

Fueling the future of sustainable transport in Denmark

NESTE

Driven by our purpose

**WE ARE
4,400**
dedicated
professionals
committed to
our purpose

We have been
selected as the
world's
**3RD MOST
SUSTAINABLE
COMPANY**

**WE REACHED
1,962 M€***
comparable
operating profit of
which
82%* came from our
renewables

*Figures at the end of year 2019.

NESTE

Our strategic priorities

Our climate targets

1. To help reduce our customers' greenhouse gas emissions by at least 20 million tons annually by 2030

2. To reduce the carbon footprint of our own production ahead of EU's climate and energy targets

Increase innovation

Scale up faster and bolder

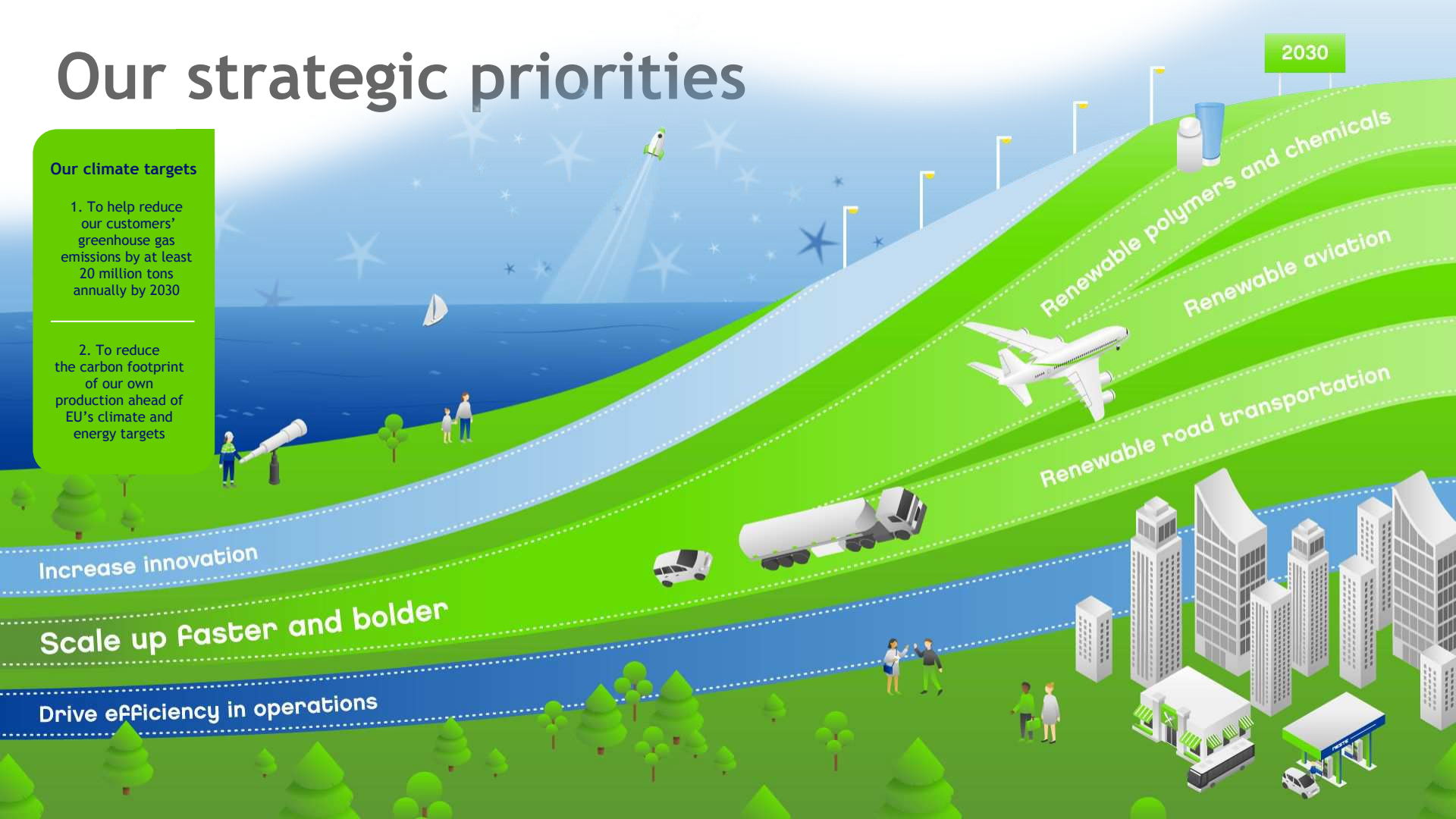
Drive efficiency in operations

2030

Renewable polymers and chemicals

Renewable aviation

Renewable road transportation





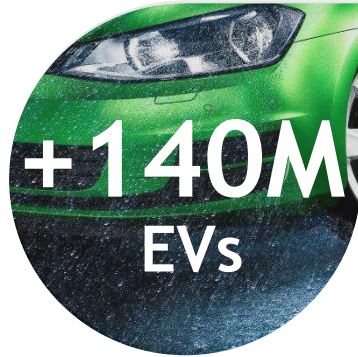
RENEWABLE ROAD TRANSPORTATION

In 2019, Neste's renewable products helped customers to reduce greenhouse gas emissions by a total of 9.6 million tonnes or the removal of 3.5 million passenger cars from the roads for a full year

Growing trend in global road transportation towards 2030



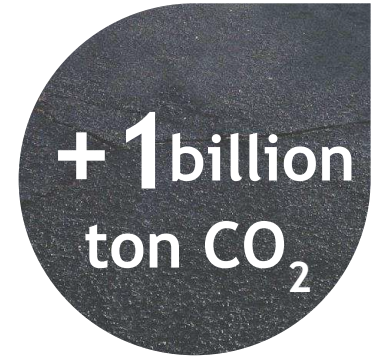
Road
transportation
fuel demand



Still less than
10% of all
passenger cars



Heavy-duty
transportation
diesel demand +15%



Road use ~80%
of transportation
emissions

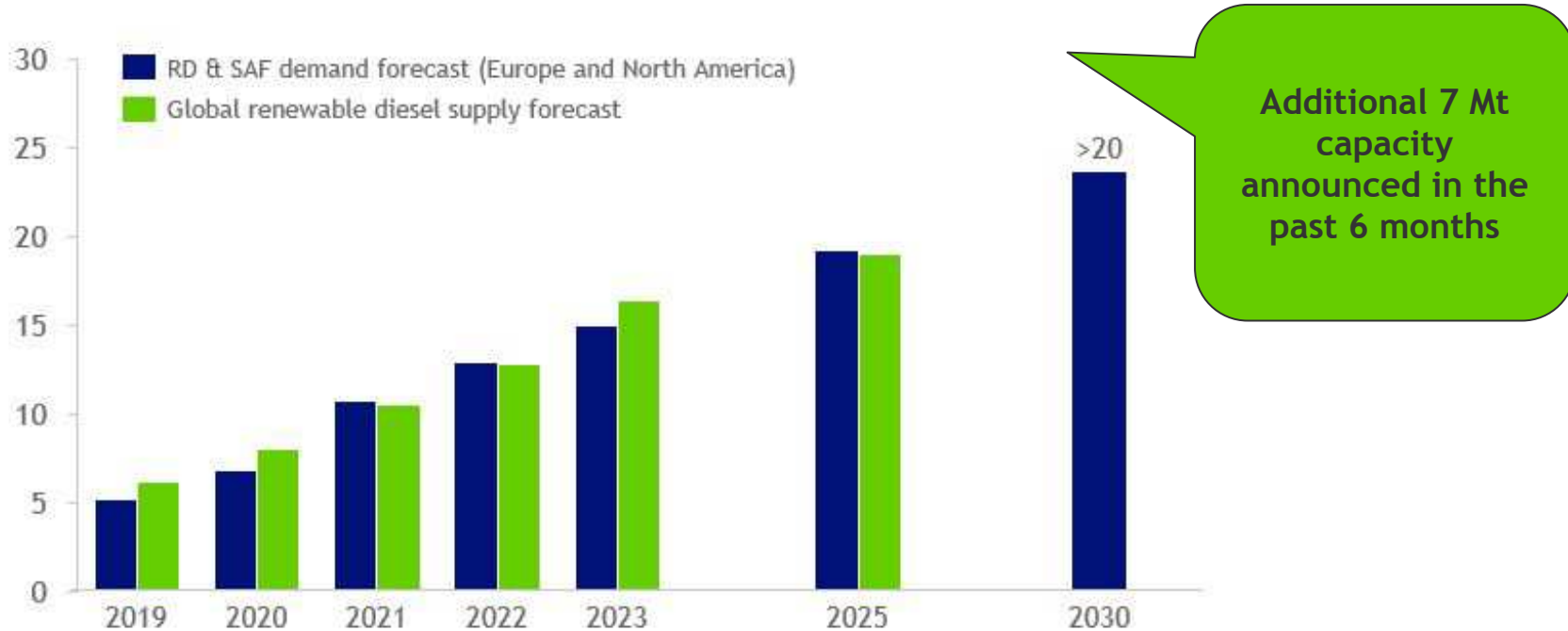
Note: all figures compared to 2018
Sources: WoodMackenzie, OECD, IEA, EIA

Global renewable diesel demand is expected to exceed 20 Mton by 2030

Estimated demand, Mton/a



In the mid-term the RD supply exceeds the demand

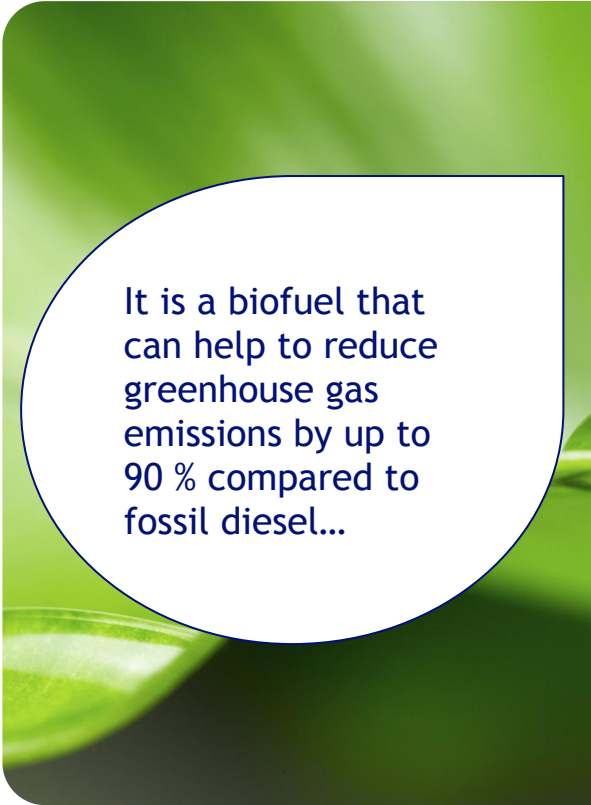


Source: RD supply forecast based on projects currently announced - a number of projects still subject to final investment decision
Demand forecast based on Neste analysis of existing and proposed regulation

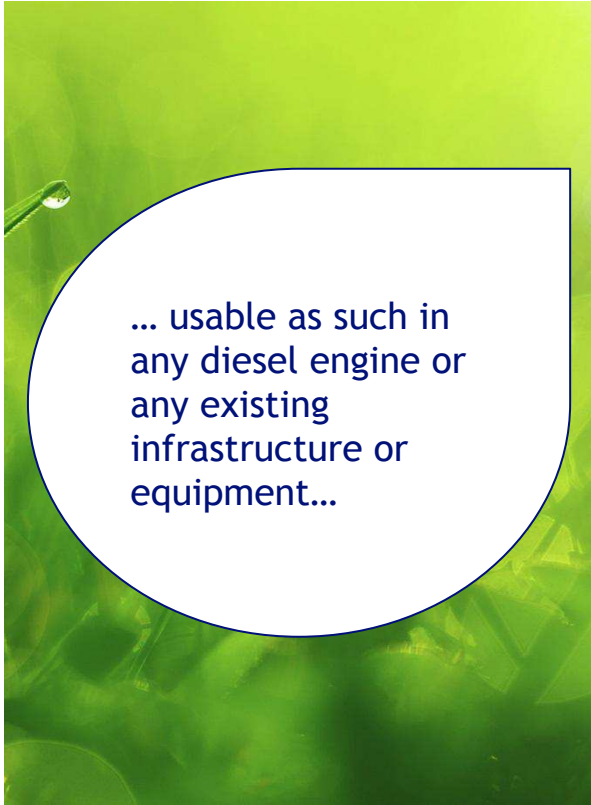
Our solution: Neste Renewable Diesel



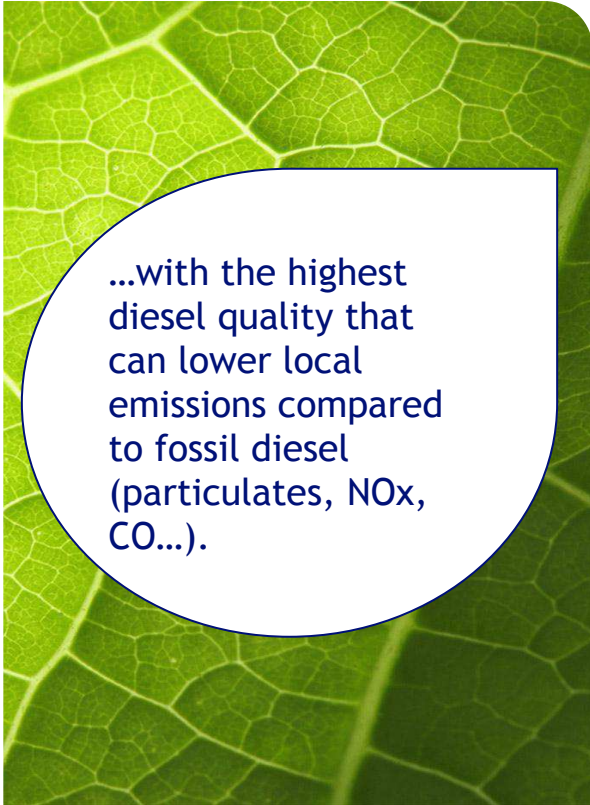
Neste Renewable Diesel in 3 points



It is a biofuel that can help to reduce greenhouse gas emissions by up to 90 % compared to fossil diesel...

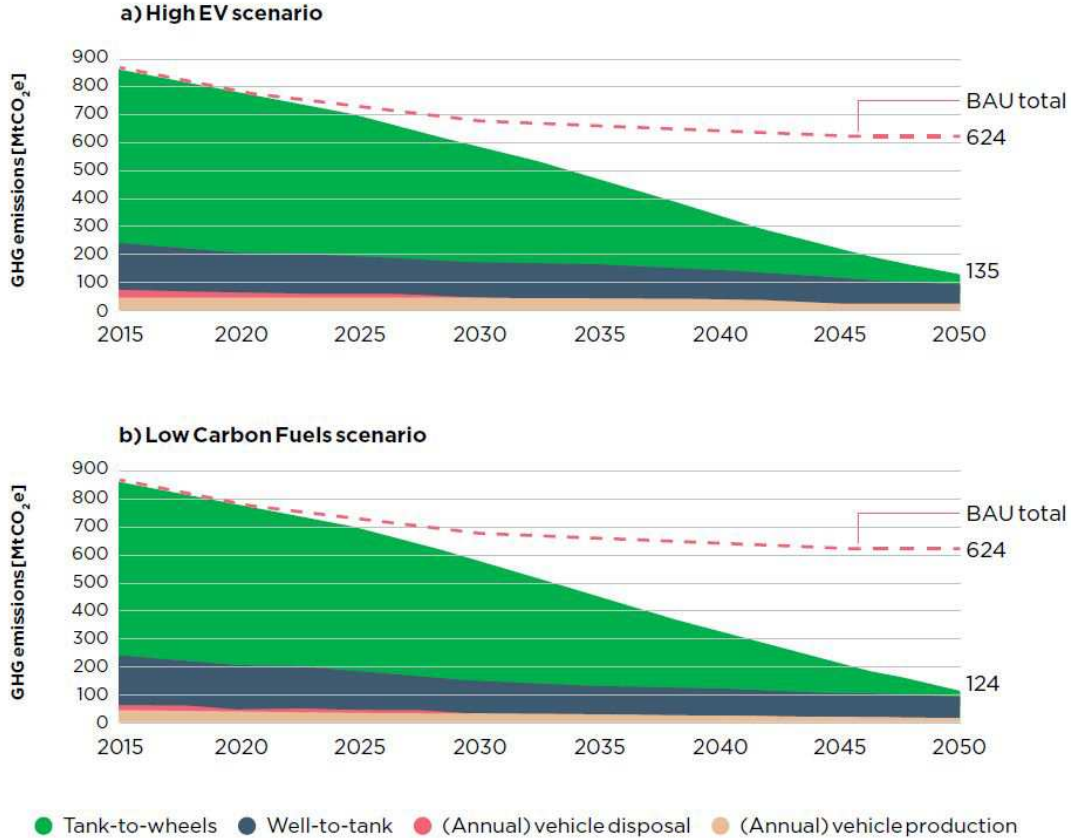


... usable as such in any diesel engine or any existing infrastructure or equipment...



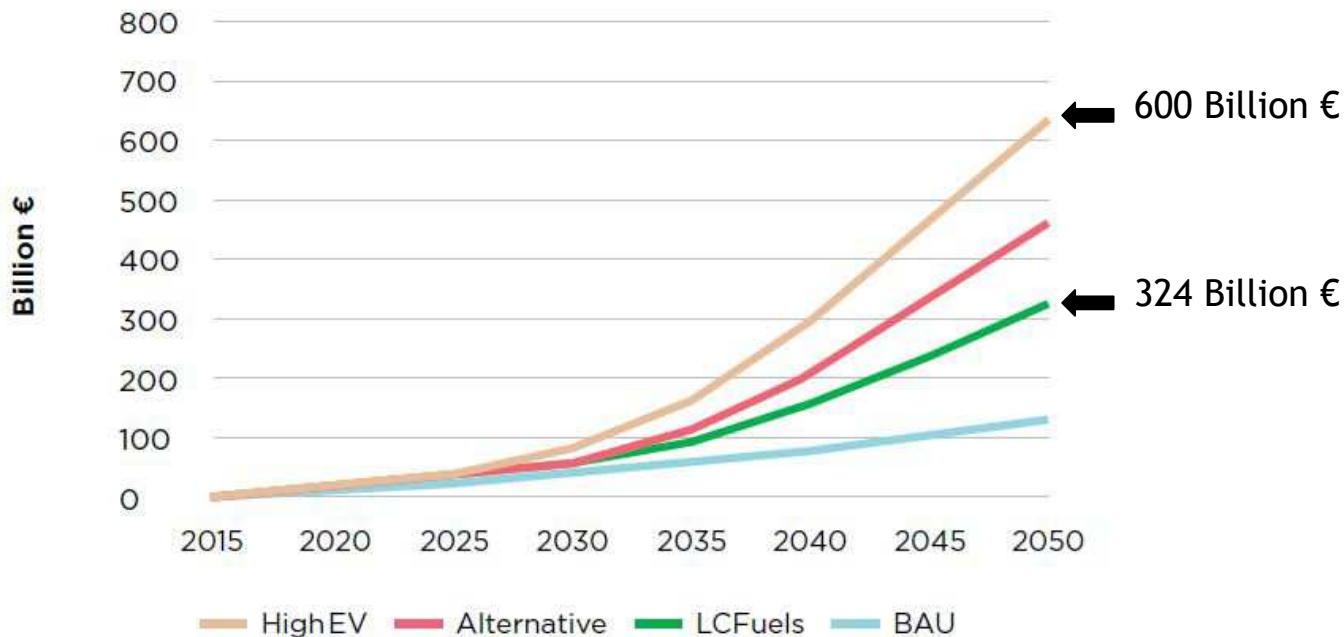
...with the highest diesel quality that can lower local emissions compared to fossil diesel (particulates, NO_x, CO...).

Concawe: a low-carbon fuels scenario in EU provides the same CO2 reduction as a high EV scenario...



... but at half cost to society.




Kostnadsjämförelse mellan scenario hög elektrifiering och scenario hög andel biodrivmedel








High ambition level to reduce emissions in the Nordics



NORDICS

Mandate obligations		2020	2030
	Norway ¹	20%	40% *Ambition
	Sweden ²	21%	65.7% *Ambition
	Finland ³	20%	30%

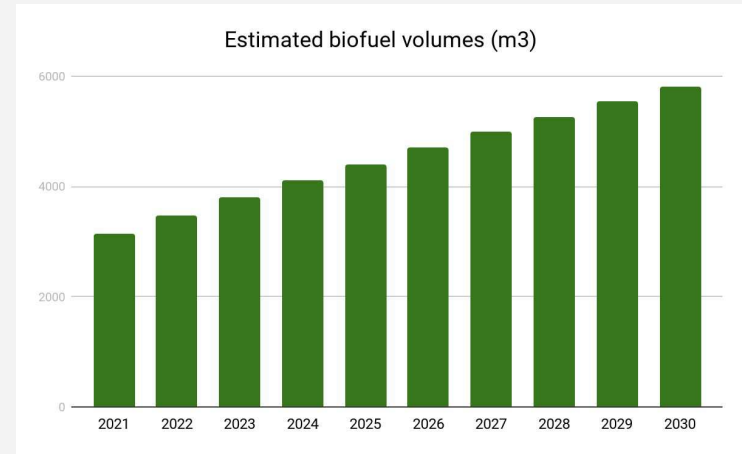
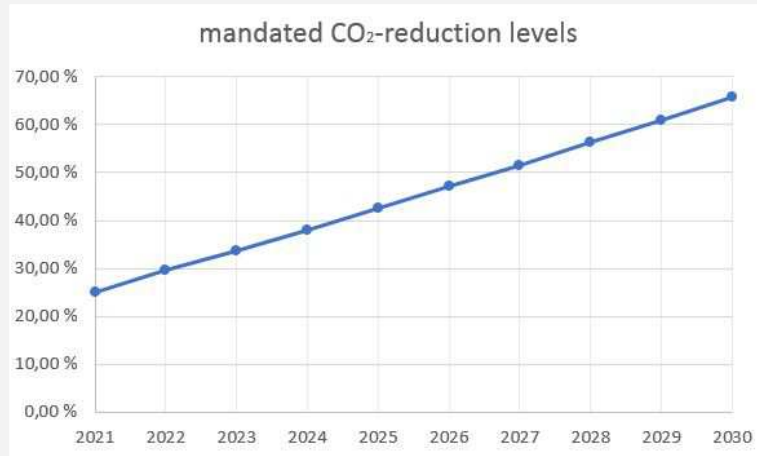
REST OF EUROPE

		2020 Mandate	2030 Ambition
	France ^{3,4}	8%	15%
	Italy ^{3,4}	9%	22%
	Netherlands ³	16.4%	1.4 Mton
	Spain ^{3,4}	8.5%	28%
	EU RED II ⁴		14%

1) Volumetric mandate. 2) GHG reduction mandate for diesel. 3) Energy content based mandate. 4) 2030 ambition for renewables share for road and rail

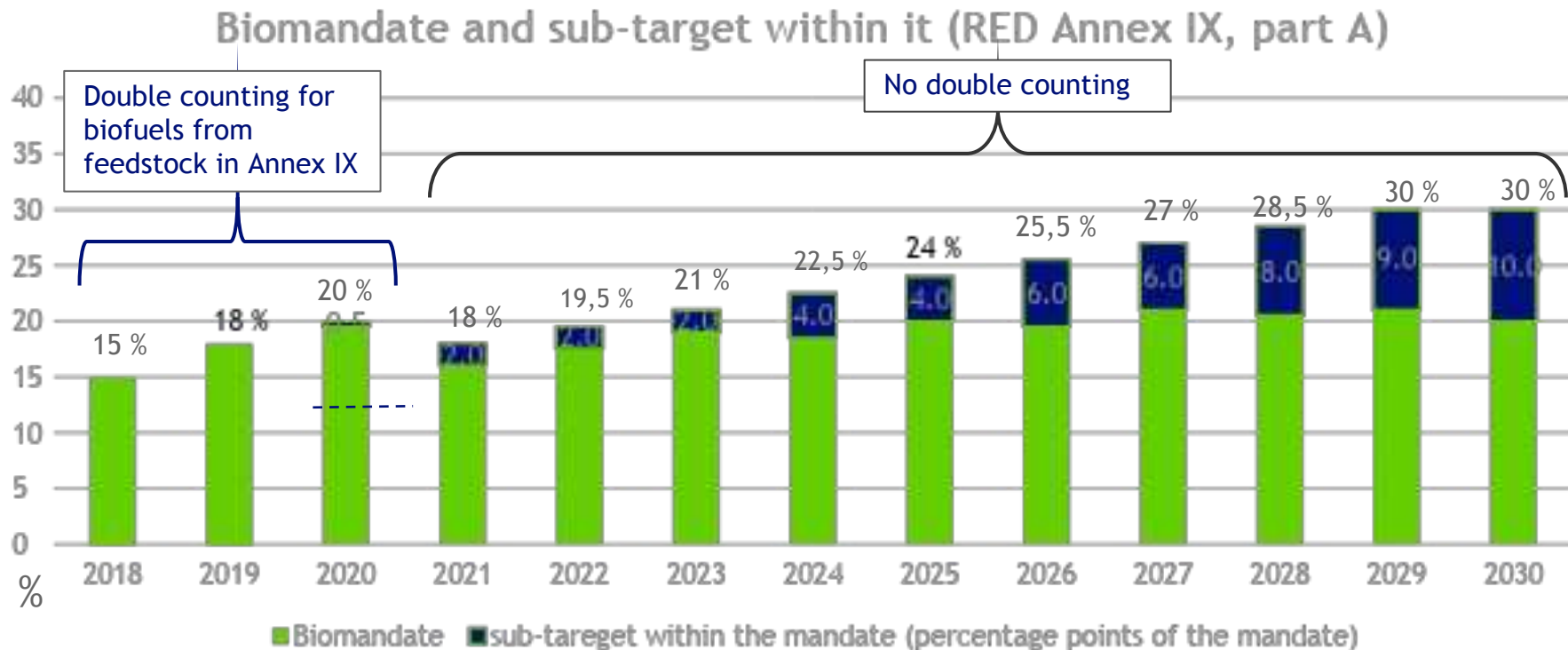
Progressive climate targets make way for biofuels in Sweden

Renewable diesel demand is set to grow above 3 Mt by 2030.



Finnish liquid biofuels mandate for on-road 2021-2030

(This is law! - adopted by the Finnish parliament on 6 Feb 2019)



A view from an airplane window looking out over a runway. The wing of the plane is visible on the left side of the frame. The runway is paved and has yellow markings. In the background, there is a line of trees under a blue sky with white clouds.

RENEWABLE AVIATION

We have moved from feasibility to execution.
Capacity of sustainable aviation fuel has been
ramped up to 100,000 tons

SAF is an available, easy to use means for Aviation to reduce GHG emissions

- Made from renewable raw materials
- Quality & performance comparable to fossil jet
- Burns clean, less particle emissions
- Commercially available and in use
- Drop-in solution with existing infrastructure/aircraft
- Produced in Europe & US → more capacity under construction & planned
- 7 approved production pathways & more to come

Over the lifecycle,
Neste MY
Renewable Jet
Fuel in neat form
**reduces GHG
emissions up to
80%** compared to
fossil fuels

Neste's SAF is in use on a commercial basis around the world

SAN FRANCISCO

Alaska Airlines
American Airlines
JetBlue

Signature

OEMs
Airbus

SWEDEN & NORWAY

SAS
Lufthansa
KLM
Others

NETHERLANDS

KLM

UK

Signature

FRANCE

EBACE

SWITZERLAND

World Economic Forum,
Zurich Airport
(with Jet Aviation)

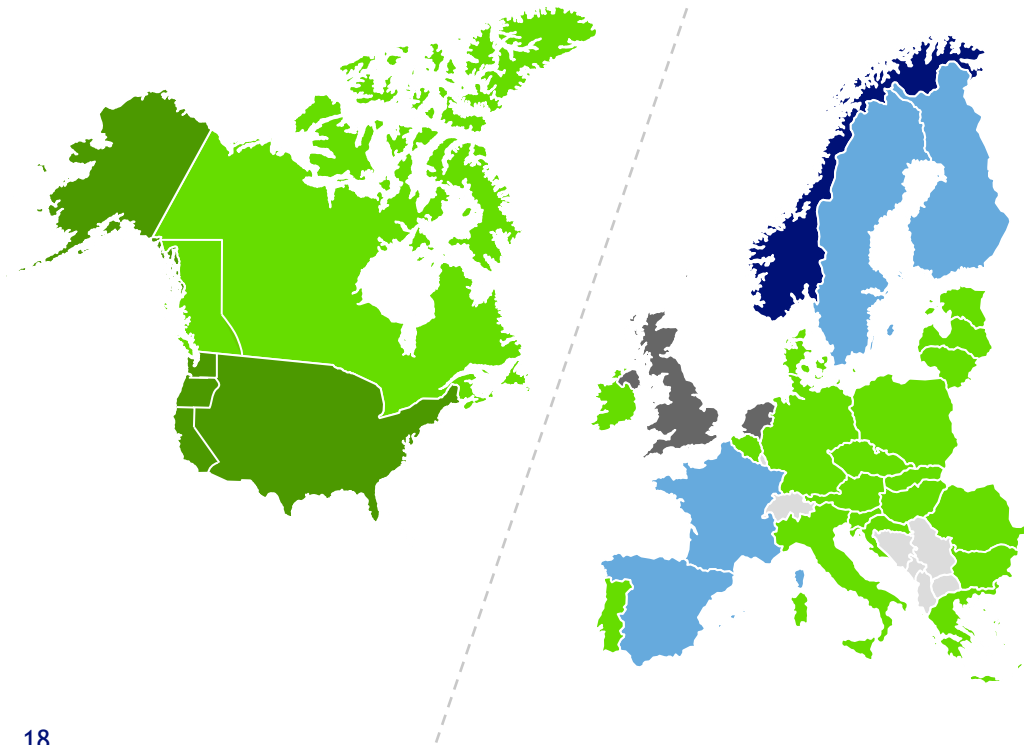
FINLAND

Finnair

GERMANY

Lufthansa
Airbus

Regulatory changes starting to happen - creating sustainable fuel demand



AVIATION SPECIFIC BLENDING OBLIGATIONS:

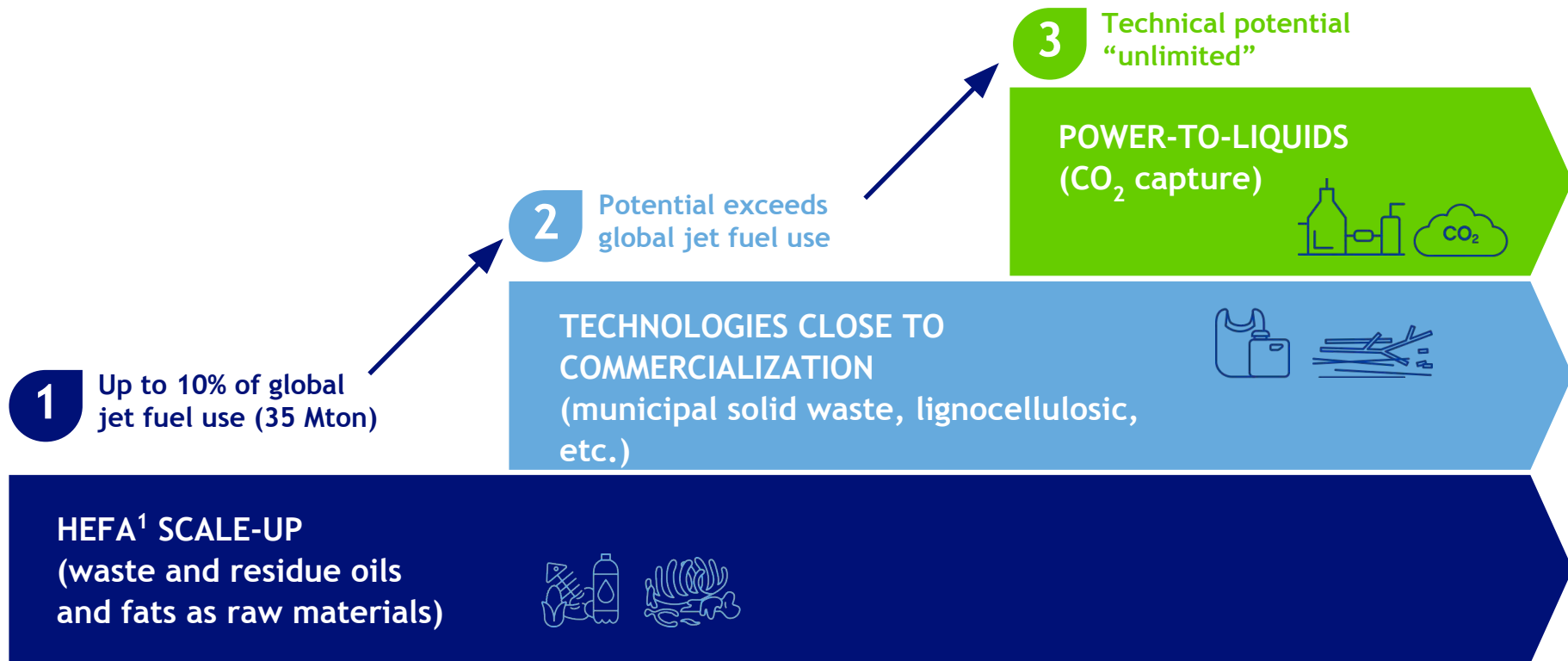
- Provide demand certainty
- Not cannibalizing road side market

OPT-IN INCENTIVE SCHEMES:

- Enable fast scale up of SAF demand

- Mandate introduced in 2020
- Plans to introduce a mandate in the future (2021-2025) & Aviation opt-in for road transport mandates in place
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- Aviation opt-in for road transport mandates in place
- Opt-in schemes to be implemented from 2021 onwards (e.g. EU RED II and Canada Clean Fuel Standard)

SAF scale up will proceed in cumulative waves, as new production pathways are commercialised



Source: Neste estimates

¹ HEFA = Hydroprocessed Esters and Fatty Acids

Renewable raw materials

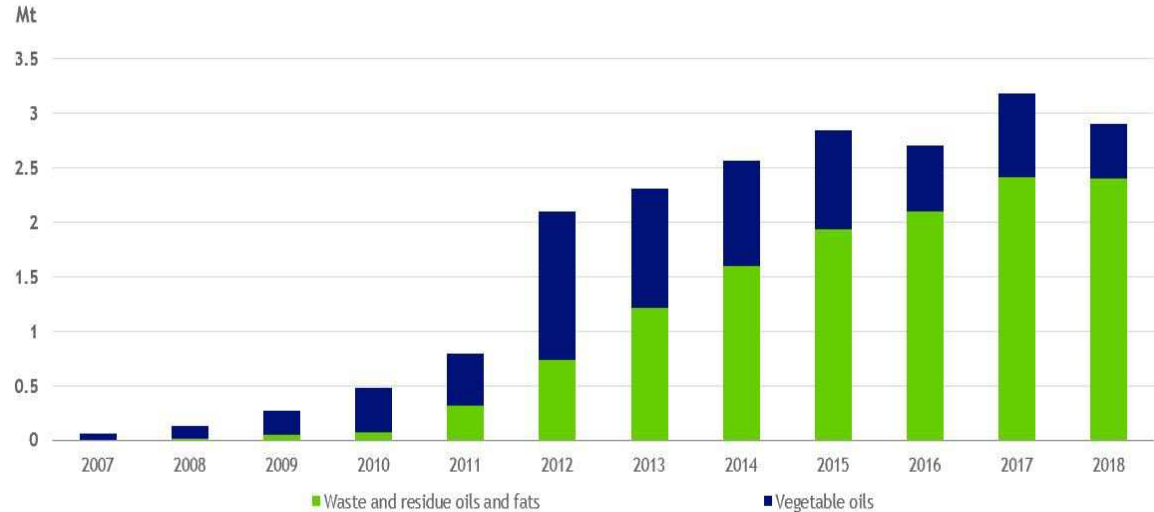
Increasing volumes and share of waste and residues

> 80%

WASTE AND RESIDUES

< 20%

VARIOUS VEGETABLE OILS



We are set to become a global leader in renewable and circular solutions with a strong focus on innovation

CARBON SOURCES



Power-to-X



In March 2020 Neste acquired a minority stake in the German cleantech company **Sunfire GmbH**, a leading developer of Power-to-X solutions.

The key technology in the Power-to-X platform is electrolysis. It enables the production of emission-free renewable hydrogen and conversion of CO₂ into fuels, chemicals and materials.

Neste is ready to help Denmark achieve its ambitious climate targets in the transport sector

- Today our renewable solutions are produced at refineries in Porvoo, Rotterdam, and Singapore.
- Neste is increasing its renewable products production capacity in Singapore. The EUR 1.4 billion investment will increase Neste's renewable products production capacity by 1.3 million ton/a, bringing the **total global renewable product capacity close to 4.5 million ton/a in 2022**. The extended refinery is expected to start operations in early 2023, and further production expansion projects are under review, notably at Rotterdam.
- Neste is also setting up supply chains across in order to bring **renewable products to several European markets and airports**. In addition to Neste, other companies are also entering the market or ramping up their production.
- Denmark is well positioned to take a leading role in decarbonizing the transport sector. Global renewable diesel supply is set to grow and Neste is ready to serve the Danish market.

A long wooden pier extends from the foreground into the distance, leading towards the horizon over a calm, light blue sea. The sky is clear and bright. The pier has dark wooden railings on both sides. In the far distance, a small structure is visible on the pier.

Our promise:

We will help our customers reduce their greenhouse gas emissions by at least 20 million tons every year by 2030.

Our promise:

Our own production will be Carbon neutral by 2035.



Thank you!