

**THYSSENKRUPP STÅL  
DANMARK A/S**

**Nordre Beddingsvej 26  
3390 Hundested**

**CVR no. 13 39 44 07**

**Annual report for 2017/18**

Adopted at the annual general  
meeting on 21 January 2019



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Carsten Raasteen  
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 2017 - 30 September 2018.

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 2018 and of the results of the company's operations for the financial year 1 October 2017 - 30 September 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Hundested, 21 January 2019

### Executive board

Jørgen Frans Jørgensen  
direktør



### Supervisory board



Birg Palfrahn  
chairman

Volker Senger

Oliver Karl Smeets

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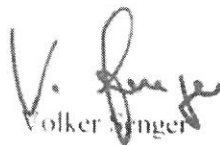
Hundested, 21 January 2019

### Executive board

Jørgen Frans Jørgensen  
direktør

### Supervisory board

Jörg Paffrath  
chairman

  
Volker Singer

Oliver Karl Smeets

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direktør

### Supervisory board

Jörg Paffrath  
chairman

Volker Senger



Oliver Karl Smeets

## **Independent auditor's report**

*To the shareholders of THYSSENKRUPP STÅL DANMARK A/S*

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the company's at 30 September 2018, and of the results of the company's operations for the financial year 1 October 2017 - 30 September 2018 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of THYSSENKRUPP STÅL DANMARK A/S for the financial year 1 October 2017 - 30 September 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. ("financial statements").

### **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.

### **Statement on management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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 management's review is in accordance with the 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.

## **Independent auditor's report**

### **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 the 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 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.

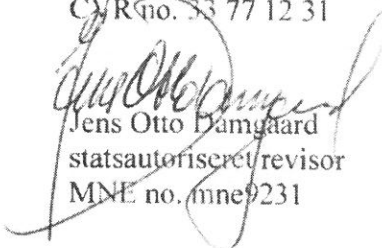
## Independent auditor's report

- 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.


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, 21 January 2019

PRICEWATERHOUSECOOPERS  
statsautoriseret revisionspartnerselskab  
CVR no. 33 77 12 31



Jens Otto Damgård  
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 2017 - 30 September 2018

Domicile: Halsnæs

### Supervisory board

Jörg Paffrath  
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 address:

thyssenKrupp Stål Danmark  
Nordre Beddingsvej 26  
DK-3390 Hundested  
<https://www.thyssenkrupp.com/en/investors/reporting-and-publications/>

## **Management's review**

### **Business activities**

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

### **Unusual matters**

The Company has been in charge of the sale to the Swedish market regarding industri customers since 1 October 2017.

## **Accounting policies**

The annual report of THYSSENKRUPP STÅL DANMARK A/S for 2017/18 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 with optional notes from higher reporting class C.

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

The annual report for 2017/18 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.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## **Accounting policies**

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction 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**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

#### **Other external expenses**

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

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

#### **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.

## **Accounting policies**

### **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, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### **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.

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
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Assets costing less than DKK 13.500 are expensed in the year of acquisition.

### **Impairment of fixed assets**

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

## **Accounting policies**

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **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 losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### **Liabilities**

Liabilities, which include trade payables, 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>2017/18</u> DKK	<u>2016/17</u> DKK
<b>Gross profit</b>		<b>8.363.452</b>	<b>4.740.123</b>
Staff costs	1	<u>-2.109.465</u>	<u>-3.606.156</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>6.253.987</b>	<b>1.133.967</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-86.209</u>	<u>-132.000</u>
<b>Profit/loss before net financials</b>		<b>6.167.778</b>	<b>1.001.967</b>
Financial income	2	<u>121.352</u>	<u>331.719</u>
<b>Profit/loss before tax</b>		<b>6.289.130</b>	<b>1.333.686</b>
Tax on profit/loss for the year		<u>-1.430.536</u>	<u>-298.937</u>
<b>Profit/loss for the year</b>		<b><u>4.858.594</u></b>	<b><u>1.034.749</u></b>
Retained earnings		<u>4.858.594</u>	<u>1.034.749</u>
		<b><u>4.858.594</u></b>	<b><u>1.034.749</u></b>

## Balance sheet 30 September

	<u>Note</u>	<u>2017/18</u> DKK	<u>2016/17</u> DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		998.225	275.000
<b>Tangible assets</b>	3	<u>998.225</u>	<u>275.000</u>
Other receivables		32.400	32.400
<b>Fixed asset investments</b>		<u>32.400</u>	<u>32.400</u>
<b>Total non-current assets</b>		<u>1.030.625</u>	<u>307.400</u>
Trade receivables		26.327.976	7.857.511
Receivables from group enterprises		15.763.331	33.628.487
Other receivables		7.045.312	0
Deferred tax asset		18.920	119.225
<b>Receivables</b>		<u>49.155.539</u>	<u>41.605.223</u>
<b>Cash at bank and in hand</b>		<u>6.328</u>	<u>3.472</u>
<b>Total current assets</b>		<u>49.161.867</u>	<u>41.608.695</u>
<b>Total assets</b>		<u>50.192.492</u>	<u>41.916.095</u>



## Balance sheet 30 September

	<u>Note</u>	<u>2017/18</u> DKK	<u>2016/17</u> DKK
<b>Equity and liabilities</b>			
Share capital		800.000	800.000
Retained earnings		<u>42.369.917</u>	<u>37.511.323</u>
<b>Equity</b>	4	<b><u>43.169.917</u></b>	<b><u>38.311.323</u></b>
Trade payables		1.357.147	39.492
Payables to group enterprises		63	38
Corporation tax		1.330.231	322.234
Other payables		<u>4.335.134</u>	<u>3.243.008</u>
<b>Total current liabilities</b>		<b><u>7.022.575</u></b>	<b><u>3.604.772</u></b>
<b>Total liabilities</b>		<b><u>7.022.575</u></b>	<b><u>3.604.772</u></b>
<b>Total equity and liabilities</b>		<b><u>50.192.492</u></b>	<b><u>41.916.095</u></b>
Contingencies, etc.	5		

## Notes

	<u>2017/18</u>	<u>2016/17</u>
	DKK	DKK
<b>1 Staff costs</b>		
Wages and salaries	1.780.573	3.309.116
Pensions	311.946	277.233
Other social security costs	16.946	19.807
	<u><b>2.109.465</b></u>	<u><b>3.606.156</b></u>
Average number of employees	<u>2</u>	<u>3</u>
<b>2 Financial income</b>		
Interest received from group companies	<u>121.352</u>	<u>331.719</u>
	<u><b>121.352</b></u>	<u><b>331.719</b></u>

## Notes

### 3 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 October 2017	660.000
Additions for the year	1.149.434
Disposals for the year	-660.000
Cost at 30 September 2018	<u>1.149.434</u>
Impairment losses and depreciation at 1 October 2017	385.000
Depreciation for the year	195.209
Reversal of impairment and depreciation of sold assets	-429.000
Impairment losses and depreciation at 30 September 2018	<u>151.209</u>
<b>Carrying amount at 30 September 2018</b>	<b><u><u>998.225</u></u></b>

### 4 Equity

	Share capital	Retained earnings	Total
Equity at 1 October 2017	800.000	37.511.323	38.311.323
Net profit/loss for the year	0	4.858.594	4.858.594
<b>Equity at 30 September 2018</b>	<b><u><u>800.000</u></u></b>	<b><u><u>42.369.917</u></u></b>	<b><u><u>43.169.917</u></u></b>

### 5 Contingencies, etc.

The company is jointly taxed with the following compagnies, 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 thyssenKrupp Stål Danmark A/S

The company has a rental obligation of DKK 65 thousand 30 September 2018.