EKOKEM CORPORATION
Interim Report Q1 / 2016
January-March 2016

Interim Report for Ekokem Corporation Q1 1 January – 31 March 2016

- Ekokem's net sales grew by 8.7% year-on-year, and amounted to EUR 60.6 million (EUR 55.7 million).
- EBITDA was EUR 18.0 million (EUR 17.0 million), and the EBITDA margin was 29.6% (30.5%). A EUR 1.0 million one-off adjustment related to earlier financial periods had a negative impact on net sales and EBITDA.
- Equity ratio was 40.2% (38.4%) at the end of the period.
- Net debt at the end of the period totalled EUR 101.9 million (EUR 113.0 million).

Ekokem's CEO Karri Kaitue:

"The maintenance shutdown of our high-temperature incineration facility in Sweden was moved some months earlier, which affected availability in the first quarter of 2016. Otherwise, production was running as expected. Demand for environmental management services remained healthy, and the environmental engineering markets continued to be strong. Although the prices of electricity and recyclable materials such as metals and oil remained low, Ekokem was able to maintain healthy profitability.

Occupational safety at Ekokem has shown a positive trend compared to the first quarter of 2015. However, occupational safety development is a process that requires continuous attention. The safety objective for 2016 is to reduce accidents by 50% from the previous year. A revised monthly corporate reporting system has been introduced for monitoring progress in this respect.

In February, Ekokem announced that it would initiate a capital structure assessment with the objective of securing resources for the company's future development. The assessment work is under way. Similarly, the efficiency programme launched in late 2015 is progressing as planned."

Key figures (EUR million)

Ekokem Group	**Q1/2016**	**Q1/2015**	**FY 2015**
Net sales	60.6	55.7	258.3
EBITDA	18.0	17.0	54.6
% of net sales	*29.6 %*	*30.5 %*	*21.1 %*
Operating profit	10.2	9.9	17.4
% of net sales	*16.8 %*	*17.8 %*	*6.8 %*
Profit for the period	6.2	7.0	9.7
Earnings per share, EUR	1.78	1.98	2.74
Net interest-bearing liabilities	101.9	113.0	106.7
Equity ratio, %	40.2 %	38.4 %	39.0 %
Net gearing, %	61.7 %	67.4 %	66.3 %
Net cash flow from operating activities	11.4	14.5	59.9

Investments	6.6	89.4	117.0
Average number of personnel	626	610	677

Ekokem Group's development during the first quarter

Ekokem Group's net sales in the first quarter amounted to EUR 60.6 million (EUR 55.7 million), showing a year-on-year increase of 9%. The increase in net sales is largely attributed to the consolidation of the Danish operations, effective from February 2015. In the first quarter of 2016, approximately 58% of Ekokem's net sales were generated by operations in Finland, approximately 26% by operations in Denmark, and approximately 17% by operations in Sweden.

The Ekokem Group's EBITDA was EUR 18.0 million (EUR 17.0 million), and the EBITDA margin was 29.6% (30.5%). A one-off adjustment item of EUR 1.0 million attributable to inventory levels and deferred revenue and related to previous financial periods had a negative impact on the EBITDA. This accounting item has no effect on Ekokem's cash flow. The Group's depreciations rose slightly and, as a result, the operating profit – EUR 10.2 million during the first quarter of 2016 – remained on the same level as a year earlier (EUR 9.9 million).

Net cash flow from operations amounted to EUR 11.4 million (EUR 14.5 million). Investments in the first quarter totalled EUR 6.6 million (EUR 89.4 million), the largest involving the construction of the Riihimäki Circular Economy Village.

As of end of the first quarter 2016, equity ratio was 40.2% (38.4%) and net debt totalled EUR 101.9 million (EUR 113.0 million).

Environment, health and safety

No incidents were recorded of flue gas emissions exceeding the Ekokem Group's environmental permit limits in the first quarter of 2016 (one in 2015). Concentration and load limits for wastewater discharges were exceeded on a total of two (4) occasions. Two accidents resulting in absence from work occurred during the quarter (in Q1/2015: 5). Ekokem's accident frequency (LTI1, accidents per one million working hours as a rolling average for 12 months) fell to 9.6 from a level of 11.1 in 2015.

Outlook

Ekokem's net sales are expected to grow in 2016. According to the company's view the prerequisites for its business are good and supported by, among others, the expected positive impact from the efficiency measures carried out in autumn 2015 and the completion of the Circular Economy Village. However, the low oil and energy prices will continue to put some pressure on the development.

Ekokem will continue to develop its operations and actively explore different opportunities for expanding its business, primarily in the Nordic countries. The aim is to ensure a sufficiently extensive service portfolio that enables Ekokem to provide a comprehensive range of waste management services for its industrial clients.

Major events after the end of the period

In April, Ekokem signed a three-year revolving credit facility agreement amounting to EUR 30 million. The purpose of the financing agreement is to ensure adequate flexibility and availability of financing for the Group's general needs. No funds have been withdrawn under the credit line agreement.

Ekokem's Annual General Meeting was held in Helsinki on 29 April 2016. The Annual General Meeting approved the company's financial statements for the financial year 1 January – 31 December 2015 and discharged the Board of Directors and CEO from liability. In accordance with a proposal by the Board of Directors, the Annual General Meeting decided to pay a total of EUR 7.0 million in dividends, i.e. EUR 2.00 per share. In accordance with the shareholders' Nomination Board's proposal, the Annual General Meeting decided to appoint five members to the Board of Directors. As proposed, Juha Vanhainen, Leena Karessuo, Pia Björk and Tiina Tuomela were re-appointed as members of the Board of Directors. Marko Hyvärinen was elected as a new member. The Annual General Meeting appointed Juha Vanhainen as the chairman and Leena Karessuo as the vice-chairman of the Board of Directors.

Trial operations began at the Riihimäki Circular Economy Village in May, with the Eco Refinery and Ekokem Plastic Refinery processing the first waste batches. Once the complete operations have started, Ekokem will begin the contract delivery of plastic raw materials from its Plastic Refinery to customers such as Amerplast Oy, which will use the material for the manufacture of plastic bags.

In February, Ekokem announced that it would initiate a capital structure assessment with the objective of securing resources for the company's future development. One of the alternatives considered has been listing on the Helsinki Stock Exchange. In May, Fortum Corporation announced it had made an indicative, non-binding offer to the four biggest shareholders of Ekokem to acquire their shareholding in the company. These biggest shareholders (Finnish State, Association of Finnish Local and Regional Authorities, Ilmarinen Mutual Pension Insurance Company and Helsinki Region Environmental Services Authority HSY) together own some 81% of the company's shares.

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The information presented in this Interim Report is unaudited. The Danish NORD Group has been consolidated into Ekokem's financial figures as of 1 February 2015, which was when the acquisition was finalised. The comparison figures given in brackets refer to the corresponding period of the previous year, unless otherwise stated.

CONSOLIDATED INCOME STATEMENT

000 euros	Note	Q1 2016	Q1 2015	2015
Revenue	1	60 577	55 731	258 312
Other operating income		932	186	1 127
Materials and services		-25 861	-20 965	-127 470
Employee benefit expenses		-12 539	-11 430	-51 808
Other operating expenses		-5 149	-6 525	-25 573
Depreciation, amortisation and impairment losses	2, 3	-7 805	-7 081	-37 142
Operating profit		**10 154**	**9 916**	**17 446**
Finance income		70	20	359
Finance costs		-725	-1 032	-3 812
Finance costs, net		-655	-1 012	-3 453
Profit before income tax		**9 499**	**8 904**	**13 993**
Income tax expense		-3 262	-1 938	-4 250
Profit for the period		**6 237**	**6 966**	**9 743**
Attributable to:				
Owners of the Company		6 276	6 968	9 641
Non-controlling interests		-39	-2	102
Earnings per share for profit attributable to the equity owners of the Company (EUR per share)				
Basic and diluted earnings per share		1.78	1.98	2.74

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

000 euros	Note	Q1 2016	Q1 2015	2015
Profit for the period		**6 237**	**6 966**	**9 743**
Other comprehensive income, net of income tax				
Items that may be reclassified to income statement:				
Change in the fair value of equity investments	5		1	1
Translation differences		-25	103	717
Cash flow hedges, net	5	-394	-481	-579
Other comprehensive income for the period, net of tax		-419	-377	139
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**5 818**	**6 589**	**9 882**
Attributable to:				
Owners of the Company		5 856	6 591	9 780
Non-controlling interests		-39	-2	102

CONSOLIDATED BALANCE SHEETS

000 euros	Note	31 Mar 2016	31 Mar 2015	31 Dec 2015
ASSETS				
Non-current assets				
Goodwill		28 265	28 133	28 297
Other intangible assets	2	7 150	7 837	7 371
Property, plant and equipment	3	303 756	322 902	305 488
Equity investments	5	693	693	693
Total non-current assets		**339 864**	**359 565**	**341 850**
Current assets				
Inventories		8 907	8 518	8 578
Trade receivables		36 167	43 511	40 874
Income tax receivables		2 433	150	1 992
Other receivables		6 754	2 489	5 063
Prepayments and accrued income		7 421	4 370	3 947
Cash and cash equivalents	5	26 799	40 474	29 042
Total current assets		**88 481**	**99 512**	**89 496**
Assets held for sale	7	8 809		8 501
TOTAL ASSETS		**437 155**	**459 077**	**439 848**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital		5 985	5 985	5 985
Other reserves		2 565	2 565	2 565
Scholarship reserve		349	349	349
Translation differences		-1 953	-2 542	-1 928
Fair value reserve		-971	-479	-577
Retained earnings		152 361	154 126	142 710
Profit for the period		6 276	6 968	9 641
Equity attributable to owners of the Company		**164 612**	**166 972**	**158 745**
Non-controlling interests		604	637	643
Total equity		**165 216**	**167 609**	**159 388**
Non-current liabilities				
Borrowings	5	95 722	135 269	102 395
Deferred tax liability		31 112	31 606	31 467
Provisions	4	33 808	38 529	33 877
Total non-current liabilities		**160 643**	**205 404**	**167 739**
Current liabilities				
Borrowings	5	24 807	18 237	25 152
Deferred revenue		25 460	22 922	26 572
Trade payables		17 774	13 350	22 144
Income tax liabilities		6 651	3 289	4 185
Prepayments and other current liabilities		10 790	12 501	8 467
Accrued liabilities		16 385	15 764	16 285
Provisions	4	530		1 007
Total current liabilities		**102 397**	**86 063**	**103 811**
Total liabilities		**263 039**	**291 468**	**271 549**
Liabilities directly associated with assets held for sale	7	8 899		8 911
TOTAL EQUITY AND LIABILITIES		**437 155**	**459 077**	**439 848**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Company								
000 euros	Share capital	Other reserves	Sholarship reserve	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 Jan 2015	**5 985**	**2 565**	**349**	**-2 645**	**1**	**155 665**	**161 921**	**639**	**162 560**
Correction *						-1 539	-1 539		-1 539
Adjusted equity at 1 Jan 2015	**5 985**	**2 565**	**349**	**-2 645**	**1**	**154 127**	**160 382**	**639**	**161 021**
Comprehensive income									
Profit for the period						6 968	6 968	-2	6 966
Other comprehensive income, net of income tax									
Equity investments					1		1		1
Translation differences				103			103		103
Cash flow hedges					-481		-481		-481
Total comprehensive income for the period				**103**	**-480**	**6 968**	**6 591**	**-2**	**6 589**
Equity at 31 Mar 2015	**5 985**	**2 565**	**349**	**-2 542**	**-479**	**161 094**	**166 972**	**638**	**167 609**
Equity at 1 Jan 2016	**5 985**	**2 565**	**349**	**-1 928**	**-577**	**152 351**	**158 745**	**643**	**159 388**
Total comprehensive income									
Profit for the period						6 276	6 276	-39	6 237
Other comprehensive income, net of income tax									
Translation differences				-25			-25		-25
Cash flow hedges					-394		-394		-394
Total comprehensive income for the period				**-25**	**-394**	**6 276**	**5 857**	**-39**	**5 818**
Transactions with owners									
Share-based incentives						11	11		11
Transactions with owners, total						**11**	**11**		**11**
Equity at 31 Mar 2016	**5 985**	**2 565**	**349**	**-1 952**	**-971**	**158 637**	**164 612**	**604**	**165 216**
Equity at 1 Jan 2015	**5 985**	**2 565**	**349**	**-2 645**	**1**	**155 665**	**161 921**	**639**	**162 560**
Correction *						-1 539	-1 539		-1 539
Adjusted equity at 1 Jan 2015	**5 985**	**2 565**	**349**	**-2 645**	**1**	**154 127**	**160 382**	**639**	**161 021**
Comprehensive income									
Profit for the period						9 641	9 641	102	9 743
Other comprehensive income for the year, net of income tax									
Equity investments					1		1		1
Translation differences				717			717		717
Cash flow hedges					-579		-579		-579
Total comprehensive income for the period				**717**	**-578**	**9 641**	**9 780**	**102**	**9 882**
Transactions with owners									
Dividend distribution						-11 267	-11 267	-98	-11 365
Scholarships transferred and granted (net)						-150	-150		-150
Transactions with owners, total						**-11 417**	**-11 417**	**-98**	**-11 515**
Equity at 31 Dec 2015	**5 985**	**2 565**	**349**	**-1 928**	**-577**	**152 351**	**158 745**	**643**	**159 388**

* Calculation of void space consumption included erroneously an unbuilt land area.

CONSOLIDATED STATEMENTS OF CASH FLOWS

000 euros	Q1 2016	Q1 2015	2015
Cash flows from operating activities			
Profit before income tax	9 499	8 904	13 993
Adjustments for:			
Depreciation, amortisation and impairment losses	7 805	7 081	37 142
Unrealised exchange rate gains and losses	-43	374	118
Other revenues and costs non cash affected	-1 269	397	-127
Finance income and costs	698	638	3 335
Cash flows before change in working capital	16 690	17 393	54 461
Changes in net working capital:			
Increase (-) / decrease (+) in inventories	-420	-129	-389
Increase (-) / decrease (+) in trade and other receivables	-1 382	7 465	7 811
Increase (+) / decrease (-) in trade payables and other liabilities	-1 312	-8 448	5 471
Change in working capital	-3 114	-1 112	12 893
Interest paid	-954	-775	-2 296
Dividends received	0		
Interest received	69	8	246
Income taxes paid	-1 265	-1 014	-5 359
	-2 149	-1 781	-7 410
Net cash from operating activities	**11 428**	**14 500**	**59 944**
Cash flows from investing activities			
Payments for property, plant and equipment	-6 563	-2 559	-24 098
Payment for acquisition of subsidiaries, net cash acquired		-86 829	-92 969
Proceeds from sale of property, plant and equipment			87
Net cash used in investing activities	**-6 563**	**-89 388**	**-116 980**
Cash flows from financing activities			
Proceeds from borrowings		89 775	89 684
Repayment of borrowings	-7 000	-5 169	-22 468
Finance lease payments	-95	-235	-817
Dividends paid			-11 235
Scholarships paid	-22		-122
Net cash from financing activities	**-7 117**	**84 371**	**55 042**
Change in cash and cash equivalents	**-2 252**	**9 483**	**-1 994**
Cash and cash equivalents at the beginning of the period	29 042	30 926	30 926
Change in cash and cash equivalents	-2 252	9 483	-1 994
Effect on exchange rate gains (+) / losses (-) on cash and cash equivalents	8	65	110
Cash and cash equivalents at the end of the period	**26 799**	**40 475**	**29 042**

Accounting policies

This (unaudited) interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the accounting principles presented in the Group's 2015 Financial Statements. Income taxes are based on an estimated average tax rate that is expected for the financial year.

Notes to the Interim Report

1. Operating segments
2. Intangible assets
3. Property, plant and equipment
4. Provisions
5. Financial instruments
6. Contingent liabilities, contingent assets and commitments
7. Assets classified as held for sale
8. Events after the reporting period

1. Operating segments

The Chief Executive Officer is the chief operating decision maker at the Ekokem group level. Ekokem's business operations and results are reported under a single reportable operating segment. Ekokem has not aggregated operating segments and therefore a single reportable segment is the Ekokem group. The Chief Executive Officer evaluates the profitability of the group based on EBITDA measure (earning before financial items, taxes, depreciations and amortisations).

Net sales by geographical area

000 euros	Q1 2016	Q1 2015	2015
Finland	34 955	35 099	163 909
Sweden	10 135	10 258	45 205
Denmark	15 487	10 374	49 198
Total revenue	**60 577**	**55 731**	**258 312**

Net sales by geographical areas are presented based on the country where waste treatment solutions and services are produced.

Non-current assets by geographical area

000 euros	31 Mar 2016	31 Mar 2015	31 Dec 2015
Finland	167 432	173 755	166 314
Sweden	48 346	51 465	49 495
Denmark	124 086	134 345	126 041
Total non-current assets	**339 864**	**359 565**	**341 850**

Non-current assets by geographical area are disclosed based on the location of the assets.

EBITDA

The reconciliation of the group's operating profit to the EBITDA measure is shown in the table below:

000 euros	Q1 2016	Q1 2015	2015
Operating profit	10 154	9 916	17 446
Depreciation, amortisation and impairment losses	7 805	7 081	37 142
EBITDA	**17 959**	**16 996**	**54 588**

The profitability measure used in Ekokem's management reporting is EBITDA. Management believes that EBITDA measure provides meaningful supplemental information to both management and investors reading its financial statements by excluding items that may not be indicative of Company's operating results or cash flows.

EBITDA measure is not an accounting measure defined under IFRS and therefore it should not be viewed in isolation or as a substitute to the equivalent IFRS measure. EBITDA measure should not be considered as an alternative to (a) operating profit or net profit/loss for the period as a measure of operating performance, (b) cash flows from operating, investing or financing activities as a measure of the Company's ability to meet its cash needs or (c) any other measures of performance or liquidity under IFRS.

2. Intangible assets

000 euros	Customer relationships	Other intangible assets	Total
Acquisition cost at 1 Jan 2016	6 277	5 617	11 893
Exchange differences	10	5	15
Acquisition cost at 31 Mar 2016	**6 286**	**5 622**	**11 908**
Accumulated amortisation and impairment at 1 Jan 2016	-384	-4 139	-4 522
Amortisation	-105	-125	-230
Exchange differences	-1	-5	-6
Accumulated amortisation and impairment at 31 Mar 2016	**-489**	**-4 269**	**-4 758**
Carrying amount at 31 Mar 2016	**5 797**	**1 353**	**7 150**

000 euros	Customer relationships	Other intangible assets	Total
Acquisition cost at 1 Jan 2015		5 350	5 350
Business combinations	6 292	34	6 326
Additions		2	2
Exchange differences	-22	0	-22
Acquisition cost at 31 Mar 2015	**6 271**	**5 385**	**11 656**
Accumulated amortisation and impairment at 1 Jan 2015		-3 607	-3 607
Amortisation	-70	-143	-213
Accumulated amortisation and impairment at 31 Mar 2015	**-70**	**-3 750**	**-3 819**
Carrying amount at 31 Mar 2015	**6 201**	**1 635**	**7 836**

2015

000 euros	Customer relationships	Other intangible assets	Total
Acquisition cost at 1 Jan 2015		5 350	5 350
Business combinations	6 292	34	6 326
Additions		12	12
Disposals		-67	-67
Transfers between asset items		289	289
Exchange differences	-16	0	-16
Acquisition cost at 31 Dec 2015	**6 277**	**5 617**	**11 893**
Accumulated amortisation and impairment at 1 Jan 2015		-3 607	-3 607
Amortisation	-384	-599	-983
Exchange differences		67	67
Accumulated amortisation and impairment at 31 Dec 2015	**-384**	**-4 139**	**-4 522**
Carrying amount at 31 Dec 2015	**5 893**	**1 478**	**7 371**

3. Property, plant and equipment

000 euros	Land	Landfills and treatment areas	Buildings	Machinery and equipment	Prepayments and assets under construction	Total
Acquisition cost at 1 Jan 2016	3 053	37 108	77 836	302 508	14 453	434 958
Additions			134	398	5 610	6 142
Disposals				-2 238	-23	-2 261
Transfers between asset items				341	-341	
Exchange differences	-2	-70	-63	-288	-4	-427
Acquisition cost 31 Mar 2016	**3 051**	**37 038**	**77 907**	**300 721**	**19 696**	**438 413**
Accumulated depreciations and impairment 1 Jan 2016		-18 711	-28 555	-82 204		-129 470
Depreciations		-724	-934	-6 033		-7 691
Disposals				2 059		2 059
Exchange differences		42	58	346		446
Accumulated depreciations and impairment at 31 Mar 2016		**-19 393**	**-29 432**	**-85 832**		**-134 657**
Carrying amount at 31 Mar 2016	**3 051**	**17 645**	**48 474**	**214 889**	**19 696**	**303 756**

000 euros	Land	Landfills and treatment areas	Buildings	Machinery and equipment	Prepayments and assets under construction	Total
Acquisition cost at 1 Jan 2015	3 042	37 309	69 750	194 160	6 719	310 980
Correction *		-1 539				-1 539
Business combinations			6 607	107 243	406	114 256
Additions			50	255	1 935	2 239
Disposals		-174	-403	-93	-96	-766
Transfers between asset items			295	301	-597	
Effect of discounting to present value		-1 071				-1 071
Exchange differences	6	101	187	879	15	1 187
Acquisition cost 31 Mar 2015	**3 047**	**34 626**	**76 486**	**302 745**	**8 381**	**425 285**
Accumulated depreciations and impairment 1 Jan 2015		-13 143	-25 046	-58 436		-96 625
Depreciations		-636	-873	-3 563		-5 071
Disposals			349	93		442
Exchange differences			-160	-969		-1 129
Accumulated depreciations and impairment at 31 Mar 2015		**-13 779**	**-25 730**	**-62 875**		**-102 384**
Carrying amount at 31 Mar 2015	**3 047**	**20 847**	**50 756**	**239 870**	**8 381**	**322 902**

2015

000 euros	Land	Landfills and treatment areas	Buildings	Machinery and equipment	Prepayments and assets under construction	Total
Acquisition cost at 1 Jan 2015	3 042	37 309	69 750	194 160	6 719	310 980
Correction *		-1 539				-1 539
Business combinations			6 607	107 208	406	114 221
Additions		213	250	5 189	21 916	27 569
Disposals		-985	-530	-10 433	-3 174	-15 121
Transfers between asset items		3 151	1 686	6 319	-11 445	-289
Write-downs			-330	-2 163	-1	-2 493
Effect of discounting to present value		-1 243				-1 243
Exchange differences	12	202	402	2 228	31	2 874
Acquisition cost 31 Dec 2015	**3 053**	**37 108**	**77 836**	**302 508**	**14 453**	**434 958**
Accumulated depreciations and impairment 1 Jan 2015		-13 143	-25 046	-58 436		-96 625
Depreciations		-5 574	-3 698	-24 526		-33 798
Disposals		6	475	2 489		2 970
Write-downs			33	207		240
Exchange differences			-320	-1 938		-2 257
Accumulated depreciations and impairment at 31 Dec 2015		**-18 711**	**-28 555**	**-82 204**		**-129 470**
Carrying amount at 31 Dec 2015	**3 053**	**18 397**	**49 281**	**220 305**	**14 453**	**305 488**

The Group leases buildings and constructions, machinery and equipment and other property, plant and equipment under finance lease agreements. Tangible assets includes the following amounts where the Group is a lessee under a finance lease:

000 euros	Q1 2016	Q1 2015	2015
Buildings	1 577	1 700	1 593
Machinery and equipment	569	9 460	571
Net carrying amount	**2 147**	**11 159**	**2 163**

* Calculation of void space consumption included erroneously an unbuilt land area.

4. Provisions

000 euros	Environmental provisions	Restructuring provisions	Other provisions	Total
Provisions at 1 Jan 2016	29 692	1 007	4 184	34 883
Used during the financial year	-63	-477	-42	-581
Reversals of unused provisions			-4	-4
Effect of discounting to present value	186		-149	37
Exchange differences	1	0	3	4
Provisions at 31 Mar 2016	**29 816**	**530**	**3 992**	**34 338**
Non-current provisions	29 816		3 992	33 808
Current provisions		530		530
Provisions at 31 Mar 2016	29 816	530	3 992	34 338

000 euros	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2015	17 577	1 492	19 069
Additional provisions from business combinations	17 107	3 591	20 698
Used during the financial year	-979	-7	-986
Effect of discounting to present value	-170		-170
Exchange differences	-70	-12	-82
Provisions at 31 Mar 2015	**33 465**	**5 064**	**38 529**
Non-current provisions	33 465	5 064	38 529

2015

000 euros	Environmental provisions	Restructuring provisions	Other provisions	Total
Provisions at 1 Jan 2015	17 577		1 492	19 069
Additional provisions from business combinations	17 107		3 582	20 689
Additions	464	1 007	720	2 191
Used during the financial year	-1 597		-370	-1 967
Reversals of unused provisions	-660		-1 268	-1 928
Effect of discounting to present value	-3 300		12	-3 288
Exchange differences	102		15	117
Provisions at 31 Dec 2015	**29 692**	**1 007**	**4 184**	**34 883**
Non-current provisions	29 692		4 184	33 876
Current provisions		1 007		1 007
Provisions at 31 Dec 2015	29 692	1 007	4 184	34 883

The Group's provisions are classified as non-current as most of the provisions require a considerable amount of judgement and use of estimates. In most cases, determining an accurate amount of the provided liabilities to be settled within twelve months after the reporting period would not meet the qualitative characteristics of useful financial information under IFRS.

Environmental provisions consists of the decommissioning and aftercare activities to be performed in the Group's various landfill sites. The majority of the environmental provisions will be used significantly later (up to 50 years) compared to the point of initial recognition of the provision.

Other provisions include liabilities regarding expected losses of construction projects, guarantee related expenses and other liabilities that are not expected to be settled in the Group's normal operating cycle.

5. Financial instruments

31 Mar 2016

000 euros	FVTPL financial instruments	Trade receivables	Available-for-sale financial assets	Financial liabilities recognised at amortised cost	Cash flow hedge instruments	Total carrying amount by balance sheet item	Fair value hierarchy level
Non-current financial assets							
Equity investments							
Non-quoted			690			690	Level 3
Quoted			3			3	Level 1
Current financial assets							
Trade receivables		36 167				36 167	
Trade receivables associated with assets classified as held for sale		583				583	
Cash and cash equivalents						26 799	
Financial assets total		**36 750**	**693**			**64 242**	
Non-current financial liabilities							
Loans from financial institutions				93 857		93 857	Level 2
Finance lease liabilities				1 865		1 865	Level 2
Current financial liabilities							
Loans from financial institutions				24 501		24 501	Level 2
Finance lease liabilities				306		306	Level 2
Trade payables				17 774		17 774	
Other liabilities				10 790		10 790	
Derivatives (interest rate swaps)	768				1 217	1 985	Level 2
Finance lease liabilities associated with assets classified as held for sale				8 194		8 194	Level 2
Trade payables associated with assets classified as held for sale				134		134	
Financial liabilities total	**768**			**157 420**	**1 217**	**159 405**	

31 Mar 2015

000 euros	FVTPL financial instruments	Trade receivables	Available-for-sale financial assets	Financial liabilities recognised at amortised cost	Cash flow hedge instruments	Total carrying amount by balance sheet item	Fair value hierarchy level
Non-current financial assets							
Equity investments							
Non-quoted			690			690	Level 3
Quoted			3			3	Level 1
Current financial assets							
Trade receivables		43 511				43 511	
Cash and cash equivalents						40 474	
Financial assets total		**43 511**	**693**			**84 678**	
Non-current financial liabilities							
Loans from financial institutions				125 610		125 610	Level 2
Finance lease liabilities				9 660		9 660	Level 2
Current financial liabilities							
Loans from financial institutions				17 291		17 291	Level 2
Trade payables				13 350		13 350	
Other liabilities				10 688		10 688	
Derivatives (interest rate swaps)	1 212				602	1 813	Level 2
Financial liabilities total	**1 212**			**176 597**	**602**	**178 411**	

31 Dec 2015

000 euros	FVTPL financial instruments	Trade receivables	Available-for-sale financial assets	Financial liabilities recognised at amortised cost	Cash flow hedge instruments	Total carrying amount by balance sheet item	Fair value hierarchy level
Non-current financial assets							
Equity investments							
Non-quoted			690			690	Level 3
Quoted			3			3	Level 1
Current financial assets							
Trade receivables		40 874				40 874	
Cash and cash equivalents						29 042	
Financial assets total		**40 874**	**693**			**70 609**	
Non-current financial liabilities							
Loans from financial institutions				100 509		100 509	Level 2
Finance lease liabilities				1 887		1 887	Level 2
Current financial liabilities							
Loans from financial institutions				24 850		24 850	Level 2
Finance lease liabilities				303		303	Level 2
Trade payables				22 144		22 144	
Other liabilities				6 875		6 875	
Derivatives (interest rate swaps)	866				724	1 590	Level 2
Finance lease liabilities associated with assets classified as held for sale				8 194		8 194	Level 2
Financial liabilities total	**866**			**164 760**	**724**	**166 350**	

The note above presents information of financial instruments including their fair values and measurement categories. For financial reporting purposes, financial instruments carried at fair value are categorized by their valuation method into hierarchy levels 1, 2 or 3 based on the lowest level input that is significant to the entire measurement.
• Level 1 financial instruments are based on quoted market prices in active markets at the balance sheet date and the quoted market price is the bid price. These include investments in listed equity securities.
• Level 2 financial instruments that are not quoted in active market is measured by using valuation techniques. These valuation techniques incorporates for the most part observable market data and includes as little as possible on entity's own data. If all significant inputs are observable, the instrument is included in level 2. These include for example interest rate swaps.
• Inputs used to measure fair value of level 3 financial instruments are not based on observable data. These include for example non-quoted equity securities.

Ekokem's other financing items include trade and other receivables, financial liabilities and trade and other payables. These items are measured at amortized cost.

The carrying amounts of trade receivables and trade payables equals their fair values due to the effect of discounting not being material considering the maturity and nature of these receivables. Trade receivables are usually due within 14-60 days and therefore classified as current assets.

The fair value of interest-bearing debt is based on discounted cash flows method. The discount rate used corresponds to the rate available to the Group for similar borrowings at the reporting date. The interest rate includes a risk-free rate and a company's risk premium.

6. Contingent liabilities, contingent assets and commitments

Leasing liabilities

The Group has leased land, buildings, office premises and vehicles, as well as office furniture and equipment with operating lease arrangements.

Minimum lease payments payable based on the non-cancellable operating lease agreements.

000 euros	31 Mar 2016	31 Mar 2015	31 Dec 2015
Within one year	3 332	2 922	3 478
Between one and five years	5 924	8 578	6 047
After five years	5 577	3 750	5 754
Total	**14 833**	**15 250**	**15 278**

Pledged assets

000 euros	31 Mar 2016	31 Mar 2015	31 Dec 2015
On behalf of own commitments	22 965	27 627	29 388
Promissory notes		26	
Total	**22 965**	**27 653**	**29 388**

VAT liabilities

VAT liabilities of the Group relate to refund relating to buildings in accordance with Section 33 of the (Finnish) Value Added Tax Act.

000 euros	31 Mar 2016	31 Mar 2015	31 Dec 2015
2008-2017	131	225	150
2009-2018	14	21	16
2010-2019	38	60	50
2011-2020	75	95	79
2012-2021	1 676	2 040	1 748
2013-2022	478	567	496
2014-2023	82	95	85
2015-2024	366		377
Total	**2 860**	**3 103**	**3 001**

Litigation

In a letter dated 24 February 2015, the bankruptcy estate of L&T Recoil Oy has presented a recovery claim against Ekokem Corporation and demanded a payment of EUR 296 thousand to be made to the estate. The estate deems that certain payments made by the bankruptcy debtor to Ekokem between 27 December 2013 and 27 March 2014 (so-called “critical period”), with a total amount of EUR 296 thousand, should be recovered to the estate in accordance with the Finnish Act on Recovery to Bankruptcy Estate.

Ekokem has contested the estate’s claim in its entirety. The payments subject to the recovery claim are made under an agreement and the payments are ordinary and recurrent. The payments made in total do not amount to a considerable amount when compared to the gross assets of the bankruptcy estate. Further, the current understanding of Ekokem is that an individual payment of EUR 40 thousand, which may be included in the estate’s claim, cannot be recovered under the premises set out in the estate’s claim. Irrespective of the above mentioned, the total amount of the payments received by Ekokem during the critical period do not in any case constitute a considerable amount as set out in Section 10 of the Recovery Act. The payments are based on an agreement regarding delivery of rerefined oil, dated 3 December 2012, between Ekokem and the bankruptcy debtor, and such payments ordinary and recurrent payments, as set out in Section 10 of the Recovery Act, cannot be subject to recovery. For this reason no provision is recognized on the Group’s balance sheet due to this litigation.

7. Assets classified as held for sale

In October 2015 Ekokem launched an efficiency program to ensure long-term competitiveness. As part of the efficiency program, an extensive review of assets was carried out and as a result the Company began to actively seek a buyer to the eco-power plant in Jepua. Jepua power plant was considered to be outside the core business operations and therefore all assets and liabilities attributable to it have been classified as held for sale in the consolidated balance sheet as from 31 December 2015. Balance sheets for comparable periods have not been reclassified.

Jepua eco-power plant assets and liabilities classified as held for sale are as follows:

000 euros	31 Mar 2016	31 Dec 2015
Assets classified as held for sale		
Tangible assets	8 205	8 205
Trade receivables	583	268
Inventories	22	28
Total assets classified as held for sale	8 809	8 501
Liabilities directly associated with assets classified as held for sale		
Trade payables	134	235
Borrowings	8 194	8 194
Other liabilities	402	313
Provisions	170	170
Total liabilities directly associated with assets classified as held for sale	8 899	8 911

Assets classified as held for sale attributable to the eco-power plant in Jepua are measured at fair value less costs to sell in the 2015 financial statements. As a result of the fair value measurement, an impairment loss of EUR 2.2 million was recognized on buildings and machinery and equipment. The impairment loss is included in depreciation, amortisation and impairment losses in the income statement.

8. Events after the reporting period

In April, Ekokem signed a three-year revolving credit facility agreement amounting to EUR 30 million. The purpose of the financing agreement is to ensure adequate flexibility and availability of financing for the Group's general needs. No funds have been withdrawn under the credit line agreement.

Ekokem’s Annual General Meeting was held in Helsinki on 29 April 2016. The Annual General Meeting approved the company’s financial statements for the financial year 1 January – 31 December 2015 and discharged the Board of Directors and CEO from liability. In accordance with a proposal by the Board of Directors, the Annual General Meeting decided to pay a total of EUR 7.0 million in dividends, i.e. EUR 2.00 per share. In accordance with the shareholders' Nomination Board's proposal, the Annual General Meeting decided to appoint five members to the Board of Directors. As proposed, Juha Vanhainen, Leena Karessuo, Pia Björk and Tiina Tuomela were re-appointed as members of the Board of Directors. Marko Hyvärinen was elected as a new member. The Annual General Meeting appointed Juha Vanhainen as the chairman and Leena Karessuo as the vice-chairman of the Board of Directors.

Trial operations began at the Riihimäki Circular Economy Village in May, with the Eco Refinery and Ekokem Plastic Refinery processing the first waste batches. Once the complete operations have started, Ekokem will begin the contract delivery of plastic raw materials from its Plastic Refinery to customers such as Amerplast Oy, which will use the material for the manufacture of plastic bags.

In February, Ekokem announced that it would initiate a capital structure assessment with the objective of securing resources for the company's future development. One of the alternatives considered has been listing on the Helsinki Stock Exchange. In May, Fortum Corporation announced it had made an indicative, non-binding offer to the four biggest shareholders of Ekokem to acquire their shareholding in the company. These biggest shareholders (Finnish State, Association of Finnish Local and Regional Authorities, Ilmarinen Mutual Pension Insurance Company and Helsinki Region Environmental Services Authority HSY) together own some 81% of the company’s shares.