Ekokem OW A/S

Olievej 10-12, DK-6700 Esbjerg

Annual Report for 1 January - 31 December 2015

CVR No 70 72 75 28

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/04 2016

Jani Juhani Lösönen
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Ekokem OW A/S for the financial year 1 January - 31 December 2015.

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 2015 of the Company and of the results of the Company operations for 2015.

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

Nyborg, 27 April 2016

Executive Board

Thomas Haislund Agergaard
Executive Officer

Board of Directors

Jani Juhani Lösönen Chairman	Hilppa Riikka Sofia Rautpalo	Karri Kaitue

Independent Auditor's Report on the Financial Statements

To the Shareholders of Ekokem OW A/S

Report on the Financial Statements

We have audited the Financial Statements of Ekokem OW A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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.

Auditor's Responsibility
Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements 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.

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

Our audit has not resulted in any qualification.

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 27 April 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kim Füchsel	Line Hedam
State Authorised Public Accountant	State Authorised Public Accountant

Company Information

The Company	Ekokem OW A/S Olievej 10-12 DK-6700 Esbjerg Telephone: + 45 75 13 86 00 Facsimile: + 45 75 13 04 87 Website: www.ekokem.com CVR No: 70 72 75 28 Financial period: 1 January - 31 December Municipality of reg. office: Esbjerg
Board of Directors	Jani Juhani Lösönen, Chairman Hilppa Riikka Sofia Rautpalo Karri Kaitue
Executive Board	Thomas Haislund Agergaard
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

The Financial Statements of Ekokem OW A/S for 2015 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

The company's main business is doing business of collecting, buying and selling used oil products and treatment of waste oil, oil/water fractions and wastewater on the treatment facilities in Aarhus, Esbjerg, Grenaa, Copenhagen and Fredericia.

Development in the year

The income statement of the Company for 2015 shows a loss of DKK 21,335k, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 22,469k.

The main driver for this was the low oil prices and the volumes in the market and the provision and depreciations related to the closing of the Fredericia plant. See section "unusual events" for further details.

Uncertainty relating to recognition and measurement

The recognition and measurement of assets and liabilities in the financial statement of 2015 are not subject to any significant uncertainties. The biggest uncertainty relates to the measurement of future obligations in relation to the, clean-up of the leased land at Aarhus, Esbjerg, Grenaa and Copenhagen. Future obligation calculation based on rates agreed within the Ekokem Group, which has affected the Financial Statement negative with KDKK 24.804 (see note 9).

Unusual events

An explosion in Fredericia plant on 23 March 2015 affected the business at the facility and an employee was heavily injured. At this time, a police investigation is still ongoing. The plant in Fredericia has been rebuild but not taken in use. The reason is the market situation, where decreasing volume and oil prices have a negative effect on the business. By end of 2015, it was decided not to reopen the Fredericia plant and the costs for depreciations and closing down, resulted in an extraordinary depreciation of the company's fixed assets of TDKK 2.176 in 2015. No further closing expenses are expected in 2016.

Furthermore, the market situation force the management to take further actions on how to optimize the business in the Oily Water division, during 2016.

Income Statement 1 January - 31 December

	Note	2015 DKK'000	2014 DKK'000
Gross profit/loss		**-1.978**	**42.735**
Staff expenses	1	-17.560	-16.279
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-8.135	-6.431
Profit/loss before financial income and expenses		**-27.673**	**20.025**
Financial income	3	281	2
Financial expenses	4	-508	-556
Profit/loss before tax		**-27.900**	**19.471**
Tax on profit/loss for the year	5	6.564	-4.987
Net profit/loss for the year		**-21.336**	**14.484**

Distribution of profit

	2015 DKK'000	2014 DKK'000
Proposed distribution of profit		
Retained earnings	-21.336	14.484
	-21.336	**14.484**

Balance Sheet 31 December

Assets

	Note	2015	2014
		DKK'000	DKK'000
Goodwill		954	1.840
Intangible assets	6	**954**	**1.840**
Land and buildings		15.595	18.826
Plant and machinery		13.679	12.987
Other fixtures and fittings, tools and equipment		0	2.295
Property, plant and equipment	7	**29.274**	**34.108**
Deferred tax asset		4.763	0
Other receivables		0	389
Fixed asset investments		**4.763**	**389**
Fixed assets		**34.991**	**36.337**
Inventories		**1.912**	**896**
Trade receivables		5.972	21.167
Receivables from group enterprises		18.570	2.192
Other receivables		4.090	330
Prepayments		0	258
Receivables		**28.632**	**23.947**
Cash at bank and in hand		**23.513**	**33.615**
Currents assets		**54.057**	**58.458**
Assets		**89.048**	**94.795**

Balance Sheet 31 December

Liabilities and equity

	Note	2015	2014
		DKK'000	DKK'000
Share capital		600	600
Retained earnings		21.868	43.205
Equity	8	**22.468**	**43.805**
Provision for deferred tax		0	1.650
Other provisions	9	24.804	0
Provisions		**24.804**	**1.650**
Trade payables		4.437	5.546
Payables to group enterprises		17.629	17.083
Corporation tax		7.075	7.226
Other payables		4.780	8.876
Deferred income		7.855	10.609
Short-term debt		**41.776**	**49.340**
Debt		**41.776**	**49.340**
Liabilities and equity		**89.048**	**94.795**
Contingent assets, liabilities and other financial obligations	10		
Related parties and ownership	11		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK'000	DKK'000	DKK'000
Equity at 1 January	600	43.204	43.804
Net profit/loss for the year	0	-21.336	-21.336
Equity at 31 December	**600**	**21.868**	**22.468**

Notes to the Financial Statements

		2015	2014
		DKK'000	DKK'000
1	**Staff expenses**		
	Wages and salaries	15.313	14.830
	Pensions	2.114	1.319
	Other social security expenses	133	130
		17.560	**16.279**
	Average number of employees	**29**	**27**
2	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	886	886
	Depreciation of property, plant and equipment	7.249	5.545
		8.135	**6.431**
	Which is specified as follows:		
	Goodwill	886	886
	Extraordinary impairment of plant in Fredericia	2.176	0
	Other depreciation and amortisation	5.073	5.545
		8.135	**6.431**
3	**Financial income**		
	Interest received from group enterprises	274	0
	Other financial income	7	2
		281	**2**
4	**Financial expenses**		
	Interest paid to group enterprises	203	344
	Other financial expenses	305	212
		508	**556**

Notes to the Financial Statements

5 Tax on profit/loss for the year

	2015	2014
	DKK'000	DKK'000
Current tax for the year	-151	5.321
Deferred tax for the year	-6.685	-334
Adjustment of tax concerning previous years	272	0
	-6.564	**4.987**

6 Intangible assets

	Goodwill
	DKK'000
Cost at 1 January	2.726
Cost at 31 December	2.726
Impairment losses and amortisation at 1 January	886
Amortisation for the year	886
Impairment losses and amortisation at 31 December	1.772
Carrying amount at 31 December	**954**

Notes to the Financial Statements

7 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000
Cost at 1 January	26.427	60.065
Additions for the year	0	2.417
Disposals for the year	0	-1.239
Cost at 31 December	26.427	61.243
Revaluations at 1 January	0	0
Revaluations at 31 December	0	0
Impairment losses and depreciation at 1 January	7.601	44.785
Exchange adjustment	0	0
Impairment losses for the year	2.176	0
Depreciation for the year	1.055	4.018
Impairment and depreciation of sold assets for the year	0	-1.239
Impairment losses and depreciation at 31 December	10.832	47.564
Carrying amount at 31 December	**15.595**	**13.679**

8 Equity

The share capital is broken down as follow:

	Number	Nominal value DKK'000
600 A-shares of DKK 1,000.00	600	600
		600

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

		2015	2014
		DKK'000	DKK'000
9	**Other provisions**		
	Other provisions	24.804	0
		24.804	**0**

Provisions at 31 December 2015 amount to DKK 24,804k and constitute Management's judgement and assessment of anticipated costs for purification of conterminated land on leased site.

10 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

	2015	2014
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.072	2.020
Between 1 and 5 years	5.236	5.125
After 5 years	1.583	2.224
	8.891	**9.369**

Rental agreements and leases includes rent of buildings and land with total DKK 8,562k in interminable contracts with remaining contract period of 1-11 years. This also includes the obligation of operating leases on cars total DKK 329k with a remaining contract period of up to 2 years.

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 Duke Infrastructure Holding ApS, 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.

A provision of DKK 650k has been made for a guarantee provided to the Danish Environmental Protection Agency and CPH Port.

There are no security and contingent liabilities at 31 December 2015.

Notes to the Financial Statements

11 Related parties and ownership

	Basis
Controlling interest	
Parent Company:	Reg. office
Duke Infrastructure A/S	Nyborg, Danmark
Duke Infrastructure Holding ApS	Nyborg, Danmark
Ekokem Oyj	Riihimäki, Finland

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Duke Infrastructure A/S, Lindholmvej 3, DK-5800 Nyborg

Accounting Policies

Basis of Preparation

The Annual Report of Ekokem OW A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK thousends.

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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Accounting Policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement.

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, 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.

Extraordinary income and expenses

Extraordinary income and expenses comprise income and expenses resulting from events or transactions which clearly differ from ordinary activities and which are not expected to be of a recurring nature.

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.

Accounting Policies

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 8 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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
Plant and machinery	3-13	years

Depreciation period and residual value are reassessed annually.

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.

Accounting Policies

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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 in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

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

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and inte-rest.

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, including the tax base of tax loss carry-forwards, 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.

Accounting Policies

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.

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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.