



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 914 975 042
Organisasjonsform: Aksjeselskap
Foretaksnavn: REAL ALLOY NORWAY HOLDING AS
Forretningsadresse: Rødvikvegen 9
6460 EIDSVÅG I ROMSDAL

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Monica Tennoy
Dato for fastsettelse av årsregnskapet: 19.08.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 03.10.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	1	228 865	74 205
Sum kostnader		228 865	74 205
Driftsresultat		-228 865	-74 205
Finansinntekter og finanskostnader			
Annen renteinntekt		1	
Sum finansinntekter		1	
Nedskrivning av andre finansielle anleggsmidler	2	144 203 422	
Rentekostnad til foretak i samme konsern	4	2 883 439	4 642 236
Annen finanskostnad		-17 400	
Sum finanskostnader		147 069 461	4 642 236
Netto finans		-147 069 460	-4 642 236
Ordinært resultat før skattekostnad		-147 298 325	-4 716 441
Skattekostnad på ordinært resultat	3		
Ordinært resultat etter skattekostnad		-147 298 325	-4 716 441
Årsresultat		-147 298 325	-4 716 441
Årsresultat etter minoritetsinteresser		-147 298 325	-4 716 441
Totalresultat		-147 298 325	-4 716 441
Overføringer og disponeringer			
Overført fra overkursfond	5	-147 298 325	-4 716 441
Sum overføringer og disponeringer		-147 298 325	-4 716 441



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	2	94 600 000	238 803 422
Sum finansielle anleggsmidler		94 600 000	238 803 422
Sum anleggsmidler		94 600 000	238 803 422
Omløpsmidler			
Varer			
Fordringer			
Andre kortsiktige fordringer	4	514 962	744 291
Sum fordringer		514 962	744 291
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		3 674	65
Sum bankinnskudd, kontanter og lignende		3 674	65
Sum omløpsmidler		518 637	744 356
SUM EIENDELER		95 118 637	239 547 778
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5	90 000	75 000
Beholdning av egne aksjer	5		103 449 000
Overkurs	5	24 324 415	68 206 140
Sum innskutt egenkapital		24 414 415	171 730 140
Sum egenkapital		24 414 415	171 730 140



Balanse

Beløp i: NOK	Note	2019	2018
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	4	70 640 096	66 822 985
Sum annen langsiktig gjeld		70 640 096	66 822 985
Sum langsiktig gjeld		70 640 096	66 822 985
Kortsiktig gjeld			
Leverandørgjeld		4 125	
Annen kortsiktig gjeld		60 000	994 653
Sum kortsiktig gjeld		64 125	994 653
Sum gjeld		70 704 221	67 817 638
SUM EGENKAPITAL OG GJELD		95 118 637	239 547 778



REAL ALLOY UK HOLDCO Ltd
Registered No. 09329747

REAL ALLOY UK HOLDCO LTD.

Report and Financial Statements

31 December 2019



REAL ALLOY UK HOLDCO Ltd
Registered No. 09329747

Directors

R Barr
T J Hogan
C Griffin

Auditors

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Bankers

Barclays Bank
Swansea Business Centre
Pocketts Wharf
Swansea
SA1 3YN

DNB
Storgate 25
6413 Molde
Norway

Registered office

Real Alloy UK Holdco Ltd
Westfield Industrial Park
Wumarlwydd
Swansea
SA5 4SF



REAL ALLOY UK HOLDCO Ltd

Registered No. 09329747

Group Strategic Report

Results and dividends

The profit for the year after taxation amounted to £1,415,000 (2018 – £936,000). The directors do not recommend a final dividend (2018 – £nil).

Principal activities and review of the Group

The principal activities of the companies within the Group is the recycling of valuable aluminium waste materials for sale to the aluminium (wrought and casting alloy) industries within the UK, mainland Europe and Norway. There have been no significant changes in the Group's principal activities in the year under review.

The Group is a wholly owned subsidiary of RA Parent, Inc. and operates as part of the European recycling division.

The Group's key financial performance indicators during the year were as follows:

	2019	2018	Change
	£m	£m	%
Turnover	53.4	47.9	11%
Operating Profit/ (Loss)	2.6	2.5	4%
Profit/ (Loss) after tax	1.4	0.9	56%
Average number of employees	97	94	3%

The increase in turnover was due to higher sales in both Buy/Sell remelt sales and tolling work. The large increase in operating profit in 2019 was mainly due to better than expected performance of the UK market due to increase in demand of Aluminium Packaging Recovery Notes (PRNs). PRNs are documents issued and sold in the UK for each tonne of recycled Aluminium that was used in packaging. The PRNs are bought by companies who must recycle a proportion of the packaging they handle in a full year.

Future developments

Demand for many of our products is impacted by regional economic factors in both Europe and Norway, including GDP and industrial production. We believe that production and sales will remain at the same level in 2020.

The Group has rigorous budgeting and forecasting processes against which performance is monitored and any exposure to business risk can be identified and appropriate plans and actions put in place. A major focus in 2020 will be productivity improvement activities to offset any increasing costs. There are two areas of potential future risk for the Group. Firstly, is the decision by the UK to leave the European Union and secondly, is the worldwide COVID-19 pandemic. The potential risk of the UK leaving the European Union cannot be quantified at this time. On 11th March 2020, the World Health Organisation raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomics environment and the evolution of businesses. The Group operates in countries (UK and Norway) that are affected by the pandemic and also has both customers and suppliers in other countries that are effected. This will have a detrimental effect on the Group's revenues and profits. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of approval of these financial statements to reliably make a quantified estimate of its potential impact on the Group.



Group Strategic Report (continued)

Principal risks and uncertainties

Company management are responsible for managing any risks and uncertainties and for working with the Real Alloy group to understand and mitigate the risks that the company faces.

Credit risk

The Group's customers are third parties in the United Kingdom, Europe and Norway. The Group has no history of credit risk from its customers, but has a comprehensive credit policy in place that includes credit risk validations, credit limits and regular follow up of amounts due to the Group.

Currency risk

The Group has transactional currency exposures which arise from sales in Euro, Norwegian Krone and purchases in currencies other than its functional currency (GBP). Potential exposures to foreign currency exchange rate movements are monitored through monthly cash forecasting process. These risks are managed by Real Alloy's treasury department at a group level.

Commodity price risk

The Group's sale of aluminium is affected by the fluctuation of the prices in London Metal Exchange. The potential exposure to the price fluctuations are monitored Real Alloy's treasury department at a group level.

Liquidity and cash flow risks

The Group aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Group. The Group manages cash flow risk by careful negotiation of terms with customers and suppliers and maintains available funds to enable them to meet their liabilities as they fall due.

Competitive risk

The Group has various competitors, therefore Real Alloy's business leaders' focus on retaining our current business and gaining new business.

Legislative risk

The Group operates in a regulated industry and products are subject to rigorous manufacturing standards.

On behalf of the board

.....
R.Barr
Director

Date: 15/12/20



Directors' Group report

The directors who served the company during the year were as follows:

R Barr
T J Hogan
C Griffin

Environment

Real Alloy UK Holdco Limited and its group of companies recognises the importance of the environment in which it operates and takes this extremely seriously. The Group operates within group policies and monitors its impact on the environment and local community continuously, striving for improvements in health, safety, and environmental impact via initiatives and training of employees.

Employees

The Group encourages participation of employees in all matters relevant to them through meetings and bulletin updates. Union Representatives regularly attend European Workers Council Meetings (EWC) and are regularly consulted on matters affecting them and their member's interests.

Going concern

On the basis of their assessment of the Group's financial position, the Company's directors have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future. The directors are required to consider the application of the going concern concept when signing the financial statements. The principal element required to meet the test is sufficient liquidity for a period of at least twelve months subsequent to the date of signing the accounts. The directors have considered the impact of the COVID-19 crisis on the Group's business operations and future prospects along with the potential impact that this may have on the cashflow of the Group.

The Group's financial forecasts, taking into consideration the current environment, show that the Group is expected to remain profitable and generate positive cash flows giving the Group the ability to continue to operate for the foreseeable future and meet any liabilities as they fall due.

At the time of signing these accounts we forecast that the Group's bank accounts will have cash reserves of £11.0m (£9.36m UK and £1.67m Norway) at the end of 2020. As of October 2020 the Group's actual cash balance was £9.5m (£8.1m UK and £1.4m Norway).

In view of the circumstances referred to above, the directors believe that the Group is well positioned to withstand the impact of the COVID-19 crisis. Whilst there remains uncertainty of the impact of COVID-19 the directors have considered the impact on the cashflows of the Group and consider that these uncertainties will not change the cashflows within the Group and based on these facts and the financial position and the forecasted cashflows of the Group, have concluded it is appropriate to prepare the financial statements on the going concern basis.



Directors' Group report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

.....
R. Barr
Director

Date: 15/12/20



Statement of directors' responsibilities

The directors are responsible for preparing the strategic report and directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditors' report

to the members of Real Alloy UK Holdco Ltd

Opinion

We have audited the financial statements of Real Alloy UK Holdco Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise Group statement of comprehensive income, Group statement of changes in equity, Parent company statement of changes in equity, Group statement of cash flows, Group Balance sheet, Parent Balance sheet and the related Notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Emphasis of matter – Effects of COVID-19

In forming our opinion on the company's Financial statements, we draw your attention to Notes 1 and 22 of the financial statements, which describes the economic consequences the group is facing as a result of COVID-19 and the director's consideration of the going concern basis of preparation. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



Independent auditors' report (continued)

to the members of Real Alloy UK Holdco Ltd

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the group's and the parent 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 unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.



Independent auditors' report (continued)

to the members of Real Alloy UK Holdco Ltd

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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Jane Barwell (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

Date: *18 December 2020*



REAL ALLOY UK HOLDCO Ltd
Registered No. 09329747

Group statement of comprehensive income

for the year ended 31 December 2019

	Notes	2019 £000	2018 £000
Turnover	2	53,378	47,852
Cost of sales		(44,885)	(40,985)
Gross Profit		8,493	6,867
Selling and distribution costs		(955)	(573)
Administrative expenses		(4,896)	(3,793)
Operating Profit	3	2,642	2,501
Other Financial income		140	486
Net interest payable	6	(653)	(1,539)
Profit on ordinary activities before taxation		2,129	1,448
Tax	7	(714)	(512)
Profit for the financial year		1,415	936
Other comprehensive income / (loss)		609	(148)
Total comprehensive income for the year, net of tax		2,024	788
Total comprehensive income for the year attributable to:			
Non-controlling interests		-	-
Owners of the parent company		2,024	788
		2,024	788

All amounts relate to continuing activities.



REAL ALLOY UK HOLDCO LTD.
Registered No. 09329747

Group statement of changes in equity

for the year ended 31 December 2019

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>OCI Reserve £000</i>	<i>Total equity £000</i>
At 1 January 2018	1	10,997	(12,595)	(409)	(2,006)
Profit for the year	—	—	936	—	936
Total comprehensive income for the year	—	—	936	—	936
Share premium arising on share issue	—	9,515	—	—	9,515
OCI movement for the year	—	—	—	(148)	(148)
As at December 2018	1	20,512	(11,659)	(557)	8,297
Profit for the year	—	—	1,415	—	1,415
Total comprehensive income for the year	—	—	1,415	—	1,415
OCI movement for the year	—	—	—	609	609
At 31 December 2019	1	20,512	(10,244)	52	10,321

Parent company statement of changes in equity

for the year ended 31 December 2019

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>Total equity £000</i>
At 1 January 2018	1	10,997	334	11,332
Share premium arising on share issue	—	9,515	—	9,515
Loss for the year	—	—	(468)	(468)
At 1 January 2019	1	20,512	(134)	20,379
Loss for the year	—	—	(213)	(213)
At 31 December 2019	1	20,512	(347)	20,166



REAL ALLOY UK HOLDCO LTD.
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Group statement of cash flows
for the year ended 31 December 2019

	Notes	2019 £000	2018 £000
Net cash inflows / (outflows) from operating activities	13	2,834	(4,008)
Investing activities			
Interest received	6	20	10
Payments to acquire tangible fixed assets		(1,447)	(2,411)
Receipts from sales of tangible fixed assets		4	98
Net cashflow from investing activities		(1,423)	(2,303)
Financing activities			
Interest element of finance lease rental payment	6	(17)	(25)
Repayment of capital element of finance leases		(402)	(146)
Issue of ordinary share capital		–	9,515
Translation of company note		–	(129)
Net cash (outflows) / inflows from financing activities		(419)	9,215
Increase in cash and cash equivalents		992	2,904
Effect of exchange rates on cash and cash equivalents		627	(24)
Cash and cash equivalents at 1 January		8,746	5,866
Cash and cash equivalents at 31 December	13	10,365	8,746



REAL ALLOY UK HOLDCO Ltd
Registered No. 09329747

Group Balance sheet

As at 31 December 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Tangible assets	9	11,388	12,045
		<u>11,388</u>	<u>12,045</u>
Current assets			
Stocks	10	2,908	2,289
Debtors	11	6,261	6,529
Cash and cash equivalents	13b	10,365	8,746
		<u>19,534</u>	<u>17,564</u>
Creditors: amounts falling due within one year	12	<u>(19,982)</u>	<u>(20,790)</u>
Net current liabilities		<u>(448)</u>	<u>(3,226)</u>
Total assets less current liabilities		<u>10,940</u>	<u>8,819</u>
Creditors: amounts falling due more than one year		<u>(369)</u>	<u>(340)</u>
Provisions for liabilities			
Deferred tax	7(d)	(250)	(182)
Net assets / (liabilities)		<u>10,321</u>	<u>8,297</u>
Capital and reserves			
Called up share capital	19	1	1
Share premium	20	20,512	20,512
Profit and loss account	20	(10,244)	(11,659)
OCI reserve	20	52	(557)
Shareholders' funds		<u>10,321</u>	<u>8,297</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

R. Barr
Director

Date: 15/12/20



REAL ALLOY UK HOLDCO LTD.
Registered No. 09329747

Parent Balance sheet

As at 31 December 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Investments	8	30,127	30,127
Current assets			
Other debtors	11	160	516
Creditors: amounts falling due within one year	12	(10,121)	(10,264)
Net current liabilities		(9,961)	(9,748)
Total assets less current liabilities		20,166	20,379
Net assets		20,166	20,379
Capital and reserves			
Called up share capital	19	1	1
Share premium	20	20,512	20,512
Profit and loss account	20	(347)	(134)
Shareholders' funds		20,166	20,379

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

R. Barr
Director
Date:

15/12/20



REAL ALLOY UK HOLDCO Ltd
Registered No. 09329747

Notes to the financial statements

As at 31 December 2019

1. Accounting policies

Statement of compliance and basis of preparation

Real Alloy UK Holdco Limited is a limited liability company registered in England and Wales. Its registered office is Westfield Industrial Park, Waunarlwydd, Swansea, SA5 4SF. The group and parent company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2019.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the presentational currency of the group and parent company and are rounded to the nearest £'000. The functional currency of the parent company is sterling.

The parent company has taken advantage of the section 408 exemption not to present its individual profit and loss account as it has prepared group accounts. The loss dealt with in the financial statements of the parent company is £213,000 (2018: loss of £468,000).

The group has taken advantage of the exemption afforded by FRS 102.33.1A not to disclose transactions between wholly owned members of the group.

Basis of consolidation

The group financial statements consolidate the financial statements of Real Alloy UK Holdco Limited and all its subsidiary undertakings for the year ended 31 December 2019.

Going concern

On the basis of their assessment of the Group's financial position, the Group's directors have a reasonable expectation that the group will be able to continue in operational existence for the foreseeable future. The directors are required to consider the application of the going concern concept when signing the financial statements. The principal element required to meet the test is sufficient liquidity for a period of at least twelve months subsequent to the date of signing the accounts. The directors have considered the impact of the COVID-19 crisis on the Group's business operations and future prospects along with the potential impact that this may have on the cashflow of the Group.

The group's financial forecasts, taking into consideration the current environment, show that company is expected to remain profitable and generate positive cash flows giving the group the ability to continue to operate for the foreseeable future and meet any liabilities as they fall due. At the date of signing these accounts the forecasted EBITDA for the group in 2020 is £3.0m (£1.9m UK and £1.1m Norway), with cash reserves of £11.0m (£9.36m UK and £1.67m Norway).

In view of the circumstances referred to above, the directors believe that the group is well positioned to withstand the impact of the COVID-19 crisis. Whilst there remains uncertainty of the impact of COVID-19 the directors have considered the impact on the cashflows of the group and consider that these uncertainties will not change the cashflows within the group and based on these facts and the financial position and the forecasted cashflows of the group have concluded it is appropriate to prepare the financial statements on the going concern basis.

The operating companies within the group both in the UK and Norway have been impacted by the pandemic, this has led to a reduction in revenue and production levels within the group in 2020. Based on the latest forecasts the group is expecting the production volumes in both the UK and Norway to increase in quarter 4 of 2020.



REAL ALLOY UK HOLDCO Ltd
Registered No. 09329747

Notes to the financial statements

As at 31 December 2019

1. Accounting policies (continued)

Significant accounting policies

Investments in subsidiaries

In the parent company's financial statements investments in subsidiaries are accounted for at cost less impairment.

Goodwill

Positive or negative goodwill acquired on each business combination is written off in the profit and loss account in the year that it arises.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives at the following rates:

Short leasehold buildings	–	2.5% straight-line over the lease term
Plant and equipment	–	5-20% straight-line over 5 to 20 years
Buildings and sites	–	Straight-line over 20 years

No depreciation is charged on assets under construction.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs incurred in bringing each product to its present location and condition, as follows:

Finished goods	–	cost of direct materials and labour plus attributable overheads based on a normal level of activity.
Raw materials	–	cost of direct materials

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Capitalised interest

Interest costs are capitalised as part of the historic cost of furnace construction.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.



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As at 31 December 2019

1. Accounting policies (continued)

Foreign currencies

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Group

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in the other comprehensive income, in retained earnings.

Turnover

Turnover comprises of revenue recognised by the company in respect of goods and services supplied exclusive of Value Added Tax and trade discounts.

Financial instruments

The group uses future contracts to reduce exposure to changes in the aluminium price. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit and loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the aluminium future contracts is calculated by reference to current aluminium future contracts with similar maturity profiles. The group does not undertake any hedge accounting transactions.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Rentals payable under operating leases are charged to the profit and loss account net of lease incentives on a straight-line basis over the lease term.



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1. Accounting policies (continued)

Pensions

The group makes contributions into pension schemes for its employees.

Critical accounting judgments and estimation uncertainties

In the application of the group and company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no judgements or material estimation uncertainties affecting the reported financial performance in the current or prior year.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services stated net of value added tax. The group operates in two principal areas of activity, that of recycling of valuable aluminium waste materials for sale to the aluminium (wrought and casting alloy) industries within the UK, mainland Europe and Norway and the disposal/processing of salt cake. There have been no significant changes in the company's principal activities in the year under review

Turnover is analysed as follows:

Geographical area

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
UK	21,166	23,887
Europe	25,774	18,133
Norway	6,438	5,832
Total	<u>53,378</u>	<u>47,852</u>

Area of activity

	Disposal		Recycling	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Turnover	3,007	1,723	50,371	46,129
	<u>3,007</u>	<u>1,723</u>	<u>50,371</u>	<u>46,129</u>



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As at 31 December 2019

3. Operating profit /(loss)

This is stated after charging/(crediting)

	2019	2018
	£000	£000
Auditors' remuneration	50	37
Depreciation of fixed assets	2,464	1,572
Disposal of fixed assets loss / (gain)	40	(5)
Operating lease rentals – plant and machinery	546	484
– land and buildings	192	174

4. Directors' remuneration

The directors of the company were also directors of other companies in the RA Parent, Inc. group. The directors' services to the group and the company do not occupy a significant amount of time. As such, the director do not consider that they have received any remuneration for their incidental services to the Company for the years ended 31 December 2019 and 31 December 2018. The costs of the director' remuneration is reflected in the financial statement of other group companies.

5. Staff costs

	2019	2018
	£000	£000
Wages and salaries	4,901	4,476
Social security costs	532	538
Other pension costs	325	316
Other employee related costs	97	81

The average monthly number of employees during the year was made up as follows:

	No.	No.
Production	65	62
Administration	11	11
Maintenance	21	21



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Notes to the financial statements

As at 31 December 2019

6. Interest payable and similar expenses

	2019	2018
	£000	£000
Interest payable to group companies	(514)	(1,210)
Unrealised foreign exchange gain/(losses)	2	(30)
Bank Interest	20	10
Interest payable on Finance leases	(17)	(25)
Other financial expenses	(144)	(284)
	<u>(653)</u>	<u>(1,539)</u>

7. Tax

(a) Analysis of tax charge for the year

	2019	2018
	£000	£000
<i>Current tax:</i>		
UK corporation tax – current	637	524
Adjustment in respect of prior years	9	(5)
	<u>646</u>	<u>519</u>
Foreign tax	-	-
Group current tax	<u>646</u>	<u>519</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	68	(7)
Group deferred tax	<u>68</u>	<u>(7)</u>
Tax on profit on ordinary activities	<u>714</u>	<u>512</u>

(b) Tax included in the group statement of total other comprehensive income

The tax (charge)/credit is made up as follows:

	2019	2018
	£000	£000
Deferred tax:		
Accelerated capital allowances	<u>68</u>	<u>(7)</u>



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As at 31 December 2019

7. Tax (continued)

(c) Factors affecting the total tax charge for the year

The tax assessed on the profit before tax for the year is higher than (2018 – higher than) the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are reconciled below:

	2019	2018
	£000	£000
Profit before Taxation	2,129	1,448
Profit /(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%).	405	283
Expenses not deductible for tax purposes	300	234
Tax over provided in previous years	9	(5)
Total tax expense	714	512

(d) Deferred taxation

The movements in deferred taxation during the year are as follows:

	£000
At 1 January 2019	182
Charged to profit and loss account	68
At 31 December 2019	250

(e) Factors affecting the future tax charge

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017. Further reductions to the UK corporation tax rate have been announced that will have an impact on the future tax charges. A change in the corporation tax rate to 18% from 1 April 2020 had been enacted in November 2015. In addition, the 2016 budget provided a further reduction in the rate from 1 April 2020 to 17% which was substantively enacted by the 2016 Finance Bill in September 2016. Consequently the deferred tax liability has been calculated using a tax rate of 17%.

Further changes to the UK corporation tax system were announced in the Budget on 11 March 2020. These include a reversal of the reduction in the main rate of corporation tax disclosed above and it is now expected to remain at 19% from 1 April 2020. This change had not been substantively enacted at the balance sheet date and therefore its effect is not included in these financial statements. The overall effect of the main rate of corporation tax remaining at 19% is not expected to be material to the balance sheet.



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As at 31 December 2019

8. Parent Investments

	2019	2018
	£000	£000
Investments in subsidiary undertakings at cost	30,127	30,127

The company has investments in the following subsidiary undertakings:

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Proportion of ordinary share capital held by the company</i>
Real Alloy UK AcquireCo Ltd.	United Kingdom	100%
Real Alloy UK Ltd.	United Kingdom	100%

* Indirect Investments held through Real Alloy UK Acquireco Ltd.

<i>Indirect investments</i>	<i>Country of incorporation</i>	<i>Proportion of ordinary share capital held by the company</i>
Real Alloy Norway AS**	Norway	100%
Real Alloy Norway Holding AS**	Norway	100%

*The registered office of the United Kingdom investments is Westfield Industrial Park, Swansea, SA5 4SF.

**The registered office of the Norway investments is Rodvikvegen 9 N-6460 Eidsvag I Romsdal.



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As at 31 December 2019

9. Group Tangible fixed assets

	<i>Short- leasehold property</i>	<i>Building and sites</i>	<i>Plant and equipment</i>	<i>Construction in progress</i>	<i>Total</i>
	£000	£000	£000	£000	£000
Cost:					
At 1 January 2019	3,926	4,378	19,022	164	27,490
Additions	228	248	1,242	129	1,847
Disposals	-	-	(788)	-	(788)
Transfers	-	-	96	(96)	-
At 31 December 2019	<u>4,154</u>	<u>4,626</u>	<u>19,572</u>	<u>197</u>	<u>28,549</u>
Depreciation:					
At 1 January 2019	1,828	1,455	12,162	-	15,445
Disposals	-	-	(748)	-	(748)
Provided during the year	205	439	1,820	-	2,464
At 31 December 2019	<u>2,033</u>	<u>1,894</u>	<u>13,234</u>	<u>-</u>	<u>17,161</u>
Net book value:					
At 31 December 2019	<u>2,121</u>	<u>2,732</u>	<u>6,338</u>	<u>197</u>	<u>11,388</u>
At 1 January 2019	<u>2,098</u>	<u>2,923</u>	<u>6,860</u>	<u>164</u>	<u>12,045</u>

10. Stocks

	2019	Group 2018	Parent company 2019	Parent company 2018
	£000	£000	£000	£000
Raw materials	2,480	2,105	-	-
Finished goods	428	184	-	-
	<u>2,908</u>	<u>2,289</u>	<u>-</u>	<u>-</u>

The replacement cost of stock is not materially different from the historic cost stated above.



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As at 31 December 2019

11. Debtors

	Group		Parent company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade debtors	5,323	5,319	-	-
Amounts owed by group undertaking	332	688	160	516
Prepayments and accrued income	141	161	-	-
Other short-term receivable	465	277	-	-
Other taxes and social security costs	-	84	-	-
	<u>6,261</u>	<u>6,529</u>	<u>160</u>	<u>516</u>

12. Creditors: amounts falling due within one year

	Group		Parent company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade creditors	4,749	3,734	-	-
Amounts owed to related party	11,981	12,987	10,116	10,261
Corporation tax	277	520	-	-
Public duties payable	689	167	-	-
Other current debt	1,936	3,064	-	-
Accruals and deferred income	350	318	5	3
	<u>19,982</u>	<u>20,790</u>	<u>10,121</u>	<u>10,264</u>



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Notes to the financial statements

As at 31 December 2019

13. Notes to the statement of cash flows

(a) Reconciliation of profit to net cash inflow from operating activities

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Profit before tax	2,129	1,448
Adjustments to reconcile profit before tax to net cashflow from operating activities		
Depreciation of tangible fixed assets	2,464	1,572
Loss / (Gain) on disposal of tangible fixed assets	40	(5)
Unrealised foreign exchange gain /(loss)	178	(79)
Net finance costs	4	15
Working Capital movements		
Increase in stocks	(619)	(653)
Decrease / (Increase) in debtors	40	(206)
Decrease in creditors	(574)	(5,779)
Taxation		
Tax paid	(828)	(321)
Net cash inflow / (outflow) from operating activities	<u>2,834</u>	<u>(4,008)</u>

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following;

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Cash at bank	<u>10,365</u>	<u>8,746</u>
Cash and cash equivalents	<u>10,365</u>	<u>8,746</u>



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14. Related party transaction

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	<i>Sales to Related Party (a) £000</i>	<i>Purchases from related party (a) £000</i>	<i>Interest paid on behalf of group undertaking (b) £000</i>	<i>Amounts owed from related party (b) £000</i>	<i>Amounts owed to related party (a) £000</i>
2019	2,437	5,604	660	4,067	-
2018	-	4,393	1,212	3,156	103

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected 15 days after the month of invoice. The company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2019, the company has not made any provision for doubtful debts relating to amounts owed by related parties (2018: nil).

Interest paid on behalf of group undertaking is receivable on demand from related party.

15. Pensions

The Group makes contributions into private portable schemes for its employees in the UK. The pension costs charge represents contributions payable by the company to the fund and amounted to £157,000 (2018 - £154,000). In Norway the pension plan is a contribution based scheme. The pension costs charge represents contributions paid into this scheme and amounted to £168,000 (2018 - £162,000)



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16. Derivatives

The company's aluminium price risk volatility is managed at Group level. On a monthly basis the Company receive the fair value of the derivative held at the balance sheet date, determined by reference to its market values, is as follows:

	Group		Parent company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Forward contracts	15	(31)	-	-
	<u>15</u>	<u>(31)</u>	-	-

17. Obligations under leases and hire purchase contracts

The Group use finance leases and hire purchase contracts to acquire plant and machinery. Future minimum lease payments due under finance leases and hire purchase contracts:

	2019	2018
	£000	£000
Accounts payable:		
Not later than one year	244	185
Later than one year and not later than five years	<u>146</u>	<u>218</u>
	390	403
Less: finance charges allocated to future periods	<u>(21)</u>	<u>(23)</u>
	<u>369</u>	<u>380</u>

18. Other financial commitments

At 31 December 2019 the Group had future commitments under non-cancellable operating leases as set out below:

	2019			2018		
	Plant & Machinery £000	Land & Building £000	Total £000	Plant & Machinery £000	Land & Building £000	Total £000
Rental payment due:						
Within one year	279	287	566	467	198	665
In two to five years	<u>715</u>	<u>1,147</u>	<u>1,862</u>	<u>996</u>	<u>990</u>	<u>1,986</u>
	994	1,434	2,428	1,463	1,188	2,651



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As at 31 December 2019

19. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2019</i> <i>£000</i>	<i>2018</i> <i>£000</i>
Ordinary shares of £1 each	1,001	<u>1</u>	<u>1</u>

20. Reserves

Share Premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and Loss account

This reserve holds the profit and loss of the group, after the deduction of any dividends paid in the period.

OCI account

This reserve is used to record increases or decreases in the movement of exchange rates on consolidation of the Group accounts.

21. Ultimate parent undertaking and controlling party

In the directors' opinion the ultimate parent undertaking and controlling party at the balance sheet date is RA Parent Inc., a privately owned company incorporated in the United States.



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As at 31 December 2019

22. Post balance sheet events

Global pandemic

In the first quarter of 2020, the emergence of the COVID-19 pandemic introduced a number of risks and uncertainties in regard to the reported amounts of assets and liabilities in the accompanying financial statements as of December 31, 2019, subject to management's estimates and judgments.

The Group has taken the necessary action to evaluate the immediate impact, if any, on the carrying amount of accounts receivable and other assets measured at fair value, and its continuing operating results and cash flows in light of the economic risk posed by the global pandemic. Other than as described in Note 1 in relation to COVID-19, there were no significant events between the Balance Sheet date and the date of signing of the financial statements, affecting the Group, which require adjustment to or disclosure in the financial statements.

The pandemic is considered an event which is indicative of conditions that arose after the reporting period and as such no adjustments have been made in the financial statements as at 31 December 2019 due to the impact of the pandemic.

United Kingdom leaving the European Union

The United Kingdom formally left the European Union on 31 January 2020 and is currently in a transitional period which is due to end on 31 December 2020. During the transitional period negotiations regarding future arrangements with the European Union continue and as a result there is a large amount of uncertainty regarding the future. The director has considered the impact on the financial statements up to the date of signing and does not consider any adjustments are required in respect of this matter.



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Medlemmer av Den norske revisorforening

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Real Alloy Norway Holding AS

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert årsregnskapet for Real Alloy Norway Holding AS som består av balanse per 31. desember 2019, resultatregnskap og kontantstrømpoppstilling for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2019, og av dets resultater for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i avsnittet *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med de relevante etiske kravene i Norge knyttet til revisjon slik det kreves i lov og forskrift. Vi har også overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret (ledelsen) er ansvarlig for den øvrige informasjonen. Vår uttalelse om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon, er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvike selskapet eller legge ned virksomheten, eller ikke har noe annet realistisk alternativ.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.



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Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg

- ▶ identifiserer og anslår vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll;
- ▶ opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll;
- ▶ vurderer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimaterne og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige;
- ▶ konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det foreligger vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet. Hvis slike tilleggsopplysninger ikke er tilstrekkelige, må vi modifisere vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapets evne til fortsatt drift ikke lenger er til stede;
- ▶ vurderer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen, tidspunktet for vårt revisjonsarbeid og eventuelle vesentlige funn i vår revisjon, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom vårt arbeid.

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet og forutsetningen om fortsatt er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Andre forhold

Selskapets årsregnskap er avlagt etter utløpet av lovens frist for avleggelse av årsregnskap. Denne revisjonsberetningen erstatter tidligere revisjonsberetning avgitt 4. september 2020.

Trondheim, 7. oktober 2020
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Christian Ronæss
statsautorisert revisor

Uavhengig revisors beretning - Real Alloy Norway Holding AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: 511EC-L57EK-4T2EQ-EFN0F-V52P5-STFPV



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De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Christian Ronæss

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5994-4-555967

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STYRETS ÅRSBERETNING FOR REAL ALLOY NORWAY HOLDING AS

Annual report for REAL ALLOY NORWAY HOLDING AS – translated to English for information purposes only

for 2019

Virksomhetens art og lokalisering Company's nature and location

REAL ALLOY NORWAY HOLDING AS er et holdingselskap, med lokasjon på Rød i Nesset Kommune.

REAL ALLOY NORWAY HOLDING AS is a holding company located at Rød in the municipality of Nesset.

Selskapet er en del av REAL ALLOY konsernet, som er en verdensledende virksomhet bl. a. innenfor resirkulering av aluminium. Selskapets formål er å drive investeringsvirksomhet, herunder ved deltakelse i andre selskaper, og å drive forretningsvirksomhet innen produksjon og gjenvinning av metall, samt håndtering av avfall fra slik virksomhet.

The company is a part of the REAL ALLOY HOLDING Inc. corporation, a world leading business within i.a. recycling of aluminum. The objective of the company is investments activities, including participation in other companies, and to operate business within production and recycling of metal, and also handling of waste from such operations.

Foretakets utsikter Company future

Etterspørselen etter smelting av aluminiumsavfall fra primær-aluminiumsindustrien i Norge har økt i løpet av 2019. Etterspørselen etter smelting av aluminiumsavfall var også fortsatt god i Europa. Vi forventer en stabil etterspørsel etter smelting av aluminiumsavfall i 2020 på samme nivå som for 2019. Resultatet forventes å bli på samme nivå som 2019 grunnet Covid-19.

Demand for dross recycling aluminum from the primary aluminum industry in Norway increased during 2019. Demand for dross recycling aluminum was also still good in Europe. We expect a stable demand for dross recycling aluminum in 2020 on the level as 2019. The result is expected to be on the same level as 2019 due to Covid-19.

REAL ALLOY NORWAY HOLDING AS's driftsresultater påvirkes av utviklingen i valutakursene for US Dollar, EURO og Norske Kroner.

REAL ALLOY NORWAY HOLDING AS operating results are affected by the development in exchange rates for U.S. Dollar, Euro and Norwegian Kroner.



Covid-19

REAL ALLOY AS (datterselskapet) ble som andre selskaper i Norge rammet av Covid-19 i mars 2020. Dette har medført en liten nedgang i selskapets omsetning og aktivitetsnivå. Selskapet hadde per 31.12.19 likvider på 31,8 mill og selskapet har således likviditet til å komme seg gjennom dette. Selskapet forventer at markedet tar seg opp igjen i høst, men det er noe usikkerhet knyttet til tidspunktet. Situasjonen og usikkerheten avhenger av varigheten av virusutbruddet.

REAL ALLOY AS (the subsidiary) was impacted due to Covid-19 in March 2020 similar to other entities in Norway. This has led to a minor reduction in revenue and activity level. The company had as of 31.12.19 a bank/liquidity reserve on 31,8 million NOK and the company thus has sufficient liquidity to get through the situation. The company expects that the marked activity will rise in the fall of 2020, but there is uncertainty of when this will happen. The situation and the uncertainty depends on the length of the Covid-19 outbreak.

Fortsatt drift Going concern

I samsvar med regnskapslovens § 3-3 bekreftes det at forutsetningen for fortsatt drift er lagt til grunn ved utarbeidelsen av regnskapet. Selskapet produksjon fra smelting av aluminiumsavfall har økt i 2019.

Vi forventer stabil etterspørsel etter smelting av aluminiumsavfall i 2020 og at videre utvikling av aluminium oksid skal gi økende inntjening på sikt. Grunnet Covid-19 forventes det at resultatet vil bli på omtrent samme nivå som 2019. Markedet vil imidlertid fortsatt være påvirket av betydelig økonomisk usikkerhet.

In accordance with the Norwegian Accounting Act § 3-3a we confirm that the financial statements have been prepared under the assumption of going concern. The recycling of aluminium dross increased in 2019.

We expect a stable demand for dross recycling in 2020 and further development of aluminum oxide should increase the margin in the future. Due to Covid-19 it is expected that the result will be similar to 2019. The market will still be affected by significant economic insecurity.

Redegjørelse for årsregnskapet Comments related to the financial statements

Etter styrets oppfatning gir årsregnskapet et rettviseende bilde av selskapets stilling per årsskiftet, og av resultatet i året 2019.

It is the opinion of the board that the financial statement provides a true and fair view of the company's position and financial performance as it stood at the end of the year, and from the performance in 2019.

Arbeidsmiljø/Likestilling The working environment and the employees

Selskapet har ingen ansatte.

The company has no employees



Ytre miljø External environment

Selskapet har ingen produksjon eller aktivitet og forurenses derfor ikke til det ytre miljø. For datterselskaperes aktivitet vises til årsberetning for disse selskapene.

The company has no production or activity. Regarding the activity in the subsidiaries we refer to the annual report for each company.

Eidsvåg, 19. August 2020

Russell Bruce Barr
Styreleder
Chairman of the board &
General Manager

Christoph Will
Styremedlem
Board Member

Terrance James Hogan
Styremedlem
Board Member



Skattedirektoratet

Saksbehandler Inger Helene Iversen	Deres dato 19.10.2016	Vår dato 21.11.2016
Telefon 61236772	Deres referanse Tone Lillestøl	Vår referanse 2016/1054076

ERNST & YOUNG AS
Postboks 1156 Sentrum
0107 OSLO

Fritak fra konsernregnskapsplikt

Vi viser til deres brev 19. oktober 2016 hvor dere på vegne Real Alloy Norway Holding AS, org.nr. 914 975 042, søker om fritak fra plikten til å utarbeide konsernregnskap.

Real Alloy Norway Holding AS er eid av Real Industri, Inc, hjemmehørende i USA. Real Industri, Inc utarbeider konsernregnskap som omfatter underkonsernet Real Alloy Norway Holding AS, etter US GAAP.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Real Alloy Norway Holding AS. Det forutsettes at Real Industri, Inc utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskap. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med US GAAP og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten på norsk, kan være på svensk, dansk eller engelsk.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Inger Helene Iversen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

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800 80 000
Telefaks
22 17 08 80



Real Alloy Norway Holding AS

Årsregnskap 2019

English translation of the financial statements of 2019 for information purposes only



Income Statement			
Real Alloy Norway Holding AS			
Operating income and operating expenses	Note	2019	2018
Other operating expenses	1	228 865	74 205
Total operating expenses		<u>228 865</u>	<u>74 205</u>
Operating profit		<u>-228 865</u>	<u>-74 205</u>
Financial income and expenses			
Other interest income		1	0
Write-downs of long-term investments	2	144 203 422	0
Interest expense to group companies	4	2 883 439	4 642 236
Other financial expenses		-17 400	0
Net financial items		<u>-147 069 460</u>	<u>-4 642 236</u>
Operating result before tax		-147 298 325	-4 716 441
Tax on ordinary result	3	0	0
Ordinary result after tax		<u>-147 298 325</u>	<u>-4 716 441</u>
Annual net profit		<u>-147 298 325</u>	<u>-4 716 441</u>
Brought forward			
From share premium reserve	5	147 298 325	4 716 441
Total brought forward		<u>-147 298 325</u>	<u>-4 716 441</u>




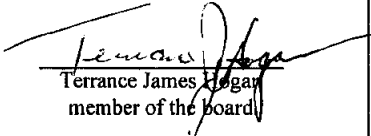
Balance Sheet			
Real Alloy Norway Holding AS			
Assets	Note	2019	2018
Financial fixed assets			
Investments in subsidiaries	2	<u>94 600 000</u>	<u>238 803 422</u>
Total financial fixed assets		<u>94 600 000</u>	<u>238 803 422</u>
Total fixed assets		<u>94 600 000</u>	<u>238 803 422</u>
Current assets			
Other short-term receivables	4	<u>514 962</u>	<u>744 291</u>
Total receivables		<u>514 962</u>	<u>744 291</u>
Cash and bank deposits		3 674	65
Total current assets		<u>518 637</u>	<u>744 356</u>
Total assets		<u>95 118 637</u>	<u>239 547 778</u>

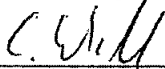


Balance Sheet			
Real Alloy Norway Holding AS			
Equity and liabilities	Note	2019	2018
Paid-up equity			
Share capital	5	90 000	75 000
Paid, not registered share capital	5	0	103 449 000
Share premium reserve	5	24 324 415	68 206 140
Total paid-up equity		<u>24 414 415</u>	<u>171 730 140</u>
Total equity		<u>24 414 415</u>	<u>171 730 140</u>
Liabilities			
Other long-term liabilities			
Other long term liabilities	4	70 640 096	66 822 985
Total of other long term liabilities		<u>70 640 096</u>	<u>66 822 985</u>
Current debt			
Trade creditors		4 125	0
Other current debt		60 000	994 653
Total current debt		<u>64 125</u>	<u>994 653</u>
Total liabilities		<u>70 704 221</u>	<u>67 817 638</u>
Total equity and liabilities		<u>95 118 637</u>	<u>239 547 778</u>

Eidsvåg, 19.08.20
The board of Real Alloy Norway Holding AS


Russell Bruce Barr
chairman of the board


Terrance James Hogar
member of the board


Christoph Will
member of the board

Real Alloy Norway Holding AS Page 3



Real Alloy Norway Holding AS

Årsregnskap 2019

English translation of the financial statements of 2019 for information purposes only

Overordnede prinsipper for årsregnskapet 2019

Årsregnskapet er utarbeidet av selskapets styre. Årsregnskapet er utarbeidet og presentert i norske kroner. I enkelte noter er det spesifisert at beløpene er i tusen, herunder TNOK. Årsregnskapet er utarbeidet i samsvar med regnskapsloven og god regnskapsskikk.

Årsregnskapet består av følgende:

- **Resultatregnskap** inndelt etter art
- **Balanseoppstilling** oppstilt etter stigende likviditet. Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler, og øvrige eiendeler er klassifisert som omløpsmidler. Omløpsmidler omfatter eiendeler direkte knyttet til varekretsløpet eller eiendeler som har forfall innen ett år etter at transaksjonen er gjennomført. Gjeld som forfaller til betaling innen ett år fra balansedato er klassifisert som kortsiktig gjeld. Omløpsmidler vurderes normalt til det laveste av anskaffelseskost og virkelig verdi, mens anleggsmidler normalt vurderes til anskaffelseskost, eventuelt fratrukket av- og nedskrivninger.
- **Kontantstrømoppstilling** utarbeidet etter den indirekte metoden i samsvar med NRS(F).
- **Noter**

Accounting principles

The financial statement is prepared by the board of directors. The financial statement is prepared and presented in norwegian kroner (NOK). In some notes the specified amount is presented in thousands (TNOK). The financial statement is prepared in accordance with the Norwegian Accounting Act and the generally accepted accounting principles in Norway.

The financial statements consists of the following reports:

- **Profit and loss statement**
- **Balance sheet.** Assets ment for permanent possession or use, are classified as fixed assets. Other assets are classified as current assets. Current assets includes assets directly attached to the circulation of goods or assets that has a due date within a year after the transaction is completed. Liabilities that has a due date within a year after the balance date is classified as short-term liabilities. Current assets is valued to the lowest of aquisition cost and net realizable value (Norwegian term "virkelig verdi"), while fixed assets normally are valued to aquisition cost, adjusted for any depreciations and/or write downs.
- **Cash flow statement** prepared according to the indirect method in accordance with NRS(F).
- **Notes**



Real Alloy Norway Holding AS

Årsregnskap 2019

English translation of the financial statements of 2019 for information purposes only

Investeringer i datterselskaper

Med datterselskap menes et selskap hvor Real Alloy Norway Holding AS har bestemmende innflytelse. Normalt innebærer dette en eierandel på over 50 %, hvor investeringen er av langvarig og strategisk karakter.

Investeringer i datterselskap er vurdert til det laveste av anskaffelseskost og virkelig verdi. Investeringene nedskrives til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapskikk.

Investment in subsidiaries

Subsidiaries is entities where Real Alloy Norway Holding AS has controlling interest. Usually this involves an ownership of over 50 %, where the investment is long-lasting and strategical.

Investments in subsidiaries is valued to the lowest of aquisition cost and fair value. Investments is written down to fair value if the fall of value is long-term and considered necessary after Norwegian GAAP.

Transaksjoner med nærstående parter

Kjøps- og salgstransaksjoner med nærstående selskaper er gjennomført til vanlige forretningsmessige vilkår og prinsipper. Regnskapsføring og klassifisering med mer følger regnskapslovens generelle prinsipper. Transaksjoner med nærstående er spesifisert i note 4.

Transactions with related parties

Both purchasing- and sales transactions with related parties are done at normal business terms and principles (arms lenght). Accounting and classification and so on is done according to the Norwegian Accounting Act and generally accepted accounting principles in Norway. Transactions with related parties are specified in note 4.

Fordringer

Kundefordringer er oppført til pålydende med fradrag for avsetning til forventede tap. Andre fordringer er vurdert til det laveste av virkelig verdi og pålydende beløp.

Current assets

Accounts receivables is valued at nominal value less expected losses. Other receivables is valued to the lowest of net realizable value (Norwegian term "virkelig verdi") and nominal value.



Real Alloy Norway Holding AS

Årsregnskap 2019

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Utsatt skatt og skattekostnad

Utsatt skatt beregnes på bakgrunn av midlertidige forskjeller mellom regnskapsmessige og skattemessige verdier ved utgangen av regnskapsåret samt skattemessig underskudd til fremføring. Ved beregningen benyttes nominell skattesats. Det er lagt til grunn en skattesats på 22 % for utsatt skatt. Utsatt skattefordel balanseføres ikke, se note 3.

Årets skattekostnad består av endringer i utsatt skatt og utsatt skattefordel, sammen med betalbar skatt for inntektsåret, korrigert for feil i tidligere års beregninger.

Betalbar skatt beregnes ut fra skattbart resultat for året, inkludert inntekter og kostnader som periodiseres til andre perioder skattemessig enn regnskapsmessig.

Deferred tax and tax expenses

Deferred tax is calculated based on temporary differences between accounting values and tax values at year end, together with taxable loss carried forward. The calculation is done with nominal values. For deferred tax, the tax rate used is 22 %. The deferred tax asset is not recorded in the balance sheet as an asset, see note 3 for more information.

This years tax expense consists of changes in deferred tax together with tax payable, with corrections due to errors in previous years calculation (if any).

Tax payable is calculated from taxable result of the year.

Transaksjoner og regnskapsposter i utenlandsk valuta

Transaksjoner i utenlandsk valuta regnskapsføres til valutakursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til valutakursen på balansedagen.

Valutakursdifferanser resultatføres løpende i den perioden de oppstår under regnskapspostene annen finansinntekt og annen finanskostnad.

Selskapets presentasjonsvaluta og funksjonell valuta er norske kroner.

Transactions and items in foreign currency

Transactions in foreign currency is accounted with the foreign exchange course at the time of the transaction. Monetary amounts in foreign currency is converted to NOK with the foreign exchange course at the balance date.

Exchange differences are booked in the profit and loss statement as other financial income or other financial expenses.



Real Alloy Norway Holding AS

Årsregnskap 2019

English translation of the financial statements of 2019 for information purposes only

Note 1 – Lønnskostnader, antall ansatte, godtgjørelser, ytelser til ledende ansatte m.m.

Obligatorisk tjenestepensjon

Selskapet har ikke ansatte og er følgelig ikke omfattet av reglene om obligatorisk tjenestepensjon.

Det er ikke utbetalt noen godtgjørelse til styret i 2019.

Revisjon: (Beløp inklusive MVA)	2019
Revisjonshonorar for ordinær revisjon	36 770
Andre tjenester	0
Sum revisjonshonorar	36 770

Note 1 - Salaries, number of employees, benefits, contributions to the leading staff and more

The entity has no employees and does not need to follow the regulation of the pension scheme.

There has been no compensation to the members of the board in 2019.

Audit (amounts with VAT deduction)	2019
Statutory audit	36 770
Other services	0
Total audit fee	36 770



Real Alloy Norway Holding AS

Årsregnskap 2019

English translation of the financial statements of 2019 for information purposes only

Note 2 - Aksjer i datter

	Real Alloy Norway AS
Forretningskontor	Eidsvåg i Romsdal
Eierandel	100 %
Andel av stemmeberettiget kapital	100 %
Balansført verdi	94 600 000
Egenkapital i følge siste årsregnskap	94 591 497
Resultat i følge siste årsregnskap	-4 157 164

Selskapet har benyttet seg av unntaket i regnskapsloven med hensyn til å utarbeide konsernregnskap. Konseregnskap for Real Alloy-gruppen kan fås ved henvendelse til Regnskapsregisteret eller selskapet. Real Alloy Norway Holding AS har hovedkontor i Eidsvåg i Romsdal.

Aksjer i datter er nedskrevet med 144 203 422 i 2019.

Note 2 - Shares in subsidiaries

	Real Alloy Norway AS
Business office	Eidsvåg i Romsdal
Ownership	100 %
Share of votes	100 %
Booked value	94 600 000
Equity according to latest financial statement	94 591 497
Result according to latest financial statement	-4 157 164

The entity has utilized the exception in the Norwegian Accounting Law regarding consolidated financial statement. The consolidated financial statement can be attained by request to Regnskapsregisteret or the entity. Real Alloy Norway Holding AS' headquarter is in Eidsvåg in Romsdal.

Shares in subsidiaries has been written down by 144 203 422 in 2019.



Real Alloy Norway Holding AS

Årsregnskap 2019

English translation of the financial statements of 2019 for information purposes only

Note 3 - Skatter

	2019	2018
Betalbar skatt på ordinært resultat	0	0
<u>Endring i utsatt skattefordel</u>	<u>0</u>	<u>0</u>
Sum skattekostnad	0	0
Ordinært resultat før skattekostnad	-147 298 325	-4 716 441
Permanente forskjeller	144 203 422	0
Endring i midlertidig forskjeller	0	0
Avskåret rentefradrag	0	0
Underskudd til fremføring	3 094 903	4 716 441
Grunnlag betalbar skatt	0	0
Skatt, 22 % av grunnlag	0	0
Betalbar skatt	0	0
Betalbar skatt i balansen	0	0
Spesifikasjon av grunnlag for utsatt skatt/utsatt skattefordel:		
Forskjeller som utlignes:	31.12.2019	31.12.2018
Underskudd til fremføring	-17 162 555	-14 067 652
<u>Fremført rentefradrag</u>	<u>-5 219 448</u>	<u>-5 219 448</u>
Sum forskjeller	-22 382 003	-19 287 100
<u>Forskjeller som ikke inngår i beregning av utsatt skattefordel</u>	<u>22 382 003</u>	<u>19 287 100</u>
Balanseført utsatt skattefordel, 22 %	0	0
Ikke balanseført utsatt skattefordel, 22 %	4 924 041	4 243 162
Note 3 - Taxation		
Tax on ordinary result and basis for current tax appear like this:		
	2019	2018
Current tax on ordinary result	0	0
<u>Change in deferred tax asset</u>	<u>0</u>	<u>0</u>
Tax on ordinary result	0	0
Current tax:		
Profit/loss before tax	-147 298 325	-4 716 441
Permanent differences	144 203 422	0
Changes in temporary differences	0	0
Disallowed interest expense	0	0
<u>Loss carried forward</u>	<u>3 094 903</u>	<u>4 716 441</u>
Basis for current tax	0	0
Tax 22 %	0	0
<u>Current payable tax</u>	<u>0</u>	<u>0</u>
Current payable tax in the balance sheet	0	0
Differences:		
Loss carried forward	-17 162 555	-14 067 652
<u>Disallowed interest expense, carried forward</u>	<u>-5 219 448</u>	<u>-5 219 448</u>
Total	-22 382 003	-19 287 100
Differences that are not offset	22 382 003	19 287 100
Deferred tax asset in the balance sheet, 22 %	0	0
Deferred tax asset not in the balance sheet, 22 %	4 924 041	4 243 162



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Note 4 – Mellomværende og transaksjoner med nærstående

	2019	2018
<u>Fordringer og gjeld</u>		
Andre fordringer	514 962	744 291
Annen langsiktig gjeld	70 640 096	66 822 985
Andel gjeld som forfaller senere enn 5 år etter regnskapsårets slutt	70 640 096	66 822 985
<u>Transaksjoner</u>		
Annen finansinntekt	0	0
Rentekostnader	2 883 439	4 642 236

Note 4 - Balances held with group undertakings and associated companies

	2019	2018
<u>Receivables and debt</u>		
Other receivables	514 962	744 291
Other long term liabilities (to parent company)	70 640 096	66 822 985
Debt due more than 5 years after 31.12.19	70 640 096	66 822 985
<u>Transactions</u>		
Other financial income	0	0
Interest expense	2 883 439	4 642 236



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Note 5 – Egenkapital og aksjonøversikt

Årets endring i egenkapital:

	Aksjekapital	Innbetalt, ikke registrert aksjekapital	Innbetalt, ikke registrert overkurs	Overkurs	Sum EK
Egenkapital pr 1. januar	75 000	15 000	103 434 000	68 206 140	171 730 140
Kapitalforhøyelse	15 000	-15 000	-103 434 000	103 434 000	0
Årets resultat	0	0	0	-147 298 325	-147 298 325
Andre endringer	0	0	0	-17 400	-17 400
Egenkapital pr 31. desember	90 000	0	0	24 324 415	24 414 415

Innbetalt, ikke registrert aksjekapital og innbetalt, ikke registrert overkurs er presentert som innbetalt, ikke registrert aksjekapital i regnskapet for 2018.

Kapitalforhøyelsen er registrert i Brønnøysund den 7. februar 2019.

Aksjekapitalen pr 31.12.	Antall	Pålydende	Balanseført	Forretningsadresse
Stemmeberettigede aksjer (A-aksjer)	30 000	3,00	90 000	Rødvikvegen 9, 6460 Eidsvåg i Romsdal
Real Alloy UK AcquireCo Ltd	30 000	100 %	100 %	

Note 5 - Equity and shareholder information

Change in equity 2019:

	Share capital	Paid, not registered share capital	Paid, not registered share premium reserve	Share premium reserve	Total
Equity as at 1st January	75 000	15 000	103 434 000	68 206 140	171 730 140
Paid, not registered capital increase	15 000	-15 000	-103 434 000	103 434 000	0
Profit/loss for the year	0	0	0	-147 298 325	-147 298 325
Other changes	0	0	0	-17 400	-17 400
Equity as at 31st December	90 000	0	0	24 324 415	24 414 415

Paid, not registered share capital and paid, not registered share premium reserve is presented as paid, not registered share capital in the financial statements for 2018.

The capital increases is registered in Brønnøysund the 7th of February 2019.

Shareholders:

Equity as of 31st December	Number	Nominal value	Book value	Owner	Business adress
Voting shares	30 000	3,00	90 000		
Ownership structure as of 31st December	Class A	A-shares	Owner	Owner	Owner
Real Alloy UK AcquireCo Ltd	30 000	100 %	100 %	100 %	Rødvikvegen 9, 6460 Eidsvåg i Romsdal



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Kontantstrømoppstilling

Cash flow statement

	2019	2018	
			Operating activities
Kontantstrømmer fra operasjonelle aktiviteter			Operating activities
Resultat før skattekostnad	-147 298 325	-4 716 441	Net income
+ Nedskrivning aksjer i datter	144 203 422	0	Write down shares in subsidiaries
+/- Endring i andre tidsavgrensingsposter	3 098 511	4 715 686	Other current liabilities
= Netto kontantstrøm fra operasjonelle aktiviteter	<u>3 608</u>	<u>-755</u>	Net cash provided by operating activities
Kontantstrømmer fra investeringsaktiviteter			
- Utbetalinger ved kjøp av aksjer i datter	0	-103 449 000	Purchase of shares in subsidiary
= Netto kontantstrøm fra investeringsaktiviteter	<u>0</u>	<u>-103 449 000</u>	Net cash used in investing activities
Kontantstrømmer fra finansieringsaktiviteter			
+ Innbetalt kapital	0	103 449 000	Paid in capital
+ Innbetalinger ved opptak av ny kortsiktig gjeld	0	0	Paid in from short term loans
= Netto kontantstrøm fra finansieringsaktiviteter	<u>0</u>	<u>103 449 000</u>	Net cash used by financing activities
= Netto endring i kontanter og kontantekvivalenter	3 608	-755	Net increase (decrease) in cash and cash equivalents
+ Beholdning av kontanter og kontantekvivalenter ved periodens begynnelse	65	819	Cash and cash equivalents at beginning of year
= Beholdning av kontanter og kontantekvivalenter ved periodens slutt	<u>3 674</u>	<u>65</u>	Cash and cash equivalents at end of year