

NLMK DANSTEEL A/S

Havnevej 33

3300 Frederiksværk

CVR no. 10092922

Annual report

1 January 2022 – 31 December 2022

The Consolidated Financial Statement was submitted and approved by the general meeting on the
29 June 2023

Alexei Fomenko
Chairman of the meeting

Contents

Company information	2
Statement by Board of Directors and Executive Board	3
Independent auditor's report	4
Management's review	7
Key figures and financial ratios	17
Statement of profit or loss	18
Assets	19
Equity and liabilities	20
Statement of changes in equity	21
Statement of cash flow	22
Notes	23
Accounting policies	30

Company information

Company

NLMK DANSTEEL A/S
Havnevej 33
3300 Frederiksværk

Municipality of domicile:	Halsnæs
CVR no.:	10092922
Financial year:	1 January 2022 – 31 December 2022

Board of Directors

Igor Sarkits
Cornelius Janse Lourens
Sébastien Désiré N Durieux
Florence G. Vanderthommen
Horacio Esteban Malfatto
Gunnar Fonseca Larsen
Donni Petersen

Board of Executives

Christian Willumsen

Auditor

Dansk Revision Søborg
Statsautoriseret revisionsaktieselskab, Independent member of GGI Global Alliance AG
Generatorvej 8D
2860 Søborg

Statement by Board of Directors and Executive Board

The Board of Directors and the Executive Board have today considered and approved the annual report of NLMK DANSTEEL A/S 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 company's financial position at 31 December 2022 and of the results of its operations and cash flows for the financial year 1 January 2022 – 31 December 2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Frederiksværk 29 June 2023

Board of Executives:

Christian Willumsen

Board of Directors:

Igor Sarkits
Chairman

Cornelius Janse Lourens

Sébastien Désiré N Durieux

Florence G. Vanderthommen

Horacio Esteban Malfatto

Gunnar Fonseca Larsen

Donni Petersen

Independent auditor's report

To the Shareholders of NLMK DANSTEEL A/S

Opinion

We have audited the financial statements of NLMK Dansteel A/S for the financial year 1 January 2022 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flow and notes, including accounting policies. The financial statements are 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 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 accordance with the Danish Financial Statements Act.

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

Independence

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 rules and requirements.

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 as to 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

Independent auditor's report

the basis of the 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.
- 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 note 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.

Statement on the management commentary

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 audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent auditor's report

Moreover, it is our responsibility to consider whether the 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Søborg, 29 June 2023

Dansk Revision Søborg

Statsautoriseret revisionsaktieselskab, CVR-no. 14649905

Independent member of GGI Global Alliance AG

Thomas Ennistein

State-authorized public accountant

mne32161

Management's review

Principal activities

The principal activities comprise production of and trade in steel plates, including plates that have been finished by blasting and priming and fitted plates.

The plates are primarily sold in Northern Europe.

Development in the financial year and results for the year

The year 2022 has been a good year in terms of results for NLMK Dansteel A/S, which has achieved a result before tax of 434,3 mDKK. The profit improvement from a deficit in 2021 of 146,2 mDKK to a profit before tax of 434,3 mDKK is primarily due to the market price increases for steel plates, which have arisen in connection with the war between Russia and Ukraine.

The year's result for 2022 is at a higher level than the expectations for results that were mentioned in the annual report for 2021.

In 2022, the company has continued its strong focus on both the end-user segment and the wholesale segment, which delivers to larger individual end-users. This results in more project-oriented orders with greater demand for testing and non-standard plate sizes. In addition, the focus in 2022 has continued to be on offering additional services such as Just In-Time deliveries, Fast Track production and supply of form plates via the In-House Steel Service Center. This has increased the importance of planning together with the entire supply chain, but has also meant that price is no longer the only important parameter in the competition, where service and logistics become equally important. This focus will be continued in the coming years.

The management considers the result to be satisfactory.

As of October 24, 2022, all the shares in NLMK Dansteel A/S were sold from the Russian controlled company NLMK International BV Holland to NLMK Belgium Holdings SA, which through direct and indirect influence is 50% owned by Wallonie Entrepreneurs SA, which is a wholly owned company of the Walloon Region in Belgium.

The Board of Directors of NLMK Belgium Holdings SA has five members, three are appointed by Wallonie Entrepreneurs SA and two by NLMK International BV.

Investments have increased in 2022 in accordance with the strategy for NLMK Dansteel A/S. The focus has been on increasing efficiency in the production line, implementation of measures to avoid accidents as well as aligning the production equipment to the current product mix. The total investments 2022 amount to 235 mDKK.

Management's review

Over the last 5 years investments in tangible fixed assets have amounted to 1.018 mDKK which places NLMK Dansteel A/S as one of the steel plates producers in Europe that has some of the most efficient and environmentally conscious production equipment.

No dividends have been proposed for 2022.

Events after the end of the financial year

The new ownership group behind NLMK Dansteel A/S has increased the pace of the cultural change that NLMK Dansteel A/S is undertaking. The goal is, in cooperation with employees and the European head office, to establish a more competitive and customer-oriented production unit in Europe.

Special risks

The company's main supplier of raw steel (slabs) is based in Russia and as of October 2024 it will not be possible to buy steel from Russia anymore due to EU sanctions. The process of finding new steel (slabs) suppliers has gone according to plan and NLMK Dansteel A/S has already received significant quantities of steel from suppliers outside Russia. The supplier situation will become even more clarified in 2023 and during 2024 NLMK Dansteel A/S will be independent from purchasing steel from Russia.

Foreign exchange risks

The majority of the company's foreign exchange transactions are in EUR, which significantly reduces its foreign exchange risks.

Interest risks

NLMK Dansteel A/S has taken out loans, where the interest is based on EURIBOR for financing working capital. This has significantly increased the company's sensitivity towards increases in the market rate of interest.

Future prospects

During 2022 NLMK Dansteel A/S has gone through a significant adjustment with a new active European main shareholder, changed market situation and a significant change in the structure for delivery of steel (slabs). On this basis the company is ready to meet the market challenges that 2023 may present.

For 2023, a positive result/EBIDTA is expected at the level of 180 mDKK. The main reason for this is finalization and launch of new furnace leading to increase of production capacity up to 750 kT per year and substantial switch in mix in favor of value-added products and wind offshore segment.

Management's review

Furthermore, the company will through the strategic investment program for 2018 – 2023 continue to strengthen its position in market niches which are not affected by the import and with only few European competitors. One of the main equipment in this programme is ACC equipment, which was put into production during April 2019. This expanded the thickness range, where NLMK Dansteel A/S can supply Thermo-Mechanically rolled plates as well as increase the productivity per hour for these products. These qualities are required in the Offshore wind-mill segment in order to supply the full range of dimensions and qualities demanded by the windmill tower manufacturers. Another investment is new furnace which was launched in January 2022 and contributes to higher production capacity of the plant.

Report on Corporate Social Responsibility

Business model

NLMK Dansteel A/S is a 100% production-on-order plate mill which produces steel plates in thicknesses from 5–200 mm in widths and lengths up to 4.2 and 32 meters respectively.

The plates are used in a wide range of applications in several different industries, of which shipbuilding and wind turbines are the largest.

NLMK Dansteel A/S aims to make products that meet the requirements of its customers whilst constantly improving its processes, ensuring safe working conditions, reducing its environmental impact, rationally using resources and adhering to generally recognized social responsibility practices. The Company assumes responsibility for maintaining a favourable environment for the community of Frederiksværk by improving the efficiency of resource consumption and utilizing environmentally friendly and safe production technologies.

NLMK Dansteel A/S believes that the above principles are key to sustainable economic and social development in the long term.

Risks and due diligence

In connection with the activities of NLMK Dansteel A/S the company is exposed to a number of risks which include general risks as well as risks specific to the steel industry. Management considers effective risk management to be an integral part of the Company's activities and is constantly working to minimize risks and uncertainties. This includes regular assessment of risks and whether existing risk controls are sufficient and up-to-date.

Risk assessment is based on a combination of two parameters – the likelihood and the negative consequences. Risk assessment serves as the basis for decision-making in the development of a risk management strategy.

Management's review

In 2022 the company once again assessed its risks and opportunities based on the Company context and stakeholders' opinion. Main requirements and conditions were analysed and the most significant risks and opportunities were identified for making the right decisions within the strategic direction of the business as well as in developing activities aimed at achieving the intended results and goals.

Based on this analysis, the following was assessed as the main risks in the field of sustainable development:

- Use of fossil fuels
- High energy consumption with associated negative climate impacts
- High risk of serious accidents at the workplace due to the production process with heavy and hot products and powerful equipment.

In order to reduce energy consumption and the negative effect on climate, NLMK Dansteel A/S keep close control of energy consumption and seeks to reduce it by continually improving energy efficiency and investing in the best available technologies. Options for replacing natural gas for other more sustainable forms of energy are being investigated and monitored on an ongoing basis.

To further reduce the impact on climate, the Company uses energy sources with a low CO₂ footprint, such as electricity from wind turbines (confirmed by green certificates of origin) or solar cells or recovered heat.

This systemic activity centralized around ISO certifications on environment and energy (ISO 14001 and ISO 50001).

Sustainability

This is the first report prepared by NLMK Dansteel A/S on 2022 ESG data. Key ESG metrics have been added to the financial review to show that the Company's values uphold the sustainability cause.

In terms of social data reporting, NLMK Dansteel A/S provides metrics on gender diversity in general and at the management level, which is a relevant issue for the industry, since it is traditionally male dominated. In continuation of this, NLMK Dansteel A/S deems it important to track the Gender Pay Ratio. The Company also discloses Sickness Absence Days as it is an important indicator of employee well-being.

With regard to governance data NLMK Dansteel A/S reports on gender diversity on the Board level as well as Board meeting attendance rate, which demonstrates the commitment of the Board members.

Management's review

ESG data		2022
Environmental data		
CO ₂ e, Scope 1	T	95.545**
CO ₂ e, Scope 2	T	20.949**
Energy Consumption	GJ	1.921.048
Renewable Energy Share	%	2
Water Consumption	m ³	28.718
Social data		
Full-Time Workforce	FTE	481***
Gender Diversity	%	18/82****
Gender Diversity, Management	%	4,4/95,6****
Sickness Absence Days per FTE	Days per FTE*	15****
Governance data		
Gender Diversity, Board	%	20%
Board Meeting Attendance Rate	%	100%

Table xx: ESG figures for 2022.

Note:

*, ** CO₂e, scope 1&2: The calculations has not yet been carried out in "KPI 1 & 2 CO₂e" scope and format. Ongoing reporting is carried out in accordance with the authorities' requirements in "1 & 2 CO₂" scope and format. Effort has been made to begin reporting in line with, or rather in anticipation of, the upcoming changes in legislation. In order to be able to report in the new format, preliminary measures must be taken to prepare a relevant structure. Therefore, during 2023, a new adapted system for data registration and control must be established as a basis for the corresponding reporting. This will make the Company ready for the full non-financial reporting incl. ESG key figures in 2025 for the reporting year 2024.

*** The calculation differs from the source. 'Average headcount' is used.

****The calculation differs from the source. 'End year headcount' is used.

Source: "ESG key figures in the annual report", *Finansforeningen, CFA Society Denmark, Danske revisorer FSR, NASDAQ 2022.*

Climate and environment

NLMK Dansteel A/S is fully committed to climate change action and takes meaningful steps towards reducing greenhouse gas emissions, progressively reducing the carbon footprint of its products. NLMK Dansteel A/S runs one of the world's most energy-efficient steel mills in Denmark and is playing its part in the green transition and contributes to the Danish Government's ambitious plan to reduce CO₂ emissions by 70% by 2030 as a significant supplier to the windmill industry.

NLMK Dansteel A/S is an energy-intensive but also an energy-efficient company which takes measures to reduce its impacts.

NLMK Dansteel A/S has adopted an Energy Policy and a Climate Policy. Together they form the foundation for NLMK Dansteel A/S's commitment to improve energy-efficiency and reduce CO₂ emissions.

Management's review

In line with this commitment, the Company carries out activities to reduce its CO₂ emissions through optimising its operations and implementing energy-efficiency improvement measures. This systemic work is supported by energy-saving projects.

During the past few years, the Company has been working to establishing a collaboration with its neighbour – *Halsnæs Forsyning (Halsnæs Power)* – on a joint project involving using waste heat from NLMK Dansteel A/S which could be sold to *Halsnæs Forsyning* for further distribution. By involving in this project NLMK Dansteel A/S gets the opportunity to make a solid contribution to the green transition by using the excess heat to reduce *Halsnæs Forsyning's* CO₂ emissions significantly. NLMK Dansteel A/S has ample opportunity for waste-heat recovery but the primary scope is Slab Furnace No.2 and No 3. The recovered heat could be used for heating neighbouring communities.

NLMK Dansteel A/S also has an Environmental Policy. The policies stipulate the Company's efforts to take good care of the environment by minimising the negative impacts of its activities.

The Company takes meaningful steps to avoid the negative consequences of environmental impact, Raw materials and waste are handled and stored in such a way that there is no risk of pollution of the fjord or groundwater. Wastewater is discharged into the harbour basin after being treated.

Environmental achievements and targets

The Company does not exceed the limit values for noise, air or wastewater emissions. In addition, approx. 89% of the cooling water and 99% of the waste is recycled.

Continuous work is being carried out to reduce the environmental impact including through an increase in production efficiency and implemented energy-saving measures. Among the many implemented small and large improvement projects two particularly important ones can be noted here:

- The Old Reheating Furnace No. 1 has been taken out of operation and will henceforth be only used in situations when necessary. Furnace No. 1 is out of date and does not live up to the Company's wishes in terms of environmental performance;
- NLMK Dansteel A/S completed construction of a new and efficient reheating furnace for slabs. The performance tests have shown that the reduction of CO₂ emissions relative to the old furnaces is 17% while NO_x (nitrogen oxide) emissions goes down by a third, to less than 100 mg/m³. The unique tailor-made furnace does not have a competitor in efficiency anywhere in the world in terms of uniform heating of slabs, natural gas consumption, NO_x emissions and other important parameters of importance for efficiency. The investment in the project totalled €49 m.

Management's review

NLMK Dansteel A/S continues its investments in green energy. The Company agreed with its supplier, *Norlys*, to buy specified certificates from the Overgaard Wind Farm corresponding to 50% of the electricity consumption in 2023 and 2024. In addition, the following targets were adopted:

- Achieve 75% coverage of electricity consumption by electricity derived from green sources by 2025; and
- 100% coverage by 2030.

Social and staff matters

NLMK Dansteel A/S has a Personnel Policy in place, which aims to create a motivating and result-oriented working environment in the Company.

The Company offers additional training and development opportunities to enable the employees to perform current and future tasks. It is the responsibility of the management to ensure that employees have the necessary qualifications to perform their tasks effectively and with attention to quality and safety.

The Company promotes the freedom of associations and the right of collective bargaining: NLMK Dansteel A/S does not discourage employees from establishing associations to promote their interests if they wish to do so. The Company sets remunerations in accordance with the applicable statutory provisions on remuneration, in particular those that establish the minimum wage, acceptable working hours and compensation for overtime.

NLMK Dansteel A/S is also focused on improving health and well-being of its employees. "Stop Smoking" courses as well as other rehabilitation activities are included in the health insurance provided to employees. Furthermore, during the year the Company carries out campaigns and events aimed at improving physical and mental health, as well as holds the annual day-out at the DHL Relay in Copenhagen.

For many years NLMK Dansteel A/S has been the main sponsor for the local football club, *Frederiksværk Fodbold Klub (FFK)*. The yearly sponsorship is in the region of DKK 125.000 and helps FFK to provide leisure pursuits for girls and boys from the age of 4 and adult teams of 40+ years of age. As of 2022, the club has more than 500 members, playing on more than 40 teams, and our sponsorship will continue in 2023 as well.

NLMK Dansteel A/S deems it important to be part of the future education and training of young people, the Company plans to hire up to 30 new apprentices in 2023. They will be trained by expert electricians, blacksmiths and various types of technicians. To accommodate the higher intake of apprentices the Company will update its "Apprentice Workshop" and assign expert supervisors to make sure the apprentices get the best possible training.

Management's review

By increasing the intake of apprentices, the Company strives to create more opportunities for the young people of the Municipality (*Halsnæs Kommune*) and the surrounding areas as well, while securing the right talent with the expected set of skills.

Occupational Health and Safety

Due to the nature of the Company's operation the risk of serious work-related accidents is high, therefore occupational health safety is a top priority for NLMK Dansteel A/S. Striving for a zero injury rate ("Vision Zero") at all its operations, the Company is continuously improving its OHS management system.

NLMK Dansteel A/S has adopted an Occupational Health and Safety Policy. The policy addresses the Company's efforts to ensure a healthy and safe working environment for all its employees. A safe working environment is not only about preventing accidents, but also about preventing long-term consequences such as professional illnesses.

The Company reviews its operational health and safety strategy and plans every year with a view to improve them further. In 2021 NLMK Dansteel A/S implemented a new process, which prioritises the top 5 most important risk-mitigating activities, promoting the development of safety-culture and high level of employee engagement in risk identification and mitigations.

The top 5 risk-mitigating activities include:

1. Implementation of the APV (workplace assessment) action plans in all departments;
2. Creating opportunities for learning and increasing awareness by improving the system for recording accidents and near misses;
3. Risk assessment of daily work tasks that suddenly occur (Pre-task);
4. Risk assessment of hazardous work tasks in the production and maintenance;
5. Conducting safety dialogues in the production and maintenance.

Operational health and safety achievements and targets

All Health and Safety groups have been involved in the preparation of detailed action plans for all departments, which are a continuation of the work on an overall mapping of occupational health and safety risks at NLMK Dansteel A/S. The action plans include over 140 improvements projects, of which almost 90% have been completed. A new workplace assessment started at the end of 2022 and will be finalised in 2023.

The newly improved reporting system for near misses has proven its worth as the number of reported near misses more than tripled.

Management's review

Risk management has played a big role in preventing accidents for many years. The Company employees identify risks, plan and implement preventive measures before planned or unplanned operations. In 2022, 42 detailed risk identification and assessment for hazardous operations and maintenance tasks were carried out and corresponding actions plans were developed. More than 800 hundred pre-task risk assessments of maintenance operations and more than 250 safety dialogues were carried out.

A brand new on-boarding programme was launched in 2022. The training programme consists of video modules, classroom-based teaching and sidekick training and takes 12 days to complete. These are designed to create and promote a strong safety culture where conscious behaviour is a natural part of every work task.

Promoting gender diversity and equality

The Company is working on increasing the number of female managers and has therefore set-up specific goals for the share of the less represented gender within the Board of Directors and prepared a policy on how to secure the right gender composition in the management in general.

In order to achieve the above-mentioned goal the Company is developing an Equality Policy which will cover all management levels as an addendum to the Personnel Policy.

The gender equality targets include:

- Equal gender distribution among the shareholder elected Board members;
- Providing access to both male and female candidates during the recruitment phase in internal and external job postings.

Human rights

As mentioned earlier NLMK Dansteel A/S has decided to start on a more independent journey in its work with sustainability, following new ownership at the end of 2022. This includes devising its own Human Rights Policy as part of a larger process containing the Sustainability Plan that is being prepared for 2023–2026.

The Company will still make use of the best parts of the NLMK Group Human Rights Policy, e.g., not tolerate any form or manifestation of human rights violations in its operations, financial or other activities, including interaction with stakeholders; make sure that employees are free from any form of harassment and unlawful discrimination, irrespective of their race, colour, religion, ethnicity, gender, age, family status, or any other status protected by the legislation.

Management's review

Human rights achievements and targets

The Company is developing a major plan for its transition to independency. Part of the plan is to identify the focus areas within the various sustainability disciplines, including human rights, and from develop corresponding policies and goals.

Ethics

As with the human rights, NLMK Dansteel A/S also plans to develop its own Ethics Policy.

Similarly, the Company will make use of good values from the NLMK Group Policy, e.g., to strive to foster an honest and open relationship with its staff, partners, regulating bodies and with society as a whole, encourage fair competition, deem any form of corruption to be unacceptable, including bribery, collusion, corrupt payments, abuse of position, facilitation payments, etc.

NLMK Dansteel A/S is governed by the NLMK Europe Code of Business Conduct and Ethics, Conflicts of Interest Policy and Whistle-blower Policy.

Achievements and targets

In line with legal obligations NLMA Dansteel A/S has implemented a new whistleblowing procedure. This project is part of the recently updated NLMK Europe Code of Business Conduct and Ethics. In addition to the Code and the whistleblowing procedure, the Anti-Bribery and Conflict of Interest policies have also been updated.

The procedure encourages the Company employees to act, and explains how, if they in their professional lives, may witness behaviours, actions or situations that make them uncomfortable, that challenge them and/or that seem to contradict Company values, ethics and/or the laws & rules of our European companies.

NLMK Europe has also launched a reporting tool "ETHICSPOINT platform" that offers safe and secure features (including non-traceability of whistle-blowers' identities). It allows the employees to submit a report at any time, from anywhere, from different devices.

	2022	2021	2020	2019	2018
Key figures and financial ratios	MDKK	MDKK	MDKK	MDKK	MDKK
Income statement					
Revenue	5,425	3,593	2,342	2,862	2,824
Gross profit/loss	916	270	182	285	75
Profit on primary activities	485	-390	-321	-199	-199
Operating profit/loss	431	-120	-139	-49	-185
Financial income and expenses	3	-26	-11	-8	-17
Profit/loss for the year before tax	434	-146	-150	-353	-202
Profit/loss for the year	430	-146	-150	-354	-226
EBITDA	534	-42	-39	47	-103
EBIT	449	-128	-132	-345	-185
EBT	434	-146	-150	-353	-202
Balance sheet					
Investments in tangible fixed assets	235	168	220	207	188
Balance sheet total	3,493	3,169	2,278	2,183	2,427
Equity	1,186	756	441	591	945
Key figures as %					
Gross margin	16.9	7.5	7.8	10.0	2.7
Profit margin	8.0	-3.3	-6.0	-1.7	-6.6
Rate of return	13.0	-4.4	-6.1	-2.1	-8.0
Rate of turnover receivables	8.5	7.4	6.0	7.1	8.3
Equity ratio (solvency ratio)	33.95	23.86	19.36	27.07	38.94
Return on equity	36.2	-19.4	-34.1	-4.6	-33.0
Average number of employees	481	450	427	426	411
Net revenue per employee in DKK '000	11.278	7,984	5,443	6,718	6,872

The financial ratios are calculated in accordance to Finansforeningen's recommendations.

As the Entity applies the exemption for the correction of comparative figures, the financial ratios for previously years are not corrected.

		2022	2021
Note	Statement of profit or loss	1.000 DKK	1.000 DKK
For the period 1 January - 31 December			
1	Revenue	5.424.724	3.592.904
	Cost of sales	-4.508.862	-3.322.882
	Gross profit/loss	915.862	270.022
	Selling expenses	-342.622	-249.943
	General and administrative expenses	-163.161	-143.341
	Other operating income	24.894	6.473
	Tax, other than income tax	-3.517	-3.491
	Operating profit/loss	431.456	-120.280
	Share in net result of subsidiary accounted for using the equity method	20.665	-5.604
	Financial income	1.151	1.277
	Impairment of non-current assets	-2.882	-1.596
	Financial expenses	-16.065	-19.987
	Profit/loss before income tax	434.325	-146.190
2	Income tax (expense)	-4.555	-269
	Profit/loss of the year	429.770	-146.459
Proposal for distribution of net income:			
	Reserve for net revaluation according to the equity method	20.665	-5.604
	Retained earnings	409.105	-140.855
	Total distribution of net income	429.770	-146.459
3	Staff costs		

		2022	2021
Note	Assets	1.000 DKK	1.000 DKK
	Assets as at 31 December		
4	Land and buildings	493.291	141.342
5	Machinery and equipment	904.829	881.386
6	Construction in progress	84.192	323.826
	Tangible fixed assets	1.482.312	1.346.554
7	Investments in group enterprises	28.771	8.106
	Financial assets investments	28.771	8.106
	Total non-current assets	1.511.083	1.354.660
	Raw materials	606.628	482.445
	Work in process	538.605	617.540
	Finished goods	39.127	13.645
8	Inventories	1.184.360	1.113.630
	Trade receivables	652.314	624.866
	Receivables from group enterprises	55.274	33.551
9	Deferred tax assets	0	0
	Tax receivables	10.685	0
	Other account receivables	4.028	738
10	Prepayments	8.231	11.841
	Receivables	730.532	670.996
	Cash and cash equivalents	66.754	29.483
	Total current assets	1.981.646	1.814.109
	Total assets	3.492.729	3.168.770

Note	Equity and liabilities	2022 1.000 DKK	2021 1.000 DKK
Equity and liabilities as at 31 December			
11	Common stock	92.937	92.937
	Reserve for net revaluation according to equity method	28.547	7.882
	Retained earnings	1.064.205	655.100
	Total equity	1.185.689	755.920
	Other provisions	457	0
	Provisions	457	0
	Credit institutions	734.942	734.874
12	Total non-current payables	734.942	734.874
13	Credit institutions	13.023	12.723
	Advances received	16.345	36.184
	Trade payables	1.483.006	1.537.633
	Payables to group enterprises	1.701	0
	Corporate income tax	0	18
	Other payables	57.566	91.418
	Total current payables	1.571.641	1.677.976
	Total liabilities and provisions	2.306.583	2.412.850
	Total equity and liabilities	3.492.729	3.168.770
14	Important matters		
15	Contingents liabilities		
16	Charges and securities		
17	Related Party transactions		

	2022	2021
Statement of changes in equity	1.000 DKK	1.000 DKK
Statement of changes in equity 1 January – 31 December		
Common stock 1 January	92.937	88.155
Capital increase	0	4.782
Common stock 31 December	92.937	92.937
Reserve for net revaluation 1 January	7.882	13.486
Allocation for the year to reserve	20.665	-5.604
Reserve for net revaluation 31 December	28.547	7.882
Retained earnings 1 January	655.100	351.314
Retained earnings for the year	409.105	-140.855
Premium used for distribution of net income	0	473.418
Correction due to material error	0	-28.777
Retained earnings 31 December	1.064.205	655.100
Equity 31 December	1.185.689	755.920

Note	2022 1.000 DKK	2021 1.000 DKK
Statement of cash flows		
Net income or loss for the year	429.770	-146.459
Depreciation and amortisation of non-current assets	78.004	79.987
Financial income	-1.151	-1.277
Financial expenses	13.370	20.151
Paid taxes	14.982	269
Adjustments	105.205	99.130
Change in inventories	-70.730	-500.252
Change in receivables	-59.536	-315.716
Change in current payables	-105.169	426.490
Change in working capital	-235.435	-389.478
Interests received etc.	1.151	1.277
Interests paid etc.	-13.370	-20.151
Interest payments etc.	-12.219	-18.874
Corporate tax paid	-14.982	0
Cash flow from operating activities	272.339	-455.681
Acquisition of property, plant and equipment	-235.000	-168.000
Cash flow from investing activities	-235.000	-168.000
Capital increase	0	476.699
Change in non-current payables	-68	167.992
Cash flow from financing activities	-68	644.691
Change in cash and cash equivalents	37.271	21.010
Cash and cash equivalents 1 January	29.483	8.473
Cash and cash equivalents 31 December	66.754	29.483
Change in cash and cash equivalents	37.271	21.010

		2022	2021
Notes		1.000 DKK	1.000 DKK
1	Revenue		
	(a) Revenue by product		
	Flat products	5.098.196	3.325.779
	Scrap	255.660	211.725
	Other products	1.477	0
	Total revenue from sale of goods	5.355.333	3.537.504
	Revenue from transportation services	69.391	55.400
		5.424.724	3.592.904
	(b) Revenue by geographical area		
	Denmark	1.427.843	965.780
	Germany	914.392	641.834
	Poland	705.051	357.545
	Spain	424.681	223.968
	Finland	323.841	199.496
	United Kingdom	284.080	237.365
	Sweden	282.828	327.975
	European Union, other	832.616	465.566
	Other European countries	161.955	116.539
	Other regions	67.437	56.836
		5.424.724	3.592.904
2	Income tax		
	Tax of the year	-4.555	0
	Adjustment of deffered tax	0	-269
	Income tax	-4.555	-269

Notes	2022	2021
	1.000 DKK	1.000 DKK
3 Staff costs		
Pay and remuneration	257.379	246.653
Pensions	20.350	12.958
Social security contributions and staff costs	1.657	1.284
Staff costs	279.386	260.895
<p>Average number of employees are 481 (last year 450). Remuneration for the executive board is summarized in staff costs, because the executive board only consists of one member, and the board of executives is not remunerated.</p>		
4 Land and buildings		
Cost 1 January	259.374	246.112
Additions during the year	360.638	13.262
Cost 31 December	620.012	259.374
Depreciation, amortisation and impairment 1 January	-118.032	-73.201
Depreciation and amortisation for the year	-8.689	-6.695
Depreciation and amortisation 31 December	-126.721	-79.896
Land and buildings	493.291	141.342
Of this, financially leased assets constitute	6.278	6.278
5 Machinery and equipment		
Cost 1 January	2.004.406	1.827.531
Additions during the year	105.913	176.875
Disposals during the year	-13.155	0
Cost 31 December	2.097.164	2.004.406
Depreciation, amortisation and impairment 1 January	-1.123.020	-791.791
Depreciation and amortisation for the year	-69.315	-73.292
Depreciation and amortisation 31 December	-1.192.335	-865.083
Machinery and equipment	904.829	881.386
Of this, financially leased assets constitute	63.720	33.234

Notes	2022 1.000 DKK	2021 1.000 DKK
6 Construction in progress		
Cost 1 January	323.826	337.849
Additions during the year	178.103	168.379
Disposals during the year	-417.737	-182.402
Cost 31 December	<u>84.192</u>	<u>323.826</u>
Construction in progress	<u>84.192</u>	<u>323.826</u>
7 Investments in group enterprises		
Cost 1 January	<u>224</u>	<u>224</u>
Cost 31 December	<u>224</u>	<u>224</u>
Revaluations 1 January	7.882	13.486
Net profit/loss from group enterprises investments	20.665	-5.604
Revaluations 31 December	<u>28.547</u>	<u>7.882</u>
Investments in group enterprises	<u>28.771</u>	<u>8.106</u>
Name	Registered in	Ownership share
NLMK Plate Baltic SIA	Latvia	100 %
8 Inventories		
Raw materials	606.628	482.445
Work in process	538.605	617.540
Finished goods	<u>39.127</u>	<u>13.645</u>
Inventories	<u>1.184.360</u>	<u>1.113.630</u>

Raw materials include spare parts of a value of DKK 93,728K (31 December 2021: DKK 63,882K).

Notes	2022 1.000 DKK	2021 1.000 DKK
9 Deferred tax assets		
Deferred tax assets 1 January	0	0
Deferred tax assets 31 December	0	0
<p>The company has a not recognised deferred tax assets with a value of DKK 290M (31 December 2021: DKK 377M).</p>		
10 Prepayments		
Insurance	3.382	11.841
Other	4.850	0
Prepayments	8.232	11.841
11 Common stock		
Common stock 1 January	92.937	88.155
Additional paid-in capital	0	4.782
Common stock 31 December	92.937	92.937
<p>As at 31 December 2022, the company's common stock consists of 92,937K issued common shares with a value of 1,000 DKK each.</p>		
12 Non-current payables		
1-2 years	699.384	699.316
2-5 years	32.678	32.678
Over 5 years	2.880	2.880
Total	734.942	734.874
<p>Of this, leasing constitutes DKK 28M.</p>		

Notes	2022	2021
	1.000 DKK	1.000 DKK
13 Credit institutions (short term)		
Credit institutions	13.023	12.723
Total	13.023	12.723

Of this, leasing constitutes DKK 12M.

14 Important matters

The company's main supplier of raw steel (slabs) is based in Russia and as of October 2024 it will not be possible to buy steel from Russia anymore due to EU sanctions. The company's Management is already looking into buying raw steel from other suppliers to make sure that the company has sufficient of options to purchase the steel from alternative suppliers in order to continue the positive trend that the company is experiencing.

Further, the current supplier of steel is alongside the facility from Credit Institution also providing the company with the vast majority of financing and as specified in note 12 the current facility with Credit Institutions also expires within 2 years (1 October 2024). However, it is management's firm expectations that the relevant credit lines from new suppliers will replace the current credit line and it will be possible to prolong the facility with Credit Institutions as the company has become profitable and the facility is also covered by the floating charge related to inventories and receivables.

Hence, Management has a positive outlook for the Business and the Annual Report has been prepared on a going concern basis.

15 Contingents liabilities

Floating Charge

The company has pledged collateral in inventories and trade receivables and the book value amounts to DKK 1,184M and DKK 652M respectively.

Further, the company has given a negative pledge concerning the assets above and receivables in general.

	2022	2021
Notes	1.000 DKK	1.000 DKK

Mortgages

The company has issues mortgage deeds amounting to a total of DKK 1,002M. There is currently no actual debt behind these mortgages but they still are registered at the authorities for possible later use.

16 Charges and securities

As security for commitment with the company's bank connection a registered business security of EUR 95M is registered. The company security includes inventories (raw materials, work in process and finished goods) and receivables from sales and services which per 31 December 2022 has a total accounting value of DKK 1,982M.

The company has issued guarantees amounting to USD 20,000 and DKK 2,483K for Deutsche Bank's account and risk in favour of third parties.

17 Related party transactions**(a) Sales**

NLMK North America Plates	4.178	12.263
NLMK Plate Baltic SIA	97.412	34.660
NLMK South Africa	20.695	1.580
NBH Group	4.742	11.038
Total sales	127.027	59.541

(b) Purchases

NLMK Trading S.A.	3.498.903	3.270.877
NBH Group	219.924	39.307
Other related parties	8.862	357.545
Total purchases	3.727.689	3.319.296

(c) Interest expense

LLC NLMK Overseas Holdings	0	9.496
Total interest expense	0	9.496

Notes	2022	2021
	1.000 DKK	1.000 DKK
(d) Interest income		
Tubes de Haren et Nimy S.A.	-1.151	-1.277
Total interest income	-1.151	-1.277
(e) Accounts receivable and advances given		
NLMK North America Plates	33	4.294
NLMK South Africa	7.848	1.580
NLMK Plate Baltic SIA	13.822	7.442
Other NBH Group	1.384	58
Other related parties	361	0
Total accounts receivable and advances given	23.448	13.374
(f) Accounts payable		
NLMK Trading S.A.	1.380.047	1.416.866
NLMK PJSC	711	682
NBH Group	6.700	-553
Other related parties	0	6.672
Total accounts payable	1.387.458	1.423.667
(g) Loans given		
Tubes de Haren et Nimy S.A.	31.916	31.915
Total loans given	31.916	31.915
(h) Interests on loans		
LLC NLMK Overseas Holdings	234	1.636
Total interests on loans	234	1.636

Accounting policies

General

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C large enterprises.

The company has changed the applied accounting policies to be fully compliant with the Danish Financial Statements Act as the company earlier prepared the Annual Report in accordance with IFRS. However, there are no changes to recognition and measurement criteria but only in regards to classification and disclosures. Hence, there is no effect to the net result nor the book value of equity.

The classification of the comparative figures for 2021 have been adjusted in accordance with the schedules in the Danish Financial Statements Act. Key figures in the Management's review are not affected by adopting the Danish Financial Statements Act.

The reason for the change is the fact that the company wishes to be fully compliant the Danish Financial Statements Act which gives a true and fair view of the company's activities and financial position in accordance with Danish Legislation.

Due to significant errors in previous years' recognition and measurement of capital shares in subsidiaries, and in the value of inventory (raw material), the accounting practice has changed.

The changes have following effect as at 31 December 2022 (31 December 2021):

- | | |
|--------------------------------|-----------------------------|
| • Raw materials: | TDKK -44.046 (TDKK -39.253) |
| • Investments in subsidiaries: | TDKK 0 (TDKK -19.657) |
| • Equity: | TDKK -44.046 (TDKK -58.909) |
| • Result of the year: | TDKK -44.046 (TDKK -43.619) |

Consolidated financial statements

In accordance with section 112 of the Danish Financial Statement Act, consolidated financial statements were not prepared, as the group is itself a subsidiary of a higher-ranking parent company.

General principles for recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits 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.

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

Accounting policies

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective interest rate to maturity. Amortised cost is determined as original cost less any repayments and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

In recognition and measurement, foreseeable losses and risks are taken into consideration when arising before the annual report is prepared and proving or disproving matters existing on the balance sheet date.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Also recognised are expenses incurred to generate the earnings for the year, including depreciation, amortisation, impairment losses and provisions, as well as reversals resulting from changes in accounting estimates of amounts previously recognised in the income statement.

Foreign currency translation

During the year, foreign currency transactions are translated at the exchange rates prevailing on the transaction date. Foreign currency receivables, payables and other items that have not been settled on the balance sheet date are translated at the exchange rates prevailing on the balance sheet date.

Realised and unrealised foreign currency translation adjustments are recognised in the income statement under net financials.

Financial instruments are not used to hedge the value expressed in Danish currency of balance sheet items in foreign currencies and future foreign currency transactions.

Accounting policies

Income statement

Revenue

Revenue from the sale of goods for resale and finished good is recognised in the income statement if the delivery and passing of risk to the buyer have taken place before the end of the financial year and if the amount of revenue can be determined reliably and is expected to be received. Revenue is recognised exclusive of VAT and less sales discounts.

Cost of sales

Production costs include cost, including depreciation and wages, incurred to achieve the net revenue. Trading companies recognise cost of sales and the producing companies corresponding to the net revenue. This includes direct and indirect costs of raw materials and consumables, wages and salaries, rent and leasing as well as depreciation on machinery and equipment.

Selling expenses

Distribution costs include costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year etc. This includes costs for sales staff, advertising and exhibition costs as well as depreciations.

General and administrative expenses

Administrative expenses include expenses incurred for the management and administration of the company, including expenses for the administrative staff, office premises and office expenses as well as depreciation.

Other operating income

Other operating income contains accounting items of a secondary nature in relation to the company's main activity.

Other operating expenses

Other operating expenses include items of a nature secondary to the company's activities, including loss at sales of intangible and tangible non-current assets.

Leases

Lease payments under contracts that are not finance leases or other rental agreements are recognised in the income statement over the term of the contracts. The company's total liabilities relating to leases and rental agreements are stated under rental and lease obligations.

Staff costs

Staff costs are allocated to the relevant functions in the Statement of Profit or Loss.

Accounting policies

Financial income and expenses

Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital gains and losses from foreign currency securities, payables and transactions, amortisation of mortgage loans and surcharges and allowances under the tax prepayment scheme etc.

Results from group enterprises

Results from group enterprises are recognized in the income statement with the proportional share of the companies' results after adjusting for internal profit or loss.

Tax on net income or loss for the year

Tax for the year, comprising current tax for the year and changes in deferred tax for the year, is recognised in the income statement as the share attributable to net income or loss for the year, and directly in equity as the share attributable to entries directly to equity.

Accounting policies

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation. Property, plant and equipment are depreciated on a straight-line basis, based on an estimate of the useful life and residual value of each asset.

The basis of depreciation is cost less estimated residual value at the end of the useful life. Cost includes the cost of acquisition and expenses directly related to the acquisition until the asset is ready for use. Land is not depreciated.

The depreciation period and residual value are determined at the time of acquisition and will be reassessed on an annual basis. If the residual value of the asset exceeds its book value, depreciation will be discontinued. When there is a change in the depreciation period or residual value, the effect on depreciation will be recognised on a forward-looking basis as a change in the accounting estimate.

Estimated useful lives are included as follows:	Depreciation period	Residual value
Buildings	25 years	20 %
Machinery and equipment	5 - 30 years	0-20 %

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

Property, plant and equipment under leases and meeting the conditions for finance leases are treated under the same guidelines as those applying to owned assets.

Tangible fixed assets under construction are measured to accumulated payments until the asset is done and can be transferred to the correct category of assets.

Impairment losses on non-current assets

The carrying amount of intangible assets and property, plant and equipment is assessed every year to determine whether there are indications of any impairment of value beyond what is expressed in the amortisation and depreciation charges.

If there are indications of impairment, an impairment test must be carried out for each individual asset or group of assets, respectively. An impairment charge is taken against the recoverable amount of the assets, if that is lower than the carrying amount.

The higher of the net selling price and the value in use is used as the recoverable amount. The value in use is determined as the present value of the estimated net income from the use of the asset or asset group.

Accounting policies

Financial assets investments

Investments in group enterprises are recognized according to the intrinsic value method. Share of the year's profit is recognized in the income statement. In the balance sheet, the proportional ownership share is measured by the accounting net asset value calculated according to the parent company's accounting practices, corrected for unrealized intra-group profits or losses.

Group enterprises and associates with a negative equity value are recognised at DKK 0, and any receivables from these enterprises are written down by the parent company's share of the negative equity value to the extent that the receivable is deemed uncollectible. If the negative equity value exceeds receivables, the remaining amount of the negative equity value is recognised under provisions to the extent that the parent company has a legal or constructive obligation to cover the negative balances of these enterprises.

Total net revaluation of investments in group enterprises and associates is transferred via distribution of net income to 'Reserve for net revaluation according to the equity method' under equity. The reserve is reduced by dividend distributions to the parent company and adjusted by other changes in equity in group enterprises and associates.

Inventories

Inventories are measured at cost using the FIFO method or net realisable value where this is lower. Any write-downs of inventories to net realisable value are recognised in the income statement.

The net realisable value of inventories is calculated as the selling price less the costs of completion and expenses incurred to produce sales and is determined with a view to marketability, obsolescence and developments in expected selling price.

The cost of goods for resale as well as raw materials and consumables used includes the cost of acquisition plus delivery costs.

The cost of manufactured finished goods and work in progress includes all direct expenses, including materials and wages with addition of production overheads.

Receivables

Receivables are measured in the balance sheet at amortised cost, usually equivalent to nominal value. The values reduced by write-downs for expected losses following an assessment of each receivable.

Prepayments (recognised as assets)

Prepayments recognised as assets include expenses incurred in respect of subsequent financial years.

Cash

Includes cash and easily realisable securities which are subject to insignificant risk of changes in value.

Accounting policies

Reserve for net revaluation according to the equity value method

Reserve for net revaluation according to equity value includes net revaluation of capital shares in subsidiaries and associated companies in relation to cost price. The reserve can be eliminated by losses, realization of capital shares or changes in accounting estimates. The reserve cannot be recognized with a negative amount.

Other provisions

Provisions include expected costs of warranty commitments, losses on work in progress, restructuring etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation, and it is probable that settlement of the obligation will result in drawing on the company's financial resources.

Provisions are measured at net realisable value or fair value if settlement of the obligation is expected to be far into the future.

Warranty commitments include obligations to remedy works within the warranty period of 1-5 years. Provisions are measured at net realisable value and recognised based on experience with warranty work.

When it is probable that total expenses will exceed total revenue from contract work in progress, provisions are made for the total expected loss amount on the contract. These provisions are recognised as expenses under production costs.

Payables

Payables are measured at cost, equivalent to nominal value.

Tax payable and deferred tax

Current tax liabilities and tax receivable are measured in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on taxable for previous years and tax prepaid.

Deferred tax on temporary differences between the tax base of assets and liabilities and their carrying amounts is measured under the balance sheet liability method. Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Cash flow statement

The cash flow statement is prepared according to the indirect method and shows the net cash flows broken down according to operating, investing and financing activities and the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items and changes in working capital.

Accounting policies

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of property, plant and equipment and dividends.

Cash flows from financing activities comprise raising of loans and repayment of interest bearing debt.

Cash and cash equivalents comprise cash, short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value, with deduction of current payables to credit institutions.