.6	42.6
Comparable return on net assets*, %	40.8	55.5	45.0	45.0
Total refining margin, USD/bbl	20.4	21.8	18.9	21.1

* Last 12 months.

Variance analysis (comparison to corresponding period), MEUR

	1-3
Comparable EBITDA, 2023	393
Sales volumes	-73
Total refining margin	-25
Currency exchange	-6
Fixed costs	-4
Others	-8
Comparable EBITDA, 2024	278

Oil Products' comparable EBITDA totaled EUR 278 million (393 million) in the first quarter. The total refining margin was supported by still elevated product margins, and more normalized natural gas and electricity prices. The total refining margin averaged USD 20.4/bbl compared to USD 21.8/bbl in the first quarter of 2023, which had a negative impact of EUR -25 million on the comparable EBITDA year-on-year. Sales volumes decreased year-over-year due to preparing for the Porvoo turnaround in the second quarter and had an impact of EUR -73 million. A weaker US dollar had a small negative impact of EUR -6 million on the comparable EBITDA compared to the same period last year and fixed costs increased by EUR 4 million. Oil Products' comparable return on net assets was 40.8% (55.5%) at the end of March over the previous 12 months.

The average refinery utilization rate was 91% (81%), which reflects a solid operational performance and some impacts from political strikes during the first quarter. The political strikes both in February and March had an impact mainly on the customer deliveries and logistics in Finland.

Crude oil prices were volatile during the first quarter but in an upward trend rising from USD 78/bbl to above USD 86/bbl, impacted by increased geopolitical risk as events in the Red Sea, Gaza and Russia supported prices. OPEC+ agreed to extend their production cuts until the end of second quarter which also gave support to the price. Overall, the refining margin landscape was also volatile during the first quarter but key product margins were at healthy levels. The heating season was mild and did not support distillate demand and the demand for gasoline was seasonally low. However, despite these demand drivers, the tight inventory levels and geopolitical events caused both diesel and gasoline cracks to exceed long term historical averages.

From a key utility point of view, the natural gas and emission allowance prices were on a lower level than in the previous quarter as for example the mild winter weather in Europe was driving low heating demand.

Production	1-3/24	1-3/23	10-12/23	2023
Refinery				
- Production, 1,000 ton	2,741	2,730	2,875	11,148
- Utilization rate, %	91	81	92	88
Refinery production costs, USD/bbl	6.3	7.5	6.2	6.6

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

	1-3/24	%	1-3/23	%	10-12/23	%	2023	%
Middle distillates*	903	35	1,390	46	1,517	48	5,631	47
Light distillates**	1,162	46	1,122	37	1,196	38	4,430	37
Heavy fuel oil	321	13	371	12	313	10	1,321	11
Other products	167	7	141	5	152	4	503	5
TOTAL	2,553	100	3,024	100	3,178	100	11,885	100

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

** Motor gasoline, gasoline components, LPG

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

	1-3/24	%	1-3/23	%	10-12/23	%	2023	%
Baltic Sea area*	1,377	54	1,786	59	1,723	54	6,976	59
Other Europe	845	33	842	28	932	29	3,110	26
North America	41	2	179	6	235	7	1,038	9
Other areas	290	11	217	7	288	9	762	6
TOTAL	2,553	100	3,024	100	3,178	100	11,885	100

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

Marketing & Services

Key financials

	1-3/24	1-3/23	10-12/23	2023
Revenue, MEUR	1,234	1,290	1,374	5,168
EBITDA, MEUR	22	23	24	117
Comparable EBITDA, MEUR	23	23	25	118
Operating profit	14	16	13	84
Net assets, MEUR	279	268	236	236
Return on net assets*, %	32.5	35.2	34.6	34.6
Comparable return on net assets*, %	33.3	35.0	35.2	35.2

* Last 12 months

Variance analysis (comparison to corresponding period), MEUR

	1-3
Comparable EBITDA, 2023	23
Sales volumes	1
Unit margins	-2
Currency exchange	0
Fixed costs	-1
Others	1
Comparable EBITDA, 2024	23

Marketing & Services' comparable EBITDA was EUR 23 million (23 million) in the first quarter. The political strikes in Finland had an impact on the fuel deliveries and logistics during the first quarter. Sales volumes increased year-over-year and unit margins were impacted by inventory losses compared to the first quarter of 2023. The segment's fixed costs were slightly higher year-over-year, driven by inflation and IT development

costs. Marketing & Services' comparable return on net assets was 33.3% (35.0%) at the end of March on a rolling 12-month basis.

Sales volumes by main product categories, million liters

	1-3/24	1-3/23	10-12/23	2023
Gasoline station sales	140	138	153	620
Diesel station sales	385	391	405	1,590
Light fuel oil	242	217	247	857

Net sales by market area, MEUR

	1-3/24	1-3/23	10-12/23	2023
Finland	991	1,051	1,100	4,114
Baltic countries	243	239	274	1,054
TOTAL	1,234	1,290	1,374	5,168

Others

Key financials

	1-3/24	1-3/23	10-12/23	2023
Comparable EBITDA, MEUR	8	2	3	-2
Operating profit, MEUR	-11	-10	-9	-41

The Others segment consists of common corporate and functional costs. The comparable EBITDA of the Others segment totaled EUR 8 million (2 million) in the first quarter.

Annual General Meeting

Neste Corporation's Annual General Meeting (AGM) was held on 27 March in Helsinki. The AGM supported all the proposals presented to the meeting and approved the remuneration report and the remuneration policy. The AGM approved the amendment of the Charter for the Shareholders' Nomination Board. The AGM also adopted the company's Financial Statements and Consolidated Financial Statements for 2023 and discharged the Board of Directors and the President and CEO from liability for 2023.

Dividend of EUR 1.20 per share to be paid in two installments

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

The first installment of the dividend, EUR 0.60 per share, was paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date for the first installment of the dividend, which was 2 April 2024. The first installment of the dividend was 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 Oy on the record date for the second installment of the dividend, which shall be 2 October 2024. The second installment of the dividend will be paid on 9 October 2024.

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 ten.

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, Heikki Malinen, Eeva Sipilä and Johanna Söderström. Conrad Keijzer, Pasi Laine and Sari Mannonen were elected as new members.

Matti Kähkönen was re-elected as Chair and Eeva Sipilä was re-elected as Vice Chair. Board member introductions can be found at the company's web site.

The AGM decided on the remuneration to the Board for the term starting at the end of the 2024 AGM and ending at the end of the 2025 AGM as follows:

- Chair: EUR 135,000;
- Vice Chair: EUR 75,000;
- Chair of Audit Committee: EUR 75,000 if he or she does not simultaneously act as Chair or Vice Chair of the Board; and
- Member: EUR 60,000.

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 the 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. 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 Nasdaq Helsinki Ltd following the publication of the interim report for the period 1 January to 31 March 2024. 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, was 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.

Sustainability Reporting Assurer

In accordance with a proposal by the Board of Directors, KPMG Oy Ab, Authorized Sustainability Audit Firm, was elected as the company's Sustainability Reporting Assurer, with Authorized Public Accountant, Authorized Sustainability Auditor Leenakaisa Winberg as the principally responsible sustainability reporting assurer 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. The authorization shall revoke the buyback authorization granted to the Board of Directors by the AGM on 28 March 2023.

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. The authorization shall revoke the authorization granted by the AGM on 28 March 2023 to the Board to decide on share issue.

Amendment of the Articles of Association

The AGM approved the Board's proposal to amend the Company's Articles of Association as follows:

The new Article 10 will in its entirety read as follows:

"10 § Sustainability Reporting Assurer

One Authorized Sustainability Audit Firm shall be elected as the Company's sustainability reporting assurer, and the principally responsible sustainability reporting assurer designated by it shall be Authorized Sustainability Auditor (ASA).

The term of office of the sustainability reporting assurer expires at the end of the next Annual General Meeting of Shareholders following the election."

The new Article 12 (current Article 11) will in its entirety read as follows:

"12 § Annual General Meetings of Shareholders

The Annual General Meeting shall be held annually by the end of June.

The following shall be presented at the Annual General Meeting of Shareholders:

- 1. the Financial Statements, which also include the Consolidated Financial Statements, and the Review by the Board of Directors,*
- 2. the Auditor's Report,*

The following matters resolved:

- 3. the adoption of the Financial Statements, including also the adoption of the Consolidated Financial Statements,*
- 4. the distribution of the profit shown in the Balance Sheet,*
- 5. discharging the members of the Board of Directors, and the President and CEO from liability,*
- 6. if necessary, the approval of the Remuneration Policy,*
- 7. the approval of the Remuneration Report,*
- 8. the remuneration to be paid to the members of the Board of Directors, the auditor and the sustainability reporting assurer,*
- 9. the number of members of the Board of Directors,*

And the following persons elected:

- 10. the Chairman, Vice Chairman, and the members of the Board of Directors,*
- 11. the auditor, and*
- 12. the sustainability reporting assurer."*

Shares, share trading, and ownership

Neste's shares are listed at Nasdaq Helsinki Ltd. The share price closed the quarter at EUR 25.10, down by 22.1% compared to the end of 2023. At its highest during the quarter, the share price reached EUR 32.85, while the lowest price was EUR 24.12. Market capitalization was EUR 19.3 billion as of 31 March 2024. An average of 1.2 million shares were traded daily, representing 0.2% of the company's shares.

At the end of March 2024, Neste held 997,525 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. As resolved by the AGM held on 28 March 2023, the Board of Directors was authorized to issue and decide the purchase of and/or take as security a maximum of 23,000,000 Company shares using the Company's unrestricted equity.

The Board of Directors has authorizations to issue and buy back shares, as decided by the AGM held on 27 March 2024.

As of 31 March 2024, the State of Finland owned directly 44.2% (44.2% at the end of 2023) of outstanding shares, foreign institutions 35.5% (36.8%), Finnish institutions 11.3% (10.6%), and households 9.0% (8.4%).

Personnel

Neste employed an average of 5,971 (5,673) employees in the first quarter, of which 2,189 (1,995) were based outside Finland. At the end of March, the company had 5,942 employees (5,824), of which 2,189 (2,088) were located outside Finland.

Environmental, Social and Governance (ESG)

Key figures

	1-3/24	1-3/23	2023
TRIF*	2.5	1.9	2.3
PSER**	0.9	1.0	1.2
GHG reduction, Mton***	2.8	2.4	11.0

* Total Recordable Incident Frequency, number of cases per million hours worked. Includes both Neste's and contractors' personnel.

** Process Safety Event Rate, number of cases per million hours worked.

*** Greenhouse gas (GHG) emission reduction achieved over the lifecycle with Neste's renewable products compared to 100% crude oil based fuel. The value is based on market regulations which provide the methodology and define the fossil diesel reference GHG emissions value.

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 2024, new organizational units in the US, such as those from the SeSequential acquisition in 2022, are now integrated into the TRIF KPI.

Neste's occupational safety incident frequency is measured by the TRIF indicator. First quarter TRIF of 2.5 was slightly higher compared to last year's level. Process safety and PSER performance improved and decreased to 0.9 in the first quarter.

Neste produces renewable products that enable its customers to reduce their greenhouse gas (GHG) emissions. During the first quarter of 2024, this GHG reduction was 2.8 (2.4) million tons.

Emissions from operations at Neste's refineries were in substantial compliance at all sites during the first quarter of 2024. 3 (1) non-compliance cases occurred at Neste's operations with limited local environmental impact. No serious environmental incidents resulting in liability occurred at Neste's refineries or other production sites.

In February, Neste achieved the Leadership level and A- rating for its climate actions by the global non-profit organization CDP, which annually assesses companies in their environmental transparency and performance on climate change, deforestation and water security. Neste achieved an A- rating from palm oil and an A- rating from cattle products in the Forests category. For Water Security, Neste received a B rating. The results are based on Neste's sustainability performance in 2022.

In February, Neste published a renewed Green Finance Framework to align future financing activities with market best practices and standards. Neste published its first Green Finance Framework in 2021 and since then has issued four green bonds totalling EUR 2.1 billion and entered into one green term loan of EUR 500 million. In addition to renewable and circular solutions, Neste's renewed framework includes renewable energy as an investment category. The proceeds from green finance have been allocated to renewable and circular solution projects including Neste's Singapore refinery expansion, Rotterdam refinery expansion and Martinez Renewables joint operation. Neste's renewed framework also includes renewable energy as an investment category.

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

Main events published during the first quarter

On 31 January, Neste announced that the Shareholders' Nomination Board had forwarded to the Board of Directors of the Company its proposals to the 2024 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, Just Jansz, Heikki Malinen, Eeva Sipilä and Johanna Söderström were proposed to be re-elected for a further term of office. The Nomination Board proposed that Eeva Sipilä be re-elected as the Vice Chair of the Board. Further, the Nomination Board proposed that the Board shall have ten members and that Conrad Keijzer, Pasi Laine and Sari Mannonen be elected as new members.

On 1 March, Neste published its Annual Report 2023. The Annual Report 2023 includes the Strategy and Business Review, the Sustainability Report, the Corporate Governance Statement, the Remuneration Report 2023, the Review by the Board of Directors and the Financial Statements 2023. The Sustainability Report is published only in English. It is available on the company's website neste.com/vuosikertomus in Finnish and on neste.com/annualreport in English.

On 4 March, Neste announced that it launched its new emission reduction solution, Neste Impact, for businesses looking to reduce the carbon footprint of their air travel and transport activities. The solution is based on purchasing Neste MY Sustainable Aviation Fuel™ with which greenhouse gas emissions (GHG) can be reduced by up to 80% over the life cycle of the fuel compared to using fossil jet fuel.

On 13 March, Neste announced that it had completed its organizational change process, announced on 1 November 2023. Neste informed that it will merge its three renewable business units into one Renewable Products business unit as well as restructure its functions to better support business-driven ways of working. With the simplified organizational structure and operational model, Neste secures the execution of its growth strategy with improved cost-efficiency and strengthens its long-term competitiveness. In Finland, following thorough change consultations, the number of job roles to be reduced was confirmed at about 320. In addition,

it was estimated that 70 job roles will be reduced globally. The restructuring is expected to result in total annual cost savings of approximately EUR 50 million.

On 27 March, Neste announced that Neste's Board of Directors had elected the members of its two Committees. Johanna Söderström was elected as Chair and Nick Elmslie, Pasi Laine and Sari Mannonen as members of the Personnel and Remuneration Committee. Eeva Sipilä was elected as Chair and John Abbott, Conrad Keijzer, Heikki Malinen and Just Jansz as members of the Audit Committee.

Events published after the reporting period

On 2 April, Neste announced that it began the major turnaround 2024 at its refinery in Porvoo, Finland. Neste secures safe and undisrupted operations at its refineries with regularly scheduled maintenance shutdowns, i.e. major turnarounds. At Neste's refinery in Porvoo, the preparations for the major turnaround taking place in April-June began on 1 April with shutdowns of process units. During the major turnaround, the entire Porvoo refinery will be shut down for statutory inspections, maintenance works and asset improvement initiatives.

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.

Changes in market prices and the competitive situation can have adverse effects on Neste's businesses. Also 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.

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 affect energy markets, 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.

Reporting date for the company's Half Year 2024 results

Neste will publish its Half Year Financial Report on 25 July 2024 at approximately 9:00 a.m. EET.

Espoo, 24 April 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, Vice President, Investor Relations, tel. +358 50 458 8436

Conference call

A conference call in English for investors and analysts will be held on 25 April 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/Bld82705c08f0d41c8a1ddb895b3cf280c>. 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 - MARCH 2024
The interim report is unaudited
FINANCIAL STATEMENTS SUMMARY AND NOTES TO THE FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF INCOME

EUR million	Note	1-3/2024	1-3/2023	1-12/2023	Last 12 months
Revenue	2, 3	4,801	5,298	22,926	22,428
Other income		22	11	55	66
Share of profit (loss) of associates and joint ventures	6	0	2	1	-2
Materials and services		-4,040	-4,537	-19,098	-18,601
Employee benefit costs		-162	-152	-642	-651
Depreciation, amortization and impairments	3	-242	-178	-866	-930
Other expenses		-179	-159	-695	-714
Operating profit	3	200	285	1,682	1,596
Financial income and expenses					
Financial income		16	8	45	54
Financial expenses		-36	-22	-122	-136
Exchange rate and fair value gains and losses		9	5	-9	-5
Total financial income and expenses		-11	-9	-86	-87
Profit before income taxes		189	276	1,596	1,509
Income tax expense		-27	-38	-160	-149
Profit for the period		162	238	1,436	1,360
Profit attributable to:					
Owners of the parent		162	237	1,433	1,358
Non-controlling interests		0	1	3	2
		162	238	1,436	1,360
Earnings per share from profit attributable to the owners of the parent (in euro per share)					
Basic earnings per share		0.21	0.31	1.87	1.77
Diluted earnings per share		0.21	0.31	1.87	1.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/2024	1-3/2023	1-12/2023	Last 12 months
Profit for the period	162	238	1,436	1,360
Other comprehensive income net of tax:				
Items that will not be reclassified to profit or loss				
Remeasurements on defined benefit plans	-5	9	11	-3
Net change of other investments at fair value	-13	-3	-3	-13
Total	-18	6	8	-16
Items that may be reclassified subsequently to profit or loss				
Translation differences	35	-37	-66	7
Cash flow hedges				
recorded in equity	-57	35	50	-43
transferred to income statement	1	-22	-85	-62
Share of other comprehensive income of investments accounted for using the equity method	2	0	-4	-2
Total	-19	-24	-105	-100
Other comprehensive income for the period, net of tax	-37	-18	-97	-116
Total comprehensive income for the period	125	220	1,339	1,244
Total comprehensive income attributable to:				
Owners of the parent	125	219	1,336	1,242
Non-controlling interests	0	1	3	2
	125	220	1,339	1,244

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS				
Non-current assets				
Goodwill	5	502	502	496
Intangible assets	5	181	205	185
Property, plant and equipment	5	8,061	7,017	7,786
Investments in associates and joint ventures	6	60	64	58
Non-current receivables	8	128	114	126
Deferred tax assets		147	78	127
Derivative financial instruments	8	19	4	26
Other financial assets	8	40	40	54
Total non-current assets		9,139	8,024	8,858
Current assets				
Inventories		4,078	3,812	3,366
Trade and other receivables		1,625	1,717	1,913
Current tax assets		75	23	76
Derivative financial instruments	8	142	356	190
Current investments		0	0	5
Cash and cash equivalents	8	1,368	1,747	1,575
Total current assets		7,289	7,655	7,125
Total assets	3	16,428	15,679	15,983
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital		40	40	40
Other equity		7,627	7,521	8,423
Total		7,667	7,561	8,463
Non-controlling interests		0	6	0
Total equity		7,667	7,566	8,463
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities	8	3,528	2,965	3,487
Deferred tax liabilities		292	339	317
Provisions		213	229	187
Pension liabilities		96	108	93
Derivative financial instruments	8	5	14	6
Other non-current liabilities		33	26	42
Total non-current liabilities		4,168	3,680	4,132
Current liabilities				
Interest-bearing liabilities	8	814	518	581
Current tax liabilities		23	50	15
Derivative financial instruments	8	220	299	212
Trade and other payables		3,535	3,565	2,580
Total current liabilities		4,592	4,432	3,388
Total liabilities	3	8,761	8,112	7,520
Total equity and liabilities		16,428	15,679	15,983

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-3/2024	1-3/2023	1-12/2023
Cash flows from operating activities			
Profit before income taxes	189	276	1,596
Adjustments, total	244	367	1,060
Change in net working capital	-382	-209	21
Cash generated from operations	50	434	2,677
Finance cost, net	-34	-23	-91
Income taxes paid	-48	-34	-307
Net cash generated from operating activities	-31	377	2,279
Cash flows from investing activities			
Capital expenditure	-291	-374	-1,430
Acquisitions of subsidiaries	-9	-176	-176
Proceeds from sales of property, plant and equipment	3	0	0
Changes in long-term receivables and other financial assets	-12	71	78
Cash flows from investing activities	-309	-479	-1,528
Cash flow before financing activities	-340	-102	751
Cash flows from financing activities			
Net change in loans and other financing activities	201	637	1,002
Repayments of lease liabilities	-70	-55	-254
Transactions with non-controlling interests	0	0	-18
Dividends paid to the owners of the parent	0	0	-1,168
Dividends paid to non-controlling interests	0	0	-3
Cash flows from financing activities	131	582	-441
Net increase (+) / decrease (-) in cash and cash equivalents	-209	480	311
Cash and cash equivalents at the beginning of the period	1,575	1,271	1,271
Exchange gains (+) / losses (-) on cash and cash equivalents	3	-4	-7
Cash and cash equivalents at the end of the period	1,368	1,747	1,575

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Reserve fund	Reserve of uninvested 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 2024	40	7	16	-5	56	-67	-131	8,548	8,463	0	8,463
Profit for the period								162	162	0	162
Other comprehensive income for the period, net of tax					-67	-5	35		-37		-37
Total comprehensive income for the period	0	0	0	0	-67	-5	35	162	125	0	125
Transactions with the owners in their capacity as owners								-922	-922		-922
Dividend decision								1	1		1
Share-based compensation				0				0	0		0
Transfer from retained earnings		0						0	0		0
Total equity at 31 Mar 2024	40	7	16	-5	-11	-73	-96	7,789	7,667	0	7,667

EUR million	Share capital	Reserve fund	Reserve of uninvested 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								237	237	1	238
Other comprehensive income for the period, net of tax					10	9	-37		-18	0	-18
Total comprehensive income for the period	0	0	0	0	10	9	-37	237	219	1	220
Transactions with the owners in their capacity as owners								-975	-975		-975
Dividend decision								-3	-3		-3
Share-based compensation				1				-2	-2		-2
Transfer from retained earnings		0					0	-2	-2		-2
Total equity at 31 Mar 2023	40	7	16	-5	108	-69	-103	7,565	7,561	6	7,566

EUR million	Share capital	Reserve fund	Reserve of uninvested 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								-1,168	-1,168	-3	-1,171
Dividend decision								-27	-27	-4	-31
Transactions with non-controlling interests								0	1		1
Share-based compensation				1				0	0		0
Transfer from retained earnings		0					0	0	-1		-1
Total equity at 31 Dec 2023	40	7	16	-5	56	-67	-131	8,548	8,463	0	8,463

KEY FIGURES

	31 Mar 2024	31 Mar 2023	31 Dec 2023	Last 12 months
Revenue	4,801	5,298	22,926	22,428
Profit for the period	162	238	1,436	1,360
Earnings per share (EPS), EUR	0.21	0.31	1.87	1.77
Alternative performance measures				
EBITDA, EUR million	442	463	2,548	2,526
Comparable EBITDA, EUR million	551	830	3,458	3,179
Capital employed, EUR million	12,009	11,049	12,532	-
Interest-bearing net debt, EUR million	2,973	1,736	2,488	-
Comparable return on average capital employed, after tax, (Comparable ROACE) %	20.1	31.8	23.9	-
Return on equity, (ROE) %	17.2	19.4	17.9	-
Equity per share, EUR	9.98	9.84	11.02	-
Cash flow per share, EUR	-0.04	0.49	2.97	2.44
Comparable earnings per share, EUR	0.33	0.72	2.88	2.50
Comparable net profit	256	553	2,216	1,919
Equity-to-assets ratio, %	46.8	48.4	53.1	-
Leverage ratio, %	27.9	18.7	22.7	-
Net working capital in days outstanding	33.0	25.7	41.0	-
Net Debt to EBITDA, %	1.2	0.7	1.0	-
Weighted average number of shares outstanding	768,202,474	768,104,384	768,175,637	768,199,830
Number of shares outstanding at the end of the period	768,213,533	768,195,480	768,199,747	-
Average number of personnel	5,971	5,673	6,018	-

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 2023 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 2023, 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 2023 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 2024. 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 adopted the global minimum tax rules (Pillar Two) in 2024 and recognizes income tax accordingly.

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 1,368 million and committed unutilized credit facilities EUR 1,900 million on 31 March 2024.

2. REVENUE

REVENUE BY CATEGORY

External revenue	1-3/2024					1-3/2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
Fuels ¹⁾	1,568	1,787	1,194	0	4,550	1,556	2,122	1,247	0	4,925
Middle distillates	1,517	915	972	0	3,404	1,508	1,199	1,016	0	3,722
Light distillates	50	742	221	0	1,013	49	767	230	0	1,046
Heavy fuel oil	0	131	1	0	132	0	156	1	0	157
Other products	133	72	23	0	228	218	88	30	0	336
Other services	1	17	3	2	23	1	25	3	8	38
Total	1,702	1,876	1,220	2	4,801	1,776	2,235	1,279	8	5,298

External revenue	1-12/2023					Last 12 months				
	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	7,534	8,827	4,951	0	21,312
Middle distillates	7,383	5,141	3,986	0	16,510	7,393	4,857	3,943	0	16,193
Light distillates	139	3,404	1,012	0	4,556	141	3,379	1,003	0	4,524
Heavy fuel oil	0	616	5	0	620	0	591	5	0	595
Other products	685	338	107	0	1,129	599	322	101	0	1,022
Other services	5	66	12	26	109	5	58	12	20	94
Total	8,212	9,566	5,123	26	22,926	8,138	9,207	5,064	20	22,428

¹⁾ Light distillates comprise motor gasoline, gasoline components, liquefied petroleum gas, 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	1-3/2024					1-3/2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
Goods transferred at point in time	1,701	1,859	1,217	0	4,778	1,774	2,209	1,276	0	5,260
Services transferred at point in time	1	17	3	0	21	1	25	3	0	30
Services transferred over time	0	0	0	2	2	0	0	0	8	8
Total	1,702	1,876	1,220	2	4,801	1,776	2,235	1,279	8	5,298

External revenue	1-12/2023					Last 12 months				
	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	8,133	9,149	5,051	0	22,334
Services transferred at point in time	5	66	12	1	84	5	58	12	1	75
Services transferred over time	0	0	0	25	25	0	0	0	19	19
Total	8,212	9,566	5,123	26	22,926	8,138	9,207	5,064	20	22,428

REVENUE BY OPERATING SEGMENT

	Renewable Products	Oil Products	Marketing & Services	Others	Eliminations	Total
1-3/2024						
External revenue	1,702	1,876	1,220	2	0	4,801
Internal revenue	64	793	14	16	-887	0
Total revenue	1,766	2,669	1,234	18	-887	4,801
1-3/2023						
External revenue	1,776	2,235	1,279	8	0	5,298
Internal revenue	66	939	11	22	-1,039	0
Total revenue	1,842	3,174	1,290	31	-1,039	5,298
1-12/2023						
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
Last 12 months						
External revenue	8,138	9,207	5,064	20	0	22,428
Internal revenue	252	3,574	48	68	-3,942	0
Total revenue	8,390	12,781	5,112	88	-3,942	22,428

REVENUE BY OPERATING DESTINATION

	1-3/2024					1-3/2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
External revenue										
Finland	44	507	975	2	1,529	85	704	1,039	8	1,835
Other Nordic countries	194	260	1	0	455	504	284	1	0	789
Baltic Rim	8	44	244	0	295	12	119	240	0	371
Other European countries	547	646	1	0	1,194	446	649	1	0	1,096
North and South America ¹⁾	891	416	0	0	1,307	694	478	0	0	1,172
Other countries	17	3	0	0	20	35	0	0	0	35
Total	1,702	1,876	1,220	2	4,801	1,776	2,235	1,279	8	5,298
	1-12/2023					Last 12 months				
External revenue	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
Finland	406	2,021	4,063	26	6,515	366	1,824	3,999	20	6,209
Other Nordic countries	2,175	1,101	2	0	3,278	1,865	1,077	2	0	2,944
Baltic Rim	40	620	1,055	0	1,715	36	544	1,059	0	1,640
Other European countries	1,984	2,789	3	0	4,775	2,085	2,786	3	0	4,874
North and South America ¹⁾	3,444	2,993	0	0	6,437	3,641	2,931	0	0	6,572
Other countries	163	42	0	0	205	145	45	0	0	190
Total	8,212	9,566	5,123	26	22,926	8,138	9,207	5,064	20	22,428

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.

	1-3/2024	1-3/2023	1-12/2023	Last 12 months
REVENUE				
Renewable Products	1,766	1,842	8,466	8,390
Oil Products	2,669	3,174	13,285	12,781
Marketing & Services	1,234	1,290	5,168	5,112
Others	18	31	100	88
Eliminations	-887	-1,039	-4,094	-3,942
Total	4,801	5,298	22,926	22,428

	1-3/2024	1-3/2023	1-12/2023	Last 12 months
OPERATING PROFIT				
Renewable Products	-47	36	568	486
Oil Products	243	246	1,068	1,065
Marketing & Services	14	16	84	83
Others	-11	-10	-41	-42
Eliminations	0	-3	2	5
Total	200	285	1,682	1,596

	1-3/2024	1-3/2023	1-12/2023	Last 12 months
EBITDA				
Renewable Products	101	124	1,049	1,026
Oil Products	318	317	1,375	1,376
Marketing & Services	22	23	117	116
Others	1	2	5	4
Eliminations	0	-3	2	5
Total	442	463	2,548	2,526

	1-3/2024	1-3/2023	1-12/2023	Last 12 months
COMPARABLE EBITDA				
Renewable Products	242	415	1,906	1,733
Oil Products	278	393	1,434	1,318
Marketing & Services	23	23	118	118
Others	8	2	-2	5
Eliminations	0	-3	2	5
Total	551	830	3,458	3,179

	1-3/2024	1-3/2023	1-12/2023	Last 12 months
DEPRECIATION, AMORTIZATION AND IMPAIRMENTS				
Renewable Products	148	89	480	540
Oil Products	75	71	307	311
Marketing & Services	7	7	33	33
Others	12	11	46	46
Eliminations	0	0	0	0
Total	242	178	866	930

	1-3/2024	1-3/2023	1-12/2023	Last 12 months
CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES				
Renewable Products	382	713	1,915	1,583
Oil Products	103	71	336	368
Marketing & Services	8	5	38	41
Others	19	11	61	70
Eliminations	0	0	0	0
Total	511	799	2,351	2,063

	31 Mar 2024	31 Mar 2023	31 Dec 2023
TOTAL ASSETS			
Renewable Products	9,743	8,836	9,275
Oil Products	4,087	3,947	3,849
Marketing & Services	639	613	647
Others	477	358	480
Unallocated assets	1,872	2,272	2,131
Eliminations	-389	-348	-397
Total	16,428	15,679	15,983

	31 Mar 2024	31 Mar 2023	31 Dec 2023
NET ASSETS			
Renewable Products	8,594	7,411	8,069
Oil Products	2,467	2,435	2,384
Marketing & Services	279	268	236
Others	-822	-894	104
Eliminations	-14	-19	-11
Total	10,504	9,201	10,783
TOTAL LIABILITIES			
Renewable Products	2,056	2,084	2,046
Oil Products	1,690	1,572	1,521
Marketing & Services	426	399	473
Others	1,306	1,262	384
Unallocated liabilities	3,658	3,125	3,483
Eliminations	-375	-329	-387
Total	8,761	8,112	7,520
RETURN ON NET ASSETS, %			
Renewable Products	6.1	9.7	7.5
Oil Products	43.2	44.4	42.6
Marketing & Services	32.5	35.2	34.6
COMPARABLE RETURN ON NET ASSETS, %			
Renewable Products	15.0	23.8	18.9
Oil Products	40.8	55.5	45.0
Marketing & Services	33.3	35.0	35.2

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	1,766	2,263	2,197	2,164	1,842
Oil Products	2,669	3,750	3,442	2,919	3,174
Marketing & Services	1,234	1,374	1,315	1,189	1,290
Others	18	22	17	30	31
Eliminations	-887	-1,106	-998	-951	-1,039
Total	4,801	6,303	5,973	5,351	5,298
QUARTERLY OPERATING PROFIT	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	-47	245	130	158	36
Oil Products	243	159	527	135	246
Marketing & Services	14	13	34	21	16
Others	-11	-9	-17	-6	-10
Eliminations	0	7	-6	4	-3
Total	200	415	669	312	285
QUARTERLY EBITDA	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	101	393	256	276	124
Oil Products	318	247	602	210	317
Marketing & Services	22	24	42	29	23
Others	1	2	-4	5	2
Eliminations	0	7	-6	4	-3
Total	442	672	889	523	463
QUARTERLY COMPARABLE EBITDA	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	242	433	545	513	415
Oil Products	278	330	472	239	393
Marketing & Services	23	25	42	29	23
Others	8	3	-6	0	2
Eliminations	0	7	-6	4	-3
Total	551	797	1,047	784	830
QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	148	148	125	119	89
Oil Products	75	87	75	74	71
Marketing & Services	7	11	7	8	7
Others	12	11	13	11	11
Eliminations	0	0	0	0	0
Total	242	257	220	212	178
QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	382	427	385	390	713
Oil Products	103	159	58	48	71
Marketing & Services	8	5	8	20	5
Others	19	24	15	11	11
Eliminations	0	0	0	0	0
Total	511	616	467	469	799
QUARTERLY NET ASSETS	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Renewable Products	8,594	8,069	7,887	7,868	7,411
Oil Products	2,467	2,384	2,654	2,394	2,435
Marketing & Services	279	236	235	254	268
Others	-822	104	-454	-300	-894
Eliminations	-14	-11	-19	-14	-19
Total	10,504	10,783	10,304	10,202	9,201

4. RECONCILIATION OF KEY FIGURES TO IFRS FINANCIAL STATEMENTS

RECONCILIATION BETWEEN COMPARABLE EBITDA, EBITDA AND OPERATING PROFIT

Group	1-3/2024	1-3/2023	10-12/2023	1-12/2023
COMPARABLE EBITDA	551	830	797	3,458
inventory valuation gains/losses	-129	-274	-255	-827
changes in the fair value of open commodity and currency derivatives	30	-98	128	-98
capital gains and losses	2	4	0	7
other adjustments ¹⁾	-13	0	3	8
EBITDA	442	463	672	2,548
depreciation, amortization and impairments	-242	-178	-257	-866
OPERATING PROFIT	200	285	415	1,682
¹⁾ One-off costs related to restructuring, totaling EUR 13 million, have an impact on first quarter results. These one-off costs have been eliminated from Comparable EBITDA.				
Renewable Products	1-3/2024	1-3/2023	10-12/2023	1-12/2023
COMPARABLE EBITDA	242	415	433	1,906
inventory valuation gains/losses	-177	-219	-156	-784
changes in the fair value of open commodity and currency derivatives	39	-72	116	-73
capital gains and losses	0	0	0	0
other adjustments	-3	0	0	0
EBITDA	101	124	393	1,049
depreciation, amortization and impairments	-148	-89	-148	-480
OPERATING PROFIT	-47	36	245	568
Oil Products	1-3/2024	1-3/2023	10-12/2023	1-12/2023
COMPARABLE EBITDA	278	393	330	1,434
inventory valuation gains/losses	48	-55	-99	-43
changes in the fair value of open commodity and currency derivatives	-9	-26	12	-25
capital gains and losses	2	4	0	5
other adjustments	-1	0	4	4
EBITDA	318	317	247	1,375
depreciation, amortization and impairments	-75	-71	-87	-307
OPERATING PROFIT	243	246	159	1,068
Marketing & Services	1-3/2024	1-3/2023	10-12/2023	1-12/2023
COMPARABLE EBITDA	23	23	25	118
inventory valuation gains/losses	0	0	0	0
changes in the fair value of open commodity and currency derivatives	0	0	0	0
capital gains and losses	0	0	0	0
other adjustments	-1	0	-1	-1
EBITDA	22	23	24	117
depreciation, amortization and impairments	-7	-7	-11	-33
OPERATING PROFIT	14	16	13	84
Others	1-3/2024	1-3/2023	10-12/2023	1-12/2023
COMPARABLE EBITDA	8	2	3	-2
inventory valuation gains/losses	0	0	0	0
changes in the fair value of open commodity and currency derivatives	0	0	0	0
capital gains and losses	0	0	0	2
other adjustments	-7	0	0	5
EBITDA	1	2	2	5
depreciation, amortization and impairments	-12	-11	-11	-46
OPERATING PROFIT	-11	-10	-9	-41

RECONCILIATION BETWEEN COMPARABLE EBITDA AND COMPARABLE NET PROFIT

	1-3/2024	1-3/2023	1-12/2023
COMPARABLE EBITDA	551	830	3,458
depreciation, amortization and impairments	-242	-178	-866
items in depreciation, amortization and impairments affecting comparability	0	0	0
total financial income and expenses	-11	-9	-86
income tax expense	-27	-38	-160
non-controlling interests	0	-1	-3
tax on items affecting comparability	-15	-52	-128
COMPARABLE NET PROFIT	256	553	2,216

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

	31 Mar 2024	31 Mar 2023	31 Dec 2023
COMPARABLE EBITDA, LAST 12 MONTHS	3,179	3,789	3,458
depreciation, amortization and impairments	-930	-662	-866
items in depreciation, amortization and impairments affecting comparability	0	27	0
financial income	54	16	45
exchange rate and fair value gains and losses	-5	-59	-9
income tax expense	-149	-330	-160
tax on other items affecting comparable ROACE	-111	-172	-145
Comparable net profit, net of tax	2,038	2,609	2,324
Capital employed average	11,728	10,285	11,514
Assets under construction average	-1,580	-2,094	-1,789
COMPARABLE RETURN ON AVERAGE CAPITAL EMPLOYED, AFTER TAX (COMPARABLE ROACE), %	20.1	31.8	23.9

RECONCILIATION OF EQUITY-TO-ASSETS RATIO, %

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Total equity	7,667	7,566	8,463
Total assets	16,428	15,679	15,983
Advances received	-44	-52	-39
EQUITY-TO-ASSETS RATIO, %	46.8	48.4	53.1

RECONCILIATION OF NET WORKING CAPITAL IN DAYS OUTSTANDING

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Operative receivables	1,499	1,567	1,788
Inventories	4,078	3,812	3,366
Operative liabilities	-3,549	-3,582	-2,581
Net working capital	2,029	1,797	2,573
Revenue, last 12 months	22,428	25,483	22,926
NET WORKING CAPITAL IN DAYS OUTSTANDING	33.0	25.7	41.0

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

	31 Mar 2024	31 Mar 2023	31 Dec 2023
CHANGES IN GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT			
Opening balance	8,467	7,140	7,140
Additions	500	615	2,160
Acquisitions	0	175	176
Depreciation, amortization and impairments	-242	-178	-866
Disposals	-22	-6	-83
Translation differences	41	-22	-60
Closing balance	8,744	7,723	8,467
COMMITMENTS			
Commitments to purchase property, plant and equipment, and intangible assets	655	699	710
Other commitments	6	8	8
Total	661	706	718

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

6. CHANGES IN INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	31 Mar 2024	31 Mar 2023	31 Dec 2023
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES			
Opening balance	58	63	63
Share of profit (loss) of associates and joint ventures	0	2	1
Share of other comprehensive income of investments accounted for using the equity method	2	0	-4
Translation differences	1	-1	-1
Closing balance	60	64	58

7. INTEREST-BEARING NET DEBT AND LIQUIDITY

	31 Mar 2024	31 Mar 2023	31 Dec 2023
INTEREST-BEARING NET DEBT			
Non-current interest-bearing liabilities ¹⁾	3,528	2,965	3,487
Current interest-bearing liabilities ²⁾	814	518	581
Interest-bearing liabilities	4,342	3,483	4,068
Current investments	0	0	-5
Cash and cash equivalents	-1,368	-1,747	-1,575
Liquid funds	-1,368	-1,747	-1,580
Interest-bearing net debt	2,973	1,736	2,488

¹⁾ Including EUR 816 million of lease liabilities at 31 Mar 2024 (31 Mar 2023 EUR 626 million, 31 Dec 2023 EUR 768 million)

²⁾ Including EUR 234 million of lease liabilities at 31 Mar 2024 (31 Mar 2023 EUR 156 million, 31 Dec 2023 EUR 199 million)

	31 Mar 2024	31 Mar 2023	31 Dec 2023
LIQUIDITY, UNUSED COMMITTED CREDIT FACILITIES AND DEBT PROGRAMS			
Liquid funds	1,368	1,747	1,580
Unused committed credit facilities	1,900	1,600	1,900
Total	3,268	3,347	3,480
In addition: Unused commercial paper program (uncommitted)	196	188	400

8. 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 2023.

	31 Mar 2024		31 Mar 2023		31 Dec 2023	
	Nominal value	Net fair value	Nominal value	Net fair value	Nominal value	Net fair value
Interest rate and currency derivatives						
Interest rate swaps						
Hedge accounting	550	19	250	4	550	26
Non-hedge accounting	0	0	0	0	0	0
Currency derivatives						
Hedge accounting	2,642	-16	3,634	108	2,861	48
Non-hedge accounting	1,933	-8	2,763	22	1,849	14

	31 Mar 2024			31 Mar 2023			31 Dec 2023		
	Volume GWh	Volume million bbl	Net fair value	Volume GWh	Volume million bbl	Net fair value	Volume GWh	Volume million bbl	Net fair value
Commodity derivatives									
Sales contracts									
Non-hedge accounting	58	33	-54	26	36	101	0	24	79
Purchase contracts									
Non-hedge accounting	3,089	30	-5	2,771	32	-188	3,029	25	-169

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 March 31, 2024

Balance sheet item	Fair value through OCI	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets								
Non-current receivables			128	128	128			
Derivative financial instruments		19		19	19		19	
Other financial assets	32	9		40	40			40
Current financial assets								
Trade and other receivables ¹⁾			1,567	1,567	1,567			
Derivative financial instruments	6	136		142	142	53	89	
Current investments			0	0	0			
Cash and cash equivalents			1,368	1,368	1,368			
Financial assets	38	164	3,064	3,265	3,265			
Non-current financial liabilities								
Interest-bearing liabilities			3,528	3,528	3,529	2,105	1,424	
Derivative financial instruments		5		5	5		5	
Other non-current liabilities ¹⁾		14	18	32	32			14
Current financial liabilities								
Interest-bearing liabilities			814	814	813	200	613	
Derivative financial instruments	22	198		220	220	59	162	
Trade and other payables ¹⁾		9	3,426	3,435	3,435			9
Financial liabilities	22	226	7,785	8,034	8,034			

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 9 million. Other financial assets in fair value through other comprehensive income category include unlisted shares of EUR 32 million. Other financial liabilities in fair value through profit and loss category mainly consist contingent considerations of acquisitions made in 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.

9. 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 Mar 2024	31 Mar 2023	31 Dec 2023
Transactions carried out with joint ventures and other related parties			
Sales of goods and services	191	92	260
Purchases of goods and services	167	82	256
Financial income and expenses	1	1	5
Receivables	183	172	145
Liabilities	12	21	9

10. CONTINGENT LIABILITIES

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Contingent liabilities			
On own behalf for commitments			
Real estate mortgages	26	26	26
Other contingent liabilities	25	38	24
Total	51	64	50
On behalf of joint arrangements			
Pledged assets	115	100	114
Total	115	100	114
On behalf of others			
Guarantees	1	1	1
Total	1	1	1
Total	167	164	164

11. 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.

12. EVENTS AFTER THE REPORTING PERIOD

No significant events took place in Neste after the reporting period.

NESTE

Change runs on renewables