2015

ST1 NORDIC

ANNUAL REPORT 2015 • ST1 NORDIC OY

Contents

St1 Nordic in Brief

St1 is a Finnish energy company that operates in the Nordic countries. In our operations we implement our vision to be the leading producer and seller of CO_2-aware energy. We research and develop economically viable, environmentally sustainable energy solutions. Our goal is to increasingly replace fossil energy imports with domestic renewable options.

St1 Nordic group operates in three business segments:

Retail Station Operations

- The liquid fuel distribution network provides services in Finland, Sweden and Norway
- In all, 1,443 St1 and Shell stations: unmanned and service stations as well as HGV sites
- Increasingly environmentally friendly liquid fuel products and high-quality services for customers

Direct Sales

- A wide range of energy products and services for both private and corporate customers
- Premium class heating oils and liquid fuels for machinery
- Marine fuels
- Fuel cards for private and corporate use

Renewable Energy

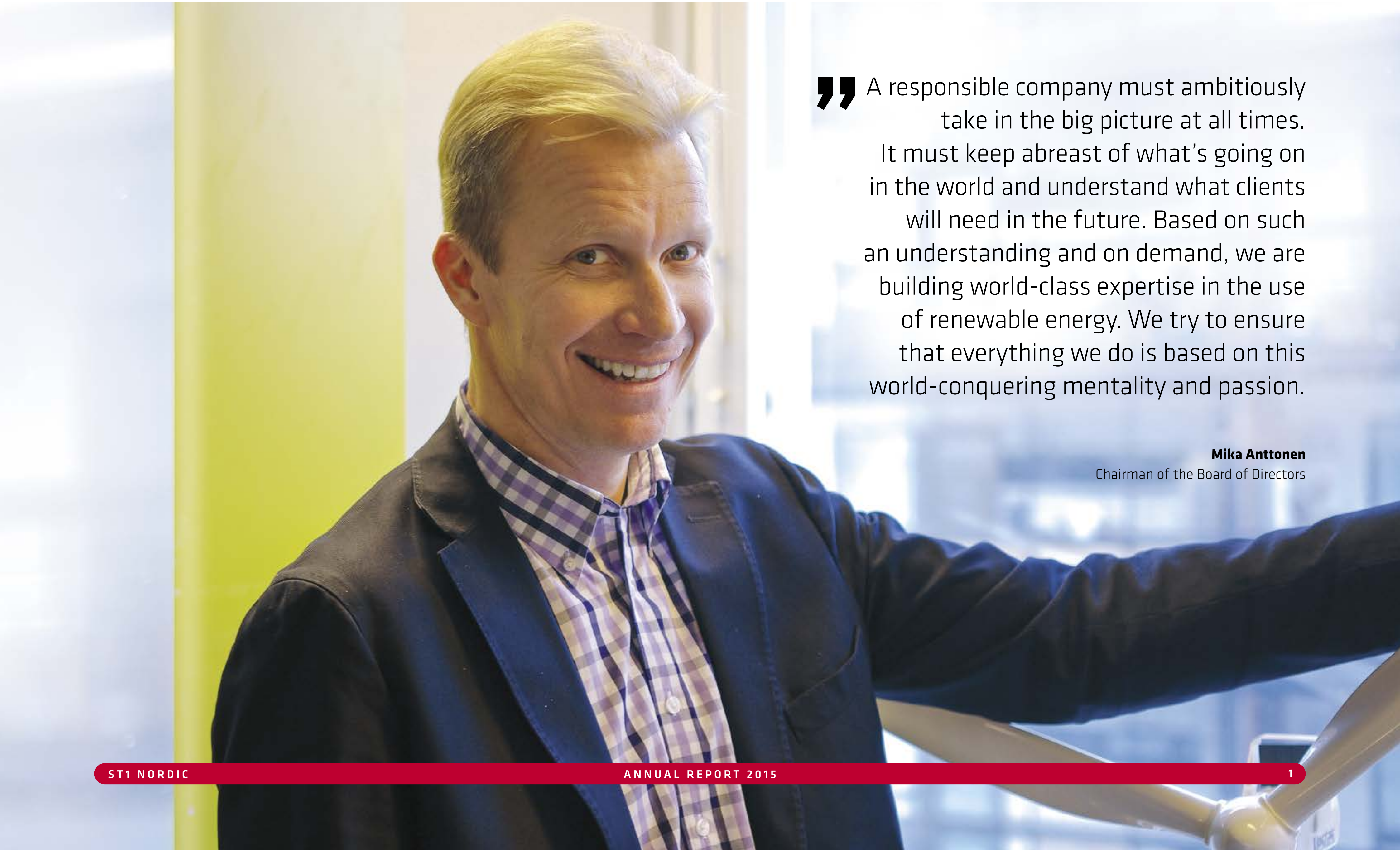
- Advanced biofuels for traffic
- Production of clean electricity from wind power
- Renewable, pollution-free geothermal heat production
- Ground source heating solutions

The sister group St1 Group focuses on oil refining.

St1's head office is in Helsinki, and altogether we employ approximately 500 people in Finland, Sweden and Norway.

Our operations are strengthened by strategic long-term partnerships in various areas.

The level of our wind power production enables us to compensate the fossil emissions of the energy we need for the functions of our both sister groups.



" A responsible company must ambitiously take in the big picture at all times. It must keep abreast of what's going on in the world and understand what clients will need in the future. Based on such an understanding and on demand, we are building world-class expertise in the use of renewable energy. We try to ensure that everything we do is based on this world-conquering mentality and passion.

Mika Anttonen
Chairman of the Board of Directors

The positive financial development of our traditional business enables growing investments in the production of renewable energy

VISION

Leading producer and seller of CO_2-aware energy

NET SALES (MEUR)	2014	2015
	3,848	3,602

PROFIT FOR THE PERIOD (MEUR)	2014	2015
	57.0	72.4

RETURN ON EQUITY (%)	2014	2015
	24.0	28.0

NET SALES BY BUSINESS SEGMENTS

RETAIL STATIONS (MEUR)	2014	2015
	2,537	2,341

DIRECT SALES (MEUR)	2014	2015
	1,275	1,224

RENEWABLE ENERGY (MEUR)	2014	2015
	36	37

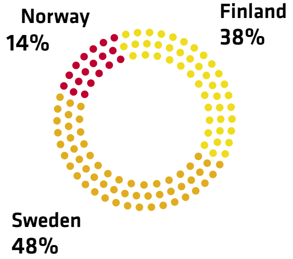
The income statement figures 2014 are based on the pro forma figures published in the financial statement.

KEY FIGURES 2015

NET SALES, MEUR

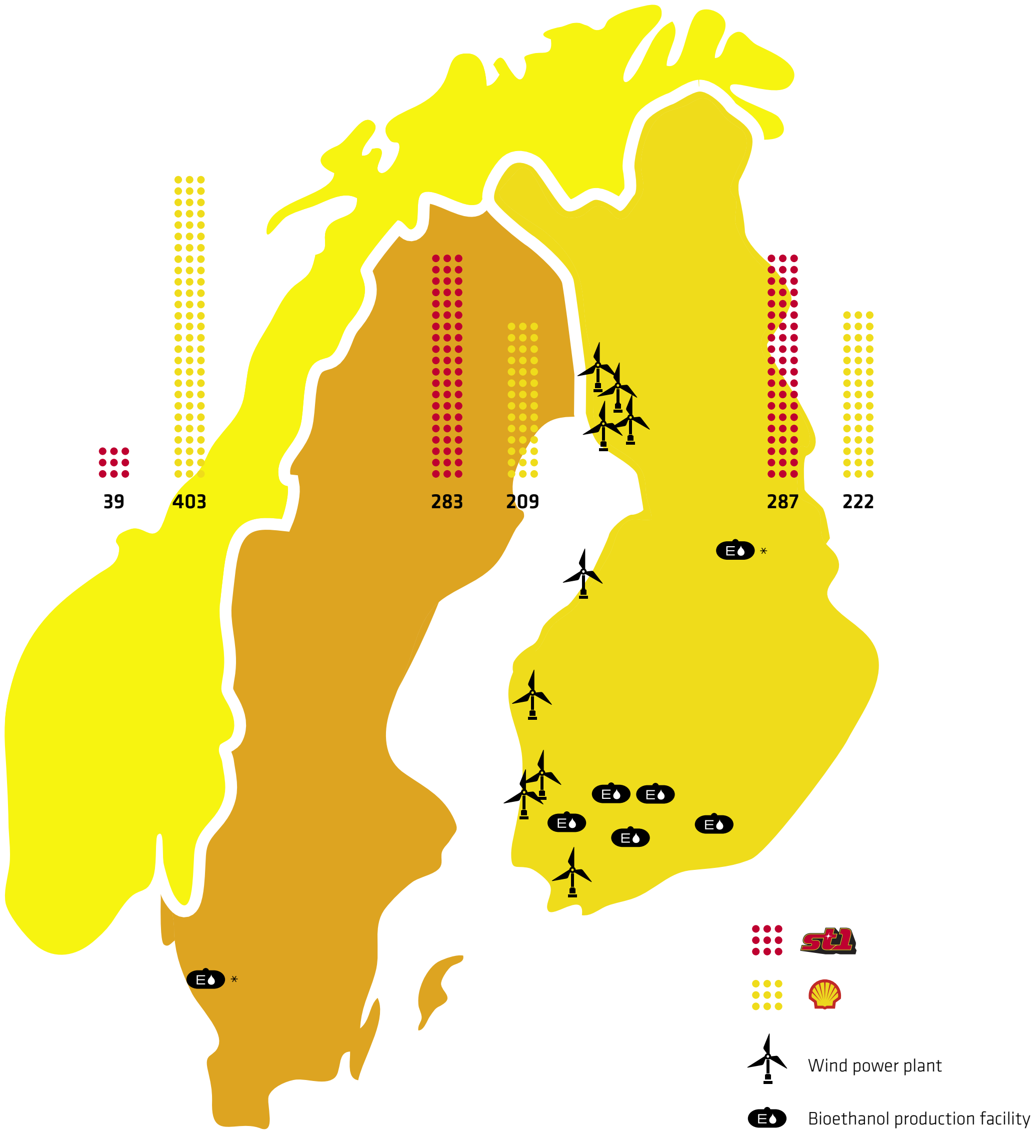
3,602.4

NET SALES BY COUNTRY



INVESTMENTS IN TANGIBLE AND INTANGIBLE ASSETS, MEUR

23.9



MARKET SHARE

FINLAND

Petrol	22.0%
Diesel	19.1%
Light fuel oil	22.2%

SWEDEN

Petrol	21.7%
Diesel	15.5%
Light fuel oil	29.8%

NORWAY

Petrol	28.9%
Diesel	24.4%
Light fuel oil	14.7%

* Owned by North European Bio Tech Oy (NEB), an associated company of St1 and SOK Corporation, Kajaani under construction.

St1's year 2015

APRIL

14.4.

The inauguration of Tuuliwatti's wind farm in Tornio

20.4.

St1 launched a label of origin for our fuel products in Sweden

22.4.

The inauguration of Tuuliwatti's wind farm in the village of Märy-nummi in Salo

MAY

6.5.

The renewed St1 Diesel plus was launched in Finland

13.5.

St1 Deep Heat started the test well drilling of the pilot project in Espoo

5.6.

JUNE

Inauguration of Etanolix® plant in Gothenburg, delivered by St1 Biofuels

28.8.

AUGUST

The inauguration of Tuuliwatti's wind farm in Siikainen

15.9.

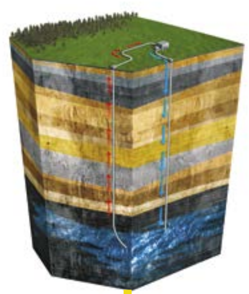
SEPTEMBER

The inauguration of Tuuliwatti's wind farm in Peittoo

1.10.

OCTOBER

The acquisition of Shell's Norwegian marketing company Smart Fuel AS finalised



10.12.

DECEMBER

The analysis phase of the test well drilling in Espoo finished with promising results

Positive financial performance continues

The positive development of St1 Nordic's financial performance continued in 2015. Competition in Finland remains intense, but our systematic efforts to improve our cost-efficiency and increase average sales were fruitful. Market development in Sweden and Norway was favourable, and we were able to improve our financial results further. Overall economic development and the fall in the world market price of crude oil did not have a significant effect on St1 Nordic's financial result.

Kim Wiio
CEO

We also continued to strengthen our position as a Nordic energy company and fuel distributor. The share transaction of Shell's Norwegian marketing company Smart Fuel AS was completed as planned, and the company transferred to the ownership of St1 Nordic Oy on 1 October 2015. We took over the business smoothly towards the end of the year. Personnel restructuring was a regrettable but necessary measure to make the organisation competitive. The business acquisition supports St1's Nordic growth strategy, which is based on strong service station network in Finland, Sweden and Norway. As a result of a decision made by the competitive authorities in relation to the acquisition of the Shell network, we prepared the sales of the unmanned St1 stations in Norway and signed an agreement on the sales of St1 Norge AS shares in January 2016.

As the business of the Norwegian Shell network transferred to us, we adopted a new, cloud-based technology platform. All group business operations will migrate to this centralised platform, which will scale as we develop our operations and supports the growth of our business.

In the group organisation, personnel of internal functions that serve several group companies – such as financial management, information system services and communications – were centralised in the St1 Nordic Oy organisation.

More domestic renewable energy

The positive financial development of St1's traditional business enables growing investments in the production of renewable energy. Our long-term goal is to increasingly replace imported fossil fuels with cleaner, local solutions.

The growth of our associated company Tuuliwatti Oy continued as it completed some 65% of its investment programme. Its total wind power production capacity reached over 300 MW at the end of 2015.

The Etanolix® plant delivered by St1 Biofuels Oy to North European Bio Tech Oy (NEB) was completed in Gothenburg and production of advanced bioethanol for transport got under way in the summer of 2015. St1 Biofuels will also deliver the first Cellunolix® plant that uses wood-based raw materials to NEB. The construction project in Kajaani proceeded well and the plant is expected to be deployed in 2016.

The preparation of St1 Deep Heat Oy's pilot project on the first geothermal heat utilisation plant in Finland proceeded and the drilling of the deep-rock wells can begin as planned in 2016.

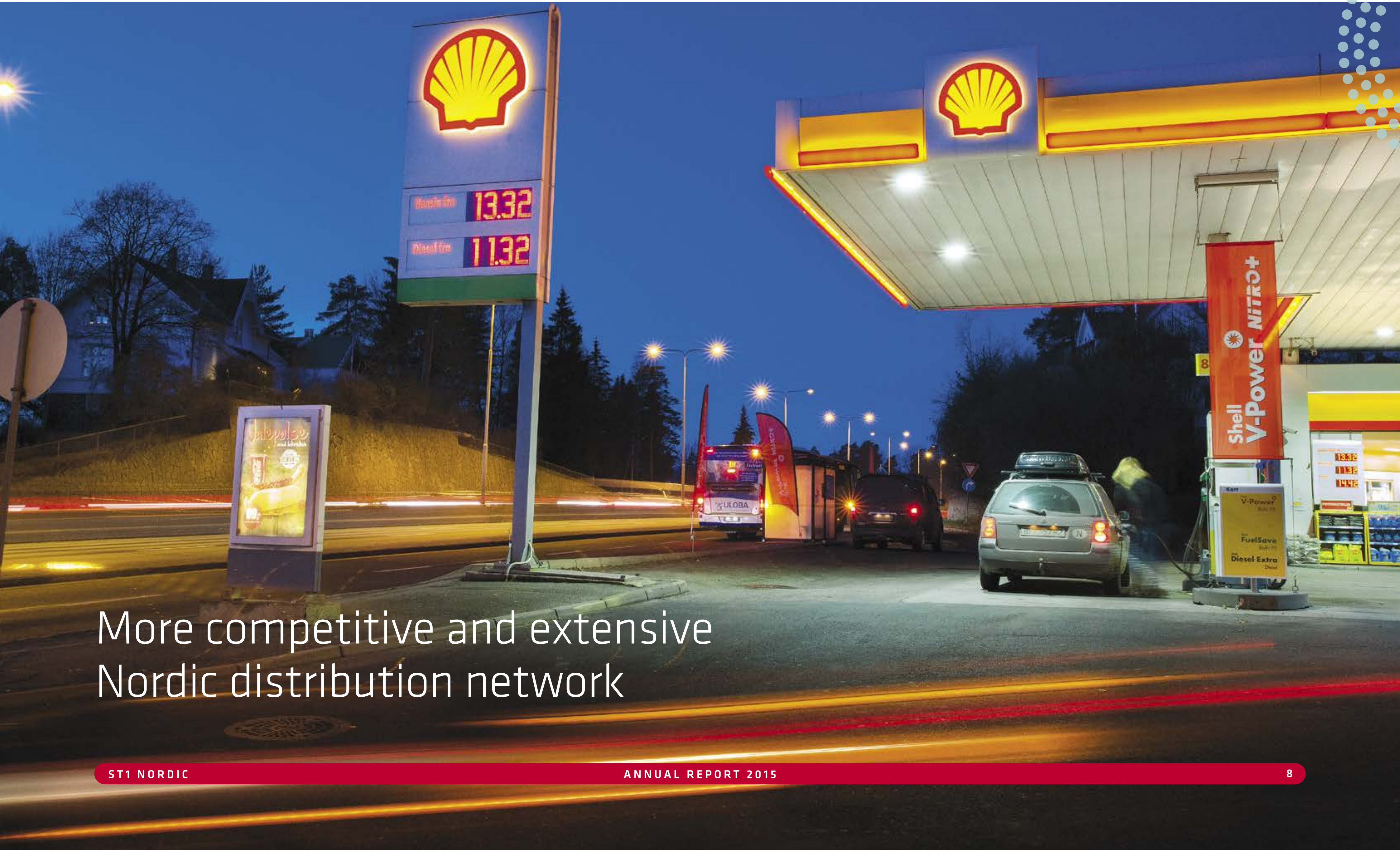
Strategy implementation continues

We will continue to focus on the cost-efficiency and positive financial development of our network. We aim to improve our result again in 2016 from the previous year.

We will also continue to implement our strategy by investing in renewable energy and seeking new opportunities of replacing fossil fuels with low-emission options. When successful, our current initiatives that are based on new technology, such as ethanol production from wood-based raw materials and geothermal heat production, will create a strong technological foundation for the expansion of renewable energy business in both domestic and export markets. Should the national biofuels mandates be tightened as expected, new opportunities and challenges will arise in the renewable energy sector.

I would like to extend warm thanks to our personnel as well as our partners and customers for our successful cooperation in 2015. An increasing number of people share our values and objectives, making us well equipped to work together to keep easing the burden on the environment. ■

> We continued to strengthen our position as a Nordic energy company and fuel distributor.



More competitive and extensive Nordic distribution network

St1's Nordic distribution network comprises 609 St1 and 834 Shell service stations in Finland, Sweden and Norway. We use the Shell brand at our stations under a licence agreement. The two brands in our network work well and complement each other; with their different offerings and strong service concepts we can reach a wider customer base. Systematic efforts to optimise the distribution network and develop the service stations' operating model improved our competitiveness and financial result in both Finland and Sweden. In Norway, we completed the Shell acquisition that was agreed last year and transferred the business successfully to St1 in the last quarter.

> The two brands in our network work well and complement each other.

In 2015, revenue from the retail station operations business came to EUR 2.3 billion (2014:EUR 2.5 billion) and operating profit was EUR 74 million (2014: EUR 60 million). In addition, the group had net operating losses of EUR -5.3 million in non-recurring items.

The consumption of diesel continued to grow in relation to petrol in the Nordic liquid fuel markets. In the subdued Finnish economic climate, competition remained intense, but we nevertheless strengthened our market position in petrol, diesel as well as the RE85 high blend ethanol. The market situation in Sweden was better and many stations in our network improved their result, in terms of both volume and profitability. We maintained our market share in both diesel and petrol sales. Our station network in Norway expanded to more than 400 stations nation-wide as the acquisition of Shell's Norwegian marketing company was approved by the competition authorities and the business of Smart Fuel AS transferred to St1 on 1 October 2015.

Premium strategy and organisation-wide cooperation work well in Finland

St1's Premium liquid fuels are one of the cornerstones of our strategy, and we contin-ued to develop Premium products for Finnish customers in 2015. We successfully launched the 95 E10 Extra petrol in the St1 network in Finland, which reduces fuel consumption. We also launched the renewed Diesel plus. St1's Premium diesel is designed for Finnish condi-tions and now contains domestic renewable diesel produced by UPM from Crude Tall Oil (CTO), a pulp industry residue. The new, more effective and more environmentally friendly Diesel plus boosted sales significantly. The renewed Shell Service Master concept that improves service experience has also gener-ated significant growth.

High-quality products and service together with our optimised network and energetic organisation improved our financial perfor-mance. The ability to develop new innova-tions and implement them quickly with the entire field organisation, is the foundation for our operational strength. Our network was very active in implementing marketing activi-ties both locally and nationally. More than 500 events were organised in our Finnish retail station network.

Our model for liquid fuel procurement has also proved successful. North European Oil Trade Oy (NEOT) – an associated company of SOK Corporation and St1 – ensures that our customers can avail of competitive products and enables us to make long-term invest-ments.

Network development pays off in Sweden

The initiative to develop the station network and improve the efficiency of the operating model was launched a few years ago. As a result, many stations have reported growth in terms of both volumes and profitability. In 2015, we opened the first St1 station in the island of Gotland, and, in cooperation with the municipality of Kumla, the first biogas filling site outside Stockholm. In the Shell network, sales of the 7/11 stores turned up, and the number of environmentally friendly car washes that are entitled to display the Nordic Swan symbol increased to 67.

As the first company in the industry, St1 launched a label of origin for the raw materials in our fuel products in Sweden. The label was well received and encourages the industry as a whole to provide appreciated information about the origin of its raw materials to customers.

St1 established a Nordic customer service centre the expert staff of which serves customers in Finland, Sweden and Norway. We also expanded our online services in Sweden: customer can now file St1 card applications electronically and sign them with their online banking credentials.

Business development in the new Shell network begins in Norway

Many changes occurred in the Norwegian service station market in 2015, in terms of both ownership and operations. As a result of the Smart Fuel AS acquisition, St1 took over the business of the Shell network in Norway in October. We continued to serve our customers without interruption during the transfer of ownership and system update.

After a successful transfer, we have started the business development in the network with the aim of introducing a profitable long-term operating model. We will also coordinate the development of the Shell stations' fast food concept, with the aim of providing more tailored offering based on in-house expertise and high-quality local produce. We have also launched a project to introduce a new store concept.

A network of some 40 unmanned St1 stations served customers in the Oslo region throughout the year. As a result of a decision made by the competitive authorities in relation to the acquisition of the Shell network, we signed an agreement on the sales of the unmanned St1 stations in January 2016. The stations will remain under the St1 brand but will be operated by a new local owner.

Responsible CO_2-aware options

We aim to expand the offering of CO_2-aware products to drivers. For Flex-fuel vehicles, we have developed the RE85 liquid fuel, which is manufactured using waste- and residue-based bioethanol produced by us. RE85 reduces fossil-based carbon dioxide emissions by up to 80%. The renewed Diesel plus contains domestic, renewable wood-based diesel.

Our production of clean electricity from wind power enables us to compensate the fossil emissions of the energy we need for the functions of our station operations. ■

> We constantly aim to expand the offering of CO_2-aware products.

CASE

Retail Station Operations

Launches and enhancement of customer service

In the spring of 2015, we launched Diesel plus, a renewed Premium class diesel fuel in the St1 station network in Finland. Suitable for all diesel engines, it combines top-class technical qualities with a domestic, wood-based renewable diesel developed by our partner UPM.

"When two innovative Finnish companies decided to come together to develop a renewed fuel to the Finnish market, it was easy to identify common nominators: production in Finland, responsible attitude and continuous reduction of carbon dioxide emissions. We worked in cooperation with St1 to create a new fuel and the end result is Diesel plus – Powered by UPM BioVerno. The success of the launch exceeded our expectations and it has been rewarding to see that more and more UPM BioVerno, low-emission fuel produced in Finland, end up in the tanks of the drivers at St1 stations," says Sari Mannonen, Director, Sales & Marketing at UPM Biofuels. ■

To make our operations more transparent, we were the first industry company in Sweden to launch a label of origin for the raw materials in our products. It is visible at all St1 and Shell stations in Sweden, directing customers to our website where they can easily check the origin of our fuels. Information on the origin is available for all crude oil, liquid fuels, liquid fuel components and bioproducts procured by St1 or manufactured and processed at our refinery. The information is based on the report we send to the Swedish energy authorities every year. ■

The Norwegian customer service programme, "The Power of V" has increased staff team spirit and job satisfaction as well as our market share. The aim of the service concept and personnel motivation programme is to improve the customer experience to an extent that makes customers choose Shell every time. We want to exceed customers' expectations by greeting each individual visitor like a long-awaited guest and offering relevant products and services.

"The Power of V" also makes use of social media. We use a closed Facebook group as an internal communication channel where station personnel across Norway can e.g. share their customer service experiences and customer stories. The group already has more than 1,200 members. ■

Sari Mannonen, Director, Sales & Marketing, and Ville Vauhkonen, Product Specialist at UPM, participated in the launch of Diesel plus.

"The Power of V" programme was inspired by the performance of high-quality Shell V-Power Nitro + petrol.

Top class liquid fuels and service

St1's direct sales business in Finland focused on maintaining the high quality of its service and increasing the sales of Premium class liquid fuels. In Sweden, we increased sales and strengthened the network of HGV sites. As a result of the Shell acquisition in October, direct sales business development will get under way also in Norway.

" The fuel cards of St1 and Shell have gained a strong foothold.

In 2015, our direct sales business generated revenue of EUR 1.2 billion (2014: EUR 1.3 billion) and an operating profit of EUR 19.2 million (2014: EUR 17 million).

Sales of Premium products grew in Finland

The focus on the product development of middle distillates, diesel and fuel oil has been a successful strategy in Finland. The sales of the Premium class Diesel plus and Diesel Max fuels have grown faster than the overall market, and our cooperation with UPM on renewable diesel, has also been well received by the transport industry and company car clientele. The confidence of our customers in our environmentally friendly and cost-efficient fuels boosted the sales of Premium products, bringing their share of direct sales in Finland to some 35%.

The share of Teho Opti Premium and MPÖ2 Premium products increased in heating and motor fuel oil deliveries in 2015. High-quality products and electronic marketing also boosted heating oil sales to consumers.

The use of our electronic ordering channels is growing continuously. We have focused on training our sales and customer service personnel and have developed our electronic marketing and sales channels further by improving the visibility and usability of our online services. Our customer service is now better equipped to serve customers 24/7.

Improved card offering and increased cross-use

The fuel cards of St1 and Shell have gained a strong foothold in Finland, and cross-use of the cards has increased notably. In transport industry, the volumes of both the St1 D card and the euroShell CRT card increased as planned. The use of the St1 corporate card increased in the SME segment in particular. We also launched a new, simplified St1 card for entrepreneurs, which is quickly available through our station network and partners.

Having completed the system update for the Shell consumer card, we can now offer new options, such as credit for purchases at St1 and Shell stations. The number of new Shell cardholders grew steadily. We continued cooperation with important Finnish national organisations, whose membership cards include the St1 cash discount card feature. At the moment, 26 organisations offer the feature to their members.

We also completed our new HGV site strategy which will streamline and improve the services. Strategy implementation starts in 2016.

> We develope more renewable options for transport.

Continued growth in Swedish reseller and HGV networks

Direct sales of liquid fuels to industry and resellers in Sweden generated good results in 2015. Liquid fuels picked up by resellers from our terminals accounted for 95% of the total volume.

Sales of the Shell Truck Diesel network grew by almost 20% in 2015. Our new marketing programme worked well to support business growth. The demand for AdBlue, a solution which cleans exhaust fumes, has increased steadily in Sweden, and we expanded the sales network further, making AdBlue available in almost 80 stations across Sweden. The B100 biodiesel became available in six sites in the network, and the sales are off to a promising start. We also made preparations for the construction of three new Shell Truck Diesel stations in 2016.

In the Marine sector, intense competition caused volume losses and pressed prices down, but we managed to retain good margins nevertheless. The sales of low-sulphur marine fuels started successfully after the new legislation on Sulphur Emission Control Areas (SECAs) entered into force in early 2015.

Solid foundation for future development in Norway

There is a wide euroShell corporate cardholder base in Norway, and its development has been a strong focus area. The comprehensive marine bunkering business on the coast also provides a solid foundation for future development of operations.

The Shell business acquired in Norway also includes storage and transport operations.

More renewable options for transport

In Finland, we started piloting Diesel plus, which contains domestic renewable diesel, in Helsinki bus routes in cooperation with UPM, Volvo, Transdev Finland, Helsinki Region Transport and VTT Technical Research Centre of Finland. The RED95 ethanol diesel project which is based on St1's own waste-based ethanol production also continues as planned with the Scania buses operating on two lines in the city of Helsinki. Both initiatives aim to increase the use of renewable fuels and reduce the amount of harmful CO_2 and microparticle emissions from public transport.

The CityDiesel available through the Shell Truck Diesel network in Sweden meets the tightest environmental requirements and includes renewable diesel components. Also the use of non-fossil HVO100 is going to increase in the future should the national biofuels mandates be tightened as expected. ■

CASE

Direct Sales

Cooperation with corporate customers and retailers

The use of St1 corporate payment cards has increased notably in Finland. Eerola-yhtiöt, a family-owned environmental management company, introduced the corporate card in spring 2015. The company, providing separator and drain maintenance services for clients nationwide, uses significant quantities of diesel fuel in its 120 unit fleet.

"St1 was able to offer a nationwide site network, use of the same card at St1 and Shell stations, and competitive fuel prices. In our experience, cooperation with St1 runs smoothly at all times," says Pasi Eerola, managing director of Eerola-yhtiöt.

Under the service contract signed between St1 and Eerola-yhtiöt, the latter manages the maintenance and servicing of St1 service stations' drain and separator systems. The company's "Verraton" 24/7 service ensures the reliable functioning of vital separator systems at our service stations, preventing all leaks to the environment. ■

In Sweden, St1 engages in direct sales of liquid fuels to industry and resellers. In 2015, we renegotiated our contracts with several long-term resellers, such as Svenska Oljebolaget (SOAB) and Qstar, which are owned by DCC, an Irish company.

Svenska Oljebolaget mainly operates in southern Sweden, and its customers include households and farms buying heating products in the Jönköping region. In addition to comprehensive product offering and competitive pricing, SOAB appreciates the nearby location of our depots as well as our ability to maintain sufficient storages to secure supply, which is required from the company.

Qstar has some 400 stations in small towns around Sweden. According to the contract, Qstar picks up the petrol to be sold at their stations from our depots. ■

Eerola-yhtiöt services the separator systems at our stations in Finland.

Svenska Oljebolaget is our dealer in southern Sweden.

New technology openings and record level of wind power

We continued our focus on locally produced renewable energy, to implement our strategy of increasingly replacing imported fossil energy with renewable alternatives. In 2015, we delivered new technologies to the production of advanced liquid biofuels, expanded our wind power production capacity and launched a pioneering geothermal heat production project. We also strengthened the Nordic renewable energy organisation.

In 2015, revenue from St1's renewable energy amounted to EUR 37 million (2014: EUR 36 million). An operating loss of EUR -1.3 million was posted (2014: EUR -4.7 million).

We aim to grow into a Nordic player also in the renewable energy business. We reorganised our business area in 2015, centralising all our renewable energy operations – biofuels, electricity and heating – under Nordic management. At the same time, we strengthened our organisation with new key persons in Sweden and Norway to be better equipped to utilise our existing expertise and identify new business opportunities in all our countries of operation.

Important openings for St1 Biofuels in technology exports and wood-based ethanol production

All the countries where we operate aim to systematically grow the share of biofuels in transport by means of distribution obligations and/or tax incentives. After almost four years of preparations, the so-called EU ILUC directive entered into force in the autumn of 2015, with the aim of reducing the negative climate effects of indirect land use changes for first-generation biofuels.

The ethanol production technology developed by St1 is based on feedstock from outside the food chain and does not introduce changes in land use. We continued to produce advanced bioethanol for transport use based on our own technology in 2015. The total production of our Finnish ethanol plants that use waste- or residue-based raw materials grew by 6.7% from the previous year.

The first foreign ethanol production plant delivered by St1 Biofuels was officially opened in Gothenburg in Sweden in the summer of 2015. The Etanolix® plant uses e.g. waste from local bakeries to produce bioethanol. The plant was ordered by North European Bio Tech Oy (NEB), an associated company of SOK Corporation and St1 whose purpose is to build biofuel production units. The production capacity of the plant, 5 million litres of bioethanol per year, is leased to North European Oil Trade Oy (NEOT), a sister company of NEB which engages in oil and bioproduct wholesale trade. It delivers fuels to major Nordic service station chains – ABC, St1 and Shell – which have nearly 1,900 service stations in total in Finland, Sweden and Norway.

In August 2015, we started the construction of an ethanol plant that uses wood-based raw material for NEB in Finland. Located in Renforsin Ranta business park in Kajaani, the first Cellunolix® plant in the world will produce some 10 million litres of bioethanol from the sawdust of nearby sawmills. The aim is to have the plant ready for deployment in the summer of 2016 and production is projected to begin during the second half of the year. Sawdust and other wood waste is a substantial potential source for ethanol raw material in the Nordic countries. The Kajaani plant will serve as a pilot project for larger plants in preparation for the 2030 transport emission reduction obligations, which are likely to increase from current levels.

> We strengthened our renewable energy organisation in the Nordic countries.

Tuuliwatti produced more than one third of wind power in Finland

Our associated company Tuuliwatti (co-owned with S-Group's S-Voima) strengthened its position as a leading wind power company in Finland. Tuuliwatti's production of clean domestic wind power reached a record level of almost 0.8 TWh, which equates to the annual electricity consumption of 350,000 apartments and accounts for more than one third of all wind power produced in Finland.

At the same time, Tuuliwatti's EUR 650 million investment programme proceeded as planned. At the end of the year, the company's wind power production capacity reached over 300 MW, and further capacity of 160 MW is under construction. During 2015, the company opened new wind farms in Tornio, Salo, Siikainen and Pori, using the latest wind power technologies.

The feed-tariff scheme that set off wind power construction in Finland in the early 2010s with its capacity quota of 2,500 MVA limit was reached in 2015, and all our projects with permits were included in the quota. Tuuliwatti will complete the construction during 2017, bringing the company's production capacity to about 25% of the national 2020 wind power production target.
We will also prepare for further construction, as more wind power will be required. According to Finland's plan, 50% of energy consumption must be covered by renewable energy sources in the 2020s. The national energy and climate strategy is being updated at the moment to meet future targets and to plan future incentives for renewable energy.

> We continuously monitor the development of our industry to maintain an overall view on new possibilities and innovations in renewable energy.

Promising start for the geothermal heat production pilot

St1 Deep Heat Oy started test drilling in Finland's first geothermal heat plant project in Otaniemi, Espoo, in the spring of 2015. The two-kilometre test wells and subsequent rock samples helped us to analyse the bedrock and compile geological data in preparation for drilling the actual deep-rock wells. Based on the analyses, we decided to continue drilling to seven kilometres for the deep-rock wells and construct the geothermal pilot heat plant. We have worked in close cooperation with the Centre for Economic Development, Transport and the Environment (ELY Centre), the city of Espoo and the Ministry of Environment, for example, to develop a permit process for this unique project. Drilling will start in the spring of 2016 and the construction of the pilot heat plant is expected to be completed in 2017. An industrial-scale geothermal heat plant is estimated to have a production capacity of up to 40 megawatts of geothermal heat energy. Fortum will buy the heat for its district heating network and can cover as much as 10% of the district heat needs in the Espoo region.

District heat based mainly on fossil energy is the most common form of heating in Finland. The pilot project can offer a renewable, emission-free source of energy for district heat production, and it can be linked directly into the existing district heat network. Our project is one of the spearhead projects in the area of renewable energy in Finland, and the Ministry of Employment and the Economy and the Finnish Funding Agency for Innovation Tekes have granted support to the project.

In sparsely populated areas, where district heat is not available, our subsidiary St1 Lähienergia Oy (previously Etelä-Suomen Lämpöpalvelu Oy) provides various heat pump solutions in place of oil heating to improve energy efficiency.

Research and expertise development with our partners

We continuously monitor the development of our industry to maintain an overall view on the possibilities and latest innovations in renewable energy: transport, electricity market and heat production.

In transport fuels, we continued our own R&D operations, carrying out some 150 individual research tasks in our laboratories in 2015. We also continued our research cooperation with VTT Technical Research Centre of Finland in the BioEtanoli2020 project to optimise wood-based ethanol production.

We also supported several expert research projects in the field of wind power effects to develop genuine industry expertise in Finland. An international science project is conducted in conjunction with the geothermal heat pilot project in Espoo, with the aim of expanding know-how in the area of geothermal heat production in Finland and also on an international scale.

In the summer of 2015, Mika Aho from St1 Biofuels was elected to chair the Leaders of Sustainable Biofuels (LSB) coalition. LSB was formed by key companies in the petrochemical, chemical and forestry sectors and aviation with the aim to promote the development of second-generation advanced biofuels in Europe. ■

CASE

Renewable Energy

Research on and production of CO_2–aware energy

St1 Deep Heat Oy performed test drilling in relation to the geothermal heat plant project at the Fortum heat plant area in Otaniemi, Espoo, in the summer of 2015. At the start of project, we provided partners, decision-makers and the media an opportunity to visit the drilling site.

Our unique pilot project has generated a lot of positive interest in Finland. The project was also chosen as the best innovation of 2015 in the field of district heating in a competition organised in connection with the "Kaukolämpö 2015" event, which aims to find new technical solutions, services or business models for the field. ■

The associated company Tuuliwatti Oy continued the construction of wind farms in 2015 according to its investment programme. The first 5 MW turbines in Finland were erected in the village of Märynummi in Salo. Their total production capacity equates to the annual electricity consumption of more than 16,000 apartments. Tuuliwatti owns two of the new turbines and the third was constructed for local businesses.

The clean electricity from the Märynummi wind farm powers the local co-operative as well as the adjoined market garden. The official opening of the farm was organised with Märynummi village association in April 2015, with more than 1,000 people in attendance. ■

St1 Biofuels Oy's laboratory is studying and developing a process of manufacturing bioethanol from various waste- and residue-based raw materials. Our research team is a pioneer, even by global standards, in this area. St1's Etanolix® process recycles waste and residue from the food industry into bioethanol, while the Bionolix® concept uses bio-waste collected from households. The Cellunolix® method is based on wood-based raw materials.

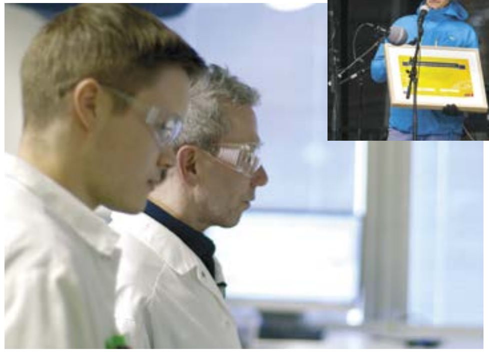
The laboratory's research and analysis team of 15 have modern facilities and equipment at their disposal in Pitäjänmäki, Helsinki. St1 Biofuels also has a pilot laboratory in Jokioinen.

In 2015, the laboratory refined the process of producing ethanol based on challenging softwood raw material using a method whereby sugars can be extracted from sawdust by carefully separating them from other structures in the raw material. The Cellunolix® method will be ready to be utilised at the ethanol plant due to be completed in Kajaani during 2016. ■

The analysis phase of the test well drilling finished in 2015.

A record number of people attended the opening ceremony of the wind farm in Märynummi.

Ground-breaking methods for producing bioethanol are being developed in the St1 Biofuels laboratory.



St1 employees are committed energy experts

St1 Nordic group employs almost 500 energy sector experts in Finland, Sweden and Norway. When indirect employment is taken into consideration, we employed in excess of 7,000 people in total the Nordic countries in 2015. We support the development of our personnel in many ways, and also continued our focus on safety and well-being at work. During the last quarter of 2015, we reorganised the business of the Shell marketing company in Norway that was acquired earlier in the year.

At the end of 2015, St1 Nordic had 244 employees in Finland, 134 in Sweden and 110 in Norway.

Revenue from our traditional oil business allows us to develop CO_2-aware energy solutions. In other words, St1 employees in our oil business enable St1 to implement its strategy, while those in renewable energy business are implementing it.

St1 enjoys high levels of employee loyalty and a small employee turnover rate. We have complemented the expertise of our seasoned employees by recruiting new talent. Our organisation is flat so that decision-making is never far removed. The values of the group are based on values that are kept in high regard in Nordic countries. Our operating culture is based on internal entrepreneurship, openness, interaction across organisations and an atmosphere that encourages new thinking and innovations.

We conduct an annual job satisfaction survey in Finland. In 2015, the personnel gave especially high ratings to the meaningfulness of their jobs, the working atmosphere at St1 as well as job satisfaction and commitment. A monthly personnel survey is conducted in Sweden, focusing on a specific theme. The feedback is used for continuous improvements as well as organisational development.

To improve well-being at work and encourage a positive working atmosphere, we supported the operation of personnel clubs that organise different sports and other leisure activities. Our personnel has a notably low rate of absenteeism: in 2015, sickness leave rates varied between 2 and 2.7 in our countries of operation. St1 employees can avail of comprehensive occupational health services.

Systematic competence and organisational development

We conduct performance reviews annually with every employee to set personal targets and to discuss and assess their performance and development. Training and coaching are available for identified development needs.

Coaching organised in Finland in 2015 focused on areas such as leadership and negotiation skills. St1 Biofuels started a two-year training programme towards a Specialist Qualification in Technology for production supervisors.

In Sweden, we continued our focus on change management in 2015: the executive management team and team leaders participated in a change management training programme and will continue to lead and manage change and the development of our organisation accordingly.

In Norway, we focused on the reorganisation of the Shell business that transferred to St1 in October which was a regrettable but necessary measure to make the organisation competitive and well aligned with our future goals. We also conducted a comprehensive survey of the expertise in Norway by interviewing every member of the personnel.

In the St1 Nordic group, we want to support career progression also by internal transfers both within units and between units and countries of operation. Equal opportunities apply to all personnel in recruitment, in assigning job duties, in deciding on promotions, in deciding on transfers, in terminating employment, in payroll administration and in training planning.

Occupational safety a key consideration

All our operations are planned with safety in mind. We aim to have zero accidents by preventing any dangerous occurrences in advance. All accidents and dangerous occurrences are closely reviewed to avoid them in the future.

In 2015, only a few minor job-related accidents took place in Finland, among both St1 personnel and contractor partners' employees. Incident and accident rates remained similarly low in Sweden and Norway.

Occupational health and safety issues are handled by occupational safety committees and, when necessary, by the co-operation committee, comprising representatives of personnel groups and Managing Directors. We organise occupational safety training regularly for production employees. ■

> Our operating culture is based on internal entrepreneurship, openness and an atmosphere that encourages new thinking and innovations.

CASE

Personnel

St1 offers diverse career and development opportunities

Per-Arne Karlsson is identifying new business opportunities related to renewable energy in Sweden.

Heidi Laurila works as Project Manager on, among other things, wind power and solar energy.

Tia Rytkönen heads the Corporate card team in Helsinki.

Per-Arne Karlsson has extensive experience in the oil industry in Sweden – at Shell since 1989 and for the past five years at St1. He has mostly been involved with sales and customer-facing roles, in both consumer and corporate segments. In December 2015, his role changed from head of corporate sales to head of the renewable energy at St1 Sverige.

"In my new role, my primary task is to identify new business opportunities related to renewable energy here in Sweden. I will leverage my experience and networks to increase awareness of St1 as a player in the field – similar to the recognition St1 already has as a renewable energy pioneer in Finland," he explains. He is excited about the new challenges and will also continue his work in the executive management team of St1 Sverige. ■

Heidi Laurila's career at St1 started while she was still studying. In 2013, she graduated with a Master' degree in industrial engineering and completed her Master's thesis for St1 Biofuels. After graduation, Heidi worked as a network planner at St1's retail station operations, and started at the renewable energy organisation after returning from maternity leave in the autumn of 2015. In her new role, she deals with varying topics from customer feedback to sound emissions of wind power plants and the identification of solar power business opportunities in Finland.

"It is extremely interesting to be involved in future-oriented development. With a wide-ranging view of the energy industry, St1 is genuinely developing something new. In my current role, I am in regular contact with several energy industry networks, and it is always rewarding to see that our initiatives generate positive interest among industry players," she says. ■

Tia Rytkönen joined the Corporate card team of St1's direct sales organisation a little over three years ago. Open and social, Tia quickly became a team leader, and now heads a five-strong team of customer service experts at St1's head office in Helsinki. The team makes sure corporate customers receive new cards smoothly and that any problems they may have with the cards are solved quickly.

"Our team and St1 as a whole have a wonderful team spirit and a very open corporate culture. Everybody truly works together. The opportunity to advance quickly boosted my motivation and also made me want to show that I've earned my stripes. Our team is responsible for supporting the group's basic fuel business, but it is also important to me that our work contributes to the development of St1's renewable energy business. I'm always proud to say 'St1' when asked where I work," Tia concludes. ■

CASE

Personnel

The training programme TEAT is tailored to the needs of St1 Biofuels personnel.

The new Nordic customer service centre operates in Stockholm.

Tom Solhaug heads the Sjursøya terminal in Oslo.

St1 Biofuels started cooperation with training provider Rastor in the autumn of 2015. The training programme spans two years, and the students work as apprentices towards a Specialist Qualification in Technology. Some 20 production supervisors from St1 Biofuels will participate in the training.

"The programme aims to develop the supervisors' personal skills and competence and to support change management in a growing, dynamic company. In addition to standard components, the qualification includes tailored content that is related to the development of our operations and will be of concrete benefit in the supervisors' daily work. The participants have already given us a lot of positive feedback on this," says Mika Jokinen who is in charge of production at St1 Biofuels. ■

We enhanced our customer service in the autumn of 2015 by establishing a Nordic customer service centre in Stockholm. More than 30 customer service experts work in the new centre, looking after Shell consumer customers in Finland as well as St1 and Shell consumer and corporate customers in Sweden and Norway. "Centralised operations make customer service smooth and more efficient. We receive some 11,500 calls and more than 5,000 email queries every month. Our Swedish website also has a live chat service, and we have more than 300 chats with customers every month. Topics under discussion vary from fuel card applications to debit card use at fuel pumps. No matter the issue, we aim to provide a positive customer experience every time," says head of customer service operations Cecilia Janssen. ■

Tom Solhaug manages the Sjursøya oil terminal in the Port of Oslo. He has worked at Shell since 1987 and has been responsible for the oil terminal operations for the past five years. His five-strong team handles some 40% of company's liquid fuel volume that is transported by inland freight in Norway. After St1 acquired the Shell business in Norway in October 2015, Tom was assigned the task of modernising the terminal in order to meet future needs, such as increasing volumes of biofuels.

"It has been rewarding and interesting to implement the project in a company which largely allows me to plan and manage the project locally. The initiative comprises of many small projects, which require different types of expertise in areas such as automation and IT. Safety and cost-efficiency are important in the modernisation project, which will be completed by the end of March 2016," Tom says. ■

Financial statements 2015

Report of the board of directors 1 January 2015–31 December 2015

1. Business operations and financial performance of St1 Nordic Oy

St1 Nordic Oy is a parent company to the St1 Nordic group whose principal line of business is the sale of traffic and heating fuels to consumers and the corporate sector in Finland, Sweden and Norway.

Through its subsidiary St1 Biofuels Oy, the group manufactures, develops and sells biofuels in Finland. The subsidiary Lähienergia Oy sells and installs devices based on renewable energy sources.

Through its associated company Tuuliwatti Oy, the group participates in the production of industrial wind power.

With an objective to maximise the competitiveness of the group's fuel procurement, the purchase of liquid fuels is centralised in the group's associated company North European Oil Trade Oy (Neot). Associated company North European Bio Tech Oy constructs biofuels production units.

The group operates a total of 1,433 retail stations under the St1 and Shell brands in Finland, Sweden and Norway.

In 2015, the group's net sales were EUR 3,602.4 million; an increase of EUR 881.6 million from the previous year. 38% of the total revenue was generated in Finland, 48 % in Sweden and 14 % in Norway. The group's operating profit increased to EUR 86.7 million from EUR 45.3 million in the previous year.

2. Group structure

In 2015 the most significant event in St1 Nordic group was the acquisition of Smart Fuel AS in Norway from Shell Explorations and Production Holdings B.V. Smart Fuel is engaged in the sale of traffic and heating fuels in Norway and continues to utilize the Shell brand at service stations under a licencing agreement.

The transaction closed on October 1st, 2015 so the company's result has been consolidated in St1 Nordic group for the last quarter of the year. Immediately after the transaction Smart Fuel AS underwent a personnel restructuring process leading to a EUR 7 million cost accrual.

Key indicators of St1 Nordic Oy´s financial position and results of operations:

	2015	2014	2013	2012	2011
Net sales, MEUR	**7.8**	3.5	0.0	0.0	0.0
Operating profit/loss, MEUR	**7.7**	-0.6	-0.1	-0.1	-0.1
Operating profit, % of net sales	**97.6**	-16.6	-	-	-
Profit for the period, MEUR	**37.6**	28.2	-0.2	6.2	-0.2
Return on equity %	**31.3**	27.3	-0.4	12.4	-0.3
Equity ratio	**29.8**	35.5	44.4	95.5	93.5

Key indicators of St1 Nordic group´s financial position and results of operations:

	2015	2014 pro forma	2014	2013	2012	2011
Net sales, MEUR	**3,602.4**	3,847.6	2,720.8	1,678.0	1,636.0	1,503.0
Operating profit/loss, MEUR	**86.7**	72.6	45.3	32.9	29.6	26.8
Operating profit, % of net sales	**2.4**	1.9	1.7	2.0	1.8	1.8
Profit for the period, MEUR	**72.4**	57.0	38.2	25.8	21.6	17.6
Return on equity %	**28.0**	-	24.0	23.1	23.6	23.5
Equity ratio	**26.7**	-	28.3	25.0	30.1	27.0

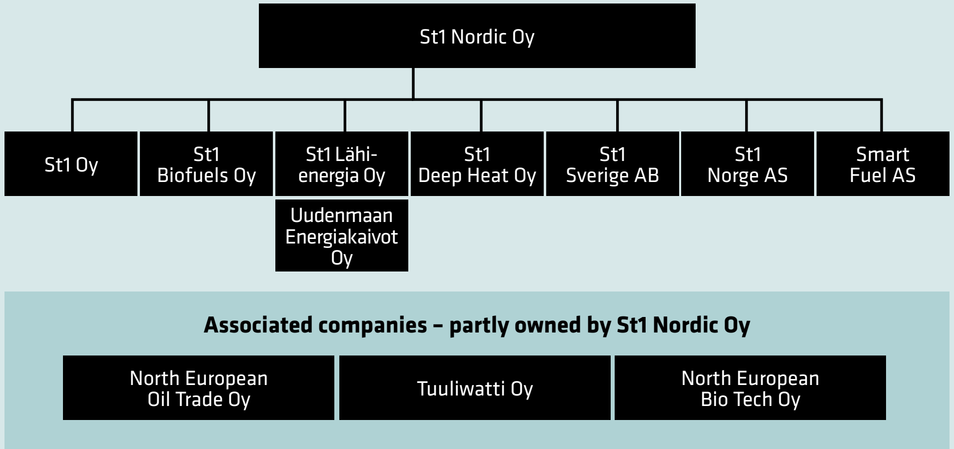
Due to the ruling of the competition authority, St1 Nordic Oy is obliged to sell St1 Norge AS, the retail unmanned service station chain which it already owned in Norway.

In addition to the parent company, St1 Nordic group consists of the operative subsidiaries, St1 Oy, St1 Sverige AB, St1 Norge AS Smart Fuel AS, St1 Biofuels Oy, Lähienergia Oy (former Etelä-Suomen Lämpöpalvelu Oy), Uudenmaan Energiakaivot Oy, Kiinteistö Oy Olarinluoman huoltamo and St1 Deep Heat Oy. The business operations of St1 Polska Sp. Z.o.o. was terminated in 2011, when the company disposed all of its retail stations. St1 Biofuels Sweden AB is not currently operational.

Ownership in Avifuels Oy, the associated company engaged in aircraft refuelling business in Finland, was sold to the other shareholder Air BP Norway AS at the end of 2015.

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

St1 consists of two sister groups: St1 Group Oy and St1 Nordic Oy. St1 Nordic Oy is engaged in the retail and marketing of fuels and St1 Group in oil refining in Gotherburg, Sweden.



3. Bond

St1 Nordic Oy issued its first bond on June 4th, 2014. The size of the issue was 100 MEUR and the bond is listed on First North Bond Market Finland. The bond (ISIN FI4000097191) matures in 5 years and has an annual coupon of 4.125%.

4. Company shares

	31.12.15	31.12.14	31.12.13	31.12.12	31.12.11
Share capital	**100,000**	100,000	100,000	100,000	100,000
A-shares	**20,000,000**	20,000,000	21,351,863	14,545,500	14,545,500
B-shares	**4,912,285**				

St1 Nordic Oy issued 4,912,285 new B-shares in 2015. The shares do not have a voting right.

The purpose of the issue was to strengthen the company's capital structure for the Smart Fuel transaction and was directed to the current owners. In 2014 St1 Nordic Oy cancelled the 1,351,863 its treasury shares. In 2013 the company issued a total of 6,806,363 new shares. The shares were given as merger consideration to the shareholders of St1 Group Oy in connection with the demerger where the subsidiary of St1 Group Oy, St1 Energy Oy, transferred to St1 Nordic Oy on 31 December 2013.

5. Investments

The group's largest investment in 2015 was the acquisition of Smart Fuel AS.

Other investments focused on the development and maintenance of current business activities as well as new IT systems.

The group's investments in tangible and intangibles assets as well as daughter company shares totalled EUR 394.9 million.

6. Assessment of the most significant risks and uncertainties

6.1 Risk management policy and arranging risk management

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

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

6.2. Strategic and operational risks

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

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

The group's business operations are based on functional and reliable information systems. The group seeks to manage the risks related to information systems through measures such as duplicating critical information systems and data communications links, paying attention to the selection of partners and standardising the work station models, software and information security practices used in the group. To mitigate risks and improve efficiency, the group is undergoing an extensive program to integrate IT solutions.

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

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

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

Oil price changes do not have a significant impact on the group's result, as the group mainly has product inventories at retail sites. The volume of these inventories is small and the turnover is high.

6.3. Risks of loss or damage

The company seeks to protect itself from significant risks to its assets by regularly reviewing its insurance policies as part of the overall risk management process. The company strives to cover with insurance all risks which are financially or otherwise reasonable. There are no pending trials or any other legal risks that the Board is aware of, which would materially affect the results of the company's operations. The group's insurance portfolio's coverage is subject to regular reviews.

6.4. Financial risks

Management of financial risks: The parent company manages the financing operations for the whole group.

Interest rate risk: At the end of the financial year, the share of interest rate-sensitive loans in the group's whole interest-bearing loan portfolio was approximately EUR 198 million, compared to approximately EUR 59 million in the previous year. Derivative agreements can be used to help in the management of interest rate risks. EUR 3 million of the group's long-term loans have been protected through derivative agreements.

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

6.5 Environmental risks

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

7. An estimate of probable future development

In the view of the group management, the business environment will remain challenging for the next financial year. In the traffic fuels trade, competition in the group's home market, particularly in Finland, remains overemphasised. The group aims to further improve its competitiveness by rationalising systems and business processes, as well as by measures to improve the average sales of retail stations. The acquisition of Smart Fuel AS in Norway improves St1 Nordic's result and balances the impact of a potential regionally aggravated price war on St1 Nordic's result.

8. Significant events after the end of the financial period

The company signed a Share purchase agreement on the sale of St1 Norge AS shares, as mentioned above, on January 20, 2016. The transaction is subject to regulatory approval and is expected to be closed during the second quarter.

St1 Deep Heat Oy made an investment decision in February 2016 on the construction of a geothermal pilot plant in Otaniemi, Espoo. Construction begins in spring 2016 and the plant is expected to be operational in 2017.

9. Personnel

Key figures describing the group's personnel

	2015	2014	2013	2012	2011
Average number of personnel during the financial period	**419**	286	193	175	180
Wages and salaries during the financial period, MEUR	**37.9**	18.2	12.5	12.1	20.9

10. Organisation

The company's Board of Directors consisted of Mika Anttonen (chair), Mikko Koskimies, Juha Kokko, Mika Jokinen and Kim Wiio. Kim Wiio was the company's Chief Executive Officer.

The company's auditor was PricewaterhouseCoopers Oy.

11. Proposal for profit distribution

The Board of Directors proposes that the company will pay a dividend of EUR 3,000,000.00 to the A-shares and EUR 3,684,213.75 to the B-shares for the financial year ended and transfer the remaining financial year's profit to the 'Retained earnings' account.

Consolidated income statement

1,000 €	Notes	1.1.-31.12.2015	1.1.-31.12.2014	Pro forma Unaudited 1.1.-31.12.2014
NET SALES	1.	**3,602,436**	2,720,795	3,847,618
Other operating income	2.	**45,878**	16,865	31,351
Materials and services				
Materials, supplies and products				
Purchases during the period		**-3,272,592**	-2,541,468	-3,601,400
Change in inventories		**-73,132**	-17,143	-37,244
External services		**-437**	-381	-381
		-3,346,162	-2,558,992	-3,639,025
Personnel expenses				
Wages and salaries		**-37,870**	-18,233	-24,794
Social security costs				
Pension costs		**-5,938**	-4,320	-4,123
Other social security costs		**-5,762**	-1,294	-3,909
		-49,571	-23,848	-32,825
Depreciation and amortisation				
Depreciation and amortisation according to plan	5.	**-32,960**	-24,884	-30,666
Amortisation of goodwill (negative goodwill recognised)	5.	**-3,019**	-714	-714
		-35,979	-25,598	-31,380
Other operating expenses	6.	**-129,891**	-83,971	-103,163

Consolidated income statement

1,000 €	Notes	**1.1.-31.12.2015**	1.1.-31.12.2014	Pro forma* Unaudited 1.1.-31.12.2014
OPERATING PROFIT		**86,710**	45,251	72,576
Finance income and costs				
Income from other investments of non-current assets				
Share of profit of investments using the equity method	7.	**13,856**	7,243	7,243
Other interest and finance income	7.	**4,356**	2,239	2,436
Impairment of investments in non-current assets	7.	**-1,480**	-140	-140
Interest expenses and other finance costs				
To group companies	7.	**0**	-1,904	-867
To others	7.	**-13,031**	-5,387	-9,907
		3,702	2,051	-1,235
PROFIT BEFORE APPROPRIATIONS AND TAX		**90,412**	47,302	71,341
Current income tax	9.	**-17,492**	-4,944	-10,233
Deferred tax	9.	**-542**	-4,117	-4,117
		-18,035	-9,061	-14,349
PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST		**72,378**	38,241	56,991
PROFIT FOR THE PERIOD		**72,378**	38,241	56,991

*Compilation of Pro forma income statement is described in accounting principles for the financial statements

Consolidated balance sheet

1,000 €	Notes	31.12.2015	31.12.2014
Assets			
NON-CURRENT ASSETS			
Intangible assets			
Capitalised development expenditure	10.	**2,608**	2,553
Intangible rights	10.	**1,685**	411
Goodwill	10.	**1,388**	1,424
Goodwill on consolidation	10.	**187,404**	8,382
Other capitalised long-term expenditure	10.	**15,593**	7,256
		208,678	20,026
Tangible assets			
Land and water areas	11.	**138,044**	104,036
Buildings and structures	11.	**132,430**	72,081
Machinery and equipment	11.	**182,943**	94,900
Other tangible assets	11.	**15,303**	12,509
Advance payments and construction in progress	11.	**7,955**	1,512
		476,677	285,037
Investments			
Investments in associated companies	13.	**54,085**	41,447
Other shares and holdings	13.	**1,155**	1,226
Other receivables	13.	**14,258**	5,795
Other investments	13.	**2,516**	136
		72,014	48,604

1,000 €	Notes	31.12.2015	31.12.2014
CURRENT ASSETS			
Inventories			
Materials and supplies		**57,832**	39,895
Receivables			
Non-current receivables			
Deferred tax assets	17.	**2,692**	807
Loan receivables		**1,537**	2,935
		4,229	3,742
Current receivables			
Trade receivables		**240,404**	203,543
Receivables from Group companies:	14.		
Trade receivables		**374**	0
Other receivables		**1,987**	1,755
Receivables from associated companies	14.	**107**	107
Loan receivables		**26**	17
Other receivables		**5,553**	22,848
Prepayments and accrued income	19.	**58,679**	27,591
		307,129	255,861
Cash and cash equivalents		**86,396**	47,908
		1,212,954	701,073

Consolidated balance sheet

1,000 €	Notes	31.12.2015	31.12.2014
Equity and liabilities			
EQUITY			
Share capital	15.	**100**	100
Revaluation reserve	12.,15.	**45,908**	45,908
		46,008	46,008
Reserve for invested unrestricted equity	15.	**75,021**	19,021
Retained earnings	15.	**127,360**	92,554
Profit (loss) for the period	15.	**72,378**	38,241
		274,759	149,816
Total equity		**320,767**	195,824
PROVISIONS			
Other provisions	16.	**47,701**	42,348
		47,701	42,348

1,000 €	Notes	31.12.2015	31.12.2014
LIABILITIES			
Non-current			
Loans from financial institutions		**77,800**	797
Bonds		**100,000**	100,000
Deferred tax liabilities	17.	**4,350**	4,312
Other liabilities		**0**	455
		182,150	105,564
Current			
Loans from financial institutions		**119,920**	57,803
Advance payments		**9,309**	10,126
Trade payables		**111,566**	75,370
Liabilities to Group companies:			
Trade payables	18.	**36,195**	47,656
Other liabilities		**980**	0
Deferred tax liabilities	17.	**40,523**	21,168
Liabilities to associated companies:			
Trade payables		**106,578**	77,738
Other liabilities		**126,384**	48,018
Accruals and deferred income	20.	**110,881**	19,458
		662,336	357,337
		1,212,954	701,073

Consolidated cash flow statement

1,000 €	1.1.–31.12.2015	1.1.–31.12.2014
Cash flow from operating activities:		
Profit (loss) before extraordinary items	**90,412**	47,302
Adjustments:	**0**	0
Depreciation and amortisation according to plan	**35,979**	25,598
Other income and expenses with non-cash transactions	**-928**	0
Other finance income and expenses with non-cash transactions	**-449**	1,335
Other finance income and costs	**-3,777**	-2,051
Reduction in value of long-term investments	**1,480**	0
Cash flow before change in working capital	**122,717**	72,184
Change in working capital:		
Increase (-)/ decrease (+) in current non-interest bearing receivables	**57,485**	49,812
Increase (-)/ decrease (+) in inventories	**26,724**	11,934
Increase (+)/ decrease (-) in current non-interest bearing payables	**-13,253**	-47,291
Cash flow from (used in) operating activities before financial items and taxes	**193,674**	86,640
Interest paid and charges on other finance costs	**-12,285**	-6,146
Interest received	**4,356**	3,276
Taxes paid	**-10,292**	-3,597
Net cash generated from operating activities (A)	**175,454**	80,173

1,000 €	1.1.–31.12.2015	1.1.–31.12.2014
Cash flow from investing activities:		
Purchase of tangible and intangible assets	**-23,888**	-17,461
Acquisitions deducted by acquired cash and cash equivalents	**-303,753**	-60,877
Proceeds from sale of tangible and intangible assets	**3,920**	12,572
Loans granted	**-8,330**	-4,608
Investments in associated companies	**0**	-6,773
Net cash used in investing activities (B)	**-332,050**	-77,147
Cash flow from financing activities:		
Increase in reserve for invested unrestricted equity	**56,000**	95
Proceeds from current loans from financial institutions	**119,408**	28,346
Repayment of current loans from financial institutions	**-1,711**	-82,408
Proceeds from long-term borrowing	**24,387**	100,000
Repayment of non-current loans from financial institutions	**0**	-39,867
Dividends paid and other profit distribution	**-3,000**	-3,000
Net cash used in financing activities (C)	**195,084**	3,166
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	**38,488**	6,192
Cash and cash equivalents at beginning of period	**47,908**	41,716
Cash and cash equivalents at end of period	**86,396**	47,908

Parent company income statement

€	Notes	1.1.–31.12.2015	1.1.–31.12.2014
NET SALES	1.	**7,845,918.22**	3,497,871.53
Other operating income	2.	**8,470,158.48**	2,776.62
Personnel expenses			
Wages and salaries		**-2,806,738.21**	-1,605,034.12
Social security costs			
Pension costs		**-497,894.23**	-253,132.17
Other social security costs		**-121,020.07**	-17,439.84
		-3,425,652.51	-1,875,606.13
Depreciation according to plan	5.	**-259,020.63**	-4,920.00
Other operating expenses	6.	**-4,977,390.13**	-2,201,051.43

€	Notes	1.1.–31.12.2015	1.1.–31.12.2014
OPERATING PROFIT		**7,654,013.43**	-580,929.41
Finance income and costs			
Income from shares in group companies	7.	**36,778,823.78**	20,489,307.06
Income from shares in associated companies	7.	**96,000.00**	96,000.00
Other interest and finance income			
From group companies	7.	**1,417,325.86**	2,937,399.09
From others	7.	**784,541.83**	158,898.94
Impairment of investments in non-current assets	7.	**0.00**	-12,707.66
Interest expenses and other finance costs			
To group companies	7.	**-2,950,137.78**	-1,719,039.71
To others	7.	**-6,170,231.92**	-4,317,818.87
		29,956,321.77	17,632,038.85
PROFIT BEFORE EXTRAORDINARY ITEMS		**37,610,335.20**	17,051,109.44
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX		**37,610,335.20**	17,051,109.44
Extraordinary items			
Extraordinary income	8.	**0.00**	11,163,879.15
Income tax		**0.00**	0.00
PROFIT FOR THE PERIOD		**37,610,335.20**	28,214,988.59

Parent company balance sheet

€	Notes	1.1.–31.12.2015	1.1.–31.12.2014
Assets			
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights		**1,342,648.57**	0.00
Advance payments		**8,808.95**	0.00
Other capitalised long-term expenses		**3,312,641.93**	0.00
		4,664,099.45	0.00
Property, plant and equipment			
Machinery and equipment		**22,056.29**	27,880.00
Advance payments and construction in progress		**312,250.00**	27,880.00
		334,306.29	27,880.00
Investments			
Shares in group companies	13.	**446,611,371.15**	96,610,874.73
Receivables from group companies		**24,973,469.94**	15,467,529.38
Investments in associated companies	13.	**29,847,500.00**	29,922,470.00
Receivables from associated companies		**14,167,353.14**	5,658,166.67
Other shares and holdings	13.	**227,393.69**	227,393.69
		515,827,087.92	147,886,434.47

€	Notes	1.1.–31.12.2015	1.1.–31.12.2014
CURRENT ASSETS			
Receivables			
Non-current receivables			
Loan receivables		**0.00**	65,000.00
		0.00	65,000.00
Current receivables			
Trade receivables		**42,627.80**	0.00
Receivables from group companies	14.	**4,364,637.80**	45,501,145.78
Receivables from associated companies	14.	**106,927.40**	143,873.38
Loan receivables		**8,951.39**	8,907.08
Other receivables		**579,719.28**	15,459,363.96
Prepaid expenses and accrued income	19.	**7,182,537.66**	1,756,506.02
		12,285,401.33	62,869,796.22
Cash and cash equivalents		**23,228,360.68**	561,414.75
		556,339,255.67	211,410,525.44

Parent company balance sheet

€	Notes	31.12.2015	31.12.2014
Equity and Liabilities			
EQUITY			
Share capital	15.	**100,000.00**	100,000.00
Reserve for invested unrestricted equity	15.	**74,926,374.38**	18,926,325.38
Retained earnings	15.	**52,940,993.51**	27,726,004.92
Profit for the period		**37,610,335.20**	28,214,988.59
		165,477,703.09	74,867,318.89
TOTAL EQUITY		**165,577,703.09**	74,967,318.89
LIABILITIES			
Non-current			
Bonds		**100,000,000.00**	100,000,000.00
Liabilities to group companies	18.	**157,479,907.99**	32,344,585.38
		257,479,907.99	132,344,585.38

€	Notes	31.12.2015	31.12.2014
Current			
Loans from institutions		**119,408,468.80**	0.00
Trade payables		**696,405.74**	382,686.60
Liabilities to group companies	18.	**127,763.72**	468,810.97
Other liabilities		**9,761,405.58**	489,583.29
Accruals and deferred income	20.	**3,287,600.75**	2,757,540.31
		133,281,644.59	4,098,621.17
TOTAL LIABILITIES		**390,761,552.58**	136,443,206.55
		556,339,255.67	211,410,525.44

Parent company cash flow statement

€	**1.1.–31.12.2015**	1.1.–31.12.2014
Cash flow from operating activities:		
Profit (loss) before extraordinary items	**37,610,335.20**	17,051,109.44
Adjustments:		
Depreciation and amortisation according to plan	**259,020.63**	4,920.00
Unrealised exchange rate profits and losses	**-865,815.69**	-463,177.12
Finance income and costs	**-29,956,321.77**	-17,632,038.85
Other adjustments	**-4,694,583.68**	0.00
Cash flow before change in working capital	**2,352,634.69**	-1,039,186.53
Change in working capital:		
Increase (-)/ decrease (+) in current non-interest bearing receivables	**-5,423,637.83**	-8,097,923.94
Increase (+)/ decrease (-) in current non-interest bearing payables	**11,252,427.77**	1,090,258.95
Cash flow from operating activities before finance items and taxes	**8,181,424.63**	-8,046,851.52
Interest paid and other financial expenses	**-8,254,554.01**	-1,704,314.89
Interest received from operating activities	**2,192,267.69**	2,081,303.58
Net cash generated from operating activities (A)	**2,119,138.31**	-7,669,862.83

€	**1.1.–31.12.2015**	1.1.–31.12.2014
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	**-5,229,546.37**	-32,800.00
Proceeds from sale of property, plant and equipment and intangible assets	**3,920,000.00**	0.00
Investments in associated and subsidiary companies	**-334,541,132.46**	-22,011,363.95
Loans granted	**-16,253,166.67**	-49,288,444.86
Dividends received	**36,884,423.78**	20,585,307.06
Repayment of loan receivables	**39,701,262.08**	0.00
Net cash used in investing activities (B)	**-275,518,159.64**	-50,747,301.75
Cash flow from financing activities:		
Capital increase	**56,000,049.00**	0.00
Proceeds from current loans from financial institutions	**119,408,468.80**	0.00
Repayment of current loans from financial institutions	**0.00**	-41,771,808.13
Received group contributions	**0.00**	3,700,000.00
Proceeds from non-current loans from financial institutions	**123,657,449.46**	100,000,000.00
Dividends paid and other profit distribution	**-3,000,000.00**	-3,000,000.00
Net cash used in financing activities (C)	**296,065,967.26**	58,928,191.87
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	**22,666,945.93**	511,027.29
Cash and cash equivalents at beginning of period	**561,414.75**	50,387.46
Cash and cash equivalents at end of period	**23,228,360.68**	561,414.75

Notes to the financial statement 31 December 2015

ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

Financial period

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

Consolidated financial statements

St1 group comprises two sister groups: St1 Group Oy and St1 Nordic Oy. The group´s fuel retail and marketing operations are located in St1 Nordic while the refinery operations are located in St1 Group.

The most significant change in the group during the 2015 financial period was the acquisition of Smart Fuel AS on 1 October, 2015. The last quarter of the company's results as well as balance sheet on 31 December, 2015 have been included in the consolidated financial statements.

The subsidiaries St1 Oy, St1 Biofuels Oy, St1 Lähienergia Oy group (former Etelä-Suomen Lämpöpalvelu Oy group), St1 Sverige AB, St1 Norge AS, Smart Fuel AS, St1 Biofuels Sweden AB, St1 Polska Sp z.o.o, Kiinteistö Oy Olarinluoman huoltamo, St1 Deep Heat Oy as well as the associated companies North European Oil Trade Oy, North European Bio Tech Oy, and Tuuliwatti Oy are consolidated in the financial statements of St1 Nordic Oy using the equity method.

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

The group's inter-company transactions, margins, receivables and payables have been eliminated. Internal ownership has been eliminated using the acquisition method. Minority interest has been separated from consolidated equity and profit and it is shown as a separate line item in the consolidated income statement and balance sheet.

The income statements of foreign group companies have been converted into euros at the average foreign rate of exchange rates during the financial period. The balance sheet has been converted into the Finnish currency using the closing date exchange rate. Translation differences resulting from the currency conversions, as well as translation differences in foreign subsidiaries' equity arising from conversion, have been presented in 'retained earnings'.

Valuation of inventories

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

Measurement of non-current assets

Intangible and tangible assets have been capitalised at cost. Depreciation and amortisation according to plan have been recognised on a straight-line basis during the economic life of the assets. Depreciation and amortisation starts in the month when the assets have been taken into use. A revaluation of land has been recognised in the consolidated financial statements based on the land's market value.

Depreciation and amortisation periods in the group

capitalised development expenditure	10 years
intangible rights and other long-term capitalised expenditure	5 years
trademarks	20 years
goodwill	5–20 years
buildings and structures	20–50 years
machinery and equipment	3–20 years
other tangible assets	10–30 years

Goodwill on consolidation

Goodwill on consolidation is amortised on straight-line basis over 20 years. In addition, additional amortisation is booked if there is a decrease in the future income expectations of the assets to which goodwill is allocated. Goodwill on consolidation has been compounded of strategically important acquisitions, the effect of which expands over 20 years.

Deferred tax assets and liabilities in the group

A deferred tax asset has been recognised for provisions and a deferred tax liability for appropriations for the part not yet deducted in taxation, by applying the following years' tax rate as confirmed on the closing date.

Foreign currency items in the group

Receivables and payables denominated in foreign currencies have been converted into the Finnish currency using the closing date exchange rate.

Notes to the income statement

1. Net sales

M€	Consolidated 2015	Consolidated 2014	Pro forma unaudited 2014	Parent company 2015	Parent company 2014
Liquid fuels	**3,585.5**	2,710.6	3,837.4	**0.0**	0.0
Energy products and electricity	**10.4**	6.4	6.4	**0.0**	0.0
Other	**6.5**	3.8	3.8	**7.8**	3.5
	3,602.4	2,720.8	3,847.6	**7.8**	3.5
Domestic	**1,367.6**	1,575.3	1,717.1	**7.8**	3.5
Foreign	**2,234.9**	1,145.5	2,130.6	**0.0**	0.0
	3,602.4	2,720.8	3,847.7	**7.8**	3.5

2. Other operating income

M€	Consolidated 2015	Consolidated 2014	Pro forma unaudited 2014	Parent company 2015	Parent company 2014
Gains on sale of non-current assets and shares	**5.7**	2.2	2.2	**0.0**	0.0
Other operating income	**40.2**	14.7	29.2	**8.5**	0.0
	45.9	16.9	31.4	**8.5**	0.0

3. Average number of personnel

	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Personnel on average	**419**	286	**28**	18
	419	286	**28**	18

4. Management salaries and fees

Wages and salaries paid to the members of the board and the managing directors during the financial period (2015) amounted to EUR 1,360,359.67. Wages and salaries paid to the members of the board and the managing directors during the financial period (2014) amounted to EUR 1,069,154.94.

5. Depreciation, amortisation and impairment charges

	Consolidated			Parent company	
€	**2015**	2014	Pro forma unaudited 2014	**2015**	2014
Depreciation and amortisation according to plan					
Intangible assets					
Capitalised development expenses	**320,609.88**	197,493.86	197,493.86	**0.00**	0.0
Intangible rights	**134,831.88**	64,135.93	64,135.93	**49,727.70**	0.0
Goodwill	**1,208,861.81**	1,328,524.24	1,660,710.10	**0.00**	0.0
Other long-term capitalised expenditure	**2,620,608.88**	646,844.11	693,064.74	**201,940.83**	0.0
Tangible assets					
Buildings and structures	**9,100,925.65**	5,952,556.00	6,558,267.90	**0.00**	0.0
Machinery and equipment	**17,555,134.76**	14,446,057.58	17,243,479.23	**7,352.10**	4,920.00
Other tangible assets	**2,018,925.00**	2,248,685.50	4,249,206.40	**0.00**	0.0
	32,959,897.86	24,884,297.22	30,666,358.16	**259,020.63**	4,920.00
Amortisation of goodwill on consolidation	**3,019,143.31**	713,747.64	713,747.64		
Portion of negative goodwill recognised in the income statement	**0.00**	0.00	0.00		
	3,019,143.31	713,747.64	713,747.64		
Depreciation and amortisation according to plan, total	**35,979,041.17**	25,598,044.87	31,380,105.80	**259,020.63**	4,920.00

6. Other operating expenses

	Consolidated			Parent company	
€	**2015**	2014	Pro forma unaudited 2014	**2015**	2014
Rents	**27,965,944.21**	17,081,481.23	20,229,228.26	**584,416.42**	403,958.98
Advertising and sales promotion	**15,857,861.85**	8,466,342.68	10,830,343.75	**531.96**	1,142.71
Operating and maintenance expenses	**39,232,657.29**	26,029,146.46	32,502,982.96	**0.00**	0.00
Other operating expenses	**46,835,003.37**	32,394,259.54	39,600,007.16	**4,392,441.75**	1,795,949.74
	129,891,466.72	83,971,229.91	103,162,562.13	**4,977,390.13**	2,201,051.43

7. Finance income and expenses

	Consolidated			Parent company	
€	**2015**	2014	Pro forma unaudited 2014	**2015**	2014
Income from investments in other non-current assets					
From group companies	**0.00**	0.00		**36,778,823.78**	20,489,307.06
From associated companies	**13,856,420.38**	7,243,165.45	7,243,165.45	**96,000.00**	96,000.00
	13,856,420.38	7,243,165.45	7,243,165.45	**36,874,823.78**	20,585,307.06
Other interest and finance income					
From group companies	**0.00**	0.00		**1,417,325.86**	2,937,399.09
From others	**4,356,301.71**	2,239,142.58	2,436,131.32	**784,541.83**	158,898.94
	4,356,301.71	2,239,142.58	2,436,131.32	**2,201,867.69**	3,096,298.03
Impairment of investments					
Impairment of investments to non-current assets	**1,480,000.00**	140,451.62	140,451.62	**0.00**	12,707.66
Interest costs and other finance costs					
To group companies	**0.00**	1,903,997.74	867,233.15	**2,950,137.78**	1,719,039.71
To others	**13,030,822.68**	5,386,725.83	9,906,765.96	**6,170,231.92**	4,317,818.87
	13,030,822.68	7,290,723.57	10,773,999.11	**9,120,369.70**	6,036,858.58

8. Finance income and expenses, total	**3,701,899.41**	2,051,132.84	-1,235,153.96	**29,956,321.77**	17,632,038.85
Extraordinary income					
Merger profit	**0.00**	0.00		**0.00**	7,463,879.15
Group contribution	**0.00**	0.00		**0.00**	3,700,000.00
	0.00	0.00		**0.00**	11,163,879.15

9. Income taxes

€	Consolidated 2015	Consolidated 2014	Consolidated Pro forma unaudited 2014	Parent company 2015	Parent company 2014
Current tax on profits for the financial period	**17,492,389.61**	4,944,205.70	10,232,689.86	**0.00**	0.00
Change in deferred taxes	**542,128.80**	4,116,749.26	4,116,749.26	**0.00**	0.00
	18,034,518.41	9,060,954.96	14,349,439.12	**0.00**	0.00

Pro forma income statement information

St1 Nordic presented pro forma income statement information for the year 2014. 2014 pro forma includes the Swedish marketing business which was transferred to St1 Nordic in October 2014. The content of pro forma income statement figures is presented in more detail below.

2014 pro forma income statement information:

In Sweden St1 Energy AB, a company belonging to St1 Group demerged on 7 October 2014 and its assets and liabilities were transferred to St1 Supply AB and St1 Marknad AB. St1 Nordic Oy's subsidiary St1 Sverige AB bought the shares of St1 Marknad AB, and subsequently St1 Marknad AB merged with St1 Sverige AB. The unaudited pro forma income statement information is presented in the consolidated financial statements to illustrate what the actual results of the operations of St1 Nordic group would have been if St1 Energy AB had demerged and St1 Marknad had been transferred to St1 Nordic group on 1 January 2014. In the compilation of the unaudited pro forma income statement information for the year ended 31 December 2014, the income statement allocated to St1 Marknad in the demerger of St1 Energy AB for the period 1 January to 6 October, 2014 has been included in the consolidated income statement of St1 Nordic group and adjusted by the internal management fee income and costs between St1 Energy AB and St1 Nordic group.

Same accounting policies

During 2014 St1 Group Oy and St1 Nordic Oy have been consolidated to the same Keele group and, therefore, the accounting policies applied in the companies have already been aligned and no adjustments related to the differences between accounting policies are needed.

Separate pro forma balance sheets are not needed

The consolidated balance sheet of St1 Nordic Oy group as of 31 December 2014 includes the assets and liabilities transferred to the group during 2014, and therefore no pro forma balance sheet information has been presented.

Nature of pro forma income statement information

Because of its nature, this pro forma income statement information addresses a hypothetical situation and, therefore, does neither present what the actual results of operations of St1 Nordic group for the year ended 31 December 2014 were, nor is intended to project the results of operations of St1 Nordic for any future period or as at any future date.

Notes to the balance sheet

TANGIBLE AND INTANGIBLE ASSETS IN THE GROUP

Capitalised development expenditure and intangible rights

The costs of St1 Biofuels Oy's development project "Conceptualisation of the new dispersed ethanol plant" have been capitalised into capitalised development expenditure. Said expenditure fulfills requirements set by the Ministry of Trade and Industry. Depreciation for the capitalised development expenses has been recognised for the current year starting from the initialisation of the first ethanol plant.

Technological initialisation expenditure include developmental projects aimed at developing methods of utilising waste and process residues in the production of ethanol and energy.

St1 Biofuels Oy has received as apport property the rights to the process to produce the water and ethanol mix. A patent has been granted for said process in six countries, in addition two patent applications have been placed in EU level. The item is presented in intangible rights. The anticipated return of the capitalised development expenditure significantly exceeds 5 years.

The development costs for the construction of St1 Deep Heat Oy's geothermal pilot heat plant have been capitalized into capitalized development expenditure. The said expenditure fulfills requirements set for capitalization by the Ministry of Trade and Industry. Planned depreciation for the development costs is 10 years straight-line depreciation. During the financial year depreciation was accounted for a full year.

Current development expenditure confirms the transition into the actual investment and investment decision has been made. The longer planned depreciation period is founded on income expectations which significantly exceed 5 years. Should actual construction not begin or would be interrupted, the development expenses would be written off.

Notes to the balance sheet

10. Intangible assets

€	Development expenses	Intangible rights	Goodwill
Acquisition cost January 1, 2015	2,912,018.84	6,351,190.77	8,252,813.77
Additions	542,770.93	1,410,535.47	1,155,696.47
Disposals	-167,309.68	-1,419.00	-41,873.84
Translation difference	0.00	0.00	58,642.88
Acquisition cost December 31, 2015	3,287,480.09	7,760,307.24	9,425,279.28
Accumulated amortisation January 1, 2015	-359,015.09	-5,940,092.86	-6,828,588.31
Amortisation during the financial period	-320,609.88	-134,831.88	-1,208,861.81
Accumulated amortisation December 31, 2015	-679,624.97	-6,074,924.74	-8,037,450.12
Net book value December 31, 2015	2,607,855.12	1,685,382.50	1,387,829.16

€	Goodwill on consolidation	Other long-term expenses	Total
Acquisition cost January 1, 2015	12,807,820.65	12,418,566.29	42,742,410.32
Additions	182,040,696.69	10,863,155.73	196,012,855.29
Disposals	0.00	-59.26	-210,661.78
Translation difference	0.00	94,722.38	153,365.26
Acquisition cost December 31, 2015	194,848,517.34	23,376,385.14	238,697,969.09
Accumulated depreciation January 1, 2015	-4,425,783.64	-5,162,696.80	-22,716,176.70
Depreciation during the financial period	-3,019,143.31	-2,620,608.88	-7,304,055.76
Accumulated depreciation December 31, 2015	-7,444,926.95	-7,783,305.68	-30,020,232.46
Net book value December 31, 2015	187,403,590.39	15,593,079.46	208,677,736.63

11. Tangible assets

€	Land	Buildings	Machinery and equipment	Other tangible assets
Acquisition cost January 1, 2015	45,291,974.85	147,375,399.53	203,758,086.54	28,928,099.39
Additions	18,459,754.74	50,231,441.93	88,313,035.99	2,236,899.29
Disposals	-217,470.99	-1,835,497.61	-7,385,584.51	-67,452.87
Translation difference	48,695.19	433,920.55	878,215.59	0.00
Acquisition cost December 31, 2015	63,582,953.79	196,205,264.40	285,563,753.61	31,097,545.81
Accumulated depreciation January 1, 2015	0.00	-76,732,844.03	-108,858,372.78	-16,419,131.47
Depreciation during the financial period	0.00	-9,100,925.65	-17,555,134.76	-2,018,925.00
Accumulated depreciation December 31, 2015	0.00	-85,833,769.68	-126,413,507.54	-18,438,056.47
Revaluation January 1, 2015	58,743,814.70	1,438,255.12	0.00	0.00
Additions	18,717,284.41	20,620,737.06	23,793,158.15	2,643,684.24
Disposals	-3,000,000.00	0.00	0.00	0.00
Revaluation December 31, 2015	74,461,099.11	22,058,992.18	23,793,158.15	2,643,684.24
Net book value December 31, 2015	138,044,052.90	132,430,486.90	182,943,404.22	15,303,173.58

€	Advance payments and construction in progress	Total
Acquisition cost January 1, 2015	1,511,959.78	426,865,520.09
Additions	8,812,469.57	168,053,601.52
Disposals	-2,368,930.58	-11,874,936.56
Translation difference	0.00	1,360,831.33
Acquisition cost December 31, 2015	7,955,498.77	584,405,016.38
Accumulated depreciation January 1, 2015	0.00	-202,010,348.28
Depreciation during the financial period	0.00	-28,674,985.41
Accumulated depreciation December 31, 2015	0.00	-230,685,333.69
Revaluation January 1, 2015	0.00	60,182,069.82
Additions	0.00	65,774,863.86
Disposals	0.00	-3,000,000.00
Revaluation December 31, 2015	0.00	122,956,933.68
Net book value December 31, 2015	7,955,498.77	476,676,616.37

12. Revaluations

The revaluation is based on discounted cash flow calculation made by the company, income value and in some cases on building rights which are supported by an independent third-party expert's valuation on the likely sale price of the land.

13. Investments

Group companies	Group ownership	Parent ownership
St1 Oy	100.00%	100.00%
Kiinteistö Oy Olarinluoman huoltamo	100.00%	100.00%
St1 Lähienergia Oy (former Etelä-Suomen Lämpöpalvelu Oy)	79.11%	100.00%
Uudenmaan Energiakaivot Oy	79.11%	0.00%
St1 Polska Sp. z.o o	100.00%	100.00%
St1 Biofuels Sweden AB	100.00%	100.00%
St1 Sverige AB	100.00%	100.00%
St1 Norge AS	100.00%	100.00%
Smart Fuel AS	100.00%	100.00%
St1 Biofuels Oy	100.00%	100.00%
St1 Deep Heat Oy	100.00%	100.00%

Associated companies	Group ownership	Parent ownership
Tuuliwatti Oy	50%	50%
Equity EUR 51,461,597.64 and profit for the period EUR 4,282.83		
North European Oil Trade Oy	49%	49%
Equity EUR 7,272,237.32 and profit for the period EUR 199,729.01		
North European Bio Tech Oy	50%	50%
Equity EUR 2,365,301.04 and loss for the period EUR -140,397.23		

Investments in the parent company

Shares

€	Group companies	Associated companies	Others	Total
Acquisition cost January 1, 2015	96,610,874.73	29,922,470.00	227,393.69	126,760,738.42
Additions	350,000,496.42	0.00	0.00	350,000,496.42
Disposals	0.00	-74,970.00	0.00	-74,970.00
Acquisition cost December 31, 2015	446,611,371.15	29,847,500.00	227,393.69	476,686,264.84
Net book value December 31, 2015	446,611,371.15	29,847,500.00	227,393.69	476,686,264.84

Investments in the group

	Shares		**Receivables**	
€	Associated companies	Others	Others	Total
Acquisition cost January 1, 2015	41,446,527.29	1,362,256.89	5,794,874.64	48,603,658.82
Additions	12,713,185.76	2,308,995.12	8,509,186.47	23,531,367.35
Disposals	-74,970.00	0.00	-46,290.10	-121,260.10
Acquisition cost December 31, 2015	54,084,743.05	3,671,252.01	14,257,771.01	72,013,766.07
Net book value December 31, 2015	54,084,743.05	3,671,252.01	14,257,771.01	72,013,766.07

14. Receivables from group companies

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Current				
Trade receivables	**373,576.00**	0.00	**4,364,637.80**	3,919,768.68
Other receivables	**1,986,885.31**	1,755,011.67	**0.00**	1,880,115.02
Loan receivables	**0.00**	0.00	**24,973,469.94**	39,701,262.08
	2,360,461.31	1,755,011.67	**29,338,107.74**	45,501,145.78

Receivables from associated companies

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Current				
Trade receivables	**106,927.40**	143,873.38	**106,927.40**	143,873.38

15. Equity

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Share capital January 1	**100,000.00**	100,000.00	**100,000.00**	100,000.00
Increase in the share capital				
Share capital December 31	**100,000.00**	100,000.00	**100,000.00**	100,000.00
Revaluation reserve January 1	**45,907,770.53**	6,850,675.25	**0.00**	0.00
Revaluation of non-current assets	**0.00**	39,057,095.28	**0.00**	0.00
Revaluation reserve December 31	**45,907,770.53**	45,907,770.53	**0.00**	0.00
Reserve for invested unrestricted equity January 1	**19,021,325.38**	18,926,325.38	**18,926,325.38**	18,926,325.38
Change	**56,000,049.00**	95,000.00	**56,000,049.00**	0.00
Reserve for invested unrestricted equity December 31	**75,021,374.38**	19,021,325.38	**74,926,374.38**	18,926,325.38
Retained earnings January 1	**130,794,826.54**	96,862,760.76	**55,940,993.51**	30,726,004.92
Dividend distribution	**-3,000,000.00**	-3,000,000.00	**-3,000,000.00**	-3,000,000.00
Translation differences of foreign subsidiaries	**-434,594.57**	-1,309,137.86	**0.00**	0.00
Retained earnings December 31	**127,360,231.97**	92,553,622.90	**52,940,993.51**	27,726,004.92
Profit for the period	**72,377,596.32**	38,241,203.64	**37,610,335.20**	28,214,988.59
Distributable earnings December 31	**274,759,202.67**	149,816,151.92	**165,477,703.09**	74,867,318.89

16. Provisions

€	Consolidated 2015	2014
Certain retirement pensions for which company is liable	**35,561,054.24**	35,893,700.17
Other provisions	**1,130,494.00**	13,827.00
Expected environmental obligations	**11,009,746.33**	6,440,392.44
Total provisions	**47,701,294.57**	42,347,919.61

Environmental obligations: The total liability cannot be reliably determined. A provision has been recognised for known liabilities, for which the company is likely to be responsible for in the near future. These liabilities relate mainly to the environmental obligations concerning soil decontamination. Change in the provision has been recognised in other operating expenses against actual costs. Pension provision is mainly composed of pension provision in St1 Sverige AB and of pension provision in St1 Oy.

17. Deferred tax assets and liabilities

€	Consolidated 2015	2014
Deferred tax assets		
From provisions	**2,692,152.67**	807,080.40
	2,692,152.67	807,080.40
Deferred tax liabilities		
From appropriations	**9,125,796.00**	6,923,101.34
From revaluations and goodwill allocations	**32,237,707.02**	9,023,887.20
From consolidation	**3,510,113.64**	9,533,394.24
	44,873,616.66	25,480,382.78

18. Liabilities to group companies

	Consolidated		Parent company	
€	2015	2014	2015	2014
Non-current loans	**0.00**	0.00	**157,479,907.99**	32,344,585.38
Current loans:				
Trade payables	**36,194,555.08**	47,655,508.68	**33,316.60**	468,810.97
Other liabilities	**979,726.03**	0.00	**0.00**	0.00
Accruals and deferred income	**0.00**	0.00	**94,447.12**	0.00
	37,174,281.11	47,655,508.68	**157,607,671.71**	32,813,396.35

19. Adjusting entries for assets/Receivables carried forward

	Consolidated		Parent company	
€	2015	2014	2015	2014
Cost allocations	**40,700,464.30**	7,232,077.38	**5,346,927.67**	325,502.89
Financing cost allocations	**0.00**	1,366,923.90	**986,056.31**	1,366,923.90
Tax receivables	**2,407,072.77**	3,424,530.69	**0.00**	59,990.67
Other adjusting entries	**15,571,145.80**	15,567,588.70	**849,553.68**	0.00
	58,678,682.87	27,591,120.67	**7,182,537.66**	1,752,417.46

20. Accrued expenses

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Personnel cost accruals	**16,523,344.77**	7,879,490.20	**628,494.56**	382,865.31
Interest accruals	**2,490,214.46**	2,413,292.18	**2,483,871.80**	2,371,875.00
Cost provisions	**24,839,662.50**	3,858,376.31	**171,434.39**	0.00
Tax accruals	**3,249,102.21**	1,306,784.50	**0.00**	0.00
Other accrued expenses	**63,778,483.88**	3,999,964.70	**3,800.00**	0.00
	110,880,807.82	19,457,907.89	**3,287,600.75**	2,754,740.31

21. Commitments and contingencies

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Liabilities for which business mortgage, real estate mortgage or shares have been given as collateral				
Loans from financial institutions	**831,556.67**	2,505,904.94	**0.00**	0.00
Guarantees on behalf of others	**0.00**	0.00	**0.00**	0.00
Total	**831,556.67**	2,505,904.94	**0.00**	0.00
Mortgages given as collateral				
Business mortgages	**6,000,000.00**	6,000,000.00	**0.00**	0.00
Bearer bonds and mortgage bonds	**0.00**	0.00	**0.00**	0.00
Mortgage on lease agreement on a place of business	**3,700,000.00**	3,700,000.00	**0.00**	0.00
Shares	**0.00**	0.00	**0.00**	0.00
Other guarantees	**4,200,000.00**	4,200,000.00	**4,200,000.00**	4,200,000.00
Total	**13,900,000.00**	13,900,000.00	**4,200,000.00**	4,200,000.00
Guarantees given				
Other guarantees	**8,500,000.00**	9,000,000.00	**8,500,000.00**	9,000,000.00
	8,500,000.00	9,000,000.00	**8,500,000.00**	9,000,000.00

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Mortgages and guarantees on own operations				
Business mortgages	**6,000,000.00**	6,000,000.00	**0.00**	0.00
Bearer bonds and mortgage bonds	**0.00**	0.00	**0.00**	0.00
Mortgage on lease agreement on a place of business	**3,700,000.00**	3,700,000.00	**0.00**	0.00
Shares	**0.00**	0.00	**0.00**	0.00
Other guarantees	**4,200,000.00**	4,200,000.00	**0.00**	0.00
Total	**13,900,000.00**	13,900,000.00	**0.00**	0.00
Guarantees on behalf of others	**8,500,000.00**	9,000,000.00	**8,500,000.00**	9,000,000.00
Guarantees on behalf of group companies				
Business mortgages	**0.00**	0.00	**0.00**	0.00
Other guarantees	**57,670,605.55**	0.00	**57,670,605.55**	0.00
Shares	**0.00**	0.00	**0.00**	0.00
	57,670,605.55	0.00	**57,670,605.55**	0.00

In addition, a guarantee was given for the associated company North European Oil Trade Oy's accounts payable amounting to EUR 13,991,243.60, derivatives liabilities EUR 35,779.20, L/C liabilities EUR 4,680,066.81 on 31 December 2015 and North European Bio Tech Oy:s lease liabilities EUR 537,718.00. St1 Nordic Oy has also pledged for Tuuliwatti Oy's loans receivables from any balance responsible party acting on the electricity market (FI: tasevastaava). According to an investor undertaking issued by the St1 Nordic Oy and S-Voima Oy, Tuuliwatti and/or the agent of the finance parties may require the shareholders to make an equity investment into Tuuliwatti to enable it to ensure that any leasehold registered to Tuuliwatti remains in force if any mortgages registered to the relevant real estate are enforced.

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Future leasing payments:				
No later than one year	**1,904,555.76**	2,104,404.28	64,571.14	0.00
Later	**946,893.70**	2,495,743.28	17,933.44	0.00
Total	**2,851,449.46**	4,600,147.56	82,504.58	0.00
Residual value liability	**933,243.50**	927,020.65	21,930.00	

In addition, guarantees have been given for environmental obligations related to the lease agreements of the subsidiaries.

Signatures to the financial statements and the Board of Directors´report

Helsinki, 23 March 2016

Mika Anttonen Chairman of the Board	Mika Jokinen	Juha Kokko
Mikko Koskimies	Kim Wiio CEO	

Auditor's Note

Our auditor's report has been issued today.

Helsinki, 29 March 2016

PricewaterhouseCoopers Oy, Authorised Public Accountants

Johan Weckman
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of St1 Nordic Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of St1 Nordic Oy for the financial period 1 January–31 December 2015. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

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

Auditor's Responsibility

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

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

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

Opinion

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

Helsinki 29 March 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Johan Weckman
Authorised Public Accountant

Board of Directors

ST1 NORDIC

Mika Anttonen

Chairman of the Board of Directors

St1 Nordic Oy, St1 Group Oy

Mikko Koskimies

Managing Director

eQ Varainhoito Oy

Juha Kokko

COO

STR Tecoil Oy

Mika Jokinen

Production Manager

St1 Biofuels Oy

Management

ST1 NORDIC

Kim Wiio

CEO

Mika Wiljanen

CEO

St1 Oy, Smart Fuel AS

Hilde Wahl

CEO

St1 Sverige AB, St1 Norge AS

Jari Suominen

CEO

St1 Biofuels Oy, Tuuliwatti Oy, St1 Deep Heat Oy

Mika Aho

Director, Public Affairs

Kati Ylä-Autio

CFO

Marko Korhonen

CIO

Anu Rautanen

Director, Accounting

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