

Neste Corporation
Interim Report
January–September 2024



24 October 2024

NESTE

Neste's Interim Report for January–September 2024

Challenging market conditions impacting margins, initial progress on cost savings

Third quarter in brief:

- Comparable EBITDA totaled EUR 293 million (EUR 1,047 million)
- EBITDA totaled EUR 301 million (EUR 889 million)
- Renewable Products' comparable sales margin was USD 341/ton (USD 912/ton)
- Oil Products' total refining margin was USD 10.6/bbl (USD 26.9/bbl)
- Cash flow before financing activities was EUR -16 million (EUR 403 million)

January–September in brief:

- Comparable EBITDA totaled EUR 1,084 million (EUR 2,661 million)
- EBITDA totaled EUR 861 million (EUR 1,876 million)
- Cash flow before financing activities was EUR -817 million (EUR 277 million)
- Cash-out investments were EUR 1,245 million (EUR 1,204 million)
- Comparable return on average capital employed (comparable ROACE) was 8.0% over the last 12 months (30.9.2023: 27.2%)
- Leverage ratio 35.2% at the end of September (31.12.2023: 22.7%)
- Comparable earnings per share: EUR 0.30 (EUR 2.22)
- Earnings per share: EUR 0.05 (EUR 1.35)

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

President and CEO Heikki Malinen:

“The outlook for the global economy continues to be uncertain as a result of geopolitical and trade policy tensions. This is also reflected in renewable and oil product markets, which have been marked by volatility, decreasing prices and regulatory uncertainties. While there are major regional differences, the overcapacity in renewable fuel markets is creating pressure on margins. Although we estimate that Neste has been able to demonstrate the best margins in the industry, supported by our distinctive competitive advantages for example in feedstock, pre-treatment and global optimization, we need to accelerate our efforts to improve our competitiveness.

Following the weak market both in Renewable Products and Oil Products and the slower than anticipated sustainable aviation fuel (SAF) sales, our comparable EBITDA in the third quarter was EUR 293 (1,047) million. Renewable Products' comparable sales margin was USD 341 (912) per ton and Oil Products' total refining margin was USD 10.6 (26.9) per barrel. Our comparable ROACE over the last 12 months was 8.0%. Cash flow before financing activities for the first nine months was EUR -817 (277) million. We have a high focus on cash flow and net working capital optimization in the fourth quarter.

There are both opportunities and uncertainties in the renewables markets. Demand for renewable fuels is expected to grow in 2025. This growth is driven by mandated and incentivized demand, for example by ReFuelEU

Aviation and RED III in the EU and possible updates in low-carbon credit standard (LCFS) schemes for example in California. However, voluntary SAF demand has so far not been realized as expected. Nevertheless, the long-term fundamentals in decarbonizing hard to abate sectors like aviation remain strong and supportive to SAF demand growth. At the same time, it is essential to ensure fair competition in the industry, and global trade policy topics continue to be highly important for us. The regulatory framework in the US and related uncertainties around clean fuel production credit (CFPC) might require Neste to reoptimize its global production capacity and supply chains to maximize value. We anticipate more information during 2025.

Neste's level of performance in the current market environment is unsatisfactory and we intend to change this trend. Going forward, we will increase our focus on operational execution and capital discipline. While we are convinced of our long-term value creation potential, we next need to assess our short-term priorities. We have just launched a comprehensive and group-wide full potential analysis. The objective is to ensure our strong performance and competitiveness in different market conditions.

I am convinced that we at Neste have the right foundation and the right capabilities to overcome the current challenges. We have the world-leading renewables and circular platform to build upon. When meeting Neste employees, I have been impressed by their resilience, dedication and competence. The outstanding level of innovation, engineering and sustainability are deeply rooted in the company, setting us apart from competition. This gives me great confidence. As Neste's new CEO, I am looking forward to this journey together with our customers, employees, investors, suppliers and other stakeholders."

Outlook

Market outlook for 2024

The uncertainty in the global economic outlook and geopolitical situation continues to create market volatility. In Renewable Products, bioticket and renewable credit prices and renewable diesel price premiums are expected to remain at a low level compared to 2023 and feedstock prices are expected to remain 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 3.9 Mt (+/- 5%) in 2024, out of which SAF sales volume is expected to be 0.35–0.55 Mt. Renewable Products' full-year 2024 average comparable sales margin is expected to be in the range of USD 360–480/ton.

Oil Products' total sales volume in 2024 is expected to be lower than in 2023, impacted by the 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

Renewable Products' full-year sales volume is impacted by the planned maintenance shutdowns and the ramp-up timeline of Martinez Renewables joint operation (Martinez). Singapore's new line is scheduled to have an 8-week maintenance shutdown in the fourth quarter, after which full capacity is expected to be reached. The Martinez facility is targeted to be able to run at 100% by the end of the year. Neste optimizes its production capacity utilization in Renewable Products according to the market situation. SAF sales are expected to increase towards the end of the year.

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 lower (previously slightly higher) than in 2023.

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.

Neste's Interim Report, 1 January – 30 September 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)						
	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Revenue	5,624	5,973	4,642	15,067	16,622	22,926
EBITDA	301	889	119	861	1,876	2,548
Comparable EBITDA*	293	1,047	240	1,084	2,661	3,458
Operating profit	54	669	-119	135	1,266	1,682
Profit before income taxes	26	618	-169	47	1,189	1,596
Net profit	23	539	-144	40	1,036	1,436
Comparable net profit	16	674	-40	232	1,708	2,216
Earnings per share, EUR	0.03	0.70	-0.19	0.05	1.35	1.87
Comparable earnings per share, EUR	0.02	0.88	-0.05	0.30	2.22	2.88
Cash-out investments	488	258	455	1,245	1,204	1,621
Net cash generated from operating activities	292	796	11	272	1,590	2,279

	30 Sep 2024	30 Sep 2023	31 Dec 2023
Total equity	7,543	8,091	8,463
Interest-bearing net debt	4,098	2,220	2,488
Capital employed	12,563	11,740	12,532
Comparable return on average capital employed after tax (comparable ROACE)**, %	8.0	27.2	23.9
Equity per share, EUR	9.82	10.53	11.02
Leverage ratio, %	35.2	21.5	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 third quarter 2024 results

Neste's revenue in the third quarter totaled EUR 5,624 million (5,973 million). Lower price level affected the revenue EUR -0.9 billion year-over-year, driven by decreasing oil price and renewables sales prices. Higher sales volumes on the other hand increased revenue EUR 0.3 billion both in Oil Products and Renewable Products. Net impact from trading activities in Oil Products increased the revenue by approximately EUR 0.3 billion year-over-year.

The Group's comparable EBITDA was EUR 293 million (1,047 million). Renewable Products' comparable EBITDA was EUR 106 million (545 million), as the sales margin decreased significantly compared to the third quarter of 2023, whereas higher sales volumes had a positive impact year-over-year. Oil Products' comparable EBITDA

was EUR 141 (472) million. Similarly in Oil Products, the total refining margin decreased significantly compared to the third quarter of 2023, whereas higher sales volumes increased comparable EBITDA year-over-year. Marketing & Services comparable EBITDA was EUR 32 million (42 million), impacted by inventory losses compared to inventory profits in the corresponding period in 2023. The Others segment's comparable EBITDA was EUR 9 million (-6 million). The Group's fixed costs were EUR 16 million lower year-over-year.

The Group's EBITDA was EUR 301 million (889 million), which was impacted by inventory valuation losses of EUR -176 million (inventory gains EUR 7 million), and changes in the fair value of open commodity and currency derivatives totaling EUR 141 million (-166 million). Profit before income taxes was EUR 26 million (618 million), and net profit EUR 23 million (539 million). Comparable earnings per share were EUR 0.02 (0.88), and earnings per share EUR 0.03 (0.70).

In the third quarter, the release of an environmental provision totaling EUR 46 million has been eliminated from comparable EBITDA. The provision is related to Naantali refinery's shutdown in 2021, the remaining provision amounts to EUR 43 million.

The Group's January–September 2024 results

Neste's revenue in the first nine months totaled EUR 15,067 million (16,622 million). Lower price level affected the revenue EUR -0.7 billion year-over-year, driven by decreasing oil price and renewables sales prices. Lower sales volumes decreased revenue EUR -1.4 billion where Porvoo major turnaround in the second quarter is the main driver for the decrease and Renewable Products sales volumes on the other hand have increased revenue year-over-year. Net impact from trading activities in Oil Products increased the revenue by approximately EUR 0.5 billion year-over-year.

The Group's comparable EBITDA was EUR 1,084 million (2,661 million). Renewable Products' nine-month comparable EBITDA was EUR 500 million (1,473 million), mostly impacted by the weak market environment as the sales margin decreased by EUR 1,007 million. Oil Products' comparable EBITDA was EUR 480 million (1,104 million), impacted mostly by the Porvoo major turnaround and a lower total refining margin. Marketing & Services comparable EBITDA was EUR 78 million (94 million), driven by lower unit margins and inventory losses during 2024 compared to the inventory profits in the corresponding period in 2023. The Others segment's comparable EBITDA was EUR 16 million (-5 million).

The Group's EBITDA was EUR 861 million (1,876 million), which was impacted by inventory valuation losses of EUR -422 million (inventory losses -572 million), and changes in the fair value of open commodity and currency derivatives totaling EUR 167 million (-226 million). Profit before income taxes was EUR 47 million (1,189 million), and net profit was EUR 40 million (1,036 million). Comparable earnings per share were EUR 0.30 (2.22), and earnings per share were EUR 0.05 (1.35).

One-off costs related to restructuring in the first quarter totaling EUR 13 million and release of an environmental provision totaling EUR 46 million in the third quarter affected the first nine months results. These one-off impacts have been eliminated from comparable EBITDA. The provision is related to Naantali refinery's shutdown in 2021, the remaining provision amounts to EUR 43 million.

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
COMPARABLE EBITDA	293	1,047	240	1,084	2,661	3,458
- inventory valuation gains/losses	-176	7	-118	-422	-572	-827
- changes in the fair value of open commodity and currency derivatives	141	-166	-4	167	-226	-98
- capital gains/losses	0	1	0	2	7	7
- other adjustments	43	0	0	31	5	8
EBITDA	301	889	119	861	1,876	2,548

Variance analysis (comparison to corresponding period), MEUR

	7-9	1-9
Group's comparable EBITDA, 2023	1,047	2,661
Sales volumes	87	-140
Sales margin	-839	-1,397
Currency exchange	-9	-12
Fixed costs	16	17
Others	-10	-46
Group's comparable EBITDA, 2024	293	1,084

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

	7-9	1-9
Group's comparable EBITDA, 2023	1,047	2,661
Renewable Products	-439	-973
Oil Products	-331	-624
Marketing & Services	-10	-15
Others, including eliminations	25	34
Group's comparable EBITDA, 2024	293	1,084

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 September, comparable ROACE calculated over the last 12 months was 8.0%, and leverage ratio remained below the 40% target at 35.2%.

	30 Sep 2024	30 Sep 2023	31 Dec 2023
Comparable return on average capital employed after tax (comparable ROACE)*, %	8.0	27.2	23.9
Leverage ratio (net debt to capital), %	35.2	21.5	22.7

*Last 12 months

Cash flow, investments and financing

The Group's net cash generated from operating activities totaled EUR 272 (1,590) million during the first nine months of 2024. This decrease is mainly due to the lower EBITDA compared to the first nine months of 2023. Cash flow before financing activities was EUR -817 (277) million during the first nine months of 2024. The Group's net working capital in days outstanding was 41.0 (39.6) days on a rolling 12-month basis at the end of the third quarter.

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
EBITDA	301	889	119	861	1,876	2,548
Capital gains/losses	0	0	0	-3	0	0
Other adjustments	-178	190	-23	-208	333	108
Change in net working capital	143	-268	-16	-255	-473	21
Finance cost, net	-51	4	-37	-122	-52	-91
Income taxes paid	77	-19	-32	-2	-93	-307
Net cash generated from operating activities	292	796	11	272	1,590	2,279
Capital expenditure	-487	-246	-455	-1,243	-1,191	-1,607
Other investing activities	180	-147	-17	154	-122	79
Free cash flow (Cash flow before financing activities)	-16	403	-461	-817	277	751

Cash-out investments totaled EUR 1,245 (1,204) million, and were EUR 1,234 (1,015) million excluding M&A during January–September. The Porvoo major turnaround is reflected in the increased maintenance investments that accounted for EUR 487 (205) million. The productivity and strategic investments totaled EUR 758 (999) million, which is lower compared to the corresponding period last year due for example to the finalization of the Singapore expansion. Renewable Products' investments were EUR 757 (1,068) million, Oil Products' investments amounted to EUR 423 million (98 million), and Marketing & Services' investments totaled EUR 15 (10) million. Investments in the Others segment were EUR 50 (28) million.

Interest-bearing net debt was EUR 4,098 million at the end of September 2024, compared to EUR 2,488 million at the end of 2023. The average interest rate of borrowing at the end of September was 3.6% (3.5%) and the average maturity was 4.1 (4.3) years. At the end of the third quarter the Net debt to EBITDA ratio was 2.7 (0.8) over the last 12 months.

The Group's liquid funds and committed, unutilized credit facilities amounted to EUR 2,572 million at the end of September (30 June 2024: EUR 2,423 million). There are no financial covenants in the Group companies' 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 September, the Group's foreign currency hedging ratio was approximately 45% of the sales margin for the next 12 months.

US dollar exchange rate

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
EUR/USD, market rate	1.10	1.09	1.08	1.09	1.08	1.08
EUR/USD, effective rate*	1.09	1.06	1.10	1.09	1.05	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	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Revenue, MEUR	1,823	2,197	1,851	5,441	6,203	8,466
EBITDA, MEUR	151	256	46	297	656	1,049
Comparable EBITDA, MEUR	106	545	152	500	1,473	1,906
Operating profit, MEUR	6	130	-101	-142	324	568
Net assets, MEUR	9,082	7,887	8,954	9,082	7,887	8,069
Return on net assets*, %	1.2	11.1	2.7	1.2	11.1	7.5
Comparable return on net assets*, %	4.1	20.9	9.7	4.1	20.9	18.9
Comparable sales margin, USD/ton	341	912	382	422	889	863

* Last 12 months

Variance analysis (comparison to corresponding period), MEUR	7-9	1-9
Comparable EBITDA, 2023	545	1 473
Sales volumes	62	60
Sales margin	-492	-1,007
Currency exchange	-3	-5
Fixed costs	-6	-32
Others	0	11
Comparable EBITDA, 2024	106	500

Key drivers	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Biomass-based diesel (D4) RIN, USD/gal	0.60	1.40	0.51	0.57	1.53	1.35
California LCFS Credit, USD/ton	54	75	52	57	74	73
Palm oil price*, USD/ton	870	834	834	849	844	833
Waste and residues' share of total feedstock, %	90	92	88	89	94	92

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

Renewable Products' third-quarter comparable EBITDA totaled EUR 106 million, compared to EUR 545 million in the third quarter of 2023. The market environment for renewables continued to weaken in the third quarter and the comparable sales margin decreased to USD 341 (912)/ton. The comparable sales margin was affected by a decreasing price for diesel, as well as the weak US bioticket and renewable credit prices and spot premiums in Europe. At the same time, the cost for waste and residue feedstocks remained flat and did not provide support for the sales margin. Also, the SAF sales volume growth has been slower than anticipated. The proportion of waste and residue inputs was 90% (92%).

During the third quarter, there were planned maintenance shutdowns both in Singapore original line and Rotterdam. This is reflected in the utilization rate, which was on average 52% (92%) at Neste's own renewables production facilities. The maintenance shutdowns contributed to an increase in total production costs. Also, Neste optimizes its production capacity utilization in Renewable Products according to the market situation. Martinez production capacity ramp-up was progressing as planned. Martinez continued to have a diluting impact on Neste's overall comparable sales margin.

After the third-quarter planned maintenance shutdown in October, Singapore's first line encountered an unforeseen equipment failure that led to the shutdown of the production line at the refinery. This is expected to affect some renewable diesel customer deliveries to the US in the fourth quarter.

The lower sales margin had a negative impact of EUR -492 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 157 (132) million during the third quarter.

The renewables sales volume during the third quarter reached 999 (883) thousand tons, of which SAF sales volume was 112 (36) thousand tons. The increased volumes had a positive impact on the comparable EBITDA of EUR 62 million. Neste continued its efforts to grow the sustainable aviation fuel (SAF) business. SAF sales are expected to continue growing in the fourth quarter. During the third quarter approximately 51% (55%) of the total volumes were sold to the European market and 49% (45%) to North America.

A weaker US dollar had a small negative impact of EUR -3 million on the comparable EBITDA year-over-year. The segment's fixed costs were EUR 6 million higher than in the corresponding period of 2023. Comparable fixed costs in Renewable Products were EUR 10 million higher in the third quarter compared to the second quarter of 2024. Renewable Products' comparable return on net assets was 4.1% (20.9%) at the end of September based on the previous 12 months.

The overall feedstock price level was relatively stable quarter-on-quarter. US waste and residue prices increased in the beginning of the quarter, supported by a price increase in soybean oil. However, strong US soybean crop expectations and overall weak global market sentiment turned the prices of soybean oil and waste and residues downwards. The initial impact of EU's anti-dumping duties on Chinese biofuels was limited as European waste and residue demand stayed relatively weak. This kept European prices unchanged throughout the quarter. The price of APAC animal fat as well as used cooking oil increased modestly.

US credit prices improved to a certain extent from the second quarter. California Low Carbon Fuel Standard (LCFS) credit ended Q3 above 65 USD/ton and Renewable Identification Number (RIN) D4 above 0.65 USD/gal.

Renewable Products' nine-month comparable EBITDA was EUR 500 million (1,473 million). The comparable sales margin was lower than in the first nine months of 2023. The lower sales margin had a negative impact of EUR -1,007 million on the comparable EBITDA year-over-year. The BTC contribution was EUR 438 million (306 million) during the first nine months. Sales volumes had a positive impact of EUR 60 million, and a weaker US dollar had a negative impact of EUR -5 million on the segment's comparable EBITDA compared to the corresponding period last year. The segment's fixed costs were EUR 32 million higher than in the first nine months of the previous year as Neste continued to build up its global operating platform.

Production

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Renewable Diesel*, 1,000 ton	588	802	858	2,379	2,453	3,267
SAF, 1,000 ton	123	55	164	454	148	251
Other products, 1,000 ton	16	27	24	74	80	101
TOTAL	727	884	1,045	2,906	2,681	3,618
Utilization rate**, own production, %	52	92	81	74	97	98

* Including production from Martinez joint operation

** Based on a nameplate capacity of 4.5 Mton/a. Comparison periods of 2023 are based on nameplate capacity of 3.3 Mton/a.

Sales

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Renewable Diesel, 1,000 ton	865	823	858	2,511	2,360	3,164
SAF, 1,000 ton	112	36	65	217	99	139
Other products, 1,000 ton	22	24	32	74	52	79
TOTAL	999	883	955	2,802	2,512	3,382
Share of sales volumes to Europe, %	51	55	49	51	59	61
Share of sales volumes to North America, %	49	45	51	49	41	39

Oil Products
Key financials

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Revenue, MEUR	3,399	3,442	2,436	8,505	9,535	13,285
EBITDA, MEUR	104	602	46	469	1,128	1,375
Comparable EBITDA, MEUR	141	472	62	480	1,104	1,434
Operating profit, MEUR	17	527	-24	237	908	1,068
Net assets, MEUR	2,658	2,654	2,482	2,658	2,654	2,384
Return on net assets*, %	15.7	37.9	36.6	15.7	37.9	42.6
Comparable return on net assets*, %	19.4	47.0	33.7	19.4	47.0	45.0
Total refining margin, USD/bbl	10.6	26.9	15.1	15.1	21.9	21.1

* Last 12 months

Variance analysis (comparison to corresponding period), MEUR

	7-9	1-9
Comparable EBITDA, 2023	472	1,104
Sales volumes	24	-200
Total refining margin	-347	-390
Currency exchange	-5	-7
Fixed costs	12	16
Others	-15	-43
Comparable EBITDA, 2024	141	480

Oil Products' comparable EBITDA totaled EUR 141 million (472 million) in the third quarter. The total refining margin averaged USD 10.6/bbl compared to USD 26.9/bbl in the third quarter of 2023, which had a negative impact of EUR -347 million on the comparable EBITDA year-over-year. Both gasoline and diesel margins were substantially weaker compared to the high levels in the corresponding period of 2023. At the same time, sales volumes increased year-over-year and increased the comparable EBITDA EUR 24 million year-over-year. A weaker US dollar had a negative impact of EUR -5 million on the comparable EBITDA compared to the same period last year, while fixed costs' decrease supported the comparable EBITDA by EUR 12 million. Oil Products' comparable return on net assets was 19.4% (47.0%) at the end of September over the previous 12 months. The average refinery utilization rate was solid at 91% (92%).

Brent crude oil prices were volatile during the third quarter, ranging between USD 70/bbl and USD 89/bbl and the quarter ended at USD 73/bbl. Crude oil market dynamics were affected by the existing geopolitical risks as well as by OPEC's production cuts, non-OPEC production growth and challenging macroeconomic environment impacting the oil demand development.

Refining margins were clearly trending down during the third quarter but overall key product margins stayed above pre-Covid averages. Summer driving and cooling season supported demand but at the same time the weak industrial cycle affected middle distillates' demand and the expected weather-related risks did not materialize. Key utilities, such as natural gas and emission allowance prices, stayed quite close to the second quarter levels and Finnish electricity price remained lower than in the second quarter of 2024.

Oil Products' nine-month comparable EBITDA was EUR 480 million (1,104 million). The total refining margin averaged USD 15.1/bbl (21.9/bbl) in the first nine months of 2024. The lower total refining margin had a negative impact of EUR -390 million on the comparable EBITDA compared to the same period last year. Sales volumes were at a lower level due to the Porvoo major turnaround in the second quarter and had a negative impact of EUR -200 million on the comparable EBITDA year-over-year. Currency exchange rates had a negative impact of EUR -7 million on the comparable EBITDA, and the segment's fixed costs were EUR 16 million lower than in the first nine months of 2023.

Production	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Refinery						
- Production, 1,000 ton	2,771	2,833	1,328	6,840	8,273	11,148
- Utilization rate, %	91	92	34	72	86	88
Refinery production costs, USD/bbl	5.6	6.2	10.8	6.9	6.7	6.6

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

	7-9/24	%	7-9/23	%	4-6/24	%	1-9/24	%	1-9/23	%	2023	%
Middle distillates*	1,415	46	1,361	47	869	57	3,187	45	4,114	47	5,631	47
Light distillates**	1,163	38	1,124	39	433	28	2,758	39	3,235	37	4,430	37
Heavy fuel oil	337	11	298	10	119	8	777	11	1,009	12	1,321	11
Other products	131	4	124	4	103	7	401	6	350	4	503	5
TOTAL	3,045	100	2,907	100	1,524	100	7,122	100	8,707	100	11,885	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)

	7-9/24	%	7-9/23	%	4-6/24	%	1-9/24	%	1-9/23	%	2023	%
Baltic Sea area*	1,875	62	1,799	62	1,240	81	4,491	63	5,253	60	6,976	59
Other Europe	740	24	600	21	264	17	1,850	26	2,178	25	3,110	26
North America	135	4	310	11	20	1	195	3	802	9	1,038	9
Other areas	295	10	198	7	0	0	585	8	473	5	762	6
TOTAL	3,045	100	2,907	100	1,524	100	7,122	100	8,707	100	11,885	100

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

Marketing & Services

Key financials

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Revenue, MEUR	1,180	1,315	1,165	3,579	3,794	5,168
EBITDA, MEUR	32	42	24	78	93	117
Comparable EBITDA, MEUR	32	42	24	78	94	118
Operating profit, MEUR	25	34	17	56	71	84
Net assets, MEUR	198	235	245	198	235	236
Return on net assets*, %	28.9	33.9	31.4	28.9	33.9	34.6
Comparable return on net assets*, %	29.8	33.9	32.2	29.8	33.9	35.2

* Last 12 months

Variance analysis (comparison to corresponding period), MEUR

	7-9	1-9
Comparable EBITDA, 2023	42	94
Sales volumes	1	1
Unit margins	-8	-13
Currency exchange	0	0
Fixed costs	-3	-4
Others	0	1
Comparable EBITDA, 2024	32	78

Marketing & Services' comparable EBITDA was EUR 32 million (42 million) in the third quarter. Sales volumes increased slightly year-over-year and had a positive impact of EUR 1 million. Unit margins were tighter year-over-year and had an impact of EUR -8 million on the comparable EBITDA. The decline in unit margins was primarily driven by decreasing global oil product prices, which led to inventory losses. The prior year benefited from a significant increase in Brent crude oil prices, resulting in higher unit margins. The segment's fixed costs were higher year-over-year, mainly due to an ongoing ERP replacement. Marketing & Services' comparable return on net assets was 29.8% (33.9%) at the end of September on a rolling 12-month basis. Neste's market shares continued to be strong during the quarter.

Marketing & Services segment's nine-month comparable EBITDA was EUR 78 million (94 million). Sales volumes increased slightly year-over-year and had a positive impact of EUR 1 million. Average unit margins were lower, impacting the comparable EBITDA by EUR -13 million year-over-year. The decline was primarily caused by inventory losses during 2024, driven by falling global oil product prices throughout the year, compared to inventory

profits in the prior year. The segment's fixed costs were EUR 4 million higher compared to the first nine months of 2023, mainly due to higher ERP replacement related expenses.

Sales volumes by main product categories, million liters

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Gasoline, station sales	169	167	156	464	467	620
Diesel, station sales	397	397	384	1,166	1,185	1,590
Heating oil	219	180	192	652	561	857

Net sales by market area, MEUR

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Finland	906	1,022	909	2,806	3,013	4,114
Baltic countries	274	293	256	773	780	1,054
TOTAL	1,180	1,315	1,165	3,579	3,793	5,168

Others

Key financials

	7-9/24	7-9/23	4-6/24	1-9/24	1-9/23	2023
Comparable EBITDA, MEUR	9	-6	-1	16	-5	-2
Operating profit, MEUR	1	-17	-14	-24	-32	-41

The Others segment consists of common corporate and functional costs. The allocation timing of these costs to business segments may vary year-over-year and by quarter.

The comparable EBITDA of the Others segment totaled EUR 9 million (-6 million) in the third quarter. The nine-month comparable EBITDA of the Others segment totaled EUR 16 million (-5 million).

Shares, share trading and ownership

Neste's shares are listed at Nasdaq Helsinki Ltd. The share price closed the quarter at EUR 17.43, up by 4.8% compared to the end of second quarter. At its highest during the quarter, the share price reached EUR 22.14, while the lowest price was EUR 15.47. Market capitalization was EUR 13.4 billion as of 30 September 2024. An average of 1.8 million shares were traded daily, representing 0.2% of the company's shares.

At the end of September 2024, Neste held 995,324 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 authorizations to issue and buy back shares, as decided by the Annual General Meeting of Shareholders (AGM) held on 27 March 2024.

As of 30 September 2024, the State of Finland owned directly 44.2% (44.2% at the end of the second quarter) of outstanding shares, foreign institutions 31.9% (32.5%), Finnish institutions 13.1% (13.0%), and households 10.7% (10.2%).

Personnel

Neste employed an average of 5,888 (6,014) employees during the first nine months of the year, of which 2,158 (2,089) were based outside Finland. At the end of September, the company had 5,663 employees (6,104), of which 2,139 (2,189) were located outside Finland.

Environmental, Social and Governance (ESG)

Key figures

	7-9/24	7-9/23	1-9/24	1-9/23	2023
TRIF*	1.8	4.1	2.2	2.5	2.3
PSER**	1.2	0.0	1.3	0.8	1.2
GHG reduction, Mton***	3.6	2.5	9.3	8.0	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. Current reporting period's GHG emission reduction includes some impact from previous periods' 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).

New organizational units in the US, such as those from the SeQuential acquisition in 2022, are integrated into Neste's TRIF reporting in 2024.

Neste's occupational safety incident frequency is measured by TRIF. TRIF performance in the third quarter improved to 1.8 (4.1) and the first nine months of 2024 performance 2.2 improved relative to the comparable period in 2023 (2.5). PSER performance in the third quarter was 1.2 (0.0) and the first nine months of 2024 performance 1.3 was weaker than the comparable period in 2023 (0.8).

Emissions from operations at Neste's refineries were in substantial compliance at all sites during the third quarter of 2024. A total of 8 (3) 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.

Neste produces renewable products that enable its customers to reduce greenhouse gas (GHG) emissions. During the third quarter of 2024 this GHG reduction was 3.6 million tons (2.5 million tons).

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

Main events published during the third quarter

On 2 September, Neste announced that Heikki Malinen will assume the role of Neste's President and CEO on 15 October 2024. He succeeds Matti Lehmus, who continued as the President and CEO of Neste until 14 October 2024 and acts as an advisor to the company and its management until mid-November 2024 to ensure a smooth transition.

On 11 September, Neste revised downwards its 2024 comparable sales margin guidance for Renewable Products. Neste also revised its Renewable Products' total sales volume and SAF sales volume forecasts based on its latest sales outlook. Neste will optimize its production capacity utilization in Renewable Products according to the market situation.

Events after the reporting period

There have been no significant events after the reporting period.

Potential risks

Neste's growth and financial performance may be impacted by the general macroeconomic and geopolitical development. 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. As an example, implications from the transition from Blender Tax Credit (BTC) to Clean Fuels Production Credit (CFPC) in the US could have an impact on the relative competitiveness of US vs. foreign fuel producers. There are also trade policy related risks. All of these could lead Neste to optimize its overall production of renewables.

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 the crisis may result in further trade sanctions, impact supply chains as well as influence market supply and demand conditions. These could also create further pressure on the prices of feedstock, materials, services, logistics and utilities and affect energy markets as a whole, particularly in Europe.

Main market risks to Neste's businesses relate, for example, to changes in feedstock and product market prices, overall supply-demand balance, the growth rate in demand and Neste's competitive situation. Fluctuations in commodity prices affect Neste's production costs, product pricing, profitability, earnings, and credit availability.

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 fourth-quarter and full-year 2024 results

Neste will publish its fourth-quarter and full-year results on 13 February 2025 at approximately 9:00 a.m. EET.

Espoo, 23 October 2024

Neste Corporation
Board of Directors

Further information:

Heikki Malinen, 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 webcast and conference call in English for investors and analysts will be held on 24 October 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://palvelu.flik.fi/teleconference/?id=50051377>. 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 - SEPTEMBER 2024
The interim report is unaudited

FINANCIAL STATEMENTS SUMMARY AND NOTES TO THE FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

EUR million	Note	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023	Last 12 months
Revenue	2, 3	5,624	5,973	15,067	16,622	22,926	21,370
Other income		10	6	39	34	55	60
Share of profit (loss) of associates and joint ventures	6	-2	1	-5	6	1	-11
Materials and services		-5,061	-4,762	-13,315	-13,810	-19,098	-18,603
Employee benefit costs		-126	-162	-436	-485	-642	-592
Depreciation, amortization and impairments	3	-247	-220	-726	-609	-866	-983
Other expenses		-144	-167	-488	-492	-695	-691
Operating profit	3	54	669	135	1,266	1,682	550
Financial income and expenses							
Financial income		12	11	38	28	45	56
Financial expenses		-39	-40	-114	-99	-122	-137
Exchange rate and fair value gains and losses		0	-22	-13	-6	-9	-16
Total financial income and expenses		-27	-51	-88	-77	-86	-97
Profit before income taxes		26	618	47	1,189	1,596	453
Income tax expense		-4	-79	-7	-154	-160	-13
Profit for the period		23	539	40	1,036	1,436	440
Profit attributable to:							
Owners of the parent		23	538	40	1,033	1,433	440
Non-controlling interests		0	1	0	3	3	0
		23	539	40	1,036	1,436	440
Earnings per share from profit attributable to the owners of the parent (in euro per share)							
Basic earnings per share		0.03	0.70	0.05	1.35	1.87	0.57
Diluted earnings per share		0.03	0.70	0.05	1.34	1.87	0.57

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023	Last 12 months
Profit for the period	23	539	40	1,036	1,436	440
Other comprehensive income net of tax:						
Items that will not be reclassified to profit or loss						
Remeasurements on defined benefit plans	0	3	-3	14	11	-6
Net change of other investments at fair value	0	0	-13	-3	-3	-13
Total	0	3	-15	11	8	-18
Items that may be reclassified subsequently to profit or loss						
Translation differences	-72	48	-20	8	-66	-93
Cash flow hedges						
recorded in equity	70	-57	-14	-30	50	66
transferred to income statement	-5	-33	7	-89	-85	12
Share of other comprehensive income of investments accounted for using the equity method	-1	2	0	1	-4	-6
Total	-8	-39	-26	-111	-105	-21
Other comprehensive income for the period, net of tax	-8	-37	-42	-100	-97	-40
Total comprehensive income for the period	15	503	-1	936	1,339	401
Total comprehensive income attributable to:						
Owners of the parent	15	502	-1	934	1,336	401
Non-controlling interests	0	1	0	3	3	0
	15	503	-1	936	1,339	401

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
Non-current assets				
Goodwill	5	492	508	496
Intangible assets	5	164	194	185
Property, plant and equipment	5	8,623	7,539	7,786
Investments in associates and joint ventures	6	52	69	58
Non-current receivables	8	131	123	126
Deferred tax assets		167	144	127
Derivative financial instruments	8	30	0	26
Other financial assets	8	41	53	54
Total non-current assets		9,701	8,631	8,858
Current assets				
Inventories		3,446	3,839	3,366
Trade and other receivables		1,672	2,187	1,913
Current tax assets		51	33	76
Derivative financial instruments	8	258	280	190
Current investments		0	0	5
Cash and cash equivalents	8	922	1,430	1,575
Total current assets		6,349	7,769	7,125
Total assets	3	16,050	16,400	15,983
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital		40	40	40
Other equity		7,503	8,046	8,423
Total		7,543	8,086	8,463
Non-controlling interests		0	4	0
Total equity		7,543	8,091	8,463
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities	8	4,190	2,841	3,487
Deferred tax liabilities		337	309	317
Provisions		170	264	187
Pension liabilities		88	100	93
Derivative financial instruments	8	6	14	6
Other non-current liabilities		36	26	42
Total non-current liabilities		4,828	3,555	4,132
Current liabilities				
Interest-bearing liabilities	8	830	808	581
Current tax liabilities		12	184	15
Derivative financial instruments	8	102	564	212
Trade and other payables		2,735	3,199	2,580
Total current liabilities		3,679	4,754	3,388
Total liabilities	3	8,506	8,309	7,520
Total equity and liabilities		16,050	16,400	15,983

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Cash flows from operating activities					
Profit before income taxes	26	618	47	1,189	1,596
Adjustments, total	96	460	604	1,019	1,060
Change in net working capital	143	-268	-255	-473	21
Cash generated from operations	266	811	396	1,735	2,677
Finance cost, net	-51	4	-122	-52	-91
Income taxes paid	77	-19	-2	-93	-307
Net cash generated from operating activities	292	796	272	1,590	2,279
Cash flows from investing activities					
Capital expenditure	-487	-246	-1,234	-1,015	-1,430
Acquisitions of subsidiaries	0	0	-9	-176	-176
Proceeds from sales of property, plant and equipment	0	0	3	0	0
Changes in long-term receivables and other financial assets	180	-147	151	-122	78
Cash flows from investing activities	-307	-393	-1,089	-1,313	-1,528
Cash flow before financing activities	-16	403	-817	277	751
Cash flows from financing activities					
Net change in loans and other financing activities	192	53	836	639	1,002
Repayments of lease liabilities	-71	-70	-207	-170	-254
Transactions with non-controlling interests	0	0	0	0	-18
Dividends paid to the owners of the parent	0	0	-461	-582	-1,168
Dividends paid to non-controlling interests	0	0	-1	-3	-3
Cash flows from financing activities	121	-17	167	-116	-441
Net increase (+) / decrease (-) in cash and cash equivalents	106	386	-650	160	311
Cash and cash equivalents at the beginning of the period	823	1,039	1,575	1,271	1,271
Exchange gains (+) / losses (-) on cash and cash equivalents	-7	6	-3	-1	-7
Cash and cash equivalents at the end of the period	922	1,430	922	1,430	1,575

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 2024	40	7	16	-5	56	-67	-131	8,548	8,463	0	8,463
Profit for the period								40	40	0	40
Other comprehensive income for the period, net of tax					-19	-3	-20		-42	0	-42
Total comprehensive income for the period	0	0	0	0	-19	-3	-20	40	-1	0	-1
Transactions with the owners in their capacity as owners								-922	-922	0	-922
Dividend decision								3	3		3
Share-based compensation				0				0	0		0
Transfer from retained earnings		0						0	0		0
Total equity at 30 Sep 2024	40	7	16	-5	36	-70	-151	7,670	7,543	0	7,543

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								1,033	1,033	3	1,036
Other comprehensive income for the period, net of tax					-122	14	8		-100	0	-100
Total comprehensive income for the period	0	0	0	0	-122	14	8	1,033	934	3	936
Transactions with the owners in their capacity as owners								-1,168	-1,168	-3	-1,171
Dividend decision								-1	0		0
Share-based compensation				1				-1	-1		-1
Transfer from retained earnings		0					0	-1	-1		-1
Total equity at 30 Sep 2023	40	7	16	-5	-23	-64	-58	8,173	8,086	4	8,091

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								-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	-1		-1
Transfer from retained earnings		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

	30 Sep 2024	30 Sep 2023	31 Dec 2023	Last 12 months
Revenue	15,067	16,622	22,926	21,370
Profit for the period	40	1,036	1,436	440
Earnings per share (EPS), EUR	0.05	1.35	1.87	0.57
Alternative performance measures				
EBITDA, EUR million	861	1,876	2,548	1,533
Comparable EBITDA, EUR million	1,084	2,661	3,458	1,881
Capital employed, EUR million	12,563	11,740	12,532	-
Interest-bearing net debt, EUR million	4,098	2,220	2,488	-
Comparable return on average capital employed, after tax, (Comparable ROACE) %	8.0	27.2	23.9	-
Return on equity, (ROE) %	5.6	19.6	17.9	-
Equity per share, EUR	9.82	10.53	11.02	-
Cash flow per share, EUR	0.35	2.07	2.97	1.25
Comparable earnings per share, EUR	0.30	2.22	2.88	0.96
Comparable net profit	232	1,708	2,216	739
Equity-to-assets ratio, %	47.2	49.4	53.1	-
Leverage ratio, %	35.2	21.5	22.7	-
Net working capital in days outstanding	41.0	39.6	41.0	-
Net Debt to EBITDA, %	2.7	0.8	1.0	-
Weighted average number of shares outstanding	768,211,129	768,167,512	768,175,637	768,208,268
Number of shares outstanding at the end of the period	768,215,734	768,199,747	768,199,747	-
Average number of personnel	5,888	6,014	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 922 million and committed unutilized credit facilities EUR 1,650 million on 30 September 2024.

2. REVENUE

REVENUE BY CATEGORY

	7-9/2024					7-9/2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
External revenue										
Fuels ¹⁾	1,538	2,552	1,144	0	5,234	1,958	2,422	1,276	0	5,655
Middle distillates	1,505	1,350	888	0	3,743	1,938	1,319	1,001	0	4,258
Light distillates	32	1,029	256	0	1,317	19	950	273	0	1,243
Heavy fuel oil	0	174	1	0	175	0	153	1	0	154
Other products	213	109	24	0	346	181	91	24	0	296
Other services	12	26	2	4	44	1	16	3	2	22
Total	1,763	2,686	1,171	4	5,624	2,139	2,529	1,303	2	5,973
	1-9/2024					1-9/2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
External revenue										
Fuels ¹⁾	4,754	5,917	3,466	0	14,136	5,460	6,528	3,672	0	15,660
Middle distillates	4,630	3,242	2,737	0	10,608	5,368	3,596	2,901	0	11,865
Light distillates	124	2,240	725	0	3,090	92	2,476	767	0	3,336
Heavy fuel oil	0	434	4	0	438	0	455	4	0	459
Other products	475	236	74	0	785	547	243	80	0	870
Other services	27	102	7	9	145	3	60	9	20	92
Total	5,256	6,254	3,547	9	15,067	6,010	6,831	3,761	20	16,622
	1-12/2023					Last 12 months				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
External revenue										
Fuels ¹⁾	7,522	9,162	5,003	0	21,687	6,816	8,550	4,797	0	20,164
Middle distillates	7,383	5,141	3,986	0	16,510	6,645	4,787	3,822	0	15,254
Light distillates	139	3,404	1,012	0	4,556	171	3,168	971	0	4,310
Heavy fuel oil	0	616	5	0	620	0	595	5	0	600
Other products	685	338	107	0	1,129	613	330	101	0	1,044
Other services	5	66	12	26	109	29	108	10	15	162
Total	8,212	9,566	5,123	26	22,926	7,458	8,989	4,908	15	21,370

¹⁾ Middle distillates comprise diesel, aviation fuels, low sulphur marine fuels, heating oil, renewable fuels, and sustainable aviation fuels. Light distillates comprise motor gasoline, gasoline components, liquefied petroleum gas, renewable naphtha, and biopropane. 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

	7-9/2024					7-9/2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
External revenue										
Goods transferred at point in time	1,751	2,661	1,168	0	5,580	2,138	2,513	1,300	0	5,951
Services transferred at point in time	12	26	2	0	40	1	16	3	1	21
Services transferred over time	0	0	0	4	4	0	0	0	1	1
Total	1,763	2,686	1,171	4	5,624	2,139	2,529	1,303	2	5,973
	1-9/2024					1-9/2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
External revenue										
Goods transferred at point in time	5,229	6,152	3,540	0	14,922	6,007	6,771	3,752	0	16,530
Services transferred at point in time	27	102	7	1	137	3	60	9	1	73
Services transferred over time	0	0	0	9	9	0	0	0	19	19
Total	5,256	6,254	3,547	9	15,067	6,010	6,831	3,761	20	16,622
	1-12/2023					Last 12 months				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
External revenue										
Goods transferred at point in time	8,207	9,499	5,110	0	22,816	7,429	8,880	4,898	0	21,208
Services transferred at point in time	5	66	12	1	84	29	108	10	1	147
Services transferred over time	0	0	0	25	25	0	0	0	14	14
Total	8,212	9,566	5,123	26	22,926	7,458	8,989	4,908	15	21,370

REVENUE BY OPERATING SEGMENT

	Renewable Products	Oil Products	Marketing & Services	Others	Eliminations	Total
7-9/2024						
External revenue	1,763	2,686	1,171	4	0	5,624
Internal revenue	60	713	10	39	-822	0
Total revenue	1,823	3,399	1,180	43	-822	5,624
7-9/2023						
External revenue	2,139	2,529	1,303	2	0	5,973
Internal revenue	58	913	12	15	-998	0
Total revenue	2,197	3,442	1,315	17	-998	5,973
1-9/2024						
External revenue	5,256	6,254	3,547	9	0	15,067
Internal revenue	184	2,251	32	76	-2,543	0
Total revenue	5,441	8,505	3,579	86	-2,543	15,067
1-9/2023						
External revenue	6,010	6,831	3,761	20	0	16,622
Internal revenue	193	2,704	32	58	-2,987	0
Total revenue	6,203	9,535	3,794	78	-2,987	16,622
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	7,458	8,989	4,908	15	0	21,370
Internal revenue	246	3,266	45	93	-3,650	0
Total revenue	7,704	12,255	4,953	108	-3,650	21,370

REVENUE BY OPERATING DESTINATION

	7-9/2024					7-9/2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
External revenue										
Finland	82	435	895	4	1,416	130	348	1,008	2	1,488
Other Nordic countries	161	324	0	0	485	547	321	0	0	868
Baltic Rim	12	182	275	0	469	7	235	293	0	535
Other European countries	586	526	0	0	1,112	474	726	1	0	1,201
North and South America ¹⁾	908	1,216	0	0	2,124	969	865	0	0	1,834
Other countries	14	4	0	0	18	12	34	0	0	47
Total	1,763	2,686	1,171	4	5,624	2,139	2,529	1,303	2	5,973
1-9/2024										
External revenue										
Finland	163	1,308	2,769	9	4,249	310	1,520	2,977	20	4,827
Other Nordic countries	540	860	1	0	1,402	1,628	838	1	0	2,467
Baltic Rim	31	349	775	0	1,155	22	475	781	0	1,278
Other European countries	1,697	1,463	2	0	3,162	1,485	2,012	2	0	3,498
North and South America ¹⁾	2,731	2,260	0	0	4,991	2,502	1,948	0	0	4,449
Other countries	95	14	0	0	108	64	40	0	0	103
Total	5,256	6,254	3,547	9	15,067	6,010	6,831	3,761	20	16,622
1-12/2023										
External revenue										
Finland	406	2,021	4,063	26	6,515	259	1,809	3,855	15	5,937
Other Nordic countries	2,175	1,101	2	0	3,278	1,087	1,124	2	0	2,213
Baltic Rim	40	620	1,055	0	1,715	50	494	1,049	0	1,593
Other European countries	1,984	2,789	3	0	4,775	2,196	2,241	3	0	4,439
North and South America ¹⁾	3,444	2,993	0	0	6,437	3,673	3,306	0	0	6,978
Other countries	163	42	0	0	205	194	16	0	0	210
Total	8,212	9,566	5,123	26	22,926	7,458	8,989	4,908	15	21,370
Last 12 months										
External revenue										
Finland	406	2,021	4,063	26	6,515	259	1,809	3,855	15	5,937
Other Nordic countries	2,175	1,101	2	0	3,278	1,087	1,124	2	0	2,213
Baltic Rim	40	620	1,055	0	1,715	50	494	1,049	0	1,593
Other European countries	1,984	2,789	3	0	4,775	2,196	2,241	3	0	4,439
North and South America ¹⁾	3,444	2,993	0	0	6,437	3,673	3,306	0	0	6,978
Other countries	163	42	0	0	205	194	16	0	0	210
Total	8,212	9,566	5,123	26	22,926	7,458	8,989	4,908	15	21,370

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 common corporate and functional 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.

	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023	Last 12 months
REVENUE						
Renewable Products	1,823	2,197	5,441	6,203	8,466	7,704
Oil Products	3,399	3,442	8,505	9,535	13,285	12,255
Marketing & Services	1,180	1,315	3,579	3,794	5,168	4,953
Others	43	17	86	78	100	108
Eliminations	-822	-998	-2,543	-2,987	-4,094	-3,650
Total	5,624	5,973	15,067	16,622	22,926	21,370

	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023	Last 12 months
OPERATING PROFIT						
Renewable Products	6	130	-142	324	568	103
Oil Products	17	527	237	908	1,068	396
Marketing & Services	25	34	56	71	84	69
Others	1	-17	-24	-32	-41	-33
Eliminations	5	-6	9	-5	2	15
Total	54	669	135	1,266	1,682	550

	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023	Last 12 months
EBITDA						
Renewable Products	151	256	297	656	1,049	690
Oil Products	104	602	469	1,128	1,375	716
Marketing & Services	32	42	78	93	117	101
Others	9	-4	9	2	5	11
Eliminations	5	-6	9	-5	2	15
Total	301	889	861	1,876	2,548	1,533

	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023	Last 12 months
COMPARABLE EBITDA						
Renewable Products	106	545	500	1,473	1,906	933
Oil Products	141	472	480	1,104	1,434	810
Marketing & Services	32	42	78	94	118	103
Others	9	-6	16	-5	-2	19
Eliminations	5	-6	9	-5	2	15
Total	293	1,047	1,084	2,661	3,458	1,881

	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023	Last 12 months
DEPRECIATION, AMORTIZATION AND IMPAIRMENTS						
Renewable Products	145	125	439	333	480	587
Oil Products	87	75	232	220	307	319
Marketing & Services	7	7	22	22	33	32
Others	8	13	33	35	46	44
Eliminations	0	0	0	0	0	0
Total	247	220	726	609	866	983

	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023	Last 12 months
CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES						
Renewable Products	385	386	1,121	1,487	1,915	1,548
Oil Products	65	58	409	177	336	569
Marketing & Services	9	8	22	33	38	28
Others	12	15	52	37	61	76
Eliminations	0	0	0	0	0	0
Total	472	467	1,604	1,735	2,351	2,220

	30 Sep 2024	30 Sep 2023	31 Dec 2023
TOTAL ASSETS			
Renewable Products	10,100	9,066	9,275
Oil Products	3,988	4,291	3,849
Marketing & Services	555	666	647
Others	372	720	480
Unallocated assets	1,378	2,066	2,131
Eliminations	-343	-409	-397
Total	16,050	16,400	15,983

	30 Sep 2024	30 Sep 2023	31 Dec 2023
NET ASSETS			
Renewable Products	9,082	7,887	8,069
Oil Products	2,658	2,654	2,384
Marketing & Services	198	235	236
Others	-336	-454	104
Eliminations	-3	-19	-11
Total	11,601	10,304	10,783
TOTAL LIABILITIES			
Renewable Products	1,968	1,990	2,046
Oil Products	1,361	1,700	1,521
Marketing & Services	418	486	473
Others	718	1,182	384
Unallocated liabilities	4,381	3,342	3,483
Eliminations	-340	-391	-387
Total	8,506	8,309	7,520
RETURN ON NET ASSETS, %			
Renewable Products	1.2	11.1	7.5
Oil Products	15.7	37.9	42.6
Marketing & Services	28.9	33.9	34.6
COMPARABLE RETURN ON NET ASSETS, %			
Renewable Products	4.1	20.9	18.9
Oil Products	19.4	47.0	45.0
Marketing & Services	29.8	33.9	35.2

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	1,823	1,851	1,766	2,263	2,197	2,164	1,842
Oil Products	3,399	2,436	2,669	3,750	3,442	2,919	3,174
Marketing & Services	1,180	1,165	1,234	1,374	1,315	1,189	1,290
Others	43	24	18	22	17	30	31
Eliminations	-822	-834	-887	-1,106	-998	-951	-1,039
Total	5,624	4,642	4,801	6,303	5,973	5,351	5,298
QUARTERLY OPERATING PROFIT	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	6	-101	-47	245	130	158	36
Oil Products	17	-24	243	159	527	135	246
Marketing & Services	25	17	14	13	34	21	16
Others	1	-14	-11	-9	-17	-6	-10
Eliminations	5	4	0	7	-6	4	-3
Total	54	-119	200	415	669	312	285
QUARTERLY EBITDA	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	151	46	101	393	256	276	124
Oil Products	104	46	318	247	602	210	317
Marketing & Services	32	24	22	24	42	29	23
Others	9	-1	1	2	-4	5	2
Eliminations	5	4	0	7	-6	4	-3
Total	301	119	442	672	889	523	463
QUARTERLY COMPARABLE EBITDA	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	106	152	242	433	545	513	415
Oil Products	141	62	278	330	472	239	393
Marketing & Services	32	24	23	25	42	29	23
Others	9	-1	8	3	-6	0	2
Eliminations	5	4	0	7	-6	4	-3
Total	293	240	551	797	1,047	784	830
QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	145	147	148	148	125	119	89
Oil Products	87	70	75	87	75	74	71
Marketing & Services	7	7	7	11	7	8	7
Others	8	13	12	11	13	11	11
Eliminations	0	0	0	0	0	0	0
Total	247	238	242	257	220	212	178
QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Renewable Products	385	354	382	427	385	390	713
Oil Products	65	241	103	159	58	48	71
Marketing & Services	9	5	8	5	8	20	5
Others	12	21	19	24	15	11	11
Eliminations	0	0	0	0	0	0	0
Total	472	622	511	616	467	469	799
QUARTERLY NET ASSETS	30 Sep 2024	30 June 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 June 2023	31 Mar 2023
Renewable Products	9,082	8,954	8,594	8,069	7,887	7,868	7,411
Oil Products	2,658	2,482	2,467	2,384	2,654	2,394	2,435
Marketing & Services	198	245	279	236	235	254	268
Others	-336	-362	-822	104	-454	-300	-894
Eliminations	-3	-9	-14	-11	-19	-14	-19
Total	11,601	11,310	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	7-9/2024	7-9/2023	4-6/2024	1-9/2024	1-9/2023	1-12/2023
COMPARABLE EBITDA	293	1,047	240	1,084	2,661	3,458
inventory valuation gains/losses	-176	7	-118	-422	-572	-827
changes in the fair value of open commodity and currency derivatives	141	-166	-4	167	-226	-98
capital gains and losses	0	1	0	2	7	7
other adjustments ¹⁾	43	0	0	31	5	8
EBITDA	301	889	119	861	1,876	2,548
depreciation, amortization and impairments	-247	-220	-238	-726	-609	-866
OPERATING PROFIT	54	669	-119	135	1,266	1,682

¹⁾ One-off costs related to restructuring in the first quarter totaling EUR 13 million and release of an environmental provision in the third quarter totaling EUR 46 have been eliminated from Comparable EBITDA. The environmental provision is related to Naantali refinery's shutdown in 2021 and the remaining provision amounts to EUR 43 million.

Renewable Products	7-9/2024	7-9/2023	4-6/2024	1-9/2024	1-9/2023	1-12/2023
COMPARABLE EBITDA	106	545	152	500	1,473	1,906
inventory valuation gains/losses	-82	-129	-100	-359	-628	-784
changes in the fair value of open commodity and currency derivatives	129	-160	-6	161	-189	-73
capital gains and losses	0	0	0	0	0	0
other adjustments	-3	0	0	-6	0	0
EBITDA	151	256	46	297	656	1,049
depreciation, amortization and impairments	-145	-125	-147	-439	-333	-480
OPERATING PROFIT	6	130	-101	-142	324	568

Oil Products	7-9/2024	7-9/2023	4-6/2024	1-9/2024	1-9/2023	1-12/2023
COMPARABLE EBITDA	141	472	62	480	1,104	1,434
inventory valuation gains/losses	-94	136	-18	-64	56	-43
changes in the fair value of open commodity and currency derivatives	12	-6	3	6	-37	-25
capital gains and losses	0	-1	0	2	5	5
other adjustments	46	0	0	45	0	4
EBITDA	104	602	46	469	1,128	1,375
depreciation, amortization and impairments	-87	-75	-70	-232	-220	-307
OPERATING PROFIT	17	527	-24	237	908	1,068

Marketing & Services	7-9/2024	7-9/2023	4-6/2024	1-9/2024	1-9/2023	1-12/2023
COMPARABLE EBITDA	32	42	24	78	94	118
inventory valuation gains/losses	0	0	0	0	0	0
changes in the fair value of open commodity and currency derivatives	0	0	0	0	0	0
capital gains and losses	0	0	0	0	0	0
other adjustments	0	0	0	-1	0	-1
EBITDA	32	42	24	78	93	117
depreciation, amortization and impairments	-7	-7	-7	-22	-22	-33
OPERATING PROFIT	25	34	17	56	71	84

Others	7-9/2024	7-9/2023	4-6/2024	1-9/2024	1-9/2023	1-12/2023
COMPARABLE EBITDA	9	-6	-1	16	-5	-2
inventory valuation gains/losses	0	0	0	0	0	0
changes in the fair value of open commodity and currency derivatives	0	0	0	0	0	0
capital gains and losses	0	2	0	0	2	2
other adjustments	0	0	0	-7	5	5
EBITDA	9	-4	-1	9	2	5
depreciation, amortization and impairments	-8	-13	-13	-33	-35	-46
OPERATING PROFIT	1	-17	-14	-24	-32	-41

RECONCILIATION BETWEEN COMPARABLE EBITDA AND COMPARABLE NET PROFIT

	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
COMPARABLE EBITDA	293	1,047	1,084	2,661	3,458
depreciation, amortization and impairments	-247	-220	-726	-609	-866
items in depreciation, amortization and impairments affecting comparability	0	0	0	0	0
total financial income and expenses	-27	-51	-88	-77	-86
income tax expense	-4	-79	-7	-154	-160
non-controlling interests	0	-1	0	-3	-3
tax on items affecting comparability	1	-22	-31	-110	-128
COMPARABLE NET PROFIT	16	674	232	1,708	2,216

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

	30 Sep 2024	30 Sep 2023	31 Dec 2023
COMPARABLE EBITDA, LAST 12 MONTHS	1,881	3,555	3,458
depreciation, amortization and impairments	-983	-769	-866
items in depreciation, amortization and impairments affecting comparability	0	2	0
financial income	56	33	45
exchange rate and fair value gains and losses	-16	-19	-9
income tax expense	-13	-202	-160
tax on other items affecting comparable ROACE	-68	-146	-145
Comparable net profit, net of tax	857	2,454	2,324
Capital employed average	12,233	11,065	11,514
Assets under construction average	-1,557	-2,035	-1,789
COMPARABLE RETURN ON AVERAGE CAPITAL EMPLOYED, AFTER TAX (COMPARABLE ROACE), %	8.0	27.2	23.9

RECONCILIATION OF EQUITY-TO-ASSETS RATIO, %

	30 Sep 2024	30 Sep 2023	31 Dec 2023
Total equity	7,543	8,091	8,463
Total assets	16,050	16,400	15,983
Advances received	-64	-35	-39
EQUITY-TO-ASSETS RATIO, %	47.2	49.4	53.1

RECONCILIATION OF NET WORKING CAPITAL IN DAYS OUTSTANDING

	30 Sep 2024	30 Sep 2023	31 Dec 2023
Operative receivables	1,682	1,871	1,788
Inventories	3,446	3,839	3,366
Operative liabilities	-2,724	-3,193	-2,581
Net working capital	2,403	2,518	2,573
Revenue, last 12 months	21,370	23,185	22,926
NET WORKING CAPITAL IN DAYS OUTSTANDING	41.0	39.6	41.0

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

	30 Sep 2024	30 Sep 2023	31 Dec 2023
CHANGES IN GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT			
Opening balance	8,467	7,140	7,140
Additions	1,593	1,545	2,160
Acquisitions	0	176	176
Depreciation, amortization and impairments	-726	-609	-866
Disposals	-32	-31	-83
Translation differences	-23	21	-60
Closing balance	9,278	8,241	8,467
COMMITMENTS			
Commitments to purchase property, plant and equipment, and intangible assets	640	593	710
Other commitments	6	7	8
Total	645	600	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

	30 Sep 2024	30 Sep 2023	31 Dec 2023
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES			
Opening balance	58	63	63
Share of profit (loss) of associates and joint ventures	-5	6	1
Share of other comprehensive income of investments accounted for using the equity method	0	1	-4
Translation differences	0	0	-1
Closing balance	52	69	58

7. INTEREST-BEARING NET DEBT AND LIQUIDITY

	30 Sep 2024	30 Sep 2023	31 Dec 2023
INTEREST-BEARING NET DEBT			
Non-current interest-bearing liabilities ¹⁾	4,190	2,841	3,487
Current interest-bearing liabilities ²⁾	830	808	581
Interest-bearing liabilities	5,020	3,650	4,068
Current investments	0	0	-5
Cash and cash equivalents	-922	-1,430	-1,575
Liquid funds	-922	-1,430	-1,580
Interest-bearing net debt	4,098	2,220	2,488

¹⁾ Including EUR 841 million of lease liabilities at 30 Sep 2024 (30 Sep 2023 EUR 744 million, 31 Dec 2023 EUR 768 million)

²⁾ Including EUR 213 million of lease liabilities at 30 Sep 2024 (30 Sep 2023 EUR 193 million, 31 Dec 2023 EUR 199 million)

	30 Sep 2024	30 Sep 2023	31 Dec 2023
LIQUIDITY, UNUSED COMMITTED CREDIT FACILITIES AND DEBT PROGRAMS			
Liquid funds	922	1,430	1,580
Unused committed credit facilities	1,650	1,900	1,900
Total	2,572	3,330	3,480
In addition: Unused commercial paper program (uncommitted)	6	154	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.

	30 Sep 2024		30 Sep 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	750	23	250	-5	550	26
Non-hedge accounting	0	0	0	0	0	0
Currency derivatives						
Hedge accounting	2,870	46	3,053	-49	2,861	48
Non-hedge accounting	2,418	27	2,080	-30	1,849	14

	30 Sep 2024			30 Sep 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	37	27	93	19	48	-200	0	24	79
Purchase contracts									
Non-hedge accounting	3,466	12	-9	2,772	45	-14	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 September 30, 2024

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		5	126	131	131			5
Derivative financial instruments		30		30	30		30	
Other financial assets	32	9		41	41			41
Current financial assets								
Trade and other receivables ¹⁾			1,608	1,608	1,608			
Derivative financial instruments	58	200		258	258	74	184	
Current investments				0	0			
Cash and cash equivalents			922	922	922			
Financial assets	90	244	2,657	2,991	2,991			
Non-current financial liabilities								
Interest-bearing liabilities			4,190	4,190	4,185	2,110	2,075	
Derivative financial instruments	5	1		6	6		6	
Other non-current liabilities ¹⁾		14	18	32	32			14
Current financial liabilities								
Interest-bearing liabilities			830	830	830		830	
Derivative financial instruments	12	89		102	102	43	58	
Trade and other payables ¹⁾		13	2,642	2,656	2,656			13
Financial liabilities	18	117	7,680	7,815	7,810			

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.

	30 Sep	30 Sep	31 Dec
	2024	2023	2023
Transactions carried out with joint ventures and other related parties			
Sales of goods and services	434	206	260
Purchases of goods and services	448	203	256
Financial income and expenses	4	4	5
Receivables	152	153	145
Liabilities	11	14	9

10. CONTINGENT LIABILITIES

	30 Sep	30 Sep	31 Dec
	2024	2023	2023
Contingent liabilities			
On own behalf for commitments			
Real estate mortgages	26	26	26
Other contingent liabilities	22	26	24
Total	47	52	50
On behalf of joint arrangements			
Pledged assets	118	110	114
Total	118	110	114
On behalf of others			
Guarantees	1	1	1
Total	1	1	1
Total	166	163	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