

ArcelorMittal Commercial Denmark ApS

Kigkurren 8E 3.tv

2300 Copenhagen S

CVR No. 10090067

Annual Report 2022

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 4 July 2023

Alex Mørch-Petersen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of ArcelorMittal Commercial Denmark ApS for the financial year 1 January 2022 - 31 December 2022.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the 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.

Copenhagen, 4 July 2023

Executive Board

Alex Mørch-Petersen
CEO

The independent practitioner's report

To the shareholders of ArcelorMittal Commercial Denmark ApS

REPORT ON EXTENDED REVIEW OF THE FINANCIAL STATEMENTS

We have performed an extended review of the Financial Statements of ArcelorMittal Commercial Denmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Opinion

Based on the work performed, it is our opinion that the Financial Statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January 2022 - 31 December 2022 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. This responsibility includes maintaining the internal control as management determines is necessary to enable preparation of Financial Statements free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements. We have conducted our extended review in accordance with the Danish standard on reports relating to small entities issued by the Danish Business Authority and FSR Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act.

This standard requires that we comply with the Danish State Authorised Public Accountants Act and FSR Danish Auditors' ethical requirements and plan and perform procedures to obtain limited assurance of our opinion on the Financial Statements and perform specially required supplementary procedures to obtain further assurance of our opinion.

An extended review comprises procedures consisting primarily of questions to management and, where appropriate, other members of staff, analytical procedures and the specifically required supplementary procedures, and an assessment of the evidence obtained.

The scope of work performed in an extended review is less than that of an audit and, accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management's review

Management is responsible for the Management's Review.

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

In connection with our extended review of the Financial Statements it is our responsibility to read the Management's Review and to consider whether the Management's Review is significantly inconsistent with the Financial Statements or our knowledge obtained in connection with the extended review or in any other way seems to contain material misstatement.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the

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The independent practitioner's report

Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 4 July 2023

BDO statsautoriseret revisionsaktieselskab

CVR-no. 20222670

Iben Larsen

State Authorised Public Accountant

mne34474

ArcelorMittal Commercial Denmark ApS

Company details

Company	ArcelorMittal Commercial Denmark ApS Kigkurren 8E 3.tv 2300 Copenhagen S
CVR No.	10090067
Date of formation	18 June 2002
Registered office	Copenhagen
Financial year	1 January 2022 - 31 December 2022
Executive Board	Alex Mørch-Petersen
Auditors	BDO statsautoriseret revisionsaktieselskab CVR-no.: 20222670

Management's Review

The Company's principal activities

The Company's primary activity consists of agency trade with the Parent 's products. The products comprise products of steel sold to the industry.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 887.861 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 3.667.453 and an equity of DKK 2.591.155.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of ArcelorMittal Commercial Denmark ApS for 2022 has been presented 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.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Accounting Policies

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Deposits

Deposits are measured at cost.

Accounting Policies

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		8.559.552	9.549.692
Staff costs	1	-7.381.800	-8.239.275
Profit from ordinary operating activities		1.177.752	1.310.417
Financial income from group enterprises		6.536	3.389
Other financial income		421	184
Financial expenses		-15.972	-14.640
Profit from ordinary activities before tax		1.168.737	1.299.350
Tax expense on ordinary activities	2	-280.876	-286.953
Profit		887.861	1.012.397
 Proposed distribution of results			
Retained earnings		887.861	1.012.397
Distribution of profit		887.861	1.012.397

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Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Deposits		50.078	50.078
Investments		50.078	50.078
Fixed assets		50.078	50.078
Receivables from group enterprises		3.286.868	3.949.847
Other receivables		51.043	47.131
Prepayments		29.145	4.061
Receivables		3.367.056	4.001.039
Cash and cash equivalents		250.319	61.834
Current assets		3.617.375	4.062.873
Assets		3.667.453	4.112.951

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		610.000	610.000
Retained earnings		1.981.155	1.093.293
Equity		2.591.155	1.703.293
Other payables		0	176.835
Long-term liabilities other than provisions		0	176.835
Trade payables		111.624	62.466
Payables to group enterprises		64.711	96.323
Tax payables		247.358	268.373
Other payables		652.605	1.805.661
Short-term liabilities other than provisions		1.076.298	2.232.823
Liabilities other than provisions within the business		1.076.298	2.409.658
Liabilities and equity		3.667.453	4.112.951
Unrecognised rental and lease commitments	3		
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	610.000	1.093.294	1.703.294
Profit (loss)		887.861	887.861
Equity 31 December 2022	610.000	1.981.155	2.591.155

Notes

	2022	2021
1. Staff costs		
Wages and salaries	7.320.121	7.173.610
Pension costs	245.674	237.693
Other social security costs	76.444	78.765
Other staff costs	-260.439	749.207
	<u>7.381.800</u>	<u>8.239.275</u>
Average number of employees	<u>9</u>	<u>9</u>
2. Tax on profit/loss on ordinary activities		
Net income tax	269.358	286.373
Adjustment of tax for previous years	11.518	580
	<u>280.876</u>	<u>286.953</u>

3. Unrecognised rental and lease commitments

Operational lease contracts on car and rent have been concluded for the years 2023 to 2024 in the amount of DKK 792 thousand.

4. Related parties

The following shareholders are registered in the Company's register of shareholders, who owns 100% of the share capital:

ArcelorMittal Commercial Section SA
66 Rue de Luxembourg, L-4221 Esch-Sur-Alzette, Luxembourg

The financial statements of ArcelorMittal Commercial Section SA Group are available at:

ArcelorMittal Commercial Section SA
66 Rue de Luxembourg, L-4221 Esch-Sur-Alzette, Luxembourg