Maricogen A/S

Hadsundvej 17, DK-9550 Mariager

Annual Report for 1 January - 31 December 2018

CVR No 20 68 33 41

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 15/5 2019

Eveline Isabella Gratzer
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Maricogen A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Mariager, 15 May 2019

Executive Board

Torben Brændgaard

Board of Directors

Elisabeth Deelen Chairman	Nils Corneille van der Plas	Eveline Isabella Gratzer

Independent Auditor's Report

To the Shareholder of Maricogen A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maricogen A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aalborg, 15 May 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Nielsson
State Authorised Public Accountant
mne15151

Kristian Kjær Jensen
State Authorised Public Accountant
mne35627

Company Information

The Company	Maricogen A/S Hadsundvej 17 DK-9550 Mariager Telephone: + 45 98 68 78 88 Facsimile: + 45 96 68 78 90 CVR No: 20 68 33 41 Financial period: 1 January - 31 December Municipality of reg. office: Mariagerfjord
Board of Directors	Elisabeth Deelen, Chairman Nils Corneille van der Plas Eveline Isabella Gratzer
Executive Board	Torben Brændgaard
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A DK-9000 Aalborg

Management's Review

Key activities

Maricogen A/S was established under the name Maricogen P/S in 1997, until September 30, 2007 as a partnership with Difko. In connection with AkzoNobels acquisition, all energy-related companies merged with effect from January 1, 2008. At the same time, the company was changed to a limited company.

October 1, 2018, the sales of AkzoNobel Specialty Chemicals to the Carlyle Group was completed and has become an independent company with a new name: Nouryon. Nouryon has 5 business units and Industrial Chemicals is the business unit that Akzo Nobel Salt A/S is a part of.

The objective of the company is to generate electricity and heating through the construction and operation of a natural-gas-fired industrial cogeneration plant.

Electricity is sold on market conditions. The proceeds from sales also include price increment received to electricity produced by decentralized cogeneration in accordance with the Act dealing with power supply, which came into force as at January 1, 2005.

The cogeneration plant is constructed at the site of Akzo Nobel Salt A/S and was commissioned in 1999.

Development in the year

The income statement of the Company for 2018 shows a loss of DKK 19,171,535, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 29,732,835.

The plant has in 2018 been in operation for 1,221 hours.

The total proceeds from sales amounted to DKK 28.1 m against DKK 36.9 m. the year before.

Targets and expectations for the year ahead

The production in 2019 will also be influenced by thedifference between prices on natural gas and electricity.

The current agreement with Energinet.dk stipulating thatthe power generating capacity of the company shouldserve as a reserve for the Danish power supply will expireby the end of May 2019. However, the management of the company has an expectation that also in the future there will be a need for this capacity in the Danish energy net and thus this changehas no importance for the current valuation of the asset.

Research and development

Research and development activities are primarily governed by Akzo Nobel N.V. (now: Nouryon). In 2018, Maricogen A/S has not defrayed any costs relating to research and development activities.

Management's Review

External environment

Key figures for the environment are reported to relevant authorities according to permits and approvals. Maricogen A/S is comprised by Akzo Nobel Salt A/S'environmental management system, which was 14001 certified in 1999. In addition to the external environment, the system also comprises energy management, and targets and action plans for energy optimisationare prepared as part of the system. The most important raw material for heat and powerproduction is fuel in the form of natural gas. When it is burned, the carbon dioxide (CO_2), nitrogen (NO_x)and sulphur dioxide (SO_2) are generated.

Unusual events

In a letter dated February 22, 2019, the Danish Ministry of Energy, Utilities and Climate has informed Maricogen A/S that in connection with a check of the so-called IKV-scheme the Ministry has found that up to 100 per cent of the subsidy paid in the period 2013-2017 has represented an overcompensation of the participating power plants and thus will be required to be repaid by the participating companies. The amount is DKK 50.9 mio.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2018	2017
		DKK	DKK
Gross profit/loss		**28,153,085**	**36,942,816**
Administrative expenses		-822,925	-442,318
Operating profit/loss		**27,330,160**	**36,500,498**
Other operating income		0	8,299,084
Other operating expenses	2	-51,796,882	0
Profit/loss before financial income and expenses		**-24,466,722**	**44,799,582**
Financial income		0	41
Financial expenses		-22	-2,958
Profit/loss before tax		**-24,466,744**	**44,796,665**
Tax on profit/loss for the year	3	5,295,209	-10,139,940
Net profit/loss for the year		**-19,171,535**	**34,656,725**

Distribution of profit

Proposed distribution of profit

Retained earnings	-19,171,535	34,656,725
	-19,171,535	**34,656,725**

Balance Sheet 31 December

Assets

	Note	2018	2017
		DKK	DKK
Land and buildings		4,009,639	4,785,698
Other fixtures and fittings, tools and equipment		2,727,385	3,121,708
Property, plant and equipment	4	**6,737,024**	**7,907,406**
Fixed assets		**6,737,024**	**7,907,406**
Inventories		**685,044**	**414,193**
Trade receivables		1,016,487	3,380,242
Receivables from group enterprises		76,354,000	53,059,359
Other receivables		0	225,615
Corporation tax receivable from group enterprises		5,185,087	0
Receivables		**82,555,574**	**56,665,216**
Currents assets		**83,240,618**	**57,079,409**
Assets		**89,977,642**	**64,986,815**

Balance Sheet 31 December

Liabilities and equity

	Note	2018	2017
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		29,232,835	48,404,370
Equity		**29,732,835**	**48,904,370**
Provision for deferred tax		200,745	168,537
Provisions		**200,745**	**168,537**
Trade payables		3,300,670	116,664
Payables to group enterprises		66,238	0
Payables to group enterprises relating to corporation tax		0	10,134,782
Other payables		56,677,154	5,662,462
Short-term debt		**60,044,062**	**15,913,908**
Debt		**60,044,062**	**15,913,908**
Liabilities and equity		**89,977,642**	**64,986,815**
Key activities			
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Accounting Policies	7		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500,000	48,404,370	48,904,370
Net profit/loss for the year	0	-19,171,535	-19,171,535
Equity at 31 December	**500,000**	**29,232,835**	**29,732,835**

Notes to the Financial Statements

	2018	2017
	DKK	DKK

1 Staff

No personnel were employed with the company during the financial year.

	2018	2017
Average number of employees	**0**	**0**

2 Special items

In a letter dated February 22, 2019, the Danish Ministry of Energy, Utilities and Climate has informed Maricogen A/S that in connection with a check of the so-called IKV-scheme the Ministry has found that up to 100 per cent of the subsidy paid in the period 2013-2017 has represented an overcompensation of the participating power plants and thus will be required to be repaid by the participating companies. The amount is DKK 50.9 mio.

3 Tax on profit/loss for the year

	2018	2017
Current tax for the year	-5,216,400	10,134,781
Deferred tax for the year	32,208	-56,765
Adjustment of tax concerning previous years	-111,017	61,924
	-5,295,209	**10,139,940**

4 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	19,073,524	134,240,935
Cost at 31 December	19,073,524	134,240,935
Impairment losses and depreciation at 1 January	14,287,826	131,119,229
Depreciation for the year	776,059	394,321
Impairment losses and depreciation at 31 December	15,063,885	131,513,550
Carrying amount at 31 December	**4,009,639**	**2,727,385**
Depreciated over	25 years	10 years

Notes to the Financial Statements

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Akzo Nobel Salt A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6 Related parties

The following shareholders own more than 5% of the share capital:

Akzo Nobel Salt A/S, Mariager
Maricogen A/S is consolidated into the accounts for Nouryon Coöperatief U.A., The Netherlands. The consolidated accounts for Nouryon Coöperatief U.A. can be downloaded from their website.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Maricogen A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2018 are presented in DKK.

Changes in accounting policies

In order to give a more fair presentation og the Financial Statements, we have altered the comparative figures in some places.

The change in accounting policies was performed without this having effect in result or equity. Otherwise , the accounting policies applied remain unchanged from last year.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

7 **Accounting Policies** (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and cost of sales.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

7 **Accounting Policies** (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Akzo Nobel Salt A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	25 years
Other fixtures and fittings, tools and equipment	10 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

7 **Accounting Policies** (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

7 **Accounting Policies** (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.