

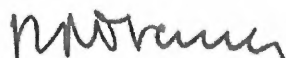
**voestalpine
HPM Denmark
A/S**

**Kokmose 8
6000 Kolding**

CVR no. 64 09 31 18

Annual report 2017/18

The annual report was presented and
adopted at the annual general meeting of
the Company on 20 August 2018



Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of voestalpine HPM Denmark A/S for the financial year 1 April 2017 - 31 March 2018.

The annual report has been 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 assets, liabilities and financial position at 31 March 2018 and of the results of the Company's operations for the year 1 April 2017 - 31 March 2018.

We recommend that the annual report be adopted at the annual general meeting.

Aarhus, 20 August 2018

Executive Board

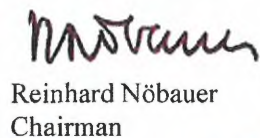


Per-Anders Ingemar Bardh



Åge Østergaard

Board of Directors



Reinhard Nöbauer
Chairman



Pär Anders Emanuelsson



Franz Georg Auer



Per-Anders Ingemar Bardh

Independent Auditor's Report

To the Shareholders of voestalpine HPM Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of voestalpine HPM Denmark A/S at 31 March 2018, and of the results of the Company's operations for the financial year 1 April 2017 - 31 March 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of voestalpine HPM Denmark A/S for the financial year 1 April 2017 - 31 March, which comprise i 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.

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.
- 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.

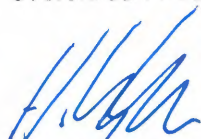
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trekantområdet, 20 August 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Henrik Skriver Lykke

State Authorised Public Accountant

mne15094

Management's review

Company details

Company

voestalpine HPM Denmark A/S
Kokmose 8
6000 Kolding
Denmark

CVR no.: 64 09 31 18
Financial year: 1 April - 31 March
Incorporated: 14 January 1952
Registered office: Kolding

Board of Directors

Reinhard Nöbauer, Chairman
Pär Anders Emanuelsson
Franz Georg Auer
Per-Anders Ingemar Bardh

Executive Board

Per-Anders Ingemar Bardh
Åge Østergaard

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
7100 Vejle
Denmark

General meeting

The annual general meeting was held on 20 of August 2018 in Aarhus, Denmark.

Financial statements 1 April 2017 - 31 March 2018

Income statement

	Note	2017/2018 DKK	2016/2017 DKK'000
Gross profit		15,753,385	13,715
Staff costs	3	-8,658,328	-8,898
Depreciation and impairment of property, plant and equipment		-1,049,211	-570
Operating profit		6,045,846	4,247
Other operating expenses		-30,574	0
Profit before financial income and expenses		6,015,272	4,247
Financial income		324	6
Financial costs	4	- 258,297	-171
Profit before tax		5,757,299	4,082
Tax on profit for the year	5	-1,281,246	-917
Profit for the year		4,476,053	3,165
Proposed dividends for the year		4,000,000	3,100
Retained earnings		476,053	65
		4,476,053	3,165

Balance sheet 31 March

	Note	2018 DKK	2017 DKK'000
Assets			
Land and buildings		2,876,903	2,953
Plant and machinery		5,989,699	6,745
Fixtures and fittings, tools and equipment		574,746	59
Property, plant and equipment	6	9,441,348	9,757
Fixed assets		9,441,348	9,757
Finished goods and goods for resale		5,424,720	4,427
Inventories		5,424,720	4,427
Trade receivables		13,839,287	8,889
Receivables from group entities		309,570	14
Other receivables		530	3
Corporation tax		288,463	829
Prepayments		112,980	163
Receivables		14,550,830	9,898
Cash at bank and in hand		319,069	3,000
Total current assets		20,294,619	17,325
Total assets		29,735,967	27,082

Balance sheet 31 March

	Note	2018 DKK	2017 DKK'000
Equity and liabilities			
Share capital		1,000,000	1,000
Retained earnings		6,163,255	5,687
Proposed dividends for the year		4,000,000	3,100
Total equity	7	11,163,255	9,787
Provision for deferred tax		518,596	286
Total provisions		518,596	286
Liabilities other than provisions			
Banks		17,702	85
Trade payables		348,562	738
Payables owed to group entities		14,014,294	13,310
Other payables		3,673,558	2,876
Current liabilities		18,054,116	17,009
Total liabilities other than provisions		18,054,116	17,009
Total equity and liabilities		29,735,967	27,082
Contractual obligations, contingencies, etc.	8		
Related parties	9		

Financial statements 1 April 2017 - 31 March 2018

Notes

1 Accounting policies

The Annual Report of voestalpine HPM Denmark 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 entities as well as specific rules applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities, which is measured at fair value or amortized cost. Likewise, all costs which have been held to achieve the year's earnings, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets acquired in foreign currency are measured at the exchange rate on the transaction date.

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sales', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

Revenue

Revenue from the sale of goods for resale and finished goods is recognized 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 charged on behalf of third parties. All discounts granted are recognized in revenue.

Expenses for raw materials and consumables

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

Other external cost

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

Financial statements 1 April 2017 - 31 March 2018

Notes

1 Accounting policies

Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees excluding refunds from public authorities.

Other operating income/costs

Other operating income and operating costs includes accounting items of secondary nature in proportion to the principal activities of the enterprise, including profit and losses on disposal of tangible fixed assets.

Financial income and expenses

Financial income and expenses include interest, realized and unrealized exchange adjustments, amortization of mortgage loans as well as surcharges and refunds under the on account taxation scheme.

Tax on profit for the year

The Company is covered by the Danish rules on compulsory joint taxation with the group entity voestalpine HPM Denmark A/S.

voestalpine HPM Denmark A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

Current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with the tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts directly recognized in equity is recognized directly in equity. The tax expense recognized in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment write-down.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation, which is calculated as cost less any residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	25	years
Plant and machinery	3-10	years
Fixtures and fittings, tools and equipment	3-7	years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates and the effect on depreciation is recognized prospectively.

Land is not depreciated.

Financial statements 1 April 2017 - 31 March 2018

Notes

1 Accounting policies

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortization.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Leases

All leases are considered operating leases. Payments relating to operating leases and other leases are recognized in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Inventories

Inventories are measured using the weighted average method. Where the net realizable value is lower than the cost, inventories are carried at this lower value.

The cost of goods for resale, raw materials and consumables comprises purchase price plus delivery costs. The net realizable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortized cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are recognized at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 April 2017 - 31 March 2018

Notes

1 Accounting policies

Corporation tax and deferred tax

voestalpine HPM Denmark A/S assumes, in its capacity as administrative company, the liability for the Danish Group companies' payment of income tax to the tax authorities as the joint taxation contributions of the Group entities are received.

Current tax payable and current tax receivable are recognized in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income of previous years and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Liabilities other than provisions

Financial liabilities are recognized at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid.

Other liabilities are measured at net realizable value.

Financial statements 1 April 2017 - 31 March 2018

Notes

2 Principal activity

In line with last year the Company's principal activities consisted of sale and distribution of highly alloyed steel and similar materials. The products are sold in Denmark. The primary target group for the Company's activities are the tool industry and segments of the process industry, which need the unique quality of highly alloyed materials. The competences, concepts and products of the Uddeholm group have formed the essential basis for the activities, and the Company marketed its products and services directly to the customers through its own sales organisation.

	2017/2018 DKK	2016/2017 DKK'000
3 Staff costs		
Wages and salaries	7,298,372	7,600
Pensions	1,172,331	1,082
Other social security costs	77,440	73
Other staff costs	110,185	142
	8,658,328	8,897
 Average numbers of employees	 14	 14
 4 Financial costs		
Interest, group entities	247,167	167
Other financial costs	11,130	5
	258,297	172
 5 Tax on profit for the year		
Current tax for the year	1,048,537	622
Deferred tax for the year	232,709	295
	1,281,246	917

Financial statements 1 April 2017 - 31 March 2018

Notes

6 Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
	DKK	DKK	DKK	DKK
Cost at 1 April 2017	11,641,754	9,340,338	1,104,661	22,086,753
Additions for the year		91,479	566,822	658,301
Disposals for the year		-120,000	-53,850	-173,850
Cost at 31 March 2018	11,641,754	9,311,817	1,617,633	22,571,204
Impairment losses and depreciation at 1 April 2017	8,688,560	2,595,319	1,046,366	12,330,245
Depreciation for the year	76,291	765,257	50,371	891,919
Impairment and depreciation of sold assets for the year		-38,458	-53,850	- 92,308
Impairment losses and depreciation at 31 March 2018	8,764,851	3,322,118	1,042,887	13,129,856
Carrying amount at 31 March 2018	2,876,903	5,989,699	574,746	9,441,348

Financial statements 1 April 2017 - 31 March 2018

Notes

7 Equity

	Share capital	Retained earnings	Proposed dividends for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 April 2017	1,000,000	5,687,202	3,100,000	9,787,202
Ordinary dividend paid	0	0	-3,100,000	-3,100,000
Profit/loss for the year	0	476,053	4,000,000	4,476,053
Equity at 31 March 2018	1,000,000	6,163,255	4,000,000	11,163,255

The share capital consists of 1,000,000 shares of a nominal value of DKK 1,000,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

8 Contractual obligations, contingencies, etc.

The Company has entered into lease obligations effective for 5 years. All lease agreements are operational lease agreements. The total lease obligation at 31 March 2018 amounted to DKK 661 thousand.

The company is jointly taxed with other Danish group entities. As a group company, together with the other companies included in the joint taxation, the Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the jointly taxed unit.

9 Related parties

voestalpine HPM Denmark A/S is part of the consolidated financial statements of voestalpine High Performance Metals GmbH, Voestalpine-Straße 1, 4020 Linz, Austria registered office, which is the smallest group in which the Company is included as a subsidiary. The consolidated financial statements of voestalpine High Performance Metals GmbH can be obtained by contacting the company via www.voestalpine.com.