



**Neste Corporation**  
*(public limited liability company incorporated in Finland)*

**EUR 500,000,000 0.750 per cent. Notes due 2028**  
**Issue price: 98.987 per cent.**

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On 25 March 2021, Neste Corporation (the “**Issuer**” or “**Neste**”) issued senior unsecured notes with an aggregate nominal amount of EUR 500,000,000 (the “**Notes**”) to certain institutional investors as approved by an authorisation given by the Issuer’s Board of Directors on 11 December 2020. The Notes are in denominations of EUR 100,000. The Notes were offered for subscription through a book-building procedure that was carried out on 18 March 2021 (the “**Offering**”). The rate of interest of the Notes is 0.750 per cent. per annum. The Notes will be redeemed at their nominal principal amount on 25 March 2028, unless previously redeemed or purchased and cancelled as described in the terms and conditions of the Notes (“**Terms and Conditions**”).

The Notes were issued in the book-entry securities system of Euroclear Finland Ltd (“**Euroclear Finland**”) in dematerialised form under the Finnish Act on the Book-Entry System and Settlement Activities (348/2017, as amended). The Notes may be held by holders of the Notes (the “**Noteholders**”) directly through book-entry accounts with Euroclear Finland. Notes may be held on behalf of non-Finnish entities if held on the nominee book-entry accounts of a licensed book-entry account holder, such as Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, SA (“**Clearstream**”). The Notes are not evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator and cannot be physically delivered.

This listing prospectus (the “**Prospectus**”) has been prepared solely for the purpose of listing the Notes on the official list of Nasdaq Helsinki Ltd (the “**Helsinki Stock Exchange**”) (the “**Listing**”) and does not constitute an offer of the Notes. The Issuer has applied for listing of the Notes on the Helsinki Stock Exchange, and trading in the Notes is expected to commence on or about 29 March 2021 under the trading code “NESJ075028”.

**The validity of this Prospectus expires when the Notes have been admitted to trading on the Helsinki Stock Exchange. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.**

Neither the Issuer (other than filing this Prospectus with the Finnish Financial Supervisory Authority (the “**FIN-FSA**”) and the application to the Helsinki Stock Exchange) nor the Joint Lead Managers (as defined below) 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 Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for the purpose of a public offer.

Neither the Issuer nor the Notes have been assigned a credit rating (at the request or with the co-operation of the Issuer).

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) nor 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 nor to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (the “**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.

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

#### Joint Lead Managers



## IMPORTANT INFORMATION

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS: PRIIPs Regulation / EEA investor** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS: UK PRIIPs Regulation / UK Investor** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes should take into consideration the manufacturer’s target market assessment; however, a distributor subject to UK MiFIR is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

This Prospectus has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the “**Prospectus Regulation**”), the Commission Delegated Regulation (EU) 2019/979, the Commission Delegated Regulation (EU) 2019/980, in application of the Annexes 8 and 16 thereof, the Finnish Securities Markets Act (746/2012, as amended) (the “**Finnish Securities Markets Act**”) and the regulations and guidelines issued by the FIN-FSA. The FIN-FSA, which is the competent authority for the purposes of the Prospectus Regulation and relevant implementing measures in Finland has approved the Prospectus but assumes no responsibility for the correctness of the information contained herein. The FIN-FSA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the qualities of the Notes nor the Issuer. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the Notes. The record number of the FIN-FSA’s approval is FIVA 12/02.05.04/2021. This Prospectus has been prepared in English only. This Prospectus is valid until the Listing.

This Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus. See “*Information Incorporated by Reference*”.

Barclays Bank Ireland PLC (“**Barclays**”), Citigroup Global Markets Limited (“**Citigroup**”) and Nordea Bank Abp (“**Nordea**” and together with Barclays and Citigroup, the “**Joint Lead Managers**”) are acting exclusively for the Issuer in connection with the listing of the Notes and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor giving investment or other advice in relation to the Notes.

Prospective investors should rely solely on the information contained in this Prospectus including information incorporated by reference into this Prospectus. Neither the Issuer nor the Joint Lead Managers have authorised anyone to provide any information or give any statements other than those provided in this Prospectus. The Joint Lead Managers assume no responsibility for the accuracy

or completeness of the information in this Prospectus and, accordingly, disclaim to the fullest extent permitted by law, any and all liability which they might otherwise be found to have in respect of this Prospectus or any such statement. Delivery of this Prospectus shall not, under any circumstances, indicate that the information presented in this Prospectus is correct on any day other than the date of this Prospectus, or that there would not be any changes in the business of the Issuer after the date of this Prospectus. Any investor investing in the Notes becomes bound by the final Terms and Conditions. Information given in this Prospectus is not a guarantee or grant for future events by the Issuer and shall not be considered as such. If a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes arises or is noted prior to the Listing, this Prospectus will be supplemented in accordance with the Prospectus Regulation. The obligation to supplement this Prospectus under the Prospectus Regulation will end when the Prospectus expires.

In making an investment decision, each investor must rely on their examination, analysis and enquiry of the Issuer and the Terms and Conditions, including the risks and merits involved. Neither the Issuer, nor the Joint 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 are required to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes. The contents of this Prospectus are not to be construed as legal, business, tax, financial or other advice.

It is prohibited to copy or distribute this Prospectus or to reveal or use the information contained herein for any purpose other than considering an investment in the Notes. The distribution of this Prospectus and the offer and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Prospectus may not be distributed in the United States, Australia, Canada, Hong Kong, South Africa, Japan, New Zealand or Singapore or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the laws of Finland. This Prospectus does not constitute an offer of, or an invitation to purchase, the Notes in any jurisdiction. No offer will be made to persons whose participation in the offering of the Notes requires any additional prospectus or registration. None of the Issuer, the Joint Lead Managers or any of their respective affiliates or representatives accepts any legal responsibility for any such violations by any person or entity, whether or not a prospective purchaser of Notes, and whether or not the person or entity is aware of such restrictions.

The Notes are governed by and construed in accordance with Finnish law. Any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law. The auditor of the Issuer has audited the Finnish language versions of the financial statements that shall prevail. English language versions of the financial statements are unofficial translations thereof.

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## RISK FACTORS

*Investors considering investment in the Notes should carefully review the information contained in this Prospectus and, in particular, the risk factors described below and the stock exchange releases published by Neste. Factors possibly affecting an investment decision are also discussed elsewhere in this Prospectus. Each of the risk factors described herein are specific to Neste, and should one or more of the risk factors, or any other risk, materialise, it may have a material adverse effect on Neste's business, financial condition, results of operations and future prospects and, thereby, on Neste's ability to fulfil its 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 Neste's ability to fulfil its obligations under the Notes or that are material in order to assess the market risk associated with the Notes. This description is based on the information known and assessed at the time of preparing this Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.*

*The risk factors presented herein have been divided into five (5) categories based on their nature. These categories are:*

- A. Risks relating to Neste's operating environment;*
- B. Risks relating to Neste's business operations;*
- C. Risks relating to Neste's regulatory environment;*
- D. Risks relating to Neste's financing; and*
- E. Risks relating to the Notes as debt instrument.*

*While the categories are not presented in any order of materiality, within each risk category the most material risks, in the assessment of Neste, taking into account the negative impact on Neste and the probability of their occurrence, are presented first. However, the order in which the risk factors are presented after the first risk factors in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.*

### **A. Risks relating to Neste's operating environment**

***Uncertain global economic development, a prolonged economic slowdown or a recession may have a material adverse effect on Neste.***

Neste operates globally creating solutions for combating climate change and accelerating a shift to a circular economy. Neste refines waste, residues and innovative raw materials into renewable fuels and sustainable feedstock for plastics and other materials. Neste is, according to management's estimates, the world's largest producer of renewable diesel and sustainable aviation fuel, developing chemical recycling to combat the plastic waste challenge. The demand for Neste's products is hence affected by global economic development, where generally-speaking demand for Neste's products, or their margins, decreases in times of uncertain global economic development and economic slowdown.

During 2020, uncertainty in the global economic and financial markets was amplified by the COVID-19 pandemic ("COVID-19"). As COVID-19 has developed into a global pandemic, the pandemic itself, the related containment measures and the economic downturn or global power struggles continue to cause high uncertainty to global trade, geopolitics or trajectories of economies. Uncertain global economic development in 2020 increased volatility in the oil products and renewable feedstock markets. Neste is affected by global availability of waste and residues as feedstock for its renewable diesel production, and any uncertain global economic development or economic slowdown could reduce the amount of waste and residues available and increase the price thereof. The continuing COVID-19 pandemic could bring risks to oil product demand, in the form of slow economic recovery and reintroduction of local virus containment measures ('lockdowns'). This, in combination with oversupply of global refining capacity, could continue to put pressure on refining margins globally, adversely affecting Neste. Should restrictions imposed due to COVID-19 continue for extended periods of time or should they be broadened further in areas in which Neste operates, or even in areas in which Neste does not operate, they may cause further disruption to Neste, its employees, production facilities, sites, markets, suppliers and customers, any of which could have a material adverse effect on Neste's business, financial condition or results of operations.

Neste has experienced in the past, is currently experiencing and expects to experience in the future, the negative impact of periods of economic slowdown or recession, political uncertainty and disruptions in the feedstock and product markets

in which it operates. For example, Neste's oil products business segment has suffered from a very weak refining market caused by the global COVID-19 related demand destruction and oversupply and the reference margin, which reflects the general market conditions, has been impacted by an exceptionally weak product market. If periods induced by poor economic conditions continue for prolonged periods of time, it may have a material adverse effect on Neste's revenue, operating profit as well as future prospects. Furthermore, turbulence in the oil market or fluctuations in the prices of refined petroleum and renewable products as well as crude oil and other feedstocks, whether or not caused by macroeconomic conditions, could have a material adverse effect on Neste's business, financial condition, results of operations and cash flows.

***Trade restrictions and other geopolitical tensions may have an adverse impact on Neste's access to feedstocks and oil prices.***

Geopolitical tensions, such as conflicts in Middle Eastern countries, could result in trade restrictions being imposed in one or more of Neste's markets, which could adversely affect the results of operations of Neste. Similarly, renewal or expansion of trade sanctions or similar actions against Russia could have an adverse impact on Neste's access to Russian crude oil and other raw materials. Furthermore, oil prices are subject to, among other factors, regional unrest, such as supply interruptions or fears thereof that may be caused by civil unrest or political uncertainty. If geopolitical tensions increase and lead to imposing of trade restrictions, it could have a material adverse effect on Neste's ability to access feedstocks, delivery of products, product demand and, thereby, on Neste's business and ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. For example, continued sanctions on oil exports from Venezuela and Iran could continue supporting Urals crude prices relative to Brent crude, thus negatively impacting Neste's business.

***Any military strikes, hybrid warfare, sustained military campaigns or terrorist activity in the areas or regions where Neste has operations could have a material adverse effect on Neste's business.***

Any military strikes, hybrid warfare, sustained military campaigns, terrorist activity or other similar conflicts in areas or regions of the world where Neste has operations may affect the business of Neste in unpredictable ways, including forcing Neste to increase security measures and causing disruptions of supplies and markets, loss of property and incapacitation of employees. Further, like other industrial companies, the facilities of Neste may be the target of terrorist activities. Any damage to infrastructure, such as power generation facilities, or injury to employees as a result of them being targeted or indirectly affected by of an act of war or terrorism may have a material adverse effect on Neste's business, financial condition, results of operations and future prospects. Any disruption of Neste's ability to produce or distribute its products could result in a significant decrease in revenues and significant additional costs to replace or repair and insure Neste's assets, which could have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

## **B. Risks relating to Neste's business operations**

***Changes in refining margins in the refining industry may have a material adverse effect on Neste.***

The results of operations of Neste are primarily affected by the price differential, or margin, between refined petroleum and renewable product prices and the prices for crude oil, waste and residue feedstocks, different vegetable oils and other feedstocks used for refining petroleum and renewable products. The cost for Neste to acquire its feedstocks and the price at which it can ultimately sell its refined petroleum and renewable products depend upon a variety of factors largely beyond the control of Neste. Historically, refining margins have been volatile and they are likely to continue to be so in the future. Future volatility in refining margins may have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

Factors that may affect Neste's refining margins include:

- changes in the aggregate demand and supply for crude oil, waste and residue feedstocks, different vegetable oils, other renewable feedstocks and refined petroleum and renewable products;
- changes in demand and supply for specific crude oils, waste and residue feedstocks, specific vegetable oils and other feedstocks as well as specific refined petroleum products such as gasoline and diesel as well as specific renewable products, such as renewable diesel;
- fluctuations in the prices for crude oil, waste and residue feedstocks, vegetable oils, other fossil and renewable

feedstocks as well as refined petroleum and renewable products;

- evolution of worldwide refining capacity and, in particular, refining capacity that relates to the renewable products refined by Neste;
- pricing and other actions taken by Neste's competitors that impact the market;
- availability of price arbitrage for refined petroleum and renewable products between different geographical markets;
- changes in the cost and availability of logistics services for feedstocks and for refined petroleum and renewable products;
- environmental or other regulations, which could require Neste to make substantial expenditures without necessarily increasing the capacity or operating efficiency of its refineries;
- changes in the costs related to alternative ways of fulfilling regulated bio-mandates;
- changes in the mandatory petroleum product specifications of the European Union ("EU") and governmental authorities for refined petroleum and renewable products such as the EU Fuel Quality Directive;
- changes in the EU's Renewable Energy Directive, EU member state legislations and United States legislation; and
- general political and economic conditions.

Factors that affect Neste's refining margins in the Renewable Products business area and the Oil Products business area have certain distinct drivers. For example, increasing climate change and greenhouse gas reduction targets around the world as well as increasing renewable energy requirements in transport, particularly in Europe and the United States, increase demand of renewable products and decrease demand of oil products. In addition, EU and United States legislation concerning, among other things, bio-certificates and mandates, are important drivers for demand of renewable products whereas innovations that accelerate transition to a carbon-neutral economy, such as the evolution of alternative engine technologies, decrease demand of fossil fuels and oil products. Operation of these distinct drivers of the business areas have been exemplified by COVID-19 during which renewable diesel demand remained good but oil products suffered a significant demand reduction. Depending on the nature of each factor and the particular circumstances, these factors may have either a short-term or long-term material adverse effect on Neste's business, financial condition, results of operations and future prospects.

***Introduction and/or adoption of competing renewable fuel technologies or advancing of hybrid and electric engines may have an impact on the demand for Neste's products and decrease refining margins.***

According to an estimate of Neste's management, Neste's proprietary NEXBTL renewable diesel production technology is a proven technology for the production of high-quality diesel fuel using renewable feedstocks. Many companies have developed and are investigating ways to further develop these technologies, such as electrification, fuel cells, synthetic fuels, lignocellulosic fuels and biogas. More rapid than anticipated development of alternative feedstocks and production technologies for liquid fuels, the evolution and adoption of engine technologies and introduction of alternative powertrains in these technologies increases competition for NEXBTL, which may decrease demand for Neste's products and lower refining margins for Neste's products, and, thereby, have an adverse effect on Neste and its ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Increases in global refining and conversion capacity relative to growth in demand for the refined products may have a material adverse effect on Neste.***

Refining capacity additions of oil products are currently exceeding demand growth, placing refiners in a situation in which excess capacity puts pressure on refining margins. This situation has been exacerbated by the global COVID-19 related demand reduction and oversupply in oil products and the exceptionally weak product market. In addition, financial instability in certain countries and areas, with high or fluctuating oil prices together with uncertain economic conditions has led to declining demand for certain oil products, particularly in OECD countries, already prior to the COVID-19 related demand decrease.

The global development of less heavy crudes available, due to OPEC and some non-OPEC countries' efforts to manage prices by restricting production, together with substantially higher light crude supply (from US shale oil production) has and will change trade flow and also poses challenges for refinery crude feedstock selection and usage. Further increases

in global refining and conversion capacity relative to the demand for refined petroleum products may have a material adverse effect on Neste's business and, thereby, on Neste's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

In addition, many companies have published initiatives to commence refining capacity expansion projects of renewable diesel. It is difficult to estimate the actual renewable diesel capacity additions that such published initiatives will result in, or the development of demand for renewable diesel in the future. If such published initiatives will lead to capacity additions that are larger than the anticipated growth of renewable diesel demand or if Neste's products are not as competitive as previously, it may reduce Neste's refining margins of renewable products, and, thereby, have a material adverse effect on Neste's business, financial condition or results of operations.

***Significant or extended changes in demand and supply fundamentals for crude oil, waste and residue feedstocks, vegetable oils and other feedstocks and for refined petroleum and renewable products may have a material impact on market prices for crude oil, vegetable oils and other feedstocks, as well as refined petroleum and renewable products, which, in particular if affecting the pricing of traffic fuels in Europe and in the United States, may have a material adverse effect on Neste.***

The market prices for crude oil, waste and residue feedstocks, vegetable oils and other feedstocks, as well as refined petroleum and renewable products, are subject to significant fluctuations resulting from a variety of factors affecting demand and supply, which are outside the control of Neste. It is impossible to accurately predict future demand and supply trends and their impact on crude oil, waste and residue feedstocks, vegetable oils and refined petroleum and renewable product prices. Significant pricing level changes during the period between the purchase of crude oil, waste and residue feedstocks, vegetable oils and other feedstocks and the sale of refined petroleum and renewable products may have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

Generally, there is approximately a one to two months lag time between the delivery of crude oil, waste and residue feedstocks, vegetable oils and other feedstocks to the refineries and the time when the refined petroleum and renewable products from these feedstocks are produced by Neste. Neste also maintains inventories of crude oil, waste and residue feedstocks, vegetable oils and other feedstocks and of refined petroleum and renewable products, and the values of such inventories are subject to fluctuations in market prices.

Neste's refinery inventory consists of two components. The first and largest component remains relatively constant over time and is referred to as the 'base inventory'. The second and daily fluctuating component is the amount of inventories differing from the base inventory level and Neste refers to it as 'transaction position'. The base inventory is the minimum level of stocks with which it can be reasonably assured that the refineries can be kept in operation and that deliveries will not be compromised. It comprises inventories at the refineries and within the supply chain. The base inventory includes the minimum level of stocks that Neste is required to maintain under Finnish laws and regulations.

The base inventory creates a risk in Neste's income statement and balance sheet since Neste applies a weighted average method for measuring the cost of goods sold, raw materials and inventories. Any significant or extended change in supply and demand trends may have a material impact on prices for crude oil, waste and residue feedstocks, vegetable oils and other feedstocks as well as refined petroleum and renewable products and may also result in inventory losses which may have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

***Failure to protect Neste's proprietary technology may have a material adverse effect on Neste and impair its growth opportunities.***

Neste is actively pursuing growth opportunities using its proprietary technology and know-how. Its technology and know-how may provide an ability to capture additional margins in selected special product markets through developing new businesses in higher margin products such as renewable fuels and other high quality renewable components. To protect its rights, Neste maintains numerous patents worldwide. Neste also relies on a combination of international trade secret and other intellectual property laws and protective measures to establish and protect its proprietary rights relating to its products, systems and services.

The measures taken by Neste to protect its technology and know-how against third party infringement and appropriation may prove 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 Neste's proprietary rights. Commercialisation of Neste's proprietary technology may also give rise to claims to the effect that its technology infringes upon the proprietary rights



of other parties. Also, as competitors continue to develop competing technologies, one or more of Neste's proprietary technologies could become outdated. Should Neste fail to develop, defend or protect its technology, products, systems and services, such failure may have a material adverse effect, among other things, on Neste's competitive advantage and results of operations.

***A production interruption at Neste's refineries and plants could have a material adverse effect on Neste.***

Neste's business is dependent to a significant extent on its refinery in Porvoo, Finland, and its renewable products refineries in Singapore and Rotterdam, the Netherlands.

Neste's Finnish refinery operations include five production lines, four of which are located in Porvoo and the fifth in Naantali. The total annual crude refining capacity of the Porvoo refinery is approximately 10.5 million tonnes per year (206,000 barrels per day) and total production capacity is approximately 13.5 million tonnes per year. The Naantali refinery focuses on specialty petroleum products, such as bitumen and solvents. The refining capacity of crude oil at Naantali is approximately 58,000 barrels a day, with the production totalling 3 million tonnes per year. Neste has decided to shut down Naantali refinery operations by the end of March 2021. Operations in Naantali will focus on terminal and harbour operations after the refinery closure. Porvoo conventional oil refinery will be developed towards co-processing of renewable and circular raw materials. In addition, Neste operates renewable products refineries with a total annual production capacity of approximately 3.2 million tonnes. Neste's operations would be subject to significant interruption if one or several of these refineries were to experience a major accident or otherwise be forced to shut down or curtail production due to unforeseen events lasting for a period of several weeks, such as extended power outages, industrial accidents or information technology related issues.

A major turnaround at Porvoo production facilities is planned to take place in 2021. In addition, a seven-week turnaround has been scheduled for the Singapore refinery in the third quarter of 2021, and a four-week catalyst change at the Rotterdam refinery in the fourth quarter of 2021. COVID-19 and the required additional strict health and safety measures and possible timetable impacts also add new challenges to the turnaround project, which may have an adverse effect on the project. The scheduled shutdowns, and any unexpected shutdowns, will have an adverse effect, and may have a material adverse effect, on Neste's business, financial condition, results of operations and future prospects.

***Neste is subject to risks relating to the management and execution of large investment projects.***

Neste is in the process of constructing a EUR 1.5 billion investment and expansion project in the Singapore refinery to expand production of sustainable aviation fuel and other renewable products. The Singapore expansion is the biggest ever investment in Neste's history and it will, according to management's estimates, expand the annual renewable capacity by up to 1.3 million tonnes in Singapore, and extend Neste's total renewable product capacity close to 4.5 million tonnes per year. In addition, Neste's feasibility study phase of its next European renewables capacity expansion project is progressing. Neste announced on 15 March 2021 that Rotterdam has been selected as the location for the potential project. Neste aims at creating readiness for a final investment decision by the Board of Directors towards the end of 2021 or early 2022. Such large investment projects typically take several years to complete. Participation in large projects involves risks, such as cost overruns or delays, as well as non-achievement of the economic targets set for the investment.

Neste is responsible for many projects in several of its countries of operation at any given time. All projects involve technical and operational risks, and projects require continuous operational planning, steering and supervision, quality control, input procurement, scheduling as well as resource and cost monitoring. Managing several projects requires that Neste has sufficient resources and efficient processes, so that several overlapping internal teams and supplier networks can be managed simultaneously. COVID-19 and the required additional health and safety measures have also added a new challenge to large investment projects. Neste's investment and expansion project in the Singapore refinery is proceeding with strict health and safety controls, but despite these efforts, COVID-19 has already delayed the timeline of the project and further changes to the detailed timeline of the project may still occur due to COVID-19 and related containment measures, which may have an adverse effect on the project. Any problems related to the management and execution of large projects could have a material adverse effect on Neste's business, financial condition or results of operations.

***Neste may not be able to realise some or all of the anticipated benefits of its growth strategy and related investments or there may be delays and unexpected higher costs or other difficulties in realising such benefits.***

Neste's strategy is built on renewable and circular solutions. Neste refines waste, residues and innovative raw materials

into renewable fuels and sustainable feedstock for plastics and other materials. In Renewable Aviation, Neste has started the commercial sales of Sustainable Aviation Fuel (SAF) in 2019, and in Renewable Polymers and Chemicals, Neste has started to create a new business through transforming plastics and chemicals value chains. The success of Neste's growth strategy depends on the ability to develop and open these new markets, to understand the needs of its customers and find the best possible ways to serve them with the right offering and production asset portfolio. This is sought through, among other things, innovation in the field of circular and renewable solutions, to ensure the growth of the current businesses and to create new business platforms for further growth as well as expansions to the existing renewables production capacity and increases in capability to utilise lower quality waste and residues feedstocks. As part of its strategy, Neste has also committed to new ambitious climate targets and integrated these into its investment criteria and other activities. Due to their nature, Neste's growth investments usually require considerable amounts of capital and have long lead times to generate returns, leaving them susceptible to changes in market conditions, applicable regulatory framework and other unexpected factors. In addition, due to the size, location, structure and complexity of the investment or other projects, there is always a risk of cost overruns, delays and that innovation does not lead to commercially feasible solutions. Any of these factors could have a material adverse effect on Neste's business, financial condition or results of operations. An inability to realise the full extent of the anticipated benefits of Neste's strategy could have a material adverse effect on Neste's business, financial condition or results of operations.

***Corporate acquisitions and divestments expose Neste to a number of risks.***

In order to implement its strategy, Neste has in the past and may also in the future acquire and divest businesses or other assets. For example, on 4 May 2020, Neste announced that it had completed the acquisition of Mahoney Environmental, a leading collector and recycler of used cooking oil in the United States, and its affiliated entities, and, on 2 March 2021, Neste announced that it had completed the acquisition of Bunge Lodders Croklaan's refinery plant in Rotterdam, which increases Neste's raw material pretreatment capacity for the production of renewable products. Further, on 4 January 2021, Neste announced that it had acquired a minority stake in Alterra Energy, an innovative chemical recycling technology company. In addition, Neste has also made other minority investments in technology and other companies to support Neste's strategy execution. Carrying out corporate mergers, acquisitions and divestments involves risks relating to the successful implementation of a divestment and the ability to integrate and manage acquired businesses, systems, culture and personnel successfully. In addition, the cost of an acquisition may prove high and/or the anticipated economies of scale or synergies may not materialise. Hidden liabilities of an acquired company (e.g., competition law liabilities) may also constitute significant risk in relation to potential acquisitions. Neste may not be able to identify attractive acquisition or merger opportunities or ensure the strategic fit, right valuation and effective integration of acquisitions despite its acquisition preparations and stakeholder engagement, which could have a material adverse effect on Neste's business, financial condition or results of operations. Regulation of merger or acquisition activity by competition authorities may also limit Neste's ability to make future acquisitions or mergers.

Neste may also divest operations or assets to focus on strategic areas. Any future divestments may be affected by many factors that are beyond Neste's control, such as the availability of financing to potential buyers, interest rates and acquirers' capacity, and divestments may also expose Neste to indemnity claims. Furthermore, divestments may involve additional costs due to historical and unaccounted liabilities. There can be no assurance that Neste will be able to divest assets in a profitable way, or that such divestments will be possible on acceptable terms, or at all. The profitability of corporate acquisitions and divestments may differ from Neste's expectations, which could have a material adverse effect on Neste's business, financial condition or results of operations.

***Problems or delays in Neste's supply chain could result in, among other things, impaired access to raw materials at competitive prices, which could have a material adverse effect on Neste.***

Neste requires crude oil, utilities, waste and residue feedstocks, vegetable oils and other feedstocks in order for its refineries to produce various refined petroleum and renewable products. Unlike certain of its competitors that have their own oil exploration and production operations, Neste is dependent, for a substantial portion of its operations, on continued access to these and other raw materials and supplies at appropriate prices. Problems or delays in accessing sufficient amounts of competitively priced crude oil, utilities, waste and residue feedstocks and vegetable oils and other renewable feedstocks could increase the cost for Neste of raw materials and have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

The majority of Neste's fossil feedstocks is purchased from Russia. Neste's access to Russian crude oil and other feedstocks might be interrupted as a result of, among other things, voluntary production curtailments, structural changes in the Russian oil industry, government restrictions, economic and trade sanctions, taxation, regional unrest or problems

in transporting sufficient quantities of oil through Primorsk and other harbours on the Baltic Sea or by rail to Neste's refineries. Changes in Russian oil production field characteristics and export flows could also worsen the quality of Russian crude available to Neste, especially regarding sulphur content.

Disruptions in the supply of Russian crude oil would force Neste to ship its raw material needs from other sources potentially resulting in the loss of the cost benefit that comes from the Porvoo refinery's proximity to Russian crude oil sources. Furthermore, as a result of the recent and possible future industry consolidation in Russia, the number of oil producers has decreased, and may continue to decrease, which may result in less favourable supply terms.

Neste sources waste and residue feedstocks and vegetable oils globally. Access to different waste and residue feedstocks, vegetable oils and other renewable feedstocks might be interrupted as a result of, among other things, natural catastrophes, increased competition, governmental restrictions, economic and trade sanctions, regional, political, economic or social instability or problems in transporting sufficient quantities of feedstock to Neste's renewable refineries. Any significant and extended interruptions in deliveries may have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

Neste has undertaken several initiatives to identify and understand how risks may be present in Neste's operations and supply chains. To ensure Neste's suppliers' compliance with Neste's Supplier Code of Conduct, Neste has implemented systematic controls for counterparty screening and monitoring in which all potential business partners and suppliers undergo automated pre-screening. However, there can be no assurances that Neste is successful in ensuring that all applicable laws and regulations or corporate policies in the supply chain are fully complied with, which could lead to interruptions in Neste's operations as well as legal processes or serious reputational damages impacting the value of Neste, which could have a material adverse effect on Neste's business, financial condition or results of operations.

***A significant portion of Neste's employees are members of labour unions and Neste may face labour disruptions that could interfere with its operations and have a material adverse effect on Neste.***

Neste is subject to the risk of labour disputes and adverse employee relations. Further, the majority of employees of Neste are represented by labour unions under several collective bargaining agreements. However, not all employees of Neste represented by labour unions are currently bound by valid collective bargaining agreements. In addition, organisations collectively representing Neste and other employers in its industry may not be able to renegotiate satisfactory collective labour agreements when they expire. In addition, existing labour agreements of Neste may not prevent a strike or work stoppage at any of its facilities in the future. Neste has experienced work stoppages in the past.

If such labour disputes or other adverse employee relations, including but not limited to strikes and work stoppages, or problems with the labour unions or collective bargaining agreements, occur, it may prevent Neste's business operations such as distribution of its products or processing of feedstocks, and it could increase Neste's costs.

***The loss of employees in key positions may have a material adverse effect on Neste.***

Maintaining Neste's competitive position requires the ability to challenge the current business models and further develop operations. The continued contributions of Neste's senior management, personnel and business partners are vital for the company's success. As the competition for employees is fierce, there is a risk that Neste will not be able to recruit, train, motivate and retain highly skilled employees with the level of experience and qualifications in the relevant current business that Neste depends upon.

If Neste cannot recruit, train, retain and/or motivate qualified personnel, it may be unable to compete effectively in its current business and the successful implementation of Neste's strategies may be limited or prevented, which in each case could have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

***Neste's operations are reliant on functioning information technology systems the malfunctioning of which could have a material adverse impact on Neste.***

The operation of Neste's core processes is dependent on functioning information technology systems and availability of key data. Neste's information technology system architecture is being regularly developed to provide better support for operations and take advantage of digitalisation and emerging technologies. At the same time, the increasing sophistication of cyber-attacks and, in particular, the high frequency of attacks targeted at oil and gas companies also poses a threat to Neste.

Processing disruption, system unavailability or information breaches relating to Neste's core information technology systems may have a material adverse effect on Neste's business operations, financial condition, reputation and customer relationships.

***Neste charters tonnage for its logistics needs, and problems or delays in accessing shipping capacity may have a material adverse effect on Neste.***

Neste provides logistics services for the supply of raw materials to Neste's refineries and for the transport of refined petroleum products and renewables from its refineries to destinations in Finland, in the Baltic Sea area and internationally. Currently Neste owns two product vessels and 50 per cent. of one crude tanker and operates otherwise with vessels that are chartered on long-term contracts. Problems or delays in Neste's existing shipping capacity or access to additional shipping capacity may have a material adverse effect on Neste's ability to fulfil its contractual obligations with its customers, access feedstocks and distribute its products, and, thereby, having possibly a material adverse effect on Neste's business.

***Maritime disasters may have a material adverse effect on Neste, including on its reputation.***

The vessels owned by Neste and/or chartered to Neste are subject to inherent risks, including the risks of maritime disaster, damage to the environment and loss of or damage to cargo and property. Such events can be caused by mechanical failure, human error, adverse weather conditions or piracy, among other factors, in the areas where vessels owned by Neste and/or chartered to Neste operates. The occurrence of any of these events may, either directly or indirectly due to negative publicity, have a material adverse effect on Neste's reputation, business, financial condition, results of operations and future prospects.

***Neste is not insured against all potential losses and could be seriously harmed by operational catastrophes or deliberate sabotage which could have a material adverse impact on Neste.***

Neste's industrial assets are insured by property and business interruption insurances, which cover customary risks, including damages caused by breakage. Neste's marine cargo and inland transit insurance programme covers damage inflicted on cargoes in transit and storage. However, Neste is not insured against all potential losses and could be seriously harmed by operational catastrophes or deliberate sabotage. Despite insurance coverage, Neste could incur significant uninsured losses and liabilities arising from such events, including damage to the reputation of Neste and a substantial loss of operational capacity, which may cause material replacement or repairment costs and, thereby, have a material adverse effect on Neste's business and results of operations.

***Neste has operations and investments in certain countries that may be exposed to economic disruption inherent to such countries which could have a material adverse impact on Neste.***

Neste has operations and investments in countries that may be exposed to economic disruptions. These countries are subject to greater political, economic and social uncertainties than countries with more developed institutional structures, and the risk of loss resulting from changes in law, economic and social upheaval and other factors may be substantial. Among the more significant risks of operating and investing in these countries are those arising from foreign exchange restrictions, including the enforcement of existing restrictions and the potential establishment of new restrictions. These could effectively prevent Neste from repatriating profits or liquidating assets and withdrawing from one or more of these countries, and changes in tax regulations or enforcement mechanisms, which could reduce substantially or eliminate any revenues derived from operations in these countries and reduce significantly the value of assets related to such operations. If any one of the above risks materialise, it may, singly or as aggregate, have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

***Neste has interests in, among other things, joint operations and joint ventures which expose Neste to certain additional risks that are customary for joint projects and which could have a material adverse impact on Neste.***

Neste has interests, among other things, in the joint venture, Kilpilahti Power Plant Ltd, and, in the joint operation, Bahrain Lube Base Oil Company B.S.C. Neste owns 40 per cent. of the shares in Kilpilahti Power Plant Ltd, which owns and is constructing a power plant in Porvoo, and, 45 per cent. of the shares in Bahrain Lube Base Oil Company B.S.C, which owns the base oil plant in Bahrain. In addition, Neste holds a minority stake in Alterra Energy LLC, an innovative chemical recycling technology company, and has made other minority investments in technology and other companies to

support Neste's strategy execution, and may also continue to invest in or enter into joint ventures and joint operations. Joint ventures and operations often involve complex risk allocation, decision-making processes and indemnification arrangements. In certain cases, Neste may have less control of such activities than it would have if it had full operational control. Neste's joint venture or operation partners may have economic or business interests or objectives that are inconsistent with, or opposed to, those of Neste, and may exercise veto rights to block certain key decisions or actions that Neste believes are in its or the joint venture's, joint operation's or associate's best interests, or take actions contrary to Neste's instructions, requests, policies or business objectives. If there is any disagreement with a joint venture or operation partner regarding the functioning of the relevant joint venture or operation, there can be no assurance that Neste will be able to resolve it in a manner that will be in its best interests.

### **C. Risks relating to Neste's regulatory environment**

***The implementation of, and changes in, biofuel legislation in the EU and other key market areas may influence the speed at which the demand for these fuels develops and new raw material sources are taken into use, and which may have a material adverse effect on Neste.***

Neste has benefited from increased support for biofuels and renewable fuels e.g. requirements that relate to renewable content in diesel and gasoline. On the other hand, changes in regulation especially in the EU and the United States influence the speed at which the demand for renewable products develops, and new raw materials sources are taken into use. For the renewable products, a significant source of uncertainty is fragmented regulation around acceptability and use of waste and residue feedstock. Any unfavourable legislative developments relating to feedstock or end products may have a material adverse effect on demand for Neste's products as well as price development and availability of feedstocks especially in the field of renewable fuels.

***Legal or regulatory proceedings or claims could have a material adverse effect on Neste.***

Neste has extensive international operations and is involved in, or a subject of, a number of legal and regulatory proceedings and claims relating to its operations. It is inherently difficult to predict the outcome of legal, regulatory and other adversarial proceedings or claims, and there can be no assurance as to the outcome of such proceedings or claims, whether existing or arising in the future. For information in relation to these proceedings, see "*Certain Financial and Other Information — Legal and Arbitration Proceedings*". As at 31 December 2020, Neste had recorded EUR 3 million provisions in respect of legal or regulatory proceedings and claims. Arising of legal, regulatory and other adversarial proceedings in the future or any unfavourable judgment against Neste in relation to legal or regulatory proceedings or claims or settlement could impose substantial costs, reputation damage or other similar materially adverse effects on Neste.

***Neste could incur substantial costs or disruptions in its business which could have a material adverse impact on Neste if it cannot obtain or maintain necessary permits and authorisations.***

Neste's operations require numerous permits and authorisations under various laws and regulations. For example, Neste's mineral oil refineries, renewable products refineries and terminals have been granted environmental permits under such 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 environment and/or health and safety. A violation of these authorisation or permit conditions or other legal or regulatory requirements could result in substantial fines, criminal sanctions, permit revocations, injunctions and/or temporary or permanent refinery shutdowns.

***Compliance with, and changes in, environmental laws may have a material adverse effect on Neste.***

Neste's operations and products are subject to extensive environmental and chemicals controls and consumer protection laws and regulations adopted by the EU and other jurisdictions in which Neste operates. The nature of certain of Neste's businesses exposes Neste to the risks of environmental costs and liabilities arising from the manufacture, use, storage, disposal and maritime and inland transport and sale of materials that may be considered to be contaminants when released into the environment. Neste's products are classified as chemicals in the EU and other jurisdictions. Environmental liabilities may also arise through the acquisition, ownership or operation of properties or businesses.

Neste sold approximately 4.6 million tonnes of methyl tertiary butyl ether, known as MTBE, to various companies operating in the United States, primarily in California, between 1992 and 2003. As a result of concerns for MTBE

contamination of water supplies, MTBE use has been banned or significantly limited in more than two dozen states of the United States, and a series of legal actions has been filed in various states of the United States against various entities in the oil industry, many of them by municipalities and local water agencies alleging contamination of their drinking water supply. As a former manufacturer and former supplier/distributor, marketer and importer of MTBE to the United States, Neste recognises that similar claims could be asserted against it by plaintiffs alleging injury or harm or by other defendant companies who have incurred losses and are seeking contribution or indemnity from Neste. Furthermore, if concerns about MTBE were to be raised in other jurisdictions, claims in those jurisdictions could also be brought against Neste. Such claims in any jurisdiction could have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

A new set of the EU's Best Available Techniques ('BAT') requirements for mineral oil refineries are expected to be introduced within the next few years (potentially during 2021 - 2023). The requirements may call for significant additional investments at oil refineries, including Neste's refineries.

As with other companies operating in the oil refining industry, Neste may become subject to increasingly stringent environmental and other regulatory requirements. New environmental initiatives could result in significant additional expenditures, and for the reduction or termination of certain operations, which may, in turn, have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

#### **D. Risks relating to Neste's financing**

##### ***Currency exchange rate fluctuations may have a material adverse effect on Neste.***

Neste is exposed to foreign exchange risks due to the fact that its operating expenses, except for the procurement of crude oil, the bulk of waste and residue feedstocks, vegetable oils and other feedstocks as well as time-chartering costs of its tanker fleet, are mainly recorded in euro, whereas most of Neste's sales are denominated in US dollars. If the value of the currency in which Neste incurs its costs (*i.e.*, the euro) strengthens relative to the value of the currency in which it sells its products (*i.e.*, the US dollar), it may have a material adverse effect on Neste's results of operations.

Neste reports its financial results in euro. Therefore, Neste also faces a currency translation risk to the extent that the assets, liabilities, revenues and expenses of its subsidiaries, joint ventures, joint operations and associated companies are denominated in currencies other than the euro. In order to prepare its financial statements, Neste must translate the values of those assets, liabilities, revenues and expenses into euro at the applicable exchange rates. Consequently, increases and decreases in the value of the euro against other currencies will affect the value of these items in the consolidated financial statements, even if their value has not changed in their original currency. See "*Certain Financial and Other Information – Currency Impact*".

Neste is also exposed to longer-term economic exposures with respect to foreign exchange rates. Changes in exchange rate levels for an extended period may have a material adverse effect on the competitive position of Neste relative to its competitors.

##### ***Neste is exposed to uncertainty in the global financial markets, which may have a material adverse effect on the availability of financing.***

Whilst Neste's principal source of liquidity is expected to be cash generated from operations, Neste may need to raise financing from time to time. Neste seeks to reduce its liquidity and refinancing risks by diversifying both the sources as well as the maturity profile of its borrowings and by maintaining access to unutilised, committed credit facilities at all times. Inability to raise financing could result in delays or reduction or termination of certain operations, which may, in turn, have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

##### ***Credit and counterparty risk may have a material adverse effect on Neste.***

Counterparty risk arises from various contractual relationships with business partners e.g. in the area of sales, supply and financing. The risk is linked to the potential failure of a counterparty to fulfill its obligations. Counterparty compliance risk relates primarily to compliance with laws and regulations concerning e.g. sanctions, anti-money laundering and anti-corruption.

Neste's growth strategy has introduced new counterparties and complexity in business relationships. In 2020, COVID-19

has had an effect on counterparty risk, in particular with customers in industries that have been directly affected by the COVID-19, e.g. aviation and shipping. The amount of risk is quantified at the expected loss to Neste in the event of a default by the counterparty. Credit and counterparty risk may, if it materialises, have a material adverse effect on Neste's business, financial condition, results of operations and future prospects.

#### **E. Risks Relating to the Notes as debt instrument**

***The Notes do not, as a rule, contain covenants governing the Issuer's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders.***

As a rule, the Notes do not contain covenants governing the Issuer's operations or other provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer. In particular, the Terms and Conditions do not, except for the Change of Control condition (see Condition 10 of the Terms and Conditions) that grants the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business. In the event the Issuer was to enter into such a transaction, Noteholders could be materially and adversely affected. Furthermore, the Change of Control condition does not restrict any of the current shareholders of the Issuer, including the State of Finland (acting through the Prime Minister's Office), from disposing any or all of their shareholdings. At the date of this Prospectus, the Prime Minister's Office's holding of shares in Neste is 35.91 per cent. For further information on the ownership of Neste, see "*Certain Financial and Other Information — Share Capital and Major Shareholders*".

***The Issuer has a right to redeem and purchase the Notes prior to maturity.***

As specified in Condition 10 (*Change of Control*) of the Terms and Conditions, in case at least 75 per cent. of the aggregate nominal principal amount of the Notes has been repurchased pursuant to a demand by the Noteholders based on a Change of Control event, the Issuer is entitled to prepay also the remaining outstanding Notes at a price per Note equal to its nominal amount together with accrued but unpaid interest by notifying the Noteholders of such prepayment. 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 is entitled to redeem the Notes at any time prior to maturity in whole but not in part (see Condition 8.3 (*Voluntary total redemption (Issuer call option)*)). In case the date of the voluntary total redemption is on or after the date falling three (3) months prior to the Maturity Date, the redemption price is 100 per cent. of the outstanding principal amount of the Notes plus accrued but unpaid interest. In case the date of the voluntary total redemption is before the First Par Call Redemption Date, the redemption price is the Make-Whole Redemption Amount calculated in accordance with Condition 8.3 (*Voluntary total redemption (Issuer call option)*) plus accrued but unpaid interest. Although the Make-Whole Redemption Amount payable in case the date of the voluntary total redemption is before the First Par Call Redemption Date is designated to avoid the incurrence of losses by the Noteholders, any such early redemption 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 and may be incapable of reinvesting the redemption amount at a yield comparable to that offered by the Notes.

If the outstanding aggregate principal amount of the Notes is twenty (20) per cent. or less of the initial aggregate principal amount of the Notes, the Issuer may, at its option, at any time, redeem all of the outstanding Notes (but not some only) at their principal amount together with any accrued interest (see Condition 8.4 (*Clean-up Call option*)). 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.

In addition, as specified in the Terms and Conditions (see Condition 16 (*Listing and Secondary Market*)), the Issuer may at any time purchase Notes from the secondary market in any manner and at any price prior to maturity. Only if such purchases are made through a tender offer, the possibility to tender must be available to all Noteholders alike subject to restrictions arising from mandatory securities laws. The Issuer is entitled to hold, dispose or nullify the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to the Issuer in connection with such purchase 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 offer or otherwise, may have a material adverse effect on such Noteholders who do not

participate in the purchased as well as the market price, liquidity and value of such Notes.

***Following an Event of Default or a Change of Control event, the Issuer may have an obligation to redeem and purchase the Notes prior to maturity and the Issuer may not be able to finance such repurchase of the Notes.***

As specified in the Terms and Conditions, the Noteholders are entitled to demand premature repayment of the Notes in the case of an Event of Default (see Condition 11 (*Events of Default*)) or a Change of Control event (see Condition 10 (*Change of Control*)) at a price per Note equal to its nominal amount plus accrued interest to the date of such repurchase. The source for the funds required for any repurchase required as a result of any such event will be 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 an Event of Default or a Change of Control event occur, 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. Furthermore, such premature repayment may have a material adverse effect on Neste's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes to 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.

***The Notes will not be obligations of anyone other than the Issuer and they will not be guaranteed. The Notes are unsecured debt instruments and the Noteholders would be unsecured creditors in the event of the Issuer's bankruptcy or other insolvency.***

The Notes will not be obligations of anyone other than the Issuer and they will not be guaranteed. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

The Notes are unsecured debt instruments and the Noteholders would be unsecured creditors in the event of the Issuer's bankruptcy or other insolvency. Accordingly, in addition to that any adverse change in the financial condition or future prospects of the Issuer may have a material adverse effect on the liquidity of, and may result in a material decline in the market price for, the Notes, such adverse change may endanger the probability that the Noteholder will receive the prompt and full payment, when due, for principal, interest and/or any other amounts and items payable to the Noteholders pursuant to the Notes from time to time.

***The purpose of the use of proceeds from the issue of the Notes may not be suitable for the investment criteria of all investors seeking exposure to green assets.***

As specified in the Terms and Conditions, Neste shall use the proceeds from the issue of the Notes, less costs and expenses incurred by Neste in connection with the issue of the Notes, for refinancing and financing, in accordance with Neste's Green Finance Framework (see "*Green Finance Framework*"). There is a risk that the use of proceeds will not satisfy any and all present or future investors as regards any investment criteria or guidelines which such investor or its investments are required to comply with.

If the Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), or are included in any dedicated "green", "environmental", "sustainable" or other equivalently-labelled index or indices, no representation or assurance is given by the Issuer, any of the Joint Lead Managers or any other person that such listing or admission, or inclusion in such index or indices, satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any eligible green projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and also the criteria for inclusion in such index or indices may vary from one index to another. Nor is any representation or assurance given or made by the Issuer, the Joint Lead Managers or any other person that any such listing or admission to trading, or inclusion in any such index or indices, will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading, or inclusion in such index or indices, will be maintained during the life of the Notes.

In addition, no market consensus exists as to what constitutes a "green" labelled project or asset, nor is there any clearly defined legal, regulatory or other similar standardised definition for a "green" labelled project or asset. It is also possible



that no such clear definition or market consensus will develop in the future. Such definition may be established in the future as new regulations are developed and/or come into force. On 12 July 2020, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the “**Taxonomy Regulation**”) came into force. The EU Commission is due to adopt delegated legislation containing technical screening criteria for economic activities that make a substantial contribution to climate change mitigation or adaptation by 31 December 2021, with a view to ensuring its application from 1 January 2022. The European Securities and Markets Authority (“**ESMA**”) has recently stated that external reviewers conducting assessments of the Green Bond Standards should be subject to EU-wide registration and supervision and that the Green Bond Standards should be aligned with the Taxonomy Regulation. However, there is no assurance that the two will in fact be aligned. Until the legislative process for such an ESMA-led supervision can be fully operational, a market-based and voluntary interim registration process for verifiers of “green” bonds may be set up for a transitional period, which would allow for a standardised external verification of “green” bonds by a registered verifier. Consequently, there is a risk that any eligible projects or assets described in the Green Finance Framework will not meet any or all present or future investor expectations as regards such “green” performance objectives, nor can any assurance be given that there will be no adverse environmental or other impacts during the implementation of, or otherwise attributable to, any eligible projects or assets described in the Green Finance Framework.

No assurance is given by the Issuer nor the Joint Lead Managers that the use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Green Finance Framework. Prospective investors should have regard to the information set out herein regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary.

Further, there can be no assurance that the eligible projects and assets described in the Green Finance Framework will be capable of being implemented in the manner set out in the Green Finance Framework and that the proceeds from the issue of the Notes will be totally or partially disbursed for such eligible projects and assets. Nor can there be any assurance that any eligible projects and assets described in the Green Finance Framework will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by Neste, and there is a risk that the Noteholders will not have appropriate or timely remedies, or any remedies at all, available in any such event or failure.

***The third-party opinions on the Green Finance Framework may not be deemed reliable on an ongoing basis.***

CICERO Shades of Green (“**CICERO**”) has provided Neste with a third-party second opinion on the Green Finance Framework. Based on its review, CICERO rated Neste’s Green Finance Framework Medium Green (see “*Green Finance Framework*”). In addition, Neste will annually publish a report on the allocation and impact of the proceeds of the Notes and a third party audit is expected to be published on Neste’s website. Neither the provider of the third party audit nor CICERO are responsible for the implementation of the Green Finance Framework, nor following up on the investments made under the Green Finance Framework and thus, the opinion and the reviews may be misleading on an ongoing basis. Further, the opinion and reviews will only be current on the date of issue and could be deemed irrelevant at a later stage. The providers of such reviews and opinions might not be subject to any supervision or regulatory regime and there is a risk that they will be deemed as not being reliable or objective in the future. There is a risk that the Green Finance Framework or the use of proceeds of the issue of the Notes will not satisfy any and all present or future investors as regards any investment criteria or guidelines which such investor or its investments are required to comply with.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with such Notes and, in particular, with any eligible green projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated herein. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Joint Lead Managers or any other person to buy, sell or hold any such Notes issued as green bonds. Any such opinion or certification is only current as of the date that opinion was initially issued and the considerations and/or criteria which are the basis of such an opinion or certification can change at any time. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes issued as green bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors should note that they would have no recourse against the Issuer, the Joint Lead Managers or the provider of such opinion or certification for its contents.

None of the Joint Lead Managers will verify or monitor the proposed use of proceeds of the Notes. Any failure to apply an amount equal to the net proceeds of the Notes to eligible green projects as aforesaid and/or withdrawal or amendment of any external party opinion or certification (whether or not solicited by the Issuer), and/or the amendment of any criteria on which such opinion or certification was given, or any such external party opinion or certification stating that the Issuer is not complying or fulfilling relevant criteria, in whole or in part, with respect to any matters for which such opinion or certification is opining or certifying and/or such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid, may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Assets and Projects (as defined below) and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

***There is no prior public market for the Notes and there can be no assurance that an active trading market will develop, which, in turn, may result in a material decline in the market price of the Notes and the liquidity of the Notes may be adversely affected.***

The Notes constitute a new issue of securities. Prior to the listing of the Notes on Nasdaq Helsinki, there is no public market for the Notes. Although an application will be made to list the Notes on Nasdaq Helsinki, there can be no assurance that such application will be approved. There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. 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. 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.

Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Prospectus), whereby there is a lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

***Investors are subject to exchange rate risks if investors' financial activities are denominated principally in a currency or currency unit other than the euro. Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.***

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

***The fixed interest rate of the Notes exposes the investors in the Notes to the risk that the price of such securities could fall as a result of changes in the market interest rate.***

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, central banks' benchmark rates, 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 life 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.

***Interest payments made by the Issuer or a securities dealer to Noteholders who are not resident in Finland for tax purposes may be subject to Finnish withholding tax.***

Noteholders who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland should not be subject to Finnish taxes on interest or gains realised on the sale of the Notes. However, interest payments made by the Issuer or a securities dealer (i.e., a financial institution making the payment) to Noteholders who are not resident in Finland for tax purposes may, nevertheless, be subject to Finnish withholding tax, unless the identity of the Noteholders can be appropriately established. It may be difficult for investors holding interests in the Notes through Euroclear or Clearstream (especially when the Notes are held in a nominee account) to appropriately establish their identity as non-Finnish residents. Furthermore, the tax gross-up contained in Condition 12 of the Terms and Conditions provides that no additional amounts will be payable to, or to a third party on behalf of, a holder of a Note who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

As a result, non-Finnish residents who are not liable for tax in Finland, yet who are unable, for whatever reason, to establish their identity as a non-Finnish resident, may have amounts in respect of taxation withheld from payments of interest under the Notes. Whilst it may be possible for non-Finnish residents who are not liable for tax in Finland to reclaim amounts that have been withheld, this would require an application to the Finnish taxation authorities, which represents an added administrative burden and may be a time consuming process. Noteholders should therefore consult their tax advisers with respect to payments that may be received under the Notes.

***The Notes are not currently rated by any rating agency.***

The Notes are not currently rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes.

***In case any payment under the Notes has not been claimed within three years from the original due date thereof, the right to such payment shall become prescribed.***

In case any payment under the Notes has not been claimed within three years from the original due date thereof, the right to such payment shall become prescribed. Such prescription may cause financial losses to such Noteholders who have not claimed payment under the Notes within the prescription period of three years.

***Persons holding interests in the Notes through nominee book-entry accounts will not be able to enforce any rights under the Notes directly against the Issuer.***

Persons holding interests in the Notes through nominee book-entry accounts, e.g., in Euroclear or Clearstream (rather than Euroclear Finland directly), or through other custody/sub-custody arrangements so that the Notes are held on a nominee omnibus account in Euroclear Finland will not be recorded as the legal/beneficial owners of such Notes under Finnish law and such persons will, therefore, not be entitled to enforce any rights under the Notes directly against the Issuer. Such persons should look to the terms of business of the respective clearing system or custodian, as applicable, with respect to indirect enforcement of their rights, as well as having regard to the possibility of transferring the Notes to a book-entry account held directly with Euroclear Finland.

***There are no limitations to the Issuer's incurrence of additional debt in the future.***

The Issuer is not prohibited from issuing further debt ranking *pari passu* with its existing obligations. If the Issuer incurs significant additional debt ranking equally with the Notes, it will increase the number of claims that would be entitled to share rateably with the Noteholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar

proceeding. Further, any provision that confers, purports to confer, or waives a right to create security interest in favour of third parties, such as a negative pledge, is ineffective against third parties since (i) it is a question of a contractual arrangement only being binding upon the parties to such contractual arrangement, (ii) there is no specific legislation in Finland providing beneficiaries of negative pledge undertakings and covenants with a preferred position vis-à-vis the claims of third parties, and (iii) no registry or public record exists in Finland through which negative pledge undertakings and covenants could be filed to obtain a preferred position. Should the Issuer breach its obligations under such undertakings and covenants and create a security interest in favour of a third party, such third party would obtain a valid and enforceable security interest over the pledged property ranking ahead of any later security over the same pledged property but ranking behind of any prior security over the same pledged property.

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

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

## GENERAL INFORMATION

### Responsibility Statement

This Prospectus has been prepared by the Issuer and the Issuer accepts responsibility regarding the information contained in this Prospectus. To the best knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Neste Corporation  
Espoo, Finland

### Information Derived from Third Party Sources

This Prospectus contains information about Neste's markets and estimates regarding Neste's competitive position therein. Such information is prepared by Neste based on third-party sources and Neste's own internal estimates. In many cases, there is no publicly available information on such market data. Neste believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which it operates as well as its position within this industry. Although Neste believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and Neste cannot guarantee that a third-party expert using different methods would obtain or generate the same results. Further, Neste or the Joint Lead Managers have not independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Prospectus contain market data or market estimates in connection with no source has been presented, such market data or market estimate is based on Neste's management's estimates.

Where certain market data and market estimates contained in this Prospectus 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 information derived from third- party sources has been accurately reproduced herein 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.

### Forward-looking Statements

This Prospectus contains forward-looking statements about Neste's business that are not historical facts, but statements about future expectations. Such forward-looking statements are based on Neste's present plans, estimates, projections and expectations. They are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. The words such as "*aims*", "*assumes*", "*believes*", "*estimates*", "*expects*", "*will*", "*intends*", "*may*", "*plans*", "*should*" and similar expressions or negative of such terms identify certain of such forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Prospectus regarding the future results, plans and expectations with regard to Neste's business, and on growth, profitability and the general economic conditions to which Neste is exposed.

The forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Neste, 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, risks described in section "*Risk Factors*", but are not limited to those discussed therein. Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Issuer or its ability to fulfil its obligations under the Notes could differ materially from those described herein as anticipated, believed, estimated or expected. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause actual results, realised revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements of Neste. Neste does not intend and does not assume any obligation to update any forward- looking statements contained herein or to adjust them in the light of future events or developments unless required by applicable legislation. For additional information on factors that could case Neste's actual results of operations, performance or achievements of Neste to differ materially, see "*Risk Factors*".

### **No Incorporation of Website Information**

This Prospectus with the documents incorporated by reference herein are available on the Issuer's website at <https://www.neste.com/investors>. However, any other information presented on the Issuer's website or any other website does not form a part of this Prospectus (except for any supplement to the Prospectus and information which has been incorporated by reference into the Prospectus, see "*Information Incorporated by Reference*"), and the information on such websites has not been scrutinised or approved by the FIN-FSA. Prospective investors should not rely on such information in making their decision to invest in the Notes.

### **Other Information**

Financial information set forth in a number of tables in this Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

In this Prospectus, references to "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary Union. References to any other currencies or currency codes are to current currencies in accordance with ISO 4217 Currency Codes standard.

**TERMS AND CONDITIONS OF THE SENIOR UNSECURED GREEN NOTES**  
**NESTE CORPORATION EUR 500,000,000 0.750 PER CENT. GREEN NOTES DUE 2028**  
**ISIN CODE FI4000496286**

The Board of Directors of Neste Corporation (the “**Issuer**”) has in its meeting on 11 December 2020 authorised issuance of notes referred to in Paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended in 746/1993) on the terms and conditions specified below (the “**Notes**”).

### **1. Form and Denomination**

The principal amount of the Notes is 500 million euros (EUR 500,000,000), however, the Issuer may later create and issue further notes having the same terms and conditions as the Notes, as further set out below in Condition 18 (*Further Issue of Notes*).

The Notes will be issued in dematerialised form in the Infinity book-entry securities system of Euroclear Finland Ltd (“**Euroclear Finland**”) in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of Euroclear Finland, and cannot be physically delivered. The issue date of the Notes is 25 March 2021 (the “**Issue Date**”).

The Notes will be offered for subscription and will be tradeable only in a minimum amount of EUR 100,000. The principal amount of each book-entry unit (*arvo-osuuden yksikkökoko*) is EUR 100,000. The maximum number of the Notes is five thousand (5,000) or a higher number if the Issuer decides to increase the maximum principal amount of the Notes.

The issuer agent (*liikkeeseenlaskijan asiamies*) of the Notes referred to in the rules of Euroclear Finland (the “**Issuer Agent**”) and the paying agent of the Notes is Nordea Bank Abp.

### **2. Status and Security**

The Notes constitute direct, unsubordinated, unconditional, unguaranteed and unsecured obligations of the Issuer and shall at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### **3. Use of Proceeds**

The Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing and financing, in accordance with the Issuer’s Green Finance Framework.

In these terms and conditions, “**Green Finance Framework**” shall mean the Issuer’s green finance framework dated February 2021 (which is published on the website of the Issuer (as amended from time to time)).

### **4. Negative Pledge**

For so long as any of the Notes remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any Security Interest (as defined below) other than a Permitted Security Interest (as defined below) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure (i) any Relevant Indebtedness (as defined below) or (ii) any Guarantee of Relevant Indebtedness, unless prior to or simultaneously therewith the Issuer’s obligations under the Notes either:

- (a) are secured equally and rateably therewith; or
- (b) have the benefit of such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) as shall be approved by an Extraordinary Resolution (as defined in Condition 13(j) (*Noteholders’ Meeting and Procedure in Writing*)) of the holders of the Notes (the “**Noteholders**”).

For the purposes of this Condition 4 (*Negative Pledge*):

**“Guarantee of Relevant Indebtedness”** means any financial obligation, directly or indirectly guaranteeing, indemnifying or otherwise assuring in any manner whatsoever any Relevant Indebtedness.

**“Permitted Security Interest”** means:

- (i) any Security Interest over or affecting any asset of any company which becomes a member of the Group after the issue of the Notes, where such Security Interest is created prior to the date on which such company becomes a member of the Group, if:
  - (A) such Security Interest was not created in contemplation of the acquisition of such company; and
  - (B) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such company;
- (ii) any Security Interest over or affecting any asset acquired by a member of the Group after the issue of the Notes, where such Security Interest is created prior to the date of the acquisition of such asset, if:
  - (A) such Security Interest was not created in contemplation of the acquisition of such asset; and
  - (B) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such asset;
- (iii) any Security Interest granted that secures Project Finance Indebtedness, provided that the property over which Security Interest is granted consists solely of the asset in relation to which such Project Finance Indebtedness is incurred and the aggregate cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset.

**“Group”** means the Issuer and its Subsidiaries, taken as a whole, from time to time.

**“Principal Subsidiary”** means, at any time, any Subsidiary of the Issuer whose total assets or total revenues, consolidated in the case of a Subsidiary which itself has Subsidiaries (to the extent attributable to the consolidated total assets or the consolidated total revenues, as the case may be, of the Group), as shown by its latest audited consolidated financial statements, represent 10 per cent. or more of the consolidated total assets, or 10 per cent. or more of the consolidated total revenues, as the case may be, of the Group, as shown by the latest published audited consolidated financial statements of the Group, provided that the audited consolidated financial statements of the Group are adjusted to take account of any significant changes in circumstances resulting from any transfers between members of the Group or any acquisitions made by members of the Group since the date as of such financial statements were prepared.

**“Project Finance Indebtedness”** means any indebtedness incurred by a debtor to finance the ownership, acquisition, construction, development and/or operation of an asset in respect of which the person or persons to whom such indebtedness is, or may be, owed have no recourse whatsoever for the repayment of or payment of any sum relating to such indebtedness other than:

- (i) recourse to such debtor for amounts limited to the aggregate cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset; and/or
- (ii) recourse to such debtor generally, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation, representation or warranty to procure payment by another or an obligation, representation or warranty to comply or to procure compliance by another with any financial ratios or other test of financial condition) by the person against whom such recourse is available; and/or
- (iii) if such debtor has been established specifically for the purpose of constructing, developing, owning and/or operating the relevant asset and such debtor owns no other significant assets and carries on no other business, recourse to all of the assets and undertaking of such debtor and the shares in the capital of such debtor.



“**Relevant Indebtedness**” means any indebtedness of the Issuer or of a Principal Subsidiary which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other debt securities, whether issued by way of a private placement or public placement (or any combination thereof), which is or shall be listed, quoted or traded on any stock exchange or in any regulated securities market.

“**Security Interest**” means a mortgage, charge, pledge, lien or other security interest including, without limitation, the equivalent of any of the foregoing under the laws of any jurisdiction.

“**Subsidiary**” of a company or corporation shall be construed as a reference to any company or corporation:

- (i) which is controlled, directly or indirectly, by the first-mentioned company or corporation;
- (ii) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (iii) which is a subsidiary of another subsidiary of the first-mentioned company or corporation, and, for the purpose of this definition, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

## **5. Subscription of the Notes**

Notes shall be offered for subscription to institutional investors in a book-building procedure. The subscription period shall commence and end on 18 March 2021.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance of the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription.

Notes subscribed and paid for shall be delivered to the book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of Euroclear Finland.

## **6. Issue Price**

The issue price of the Notes is 98.987 per cent. of the principal amount of the Notes.

## **7. Interest**

The Notes bear interest at the rate of 0.750 per cent., per annum, payable annually in arrear on 25 March 2022 and thereafter on 25 March each year (each an “**Interest Payment Date**”). Interest shall accrue for each interest period from (and including) the first day of the interest period to (but excluding) the last day of such interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date (as defined below).

Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 (or, in the case of a leap year, 366).

## **8. Redemption**

### **8.1 Redemption at Maturity**

The Notes shall be repaid in full at their nominal principal amount on 25 March 2028 (the “**Maturity Date**”).

### **8.2 Early redemption due to Withholding Tax Event**

The Issuer may redeem the Notes in whole but not in part at any time at their nominal principal amount, together with any interest accrued to but excluding to the date of redemption if, on or after the Issue Date:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 12 (*Tax Gross-Up*)), as a result of any change in, or amendment to, the laws or regulations of Finland or any political subdivision thereof or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after Issue Date; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts in relation to a payment in respect of the Notes then due.

Notice of the redemption shall be given to the Noteholders in accordance with Condition 14 (*Notices and Right to Information*) no later than 30 Business Days (as defined below) prior to the early redemption date.

### **8.3 Voluntary total redemption (Issuer call option)**

The Issuer may, at any time, having given not less than thirty (30) nor more than sixty (60) calendar days' notice (an "**Optional Redemption Notice**") to the Issuer Agent and the Noteholders in accordance with Condition 14 (*Notices and Right to Information*) (which notice shall be irrevocable and specify the date fixed for redemption) redeem, in whole but not in part, the aggregate principal amount of the Notes on the relevant date (the "**Optional Redemption Date**") specified for redemption in the relevant Optional Redemption Notice at a redemption price equal to:

- (a) in the case of an Optional Redemption Date on any Business Day (as defined below) from, but excluding, the Issue Date to, but excluding, the Business Day occurring three (3) months prior to the Maturity Date (the "**First Par Call Redemption Date**"), the Make-Whole Redemption Amount; or
- (b) in the case of an Optional Redemption Date on any Business Day from, and including, the First Par Call Redemption Date to, but excluding, the Maturity Date, 100 per cent. of the outstanding principal amount of the Notes,

in each case together with accrued but unpaid interest up to (but excluding) the relevant Optional Redemption Date.

For the purposes of this Condition 8.3 (*Voluntary total redemption (Issuer call option)*):

- (i) "**Make-Whole Redemption Amount**" shall be calculated by the Issuer or on behalf of the Issuer by such a person as the Issuer shall designate and will be the greater of (a) 100 per cent. of the principal amount of the Notes to be redeemed and (b) the sum of the then present values of each remaining scheduled payment of principal and interest up to, but excluding, the First Par Call Redemption Date (for the avoidance of doubt, not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Make-Whole Redemption Rate plus the Make-Whole Redemption Margin;
- (ii) "**Make-Whole Redemption Margin**" means 0.250 per cent.;
- (iii) "**Make-Whole Redemption Rate**" means, with respect to the relevant Optional Redemption Date, a rate *per annum* equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for the Reference Date;
- (iv) "**Reference Bond**" means DBR 0.500% 02/15/28 (ISIN: DE0001102440);
- (v) "**Reference Bond Dealer**" means each of the banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

- (vi) “**Reference Bond Dealer Quotations**” mean, with respect to each Reference Bond Dealer and the relevant Optional Redemption Date, the arithmetic average, as determined by the Issuer or on behalf of the Issuer by such person as the Issuer shall designate, of the bid and offered prices for the Referred Bond (expressed in each case as a percentage of its nominal amount) at 11.00 a.m. (Brussels time) on the Reference Date quoted by such Reference Bond Dealer;
- (vii) “**Reference Bond Price**” means (a) the average of five (5) Reference Bond Dealer Quotations, after excluding the highest and lowest of such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations; and
- (viii) “**Reference Rate**” means the third (3rd) Business Day (as defined below) prior to the Optional Redemption Date.

The calculations and determinations related to the Make-Whole Redemption Amount made by the Issuer or any party on behalf of the Issuer shall (save for manifest error) be final and binding upon all Noteholders.

#### **8.4 Clean-up Call Option**

If the outstanding aggregate principal amount of the Notes is twenty (20) per cent. or less of the initial aggregate principal amount of the Notes (as such amount may be increased by any further Notes issued pursuant to Condition 18 (*Further Issue of Notes*) below), the Issuer may, at its option, at any time, redeem all of the outstanding Notes (but not some only) at their principal amount together with any accrued interest to, but excluding, the date fixed for redemption, subject to the Issuer having given the Noteholders not less than thirty (30) nor more than forty-five (45) calendar days’ prior notice (which notice shall be irrevocable) in accordance with Condition 14 (*Notices and Right to Information*).

### **9. Payments**

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of Euroclear Finland.

Should the payment date of interest or principal fall on a date which is not a Business Day, the payment of the amount due will be postponed to the next following Business Day. The postponement of the payment date shall not have an impact on the amount payable.

In these terms and conditions, “**Business Day**” shall mean a day on which banks in Helsinki are open for general business and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

### **10. Change of Control**

If, after the Issue Date, a person (other than the State of Finland) or a group of persons acting together acquires Control (“**Change of Control**”), the Issuer shall promptly notify the Noteholders of such event in accordance with Condition 14 (*Notices and Right to Information*).

For the purposes of this Condition 10, “**Control**” means either:

- (a) acquiring the beneficial ownership (directly or indirectly) of more than 50 per cent. of the voting share capital or the issued share capital of the Issuer; or
- (b) becoming capable of appointing the majority of the board of directors of the Issuer.

#### **10.1 Noteholder Put Option following Change of Control**

The Issuer shall on the Prepayment Date (as defined below) prepay the nominal principal amount of and accrued interest on as well as any other amount payable in respect of the Notes held by Noteholders who have required prepayment of Notes held by them by a written notice to be received by the Issuer no later than fifteen (15) Business Days before the Prepayment Date.

## 10.2 Change of Control Put Sweep-Up Issuer Call Option

If Notes representing more than seventy-five (75) per cent. of the aggregate nominal principal amount of the Notes have been prepaid pursuant to this Condition 10 on the Prepayment Date, the Issuer is entitled to prepay also the remaining outstanding Notes at their nominal principal amount with accrued interest, but without any premium or penalty, by notifying the Noteholders in accordance with Condition 14 (*Notices and Right to Information*) no later than fifteen (15) Business Days after the Prepayment Date. Such prepayment may occur at the earliest on the tenth (10th) Business Day following the date of publication of such notice.

“**Prepayment Date**” means the date falling forty-five (45) Business Days after the publication of the notice referred to in the first paragraph of this Condition 10.

## 11. Events of Default

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to Issuer declare the principal amount of such Note together with the interest and any other amounts then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10th) day from the date such claim was presented provided that an Event of Default is continuing on the date of receipt of the notice and on the specified early repayment date.

Each of the following events shall constitute an “**Event of Default**”:

- (a) any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date; or
- (b) any indebtedness (including guarantees given by the Issuer) of the Issuer in the aggregate amount of at least fifty million euros (EUR 50,000,000) or its equivalent in any other currency is accelerated prematurely because of an event of default, howsoever described, or if any such indebtedness is not repaid on the due date thereof as extended by any applicable grace period. A Noteholder shall not be entitled to demand repayment under this sub-condition (b) if the Issuer has bona fide disputed the existence of the occurrence of an Event of Default under this sub-condition (b) in the relevant court or in arbitration as long as such dispute has not been finally and adversely adjudicated against the Issuer; or
- (c) any Security Interest (as defined above) in the aggregate amount of at least fifty million euros (EUR 50,000,000) or its equivalent in any other currency given by the Issuer for any indebtedness of the Issuer becomes enforceable by reason of an event of default;
- (d) the Issuer does not comply with its obligations under Condition 4 (*Negative Pledge*);
- (e) the Issuer ceases to carry on its current business in its entirety; or
- (f) the Issuer has been adjudged into winding-up (*selvitystila*) or declared bankrupt.

## 12. Tax Gross-Up

All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of Finland or any political subdivision of, or any authority in, or of, Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction (such amounts being “**Additional Amounts**”), except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of his having some connection with Finland other than the mere holding of the Note; or
- (b) to, or to a third party on behalf of, a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

### 13. Noteholders' Meeting and Procedure in Writing

- (a) The Issuer may convene a meeting of the Noteholders (a “**Noteholders' Meeting**”) or request a procedure in writing among the Noteholders (a “**Procedure in Writing**”) to decide on amendments of these terms and conditions or other matters as specified below. Euroclear Finland and the Issuer Agent must be notified of a Noteholders' Meeting or a Procedure in Writing in accordance with the rules of Euroclear Finland.
- (b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 14 (*Notices and Right to Information*) no later than ten (10) calendar days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. Furthermore, the notice or the initiation shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of the Noteholders' Meeting or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or in the Procedure in Writing.
- (c) Only those who, according to the register kept by Euroclear Finland in respect of the Notes, were registered as Noteholders on the fifth (5th) Business Day prior to the Noteholders' Meeting or on the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by Euroclear Finland in accordance with Condition 14 (*Notices and Right to Information*), or proxies authorised by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or on the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders' Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.
- (d) A Noteholders' Meeting shall be held in Helsinki and its chairman shall be appointed by the Issuer.
- (e) A Noteholders' Meeting or a Procedure in Writing shall constitute a quorum only if two (2) or more Noteholders holding in aggregate at least fifty (50) per cent. of the principal amount of the Notes outstanding or one (1) Noteholder holding one hundred (100) per cent. of the principal amount of the Notes outstanding are/is present (in person or by proxy) in the Noteholders' Meeting or provide/provides replies in the Procedure in Writing.
- (f) If, within thirty (30) minutes after the time specified for the start of the Noteholders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders' Meeting may, at the request of the Issuer, be adjourned for consideration at a meeting to be convened on a date no earlier than fourteen (14) days and no later than twenty-eight (28) days after the original meeting at a place to be determined by the Issuer. Correspondingly, if by the last day for replies in the Procedure in Writing no quorum is reached, the time for replies may be extended as determined by the Issuer. The adjourned Noteholders' Meeting shall be quorate if two (2) or more Noteholders holding ten (10) per cent. or more of the principal amount of the Notes outstanding or one (1) Noteholder holding one hundred (100) per cent. of the principal amount of the Notes outstanding are/is present in the adjourned Noteholders' Meeting or provide/provides replies in the extended Procedure in Writing.
- (g) Notice of an adjourned Noteholders' Meeting or the extension of the time for replies in the Procedure in Writing shall be given in the same manner as notice of the original meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.
- (h) Voting rights of Noteholders shall be determined according to the principal of the Notes held. The Issuer and any companies belonging to its group shall not hold voting rights at the Noteholders' Meeting or in the Procedure in Writing.
- (i) Subject to Condition 13(j) below, resolutions shall be carried by a majority of fifty per cent. (1/2) of the votes cast. In the event of a tied vote, the chairman of the meeting shall have the casting vote at a Noteholders' Meeting and the Issuer shall decide on the matter in a Procedure in Writing.
- (j) In these Conditions, “**Extraordinary Resolution**” means a resolution passed at a Noteholders' Meeting or a Procedure in Writing duly convened and held in accordance with these Conditions by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding Notes.

- (k) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Noteholders' Meeting.
- (l) A Noteholders' Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:
  - (i) to change the terms and conditions of the Notes;
  - (ii) to grant a temporary waiver on the terms and conditions of the Notes;

However, the consent of the Noteholders as expressed by the passing of an Extraordinary Resolution is required to:

- (i) decrease the principal of or interest on the Notes;
- (ii) extend the maturity of the Notes;
- (iii) amend the conditions for the constitution of a quorum at a Noteholders' Meeting or a Procedure in Writing; or
- (iv) amend the majority requirements of the Noteholders' Meeting or the Procedure in Writing.

The consents can be given at a Noteholders' Meeting, in the Procedure in Writing or by other verifiable means. The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take necessary action to enforce the decisions of the Noteholders' Meeting or of the Procedure in Writing.

- (m) Resolutions (including Extraordinary Resolutions) passed at a Noteholders' Meeting or in a Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing.
- (n) Resolutions (including Extraordinary Resolutions) passed at a Noteholders' Meeting or in the Procedure in Writing shall be deemed to have been notified to the Noteholders once they have been entered into the issue account of the Notes maintained by Euroclear Finland. In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting or the Procedure in Writing.

#### **14. Notices and Right to Information**

Noteholders shall be advised of matters relating to the Notes by stock exchange or press releases. Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this paragraph.

Account operators of the Euroclear Finland book-entry system may also give notices relating to the Notes through the book-entry system. The Issuer may deliver notices on the Notes in writing directly to Noteholders at the address appearing on the list of Noteholders provided by Euroclear Finland in accordance with the below paragraph. Any such notice shall be deemed to have been received by the Noteholders on the third (3rd) Business Day following dispatch.

Notwithstanding any secrecy obligation, the Issuer shall, subject to the rules and regulations of Euroclear Finland and applicable laws, be entitled to obtain information of the Noteholders from Euroclear Finland and Euroclear Finland shall be entitled to provide such information to the Issuer. Furthermore, the Issuer shall, subject to regulations of Euroclear Finland and applicable laws, be entitled to acquire from Euroclear Finland a list of the Noteholders, provided that it is technically possible for Euroclear Finland to maintain such a list. The Issuer shall at the request of the Issuer Agent pass on such information to the Issuer Agent.

#### **15. 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 be prescribed.

## **16. Listing and Secondary Market**

Following the subscription of the Notes, an application will be made to have the Notes listed on Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd.

The Issuer is entitled to purchase Notes from the secondary market in any manner and at any price. If purchases are made through a tender offer, the possibility to tender must be available to all Noteholders alike subject to restrictions arising from mandatory securities laws. The repurchased Notes may be held, resold or nullified.

## **17. Information**

Copies of the documents relating to the Notes shall be available for inspection during office hours at the office of the Issuer at Keilaranta 21, FI-02150 Espoo, Finland.

The Issuer shall promptly after making any changes or amendments to the Green Finance Framework in force on the Issue Date and/or after obtaining a revised or new second opinion in relation to the Green Finance Framework, make available to the Noteholder by publication on its website a copy of the updated Green Finance Framework and or the second opinion.

## **18. Further Issue of Notes**

The Issuer may from time to time, without the consent of and notice to the Noteholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 18 shall not limit the Issuer's right to issue any other notes.

## **19. Applicable Law and Jurisdiction**

The Notes shall be governed by Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (*Helsingin käräjäoikeus*).

**NESTE CORPORATION**

## ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

*This overview is an overview of certain key features of the Offering and the Notes. Any decision by an investor to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the information incorporated by reference herein.*

Unless otherwise stated herein or the context otherwise requires, capitalised terms used below shall have the meaning ascribed to them in the Terms and Conditions.

Authorisations:	Authorisation of the Board of Directors of the Issuer on 11 December 2020.
Type of the Issue:	Private placement of Notes, subsequent listing on the Helsinki Stock Exchange.
Ranking of the Notes:	The Notes constitute direct, unsubordinated, unconditional, unguaranteed and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Use of proceeds:	The Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing and financing, in accordance with the Issuer's Green Finance Framework.
Interests of the Joint Lead Managers:	Business interest customary in the financial markets.  The Joint Lead Managers and other entities belonging to the same consolidated groups and/or their affiliates have provided, and may in the future provide, the Issuer with investment, insurance, banking and/or other services in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions.
Paying and issuing agent:	Nordea Bank Abp, Satamaradankatu 5, FI-00020, Helsinki, Finland.
Form of Notes, depository and settlement system:	Dematerialised securities issued in book-entry form in the Infinity system maintained by Euroclear Finland Ltd, address Urho Kekkosen katu 5C, FI-00100, Helsinki, Finland.
Estimated time of listing:	On or about 29 March 2021.
Interest:	0.750 per cent. per annum. Interest shall be payable annually in arrear commencing on 25 March 2022 and thereafter on each Interest Payment Date, being 25 March each year, until the Maturity Date, being 25 March 2028.
Effective yield:	0.900 per cent. per annum.
Issue price:	98.987 per cent.
Estimated expenses:	The Issuer's estimated expenses relating to the issue of the Notes are approximately EUR 2 million.
Estimated net amount of the proceeds, including the issue price and estimated cost of issue and listing:	Approximately EUR 493 million.



## INFORMATION ABOUT NESTE

### Overview

Neste creates sustainable solutions for transport, business, and consumer needs. Neste's wide range of renewable and circular solutions enable its customers to reduce climate emissions and tackle the global plastics waste challenge. Neste is, according to management's estimates, the world's largest producer of renewable diesel and sustainable aviation fuel refined from waste and residues, introducing renewable and circular solutions also to the plastics industry. In addition, Neste is a technologically advanced refiner of high-quality oil products. Over the past 6 years, according to management, Neste's renewable products have helped Neste's customers reduce their greenhouse gas ("GHG") emissions by a total of nearly 50 million tonnes.

Neste has operations in 14 countries, including, inter alia, Finland, Australia, Belgium, China, Estonia, Germany, Italy, Latvia, Lithuania, the Netherlands, Singapore, Sweden, Switzerland and the United States. Neste has three business areas and four reporting segments. The business areas are Renewable Products, Oil Products, and Marketing & Services. The reporting segments are Renewable Products, Oil Products, Marketing & Services, and Others. Neste had revenues of EUR 11.8 billion in 2020. As at 31 December 2020, Neste had 4,825 employees, of which 1,228 were located outside Finland.

Neste's predecessor, Neste Oy ("**Old Neste**"), was founded in 1948 in order to secure Finland's oil supply. Old Neste was listed on the Helsinki Stock Exchange in 1995, and in 1997 the Finnish Council of State decided to merge Old Neste with Imatran Voima Oy to form Fortum Corporation ("**Fortum**"), which was listed on the Helsinki Stock Exchange in December 1998. The merged oil and power company continued its operations until 2005, when the oil business was spun off as a separate company to form Neste and the shares in Neste were listed on the Helsinki Stock Exchange. Neste's shares are listed on Nasdaq Helsinki under the trading code NESTE.

Neste was registered in the Finnish Trade Register on 1 May 2004, and its business identity code is 1852302-9. Neste is a public limited liability company incorporated in Finland, and it is organised under the laws of Finland. Its registered address is Keilaranta 21, FI-02150 Espoo, Finland, and its telephone number is +358 10 45811. Neste's legal entity identifier code (LEI) is 5493009GY1X8GQ66AM14.

According to article 2 of its Articles of Association, the field of business of Neste is to engage, both directly and through its subsidiaries and affiliated companies, in oil and gas production, in the oil, energy and chemical industries and trading in these businesses, in merchant shipping, in engineering, and other business operations related to the above. Neste may own and administer real estate, shares, and other securities.

### Corporate History

Old Neste was founded in 1948 to secure Finland's oil supply. Old Neste's first refinery came on-stream in Naantali in 1957, and the first crude oil cargo arrived there in June 1957. In 1960, Old Neste decided to double the capacity of the Naantali refinery, which came on-stream in 1962. The Porvoo refinery, Old Neste's second refinery, came on-stream in 1966.

In the 1970s, Old Neste became the largest company in Finland, and it had an important role in balancing Finland's trade with the Soviet Union. Petrochemicals and plastics, oil drilling and natural gas emerged in Finland through the efforts of Old Neste.

In the 1990s, Old Neste's Exploration & Production ("**E&P**") business in the North Sea and the Middle East expanded, and Neste service stations started operating in the Baltic Rim countries. Borealis, the petrochemicals joint venture with Statoil, and Gasum, the natural gas company co-owned with Gazprom, were established. Petrochemicals operations were divested 1998, and the remaining chemicals businesses in 1999. Gasum's shares were transferred to Fortum in 2004.

On 27 November 1995, Old Neste's initial public offering was completed and its shares were listed on the Helsinki Stock Exchange. In 1997, the Finnish Council of State decided to merge Old Neste with Imatran Voima Oy to form Fortum, which was listed in December 1998. Fortum was listed on the Helsinki Stock Exchange, and Old Neste became Fortum's subsidiary.

In 2005, Neste was spun off from Fortum. Neste's shares were first quoted on the Helsinki Stock Exchange on 18 April 2005. Further in 2005, Neste decided to build a renewable diesel production unit in Porvoo, Finland, and in 2006 the

second renewable diesel production unit in Porvoo, with the aim of becoming the world's leading producer of renewable diesel.

In 2007, Neste decided to build a renewable diesel plant in Singapore. In addition, Neste inaugurated a new diesel line and a renewable diesel production unit in Porvoo. Further, Neste's global renewable product capacity reached 0.2 million tonnes per year.

In 2008, Neste decided to build Europe's largest renewable diesel plant in Rotterdam, the Netherlands.

In 2011, Neste's fourth renewable diesel plant, in Rotterdam, the Netherlands, was commissioned.

In 2013, Neste made significant investments to improve the energy efficiency and operational reliability of its Porvoo refinery.

In 2014, Neste completed the arrangements to sell its key vessels to companies owned by Finland's National Emergency Supply Agency and Ilmarinen Mutual Pension Insurance Company and outsource its ship management functions to OSM Ship Management Finland Oy.

In 2018, Neste announced that it had made the final investment decision on additional renewable products production capacity in Singapore. The construction of the project started at the beginning of 2019 and the Singapore expansion will, according to management's estimates, extend Neste's renewable product overall capacity in Singapore by up to 1.3 million tonnes per year.

In 2019, Neste renewed its strategy with the aim to become a global leader in renewable and circular solutions and restructured its organisation to better support the renewed strategy.

## **Neste's Strategy**

Neste's strategy is called 'Faster, Bolder and Together'. It reflects the understanding that there is no time to lose in combating climate change or helping to tackle the waste plastic challenge. In order to succeed, we need to act, innovate new solutions and deliver them faster and bolder than ever before – together.

Neste aims to become a global leader in renewable and circular solutions. To achieve this, Neste is committed to:

- Reduce its customers' GHG emissions by at least 20 million tons CO<sub>2</sub> equivalent annually by 2030
- Reach carbon neutral production<sup>1</sup> by 2035
- Broaden the company's end markets to aviation and polymers
- Become a solution provider for chemical recycling
- Expand the company's unique global waste and residue feedstock platform
- Continue leadership in renewable products production capacity with approximately 40 per cent. market share
- Outperform peers in value creation

According to its strategy, Neste continues to scale up in renewables while innovating new solutions that drive growth and transformation in operations for combating climate change. Neste offers lower-emission renewable fuels to road transportation and aviation, and introduces new renewable and circular solutions for more sustainable plastics and chemicals. Neste's continuous focus areas are: Ensure awareness and commitment; Advocate for supportive policies and regulations; Act now to keep in pace with the ambition set by the Paris Agreement; Prepare credible compensation methods. Neste is also aiming for up to 100 per cent. renewable electricity utilisation in its operations.

To secure future growth, Neste is expanding its global feedstock and production platform for renewables. With the Singapore expansion Neste expects to bring its total global renewable product capacity close to 4.5 million tonnes per year in 2023. Neste is targeting 100 per cent. waste and residues share of renewable raw material inputs by 2025, while the share of new types of raw materials is expected to grow towards 2030. Neste is strengthening its global waste and

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<sup>1</sup> Scope 1 and Scope 2 as defined in the Corporate Standard by GHG Protocol.

residues position via acquisitions and increasing innovations to grow the raw materials base that serves the broadening of its end markets and future needs. Neste also aims to leverage renewable energy sources in steam and hydrogen supply.

Neste will also drive efficiency and transformation in its operations to ensure world-class performance in safety, reliability, productivity and commercial competitiveness. As at the date of this Prospectus, Neste's strategic objective for its Neste Excellence program is to deliver a EUR 225 million EBIT improvement by the end of 2022 and EUR 300 million by 2030 (compared to the year 2018 baseline).

Neste's long-term financial targets are leverage ratio and return on average capital employed after tax ("**ROACE**"). Neste's leverage ratio target is below 40 per cent. and target for ROACE is 15 per cent. annually over the long term. Neste will distribute at least 50 per cent. of the company's comparable net profit for the year in the form of dividends.

## **Description of Operations by Business Area**

Neste's operations are built around three business areas and six common functions. The business areas act as profit centers and are responsible for their customers, products, and business development. Neste's business areas are: Renewable Products, Oil Products, and Marketing & Services. The common functions are: Finance and Strategy, IT and Business Processes, HR, HSSEQ and Procurement, Sustainability, Public Affairs, Communications and Brand Marketing, Innovation, Legal and Neste Engineering Solutions. The common functions are responsible for supporting business areas and other organisations, and ensure their cost efficiency, transparency, and harmonisation of procedures across Neste, and for overseeing the use and sufficiency of Neste's resources.

### ***Renewable Products***

#### *General*

Neste's Renewable Products business area produces, markets and sells renewable diesel, sustainable aviation fuels and solutions, renewable solvents as well as raw material for bioplastics based on Neste's proprietary technology to domestic and international wholesale markets. Renewable diesel is produced at the Porvoo, Singapore, and Rotterdam refineries with a total capacity of 3.2 million tonnes per year. According to the management's estimates, Neste is the world's largest producer of renewable diesel and sustainable aviation fuel.

Renewable Products business area's key strengths are:

- High-quality renewable diesel, sustainable aviation fuel and other renewable products as solutions to reduce GHG emissions (waste and residues accounted for 83 per cent. of renewable raw material inputs globally in 2020).
- Capability to pretreat low-quality waste and residue raw materials to enable their use in the production of high-quality products.
- Global feedstock supply network and customer base.
- Capability to develop and introduce new innovative raw materials, such as liquefied waste plastic, into refining.

Renewable Products business area's main demand factors are:

- Climate change and GHG reduction targets around the world.
- Increasing renewable energy requirements in transport, particularly in Europe and the United States.
- Need to develop alternatives to fossil oil and solutions to increase circulation of materials to tackle the global plastics waste challenge.
- Leading companies and brands who want to provide customers with more sustainable products based on renewable and circular solutions.<sup>2</sup>

According to management's estimates, Neste is the world's largest producer of renewable diesel and sustainable aviation fuel and its share of the world's total renewable diesel production capacity is approximately 40 per cent. Neste is also an expert in delivering drop-in renewable chemical solutions and a forerunner in developing chemical recycling for plastic

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<sup>2</sup> About 50 per cent. of consumer goods companies are pledging to switch completely to either renewable or recycled plastics in their products by 2030. Source: Ellen MacArthur Foundation, the Plastics Economy.

waste. Renewable Products business area's main market areas are Europe and North America and its customers include retailers, wholesale customers such as transport service companies and municipalities, aviation industry, fleets as well as polymers and chemicals producers. Renewable Products business area's main competitors are other renewable diesel and sustainable aviation fuel producers in the United States and Europe, as well as producers of conventional biodiesel. Other providers of renewable and circular solutions for the polymers and chemicals sectors are also competitors. According to management's estimates, Neste's renewable products reduced 10 million tonnes of GHG emissions in 2020.

### *Business Units*

Neste's Renewable Products business area is divided into three business units and one operational platform: Renewable Road Transportation, Renewable Aviation, Renewable Polymers and Chemicals, and the Renewables Platform.

#### Renewable Road Transportation

Renewable Road Transportation business unit offers Neste MY Renewable Diesel which is made fully from renewable raw materials, such as used cooking oil, animal fat from food industry waste, and vegetable oils. Neste MY Renewable Diesel enables Neste's customers to reduce their GHG emissions by up to 90 per cent. compared to fossil diesel over the life-cycle. Neste MY Renewable Diesel is fully compatible with all diesel engines and the diesel fuel distribution infrastructure. The proprietary NEXBTL technology used for refining Neste MY Renewable Diesel is an innovation developed and patented by Neste.

Neste MY Renewable Diesel has the same chemical composition as fossil diesel. This means that the fuel is a drop-in replacement for fossil diesel. The fuel can be blended in any ratio with fossil diesel or used neat (100 per cent. concentration). Unlike fossil diesel, Neste MY Renewable Diesel contains no aromatics or impurities. This allows the fuel to combust with maximum efficiency. The high cetane number ensures an efficient and clean combustion, which means it keeps the engine cleaner than traditional biodiesel (FAME). Therefore, fleets that use Neste MY Renewable Diesel typically require less maintenance.

Neste MY Renewable Diesel is well-suited for very cold weather conditions (up to -34°C). Its cold performance is better than that of fossil diesel, as the high cetane number gives better start-up and throttle response. Neste MY Renewable Diesel can also be stored over long periods of time without deterioration in quality or water accumulation. For businesses with a lot of variety in usage during different seasons, this can bring substantial savings in fuel costs.

#### Renewable Aviation

Renewable Aviation business unit is expected to play a significant role in helping the aviation industry with its emission reduction targets. According to management's estimates, Neste's capacity will be to produce approximately 1.5 million tonnes (2020: 0.1 million tonnes) of sustainable aviation fuel annually in 2023 and over the life-cycle, including the impact of production and logistics, Neste MY Sustainable Aviation Fuel can achieve up to 80 per cent. reduction in GHG emissions compared to fossil jet fuels. Neste MY Sustainable Aviation Fuel is produced from 100 per cent. renewable waste and residue raw materials. The raw material Neste uses for the production of the fuel include e.g. used cooking oil and animal waste fat.

Neste MY Sustainable Aviation Fuel is chemically identical to conventional jet fuel and it is fully compatible with the existing jet engine technology and fuel distribution infrastructure when blended with fossil jet fuel. The fuel complies with the strict safety and quality requirements of the aviation sector and is certified under ASTM D7566. When blended with conventional fossil jet fuel up to a maximum level of 50 per cent., the fuel is re-certified as D1655. Neste MY Sustainable Aviation Fuel is a pure hydrocarbon and can therefore be stored over long periods of time without deterioration in quality or water accumulation. Neste works with aviation partners across the value chain to enable wider use of sustainable aviation fuel. For example, Lufthansa, KLM and Finnair are using Neste MY Sustainable Aviation Fuel.

#### Renewable Polymers and Chemicals

Renewable Polymers and Chemicals business unit develops renewable and circular solutions for the plastics and chemicals sectors together with value chain partners. Neste's solutions help reduce crude oil dependency and tackle climate change and global plastic waste challenge.

## Plastics

On 25 November 2020, Neste announced that it is launching a new product, Neste RE, a fully renewable and recycled raw material for plastics and chemicals production. Neste RE is a product for mitigating climate change through reducing the need to use virgin fossil resources and thereto related emissions, while it also provides a new solution to the end-of-life related challenges the polymers and chemicals industries are facing today. Neste RE can be used in a wide range of plastics applications, from sports gear to toys, even in sensitive applications such as high-performing medical equipment. Neste RE makes it possible to use bio-based waste and residues and waste plastic in the manufacture of high-quality products. Neste RE is produced entirely without virgin fossil oil, fully from renewable and recycled raw materials.

Neste produces its renewable products, including renewable feedstock for plastics production, based on its proprietary NEXBTL refining technology at its own facilities in Porvoo, Singapore, and Rotterdam. Neste RE's renewable and recycled components can be used separately or as a mix, to help forerunner companies meet their sustainability-related materials targets and develop more sustainable products and offerings. Neste is developing chemical recycling capacity with several plastics value chain partners and has set a target to process more than 1 million tonnes of plastic waste annually from 2030 onwards.

## Chemicals

As the world's leading supplier of renewable oils, Neste has the capacity to enable the chemical industry to provide its customers with chemicals and plastics produced in large scale from renewable raw materials. Neste Renewable Isoalkane oil offers a sustainable, safe, and odourless alternative to traditional mineral oils, and is ideal for a wide range of chemical applications from paints and coatings to lubricants. As with Neste's other renewable products, Neste Renewable Isoalkane offers premium quality, and thanks to its renewable origin helps reduce GHG emissions, while being biodegradable in accordance with OECD 301.

Neste Renewable Isoalkane is produced using Neste's proprietary NEXBTL technology, a hydrotreatment process that can convert natural oils, such as vegetable oil and a range of industrial waste and residues, into high-purity isoparaffinic hydrocarbon oils with a low sulphur and aromatic content. All renewable raw materials used in producing Neste Renewable Isoalkane are sustainably produced.

## Renewables Platform

The Renewables Platform enables Neste to further expand its production capacity and raw material platform. Neste has more than 10 different globally sourced renewable raw materials in its portfolio. The majority of these are wastes and residues. Animal fat waste, used cooking oil and various wastes and residues from vegetable oils processing represent the top three waste and residue raw material categories that Neste utilises based on their current and estimated shares of Neste's total annual renewable raw material inputs. None of the raw materials represent the majority share of the total annual inputs. Proportions of individual raw materials in Neste's refining vary from year to year, depending on for example their availability, price and specific market requirements.

Examples of wastes and residues that are included in Neste's raw material portfolio:

Used cooking oil	<p>Used cooking oil (“UCO”) consists of oils and fats of a vegetable or animal origin that have been used by the food industry, restaurants, households to cook food for human consumption. UCO is considered a waste as it is no longer fit for human consumption for food hygiene reasons.</p> <p>Neste sources UCO globally from collectors and aggregators in many different countries. As an example, Neste's office in Shanghai focuses on sourcing waste and residue raw materials, particularly UCO, in China from local collectors in the East coast of China, especially in the regions around Shanghai, but also in other big cities. UCO is sourced also from Europe and the Nordics. In May 2020, Neste completed the acquisition of Mahoney</p>
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	Environmental, a leading collector and recycler of used cooking oil in the United States, and its affiliated entities.
Animal fat from food industry waste	<p>Animal fat from food industry waste is derived from the food industry’s meat processing waste as it is further processed into meat and bone meal, as well as rendered animal fat at rendering plants. Rendering is a heating process which also eliminates pathogens in order to protect the health of humans and animals.</p> <p>Neste sources mixed animal fat waste that is unsuitable for human consumption globally, also from the Nordics. In addition to biofuels, animal fat waste may be used in the chemical and energy industries, and partly as animal feeds. In 2018, Neste acquired 51 per cent. of the shares of Demeter, one of the largest animal fat traders in Europe.</p>
Vegetable oil processing waste and residues	<p>Many vegetable oil processing wastes and residues can be used as raw materials to produce Neste’s renewable products. Of these types of wastes and residues, Neste uses, for example, palm fatty acid distillate (PFAD), spent bleaching earth oil (SBEO) and palm effluent sludge (PES). PFAD is a processing residue derived from the final stages of refining food-grade palm oil. It consists of degraded fats, free fatty acids, that need to be removed before palm oil meets the food industry’s quality standards in terms of taste, smell, colour and shelf life. SBEO consists of oil waste recovered from spent bleaching earth that is used in the refining processes of various vegetable oils. PES is oil waste derived from palm oil mill effluent; it consists of the remaining oily waste skimmed from the palm oil mill’s wastewater (POME).</p>
Fish fat from fish processing waste	<p>Fish fat waste is separated from the gutting waste of for example freshwater fish pangasius after the parts suitable for human consumption have been removed for the food industry use at fish processing plants. Pangasius is grown particularly in Southeast Asia. Fish fat can also be used as feed.</p>
Technical corn oil	<p>Technical corn oil (“TCO”) is a processing residue generated in the production of ethanol from corn, during which also animal feed is produced. The yields of TCO are small and this residue is not suitable for human consumption.</p> <p>TCO is cheaper than corn oil (or maize oil) produced for human consumption. TCO is used primarily as raw material in the oleochemical industry, as an animal feed additive, and as raw material in renewable diesel production. The needs for ethanol as a biocomponent in gasoline blends has simultaneously increased the availability of TCO as raw material suitable for renewable diesel production. Neste sources TCO from the United States.</p>

## *Refineries*

Neste has invested heavily in renewable diesel production capacity based on its proprietary NEXBTL technology and now Neste operates, according to management's estimates, the world's two largest renewable diesel refineries, in Singapore and in Rotterdam, the Netherlands. Neste also produces renewable diesel in two renewable diesel production units at the Porvoo refinery.

In total, Neste has a renewable diesel production capacity of 3.2 million tonnes per year, making it the world's largest producer of renewable diesel and sustainable aviation fuel according to management's estimates. The renewable diesel refineries in Singapore, Rotterdam, and the refinery in Porvoo achieved capacity utilisation of 94 per cent. in 2020 (2019: 99 per cent.) and total renewable fuels output was 3.0 million tonnes (2019: 2.9 million tonnes). Neste's refineries are scheduled to have maintenance turnarounds from time to time (see "*Risk Factors – A production interruption at Neste's refineries and plants could have a material adverse effect on Neste.*").

In addition, Neste announced on 2 March 2021 that it had completed a transaction to acquire Bunge Loders Croklaan's refinery plant in Rotterdam. The acquired refinery increases Neste's raw material pretreatment capacity for the production of renewable products.

The feasibility study phase of Neste's next European renewables capacity expansion project is progressing. Neste announced on 15 March 2021 that Rotterdam has been selected as the location for the potential project. Neste aims at creating readiness for a final investment decision by the Board of Directors towards the end of 2021 or early 2022.

## **Oil Products**

### *Overview*

Oil Products business area produces, markets and sells an extensive range of low carbon solutions that are based on high-quality oil products and related services to a global customer base. The product range includes diesel fuel, gasoline, aviation and marine fuels, light and heavy fuel oils, base oils, gasoline components, special fuels, such as small engine gasoline, solvents, liquid gases and bitumens. Oil products are refined in Neste Finland Refineries in Porvoo and Naantali. Neste has decided to shut down Naantali refinery operations by the end of March 2021. Base oils are also produced by joint operation production plant in Bahrain. Crude oil refining capacity is 13.5 million tonnes per year. Neste Shipping's chartering operations are included in the Oil Products business area.

Oil Products business area's key strengths are:

- Extensive selection of high-quality solutions combining fossil and renewable products.
- Technologically advanced refinery.

Oil Products business area's main demand factors are:

- Increasing demand for solutions containing both fossil and renewable fuels.
- Customers' requirements for flexibility in supply chain.

According to management's estimates, Oil Products business area's market position is leading in the Baltic Sea wholesale markets. Oil Products business area's main market areas are Baltic Sea area, Europe, and North America, and its customers include retailers and distributors, oil majors and trading companies, petrochemicals companies and companies marketing lubricants and solvents. Oil Products business area's main competitors are advanced refineries in Northwest Europe, Russia, and in the Middle East.

### *Refineries*

Neste's fossil fuel refineries are located in Porvoo and Naantali, Finland. Neste's long term asset development plan includes productivity investments with short payback time, measures for optimisation of feedstock flexibility and disciplined capital expenditure for base load maintenance.

### Porvoo Refinery

Neste's Porvoo refinery is one of Europe's most advanced and versatile refineries and is capable of producing a comprehensive range of major petroleum products, as well as renewable diesel. The refinery has a crude refining capacity of 10.5 million tonnes per year (206,000 barrels per day) and a total production capacity of approximately 13.5 million tonnes of petroleum products per year.

### Naantali Refinery

Neste's Naantali refinery concentrates on specialty products, such as solvents and bitumen, and has a capacity of 58,000 barrels per day, producing approximately 3 million tonnes of products per year.

On 30 November 2020, Neste announced that co-operation negotiations to restructure its refinery operations in Finland had been concluded. As a consequence, Neste decided to shut down its refinery operations in Naantali by the end of March 2021. After the refinery closure, operations in Naantali will focus on terminal and harbour operations. The shutdown of the Naantali refining operations and the renewal of the Oil Products operating model will lead to approximately 370 redundancies.

### *Other Production Plants*

In addition to its own refineries, Neste has a 45 per cent. stake in a joint operation base oil plant in Bahrain, which produces premium quality Group III VHVI (Very High Viscosity Index) base oil used in high-quality lubricants. The other owners of the plant are Bahrain Petroleum Company and The Oil and Gas Holding Company B.S.C. (c). The plant has a nominal capacity of 400,000 tonnes per year, and Neste is responsible for marketing and selling its output. Neste's share of the Bahrain plant's output during 2020 totalled 178,000 tonnes (2019: 170,000 tonnes).

### *Logistics*

Neste transports, stores, and handles millions of tons of raw materials and refined products annually. All transportations, whether marine or inland, are taken care of by Neste's logistic service providers. Safety in logistics is managed through selection and auditing of logistics service providers transporting or storing the cargo. Further, Neste aims to ensure that the transport fleet is in appropriate condition, and that employees know how to act safely in all situations at all times.

Neste has separate transportation safety principles for road, rail, and marine transportations. Transportation service providers are audited annually. In addition, safety management systems are subject to regular audits by various authorities and customers.

### ***Marketing & Services***

Marketing & Services business area markets and sells petroleum products and associated services directly to end-users, of which the most important are consumers, transport service, customers in the aviation, shipping, industrial and agricultural sectors, municipalities, heating customers, and distributors. Traffic fuels are marketed through Neste's own service station network and direct sales. As at 31 December 2020, Neste had a total of nearly 1,000 service stations, of which 749 are located in Finland, and 215 in Estonia, Latvia and Lithuania. According to management's estimates, Marketing & Services business area's market position is leading in Finland and among the leading in Estonia, Latvia and Lithuania and its main competitors include other large retailers in Finland and in the Baltic countries. The Marketing & Services business area has a high return on net assets due to its business model, where a large share of the assets is outsourced.

### **Revenue by Geography**

In 2020, 32 per cent. of Neste's revenue by operating destination came from Finland, 28 per cent. from other European countries, 17 per cent. from other Nordic countries, 14 per cent. from North and South America, 8 per cent. from the Baltic Rim, and 1 per cent. from other countries.



## **Innovation**

Neste committed itself to adopting advanced technologies many years ago and has a long track record in developing lower-emissions traffic fuels. Neste was the first company to offer unleaded and sulphur-free fuels, as well as biofuels, on the Finnish market. Today, Neste produces the world's cleanest diesel fuel from renewables and is researching a range of new raw materials. Neste's engineering expertise is also world-class.

A new Neste Innovation organisation was established in the spring 2019 to enhance strategy implementation with material growth in overall resources. In addition to a strong core R&D, Neste Innovation now comprises three new business platforms and dedicated units to drive discovery and external collaboration. New business platforms focus on new fuels and chemicals solutions with lignocellulose, algae, municipal solid waste and with renewable electricity as the primary energy sources. This accelerates renewal and the development of new sustainable businesses for Neste, while maintaining the ability to drive the strong growth ambitions of the current renewable road transportation, aviation and polymers and chemicals businesses. In 2019, the commercialisation of sustainable aviation fuel, low sulphur marine fuel and new bio-based plastics and chemicals was successfully supported.

In 2020, Neste's innovation expenditure totalled EUR 61 million (2019: EUR 54 million) and work continued to expand the use of waste and residue feedstock, and over 2.9 million tonnes of waste and residue feedstock was used during the year. Chemical recycling was advanced by exploring and developing waste plastic liquefaction and upgrading technologies together with partners. Examples are the collaboration and equity investments into Recycling Technologies and Alterra Energy, which are both plastic liquefaction technology providers. The first commercial scale test run was successfully conducted in 2020 by upgrading 400 tons of liquefied packaging and mixed waste plastic into high quality recycled feedstock for petrochemical industry uses, e.g. for the production of new plastics.

The dynamism of Neste's research and technology activities is based on in-depth know-how, close cooperation between the best people in their fields, and successful partnerships with research institutions and companies. Neste has a network of 25 leading universities, R&D centers, and technical institutes, and, approximately 25 per cent. of Neste's personnel work with innovative research, product development and engineering. Having the Porvoo refinery, the technology centre and its laboratories, and engineering expert Neste Engineering Solutions, close to each other helps promote collaborative work and creates an innovative environment for world-class research and development.

## **Material Contracts**

There are no contracts that have been entered into by Neste or its subsidiaries outside the ordinary course of business that are, or may be, material or which contain provisions under which any member of the Neste group has any obligation or entitlement that is material to Neste's ability to fulfil its obligations under the Notes (other than contracts entered into in the ordinary course of business).

## **Insurance**

Neste's business is dependent to a significant extent on its wholly owned refineries in Finland (Porvoo and Naantali), Singapore and the Netherlands (Rotterdam). Refining operations carry an inherent risk of leaks, fires and explosions due to the hazardous substances and energy managed in the processes. In addition, the vessels chartered to Neste or owned by Neste are subject to inherent risks like maritime disaster, damage to environment and loss of, or damage to cargo and property. Such events can be caused by multiple factors, such as adverse weather conditions or mechanical failures.

In addition to preventive risk management measures, Neste maintains insurance against major hazard risks in accordance with customary industry practices. Hazard risk is defined as the risk of financial losses arising from events leading to the damage of physical or intellectual assets, business interruption, personnel injuries, or environmental, product, or other liabilities. However, insurance policies do not cover all potential losses.

## Group Structure

Neste Corporation is the parent company of the Neste group. The following table sets forth Neste's subsidiaries as at 31 December 2020.

	<b>Group holding (per cent.)</b>	<b>Country of incorporation</b>
Fryer Oil Equipment LLC .....	100.00	USA
Kiinteistö Oy Espoon Keilaranta 21 .....	100.00	Finland
Mahoney Environmental LLC .....	100.00	USA
Mahoney Environmental Solutions, LLC .....	100.00	USA
Mahoney Transportation Services LLC .....	100.00	USA
Mendota Agri-Products, LLC .....	100.00	USA
Navidom Oy .....	50.00	Finland
Neste (Shanghai) Trading Company Limited.....	100.00	China
Neste (Suisse) S.A.....	100.00	Switzerland
Neste AB .....	100.00	Sweden
Neste Affiliate B.V. ....	100.00	The Netherlands
Neste Asia Pacific Pte. Ltd .....	100.00	Singapore
Neste Australia Pty Ltd .....	100.00	Australia
Neste Base Oils Finland Oy .....	100.00	Finland
Neste Canada Inc. ....	100.00	Canada
Neste Components B.V.....	100.00	The Netherlands
Neste Demeter B.V. ....	51.00	The Netherlands
Neste Eesti AS.....	100.00	Estonia
Neste Engineering Solutions B.V. ....	100.00	The Netherlands
Neste Engineering Solutions Oy .....	100.00	Finland
Neste Engineering Solutions Pte. Ltd. ....	100.00	Singapore
Neste Germany GmbH .....	100.00	Germany
Neste Insurance Limited .....	100.00	Guernsey
Neste Italy S.R.L. ....	100.00	Italy
Neste Markkinointi Oy .....	100.00	Finland
Neste Netherlands B.V. ....	100.00	The Netherlands
Neste N.V.....	100.00	Belgium
Neste Oil Bahrain W.L.L.....	100.00	Bahrain
Neste Real Estate B.V. ....	100.00	The Netherlands
Neste Real Estate II B.V. ....	100.00	The Netherlands
Neste Renewable Solutions US, Inc. ....	100.00	USA
Neste RPC Solutions US, Inc. ....	100.00	USA
Neste Shipping Oy .....	100.00	Finland
Neste Singapore Pte. Ltd.....	100.00	Singapore
Neste Terminal Rotterdam B.V. ....	100.00	The Netherlands
Neste Terminals Facilities B.V. ....	100.00	The Netherlands
Neste Terminals Group B.V. ....	100.00	The Netherlands
Neste Terminals Support B.V. ....	100.00	The Netherlands
Neste US, Inc. ....	100.00	USA
Neste USA, L.L.C. ....	100.00	USA
SIA Neste Latvija .....	100.00	Latvia
UAB Neste Lietuva .....	100.00	Lithuania

## BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

### General

Pursuant to the provisions of the Finnish Companies Act (624/2006, as amended) and Neste's Articles of Association, the control and management of Neste is divided between the Annual General Meeting of shareholders, the Board of Directors, and the President and Chief Executive Officer (the "CEO"). The ultimate decision-making authority lies with shareholders at the Annual General Meeting of shareholders that appoints the members of the Board of Directors and Neste's auditor. The Board of Directors of Neste is responsible for Neste's strategy and overseeing and monitoring Neste's business. The President and CEO, assisted by the Neste Executive Committee, is responsible for managing Neste's business and implementing its strategic and operational targets. In addition to the applicable legislation governing operations of public limited liability companies, Neste applies the Finnish Corporate Governance Code. The business address of the members of the Board of Directors, the Neste Executive Committee and the President and CEO is c/o Neste Corporation, Keilaranta 21, FI-02150 Espoo, Finland.

### Board of Directors

The Board of Directors' responsibilities and duties are defined in detail in the Board of Directors' Charter. According to the Charter, the Board of Directors' main duty is to direct the Neste group's strategy in a way that enables delivery of the financial targets set for the Neste group and maximises shareholder value and creates a long-term successful business for the Neste group, while simultaneously taking into account the expectations of key stakeholders. To this end, the Board of Directors is responsible for:

- approving the main corporate strategies for the Neste group;
- deciding on matters which are of major significance for Neste and/or the Neste group, and on such other group-wide matters which may not be deemed to concern the day-to-day management of those companies;
- approving Neste's values, policies and the most important principles;
- supervision and oversight of the Neste group, including, among other duties, proper arrangement of the management and operations of Neste;
- being in charge of financial matters of major significance to the Neste group, including, among other things, the adoption of Neste and the Neste group's interim and annual accounts and the publication of interim and annual reports and financial statements as well as deciding on major investments, acquisitions and divestments;
- deciding on matters having a major effect on the corporate organisation, as well as deciding on remuneration, nomination and dismissal of the senior executives of the Neste group; and
- deciding, based on the proposal of the Personnel and Remuneration Committee, on compensation and incentive systems for the Neste group management and the key personnel of the Neste group.

In accordance with Neste's Articles of Association, the Board of Directors has between five and eight members that are elected at the Annual General Meeting of shareholders for a period of office that extends to the following Annual General Meeting of shareholders. In accordance with the proposal made by the Shareholders' Nomination Board, the Annual General Meeting of shareholders held on 18 May 2020 decided that the number of members of the Board of Directors shall be eight and the following members were re-elected to serve until the end of the next Annual General Meeting of shareholders: Matti Kähkönen, Sonat Burman-Olsson, Martina Flöel, Jean-Baptiste Renard, Jari Rosendal and Marco Wirén. Nick Elmslie and Johanna Söderström were elected as new members of the Board of Directors to serve until the end of the next Annual General Meeting of shareholders. Matti Kähkönen was re-elected as the Chair of the Board of Directors and Marco Wirén was re-elected as the Vice Chair of the Board of Directors. See also "*Summary of Recent Disclosures – Proposals of the Shareholders' Nomination Board to Neste's Annual General Meeting*".

### Chair

*Matti Kähkönen* (b. 1956) has been a member of the Board of Directors since 2017 and the Chair of the Board of Directors since 2018. Previously, Mr. Kähkönen served as a Senior Advisor of Metso Corporation between 2017 and 2019, the President and CEO of Metso Corporation between 2011 and 2017, Executive Vice President and Deputy to the CEO of Metso Corporation between 2010 and 2011, the President of Mining and Construction Technology of Metso Corporation between 2008 and 2011, the President of Metso Minerals Oy between 2006 and 2008, the President of Metso Automation

Oy between 2001 and 2006 and the President of the Field Systems Division business area of Metso Automation Oy between 1999 and 2001. Prior to that he also held various managerial and development positions in Neles-Jamesbury Oy and Rauma-Repola Oy. Mr. Kähkönen also serves as the Chairman of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company. He is also the Chair of Neste's Personnel and Remuneration Committee. Mr. Kähkönen holds a Master of Science degree in Engineering

### ***Other Members***

*Marco Wirén* (b. 1966) has been a member of the Board of Directors since 2015 and the Vice Chair of the Board of Directors since 2019. Mr. Wirén is an independent member of the Board of Directors. Mr. Wirén is the Chief Financial Officer of Nokia Corporation. Previously, Mr. Wirén served as the President of Wärtsilä Energy and Executive Vice President of Wärtsilä Corporation between 2018 and 2020, Chief Financial Officer and Executive Vice President of Wärtsilä Corporation between 2013 and 2018, Executive Vice President and Chief Financial Officer of SSAB AB between 2008 and 2013, the Vice President of Business control of SSAB AB between 2007 and 2008, the Chief Financial Officer and the Vice President of Business Development of Eltel Networks Corporation between 2002 and 2007 and the Vice President of Business Development and the Group Controller of NCC between 1995 and 2001. In addition, he served as a member of the Board of Directors of Wärtsilä Finland Oy between 2013 and 2020. Mr. Wirén is also the Chair of Neste's Audit Committee. Mr. Wirén holds a Master of Science degree in Economics and Business Administration.

*Sonat Burman-Olsson* (b. 1958) has been a member of the Board of Directors since 2019. Ms. Burman-Olsson is an independent member of the Board of Directors. Previously, Ms. Burman-Olsson served as a member of the Board of Directors of International Chamber of Commerce of Sweden between 2016 and 2018, Swedish Trade Federation between 2014 and 2018, Swedish National Pension fund between 2008 and 2016, ICA Bank & RIMI Baltic between 2007 and 2014, and iZettle in 2018. In addition, she has previously served as the chairman of Swedish Food Retailers Association between 2014 and 2017, the President and CEO of COOP Sweden between 2014 and 2017, the Deputy CEO of ICA Gruppen between 2007 and 2014, the Vice President of Electrolux Group, Global Marketing Strategies between 1995 and 2006. Ms. Burman-Olsson is a member of the Board of Directors of Lindab AB, PostNord Group AB and Lantmännen ek för. Ms. Burman-Olsson holds a Master of Science degree in Economics and Business Administration and an Executive Master of Business Administration degree.

*Nick Elmslie* (b. 1957) has been a member of the Board of Directors since 2020. Mr. Elmslie is an independent member of the Board of Directors. Previously, Mr. Elmslie served as the Chief Executive of BP Global Petrochemicals based in Shanghai between 2011 and 2015 and as a Contoller, Head of Finance Function at BP Downstream between 2006 and 2011. Previously, Mr. Elmslie held several directorial positions at BP Plc between 1992 and 2006: he served as the Chief Executive, Acetyls Business and Business Unit Leader and Head of Chemicals Strategy and CFO, Polymers & Olefins. Mr. Elmslie also serves as a member of the Board of Directors of 3fbio Ltd and Fosroc Group Holdings Limited as well as a member of the Supervisory Board of OTI Greentech AG. Mr. Elmslie holds a Bachelor of Science degree in Chemistry.

*Martina Flöel* (b. 1960) has been a member of the Board of Directors since 2017. Ms. Flöel is an independent member of the Board of Directors. Previously, Ms. Flöel served as the CEO of Oxea between 2007 and 2016, the Managing Director and Executive Vice President, Europe, of European Oxo between 2003 and 2007, the Vice President of Oxo Chemicals of Celanese Chemicals between 2000 and 2003 and the Plant Manager Böhlen of Celanese Chemicals between 1998 and 2000. She also held various managerial and directorial positions in the Hoechst Group prior to year 1998. In addition, she has previously served as a member of the Board of Directors of Carl Bechem GmbH between 2019 and 2020. She is also a member of the Board of Directors of Sasol. Ms. Flöel holds a Master of Science degree as well as a Doctorate of Science degree in Chemistry.

*Jean-Baptiste Renard* (b. 1961) has been a member of the Board of Directors since 2014. Mr. Renard is an independent member of the Board of Directors. Previously, Mr. Renard held several positions at BP Plc between 1986 and 2010: he served as the Regional Group Vice President for Europe and Southern Africa between 2006 and 2010 and the Group Vice President of Business Marketing and New Markets and member of Downstream Executive Committee between 2003 and 2006. Mr. Renard is the Founder and CEO of 2PR Consulting and an independent energy expert and consultant. He is also the Non-Executive Director of Masana Petroleum Solutions (South-Africa) and CLH (Spain), a member of the Supervisory Board of Entrepreneurs+ and IFP Training (France), a member of the Advisory Board of IFP School and pro bono consult for social entrepreneurs. Mr. Renard holds a Master of Science degree in Engineering, an engineering diploma in petroleum economics from the French Petroleum Institute (IFP).

*Jari Rosendal* (b. 1965) has been a member of the Board of Directors since 2018. Mr. Rosendal is an independent member of the Board of Directors. Mr. Rosendal is the President and Chief Executive Officer of Kemira Corporation. Previously, Mr. Rosendal has held various divisional President and Directorial positions at Outotec Oyj between 2001 and 2014, including serving as a Member of the Executive Board. Prior to that, he has held various managerial and expert positions in the Outokumpu Group in Finland and the United States between 1989 and 2001. He is also a board member of the Chemical Industry Federation of Finland, the TT fund of the Confederation of Finnish Industries and the European Chemical Industry Council. Mr. Rosendal holds a Master of Science degree in Engineering.

*Johanna Söderström* (b. 1971) has been a member of the Board of Directors since 2020. Ms. Söderström is an independent member of the Board of Directors. She is the Executive Vice President and Chief Human Resources Officer at Tyson Foods Inc. since 2020. Previously, Ms. Söderström served as the Senior Vice President and Chief Human Resources Officer at the Dow Chemical Company between 2014 and 2019 and the Vice President, Center of Expertise Human Resources at the Dow Chemical Company between 2012 and 2014. Prior to that, she has held various directorial HR positions at Dow Chemical Company, Dow Europe GmbH and Dow Chemical Handels- und Vertriebsgesellschaft mbH between 2007 and 2012. Ms. Söderström holds a Master of Science degree in Economics and Business Administration.

In accordance with the notice to the Annual General Meeting of shareholders published 5 February 2021, the Board of Directors proposes that Mr. John Abbott shall be elected as a new member of the Board of Directors.

*John Abbott* (b. 1960) is proposed to become a member of the Board of Directors from the Annual General Meeting of shareholders to be held 30 March 2021. Mr. Abbott would be an independent member of the Board of Directors. Mr. Abbott served as a member of the Board of Directors of Fiat Chrysler Automobiles N.V. between 2018 and 2021. Mr. Abbott has been an advisor and participant at Mobility Impact Partners (MIP) since 2020 and a mentor in the FTSE 100 cross-company mentoring foundation since 2013. Previously, Mr. Abbott served as Downstream Director and member of the Executive Committee of Royal Dutch Shell plc between 2013 and 2019, as the Executive Vice President of Global Manufacturing at Shell between 2012 and 2013, as the Executive Vice President of Shell's Upstream Heavy Oil business between 2008 and 2012 and as Vice President Manufacturing (Refining and Chemicals) Excellence and Support at Shell between 2006 and 2008. Mr. Abbott is also a Non Executive Director of the Intercontinental Exchange (ICE) Futures Europe.

## **Audit Committee**

Under its Charter, the Audit Committee shall consist of a minimum of three members of the Board of Directors who are independent of Neste or any of its subsidiaries and of whom at least one member is independent of significant shareholders. The members shall have sufficient knowledge and experience of accounting practices and the preparation of financial statements and other qualifications the Board of Directors deems necessary. The Audit Committee is permitted to use external consultants and experts when deemed necessary. As at the date of this Prospectus, the members of the Audit Committee are Marco Wirén (Chair), Sonat Burman-Olsson, Nick Elmslie and Jari Rosendal.

The responsibilities and duties of the Audit Committee are defined in detail in the Charter approved by the Board of Directors and cover the following main areas:

- monitoring Neste's reporting process in relation to the financial statements and, to the extent appropriate, interim reports;
- supervising the financial reporting process;
- monitoring the effectiveness of Neste's internal control, internal audit, and risk management systems;
- deciding on the nomination and dismissal of the Head of Internal Audit, subject to final approval by the Board of Directors;
- monitoring Neste's most material risks and ensuring the proper management of Neste's risk management processes;
- reviewing information and communication technology structure;
- monitoring the process and risk relating to information technology security;
- reviewing Neste's Corporate Governance Statement, which includes a description of the main features of the internal control and the risk management systems pertaining to the financial reporting process;

- monitoring the statutory audit of the financial statements and consolidated financial statements;
- reviewing and pre-approving of the non-audit services of Neste's statutory auditor in accordance with a separate Corporate Policy established thereon by the Board of Directors;
- evaluating the independence of Neste's statutory auditor, particularly the provision of related services to Neste to be audited;
- preparing the proposal or recommendation or resolution on the election of the statutory auditor;
- reviewing all the material reports produced by the statutory auditor addressed to Neste or its subsidiaries;
- evaluating Neste's compliance with laws and regulations;
- approving internal audit policy and reviewing the annual plan for internal audit and internal audit reports;
- monitoring Neste's financial position and taxation; and
- at the request of the Board of Directors, preparing other issues for the consideration of the Board of Directors.

### **Personnel and Remuneration Committee**

The Personnel and Remuneration Committee consists of the Chair of the Board of Directors and at least two non-executive members of the Board of Directors. As at the date of this Prospectus, the members of the Personnel and Remuneration Committee are Matti Kähkönen (Chair), Martina Flöel, Jean-Baptiste Renard and Johanna Söderström.

The responsibilities and duties of the Personnel and Remuneration Committee are defined in detail in the Charter approved by the Board of Directors and cover the following main areas:

- preparing the appointments of key executive personnel and making proposals to the Board of Directors on compensation and incentive systems for key personnel;
- preparing and proposing to the Board of Directors the appointments of the President and CEO and the members of the Neste Executive Committee, and the terms and conditions of their employment; and
- monitoring and evaluating the performance of the President and CEO and the members of the Neste Executive Committee.

### **President and CEO**

The President and CEO manages Neste's business operations in accordance with the Finnish Companies Act and instructions issued by the Board of Directors. The President and CEO shall oversee the executive management of Neste in accordance with instructions and orders given by the Board of Directors and is responsible for ensuring that Neste's accounts are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

*Peter Vanacker* (b. 1966) has been the President and CEO and the Chair of the Neste Executive Committee since joining Neste in 2018. Previously, Mr. Vanacker served as the CEO and Managing Director of CABB Group GmbH between 2015 and 2018, the CEO and Managing Director of Treofan between 2012 and 2015 and as the Executive Vice President and Member of the Executive Board of Bayer MaterialScience (today Covestro AG) between 2004 and 2012 with responsibility of the global Polyurethanes business and as Chief Marketing and Innovation Officer. Prior to that, he held several directorial and managerial positions at Bayer in Belgium, Brazil, US and Germany between 1990 and 2004. He is also the Chair of the Advisory Board for the European Institute for Industrial Leadership and a member of the Supervisory Board of Symrise AG. Mr. Vanacker holds a Master of Science degree in Chemical Engineering, Polymers Engineering.

### **Executive Committee**

The Neste Executive Committee assists the President and CEO in company management and in the deployment of Neste's strategic and operational goals. The present members of the Neste Executive Committee consist of the following persons:

## **Chair**

Peter Vanacker is the Chair of the Neste Executive Committee. See “ – *President and CEO*” above.

## **Other Members**

*Mercedes Alonso* (b. 1966) joined Neste in 2019 and has been a member of the Neste Executive Committee since 2019. Ms. Alonso is the Executive Vice President of the Renewable Polymers and Chemicals business unit. Previously, she served as the Marketing Director, Advanced Polymer Solutions Europe at LyondellBasell in 2019, the Managing Director, Engineered Composites Europe at A. Schulman Inc. between 2016 and 2019, and the Global Director, Corporate Marketing at A. Schulman Inc. between 2013 and 2016, as well as the Global Business Excellence Leader, Advanced Materials in Dow Chemical Inc. Europe GmbH between 2010 and 2013. She is also a member of the Board of Directors of the European Chemical Industry Council. Ms. Alonso holds a Master of Science degree in Chemical Engineering.

*Matti Lehmus* (b. 1974) joined Neste in 1997 and has been a member of the Neste Executive Committee since 2009. Mr. Lehmus is the Executive Vice President of the Renewables Platform business area. Previously, Mr. Lehmus served as the Executive Vice President of the Oil Products between 2015 and 2019, the Executive Vice President of the Oil Products and Renewables business area between 2011 and 2014, the Executive Vice President of the Oil Products business area between 2009 and 2010, the Vice President of the Base Oils business of the Specialty Products Division between 2007 and 2009, the Vice President of Oil Refining Business Development in 2007 and the Gasoline Exports and Trading Manager of the Oil Refining Division between 2004 and 2007. Mr. Lehmus is also the Vice Chairman of the Board of the Chemical Industry Federation of Finland. Mr. Lehmus holds a Master of Science degree in Engineering and an Executive Master of Business Administration degree.

*Thorsten Lange* (b. 1963) joined Neste in 2020 and has been a member of the Neste Executive Committee since 2020. Mr. Lange is the Executive Vice President of the Renewable Aviation business unit. Previously, Mr. Lange served as the Head of Fuel Procurement (global) at Lufthansa Group between 2001 and 2019, the Product Manager of the Automotive Lubricants at FUCHS DEA Schmierstoffe GmbH&Co KG between 1999 and 2001, the Director of Industry Lubricants at DEA Mineraloel AG between 1998 and 1999 as well as the Marketing Manager and Pricing Groundfuels at DEA Mineraloel AG between 1992 and 1997. Thorsten Lange is a member of the IATA Fuel Steering Group. Mr. Lange holds a Master of Science degree in Banking and Auditing.

*Panu Kopra* (b. 1972) joined Neste in 1996 and has been a member of the Neste Executive Committee since 2016. Mr. Kopra is the Executive Vice President of Marketing & Services responsible for Marketing & Services business unit. Previously, Mr. Kopra served as the Vice President of Oil Retail Sales in Finland and Baltic Rim between 2014 and 2015, the Vice President of Oil Retail Russia and Baltic Rim between 2010 and 2014, the General Manager in St. Petersburg Russia in 2009, the Business Development Manager of Renewable Products between 2007 and 2008, Sales Director in 2006, the General Manager in Latvia between 2003 and 2005 and held several other positions at Neste. Mr. Kopra is a member of the board of directors at East Office. Mr. Kopra holds a Bachelor of Business Administration degree and a Master of Business Administration degree.

*Carl Nyberg* (b. 1979) joined Neste in 2005 and he has been a member of the Neste Executive Committee since 2019. Mr. Nyberg is the Executive Vice President of the Renewable Road Transportation business unit. Previously, he has served in various positions at Neste, most recently as Vice President of Sales Scandinavia of the Renewable Products business area between 2016 and 2019, the Vice President of Supply, Oil Products at Neste Geneva between 2014 and 2016 and Trading Manager, Crude Oil 2013-2014. Managing Director of Neste AB between 2017 and 2019. Mr. Nyberg holds a Master of Science degree in Economics and Business Administration.

*Marko Pekkola* (b. 1969) joined Neste in 2018 and he has been a member of the Neste Executive Committee since 2019. Mr. Pekkola is the Executive Vice President of the Oil Products business unit. Previously, he has been the Vice President of Production at Neste between 2018 and 2019. Prior to that Mr. Pekkola has held many leading positions at Stora Enso Oyj and M-real Oyj. Mr. Pekkola holds a Master of Science degree in Energy Technology.

*Minna Aila* (b. 1966) joined Neste in 2020 and she has been a member of the Neste Executive Committee since 2020. Ms. Aila is the Senior Vice President of Sustainability and Corporate Affairs. Previously, she has been the Executive Vice President of Marketing & Corporate Affairs at Konecranes Plc between 2018 and 2020, Vice President of Corporate Affairs at Nokia Corporation between 2015 and 2018, Senior Vice President, Marketing, Communications & Corporate Responsibility at Outotec Oyj between 2012 and 2015, and Head of Communications of Federation of Finnish Financial

Services between 2010 and 2012. Ms. Aila is also the Chair of EU and Trade Policy Committee at the Confederation of Finnish Industries (EK), Vice Chair of Business at OECD Trade Committee, Member of the Board at Finland-China Trade Association and the National Defense Course Association. Ms. Aila holds a Master of Laws degree.

*Hannele Jakosuo-Jansson* (b. 1966) joined Neste in 1990 and has been a member of the Neste Executive Committee since 2006. Ms. Jakosuo-Jansson is the Senior Vice President of Human Resources, HSSEQ and Procurement. Previously, she served as the Senior Vice President of Neste's Human Resources and Safety corporate functions, as Neste's Vice President of Human Resources at Oil Refining between 2004 and 2005 and as the Laboratory and Research Manager at the Technology Center between 1998 and 2004. Ms. Jakosuo-Jansson holds a Master of Science degree in Engineering.

*Lars Peter Lindfors* (b. 1964) joined Neste in 2007 and has been a member of the Neste Executive Committee since 2009. Mr. Lindfors is the Senior Vice President of Innovation. Previously, Mr. Lindfors was the Senior Vice President of Research & Development, Investment Management, Information Technology, Procurement and Business Processes. Prior to that, he was the Senior Vice President of Technology and Strategy between 2009 and 2012 and the Vice President of Research and Technology unit between 2007 and 2009. He was the Executive Vice President of Renewal and Development at Perstorp Group between 2004 and 2007 and the Executive Vice President of Research & Technology & Development at Perstorp Group between 2001 and 2004. Prior to that, he served as the Research and Development Manager and held various other positions at Neste. Mr. Lindfors is a member of the Boards of Directors of Fortum and Neste Foundation and Tikkurila Corporation. Mr. Lindfors holds a Doctorate of Science degree in Technology and a Master of Business Administration degree.

*Jyrki Mäki-Kala* (b. 1961) has been a member of the Neste Executive Committee since joining Neste in 2013. Mr. Mäki-Kala is the Chief Financial Officer, Strategy and IT, and responsible for Neste's strategy, financial management, investor relations, and risk management. Prior to joining Neste, he served in various business and corporate financial positions at Kemira Corporation between 2005 and 2013 and, prior to that, worked for Finnish Chemicals Oy. He is a member of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company and Member of the Board of Directors and Audit Committee of Altia Corporation. Mr. Mäki-Kala holds a Master of Science degree in Economics.

*Christian Ståhlberg* (b. 1974) has been a member of the Neste Executive Committee since joining Neste in 2017. Mr. Ståhlberg is the General Counsel and responsible for Neste's legal affairs and compliance. He is also the Secretary to the Executive Committee, the Board of Directors, the Audit Committee, the Shareholders' Nomination Board and to the Stakeholder Advisory Panel. Previously, Mr. Ståhlberg served as the General Counsel of Rettig Group Ltd between 2015 and 2017, Director of Legal at Pohjola Bank plc between 2011 and 2014, Senior Legal Counsel at Neste Oil Corporation between 2007 and 2011, and Senior Associate at Roschier Attorneys Ltd between 1998 and 2007. Mr. Ståhlberg holds a Master of Laws degree.

### **Shareholders' Nomination Board**

The Annual General Meeting of shareholders in 2013 decided to establish a permanent Shareholders' Nomination Board to prepare proposals covering the members of the Board of Directors and their remuneration for consideration by the next Annual General Meeting of shareholders. The Shareholders' Nomination Board shall consist of four members, three of which shall be appointed by Neste's three largest shareholders, who shall appoint one member each. The Chair of the Board of Directors shall serve as the fourth member. Neste's largest shareholders entitled to elect members to the Shareholders' Nomination Board shall be determined annually on the basis of the registered holdings in Neste's list of shareholders held by Euroclear Finland as of the first weekday in September in the year concerned. The Chair of Neste's Board of Directors shall request each of the three largest shareholders established on this basis to nominate one member to the Shareholders' Nomination Board. In the event that a shareholder does not wish to exercise his or her right to appoint a representative, it shall pass to the next-largest shareholder who would not otherwise be entitled to appoint a member. The Shareholders' Nomination Board shall serve until further notice until the Annual General Meeting of shareholders decides otherwise. Its members shall be elected annually and their term of office shall end when new members are elected to replace them.

On 14 September 2020, Neste announced that the following members were appointed to the Shareholders' Nomination Board: Kimmo Viertola, Director General of the Prime Minister's Office's Ownership Steering Department (as Chair); Reima Rytsölä, Deputy CEO, Investments of Varma Mutual Pension Insurance Company; Outi Antila, Director General of the Social Insurance Institution, Kela, and Matti Kähkönen, the Chair of Neste's Board of Directors. The Shareholders' Nomination Board will present their proposal to the Board of Directors by 31 January prior to the Annual General Meeting



of shareholders at the latest (see “*Summary of Recent Disclosures – Proposals of the Shareholders’ Nomination Board to Neste’s Annual General Meeting*”).

The Shareholders’ Nomination Board is responsible for drafting and presenting proposals for the following Annual General Meeting of shareholders on the following:

- remuneration and number of members of the Board of Directors;
- presenting candidates as potential Chair, Vice Chair and members of the Board of Directors to the Annual General Meeting of shareholders and to an Extraordinary General Meeting of shareholders where needed; and
- identifying successors for existing members of the Board of Directors.

#### **Absence of Conflicts of Interest**

To the knowledge of Neste, the members of the Board of Directors, the President and the CEO or the other members of the Executive Committee do not have any conflicts of interest between their duties relating to Neste and their private interests and/or their other duties.

#### **Auditors**

The financial statements of Neste for the financial years ended 31 December 2020 and 31 December 2019 incorporated into this Prospectus by reference have been audited by Authorised Public Accountants PricewaterhouseCoopers Oy, with Markku Katajisto, Authorised Public Accountant, as the auditor with principal responsibility for the conduct of the audit. Markku Katajisto is registered in the register of auditors referred in Section 9 of Chapter 6 of the Auditing Act (1141/2015, as amended). The registered address of PricewaterhouseCoopers Oy is Itämerentori 2, FI-00180 Helsinki, Finland.

In accordance with the notice to the Annual General Meeting of shareholders published on 5 February 2021, the Board of Directors proposes that KPMG Oy Ab will be elected as Neste’s auditors with effect from the Annual General Meeting to be held 30 March 2021. See “*Summary of Recent Disclosures – The Annual General Meeting of Neste*”.

## CERTAIN FINANCIAL AND OTHER INFORMATION

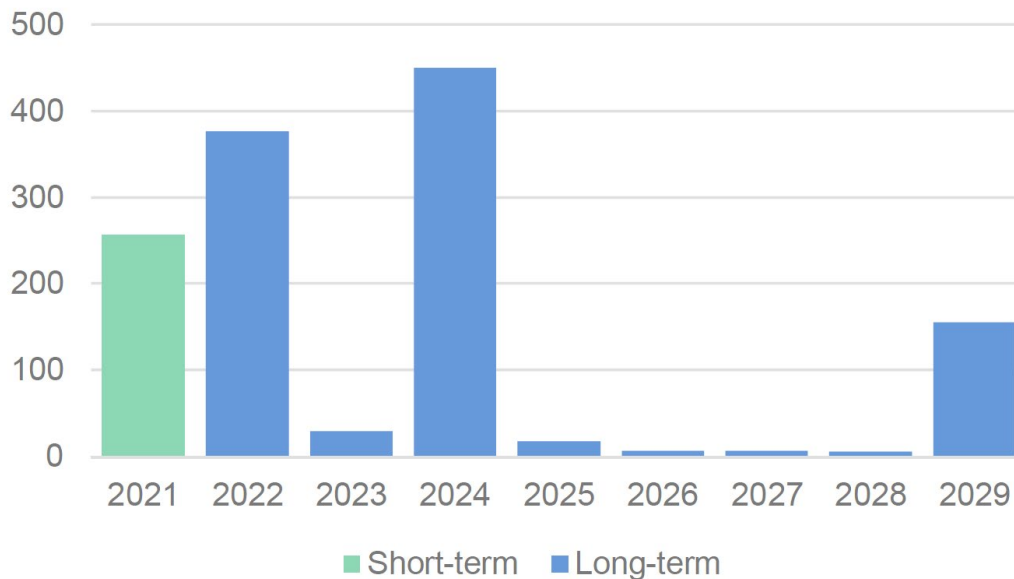
### Historical Financial Information

Neste prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), as adopted in the EU. Neste's audited consolidated financial statements as at and for the financial year ended 31 December 2020 and 31 December 2019 have been incorporated into this Prospectus by reference. Save for Neste's audited consolidated financial statements as at and for the financial year ended 31 December 2020 and 31 December 2019, no part of this Prospectus has been audited. See "*Information Incorporated by Reference*".

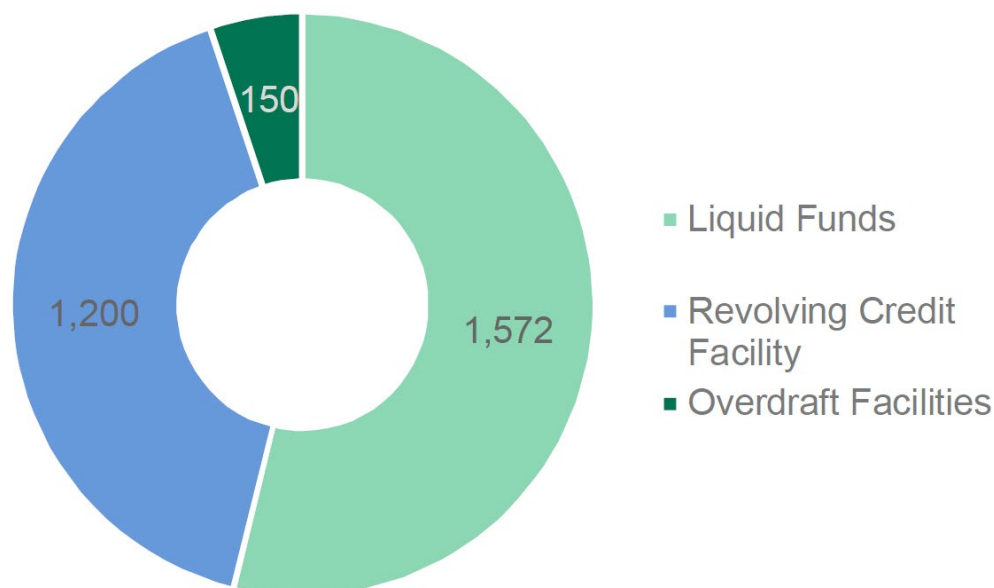
### Certain Financial Information of Neste

As at 31 December 2020, Neste's total liquidity was EUR 2,922 million consisting of liquid funds (cash and cash equivalents + current investments) totalling EUR 1,572 million, and unused committed credit facilities totalling EUR 1,350 million. In addition, Neste had an unused commercial paper programme (not committed) totalling EUR 400 million. As at 31 December 2020, Neste's interest-bearing liabilities totalled EUR 1,307 million of which EUR 257 million was current interest-bearing liabilities. As at 31 December 2020, the average interest rate for interest-bearing liabilities was 1.9 per cent. and the average maturity was 2.1 years. As at 31 December 2020, 55 per cent. of Neste's interest-bearing liabilities consisted of bonds, 31 per cent. of lease liabilities, 10 per cent. of loans from financial institutions, and 4 per cent. of other interest-bearing liabilities. There were no financial covenants in Neste's current loan agreements as at 31 December 2020.

The following chart sets forth the repayment schedule of Neste's interest-bearing liabilities as at 31 December 2020 (EUR in millions, unaudited) for the periods indicated:



The following chart sets forth Neste's liquidity as at 31 December 2020 (EUR in millions, unaudited):



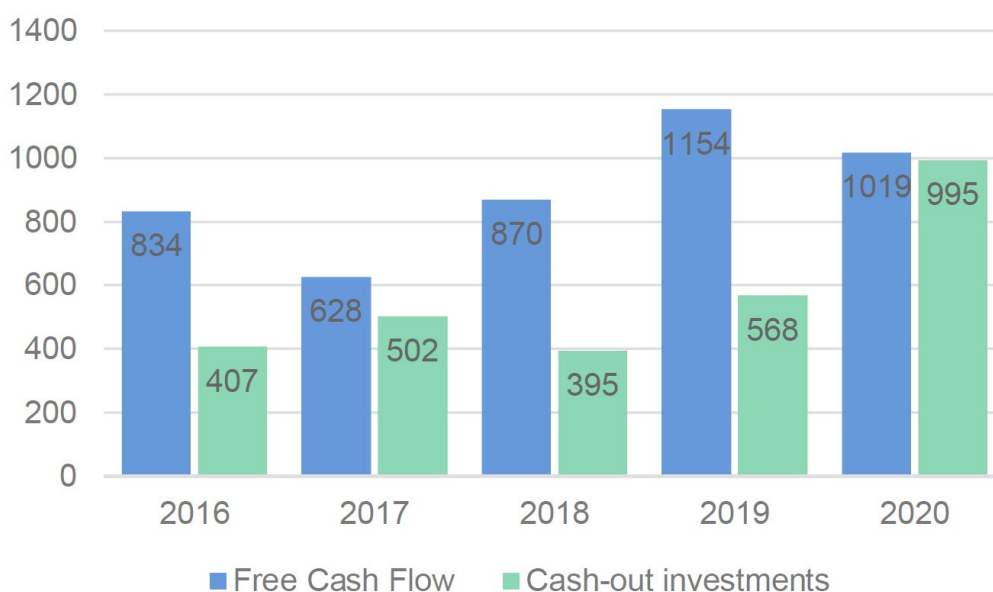
The following table sets forth certain financial information of Neste for the periods indicated:

EUR in millions (unless otherwise noted)

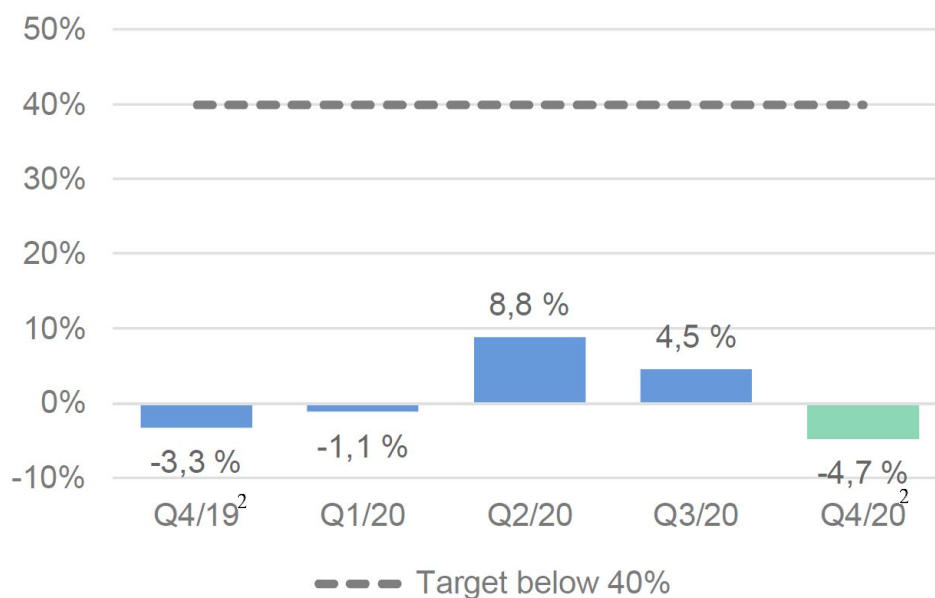
	<b>For the year ended 31 December</b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>
	<b>(unaudited, unless otherwise noted)</b>	
Revenue <sup>1</sup> .....	11,751	15,840
EBITDA .....	1,508	2,731
Operating profit <sup>1</sup> .....	828	2,229
Comparable operating profit <sup>1</sup> .....	1,416	1,962
Renewable Products <sup>1</sup> .....	1,334	1,599
Oil Products <sup>1</sup> .....	50	386
Marketing & Services <sup>1</sup> .....	68	77
Others (incl. eliminations) <sup>1</sup> .....	-36	-100
Profit before income taxes <sup>1</sup> .....	786	2,067
Profit for the period <sup>1</sup> .....	714	1,789
Comparable net profit.....	1,229	1,564
Basic earnings per share, EUR <sup>1</sup> .....	0.93	2.33
Comparable earnings per share, EUR .....	1.60	2.04
Capital expenditure and investments in shares <sup>1</sup> .....	1,197	890
Net cash generated from operating activities <sup>1</sup> .....	2,057	1,456
ROACE (per cent.).....	17.3	26.6
Leverage ratio (per cent.) <sup>1</sup> .....	-4.7	-3.3
Free cash flow (Cash flow before financing activities) <sup>1</sup> .....	1,019	1,154

<sup>1</sup> Audited.

The following chart sets forth Neste's free cash flow (cash flow before financing activities) (EUR in millions, audited) and cash-out investments (EUR in millions, unaudited) for the periods indicated:



The following chart sets forth Neste's leverage ratio<sup>1</sup> (per cent., unaudited, unless otherwise indicated) for the end of the periods indicated:



<sup>1</sup> Leverage ratio is calculated as a ratio of interest-bearing net debt to interest-bearing net debt plus total equity. Interest-bearing net debt is calculated as interest-bearing liabilities less cash and cash equivalents and current investments.

Interest-bearing liabilities were EUR 1,307 million as at 31 December 2020, EUR 1,275 million as at 30 September 2020, EUR 1,266 million as at 30 June 2020, EUR 1,286 million as at 31 March 2020 and EUR 1,322 million as at 31 December 2019.

Cash and cash equivalents were EUR 1,552 million as at 31 December 2020, EUR 944 million as at 30 September 2020, EUR 650 million as at 30 June 2020, EUR 1,325 million as at 31 March 2020 and EUR 1,493 million as at 31 December 2019.

Current investments were EUR 20 million as at 31 December 2020, EUR 35 million as at 30 September 2020, EUR 47 million as at 30 June 2020, EUR 24 million as at 31 March 2020 and EUR 19 million as at 31 December 2019.

Total equity was EUR 5,929 million as at 31 December 2020, EUR 6,315 million as at 30 September 2020, EUR 5,919 million as at 30 June 2020, EUR 6,088 million as at 31 March 2020 and EUR 5,922 million as at 31 December 2019.

<sup>2</sup> Audited.

## Alternative Performance Measures

This Prospectus includes certain financial measures, which, in accordance with the “Alternative Performance Measures” guidance issued by ESMA, are not accounting measures of historical financial performance, financial position and cash flows, defined or specified in IFRS and are, therefore, considered alternative performance measures. These alternative performance measures presented are (i) EBITDA, (ii) comparable operating profit, (iii) leverage ratio, (iv) return on average capital employed, after tax (ROACE), (v) comparable net profit, (vi) comparable earnings per share, and (vii) capital employed. For detailed calculation formulas of the above mentioned alternative performance measures, see “ – Calculation of Key Figures” below and the review by the board of directors for the year 2020 incorporated by reference into this Prospectus.

Neste presents alternative performance measures as additional information to financial measures presented in the consolidated statement of income, consolidated statement of financial position and consolidated cash flow statement prepared in accordance with IFRS. Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not calculate alternative performance measures in a uniform way and, therefore, the alternative performance measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies. Furthermore, these alternative performance measures may not be indicative of Neste’s historical results of operations and are not meant to be predictive of potential future results. The alternative performance measures presented in this Prospectus are unaudited unless otherwise stated. Accordingly, undue reliance should not be placed on the alternative performance measures presented in this Prospectus.

## Reconciliation of Certain Alternative Performance Measures

The following table sets forth the reconciliation between operating profit and comparable operating profit for the periods indicated:

EUR in millions	For the year ended 31 December	
	<u>(audited)</u>	
	<u>2020</u>	<u>2019</u>
<b>Comparable operating profit</b> .....	<b>1,416</b>	<b>1,962</b>
Inventory valuation gains/losses .....	-119	180
Changes in the fair value of open commodity and currency derivatives.....	-112	69
Capital gains and losses .....	-42	37
Impairments .....	<u>0</u>	<u>-11</u>
Other adjustments.....	-314	-7
<b>Operating profit</b> .....	<b>828</b>	<b>2,229</b>

The following table sets forth the reconciliation between comparable operating profit and comparable net profit for the periods indicated:

EUR in millions	For the year ended 31 December	
	<u>(audited, unless otherwise noted)</u>	
	<u>2020</u>	<u>2019</u>
<b>Comparable operating profit</b> .....	<b>1,416</b>	<b>1,962</b>
Total financial income and expenses.....	-41	-163
Income tax expense.....	-72	-278
Non-controlling interests.....	-2	-1
Tax on items affecting comparability <sup>1</sup> .....	<u>-71</u>	<u>43</u>
<b>Comparable net profit<sup>1</sup></b> .....	<b>1,229</b>	<b>1,564</b>

<sup>1</sup> Unaudited.

The following table sets forth the reconciliation of return on average capital employed after tax (ROACE), per cent. for the periods indicated:

EUR in millions (unless otherwise noted)	As at and for the year ended 31 December <b>(unaudited, unless otherwise noted)</b>	
	<b>2020</b>	<b>2019</b>
Comparable operating profit last 12 months <sup>1</sup> .....	1,416	1,962
Financial income <sup>1</sup> .....	4	10
Exchange rate and fair value gains and losses <sup>1</sup> .....	0	-64
Income tax expense <sup>1</sup> .....	-72	-278
Tax on other items affecting ROACE.....	-77	35
Comparable net profit, net of tax, for ROACE.....	<u>1,271</u>	<u>1,666</u>
Capital employed, average 5 quarter end values		
Total equity, average 5 quarter end values.....	6,035	4,991
Non-current interest-bearing liabilities, average 5 quarter end values.....	1,065	1,018
Current interest-bearing liabilities, average 5 quarter end values.....	227	267
Capital employed, average 5 quarter end values.....	<u>7,326</u>	<u>6,275</u>
<b>Return on average capital employed after tax (ROACE), per cent.....</b>	<b>17.3</b>	<b>26.6</b>

<sup>1</sup> Audited.

### Calculation of Key Figures

<b><u>Key figure</u></b>	<b><u>Calculation</u></b>	<b><u>Reason for use</u></b>
<b>EBITDA</b>	Operating profit + depreciation, amortization and impairments	EBITDA is an indicator to measure the operational performance and cash flow generation of the group and its businesses.
<b>Comparable operating profit</b>	Operating profit –/+ inventory valuation gains/losses –/+ changes in the fair value of open commodity and currency derivatives –/+ capital gains/losses – insurance and other compensations + impairments –/+ other adjustments	Comparable operating profit reflects Neste's underlying operational performance. <sup>1</sup>
<b>Items affecting comparability</b>	Inventory valuation gains/losses, changes in the fair value of open commodity and currency derivatives, capital gains/losses, insurance and other compensations, impairments and other adjustments	Items affecting comparability are linked to unpredictability events of a significant nature that do not form part of normal day-to-day business
<b>Comparable net profit</b>	Comparable operating profit – total financial income and expense – income tax expense – non-controlling interests – tax on items affecting comparability	Comparable net profit is the basis for Neste's dividend policy. Dividend distribution is one element in the company's cash allocation.
<b>Comparable earnings per share</b>	Comparable net profit / Weighted average number of shares outstanding during the period	-

<b>Capital employed</b>	Total equity + interest bearing liabilities	Capital employed is primarily used to determine the return on average capital employed (ROACE) which is Neste's key financial target.
<b>Return on average capital employed, after-tax (ROACE) (per cent.)</b>	$100 \times \frac{\text{Comparable operating profit + financial income + exchange rate and fair value gains and losses - income tax expense - tax on other items affecting ROACE, last 12 months}}{\text{Capital employed average, 5 quarters end values}}$	Return on average capital employed after-tax (ROACE) is one of Neste's key financial targets. It is a long-term over the cycle indicator measuring the group's profitability and efficiency of capital usage.
<b>Interest-bearing net debt</b>	Interest-bearing liabilities - cash and cash equivalents - current investments	Interest-bearing net debt is an indicator to measure the total external debt financing of the group.
<b>Leverage ratio (per cent.)</b>	$100 \times \frac{\text{Interest-bearing net debt}}{\text{Interest-bearing net debt + total equity}}$	Leverage ratio is one of Neste's key financial targets. It provides useful information regarding the group's capital structure and financial risk level.

<sup>1</sup> In the business environment where Neste operates, commodity prices and foreign exchange rates are volatile and can cause significant fluctuations in inventory values and operating profit. Comparable operating profit eliminates both the inventory valuation gains/losses generated by the volatility in raw material prices and changes in open derivatives, and better reflects the company's underlying operational performance. Also, it reflects Neste's operational cash flow, where the change in operating profit caused by inventory valuation is mostly compensated by changing net working capital. Items affecting comparability are linked to unpredictability events of a significant nature that do not form part of normal day-to-day business. They include, among other things, impairment losses and reversals, gains and losses associated with the combination or termination of businesses, restructuring costs, and gains and losses on the sales of assets. Only items having an impact of more than EUR 1 million on Neste's result will be classified as items affecting comparability.

## Investments

The following table sets forth Neste's capital expenditure and investments in shares during the periods indicated:

	<b>For the year ended 31 December</b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>
	<b>EUR in millions</b>	
	<b>(audited)</b>	
Renewable Products .....	804	424
Oil Products .....	307	373
Marketing & Services .....	26	37
Other .....	60	56
Eliminations .....	<u>0</u>	<u>0</u>
Total .....	<u>1,197</u>	<u>890</u>

In 2021, Neste's total cash-out capital expenditure is estimated to be at EUR 1.2 billion (excluding M&A).

The following table sets forth Neste's cash-out investments for the periods indicated:

	2020	For the year ended 31 December			2016
		2019	2018	2017	
		(unaudited)			
		(EUR in millions)			
Maintenance investments .....	190	260	253	214	148
Productivity and strategic investments .....	<u>805</u>	<u>307</u>	<u>142</u>	<u>288</u>	<u>259</u>
Total cash-out investments .....	<u>995</u>	<u>568</u>	<u>395</u>	<u>502</u>	<u>407</u>

### Currency Impact

Neste operates worldwide and carries out business in several currencies and is, therefore, exposed to fluctuations in currency exchange rates. Currency exchange rate fluctuation of +/- 10 per cent. in the EUR/USD exchange rate, excluding hedges, may have a -224/+274 EUR million estimated impact on Neste's operating profit in the financial year 2021 assuming normal market and certain operating conditions and assumptions. In addition, assuming currency exchange rate fluctuation of +/- 10 per cent. in the EUR/USD exchange rate, sensitivity to market risk arising from financial instruments as required by IFRS 7 may have a +83/-101 EUR million impact on income statement and +152/-151 EUR million impact on equity. See "*Risk Factors – Currency exchange rate fluctuations may have a material adverse effect on Neste*".

### Share Capital and Major Shareholders

As at the date of the Prospectus, the paid-in share capital of Neste is EUR 40 million and comprises 769,211,058 shares. As at 28 February 2021, the ten largest shareholders of Neste were:

	Number of shares	Holding (per cent.)
Prime Minister's Office .....	276,213,495	35.91
The Finnish Climate Fund (earlier Vake Oy) .....	63,894,123	8.31
Varma Mutual Pension Insurance Company .....	10,450,615	1.36
The Finnish Social Insurance Institution, KELA .....	7,945,272	1.03
Ilmarinen Mutual Pension Insurance Company .....	5,505,500	0.72
The City of Kurikka .....	4,652,625	0.60
Elo Mutual Pension Insurance Company .....	2,821,799	0.37
The State Pension Fund .....	2,500,000	0.33
Schweizerische Nationalbank .....	2,097,348	0.27
OP-Finland .....	<u>1,458,758</u>	<u>0.19</u>
<b>10 largest owners total</b> .....	377,539,535	49.08
<b>Nominee registrations</b> .....	307,439,526	39.97
<b>Others</b> .....	<u>84,231,997</u>	<u>10.95</u>
<b>Number of shares, total</b> .....	<u>769,211,058</u>	<u>100.00</u>

As at 28 February 2021, the State (acting through the Prime Minister's Office and The Finnish Climate Fund) held 44.2 per cent. of the shares and voting rights in Neste and thus controls it. The remaining 55.8 per cent. of shares were widely held. The State exercises its ownership according to the State Shareholdings and Ownership Steering Act (1368/2007, as amended) (the "**Ownership Steering Act**"). According to the Ownership Steering Act, Neste is a 'state associated company'. This means, among other things, that consent of the Parliament would be required for relinquishing the State's ownership to 1/3 or below in Neste.

In the Government Resolution on State Ownership Policy dated 3 November 2011 (the "**Resolution of 2011**") certain state majority owned companies, including Neste, are considered to be companies in which the State has strategic interests relating to, for example, the security of supply, the maintenance and protection of the infrastructure and national defence. Pursuant to the Resolution of 2011, as a state majority-owned company operating on a commercial basis in a competitive environment, Neste has to operate on the same terms as its competitors and in a manner whereby its ownership arrangement does not distort competition. In accordance with this policy of competitive neutrality set forth in the Resolution of 2011, the operating principles, financial structure and return targets of state-majority owned companies operating on a commercial basis must be comparable with those of other companies engaged in the same field of activity.



Even so, such companies are required to give due consideration to the justified expectations arising from state ownership regarding responsible operations in compliance with the principles of sustainability.

According to the Resolution of 2011, strategic state interests may also extend to commercial companies operating in markets open to competition. More specifically, such strategic interests relate to the security of supply, the maintenance and protection of the infrastructure, and national defence. Additionally, while the companies may have obligations to provide certain basic services, they must clearly follow generally accepted business practices. With such companies, the goal of ownership steering is to achieve the best possible overall financial result at any given time. This is evaluated in terms of profitability and long-term growth in shareholder value. When ownership is evaluated, due consideration is given to the cost effects arising from the State's strategic interests and the maintenance of the level of control required to safeguard such interests.

According to the Government Resolution on State Ownership Policy dated 8 April 2020 (the "**Resolution of 2020**"), state-owned companies are required to take into account the Government's objective of a carbon neutral Finland by 2035 and the goals of the Paris Climate Convention to limit the rise in global temperature to 1.5 degrees. Further, state-owned companies are required to integrate corporate social responsibility into their business operations and pursue a goal-oriented corporate social responsibility policy.

Pursuant to the Resolution of 2020, in managing its corporate assets, the State seeks to maximise overall social and financial benefits. The social benefits are derived from due consideration of the social factors within the ownership policy and steering. Responsible business is part of this overall social benefit, and the State expects companies to act responsibly. The financial benefit generated by companies consists of a long-term increase in value and dividends. With regard to the financial benefit, the objective is to achieve sustained profitable growth and an increase in shareholder value.

### **Legal and Arbitration Proceedings**

Neste may become involved from time to time in claims and legal proceedings arising in the ordinary course of its business. At the date of this Prospectus, there are no legal, arbitration or administrative proceedings (including any proceedings which are pending or threatened of which Neste is aware) against or affecting Neste or any of its subsidiaries which may have or may have had in the past 12 months a significant effect on Neste and/or on the financial position or profitability of Neste, as a whole.


### **Significant Changes or Material Adverse Changes**

There has been no significant change in the financial performance or the financial position of Neste since 31 December 2020 and no material adverse change in the prospects of Neste since 31 December 2020.

## GREEN FINANCE FRAMEWORK

Neste launched a green finance framework (the “**Green Finance Framework**”) in March 2021 focusing on development and investments in renewable and circular solutions with the purpose of reducing greenhouse gas emissions globally. The Notes are issued as part of the Green Finance Framework which provides that the Notes will be used to finance or refinance eligible assets and projects (“**Eligible Assets and Projects**”) that have been evaluated and selected by Neste in accordance with the Green Finance Framework. Refinancing of Eligible Assets and Projects will have a look-back period of no longer than 3 years from the time of issuance, to the extent relevant. Pursuant to the Green Finance Framework, the net proceeds of the Notes will not be used to finance or refinance investments that utilise fossil-based raw materials or that are associated with environmentally negative resource extraction.

The following table sets forth the use of proceeds for each of the Eligible Asset(s) and Project(s) and represents a summary of information contained in the Green Finance Framework:

Green Bond Principles Categories	Description of projects/assets	UN Sustainable Development Goals Mapping
Eco-efficient and circular economy adapted products, production technologies and processes	<p><b>Renewable and circular solutions</b></p> <p>Neste aims to reduce customers’ greenhouse gas emissions with its renewable and circular solutions by at least 20 million tonnes CO<sub>2</sub>e annually by 2030. Proceeds will be used to finance the development, operations, maintenance and expansion of renewable and circular solutions to reduce greenhouse gas emissions. The environmental objectives targeted with proceeds allocated relate to the reduction of the carbon emissions by the expansion and development of Neste’s renewable products production capacity which provides a sustainable and a direct drop-in alternative to fossil fuels and products.</p> <p><u>Investments in Renewable and Circular solutions</u></p> <p>Investments in renewable product refineries for production of renewable diesel, sustainable aviation fuel and raw materials for various polymers and chemical materials. All of Neste’s renewable production refineries are International Sustainability &amp; Carbon Certification (ISCC) certified or approved by the United States Environmental Protection Agency (EPA).</p> <p>Examples of projects in this category:</p> <p>Expansion of renewable products refinery in Singapore, ramp-up of sustainable aviation fuel, expansion of Neste My Renewable Diesel, Rotterdam sustainable aviation fuel feasibility study, acquisition and/or expansion in renewable pretreatment capacity, facilities and terminal infrastructure.</p> <p><u>R&amp;D investments related to Renewable and Circular solutions</u></p> <p>R&amp;D and investments to further develop Neste’s solutions portfolio for more sustainable transport, aviation, and chemical sectors. Focus is on scalable and sustainable waste carbon and required technologies.</p> <p>Examples of projects in this category:</p> <p>Renewable fuels project in La Tuque, Quebec, pilot projects for scalable feedstocks for aviation fuels.</p>	

Neste has designed and implemented a process to ensure that only projects aligned with the criteria set out in the Green Finance Framework will be selected as Eligible Assets and Projects for its Green Debt issuance, including the Notes. To oversee the process, a green finance committee (“**Green Finance Committee**”) has been established with members from Neste’s management, treasury and sustainability. The representative of the finance is the chair of the Green Finance Committee and the representative of sustainability holds a veto.

The Green Finance Committee follows the below process when selecting and evaluating projects for the Eligible Assets and Projects.

1. Neste Investment Committee, chaired by Neste's CEO, will inform the Green Finance Committee of potential assets and projects to be included in the Green Debt Register (as defined below).
2. The Green Finance Committee evaluates eligibility of the potential assets and projects according to eligibility criteria in accordance with the Green Finance Framework and removes assets and projects that do not meet the criteria.
3. The Green Finance Committee verifies the eligibility of the potential assets and projects and makes the final approval after the potential projects have been approved by the Neste Investment Committee and/or Neste's Board of Directors.

Neste's Green Finance Framework is based on the Green Bond Principles (updated as of June 2018) published by the International Capital Markets Association ("ICMA") and the Green Loan Principles (updated as of May 2020) published by the Loan Market Association, Asia Pacific Loan Market Association and the Loan Syndications and Trading Association.

Neste has engaged CICERO Shades of Green ("CICERO") to act as an external verifier of the Green Finance Framework and the Eligible Projects and Assets, and CICERO has provided a second party opinion. CICERO has given Neste's Green Finance Framework the rating CICERO Medium Green. This rating takes into account the governance structure of the Green Finance Framework. CICERO has rated the governance procedure in the Green Finance Framework as excellent.

Neste will establish a green debt register (the "**Green Debt Register**") in relation to green debt issued by Neste ("**Green Debt**"), including the Notes, for the purpose of monitoring the Eligible Assets and Projects and the allocation of the net proceeds from Green Debt to Eligible Assets and Projects. Neste will over the duration of the outstanding Green Debt build up and maintain an aggregate amount of Eligible Asset and Projects in the Green Debt Register that is at least equal to the aggregate net proceeds of all outstanding Green Debt.

There may be periods when the total outstanding net proceeds of the Notes exceed the value of the Eligible Assets and Projects in the Green Debt Register. Any such portion will be held in accordance with Neste's normal liquidity management policy.

The Green Debt Register will form the basis for the impact and allocation reporting. Neste will annually publish a report on the allocation and impact of instruments issued under the Green Finance Framework. Where relevant, Neste will seek to align the reporting with the latest standards and practices as identified by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Bond Impact Reporting. The impact report will, to the extent feasible, also include a section methodology, baselines and assumptions used in impact calculations.

#### ***Allocation Report***

The allocation report will, to the extent feasible, include the following components:

- A list of all Eligible Assets and Projects funded including amounts allocated;
- Descriptions and case studies of selected Eligible Assets and Projects financed; and
- Amounts invested in each category as defined in the Use of Proceeds section and the relative share of new financing versus refinancing

#### ***Impact Report***

Neste will report on the actual environmental impact of the investments financed by Green Debt. If an actual impact for some reason is not observable, or unreasonably difficult to source, an estimated impact will be reported.

The impact indicators may vary with investment categories, as defined in this Green Finance Framework. The impact metrics selected may include the following elements relating to:

- Eco-efficient and circular economy adapted products, production technologies and processes:

- Annual CO<sub>2</sub> emissions avoided through the use of products; and
- Amount of fossil-based raw materials avoided/replaced.

Neste may choose to report the impact and allocation of other Green Debt directly, and non-publicly, to the lenders or counterparts. For the avoidance of doubt Neste will clarify, and specifically outline, if an Eligible Asset or Project has been financed by several Green Debt instruments.

## SUMMARY OF RECENT DISCLOSURES

*The following summary sets forth information disclosed by Neste pursuant to the Market Abuse Regulation (EU) No 596/2014 (“MAR”) over the last 12 months preceding the date of this Prospectus, which is to Neste’s knowledge still relevant as at the date of this Prospectus.*

*The summary does not discuss periodic financial reporting nor other disclosure obligations not pertaining to the MAR or the rules of Helsinki Stock Exchange. Therefore, the summary is not exhaustive and does not discuss all stock exchange releases issued by Neste during the above-mentioned period of time.*

### **Changes in, and Proposals of, the Shareholders’ Nomination Board**

#### ***Neste’s Shareholders’ Nomination Board appointed***

On 14 September 2020, Neste announced that the following members have been appointed to its Shareholders’ Nomination Board: The Chair, Director General Kimmo Viertola of the Ownership Steering Department in the Prime Minister’s Office of Finland; Deputy CEO, Investments Reima Rytölä of Varma Mutual Pension Insurance Company; Director General Outi Antila of the Social Insurance Institution of Finland and Matti Kähkönen, the Chair of Neste’s Board of Directors.

#### ***Proposals of the Shareholders’ Nomination Board to Neste’s Annual General Meeting***

On 29 January 2021, Neste announced that the Shareholders’ Nomination Board proposes to the Annual General Meeting (“AGM”) to be held on 30 March 2021 that (i) Mr. Matti Kähkönen shall be re-elected as the Chair of the Board of Directors, (ii) the current members of the Board are proposed to be re-elected for a further term of office and that (iii) Mr. Marco Wirén shall be re-elected as the Vice Chair of the Board.

Further, subject to the approval of the AGM of a proposal for amending Neste’s Articles of Association to the effect that the maximum number of members of the Board of Directors is increased from eight to ten, the Nomination Board proposes that the Board of Directors shall have nine members and that Mr. John Abbott shall be elected as a new member. The Nomination Board has simultaneously requested the Board of Directors to propose to the AGM that the Articles of Association are amended as set out above.

### **Share Issues and Incentive Plan**

#### ***Payment of share rewards based on the share-based incentive program as a directed share issue of own shares of the company without consideration***

On 4 February 2021, Neste announced that the Board of Directors had confirmed the maximum number of shares, 270,000 shares, earned based on the earning period 2018-2020 of the share-based incentive program which commenced in 2016 for the company’s key personnel and resolved on the payment of the share rewards earned based on said earning period. The recipients of the above share rewards comprise 106 key persons.

The share rewards are paid by transferring own shares held by Neste without consideration to the participants (directed share issue without consideration). The share rewards are aimed to be paid by 31 March 2021. The final number of shares to be transferred will be determined based on the terms and conditions of the incentive program by 31 March 2021.

#### ***Neste’s Board of Directors decided on a new plan period within the share-based long-term incentive scheme for key employees***

On 11 December 2020, Neste announced that the Board of Directors of Neste had approved the commencement of a new plan period within the share-based long-term incentive scheme for Neste’s key employees. The scheme comprises a Performance Share Plan (also “PSP”) targeted to Neste’s management and selected key employees and a Restricted Share Plan (also “RSP”) which serves as a complementary structure for specific situations. Neste originally announced the establishment of the long-term incentive scheme on 11 December 2018.

### ***PSP 2021-2023***

Similarly to earlier plan periods, relative total shareholder return (TSR) of Neste's share is set as a performance measure in the PSP 2021-2023. In addition to drive Neste's strategy and leadership in sustainability, the Board of Directors has set Neste's Combined GHG Impact as a new performance measure. The Combined GHG Impact includes GHG emission reductions achieved with Neste renewable products by customers (GHG Handprint of Renewable Products) and GHG emissions from Neste production (Production GHG Footprint). If the performance targets set for PSP 2021-2023 are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 230,000 shares. This number of shares represents a gross earning, from which the applicable payroll tax is withheld and the remaining net value is paid to the participants in shares.

### ***RSP 2021-2023***

The purpose of the RSP is to serve as a complementary long-term retention tool for individually selected key employees of Neste in specific situations. The aggregate maximum number of shares to be paid based on RSP 2021-2023 is 23,000 shares. This number of shares represents a gross earning, from which the applicable payroll tax is withheld and the remaining net value is paid to the participants in shares.

### ***Other terms***

Neste applies a share ownership policy to the members of Neste's Executive Committee. According to this policy each member of Neste's Executive Committee is expected to retain in his/her ownership at least half of the shares received under the share-based incentive programs of the company until the value of his/her share ownership in Neste corresponds to at least his/her annual gross base salary.

### **Neste's Board of Directors Decides on Payment of Second Dividend Instalment**

Neste's AGM, held on 18 May 2020, made decisions on Neste's dividend distribution and authorised the Board of Directors to decide, in its discretion, on the payment of a second dividend instalment in a maximum amount of EUR 0.56 per share, consisting of ordinary dividend of EUR 0.46 per share and extraordinary dividend of EUR 0.10 per share.

On 22 October 2020, Neste announced that after having considered the impact of the COVID-19 on the markets and Neste's financials, the Board of Directors decided on 22 October 2020 upon the payment of a second instalment of the dividend, EUR 0.56 per share, consisting of ordinary dividend of EUR 0.46 and extraordinary dividend of EUR 0.10 per share. The second instalment of the dividend was paid on 2 November 2020.

### **The Annual General Meeting of Neste**

On 5 February 2021, Neste announced that its AGM will be held on 30 March 2021 and that the following matters, among other things, will be discussed and decided at the AGM:

- the Board of Directors proposes to the AGM that a dividend of EUR 0.80 per share be paid on the basis of the approved balance sheet for 2020 which shall be paid in two instalments;
- the Board of Directors proposes, on the recommendation of the Audit Committee, that the AGM would elect KPMG Oy Ab, Authorized Public Accountants, as Neste's auditor;
- the Board of Directors proposes that the AGM should authorize the Board of Directors to decide on the purchase of and/or take as security a maximum of 23,000,000 Neste shares (equivalent to approximately 2.99 per cent. of Neste's total shares) using Neste's unrestricted equity; and
- the Board of Directors proposes certain amendments to the Articles of Association of Neste concerning, among other things, the company's auditors, the notice to the general meeting of shareholders, and the maximum number of members of the Board of Directors.

## FINNISH TAXATION

*The following summary is based on the tax laws of Finland as in effect on the date of this Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary is not exhaustive and does not take into account or discuss the tax laws of any country other than Finland. Prospective investors are advised to consult their own professional tax advisors as to the tax consequences relating to investment in the Notes. Listed Notes are not subject to Finnish transfer tax (Varainsiirtoverolaki 931/1996, as amended).*

### Individuals

If the recipient of interest paid on the Notes is an individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident, such interest is, when paid by the Issuer or securities dealer (i.e., a Finnish financial institution making the payment), subject to an advance withholding tax in accordance with the Finnish Withholding Tax Act (*Ennakkoperintälaki* 1118/1996, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (*Tuloverolaki* 1535/1992, as amended). The current withholding tax and capital income tax rate is 30 per cent. Should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 per cent. on the amount that exceeds the EUR 30,000 threshold. However, advance tax withholdings will still be made at the rate of 30 per cent.

If Notes are disposed of during the loan period, any capital gain as well as accrued interest received (secondary market compensation) is taxed as capital income. The Issuer or a securities dealer (i.e., a Finnish financial institution making the payment) must deduct an advance withholding tax from the secondary market compensation paid to an individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident.

Capital losses are primarily deductible from capital gains arising in the same year. Any capital losses that cannot be used to offset capital gains in the same year can then be applied against other capital income in the same year. Any remaining unused capital losses can finally be carried forward for five years and used in the same manner as described above.

If Notes are acquired in the secondary market, any accrued interest paid (secondary market compensation) is deductible from the capital income or, to the extent exceeding capital income, from earned income subject to the limitations of the Finnish Income Tax Act.

### Corporate Entity or Partnership

Interest paid to Finnish corporate entities (other than non-profit associations) and to Finnish partnerships is deemed to be taxable income of the recipient of interest. Any gain or loss realised following a disposal of the Notes will be taxable income or a tax deductible loss for the relevant Noteholder. The current tax rate for corporate entities is 20 per cent. Interest paid to such Noteholders is not subject to any withholding tax.

### Non-Finnish Resident Noteholders

Noteholders who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland should not be subject to Finnish taxes on interest or gains realised on the sale or redemption of the Notes. Interest payments made by the Issuer or a securities dealer (i.e., a Finnish financial institution making the payment) to Noteholders who are not resident in Finland for tax purposes may, however, be subject to Finnish withholding tax, unless the identity of the Noteholders can be appropriately established. Investors who are in any doubt as to their position should consult their professional advisers.

## SELLING RESTRICTIONS

### General

Each Joint Lead Manager has represented, warranted and undertaken to the Issuer that it has complied, and will comply to the best of its knowledge and belief with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers (or has offered), sells or delivers Notes or has in its possession or distributes (or has distributed) the Prospectus or any related offering material, in all cases at its own expense.

### United States

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Issuer has represented, warranted and undertaken to each of the Joint Lead Managers that:

- (a) *No registration under the Securities Act*: neither the Issuer nor any of its Affiliates nor any person acting on behalf of any of the foregoing (excluding the Joint Lead Managers and their Affiliates and any person acting on their behalf, as to which no representation or warranty is made) has offered or sold, or will offer or sell, any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act;
- (b) *No directed selling efforts*: neither the Issuer nor any of its Affiliates nor any person acting on behalf of any of the foregoing (excluding the Joint Lead Managers and their Affiliates and any person acting on their behalf, as to which no representation or warranty is made) has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes;
- (c) *Offering restrictions*: the Issuer and its Affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act;
- (d) *Foreign Issuer*: the Issuer is a “foreign issuer” (as defined in Regulation S); and
- (e) *Offering restrictions*: the Issuer, its Affiliates and any person acting on behalf of the foregoing (excluding the Joint Lead Managers and their Affiliates and any person acting on their behalf, as to which no representation is made) have complied and will comply with the offering restrictions requirement of Regulation S.

Each Joint Lead Manager:

- (a) *Offers/sales only in accordance with Regulation S*: has represented, warranted and undertaken to the Issuer that it has offered and sold the Notes, and will offer and sell the Notes only in accordance with Rule 903 of Regulation S;
- (b) *No directed selling efforts*: has represented, warranted and undertaken to the Issuer that neither it nor any of its Affiliates (including any person acting on behalf of such Joint Lead Manager or any of its Affiliates) has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes;
- (c) *Offering restrictions*: has represented, warranted and undertaken to the Issuer that it and its Affiliates have complied and will comply with the offering restrictions requirement of Regulation S;
- (d) *Prescribed form of confirmation*: has undertaken to the Issuer that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the distribution compliance period a confirmation or notice in substantially the following form:

“The securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of



the distribution of Notes, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

For the purposes of this provision, the expression Affiliate has the meaning given to it in Rule 501(b) of Regulation D under the Securities Act.

### **European Economic Area**

In relation to each Member State of the European Economic Area, each Joint Lead Manager has represented, warranted and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus to the public in any Member State, except that it may make an offer of Notes to the public in that Member State:

- (a) *Qualified investors*: to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) as permitted under the Prospectus Regulation subject to obtaining the prior consent of the relevant Joint Lead Manager or Joint Lead Managers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Notes shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **United Kingdom**

Each Joint Lead Manager has represented, warranted and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus in relation thereto to the public in the UK, except that it may make an offer of such Notes to the public in the UK:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150 persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Joint Lead Manager or Joint Lead Managers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Notes shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, each Joint Lead Manager has represented, warranted and undertaken that:

- (a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning

of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

## **INFORMATION INCORPORATED BY REFERENCE**

The following documents are incorporated by reference into this Prospectus. They have been published on Neste's website at <https://www.neste.com/investors/materials>.

<b>Document</b>	<b>Information by reference</b>
Annual report 2020, pages 112–212	Audited financial statements and review by the Board of Directors for the year 2020
Annual report 2020, pages 213–217	Auditor's Report for the financial year ended 31 December 2020
Financial Statements Release 2020	Unaudited consolidated financial statements release as at and for the financial year ended 31 December 2020, pages 1 to 46
Annual report 2019, pages 105–206	Audited financial statements and review by the Board of Directors for the year 2019
Annual report 2019, pages 207–212	Auditor's Report for the financial year ended 31 December 2019

## **DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION**

In addition to the documents incorporated by reference into this Prospectus, Neste's Finnish language Articles of Association and extract from the Finnish Trade Register may be inspected at the head office of Neste, Keilaranta 21, 02150 Espoo, Finland on weekdays within regular business hours. In order to ensure best possible service, persons wishing to examine the documents referred to in this section are kindly requested to notify Neste of their visit in advance by telephone +358 10 45811.

Neste publishes annual reports, including audited consolidated financial statements, quarterly interim financial information and other information as required by the Finnish Securities Market Act and the rules of the Helsinki Stock Exchange. As at the date of this Prospectus, all annual reports, interim reports and stock exchange releases are published in Finnish and English. Such information will be available on Neste's website at [www.neste.com](http://www.neste.com).

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