

Alleima Denmark ApS

Ringager 4A

DK-2605 Brøndby

CVR No. 42828963

Annual Report 2021/22

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 17 July 2023

Michael Biermann
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Alleima Denmark ApS for the financial year 11 November 2021 - 31 December 2022.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 11 November 2021 - 31 December 2022.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Brøndby, 17 July 2023

Executive Board

Jane Eriksson
Man. Director

Supervisory Board

Michael Biermann
Chairman

Jane Eriksson
Member

Erik Bäck
Member

Independent Auditor's Report

To the shareholder of Alleima Denmark ApS

Opinion

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 11 November 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Alleima Denmark ApS for the financial year 11 November 2021 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis of 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

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.

Independent Auditor's Report

- * 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.

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, 17 July 2023

PRICEWATERHOUSECOOPERS
STATSAUTORISERET REVISIONSPARTNERSELSKAB

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Anders Røjleskov
State Authorised Public Accountant
mne28699

Alleima Denmark ApS

Company details

Company	Alleima Denmark ApS Ringager 4A DK-2605 Brøndby
CVR No.	42828963
Date of formation	11 November 2021
Registered office	Brøndby
Financial year	11 November 2021 - 31 December 2022
Supervisory Board	Michael Biermann Jane Eriksson Erik Bäck
Executive Board	Jane Eriksson
Auditors	PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB Strandvejen 44 DK-2900 Hellerup

Accounting Policies

Reporting Class

The annual report of Alleima Denmark ApS for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

As the financial year 2021/22 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

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

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

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

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

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Accounting Policies

Revenue

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

Other external expenses

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

Staff costs

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

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of intangible assets

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

	Useful life	Residual value
Goodwill	7 years	0%

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

Financial income and expenses

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

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

Tax on net profit for the year

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

Accounting Policies

Balance sheet

Intangible assets

Acquired goodwill is measured at cost on initial recognition and subsequently at cost less accumulated amortization and impairment losses.

Deposits

Deposits are measured at cost.

Receivables

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

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

Accrued income, assets

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

Cash and cash equivalents

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

Equity

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

Current tax liabilities

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

Liabilities

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

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

Other liabilities are measured at net realisable value.

Other payables

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

Contingent assets and liabilities

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

Income Statement

	Note	2021/22 kr.
Gross profit		5.357.676
Staff cost	1	-4.074.951
Amortisation on intangible assets	2	-402.520
Profit from ordinary operating activities		880.205
Finance income		204
Finance expenses		-1.805
Profit from ordinary activities before tax		878.604
Tax for the year		-193.564
Profit		685.040
Proposed distribution of results		
Retained earnings		685.040
Distribution of profit		685.040

Balance Sheet as of 31 December

	Note	2022 kr.
Assets		
Goodwill	3	2.198.380
Intangible assets		2.198.380
Deposits, investments		83.225
Investments		83.225
Fixed assets		2.281.605
Trade receivables		310.960
Current deferred tax		6.812
Other short-term receivables		11.196
Deferred income		15.439
Receivables		344.407
Cash and cash equivalents		2.728.768
Current assets		3.073.175
Assets		5.354.780

Balance Sheet as of 31 December

	Note	2022 kr.
Liabilities and equity		
Contributed capital		40.000
Retained earnings		4.610.040
Equity		4.650.040
Trade payables		60.555
Tax payables		200.376
Other payables		443.809
Short-term liabilities other than provisions		704.740
Liabilities other than provisions within the business		704.740
Liabilities and equity		5.354.780
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 11 November 2021	40.000	0	40.000
Profit (loss)	0	685.040	685.040
Contribution from group	0	3.925.000	3.925.000
Equity 31 December 2022	40.000	4.610.040	4.650.040

Notes

1. Staff cost

	2021/22
Wages and salaries	3.730.515
Post-employment benefit expense	334.969
Social security contributions	9.467
	4.074.951
Average number of employees	3

2. Amortisation on intangible assets

Amortisation of goodwill	402.520
	402.520

3. Goodwill

Addition during the year	2.600.900
Cost at the end of the year	2.600.900
Amortisation for the year	-402.520
Impairment losses and amortisation at the end of the year	-402.520
Carrying amount at the end of the year	2.198.380

4. The Company's principal activities

The Company's principal activities consist in development, manufacture, marketing, services and sale of products in steel, other metals and metal alloy products, ceramic products, coated or surface-treated products.

5. Subsequent events

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

6. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

7. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

Notes

8. Related parties

The Company is included in the Group Annual Report of the ultimate parent Alleima AB.

The Group Annual Report is available online and can be obtained at <https://www.alleima.com/>
Sandviken, Sweden

Name and registered office of the Parent preparing consolidated financial statements for the smallest group.

Ultimate parent:

Alleima AB

Storgatan 2,

811 34 Sandviken, Sverige

Parent:

Alleima EMEA AB

Storgatan 2

811 34 Sandviken, Sweden