



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 996 890 341  
Organisasjonsform: Norskreg. utenlandsk foretak  
Foretaksnavn: RUUKKI CONSTRUCTION OY  
Forretningsadresse: Panuntie 11  
00620 Helsinki

### Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Sirpa Ojajärvi  
Dato for fastsettelse av årsregnskapet: 12.06.2019

### Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert  
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

*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, 06.11.2020



## Resultatregnskap

Beløp i: NOK	Note	2018	2017
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	1	237 663 919	138 295 471
Annen driftsinntekt		960	138 756
<b>Sum inntekter</b>		<b>237 664 879</b>	<b>138 434 227</b>
<b>Kostnader</b>			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		202 300 412	105 314 620
Lønnskostnad	5	8 204 415	4 558 210
Annen driftskostnad		18 488 436	17 960 449
<b>Sum kostnader</b>		<b>228 993 263</b>	<b>127 833 279</b>
<b>Driftsresultat</b>		<b>8 671 616</b>	<b>10 600 948</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		1 523 899	1 030 265
<b>Sum finansinntekter</b>		<b>1 523 899</b>	<b>1 030 265</b>
<b>Netto finans</b>		<b>1 523 899</b>	<b>1 030 265</b>
<b>Ordinært resultat før skattekostnad</b>		<b>10 195 515</b>	<b>11 631 213</b>
Skattekostnad på ordinært resultat		474 219	516 864
<b>Ordinært resultat etter skattekostnad</b>		<b>9 721 296</b>	<b>11 114 349</b>
<b>Årsresultat</b>		<b>9 721 296</b>	<b>11 114 349</b>



## Balanse

Beløp i: NOK	Note	2018	2017
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Andre fordringer		20 165 269	9 284 307
<b>Sum finansielle anleggsmidler</b>		<b>20 165 269</b>	<b>9 284 307</b>
<b>Sum anleggsmidler</b>		<b>20 165 269</b>	<b>9 284 307</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Project under construction	2	58	2 504
Goods in transit		0	737 182
<b>Sum varer</b>		<b>58</b>	<b>739 686</b>
<b>Fordringer</b>			
Accounts receivable		39 470 561	32 708 052
Other receivables, group companies		10 452 944	15 394 724
<b>Sum fordringer</b>		<b>49 923 505</b>	<b>48 102 776</b>
<b>Sum omløpsmidler</b>		<b>49 923 563</b>	<b>48 842 462</b>
<b>SUM EIENDELER</b>		<b>70 088 832</b>	<b>58 126 769</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
<b>Opptjent egenkapital</b>			
Annen egenkapital	6	26 550 072	16 828 775
<b>Sum opptjent egenkapital</b>		<b>26 550 072</b>	<b>16 828 775</b>
<b>Sum egenkapital</b>		<b>26 550 072</b>	<b>16 828 775</b>



## Balanse

Beløp i: NOK	Note	2018	2017
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	6	18 036 778	3 898 962
Betalbar skatt	4	474 219	516 864
Skyldige offentlige avgifter		14 327 238	12 271 356
Advance payments		9 483 834	22 120 233
Provisions		1 216 690	2 490 579
<b>Sum kortsiktig gjeld</b>		<b>43 538 759</b>	<b>41 297 994</b>
<b>Sum gjeld</b>		<b>43 538 759</b>	<b>41 297 994</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>70 088 831</b>	<b>58 126 769</b>



To the Board of Directors of Ruukki Construction Oy

*Independent Auditor's Report*

*Report on the Audit of the Financial Statements*

*Opinion*

We have audited the financial statements of Ruukki Construction Oy, which comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

*Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by laws and regulations, 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.

*Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Board of Directors for the Financial Statements*

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such

*PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo*

*T: 02316, org. no.: 987 009 713 VAT, www.pwc.no*

*State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*



Independent Auditor's Report - Ruukki Construction Oy

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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

*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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

**Report on Other Legal and Regulatory Requirements**

*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

*Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 12 June 2019  
**PricewaterhouseCoopers AS**

  
Gorm F. Nymark  
State Authorised Public Accountant

(2)



# **Ruukki Construction Oy**

**Financial Statements 2018**

Org.nr: 996 890 341



Ruukki Construction Oy

Org. nr. 996 890 341

Financial Statements 2018

Income Statement

NOK	Notes	2018	2017
<b>Operating income</b>			
Revenues	1	237 663 919	138 295 471
Other operating income		960	138 756
<b>Total operating income</b>		<b>237 664 879</b>	<b>138 434 226</b>
<b>Cost of goods sold</b>			
Cost of goods sold		202 300 412	105 314 620
Salaries	5	8 204 415	4 558 210
Other operating expenses		18 488 436	17 960 449
<b>Total operating expenses</b>		<b>228 993 263</b>	<b>127 833 279</b>
<b>Operating profit</b>		<b>8 671 616</b>	<b>10 600 947</b>
<b>Other interest income</b>			
Other interest income			
Other financial income		1 523 899	1 030 265
Interest paid to group companies			
Other interest expenses			
Other financial cost			
<b>Net financial items</b>		<b>1 523 899</b>	<b>1 030 265</b>
<b>Profit before income tax expense</b>		<b>10 195 515</b>	<b>11 631 212</b>
<b>Income tax expense</b>			
Income tax expense	4	474 219	516 864
<b>Profit for the year</b>		<b>9 721 297</b>	<b>11 114 348</b>
<b>Transfers</b>			
Allocated to other equity	6	9 721 297	11 114 348
<b>Total transfers</b>		<b>9 721 297</b>	<b>11 114 348</b>



Ruukki Construction Oy  
Org. nr. 996 890 341  
Financial Statements 2018

**Balance Sheet**

<b>NOK</b>	Note	2018	2017
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Deferred tax	4		
<b>Total intangible assets</b>		<b>0</b>	<b>0</b>
<b>Total fixed assets</b>		<b>0</b>	<b>0</b>
<b>Current assets</b>			
Project under construction	2	58	2 504
Inventories, goods in transit		0	737 182
Accounts receivable		39 470 561	32 708 052
Prepayments and accrued income			
Other receivables, Group companies		10 452 944	15 394 724
Other receivables		20 165 269	9 284 307
<b>Total receivables</b>		<b>70 088 831</b>	<b>58 126 769</b>
Bank deposits, cash, etc.	3		
<b>Total current assets</b>		<b>70 088 831</b>	<b>58 126 769</b>
<b>Total assets</b>		<b>70 088 831</b>	<b>58 126 769</b>



Ruukki Construction Oy

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Financial Statements 2018

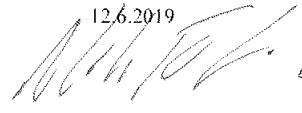
### Balance sheet


NOK	Note	2018	2017
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Paid-in equity</b>			
Share capital		0	0
<b>Total paid-in equity</b>		<b>0</b>	<b>0</b>
<b>Retained earnings</b>			
Retained earnings	6	26 550 072	16 828 775
<b>Total retained earnings</b>		<b>26 550 072</b>	<b>16 828 775</b>
<b>Total equity</b>		<b>26 550 072</b>	<b>16 828 775</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax	4	0	0
<b>Total long-term liabilities</b>		<b>0</b>	<b>0</b>
<b>Current liabilities</b>			
Accounts payable		18 036 778	3 898 962
Tax payable	4	474 219	516 864
Advance payments		9 483 834	22 120 233
Public duties payable		14 327 238	12 271 356
Provision for losses		0	0
Provisions		1 216 690	2 490 579
Liabilities to Group companies		0	0
Other provisions			
Other current liabilities			
<b>Total current liabilities</b>		<b>43 538 760</b>	<b>41 297 994</b>
<b>Total liabilities</b>		<b>43 538 760</b>	<b>41 297 994</b>
<b>Total equity and liabilities</b>		<b>70 088 831</b>	<b>58 126 769</b>


Helsinki / Oslo, 31.12. 2018

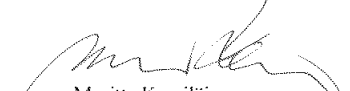
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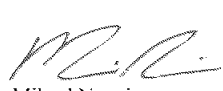
  
Martin Lindqvist  
Chair of the Board

  
Håkan Folin  
Member of the Board

  
Per Hallius  
Member of the Board

  
Sami Eronen  
Member of the Board

  
Maritta Kemiläinen  
Member of the Board

  
Mikael Nyquist  
Member of the Board



**Ruukki Construction Oy**  
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## Cash Flow

<b>NOK</b>	Note	<b>2018</b>	<b>2017</b>
<b>Cash flow from operating activities</b>			
<b>Profit before income tax expense</b>		<b>10 195 515</b>	<b>11 631 212</b>
- Taxes paid		-474 219	-516 864
- / + Gain / loss on sale of fixed Group4 0			
+ Depreciation 0			
+ Impairment fixed Group4 0			
+/- Change in stocks		739 628	-464 706
+/- Change in accounts receivable		-6 762 509	10 187 310
+/- Change in payables		14 137 816	-13 713 501
+/- Difference between kostn.fort pensj. and payment / in pensj.ordn.			
+/- Effect of exchange rate changes			
+/- Items classified as investment - / finance. activities			
+/- Change in other accruals		-17 836 232	-7 123 452
<b>= Net cash from operating activities</b>		<b>0</b>	<b>0</b>

Ruukki Construction is part of SSAB's Cashpool and doesn't have its own bank accounts.

There are no investments regarding Ruukki Construction Oy Norwegian branch. Investments are mainly focused on factories in Finland.



**Riikki Construction Oy**  
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## Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

## Revenues

Revenues are recognised at the fair value of the consideration, net after the deduction of Value Added Tax, returns, discounts and rebates. Services are recognised in the income statement as and when performed. Sales of goods are recognised in the income statement when a group entity has delivered its products to the customer and there are no unmet obligations that may affect the customer's acceptance of such product. Delivery has not taken place until the products have been sent to the agreed location and the risk of loss and obsolescence has passed to the customer. Past data are used as a basis for estimating and accounting for provisions for volume discounts and returns as at the sales date.

## Cost

The cost of assets includes the purchase price of the asset in question, less any bonuses, discounts, etc., plus procurement expenses (freight, customs duties, non-refundable government charges, as well as any other direct procurement expenses). When purchases are made in foreign currency, the carrying amount of the asset is calculated using the exchange rate as at the transaction date.

Interest expenses incurred in the production of assets are expensed. The cost of tangible assets and intangible assets also includes direct expenses incurred in readying the asset for use, such as for example expenses relating to testing of such asset.

## Construction contracts

The accounting for construction contracts is carried out in accordance with IAS 11 construction contracts. The purpose is to allocate income and expenses to the periode they occurs. Typical features of bookkeeping of contractual contracts:

- The project lasts longer than a month
- The price of goods and related construction work has been negotiated jointly
- Goods included in the building contract are specific and require adjustment
- Project revenue and expenses are calculated on a continuous basis
- Costs are normally recorded when incurred
- Income is recognized in the income statement based on the degree of completion of the project
- Completion rate is calculated as follows: Actual costs / estimated total cost
- Forecasts for the outcome of the projects are updated monthly
- Estimated losses shall be posted

## Currency

The functional currency of the company is Norwegian kroner. The accounts are converted at current exchange rates, thus implying that the balance sheet is converted at the rate applicable on the balance sheet date, whilst the income statement is converted at the average rate. Any material transactions are converted at the rate applicable on the transaction date. All conversion differences are recognised directly in equity.

## Classification of balance sheet items

Assets intended for lasting ownership or use are classified as fixed assets. Assets relating to the circulation of goods are classified as current assets. Receivables are classified as current assets if these are to be repaid within a year. Analogous criteria are applied in respect of liabilities. First-year instalments on non-current liabilities and non-current receivables are, nonetheless, not classified as current liabilities and current assets.

## Receivables

Trade receivables are recognised in the balance sheet after the deduction of provisions for anticipated loss. Provisions for loss are made on the basis of an individual assessment of the receivables. In addition, a provision is made to cover other risk of loss that can be anticipated.



**Ruukki Construction Oy**  
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## **Inventories**

Inventories are valued at the lower of cost (based on the FIFO principle) and fair value. For raw materials and unfinished goods, replacement cost is used as an approximation of fair value. The cost of finished goods includes a proportional share of indirect variable and fixed production costs. For finished goods and unfinished goods, cost includes product design costs, materials used, direct wage costs, other direct costs and indirect production costs (based on normal capacity). Fair value is the estimated sales price, less necessary completion and sales costs. Only variable costs are deemed to be necessary as far as finished goods are concerned.

## **Foreign currency**

Receivables and liabilities in foreign currency are valued at the exchange rate at the end of the financial year. Foreign exchange gains and losses relating to the sale and procurement of materials in foreign currency are recorded as operating income and cost of materials, respectively.

## **Other shares held as fixed assets**

Short-term investments (shares etc. classified as current assets) are valued at the lower of average acquisition cost and fair value at the balance sheet date. Dividends received and other dividends from companies are recognized as other financial income.

## **Fixed assets**

Other tangible assets are capitalised and depreciated to their residual value on a straight-line basis over the expected useful life of such tangible assets if their cost is in excess of NOK 15,000. The useful life of the tangible assets, as well as their residual value, is assessed on each balance sheet date, and are changed if necessary. Maintenance of tangible assets is expensed. Upgrades or improvements are added to the cost of the tangible asset and depreciated in line with such tangible asset.

Leased tangible assets are capitalised as tangible assets if the lease is considered a financial lease.

## **Liabilities**

Liabilities are carried at the nominal amount outstanding.

## **Taxes**

Income tax expense in the income statement includes both tax payable for the period and changes in deferred tax. Deferred tax is calculated with 22% on the basis of the temporary differences existing between accounting and tax values, and any tax loss carried forward, as at the end of the financial year. Tax-increasing and tax-reducing temporary differences that are reversed or may be reversed in the same period are offset. Deferred tax benefit on net tax-reducing differences that have not been offset and on loss carried forward are carried on the balance sheet to the extent it is assumed that such tax benefit can be utilised through future taxable profits. The inclusion of deferred tax benefit under net tax-reducing differences that are not offset, and loss carry forward, is premised on anticipated future earnings. Deferred tax and deferred tax benefit that can be carried on the balance sheet are carried on a net basis.

## **Estimates**

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. Furthermore, application of the accounting principles of the company requires management to make discretionary assessments. Areas which feature a major element of such discretionary assessment, which are characterised by a high degree of complexity, or in which assumptions or estimates are of material importance to the annual accounts, are described in the notes.

## **Cash flow statement**

Ruukki Construction is part of SSAB's Cashpool and doesn't have its own bank accounts.

There are no investments regarding Ruukki Construction Oy Norwegian branch. Investments are mainly focused on factories in Finland.



**Ruukki Construction Oy**  
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**Note 1 Revenues**

The entity's revenue in the Norwegian market and allocated to the following segments.

Design	8 %
Production	65 %
Installation	27 %

Contracts that are classified as work in progress the following 12 months per 31.12

Contract period:

CF-2024 Skihallen, BETONMAST ROMERIKE AS/POSTBOKS 9416 GRONLAND/NO-135 OSLO	13.12.2017- estimated 2019Q2
CF-2020 Lagunen, LAB ENTREPRENOR AS/KANALVEIEN 105 B/NO-5822 BERGEN	14.06.2017- estimated 2019Q1

Provisions are made on the basis of contracts in 2018 are:	<b>31.12.2018</b>	<b>31.12.2017</b>
Unbilled (receivable)	18 683 313	8 526 581
Advances from customers (liabilities)	9 483 834	22 120 233

**Note 2 Inventories etc.**

	<b>31.12.2018</b>	<b>31.12.2017</b>
Project under progress	58	2 504
<b>Total</b>	<b>58</b>	<b>2 504</b>

In conjunction with a reorganisation of the legal structure of the Rautaruukki group, projects in progress pr 30.04.2011 was transferred to the subsidiary Ruukki Construction Oy. Each project was valued according to the fair value principles (market value). Ruukki Construction OY overtook all assets and liabilities related to the construction business area as of 01.05.2011, and the net worth of the ongoing projects was included as part of this.

Internal purchase affiliated companies:

Purchases in NOK Purchases in NOK

RUUKKI POLSKA SP. Z O O - steel frames and panel	47 599 769	17 398 902
Ruukki Norge AS / Tibnor AS - steel plates and support beams	-	4 828
RUUKKI CONSTRUCTION NORGE AS - design and project management	201 396	225 752
RUUKKI CONSTRUCTION OY - panel	13 288 472	3 223 261
UAB RUUKKI LIETUVA - steel frames	14 710 160	16 389 128
SSAB EUROPE OY - raw steel	5 628 803	2 096 778
TIBNOR OY - raw steel	1 278 986	99 052
RUUKKI Products AS	-	130 362
<b>Total</b>	<b>82 707 587</b>	<b>39 568 062</b>

**Note 3 Tax withholding funds** **31.12.2018** **31.12.2017**

The Norwegian company (NUF) is part of a group agreement with Rautaruukki OYJ. All deposits and payments are booked as interim accounts.

Consolidated financial statements can be obtained by contacting:

[www.ruukki.com](http://www.ruukki.com) and [www.ssab.com](http://www.ssab.com)



Ruukki Construction Oy  
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Note 4 Tax

	2018	2017
<b>Income tax expense for the year:</b>		
Profit before tax	10 195 515	11 631 212
Permanent differences	-9 011 180	-10 223 544
Interest on assessed tax	0	0
Other deductions		
Change in temporary differences	877 485	745 932
Taxable income	<u>2 061 820</u>	<u>2 153 600</u>
Tax 23%	474 219	516 864
<b>Tax payable on net income</b>	<u>474 219</u>	<u>516 864</u>
<b>Tax expense is calculated as follows:</b>		
Tax payable on net income	474 219	516 864
Gross change in deferred tax		
<b>Total tax payable</b>	<u>474 219</u>	<u>516 864</u>
	<u>31.12.2018</u>	<u>31.12.2017</u>
<b>Tax payable in the balance sheet</b>		
Tax payable on net income	474 219	516 864
<b>Total tax payable</b>	<u>474 219</u>	<u>516 864</u>
<b>Specification of temporary differences</b>		
Receivables		
Taxable value of contracts	1 238 649	2 116 134
Fixed assets		
Pension		
Carry forwards		
Profit and loss account		
<b>Total</b>	<u>1 238 649</u>	<u>2 116 134</u>
<b>22 % deferred tax (23% 2017)</b>	<u>272 503</u>	<u>486 711</u>
<b>Explanation of why tax is not 23% of profit before tax:</b>		
23% of profit before tax	2 344 969	2 791 491
Differences arising from the change in tax rate		
Permanent differences (22% and 23% 2017)	-2 072 571	-2 453 651
Temporary differences (22% and 23% 2017)	201 821	179 024
<b>Calculated tax payable</b>	<u>474 219</u>	<u>516 864</u>



Ruukki Construction Oy  
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**Financial Statements 2018**

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**Note 5 Wage costs**

<b>Wage cost specification</b>	<b>2018</b>	<b>2017</b>
Wage	8 051 259	4 380 982
Employer's social security contribution	153 156	177 228
Pension cost		
Other wage-related costs		
<b>Total</b>	<b>8 204 415</b>	<b>4 558 210</b>

Salary costs relate to project employees who work both short or long periods in Norway.

The project employee is employed by other group companies, mainly in Finland. Tax and employer's social security contribution is paid to Norway in accordance applicable legislation.

**Pensions**

The employees are subject to a defined contribution pension scheme according to employment contract and applicable regulations for the companies which each employee is employed.

The pension is paid to the Finnish pension company Varma and Ilmarinen four times a year. Provisions for pensions liabilities are made monthly in the accounts based on what is earned by the employees. Earned pension is partly deducted from employee wages and the rest is paid by Ruukki Constructions Oy.

**Remuneration of officers**

No directors' emoluments have been paid to the Norwegian part of the company (NUF).

**Statutory audit remuneration**

Ruukki Construction OY ( the finish entity ) is audited by PwC Finland and the remuneration for the Norwegian company is included in the Finish entity's financial statements.



Ruukki Construction Oy  
Org. nr. 996 890 341  
Financial Statements 2018

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Note 6 Equity

	Share capital	Total
Equity 01.01.	16 828 775	16 828 775
Profit/loss for the year	9 721 297	9 721 297
<b>Equity 31.12.</b>	<b>26 550 072</b>	<b>26 550 072</b>



**Ruukki Construction Oy** (Norwegian department of foreign companies)  
Org. nr. 996 890 341

## Annual Report

### Nature of business

Ruukki Construction Oy - NUF is an integral part of Finnish company Ruukki Construction Oy. Ruukki Construction Oy is wholly owned subsidiary of Rautaruukki Oyj. The company is included in Ruukki Construction division in SSAB Group. The Swedish listed company SSAB bought Rautaruukki Oyj in September 2014.

NUF is registered in the Brønnøysund Registers. NUF has no fixed location in Norway, but does its business through project organization seated in Finland.

The core activities of the NUF are design and installation of steel structures for buildings in Norway. The NUF has no own employees. Steel structures are manufactured in units in Finland, Poland and Lithuania, which are part of the same SSAB Group. The actual installation work on the various projects is carried out by employees from group companies and foreign and Norwegian suppliers.

### Annual accounts

Total net sales for 2018 were NOK 237.7 million against NOK 138.3 million in 2017. Higher net sales compared to previous year are due to project mix. Volumes from the projects may fluctuate a lot from year to year based on schedule of large projects. Financial year 2018 contained exceptional large projects.

The NUF received an accounting ordinary profit before tax of NOK 10.2 million against NOK 11.6 million in 2017. During 2017 long lasted court case came finally to its conclusion and as a result NUF received compensation which had positive influence to 2017 result. Otherwise result continued stable level.

The profit for the year is transferred from the branch's capital, which represents a balance with the branch's parent company and the cumulative result of the branch.

Total assets at 31.12.2018 amounted to NOK 70.1 million for Ruukki Construction Oy- NUF which was NOK 12 million higher than previous year NOK 58.1 million due to the increase of receivables. Ruukki Construction Oy- NUF projects had a positive cash flow in 2018, and the liquidity status at 31.12.2018 and through the year was healthy.



## **Business outlook**

The company and the group operate in the construction industry, which is traditionally subject to considerable cyclical fluctuations. This result is relatively significant profitability fluctuations over time. Participation in construction projects is a strategic part of the company's future business. It is expected that the volume of project activities in Norway will continue on the same level in 2019. NUF has ongoing two over twelve months lasting bigger projects and several projects that last shorter period of time.

The Building Systems -business carried out by Ruukki Construction Oy shall in accordance with Ruukki Group's strategy be separated as an independent business into Ruukki Building Systems Oy (Business ID: 2967475-4). The Building Systems -business shall be transferred to Ruukki Building Systems according to the Finnish Limited Liability Companies Act Ltd by a partial demerger. The planned date of the implementation of the partial demerger is 31 May 2019.

This new company shall continue its operations under Rautaruukki Oyj's ownership and under Ruukki -brand as until now. The Building Systems -business covers supply of buildings' frames and envelopes and bridge structures including their design and installation and for the part of steel structures also their manufacturing. Ongoing projects and employees from the Building Systems- business will be transferred to the new company. Ruukki Building Systems Oy NUF has been registered.

## **Financial risk**

Ruukki Construction company code currency is Euro and the Group's company code currency is Swedish krone. Financial risk in the company is primarily related to exchange rate fluctuations. The costs of site activities on Norwegian continental shelf, which represent approximately 27 % of project costs, are largely paid in Norwegian kroner. The company's foreign exchange strategy calls for a continual assessment of the need for foreign exchange hedging.

## **Going concern**

The Board of directors confirms that the going concern assumption has been applied in preparing the annual accounts. The parent company and the group have been characterised by favourable sales developments and adequate equity for several years, and are well placed to continue such positive developments.



### Working environment

The working environment is considered to be satisfactory and the NUF has implemented HSE procedures according to the Group's own guidelines.

Sickness absence statistics are not collected by projects, only for the whole installation activities of Ruukki Construction Oy. Sick leave is not charged to the individual project, but is included in standard price calculations.

Ruukki Construction Oy's installation business had: 6.15% sick leave in 2018 which was a bit lower than last year but overall higher than in previous years due to long sick leaves. (6.70% in 2017, 6.75% in 2016, 3.38% in 2015 and 2.33 in 2014).

### Equal opportunities and Non-discrimination

The SSAB Group has adopted Code of Conduct, which includes assumes an ethical standard in the treatment of both own employees and the relationship with the environment. The business through the NUF is subject to the same rules and therefore has not implemented separate measures on its own. There is no basis for special measures, based on a gender equality perspective. The Group recruits project managers, production workers and installers of both sexes.

We believe that no differential treatment of employees, or upon recruitment, takes place on the basis of ethnicity, national origin, extraction, colour, language, religion or faith.

### External environment

The business does not cause any pollution or emissions that can do damage to the external environment. The Group is environmentally certified according to ISO 14001.

Oslo / Helsinki 12.06.2019

### Ruukki Construction Oy


Board of directors



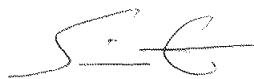
Martin Lindqvist  
Chair of the Board



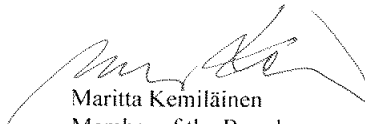
Håkan Folin  
Member of the Board



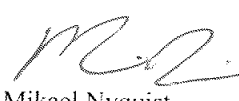
Per Hallius  
Member of the Board



Sami Eronen  
Member of the Board



Maritta Kemiläinen  
Member of the Board



Mikael Nyquist  
Member of the Board



Skattedirektoratet

22 JAN 2018

Saksbehandler Torstein Kinden Helleland	Deres dato 10.01.2018	Vår dato 16.01.2018
Telefon 22078139	Deres referanse SBR	Vår referanse 2013/933590

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS  
Postboks 748 Sentrum  
0106 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Ruukki Construction OY, org.nr. 996 890 341

Vi viser til deres brev av 10. januar 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Ruukki Construction OY.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Ruukki Construction OY dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

### Bakgrunn

Ruukki Construction OY er en filial av det finske selskapet Ruukki Construction OY. Virksomheten selger materialer til private boliger og næringsbygg. Filialens kunder er hovedsakelig norske, men leverandørene er utenlandske. Mye av kommunikasjon foregår på engelsk. Brukerne av regnskapet er eierne, styret og de øvrige konsernselskapene i det finske selskapet. Disse er avhengig av å motta regnskapsrapportene på engelsk for å forstå innholdet. Det er således ingen sentrale regnskapsbrukere som er avhengig av å lese årsregnskapet og årsrapporten til Ruukki Construction Oy på norsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som*

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