



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

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: 29.06.2018

Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

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 | 2017 | 2016 |
|--|------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Salgsinntekt | 1 | 138 295 471 | 191 359 124 |
| Annen driftsinntekt | | 138 756 | 0 |
| Sum inntekter | | 138 434 227 | 191 359 124 |
| Kostnader | | | |
| Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer | | 105 314 620 | 153 765 712 |
| Lønnskostnad | 5 | 4 558 210 | 9 994 961 |
| Annen driftskostnad | | 17 960 449 | 25 413 064 |
| Sum kostnader | | 127 833 279 | 189 173 737 |
| Driftsresultat | | 10 600 948 | 2 185 387 |
| Finansinntekter og finanskostnader | | | |
| Annen finansinntekt | | 1 030 265 | 6 881 673 |
| Sum finansinntekter | | 1 030 265 | 6 881 673 |
| Netto finans | | 1 030 265 | 6 881 673 |
| Ordinært resultat før skattekostnad | | 11 631 213 | 9 067 060 |
| Skattekostnad på ordinært resultat | 4 | 516 864 | 63 004 |
| Ordinært resultat etter skattekostnad | | 11 114 349 | 9 004 056 |
| Årsresultat | | 11 114 349 | 9 004 056 |



Balanse

| Beløp i: NOK | Note | 2017 | 2016 |
|---------------------------------------|------|-------------------|-------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Finansielle anleggsmidler | | | |
| Andre fordringer | | 9 284 307 | 15 786 871 |
| Sum finansielle anleggsmidler | | 9 284 307 | 15 786 871 |
| Sum anleggsmidler | | 9 284 307 | 15 786 871 |
| Omløpsmidler | | | |
| Varer | | | |
| Project under construction | 2 | 2 504 | 274 980 |
| Goods in transit | | 737 182 | 0 |
| Sum varer | | 739 686 | 274 980 |
| Fordringer | | | |
| Accounts receivable | | 32 708 052 | 42 895 362 |
| Other receivables, group companies | | 15 394 724 | |
| Sum fordringer | | 48 102 776 | 42 895 362 |
| Sum omløpsmidler | | 48 842 462 | 43 170 342 |
| SUM EIENDELER | | 58 126 769 | 58 957 213 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Opptjent egenkapital | | | |
| Annen egenkapital | 6 | 16 828 775 | 5 714 427 |
| Sum opptjent egenkapital | | 16 828 775 | 5 714 427 |
| Sum egenkapital | | 16 828 775 | 5 714 427 |



Balanse

| Beløp i: NOK | Note | 2017 | 2016 |
|---------------------------------|------|-------------------|-------------------|
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | 6 | 3 898 962 | 17 612 463 |
| Betalbar skatt | 4 | 516 864 | 63 004 |
| Skyldige offentlige avgifter | | 12 271 356 | 0 |
| Kortsiktig konserngjeld | | 0 | 7 236 092 |
| Advance payments | | 22 120 233 | 27 940 751 |
| Provision for losses | | 0 | 16 758 |
| Provisions | | 2 490 579 | 373 718 |
| Sum kortsiktig gjeld | | 41 297 994 | 53 242 786 |
| Sum gjeld | | 41 297 994 | 53 242 786 |
| SUM EGENKAPITAL OG GJELD | | 58 126 769 | 58 957 213 |



Skattedirektoratet

22 JAN 2018

| | | |
|---------------------------|-----------------|---------------|
| Saksbehandler | Deres dato | Vår dato |
| Torstein Kinden Helleland | 10.01.2018 | 16.01.2018 |
| Telefon | Deres referanse | Vår referanse |
| 22078139 | SBR | 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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr. 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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 2017 were NOK 138.3 million against NOK 191.4 million in 2016. Lower net sales compared to previous year are due to project mix. In 2017 the NUF executed approximately same amount of projects than previous year but the project size was a bit smaller but profit better. In addition, bigger projects were close to the end and new ones began in the end of the year.

The NUF received an accounting ordinary profit before tax of NOK 11.6 million against NOK 9.0 million in 2016. 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.

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 31.12.2017 amounted to NOK 58.1 million for Ruukki Construction Oy- NUF which is close to same level than previous year NOK 58.9 million. Ruukki Construction Oy- NUF projects had a positive cash flow in 2017, and the liquidity status at 31.12.2017 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 be on the same level in 2018. NUF has ongoing a few over twelve months lasting bigger projects and several projects that last shorter period of time.

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: 6.70% sick leave in 2017 which was a bit lower than last year but overall higher than in previous years due to long sick leaves. (6.75% in 2016, 3.38% in 2015 and 2.33 in 2014).

In Ruukki Construction there was an accident in 2017 on a construction site in Norway which was unfortunately fatal. The authorities are still working on the accident investigation.

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 29.06.2018


Ruukki Construction Oy

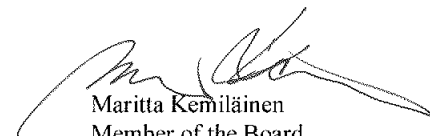
Board of directors



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



Ruukki Construction Oy

Financial Statements 2017

Org.nr: 996 890 341



Ruukki Construction Oy
Org. nr. 996 890 341
Financial Statements 2017

Income Statement

| NOK | Notes | 2017 | 2016 |
|---|-------|--------------------|--------------------|
| Operating income | | | |
| Revenues | 1 | 138 295 471 | 191 359 124 |
| Other operating income | | 138 756 | 0 |
| Total operating income | | 138 434 226 | 191 359 124 |
| Cost of goods sold | | | |
| Cost of goods sold | | 105 314 620 | 153 765 712 |
| Salaries | 5 | 4 558 210 | 9 994 961 |
| Other operating expenses | | 17 960 449 | 25 413 064 |
| Total operating expenses | | 127 833 279 | 189 173 738 |
| Operating profit | | 10 600 947 | 2 185 386 |
| Other interest income | | | |
| Other financial income | | 1 030 265 | 6 881 673 |
| Interest paid to group companies | | | |
| Other interest expenses | | | |
| Other financial cost | | | |
| Net financial items | | 1 030 265 | 6 881 673 |
| Profit before income tax expense | | 11 631 212 | 9 067 058 |
| Income tax expense | | | |
| Income tax expense | 4 | 516 864 | 63 004 |
| Profit for the year | | 11 114 348 | 9 004 054 |
| Transfers | | | |
| Allocated to other equity | 6 | 11 114 348 | 9 004 054 |
| Total transfers | | 11 114 348 | 9 004 054 |



Ruukki Construction Oy
Org. nr. 996 890 341
Financial Statements 2017

Balance Sheet

| NOK | Note | 2017 | 2016 |
|------------------------------------|------|-------------------|-------------------|
| Assets | | | |
| Fixed assets | | | |
| Intangible assets | | | |
| Deferred tax | 4 | | |
| Total intangible assets | | 0 | 0 |
| Total fixed assets | | 0 | 0 |
| Current assets | | | |
| Project under construction | 2 | 2 504 | 274 980 |
| Inventories, goods in transit | | 737 182 | 0 |
| Accounts receivable | | 32 708 052 | 42 895 362 |
| Prepayments and accrued income | | | |
| Other receivables, Group companies | | 15 394 724 | |
| Other receivables | | 9 284 307 | 15 786 871 |
| Total receivables | | 58 126 769 | 58 957 213 |
| Bank deposits, cash, etc. | 3 | | |
| Total current assets | | 58 126 769 | 58 957 213 |
| Total assets | | 58 126 769 | 58 957 213 |



Ruukki Construction Oy

Org. nr. 996 890 341

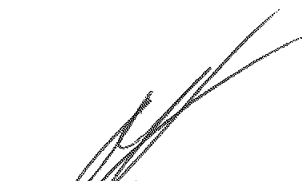
Financial Statements 2017

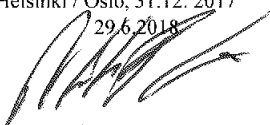
Balance sheet


| NOK | Note | 2017 | 2016 |
|-------------------------------------|------|-------------------|-------------------|
| Equity and liabilities | | | |
| Equity | | | |
| Paid-in equity | | | |
| Share capital | | 0 | 0 |
| Total paid-in equity | | 0 | 0 |
| Retained earnings | | | |
| Retained earnings | 6 | 16 828 775 | 5 714 427 |
| Total retained earnings | | 16 828 775 | 5 714 427 |
| Total equity | | 16 828 775 | 5 714 427 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Deferred tax | 4 | 0 | 0 |
| Total long-term liabilities | | 0 | 0 |
| Current liabilities | | | |
| Accounts payable | | 3 898 962 | 17 612 463 |
| Tax payable | 4 | 516 864 | 63 004 |
| Advance payments | | 22 120 233 | 27 940 751 |
| Public duties payable | | 12 271 356 | |
| Provision for losses | | 0 | 16 758 |
| Provisions | | 2 490 579 | 373 718 |
| Liabilities to Group companies | | 0 | 7 236 092 |
| Other provisions | | | |
| Other current liabilities | | | |
| Total current liabilities | | 41 297 994 | 53 242 786 |
| Total liabilities | | 41 297 994 | 53 242 786 |
| Total equity and liabilities | | 58 126 769 | 58 957 213 |


Helsinki / Oslo, 31.12. 2017


29.6.2018



Matti 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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Financial Statements 2017

Cash Flow

| NOK | Note | 2017 | 2016 |
|--|------|-------------------|------------------|
| Cash flow from operating activities | | | |
| Profit before income tax expense | | 11 631 212 | 9 067 058 |
| - Taxes paid | | -516 864 | -63 004 |
| - / + Gain / loss on sale of fixed Group4 0 | | | |
| + Depreciation 0 | | | |
| + Impairment fixed Group4 0 | | | |
| +/- Change in stocks | | -464 706 | -252 158 |
| +/- Change in accounts receivable | | 10 187 310 | -8 742 352 |
| +/- Change in payables | | -13 713 501 | 7 781 222 |
| +/- 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 | | -7 123 452 | -7 790 766 |
| = Net cash from operating activities | | 0 | 0 |

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
Org. nr. 996 890 341
Financial Statements 2017

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 periods they occur. 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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Financial Statements 2017

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

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 23% 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
Org. nr. 996 890 341
Financial Statements 2017

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-2018 Karmøy Pilot og Anode, VEIDEKKE ENTREPRENØR AS/SKABOS VFI 4/N-0278 OSLO | 5.6.2016- estimated 2018Q2 |
| CF-2020 Lagunen, LAB ENTREPRENØR AS/KANALVEIEN 105 B/NO-5822 BERGEN | 01.06.2017- estimated 2018Q2 |

| | | |
|--|-------------------|-------------------|
| Provisions are made on the basis of contracts in 2017 are: | 31.12.2017 | 31.12.2016 |
| Unbilled (receivable) | 8 526 581 | 9 921 041 |
| Advances from customers (liabilities) | 22 120 233 | 27 940 751 |

| | | |
|--------------------------------|-------------------|-------------------|
| Note 2 Inventories etc. | 31.12.2017 | 31.12.2016 |
| Project under progress | 2 504 | 274 980 |
| Total | 2 504 | 274 980 |

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 | 17 398 902 | 31 049 266 |
| Ruukki Norge AS / Tibnor AS - steel plates and support beams | 4 828 | 1 849 |
| RUUKKI CONSTRUCTION NORGE AS - design and project management | 225 752 | 973 218 |
| RUUKKI CONSTRUCTION OY - panel | 3 223 261 | - |
| UAB RUUKKI LIETUVA - steel frames | 16 389 128 | 10 984 127 |
| SSAB EUROPE OY - crude steel | 2 096 778 | 306 535 |
| TIBNOR OY - crude steel | 99 052 | 555 468 |
| RUUKKI Products AS | 130 362 | - |
| Total | 39 568 062 | 43 870 463 |

| | | |
|-------------------------------------|-------------------|-------------------|
| Note 3 Tax withholding funds | 31.12.2017 | 31.12.2016 |
|-------------------------------------|-------------------|-------------------|

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 and www.ssab.com



Ruukki Construction Oy
Org. nr. 996 890 341
Financial Statements 2017

Note 4 Tax

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Income tax expense for the year: | | |
| Profit before tax | 11 631 212 | 9 067 058 |
| Permanent differences | -10 223 544 | -7 594 727 |
| Interest on assessed tax | 0 | 0 |
| Other deductions | | |
| Change in temporary differences | 745 932 | -1 220 314 |
| Taxable income | <u>2 153 600</u> | <u>252 017</u> |
| Tax 24% (2016 25%) | <u>516 864</u> | <u>63 004</u> |
| Tax payable on net income | 516 864 | 63 004 |
| Tax expense is calculated as follows: | | |
| Tax payable on net income | 516 864 | 63 004 |
| Gross change in deferred tax | | |
| Total tax payable | <u>516 864</u> | <u>63 004</u> |
| | <u>31.12.2017</u> | <u>31.12.2016</u> |
| Tax payable in the balance sheet | | |
| Tax payable on net income | 516 864 | 63 004 |
| Total tax payable | <u>516 864</u> | <u>63 004</u> |
| Specification of temporary differences | | |
| Receivables | | |
| Taxable value of contracts | 2 116 134 | 2 862 066 |
| Fixed assets | | |
| Pension | | |
| Carry forwards | | |
| Profit and loss account | | |
| Total | <u>2 116 134</u> | <u>2 862 066</u> |
| 23 % deferred tax (24 % 2016) | <u>486 711</u> | <u>715 517</u> |
| Explanation of why tax is not 24% of profit before tax: | | |
| 24% of profit before tax | 2 791 491 | 2 266 765 |
| Differences arising from the change in tax rate | | |
| Permanent differences (23% and 24% 2016) | -2 453 651 | -1 898 682 |
| Permanent differences (23% and 24% 2016) | 179 024 | -305 078 |
| Calculated tax payable | <u>516 864</u> | <u>63 004</u> |



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Note 5 Wage costs

| Wage cost specification | 2017 | 2016 |
|---|------------------|------------------|
| Wage | 4 380 982 | 9 766 881 |
| Employer's social security contribution | 177 228 | 228 080 |
| Pension cost | | |
| Other wage-related costs | | |
| Total | 4 558 210 | 9 994 961 |

Number of man-years in 2017 is 14

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.



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Note 6 Equity

| | Share capital | Total |
|--------------------------|-------------------|-------------------|
| Equity 01.01. | 5 714 427 | 5 714 427 |
| Profit/loss for the year | 11 114 348 | 11 114 348 |
| Equity 31.12. | 16 828 775 | 16 828 775 |



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 NUF showing a profit of NOK 11 114 348. The financial statements comprise the balance sheet as at 31 December 2017, the income statement and statement of cash flows 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 2017, 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 the Board of Directors' report, but does not include 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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Ruukki Construction Oy NUF

Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. 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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report - Ruukki Construction Oy NUF



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

Report on Other Legal and Regulatory Requirements

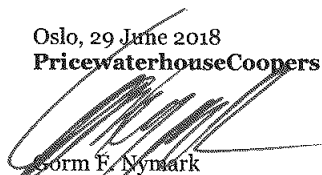
Opinion on the Board of Directors' report

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 and the going concern assumption 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, 29 June 2018
PricewaterhouseCoopers AS


Gorm F. Nymark
State Authorised Public Accountant