

**St1 Nordic Corporation****Admission to trading on First North Bond Market Helsinki****EUR 100,000,000 Fixed Rate Notes due 2019****guaranteed by St1 Oy, St1 Energy Oy, St1 Biofuels Oy, St1 Sverige AB and St1 Norge AS****The Notes are represented by units in denominations of EUR 100,000**

The issuer of the senior unsecured notes described in this company description (the "**Company Description**") is St1 Nordic Corporation, incorporated under the laws of Finland (the "**Issuer**").

The Issuer has on 4 June 2014 issued senior unsecured notes with an aggregate nominal amount of EUR 100,000,000 (the "**Notes**") in accordance with the terms and conditions set out in "Terms and Conditions of the Notes" section of this Company Description. The Notes are represented by units in denomination of EUR 100,000. The rate of interest of the Notes is 4.125 per cent. per annum. The Notes are guaranteed by the Issuer's following wholly owned subsidiaries: St1 Oy, St1 Energy Oy, St1 Biofuels Oy, St1 Sverige AB and St1 Norge AS (the "**Guarantors**" and each individually the "**Guarantor**"). The Notes are issued in the Finnish book-entry securities system maintained by Euroclear Finland Ltd ("**Euroclear**") under ISIN code FI4000097191. No physical notes will be issued in respect of the Notes.

This Company Description has been prepared for the admission to trading on First North Bond Market Helsinki (the "**Listing**") of the Notes and does not constitute any offering of the Notes. The Listing is expected to take place on or about 6 June 2014.

Besides application on the First North Bond Market Helsinki, neither the Issuer, the Guarantors nor the Lead Managers (defined hereafter) have taken any action, nor will they take any action to render the public offer of the Notes or their possession, or the distribution of this Company Description or any other documents relating to the Notes requiring special measures to be taken for the purpose of public offer.

**The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("Regulation S")), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.**

The Issuer, the Notes or the Guarantors have not been assigned any credit ratings by Moody's, Standard & Poor's, Fitch or other corresponding global credit rating agency.

Investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes are discussed under "*Risk Factors*" below.

*Lead Manager and Certified Adviser**Lead Manager and Issuing Agent*

## FIRST NORTH DISCLAIMER

First North Bond Market is an alternative marketplace operated by an exchange within the NASDAQ OMX group. Issuers on First North Bond Market are not subject to the same rules as Issuers on the regulated main market. Instead they are subject to a less extensive set of rules and regulations. The risk in investing in an Issuer on First North Bond Market may therefore be higher than investing in an Issuer on the main market. At least during the application process Issuers - except for Issuers whose securities are already admitted to trading on a regulated market or a First North market - applying for admission to trading of fixed income instruments on First North Bond Market shall have a Certified Adviser who monitors that the rules are followed. The Exchange approves the application for admission to trading.

## IMPORTANT INFORMATION

In this Company Description, "St1 Nordic" refers to St1 Nordic Corporation and its subsidiaries (including the Guarantors), except where the context may otherwise require. For clarity, subsidiaries of the Issuer do not include any of the associated companies of the Issuer. All references to the "Issuer" refer to St1 Nordic Corporation and references to St1 Nordic Corporation and St1 Nordic Oy refer to the same company. "St1 Group" refers to the sister business group of St1 Nordic, which is structured under St1 Group Ltd. "Group" refers to St1 Nordic and St1 Group together.

This Company Description does not constitute a prospectus as defined in the Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") and no prospectus relating to the Notes or the listing on First North Bond Market Helsinki has been registered under any law or regulation. This Company Description has not been prepared to comply with the Prospectus Directive or the EC Commission Regulation No. 809/2004 as amended, nor with any national rules and regulations relating to prospectuses, including but not limited to the Finnish Securities Markets Act (14 December 2012/746, as amended). The Notes are offered to selected institutional investors and such offer has been made in reliance upon one or several exemption(s) from the prospectus requirements under the Prospectus Directive. The Listing of the Notes is also being made in accordance with such exemption(s) and is not being made to require a prospectus, registration measures or other similar measures (except as provided for under the rules of "First North Bond Market - Rulebook").

Danske Bank Oyj ("**Danske**") and Nordea Bank Finland Plc ("**Nordea**", together with Danske (the "**Lead Managers**")) are acting for the Issuer as the arrangers and lead managers of the Listing. Danske acts also as the Certified Adviser for the Issuer during the period for application to admission to trading and until the first day of trading on First North Bond Market Helsinki. The Lead Managers are not acting for anyone else in connection with the Listing and will not be responsible to anyone other than the Issuer for providing the protections afforded to their respective clients nor for providing any advice in relation to the Listing or the contents of this Company Description. Investors should rely only on the information contained in this Company Description. The delivery of this Company Description or any sale made hereunder shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date of this Company Description or that the information herein is correct as of any time subsequent to the date of this Company Description.

In making an investment decision, each investor must rely on their examination, analysis and enquiry of the Issuer and the Terms and Conditions of the Notes, including the risks and merits involved. The Issuer, the Guarantors or neither the Lead Managers nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors should make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Company Description or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantors or the Lead Managers. No representation or warranty, express or implied, is made by either Lead Manager as to the accuracy or completeness of the information contained in this Company Description, and nothing contained in this Company Description is, or shall be relied upon as, a promise or representation by either Lead Manager in this respect, whether as to the past or the future. The Lead Managers assume no responsibility for the accuracy or completeness of the information and, accordingly, disclaim to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Company Description or any such statement.

Nothing contained in this Company Description is, or shall be relied upon as, a promise or representation by the Issuer, the Guarantors or the Lead Managers as to the future. Investors are advised to inform themselves of any releases published by the Issuer since the date of this Company Description.

The distribution of this Company Description may, in certain jurisdictions, be restricted by law, and this Company Description may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes. The Issuer, the Guarantors and the Lead Managers expect persons into whose possession this Company Description comes to inform themselves of and observe all such restrictions. Neither the Issuer, the Guarantors nor the Lead Managers accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Notes is aware of such restrictions. In particular:

- the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, Singapore, New Zealand, South Africa or any other jurisdiction in which it would not be permissible to offer the Notes; and
- this Company Description may not be sent to any person in the aforementioned jurisdictions.

This Company Description has been prepared in English only.

The Notes are governed by Finnish law and any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

Other than as set forth in the Responsibility Statement, no representation or warranty, express or implied, is made by the Issuer, the Guarantors or either Lead Manager as to the accuracy or completeness of information contained in this Company Description.

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## RISK FACTORS

*An investment in the Notes involves a number of risks, many of which are inherent to St1 Nordic's business and could be significant. Investors considering investment in the Notes should carefully review the information contained in this Company Description and, in particular, the risk factors described below. Factors possibly affecting an investment decision are also discussed elsewhere in this Company Description. Since both the Issuer and the Guarantors are dependent on the performance of St1 Nordic, the following risk factors relate to St1 Nordic as a whole, rather than only to the Issuer or any of the Guarantors. Should one or more of the risk factors described herein materialise, it may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes. As a result, investors may lose part or all of their investments. The following description is a summary of certain risk factors that may affect the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes or that are material in order to assess the market risk associated with the Notes. This description is based on information known and assessed at the time of preparing this Company Description, and, therefore, the description of the risk factors is not necessarily exhaustive. St1 Nordic also faces many of the risks inherent to the fuel and energy production and sale, and additional risks not currently known or not currently deemed material may also impair St1 Nordic's business, financial condition, results of operations and prospects. The market price of the Notes could decline due to the realisation of these risks, and investors could lose a part or all of their investment. Potential investors should note that the order in which the risk factors are presented does not reflect the probability of their realisation or order of importance.*

### **Risks Relating to Macroeconomic Conditions**

#### ***Uncertain global economic and financial market conditions could adversely affect St1 Nordic's business, financial condition, results of operations and prospects***

During the last few years the uncertain global economic and financial market conditions have had an adverse effect on general business conditions, increased unemployment and lowered business and consumer confidence. Despite the aggressive measures taken by various governmental and regulatory authorities as well as central banks around the world, the economic recovery has been slow. The general economic and financial market conditions in Europe and other parts of the world have repeatedly undergone significant turmoil due to, among other factors, the on-going sovereign debt crisis in certain European countries.

The market uncertainties and disruptions as well as credit restrictions and geopolitical tensions in oil-producing countries, together with high prices have resulted in turbulence on oil market and swings in prices. It is typically difficult to predict as to when the oil markets will stabilise, as the oil markets are impacted by macro movements of the financial markets and many other factors, including the stock, bond and derivatives markets as well as currency fluctuations and measures taken by various governmental and regulatory authorities and central banks, over which the Issuer has no control.

St1 Nordic could be impacted by the uncertainty in the global economy and financial markets. The current uncertainty and lack of visibility in the financial markets and macroeconomic conditions have in general adversely affected access to financing and increased the cost of capital. Developments in the global economy have a direct effect on St1 Nordic's business and a major global recession would significantly affect, among other things, global fuel purchase volumes. Ongoing sovereign debt crises, potential further adverse developments in macroeconomic conditions and continued uncertainty in the global financial markets could adversely affect St1 Nordic's asset values, future cost of debt and access to bank and capital market financing which could, in turn, have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

#### ***Negative economic developments and conditions in the countries in which St1 Nordic operates may adversely affect St1 Nordic's operations and customers***

St1 Nordic operates in three countries, Finland, Sweden and Norway. The economies of these countries have, to some extent, been adversely affected by the uncertain global economic and financial market conditions. Economic slowdown or a recession, regardless of its depth, or any other negative economic developments in Finland, Sweden and Norway may affect St1 Nordic's business in a number of ways, including among other things, the income, wealth, liquidity, business and/or financial condition of St1 Nordic, or its customers and its suppliers. Further, possible weakness in the global economy may reduce customer demand or place additional financial stress on St1 Nordic's customers, which may negatively impact St1 Nordic's ability to collect its receivables fully or in a timely manner, which in turn could require St1 Nordic to contribute additional capital or obtain alternative financing to meet its obligations under any financing arrangements. Further, St1 Nordic may not be able to utilise the opportunities created by the economic

fluctuations and St1 Nordic may not be able to adapt to a long-term economic recession or stagnation. Materialisation of any of the above risks may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

## **Risks relating to St1 Nordic's Business Operations**

### ***Competition in the traffic fuel retail market may have an adverse effect on St1 Nordic's operations***

St1 Nordic may face significant competitive pressure from other participants in the market resulting in pricing pressure, lower sales and reduced margins, which could have a material adverse effect on St1 Nordic's business, results of operations or financial condition. The fact that St1 Nordic operates not only in retail and direct sales in three different markets (Finland, Sweden and Norway), but also operates in the renewable fuels market, to some extent mitigates these risks. Prolonged unhealthy competition in the traffic fuel retail market may reduce the profitability of St1 Nordic's business in the future and, therefore, may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

### ***Intra-group dependencies may adversely affect St1 Nordic's operations***

The Issuer has limited income and a significant part of the Issuer's income derives from dividends distributed by its subsidiaries. The Issuer is dependent on the capacity of St1 Nordic as a whole to generate earnings and distribute these in accordance with the plan for distribution prepared by the Issuer, and on the capacity of the Guarantors and other subsidiaries to pay interest, principal and any other amounts under the loans provided by the Issuer to the companies of St1 Nordic. Significant changes in the financial situation of any Guarantor or other subsidiaries within the Group may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

### ***The overall corporate structure and concentrated ownership may have an adverse effect on St1 Nordic and interests of the owners of the Issuer may not align with the interest of the holders of the Notes***

St1 comprises two business groups: St1 Nordic and St1 Group. The ultimate parent of both of the business groups is Keele Oy. The business groups share management and financial administration resources. In potential financial distress, management may favour a more viable sub-group, or more management time might be required for the other sub-group under financial distress. Further, in potential financial distress the ultimate owner may favour the other sub-group over the other. The current owners of the Issuer have limited capacity to support and capitalise the companies in St1 Nordic due to the size and overall financing needs of St1 Nordic in its entirety. If St1 Nordic faces a high level of competition, interests of the owners of the Issuer may not align with the interests of the holders of the Notes (the "Noteholders"). The companies within the Group also conclude agreements with each other as a part of their ordinary business. Except for the transfer of St1 Energy AB's fuel marketing business to St1 Sverige AB which shall be made by using the book value, all related party transactions within the Group have been made on arm's length terms. Materialisation of any of the risks above may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

### ***Significant or prolonged changes in the demand of St1 Nordic's products may have an adverse effect on St1 Nordic***

The most significant portion of St1 Nordic's turnover consists of retail and wholesale sales of liquid fuels for traffic and heating (in 2013 liquid fuels represented more than 99% of the sales of St1 Nordic). Historically, the demand for these products has not been subject to sudden, drastic changes. Taking into account St1 Nordic's line of business and products, factors that might affect St1 Nordic's turnover include decisions by governments or authorities, relating to the combination, subsidising and taxation of various forms of energy, general economic trends and, with regard to heating oil, regionally prevailing temperatures. Further, political and financial aspects and changes in legislation relating to the business conducted by St1 Nordic may affect demand of St1 Nordic's products and thereby St1 Nordic's turnover. All of these factors may influence demand across the whole sector and, therefore, they may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

### ***Significant or prolonged changes in demand and supply fundamentals for raw materials, refined fuels and other energy products may have a material impact on market prices for such products, which, especially if affecting the pricing of traffic fuels, may have an adverse effect on St1 Nordic***

The market prices for crude oil and other raw materials as well as refined fuels are subject to fluctuations resulting from a variety of factors affecting demand and supply. It is not possible to precisely predict future demand and supply

trends and their impact on the prices of feedstock and refined products. Significant price fluctuations, especially if affecting the pricing of traffic fuels, may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***St1 Nordic's business may be adversely affected by failures in associated companies***

The Issuer has four associated companies such as Tuuliwatti Oy with S-Voima Oy, and North European Oil Trade Oy with Suomen Osuuskauppojen Keskuskunta. Tuuliwatti Oy produces industrial wind power in a so called Mankala model, and North European Oil Trade Oy purchases, storages and transports liquid fuels for the benefit of its shareholders. The Issuer does not exercise control over the associated companies. The associated companies are rather dependent on external financing on competitive terms and the Issuer has also undertaken certain financial commitments towards the associated companies. Should there be difficulties in the cooperation within associated companies, it could indirectly affect, among other things, the obtaining of liquid fuels, and therefore cause capitalisation needs and thus, investment costs to the Issuer. In addition, St1 Nordic has certain expectations in relation to its associated companies. These expectations may concern, for example, profits generated by the associated companies, the amount and price of fuels, electricity or services purchased or sold by the associated companies, the legislative, environmental, competitive or other circumstances in which the associated companies operate, and the terms and conditions of external financing granted to the associated companies. Especially postponement of the expected benefits in relation to the associated companies may be possible. Should any of the above risks materialise, they may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***Changes in St1 Nordic's structure and failure in post-acquisition integration or disposals may adversely affect St1 Nordic's operations***

In order to develop its businesses St1 Nordic may undertake to execute changes in its corporate structure. This is the case also with respect to the on-going simplification of the Group's structure whereupon, among other things, St1 Oy and St1 Energy Oy will merge and St1 Energy AB's fuels marketing business will be transferred to St1 Sverige AB. It is possible that the integration of merged or acquired companies would not succeed as planned, thus creating unexpected costs and shortcomings in business-related estimates. It is also possible that a creditor opposes a merger or demerger and the transaction could not be completed. To mitigate this risk, the Issuer is prepared to combine the sales and marketing businesses of St1 Sverige AB and St1 Energy AB through an asset sale. Other risks in relation to mergers and acquisitions are typically contractual or are related to handling liability and exposure to environmental liabilities. Moreover, it is not always possible to implement mergers and acquisitions plans or divestments to the desired extent as the integrational or financial objectives set for them are not always achieved. Materialisation of any of the risks above may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***The unaudited pro forma financial information may not accurately reflect the effect of transactions to St1 Nordic's business, financial condition and results of operations if transactions had been done during the periods indicated, and may not be indicative of St1 Nordic's future business, financial condition and results of operations***

The pro forma financial information attached to this Company Description has required the aggregation of the financial information related to the transfer of St1 Energy Oy through demerger, the acquisition of Sweden Marketing, advance payment related to certain land area and refinancing in order to illustrate the hypothetical impact of the transactions as discussed in more detail in Appendix 2 "*St1 Nordic's unaudited pro forma financial information*" and section "*Financial Information*" of this Company Description. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct. Further, the effects of the purchase of Sweden Marketing have not been finalised and, as a result, the final outcome of the purchase will differ from the unaudited pro forma financial information presented in this Company Description. The unaudited pro forma financial information is presented for illustrative purposes only, and it does not represent what the business, financial condition and results of operations of St1 Nordic would have been had transactions actually been done during the periods indicated and it may not be indicative of the financial condition or results of operations of St1 Nordic at any future date or for any future period.

***St1 Nordic is dependent on the financial stability of its customers and suppliers***

Should the economy further slow down, St1 Nordic's customers may face financial distress, and their demand towards St1 Nordic's products and services may weaken. If St1 Nordic loses major customers, their demand for products and services diminishes significantly or they become insolvent, this may result in a loss of income and an increase in credit losses. As regards suppliers, the risks are related to, among other things, financial stability of suppliers, delivery time

and capacity. Realisation of these customer or supplier risks may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***Problems or delays in accessing raw materials at competitive prices could have an adverse effect on St1 Nordic's business***

St1 Nordic requires feedstocks such as food residues in order to produce biofuels and other energy products. Problems or delays in accessing lower cost feedstocks, as well as fluctuations of the prices of such feedstocks, could increase the cost of obtaining raw materials, which could have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***St1 Nordic could incur substantial costs or disruptions in its business if it cannot obtain or maintain necessary permits and authorisations, and compliance with environmental laws or changes thereof may have a material adverse effect on St1 Nordic***

St1 Nordic's operations require numerous permits and authorisations under various laws and regulations. For example, some of the Group's service stations have been granted environmental permits under applicable laws and regulations. These and other authorisations and permits are subject to revocation, renewal or modification and can require operational changes, which may involve significant costs, to limit impacts or potential impacts on the environmental and/or health and safety. Further, St1 Nordic's operations and products are subject to extensive chemicals control and consumer protection laws and regulations adopted by the EU such as the EU Renewable Energy Directive. The nature of certain of St1 Nordic's businesses exposes St1 Nordic to risks of environmental costs and liabilities arising from the manufacture, use, storage, disposal, transport and sale of materials that may be considered to be contaminants when released into the environment. Liability may also arise through the acquisition or ownership or operation of properties or businesses. Therefore, any non-compliance of environmental laws or environmental hazards associated with North European Oil Trade Oy or relating to the other associated companies of the Issuer may indirectly and adversely affect St1 Nordic's business and financial condition. Further, new environmental initiatives could result in significant additional expenditures or reduction or termination of certain operations. Materialisation of these risks may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***Environmental risks, such as accidents or oil spills, may have an adverse effect on St1 Nordic's operations***

Safe and environmentally aware methods must be observed with particular care in St1 Nordic's operations to eliminate the risk of labour hazards or oil spills and the costs these entail. St1 Nordic owns or leases, directly or indirectly, approximately 716 properties spread across Finland, Sweden and Norway. These properties are mainly used as locations of service stations and, therefore, there is a significant risk of, for example, soil contamination. The Issuer systematically evaluates and monitors its environmental obligations. Environmental protection duties have been defined within the scope of legislation and the quality programmes applied by the Issuer. Notwithstanding St1 Nordic's continuous efforts to eliminate the environmental risks, the materialisation of such risks may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***St1 Nordic's business may be adversely affected by the loss of employees in key positions***

St1 Nordic's core competencies are business processes, which include sales and supply, as well as the required support functions, such as data administration, finances, human resources, real estate services, logistics, marketing and communications. St1 Nordic's operations rely on the skills, experience and performance of its employees and key managers. The amount of employees especially in the support functions is, nevertheless, relatively low and an absence of several employees could result in complications if skilled substitutes are not found. To remain competitive and able to implement its strategy, St1 Nordic will need to hire and retain sufficient numbers of highly skilled employees with expertise in all of St1 Nordic's business operations. For this purpose, St1 Nordic seeks to constantly increase the core competencies and other significant competencies of its personnel, by offering opportunities for work-related learning and training, as well as by recruiting competent personnel as needed. A portion of this competence is held by certain key persons who are of particular importance in ensuring that St1 Nordic retains and develops its competitiveness. The growth and profitability of St1 Nordic's future business activities will depend on the continued successful employment and retainment of such key employees, and St1 Nordic's continued ability to hire the required number of trained and skilled individuals. If current personnel cannot be retained or St1 Nordic fails in recruiting necessary personnel and key persons, this may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.



### ***St1 Nordic may not be insured against all potential losses***

St1 Nordic's facilities, equipment and other property could be at risk of being damaged because of events such as mechanical failures, human error and natural hazards. All of these hazards can result in loss of property, property damages, business interruption and delays. St1 Nordic carries insurance to protect against accident-related and liability risks involved in the conduct of its business operations. St1 Nordic endeavours to cover all risks with insurances for which it is sensible to do so, for financial or other reasons. These include, *inter alia*, property insurance as well as liability insurance covering all the companies within St1 Nordic. The property insurance includes also business interruption insurance for St1 Biofuels Oy's plants. Insurance policies were renewed in a bid competition with the assistance of Marsh as broker in the fall of 2011. Coverage has been assessed and contracts renewed annually since then. However, St1 Nordic's insurance may be inadequate or unavailable to protect St1 Nordic in the event of a claim or other loss, or the insurance coverage may be cancelled or otherwise terminated. Additionally, there are risks in respect of St1 Nordic's insurance coverage, and St1 Nordic may not be able to continue to obtain insurance on commercially reasonable terms or at all. St1 Nordic may face types of liabilities or losses that will not be covered by the insurance, such as liabilities for breach of contract. The amount of any liabilities may exceed St1 Nordic's policy limits and St1 Nordic may incur losses from interruption of its business that exceed or are excluded from the insurance coverage. Even a partially uninsured claim, if successful and of significant size, and the materialisation of any of the above risks may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

### ***Introduction of competing renewable fuel technologies or hybrid and electric engines may have an impact on the demand for St1 Nordic's products***

Many companies are investigating ways to develop technologies which may compete with the technologies used by St1 Nordic in the production of renewable fuels or other energy products. At the same time, vehicles powered by hybrid systems and electric engines are beginning to gain ground. The relative economy of these vehicles depends on how the electricity used is generated and how much it costs. Introduction of new renewable fuel production technologies in a manner that is more rapid than anticipated or the rapid or extensive introduction of new vehicles powered by hybrid systems and electric engines and changes in consumer preferences could have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

### ***St1 Nordic's operations may involve legal risks relating to contracts and compliance***

St1 Nordic has to comply with a wide range of laws and regulations enacted on both European and national level, most notably increasing regulations restricting competitive trading conditions, health and safety regulations, labour regulations, competition regulations, environmental regulations and corporate and tax laws. Changes in the regulatory framework and/or the loss of benefits associated with a status or an authorisation could require St1 Nordic to adapt its business activities, its assets or its strategy, possibly leading to a negative impact on its results, an increase in its expenses, and/or a slowing down or even halting of the development of its business activities. In the normal course of its business activities, St1 Nordic could be involved in legal proceedings (for instance, regarding contractual responsibility, employers' liabilities, anti-trust matters and penal issues) and is subject to tax and administrative audits. The results of these proceedings cannot be predicted with any certainty and such proceedings could result in St1 Nordic's obligation to pay the claimed amounts or fines. Alternatively, authorities could impose other sanctions on St1 Nordic. Contract and compliance risks may also arise from assumed liabilities in mergers and acquisitions. Adverse changes in the regulatory environment or non-compliance with applicable laws and regulations, possible sanctions and the failure to sufficiently protect St1 Nordic contractually may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

### ***St1 Nordic's operations are dependent on information systems, and system malfunctions may have an adverse effect on the efficiency and/or profitability of St1 Nordic's operations***

St1 Nordic's financial, human resources and certain business functions are based on information systems and on St1 Nordic's ability to operate them efficiently and to introduce new technologies, systems as well as safety and back-up systems. St1 Nordic's operations are further dependent on the integrity, safety and stable operation of its information systems. St1 Nordic seeks to manage the risks related to information systems through measures such as duplicating critical information systems and data communications links, paying attention to the choice of partners and standardising the work station models, software and information security practices used in St1 Nordic. The operation of St1 Nordic's information systems may be interrupted because of, among other things, power cuts, computer or telecommunication errors, computer viruses, defaults by IT suppliers, crime targeted at information systems or major disasters, such as fires or natural disasters, as well as user errors committed by St1 Nordic's own staff. Material interruptions or serious errors in the operation of the information systems may considerably impair and weaken St1

Nordic. St1 Nordic may also face difficulties when developing new systems and maintaining or updating current systems in order to maintain its competitiveness. Materialisation of any of the risks above may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***St1 Nordic may not be able to protect its proprietary technology and intellectual property in all circumstances***

St1 Nordic actively uses its proprietary technology and know-how. Its technology may enable it to grow in selected special product markets through developing new higher margin products such as renewable fuels and other high quality traffic fuels. To protect its rights, St1 Nordic maintains patents and relies on a combination of trade secret and intellectual property laws and protective measures to establish and protect its proprietary rights in certain of its products, systems and services. The protective measures taken by St1 Nordic against infringements and appropriation may be inadequate as there can be no assurance that its proprietary rights will be upheld as valid or that its competitors will not develop competing technology that will not infringe St1 Nordic's proprietary rights. Further, St1 Nordic may incur costs for the establishment, protection and enforcement of its proprietary technology, brand names and trade marks. Furthermore, St1 Nordic sources liquid fuels from its associated company, North European Oil Trade Oy, non-compliance of, for example, environmental laws or regulations by the associated company could have a material adverse effect on St1 Nordic's public image and reputation and, as a result, it may have a material adverse effect on St1 Nordic's business and financial condition. Materialisation of any of the risks above and any failure to establish, manage and protect such technology, brand names and trade marks, as well as any claims or demands associated with them, may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

**Financial Risks**

***St1 Nordic is exposed to a major recession and global financial crisis***

St1 Nordic's financing operations have been concentrated in the Issuer. Despite this centralisation, a major recession and global financial crisis would increase liquidity and refinancing risks, in addition to which customer credit risks including bankruptcy and delayed payments may occur. Moreover, suppliers may require increased advance payments, and in the insolvency of a supplier, this may lead to delivery problems and/or financial losses. To mitigate these risks, the financial management of the Issuer seeks to secure sufficient funding for business operations, avoiding financial constraint at all times, to provide St1 Nordic with financial services, to manage the costs of financing, to manage financial risks (currency, interest rate, liquidity and funding, credit and operational risks) and to provide management with information on the financial position and risk exposures of St1 Nordic. Failure to mitigate these risks or a failure in the financial management's operations may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***Fluctuations in interest rates may adversely affect St1 Nordic's earnings and balance sheet***

Fluctuations in interest rates can affect St1 Nordic's business. Fluctuations in market interest rates have an effect on consolidated interest outflows and the fair values of interest-bearing receivables, loans payable and derivative instruments. Despite St1 Nordic's active measures to manage its exposure to interest rate fluctuations, a failure to properly manage these risks may result in a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***Fluctuations in currency exchange rates may adversely affect St1 Nordic's earnings and balance sheet***

St1 Nordic's exposure to currency risk (financial risk and transaction risk) is mostly limited to the currency receivables from and liabilities to St1 Nordic's Swedish and Norwegian companies, along with the equity items of these companies. Currency risks may be managed through forward agreements. Despite St1 Nordic's active measures to manage exchange rate fluctuations, a failure to properly manage such risks and sufficiently hedge its exposure to exchange rate fluctuations may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***St1 Nordic is exposed to credit, counterparty and liquidity risks***

Changes in the general market environment and the global economy may present additional financial risks. Credit risks may arise if customers or financial counterparties are not able to fulfil their commitments towards St1 Nordic. Exceptional market conditions in the financial market, such as the recent euro crisis, might impose temporary limitations on rising new funding and lead to an increase in funding costs. Because of the nature of St1 Nordic's

business operations, the largest balance sheet items consist of trade receivables and inventories. The credit loss risk related to trade receivables is managed through a uniform lending policy and efficient debt-collection activities. The same criteria, based on the principle of prudence, are used in the valuation of trade receivables and inventories in the financial statements. Despite St1 Nordic's active measures to manage credit and counterparty risks and its liquidity position, a failure to manage these risks and St1 Nordic's liquidity position may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***St1 Nordic and/or its associated companies may not receive financing at competitive terms or at all***

Uncertainty in the financial market may mean that the price of the financing needed to carry out St1 Nordic's and/or its associated companies' business will increase and that it will be less readily available. The failure in repaying the principal or paying interests relating to the RCF (defined hereafter) or loans held by the associated companies may result in unfavourable consequences and weaken the competitive position in relation to competitors. Materialisation of these risks may have a material adverse effect on St1 Nordic's and/or its associated companies' business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

**Risks relating to the Notes**

The following risk factors are, among other things, material in order to assess the risks associated with the Notes. Words and expressions in this section shall have the meaning defined in the Terms and Conditions of the Notes.

***The Notes may not be a suitable investment for all investors***

The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must assess the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Company Description;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- (d) be able to evaluate either alone or with the help of a financial adviser possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risk.

***Possibility to forfeit interest and principle amount invested***

Should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principle amount of, the Notes in whole or in part. An investor is always solely responsible for the economic consequences of his/her investment decisions.

***Risks relating to the Guarantors and the Guarantee***

The Noteholders are exposed to a credit risk in respect of the Guarantors. The Guarantors act also as borrowers and guarantors under the RCF. Should a Guarantor become insolvent prior to the Redemption Date of the Notes, the Guarantor may be unable to fulfil its obligations under the Guarantee (defined hereafter).

Generally, the Guarantors are, subject to the specific limitations set out in the Guarantee and those imposed by applicable laws, liable for any claims of the Noteholders under the Notes pursuant to the Guarantee only. In the event the Guarantee was not valid, binding or enforceable against one or more of the Guarantors, such Guarantors would not as a rule be liable for any claims of the Noteholders in respect of the Notes.

The enforceability of the Guarantee is subject to, among other things, the debt under the Notes becoming due and payable. Pursuant and subject to the Terms and Conditions of the Notes, the Agent may (and is under certain conditions contractually obliged) to declare all of the outstanding Notes due and payable. The enforceability of the Guarantee may also be subject to a certain degree of uncertainty. A Guarantee may be unenforceable if, for example, the granting of the Guarantee is considered to be economically unjustified for the relevant Guarantor (corporate benefit requirement). Although proceeds of the Notes will be made available to the Guarantors to refinance their existing indebtedness, there can be no assurance that this is sufficient to satisfy the corporate benefit requirement. If a court was to render a judgment that any Guarantee granted in respect of the Notes was not enforceable, the Noteholders could find it difficult or impossible to recover the amounts owed to them under the Notes in whole or in part.

Furthermore, the enforceability of the Guarantee may in practice also be challenged by the fact that other creditors of the Guarantors may have credits that mature prior to the Notes becoming due and payable. If the Guarantors are not

able to fully or even partially meet claims of the Noteholders made under the Guarantee, the enforceability of the Guarantee will be impaired by the limited financial resources available in the Guarantors for such purpose. Consequently, complete invalidity or limited enforceability of the Guarantee may have an effect on the Guarantors' ability to fulfil their obligations under the Guarantee, and negatively affect the market price and value of the Notes.

### ***Unsecured Notes***

The Notes are unsecured instruments and a claim by any secured creditor of the Issuer, if any, will rank in priority of the Noteholders in so far as the claim is secured by collateral. The granting of security is restricted in the Terms and Conditions of the Notes.

### ***Active trading market for the Notes may not develop***

The Notes constitute a new issue of securities by the Issuer. Prior to the listing of the Notes, there is no public market for the Notes. Although application has been made to list the Notes on the First North Bond Market Helsinki, no assurance can be given that such application will be approved. In addition, listing of the Notes will not guarantee that a liquid public market for the Notes will develop, or, if one does, that it will be maintained. The Issuer, the Guarantors or the Lead Managers are not under any obligation to maintain such market. If an active trading market for the Notes does not develop or is not maintained, it may result in a material decline in the market price of the Notes, and the liquidity of the Notes may be adversely affected.

The liquidity and the market prices of the Notes can also be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and the Guarantors as well as many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the market price and value of the Notes.

### ***Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the interest rates***

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, benchmark rates of central banks, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security is approximately equal to the market interest rates. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to market interest rates. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

### ***Absence of rating***

The Issuer, the Guarantors or the Notes are not currently rated by Moody's, Standard & Poor's, Fitch or other corresponding global credit rating agency.

### ***The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd's operations and systems***

The Notes are issued in the book-entry securities system of Euroclear Finland Ltd ("**Euroclear Finland**"). Pursuant to the Act on Book-Entry System and Clearing Operations (14 December 2012/749, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. During the term-to-maturity of the Notes, Euroclear Finland's systems to process the Notes are likely to be changed materially due to the introduction of

the Target 2 securities platform of the European System of Central Banks. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

***No assurance on change of laws or judicial practices during the validity of the Notes***

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws (including but not limited to tax laws) and regulations governing the Notes may change during the validity of the Notes, and new judicial decisions can be given and administrative practices take place. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Company Description. Hence, if materialised, such event may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes. Such event may also cause material financial losses or damage to the Noteholders or impact the tax treatment of the interest income of the Noteholders.

***St1 Nordic may be able to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders***

The Issuer and its subsidiaries, including the Guarantors, may be able to merge, effect asset sales or otherwise effect significant transactions. Although the Terms and Conditions of the Notes contain restrictions on St1 Nordic's ability to enter into a merger, demerger and asset sale transactions, these restrictions are subject to a number of significant qualifications and exceptions. Under the Terms and Conditions of the Notes, in addition to specified permitted assets sales, the Issuer will be able to merge with its subsidiary, provided that the Issuer is the surviving entity and a Guarantor will be able to merge with a member of the Issuer's group, provided that the Guarantor is the surviving entity. Pursuant to Finnish law, however, the Noteholders may have a statutory right to oppose a merger involving the Issuer in their capacity as creditors. Further under the Terms and Conditions of the Notes, in a Demerger Event, the Noteholders have waived all statutory rights under Finnish law to oppose such demerger in their capacity as creditors, although upon such demerger, each Noteholder shall have the right to request that all of its Notes are repurchased as further set out in the Terms and Conditions of the Notes.

***St1 Nordic may incur additional debt without the consent of the Noteholders***

St1 Nordic may be able to incur additional debt in the future. Although the RCF as well as clause 11.1 (Financial Indebtedness) of the Terms and Conditions of the Notes contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and the debt incurred in compliance with these restrictions could be substantial. Under the Terms and Conditions of the Notes, in addition to specified permitted financial indebtedness and secured financial indebtedness, St1 Nordic will be able to incur additional financial indebtedness, provided that the ratio of Total Net Debt to Adjusted EBITDA does not exceed 4.0:1 and the ratio of Total Net Debt to the Issuer's consolidated shareholders' equity does not exceed 125%. Incurring additional debt permitted under the Terms and Conditions of the Notes may reduce the amount recoverable by the Noteholders upon winding-up or insolvency of the Issuer.

***Right to redeem or purchase the Notes prior to maturity***

As specified in the Terms and Conditions of the Notes, the Noteholders are entitled to demand premature repayment of the Notes in case of an Event of Default, a Change of Control Event or a Demerger Event. Such premature repayment may have a material adverse effect on St1 Nordic's business, financial condition, results of operations and prospects and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes of such Noteholders who elect not to exercise their right to get their Notes prematurely repaid as well as the market price and value of such Notes. In addition, each Noteholder, whether or not it elects to exercise its right to require the repurchase of its Notes in the case of a Demerger Event, is deemed to have waived any and all statutory rights under Finnish law to oppose the Demerger Event in its capacity as a creditor.

In addition, as specified in the Terms and Conditions of the Notes, the Issuer may at any time purchase Notes in any manner and at any price prior to maturity. Only if such purchases are made by tender, such tender must be available to all Noteholders alike. The Issuer is entitled to retain, sell or cancel the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to the Issuer in connection with such purchases may not receive the full invested amount.

Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases - whether by tender or otherwise - may have a material adverse effect on such Noteholders who do not participate in the purchases as well as the market price and value of such Notes.

Further, in case more than 75% of the aggregate principal amount of the Notes has been repaid pursuant to a demand by the Noteholders based on a Change of Control Event or a Demerger Event, the Issuer is entitled to prepay also the remaining outstanding Notes by notifying the Noteholders of such prepayment. It should be noted, that such early repayment may not be initiated by the Issuer in case of an Event of Default. Such early repayment initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

***The Issuer may not be able to finance the repurchase of Notes following the occurrence of a Change of Control Event or a Demerger Event***

Upon a Change of Control Event or a Demerger Event, the Noteholders are entitled to demand repurchase of the Notes at a price per Note equal to 101% of its nominal amount plus accrued interest to the date of repurchase. The source of funds for any repurchase required as a result of any such event include but are not limited to available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by subsidiaries of the Issuer. If a Change of Control Event or Demerger Event occurs, there can be no assurance that the Issuer will have or will be able to generate sufficient funds to repurchase the Notes that have been requested to be repurchased.

***The Issuer is not obliged to compensate for withholding tax or similar***

In the event of any withholding tax, public levy or similar is imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is neither obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of withholding tax or similar nor entitled to a premature redemption of the Notes.

***Amendments to the Notes bind all Noteholders***

The Terms and Conditions of the Notes may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The Terms and Conditions of the Notes contain provisions for Noteholders to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings can bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including such Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

***Prescription***

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void. Such prescription may incur financial losses to such Noteholders who have not claimed payment under the Notes within the prescription time of three (3) years.

***No voting rights at the Issuer's general meeting of shareholders***

The Notes carry no voting rights with respect to shareholders meetings of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

***The rights of the Noteholders depend on Agent's actions and financial standing***

By subscribing for, or accepting the assignment of, any Note, each Noteholder will appoint Nordic Trustee Oy as the Agent to act on its behalf and to perform custodial and administrative functions relating to the Notes. The Agent shall monitor the compliance by the Issuer of its obligations under the Terms and Conditions of the Notes and applicable laws and regulations which are relevant to the terms of the Notes, including supervision of timely and correct payment of principal or interest, arrange Noteholders' Meetings, and make the decisions and implement the measures resolved pursuant to Terms and Conditions of the Notes. Pursuant to the Terms and Conditions of the Notes, the Agent has the sole right and legal authority to represent the Noteholders in any legal or arbitration proceedings in all respects regarding the Notes. However, in addition to the provisions of the Terms and Conditions of the Notes and the agreement relating to the Agent, there is no specific legislation or established market practice in Finland which would govern an agent's role, appointment and performance of its duties and obligations under the Notes. A failure by an agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Noteholders due to, for example, inability to receive any or all amounts payable from the Guarantee in a timely and efficient manner. Under the Terms and Conditions of the Notes, the amounts recovered by the Agent as the

representative of the Noteholders must be held separately from the funds of the Agent to ensure that, in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Noteholders. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate. Materialisation of any of the above risks may cause material financial losses or damage to the Issuer, the Guarantors or the Noteholders and, thereby, on the Issuer's and the Guarantors' ability to fulfil their obligations under the Notes as well as the market price and value of the Notes.

***Legal investment considerations may restrict certain investments***

The investment activities of Noteholders may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Noteholder should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## NOTES AND USE OF PROCEEDS

On 4 June 2014, the Issuer issued senior unsecured Notes with an aggregate nominal amount of EUR 100,000,000 mainly to certain institutional investors. The Notes are represented by units in denominations of EUR 100,000. The rate of interest of the Notes is 4.125 per cent. per annum. The effective yield of the Notes is 4.163 per cent. per annum. The Issuer's payment obligations under the Notes are guaranteed by the Guarantors.

The estimated cost of the issue and the Listing is approximately EUR 168,000. An application has been made for the Notes to be admitted to trading on First North Bond Market Helsinki. The Listing is expected to take place on or about 6 June 2014. The Notes are issued in dematerialised form in the OM-book-entry securities system of Euroclear Finland Ltd. The ISIN Code of the Notes is FI4000097191.

The reason for the issue of the Notes is to use the proceeds for refinancing existing financial indebtedness of the Issuer and the Guarantors.

### **Guarantee**

The Guarantors irrevocably and unconditionally, subject to certain specific limitations set out in the Guarantee and those imposed by applicable laws guarantee as for their own debt to each Noteholder, the Agent and the Issuing Agent, the due and punctual payment of all present and future obligations and liabilities of the Issuer to a Noteholder in accordance with the terms and conditions of a separate guarantee document (the "**Guarantee**"). For further information of the Guarantee, see also *"Terms and Conditions of the Notes"*.

### **Agent**

The Issuer has entered into an agreement with Nordic Trustee Oy to act as Agent in this transaction. The Agent shall monitor the compliance by the Issuer of its obligations under the Terms and Conditions of the Notes and applicable laws and regulations which are relevant to the terms of the Notes, including supervision of timely and correct payment of principal or interest, arrange Noteholders' Meetings, and make the decisions and implement the measures resolved pursuant to Terms and Conditions of the Notes. The Agent is not obligated to assess the Issuer's or the Guarantors' financial situation beyond what is directly set out in the Terms and Conditions of the Notes.

The Issuer may relate to the Agent as a representative of all the Noteholders, and may reject Noteholders that make direct claims on the Issuer. In the event of conflict or a demand for renegotiation, the Issuer may discuss various options regarding procedure with the Agent in confidence.

There are no other contractual obligations between the Issuer and the Agent and to the best of the knowledge of the Board of Directors of the Issuer; the Agent does not have any conflicts of interest with respect to representation of the Noteholders *vis-à-vis* the Issuer.

See also *"Terms and Conditions of the Notes"*.

### **Public credit ratings**

The Issuer or its debt securities or the Guarantors have not been assigned any credit ratings by Moody's, Standard & Poor's, Fitch or other corresponding global credit rating agency.



## GENERAL INFORMATION AND ADMISSION TO TRADING

### **The Issuer and certain other parties**

#### **The Issuer**

St1 Nordic Corporation  
Purotie 1  
FI-00380 Helsinki, Finland

#### **The Guarantors**

St1 Oy  
Purotie 1  
FI-00380 Helsinki, Finland

St1 Energy Oy  
Purotie 1  
FI-00380 Helsinki, Finland

St1 Biofuels Oy  
Purotie 1  
FI-00380 Helsinki, Finland

St1 Sverige AB  
Box 1029  
172 21 Sundbyberg, Stockholm, Sweden

St1 Norge AS  
Olav V's gate 6  
0161 Oslo, Norway

#### **Lead Manager and Certified Adviser**

Danske Bank Oyj  
Hiililaiturinkuja 2  
P.O.Box 1541  
Helsinki  
FI-00075 Danske Bank, Finland

Danske Bank Oyj acts as Certified Adviser for the Issuer during the period for application to admission to trading and until the first day of trading on First North Bond Market Helsinki. The Certified Adviser has been approved as Certified Adviser by NASDAQ OMX Helsinki Oy.

#### **Lead Manager and Issuing Agent**

Nordea Bank Finland Plc  
Aleksis Kiven katu 9  
FI-00020 Nordea, Finland

#### **Legal Advisor to the Issuer**

Krogerus Attorneys Ltd  
Unioninkatu 22  
FI-00130 Helsinki, Finland

#### **Legal Advisor to the Lead Managers**

Attorneys at Law Borenus Ltd  
Yrjönkatu 13 A  
FI-00120 Helsinki, Finland

#### **Agent**

Nordic Trustee Oy  
Aleksanterinkatu 15B, 8th floor  
FI-00100 Helsinki, Finland

#### **The Auditor of the Issuer, St1 Oy, St1 Energy Oy and St1 Biofuels Oy**

PricewaterhouseCoopers Oy  
Itämerentori 2

FI-00180 Helsinki, Finland

**The Auditor of St1 Sverige AB**

PricewaterhouseCoopers AB  
SE-113 97 Stockholm, Sweden

**The Auditor of St1 Norge AS**

PricewaterhouseCoopers AS  
Dronning Eufemias gate 8  
NO-0191 Oslo, Norway

**Financial calendar**

Notwithstanding the provisions relating to the publication of the annual figures set out in the First North Bond Market – Rulebook, the consolidated financial statements of the Issuer for the financial year ended 31 December 2014 is expected to be published on 30 April 2015 and to be approved at the annual general meeting of shareholders on the same day. The Issuer will thereafter comply with the applicable publication requirements set out in the First North Bond Market – Rulebook. This includes publishing of the annual reports as soon as possible, however not later than within three months from the year-end, and within two months from the end of the relevant reporting period for the half-yearly reports of the Issuer. The Issuer expects to publish its first half-yearly report for the period from 1 January 2015 to 30 June 2015 on 31 August 2015.

**Reasons for the decision to apply for admission to trading on First North Bond Market Helsinki**

The Issuer considers First North Bond Market as an attractive platform ensuring the transparency of the Issuer's and St1 Nordic's operations and development. The admission to trading on First North Bond Market Helsinki will increase the interest and awareness of the Issuer and St1 Nordic within the institutional investors. The Listing is expected to take place on or about 6 June 2014.

**Liquidity provider**

There is no agreement or arrangement in place between the Lead Managers and the Issuer and the Guarantors regarding provision of liquidity.

## RESPONSIBILITY STATEMENT

### The Issuer's and Guarantors' responsibility

St1 Nordic Corporation is responsible for this Company Description in accordance with the "First North Bond Market - Rulebook" and Finnish law.

St1 Oy, St1 Energy Oy, St1 Biofuels Oy, St1 Sverige AB and St1 Norge AS guarantee the obligations of St1 Nordic Corporation pursuant to this Company Description and the Notes in accordance with Finnish law.

### Liability statement of the Board of Directors of the Issuer

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.

Helsinki, 4 June 2014

St1 Nordic Corporation

St1 Oy, St1 Energy Oy, St1 Biofuels Oy, St1 Sverige AB and St1 Norge AS as Guarantors

## SPECIAL CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Company Description, including but not limited to certain statements set forth under the captions "*Risk Factors*", "*Information about the Issuer and the Guarantors*" and "*Financial Information*", are based on the beliefs of the Issuer's and the Guarantors' management as well as assumptions made by and information currently available to them, and such statements may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Issuer and the Guarantors, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among other things, the risks described in the section "*Risk Factors*". The forwardlooking statements are not guarantees of the future operational or financial performance of the Issuer or the Guarantors. In addition to factors that may be described elsewhere in this Company Description, the factors discussed under "*Risk Factors*" could cause the Issuer's or the Guarantors' actual results of operations or its financial condition to differ materially from those expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Issuer's or the Guarantors' actual results of operations, their financial condition or their ability to fulfil their obligations under the Notes could differ materially from those described herein as anticipated, believed, estimated or expected. The Issuer or the Guarantors do not intend and do not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation. For additional information that could affect the results, performance or achievements of the Issuer and the Guarantors, see "*Risk Factors*".

## MARKET AND INDUSTRY INFORMATION

This Company Description contains information about the Issuer's markets and its competitive position therein. Where certain market data and market estimates contained in this Company Description have been derived from third party sources, such as industry publications, the name of the source is given therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. The Issuer confirms that any such information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Issuer nor the Lead Managers have independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Company Description contain market data or market estimates in connection with which no source has been presented, such market data or market estimate is based on the estimates of the Issuer's management. Where information on the Issuer's markets or its competitive position therein is provided expressly according to the Issuer's management in this Company Description, such assessments have been made by the Issuer's management on the basis of information available to the Issuer's management, such as reports by the Finnish Petroleum Federation (Fi: *Öljyalan Keskusliitto*), Statistics Sweden (Sw: *Statistiska Centralbyrån*) and Statistics Norway (*Statistisk Sentralbyrå*).

## NO INCORPORATION OF WEBSITE INFORMATION

This Company Description will be published on the Issuer's website at: [www.st1.eu](http://www.st1.eu). However, the contents of the Issuer's website or any other website do not form a part of this Company Description, and prospective investors should not rely on such information in making their decision to invest in the Notes.

## CERTAIN SELLING AND TRANSFER RESTRICTIONS

### Notice to investors in the European Economic Area (other than Finland)

This Company Description has been prepared on the basis that all offers of the Notes in the European Economic Area (the "EEA") will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a prospectus under the Prospectus Directive for offers of securities. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for the Issuer or the Lead Managers to publish a prospectus under the Prospectus Directive for such offer. Neither the Issuer nor the Lead Managers have authorised, nor do they authorise, the making of any offer of securities through any financial intermediary. In relation to each member state of the EEA which has implemented the Prospectus Directive (each a "**Relevant Member State**"), an offer to the public of any Notes may not be made in that Relevant Member State, except that an offer of the Notes to the public in that Relevant Member State may be made at any time under the following exemptions from the Prospectus Directive (as amended by directive 2010/73/EU), if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive by the Issuer or of either Lead Manager.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of the Notes to be offered so as to enable an investor to decide to purchase any of the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

### Notice to prospective investors in the United Kingdom

In the United Kingdom, this Company Description may be distributed only to, and may be directed at, (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (b) high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within Article 49(1) of the Order (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

## INFORMATION ABOUT THE ISSUER AND THE GUARANTORS

### The Issuer

The business name of the Issuer is St1 Nordic Corporation (Fi: *St1 Nordic Oy*). The Issuer is a limited company incorporated in Finland, and it is organised under the laws of Finland. The Issuer is registered in the Finnish Trade Register under the business identity number 2082259-7. The registered address of the Issuer is Purotie 1, 00380 Helsinki, Finland.

The Issuer, functioning through its subsidiaries, is a producer and seller of energy solutions operating in Finland, Sweden and Norway. The keystone of its operations is the sale of liquid fuels for transport purposes to both consumers and corporations, and this business functions mainly through the St1 and Shell service station networks. The Issuer also serves private and corporate customers by providing energy used for heating, machinery and transport. Furthermore, the Issuer's business covers producing and selling CO<sub>2</sub>-aware energy, namely biofuels and wind power. In 2013 the Issuer's group-level turnover amounted to approximately EUR 2,489.9 million and it employed an average of 193 persons. The Issuer is headquartered in Helsinki, Finland.

According to Section 3 of the Issuer's Articles of Association, the Issuer's primary field of business is to own companies and shares in companies operating in the energy sector or engaging in activities supporting or serving the energy sector. According to the Articles of Association, the Issuer may also sell, buy and manage real property and securities, and it may provide administrative services. As at the date of this Company Description, the paid-in share capital of the Issuer is EUR 100,000 and it comprises 20,000,000 shares.

### The Guarantors

#### *St1 Oy*

St1 Oy is a limited company incorporated in Finland, and it is organised under the laws of Finland. St1 Oy is registered in the Finnish Trade Register under the business identity number 0201124-8. Its registered address is Purotie 1, 00380 Helsinki, Finland.

According to Section 2 of the company's Articles of Association, St1 Oy's primary field of business is the sale, purchase and storage of petrochemical products, as well as service station business together with related functions. As at the date of this Company Description, the paid-in share capital of St1 Oy is EUR 5,000,000 and it comprises 1,800,000 shares.

#### *St1 Energy Oy*

St1 Energy Oy is a limited company incorporated in Finland, and it is organised under the laws of Finland. St1 Energy Oy is registered in the Finnish Trade Register under the business identity number 0113882-9. Its registered address is Purotie 1, 00380 Helsinki, Finland.

According to Section 2 of the company's Articles of Association, St1 Energy Oy's primary field of business covers all industrial and commercial activities related to the oil sector. It may also own and possess real property for the purposes of its business. As at the date of this Company Description, the paid-in share capital of St1 Energy Oy is EUR 33,640,000 and it comprises 20,000 shares.

#### *St1 Biofuels Oy*

St1 Biofuels Oy is a limited company incorporated in Finland, and it is organised under the laws of Finland. St1 Biofuels Oy is registered in the Finnish Trade Register under the business identity number 2019912-5. Its registered address is Purotie 1, 00380 Helsinki, Finland.

According to Section 2 of the company's Articles of Association, St1 Biofuels Oy's primary field of business covers the sale and purchase of professional services, the sale and marketing of process technology, the sale, storage and production of biofuels and the import, leasing, installing, selling and dealing in related machinery, appliances and other products. Furthermore, the company may also own, sell and lease shares, properties, machinery and appliances. It may also sell, possess and lease patents and other immaterial rights. As at the date of this Company Description, the paid-in share capital of St1 Biofuels Oy is EUR 42,680 and it comprises 9,735 K shares and 20,265 E shares<sup>1</sup>.

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<sup>1</sup> At the date of this Company Description, the amount of E-shares registered with the Trade Register is 8,265. In addition, St1 Biofuels Oy has filed an application for the registration of 12,000 E-shares.

### *St1 Sverige AB*

St1 Sverige AB is a limited company incorporated in Sweden, and it is organised under the laws of Sweden. It is registered in the Swedish Companies Registration Office under the registration number 556308-5942. The registered address of St1 Sverige AB is Box 1029, 172 21 Sundbyberg, Stockholm, Sweden.

According to Section 2 of the company's Articles of Association, St1 Sverige AB's primary field of business covers trade in petroleum products, ownership and possession of real property and securities, and carrying out credit card business. The company's field of business covers also any operations related to the foregoing. As at the date of this Company Description, the paid-in share capital of St1 Sverige AB is SEK 100,000 and comprises 1,000 shares.

### *St1 Norge AS*

St1 Norge AS is a limited company incorporated in Norway, and it is organised under the laws of Norway. It is registered in the Norwegian Register of Business Enterprises under the registration number 962 208 878. The registered address of St1 Norge AS is Olav V's gate 6, 0161 Oslo, Norway.

According to Section 2 of the company's Articles of Association, St1 Norge AS's primary field of business is to deal in liquid fuels and other petroleum products as well as to carry out other related activities. As at the date of this Company Description, the paid-in share capital of St1 Norge AS is NOK 6,503,929.56 and comprises 62,604 shares.

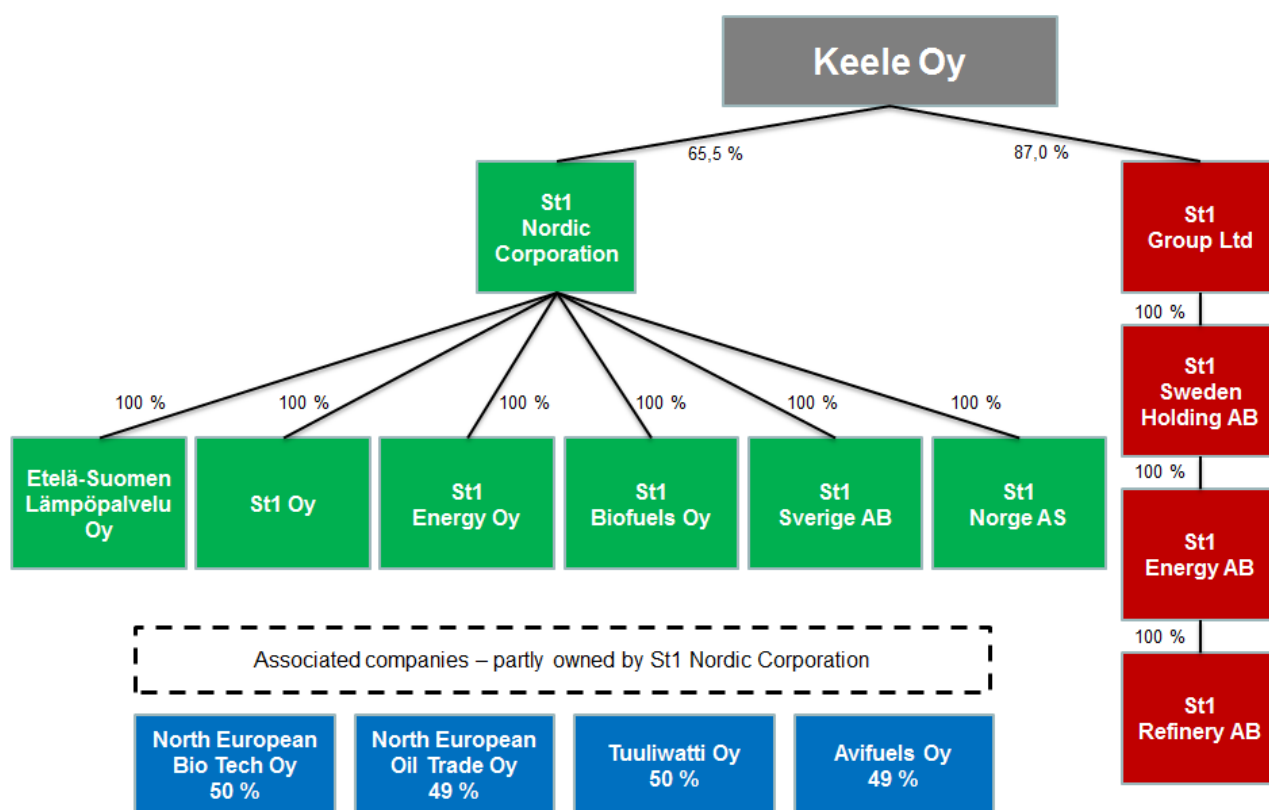
## **History and development of St1 Nordic**

St1 (at that time Greenergy Baltic Oy) was established in 1995 to operate in oil wholesale business. St1 was acquired in 2000. In 2007, St1 purchased all of the shares in oy Esso ab. In 2004 the Issuer (at that time Greeni Oy) founded North European Oil Trade Oy with Suomen Osuuskauppojen Keskuskunta for the purpose of purchasing liquid fuels. In 2006 St1 Nordic expanded its operations in the sector of renewable energy by establishing St1 Biofuels Oy with the Technical Research Centre of Finland (VTT). The renewable energy operations were extended again in 2009 when the wind power producer Tuuliwatti Oy was established with S-Voima Oy. The same year St1 Nordic also commenced its service station business in Norway and expanded the same in Sweden.

## **Organisation of the Group**

Today the operations of St1 are divided into two business groups. Keele Oy, a Finnish limited company owned by Mika Anttonen (98.13%) and members of his family (1.87% in total), holds the majority of the shares in the parent companies of each business group. The Issuer is the parent company of St1 Nordic, which focuses on fuel sales and marketing activities in Finland, Sweden and Norway and on renewable energy solutions such as waste-based ethanol fuels and industrial wind power. The other business group, St1 Group, is structured under St1 Group Ltd (Fi: *St1 Group Oy*) and it runs Shell-branded petrol stations and commercial fuel, marine fuel and refinery operations in Sweden. Companies under St1 Group are: St1 Sweden Holding AB, St1 Energy AB and St1 Refinery AB.

The following chart sets forth the parent companies of the two business groups, St1 Nordic and St1 Group, their operative subsidiaries as well as the associated companies of the Issuer:



The following table sets forth all of the Issuer's subsidiaries and associated companies as at the date of this Company Description:

The Issuer's subsidiaries	The Issuer's shareholding
Etelä-Suomen Lämpöpalvelu Oy	100%
St1 Oy	100%
St1 Energy Oy	100%
St1 Biofuels Oy	100%
St1 Sverige AB	100%
St1 Norge AS	100%
Kiinteistö Oy Olarinluoman Huoltamo	100%
Automani Oy	100%
Kauhajoen Öljy Oy	100%
St1 Biofuels Sweden AB	100%
St1 Polska Sp. Zoo	100%
The Issuer's associated companies	The Issuer's shareholding
North European Oil Trade Oy	49%
Avifuels Oy	49%
North European Bio Tech Oy	50%
Tuuliwatti Oy	50%

## Recent and future restructuring transactions

The structure of the Group is being simplified with the aim of focusing all of the sales and marketing operations into St1 Nordic and the oil refining business into St1 Group. To achieve this objective, the following transactions have been carried out:

- On 31 December 2013 St1 Group Ltd demerged by way of a full demerger (Fi: *kokonaisjakautuminen*), and its assets and liabilities were transferred to a new company established for the purpose of the demerger, named St1 Group Ltd and the Issuer (previously St1 Holding Oy, which thereafter changed its name to St1 Nordic Corporation). In connection with this demerger, St1 Energy Oy was transferred to the Issuer.
- On 31 December 2013 St1 Oy demerged by way of a partial demerger (Fi: *osittaisjakautuminen*) into Ura-Öljyt Oy, which thereafter merged into the Issuer. In connection with this demerger, the subsidiaries and associated companies formerly owned by St1 Oy were transferred to the direct ownership of the Issuer, and the members of the Board of Directors of St1 Oy were elected as members of the Board of Directors of the Issuer, reducing the Board of Directors of St1 Oy to its current composition.

Further to the transactions mentioned above, the following transactions shall be carried out during the year 2014:

- St1 Oy and St1 Energy Oy, which have very similar operations, will be merged by the end of the year 2014 with the effect that St1 Oy will remain as the surviving entity. After the merger the sales and marketing business in Finland will be operated by only one company. The merger plan relating to this transaction has already been filed with the registration authority.
- St1 Energy AB shall demerge by way of a full demerger (Fi: *kokonaisjakautuminen*) into two new companies during the second half of 2014. As a consequence for the demerger and the following reorganisation steps, St1 Energy AB's fuel marketing business will be transferred to St1 Sverige AB. The transfer includes 273 Shell-branded stations in Sweden, while St1 Energy AB's refinery business shall remain within St1 Group. This will simplify the group structure, since St1 Nordic will take over all of the retail and direct sales businesses within the Group. In connection with the transaction, St1 Sverige AB will provide a loan of approximately EUR 52.2 million on the date of St1 Nordic's refinancing. St1 Sverige AB will receive a security in the form of property mortgage notes related to the business to be transferred as collateral for the payment until the demerger and subsequent merger into St1 Sverige AB takes place.

Furthermore, the business operations of Automani Oy, Kauhajoen Öljy Oy, St1 Biofuels Sweden AB and St1 Polska Sp. Zoo have been terminated. Automani Oy will merge into St1 Oy during the year 2014 and the other companies are about to be dissolved in the coming years.

As regards associated companies, the following transactions have been completed within the financial years 2012 and 2013:

- On 27 December 2012 St1 Oy increased its ownership in North European Oil Trade Oy from 34% to 49%.
- On 19 December 2013 North European Bio Tech Oy was established together with Suomen Osuuskauppojen Keskuskunta.

## Related party transactions

In addition to the recent and future restructuring transactions described above, the companies within the Group conclude agreements with each other as a part of their ordinary business. These agreements include, for example, the supply and purchase of fuels. Furthermore, certain companies within the Group provide other group companies administrative services such as accounting services, personnel management services, office space, IT equipment and personnel.

St1 Oy as the seller and Keele Oy as the purchaser closed a pre-sale of the property registration number 91-412-1-252 located in Helsinki, Finland, on 15 May 2014. The sale itself will take effect approximately in 2015-2017 for the estimated purchase price of EUR 17 - 23 million, which may be adjusted due to possible changes in the zoning of the area. In connection with the pre-sale, an advance payment of EUR 10 million was paid, and a part of the property has been pledged as security for the advance payment.

Except for the transfer of St1 Energy AB's fuel marketing business to St1 Sverige AB which shall be made by using the book value, all related party transactions within the Group have been made on arm's length terms and are deemed by the Issuer and the Guarantors not to cause any conflict of interest. For more information regarding financing



between companies within St1 Nordic, please refer to the balance sheet in and the notes to the Issuer's financial statements for the financial year 2013 attached to this Company Description.

## **Business overview and principal activities**

### *Overview of the business of St1 Nordic*

St1 Nordic focuses on fuel sales and marketing activities in Finland, Sweden and Norway and on renewable energy solutions such as waste-based ethanol fuels and industrial wind power. St1 Nordic aims to develop and commercialise functional and environmentally sustainable energy solutions and to deliver such solutions profitably. To achieve this objective, the individual solutions produced by St1 Nordic should be technically ready for present-day use, ecologically and ethically sustainable and logistically feasible.

The operations of St1 Nordic in fuel retail business, namely the sale of fuels to end-customers at service stations, are founded on St1 and Shell petroleum station networks. These networks consist of 850 stations (626 St1-branded stations and 224 Shell-branded stations), of which approximately one third is service stations operated by retailers, and two thirds are unstaffed petrol stations operated by St1 Nordic. As regards the service stations which are operated by independent retailers, the retailers are, in general, responsible for the service station business and for the risks relating thereto. Each retailer concludes a contract with a company within St1 Nordic, in which the outline of the terms and conditions of the sale of fuels, the provision of services and the sale of products on the service station is agreed.

St1 Nordic's service stations are located in Finland, Sweden and Norway, and by the end of the year 2014 the 273 Shell-branded stations in Sweden currently operated by St1 Group Ltd's subsidiary, St1 Energy AB will also be transferred to St1 Nordic. For the purposes of its retail operations St1 Nordic owns approximately 110 properties in Finland, 80 in Sweden and 3 in Norway. Moreover, St1 Nordic leases approximately 265 properties in Finland, 196 in Sweden and 35 in Norway. After the demerger of St1 Energy AB, 87 owned properties and 143 leased properties in Sweden will transfer to St1 Nordic.

Along with its retail operations, St1 Nordic is engaged in direct sales of fuels and other energy products. It provides consumers and companies with energy solutions ranging from heating oil and wood pellets to aviation and machinery fuels, and also serves its customers by providing consultation and optimisation services of energy usage and fuel logistics. Furthermore, St1 Nordic's direct sales function manages the St1 and Shell payment and discount cards, which the customers may use in the entire service station network operated by the Group.

To ensure the cost-effectiveness of its retail and direct sales operations, the Issuer collaborates with various partners with respect to, *inter alia*, sourcing and logistics. An example of such collaboration is the fuel supply joint venture North European Oil Trade Oy (NEOT), which the Issuer owns together with Suomen Osuuskauppojen Keskuskunta. St1 Nordic purchases a vast majority of the liquid fuels sold in its retail and direct sales operations from NEOT. In connection with its sales operations St1 Nordic also develops and markets new types of fuels. The aim of this product development is to produce ethically sustainable and financially profitable solutions.

To achieve its objectives regarding environmentally sustainable energy, St1 Nordic is engaged in the production of renewable energy. St1 Biofuels Oy produces bioethanol based on waste and residues, and the associated company, Tuuliwatti Oy, produces wind power. Furthermore, the Issuer's subsidiary Etelä-Suomen Lämpöpalvelu Oy sells and installs renewable heating solutions.

### *The Issuer - St1 Nordic Corporation*

St1 Nordic Corporation is the parent company of St1 Nordic. It manages the operations of St1 Nordic at the top level, directs St1 Nordic's strategy and deals with the financial administration of St1 Nordic as a whole.

### *St1 Oy*

St1 Oy carries on retail and direct sales operations in Finland. It runs 310 St1-branded services stations, and it is also engaged in direct energy sales to consumers and industry.

### *St1 Energy Oy*

Similarly to St1 Oy, also St1 Energy Oy carries on retail and direct sales business in Finland. It runs 224 Shell-branded service stations, and it is engaged in direct energy sales to resellers and industry.

### *St1 Biofuels Oy*

St1 has been building a network of ethanol plants across Finland since 2007. The Issuer's wholly owned subsidiary, St1 Biofuels Oy, produces renewable fuels under different concepts. The Etanolix®-concept uses biowaste and residues of food industry as feedstock and its annual production capacity is 1 - 7 million litres of bioethanol per unit. It also produces animal feed as by-product. Bionolix™-concept also uses biowaste as feedstock, and it produces electricity and district heat as by-product. The first Bionolix plant is in Hämeenlinna, and its annual production capacity is 1 million litres. The third concept is Cellunolix™, which uses cellulosic residues such as saw dust and waste wood as feedstock. The first Cellunolix project is in investment decision phase of North European Bio Tech Oy. The ethanol produced in Etanolix and Bionolix units is centrally dehydrated in an absolutation plant in Hamina, which has a capacity to produce 88 million litres of 99.8% ethanol. St1 Nordic's own ethanol production enables its product development, which has lead to the production of specialised fuels such as RE85 high blend ethanol.

Finnvera Plc has granted St1 Biofuels Oy loans in the aggregate original amount of EUR 8,500,000, and currently amounting to approximately EUR 4,100,000. With respect to such financing, St1 Biofuels Oy has pledged a property mortgage note in the amount of EUR 3,200,000 as well as a business mortgage note in the amount of EUR 6,000,000. The Issuer has issued parent company guarantees in favour of Finnvera Plc in the amount of EUR 8,500,000 in total as security for the fulfilment of St1 Biofuels Oy's obligations under the above mentioned loans. Moreover, the Issuer has undertaken to capitalise St1 Biofuels Oy in case its equity ratio falls below 25%.

### *St1 Sverige AB*

St1 Sverige AB's operations cover running the 277 St1 sites located in Sweden. By the end of 2014 it is planned to also take over the Shell-branded service stations currently ran by St1 Energy AB.

### *St1 Norge AS*

St1 Norge AS runs the 39 St1-branded service stations located in Norway.

### *Etelä-Suomen Lämpöpalvelu Oy*

Etelä-Suomen Lämpöpalvelu Oy sells and installs devices which function based on renewable energy sources such as ground heat. The company also provides maintenance services relating to such devices.

## **Associated companies**

### *Tuuliwatti Oy*

Tuuliwatti Oy (Tuuliwatti) is an associated company established in 2009 for the purpose of producing industrial wind power. Its target is to achieve a capacity of 500 MW in 2016, and in 2013 Tuuliwatti produced approximately 28% of the entire production of wind power in Finland. Tuuliwatti's shareholders are the Issuer and S-Voima Oy, both with 50% of the shares in the company. According to its Articles of Association, Tuuliwatti is a so called Mankala-company, which generally means that its shareholders have the right to the energy produced by it at cost pro rata to their shareholding, and that their obligations to contribute towards the fixed costs of Tuuliwatti are also pro rata to their shareholding irrespective of whether or not the shareholder has actually utilised the energy it receives. Moreover, the shareholders are obligated to contribute also towards variable costs pro rata to the amount of energy taken out by such shareholder.

Notwithstanding the provisions in Tuuliwatti's Articles of Association, its shareholders have agreed to deviate from the Mankala principle to ensure that the financing needs of Tuuliwatti are met during the investment phase, which is estimated to continue until 31 December 2015. During the investment phase the shareholders do not take out energy for their own purposes in proportion to their shareholdings nor do they contribute towards the fixed or variable costs of Tuuliwatti. The Issuer's management expects that the Issuer will make an equity investment of a maximum of EUR 15,000,000 in Tuuliwatti during 2014 and 2015. After this no further equity investments are foreseen.

Tuuliwatti has been granted senior uncommitted facilities in the amount of EUR 660,000,000. With respect to certain of the facilities, the term of the facilities agreement exceeds beyond the maturity of the Notes. The facilities agreement includes an equity ratio and a debt service cover ratio covenants. The Issuer has not granted any guarantees relating thereto, but the Issuer has pledged in favour of the finance parties all amounts payable by any balance responsible party acting on the electricity market (Fi: *tasevastaava*) under any balance agreement. According to an investor undertaking issued by the Issuer and S-Voima Oy, Tuuliwatti and/or the agent of the finance parties may require the shareholders to make an equity investment into Tuuliwatti to enable it to ensure that any leasehold registered to Tuuliwatti remains in force if any mortgages registered to the relevant real estate are enforced.

The Issuer has issued parent company guarantees relating to Tuuliwatti's wind turbine generator (WTG) supply agreements in favour of the relevant suppliers, and S-Voima Oy has issued guarantees in favour of the Issuer amounting to 50% of the amounts paid by the Issuer to the relevant contractors under the said parent company guarantees. For more information on guarantees issued on behalf of subsidiaries and associated companies, please refer to the notes to the Issuer's financial statements for the financial year 2013 attached to this Company Description.

#### *North European Oil Trade Oy*

North European Oil Trade Oy (NEOT) is an associated company established in 2004 for the purpose of purchase, storage and transportation of liquid fuels for the benefit of its shareholders. The Issuer owns 49% of the shares in NEOT, and Suomen Osuuskauppojen Keskuskunta owns the remaining 51%. The Issuer has issued guarantees as security for NEOT's obligations under NEOT's supply, financing and derivatives arrangements. For more information on guarantees issued on behalf of subsidiaries and associated companies, including the guarantees given with respect to NEOT's accounts payable and its letters of credit as per 31 December 2013, please refer to the notes to the Issuer's financial statements for the financial year 2013 attached to this Company Description. The derivatives agreements have been entered into for the purpose of hedging the financial exposure in NEOT's physical stock, and not for speculative purposes. Moreover, according to a shareholders' agreement regarding NEOT, the Issuer has, among other things, undertaken to provide capital or other loans pro rata to its shareholding in case NEOT needs such financing. In addition, the Issuer must ensure that the Issuer, St1 Oy and St1 Energy Oy purchase a certain amount of liquid fuels from NEOT, NEOT's shareholders or companies controlled by them. Furthermore, the Issuer is under an obligation to ensure that it, St1 Oy or St1 Energy Oy do not engage in a business which competes with the fuel purchasing business of NEOT as long as the shareholders' agreement is binding on its parties. The validity of the shareholders' agreement extends beyond the maturity of the Notes.

#### *North European Bio Tech Oy*

North European Bio Tech Oy (NEBT) is an associated company owned in equal shares by the Issuer and Suomen Osuuskauppojen Keskuskunta. It was founded in December 2013 for the purposes of investing in biofuels production facilities. NEOT will later lease these facilities and operate them. According to a shareholders' agreement regarding NEBT, the Issuer has undertaken to provide capital loans to NEBT pro rata to its shareholding for the purposes of carrying out bioenergy plant projects. The validity of the shareholders' agreement extends beyond the maturity of the Notes. Moreover, the Issuer has granted a capital loan in the amount of EUR 6,000,000 to NEBT. Neither the Issuer nor the Guarantors have so far issued any guarantees in favour of NEBT.

#### *Avifuels Oy*

Avifuels Oy (Avifuels) is an associated company of which the Issuer owns 49% and Statoil Fuel & Retail ASA the remaining 51%. It was established in 2008, and its purpose is to operate aviation refuelling facilities at Helsinki-Vantaa, Tampere and Vaasa airports in Finland, and to provide into-plane service for aviation fuels as well as other fuelling-related services to customers at the aforementioned airports. Neither the Issuer nor the Guarantors have issued any guarantees in favour of Avifuels.

### **Environmental matters**

Because of the nature of St1 Nordic's business, its functions are dependent on a number of permits such as environmental permits, chemical permits and permits for handling flammable goods. To comply with the relevant legislation the companies within St1 Nordic also report regularly to various authorities concerning, for example, sales volumes and transportation of dangerous liquids. In addition to the foregoing, the companies conduct all necessary environmental surveys and carry out required restoration works. The Issuer systematically evaluates and monitors the environmental obligations of all of the companies within St1 Nordic.

### **St1 Nordic's most significant markets**

St1 Nordic is active on several markets, both geographically as well as in terms of business activities. St1 Nordic's largest geographical markets are Finland and Sweden, but it operates also in the Oslo region in Norway.

The most significant markets in terms of activities are the fuel retail sales and fuel direct sales markets. Currently, St1 Nordic operates on the retail sales markets both in Finland and in Sweden, and on the direct sales markets in Finland. After the restructuring relating to the demerger of St1 Energy AB, St1 Nordic will also take over the direct sales function in Sweden.

Further to the above, St1 Nordic is active on the renewable fuels market, which is currently quite limited, but which is expected to grow in the future.

### **St1 Nordic's competitive situation**

#### *Retail and direct sales market in Finland*

The service station network and the number of stations in Finland has remained on the same level for a long time, but during the past 20 years the share of unmanned service stations has increased considerably. At the same time the market has first seen the entry to the market of several newcomers and thereafter a decline in the number of actors. Currently the market of retail sales of fuels in Finland is divided between five larger nationwide service station chains (ABC, Neste Oil, Teboil, St1 and SEO) and a number of smaller chains and independent retailers.<sup>2</sup>

Historically the demand on the direct sales market has not been subject to sudden, dramatic changes. Issues that may affect the demand on the entire market are governmental or administrative decisions regarding combining, subventing and taxing different forms of energy, general economic cycles and, when it comes to heating oil, locally prevailing temperatures.

Because there is keen competition on these markets, the Issuer seeks to improve its competitiveness by rationalising systems and business processes as well as by increasing the average sales of the service stations.

St1 Nordic's market shares in the Finnish retail and direct sales market in 2013 were approximately 22.5% in gasoline, 19.2% in diesel and 23.5% in heating oil. Most remarkable competitors of St1 Nordic in the Finnish retail and direct sales market are the following: Neste Oil, ABC and Teboil.<sup>3</sup>

#### *Retail and direct sales market in Sweden*

The market of retail sales of fuels in Sweden has undergone some significant changes during the past 20 years. While the markets were first occupied by numerous smaller-scale operators and independent entrepreneurs, the market has currently a smaller number of large actors and only a few small chains and independent retailers. As in Finland, the number of unmanned service stations has increased also in Sweden. Currently the market of retail sales of fuels in Sweden is divided between four larger nationwide service station chains (Statoil, OKQ8, St1 and Preem).<sup>4</sup>

At the date of this Company Description, St1 Nordic does not have direct sales operations in Sweden. The characteristics of the direct sales market in Sweden are substantially similar to those of the direct sales market in Finland.

St1 Group's market shares in the Swedish retail and direct sales market in 2013 were approximately 22.7% in gasoline, 14.1% in diesel and 26.1% in heating oil. Most remarkable competitors of St1 Group in the Swedish retail and direct sales market are the following: Statoil Fuel & Retail, Preem and OKQ8.<sup>5</sup>

#### *Renewable fuels market*

The price for energy is expected to increase due to population growth and growth of demand. The legislation enacted at both EU and national level is aimed at preventing climate change, enhancing trade balance and economic progress, and developing energy security of supply by encouraging companies to invest in a sustainable capacity of biofuel production.

In accordance with Directive 2009/28/EC regarding the promotion of the use of energy from renewable sources (Renewable Energy Directive, "RED"), Finland is attempting to achieve that 20% of the overall energy consumption in traffic would be covered by energy derived from renewable sources by year 2020 (mandatory EU minimum is 10%). The target set for 2014 regarding renewable energy consumed by traffic is 6%.

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<sup>2</sup> Decision No. 850/14.00.00/2009 of the Competition Authority, 28 May 2012, p. 3-5.

<sup>3</sup> *Öljyalan Keskusliitto*, <http://www.oil.fi/fi/tilastot-3-suomen-oljymarkkinat/35-markkinaosuudet>. The share of St1 Energy Oy is also included in the market share.

<sup>4</sup> *Konkurrensverket*, *Konkurrensen i Sverige 2013*, Rapport 2013:10, p. 94-101.

<sup>5</sup> Based on information provided by *Statistiska centralbyrån (SCB)*. The share of Sweden Marketing is also included in the market share.

Biofuels made from waste, residues, non-food cellulosic material and lignocellulosic material shall count as twofold ("twofold count") when the fulfilment of said targets is calculated. Such biofuels are also known as progressive biofuels. The twofold count is of significant importance when the duty to distribute biofuels arises over the "blending wall" (the maximum blending limit) set by liquid fuel standards.

The latest amendment of the RED is aimed to increase the use of the so-called progressive biofuels in order to prevent the effects related to indirect land use change. As significant efforts are required from the traffic sector in order to achieve the European Commission's goal to cut down greenhouse gas emissions by 40% in 2030, progressive biofuels offer a cost-effective method to reach this goal.

St1 Nordic's operations on the renewable fuels market consist of using household, retail and industrial waste and residues to produce ethanol-based liquid fuels in St1 Biofuels Oy's production plants, and of producing wind power through Tuuliwatti Oy. In 2013, Tuuliwatti Oy's electricity production was approximately 28% of the total wind power production in Finland. Moreover, St1 Biofuels Oy will take into use a new type of production plant which uses cellulosic residues as its raw material, and this will multiply its potential to produce waste and residue based ethanol.

### **Agreements outside the ordinary course of business**

As mentioned in connection with the description of the associated companies above, the Issuer is under an obligation to provide financing to NEOT and NEBT, and it must ensure that it, St1 Oy and St1 Energy Oy purchase fuel from NEOT and refrain from activities which compete with NEOT. Apart from the above mentioned obligations, there are no material contracts that are not entered into in the ordinary course of the Issuer's or the Guarantors' business, which could result in any companies belonging to St1 Nordic being under an obligation or entitlement that is material to the Issuer's and the Guarantors' ability to fulfil their obligations to Noteholders.

### **Legal and arbitration proceedings**

St1 Energy Oy is currently involved in proceedings relating to rectification of taxation before the Administrative Court of Helsinki. The proceedings were initiated in August 2012, when St1 Energy Oy claimed rectification regarding a tax reassessment decision taken by the Tax Administration in Finland. The contested decision concerns the sale of trade mark rights by the former oy Shell ab to a Swiss company Shell Brands International AG in 2005. A residual tax amounting to approximately EUR 5.8 million was imposed on St1 Energy Oy. The Board of Adjustment (Fi: *Verotuksen oikaisulautakunta*), to which the company addressed its claim for rectification, partly accepted the company's claim, imposing a rectification of approximately EUR 2.0 million in favour of the company. However, both of the parties to the proceedings have appealed against the decision of the Board of Adjustment before the Administrative Court. The proceedings in the Administrative Court are currently ongoing.

Apart from the above mentioned proceeding, there are no material governmental, legal, arbitration or administrative proceedings against or affecting the Issuer or any of the Guarantors (and no such proceedings are pending or threatened of which the Issuer or the Guarantors are aware) during a period covering the previous 12 months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer or the Guarantors.

## FINANCIAL INFORMATION

### Summary of certain consolidated financials of the Issuer for FY 2013 and FY 2012

The audited consolidated financial statements of the Issuer for the financial year 2013 and the auditor's report for the financial year 2013 are attached to this Company Description as Appendix 1 and audited consolidated financial statements of the Issuer and the auditor's report for the financial year 2012 are incorporated by reference to this Company Description.

The audited consolidated financial statements for the year 2013 and 2012 have been prepared in accordance with the Finnish Accounting Act (1336/1997, as amended; in Finnish: *kirjanpitolaki*) and applicable accounting principles. The financial statements have been audited by PricewaterhouseCoopers Oy. The audits have not resulted in any qualifications.

### Unaudited pro forma financial information

This Company Description includes St1 Nordic's unaudited pro forma financial information illustrating the financial impact of the transfer of St1 Energy Oy through demerger as Pro forma I and the combined effects of Pro forma I, the acquisition of Sweden Marketing (as defined in Appendix 2), advance payment related to certain land area and refinancing (jointly referred to as "**Transactions**", as defined in Appendix 2) as Pro forma II ("**St1 Nordic's unaudited pro forma financial information**"). St1 Nordic's unaudited pro forma income statement information for the year 2013 (Pro forma I) is also included in the St1 Nordic's audited consolidated financial statements for the year 2013 and presented below in 'Selected financials 2013 and 2012'. St1 Nordic's unaudited pro forma financial information including the basis of compilation, pro forma income statement, pro forma balance sheet and notes to the pro forma is attached to this Company Description as Appendix 2.

### Unaudited pro forma income statement information (Pro forma I)

On 31 December 2013 St1 Group Ltd demerged by way of a full demerger (Fi: *kokonaisjakautuminen*), and its assets and liabilities were transferred to a new company established for the purpose of the demerger named St1 Group Ltd and to the Issuer. In connection with the demerger, the shares of St1 Energy Oy were transferred to the Issuer. The unaudited pro forma income statement information presented below and included in the consolidated financial statements is presented to illustrate what the actual results of the operations of St1 Nordic could have been if St1 Energy Oy had been transferred to the Issuer on 1 January 2013. In the compilation of the unaudited pro forma income statement information for the year ended 31 December 2013 the income statement of St1 Energy Oy for the year ended 31 December 2013 has been included in the consolidated income statement of St1 Nordic and adjusted by the internal management fee income and costs between St1 Nordic and St1 Energy Oy. During the year 2013 St1 Group Ltd and the Issuer have been consolidated to the same Keele Group and, therefore, the accounting policies applied by the companies have already been aligned and no adjustments related to the differences between accounting policies are needed. The assets and liabilities transferred in connection with demerger have been included in the consolidated balance sheet of the Issuer as of 31 December 2013 and therefore no pro forma balance sheet information has been presented.

Because of its nature, this pro forma income statement information addresses a hypothetical situation and, therefore, does neither present what the actual results of operations of St1 Nordic for the year ended 31 December 2013 were nor is intended to project the results of operations of St1 Nordic for any future period or as at any future date.

### General financial trend over the last two years

In 2012 St1 Nordic's net sales were EUR 1,635.6 million, which was EUR 132.5 million more than in 2011. The net sales increased further in 2013 by EUR 42.0 million when it amounted to EUR 1,677.6 million. If comparing Pro forma I net sales for the year 2013 the increase was EUR 863.3 million compared to 2012. Approximately 50% of the turnover in 2013 was generated in Finland, 41% in Sweden and 9% in Norway. On a pro forma basis, approximately 67% of the Pro forma I turnover in 2013 was generated in Finland, 27% in Sweden and 6% in Norway. The operating profit of the company increased from EUR 26.8 million to EUR 29.6 million in 2012 and further to EUR 32.9 million in 2013. Pro forma I operating profit for year 2013 was EUR 44.4 million.

## Selected financials 2013 and 2012

As at and for the year ended 31 December		
2013 Pro forma I (unaudited)	2013 (audited)	2012 (audited)
(EUR in millions)		

### SELECTED INCOME STATEMENT DATA:

Net Sales	2,498.9	1,677.6	1,635.6
Other operating income	13.9	12.9	14.8
Materials and services	-2,342.1	-1,560.5	-1,526.8
Personnel expenses	-15.9	-15.9	-14.9
Depreciation and amortisation	-24.8	-18.4	-18.4
Other operating expenses	-85.5	-62.7	-60.5
<b>Operating profit</b>	<b>44.4</b>	<b>32.9</b>	<b>29.6</b>
Finance income	4.1	3.9	3.3
Finance costs	-5.8	-4.0	-4.4
<b>Profit before taxes</b>	<b>42.7</b>	<b>32.8</b>	<b>28.5</b>
Taxes	-9.6	-7.0	-7.0
<b>Profit for the period</b>	<b>33.2</b>	<b>25.8</b>	<b>21.6</b>

As at 31 December	
2013 (audited)	2012 (audited)
(EUR in millions)	

### SELECTED BALANCE SHEET DATA:

Cash and cash equivalents	41.7	12.6
Trade and other receivables	160.9	110.1
Inventories	39.8	25.8
<b>Total current assets</b>	<b>242.4</b>	<b>148.6</b>
Intangible assets	17.5	17.5
Property, plant and equipment	203.7	151.2
Investments	28.0	17.4
<b>Total non-current assets</b>	<b>249.2</b>	<b>186.1</b>
<b>Total assets</b>	<b>491.7</b>	<b>334.7</b>
<b>Total equity</b>	<b>122.7</b>	<b>100.7</b>
Current interest-bearing liabilities	57.9	43.3
Trade and other payables	207.5	134.6
<b>Total current liabilities</b>	<b>265.4</b>	<b>177.9</b>
Non-current interest-bearing liabilities	93.6	47.7
Non-current other liabilities	4.7	5.9
Provisions for pensions and other similar obligations	5.2	2.4
<b>Total non-current liabilities</b>	<b>103.5</b>	<b>56.1</b>
<b>Total liabilities</b>	<b>368.9</b>	<b>234.0</b>

As at and for the year ended 31 December	
2013 (audited)	2012 (audited)
(EUR in millions)	

### SELECTED CASH FLOWS DATA:

Net cash flows from operating activities	56.1	35.4
Net cash flows from investing activities	-22.4	-27.1
Net cash flows from financing activities	-12.7	-9.2

Cash and cash equivalents at the end of the period	41.7	12.6
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**As at and for the year ended 31 December**

<b>2013</b>	<b>2012</b>
<b>(audited)</b>	<b>(audited)</b>

(EUR in millions, unless otherwise stated)

**KEY RATIOS**

Equity ratio, %	25.0	30.1
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**As at and for the year ended 31 December**

<b>2013</b>	<b>2013</b>	<b>2012</b>
<b>Pro forma I</b>		
<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>

(EUR in millions, unless otherwise stated)

**KEY RATIOS**

Gearing, %	122	89
Net gearing, %	88	77
Net debt/EBITDA 1.6 *)	2.1	1.6

\*) Pro forma I Net debt/EBITDA has been calculated by using the net debt level in the audited balance sheet as of 31 December 2013 and Pro forma I EBITDA calculated using Pro forma I operating profit adjusted for depreciation and amortisation presented in the unaudited pro forma income statement information for the year ended 31 December 2013.

**Calculation of key ratios on financial performance:**

Equity ratio, % =	$\frac{\text{Shareholders' equity}}{\text{Total assets – advance payments received}} \times 100$
Gearing, % =	$\frac{\text{Interest-bearing borrowings}}{\text{Shareholders' equity}} \times 100$
Net gearing, % =	$\frac{\text{Interest-bearing borrowings – liquid funds – interest-bearing receivables}}{\text{Shareholders' equity}} \times 100$
Net debt/EBITDA =	$\frac{\text{Interest-bearing borrowings – liquid funds – interest-bearing receivables}}{\text{Earnings before interest, taxes, depreciation and impairment charges}}$



## DIRECTORS AND MANAGEMENT OF THE ISSUER AND THE GUARANTORS

### General information on the management of the Issuer and Guarantors

The control and management of the Issuer and each Guarantor incorporated under the laws of Finland (St1 Oy, St1 Energy Oy and St1 Biofuels Oy) are organised in accordance with the provisions of the Finnish Companies Act (624/2006, as amended; in Finnish: *osakeyhtiölaki*) and the Issuer's or the relevant Guarantor's Articles of Association. The control and management of these companies are divided between their annual general meeting of shareholders ("AGM"), Board of Directors and managing director. The ultimate decision-making authority lies with the shareholders at the AGM, which appoints the members of the Board of Directors and the auditor. The Board of Directors sees to the administration of the relevant company, and it is responsible for organising the company's business and the control of the company's accounts and finances in an appropriate manner. The managing director is responsible for the executive management of the company's business in accordance with the instructions and orders given by the Board of Directors. The managing director also ensures that the accounting practices of the company comply with the law and that financial matters are handled in a reliable manner.

As regards the Guarantors incorporated in Sweden (St1 Sverige AB) and Norway (St1 Norge AS), their control and management are organised in accordance with the Swedish Companies Act (SFS 2005:551, as amended; in Swedish: *Aktiebolagslagen*) and the Norwegian Limited Companies Act (in Norwegian *Aksjeselskapsloven*) of June 13th 1997 No. 44, respectively.

### Boards of Directors of the Issuer and the Guarantors

The Boards of Directors of the Issuer and the Guarantors have been presented herein below.

The term of office of the members of the Boards of Directors of the Issuer, St1 Oy and St1 Biofuels Oy continues until further notice. The term of office of the members of the Board of Directors of St1 Energy Oy continues until the close of the AGM following their election. In accordance with the Finnish Companies Act, the Board of Directors elects the Chairman from among its members.

As regards the Guarantor incorporated in Sweden (St1 Sverige AB), the term of office of the members of the Board of Directors continues until the close of the AGM following their election. In accordance with the Swedish Companies Act, the Board of Directors elects the Chairman from among its members.

As regards the Guarantor incorporated in Norway (St1 Norge AS), the term of office of the members of the Board of Directors continues two (2) years at a time. In accordance with the Norwegian Companies Act, the Board elects the Chairman from among its members.

#### *The Issuer*

According to the Articles of Association, the Issuer's Board of Directors shall consist of at least one (1) but no more than five (5) members, as well as at least one (1) deputy member in case there are less than three (3) ordinary members in the Board of Directors.

The current members of the Board of Directors of the Issuer are the following:

Name	Year born	Position	First elected to the Board of Directors <sup>6</sup>
Mika Anttonen	1966	Chairman	2006 (2007)
Mika Jokinen	1964	Member of the Board of Directors	2013 (2007)
Juha Kokko	1968	Member of the Board of Directors	2013 (2007)
Mikko Koskimies	1967	Member of the Board of Directors	2013 (2007)
Kim Wiio	1971	Member of the Board of Directors	2006 (2011)

<sup>6</sup> In connection with the simplification of the Group's organisational structure, the members of the Board of Directors of St1 Oy were elected as members of the Board of Directors of the Issuer, reducing the Board of Directors of St1 Oy to its current composition. The year in parentheses refers to the year of election to the Board of Directors of St1 Oy.

### *St1 Oy*

The Board of Directors of St1 Oy consists of two (2) ordinary members and one (1) deputy member. The current members are the following:

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>First elected to the Board of Directors</b>
Mika Anttonen	1966	Chairman	2007
Kim Wiio	1971	Member of the Board of Directors	2011
Mika Wiljanen	1965	Deputy Member of the Board of Directors	2013

### *St1 Energy Oy*

The Board of Directors of St1 Energy Oy consists of three (3) ordinary members. The current members are the following:

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>First elected to the Board of Directors</b>
Mika Anttonen	1966	Chairman	2010
Kim Wiio	1971	Member of the Board of Directors	2010
Mika Wiljanen	1965	Member of the Board of Directors	2010

### *St1 Biofuels Oy*

The Board of Directors of St1 Biofuels Oy consists of two (2) ordinary members and one (1) deputy member. The current members are the following:

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>First elected to the Board of Directors</b>
Mika Anttonen	1966	Chairman	2006
Kim Wiio	1971	Member of the Board of Directors	2006
Mika Jokinen	1964	Deputy Member of the Board of Directors	2012

### *St1 Sverige AB*

The Board of Directors of St1 Sverige AB consists of two (2) ordinary members and one deputy member. The current members are the following:

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>First elected to the Board of Directors</b>
Mika Anttonen	1966	Chairman	2009
Kim Wiio	1971	Member of the Board of Directors	2009
Mikko Reinekari	1975	Deputy Member of the Board of Directors	2009

### *Stl Norge AS*

The Board of Directors of Stl Norge AS consists of three (3) ordinary members. The current members are the following:

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>First elected to the Board of Directors</b>
Mika Anttonen	1966	Chairman	2009
Kim Wiio	1971	Member of the Board of Directors	2009
Mikko Reinekari	1975	Member of the Board of Directors	2009

### **The managing director and operative management**

#### *The Issuer*

The Issuer's operative management consists of the chief executive officer ("CEO") and the chief financial officer ("CFO"). The CEO is appointed by the Board of Directors.

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>Joined the Group</b>
Kim Wiio	1971	Chief Executive Officer	2001
Kati Ylä-Autio	1970	Chief Financial Officer	2007

#### *Stl Oy*

Stl Oy's operative management consists of the Managing Director, Finance Director, sales director, network director, direct sales director, renewable energy director, marketing and communications director and IT Director. The Managing Director is appointed by the Board of Directors.

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>Joined the Group</b>
Mika Wiljanen	1965	Managing Director	2010
Anu Rautanen	1969	Finance Director	2000
Mikko Reinekari	1975	Sales Director	1999
Juha Vanninen	1965	Network Director	2010
Matti Pentti	1963	Director, Direct Sales	2007
Jari Suominen	1957	Director, Renewable Energy	2007
Harri Tuomaala	1975	Director, Marketing and Communications	2007
Marko Korhonen	1971	IT Director	2013

#### *Stl Energy Oy*

Pursuant to administrative services agreements between Stl Energy Oy and Stl Oy, the operative management of Stl Oy also manages the operations of Stl Energy Oy. The Managing Director of Stl Energy Oy is appointed by its Board of Directors.

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>Joined the Group</b>
Mika Wiljanen	1965	Managing Director	2010
Anu Rautanen	1969	Finance Director	2000
Mikko Reinekari	1975	Sales Director	1999
Juha Vanninen	1965	Network Director	2010
Matti Pentti	1963	Director, Direct Sales	2006
Jari Suominen	1957	Director, Renewable Energy	2007
Harri Tuomaala	1975	Director, Marketing and Communications	2007
Marko Korhonen	1971	IT Director	2013

### *St1 Biofuels Oy*

St1 Biofuels Oy's operative management consists of the Managing Director, production manager, head of sales and business development and director, engineering. The Managing Director is appointed by the Board of Directors.

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>Joined the Group</b>
Mika Aho	1967	Managing Director	2007
Mika Jokinen	1964	Production Manager	2007
Patrick Pitkänen	1968	Head of Sales and Business Development	2010
Risto Savolainen	1966	Director, Engineering	2010

### *St1 Sverige AB*

Pursuant to administrative services agreements between St1 Energy AB, St1 Sverige AB and St1 Norge AS, the operative management of St1 Energy AB currently also manage the operations of St1 Sverige AB. After the transfer of the fuel sales and marketing operations of St1 Energy AB to St1 Sverige AB, the operative management shall be transferred to St1 Sverige AB. Currently the operative management consists of the Managing Director, Finance Director, retail manager, director of sales and marketing, business-to-business ("B2B") manager and IT Director. The Managing Director of St1 Sverige AB is appointed by its Board of Directors.

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>Joined the Group</b>
Jonas Sidenå	1953	Managing Director	2009
Hilde Wahl	1964	Finance Director	2009
Stefan Samuelsson	1958	Retail Manager	2010
Ulf Albrecht	1968	Director of Sales and Marketing	2009
Per-Arne Karlsson	1960	B2B Manager	2011
Cathrin Idén	1976	Acting IT Director	2011
Jenny Regnér	1975	IT Director	2009

### *St1 Norge AS*

Pursuant to administrative services agreements between St1 Energy AB, St1 Sverige AB and St1 Norge AS, the operative management of St1 Energy AB currently also manage the operations of St1 Norge AS. After the transfer of the fuel sales and marketing operations of St1 Energy AB to St1 Sverige AB, the operative management shall be transferred to St1 Sverige AB. Notwithstanding this change, they will continue managing the operations of St1 Norge AS. Currently, the operative management consists of the Managing Director, Finance Director, retail manager, director of sales and marketing, B2B manager and IT Director. The Managing Director of St1 Norge AS is appointed by its Board of Directors.

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>Joined the Group</b>
Jonas Sidenå	1953	Managing Director	2009
Hilde Wahl	1964	Finance Director	2009
Stefan Samuelsson	1958	Retail Manager	2010
Ulf Albrecht	1968	Director of Sales and Marketing	2009
Per-Arne Karlsson	1960	B2B Manager	2011
Cathrin Idén	1976	Acting IT Director	2011
Jenny Regnér	1975	IT Director	2009

### **Further details on the management of the Issuer and the Guarantors**

**Mika Aho** has acted as the Managing Director of St1 Biofuels Oy since 2008, and he is currently also an ordinary member of the Board of Directors of North European Bio Tech Oy as well as a deputy member of the Board of Directors of St1 HRK Oy. Prior to his current role in St1 Nordic, Mr. Aho has acted as, among others, the Sales Director of oy Esso ab and, subsequently, St1 Oy. Mr. Aho holds the degree of Bachelor of Sciences in Business Administration and Economics.

**Ulf Albrecht** has served as the Director of Sales and Marketing with St1 Energy AB, St1 Sverige AB and St1 Norge AS since 2010. Prior to his current role, Mr. Albrecht acted as the Director of Sales for both St1 Sverige AB and St1

Norge AS between 2009 and 2010. From 1999 until 2009 he had several positions in Norsk Hydro Olje AB. Mr. Albrecht holds the degree of Bachelor of Science in Business Administration and Economics.

**Mika Anttonen** has been the Chairman of the Board of Directors of the Issuer since 2013. From 1996 he has been the primary owner of the business and he has had several positions in the Boards of Directors of the companies within the Group. Currently Mr. Anttonen is the Chairman of the Board of Directors of each Guarantor, and he owns 77.1% of the shares in the Issuer directly or through Keele Oy, which is fully owned by him and members of his family. He is also the Chairman of the Boards of Directors of Tuuliwatti Oy and St1 HRK Oy, and an ordinary member of the Boards of Directors of North European Bio Tech Oy, North European Oil Trade Oy and Avifuels Oy. Mr. Anttonen holds the degree of Master of Science in Engineering.

**Cathrin Idén** has served as the acting IT Director with St1 Energy AB, St1 Sverige AB and St1 Norge AS since 2013. Prior to her current role, Ms. Idén acted as Card Operation Teamleader and Retail Project Manager with St1 Energy AB between 2011 and 2012. Her previous employments include several positions within AB Svenska Shell. Ms. Idén holds Project Manager, Accounting Economist and Human Resource Manager certificates from the Företagsekonomiska Institutet.

**Mika Jokinen** has been a member of the Board of Directors of the Issuer since 2013 and a member of the Board of Directors of St1 Biofuels Oy since 2012. From 2010 onwards he has also served as the Production Manager of St1 Biofuels Oy. Previously he has, for example, acted as a member of the Board of Directors of St1 Oy from 2007 until 2013, and worked as a Project/Sourcing Manager for St1 Biofuels Oy. Mr. Jokinen holds the degree of Master of Science in Engineering.

**Per-Arne Karlsson** has served as the B2B Manager of St1 Energy AB, St1 Sverige AB and St1 Norge AS since 2011. Prior to his current role, Mr. Karlsson has worked as a finances controller within the Group, and as a Senior B2B Risk Marketer within the Shell group. Mr. Karlsson has participated in several internal company training programs during his time, among others, within the Shell group.

**Juha Kokko** was a member of the Board of Directors of St1 Oy from 2000 until 2013, and since 2013 he has been a member of the Board of Directors of the Issuer. He currently acts also as the Managing Director of Suomen Öljykierrätys Oy and Himahamsterit Oy, and as an ordinary member of the Boards of Directors of Himahamsterit Oy, Petrobros Oy and FT Communications Oy. Moreover, he is a deputy member of the Board of Directors of Oy Precean Ab. Previously Mr. Kokko has served, for example, as the Chief Operating Officer in Ecostream Oy, as the Managing Director of L&T Recoil Oy, and as a Business Development Director of Ecostream Oy. He has also been a member in the Boards of Directors of L&T Recoil Oy, Ecostream Oy, St1 Polska sp.z.o.o, Ecostream Polska sp.z.o.o and NavEst Shipping AS. Mr. Kokko holds the degree of Master of Laws.

**Marko Korhonen** has acted as the IT Director of St1 Oy and St1 Energy Oy since 2013. Prior to joining the Group, Mr. Korhonen worked, among others, as an enterprise architect for SAP. Mr. Korhonen holds the degree of Master of Science in Engineering.

**Mikko Koskimies** was a member of the Board of Directors of St1 Oy from 2006 until 2013, and since 2013 he has been a member of the Board of Directors of the Issuer. Currently Mr. Koskimies is the Managing Director of eQ Asset Management Ltd and the Chairman of the Boards of Directors of eQ Life Oy and eQ Financial Products Oy. He is also a member of the Boards of Directors of ICECAPITAL Varainhoito Oy, ICECAPITAL Rahastoyhtiö Oy, eQ Rahastoyhtiö Oy, Pojanto Oy and Teamet Oy. Previously he has acted, for example, as the Managing Director and Head of Asset Management of Pohjola Asset Management Ltd. and as a member of the Executive Committee of Pohjola Bank plc. His previous board memberships include acting as the Chairman of the Boards of Directors of Pohjola Property Management Ltd., Pohjola Private Equity Funds Ltd. and Pohjola Capital Partners Ltd., and as a member of the Boards of Directors of OP Mutual Fund Management Company Ltd., R2 Alpha Ltd. and Access Capital Partners Ltd. (Belgium/France). Mr. Koskimies holds the degree of Master of Science in Economics.

**Matti Pentti** has acted as St1 Oy and St1 Energy Oy's Director of Direct Sales since 2007. In addition, Mr. Pentti is a member of the NOIA Heating Oil Council and the National Energy Saving Council with regard to traffic and heating. Mr. Pentti holds the degree of Bachelor of Science in Marine Engineering.

**Patrick Pitkänen** has acted as the Head of Sales and Business Development of St1 Biofuels Oy since 2010. Currently he is also a deputy Managing Director and a deputy member of the Board of Directors of Viestintäyhtiö Heimo Oy. Prior to his current role, Mr. Pitkänen served as a Sales Manager for St1 Biofuels Oy. Prior to joining the Group, Mr. Pitkänen held several positions, among others, within TietoEnator Oyj. Mr. Pitkänen holds the degree of Master of Science in Mechanical Engineering and has participated in company training programs organised by the Stockholm School of Economics and Mercuri International.

**Anu Rautanen** has held the position of Finance Director with St1 Oy and St1 Energy Oy since 2010. Prior to her current role, Ms. Rautanen had several positions within the Group. Mrs. Rautanen holds the degree of KLT-accountant.

**Jenny Regnér** has acted as the IT Director for St1 Energy AB, St1 Sverige AB and St1 Norge AS since 2009. Prior to joining the Group, Ms. Regnér served as a Practice Leader and Senior Engagement Manager for Capgemini Sverige AB. Ms. Regnér holds the degree of Master of Science in Business Administration.

**Mikko Reinekari** has acted as the Sales Director of St1 Oy and St1 Energy Oy since 2010. Prior to his current role, Mr. Reinekari had different positions within the Group. In addition, Mr. Reinekari is a member of the Board of Directors of St1 Norge AS and Chairman of the Board of Helsingin Iita Oy Condominium. Mr. Reinekari holds the degree of Bachelor of Business Administration in International Business and Logistics.

**Stefan Samuelsson** has held the position of Retail Manager in St1 Sverige AB, St1 Energy AB and St1 Norge AS since 2010. Prior to that Mr. Samuelsson served, among others, as the Retail Network Delivery Manager of the Nordics with the Shell group. Mr. Samuelsson has participated in several internal training courses of his earlier employers and in a business program organised by the International Institute for Management Development in Lausanne.

**Risto Savolainen** has served as the Director, Engineering with St1 Biofuels Oy since June 2010. Prior to that Mr. Savolainen acted, for example, as the Director, Sales & Business Development in the same company. Before joining the Group, Mr. Savolainen had an 18-year career in local Esso and global ExxonMobil positions. Mr. Savolainen holds the degree of Master of Science in Production Economics from the Helsinki University of Technology.

**Jonas Sidenå** has acted as the Managing Director of both St1 Sverige AB and St1 Norge AB since 2009. In addition, Mr. Sidenå has acted as the Managing Director of St1 Energy AB as of 2010. Prior to joining St1, he has acted, among others, as the head of energy and retail departments of Norsk Hydro Olje AB. Mr. Sidenå has participated in various business programs, including the Management Information Programme (Oslo), Institute for Management Development (Stockholm) and International Institute for Management Development (Oslo/Lausanne).

**Jari Suominen** has acted as the Director, Renewable Energy of St1 Oy and St1 Energy Oy since 2007. In addition, he is the Managing Director of the Tuuliwatti Oy. Mr. Suominen holds chairmanships in the boards of the Finnish Wind Power Association, Finnish Petroleum Association and Finnish Maintenance and Supply Security Centre. Mr. Suominen holds the degree of Mechanical Engineer.

**Harri Tuomaala** has served as the Director of Marketing and Communications of St1 Oy and St1 Energy Oy since 2008. Prior to his current role, he has acted, for example, as a Marketing Manager of St1 Oy. Mr. Tuomaala holds the degree of Master of Science in Economics.

**Juha Vanninen** has acted as the Network Director of St1 Oy and St1 Energy Oy since 2010. Prior to joining the Group, he has served, among others, as a retail sales manager with oy Shell ab. Mr. Vanninen has graduated from the Polytechnical School of Helsinki, and he holds a degree in the field of Civil Engineering.

**Kim Wiio** has been a member of the Board of Directors of St1 Oy from 2011, and since 2006 he has been a member of the Board of Directors of the Issuer. Since 2010 Mr. Wiio has also been the CEO of the Issuer and St1 Group Ltd. Simultaneously he acts as a member of the Boards of Directors of each Guarantor and Etelä-Suomen Lämpöpalvelu Oy. Currently he is also the Managing Director and a deputy member of the Board of Directors of Petrobras Oy, and an ordinary member of the Boards of Directors of Mininvest Oy and St1 HRK Oy. Previously he has served, for example, as the Managing Director of St1 Oy. Mr. Wiio holds the degree of Master of Laws.

**Hilde Wahl** has held the position of Finance Director with all of the companies within the Group in Norway and Sweden since 2009. In addition, she has previously acted as both the Marketing and the HR Manager of St1 Sverige AB and St1 Energy AB. Prior to joining the Group, Ms. Wahl acted, among others, as the Retention Manager of Fortum Markets AB. Ms. Wahl holds the degree of Master of Business Administration in Marketing from the University of Wisconsin.

**Mika Wiljanen** has acted as the Managing Director with St1 Oy and St1 Energy Oy since 2010, and currently he is also an ordinary member of the Board of Directors of North European Oil Trade Oy. Prior to joining the Group, Mr. Wiljanen has served as the General Manager of the Networks Operations of Shell International. Mr. Wiljanen holds the degree of Bachelor of Administration in Business Administration.

**Kati Ylä-Autio** has served as the CFO with the Issuer and St1 Group Ltd since December 2010. Prior to that Mrs. Ylä-Autio acted, for example, as the Finance Manager in St1 Oy. Mrs. Ylä-Autio holds the degree of Master of Science in Economics.

## Share capital and shareholders of the Issuer and the Guarantors

As at the date of this Company Description, the paid-in share capital and number of shares of the Issuer and the Guarantors are as follows:

Company	Share capital	Shares
The Issuer	EUR 100,000.00	20,000,000
St1 Oy	EUR 5,000,000.00	1,800,000
St1 Energy Oy	EUR 33,640,000.00	20,000
St1 Biofuels Oy	EUR 42,680.00	9,735 K shares and 20,265 E shares <sup>7</sup>
St1 Sverige AB	SEK 100,000.00	1,000
St1 Norge AS	NOK 6,503,929.56	62,604

As at the date of this Company Description the shareholders of the Issuer are:

Shareholders	Shares	Shares, %
Keele Oy (controlled by Mika Anttonen)	13,108,580	65.54
Mika Anttonen	2,309,091	11.55
Mininvest Oy (controlled by Kim Wiio)	2,164,961	10.82
Petrobros Oy (controlled by Kim Wiio and Juha Kokko)	1,022,727	5.11
Teamet Oy (controlled by Mikko Koskimies)	580,000	2.90
Mika Aho	200,000	1.00
Matti Pentti	200,000	1.00
Jari Suominen	200,000	1.00
Kim Wiio	123,732	0.62
Mika Jokinen	90,909	0.45
Total	20,000,000	100.00

The Issuer is the sole shareholder of each of the Guarantors.

The Certified Adviser does not have any shareholdings in the Issuer.

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<sup>7</sup> At the date of this Company Description, the amount of E-shares registered with the Trade Register is 8,265. In addition, St1 Biofuels Oy has filed an application for the registration of 12,000 E-shares.

## MATERIAL INDEBTEDNESS

In connection with issuing the Notes, the Issuer has entered into an unsecured revolving credit facility of EUR 150,000,000 (the "**RCF**") with Danske Bank Oyj and Nordea Bank Finland Plc as lenders for the purposes of refinancing of the existing indebtedness of the Issuer and the Guarantors. In addition to the Issuer, the other borrowers under the RCF are the Guarantors. The RCF is guaranteed by the Guarantors. The maturity of the RCF is three years including an extension possibility for two additional years subject to the prior approval of the lenders and an extension fee. The RCF includes certain financial and other covenants and undertakings.

Finnvera Plc has granted St1 Biofuels Oy loans in the aggregate original amount of EUR 8,500,000, and currently amounting to approximately EUR 4,100,000. With respect to such financing, St1 Biofuels Oy has pledged a property mortgage note in the amount of EUR 3,200,000 as well as a business mortgage note in the amount of EUR 6,000,000. The Issuer has issued parent company guarantees in favour of Finnvera Plc in the amount of EUR 8,500,000 in total as security for the fulfilment of St1 Biofuels Oy's obligations under the above mentioned loans.

Nordea Finans Sverige AB (publ) and St1 Sverige AB have entered into an agreement on the purchase of receivables up to a limit of SEK 400,000,000, which has not been fully utilised. Moreover, Nordea Finance Finland Ltd and St1 Energy Oy have entered into an agreement on the purchase of receivables up to a limit of EUR 10,000,000. Both of these arrangements are in force until further notice. Furthermore, St1 Energy AB has factoring facilities from Nordea Finans Sverige AB (publ) in the amount of SEK 320,000,000 (not fully utilised) and from Danske Bank A/S Danmark, Sverige Filial/Danske Finans in the amount of SEK 500,000,000 (not fully utilised), both of which will be transferred to St1 Sverige AB in connection with the transfer of St1 Energy AB's certain functions to St1 Sverige AB.

St1 Nordic has pension liabilities or guarantees of such liabilities in a maximum aggregate amount of approximately SEK 460,000,000.

St1 Nordic has existing finance or capital leases of vehicles, plant, equipment or computers outstanding on the date of this Company Description in the aggregate amount of approximately EUR 7,500,000 with Danske Finance Ltd and Nordea Finance Finland Ltd.



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Company Description. They have been published on the Issuer's website at: <http://www.st1.eu/company-information>. The parts of the following documents that have not been incorporated by reference to this Company Description are either not relevant for investors in the Notes or are covered elsewhere in this Company Description.

<b>Document</b>	<b>Information incorporated by reference</b>
Balance book 2012, pages 2-20	Financial statement as at and for the year ended on 31 December 2012
Balance book 2012, page 23	Auditor's report for the year 2012



**TERMS AND CONDITIONS FOR  
ST1 NORDIC CORPORATION**

**EUR 100,000,000**

**SENIOR UNSECURED FIXED RATE NOTES DUE 4 JUNE 2019**

**ISIN: FI4000097191**

Issue Date 4 June 2014

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**TERMS AND CONDITIONS FOR  
ST1 NORDIC CORPORATION  
EUR 100,000,000  
SENIOR UNSECURED FIXED RATE NOTES DUE 4 JUNE 2019  
ISIN: FI4000097191**

**1 DEFINITIONS AND CONSTRUCTION**

**1.1 Definitions**

In these terms and conditions (the "**Terms and Conditions**"):

**"Accounting Principles"** means the generally accepted accounting principles, standards and practices in Finland as applied by the Issuer in preparing its annual consolidated financial statements, including IFRS.

**"Adjusted EBITDA"** means, in respect of any Measurement Period, the consolidated operating profit of the Group before taxation:

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that Measurement Period;
- (b) not including any accrued interest owing to any Group Company;
- (c) after adding back any negative exceptional items (to the extent otherwise deducted) or deducting any positive exceptional items (to the extent otherwise included);
- (d) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (e) plus or minus the Group's share of the profits or losses (after finance costs and tax) of entities which are not Group Companies;
- (f) before taking into account any unrealised gains or losses on any derivative instrument or financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
- (g) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset;
- (h) before taking into account any pension items;
- (i) after deducting the amount of any profit incurred during the Measurement Period from subsidiaries or business disposed during the Measurement Period; and
- (j) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of Group Companies.

**"Adjusted Nominal Amount"** means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate of the Issuer, irrespective of whether such Group Company or an Affiliate of the Issuer is directly registered as owner of such Notes.

**"Affiliate"** means, in relation to any specified Person, another Person directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, "control" when used with respect to any Person means the power to

direct the management or policies of such Person, whether directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

**"Agency Agreement"** means the agency agreement entered into on or before the Issue Date, between the Issuer and Nordic Trustee Oy, or any replacement agency agreement entered into after the Issue Date between the Issuer and a replacing Agent.

**"Agent"** means Nordic Trustee Oy, incorporated under the laws of Finland with business identity code 2488240-7, acting for and on behalf of the Noteholders in accordance with these Terms and Conditions, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

**"Associated Companies"** means each of North European Bio Tech Oy, North European Oil Trade Oy and Tuuliwatti Oy.

**"Book-Entry Securities System"** means the OM system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

**"Book-Entry System Act"** means the Finnish Act on Book-Entry System and Clearing Operations (Fin: *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* 749/2012, as amended).

**"Borrowings"** means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness of members of the Group for or in respect of:

- (a) any moneys borrowed;
- (b) any note purchase facility or the issue of bonds (other than a performance bond or other similar bond issued in the ordinary course of the business of the Group), notes, debentures, loan stock or any similar instrument;
- (c) any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- (d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (e) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply;
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and
- (g) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (f) above.

**"Business Day"** means a day on which the deposit banks are generally open for business in Helsinki.

**"Business Day Convention"** means the first following day that is a CSD Business Day.

**"Cash"** means, in respect of the Group, and at any time, immediately available funds at bank accounts.

**"Cash Equivalent Investments"** means, in respect of the Group, and at any time, marketable debt securities or other instruments maturing within one year held for cash management purposes that can be realised promptly.

**"Change of Control Event"** means the occurrence of an event or series of events whereby Mika Anttonen (whether directly or indirectly through Keele Oy) ceases to hold at least 51 per cent. of all the shares and votes in the Issuer.

**"CSD"** means Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, 00101 Helsinki, Finland or any entity replacing the same as a central securities depository.

**"CSD Business Day"** means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

**"Demerger Event"** means the implementation of any demerger (or a corporate reorganisation having the same or equivalent effect) of the Issuer.

**"Euro"** and **"EUR"** means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

**"Event of Default"** means an event or circumstance specified in Clause 12.1.

**"Final Maturity Date"** means 4 June 2019.

**"Finance Documents"** means these Terms and Conditions, the Guarantees and any other document designated by the Issuer and the Agent as a Finance Document.

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

**"Financial Report"** means the financial statements delivered in accordance with paragraphs (a) and (b) of Clause 10.1.1.

**"Force Majeure Event"** has the meaning set forth in Clause 23.1.

**"Group"** means the Issuer and its Subsidiaries from time to time (each a **"Group Company"**).

**"guarantee"** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any Person or to make an investment in or loan to any Person or to purchase assets of any Person where, in each case, such obligation is assumed in order to maintain or assist the ability of such Person to meet its indebtedness.

**"Guaranteed Obligations"** means all present and future obligations and liabilities of the Issuer to the Guaranteed Parties under the Finance Documents, the Issuing Agency Agreement and the Agency Agreement.

**"Guaranteed Parties"** means the Noteholders, the Agent (including in its capacity as Agent under the Agency Agreement) and the Issuing Agent.

**"Guarantees"** means the guarantees issued or to be issued by St1 Oy, St1 Energy Oy, St1 Biofuels Oy, St1 Norge AS and St1 Sverige AB on or prior to the Issue Date in respect of the Guaranteed Obligations.

**"Guarantors"** means St1 Oy, St1 Energy Oy, St1 Biofuels Oy, St1 Norge AS and St1 Sverige AB.

**"incurrence"** or **"incur"** includes the issuance, assumption, guarantee of, or otherwise becoming liable for, any Financial Indebtedness (including through acquiring an asset, business or entity).

**"Incurrence Test"** means the test set forth in Clause 11.11 (*Financial Undertakings*).

**"Insolvent"** means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (Fin: *Konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (Fin: *Laki yrityksen saneerauksesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

**"Interest"** means the interest on the Notes calculated in accordance with Clauses 7.1 to 7.3.

**"Interest Payment Date"** means 4 June of each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from the application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 4 June 2015 and the last Interest Payment Date shall be the relevant Redemption Date.

**"Interest Period"** means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted by application of the Business Day Convention.

**"Interest Rate"** means 4.125 per cent. per annum.

**"Issue Date"** means 4 June 2014.

**"Issuer"** means St1 Nordic Corporation, a limited liability company incorporated under the laws of Finland with business identity code 2082259-7.

**"Issuing Agency Agreement"** means the agreement dated 20 May 2014 regarding services related to the Notes entered into by and between the Issuer and the Issuing Agent in connection with the issuance of the Notes (as amended and restated from time to time).

**"Issuing Agent"** means Nordea Bank Finland Plc acting as issue agent (Fin: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Issuing Agent in accordance with the regulations of the CSD.

**"Material Adverse Effect"** means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer's ability to perform its payment obligations under these Terms and Conditions or (c) the validity and enforceability of these Terms and Conditions or the other Finance Documents.

**"Measurement Period"** means, for purposes of the Incurrence Test, the latest twelve month period for which financial statements are available.

**"Nominal Amount"** has the meaning set forth in Clause 2.4.

**"Noteholder"** means the Person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 6 of the Book-Entry System Act as direct registered owner (Fin: *omistaja*) or nominee (Fin: *hallintarekisteröinnin hoitaja*) with respect to a Note.

**"Noteholders' Meeting"** means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders' Meeting*).

**"Notes"** means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fin: *Velkakirjalaki 622/1947*, as amended) (Fin: *joukkovelkakirja*) issued on the Issue Date and which are governed by and issued under these Terms and Conditions.

**"Obligor"** means the Issuer or a Guarantor.

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

**"Record Time"** means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 13 (*Distribution of proceeds*);
- (b) in relation to a Noteholders' Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 16.3 or 17.3, as applicable; and
- (c) otherwise, the end of the fifth CSD Business Day prior to another relevant date.

**"Redemption Date"** means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 8 (*Redemption and repurchase of the Notes*).

**"Relevant Market"** means:

- (a) initially First North Finland maintained by NASDAQ OMX Helsinki Ltd (the **"Initial Relevant Market"**); or



- (b) following the possible subsequent listing of the Notes on the Official List of NASDAQ OMX Helsinki Ltd, the Official List of NASDAQ OMX Helsinki (the “**Subsequent Relevant Market**”).

**"Restricted Payment"** has the meaning assigned to it in Clause 11.2 (*Dividends and restricted payments*).

**"Revolving Facilities Agreement"** means the EUR 150 million revolving credit facilities agreement dated 20 May 2014 and made between, amongst others, Danske Bank A/S and Nordea Bank Finland Plc as mandated lead arrangers and Danske Bank Oyj and Nordea Bank Finland Plc as original lenders.

**"Security"** means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

**"Subsidiary"** means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (Fin: *tytäryhteisö*) to such Person, directly or indirectly, as defined in the Finnish Companies Act (Fin: *Osaakeyhtiölaki* 624/2006, as amended).

**"Total Net Debt"** means, at any time, the aggregate amount of all obligations of the Group Companies for or in respect of Borrowings at that time deducted by the aggregate amount of Cash and Cash Equivalent Investments held by any Group Company at that time.

**"Total Nominal Amount"** means the aggregate Nominal Amount of all the Notes outstanding at the relevant time.

**"Written Procedure"** means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 17 (*Written Procedure*).

## **1.2 Construction**

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) **"assets"** includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) an Event of Default is continuing if it has not been remedied or waived;
- (d) a provision of law is a reference to that provision as amended or re-enacted;
- (e) words denoting the singular number shall include the plural and vice versa; and
- (f) a time of day is a reference to Helsinki time.

1.2.2 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Euro for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.int](http://www.ecb.int)). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.

1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2 ISSUANCE AND STATUS OF THE NOTES

- 2.1 The Notes are denominated in Euro and each Note is constituted by these Terms and Conditions.
- 2.2 The Notes are offered for subscription in a minimum amount of EUR 100,000 by way of a private placement.
- 2.3 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder (i) agrees that the Notes shall benefit from and be subject to the Finance Documents and (ii) agrees to be bound by these Terms and Conditions and the other Finance Documents.
- 2.4 The nominal amount (Fin: *arvo-osuuden yksikkökoko*) of each Note is EUR 100,000 (the "**Nominal Amount**"). The aggregate nominal amount of the Notes is EUR 100,000,000. All Notes are issued on the Issue Date on a fully paid basis at an issue price of 99.832 per cent. of the Nominal Amount.
- 2.5 The Notes constitute direct, unconditional, unsubordinated unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.
- 2.6 Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

## 3 USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing existing financial indebtedness of the Obligors.

## 4 CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuing Agent shall pay the net proceeds from the issuance of the Notes to the Issuer on the later of (i) the Issue Date and (ii) the day on which the Agent notifies the Issuing Agent that it has received the following, in form and substance satisfactory to it:
- (a) the Finance Documents, the Issuing Agency Agreement and the Agency Agreement duly executed by the parties thereto;
  - (b) a copy of a resolution from the board of directors of each Obligor:
    - (i) approving the issue of the Notes and the terms of the Finance Documents, the Issuing Agency Agreement and the Agency Agreement to which they are party to, and resolving to enter into such documents and any other documents necessary in connection therewith; and
    - (ii) authorising specified Person(s) to approve and execute any documents and take any other action necessary to consummate such issue;
  - (c) a copy of the signed Revolving Facilities Agreement;
  - (d) evidence that existing financial indebtedness of the Obligors, to be refinanced by the net proceeds of the Issue of the Notes, will be repaid in full on the Issue Date and that any Security provided for such indebtedness will be simultaneously released;

- (e) legal opinions as to matters of Finnish, Swedish and Norwegian law confirming, amongst others, the legal validity and enforceability of the Notes and the Guarantee, as applicable; and
- (f) such other documents and information as is agreed between the Agent and the Issuer.

4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

4.3 The Agent shall confirm to the Issuing Agent when it has received the documents and evidence referred to in Clause 4.1.

## **5 NOTES IN BOOK-ENTRY FORM**

5.1 The Notes will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.

5.2 Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 6 of the Book-Entry System Act kept by the CSD in respect of the Notes and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuing Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuing Agent, as applicable.

5.3 The Agent and the Issuing Agent shall have the right to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuing Agent is at any time on its behalf entitled to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes.

5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent as are notified by the Agent, in order for such individuals to independently obtain information referred to in Clause 5.2 directly from the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

5.5 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 5.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes and shall not disclose such information to any Noteholder or third party unless necessary for the before mentioned purposes.

## **6 PAYMENTS IN RESPECT OF THE NOTES**

6.1 Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the Person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.

6.2 If, due to any obstacle affecting the CSD, the Issuer cannot make a payment, such payment may be postponed until the obstacle has been removed. Any such payment shall not affect the Record Time.

6.3 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

6.4 All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

## **7 INTEREST**

7.1 Each Note carries Interest at the Interest Rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date.

7.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.

7.3 Interest shall be calculated on the "actual/actual ICMA" basis as specified by the International Capital Market Association.

7.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is one (1) percentage point higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing Agent or the CSD, in which case the Interest Rate shall apply instead.

## **8 REDEMPTION AND REPURCHASE OF THE NOTES**

### **8.1 Redemption at maturity**

The Issuer shall redeem all of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the CSD Business Day determined by application of the Business Day Convention.

### **8.2 Issuer's purchase of Notes**

The Issuer may at any time and at any price purchase any Notes on the market or in any other way, provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Noteholders on equal terms. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

### **8.3 Mandatory repurchase due to a Change of Control Event (put option)**

8.3.1 Upon the occurrence of a Change of Control Event, each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.

8.3.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 8.3.1.

- 8.3.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.3, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.3 by virtue of the conflict.
- 8.3.4 Any Notes repurchased by the Issuer pursuant to this Clause 8.3 shall be promptly cancelled by the Issuer.
- 8.3.5 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 8.3, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Notes in the manner and on the terms set out in this Clause 8.3 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 8.3, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 8.3.6 If Notes representing more than 75 per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 8.3, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 8.3.1 above by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date pursuant to Clause 8.3.2. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.
- 8.4 Mandatory repurchase due to a Demerger Event (put option)**
- 8.4.1 Upon the occurrence of a Demerger Event, each Noteholder shall have the right to request that all of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Demerger Event pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Demerger Event.
- 8.4.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 8.4.1.
- 8.4.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.4 by virtue of the conflict.
- 8.4.4 Any Notes repurchased by the Issuer pursuant to this Clause 8.4 shall be promptly cancelled by the Issuer.

- 8.4.5 Each Noteholder, whether or not it elects to exercise its right to require the repurchase of its Notes in the case of a Demerger Event, is deemed to have waived any and all statutory rights under Finnish law to oppose the Demerger Event in its capacity as a creditor.
- 8.4.6 If Notes representing more than 75 per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 8.4, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 8.4.1 above by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date pursuant to Clause 8.4.2. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.

## **9 GUARANTEE**

- 9.1 As continuing Security for the due and punctual fulfilment of the Guaranteed Obligations, the Issuer shall ensure that at the latest on the Issue Date the Guarantors shall issue the Guarantees for the benefit of the Guaranteed Parties. The Agent shall hold the Guarantees on behalf of the Guaranteed Parties in accordance with the Guarantees and the Agency Agreement.
- 9.2 The Guarantees are granted only for the benefit of the Guaranteed Parties. The Guarantees provide and will provide that only the Agent may exercise the rights under the Guarantees and only the Agent has the right to demand payment under the Guarantees. As a consequence, the Guaranteed Parties shall not be entitled, individually or collectively, to take any direct action to enforce any rights in their favour under the Guarantees.
- 9.3 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Guarantees or for the purpose of settling the Noteholders' rights under the Guarantees, in each case in accordance with the terms of the Finance Documents.
- 9.4 The Agent shall be entitled to release all the Guarantees upon the discharge in full of the Guaranteed Obligations.

## **10 INFORMATION TO NOTEHOLDERS**

### **10.1 Information from the Issuer**

- 10.1.1 The Issuer will make the following information available to the Noteholders by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within 120 days after the end of each financial year, its audited consolidated and unconsolidated financial statements for that financial year;
  - (b) as soon as the same become available, but in any event within 90 days after the end of each interim half of its financial year, its unaudited consolidated and unconsolidated (as applicable) financial statements consisting of profit and loss account, balance sheet and cashflow statement for such period as well as information on the Adjusted EBITDA for the period of 12 months ending on the last day of the interim half of the relevant financial year;

- (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by the Group Companies, or the amount of Notes cancelled by the Issuer; and
- (d) any other information required to be disclosed under the Finnish Securities Markets Act (Fin: *Arvopaperimarkkinalaki* 746/2012, as amended) and the rules and regulations of the Relevant Market.

10.1.2 The Issuer shall notify the Noteholders and the Agent (a) immediately upon becoming aware of the occurrence of a Change of Control Event and (b) no later than 15 Business Days in advance of the occurrence of a Demerger Event. Such notice may also be given in advance of the occurrence of a Change of Control Event or the date set out above in respect of a Demerger Event and be conditional upon the occurrence of such Change of Control Event or Demerger Event, as applicable, if a definitive agreement is in place providing for a Change of Control Event or a demerger plan has been filed in respect of a Demerger Event.

10.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Agent.

10.1.4 The Issuer shall no later than 15 Business Days prior to:

- (a) the incurrence of Financial Indebtedness (other than Financial Indebtedness permitted under Clause 11.1.2); or
- (b) a Restricted Payment,

submit to the Agent a compliance certificate in the form of Appendix 1 hereto (i) setting out calculations and figures as to compliance with Clause 11.11 (*Financial Undertakings*), (ii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it), (iii) attaching copies of any notices sent to the Relevant Market and (iv) including calculations in respect of the pro forma adjustment referred to in Clause 11.11.2.

10.1.5 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

## **10.2 Information from the Agent**

The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent shall notify the Noteholders of the occurrence of an Event of Default in accordance with Clause 12.3.

## **10.3 Publication of Finance Documents**

10.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

10.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

## **11 UNDERTAKINGS**

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 11 for so long as the Notes remain outstanding.

### **11.1 Financial Indebtedness**

11.1.1 Except as provided under Clause 11.1.2, the Issuer shall not (and shall procure that no other Group Company will) incur any new Financial Indebtedness, unless:

- (a) no Event of Default is continuing or would occur as a result thereof;
- (b) the Incurrence Test is met as evidenced by the most recent compliance certificate delivered pursuant to Clause 10.1.4; and
- (c) the new Financial Indebtedness is incurred within 30 days from the date of the Incurrence Test.

11.1.2 Notwithstanding Clause 11.1.1, the Issuer and any other Group Company may at any time incur Financial Indebtedness:

- (a) arising under the Finance Documents;
- (b) arising under the Revolving Facilities Agreement and under any other documents constituting “Finance Documents” for the purposes of the Revolving Facilities Agreement;
- (c) arising under any guarantees which are referred to in Clause 11.7.2;
- (d) in respect of which a Group Company is the creditor;
- (e) arising under non-speculative hedging transactions entered into in the ordinary course of business in connection with protection against interest rate, currency or commodity price fluctuations;
- (f) arising under existing finance or capital leases of vehicles, plant, equipment or computers outstanding on the Issue Date and any new finance or capital leases of vehicles, plant, equipment or computers entered into after the Issue Date, provided that the aggregate capital value of all such items so leased by Group Companies does not exceed EUR 15,000,000 at any time;
- (g) arising under a loan in the approximate amount of EUR 4,100,000 granted by Finnvera plc to St1 Biofuels Oy or, if such loan is repaid or prepaid in whole, a new loan granted by Finnvera plc to St1 Biofuels Oy in the same principal amount and materially on the same terms as the existing loan;
- (h) arising under pension liabilities or guarantees of such liabilities in a maximum aggregate amount at any time outstanding not exceeding SEK 500,000,000;
- (i) arising under factoring arrangements entered into prior to the Issue Date;
- (j) arising under any group account service of the Obligors (including but not limited to multicurrency cash pool arrangements), sweeping, zero balancing or other cash pool arrangements; and
- (k) arising in the ordinary course of business with suppliers of goods or other customers.



## **11.2 Dividends and restricted payments**

11.2.1 Except as provided under Clause 11.2.2, the Issuer shall not (each of which is a "**Restricted Payment**" and which are collectively referred to as "**Restricted Payments**"):

- (a) declare or pay any dividend in respect of its shares or declare or make any group contributions (Fin: *konserniavustus*) (other than to a Guarantor);
- (b) repurchase or redeem its own shares;
- (c) redeem or reduce its share capital or other restricted equity; or
- (d) make any distribution or transfers of value (including but not limited to any distribution from the fund of invested unrestricted equity (Fin: *sijoitetun vapaan oman pääoman rahasto*)) to the direct or indirect shareholders of the Issuer, or any Affiliate.

11.2.2 Notwithstanding Clause 11.2.1, the Issuer may make a Restricted Payment if:

- (a) no Event of Default is continuing or would occur as a result of such Restricted Payment; and
- (b) the Incurrence Test is met as evidenced by the most recent compliance certificate delivered pursuant to Clause 10.1.4; and
- (c) the Restricted Payment is made within 30 days from the date of the Incurrence Test.

## **11.3 Continuation of business**

The Issuer shall procure that no substantial change is made to the general nature of the business from that carried on by the Group on the Issue Date.

## **11.4 Mergers and de-mergers**

11.4.1 Except as provided under Clause 11.4.2, the Issuer shall not (and shall procure that no other Group Company will) carry out:

- (a) any merger (or other business combination or corporate reorganisation involving the consolidation of assets and obligations) of the Issuer or such other Group Company with any other Person if such merger, combination or reorganisation would have a Material Adverse Effect;
- (b) any demerger (or a corporate reorganisation having the same or equivalent effect) of a Guarantor if such demerger or reorganisation would have a Material Adverse Effect; or
- (c) any liquidation of the Issuer.

11.4.2 Clause 11.4.1 shall not apply to:

- (a) any solvent merger of a Group Company, provided that (i) if a Guarantor is involved, the Guarantor shall be the surviving entity and (ii) if the Issuer is involved, the Issuer shall be the surviving entity;
- (b) the merger of St1 Energy Oy to St1 Oy; or
- (c) the merger of Automani Oy into St1 Oy.

## **11.5 Disposals**

11.5.1 The Issuer shall not (and shall procure that no other Obligor will) sell, transfer or otherwise dispose of all or a substantial part of the Group's assets (including shares or other securities in any Person) or operations (other than to an Obligor), unless such sale, transfer or disposal is carried out at fair market value on terms and conditions customary for such transactions.

11.5.2 If any cash proceeds from a sale, transfer or disposal (whether by a single transaction or a series of transactions (whether related or not)) referred to in Clause 11.5.1 above exceed EUR 30,000,000 (or its equivalent in other currencies) (the "**Cash Proceeds**") in any financial year of the Issuer, the Issuer:

- (a) may within 12 months after receipt of those Cash Proceeds apply, and/or cause the relevant Group Company to apply, them at its discretion to make an investment in properties and/or assets that will be used in the business of the Group or in repayment or discharge of any Financial Indebtedness incurred by the Group Companies but not for any other purpose; and
- (b) shall, to the extent the Cash Proceeds are not applied in accordance with paragraph (a) above, apply the remaining Cash Proceeds towards repayment or discharge of any Financial Indebtedness incurred by the Group Companies without delay after the expiry of the 12 month period referred to in (a) above,

or, as an alternative way to fulfil the requirements under paragraphs (a) and (b) above, the Issuer may offer to repurchase the Notes for their Nominal Amount in which case the requirement under paragraphs (a) and (b) shall be deemed fulfilled irrespective of whether any Notes are so repurchased.

11.5.3 For the avoidance of doubt, Cash Proceeds required to be applied in accordance with Clause 11.5.2 above shall be the entire amount of such proceeds and not only the amount in excess of EUR 30,000,000.

## **11.6 Negative Pledge**

11.6.1 Except as provided under Clause 11.6.2, the Issuer shall not (and shall procure that no other Group Company will):

- (a) create or allow to subsist any Security over any of its assets;
- (b) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or reacquired by any Group Company;
- (c) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (d) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (e) enter into any other preferential arrangement having a similar effect,

in respect of items (b) to (e), in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

11.6.2 Clause 11.6.1 does not apply to:

- (a) any Security created in respect of receivables of the Issuer under the balance management agreement(s) relating to energy produced by Tuuliwatti Oy in favour of Tuuliwatti Oy's lenders;

- (b) the Security created in favour of Keele Oy in respect of the property with registration number 91-412-1-252 sold to Keele Oy to secure the advance payment of the purchase price;
- (c) any Security granted to secure pension obligations permitted under paragraph (h) of Clause 11.1.2;
- (d) any Security under any group account service (including but not limited to multicurrency cash pool arrangements), sweeping, zero balancing or other cash pooling arrangements between the Obligor;
- (e) any Security granted in favour of Finnvera plc relating to the Finnvera loan as referred to under paragraph (g) of Clause 11.1.2;
- (f) any Security over receivables or bank accounts arising in connection with the factoring arrangements existing on the Issue Date;
- (g) any payment or close-out netting or set-off arrangement arising under non-speculative hedging transactions entered into in the ordinary course of business which is permitted under paragraph (e) of Clause 11.1.2;
- (h) any netting or set-off arrangement entered into by a Group Company in the ordinary course of its banking arrangement for the purpose of netting debit and credit balances;
- (i) any lien or other security interest arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any Group Company;
- (j) any Security granted to secure trade credits of members of the Group or arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company, both in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company; and
- (k) any Security not permitted by paragraphs (a) to (j) above, securing indebtedness the principal amount of which does not in aggregate exceed EUR 50,000,000 for the Group taken as a whole.

## **11.7 No guarantees or indemnities**

11.7.1 Except as provided under Clause 11.7.2, the Issuer shall not (and shall procure that no other Group Company will) incur or allow to remain outstanding any guarantee in respect of any obligation of any person.

11.7.2 Clause 11.7.1 does not apply to:

- (a) the Guarantees;
- (b) any guarantee granted by a Group Company in respect of the Revolving Facility Agreement;
- (c) guarantees on behalf of North European Oil Trade Oy in proportion to the Issuer's ownership in North European Oil Trade Oy for its supply agreements, customs guarantees, derivatives agreements guarantees and bank guarantees;
- (d) guarantees on behalf of North European Bio Tech Oy in proportion to the Issuer's ownership in North European Bio Tech Oy;

- (e) guarantees (or a counter-guarantee in proportion to the Issuer's ownership in Tuuliwatti Oy in relation to a guarantee issued by S-Voima Oy, provided that S-Voima Oy is and remains a wholly-owned subsidiary of the S-Group or related co-operatives) on behalf of Tuuliwatti Oy in relation to wind turbine generator supply agreements in favour of the relevant suppliers;
- (f) the existing guarantee granted by the Issuer on behalf of St1 Group AB in relation to St1 Group AB's pension loan;
- (g) the existing guarantee granted by the Issuer in favour of Nordea Bank Finland Plc relating to a EUR 9,500,000 loan granted to St1 HRK Oy;
- (h) any guarantee under any group account service (including but not limited to multicurrency cash pool arrangements), sweeping, zero balancing or other cash pool arrangements between the Obligor;
- (i) any guarantee, counter-guarantee or indemnity to or on behalf of any subsidiary in the ordinary course of trading for, inter alia, product purchases;
- (j) any guarantee given in respect of the netting or set-off arrangements permitted under Clause 11.6.2; and
- (k) any other guarantees, counter-guarantees or indemnities not permitted by the preceding paragraphs in the aggregate amount not exceeding EUR 10,000,000 at any time.

## **11.8 Pari Passu**

The Issuer shall ensure that its payment obligations under the Finance Documents rank at least *pari passu* with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

## **11.9 Related Party transactions**

The Issuer shall conduct all dealings (other than a distribution that is permitted under Clause 11.2) with the direct and indirect shareholders of the Issuer (and/or any Affiliates of such direct or indirect shareholders) at arm's length.

## **11.10 Capitalisation of Associated Companies**

The Issuer shall not (and shall procure that no other Group Company will) make any equity related investment into an Associated Company other than in proportion to the Issuer's ownership in that Associated Company.

## **11.11 Financial Undertakings**

### **11.11.1 The Incurrence Test is met if:**

- (a) the ratio of Total Net Debt on the date of the Incurrence Test to Adjusted EBITDA in respect of that Measurement Period does not exceed 4.0:1; and
- (b) the ratio of Total Net Debt on the date of the Incurrence Test to the consolidated shareholders' equity of the Issuer on the last day of that Measurement Period does not exceed 125 per cent,

in each case calculated in accordance with the calculation principles set out in Clause 11.11.2.

### **11.11.2 The financial covenants set out in Clause 11.11.1 shall, for the purpose of the Incurrence Test only, be calculated in accordance with the Accounting Principles as applied by the Issuer on the Issue Date and on the basis of:**

- (a) in the case of EBITDA and consolidated shareholders' equity, the most recent financial statements of the Group made available pursuant to Clause 10.1.1; and
- (b) in the case of Total Net Debt, the Total Net Debt on the date of the Incurrence Test (including the new Financial Indebtedness to be incurred).

A pro forma adjustment shall be made in the financial year 2014 in respect of the acquisition by St1 Sverige AB of marketing assets from St1 Energy AB.

## **11.12 Admission to trading**

- 11.12.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on the Initial Relevant Market, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading or traded on another regulated market or multilateral trading facility (each as defined in Directive 2004/39/EC on markets in financial instruments).
- 11.12.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission for as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Relevant Market and the CSD, subsist.
- 11.12.3 Notwithstanding the above, the Issuer may at any time at its discretion discontinue the trading of the Notes on the Initial Relevant Market, provided that simultaneously with such discontinuation the Notes are admitted to trading on the Subsequent Relevant Market. Thereafter, all references in Clauses 11.12.1 to 11.12.2 to the Initial Relevant Market shall be construed as references to the Subsequent Relevant Market.

## **11.13 Undertakings relating to the Agency Agreement**

- 11.13.1 The Issuer shall, in accordance with the Agency Agreement:
  - (a) pay fees to the Agent;
  - (b) indemnify the Agent for costs, losses and liabilities;
  - (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
  - (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- 11.13.2 The Issuer and the Agent shall not amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

## **12 ACCELERATION OF THE NOTES**

- 12.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Noteholder at the end of the Business Day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 12.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines,

and/or (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer or any other Person (other than the Agent) does not comply with any material terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above), unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer or the relevant other Person becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects substantially all assets of a Group Company and is not discharged within thirty (30) Business Days; or
- (f) any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (f) if (i) any relevant payment to be made is contested in good faith and as long as it has not resulted in a payment obligation of the relevant Group Company (confirmed by a court, arbitral tribunal or a government authority, subject to Clause 12.5) or (ii) the aggregate amount of Financial Indebtedness referred to herein is less than EUR 4,000,000.

12.2 The Agent may not accelerate the Notes in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing.

12.3 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, except if the Event of Default does not relate to a payment failure in respect of the Notes and the Agent considers that withholding the notice is not detrimental to the interests of the Noteholders. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing (and if the Event of Default does not relate to a payment failure in respect of the Notes, within sixty (60) Business Days, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider carefully whether an occurred event or circumstance constitutes an Event of Default.

- 12.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 12.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 12.6 In the event of an acceleration of the Notes in accordance with this Clause 12, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount.

### **13 DISTRIBUTION OF PROCEEDS**

- 13.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 12 (*Acceleration of the Notes*) and any proceeds received from an enforcement of the Guarantees (in each case to the extent proceeds from the Guarantees can be applied towards satisfaction of the Guaranteed Obligations) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) and/or the Issuing Agent in accordance with the Issuing Agency Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Guarantees or the protection of the Noteholders' rights in each case as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.13;
- (b) secondly, in or towards payment pro rata of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date) and default interest payable pursuant to Clause 7.4;
- (c) thirdly, in or towards payment pro rata of any unpaid principal under the Notes; and
- (d) fourthly, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer or the Guarantors, as appropriate.

- 13.2 If a Noteholder or another party has with the consent of the Agent paid any fees, costs, expenses or indemnities referred to in Clause 13.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1(a).
- 13.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Guarantees constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.
- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before

the payment is made. Such notice shall specify the Record Time, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Time specified in Clause 6.1 shall apply.

#### **14 RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 14.1 If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under the Finance Documents, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorising such Person or provide other evidence of ownership or authorisation satisfactory to the Agent.
- 14.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 14.3 The Agent shall only have to examine the face of a power of attorney or other evidence of authorisation that has been provided to it pursuant to Clause 14.1 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Agent.

#### **15 DECISIONS BY NOTEHOLDERS**

- 15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Noteholder on the Business Day immediately preceding the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting or by way of a Written Procedure, the Agent shall have the right to decide where such matter shall be dealt with.
- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 Only a Person who is, or who, directly or indirectly, has been provided with a power of attorney pursuant to Clause 14 (*Right to act on behalf of a Noteholder*) from a Person who is registered as a Noteholder:
- (a) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 16.3, in respect of a Noteholders' Meeting, or
  - (b) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure, may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure in respect of the Notes held by such



Person at the relevant Record Time, provided that the relevant Notes are included in the Adjusted Nominal Amount.

- 15.5 The following matters shall require the consent of Noteholders representing at least 75 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:
- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 and 2.6;
  - (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 8 (*Redemption and repurchase of the Notes*);
  - (c) a change to the Interest Rate or the Nominal Amount;
  - (d) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of proceeds*);
  - (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15 (*Decisions by Noteholders*);
  - (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
  - (g) a release of the Guarantees;
  - (h) a mandatory exchange of the Notes for other securities; and
  - (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 12 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1(a) or (b)), an acceleration of the Notes, or the enforcement of the Guarantee.
- 15.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 15.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent.

- 15.9 Quorum at a second Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least 10 per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 15.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.
- 15.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.14 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies, irrespective of whether such Person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company.
- 15.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.
- 16 NOTEHOLDERS' MEETING**
- 16.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1.
- 16.3 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a

Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

16.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the date of the notice.

16.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate.

## **17 WRITTEN PROCEDURE**

17.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each Person who is registered as a Noteholder at the Record Time prior to the date on which the communication is sent.

17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Agent.

17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.

17.4 When a consent from the Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.5 or 15.6 has been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18 AMENDMENTS AND WAIVERS**

18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).

- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.
- 19 APPOINTMENT AND REPLACEMENT OF THE AGENT**
- 19.1 Appointment of Agent**
- 19.1.1 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:
- (a) agrees to and accepts the appointment of the Agent to act as its agent and representative in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by these Terms and Conditions and the Guarantee together with all such rights, powers, authorities and discretions as are incidental thereto; and
  - (b) agrees to and accepts that, upon the Agent delivering an acceleration notice in accordance with Clause 12.1, it will be considered to have irrevocably transferred to the Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes, enforce the Guarantee and to receive any funds in respect of the Notes or under the Guarantee (Fin: *prokurasiirto*) as a result of which transfer, the Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders).
- 19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request if due to such failure the Agent is unable to represent such Noteholder.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or other representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **19.2 Duties of the Agent**

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, inter alia, holding the Guarantees on behalf of the Noteholders and, where relevant, demanding payment pursuant to the Guarantees on behalf of the Noteholders. Except as specified in Clause 4 (*Conditions for disbursement*), the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.3 The Agent shall monitor the compliance by the Issuer with its obligations under the Finance Documents on the basis of information made available to it pursuant to the Finance Documents or received from a Noteholder. The Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.
- 19.2.4 The Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to these Terms and Conditions.
- 19.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 19.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs reasonably incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Guarantees which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of proceeds*).
- 19.2.8 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.9 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.10 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.9.

- 19.2.11 The Agent shall at all times maintain and keep all documents relating to the Guarantee in safe custody on behalf of the Guaranteed Parties in accordance with the terms and conditions of the Finance Documents. The Agent shall not be responsible for or required to insure against any loss incurred in connection with such safe custody. The Agent shall hold amounts recovered, net of costs (including legal costs) and expenses incurred in connection with the recovery, separated for the account of the Guaranteed Parties and distribute such amounts recovered promptly to the Guaranteed Parties in accordance with these Terms and Conditions.

### **19.3 Limited liability for the Agent**

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 12.1.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

### **19.4 Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.7, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall in consultation with the Issuer appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of a Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.7, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent.
- 19.4.3 Any successor Agent appointed pursuant to this Clause 19.4 must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.4 A Noteholder (or Noteholders) representing at least 25 per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Noteholder at the end of the Business Day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of a Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

- 19.4.5 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent.
- 19.4.6 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.7 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.8 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall, in respect of any action which it took or failed to take whilst acting as Agent, (a) remain entitled to the benefit of the Finance Documents and (b) remain liable under the Finance Documents. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.9 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.
- 20 NO DIRECT ACTIONS BY NOTEHOLDERS**
- 20.1 A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Fin: *yrittysaneeraus*) or bankruptcy (Fin: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations of the Issuer under the Finance Documents.
- 20.2 Clause 20.1 shall not apply if:
- (a) the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take any of the actions referred to in Clause 20.1 but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take such actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.9, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.10 before a Noteholder may take any action referred to in Clause 20.1; and
  - (b) the Noteholders have resolved pursuant to these Terms and Conditions that, upon the occurrence of a failure by the Agent referred to in (a) above, a Noteholder shall have the right to take any action referred to in Clause 20.1.
- 20.3 The provisions of Clause 20.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 8.3 (*Mandatory repurchases due to a Change of*

*Control Event (put option)) or Clause 8.4 (Mandatory repurchase due to a Demerger Event (put option)) or other payments which are due by the Issuer to some but not all Noteholders.*

## **21 PRESCRIPTION**

- 21.1 The right to receive payment of the principal of or interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due.
- 21.2 If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (Fin: *Laki velan vanhentumisesta* 728/2003, as amended), a new limitation period of at least three (3) years will commence.

## **22 NOTICES AND PRESS RELEASES**

### **22.1 Notices**

- 22.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address specified on its website [www.nordictrustee.com](http://www.nordictrustee.com) on the Business Day prior to dispatch, or by email to [mail@nordictrustee.fi](mailto:mail@nordictrustee.fi), and designated "To the attention of Sami Miettinen/Maria Klaesson;
  - (b) if to the Issuing Agent, shall be given at following address:  
  
Nordea Bank Finland Plc  
2716 Securities Operations, Corporate Actions  
Aleksis Kiven katu 9, VU3180  
FI-00020 NORDEA, Finland  
Puh: +358 9 165 51362  
Fax: +358 9 165 51351
  - (c) if to the Issuer, shall be given at the following address:  
  
St1 Nordic Corporation  
Purotie 1, PL 100  
00381 Helsinki  
E-mail: [kati.yla-autio@st1.fi](mailto:kati.yla-autio@st1.fi), [kim.wiio@st1.fi](mailto:kim.wiio@st1.fi)  
Fax: 09-803 0004  
To the attention of Kati Ylä-Autio/Kim Wiio
  - (d) if to the Noteholders, shall be given at their addresses as registered with the CSD, at the Record Time prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.
- 22.1.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be in English and sent by way of courier, email, personal delivery or letter and will become effective, in the case of courier or personal delivery, when it has been left at the address specified in Clause 22.1.1 or, in the case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 22.1.1 or, in the case of email, when actually received in a readable form.
- 22.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.



## **22.2 Press releases**

22.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 10.1.2, 12.3, 15.15, 16.1, 17.1 and 18.3 shall also be published by way of press release by the Issuer or the Agent, as applicable. Any such notice shall be deemed to have been received by the Noteholders when published in any manner specified in this Clause 22.2.1.

22.2.2 In addition to Clause 22.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public in accordance with these Terms and Conditions, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to make public such information in accordance with these Terms and Conditions. If the Issuer does not promptly make public such information and the Agent considers it necessary to make such information public in accordance with Clause 22.2.1 before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to do so.

## **23 FORCE MAJEURE AND LIMITATION OF LIABILITY**

23.1 Neither the Issuer, the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

23.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

23.3 Should a Force Majeure Event arise which prevents the Issuer, the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed. The provisions in this Clause 23 apply unless they are inconsistent with the provisions of the Book-Entry System Act which provisions shall take precedence.

## **24 GOVERNING LAW AND JURISDICTION**

24.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.

24.2 The Issuer submits to the non-exclusive jurisdiction of the Finnish courts with the District Court of Helsinki (Fin: *Helsingin käräjäoikeus*) as the court of first instance.

We hereby confirm that the above terms and conditions are binding upon ourselves.

Place \_\_\_\_\_

Date \_\_\_\_\_

**St1 Nordic Corporation**

as Issuer

Name \_\_\_\_\_

## APPENDIX 1: FORM OF COMPLIANCE CERTIFICATE

### COMPLIANCE CERTIFICATE

To: Nordic Trustee Oy as Agent  
From: St1 Nordic Corporation as Issuer  
Dated: [ ]

Dear Sirs

**St1 Nordic Corporation – EUR 100,000,000  
senior unsecured fixed rate notes due 4 June 2019 (the “Notes”)**

1. We refer to the terms and conditions of the Notes (the “**Terms and Conditions**”). This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. On [ ] [we intend/[ ] intends] to [incur Financial Indebtedness in the amount of [ ] and in the form of [ ] / make a Restricted Payment to [ ] in the amount of [ ] and in the form of [ ].
3. We confirm that the ratio of Total Net Debt on the date of the Incurrence Test to Adjusted EBITDA in respect of that Measurement Period does not exceed 4.0:1.
4. We confirm that the ratio of Total Net Debt on the date of the Incurrence Test to the consolidated shareholder's equity of the Issuer on the last day of that Measurement Period does not exceed 125 per cent.
5. [We confirm that no Event of Default is continuing.]<sup>8</sup>
6. This Compliance Certificate is governed by Finnish law.

ST1 NORDIC CORPORATION  
as Issuer

\_\_\_\_\_  
Name:

\_\_\_\_\_  
<sup>8</sup> If this statement cannot be made, the certificate shall identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

## APPENDIX 1: FINANCIAL STATEMENTS FOR THE YEAR 2013

### St1 Nordic Oy

#### REPORT OF THE BOARD DIRECTORS 1 JANUARY 2013 – 31 DECEMBER 2013

##### 1. Operation and results of St1 Nordic Oy

St1 Nordic Oy is the parent company of the group, whose principal line of business is the sale of automotive fuels to consumers and the corporate sector in Finland, Sweden and Norway. In Finland the group also sells heating fuels to consumers and industry. Through its subsidiary St1 Biofuels Oy, the group manufactures, develops and sells biofuels in Finland. The subsidiary Etelä-Suomen Lämpöpalvelu Oy sells and installs devices based on renewable energy sources. Through its associated company Tuuliwatti Oy, the group participates in the production of industrial wind power. In addition, group's associated company Avifuels Oy operates an aircraft refueling business in Finland.

With an objective to maximise the competitiveness of the fuel procurement, the purchase of liquid fuel is centralised in group's associated company North European Oil Trade Oy (Neot) in Finland.

An associated company, North European Bio Tech Oy, has been established for the purpose of constructing production units for biofuels.

The group operates 310 retail stations under the St1 brand and 224 stations under the Shell brand in Finland, as well as 277 St1 stations in Sweden and 39 St1 stations in Norway.

In 2013, the group's revenue was EUR 1,677.6 million; an increase of EUR 42 million from the previous year. 50% of the total revenue was generated in Finland, 41% in Sweden and 9% in Norway. The group's operating profit increased to EUR 32.9 million from EUR 29.6 million in the previous year.

##### Indicators of the financial standing and results of St1 Nordic Oy:

	2013	2012	2011	2010	2009
Revenue, MEUR	0	0	0	0	0
Operating profit/loss, MEUR	-0.1	-0.1	-0.1	0.1	3.7
Operating profit % of turnover	-	-	-	-	-
Result of financial period, MEUR	-0.2	6.2	-0.2	0	25.8
Return on equity %	-0.4	12.4	-0.3	0.1	65.2
Equity ratio	44.4	95.5	93.5	96.4	93.4

##### Indicators of the financial standing and results of the St1 Nordic group:

	2013 pro forma	2013	2012	2011	2010	2009
Revenue, MEUR	2,499	1,678	1,636	1,503	1,347	945
Operating profit/loss, MEUR	44.4	32.9	29.6	26.8	7.1	17.2
Operating profit % of turnover	1.8	2.0	1.8	1.8	0.5	1.8
Result of financial period, MEUR	33.2	25.8	21.6	17.6	5.2	15
Return on equity %	-	23.1	23.6	23.5	8.4	29.2
Equity ratio	-	25	30.1	27	21.7	21

##### 2. Structural and financial arrangements

St1 Nordic Oy is the parent company of a group consisting of the subsidiaries St1 Oy, St1 Energy Oy, St1 Sverige AB, St1 Norge AS, St1Polska Sp. Z.o.o., St1 Biofuels Oy, Etelä-Suomen Lämpöpalvelu Oy, Kauhajoen Öljy Oy, Kiinteistö Oy Olarinluoman huoltamo, St1 Biofuels Sweden AB, Ura-Öljyt Oy and Automani Oy. The operation of St1 Polska Sp. Z.o.o. was terminated in 2011, as the company sold off all of its retail stations. As Kauhajoen Öljy Oy and Automani Oy have discontinued their operations, the companies will be either dissolved or merged with St1 Oy. St1 Biofuels Sweden AB is not currently operational.

Group associated companies comprise North European Oil Trade Oy, North European Bio Tech Oy, Avifuels Oy and Tuuliwatti Oy.

St1 Nordic Oy's sister group, St1 Group Oy, also trades in liquid fuels in Sweden under the Shell brand through its subsidiary St1 Energy AB and owns an oil refinery in Gothenburg, Sweden.

St1 is undergoing reorganisation with an objective to simplify and streamline the structure of the St1 group. Currently St1 group comprises two sister groups: St1 Group Oy and St1 Nordic Oy. In effect, the twin group structure will be retained, but with an intention to separate the retail and marketing of fuels on the one hand and the refining of fuels on the other hand between the two sister groups. Thus, after all the reorganisation measures within the group have been completed, the retail and marketing business will be operated in St1 Nordic Oy only and the refinery business will be concentrated to St1 Group Oy.

On 31 December 2013, St1 Nordic Oy's subsidiary St1 Oy partially demerged. All the subsidiaries and associated companies owned by it were transferred to Ura-Öljyt Oy, which is owned by St1 Nordic Oy. Ura-Öljyt Oy in turn merged with St1 Nordic Oy on 1 January 2014. The procedure clarified the group structure as the group's parent company, St1 Nordic Oy, now directly owns all the group subsidiaries and associated companies.

In order to achieve the intended outcome, the business of St1 Energy Oy, which was part of St1 Group Oy, and the business of St1 Oy, which is part of the St1 Nordic Oy group, are also planned to be merged. The first step towards the goal was completed in the past financial year, by means of the demerger of St1 Group Oy. St1 Group Oy was demerged as follows: the shares of St1 Energy Oy, which engages in marketing under the Shell brand in Finland, and part of the debts of St1 Group Oy were transferred by a demerger to the ownership of St1 Nordic Oy, and the newly founded new St1 Group Oy received the shares of St1 Sweden Holding AB, which owns the Swedish subsidiary shares, and part of the debts of St1 Group Oy. The demerger was implemented in the form of a total demerger under section 52 c (1)(1) of the Act on the Taxation of Business Income. The existing shareholders of St1 Group Oy received in compensation shares of St1 Nordic Oy and of the newly founded St1 Group Oy in amounts proportionate to fair values. The intention is to merge St1 Oy and St1 Energy Oy at the end of 2014. This will finally bring the entire Finnish retail and marketing business under a single company.

The intention is also to transfer St1 Group's Swedish fuel retail and marketing operations to St1 Sverige AB, which is part of the St1 Nordic Oy group. This procedure will concentrate the entire Swedish retail and marketing business under a single company.

### 3. Company shares

	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>	<b>31 Dec 2009</b>
Share capital	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Number of shares	21,351,863	14,545,500	14,545,500	14,545,500	145,455

The company owns 1,351,863 of its own shares. The company has issued a total of 6,806,363 new shares. The shares were given to the shareholders of St1 Group Oy as merger consideration for the transfer of St1 Energy Oy, which belonged to St1 Group, to St1 Nordic Oy by demerger on 31 December 2013.

### 4. Investments

During the financial year the parent company invested share capital of EUR 1.5 million, when North European Bio Tech Oy was established. The group's principal investments comprised share capital investments in Tuuliwatti Oy totalling EUR 7.2 million in the financial year. St1 Biofuels Oy invested in improvements to its plants and in product development. Other group companies invested in maintenance operations. Total group investments amounted to EUR 22 million.

### 5. Assessment of the most significant risks and uncertainties

#### 5.1 Risk management policy and organisation of risk management

In the St1 Nordic Oy group, risk management refers to a systematic and proactive approach to analyse and manage the opportunities and threats related to operations, rather than only eliminating the risks. For this purpose, the group's risk management is based on awareness of the key threats, including strategic, operational and financial risks as well as risk of loss or damage, which have the potential to prevent the group from achieving its objectives.

The Board of Directors is responsible for the company's and group's risk management policy and monitors its implementation. The CEO is responsible for the appropriate organisation of risk management measures. Risk management has been integrated into the daily business operations and decision-making of business units and of the group's support functions. Thus, each employee shares a responsibility to identify risks that might threaten the achievement of the group's objectives.

#### 5.2. Strategic and operational risks

The group has defined a number of potential risks that might affect its future profitability and development:

- Prolonged unhealthy competition in the traffic fuel retail market may reduce profitability also in the future.
- The company may incur considerable costs due to environmental legislation and regulations, affecting the group's earnings trend.
- Political, financial and legislative changes may affect demand for company's products.

The group's business operations are based on functional and reliable information systems. The group seeks to manage the risks related to information systems through measures such as duplicating critical information systems and data communications links, paying attention to the selection of partners and standardising the work station models, software and information security practices used in the group.

In accordance with the nature of the group's business operations, the largest balance sheet items consist of trade receivables and inventories. The credit loss risk related to sales receivables is managed through a uniform credit policy and efficient debt-collection activities. The same criteria, based on the principle of caution, are used in the valuation of trade receivables and inventories in the financial statements.

The group's core competencies are related to business processes comprising sales and procurements, and to the requisite support functions, such as data administration, finance, human resources, real estate services, logistics, marketing and communications. Unexpected and significant weakening of the group's core competencies would present a risk. The company constantly seeks to improve the core competencies and other significant competencies of its personnel by offering opportunities for in-work learning and training, as well as by recruiting competent new employees, when needed.

The most significant portion of the group's revenue consists of retail and wholesale sales of liquid fuels for transport and heating. Historically, the demand for these products has not been subject to sudden, drastic changes. Taking the company's line of business and products into account, factors that might affect the company's revenue include decisions by government or the authorities, relating to combining, subsidising or taxing the different forms of energy, as well as general economic trends and, with regard to heating oil, regionally prevailing temperatures. All of these factors may influence demand across the whole sector.

### *5.3. Risk of loss or damage*

The company seeks to protect itself from significant risks to its assets by regularly reviewing its insurance coverage as part of the overall risk management process. The company seeks to cover with insurance all risks for which it is reasonable to do so for financial or other reasons. There are no pending trials or any other legal risks that the Board is aware of, which would materially affect the results of the company's operations. The group's insurance portfolio was subjected to tendering during the financial year 2011, and the portfolio's coverage is subject to a regular review.

### *5.4. Financial risks*

Management of financial risks: The group's financing operations have been concentrated in the parent company.

Interest rate risk: At the end of the financial year, the share of interest rate-sensitive loans in the group's whole interest-bearing loan portfolio was approximately EUR 69 million, compared to approximately EUR 85 million in the previous year. Derivative agreements can be used to help in the management of interest rate risks. Approximately EUR 39 million of the group's long-term loans have been protected through derivative agreements.

Currency risk: Because the majority of the group's cash flow is denominated in euros, the group's exposure to currency risk (financial risk and transaction risk) is mostly limited to the currency receivables from and liabilities to the group's Swedish, Norwegian and Polish subsidiaries, along with the foreign currency denominated equity items of these companies. Currency risks can be managed through forward agreements.

### *5.5 Environmental risks*

Attention must be paid to safe and environmentally aware operating methods in the operations to eliminate the risk of personal accidents or oil spills and the related costs. St1 Nordic Oy has systematically evaluated and monitored its environmental obligations, as well as the obligations arising at group operating sites. Environmental protection obligations have been defined within the scope of legislation and in the quality programmes applied by the company. The financial statements include a provision, reviewed for each financial period, for environmental liabilities.

## **6. An estimate of probable future development**

In the view of the group management, the business environment will remain challenging for the next financial period. In the traffic fuels trade, the competition in the group's home market, particularly in Finland, remains over-emphasised. The group aims to further improve its competitiveness by rationalising systems and business processes, as well as by measures to improve the average sales of retail stations.

## 7. Significant events after the end of the financial period

On 12 February 2014, the parent company changed its name from St1 Holding Oy to St1 Nordic Oy. In accordance with the merger plans, Ura-Öljyt Oy merged with St1 Nordic Oy on 1 January 2014.

## 8. Personnel

*The group's personnel indicators*

	2013	2012	2011	2010	2009
Average number of personnel during the financial period	193	175	180	131	172
Salaries and remuneration during the financial period, MEUR	12.5	12.1	20.9	9.3	10.0

## 9. Organisation

The company's Board of Directors consisted of Mika Anttonen and deputy board member Kim Wiio up to 5 September 2013 and of Mika Anttonen (chair), Mikko Koskimies, Juha Kokko, Mika Jokinen and Kim Wiio in the period from 5 September 2013 to 31 December 2013. Mr Kim Wiio was the company's Chief Executive Officer. The company's auditor was PricewaterhouseCoopers Oy.

## 10. Profit distribution proposal

The Board of Directors proposes that, for the terminated financial year, the company will pay a dividend of EUR 3,000,000.00 and transfer the rest of the financial year's profit to the 'Retained earnings' account.

CONSOLIDATED INCOME STATEMENT	1 Jan - 31 Dec 2013 Pro forma* Unaudited	1 Jan - 31 Dec 2013	1 Jan - 31 Dec 2012
NET SALES	2,498,878,790.57	1,677,579,152.61	1,635,559,129.86
Other operating income	13,896,012.02	12,929,357.81	14,760,732.82
Materials and services			
Materials, supplies and products			
Purchases during the period	2,341,788,565.48	1,557,069,392.71	1,518,913,045.60
Change in inventories	-244,908.86	2,903,511.45	7,378,149.73
External services	547,675.00	547,675.00	523,348.20
	2,342,091,331.62	1,560,520,579.16	1,526,814,543.53
Personnel expenses			
Wages and salaries	12,524,898.83	12,524,898.83	12,051,102.41
Pension costs	2,748,631.90	2,748,631.90	2,365,203.97
Other social security costs	628,345.88	628,345.88	524,250.22
	15,901,876.61	15,901,876.61	14,940,556.60
Depreciation and amortisation			
Depreciation and amortisation according to plan	25,232,239.12	18,867,104.09	17,636,603.76
Amortisation of goodwill (negative goodwill recognised)	-420,587.87	-420,587.87	792,331.10
	24,811,651.25	18,446,516.22	18,428,934.86
Other operating expenses	85,549,211.05	62,702,853.11	60,491,102.61
OPERATING PROFIT	44,420,732.06	32,936,685.32	29,644,725.08
Finance income and costs			
Income from other investments of non-current assets			
Share of profit of investments accounted for using the equity method	737,874.25	737,874.25	-135,826.68
Other interest and finance income	3,387,881.09	3,158,847.78	3,439,322.93
Impairment of investments in non-current assets	-158,424.72	-158,424.72	0.00
Interest expenses and other finance costs	-5,645,604.40	-3,882,582.47	-4,398,856.27
	-1,678,273.78	-144,285.16	-1,095,360.02
PROFIT BEFORE EXTRAORDINARY ITEMS	42,742,458.28	32,792,400.16	28,549,365.06
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX	42,742,458.28	32,792,400.16	28,549,365.06
Current tax	-9,413,906.50	-6,885,731.82	-5,872,373.32
Deferred tax	-146,556.38	-146,556.38	-1,115,138.14
	-9,560,462.88	-7,032,288.20	-6,987,511.46
PROFIT FOR THE PERIOD BEFORE MINORITY SHARE	33,181,995.40	25,760,111.96	21,561,853.59
<b>PROFIT FOR THE PERIOD</b>	<b>33,181,995.40</b>	<b>25,760,111.96</b>	<b>21,561,853.59</b>

\* Basis of compilation of pro forma information is described in the accounting policies



**CONSOLIDATED BALANCE SHEET****31 Dec 2013****31 Dec 2012**

## Assets

## NON-CURRENT ASSETS

## Intangible assets

Capitalised development expenditure	2,350,742.38	889,615.45
Intangible rights	453,818.10	1,252,881.42
Goodwill	2,970,512.99	4,299,757.78
Goodwill on consolidation	8,660,100.58	9,327,261.91
Other capitalised long-term expenses	3,094,693.03	1,773,706.55
	<u>17,529,867.08</u>	<u>17,543,223.11</u>

## Property, plant and equipment

Land and water areas	52,727,043.41	36,259,409.90
Buildings	59,904,634.18	43,864,634.66
Machinery and equipment	77,876,695.97	67,462,924.59
Other property, plant and equipment	13,193,467.34	2,259,030.70
Advance payments and construction in progress	37,791.79	1,336,995.66
	<u>203,739,632.69</u>	<u>151,182,995.51</u>

## Investments

Investments in associated companies	25,885,361.84	16,397,487.59
Other shares and holdings	1,088,808.01	1,024,590.37
Other receivables	1,000,000.00	0.00
	<u>27,974,169.85</u>	<u>17,422,077.96</u>

## CURRENT ASSETS

## Inventories

Materials and supplies	39,835,940.42	25,832,184.43
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## Receivables

## Non-current receivables

Deferred tax assets	892,852.40	452,747.50
Loan receivables	3,357,071.28	2,992,824.02
	<u>4,249,923.68</u>	<u>3,445,571.52</u>

## Current receivables

Trade receivables	113,707,508.97	86,283,916.85
Receivables from Group companies	7,217,021.88	7,602,165.00
Loan receivables	19,578.21	40,034.13
Other receivables	2,575,392.57	805,690.63
Prepaid expenses and accrued income	33,104,465.05	11,960,799.22

	<u>156,623,966.68</u>	<u>106,692,605.83</u>
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## Cash and cash equivalents

41,715,750.73	12,589,508.89
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<u><b>491,669,251.14</b></u>	<u><b>334,708,167.25</b></u>
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**CONSOLIDATED BALANCE SHEET****31 Dec 2013****31 Dec 2012**

## Equity and Liabilities

## EQUITY

Share capital	100,000.00	100,000.00
Revaluation reserve	6,850,675.25	6,850,675.25
	<hr/>	<hr/>
	6,950,675.25	6,950,675.25
Reserve for invested unrestricted equity	18,926,325.38	17,876,483.27
Retained earnings	71,102,648.79	54,295,895.98
Profit (loss) for the period	25,760,111.96	21,561,853.59
	<hr/>	<hr/>
	115,789,086.13	93,734,232.84

Total equity	122,739,761.38	100,684,908.09
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## PROVISIONS

Mandatory provisions	5,185,631.62	2,414,684.00
	<hr/>	<hr/>
	5,185,631.62	2,414,684.00

## LIABILITIES

## Non-current

Loans from financing institutions	39,664,301.64	47,744,943.00
Deferred tax liabilities	4,711,943.60	5,914,589.00
Other liabilities	53,950,157.80	0.00
	<hr/>	<hr/>
	98,326,403.04	53,659,532.00

## Current

Loans from financing institutions	29,456,549.93	36,931,380.00
Advance payments	285,049.19	156,086.18
Trade payables	113,181,312.75	58,423,942.43
Liabilities to Group companies	28,457,573.00	6,394,433.55
Deferred tax liabilities	5,752,584.52	2,880,067.86
Liabilities to associated companies	54,653,601.42	56,254,181.02
Other liabilities	21,343,245.17	7,009,020.56
Accrued expenses	12,287,539.13	9,899,931.57
	<hr/>	<hr/>
	265,417,455.11	177,949,043.16

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**491,669,251.15**

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**334,708,167.25**

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**CONSOLIDATED CASH FLOW STATEMENT**
**1 Jan - 31 Dec 2013**
**1 Jan - 31 Dec 2012**
**Cash flow from operating activities:**

Profit (loss) before extraordinary items	32,792,400.16	28,549,365.06
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**Adjustments:**

Depreciation and amortisation according to plan	18,446,516.22	17,333,369.22
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Other income and expenses with non-cash transactions	2,674,260.36	2,802,765.54
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Other finance income and costs	-144,285.16	1,095,360.02
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Other adjustments	-437,520.05	681,517.88
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Cash flow before change in working capital	53,331,371.53	50,462,377.72
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**Change in working capital**

Increase (-)/ decrease (+) in short-term non-interest bearing trade and other receivables	7,200,516.94	-21,535,711.10
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Increase (-)/ decrease (+) in inventories	-774,798.95	-2,190,318.49
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Increase (-)/ decrease (+) in short-term non-interest bearing trade and other payables	3,964,568.50	13,658,082.63
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Cash flow from operating activities before finance items and taxes	63,721,658.02	40,394,430.76
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Interest paid and charges to other finance costs	-4,430,587.10	-4,586,360.42
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Interest received	3,706,852.41	3,490,849.09
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Taxes received (paid)	-6,885,731.82	-3,856,939.44
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Cash flow before extraordinary items	56,112,191.51	35,441,979.99
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Cash flow from extraordinary items, net		
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Net cash generated from operating activities	56,112,191.51	35,441,979.99
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**Cash flow from investing activities**

Purchase of property, plant and equipment and intangible assets	-13,294,729.71	-31,584,579.57
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Proceeds from sale of property, plant and equipment and intangible assets	1,030,000.00	3,277,500.00
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Loans granted	-1,364,247.26	0.00
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Purchase of other investments	-8,750,000.00	-9,938,982.60
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Repayment of loan receivables	0.00	11,145,263.12
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Net cash used in investing activities	-22,378,976.97	-27,100,799.05
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**Cash flow from financing activities:**

Purchase of treasury shares	0.00	-975,240.00
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Proceeds from current borrowings	4,846,235.62	16,341,352.37
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Repayment of current borrowings	-7,255,471.43	-6,028,324.50
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Proceeds from long-term borrowings	5,500,000.00	20,694,943.00
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Repayment of long-term borrowings	-13,800,000.00	-36,187,353.83
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Dividends paid and other profit distributions	-1,979,045.55	-3,048,927.24
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Net cash used in financing activities	-12,688,281.36	-9,203,550.20
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Net increase (+) / decrease (-) in cash and cash equivalents	21,044,933.17	-862,369.26
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Cash and cash equivalents at beginning of period	12,589,508.89	13,451,878.15
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St1 Energy Oy cash and cash equivalents received as part of the demerger of St1 Group Oy	8,081,308.67	0.00
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Cash and cash equivalents at end of period	41,715,750.73	12,589,508.89
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<b>INCOME STATEMENT</b>	<b>1 Jan - 31 Dec 2013</b>	<b>1 Jan - 31 Dec 2012</b>
Other operating income	321,443.40	0.00
Other operating expenses	470,005.19	64,192.15
OPERATING PROFIT	-148,561.79	-64,192.15
Finance income and costs		
Income from other investments of non-current assets	0.00	6,315,073.00
Other interest and finance income	528.56	603.37
Interest expenses and other finance costs		
To others	-72,955.88	-52,332.97
	-72,427.32	6,263,343.40
PROFIT BEFORE EXTRAORDINARY ITEMS	-220,989.11	6,199,151.25
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX	-220,989.11	6,199,151.25
Income tax	170.94	150.41
<b>PROFIT FOR THE PERIOD</b>	<b>-220,818.17</b>	<b>6,199,301.66</b>

**BALANCE SHEET****31 Dec 2013****31 Dec 2012**

## Assets

## NON-CURRENT ASSETS

## Investments

Shares in Group companies	108,127,298.90	53,101,474.95
Receivables from Group companies	2,000,000.00	0.00
Investments in associated companies	1,500,000.00	0.00
Other shares and holdings	18,379.10	18,379.10
	<u>111,645,678.00</u>	<u>53,119,854.05</u>

## CURRENT ASSETS

## Receivables

## Current receivables

Receivables from Group companies	358,908.31	0.00
Loan receivables	8,862.77	26,307.81
Other receivables	0.00	58,621.08
	<u>367,771.08</u>	<u>84,928.89</u>

## Cash and cash equivalents

50,387.46	95,669.91
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<u><b>112,063,836.54</b></u>	<u><b>53,300,452.85</b></u>
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**BALANCE SHEET****31 Dec 2013****31 Dec 2012**

## Equity and Liabilities

## EQUITY

Share capital	100,000.00	100,000.00
Reserve for invested unrestricted equity	18,926,325.38	17,876,483.27
Retained earnings	30,946,823.09	26,726,566.98
Profit for the period	-220,818.17	6,199,301.66
	<u>49,652,330.30</u>	<u>50,802,351.91</u>

## TOTAL EQUITY

49,752,330.30 50,902,351.91

## LIABILITIES

## Non-current

Liabilities to Group companies	61,929,180.40	1,450,744.40
	<u>61,929,180.40</u>	<u>1,450,744.40</u>

## Current

Trade payables	321,443.40	0.00
Liabilities to Group companies	43,665.01	43,665.01
Other liabilities	13,417.43	0.00
Accrued expenses	3,800.00	903,691.53
	<u>382,325.84</u>	<u>947,356.54</u>

## TOTAL LIABILITIES

62,311,506.24 2,398,100.94

**112,063,836.54** **53,300,452.85**

**CASH FLOW STATEMENT****1 Jan - 31 Dec 2013****1 Jan - 31 Dec 2012**

## Cash flow from operating activities:

Profit before extraordinary items	-220,989.11	6,199,151.25
Adjustments		
Finance income and costs	72,427.32	-6,263,343.40
Other adjustments	0.00	40,832.43
Cash flow before change in working capital	-148,561.79	-23,359.72

## Change in working capital:

Increase (-)/ decrease (+) in short-term non-interest bearing trade and other receivables	0.00	41,436.17
Increase (-)/ decrease (+) in short-term non-interest bearing trade and other payables	334,805.87	-72,908.30
Cash flow from (used in) operating activities before finance items and taxes	186,244.08	-54,831.85

Interest paid and other financial expenses	-72,955.88	-52,332.97
Dividends received from operating activities	0.00	6,315,073.00
Interest received from operating activities	528.56	452.06
Taxes received (paid)	58,792.02	-6,470.70
Cash flow before extraordinary items	172,608.78	6,201,889.54
Net cash generated from operating activities	172,608.78	6,201,889.54

## Cash flow from investing activities:

Investment in subsidiary	-925,715.48	-382,889.76
Investment in other investments	-1,500,000.00	0.00
Loans granted	-2,358,908.31	0.00
Repayment of loan receivables	17,500.00	17,500.00
Net cash used in investing activities	-4,767,123.79	-365,389.76

## Cash flow from financing activities:

Purchase of treasury shares	0.00	-975,240.00
Repayment of current borrowings	0.00	-1,431.49
Proceeds from non-current borrowings	6,528,278.11	-1,808,089.92
Dividends paid and other profit distributions	-1,979,045.55	-3,024,000.24
Net cash used in financing activities	4,549,232.56	-5,808,761.65

Net increase (+) / decrease (-) in cash and cash equivalents	-45,282.45	27,738.13
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Cash and cash equivalents at beginning of period	95,669.91	67,931.78
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Cash and cash equivalents at end of period	50,387.46	95,669.91
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45,282.45	-27,738.13
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## **Basis of preparation for the financial statements**

### **Accounting period**

The company's accounting period is from 1 January to 31 December.

### **Consolidated accounts**

St1 is undergoing a reorganisation aimed at simplifying and streamlining the structure of the group. Currently St1 group comprises two affiliated groups: St1 Group Oy and St1 Nordic Oy. After the reorganisation, the twin group structure will be retained, but the intention with the reorganisation is to centralise the fuel retail and marketing operations as well as the fuel refining operations to the two groups, in such a way that after all the reorganisation, all of the retail and marketing operations will be located in St1 Nordic Oy and the refinery operations will be located in St1 Group Oy.

On 31 December 2013, the St1 Nordic Oy subsidiary, St1 Oy, demerged through a partial demerger. As a result, all St1 Oy subsidiaries and associated companies were transferred to a St1 Nordic Oy owned company, Ura-Öljyt Oy, which in turn was merged with St1 Nordic Oy on 1 January 2014. The procedure streamlined the group structure so that parent company, St1 Nordic Oy, now directly owns all the group subsidiaries and associated companies.

In order to achieve the intended outcome, the operations of St1 Energy Oy, which was part of St1 Group Oy, and the operations of St1 Oy, which is part of the St1 Nordic Oy group, will be merged. The first step towards reaching the goal was met in the past financial year, through the completion of the St1 Group Oy demerger. St1 Group Oy was demerged by transferring the shares and part of the debt of St1 Energy Oy, which operates under the Shell brand in Finland, to St1 Nordic Oy. The shares of St1 Sweden Holding AB, which owns the Swedish subsidiaries, were transferred to the newly founded St1 Group Oy, as well as a portion of the former St1 Group Oy liabilities. The demerger was carried out in line with the section 52 c (1)(1) of the Act on the Taxation of Business Income, in form of a demerger. As a consideration, the shareholders of St1 Group Oy received shares in St1 Nordic Oy and of the newly founded St1 Group Oy, in the proportion to their fair values.

The subsidiaries St1 Oy, St1 Energy Oy, Kiinteistö Oy Olarinluoman huoltamo, Etelä-Suomen Lämpöpalvelu Oy, Automani Oy and St1 Biofuels Sweden Ab, St1 Polska Sp z. o.o, Ura-Öljyt Oy and St1 Biofuels Oy, St1 Sverige Ab, St1 Norge Ab as well as the associated companies North European Oil Trade Oy, North European Bio Tech Oy, St1 Avifuels Oy and Tuuliwatti Oy are included in the consolidated financial statements of St1 Oy.

St1 Nordic Oy's parent company is Keele Oy, the consolidated financial statements of which St1 Nordic Oy group is included in. Copies of the consolidated financial statements are available at: Keele Oy, Purotie 1, 00380 Helsinki, Finland.

Group's internal transactions, margins, receivables and payables have been eliminated. Internal ownership has been eliminated using the past equity method. Minority share has been separated from consolidated equity and profit and it is shown as a separate item in the consolidated profit and loss account and balance sheet.

The profit and loss accounts of foreign group companies have been converted into euros at the average foreign rate of exchange exchange rates during the accounting period. The balance sheet has been converted to euros at the closing final foreign day exchange rates of the accounting period. Translation Exchange rate differences resulting from the currency conversions, as well as the translation differences in foreign subsidiaries' equity arising from conversion, have been shown in the item 'retained earnings'.

The translation differences in equity have been included in consolidated non-restricted equity.

### **Pro forma income statement information**

On 31 December 2013 St1 Group Ltd demerged, and its assets and liabilities were transferred to the new St1 Group Ltd and St1 Nordic Oy. In connection with the demerger, the shares of St1 Energy Oy were transferred to St1 Nordic Oy. The unaudited pro forma income statement information is presented in the consolidated financial statements to illustrate what the actual results of the operations of St1 Nordic group could have been if St1 Energy Oy had transferred to St1 Nordic Oy on 1 January 2013. In the compilation of the unaudited pro forma income statement information for the year ended 31 January 2013 the income statement of St1 Energy Oy for the year ended 31 December 2013 has been included in the consolidated income statement of St1 Nordic group and adjusted by the internal management fee income and costs between St1 Nordic group and St1 Energy Oy. During the year 2013 St1 Group Ltd and St1 Nordic Oy has been consolidated to the same Keele Group and, therefore, the accounting policies applied in the companies have already been aligned and no adjustments related to the differences between accounting policies are needed. The assets and liabilities transferred in connection with demerger have been included in the consolidated balance sheet of St1 Nordic group as of 31 December 2013 and therefore no pro forma balance sheet information has been presented.

Because of its nature, this pro forma income statement information addresses a hypothetical situation and, therefore, does neither present what the actual results of operations of St1 Nordic group for the year ended 31 December 2013 nor is intended to project the results of operations of St1 Nordic group for any future period or as at any future date.



### **Inventory valuation**

Liquid fuel inventories are valued at the last day's purchase price in the group companies. If inventory was to be valued using the FIFO method, the difference would not be material. Other inventories are valued in using the FIFO principle using cost of purchase, or cost of repurchase or likely sale price, if lower.

### **Fixed assets valuation**

Intangible and tangible assets have been capitalised at cost. Planned depreciation and amortisation have been calculated on a straight-line basis during the economic life of the assets. Depreciation and amortisation starts in the month when the assets have been taken into use. An appreciation of land has been booked in the consolidated accounts based on the land's market value.

### **Planned depreciation and amortisation times in the group**

* capitalised development expenses	20 years
* intangible rights and other long-term expenses	5 years
* trademarks	20 years
* goodwill	10 - 20 years
* buildings and constructions	20 - 50 years
* machinery and equipment	3 - 20 years
* other tangible assets	10 - 30 years

### **Goodwill on consolidation**

Goodwill on consolidation is amortised on straight-line basis over 20 years. In addition, additional amortisation is booked if the future income expectations of the assets to which goodwill is allocated, decrease.

### **Deferred tax assets and liabilities in the group**

An deferred tax asset has been recognised for the mandatory provisions and subsidiaries' tax loss carry forward, by applying the following years' tax rate as confirmed on the closing date. A deferred tax liability has been recognised for the appreciation of the land, by applying the following years' tax rate as confirmed on the closing date.

### **Foreign currency denominated items in the group**

Foreign currency denominated receivables and payables have been converted into the Finnish currency using the closing date exchange rate.

## Notes to the profit and loss accounts

	Pro forma Unaudited	Consolidated		Parent company	
<b>Revenue</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	Meur	Meur	Meur	Meur	Meur
Liquid fuels	2,494.90	1,673.58	1,630.50	0.00	0.00
Energy products and electricity	4.00	4.00	5.10	0.00	0.00
	2,498.90	1,677.58	1,635.60	0.00	0.00
Domestic	1,662.70	841.38	895.70	0.00	0.00
Foreign	836.20	836.20	739.90	0.00	0.00
	2,498.90	1,677.58	1,635.60	0.00	0.00
<b>Other income</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	Meur	Meur	Meur	Meur	Meur
Income from disposal of fixed assets and shares	3.10	0.60	1.30	0.00	0.00
Other income from business	10.80	12.33	13.40	0.32	0.00
	13.90	12.93	14.70	0.32	0.00
<b>Personnel expenses and average number of personnel</b>		<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Office personnel		193	175	0	0
		193	175	0	0

## Management salaries and fees

Salaries and fees paid to the members of the board and the managing director during the accounting period amount to EUR 818,560.22.

## Depreciation, amortisation and value adjustments

	Pro forma unaudited	Consolidated		Parent company	
<b>Planned depreciation and amortisation</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Intangible assets</b>					
Capitalised development expenses	56,238.0	56,238.0	32,719.3	0.00	0.00
Intangible rights	851,791.71	851,791.71	196,660.14	0.00	0.00
Goodwill	1,428,479.46	1,428,479.46	1,217,656.85	0.00	0.00
Other long-term expenses	500,204.47	319,979.15	1,001,532.75	0.00	0.00
<b>Tangible assets</b>					
Buildings	5,681,221.93	3,593,401.35	3,248,170.41	0.00	0.00
Machinery and equipment	13,800,283.66	11,211,599.60	8,552,246.37	0.00	0.00
Other tangible assets	2,914,019.87	1,405,614.80	1,987,110.58	0.00	0.00
Impairment of fixed asset	0.00	0.00	1,400,507.35	0.00	0.00
	25,232,239.12	18,867,104.09	17,636,603.76	0.00	0.00
Amortisation of goodwill on consolidation	-667,161.33	-667,161.33	-792,331.10		
Portion of negative goodwill recognised in the P&L	1,087,749.20	1,087,749.20	0.00		
	420,587.87	420,587.87	-792,331.10		
Depreciation and amortisation, total	24,811,651.25	18,446,516.22	16,844,272.66		

	Pro forma unaudited	Consolidated		Parent company	
	2013	2013	2012	2013	2012
<b>Other operating expenses</b>					
Rents paid	17,279,544.52	13,332,680.52	13,490,800.40	2,670.00	2,550.00
Advertising and sales promotion	6,923,430.28	3,933,450.28	3,113,755.09	0.00	0.00
Running and maintenance expenses	24,135,040.17	16,930,623.17	16,863,660.35	0.00	0.00
Other operating expenses	37,211,196.08	28,506,099.14	27,022,886.77	467,335.19	61,642.15
	85,549,211.05	62,702,853.11	60,491,102.61	470,005.19	64,192.15
	Pro forma unaudited	Consolidated		Parent company	
	2013	2013	2012	2013	2012
<b>Financial income and expenses</b>					
<u>Income from investments in other fixed assets</u>					
From group companies	0.00	0.00	0.00	0.00	6,315,073.00
From associated companies	737,874.25	737,874.25	-135,826.68	0.00	0.00
	737,874.25	737,874.25	-135,826.68	0.00	6,315,073.00
<u>Other interest and financial income</u>					
From others	3,387,881.09	3,158,847.78	3,439,322.93	528.56	603.37
	3,387,881.09	3,158,847.78	3,439,322.93	528.56	603.37
<u>Impairment of investments</u>					
Impairment of fixed asset investments	158,424.72	158,424.72	0.00	0.00	0.00
<u>Interest costs and other financial costs</u>					
To group companies				72,868.71	51,677.47
To others	5,645,604.40	3,882,582.47	4,398,856.27	87.17	655.50
	5,645,604.40	3,882,582.47	4,398,856.27	72,955.88	52,332.97
Financial income and expenses, total	-1,678,273.78	-144,285.16	-1,095,360.02	-72,427.32	6,263,343.40
<b>Income taxes</b>					
On actual operation	9,413,906.50	6,885,731.82	5,872,373.32	-170.94	-150.41
Change in deferred taxes	146,556.38	146,556.38	1,115,138.14	0.00	0.00
	9,560,462.88	7,032,288.20	6,987,511.46	-170.94	-150.41

**Tangible and intangible assets, group**

<b><u>Intangible assets</u></b>	<b>Development expenses</b>	<b>Intangible rights</b>	<b>Goodwill</b>
Acquisition value 1.1.2013	994,898.66	6,277,046.64	8,371,342.39
Additions	1,517,364.95	52,728.48	223,042.42
Deductions	0.00	0.00	0.00
Translation difference	0.00	0.00	-123,807.76
Acquisition value 31.12.2013	2,512,263.61	6,329,775.12	8,470,577.06
Accumulated amortisation	-105,283.21	-5,024,165.22	-4,071,584.61
Amortisation during accounting period	-56,238.02	-851,791.71	-1,428,479.46
Accumulated amortisation 31.12.2013	-161,521.23	-5,875,956.93	-5,500,064.07
Carrying amount 31.12.2013	2,350,742.38	453,818.19	2,970,512.99
	<b>Goodwill on consolidation</b>	<b>Other long-term expenses</b>	<b>Total</b>
Acquisition value 1.1.2013	13,459,885.78	5,880,966.78	34,984,140.25
Additions	0.00	1,869,968.43	3,663,104.28
Deductions	-1,087,749.20	-48,777.49	-1,136,526.69
Translation difference	0.00	-68,658.86	-192,466.62
Acquisition value 31.12.2013	12,372,136.58	7,633,498.86	37,318,251.23
Accumulated amortisation	-4,132,623.87	-4,038,601.36	-17,372,258.27
Amortisation during accounting period	420,587.87	-500,204.47	-2,416,125.79
Accumulated amortisation 31.12.2013	-3,712,036.00	-4,538,805.83	-19,788,384.06
Carrying amount 31.12.2013	8,660,100.58	3,094,693.03	17,529,867.17

**Tangible assets**

	Land	Buildings	Machinery and equipment	Other tangible assets
Acquisition value 1.1.2013	24,969,933.49	107,309,986.67	148,074,956.13	14,096,712.22
Additions	18,880,608.17	22,015,154.79	28,206,337.09	13,903,046.63
Deductions	-1,299,821.17	-250,235.60	-2,735,557.25	-49,995.10
Translation difference	-1,113,153.49	171,761.23	-1,256,724.80	-4,595.02
Acquisition value 31.12.2013	41,437,567.00	129,246,667.09	172,289,011.17	27,945,168.73
Accumulated depreciation	0.00	-65,099,066.10	-80,612,031.54	-11,837,681.52
Depreciation during accounting period	0.00	-5,681,221.93	-13,800,283.66	-2,914,019.87
Accumulated depreciation 31.12.2013	0.00	-70,780,288.03	-94,412,315.20	-14,751,701.39
Appreciation 1.1.2013	11,289,476.41	1,438,255.12	0.00	0.00
Depreciation				
Appreciation 31.1.2013	11,289,476.41	1,438,255.12	0.00	0.00
Carrying amount 31.12.2013	52,727,043.41	59,904,634.18	77,876,695.97	13,193,467.34

	Advance payments and construction in progress	Total
Acquisition value 1.1.2013	1,402,574.84	295,854,163.35
Additions	0.00	83,005,146.68
Deductions	-1,364,783.05	-5,700,392.17
Translation difference	0.00	-2,202,712.08
Acquisition value 31.12.2013	37,791.79	370,956,205.78
Accumulated depreciation	0.00	-157,548,779.16
Depreciation during accounting period	0.00	-22,395,525.46
Accumulated depreciation 31.12.2012	0.00	-179,944,304.62
Appreciation 1.1.2013	0.00	12,727,731.53
Additions	0.00	0.00
Appreciation 31.12.2013	0.00	12,727,731.53
Carrying amount 31.12.2013	37,791.79	203,739,632.69

**Appreciation**

The appreciation is based on an independent third-party expert's valuation on the likely disposal value of the land, which is calculated based on the estimated cash flows and the permitted building rights related to the land.

## Investments

<b>Group companies</b>	<b>Group ownership</b>	<b>Parent ownership</b>
St1 Oy	100.0 %	100.0 %
St1 Energy Oy	100.0 %	100.0 %
Kiinteistö Oy Olarinluoman huoltamo	100.0 %	100.0 %
Etelä-Suomen Lämpöpalvelu Oy, Helsinki	100.0 %	
St1 Polska Sp. z o o	100.0 %	
St1 Biofuels Sweden Ab	100.0 %	
St1 Sverige Ab	100.0 %	
St1 Norge As	100.0 %	
St1 Biofuels Oy	100.0 %	6.1 %
Ura-Öljyt Oy	100.0 %	
Kauhajoen Öljy	100.0 %	
Automani Oy	100.0 %	
<b>Associated companies</b>	<b>Group ownership</b>	<b>Parent ownership</b>
Tuuliwatti Oy	50 %	
Equity EUR 41,457,314.81 and profit for the period EUR 429,018.08		
North European Oil Trade Oy	49 %	
Equity EUR 6,883,621.72 and profit for the period EUR 304,204.05		
North European Bio Tech Oy	50 %	
Equity EUR 3,000,000.00		
St1 Avifuels Oy	49 %	
Equity EUR 629,331.57 and profit for the period EUR 328,975.40		

Shares

<b>Investments, parent company</b>	<b>Group companies</b>	<b>Associated companies</b>	<b>Others</b>	<b>Total</b>
Acquisition value 1.1.2013	53,101,474.95	0.00	18,379.10	53,119,854.05
Additions	55,025,823.95	1,500,000.00	0.00	56,525,823.95
Deductions	0.00	0.00	0.00	0.00
Acquisition value 31.12.2013	108,127,298.90	1,500,000.00	18,379.10	109,645,678.00
Carrying amount 31.12.2013	108,127,298.90	1,500,000.00	18,379.10	109,645,678.00

Shares

Receivables

<b>Investments, group</b>	<b>Associated companies</b>	<b>Others</b>	<b>Others</b>	<b>Total</b>
Acquisition value 1.1.2013	16,397,487.59	1,024,590.37	0.00	17,422,077.96
Additions	9,487,874.25	64,217.64	1,000,000.00	10,552,091.89
Deductions	0.00	0.00	0.00	0.00
Acquisition value 31.12.2013	25,885,361.84	1,088,808.01	1,000,000.00	27,974,169.85
Carrying amount 31.12.2013	25,885,361.84	1,088,808.01	1,000,000.00	27,974,169.85

<b>Receivables from group companies</b>	<b>Consolidated</b>		<b>Parent company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<u>Short-term</u>				
Loan receivables	7,217,021.88	7,602,165.00	358,908.31	0.00
	7,217,021.88	7,602,165.00	358,908.31	0.00

<b>Equity</b>	<b>Consolidated</b>		<b>Parent company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Share capital 1.1	100,000.00	100,000.00	100,000.00	100,000.00
Increase in the share capital				
Share capital 31.12	100,000.00	100,000.00	100,000.00	100,000.00
Revaluation reserve 1.1.	6,850,675.25	6,850,675.25	0.00	0.00
Revaluation of non-current assets				
Revaluation reserve 31.12.	6,850,675.25	6,850,675.25	0.00	0.00
Reserve for invested unrestricted equity 1.1.	17,876,483.27	17,876,483.27	17,876,483.27	17,876,483.27
Change	1,049,842.11		1,049,842.11	0.00
Reserve for invested unrestricted equity 31.12.	18,926,325.38	17,876,483.27	18,926,325.38	17,876,483.27
Retained earnings 1.1.	75,857,749.57	56,635,960.20	32,925,868.64	30,725,807.22
Dividend distribution	-1,979,045.55	-3,048,927.24	-1,979,045.55	-3,024,000.24
Acquisition of own shares	0.00	-960,120.00	0.00	-975,240.00
Foreign subsidiaries' translation differences	-2,776,055.22	1,668,983.02	0.00	0.00
Retained earnings 31.12.	71,102,648.80	54,295,895.98	30,946,823.09	26,726,566.98
Profit for the period	25,760,111.96	21,561,853.59	-220,818.17	6,199,301.66
Distributable retained profit 31.12.	115,789,086.14	93,734,232.84	49,652,330.30	50,802,351.91

	Consolidated	
<b>Mandatory provisions</b>	<b>2013</b>	<b>2012</b>
Certain early retirement pensions for which company is liable	1,467,652.00	1,143,949.00
Other mandatory provisions		
Expected environmental liabilities	3,717,979.62	1,270,735.00
Total mandatory provisions	5,185,631.62	2,414,684.00

Environmental liabilities: The total liability cannot be reliably determined. A mandatory provision has been booked for known liabilities, for which the company is likely to be responsible for in the near term, have been shown as. These liabilities relate mainly to the environmental provision for the soil decontamination. Change in the provision has been recognised in other operating expenses against actual costs.

	Consolidated	
<b>Deferred tax assets and liabilities</b>	<b>2013</b>	<b>2012</b>
<u>Deferred tax assets</u>		
From mandatory provisions	892,852.40	452,747.50
	892,852.40	452,747.50
<u>Deferred tax liabilities</u>		
From appropriations	3,205,035.87	2,880,067.86
From revaluations	4,711,943.60	4,788,770.00
From consolidation	2,547,548.65	1,125,819.00
	10,464,528.12	8,794,656.86



<b>Liabilities to group companies</b>	Consolidated		Parent company	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Long-term loans	0.00	0.00	61,929,180.40	1,450,744.40
Short-term loans	28,457,573.00	6,394,433.55	43,665.01	43,665.01
	28,457,573.00	6,394,433.55	61,972,845.41	1,494,409.41

<b>Commitments and contingencies</b>	Consolidated		Parent company	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Loans and bank guarantees with business mortgages, real estate mortgages or shares as collateral				
Loans from financial institutions	61,923,064.14	84,676,323.00	0.00	0.00
Guarantees on behalf of others	9,523,090.49	10,026,250.00	0.00	0.00
Total	71,446,154.63	94,702,573.00	0.00	0.00
Mortgages given as collateral				
Business mortgages	277,545,503.44	79,704,563.79	35,200,000.00	38,200,000.00
Bearer bonds and mortgage bonds	332,849,777.00	13,465,549.00	0.00	0.00
Mortgage on lease agreement on a place of business	13,200,000.00	13,200,000.00	0.00	0.00
Shares	83,419,380.42	58,831,385.31	1,486,011.36	0.00
Total	707,014,660.86	165,201,498.10	36,686,011.36	38,200,000.00
Guarantees given as collateral				
Other guarantees	61,707,506.35	78,284,283.16	35,388,409.93	55,369,183.16
	61,707,506.35	78,284,283.16	35,388,409.93	55,369,183.16
Mortgages and guarantees on own operations				
Business mortgages	277,545,503.44	79,704,563.79	0.00	0.00
Bearer bonds and mortgage bonds	332,849,777.00	13,465,549.00	0.00	0.00
Mortgage on lease agreement on a place of business	13,200,000.00	13,200,000.00	0.00	0.00
Shares	83,419,380.42	58,831,385.31	0.00	0.00
Other guarantees	52,184,415.86	68,089,033.16	0.00	0.00
Total	759,199,076.72	233,290,531.26	0.00	0.00
Guarantees on behalf of others	9,523,090.49	10,195,250.00	0.00	169,000.00
Guarantees on behalf of group companies				
Business mortgages	0.00	0.00	35,200,000.00	38,200,000.00
Other guarantees	0.00	0.00	35,388,409.93	55,200,183.16
Shares	0.00	0.00	1,486,011.36	0.00
	0.00	0.00	72,074,421.29	93,400,183.16

Furthermore, a guarantee was given as a collateral on the associated company North European Oil Trade Oy's accounts payable as at 31 December 2013, amounting to EUR 25,277,817.97 and on L/C liabilities as at 31 December 2013, amounting to EUR 31,353,578.13.

<b>Total of future minimum lease payments</b>	Consolidated	
	<b>2013</b>	<b>2012</b>
No later than one year	2,473,222.45	2,855,180.33
Amounts to be paid later than one year	3,795,656.31	5,021,895.30
Total	6,268,878.76	7,877,075.63
Residual value liability	1,205,806.05	43,790.10

In addition, guarantees have been given on coverage of environmental liabilities related to subsidiaries' rental agreements.

## **Signatures to the financial statements and annual report**

Helsinki 15 May, 2014

Mika Anttonen

Mika Jokinen

Juha Kokko

Mikko Koskimies

Kim Wiio  
CEO

Auditor's Note

Our auditor's report has been issued today.

Helsinki, 15 May 2014

PricewaterhouseCoopers Oy, Authorised Public Accountants

Johan Weckman  
Authorised Public Accountant

## LIST OF ACCOUNTING MATERIALS

Financial year 1 Jan 2013-31 Dec 2013

Journal entries  
General ledger  
Balance book

Computer printout  
Computer printout  
Paper copy

## LIST OF ACCOUNTING RECORDS

Financial year 1 Jan 2013-31 Dec 2013

Abbreviation	Explanation
31	Sampo
70	Nordea
ME	Memoranda

All accounting records are stored as paper copies.

## ***Auditor's Report (Translation )***

To the Annual General Meeting of St1 Nordic Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of St1 Nordic Oy for the year ended 31 December, 2013. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

### **Responsibility of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki 15 May, 2014

### **PricewaterhouseCoopers Oy**

Authorised Public Accountants

Johan Weckman

Authorised Public Accountant

## APPENDIX 2: ST1 NORDIC'S UNAUDITED PRO FORMA FINANCIAL INFORMATION

### ST1 NORDIC'S UNAUDITED PRO FORMA FINANCIAL INFORMATION

#### Basis of Compilation of Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information (“**pro forma**”, “**pro forma information**”) of St1 Nordic Corporation (the “**Issuer**”) and its consolidated subsidiaries (together “**St1 Nordic**”) is presented to illustrate the financial impact of the following transactions (collectively, the “**Transactions**”):

- In connection with the demerger of St1 Group Ltd on 31 December 2013, St1 Energy Oy, part of the Finnish fuel marketing operations, was transferred to the Issuer. The income statement information of St1 Energy Oy, which has not been included in the audited consolidated financial statements of St1 Nordic for the year ended 31 December 2013, has been included in the unaudited pro forma income statement for the year 2013.
- A firm commitment to acquire St1 Energy AB’s fuel marketing business (“**Sweden Marketing**”) from St1 Group to St1 Nordic. The acquisition includes 273 Shell-branded stations in Sweden, while St1 Energy AB's refinery business shall remain within St1 Group. The acquisition will take place after the demerger of St1 Energy AB, a subsidiary of St1 Group contemplated to take place during the second half of 2014. St1 Energy AB shall demerge into two new companies and as a consequence for the demerger, St1 Energy AB’s fuel marketing business will be sold to St1 Sverige AB, a subsidiary of St1 Nordic. In connection with the transaction, St1 Sverige AB will provide a loan of approximately EUR 52.2 million reflecting the agreed purchase price of SEK 462.5 million, on the date of St1 Nordic’s refinancing. St1 Sverige AB will receive a security in the form of mortgage notes related to the business to be transferred as collateral for the payment until the demerger and subsequent merger into St1 Sverige AB takes place. The aim is to simplify the group structure by transferring all the retail and direct sales business into St1 Nordic group. It is also possible that a creditor opposes a demerger and the demerger could not be completed. To mitigate this risk, the Issuer is prepared to combine the sales and marketing businesses of St1 Sverige AB and St1 Energy AB through an asset sale as an alternative to the demerger.
- An advance payment of EUR 10 million was received on 15 May 2014 in connection with the pre-sale of the property located in Laajasalo Helsinki Finland in which St1 Oy, a subsidiary of St1 Nordic, was the seller and Keele Oy, the ultimate parent company of the Group, was the purchaser. The sale itself will take effect approximately between 2015 and 2017 for the estimated purchase price of EUR 17 - 23 million, which may be adjusted due to possible changes in the zoning of the area. The pro forma information includes only the impacts of the received advance payment. The precondition for the final sale is an approved city plan with certain building rights. If these preconditions are not met the purchaser has a right to terminate contract and require the advance payment with an interest of 6%. If the sale takes place as planned 6% interest will be deducted from the purchase price.
- St1 Nordic has on 4 June 2014 issued senior unsecured notes (the “**Notes**”) with an aggregate nominal amount of EUR 100 million mainly to certain institutional investors. The rate of interest of the Notes is 4.125 per cent per annum. The proceeds of the Notes will be used for refinancing of existing indebtedness of the Issuer and the Guarantors. In connection with issuing the Notes, St1 Nordic Corporation has entered into an unsecured revolving credit facility of EUR 150 million with Danske Bank Oyj and Nordea Bank Finland Plc as lenders for the purposes of refinancing of the existing indebtedness of St1 Nordic. The maturity of the RCF is three years including an extension possibility for two additional years subject to the prior approval of the lenders and an extension fee. The RCF is guaranteed by the Guarantors. The pro forma information includes the estimated impacts of these refinancing measures.

The pro forma information has been presented in two steps. Pro forma I include the pro forma income statement effects related to St1 Energy Oy and Pro forma II combines the effects of Pro forma I and acquisition of Sweden Marketing, pre-sale of the property and refinancing measures as Pro forma II.

This unaudited pro forma information is presented for illustrative purposes only. Because of its nature, the unaudited pro forma financial information illustrates what the hypothetical impact would have been if the Transactions had been consummated at the dates assumed in the pro forma financial information and, therefore, does not represent the actual results of operations or financial position of St1 Nordic. The unaudited pro forma information is not intended to project the results of operations or financial position of St1 Nordic for any future period or as at any future date.

The pro forma adjustments are based upon available information and reasonable assumptions, which are described in the accompanying unaudited pro forma notes. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct.

### **Pro Forma Periods**

The pro forma income statement for the year ended 31 December 2013 has been compiled assuming that the Transactions had been completed on 1 January 2013 and the pro forma balance sheet as at 31 December 2013 has been compiled assuming that the Transactions had been completed on 31 December 2013.

### **Historical Financial Information**

The pro forma financial information has been compiled on a basis consistent with the Annex II in the Commission Regulation (EC) No 809/2004 and the guideline issued by the Finnish Institute of Authorised Public Accountants' ('Pro forma -tiedot esitteessä'). The pro forma information is based on St1 Nordic's accounting policies applied in the preparation of its consolidated financial statements.

The pro forma financial information is based on the audited consolidated financial statements for the year ended 31 December 2013 of St1 Nordic, the audited financial statements for the year ended 31 December 2013 of St1 Energy Oy and the unaudited carve-out financial information for the year ended 31 December 2013 of Sweden Marketing. The unaudited carve-out financial information of Sweden Marketing and the audited financial statements of St1 Energy Oy are not included in this Company Description.

The unaudited carve-out financial information of Sweden Marketing has been prepared on a basis that combines income statement and balance sheet information of the operating units attributable to the fuel marketing businesses in St1 Energy AB's historical financial statements and that will be carved out from St1 Energy AB to form Sweden Marketing including certain St1 Energy AB's income and expenses, assets and liabilities and cash flows which will either be transferred in connection with the demerger to or which have been allocated to Sweden Marketing for the purpose of the preparation of the carve-out financial information.

During the year 2013 St1 Energy Oy, St1 Energy AB and St1 Nordic have been consolidated to the same Keele Group and, therefore, the accounting policies applied in the companies have already been aligned and no adjustments related to the differences between accounting policies are needed for this unaudited pro forma financial information.

The pro forma financial information presented herein should be read in conjunction with other information included in this Company Description and audited consolidated financial statements of St1 Nordic included as Appendix 1 to this Company Description.

## Unaudited pro forma income statement

1.1.-31.12.2013								
EUR in million	Pro forma adjustments			St1 Nordic Pro forma I (unaudited)	Pro forma adjustments			St1 Nordic Pro forma II (unaudited)
	St1 Nordic	1) St1 Energy Oy	2) Eliminations		3) Sweden Marketing carve-out	4) Restructuring transactions	5) Refinancing	
	(audited)	(audited)	(unaudited)		(unaudited)	(unaudited)	(unaudited)	
<b>Net sales</b>	<b>1,677.6</b>	<b>821.3</b>		<b>2,498.9</b>	<b>1,553.5</b>			<b>4,052.4</b>
Other operating income	12.9	4.8	-3.9	13.9	29.0	-5.7		37.2
Materials and services								
Purchases during the period	1,557.1	784.7		2,341.8	1,461.4			3,803.2
Change in inventories	2.9	-3.2		-0.3	32.2			31.9
External services	0.5			0.5				0.5
	1,560.5	781.6		2,342.1	1,493.5			3,835.6
Personnel expenses								
Wages and salaries	12.5			12.5	10.1			22.7
Pension costs	2.7			2.7	5.4			8.2
Other social security costs	0.6			0.6	3.1			3.7
	15.9			15.9	18.6			34.5
Depreciation and amortisation								
Depreciation and amortization according to plan	18.9	6.4		25.2	7.6			32.8
Amortisation of goodwill (negative goodwill recognised)	-0.4	-		-0.4				-0.4
	18.4	6.4		24.8	7.6			32.4
Other operating expenses	62.7	27.1	-4.3	85.5	34.0	-5.7	-0.2	113.6
<b>Operating profit</b>	<b>32.9</b>	<b>11.1</b>	<b>0.4</b>	<b>44.4</b>	<b>28.9</b>	<b>0.0</b>	<b>0.2</b>	<b>73.5</b>
Finance income and costs								
Other interest and finance income	3.2	0.2		3.4	0.1		-0.3	3.2
Share of profit of investments in associated companies	0.7			0.7				0.7
Impairment on non-current investments	-0.2			-0.2				-0.2
Interest expenses and other finance costs	-3.9	-1.8		-5.6	-4.0	-0.3	-1.4	-11.4
	-0.1	-1.5		-1.7	-3.8	-0.3	-1.7	-7.6
<b>Profit before income tax</b>	<b>32.8</b>	<b>9.5</b>	<b>0.4</b>	<b>42.7</b>	<b>25.0</b>	<b>-0.3</b>	<b>-1.5</b>	<b>65.9</b>
Change in depreciation difference		0.4	-0.4	0.0				0.0
Current tax	-6.9	-2.5		-9.4	-5.5	0.1	0.4	-14.4
Deferred tax	-0.1			-0.1				-0.1
	-7.0	-2.5		-9.6	-5.5	0.1	0.4	-14.6
<b>Profit for the period</b>	<b>25.8</b>	<b>7.4</b>	<b>0.0</b>	<b>33.2</b>	<b>19.5</b>	<b>-0.2</b>	<b>-1.1</b>	<b>51.3</b>

# Unaudited pro forma balance sheet

		31.12.2013			
		Pro forma adjustments			
	St1 Nordic	3) Sweden Marketing carve-out	4) Restructuring transactions	5) Refinancing	St1 Nordic pro forma II
EUR in million	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
ASSETS					
Non-current assets					
Intangible assets					
Capitalised development expenditure	2.4	4.6			7.0
Intangible rights	0.5				0.5
Goodwill	3.0				3.0
Goodwill on consolidation	8.7				8.7
Other capitalised long-term expenses	3.1				3.1
	17.5	4.6			22.1
Property, plant and equipment					
Land and water areas	52.7	5.4	51.4		109.5
Buildings	59.9	16.0			75.9
Machinery and equipment	77.9	23.0			100.8
Other property, plant and equipment	13.2	0.8			14.0
Advance payments and construction in progress	0.0	4.1			4.2
	203.7	49.3	51.4		304.4
Investments					
Investments in Group companies			0.0		0.0
Investments in associated companies	25.9				25.9
Other shares and holdings	1.1				1.1
Other receivables	1.0				1.0
	28.0	0.0	0.0		28.0
Total non-current assets	249.2	53.9	51.4	0.0	354.6
Current assets					
Inventories					
Materials and supplies	39.8	14.1			54.0
Receivables					
Non-current receivables					
Deferred tax assets	0.9				0.9
Loan receivables	3.4				3.4
	4.2				4.2
Current receivables					
Trade receivables	113.7	142.4			256.1
Receivables from Group companies	7.2	1.2			8.4
Loan receivable	0.0				0.0
Other receivables	2.6	2.2			4.8
Prepaid expenses and accrued income	33.1	7.6		0.9	41.6
	156.6	153.4		0.9	311.0
Cash and cash equivalents	41.7	0.0	0.2	-1.5	40.4
Total current assets	242.4	167.5	0.2	-0.5	409.6
Total assets	491.7	221.5	51.6	-0.5	764.2



## Unaudited pro forma balance sheet

EUR in million	31.12.2013				
	Pro forma adjustments				St1 Nordic pro forma II (unaudited)
	St1 Nordic (audited)	3) Sweden Marketing carve-out (unaudited)	4) Restructuring transactions (unaudited)	5) Refinancing (unaudited)	
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	0.1				0.1
Revaluation reserve	6.9		40.1		46.9
	7.0		40.1		47.0
Invested unrestricted equity reserve	18.9				18.9
Retained earnings	71.1	52.2	-52.2		71.1
Profit for the period	25.8			-0.5	25.2
<b>Total equity</b>	<b>122.7</b>	<b>52.2</b>	<b>-12.1</b>	<b>-0.5</b>	<b>162.3</b>
<b>LIABILITIES</b>					
Provisions	5.2	51.8			57.0
<b>Non-current liabilities</b>					
Loans from financing institutions	39.7			152.3	192.0
Deferred tax liabilities	4.7				4.7
Other liabilities to Group companies	54.0		52.2	-106.2	0.0
	98.3		52.2	46.2	196.7
<b>Current liabilities</b>					
Deferred tax liabilities	5.8		11.3		17.1
Loans from financing institutions	29.5			-27.5	1.9
Advance payments	0.3		10.0		10.3
Liabilities to Group companies	28.5	0.0	-9.8	-18.7	0.0
Liabilities to associated companies	54.7				54.7
Trade payables	113.2	35.6			148.8
Other liabilities	21.3	70.1			91.4
Accrued expenses	12.3	11.8			24.1
	265.4	117.5	11.5	-46.2	348.2
<b>Total liabilities</b>	<b>368.9</b>	<b>169.3</b>	<b>63.7</b>	<b>0.0</b>	<b>601.9</b>
<b>Total equity and liabilities</b>	<b>491.7</b>	<b>221.5</b>	<b>51.6</b>	<b>-0.5</b>	<b>764.2</b>

## Notes to the unaudited pro forma information

### *Pro forma adjustments*

The following adjustments have been made to the pro forma information to reflect the effects of the Transactions.

#### **1) St1 Energy Oy**

In connection with the demerger of St1 Group Ltd, the ownership of St1 Energy Oy was transferred to St1 Nordic Corporation on 31 December 2013. Income statement information for the year ended 31 December 2013 of St1 Energy Oy, which has not been consolidated into St1 Nordic's income statement for year 2013, has been included in the pro forma income statement.

The assets and liabilities transferred in connection with demerger have been included in the consolidated balance sheet of St1 Nordic as of 31 December 2013 and therefore no pro forma balance sheet information has been presented.

#### **2) Pro forma I eliminations**

Inter-company management fees between St1 Energy Oy and St1 Nordic have been eliminated in the pro forma information.

#### **3) Sweden Marketing carve-out**

St1 Nordic has made a firm commitment to acquire Sweden Marketing from St1 Group (see also *Acquisition of Sweden Marketing* under adjustment 4 below). The unaudited carve-out financial information for the year ended 31 December 2013 of Sweden Marketing has been included in the pro forma income statement and pro forma balance sheet.

#### **4) Restructuring transactions**

##### *Acquisition of Sweden Marketing*

St1 Nordic has entered into a firm commitment to acquire Sweden Marketing from St1 Group. The acquisition will take place after the demerger of St1 Energy AB, a subsidiary of St1 Group during the second half of 2014. St1 Energy AB shall demerge into two new companies and as a consequence for the demerger, St1 Energy AB's fuel marketing business will be sold to St1 Sverige AB, a subsidiary of St1 Nordic.

In the pro forma information, a purchase price of EUR 52.2 million has been used (comprising of the agreed purchase price of SEK 462.5 million translated into euros using the EUR/SEK rate of 8.8591). In the pro forma balance sheet as at 31 December 2013 the purchase price to be paid of EUR 52.2 million has been presented as a liability to group companies (liability to St1 Sweden Holding AB, a subsidiary of St1 Group), and retained earnings included in the carve-out financial information of Sweden Marketing as at 31 December 2013 has been eliminated. The goodwill resulting from the acquisition amounts to EUR 0.01 million in the pro forma balance sheet as at 31 December.

##### *Fair value step up of the land*

In the pro forma St1 Nordic has recorded a preliminary fair value step up for land rented for Reitan (7-eleven concept) by Sweden Marketing. For pro forma purposes a preliminary fair value step up for the land is derived from a discounted cash flow valuation related to service stations. The preliminary fair value step up recorded in the pro forma is EUR 51.4 million and associated deferred tax liability is EUR 11.3 million. The fair value calculations will be finalised after the acquisition of Sweden Marketing has taken place and as such the final outcome of the fair values could differ to those presented in this pro forma.

### Pre-sale of property

An advance payment of EUR 10 million was received on 15 May 2014 in connection with the pre-sale of the property located in Laajasalo Helsinki Finland in which St1 Oy, a subsidiary of St1 Nordic, was the seller and Keele Oy, the ultimate parent company of the Group, was the purchaser. The sale itself will take effect approximately in 2015-2017 for the estimated purchase price of EUR 17 - 23 million, which may be adjusted due to possible changes in the zoning of the area. If the sale takes place as planned 6% interest will be deducted from the purchase price. In the pro forma balance sheet the impact of the received advance payment has been presented as an increase of EUR 10 million in advance payment under current liabilities with the corresponding decrease in current liabilities to group companies. An interest cost of 0.6 million has been recorded in the pro forma income statement and an interest cost of EUR 0.3 million has been deducted from the interest costs related to paid current liabilities to group liabilities.

### Intra-group transactions

An adjustment amounting EUR 5.7 million has been made to other operating income and other operating expenses in the pro forma income statement. This adjustment relates to Sweden Marketing's intra-group transactions with St1 Nordic comprising of management fees charged between the companies. The adjustment is based on the fact that after the acquisition, these transactions will be eliminated as internal transactions.

## 5) Refinancing

### Refinancing

St1 Nordic has issued Notes of EUR 100 million mainly to certain institutional investors and has entered into an unsecured revolving credit facility of EUR 150 million with Danske Bank Oyj and Nordea Bank Finland Plc as lenders for the purposes of refinancing of the existing indebtedness of St1 Nordic.

For pro forma purposes, it has been assumed that new financing amounting to EUR 189.8 million would be used to refinance the loans formed through group restructuring steps and certain existing loans of St1 Nordic. The following adjustments have been made to the non-current and current liabilities in the pro forma balance sheet as at 31 December 2013 to illustrate the formation of St1 Nordic's debt structure through group restructuring steps and the effect of the refinancing:

	31.12.2013							
	Pro forma adjustments							
	St1 Nordic	3) Sweden Marketing carve-out	4) Acquisition of Sweden Marketing	4) Pre-sale of property	5) Repay-ment of loans	5) New financing	5) Transaction costs for loans	St1 Nordic Pro forma II
EUR in million								
Current receivables								
Prepaid expenses and accrued income	33.1	7.6					0.9	41.6
	33.1	7.6	0.0	0.0	0.0	0.0	0.9	41.6
Non-current liabilities								
Loans from financing institutions	39.7				-37.5	189.8		192.0
Other liabilities to Group companies	54.0		52.2		-106.2			0.0
	93.6	0.0	52.2		-143.7	189.8	0.0	192.0
Current liabilities								
Loans from financing institutions	29.5				-27.5			1.9
Advance payments	0.3			10.0				10.3
Liabilities to Group companies	28.5	0.0		-9.8	-18.7			0.0
	58.2	0.0	0.0	0.2	-46.2	0.9	41.6	12.2

After the adjustments, the new debt amounting to EUR 189.8 million has been included in the non-current borrowings in the pro forma balance sheet. The interest rate used for Notes is 4.125 per cent based on the Terms and conditions of the Notes. Interest rate used for the RCF in the pro forma is based on the loan agreement.

Finance income and costs related to the loans assumed to be refinanced included in St1 Nordic's income statement, St1 Energy Oy's income statement and Sweden Marketing's carve-out income statement have been eliminated from the pro forma income statement and replaced with new finance expenses relating to new financing as follows:

1.1.-31.12.2013							
Pro forma adjustments							
EUR in million	St1 Nordic	1) St1 Energy Oy	3) Sweden Marketing carve-out <sup>2</sup>	4) Pre-sale of property <sup>2</sup>	5) Finance income and costs related to loans to be repaid <sup>2</sup>	5) Finance income and costs related to new financing <sup>2</sup>	St1 Nordic Pro forma II
Other interest and finance income	3.2	0.2	0.1		-0.3	-	3.2
Interest expenses and other finance costs	-3.9	-1.8	-4.0	-0.3	5.6	-7.0 <sup>1</sup>	-11.4
	<b>-0.7</b>	<b>-1.5</b>	<b>-3.8</b>	<b>-0.3</b>	<b>5.3</b>	<b>-7.0</b>	<b>-8.2</b>

<sup>1</sup> Consists interest costs of EUR -6.7 million and bank fees expensed as periodic cost of EUR 0.3 million, all of which have continuing impact on St1 Nordic's finance costs.

<sup>2</sup> Pro forma current tax adjustment related to pre-sale of property and impact of refinancing has been calculated by using Finnish tax rate of 24.5%.

#### *Direct costs related to the refinancing*

The total estimated direct cost related to the refinancing amount to approximately EUR 1.5 million. Of these estimated direct costs, EUR 0.3 million (amortised bank fees) have been recorded as finance costs and EUR 0.2 million (non-recurring listing costs) as other operating expenses with the related income tax impact of EUR 0.1 million in the pro forma income statement for the year ended 31 December 2013. The fees of EUR 0.9 million related to the refinancing have been recorded as accrued expenses and prepaid income and assumed to be amortised over the loan term. In the pro forma balance sheet, the direct costs related to the refinancing to be expensed or recorded as accrued expenses, EUR 1.5 million, have been deducted from cash and cash equivalents. The bank fees have continuing effect on the Issuer.

## **THE ISSUER**

St1 Nordic Corporation  
Purotie 1  
FI-00380 Helsinki  
Finland

## **THE GUARANTORS**

St1 Biofuels Oy  
Purotie 1  
FI-00380 Helsinki  
Finland

St1 Oy  
Purotie 1  
FI-00380 Helsinki  
Finland

St1 Energy Oy  
Purotie 1  
FI-00380 Helsinki  
Finland

St1 Sverige AB  
Box 1029  
172 21 Sundbyberg, Stockholm  
Sweden

St1 Norge AS  
Olav V's gate 6  
0161 Oslo  
Norway

## **LEAD MANAGER AND CERTIFIED ADVISER**

Danske Bank Oyj  
Hiililaiturinkuja 2  
P.O.Box 1541  
Helsinki  
FI-00075 Danske Bank  
Finland

## **LEAD MANAGER AND ISSUING AGENT**

Nordea Bank Finland Plc  
Aleksis Kiven katu 9  
FI-00020 Nordea  
Finland

## **LEGAL ADVISOR TO THE ISSUER**

Krogerus Attorneys Ltd  
Unioninkatu 22  
FI-00130 Helsinki  
Finland

## **LEGAL ADVISOR TO THE LEAD MANAGERS**

Attorneys at Law Borenus Ltd  
Yrjönkatu 13 A  
FI-00120 Helsinki  
Finland

## **AGENT**

Nordic Trustee Oy  
Aleksanterinkatu 15B, 8th floor  
FI-00100 Helsinki  
Finland

## **AUDITORS TO THE ISSUER AND GUARANTORS**

*The Issuer, St1 Oy, St1 Energy Oy and St1 Biofuels Oy*

PricewaterhouseCoopers Oy  
Itämerentori 2  
FI-00180 Helsinki  
Finland

*St1 Sverige AB*

PricewaterhouseCoopers AB  
SE-113-97 Stockholm  
Sverige

*St1 Norge AS*

PricewaterhouseCoopers AS  
Dronning Eufemias gate 8  
NO-0191 Oslo  
Norway