



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

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: 31.08.2020

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, 02.08.2023



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	59 072 144	237 663 919
Annen driftsinntekt		0	960
Sum inntekter		59 072 144	237 664 879
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		46 268 179	202 300 412
Lønnskostnad	5	3 925 778	8 204 415
Annen driftskostnad		7 751 566	18 488 436
Sum kostnader		57 945 523	228 993 263
Driftsresultat		1 126 621	8 671 616
Finansinntekter og finanskostnader			
Annen finansinntekt		269 424	1 523 899
Sum finansinntekter		269 424	1 523 899
Netto finans		269 424	1 523 899
Ordinært resultat før skattekostnad		1 396 045	10 195 515
Skattekostnad på ordinært resultat	4	117 806	474 219
Ordinært resultat etter skattekostnad		1 278 239	9 721 296
Årsresultat		1 278 239	9 721 296



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Andre fordringer		0	20 165 269
Sum finansielle anleggsmidler		0	20 165 269
Sum anleggsmidler		0	20 165 269
Omløpsmidler			
Varer			
Project under construction		0	58
Sum varer		0	58
Fordringer			
Accounts receivable		0	39 470 561
Other receivables, group companies		35 661 323	10 452 944
Sum fordringer		35 661 323	49 923 505
Sum omløpsmidler		35 661 323	49 923 563
SUM EIENDELER		35 661 323	70 088 832
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Opptjent egenkapital			
Annen egenkapital		27 828 311	26 550 072
Sum opptjent egenkapital		27 828 311	26 550 072
Sum egenkapital		27 828 311	26 550 072



Balanse

Beløp i: NOK	Note	2019	2018
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	6	0	18 036 778
Betalbar skatt	4	117 806	474 219
Skyldige offentlige avgifter		7 715 206	14 327 238
Advance payments			9 483 834
Provisions			1 216 690
Sum kortsiktig gjeld		7 833 012	43 538 759
Sum gjeld		7 833 012	43 538 759
SUM EGENKAPITAL OG GJELD		35 661 323	70 088 831



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 2019, 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 2019, 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

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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 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, 31 August 2020
PricewaterhouseCoopers AS

Gorm F. Nymark
State Authorised Public Accountant
(This document is signed electronically)

(2)



 Securely signed with Brevio

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Nymark, Gorm Frode	BANKID	2020-09-29 06:40

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- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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of the document.



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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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



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Ruukki Construction Oy

Financial Statements 2019

Org.nr: 996 890 341



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Ruukki Construction Oy

Org. nr. 996 890 341

Financial Statements 2019

Income Statement

NOK	Notes	2019	2018
Operating income			
Revenues	1	59 072 144	237 663 919
Other operating income			960
Total operating income		59 072 144	237 664 879
Cost of goods sold		46 268 179	202 300 412
Salaries	5	3 925 778	8 204 415
Other operating expenses		7 751 566	18 488 436
Total operating expenses		57 945 523	228 993 263
Operating profit		1 126 621	8 671 616
Other interest income			
Other financial income		269 424	1 523 899
Interest paid to group companies			
Other interest expenses			
Other financial cost			
Net financial items		269 424	1 523 899
Profit before income tax expense		1 396 045	10 195 515
Income tax expense	4	117 806	474 219
Profit for the year		1 278 239	9 721 296
Transfers			
Allocated to other equity	6	1 278 239	9 721 296
Total transfers		1 278 239	9 721 296



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Ruukki Construction Oy
Org. nr. 996 890 341
Financial Statements 2019

Balance Sheet

NOK	Note	2019	2018
Assets			
Fixed assets			
Intangible assets			
Deferred tax	4		
Total intangible assets		0	0
Total fixed assets		0	0
Current assets			
Project under construction	2		58
Inventories, goods in transit			0
Accounts receivable		0	39 470 561
Prepayments and accrued income			
Other receivables, Group companies		35 661 323	10 452 944
Other receivables			20 165 269
Total receivables		35 661 323	70 088 831
Bank deposits, cash, etc.	3		
Total current assets		35 661 323	70 088 831
Total assets		35 661 323	70 088 831



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Ruukki Construction Oy

Org. nr. 996 890 341

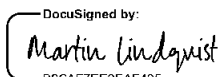
Financial Statements 2019

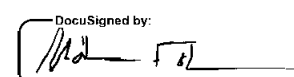
Balance sheet

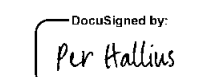
NOK	Note	2019	2018
Equity and liabilities			
Equity			
Paid-in equity			
Share capital		0	0
Total paid-in equity		0	0
Retained earnings			
Retained earnings	6	27 828 311	26 550 072
Total retained earnings		27 828 311	26 550 072
Total equity		27 828 311	26 550 072
Liabilities			
Non-current liabilities			
Deferred tax	4	0	0
Total long-term liabilities		0	0
Current liabilities			
Accounts payable		0	18 036 778
Tax payable	4	117 806	474 219
Advance payments			9 483 834
Public duties payable		7 715 206	14 327 238
Provision for losses		0	0
Provisions			1 216 690
Liabilities to Group companies		0	0
Other provisions			
Other current liabilities			
Total current liabilities		7 833 012	43 538 759
Total liabilities		7 833 012	43 538 759
Total equity and liabilities		35 661 323	70 088 831

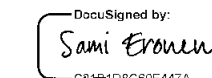
Helsinki / Oslo, 31.12. 2019

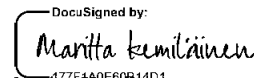
31.8.2020

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Martin Lindqvist
Chair of the Board

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Håkan Folin
Member of the Board

DocuSigned by:

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Per Hallius
Member of the Board

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Sami Eronen
Member of the Board

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Maritta Kemiläinen
Member of the Board



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Ruukki Construction Oy
Org. nr. 996 890 341
Financial Statements 2019

Cash Flow

NOK	Note	2019	2018
Cash flow from operating activities			
Profit before income tax expense		1 396 045	10 195 515
- Taxes paid		-117 806	-474 219
- /+ Gain / loss on sale of fixed Group4 0			
+ Depreciation 0			
+ Impairment fixed Group4 0			
+/- Change in stocks		58	739 628
+/- Change in accounts receivable		39 470 561	-6 762 509
+/- Change in payables		-18 036 778	14 137 816
+/- Difference between kostn.ført pensj. and payment / . in pensj.ordn.			
+/- Effect of exchange rate changes			
+/- Items classified as investment .- / finance. activities			
+/- Change in other accruals		-22 712 079	-17 836 232
= 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.



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Ruukki Construction Oy **Org. nr. 996 890 341** **Financial Statements 2019**

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.



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Ruukki Construction Oy **Org. nr. 996 890 341** **Financial Statements 2019**

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.



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Ruukki Construction Oy Org. nr. 996 890 341 Financial Statements 2019

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 GRØNLAND/NO-135 OSLO 13.12.2017- estimated 2020Q1

Provisions are made on the basis of contracts in 2018 are:	31.12.2019	31.12.2018
Unbilled (receivable)	-	18 683 313
Advances from customers (liabilities)	-	9 483 834

Note 2 Inventories etc.

	31.12.2019	31.12.2018
Project under progress	0	58
Total	0	58

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	6 479 054	47 599 769
Ruukki Norge AS / Tibnor AS - steel plates and support beams	-	-
RUUKKI CONSTRUCTION NORGE AS - design and project management	48 472	201 396
RUUKKI CONSTRUCTION OY - panel	2 477 542	13 288 472
UAB RUUKKI LIETUVA - steel frames	6 504 386	14 710 160
SSAB EUROPE OY - raw steel	14 105	5 628 803
TIBNOR OY - raw steel	62 407	1 278 986
RUUKKI Products AS	-	-
Total	15 585 966	82 707 587

Note 3 Tax withholding funds

31.12.2019 31.12.2018

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

Consolidated financial statement can be obtained by contacting:

www.ruukki.com and www.ssab.com



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Ruukki Construction Oy Org. nr. 996 890 341 Financial Statements 2019

Note 4 Tax

	2019	2018
Income tax expense for the year:		
Profit before tax	1 396 045	10 195 515
Permanent differences	-1 119 980	-9 011 180
Interest on assessed tax	0	0
Other deductions		
Change in temporary differences	259 417	877 485
Taxable income	<u>535 482</u>	<u>2 061 820</u>
Tax 22%	<u>117 806</u>	<u>474 219</u>
Tax payable on net income	<u>117 806</u>	<u>474 219</u>
Tax expense is calculated as follows:		
Tax payable on net income	117 806	474 219
Gross change in deferred tax		
Total tax payable	<u>117 806</u>	<u>474 219</u>
	<u>31.12.2019</u>	<u>31.12.2018</u>
Tax payable in the balance sheet		
Tax payable on net income	117 806	474 219
Total tax payable	<u>117 806</u>	<u>474 219</u>
Specification of temporary differences		
Receivables		
Taxable value of contracts	979 232	1 238 649
Fixed assets		
Pension		
Carry forwards		
Profit and loss account		
Total	<u>979 232</u>	<u>1 238 649</u>
22 % deferred tax (22% 2018)	<u>215 431</u>	<u>272 503</u>

Explanation of why tax is not 22% of profit before tax:

22% of profit before tax	307 130	2 344 969
Differences arising from the change in tax rate		
Permanent differences (22% and 22% 2018)	-246 396	-2 072 571
Temporary differences (22% and 22% 2018)	57 072	201 821
Calculated tax payable	<u>117 806</u>	<u>474 219</u>



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Ruukki Construction Oy
Org. nr. 996 890 341
Financial Statements 2019

Note 5 Wage costs

Wage cost specification	2019	2018
Wage	3 858 452	8 051 259
Employer's social security contribution	67 326	153 156
Pension cost		
Other wage-related costs		
Total	3 925 778	8 204 415

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 EY Finland and the remuneration for the Norwegian company is included in the Finish entity's financial statements.



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Ruukki Construction Oy
Org. nr. 996 890 341
Financial Statements 2019

Note 6 Equity

	Share capital	Total
Equity 01.01.	26 550 072	26 550 072
Profit/loss for the year	1 278 239	1 278 239
Equity 31.12.	27 828 311	27 828 311

Note 7 Subsequent events

The global pandemic has created great uncertainty in the construction sector and demand is expected to decrease during the first half of the year. So far, operations in our installation sites and factories have continued as planned. The extent and predictability of the impact of the pandemic on the construction sector is very weak.



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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 2019 were NOK 59,1 million against NOK 237,7 million in 2018. The NUF received an accounting ordinary profit before tax of NOK 1.4 million against NOK 10.2 million in 2018. Lower figures compared to previous year are mainly due to the partial demerger where project business was separated from Ruukki Construction Oy in May 2019. 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 31.12.2019 amounted to NOK 35.7 million for Ruukki Construction Oy- NUF. Ruukki Construction Oy- NUF projects had a positive cash flow in 2019, and the liquidity status at 31.12.2019 and through the year was healthy.



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Business outlook

SSAB's subsidiary Ruukki Construction corporatized Building Systems into independent business this year. The Building Systems -business were transferred to Ruukki Building Systems according to the Finnish Limited Liability Companies Act Ltd by a partial demerger, where Ruukki Building Systems Oy continues the Building Systems –business. The Building Products -business and all the other businesses remain with Ruukki Construction Oy.

The Building Systems –business was transferred to Building Systems Oy with related assets, agreements, debts, obligations, liabilities, provisions and licenses. Assets and liabilities were transferred in the demerger according to the principle of continuity in bookkeeping using the book values at the time of the registration of the implementation of the demerger. The partial demerger was implemented as tax-neutral in accordance with the Finnish Business Income Tax Act section 52 c. The implementation date of the partial demerger was 31 May 2019. From 1 June operations continued under the name Ruukki Building Systems Oy.

Ruukki Building Systems Oy continues its operations under Rautaruukki Oyj's ownership and under Ruukki –brand. 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.



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Ruukki Construction Oy's installation business had: 3,3% sick leave in 2019 which was lower than last years and we reached the year 2015 level (6,15% in 2018, 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

Company operates in compliance with certified ISO 14001 environmental, ISO 9001 quality and ISO 45001 occupation health and safety management systems.

In 2019 operating environment of Ruukki Construction business has stabilized to a good level.

However, the global pandemic has created great uncertainty in the construction sector and demand is expected to decrease during the first half of the year. So far, operations in our installation sites and factories have continued as planned. The extent and predictability of the impact of the pandemic on the construction sector is very weak.

Oslo / Helsinki 31.08.2020

Ruukki Construction Oy

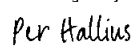
Board of directors

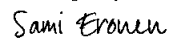
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Martin Lindqvist
Chair of the Board

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Håkan Folin
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Per Hallius
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Sami Eronen
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Maritta Kemiläinen
Member of the Board