

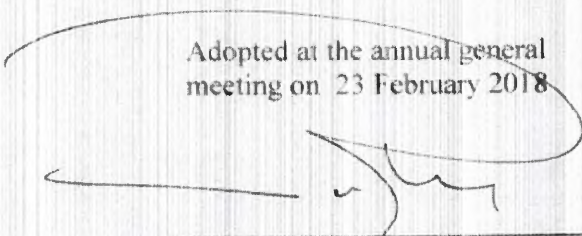
**THYSSENKRUPP STÅL
DANMARK A/S**

**Nordre Beddingsvej 26
3390 Hundested**

CVR no. 13 39 44 07

Annual report for 2016/17

Adopted at the annual general
meeting on 23 February 2018



ARNE CARSTEN RASMUSSEN
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of THYSSENKRUPP STÅL DANMARK A/S for the financial year 1 October 2016 - 30 September 2017.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 September 2017 and of the results of the company's operations for the financial year 1 October 2016 - 30 September 2017.

Management recommends that the annual report should be approved at the annual general meeting.

Hundested, 23 February 2018

Executive board



Jørgen Frans Jørgensen
direktør

Supervisory board



Jörg Paffrath
chairman

Volker Senger

Oliver Karl Smeets

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direktør

Supervisory board

Jörg Paffrath
chairman

Volker Senger



Oliver Karl Smeets

Independent auditor's report

To the management of THYSSENKRUPP STÅL DANMARK A/S

Opinion

We have audited the financial statements of THYSSENKRUPP STÅL DANMARK A/S for the financial year 1 October 2016 - 30 September 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 september 2017 and of the results of the company's operations for the financial year 1 October 2016 - 30 September 2017 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 are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

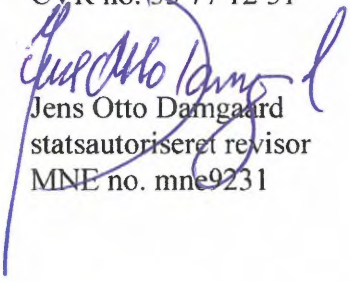
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report


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.

Hellerup, 23 February 2018

PRICEWATERHOUSECOOPERS
statsautoriseret revisionspartnerselskab
CVR no. 33 77 12 31



Jens Otto Damgaard
statsautoriseret revisor
MNE no. mne9231



Lasse Hartlev
statsautoriseret revisor
MNE no. mne34350

Company details

The company

THYSSENKRUPP STÅL DANMARK A/S
Nordre Beddingsvej 26
3390 Hundested

Telephone: 43950700

CVR no.: 13 39 44 07

Reporting period: 1 October 2016 - 30 September 2017

Domicile: Hundested

Supervisory board

Jörg Paffrath, chairman, chairman
Volker Senger
Oliver Karl Smeets

Executive board

Jørgen Frans Jørgensen, direktør

Auditors

PricewaterhouseCoopers
statsautoriseret revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Koncernregnskab

The Company is included in the Group Annual Report of
ThyssenKrupp AG

The Group Annual Report of ThyssenKrupp AG may be obtained
at the following adress:

Nordre Beddingsvej 26
DK-3390 Hundested

Accounting policies

The annual report of THYSSENKRUPP STÅL DANMARK A/S for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises.

The accounting policies applied are consistent with those of last year.

The annual report for 2016/17 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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 from the company and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Accounting policies

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 3-5 years

Assets costing less than DKK 13.200 are expensed in the year of acquisition.

Stocks

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

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

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Receivables for which there is no objective indication of individual impairment are reviewed for impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Accounting policies

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 October - 30 September

	<u>Note</u>	<u>2016/17</u> DKK	<u>2015/16</u> DKK
Gross profit		4.740.123	5.920.259
Staff costs	2	<u>-3.606.156</u>	<u>-2.979.125</u>
Earnings Before Interest Taxes Depreciation and Amortization		1.133.967	2.941.134
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-132.000</u>	<u>-132.354</u>
Profit/loss before financial income and expenses		1.001.967	2.808.780
Financial income	3	<u>331.719</u>	<u>171.343</u>
Profit/loss before tax		1.333.686	2.980.123
Tax on profit/loss for the year		<u>-298.937</u>	<u>-662.858</u>
Net profit/loss for the year		<u>1.034.749</u>	<u>2.317.265</u>
Retained earnings		<u>1.034.749</u>	<u>2.317.265</u>
		<u>1.034.749</u>	<u>2.317.265</u>

Balance sheet 30 September

	<u>Note</u>	<u>2016/17</u> DKK	<u>2015/16</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		275.000	407.000
Tangible assets		<u>275.000</u>	<u>407.000</u>
Other receivables		32.400	32.400
Fixed asset investments		<u>32.400</u>	<u>32.400</u>
Fixed assets total		<u>307.400</u>	<u>439.400</u>
Raw materials and consumables		0	196.057
Stocks		<u>0</u>	<u>196.057</u>
Trade receivables		7.857.511	14.341.159
Receivables from group enterprises		33.628.487	26.422.088
Deferred tax asset		119.225	95.928
Receivables		<u>41.605.223</u>	<u>40.859.175</u>
Cash at bank and in hand		<u>3.472</u>	<u>371.113</u>
Current assets total		<u>41.608.695</u>	<u>41.426.345</u>
Assets total		<u>41.916.095</u>	<u>41.865.745</u>

Balance sheet 30 September

	<u>Note</u>	<u>2016/17</u> DKK	<u>2015/16</u> DKK
Liabilities and equity			
Share capital		800.000	800.000
Retained earnings		<u>37.511.323</u>	<u>36.476.574</u>
Equity		<u>38.311.323</u>	<u>37.276.574</u>
Trade payables		39.492	116.614
Payables to group enterprises		38	151
Corporation tax		322.234	735.724
Other payables		<u>3.243.008</u>	<u>3.736.682</u>
Short-term debt		<u>3.604.772</u>	<u>4.589.171</u>
Debt total		<u>3.604.772</u>	<u>4.589.171</u>
Liabilities and equity total		<u>41.916.095</u>	<u>41.865.745</u>
Main activity	1		
Contingent assets, liabilities and other financial obligations	4		

Notes

1 Main activity

The Company's main activity relates to all kinds of trade with especially steel products and tubes as well as other related activities domestic and non domestic

	<u>2016/17</u> DKK	<u>2015/16</u> DKK
2 Staff costs		
Wages and salaries	3.309.116	2.682.763
Pensions	277.233	282.584
Other social security costs	<u>19.807</u>	<u>13.778</u>
	<u>3.606.156</u>	<u>2.979.125</u>
Average number of employees	<u>3</u>	<u>2</u>

	<u>2016/17</u> DKK	<u>2015/16</u> DKK
3 Financial income		
Interest received from subsidiaries	331.719	161.684
Other financial income	<u>0</u>	<u>9.659</u>
	<u>331.719</u>	<u>171.343</u>

4 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with the following companies, and has limited and secondary liability together with the other jointly taxed entities for the payment of income taxes for the income year. Rias A/S, Thyssenkrupp Elevator A/S and Thyssen Stål Danmark A/S

The company has a rental obligation of DKK 76 thousand 30 September 2017.