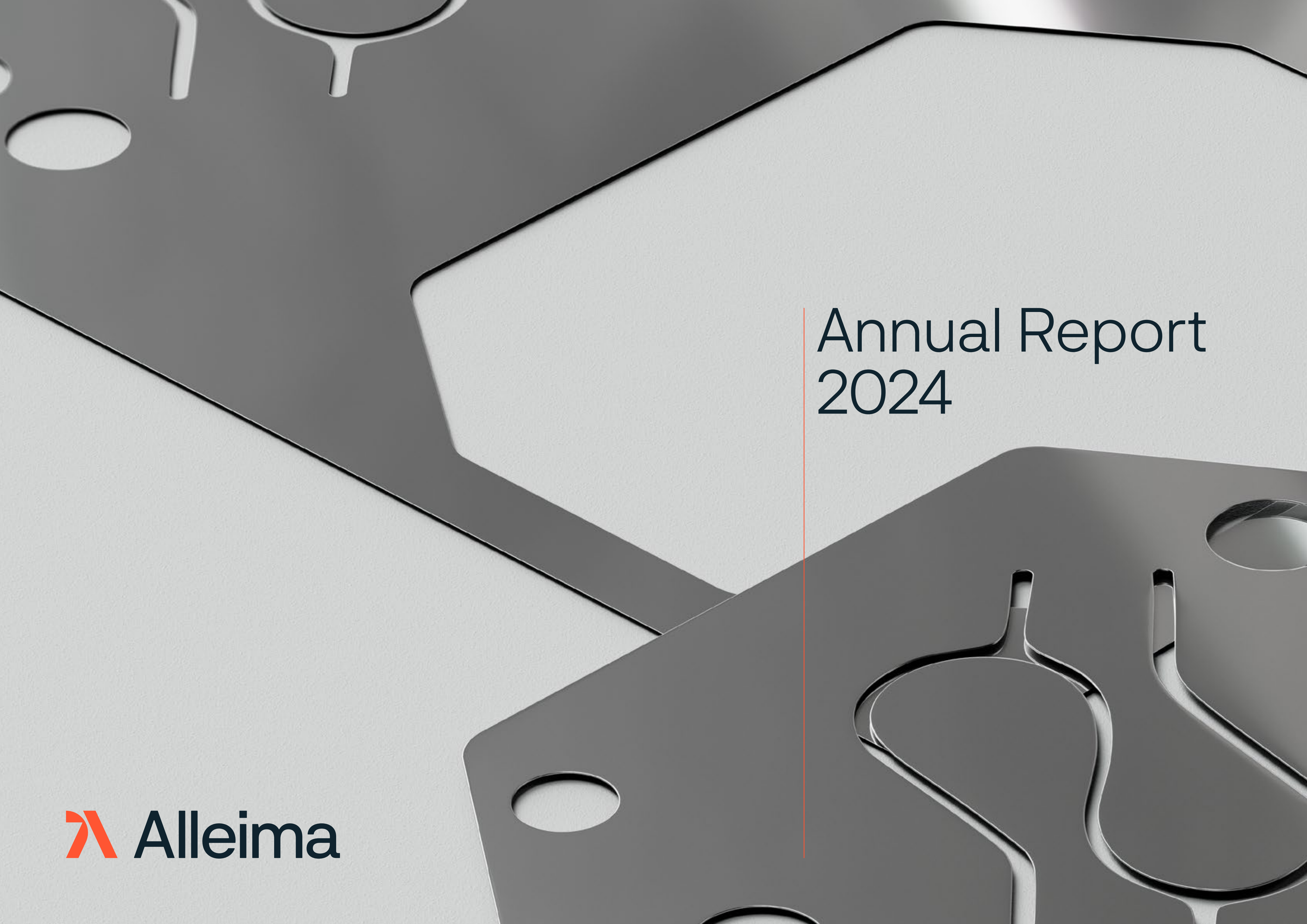


Annual Report 2024

Alleima

Contents

The formal Annual Report comprises pages 29–73 and 78–92. The statutory Directors' Report comprises pages 30–37 and 79–92. The statutory Sustainability Report includes pages 11, 32, 34, 36 and 93–126. The Sustainability Report, prepared in accordance with the GRI Standards, is defined in the GRI index on pages 124–126.

Enabling a sustainable transition

The core of Alleima's operations is advanced materials technology. With close and long-standing customer relationships, Alleima develops high value-added products in advanced stainless steels as well as products for industrial heating. Alleima makes its customers' products and processes safer, more sustainable and more efficient. Alleima's materials enable the energy transition, energy efficiencies and improved quality of life.

>80
sales in more than 80 countries

~6,800
employees*

~100
years with electric melting of steel

81%
recycled steel in production

>900
active alloys in the product portfolio

*Total workforce includes employees and third-party workers and is based on full-time equivalents.

Premium offering in three divisions

Tube

Seamless tubes and other long products primarily for the Oil and Gas, Industrial, Chemical and Petrochemical, Mining and Construction, Nuclear, and Transportation customer segments, as well as the Hydrogen and Renewable Energy segment.

Kanthal

Heating technology and heating resistance materials for the Industrial Heating, Consumer and Industrial segments, and ultra-fine wire and components in stainless steel and precious metals for the Medical segment.

Strip

Precision strip steel for products, primarily for the Consumer, Industrial, Transportation, and Medical customer segments, as well as coated strip steel for the Hydrogen and Renewable Energy segment.

Key figures

Revenues, SEK million
19,691

Organic revenue growth
1%

Adjusted EBIT, SEK million
1,944

Adjusted EBIT margin
9.9%

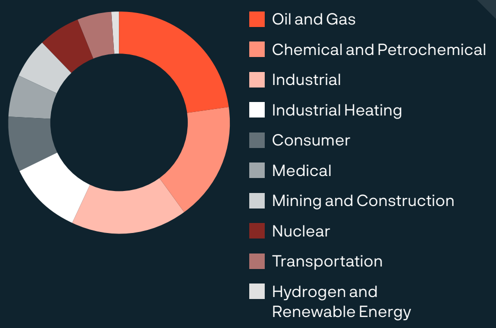
Free operating cash flow, SEK million
1,266

Adjusted earnings per share, SEK
6.27

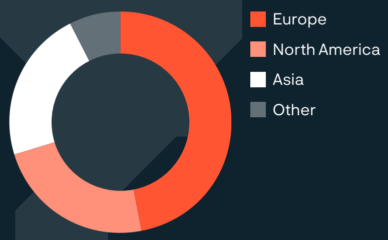
Proposed dividend per share, SEK
2.30

Net debt/equity ratio
-0.04x

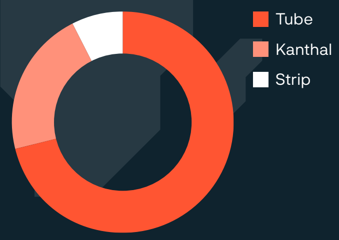
Revenues by customer segment



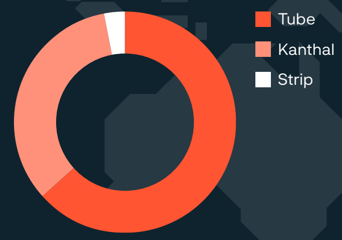
Revenues by geography



Revenues by division



Adjusted EBIT by division



Note: Adjusted key figures exclude metal price effects of SEK -446 million.
Revenues are recognized in the purchaser's region, not the end user's.

Key events

Growth investments

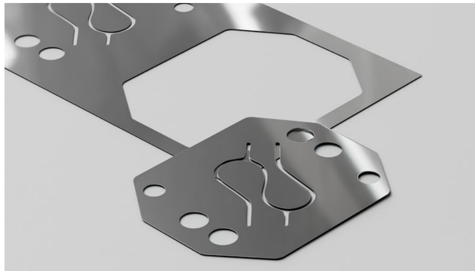
Alleima has multiple ongoing organic initiatives to expand capacity, and during the year, additional significant projects were approved to enable growth.

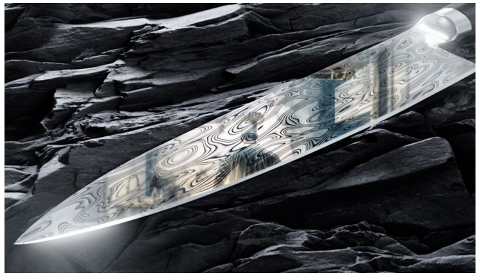
In the Kanthal division, a capacity expansion for electric heating solutions began in Sakura, Japan. It was also decided to establish a new production facility for ultra-fine medical wire in Penang, Malaysia.

In the Tube division, installation of a new vacuum arc remelting furnace began in Sandviken, which will enable growth for the product portfolio of high-alloy nickel grades. A decision was also made to expand the capacity for steam generator tubing for the nuclear power industry through the re-opening of a facility in Sandviken, Sweden.

Innovations and product development

Several products were launched during the year, including the Tube division's SAF™ 3007, a super-duplex stainless steel for umbilical tubes in the Oil and Gas segment. The Kanthal division developed a test bench that simulates application-like environments for high-temperature electric process gas heaters. The Strip division launched the next generation of compressor valve steel: Freeflex® Versa, with material properties that enable increased energy efficiency, and also continued the industrialization of its premium Damascus steel under the Damax™ brand.



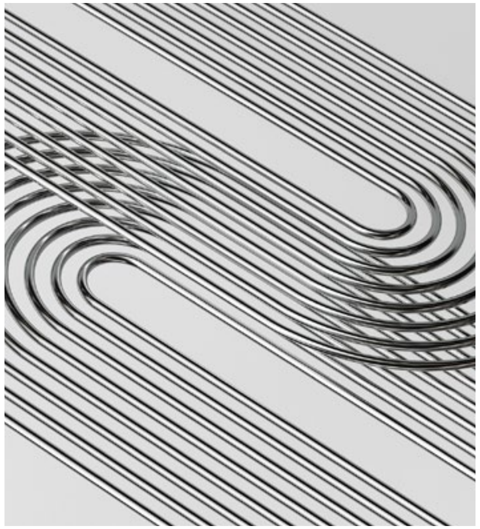


Alleima Guru

The generative AI solution Alleima Guru was launched as a pilot project, and implementation in Alleima's research and development activities is in progress. Alleima Guru enables faster development of new hypotheses through immediate access to the approximately 60,000 research reports that Alleima has collected over its 160-year history. Efficient hypothesis testing of advanced materials technology will shorten the lead-time to develop the solutions of tomorrow.

Value-creating partnerships

Several new commercial partnerships were secured with the aim of being able to offer even more complete solutions to customers. For example, Kanthal signed a strategic partnership with Danieli to develop and industrialize full-scale electric process gas heaters for DRI-plants (direct reduced iron), which will lead to lower CO_2 emissions in iron production.



Robust energy market in an ongoing transition

The need for energy continued to increase, and demand in Oil and Gas and Nuclear was solid. During the year, the first commercial order for steam generator tubes for small modular reactors was delivered. In addition, demand for specific applications in renewable energy continued to strengthen.

Acquisition of Endox

In December, Alleima signed an agreement to acquire Endox Feinwerktechnik, a German manufacturer specializing in medical components for endoscopic applications. With strengthened and complementary capabilities, the acquisition enables forward-integration in the value chain of the medical industry. Endox's product offering, certifications, and existing customer base also increase Alleima's addressable market.

Leading sustainability initiatives

Life cycle assessment, or LCA – a method for quantifying and reporting climate impact – has been introduced for several products. This means that reviewed carbon footprint data on solid bar products used in segments such as Industrial, Oil and Gas, Chemical and petrochemical, and Transportation were presented. Alleima also received several awards for its sustainability initiatives, including a gold medal from EcoVadis, which many of the Group's global customers use to assess suppliers' sustainability initiatives.

A strengthened Alleima

During the year, we carried out and decided on several investments and continued to execute on our strategy to grow in less volatile and more profitable segments.

Market environment
We have a clear benefit from our diversified exposure to industries in different stages of the business cycle. In 2024, we navigated a turbulent macro environment and an uncertain global geopolitical situation, which impacted parts of our business. For example, energy demand continued to grow, with an increased need for a secure and reliable energy supply, while the shift towards renewable energy slowed down. The economic environment was difficult to assess during most of the year, particularly in Europe and North America.

For our business, this meant a mixed market development. Demand in mainly the Nuclear and Medical segments, remained high and increased compared with last year. Demand in the Oil and Gas segment was stable at high levels. Demand in the Chemical and Petrochemical, Industrial Heating and Industrial segments weakened slightly, with the trend varying between regions.

Financial performance
Our revenues grew organically by 1% and adjusted EBIT amounted to SEK 1,944 million (2,141), with an adjusted EBIT margin of 9.9% (10.4). We thus maintained a relatively stable earnings trend, despite mixed market conditions and relatively low production volumes in parts of the business. We are continuously working to optimize our production capacity, focusing on higher refinement. This has had a positive impact on profitability and the stability of the margin. Free operating cash flow amounted to SEK 1,266 million (1,688) for the full year, impacted by high activity levels in our ongoing growth investments. Our financial position, along with opportunities to execute on our strategy, remains strong.

> "Overall, I consider 2024 to be yet another successful year in the history of Alleima"

Structural portfolio shift
We are well positioned for profitable growth through our exposure to global megatrends. Business development and growth investments are key elements of the strategy for long-term improvement and a more profitable product mix. We intend to continue improving the mix across our entire product portfolio to achieve lower volatility and higher profitability. In practice, this means a clear capital allocation strategy towards selected priority segments, but also continuing to develop product offerings in other attractive niches. More segments are

> "During the year, we worked consistently with our strategy of strengthening the company further"

now contributing to our performance compared with only a few years ago. For example, we have more than quadrupled our sales in the Medical segment in five years, and most of this growth has been organic. At the start of 2025, we also acquired Endox, a German manufacturer specializing in medical components, which further strengthens our offering in the Medical segment. Over time, the Chemical and Petrochemical, Industrial Heating and Nuclear segments have also grown to account for a larger share of our total sales.

Based on customer needs

We decided on new projects to further strengthen the business and now have a number of organic initiatives under way. For the Kanthal division, projects in Industrial Heating and Medical were initiated through expansion in Japan and an establishment in Malaysia, both driven by customer demands. These initiatives are excellent examples of how we strive for local presence and close collaboration with our customers to effectively identify and address their challenges, as well as to reduce lead times.

Strong position in the energy sector

Through our strong market position in the energy sector, we intend to continue enabling the energy transition going forward, while we stand strong in traditional types of energy. The project pipeline for our Oil and Gas business remained promising, and we see a continued substantial need for investments in the sector.

The energy transition is moving somewhat slower than expected, although there are areas that are growing at a good pace. One such area is the Nuclear segment, where demand for steam generator tubes for both conventional and new nuclear power technologies, such as small modular reactors (SMRs), is growing. During the autumn, we started a project to re-open one of our steam generator tube factories in Sandviken, which is scheduled to be operational in late 2026. The decision is proving to be very timely, as we have now built our order books for both the existing and the new production facilities for several years to come.

We are also seeing increasing activity in biofuels, where our advanced heat exchanger tubes is enabling a shift to renewable alternatives.

Enabling a sustainable transition through business development and R&D

With a fully integrated value chain, from in-house R&D to production and sales, we are well positioned for technology and price leadership. About half of our R&D budget is allocated to sustainable segments, and during the year the Strip division launched Freeflex® Versa, a compressor valve steel with material properties that enable increased energy efficiency. The Kanthal division developed a test bench that simulates application-like environments for high-temperature electric process gas heaters. In the Medical segment, we continued to develop materials for next-generation applications together with our customers. Total share of revenues from what we define as sustainable segments, amounted to 24 % of the Group's revenues, and this remains a key priority area in the long-term.

> "With a fully integrated value chain, we are well positioned for technology and price leadership"

A workplace to be proud of

We received several awards, including once again being named one of Sweden's most attractive companies by Karriärföretagen, and we are also see a growing interest in our company among students. This is very gratifying and reassuring for future skills supply.

Safety for our employees is a top priority. Focus on safety has been further strengthened in the divisions with several targeted and ongoing activities and improvement measures.

A strengthened Alleima

We have now concluded another successful year in Alleima's history, where we purposefully executed our strategy both through decisions on new growth investments and continued implementation of ongoing projects. Thus, we also perform in line with our strategic and financial goals. We enter 2025 with a solid order book and tailwinds in several of our customer segments, while we face challenges in others. During the year, we will continue to strengthen the company through ongoing growth initiatives and to capture the opportunities that come from our favorable exposure to attractive segments. Through our strong financial position, we have continued opportunities to execute our strategy and continue to create shareholder value.

Göran Björkman,
President and CEO

Alleima as an investment

Advanced materials technology that makes a difference...

Leading market positions in the premium segment based on high metallurgical expertise

— Critical components for customers' specific applications that contribute to increased safety, sustainability, efficiency, and profitability

— Market leader in niche end-markets where demands on advanced materials are high

— Diversified customer segments and presence in several geographic regions

Read more on pages 14–16

Market positions (examples)	
Industrial heating	1
Umbilical tubing	1
Steam generator tubing	1
Aerospace titanium tubing	1
Compressor valve steel	1
Medical wire	2

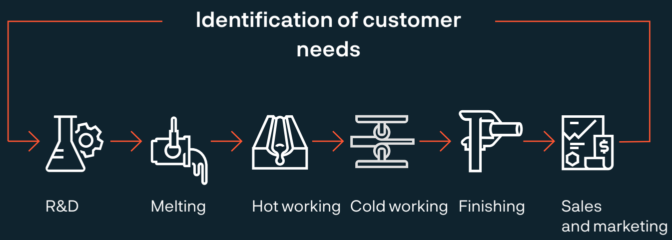
Note: Market position refers to market share in Alleima's addressable market, based on the company's own aggregated assessment.

A fully integrated value chain enables technology and price leadership

— Decreases dependence on external suppliers and creates high barriers to entry

— Enables product and application development across the entire value chain, based on the customer's needs

Read more on page 17



Financial stability

— Strengthened resilience throughout the business cycle

— Countercyclical cash flow profile

— Solid financial position

-0.04x

2024, Net debt/equity ratio

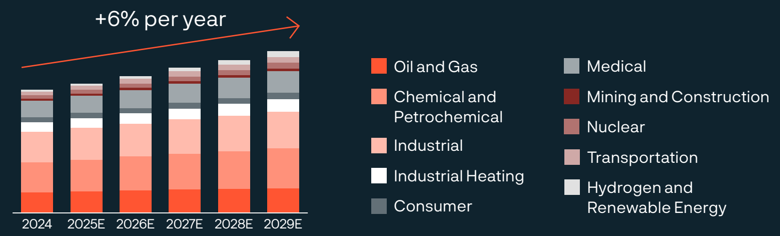
...with good opportunities for continued value creation

Well positioned on the basis of several megatrends

— Increased energy demand, energy transition, energy efficiency and electrification
— Growing and aging population, with growing need for healthcare
— Development in growth markets
— Increased need for more advanced materials

Read more on pages 14–15

A growing addressable market



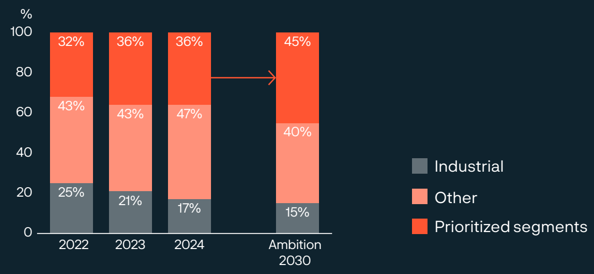
Note: The graph illustrates Alleima's aggregated assessment of its addressable market.

Profitable growth in attractive niches

— Industrial Heating, Medical, Chemical and Petrochemical, and Hydrogen and Renewable Energy are identified strategic growth areas
— Well-positioned product portfolio for leveraging growth in Asia
— Strong position in the energy sector, including oil and gas, nuclear power and renewable energy
— Solid financial position enables growth investments and acquisitions

Read more on pages 18–22

Share of revenues

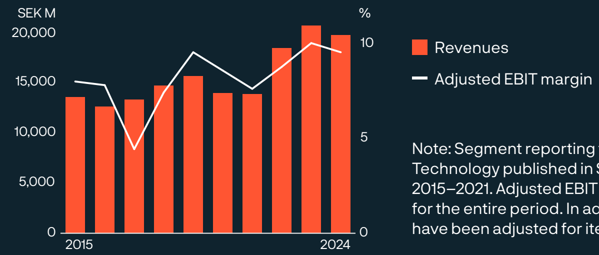


Improved margin profile over the long term

— Shift in product mix toward more profitable and less cyclical segments
— Continuous productivity improvements and footprint optimizations
— Value-based pricing model for strengthened price leadership
— Ongoing projects for improved inventory management

Read more on pages 18–22

Revenues and adjusted EBIT margin



Note: Segment reporting for Sandvik Materials Technology published in Sandvik's financial reports, 2015–2021. Adjusted EBIT excludes metal price effects for the entire period. In addition, 2015 and 2017–2022 have been adjusted for items affecting comparability.

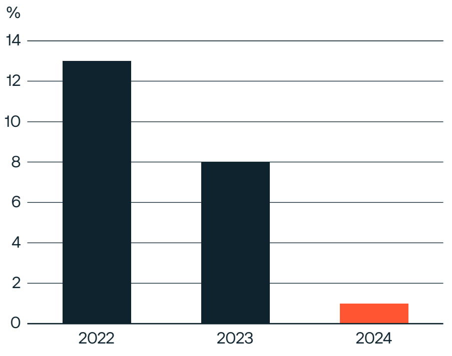
Financial targets

Alleima has four long-term financial targets.

Growth

Deliver profitable organic revenue growth in line with or above growth in targeted end-markets over a business cycle.

Organic growth

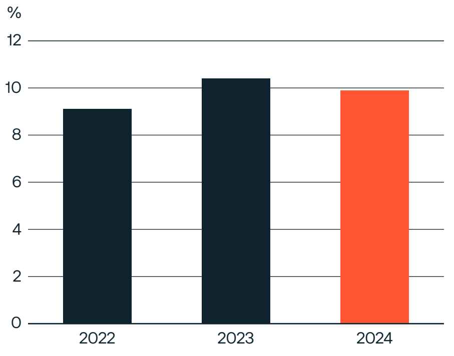


Organic revenue growth of 1% for 2024. The organic growth over the three-year period that the target has been in effect averages 7%.

Earnings

Adjusted EBIT margin (excluding metal price effects and items affecting comparability) to average above 9% over a business cycle.

Adjusted EBIT margin

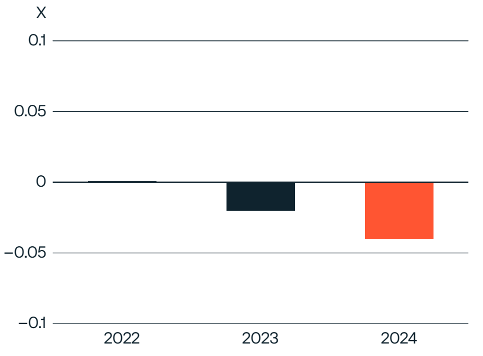


Adjusted EBIT margin of 9.9% for 2024. The average for the three-year period that the target has been in effect is 9.8%.

Capital structure

Net debt in relation to equity below 0.3x.

Debt/equity ratio

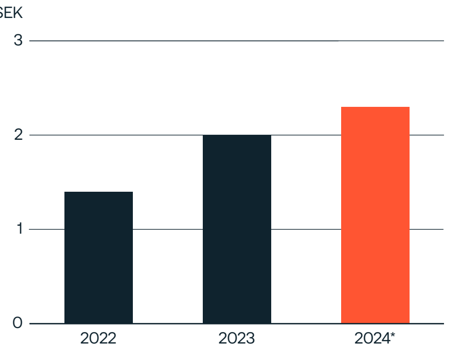


At the end of 2024, net debt in relation to equity was -0.04x.

Dividend policy

Dividend on average 50% of profit for the period (adjusted for metal price effects) over a business cycle. Dividend to reflect financial position, cash flow and outlook.

Dividend per share



* Proposed dividend

The Board proposes a dividend of SEK 2.30 per share. The proposal corresponds to 37% of profit for the period (adjusted for metal price effects) for 2024. The average for the three-year period that the target has been in effect is 37%.

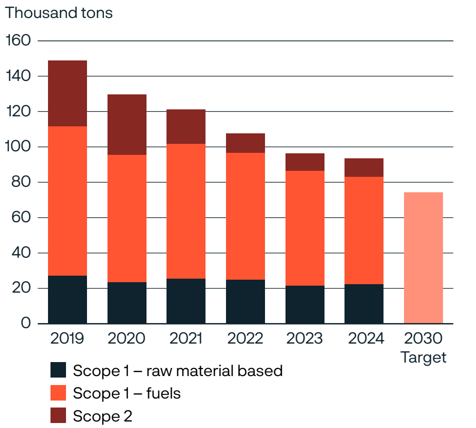
Sustainability targets

Alleima has long-term sustainability targets in four main areas. A presentation of all sustainability targets and performance can be found in the Sustainability Report on page 101.

Climate

Reduce Scope 1 and 2 CO_2 emissions by more than 50% by 2030, compared with 2019.

Greenhouse gases



CO_2 emissions from own operations amounted to 93 ktons, corresponding to a decrease of 3% during the year and 37% since 2019.

Market leader in sustainability

Grow the product portfolio of applications for the green transition, electrification, energy efficiency and improved quality of life at a faster pace than total growth.

Sustainable product portfolio*

24%

of the Group's total revenues

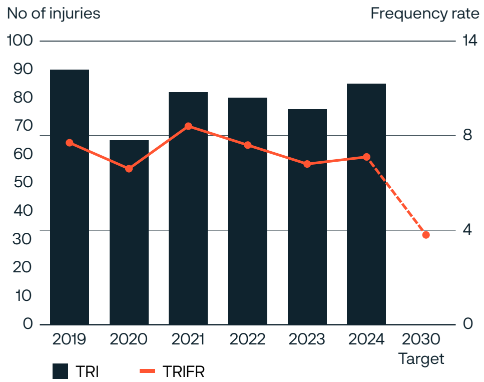
The sustainable product portfolio amounted to 24% of the Group's total revenues, corresponding to growth of 0%, compared with -5% for the Group's total growth.

* Sustainable product portfolio includes the Hydrogen and Renewable Energy segment (hydrogen gas, CCS, biofuels, solar, wind and geothermal energy), products in the Nuclear, Industrial Heating and Medical segments, and compressor valve steel in the Consumer segment.

Health and safety

Reduce total recordable injury frequency rate (TRIFR) by more than 50% by 2030, compared with 2019.

Health and safety, TRIFR

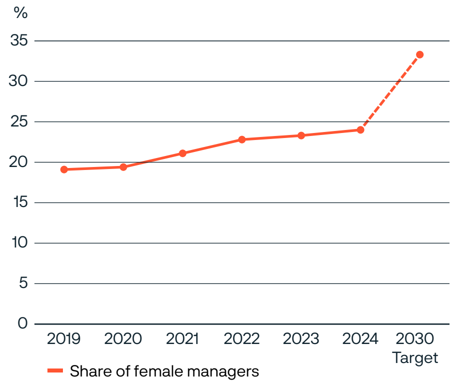


During the year, the total recordable injury frequency rate (TRIFR) was 7.1, corresponding to an increase of 5% during the year and a decrease of 8% since 2019.

Diversity and inclusion

The share of female managers will be one-third of the total number of managers by 2030.

Share of female managers



Alleima is working long-term to increase diversity and inclusion. A number of targeted initiatives for a more equitable gender distribution have yielded results. The goal is to increase the share of women in total, as well as at managerial level. The share of female managers amounted to 24%.

The share

Alleima has been listed on Nasdaq Stockholm's Large Cap since August 31, 2022.

Share price performance

In 2024, the price of the Alleima share decreased by 2%. During the same period, the OMX Stockholm All Share Index increased by 6%. At the end of the year, the closing price for the share was SEK 75.10, corresponding to a market capitalization of SEK 18.8 billion. In 2024, the highest closing price for the share was SEK 82.30, which was recorded on December 9. The lowest closing price during the year was SEK 63.40, recorded on May 16. The total return on the Alleima share was 1%, compared with 9% for the OMX Stockholm All Share Index. From Alleima's listing on August 31, 2022 to December 31, 2024, the share price has risen 76%, corresponding to a total return of 86%.

Dividend and dividend policy

Alleima has a long-term dividend policy to distribute on average 50% of profit for the period (adjusted for metal price effects) over a business cycle, with dividends to reflect financial position, cash flow and outlook. The Board of Directors has proposed a dividend of SEK 2.30 per share to the 2025 Annual General Meeting, corresponding to approximately SEK 577 million and a dividend yield of 3.1% based on the share price at year-end. The dividend proposal corresponds to 37% of profit for the period (adjusted for metal price effects).

Share trading

In 2024, a total of 252 million shares were traded on Nasdaq Stockholm, to a total value of SEK 18 billion. The average daily turnover of the share was approximately 460,000 on Nasdaq Stockholm.

Shares and share capital

At the end of 2024, the registered share capital was SEK 250,877,184, represented by 250,877,184 shares, each with a quota value of SEK 1. The share capital comprises one class of shares, with all shares carrying equal voting rights and equal rights to dividends. Alleima does not hold any shares in treasury.

Ownership structure

The total number of shareholders according to the Monitor shareholder platform was 107,306 at the end of 2024. The shares held by the ten largest shareholders corresponded to approximately 54% of the share capital and the same amount of voting rights. Swedish institutions and mutual funds owned approximately 58% of the share capital, international investors owned approximately 18% and Swedish private investors approximately 17%. Other ownership was 7%.

Shareholder communication

Information about the company in the form of reports, presentations and financial data is available at www.alleima.com/en/investors/.

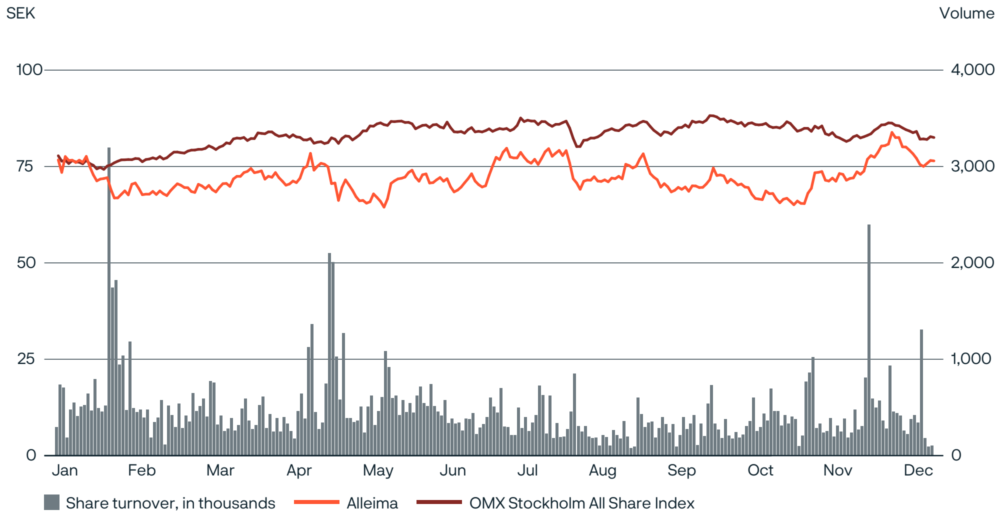
2.30

Proposed dividend per share, SEK

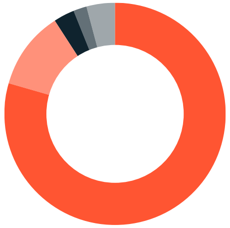
List of covering analysts

ABG Sundal Collier	Adrian Gilani
Carnegie	Igor Tubic
Danske Bank	Viktor Trollsten
DNB	Johannes Grunselius
Handelsbanken	Hanna Grimborg
Nordea	Anders Åkerblom
Pareto	Alexander Vilval
SEB	Kaleb Solomon

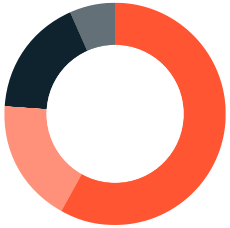
Share price development, January 1–December 31, 2024



Ownership by geography



Ownership by category



Share information

Exchange	Nasdaq Stockholm
Ticker	ALLEI
ISIN code	SE0017615644
Highest price paid	SEK 82.30
Lowest price paid	SEK 63.40
Price at the year's start	SEK 76.62
Share price at year-end	SEK 75.10
Market cap. at year-end	SEK 19 billion
Number of shares	250,877,184

Ownership list, December 31, 2024

Shareholders	Total number of shares	Shares and votes, %
Industrivärden	51,200,000	20.41%
Lundbergföretagen AB	25,200,000	10.04%
First Swedish National Pension Fund	11,775,000	4.69%
Swedbank Robur Funds	10,947,540	4.36%
AFA Insurance	8,857,007	3.53%
Vanguard	7,100,752	2.83%
Göranssonska Stiftelserna	5,936,540	2.37%
SEB Investment Management	5,930,400	2.36%
BlackRock	5,295,037	2.11%
Handelsbanken Funds	4,438,603	1.77%
Ten largest shareholders	**136,680,879**	**54.48%**
Other shareholders	**114,196,305**	**45.52%**
Total	**250,877,184**	**100%**

Note: Shareholder data is collected, compiled, and processed from various sources including Modular Finance AB, Euroclear, Morningstar, and shareholders.

Share capital development

The table below shows the development of the company's share capital since its incorporation on October 7, 2019.

Year	Event	Change in number of shares	Change in share capital, SEK	Total number of shares	Total share capital,SEK	Quota value, SEK
2019	Incorporation	–	–	1,000	50,000	50
2022	Share split	49,000	–	50,000	50,000	1
2022	Directed share issue	250,827,184	250,827,184	250,877,184	250,877,184	1

Leading in niche markets

Alleima operates in four main niche market segments: advanced stainless steel, special alloys, electric heating systems as well as medical wire and components.

Advanced stainless steel

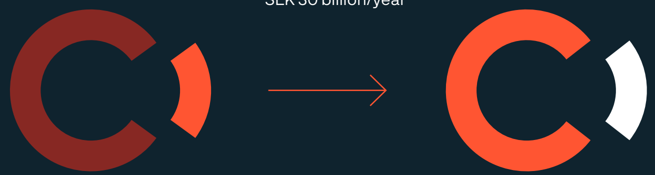
The market for advanced stainless steel is a specialized niche in the steel industry and includes high value-added products with stringent standards for specific tolerances, high product quality and advanced process control. The market is estimated at approximately 2–4 million tons per year.

Special alloys

The special alloys market includes materials with even higher levels of refinement than the advanced stainless steel market. This is a niche market of about 250–300 ktons per year, consisting of special alloys with superior properties and performance.

Electric heating systems

The market for industrial furnaces comprises both gas-fired and electric furnaces, and Alleima is active in the niche for electric furnace heating systems. The current market share of electric furnaces is 25% and is expected to grow, driven by the energy transition. The size of the market is currently estimated at around SEK 9 billion in annual turnover.



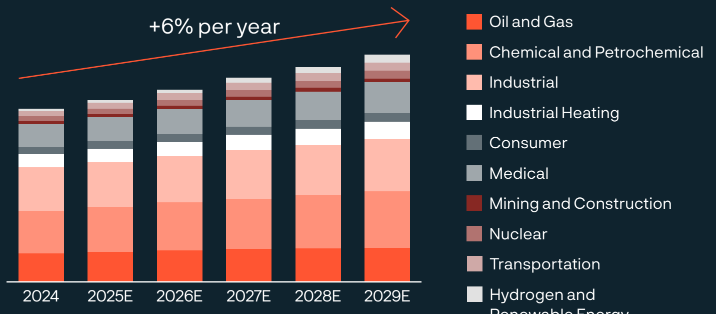
Medical wire and components

The market for ultra-fine wire and components for medical devices is a growing niche market, with Alleima operating in remote monitoring, cardiovascular devices, orthopedic implants and neuroscience applications. The size of the market is estimated at around SEK 13 billion in annual turnover.

Global trends driving growth

Alleima is well positioned to capture opportunities from several global megatrends. Trends driving demand for Alleima's offering include electrification of the industrial and transportation sectors, increased and changing demand for energy, demographic changes and the development of emerging markets. Overall, this is expected to lead to increased demand for advanced and high value-added materials, providing good conditions for long-term profitable growth.

A growing market



Note: The graph illustrates Alleima's aggregated assessment of its addressable market.

Alleima's addressable market is expected to have an annual growth rate of 6% between 2024 and 2029.

Electrification of industry and transportation

Electrification of industrial processes and vehicles is expected to drive increased demand in the customer segments of Industrial Heating and Transportation. Electricity is expected to play an increasingly important role in the global energy mix moving forward.

Increased and changed demand for energy

Global demand for energy, particularly renewable energy, is expected to increase in pace with economic development and population growth. This will primarily drive demand in the customer segments of Hydrogen, Renewable Energy, Nuclear, and Oil and Gas.

Demographic changes

The global population is expected to continue growing, driving increased consumption and energy use. At the same time, the proportion of people over the age of 60 is increasing, leading to a greater need for investments in healthcare and the development of innovative medical solutions. This trend is also expected to lead to higher industrial production.

Development in growth markets

The rising standard of living and industrial development in emerging markets are supporting growth in all of Alleima's customer segments, particularly in the Chemical and Petrochemical segment in Asia.

Customer segments

The need for advanced materials technology is growing, both within existing industries and in line with the transition to a more sustainable society. Alleima's customers are active in several different segments, and the offering comprises products such as seamless stainless steel tubes, electric heating technology and resistance materials, ultra-fine wire and components for medical applications, precision strip steel, and coated strip steel for hydrogen applications.

Oil and Gas

Tubes for extraction and production of oil and gas, advanced stainless steel umbilical tubes, control lines, corrosion-resistant alloys and oil country tubular goods (OCTG).

23%

Chemical and Petrochemical

Hydraulic and instrumentation tubing, heat exchanger tubing, process piping, high-temperature applications, and high-pressure equipment for chemical and petrochemical processes.

17%

Industrial

Solid and hollow bar, high-pressure and composite tubing, as well as semi-finished ingots and blooms, and billets for industrial production.

17%

Industrial Heating

Metallic and ceramic heating elements and diffusion cassettes for heat-treatment furnaces, production of lithium-ion batteries, ceramics and steel, and electronic appliances.

11%

Consumer

Precision strip steel products in advanced stainless steel for razor blades, knives, cutting tools and compressor valve steel, and heating material for electronic appliances.

8%

Medical

Ultra-fine wire and wire-based components for medical devices such as glucose monitors, pacemakers, and for neurostimulation, as well as precision strip steel and small diameter tubing.

6%

Mining and Construction

Drill steel for hydraulic rock drilling rigs in mines and infrastructure construction work.

6%

Nuclear

Steam generator tubing, cladding tubes, as well as tubing and piping for the nuclear power industry.

6%

Transportation

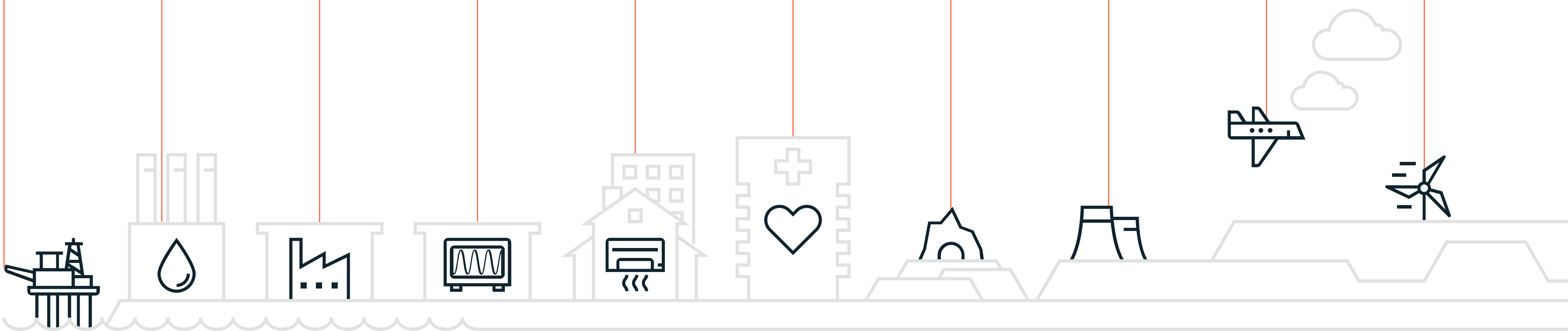
Stainless steel and titan tubes used in aircraft hydraulic systems and jet engines, serving the commercial, defense and space aircraft segments, and gasoline direct injection (GDI) tubes for cars and trucks.

5%

Hydrogen and Renewable Energy

Tubes for hydrogen applications, concentrated solar power, geothermal energy, bioenergy and biofuels, offshore wind, and carbon capture and storage, as well as coated strip steel for fuel cells and electrolyzers.

1%



Note: Percentage refers to share of total revenues 2024.

A value-creating and sustainable business model

Alleima's business model aims to deliver profitable growth and create added value for its stakeholders. Sustainability is a key and integral part of the entire value chain.

Customer collaborations and identification of customer needs

1 Customer needs are met in a fully integrated value chain...

- Sustainability across the entire chain
- Independence, transparency and quality
- Industry-leading technology
- Customer relationships and materials development

2 ...that delivers materials and products that:

- are corrosion resistant
- withstand high temperatures or high pressure
- are lighter and thinner, with smaller diameters
- have mechanical strength

3 ...and create value for people and society

- Increasing energy efficiency and reducing CO_2 emissions
- Enabling technologies for the energy transition
- Reducing materials usage
- Contributing to safety and quality of life
- Creating shareholder returns

Research and development
Innovations that support energy efficiency, reduced CO_2 emissions, safety, quality of life and the energy transition.

Sourcing and buy-back of raw materials
Responsible sourcing of materials, buy-back programs for customers, recycling system for internal scrap and waste heat recovery.

Melting of steel in electric arc furnace
100% fossil-free electricity in the process, 81% recycled steel in the end product and metal recycling of residual products.

Hot working
CO_2 efficiency through the use of biogas and electric furnaces as well as metal recycling of residual products.

Cold working
Finishing into processed end products and metal recycling of residual products.

Logistics
Electric and biofuel-powered vehicles used for internal logistics and material transportation as well as continuous sustainability optimization of external transportation.

Marketing and sales
Marketing and sales in line with highest ethical standards and data from life cycle assessments for several products.

Product use
End products that enable energy efficiency, reduced CO_2 emissions, the energy transition, reduced materials usage as well as safety and quality of life.

Buy-back/Recycling

Strategy for long-term value creation

Alleima's strategy for long-term value creation is based on four pillars: profitable growth, being a materials innovator and technology leader, operational and commercial excellence, and industry-leading sustainability. The foundation is a common operating model that comprises in-house research and development, a fully integrated value chain and a decentralized organization.

Four strategic pillars

Profitable growth	Materials innovator and technology leader	Operational and commercial excellence	Industry-leading sustainability

Common operating model

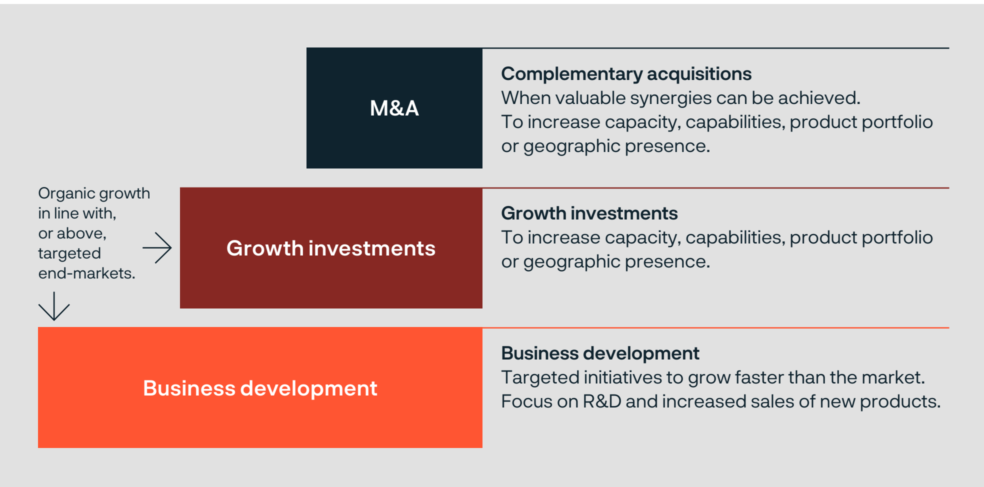
Own R&D — Fully integrated value chain — Decentralized organization

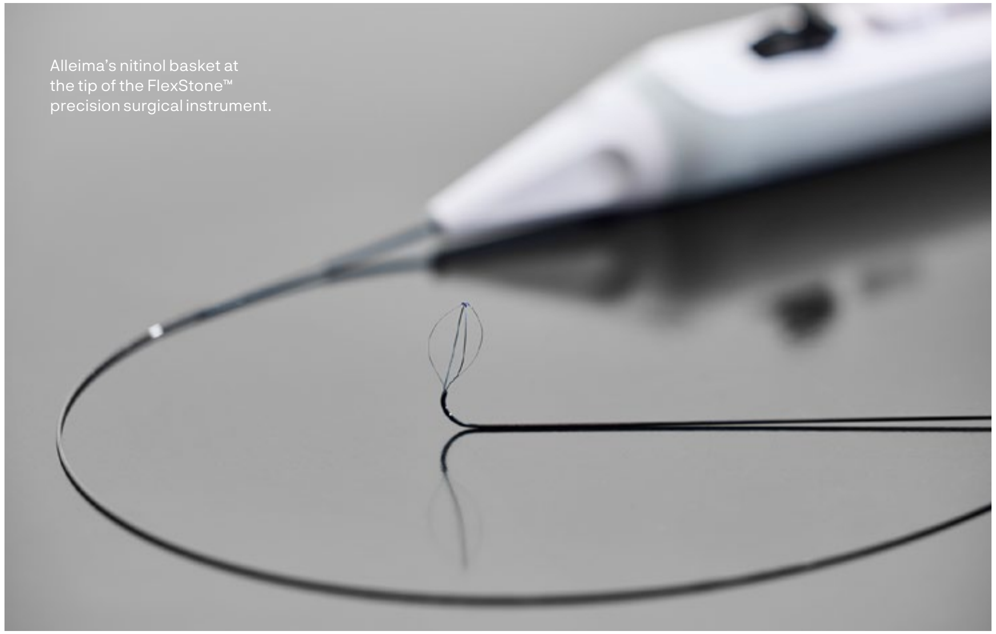
Profitable growth

Alleima is well positioned for profitable growth through its exposure to global megatrends. Business development and growth investments are key elements of the strategy for a long-term improved and more profitable product mix in all customer segments, with complementary acquisitions in selected niches.

Capital allocation focusing on prioritized segments
Alleima has a capital allocation strategy where business development, growth investments, and acquisitions will primarily be prioritized for the four customer segments of Industrial Heating, Medical, Chemical and Petrochemical, and Hydrogen and Renewable Energy. Within these segments, which are characterized by higher growth, lower cyclicality and capital intensity, Alleima has a leading market position and good growth opportunities. The ambition is that 45% of sales will come from the prioritized segments by 2030, and to improve the product mix within all other customer segments.

Strong position in energy – today and in the future
Alleima has held a strong position in the energy sector for a long time. The industry is undergoing a transition towards more sustainable energy production, where Alleima will play a crucial role thanks to long-standing customer relationships and leading metallurgy. The company is establishing an increasingly strong footprint in renewable energy, such as solar, wind, and geothermal power, as well as in hydrogen and biofuels. The Nuclear segment, where Alleima has been active for over 60 years, is also expected to grow as the need for fossil-free energy increases. Additionally, the Oil and Gas segment is expected to contribute significant business for a long time to come. During the year, Alleima launched a new alloy with clear advantages for both customers and the environment, where the tubes can be made thinner, thereby reducing material consumption.




Alleima's nitinol basket at the tip of the FlexStone™ precision surgical instrument.

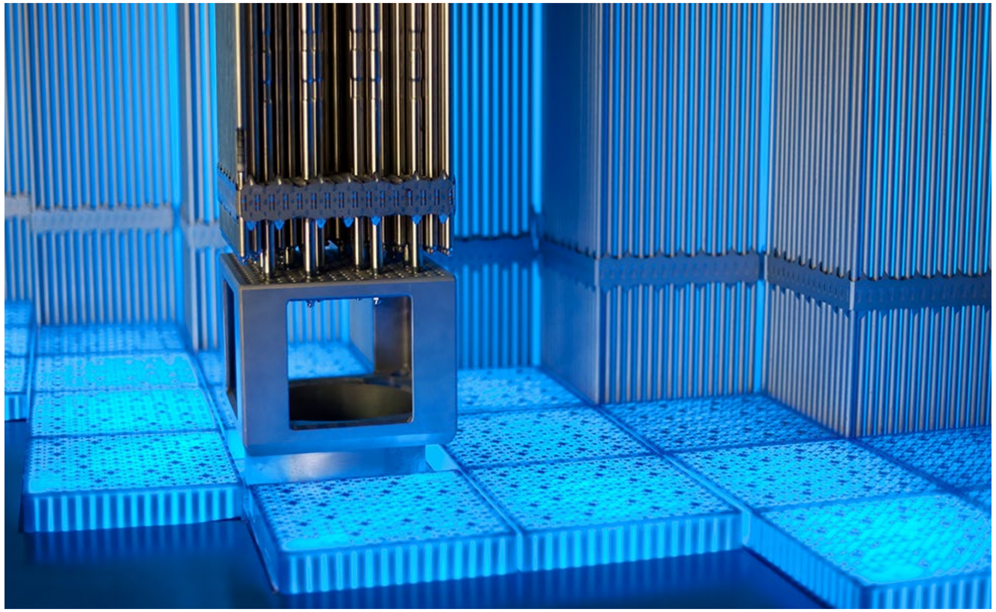
Medical – a growing part of Alleima
Generally better living conditions combined with medical advances are expected to lead to an increasingly older global population, which is expected to drive an increased investment need in medical devices. Alleima manufactures, among other things, ultra-fine medical wire for various sensor applications, an area that benefits from the increasing use of remote monitoring in healthcare. There are good opportunities to continue to develop and expand the medical offering to meet the growing demand, both through growth investments and acquisitions.

Enabling electrification of the industry
About 75% of industrial furnaces currently run on fossil fuels, and there is a great need to reduce global emissions. As a leader in high-temperature solutions for electric heating, Alleima plays an important role in the industrial transition toward more sustainable production methods. By offering solutions for electrification, Alleima is facilitating the transition to a more sustainable and energy-efficient industry.

Growing opportunities in Asia
With a strong local presence, Alleima offers premium products to the growing Asian market. Demand is driven by economic growth and an expanding middle class in the region, particularly in China and India. Increased production of food, plastics and renewable energy is contributing to the creation and expansion of chemical and petrochemical plants, for which Alleima provides solutions for the most demanding applications.

Materials innovator and technology leader

Alleima's position as a materials innovator and technology leader is based on three main strategic themes: strengthening the product offering for growing industries, preserving and developing the core business, and expanding the materials portfolio to meet future needs.



Together with researchers from the Royal Institute of Technology in Sweden and a number of international nuclear companies, Alleima is developing material for the next generation of nuclear power.

Strengthening the product offering for growing industries

Applications and materials development for growing niches

Preserving and developing the core business

Materials and process development to improve the current portfolio

Expanding the materials portfolio

Development of processes and metallurgy in specialty- and high-nickel alloys

Alleima's research and development aims to solve complex challenges with advanced materials together with customers. As the world changes, new and higher demands are placed on the products of the future, including:

- Lighter and stronger materials for improved performance and durability
- High temperature resistance to increase reliability in extreme conditions
- Better compatibility with corrosive environments for longer life and increased safety
- Increased fatigue resistance to extend product lifecycles
- Shorter development times for faster time to market
- Use of AI to drive innovation and increase efficiency

Alleima allocates over 50% of its R&D budget to solutions within sustainable segments. During the year, Alleima Guru was launched, an AI-powered solution based on a large language model (LLM), which collects and analyzes approximately 60,000 documents and research reports. Streamlining data collection and analysis reduces the risk of duplicating research efforts and enables faster problem solving.

With more than 160 years of experience, Alleima is a natural global materials innovator and technology leader. The fully integrated research organization possesses unique innovation capabilities across the value chain and, with a high level of technical sales, guides customers from idea and design to finished product. This ensures the right solutions are developed for the customer's specific needs, both in terms of material specifications and to improve the customer's processes. Solutions to tomorrow's challenges will require continued innovation and development.

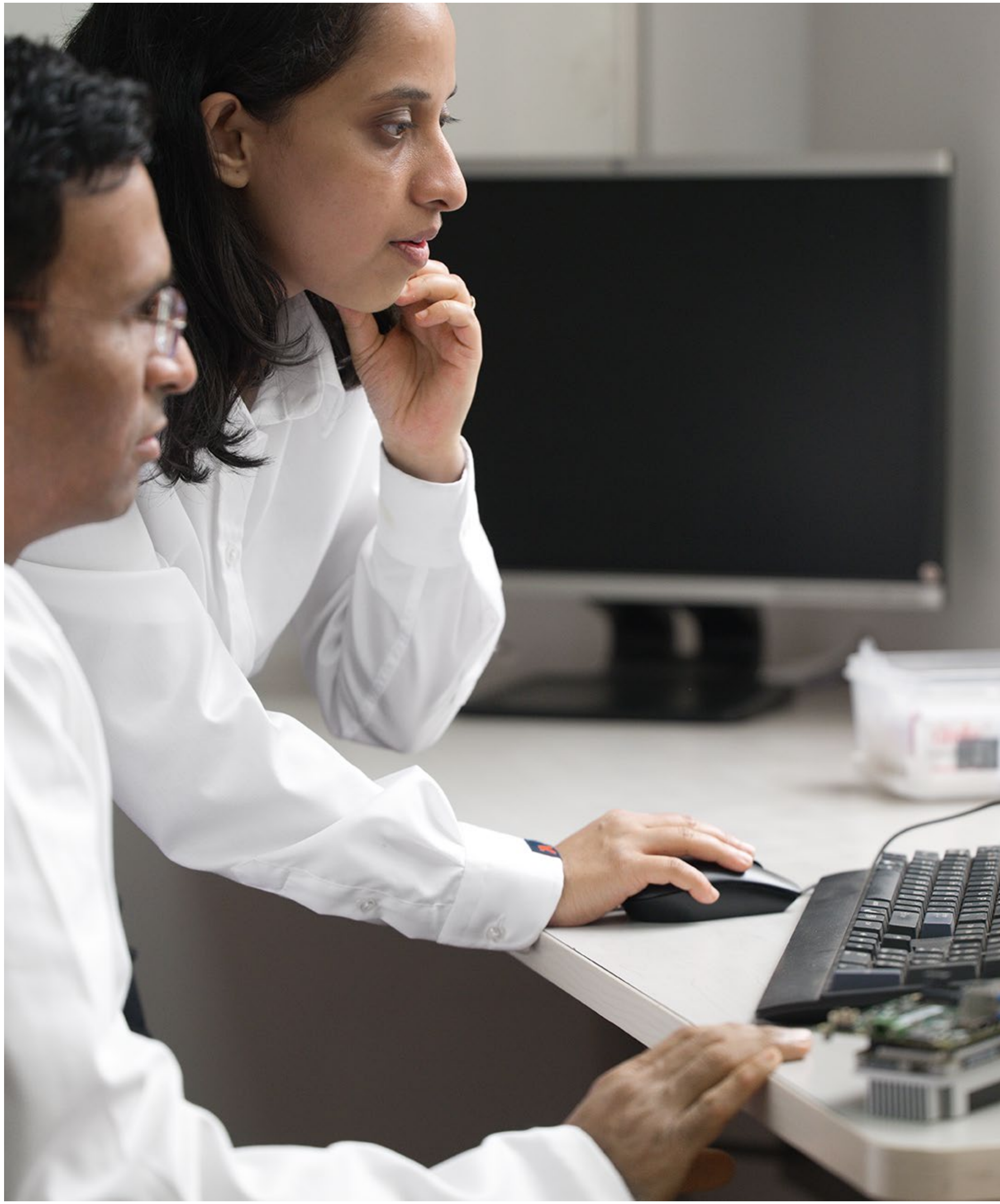
Operational and commercial excellence

Alleima works continuously to achieve operational and process improvements with the aim of enabling continued value creation. Focus areas include cost efficiency, production optimization, inventory management, digitalization, pricing and mix optimization.

Improved cost efficiency
Improvement measures are ongoing to increase cost efficiency. This includes optimizing production flows and addressing operational bottlenecks to improve productivity, with several ongoing capacity investments and factory consolidations. Alleima also works actively to secure access to raw materials and energy through long-term collaborations and agreements.

Optimized inventory management
Optimization of sales and capacity planning processes is essential to improve inventory management and delivery capability. During the year, work continued to optimize inventory levels and the introduction of maximum thresholds, taking into account forecasts, actual order intake, inventory status, and volume planning. Through the implementation of a new ERP system, Alleima has also improved oversight and traceability throughout the production chain, providing a foundation for efficient production planning and product mix optimization. The system also creates a new platform for cost tracking and analysis.

Stronger price leadership
Alleima has a clear price leadership position in several niches. Through its customer offering, global presence and decentralized organization, Alleima is able to apply customer- and product-specific pricing to ensure leadership in all regions. This global presence also brings Alleima closer to the end customer, which enables a close collaboration from concept to commercialization, shifting the focus from price to customer value and reducing dependence on external distributors.



Industry-leading sustainability

Sustainability is firmly established in Alleima's operations, with the goal to be industry leader. Impacts arise from both the company's own operations and the customer offering.

Alleima's raw materials yard provides production with approximately 81% recycled steel.

Impact through own operations
Since 1929, Alleima has used recycled steel and an electric arc furnace in production, which are more energy efficient and has a lower climate footprint than traditional steel production with a blast furnace. Today, the products consist of about 81% recycled material, and 96% of the global electricity usage is fossil-free, resulting in a relatively low climate footprint. Alleima is actively working to reduce its environmental impact and to increase the circularity of its raw material use. Its business model is based on a fully integrated value chain, from research to end product, enabling it to control and minimize its climate footprint throughout the production process.

Impact through product offering
Alleima enables sustainable development through its broad product offering and plays an important role in the transition to a more sustainable society. The strategy is based on capturing opportunities arising from the electrification of industries, the shift to sustainable energy production, increased energy efficiency and innovations in the medical sector. At the same time, Alleima has a positive impact on society through its entire product portfolio by offering products with a lower climate impact, longer product life cycles and better safety than many of its competitors. Working closely with its customers, Alleima responds to the technical challenges posed by new technologies and supports customers in achieving their sustainability and climate targets.

Alleima's products contribute to the energy transition. SCW Systems, for example, uses Sanicro® products in gasifiers that convert organic waste into fossil-free hydrogen and green methane.

Tube

The Tube division develops and manufactures seamless tubes and other long products in advanced stainless steels and special alloys that are tailored for specific end applications.

The division's customers are primarily in the Oil and Gas, Chemical and Petrochemical, Industrial, Mining and Construction, Nuclear and Transportation segments. The offering also includes products and solutions for the over time growing Hydrogen and Renewable Energy segment.

The business model is based on a fully integrated value chain that encompasses the entire production chain, with in-house R&D throughout the process. Tube has a strong global presence, with its largest production facilities located in Sandviken (Sweden), Chomutov (Czechia), Scranton, PA (US), Mehsana (India) and Zhenjiang (China). With a global sales organization and a high level of technical sales, 75% of the division's sales are made through direct customer contact.

Leading market positions

Alleima's outstanding expertise in metallurgy is a clear competitive advantage. The materials are highly resistant to corrosion and have good mechanical properties, which yield more efficient, reliable and safe industrial processes. In combination with a long history of successful customer relationships, working closely with customers from development to delivery, this positions Alleima as a market leader in several niche end-markets and product categories.

Sustainable transition generating new business opportunities

Improved profitability in existing operations is pursued through continual materials and product development, which also strengthens the company's position in growing segments. One example of this is the Sanicro® 35 alloy, which has made its entry into new markets. During the year, several orders for Sanicro® 35 were received from refineries around the world for the production of biofuels.

Focus on stable fossil-free energy paves the way for nuclear power

Since the late 1960s, Alleima has been a key supplier to the nuclear power industry, delivering over 50 million meters of steam generator tubing. The increased global focus on securing access to fossil-free electricity has led to higher market activity, which can be clearly seen in the growing demand for Alleima's high-quality steam generator tubing. These tubes are used both in large-scale conventional nuclear power plants and in the growing area of small modular reactors (SMRs). The SMR market is expected to grow at a high pace, and Alleima delivered its first commercial order to a project in North America during the year.

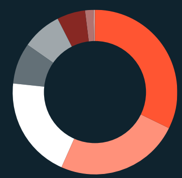
Main competitors:
Nippon Steel Corp, Tubacex, Salzgitter Mannesmann International, Jiuli and Haynes International.

Go-to-market model:
Approximately 75% direct sales. The focus is on collaborating with end users and their material specifications to optimize and improve industrial processes. A strong local presence in key markets globally, with its own sales and technical marketing resources.

Product innovations during the year:
The launch of SAF™ 3007, a super-duplex stainless steel grade, developed for umbilical tubes, that is lighter, safer, stronger and more corrosion-resistant than current standards.

2024 in figures

Revenues by customer segment



- Oil and Gas
- Chemical and Petrochemical
- Industrial
- Mining and Construction
- Nuclear
- Transportation
- Hydrogen and Renewable Energy
- Medical

Key figures

Revenues, SEK million	Organic revenue growth	Adjusted EBIT, SEK million	Adjusted EBIT margin	Total workforce
14,027	2%	1,422	10.1%	4,671

Revenues by geography

Note: Adjusted EBIT excludes metal price effects of SEK -378 million.
Total workforce includes employees and third-party workers and is based on full-time equivalents.
Revenues are recognized in the purchaser's region, not the end user's.

> “Reducing GHG emissions is a big challenge”
>
> **Tommy Johansson**
> Project Manager,
> ICR Revamp Project at Preem

Alleima delivers to Preem’s refinery in Lysekil, Sweden.
Photo: Preem

Alleima contributes to Preem’s and the aerospace industry’s green transition

When Preem converts its refinery in Lysekil, Sweden to renewable fuels, materials from Alleima play an important role. The investment of over SEK 5 billion is significant for Sweden’s energy transition and will make Preem the largest producer of renewable aviation fuel in Northern Europe.

The conversion of Preem’s IsoCracker (ICR) facility in Lysekil commenced in late 2024, and the facility is expected to produce 1.2 million cubic meters of renewable fuel and reduce fossil CO_2 emissions by 2 to 3 million metric tons. At the same time, Preem is reducing its fossil fuel production by an equal amount.

“Reducing GHG emissions is a big challenge. With this in mind, I’m proud that we are carrying out our largest transformation to date by converting the diesel facility in Lysekil. Once the conversion is complete, we will become Scandinavia’s largest producer of renewable aviation fuels and propellants,” says Tommy Johansson, Project Manager for ICR at Preem.

Stringent requirements for materials

The transition – which will see Preem switch from fossil to renewable raw materials – requires advanced technology, particularly at the pre-treatment facility, where raw materials are purified at high temperatures before being converted into fuels such as HVO and sustainable aviation fuel. Since the raw materials in renewable aviation fuel often contain chlorides that can cause corrosion, the materials are subject to stringent requirements. Special materials that tolerate both high temperatures and aggressive chemical environments are one such requirement.

Comprehensive lab testing

With its extensive experience as a supplier to Preem, Alleima became involved in the materials selection in 2023. Alleima proposed Sanicro® 35, an austenitic stainless steel alloy for extremely corrosive environments, as an alternative to nickel bases in heat exchangers for pre-treatment of raw materials. After successful testing that showed that Sanicro® 35 could handle the operating environment, a decision on materials selection was made in May 2024.

“The tests showed that Sanicro® 35 could withstand the extreme conditions in the pre-treatment facility, which made it a strong alternative to the more expensive nickel-based alloys,” says Barinder Ghai, Director Technical Marketing at Alleima.

Enabling the energy transition

Group Coek, a manufacturer of heat exchangers and long-time customer of Alleima, booked an order of eight heat exchangers with Sanicro® 35 for Preem.

“Sanicro® 35 is used for heat exchanger tubing, tube plating and shells in the heat exchangers. This material was selected for its good corrosion-resistance properties, and at Coek we are very satisfied with our partnership with Alleima,” says Patrick van Roy, Chief Sales Officer at Group Coek.

“By using Sanicro® 35 in the pre-treatment heat exchangers, we could provide Preem with an innovative solution that is also a good example of how, through its materials technology, Alleima can enable the green transition and energy transformation,” Barinder Ghai says.

Kanthal

The Kanthal division is a provider of products and services in industrial heating and heating resistance materials, and also offers ultra-fine wire in stainless steel for use in medical appliances. The division's customers are primarily in the Industrial Heating, Consumer, Medical and Industrial customer segments.

Kanthal has a global production footprint, with facilities in locations such as Hallstahammar (Sweden), Palm Coast, FL (US), Perth (Scotland), Sakura (Japan) and Walldorf (Germany). Approximately 90% of sales are through direct customer contacts, with Kanthal often joining the process at an early stage to use its expertise in materials technology to find the best solution for the end application.

Highly profitable niche in medical wire

Remote monitoring – especially for people with chronic conditions – facilitates automatic monitoring and management of vital health data. In some cases, for example, insulin can also be administered as needed. In pace with the shift toward more digital healthcare, Alleima is partnering with manufacturers of medical devices to design, develop and deliver customized medical wire, wire-based components, and nitinol devices. These are found in continuous glucose monitors and pacemakers as well as neurostimulation and surgical devices as well as surgical robots.

Enabling the shift toward a more sustainable industry

Unlike gas-fired furnaces, electrically heated furnaces do not involve any combustion and thus have the potential to eliminate CO_2 emissions from heat treatment processes. Thermal efficiency reaches 95%, which means that nearly all the energy supplied is converted into heat – in contrast to gas heating with an average efficiency of 50%, which also affects the furnace's performance. Kanthal has more than 90 years of expertise in the field, particularly in processes that require extremely high temperatures, which positions the division as a market leader for facilitating the transition to a sustainable industry.

Process gas heater for manufacturing of fossil-free steel

Kanthal has developed Prothal® DH, an electric heating solution for process gas at high temperatures, which is a crucial step toward emission-free DRI-plants (direct reduced iron) for production of fossil-free steel. This solution, which works for both hydrogen and natural gas as well as hybrid solutions, also enables upgrades or adaptations of existing facilities. During the year, Kanthal entered into a strategic partnership with Danieli to scale up Prothal® DH to a capacity of up to several hundred megawatts, with the goal of having a commercial solution ready by 2027.

Main competitors:
Industrial Heating:
Aperam, VDM Metals, Tokai KK and I Squared R Element.

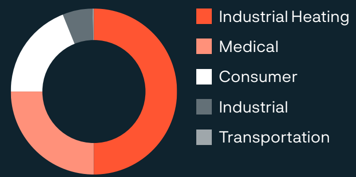
Medical:
Fort Wayne Metals and Heraeus.

Go-to-market model:
Approximately 90% direct sales. The mix of agents and distributors depends on the application.There is a sharp focus on working with end customers in the product development phase to continually improve the material technology in relation to the end customer application.

Product innovations during the year:
The launch of an ultramodern test bench that simulates application-like environments for electric process gas heaters. This facility is available to customers who want to validate innovative solutions for large-scale direct heating of process gas at high temperatures.

2024 in figures

Revenues by customer segment



Key figures

Revenues, SEK million	Organic revenue growth	Adjusted EBIT, SEK million	Adjusted EBIT margin	Total workforce
4,200	-3%	750	17.9%	1,400

Revenues by geography

Note: Adjusted EBIT excludes metal price effects of SEK -59 million.
Total workforce includes employees and third-party workers and is based on full-time equivalents.
Revenues are recognized in the purchaser's region, not the end user's.

Develops medical solutions in partnerships

EndoTheia Inc., a leading innovator in surgical technology, is dedicated o creating smarter, smaller and more durable devices. With flexible endoscopy as its main focus, the company's mission is to bridge gaps in existing technology and offer advanced solutions that improve surgical precision and patient care.

The company was founded in 2018 in Nashville, Tennessee as a spin-off from Vanderbilt University. Its first years were spent as an incubator, and its operations officially began in 2020. During this period, the company initiated its partnership with Alleima through Endosmart, (which was later acquired by Alleima), an expert in the shape memory alloy nitinol.

Traditional instruments used to remove kidney stones often have limitations due to the lack of control over the ends. To address this gap in the market, EndoTheia created FlexStone™, where the basket used to remove the kidney stone can be controlled independently. This groundbreaking solution allows surgeons to directly control its movements, making it easier to navigate around anatomical structures and reach stones in hard-to-reach areas of the kidney. It is an innovation that results in a less invasive procedure for the patient.

Complementary partnerships

To start, EndoTheia attempted to design the nitinol cage independently, but the company soon realized the value of partnership.

"We are experts in maneuverability, but not in how to process and form nitinol. With this partnership, we could shorten our path to the market," says Joshua Gafford, Chief Technology Officer at EndoTheia.

The decision to entrust Alleima as a supplier was based on its expertise in nitinol combined with its customer-oriented approach.

"We were impressed by their quality and performance. It was exactly what we were looking for, and the basket worked immediately."

When changes were necessary, Alleima provided assistance with customized solutions to meet EndoTheia's specific needs.

"I appreciate how flexible Alleima is, and their willingness to partner with a development company like us."

Broad nitinol portfolio for various applications

Apart from maneuverability, the size of the cage is another critical factor. EndoTheia required a maximum diameter of 0.7 mm. The basket needs to be both incredibly small and very flexible in order to create the strength needed for precise control.

"Alleima's nitinol basket had the exact properties we were looking for."

The partnership with Alleima will make it possible for EndoTheia to accelerate its market launch and fully realize its value proposition. With technological advances in the medical industry moving further toward miniaturization, EndoTheia believes it is well positioned for the future. Having a partner like Alleima with expertise in nitinol will help the company realize the full value of its technology.

"Each of us can focus on what we do best. For us, that is the maneuverability aspect."

A key milestone for EndoTheia will be presenting the outcome of the initial clinical study of FlexStone™ in early 2025. The commercial launch date is planned for the following quarter.

The company's long-term ambitions go beyond treatment for kidney stones, with its sights set on becoming a leading innovator in other selected medical fields. Joshua Gafford foresees the partnership with Alleima developing into active research in other areas where the company's supplementary strengths have the potential to facilitate joint innovations and new groundbreaking applications.

> "I appreciate how flexible Alleima is, and their willingness to partner with a development company like us."
>
> **Joshua Gafford**
> Chief Technology Officer at EndoTheia

In the photo: Joshua Gafford, Chief Technology Officer at EndoTheia.

Strip

The Strip division develops and manufactures a wide range of precision strip steel products and also offers a portfolio of pre-coated strip steel for components in hydrogen fuel cells. The division's customers are in the Consumer, Industrial, Transportation, Hydrogen & Renewable Energy and Medical segments.

Production is located in Sandviken, with sales and service centers in locations including Scranton, PA (US), Kobe (Japan) and Zhenjiang (China). This lays the foundation for being able to rapidly respond to customers, especially for the product groups in compressor valve steel in China. Approximately 90% of sales are direct to customers.

Next generation compressor valve steel

Alleima is a leading supplier of compressor valve steel, primarily for air conditioning and white goods – a component that can have a major impact on the product's energy efficiency. In-house research shows that the use of Alleima's compressor valve steel could enable energy savings of approximately 18%, which is particularly significant since approximately 10% of the world's energy consumption is attributable to air conditioning and white goods. During the year, the company launched the new generation of compressor valve steel: Freeflex® Versa, whose improved material enables the design of smaller and more sustainable compressors, primarily for the white goods sector.

Large-scale production capacity for the hydrogen market

Hydrogen is expected to play a key role in the energy mix of the future. The advantages of hydrogen include that it can be produced sustainably, and it can be stored and transported. Alleima offers advanced materials for coating of bi-polar plates for hydrogen fuel cells and interconnects for green electrolysis. Through close collaborations with major car manufacturers and electrolysis companies from the idea stage to commercialization, Alleima has developed a unique technology for large-scale production of coated strip steel. A production method that is efficient, cost-effective, and enables products of the highest quality.

Damascus steel for industrial scale

The high-quality Damascus steel has been dated to India as far back as 300 BC, and has since been used by both Vikings and samurai. The steel is characterized by multiple layers that are welded together, creating a decorative pattern. However, the manufacturing process is complex and therefore mainly produced by hand on a small scale. Now, Alleima, in collaboration with Balbachdamans GmbH & Co. KG, is the only company in the world to produce genuine Damascus steel on an industrial scale under the brand name Damax™.

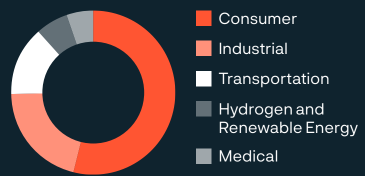
Main competitors:
Proterial, Voestalpine, Jindal Steel and Zapp.

Go-to-market model:
Approximately 90% direct sales via an in-house sales organization. Deliveries are sent from Sandviken, supported by service centers in China, the US and Japan.

Product innovations during the year:
Freeflex® Versa, successor to the industry leader Freeflex® Core, enabling the design of smaller and more energy-efficient compressors, primarily for white goods, was launched.

2024 in figures

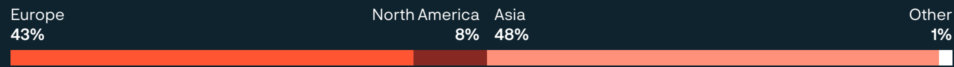
Revenues by customer segment



Key figures

Revenues, SEK million	Organic revenue growth	Adjusted EBIT, SEK million	Adjusted EBIT margin	Total workforce
1,465	-4%	66	4.5%	500

Revenues by geography



Note: Adjusted EBIT excludes metal price effects of SEK -9 million.
Total workforce includes employees and third-party workers and is based on full-time equivalents.
Revenues are recognized in the purchaser's region, not the end user's.

Alleima plays a key role in Hefei Anxin's world-leading energy efficiency

Alleima's materials portfolio and technical know-how have enabled Hefei Anxin's impressive global market share.

In the photo: Hefei Anxin's operations outside Shanghai, China.

> "Our partnership with Alleima has been an important part of achieving our current market position"
>
> **Xiansong Mei**
> Founder and CEO of Hefei Anxin

Hefei Anxin is a world-leading manufacturer of key components for refrigeration compressors used in everyday products such as freezers, refrigerators, and air conditioners. The company supplies a range of refrigeration compressor manufacturers in China, South America, Europe, and Southeast Asia. Since Hefei Anxin was founded by Xiansong Mei in 2002, the company has become known for delivering high-performance components that also enable better energy efficiency, where Alleima's products have played an important role. "The first compressor valve steel I bought after founding the company, was 687 kilos from Alleima (then known as Sandvik) in Shanghai," says Xiansong Mei. "Since then, we have continued to buy from Alleima, and today their compressor valve steel is present in our entire product portfolio."

Contributing to energy-efficient products

Two of the main reasons why Hefei Anxin chooses Alleima's steel are that it contributes to both energy efficiency and lower noise levels. Alleima, Hefei Anxin, and our customers are part of the same supply chain, emphasizes Xiansong Mei.

"Consumers want products that are quiet and energy-efficient," Mei continues. "This aligns with the broader societal demands that it is important for us to contribute to energy efficiency and reduced carbon emissions. Therefore, we collaborate throughout the entire supply chain to collectively meet these challenges."

Hefei Anxin is one of Alleima's key customers in China, and over the years it has used all of Alleima's compressor valve steel, including 20C, 7C27Mo2, Hiflex™ and Freeflex®.

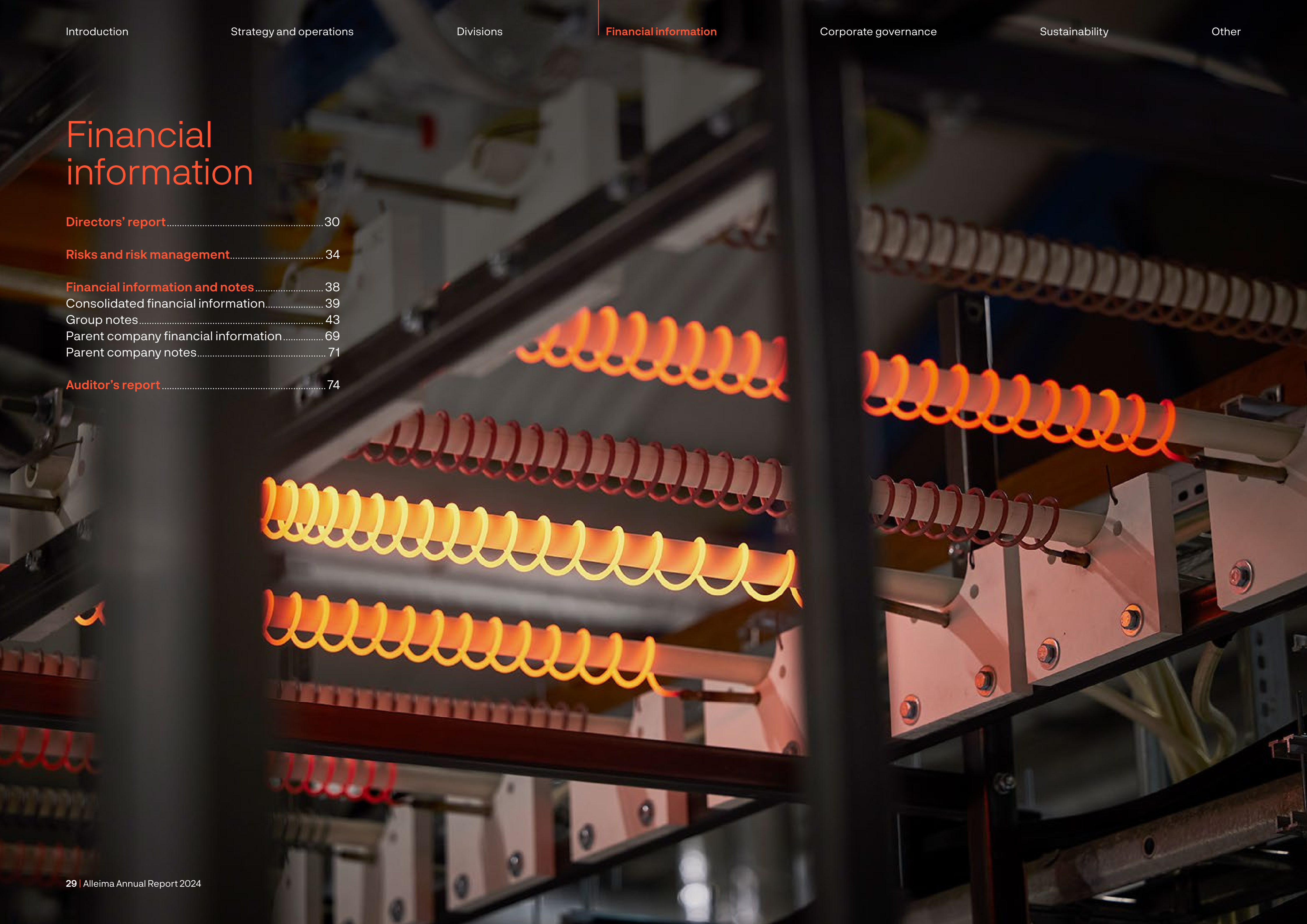
At the moment, Hefei Anxin is testing Freeflex® Core and Freeflex® Versa. The results are promising, and point toward further miniaturization, noise reduction and improved energy efficiency.

"We are convinced that Freeflex® Versa can enable greater operating safety for refrigerators and freezers," says Lisa Jiang, Managing Director of Alleima (Shanghai) Materials Technology and Sales Director Strip Division. "Freeflex® Core works well for intelligent air conditioning systems with its smaller size, lower noise levels and energy efficiency. Both Freeflex materials are suitable due to their outstanding fatigue resistance."

Strong partnership with Alleima

Xiansong Mei speaks highly of Alleima's continual striving to develop new steel grades to meet both changing customer requirements and Hefei Anxin's need to reduce its CO_2 emissions.

"Our partnership with Alleima has been an important part of achieving our current market position, and I am confident that this partnership will become even stronger in the future owing to both companies' commitment to materials innovation and products that make the world a better place," he says.



Financial information

Directors' report

Summary

Financial overview – Group

SEK M	2024	2023	Change, %
Order intake	19,419	21,684	-10
Organic growth, %	*-6*	*-6*	–
Revenues	19,691	20,669	-5
Organic growth, %	*1*	*8*	–
Adjusted operating profit (EBIT)	1,944	2,141	-9
Margin, %	*9.9*	*10.4*	–
Operating profit (EBIT)	1,498	2,046	-27
Profit for the period	1,221	1,574	-22
Adjusted earnings per share, diluted, SEK	6.27	6.56	-4
Earnings per share, diluted, SEK	4.87	6.27	-22
Free operating cash flow	1,266	1,688	-25
Net working capital to revenues, %[1]	35.1	34.3	–
Net debt/Equity ratio	-0.04	-0.02	–

Notes to the reader: Tables and calculations in the report do not always agree exactly with the totals due to rounding. Comparisons refer to the corresponding period last year, unless otherwise stated. Adjusted operating profit (EBIT) excludes items affecting comparability (IAC) and metal price effects, see Note 2 and description of Alternative Performance Measures on pages 130–131 for further details. Definitions and glossary can be found on www.alleima.com/investors.

1) The annual number is based on a four quarter average.

Market development

Market development for full-year 2024 was mixed for the various customer segments. Demand in mainly Nuclear and Medical remained high and increased compared with the corresponding period last year. Demand in the Oil and Gas segment was stable. Demand in the Chemical and Petrochemical, Industrial Heating and Industrial segments weakened slightly.

Order intake and revenues

Order intake decreased by 10% to SEK 19,419 million (21,684), with organic growth of -6%. The development was mainly attributable to a lower order intake in the Oil and Gas segment of the Tube division, compared to last year's strong build-up of the order book. The regions of North America and Asia noted organic order intake growth of 32% and 9%, respectively. The region Europe noted organic order intake growth of -19%. Revenues decreased by 5% to SEK 19,691 million (20,669), with organic growth of 1%. The Tube Division grew organically, mainly driven by deliveries to the Oil and Gas, Nuclear and Transportation segments, while the Industrial segment recorded a decline. Kanthal noted a decline mainly in the Industrial and Industrial heating segments, while Medical accounted for a positive development. Strip noted a slightly negative development.

Book-to-bill was 99%. The backlog remained solid with a good product mix.

Structure had an impact of 0%, while currency had an impact of -1% on both order intake and revenues. Alloy surcharges had an impact of -4% on both order intake and revenues.

Orderingång och intäkter

SEK M	Order intake	Revenues
2023	**21,684**	**20,669**
Organic, %	-6	1
Structure, %	0	0
Currency, %	-1	-1
Alloy, %	-4	-4
Total, %	**-10**	**-5**
2024	**19,419**	**19,691**

Earnings

Gross profit

Cost of goods sold decreased by 2% to 15,740 million (16,090), driven by decreased sales volumes, changed product mix and increased cost for intermediate goods. Gross profit decreased by 14% to SEK 3,951 million (4,579), corresponding to a gross margin of 20.1% (22.2). The decrease was primarily driven by negative metal price effects.

Sales, administrative and R&D costs

Selling expenses decreased by 3% to SEK 1,250 million (1,288).

Administrative expenses amounted to SEK 975 million (973).

Research and development costs increased by 15% to SEK 292 million (255), primary due to higher activity in a few prioritized development projects.

Other operating income and expenses amounted to SEK 64 million (-16), mainly driven by positive currency effects.

Operating profit (EBIT)

Adjusted EBIT decreased by 9% to SEK 1,944 million (2,141) corresponding to a margin of 9.9% (10.4). Currency had a negative impact of SEK 11 million year on year. Depreciation and amortization amounted to SEK -913 million (-911).

Reported EBIT amounted to SEK 1,498 million (2,046), corresponding to a margin of 7.6% (9.9). Metal price effects had a negative impact of SEK -446 million (-95).

SEK M	Adjusted EBIT
2023	**2,141**
Organic	-184
Currency	-11
Structure	-2
2024	**1,944**

Financial items

Net financial items were SEK 73 million (28). The change was due primarily to improvements in interest net.

Taxes

Income tax expense amounted to SEK 350 million (500), corresponding to an effective tax rate of 22.3% (24.1). See Note 10 Income tax for more information.

Profit

Profit for the period amounted to SEK 1,221 million (1,574), corresponding to earnings per share, diluted, of SEK 4.87 (6.27). Adjusted profit for the period amounted to SEK 1,573 million (1,647) and adjusted earnings per share, diluted, amounted to SEK 6,27 (6.56). See page 130 for further details.

Financial position, capital resources and liquidity

Capital employed

Capital employed excluding cash increased to SEK 15,983 million (15,533). The increase was mainly attributable to growth investments and fx effects. Return on capital employed excluding cash decreased to 9.5% (12.9).

Working capital

Net working capital amounted to SEK 6,821 million (6,825). Net working capital in relation to revenues was 35.1% (34.3).

Capital expenditure

Capex amounted to SEK -1,190 million (-815), corresponding to 130.4% (89.5) of scheduled depreciation and -6.0% (-3.9) of revenues. The increase was mainly attributable to growth investments.

Cash flow

Cash flow from operating activities declined to SEK 2,123 million (2,234).

Free operating cash flow declined to SEK 1,266 million (1,688). The change was primarily attributable to lower operating profit and growth investments.

Free operating cash flow

SEK M	2024	2023
EBITDA	2,410	2,957
Non-cash items	148	54
Changes in working capital	33	-380
Capex	-1,190	-815
Amortization, lease liabilities	-135	-128
Free operating cash flow[1]	**1,266**	**1,688**

1) Free operating cash flow before acquisitions and disposals of companies, net financial items and paid taxes.

Funding and liquidity

On December 31 2024, SEK 1,912 million (1,595) was reported as Cash and Cash equivalents, whereof SEK 1,229 million (1,021) in cash directly available for Group Treasury and SEK 683 million (574) is restricted cash such as short-term deposits and cash accounts with, for Group Treasury, limited access. The short-term deposits are considered as cash equivalent as they have a time to maturity of less than 3 months.

Net debt amounted to SEK -631 million (-242), i.e. a net cash position. Net debt in relation to equity was -0.04x (-0.02). The financial net debt position was SEK -1,911 million (-1,590). Net pension liability decreased year on year to SEK 820 million (843). Net debt in relation to rolling 12-month adjusted EBITDA was -0.22x (-0.08).

During 2024, Alleima has prolonged the revolving credit facility of SEK 3,000 million one year by utilizing the last one-year prolongation option, extending the facility to 2029. On December 31, 2024, available credit facilities were unutilized. The short-term liquidity reserve, comprising committed credit facilities and accessible cash and cash equivalents was SEK 4,229 million (3,908). See Note 26 for further information.

Share and share capital

As of December 31, 2024 Alleima's share capital amounted to SEK 250,877,184 represented by 250,877,184 shares.

Alleima's General Meeting held on May 2, 2024 approved the Board's proposal for a long-term share-based incentive program (LTI 2024). As of December 31, 2024, LTI 2023 and LTI 2024 comprises 687,758 share rights. The delivery of these shares is secured through equity swap agreement with a third party.

The Annual General Meeting held on May 2, 2024, resolved for the financial year 2023 on an ordinary dividend of SEK 2.00 (1.40) per share. The dividend of SEK 502 million (351) was distributed to the shareholders on May 10, 2024.

Significant events in 2024

- On January 23, the Nomination Committee proposed the re-election of Board members Göran Björkman, Claes Boustedt, Ulf Larsson, Andreas Nordbrandt, Susanne Pahlén Åklundh and Karl Åberg, and the election of Victoria Van Camp as new Board member. Andreas Nordbrandt was proposed to be re-elected as Chairman of the Board.
- On May 2, it was announced that Victoria Van Camp was elected as new Board member at the Annual General Meeting of Alleima.
- On September 27, it was announced that Alleima decided to expand its steam generator tubing (SGT) facilities in Sandviken, Sweden. The investment is estimated to approximately SEK 330 milion.
- On October 22, it was announced that Alleima decided to establish a new production facility for ultra-fine medical wire in Penang, Malaysia.
- On December 9, Alleima announced that Claes Åkerblom was leaving his position as President of the Strip division.

Significant events after year-end 2024

- On January 14, Alleima announced the completion of its acquisition of Endox Feinwerktechnik GmbH and Endox Polska SP.zo.o. ("Endox"), which had been previously announced on December 10, 2024. Endox strengthens the company's medical business and will be reported in the Kanthal division.
- On January 24, the Nomination Committee proposed the re-election of Board members Göran Björkman, Claes Boustedt, Ulf Larsson, Andreas Nordbrandt, Susanne Pahlén Åklundh, Victoria Van Camp and Karl Åberg. Andreas Nordbrandt is proposed to be re-elected as Chairman of the Board.
- On February 26, it was announced that Per Eklund has been appointed President for the Strip division and member of the Group Executive Management from March 1, 2025.

Significant agreements

The manufacture and sale of rock drill steel products is a business segment (the "RDS business") within Alleima with multiple customers, including subsidiaries in the Sandvik group. The RDS business is operated by Alleima Rock Drill Steel AB (the "RDS company"). 10% of the shares in the RDS company are held by Sandvik AB and the remaining shares are held by Alleima EMEA AB. The co-ownership is regulated in a shareholders' agreement to which the owners are party. The terms of the shareholders' agreement provides Sandvik AB with certain protective rights, including a call option which Sandvik AB may exercise upon, e.g., a change of control in Alleima AB, whereby an owner, who was not a major shareholder at the time of signing of the agreement, gains control of 30 per cent or more of all votes in the company, and which call option provides Sandvik AB with a right to purchase Alleima EMEA AB's shares in the RDS company at fair market value. Upon exercise of the call option and Sandvik AB's subsequent purchase of Alleima EMEA AB's shares, the shareholders' agreement will lapse. As a change of control that causes the call option to become exercisable may be a public take-over offer, the shareholders' agreement is deemed such a significant agreement as is intended by the Annual Reports Act (1995:1554) Chapter 6 section 2 item 9.

Workforce

The number of employees at year-end was 6,309 (6,110). Wages, salaries, and other remunerations for the year totaled SEK 3,858 million (3,577). The number of third-party workers at year-end was 516 (596).

Alleima guidelines for the remuneration of senior executives

The Alleima guidelines for the remuneration of senior executives is described in the Corporate governance section on page 91.

Research and development (R&D)

The R&D team works in close collaboration with the sales organization and directly with customers to identify present and future customer needs. Focus areas are evolutionary upgrades and refinement of existing materials and processes, such as developing new super duplex alloys, austenitic materials, and new efficient compressor valve steels, as well as more revolutionary developments that expand the existing product portfolio. Alleima's R&D spend amounted to SEK 292 million (255) during

2024, corresponding to approximately 1.5% (1.2) of sales. The number of employees in R&D was approximately 249 (250) by year end.

Tax

Alleima is a multinational group with several inter-company transactions cross borders. The OECD has issued transfer pricing guidelines for multinational groups. Alleima adheres to these guidelines and also to the local legislation of each country to ensure that a correct pricing model is applied and that a correct amount of tax is paid in each country. Alleima monitors the OECD's tax reform work and the EU initiatives on tax transparency carefully and observes these standards as and when enacted. Alleima strives to have good relations with our stakeholders, such as tax authorities, non-governmental organizations and investors and is convinced that an open discussion and cooperation with tax authorities around the globe will help us to reduce uncertainty about the taxes we are obliged to pay. However, the guidelines on transfer pricing can be interpreted in various ways.

Alleima contributes to the local communities and countries in which we operate in the form of, for example, taxes and employment opportunities. In 2024, the Group paid SEK 451 million (419) in income taxes globally. Income tax comprises just a portion of all taxes paid by Alleima worldwide. In addition, Alleima pays social security contributions, environmental and energy taxes, property taxes, etc. Furthermore, Alleima collects and pays taxes at the request of governments and authorities, including indirect taxes and withholding taxes.

Environment

In Sweden, Alleima has operations where environmental permits are required. All operations held valid permits during the year. Guideline values in some of these permits were exceeded for emissions to air and water during the year. In all such incidents, a notification was sent to the authority. To comply with the target values, corrective actions were prompted.

Alleima conduct licensed operations in accordance with environmental legislation at four locations: Sandviken, Söderfors, Hallstahammar and Surahammar. The permits for these sites relate to production volumes, allowed intake of water from water bodies, emission to air and water as well as waste disposal to own landfill.

Two subsidiaries in Sweden are included in the EU Emissions Trading System (EU ETS). Should Alleima not execute its carbon reduction plan, an associated cost would incur. In 2024, the number of allowances allocated for the year was 55,410. Actual emissions in the trading system amounted to around 61,800 tonnes. The cost to cover the deficit amounted to approximately SEK 5.6 million.

Statutory sustainability report

Alleima has issued a statutory sustainability report. The report was prepared in accordance with the Annual Accounts Act and approved by the Board of Directors and the President and CEO. The statutory Sustainability Report includes pages 11, 32, 34, 36, 93–126.

Parent company

The parent company's (Alleima AB) revenues amounted to SEK 27 million (24) and the operating result was SEK -50 million (-59).

As of December 31, 2024 Alleima AB's share capital amounted to SEK 250,877,184 represented by 250,877,184 shares. The largest shareholders of the parent company at year-end were Industrivärden (20.41%) and Lundbergföretagen AB (10.04%). The ten largest shareholders amounted to 54.48% of total shares and votes.

The number of employees in the parent company as of December 31, 2024 was 9 (9).

Proposed appropriation of earnings

To the Annual General Meeting on April 28, 2025, Alleima Board of Directors proposes for the financial year 2024 a dividend of SEK 2.30 (2.00) per share (SEK 577 million), to be paid in May 2025, and that the parent company shall retain the remaining part of non-restricted equity. The record date for entitlement to receive dividends is proposed as April 30, 2025 and payment is expected to be made on May 6, 2025.

The Board of Directors proposes that earnings be distributed as follows:

	SEK
Amount to be paid to the shareholders	577,017,523
Amount to be retained by the parent company	13,159,539,579
Total non-restricted equity of the parent company	**13,736,557,103**

For further information on Shareholders' Equity, see Group Note 19.

Statement of the Board in compliance with the Swedish Companies Act (2005:551) clause 18:4

The Board has proposed that the Annual General Meeting 2025 resolve on a dividend distribution of SEK 2.30 per share.

After the dividend distribution, the remaining non-restricted equity of SEK 13,160 million is proposed to be retained in the business and brought forward. The total amount of the proposed dividend distribution corresponds to approximately 4.2% of the non-restricted equity of the parent company, which in total amounts to SEK 13,737 million prior to the transaction. After the proposed dividend of SEK 577 million, an amount of SEK 13,160 million will remain. In the consolidated balance sheet per December 31, 2024, retained earnings, including the result of the year 2024, amount to SEK 16,007 million prior to the proposed dividend distribution and will amount to SEK 15,430 million after the proposed dividend distribution. The Board notes that there will be full coverage for the restricted reserves of the company after the dividend distribution.

The Board makes the assessment that the company's and the group's equity after the dividend distribution will be able to sustain the requirements which the nature, size and risks of the business will present.

The Board further considers the actions reasonable in light of the company's and the group's consolidation requirements, liquidity and position in general.

The dividend distribution is not assumed to present any risk for the company's or the group's ability to fulfil its short or long term payment obligations, and neither of these measures are assumed to affect the ability of the company to make required investments.

In summary, the Board considers the proposed dividend distribution to be justifiable according to the Swedish Companies Act (2005:551) chapter 17 section 3, second and third paragraph.

January 24, 2025

Alleima AB (publ)
The Board of Directors

Divisions

Alleima has three divisions: Tube, Kanthal and Strip.
The largest production facilities are located in Sandviken, Sweden, and in Chomutov, Czech Republic.

Tube

Tube develops and manufactures seamless tubes and other long products in advanced stainless steel and special alloys, tailored for specific end applications. The customers are primarily found in the segments of Oil and Gas, Chemical and Petrochemical, Industrial, Mining and Construction, Nuclear, and Transportation. The offering also includes products and solutions for the growing segment of Hydrogen and Renewable Energy. Order intake decreased by 15% to SEK 13,677 million (16,052), with organic growth of -10%. Revenues decreased by 3% to SEK 14,027 million (14,475), with organic growth of 2%. Adjusted EBIT margin was 10.1% (10.3). EBIT margin was 7.4% (10.1) and included metal price effects of SEK -378 million (-30).

SEK M	2024	2023	Change %
Order intake	13,677	16,052	-15
Organic growth, %	*-10*	*-3*	–
Revenues	14,027	14,475	-3
Organic growth, %	*2*	*9*	–
Adjusted EBIT	1,422	1,491	-5
Adjusted EBIT margin, %	*10.1*	*10.3*	–
EBIT	1,044	1,460	-28
EBIT margin, %	*7.4*	*10.1*	–
Number of employees[1]	4,292	4,082	5
Number of third party workers[1]	379	433	-12

1) Number of employees and Number of third-party workers is based on full-time equivalents.

Strip

Strip develops and manufactures a wide range of precision strip steel and compressor valve steel and also offers a portfolio of coated strip steel for components in hydrogen fuel cells. The customers are in the segments Consumer, Industrial, Transportation, Hydrogen and Renewable Energy, as well as Medical. Order intake increased by 27% to SEK 1,665 million (1,310), with organic growth of 32%. Revenues decreased by 8% to SEK 1,465 million (1,585), with organic growth of -4%. Adjusted EBIT margin was 4.5% (6.9). EBIT margin was 3.8% (6.9) and included metal price effects of SEK -9 million (0).

SEK M	2024	2023	Change %
Order intake	1,665	1,310	27
Organic growth, %	*32*	*-24*	–
Revenues	1,465	1,585	-8
Organic growth, %	*-4*	*-5*	–
Adjusted EBIT	66	109	-40
Adjusted EBIT margin, %	*4.5*	*6.9*	–
EBIT	56	110	-49
EBIT margin, %	*3.8*	*6.9*	–
Number of employees[1]	486	488	0
Number of third party workers[1]	15	2	650

1) Number of employees and Number of third-party workers is based on full-time equivalents.

Kanthal

Kanthal is a provider of products and services in the area of industrial heating technology and resistance materials, and also offers ultra-fine wire in stainless steel for use in medical appliances. The customers are primarily in the segments Industrial Heating, Consumer, Medical and Industrial. Order intake decreased by 6% to SEK 4,077 million (4,321), with organic growth of 0%. Revenues decreased by 9% to SEK 4,200 million (4,609), with organic growth of -3%. Adjusted EBIT margin was 17.9% (18.3). EBIT margin was 16.5% (16.9) and included metal price effects of SEK -59 million (-65).

SEK M	2024	2023	Change %
Order intake	4,077	4,321	-6
Organic growth, %	*0*	*-7*	–
Revenues	4,200	4,609	-9
Organic growth, %	*-3*	*11*	–
Adjusted EBIT	750	844	-11
Adjusted EBIT margin, %	*17.9*	*18.3*	–
EBIT	691	778	-11
EBIT margin, %	*16.5*	*16.9*	–
Number of employees[1]	1,298	1,311	-1
Number of third party workers[1]	101	125	-19

1) Number of employees and Number of third-party workers is based on full-time equivalents.

Risks and risk management

Alleima is exposed to a number of risks that can have a negative impact on the Group's operations. Therefore, it is of great importance that the company has a systematic and effective process to identify, manage, and reduce the effects of these risks.

The purpose of Alleima's risk work is to support the business in managing and effectively preventing risks that may affect the company's ability to achieve its financial and strategic goals.

Alleima's board of directors decides on the Group's strategic direction. The responsibility for the long-term and overall management of risks follows the company's decision and delegation order. This means that the Group's risk management generally follows the company's decentralized structure, where the management teams of the various business operations manage their operational risks but must follow the minimum requirements defined in "The Alleima Way", the Group's common compilation of policies and procedures.

Enterprise Risk Management

The Enterprise Risk Management (ERM) process within Alleima is part of the strategy- and business-planning process. All divisions and selected Group functions perform, at least once a year, as part of the strategic work, an assessment of business risks in accordance with the ERM methodology.

The Group management reviews and discusses Alleima's risk level and decides on the Group's risk profile at least once a year. Alleima's overall risk profile is based on the organization's overall risk assessment and also takes into account environmental monitoring and the Group management's own view of risks to the business.

The ERM report, which summarizes important risks and preventive activities, was presented to the Audit Committee and the Board of Directors in December 2024.

The participation of the Board and the Audit Committee in the ERM process is described in more detail in the section on corporate governance.

Continuity Planning and Crisis Management

Alleima's operational units, such as production units, have continuity plans in place to ensure that the organization can continue business operations at an acceptable level in the event of a disruption. In the event of a serious incident, crisis preparedness plans are in place.

Insurance as a Risk Management Tool

Alleima has tailored insurance programs that manage risks associated with, among other things, the Group's property, transport, and liability exposures. Insurable risks are continuously evaluated, and measures are taken to reduce these risks.

Internal Audit and Internal Control in Alleima's Risk Work

The internal audit function monitors the implementation of various risk management processes such as ERM and continuity planning at the operational units that are expected to have this in place.

Financial Risks

Alleima's financial risk management is centralized, with a central finance function, Group Treasury, which manages most of the Group's financial risks and transactions. Financial risk management is handled in accordance with the Group's financial risk management policy, which is part of "The Alleima Way."

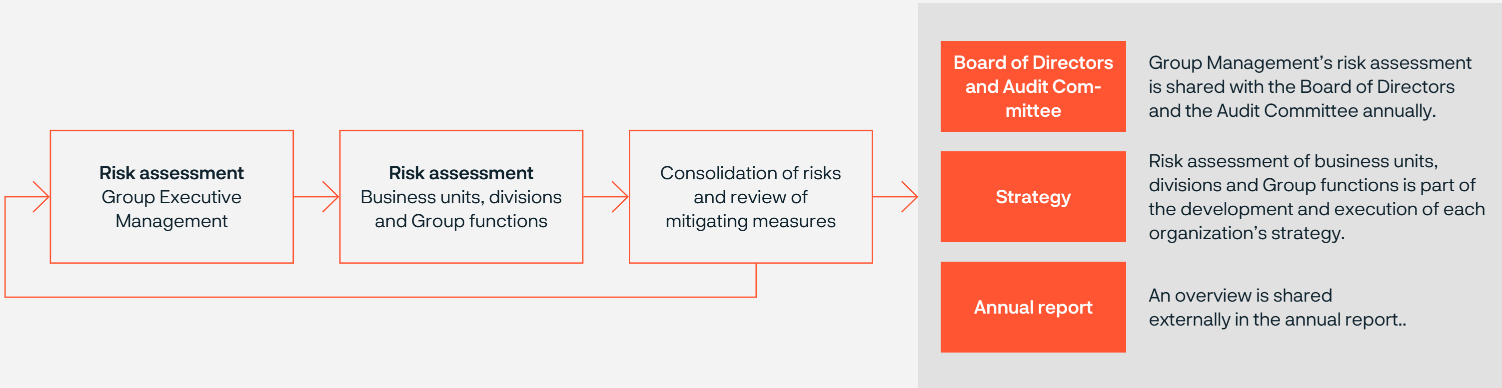
The financial risks managed include currency risks in the form of transaction and translation exposure, commodity price risks regarding metals and energy, interest rate risk, liquidity and refinancing risks, and credit risks.

Derivatives are widely used as hedging instruments in hedging strategies and are valued at fair value. Hedge accounting is applied to all commodity-related derivatives and certain currency derivatives to avoid volatility in results from revaluations of derivatives. For a more detailed description of financial risk management and hedge accounting, see note 26.

Sustainability Risks

Sustainability risks are assessed as other risks within the Group at least once a year and are part of the consolidation of all organizations' risk assessments before the Group management conducts its annual risk assessment.

The most important sustainability risks are assessed in terms of both probability and impact. To further understand sustainability risks, Alleima's materiality analysis is used to identify risks regarding sustainability and climate in the value chain. For more information on sustainability-related risks and opportunities, see the sustainability report on pages 93–126.



Strategic risks

→ Unchanged risk assessment ↗ Increased likelihood and/or impact ↘ Reduced likelihood and/or impact

Risk	Example of measures	Trend	Comment
Exposure to a potentially declining market Alleima is exposed to the oil and gas segment, where demand may gradually decrease over time, posing a risk of reduced volumes.	— Long-term strategy to reduce dependence on oil and gas by growing in other customer segments and seizing opportunities arising from the transition to renewable energy	→	
Geopolitical uncertainty and regulatory measures Politically driven changes and decisions, as well as differences in legislation and regulations in different regions, can negatively impact operations through increased costs or otherwise complicate business operations.	— Continuous monitoring of global developments and continuity planning to quickly manage changes in production or distribution routes. — Ongoing dialogue with organizations such as Eurofer, Jernkontoret, and ESTA	→	
Technological development If Alleima fails to lead technological development, there is a risk of missed business opportunities.	— Continuous development of processes and working methods, including monitoring technological developments and digitalization	→	

Operational risks

Risk	Example of measures	Trend	Comment
Production interuptions Alleima has several production units globally. Fires, breakdowns in production equipment or IT systems, weather-related events and other types of losses can lead to significant production interruptions that can affect Alleima's ability to deliver to customers and thus Alleima's results.	— Business continuity plans developed with focus on how to minimize interruptions in production, continuous monitoring of the location of production facilities and review of risks related to natural disasters — Risk engineering visits are made regularly to larger production units to identify and develop plans to address potential causes of production interruptions — Reinvestment plans are in place for the most important production assets — Critical IT systems have disaster recovery plans in place that are tested regularly	↗	The assessment is that the probability has increased due to that losses has occurred and an increase in weather-related events.
Lack of required competence to fulfill our strategic objectives Alleima has a need for competent and committed employees. The company must have the ability to attract and retain talent and ensure access to leadership in order to achieve set strategic and operational obejctives	— Continuous work with Employer Branding and maintaining Alleima's core values — Ongoing work with competence development, including the possibility of job rotation and talent management	→	

Operational risks

Risk	Example of measures	Trend	Comment
Supply chain risks Risk of disruptions, increased production costs, changed capital binding, or longer lead times due to dependencies on individual suppliers, regional dependencies, changed metal prices, and increased likelihood of risks related to weather.	— Strengthening long-term supplier relationships and securing alternative suppliers where possible — Reducing impacts of metal price changes through alloy surcharges or fixed-price agreements with end customers and inventory optimizations. — Hedging to secure energy prices	↗	Due to prevailing uncertainty in the world, the probability of longer lead times and increased costs is considered to have increased.
Incidents within own operations causing harm to employees or the environment Risk of serious harm to employees or the environment due to an accident at one of the company's production facilities.	— "Safety first" prioritized on the Alleima's management agenda — Regular training to raise awareness of potential accidents within our operations — Regular follow-up of management systems related to health and safety — Specific risk assessments to minimize risks related to the environment, health, and safety	→	
Compliance related risks Risk of non-compliance with laws and regulations that are continuously evolving due to the geopolitical situation. This could lead to lawsuits, fines, and potential impacts on business, including potential brand impact.	— Compliance programs have been established and continuously developed based on new and changing regulations	→	
Unfavorable macroeconomic development Risk of decreased demand due to challenges in the global economy, which could negatively affect the company's financial results.	— Customer and market trends are continuously monitored, and continuity plans, including action plans, are in place in all divisions	→	
Deficiencies related to information management Modern digital business methods increase risks of unauthorized information disclosure and data breaches.	— The company has clearly defined processes for information management, including information classification and internal regulations on where different types of information should be stored — Ongoing training of employees to ensure awareness of cyber-related risks	↗	The probability is considered to have increased due to the uncertain geopolitical situation, which has also increased the risk of incidents related to cybersecurity.
Liability risks related to contracts or delivered products Risk that delivered products do not meet defined requirements in the product specification or contract.	— Continuous focus on quality and further development of Alleima's management systems	→	

Financial risks

Risk	Example of measures	Trend	Comment
Financing The company is exposed to risks related to currency, commodities, interest rates, liquidity, refinancing, and credit.	— Continuous hedging of financial risks through derivatives — Ensuring strong financial counterparties — Focus on cash flow and low debt levels — Access to confirmed long-term credit facility	→	
Fraud Risk that Alleima is exposed to fraud by employees or external parties, which could lead to negative financial effects or brand impact.	— Continuous training activities to raise awareness of fraud risks — Internal control framework to mitigate the risk of fraud	→	

See Note 26 for a more detailed description of financial risks.

Financial information and notes

Consolidated financial information

Parent company financial information

Consolidated financial information

Consolidated income statement

SEK M	Note	2024	2023
Revenues	2	19,691	20,669
Cost of goods sold	2	-15,740	-16,090
Gross Profit		**3,951**	**4,579**
Selling expenses		-1,250	-1,288
Administrative expenses		-975	-973
Research and development costs	5	-292	-255
Other operating income	6	140	229
Other operating expenses	7	-76	-245
Operating profit	2, 3, 4, 5, 8, 17	**1,498**	**2,046**
Financial income		170	172
Financial expenses		-97	-144
Net financial items	9	**73**	**28**
Profit after net financial items		**1,571**	**2,074**
Income tax	10	-350	-500
Profit for the year		**1,221**	**1,574**
Profit for the year attributable to			
Owners of the parent company		1,221	1,574
Non-controlling interests		–	–
Earnings per share, SEK	11		
Basic		4.88	6.28
Diluted		4.87	6.27

Consolidated statement of comprehensive income

SEK M	Note	2024	2023
Profit for the year		**1,221**	**1,574**
Other comprehensive income			
Items that will not be reclassified to profit (loss)			
Actuarial gains (losses) on defined benefit pension plans	20	32	-327
Tax relating to items that will not be reclassified	10	-8	69
Total items that will not be reclassified to profit (loss)		**24**	**-258**
Items that may be reclassified to profit (loss)			
Foreign currency translation differences		310	-227
Hedge reserve adjustment	26	-35	-965
Tax relating to items that may be reclassified	10	7	199
Total items that may be reclassified to profit (loss)		**282**	**-994**
Total other comprehensive income		**306**	**-1,252**
Total comprehensive income		**1,528**	**322**
Total comprehensive income attributable to			
Owners of the parent company		1,528	322
Non-controlling interests		–	–

Consolidated balance sheet

SEK M	Note	Dec 31, 2024	Dec 31, 2023
Goodwill	12	1,693	1,621
Other intangible assets	12	345	292
Property, plant and equipment	13	7,757	7,281
Right-of-use assets	14	455	502
Non-current financial assets	15	92	103
Deferred tax assets	10	228	164
Non-current assets		**10,569**	**9,963**
Inventories	16	7,407	7,360
Trade receivables	17	2,911	2,952
Income tax receivables	10	132	112
Other current receivables	18	917	1,013
Current receivables		**3,960**	**4,077**
Cash and cash equivalents	26	1,912	1,595
Current assets		**13,279**	**13,033**
Total assets		**23,848**	**22,996**
Share capital		251	251
Other paid-in capital		0	0
Reserves	1	356	205
Retained earnings	1	16,007	15,276
Equity attributable to owners of the parent company		**16,614**	**15,732**
Non-controlling interests		0	0
Total Equity	19	**16,614**	**15,732**

SEK M	Note	Dec 31, 2024	Dec 31, 2023
Provisions for pensions	20	885	886
Loans	21	0	1
Other non-current interest-bearing liabilities	21	327	378
Non-current interest-bearing liabilities		**1,212**	**1,266**
Deferred tax liabilities	10	402	481
Other non-current provisions	22	385	366
Other non-current liabilities	23	124	124
Non-current non-interest-bearing liabilities		**911**	**971**
Non-current liabilities		**2,123**	**2,237**
Loans	21	1	3
Other current interest-bearing liabilities	21	133	127
Current interest-bearing liabilities		**134**	**130**
Accounts payable		2,249	2,003
Advances from customers	2	539	560
Income tax liabilities	10	253	219
Other current provisions	22	91	101
Accrued expenses	24	1,264	1,307
Other current non-interest-bearing liabilities	23	580	706
Current non-interest-bearing liabilities		**4,977**	**4,897**
Current liabilities		**5,111**	**5,027**
Total equity and liabilities		**23,848**	**22,996**

Consolidated statement of cash flows

SEK M	Note	2024	2023
Operating activities			
Operating profit		1,498	2,046
Adjustments for non-cash items:			
Depreciation, amortization and impairment		913	911
Pensions		-32	-60
Other non-cash items		180	114
Received interest		57	34
Paid interest		-73	-12
Income tax paid		-451	-419
Cash flow from operating activities before changes in working capital		**2,091**	**2,615**
Changes in working capital			
Inventories		-23	-100
Accounts receivable		111	-13
Other receivable		-146	-48
Accounts payable		230	-623
Other payables		-140	404
Changes in working capital		**33**	**-380**
Cash flow from operating activities		**2,123**	**2,234**
Investing activities			
Acquisition of intangible assets	12	-48	-101
Proceeds from sale of intangible assets	12	0	0
Acquisition of tangible assets	13	-1,147	-726
Proceeds from sale of tangible assets	13	5	12
Acquisition of companies and shares, net of cash	28	–	-174
Other investments and financial assets		-3	1
Cash flow from investing activities		**-1,193**	**-988**

SEK M	Note	2024	2023
Financing activities			
Proceeds from loans		–	18
Repayment of loans		-4	-22
Amortization of lease liabilities		-135	-128
Equity swap	19	-20	-20
Dividends paid	19	-501	-351
Cash flow from financing activities	21	**-660**	**-503**
Net change in cash and cash equivalents		**270**	**743**
Cash and cash equivalents at beginning of year		1,595	892
Exchange rate differences in cash and cash equivalents		47	-39
Cash and cash equivalents at end of the year		**1,912**	**1,595**

Consolidated statement of changes in equity

SEK M	Note	Share capital	Other paid-in capital	Translation reserve	Hedge reserve	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total Equity
Equity at January 1, 2023		**251**	**0**	**485**	**559**	**14,606**	**15,901**	**0**	**15,901**
Reallocation	*1*	–	–	–	*277*	*-277*	–	–	–
Adjusted opening balance at January 1, 2023	**1**	**251**	**0**	**485**	**836**	**14,329**	**15,901**	**0**	**15,901**
Changes									
Net profit		–	–	–	–	1,574	1,574	–	1,574
Other comprehensive income for the year, net of tax		–	–	-227	-766	-258	-1,252	–	-1,252
Total comprehensive income for the year		–	–	*-227*	*-766*	*1,316*	*322*	–	*322*
Cash flow hedge, transferred to cost of hedged item		–	–	–	-153	–	-153	–	-153
Tax on cash flow hedge, transferred to cost		–	–	–	32	–	32	–	32
Net cash flow hedge, transferred to cost		–	–	–	*-122*	–	*-122*	–	*-122*
Share-based payment	3, 19	–	–	–	–	2	2	–	2
Equity swap	19	–	–	–	–	-20	-20	–	-20
Dividends	19	–	–	–	–	-351	-351	–	-351
Total transactions with owners		–	–	–	–	*-369*	*-369*	–	*-369*
Equity at December 31, 2023		**251**	**0**	**257**	**-52**	**15,276**	**15,732**	**0**	**15,732**
Changes									
Net profit		–	–	–	–	1,221	1,221	–	1,221
Other comprehensive income for the year, net of tax		–	–	310	-27	24	306	–	306
Total comprehensive income for the year		–	–	*310*	*-27*	*1,245*	*1,528*	–	*1,528*
Cash flow hedge, transferred to cost of hedged item		–	–	–	-165	0	-165	–	-165
Tax on cash flow hedge, transferred to cost		–	–	–	34	0	34	–	34
Net cash flow hedge, transferred to cost		–	–	–	*-131*	0	*-131*	–	*-131*
Share-based payments	3, 19	–	–	–	–	6	6	–	6
Equity swap	19	–	–	–	–	-20	-20	–	-20
Dividends	19	–	–	–	–	-501	-501	–	-501
Total transactions with owners		–	–	–	–	*-515*	*-515*	–	*-515*
Equity at December 31, 2024		**251**	**0**	**567**	**-211**	**16,007**	**16,614**	**0**	**16,614**

Note 1 | Significant accounting principles – assessments and assumptions for accounting purposes

The consolidated financial statements comprise Alleima AB, corporate registration number 559224-1433 (the Parent Company) and all its subsidiaries, jointly the Alleima Group with registered office in Sandviken, Sweden. The address to the head office is SE-811 81 Sandviken.

The Parent Company's functional currency is Swedish kronor (SEK), which is also the presentation currency of the Parent Company and the Alleima Group. Accordingly, the financial statements are presented in SEK. All amounts are in million SEK unless otherwise stated. Roundings may occur.

The Parent Company's Annual Report and the consolidated financial statements were approved for issuance by the Board of Directors on March 12, 2025. The Group's and the Parent Company's income statements and balance sheets are subject to adoption at the Annual General Meeting on April 28, 2025.

ACCOUNTING PRINCIPLES

Basis for preparation

The consolidated financial statements for the year 2024 covering the period from January 1 to December 31, 2024, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The statements are also prepared in accordance with the Swedish recommendation RFR 1 "Supplementary Accounting Rules for Groups" and applicable statements issued by the Swedish Financial Reporting Board. These require certain additional disclosure requirements for Swedish consolidated financial statements prepared in accordance with IFRS.

Basis of measurement

Assets and liabilities are stated on a historical cost basis except for certain financial assets and liabilities, which are stated at their fair value. Financial assets and liabilities measured at fair value comprise of derivative instruments and plan assets in the defined benefit plans. Receivables and liabilities and items of income and expense are offset only when required or expressly permitted in an accounting standard.

The preparation of financial statements in conformity with IFRS requires management to make assessments, estimates and assumptions that affect the application of accounting policies and recognized amounts of assets and liabilities, income and expenses. Actual results may differ from these assessments. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have had a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed further below.

Events after the balance sheet date refer to both favorable and unfavorable events that have occurred after the balance sheet date but before the date the financial statements were authorized for issue by the Board of Directors. Significant non-adjusting events, that is, events indicative of conditions that arose after the balance sheet date, are disclosed in the financial statements. Only adjusting events, that is, those that provide evidence of conditions that existed at the balance sheet date, have been considered in the final establishment of the financial statements. The most significant accounting policies for the Group, as set out below and in the notes, have been applied consistently to all periods presented in these consolidated financial statements except as specifically described. Moreover, the Group's accounting policies have been consistently applied in the Group reporting by all members of the Group.

Basis of consolidation

The combined accounts are prepared in accordance with the Group's accounting principles and include the accounts of the Parent Company and all entities in which the Parent Company, directly or indirectly has control. Control exists when the Parent Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to use its power to affect its returns. Generally, control and hence consolidation is based on ownership. Group companies are consolidated from the date the Parent Company exercises control or influence over the Company. Divested companies are included in the consolidated accounts until the date the Parent Company ceases to control or exercise influence over them. In preparing Alleima's combined financial statements, any intra-group transactions have been eliminated. For cases in which the subsidiary's accounting policies do not coincide with the Group's accounting policies, adjustments were made to comply with the Group's accounting policies.

The consolidated financial statements are prepared in accordance with the acquisition method. In business combinations, acquired assets and assumed liabilities are identified and classified, and measured at fair value on the date of acquisition (also known as a purchase price allocation). Transaction costs in conjunction with acquisitions are recognized directly in profit or loss for the year as other operating expenses. Contingent considerations are recognized as financial liabilities and at fair value on the acquisition date. Contingent considerations are remeasured at each reporting period with any change recognized in profit or loss for the year.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into functional currency at the foreign exchange rate prevailing at the date of the transaction. The functional currency is the currency of the primary economic environment in which the Group entities operate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognized in profit or loss for the year. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value are re-translated to the functional currency at the exchange rate prevailing at the date that the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated from the foreign operation's functional currency to the Group's presentation currency, SEK, at foreign exchange rates prevailing at the balance sheet date. Revenues and expenses of foreign operations are translated to SEK at average rates that approximate the foreign exchange rates prevailing at each of the transaction dates. Translation differences arising from the translation of the net investment in foreign operations are recognized in other comprehensive income and are accumulated in a separate component of equity, a translation reserve. When the foreign operation is divested, the accumulated translation differences attributable to the divested foreign operation are reclassified from equity to profit or loss for the year as a reclassification adjustment at the date on which the profit or loss of the divestment is recognized. For cases in which divestments made include a residual controlling influence, the proportionate share of accumulated translation differences from other comprehensive income is transferred to non-controlling interests.

Changes in accounting policies

IASB has published amendments of standards that are effective as of January 1, 2024 or later. The standards have not had any material impact on the financial reports.

IASB has published IFRS 18 Presentation and Disclosure in Financial Statements with an implementation date of January 1, 2027. The standard has not yet been approved by the EU. IFRS 18 will replace IAS 1 Presentation of Financial Statements. IFRS 18 primarily concerns three key areas for presentation and disclosures in the financial statements, with a focus on the income statement and reporting of financial performance. The company has not completed its evaluation of the effects of IFRS 18.

Adjustment of hedge accounting

During 2024 a correction of some hedge accounting transactions related to 2022 was made, which resulted in a restatement of the closing balance for equity as of December 31, 2022 between the hedge reserve and retained earnings of SEK -277 million.

The adjustment had no effect on total equity. Retained earnings post the adjustment amounts to SEK 15,276 million as of December 31, 2023.

Reporting of operating segments

Alleima's management monitors its operations from an operating segment perspective. In accordance with IFRS 8 Operating segments, Alleima's management has identified the three divisions Tube, Kanthal and Strip as the reportable segments.

Alleima's business is organized in a manner that allows the Group's Chief Operating Decision Maker (CODM), meaning the CEO, to monitor results, return and cash flow generated by the various products and services in the Group. Each operating segment has a Division Head (the Strip-division has one division head and one head for the business unit Surface Technology) that is responsible for day-to-day activities and who regularly reports to the CEO regarding the results of the operating segment's work and the need for resources. Since the CEO monitors the business' result and decides on the distribution of resources based on the products the Group manufactures and sells and the services it provides, these constitute the Group's operating segments.

The Group's operations are organized in Divisions based on products and services. The market organization also reflects this structure. The same accounting principles are applied for the segments and the Group.

Segment results, assets and liabilities include only those items that are directly attributable to the segment and the relevant portions of items that can be allocated on a reasonable basis to the segments. Unallocated items comprise interest, gains on disposal of financial investments, interest expense, losses on the disposal of financial investments, income tax expense and certain administrative expenses. Unallocated assets and liabilities include income and deferred tax receivables and payables, financial investments and financial liabilities.

Revenue from goods and services

Revenue is recognized when the control of goods and services is transferred to the customer at an amount reflecting the expected and entitled consideration for the goods or services provided. The supply of goods and services comprises, advanced stainless steels and special alloys as well as products for industrial heating and medical technology.

Allocation of transaction price

The transaction price is allocated to each identified performance obligation on a relative stand-alone selling price basis. This means that each performance obligation will be allocated its share of revenue based on its stand-alone selling price put in relation to the sum of all performance obligation's stand-alone selling price. Adjusted market assessment approach and expected cost plus a margin approach are normally used to determine the stand-alone selling price if no observable selling price is available for one or more of the performance obligations. Variable consideration is generally allocated proportionally to all performance obligations unless there is evidence that the entire variable consideration is related to a specific performance obligation in the contract.

Variable consideration

Customer contracts can include variable considerations such as cash discounts and rebates. When such components are identified, an assessment is made to determine if the identified portion of revenue and any related cost of goods sold should be deferred to a later period. This is established by applying the expected value method or the most likely amount method with the threshold of being highly probable that a reversal of revenue will not occur.

Significant financing component

When advances are received, Alleima adjusts the promised amount of consideration for the effects of the time value of money. Alleima uses the practical expedient to not calculate and account for significant financing component if the period between the transfer of a good or service to a customer and payment is 12 months or less.

Cost to obtain a contract

Incremental costs to obtain a customer contract shall be recognized as a contract asset if the cost is incremental and Alleima expects to recover the costs. The contract asset is periodized over the contract lifetime. Contract asset for costs to obtain a contract is not recognized if the contract has a duration equal to or shorter than 12 months. Examples of incremental costs are agent fees, commission to sales employees, signing fees etc.

Goods sold

Revenue from goods sold (e.g. high value-added products in advance stainless steels and special alloys and products for industrial heating) is recognized at a point in time when the control has been transferred to the customer. To assess when the control has been transferred, indicators such as, but not limited to, significant risks and rewards of ownership, transferred physical possession, the customer has accepted the asset, present right to payment and legal title of goods and services are considered. For sale of goods the transfer of control usually occurs when the significant risks and rewards are transferred in accordance with the Incoterms.

When goods sold are highly customized and there is an enforceable right to payment for performances completed to date, the goods are recognized over time. Progress of satisfaction of each performance obligation is used to measure the revenue by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

If a customer contract includes a buy-back clause, exercised at the customer discretion and a significant transfer of control has not taken place, the transaction is then accounted for as an operational lease in accordance with IFRS 16 Leases. If the customer is not considered to have a significant economic incentive to exercise the option, the contract is then accounted for by applying the principles of variable consideration.

Payment is generally due between 30–90 days from the transfer of control. In some contracts, short-term advances are required before the product is delivered. Some contracts contain late delivery penalties and volume rebates, which give rise to variable consideration subject to constraint.

Operating expenses

Operating expenses are classified according to function, as described below. Depreciation and amortization and personnel costs are stated by function.

Cost of goods sold

Cost of goods sold is defined as the costs of production and procurement of the goods sold and other order specific costs. The cost of goods sold also includes inventory write-down and valuation items, the part of the cost for personnel, premises, purchased services and depreciation and amortization of non-current assets, including right-of-use assets, attributable to the production of sold goods.

Selling expenses

Selling expenses include costs for the internal sales organization, purchased services, personnel costs, cost for right-of-use assets, bad debt losses, IT costs of sales systems and logistics systems as well as depreciation and amortization of non-current assets attributable to sales activities. Advertising and other marketing activities are also included and are expensed as incurred.

Administrative expenses

Administrative expenses consist of the part of the personnel costs, purchased services as well as depreciation and amortization of non-current assets, including right-of-use assets, attributable to the other joint functions. Costs associated with the Board of Directors, executive management and corporate functions are included in administrative expenses.

Other operating income and other operating expenses

Other operating income and other operating expenses include secondary activities, exchange rate differences in operating activities and gain/loss on the sale of tangible and intangible assets.

Financial income and expenses

Financial expenses consist of interest expense on borrowings. Unrealized gains and losses on hedging instruments are recognized in profit or loss for the year.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss for the year except when the underlying transaction is recognized in other comprehensive income. In these cases, the associated tax effects are recognized in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect to previous years.

Current tax liabilities are offset against current tax receivables and deferred tax assets are offset against deferred tax liabilities when the entity has a legal right to offset these items and intends to do so.

Deferred tax is recognized based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their value for tax purposes. Deferred taxes are measured at their nominal amount and based on the expected manner of realization or settlement of the carrying amount of the underlying assets and liabilities, using tax rates and fiscal regulations enacted or substantively enacted at the balance sheet date.

Deferred tax assets relating to deductible temporary differences and tax losses carried forward are recognized only to the extent that it is probable they can be utilized against future taxable profits.

Government grants

Government grants are recognized as deferred income in the balance sheet when there is reasonable assurance that the grant will be received, and that the entity will comply with the conditions attached to them. Grants are recognized in profit or loss for the year in the same way and over the same periods as the related costs that they are intended to compensate, on a systematic basis.

Grants related to assets are presented by deducting the grant from the carrying amount of the asset.

Intangible assets

Goodwill

Goodwill acquired in a business combination represents the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

Goodwill is measured at cost less any accumulated impairment losses and is reported as an indefinite useful life intangible asset. Goodwill is allocated to cash generating units that are expected to benefit from the synergies of the business combination and is tested for impairment yearly, or when there is an indication of impairment. Impairment losses on goodwill are not reversed.

Research and development

Expenditure on research activities related to the obtaining of new scientific or technical knowledge is expensed as incurred. Expenditure on development activities, whereby the research results or other knowledge is applied to accomplish new or improved products or processes, is recognized as an intangible asset in the balance sheet, provided the product or process is technically and commercially feasible and the Company has sufficient resources to complete development, and is subsequently able to use or sell the intangible asset.

The carrying amount includes the directly attributable expenditure, such as the cost of materials and services, costs of employee benefits, fees to register intellectual property rights and amortization of patents and licenses. Other expenses for development are expensed as incurred. In the balance sheet, capitalized development expenditure is stated at cost less accumulated amortization and any impairment losses.

Emission rights

Emission rights are recognized at cost less any accumulated impairment. The cost for the rights received free of charge is zero. A provision is made if a deficit of emission rights has been identified between the rights owned and the rights to be delivered due to actual emissions. The provision is valued at the market value of the rights required to cover the excess consumption of emissions made. Gains or losses on the disposal of emission rights are recognized in the income statement.

Other intangible assets

Other intangible assets acquired by the Company are recognized at cost less accumulated amortization and any impairment losses. Capitalized expenditure for the development and purchase of software for the Group's IT operations are included here.

Intangible assets also include patents, trademarks, licenses, customer relationships and other rights. They are split between acquired and internally generated intangible assets.

Amortization of intangible assets

Amortization is charged to profit or loss for the year on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life, consisting of goodwill, are systematically tested for impairment annually or as soon as there is an indication that the asset may be impaired. Intangible assets with a finite useful life are amortized as of the date the asset is available for use.

The estimated useful lives are as follows:

— Patents and trademarks	10–20 years
— Customer relationships	7–10 years
— Capitalized development costs	3–10 years
— Software for IT operations	3 years

Impairment and reversals of impairment

Assets with an indefinite useful life are not amortized but tested annually for impairment. Assets that are amortized or depreciated are tested for impairment whenever events or changed circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount, which is the greater of the fair value less cost of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating units to which the asset belongs. Goodwill is tested at the level of operating segments.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. Impairment of goodwill is not reversed.

Property, plant and equipment

Owned assets

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful lives. Land is not depreciated. Depreciation is recognized on a straight-line basis (unless otherwise described) based on the cost of the assets, adjusted by residual value when applicable, and estimated useful lives. The following depreciation periods are applied.

Land and buildings:	
— Land	indefinite useful life
— Buildings	10–50 years
— Site improvements	10–50 years
Plant and machinery:	
— Plant and machinery	5–25 years
Equipment, tools, fixtures and fittings:	
— Estimated useful lives	
— Computer equipment	3–5 years

If an item of property, plant and equipment comprises components with different useful lives, each such significant component is depreciated separately. Depreciation methods and estimated residual values and useful lives are reviewed at each year-end.

Impairment and reversals of impairment

Impairment and reversals of impairment is applicable also for property, plant and equipment. For details see Intangible assets.

Borrowing costs

Borrowing costs attributable to the construction of qualifying assets are capitalized as a portion of the qualifying asset's cost. A qualifying asset is an asset that takes a substantial time period to get ready for its intended use or sale and to a substantial amount. The Group considers a period in excess of one year to be a substantial time period.

Leases

In the consolidated financial statements, leases when Alleima being a lessee are recognized as right-of-use assets and when being a lessor either as a finance lease or an operational lease.

Impairment and reversals of impairment

Impairment and reversals of impairment is applicable also for right-of-use assets. For details see Intangible assets.

Alleima as a lessee

For all contracts an evaluation is done to identify if a lease exists by testing if Alleima has the right to obtain substantially all the economic benefits from use of the identified assets and has the right to direct the use of the identified asset and that the supplier has no substantial rights of substitution.

Alleima has decided to separate non-lease components from the lease components in contracts concerning buildings. The non-lease component cost should then be recognized as an expense and not be included in the calculation of a right-of-use asset and lease liability for asset class buildings. For all other asset classes non-lease components are included in the calculation of a right-of-use asset and lease liability.

The lease contracts are assessed at the commencement date whether the lessee is reasonably certain to exercise an option to extend the lease; or to exercise an option to purchase the underlying asset; or not to exercise an option to terminate the lease. In cases of open-ended contracts local law can provide protection to the lessee from being given notice. This requires the Alleima lessee to determine the contract period instead of considering the termination clause. The lessee then determines the length of the contract period based on factors such as the importance of building to the business, any planned or made leasehold investments and the market situation for premises.

The lease liability and right-of-use asset is calculated by using the implicit rate in the contract. If the implicit rate cannot be identified the incremental borrowing rate is instead applied, which is the interest rate the Company had been given if the investment had been financed through a loan from a financial institute. The measurement of the right-of-use asset includes amount of initial measurement of lease liability, lease payments at or before the commencement date, any initial direct cost and restoration costs. Alleima depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

After commencement date the carrying amount of the lease liability and the right-of-use asset is remeasured to reflect any modification or reassessment of a lease contract.

Alleima has chosen to apply the two expedients concerning leases shorter than one year (defined as leases with a lease term of 12 months or less at commencement date) and low value assets (with a value as new below USD 5,000) which are expensed on a current basis.

Alleima as a lessor

As a lessor, Alleima has classified its leases as operating leases.

An operating lease is a lease that does not transfer substantially all the risks and rewards as a result from ownership of an underlying asset. A sublease should also be classified as finance or operational lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset, for example, an item of property, plant or equipment.

When the agreement is recognized as an operating lease the asset is classified as tangible assets and valued at cost less accumulated depreciation. The cost of an asset comprises the acquisition value and any initial direct costs related to the contract. The lease payments and the depreciations are included in profit or loss on a straight-line basis over the term of the lease.

Inventories

Inventories are stated at the lowest of cost and net realizable value, with due consideration of obsolescence. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in/first-out (FIFO) principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Financial instruments

Financial instruments recognized in the balance sheet include assets, such as account receivables, financial investments, cash and cash equivalents and derivatives, and liabilities such as loan liabilities, account payables, and derivatives.

Cash and cash equivalents consist of cash and bank balances as well as current investments with maturities up to and including 3 months.

Recognition and derecognition

A financial asset or a financial liability is recognized on the balance sheet when the entity becomes a party to the contractual provisions of the instrument. Account receivables are recognized upon issuance of the invoice. A liability is recognized when the counterparty has performed under the agreement and the Company is contractually obliged to settle the obligation, even if no invoice has been received.

At initial recognition, the Group measures financial assets and liabilities at its fair value plus or minus, in the case of a financial asset or liability not at fair value through profit or loss (FVPL), transaction costs including all fees, premiums and discounts that are directly attributable to the acquisition or issue of the financial asset and liability. Transaction costs of financial assets and liabilities carried at FVPL are expensed in the income statement.

A financial asset is derecognized when the rights to receive cash flows under the agreement have expired or have been transferred and the group has substantially transferred all the risks and rewards. A financial liability is derecognized when the obligation specified in the contract is discharged or otherwise expires.

A financial asset and a financial liability are offset and presented in a net amount in the balance sheet only if there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Classification and measurement

Financial assets, excluding derivatives, including equity- and debt instruments

The Group classifies its financial assets as those to be measured at fair value, and those to be measured at amortized cost.

For debt instruments, which includes accounts receivables, the classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows:

Amortized Cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the income statement.

Fair Value through profit and loss: Assets that do not meet the criteria for amortized cost are measured as fair value through profit and loss.

Financial liabilities

Financial liabilities excluding derivatives are classified and subsequently measured at amortized cost. Any difference between the loan amount, net of transaction costs, and the repayable amount is allocated to profit or loss for the year over the term of the loan using the effective interest method. For information on contractual terms, scheduled repayments and the exposure to interest risk and foreign-currency risk, refer to Note 26 Financial risk management.

Financial instruments measured at fair value in the balance sheet

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Under the IFRS 13 Fair Value Measurement disclosure requirements, the method applied to the valuation of assets and liabilities measured at fair value in the balance sheet is presented below. The valuation is divided into three levels:

Level 1: Fair value is determined according to prices listed on an active market for the same instrument

Level 2: Fair value is determined based on either directly (as a price) or indirectly (derived from prices) on observable market data

Level 3: Fair value is determined based on input data that is not observable in the market

All of Alleima's financial instruments measured at fair value are measured according to Level 2.

Measurements of fair value

The fair value of foreign exchange contracts, raw materials- and electricity- and gas derivatives are determined based on observable market prices.

For means of payment, receivables and payables with variable interest and current receivables and payables (for example, trade receivables and accounts payable), the fair value has been considered to correspond to the carrying amount.

Hedge accounting
Hedge accounting is applied in accordance with IFRS 9 and to meet the criteria there must be a clear relationship between the hedging instrument and the hedged item. The relationship is expected to be highly effective, and it must be possible to reliably measure such effectiveness. Moreover, the hedge must be formally designated and documented. Gains and losses on remeasurement of derivatives used for hedging purposes are recognized as described below under cash flow hedges.

Cash flow hedges
Hedge accounting is applied when hedging a particular risk associated with highly probable future cash flows and forecast transactions.

Alleima applies hedge accounting for derivatives that are used to hedge the Group's exposure to electricity-, gas- and metal price risk. In addition, hedge accounting is applied for some derivatives that are used to hedge the exchange rate exposure in orders and investments. Changes in the fair value of the derivatives designated for hedge accounting are recognized in Other comprehensive income and accumulated in the Hedge reserve within equity. Changes in fair value are subsequently reclassified to profit or loss in the same period as the Group reports the expense of the hedged consumption of electricity, gas and metal or included in the carrying amount of the purchased metals or acquired property, plant and equipment as appropriate. Any ineffectiveness is recognized immediately in profit or loss.

Derivatives, for which hedge accounting is not applied, are measured at their fair value directly through profit or loss.

Current receivables
Trade receivables
Trade receivables are recognized at amortized cost.

Alleima evaluates its trade receivables, contract assets and financial leases on a collective basis for each category, respectively. Each reporting entity classifies their receivables in suitable risk categories according to Group policy based on expected credit losses.

Expected credit loss provisions are based on the full lifetime expected credit loss model with a provision matrix where fixed provision rates are applied depending on the number of days outstanding. The entities consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring the expected credit losses.

Credit risks are classified based on credit information provided by credit agencies, identified payment behavior of the customer and other relevant information available, such as lost contracts, changes in company management and other customer specific information. Additionally, a macroeconomic evaluation is conducted on the outlook of industries and countries relevant for Alleima's customers if needed. Changes to the allowance for expected credit losses for accounts receivables are recognized in selling expenses.

Alleima's principles for the writing off receivables are based on several prerequisites, such as proof of write-off, insolvency or failed legal and other collection processes. An assessment is made whether one or several of these prerequisites are fulfilled before the write-off takes place.

The Group selectively utilizes different forms of credit securities, such as letters of credit, retention of title or credit insurance.

Alleima sells certain trade receivables for larger volume and credit worthy customers without recourse. The receivable is derecognized when substantially all risks and rewards of ownership of the financial asset has been transferred.

Contract assets
A contract asset is recognized when the right to consideration for a performance obligation is conditional on completion of promises other than the passage of time.

Equity
Equity is defined as total shareholders' equity including non-controlling interests.

The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign operations stated in a currency different from the Group's presentation currency.

Dividends are recognized as a liability in the period in which they are resolved at a shareholders' meeting.

Retained earnings including profit or loss for the year comprises the earned profit of the parent company and its subsidiaries.

Equity swap raised to secure the delivery of shares under the incentive program is reported in equity with adjustment for related expenses and any dividends on the shares.

Non-controlling interests are recognized as a separate item in the Group's equity. Acquisitions of non-controlling interests are recognized as a transaction within shareholders' equity, meaning between the parent company's owners and non-controlling interests. Accordingly, goodwill does not arise in conjunction with such transactions. Gains or losses on disposals to non-controlling interests are also recognized in equity.

Pensions
Defined-contribution plans
A defined-contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The size of the pension that the employee will ultimately receive in such cases depends on the size of the contributions that the entity pays to the plan or an insurance company and the return that the contributions yield. Obligations for contributions to defined-contribution pension plans are recognized as an employee benefit expense in profit or loss for the year as the employee renders services to the entity.

Defined-benefit plans
The Group's net obligation in respect to defined-benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have vested in return for their service in the current and prior periods. This benefit is discounted to its present value. The discount rate is the yield on high-quality corporate bonds, mortgage bonds – or if there is no deep market for such bonds, government bonds – that have maturity dates approximating the terms of the Group's obligations. The calculation is performed annually by a qualified actuary. In addition, the fair value of any plan assets is assessed. This method of accounting is applied to the most significant defined-benefit plans in the Group. A few plans, which neither individually nor in the aggregate are significant in relation to the Group's total pension obligations, are still recognized in accordance with local regulations.

In measuring the present value of pension obligations and the fair value of plan assets, actuarial gains and losses may accrue either because the actual outcome differs from earlier assumptions (so-called experience adjustments) or the assumptions are changed. These actuarial gains and losses are recognized in the balance sheet and in other comprehensive income.

When the benefits under a plan are improved, the portion of the increased benefits that relate to past service by employees is recognized in profit or loss for the year. The amount of obligations recognized in the balance sheet for pensions and similar obligations reflects the present value of the obligations at the balance sheet date, less the fair value of any plan assets.

Other provisions
A provision is recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The provisions are mainly related to termination benefits, warranty commitments, restructuring, long-term incentives, environmental obligations and legal disputes and claims, such as value-added tax issues, and customer and supplier claims relating to ongoing or finished projects.

Termination benefits
When employment is terminated, a provision is recognized only when the entity is demonstrably committed either to terminate the employment of an employee or a group of employees before the normal retirement age or provide termination benefits as a result of an offer made to encourage voluntary redundancy. In the latter case, a liability and an expense are recognized if it is probable that the offer will be accepted and the number of employees that will accept the offer can be reliably estimated.

Warranty commitments

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Employee benefits

A provision for personnel-related benefits is recognized in accordance with agreements entered for long-term incentive programs, local bonus programs, part-time pensions, and other personnel obligations.

Environmental obligations

Environmental provision is recognized when there is a legal obligation or a decided defined action, such remediation or testing programs. Every year a provision is recognized for waste material and slag deposits. Monitoring programs in continuous operations are regarded as cost as they occur.

Site restoration

Provision for costs for restoring contaminated land is made in accordance with when there is a legal requirement or other binding commitment to restore established contaminated land and when the cost can be measured with reasonable precision. Site restoration is included in environmental obligations.

Legal disputes

Legal disputes include provisions for claims which, at the balance sheet date, had not been closed.

Other obligations

Other obligations include provisions for onerous contracts. Provisions classified as current are expected to result in an outflow of resources within twelve months from the balance sheet date.

Share-based payments

The costs for equity-settled payments are based on the fair value of the share rights calculated by an independent party at the date of grant. These payments are reported as employee costs during the vesting period with a corresponding increase in equity. The vesting conditions in the program are linked to non-market performance conditions (earnings per share and reduction of carbon dioxide) and service conditions (employment period) which are taken into account in employee cost during the vesting period by the change in the number of shares that are expected to finally vest. Alleima records a liability for social security expenses, at each reporting period, for all outstanding share-based payments. Social security expenses attributable to equity-based instruments to employees as compensation for provided services are expensed in the periods during which the services are performed. The provision for social security expenses is based on the fair value of the share rights at each reporting period.

Other liabilities

Other liabilities excluding derivatives are classified and subsequently measured at amortized cost.

Contract liabilities are recognized when a payment is received before the performance obligation has been satisfied.

Alleima is party of supply chain financing arrangements, also known as reversed factoring. Those liabilities are part of the working capital used in Alleima's normal operating cycle, and represents a liability to pay for received goods or services, which were invoiced or formally agreed with the supplier. Thus, these liabilities are presented as part of Accounts payable in the balance sheet.

Contingent liabilities

A contingent liability is recognized when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events.

A contingent liability is also recognized when there is a present obligation that cannot be recognized as a liability because it is not probable that an outflow of resources will be required, alternatively because the amount of the obligation cannot be measured with sufficient reliability.

Cash flow statement

The consolidated cash flow statement is prepared in accordance with the indirect method. A short-term investment is classified as a cash and cash equivalent if:

- The risk of changes in value is insignificant
- It is readily convertible into cash
- It has a maturity of no more than three months from the date of acquisition

CRITICAL ESTIMATES AND KEY JUDGMENTS

In order to prepare the financial statements, management and the Board make various judgments and estimates, including impact from climate change, that can affect the amounts recognized in the financial statements for assets, liabilities, revenues and expenses as well as information in general, including contingent liabilities. The judgments and estimates discussed below are those deemed to be most important for an understanding of the financial statements, considering the level of significant estimations and uncertainty. The conditions under which Alleima operates are gradually changing meaning that the judgments also change.

Business combinations

The Group uses estimates and judgments regarding allocation of goodwill and other surplus values in a business combination, see Note 12 Intangible assets and Note 28 Business combinations.

Income tax

Estimates are made to determine both current and deferred tax liabilities/assets, not least the value of deferred tax assets.

The actual results may differ from these estimates, for instance due to changes in the business climate, changed tax legislation, or the outcome of the final review by tax authorities and tax courts of tax returns, see Note 10 Income tax.

Valuation of inventory

The Group use estimates to determine inventory reserves. When calculating inventory reserves, Alleima considers production and sales volumes, as well as the demand for certain products, see Note 16 Inventories.

Impairment of non-current assets

Impairment tests of goodwill

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired, for example due to a changed business climate or a decision taken either to sell or close down certain operations. In order to determine if the value of goodwill has been impaired, the cash generating unit or group of cash generating units to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, Alleima relies on a number of factors, including historical results, business plans, forecasts and market data. As can be deduced from this description, changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill, see Note 12 Intangible assets.

Impairment tests of other non-current assets

Alleima's intangible and tangible assets, excluding goodwill, are stated at cost less accumulated amortization and depreciation and any impairment losses. Other than goodwill, Alleima has not identified any intangible or tangible assets with indefinite useful lives. The assets are amortized over their estimated useful lives to their estimated residual values. Both the estimated useful life and the residual value are reviewed at least at each financial year-end, see Note 12 Intangible assets and Note 13 Property, plant and equipment.

The carrying amount of the Group's non-current assets is tested for impairment whenever events or changes in circumstances indicate that the carrying amount will not be recovered. The carrying amount of intangible and tangible assets not yet available for use is tested annually. If such analysis indicates an excessive carrying amount, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the asset's fair value less costs of disposal, and its value in use. Value in use is measured as the discounted future cash flows of the asset, alternatively the cash generating unit to which the asset belongs.

A call for an impairment test also arises when a non-current asset is classified as being held for sale, at which time it must be remeasured at the lower of its carrying amount and fair value less costs of disposal.

Post-employment benefits

Actuarial assumptions are used to measure pension obligations and they significantly affect the recognized net liability and the annual pension cost. One critical assumption – the discount rate – is essential for the measurement of both the interest expense of the year and the present value of the defined-benefit obligations' current year. The discount rate is used both for calculating the present value of the obligation and as an estimate for the return on plan assets. The discount rate is reviewed quarterly, which affects the net liability, and annually, which also affects the expense for the coming year. All other assumptions, both financial and demographic are reviewed at least annually, see Note 20 Provision for pensions and other non-current post-employment benefits.

The financial risk management associated with the defined benefit plans are presented in Note 26 Financial risk management.

Environmental obligations

The nature and long history of the operations of the Alleima Group typically entail a risk of claims in relation to contaminations, since the environmental requirements on operations were generally less stringent in the past. Claims to investigate or to carry out remedial measures may arise following inquiries from authorities, in connection with property transfers, property development or review of permits. Environmental provision is updated at least annually and whenever events or changes in conditions indicate a need of review, e.g. requirements from authorities or decision to sell or close down certain operations. The ongoing provision for waste material and slag is based on estimated cost and time before final coverage of the landfill.

Environmental obligation is presented in Note 22 Other Provisions.

Note 2 | Segment information and revenue

Alleima's management monitors its operations from an operating segment perspective. In accordance with IFRS 8, Operating segments, Alleima's management has identified the three divisions Tube, Kanthal and Strip as the reportable segments.

Alleima monitors and evaluates the segments on adjusted operating profit (Adjusted EBIT), see Alternative Performance Measures presented in page 130. Further information see Reporting of operating segments in Note 1.

Division Tube develops and manufactures seamless tubes and other long products in advanced stainless steels and special alloys. Division Kanthal is a provider of products and services in the area of industrial heating technology and resistance materials, and also offers ultra-fine wire in stainless steel for use in medical appliances. Division Strip develops and manufactures a wide range of precision strip steel products and also offers pre-coated strip steel for components in the hydrogen fuel cell stack.

2.1 Information on business segments/divisions

2024, SEK M	Tube	Kanthal	Strip	Common functions	Un-allocated	Elimina-tions	Group Total
Revenue							
External revenue	14,027	4,200	1,465	0			19,691
Internal revenue	427	36	0	0		-462	0
Total	**14,453**	**4,235**	**1,465**	**0**		**-462**	**19,691**
Cost of goods sold	-12,178	-2,819	-1,204	0		462	-15,740
Adjusted EBIT	**1,422**	**750**	**66**	**-294**			**1,944**
Items affecting comparability	0	0	0	0			0
Metal price effects	-378	-59	-9	0			-446
EBIT	**1,044**	**691**	**56**	**-294**			**1,498**
Net financial items							73
Earnings before tax							**1,571**
Other segment information							
Segment assets							
Fixed Assets	6,907	2,773	401	169	320		10,569
Inventory	5,605	1,166	636	0	0		7,407
Accounts Receivable	2,192	538	181	0	0		2,911
Other Receivables	594	125	43	97	0		859
Segment liabilities							
Accounts Payable	-1,761	-322	-53	-114	0		-2,249
Other Liabilities	-1,507	-353	-148	-99	0		-2,107
Capital employed	**11,735**	**3,809**	**1,049**	**4**	**1,298**		**17,895**
Net working capital	5,111	1,155	659	-104	0		6,821
Capital expenditure	841	270	37	46	0		1,195
Total depreciation & amortization	-720	-120	-48	-27	0		-914
Impairment losses	0	1	0	0	0		1
Other non-cash expenses	146	14	9	0	10		180

2.1 Information on business segments/divisions

2023, SEK M	Tube	Kanthal	Strip	Common functions	Un-allocated	Elimina-tions	Group Total
Revenue							
External revenue	14,475	4,609	1,585	0			20,669
Internal revenue	397	43	6	0		-447	0
Total	**14,872**	**4,653**	**1,592**	**0**		**-447**	**20,669**
Cost of goods sold	-12,180	-3,105	-1,252	0		447	-16,090
Adjusted EBIT	**1,491**	**844**	**109**	**-303**			**2,141**
Items affecting comparability	0	0	0	0			0
Metal price effects	-30	-65	0	0			-95
EBIT	**1,460**	**778**	**110**	**-303**			**2,046**
Net financial items							28
Earnings before tax							**2,074**
Other segment information							
Segment assets							
Fixed Assets	6,672	2,485	405	152	250		9,963
Inventory	5,517	1,243	602	0	0		7,360
Accounts Receivable	2,258	501	191	2	0		2,952
Other Receivables	466	91	65	98	0		720
Segment liabilities							
Accounts Payable	-1,660	-258	-42	-43	0		-2,003
Other Liabilities	-1,497	-364	-176	-168	0		-2,205
Capital employed	**11,440**	**3,583**	**1,036**	**8**	**1,062**		**17,128**
Net working capital	5,084	1,214	640	-113	0		6,825
Capital expenditure	632	115	53	28	0		827
Total depreciation & amortization	-728	-118	-43	-26	0		-915
Impairment losses	2	-1	0	0	0		1
Other non-cash expenses	26	1	0	20	61		108

All transactions between the divisions are on market terms. For information regarding business combinations, see Note 28.

2.2 Revenue and Non-current assets by country and contract liabilities

Revenue by country, SEK M	2024	2023
USA	4,205	4,066
Sweden	2,298	2,447
China	2,055	1,838
UK	1,802	1,385
Germany	1,185	1,493
Italy	1,167	1,100
India	814	653
Japan	542	619
Brazil	485	811
Korea	458	488
France	456	535
Norway	367	775
Saudi Arabia	320	102
Canada	319	365
Poland	241	139
Netherlands	236	337
Spain	231	276
Switzerland	195	268
Taiwan	193	179
Australia	169	104
Other countries	1,953	2,689
Total	**19,691**	**20,669**

Non-current assets by country, SEK M	2024	2023
Sweden	6,154	6,079
USA	1,399	1,199
Germany	634	626
Czech Republic	597	595
India	257	217
China	252	128
Switzerland	207	184
UK	185	134
Japan	180	155
Italy	179	174
Other countries	206	207
Total	**10,249**	**9,696**

Non-current assets consists of intangible assets, property, plant and equipment and right-of-use assets.

Non-current assets are specified by country based where the assets are located.

Contract liabilities, SEK M	2024	2023
Balance at January 1	560	435
Revenue recognized included in contract liability open balance	-409	-226
Revenue recognized from performance obligations satisfied in previous years	0	-16
Reversed this year	-13	-24
Additions this year	375	359
Business combinations	0	50
Translation differences for the year	26	-18
Balance at December 31	**539**	**560**

2.3 Revenue per customer segment

Revenue 2024	Tube		Kanthal		Strip		Alleima	
Revenue per customer segment	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)
Oil and Gas	4,529	32	0	0	0	0	4,529	23
Chemical and Petrochemical	3,411	24	0	0	0	0	3,411	17
Industrial	2,781	20	252	6	303	21	3,336	17
Industrial Heating	37	0	2,107	50	0	0	2,145	11
Consumer	0	0	787	19	793	54	1,579	8
Medical	34	0	1,047	25	77	5	1,158	6
Mining and Construction	1,149	8	0	0	0	0	1,149	6
Nuclear	1,092	8	0	0	0	0	1,092	6
Transportation	775	6	6	0	202	14	984	5
Hydrogen and Renewable Energy	218	2	0	0	90	6	309	2
Total	**14,027**	**100**	**4,200**	**100**	**1,465**	**100**	**19,691**	**100**

Revenue 2023	Tube		Kanthal		Strip		Alleima	
Revenue per customer segment	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)
Oil and Gas	4,360	30	0	0	0	0	4,360	21
Chemical and Petrochemical	3,672	25	0	0	0	0	3,672	18
Industrial	3,472	24	496	11	337	21	4,305	21
Industrial Heating	44	0	2,268	49	0	0	2,312	11
Consumer	0	0	942	20	803	51	1,745	8
Medical	52	0	877	19	90	6	1,019	5
Mining and Construction	1,060	7	0	0	0	0	1,060	5
Nuclear	958	7	0	0	0	0	958	5
Transportation	661	5	26	1	196	12	883	4
Hydrogen and Renewable Energy	196	1	0	0	159	10	355	2
Total	**14,475**	**100**	**4,609**	**100**	**1,585**	**100**	**20,669**	**100**

Note 3 | Personnel information and remuneration of management

3.1 Average number of employees

	2024		2023	
	Number	Women %	Number	Women %
Sweden	3,175	21	3,071	21
Czech Republic	721	19	688	19
Germany	468	25	463	25
UK	138	15	142	14
France	38	39	38	37
Netherland	74	15	64	17
Rest of Europe	104	36	104	34
Total Europe	**4,718**	**21**	**4,570**	**21**
USA	764	24	726	22
Rest of North America	3	33	3	40
North America	**767**	**24**	**728**	**22**
India	321	7	297	6
China	253	32	241	32
Japan	66	23	71	24
Rest of Asia	47	40	43	44
Asia	**686**	**20**	**651**	**20**
Other	38	39	39	42
Total	**6,209**	**22**	**5,988**	**21**

3.2 Wages, salaries, other remuneration and social costs

SEK M	2024	2023
Wages, salaries and other remuneration	3,858	3,577
Social costs	1,172	971
Total	**5,030**	**4,548**
Of which, pension costs recognized in social costs		
Defined contribution plan	259	205
Defined benefit plan	32	39
Total	**292**	**245**

3.3 Wages, salaries, other remuneration by market area

SEK M	2024	2023
Sweden	1,930	1,864
Rest of Europe	884	869
Total Europe	**2,814**	**2,733**
North America	790	603
Asia	238	225
Other	15	16
Total	**3,858**	**3,577**
Of which, to Boards of Directors and presidents		
Salaries and other remuneration	108	132
Of which, variable salary	15	27

3.4 Gender distribution in senior management

Proportion of women, %	2024	2023
Boards of directors	31	26
Gender distribution in senior management	29	24
Other senior executives	32	31

3.5 Remuneration to executive management

Remuneration to the board of directors

Fees to the Chairman and other external Board members are paid in accordance with the resolution at the Annual General Meeting. No Board fees are paid to the President and the employee representatives.

In accordance with the resolution of the 2024 Annual General Meeting the total fee to the external Board members elected at the Meeting amounts to in total SEK 4,637,000 on an annual basis.

	2024				2023			
SEK	Board fee	Audit Committee fee	Renu-meration Committee	Total Board and Committee fee	Board fee	Audit Committee fee	Renu-meration Committee	Total Board and Committee fee
Chairman of the Board (Andreas Nordbrandt)	1,470,000		108,000	1,578,000	1,410,000		104,000	1,514,000
Claes Boustedt	510,000	108,000		618,000	490,000	104,000		594,000
Kerstin Konradsson					84,575[1]		12,600[1]	97,175
Susanne Pahlén Åklundh	510,000	217,000		727,000	490,000	104,000		594,000
Karl Åberg	510,000	108,000		618,000	490,000	208,000		698,000
Ulf Larsson	510,000		76,000	586,000	490,000[2]		57,000[2]	547,000
Victoria Van Camp	510,000[3]			510,000				0
Total	**4,020,000**	**433,000**	**184,000**	**4,637,000**	**3,454,575**	**416,000**	**173,600**	**4,044,175**

1) Member leaves the Board and Remuneration Committee 3 July 2023
2) Member in the Board since 2 May 2023 and remuneration committee since 21 July 2023
3) Member in the Board since 2 May 2024

President and other senior executives

Guidelines for renumeration

For information on the guidelines for renumeration of senior executives, please refer to pages 91–92.

President and CEO

Alleima's President and CEO, Göran Björkman, was paid an annual fixed salary of SEK 7,329,384. In addition, car allowance and an annual variable cash based salary of a maximum 70% of the fixed salary is payable. The variable salary for 2024 amounted to SEK 0.

Göran Björkman is entitled to retire at age 65. Göran Björkman has a Swedish pension plan (ITP 2) and supplementary defined contribution plan apply under which the company each year contributes 30% of fixed salary proportions in excess of 20 price base amounts. Pension premium amounted of 29% of his annual fixed salary.

In the event of termination of employment by the Company, Göran Björkman has a notice period of 12 months' severance pay.

Other senior executives

Other members of the Group Executive Management are covered by a Swedish pension plan (ITP 1 or ITP 2) and for one member a German pension plan. The minimum retirement age is 62. For members of the Group Executive Management a supplementary defined contribution plan applies under which the company each year contributes 25–30% (depending on age and employment start in GEM) of fixed salary proportions in excess of 20 price base amounts. One member is covered by a German pension plan under which 3% of fixed salary is contributed.

Severance pay may be paid when employment is terminated by Alleima. The severance pay corresponds to 12 months fixed salary in addition to the notice period, which is 6 months. Any other income from employment can be deducted from the severance pay.

Short-term incentive program (STI)

Alleima annual incentive program for senior executives, and other managers in the Group, are linked to predetermined and measurable financial criteria, measured during 2024. Senior executives except Division mangers are measured 100% on Group performance. Division managers are measured 80% on own business performance and 20% on Group performance. During 2024 the criteria's have been related to Alleima adjusted EBIT, cash conversion and growth.

— Financial information and notes

Note 3 | Personnel information and remuneration of management

Remuneration and other benefits pertaining to 2024 expensed during 2024, in SEK

Position	Fixed salary	Annual variable salary[1]	Other benefits	Long-term variable salary[2]	Pension costs
President and CEO	7,475,972[3]	0	151,745	2,751,761	2,135,455
Other senior executives[4]	24,327,204	393,113	2,126,328	5,440,879	9,030,968
Total	**31,803,176**	**393,113**	**2,278,073**	**8,192,640**	**11,166,423**

1) Amount pertaining to 2024 and expected to be paid in 2025
2) Refers to LTI 2021 payment and expensed LTI 2023–2024
3) Göran Björkmans fixed salary during 2024 amounts to 7,329,384. The remaining amount relates to vacation pay, etc. Board fees are not payable to President and CEO.
4) Pertains to the following persons in 2024: Olof Bengtsson, Ulrika Dunker, Johanna Kreft, Mikael Blazquez, Tom Eriksson, Elja Nordlöf, Claes Åkerblom, Robert Stål, Carl von Schantz

Remuneration and other benefits pertaining to 2023 expensed during 2023, in SEK

Position	Fixed salary	Annual variable salary[1]	Other benefits	Long-term variable salary	Pension costs
President and CEO	6,735,108[2]	1,802,632	152,980	412,300	2,236,534
Other senior executives[3]	21,764,302	3,826,622	2,431,093	651,875	7,314,392
Total	**28,499,410**	**5,629,254**	**2,584,073**	**1,064,175**	**9,550,926**

1) Amount pertaining 2023 and expected to be paid in 2024
2) Göran Björkman's fixed salary 2023 amounted to 6,603,048, the remainder relates to holiday pay etc.
3) Pertains to the following individuals during 2023: Olof Bengtsson, Ulrika Dunker, Johanna Kreft, Mikael Blazquez, Tom Eriksson, Elja Nordlöf, Claes Åkerblom, Michael Andersson (Jan–Feb), Robert Stål (Mar–Dec), Nigel Haworth (Mar–Oct), Carl von Schantz (Oct–Dec)

Long-term incentive program (LTI)

Share-based incentive program 2023–2024

The Annual General Meetings approved the Board's proposal to adopt a performance share program for each year for a maximum 30 senior executives and key individuals in the Alleima Group, divided into three categories. For all participants, a personal investment is required in each separate program and the programs encompass a grant of a maximum total of 1,002,520 shares. All program participants have invested in Alleima shares ("investment shares"), up to an amount corresponding to 8% of the employee's fixed annual salary before tax at December 31, 2022 and December 31, 2023, respectively.

Provided certain performance targets are met, Alleima shares may be allotted ("performance shares"). The maximum number of performance shares that may be allotted for each acquired investment share depends on the category to which the participant belongs. The number of Performance Shares that will finally be allotted to the participant for each acquired Investment Share is dependent on the development of the Alleima Group's (i) adjusted earnings per share, excluding (a) metal price effects and (b) items affecting comparability (IAC) ("adjusted EPS") and (ii) reduction of carbon dioxide (CO_2). The two targets (adjusted EPS and CO_2 emission) are weighted among themselves at 90 and 10%, respectively, of the total target fulfilment.

In January 2024, the Board of Directors established the levels regarding adjusted EPS for the performance years and CO_2 emission for LTI 2024 that must be attained. After three years, 2023–2025, 2024–2026, will the outcome of the LTI 2023 and LTI 2024 be established. The level required for maximum allotment and the extent to which the established levels are attained will be disclosed in the 2025 and 2026 Annual Report. The allotments of performance shares in ongoing programs requires continuous employment and that all investment shares are held during a period of three years from the acquisition of the investment shares.

In order to fulfil Alleima's obligations under the share savings program, the company has entered into an equity swap agreement with a financial institution. Under the terms of the agreement, the financial institution has committed to deliver to participants in the program Alleima shares at the time of delivery in accordance with the terms and conditions of the program.

Assumptions for determining the value, 2023–2024 LTI Program

Assumptions	LTI 2024 (on date of issue)	LTI 2023 (on date of issue)
Share price, SEK	71.80	47.82
Present value of forecasted future dividends, SEK [1]	7.22	8.62
Risk-free interest rate, %	3.75	3.50

1) Based on analysts' 3 year combined expectations.

Maximum number of Performance Shares	LTI 2024 Total	LTI 2024 Of which CEO	LTI 2024 Of which oth sen exec	LTI 2023 Total	LTI 2023 Of which CEO	LTI 2023 Of which oth sen exec
Outstanding at beginning of year	0	0	0	403,544	77,663	132,140
Allotted during the period	306,857	54,615	113,814	0	0	0
Changes in other senior executives, net	0	0	0	0	0	-9,350
Forfeited during the year	0	0	0	-22,644	0	0
Outstanding at year-end	**306,857**	**54,615**	**113,814**	**380,901**	**77,663**	**122,790**
Theoretical value when allotted acc. to Black-Scholes, SEK	64.84			39.82		

Cash-based incentive program (2022)

In 2022 the Board decided upon Remuneration Committee proposal to implement a cash based LTI program, LTI 2022. The payment is conditional on continued employment in Alleima for a three-year period until the end of 2024 and the Group achieving a defined profitability target in 2022. It is limited to a maximum of 75% of the fixed annual salary for the President and CEO and 60% of the fixed annual salary for other members of the Group Executive Management. Payment will be done since the performance targets, Adjusted EBITA, set by the Board of Directors were met.

Sandvik's share-based incentive program

Members of Alleima's Group Management and other senior executives and key employees have historically participated in Sandvik's long term share-based-incentive program ("LTI"). Sandvik AB's Annual General Meeting 2021 resolved, at the suggestion of Sandvik AB's Board of Directors, to introduce a performance share program for senior executives and key employees. Performance shares under the LTI 2021 would be allotted because the performance targets were met, but with the separation from the Sandvik Group, a number of the shares vesting in the program will be forfeited for persons employed by Alleima. The Company has therefore decided to compensate the participants with a cash amount corresponding to the value of the forfeited shares. The assessed fair value on the grant date, August 15, 2022 was SEK 181.45 per investment share. Payment of the amount was made 2024 provided that the participant is still employed in Alleima.

Costs for the programs

The following IFRS 2 provisions were made during the year:
LTI 2024: SEK 4 million, of which SEK 1 million social costs,
LTI 2023: SEK 6 million (3), of which SEK 2 million (1) social costs,
LTI 2022: SEK 18 million (15), and
LTI 2021: SEK 4 million (9).

Preparation and decision-making process

The Board's Remuneration Committee prepares issues relating to the Group Executive Management's remuneration. The Committee met three times during the year. Issues dealt with included the magnitude of any pay increases and the long-term variable incentive program. The Board discussed the Committee's proposals and made a decision, using the Committee's proposal as a basis. Based on the Committee's proposals, the Board decided on the remuneration of the President for 2024. The President decided on remuneration to other senior executives after consultation with the Committee. The Committee performed its task supported by expertise on remuneration levels and structures. For information on the composition of the Committee, refer to the Corporate Governance Report.

Note 4 | Fees and remuneration to auditors

SEK M	2024	2023
PwC		
Audit fees	-19	-19
Other services	-2	-1
Total	**-21**	**-20**
Other audit firms		
Audit activities other than the audit assignment	–	-1
Tax consultancy services	-4	-2
Other services	-3	-2
Total	**-7**	**-6**

Note 5 | Research, development and quality assurance

SEK M	2024	2023
Research and development, charged as cost	-292	-255
Research and development, capitalized as assets	–	-22
Total	**-292**	**-277**

Note 6 | Other operating income

SEK M	2024	2023
Currency exchange gain	106	209
Capital gain on disposal of intangible and tangible fixed assets	0	7
Other operating income	33	13
Total	**140**	**229**

Note 7 | Other operating expenses

SEK M	2024	2023
Currency exchange loss	-61	-230
Capital loss on disposal of intangible and tangible fixed assets	-3	-1
Other operating expenses	-13	-14
Total	**-76**	**-245**

Other operating expenses consist of transaction cost related to acquisition SEK -3 million (-9) and other operating non-financial cost SEK -9 million (-4).

Note 8 | Operating expenses

SEK M	2024	2023
Cost of goods and material	-8,437	-8,828
Employee benefit expense	-5,030	-4,548
Depreciation and amortization	-914	-915
Inventory obsolescence provision	-132	-97
Impairment losses and reversal impairment losses, non-current assets	1	1
Impairment losses, doubtful receivables	-5	-3
Other expenses	-3,817	-4,463
Total	**-18,333**	**-18,852**

Other expenses is mainly related to purchases of services, energy and IT.

Note 9 | Net financial items

SEK M	2024	2023
Interest income	56	33
Other investments including derivatives		
Net gain on remeasurements of financial assets/liabilities	108	138
Other financial income	7	1
Financial income	**170**	**172**
Interest expense	-50	-71
Other investments including derivatives		
Net loss on remeasurements of financial assets/liabilities	-33	-49
Other financial expenses	-14	-24
Financial expenses	**-97**	**-144**
Net financial items	**73**	**28**

Gain and loss from remeasurement of financial assets and liabilities are mainly temporary revaluation effects on foreign exchange derivatives due to discrepancies between contract rates and market exchange rates on the balance date.

Note 10 | Income tax

Recognized in profit and loss

Income tax expense for the year, SEK M	2024	2023
Current tax	-499	-470
Adjustment of taxes attributable to prior years	-24	21
Total current tax expense	**-522**	**-449**
Deferred taxes relating to temporary differences and tax losses carried forward	173	-52
Total tax expense	**-350**	**-500**

Reconciliation of the Group's tax expense

Alleima's recognized tax expense for the year amounted to SEK 350 million (500) or 22.3% (24.1) of profit after financial items.

	2024		2023	
	SEK M	%	SEK M	%
Profit after financial items	1,571		2,074	
Weighted average tax based on each country's tax rate	-372	-23.7	-485	-23.4
Tax effect of				
Non-deductible expenses	-25	-1.6	-25	-1.2
Tax-exempt income	25	1.6	9	0.4
Adjustments relating to prior years' current tax expenses	-24	-1.5	21	1.0
Revaluation of temporary differences	52	3.3	-21	-1.0
Effects of tax losses carried forward, net	-3	-0.2	3	0.2
Other	-3	-0.2	-3	-0.1
Total recognized tax expense	**-350**	**-22.3**	**-500**	**-24.1**

The weighted average tax rate for Alleima calculated in accordance with the statutory tax rates in each country is 23.7% (23.4).

Tax items attributable to Other comprehensive income

	2024			2023		
SEK M	Before tax	Tax	After tax	Before tax	Tax	After tax
Actuarial gains/losses attributable to defined benefit pension plans	32	-8	24	-327	69	-258
Foreign currency translation differences	310	–	310	-227	–	-227
Hedge reserve adjustment	-35	7	-27	-965	199	-766
Other comprehensive income	**307**	**-1**	**306**	**-1,520**	**268**	**-1,252**

Recognized in the balance sheet

Deferred tax assets and liabilities

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following assets and liabilities:

	2024			2023		
SEK M	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	2	-42	-39	2	-27	-25
Property, plant and equipment	44	-662	-618	47	-663	-616
Financial non-current assets	5	-115	-110	1	-120	-120
Inventories	73	-3	70	86	-16	69
Receivables	4	-10	-6	23	-49	-25
Pensions	126	-8	118	106	-22	84
Interest-bearing liabilities	97	0	97	130	0	130
Non-interest-bearing liabilities	193	0	193	170	0	169
Tax losses carried forward	122	–	122	16	–	16
Total	**666**	**-839**	**-173**	**581**	**-898**	**-317**
Offsetting within companies	-437	437	0	-417	417	0
Total deferred tax assets and liabilities	**228**	**-402**	**-173**	**164**	**-481**	**-317**

Unrecognized deferred tax assets

The Group has additional tax losses carried forward of SEK 51 million (48) related to Brazil. No deferred tax asset was recognized for these losses.

The expiry dates of these tax losses carried forward are distributed as follows:

Year	SEK M
No expiry date	51
Total	**51**

Related deferred tax assets were not recognized since utilization of the tax losses against future taxable profits is not deemed probable in the foreseeable future. The tax value of the unrecognized tax losses carried forward amounted to SEK 17 million (16).

Change of deferred tax in temporary differences an unused tax losses

SEK M	2024	2023
Balance at the beginning of the year, net	-317	-506
Recognized in profit and loss	173	-52
Recognized in other comprehensive income	-23	230
Translation differences	-6	-11
Acquisitions	–	22
Balance at end of year, net	**-173**	**-317**

In addition to the deferred tax assets and liabilities, Alleima reports the following tax liabilities and receivables:

SEK M	2024	2023
Income tax receivables	132	112
Income tax liabilities	-253	-219
Net tax receivables/liabilities	**-121**	**-107**

Pillar 2

Alleima is covered by the OECD model rules for Pillar 2. The Group's parent company, Alleima AB, is based in Sweden which has implemented the rules as of January 1, 2024. The rules are not expected to have a material impact on the Group for 2024.

Note 11 | Earnings per share

Earnings per share, SEK	2024	2023
Basic	4.88	6.28
Diluted	4.87	6.27

The calculation of the numerators and denominators used in the above calculations of earnings per share are presented below.

	2024	2023
Profit for the year attributable to the owners of the parent company	1,221	1,574
Total number of shares	250,877,184	250,877,184
Number of shares in equity swap (LTI)	-702,053	-410,620
Number of outstanding shares	**250,175,131**	**250,466,564**
Number of outstanding shares, weighted average	250,291,704	250,630,812
Number of shares after dilution	250,862,889	250,870,108
Number of shares after dilution, weighted average	250,866,966	250,875,769

Dilution is related to the outstanding share-based LTI programs for 2023 and 2024. Refer to Note 3.5 for further information about the LTI programs.

Note 12 | Intangible assets

SEK M	Internally generated intangible assets: Capitalized R&D expenditures	IT software	Patents and licenses	Other	Sub-total	Acquired intangible assets: Capitalized R&D expenditures	IT software	Patents, licenses, trademarks	Goodwill	Other	Sub-total	Total
Cost												
At January 1, 2024	119	292	0	70	**481**	19	77	4	1,621	138	**1,859**	**2,340**
Additions	0	35	0	12	**47**	0	0	0	0	0	**0**	**48**
Business combinations	0	0	0	0	**0**	0	0	0	0	0	**0**	**0**
Disposals	0	0	0	-27	**-27**	0	0	0	0	0	**0**	**-27**
Scrapping	-94	0	0	0	**-94**	0	0	0	0	0	**0**	**-94**
Reclassifications	45	7	0	0	**51**	0	6	0	0	0	**6**	**57**
Translation differences for the year	0	0	0	3	**3**	0	0	0	71	5	**77**	**80**
At December 31, 2024	**69**	**334**	**0**	**59**	**462**	**19**	**83**	**4**	**1,693**	**144**	**1,942**	**2,404**
Accumulated amortizations and impairment losses												
At January 1, 2024	119	169	0	24	**312**	19	68	4	0	23	**115**	**427**
Disposals	0	0	0	0	**0**	0	0	0	0	0	**0**	**0**
Scrapping	-94	0	0	0	**-94**	0	0	0	0	0	**0**	**-94**
Impairment losses, net	0	0	0	0	**0**	0	0	0	0	0	**0**	**0**
Reclassifications	0	0	0	0	**0**	0	0	0	0	0	**0**	**0**
Amortizations for the year	2	10	0	0	**12**	0	2	3	0	12	**18**	**30**
Translation differences for the year	0	0	0	2	**2**	0	0	0	0	2	**2**	**5**
At December 31, 2024	**27**	**179**	**0**	**27**	**233**	**19**	**70**	**8**	**0**	**37**	**134**	**367**
Net carrying amount at December 31, 2024	**43**	**155**	**0**	**32**	**229**	**0**	**13**	**-4**	**0**	**107**	**1,808**	**2,037**
Cost												
At January 1, 2023	129	229	0	109	**468**	19	77	1	1,615	70	**1,781**	**2,249**
Additions	–	68	–	33	**100**	–	1	0	–	–	**1**	**101**
Business combinations	–	–	–	–	**–**	–	–	3	39	69	**111**	**111**
Disposals	-11	–	–	-49	**-59**	–	–	–	–	–	**0**	**-59**
Scrapping	–	-4	–	-21	**-26**	–	-2	–	–	–	**-2**	**-27**
Reclassifications	–	–	–	–	**–**	–	1	–	–	–	**1**	**1**
Translation differences for the year	–	–	–	-2	**-2**	–	0	0	-33	0	**-33**	**-36**
At December 31, 2023	**119**	**292**	**0**	**70**	**481**	**19**	**77**	**4**	**1,621**	**138**	**1,859**	**2,340**
Accumulated amortizations and impairment losses												
At January 1, 2023	129	166	–	47	**342**	17	65	1	0	15	**98**	**440**
Disposals	-11	–	–	–	**-11**	–	–	–	–	–	**–**	**-11**
Scrapping	–	-2	–	-21	**-23**	–	-2	–	–	–	**-2**	**-25**
Impairment losses, net	–	–	–	–	**–**	–	–	0	–	–	**0**	**0**
Amortizations for the year	–	5	–	0	**6**	2	4	3	–	9	**20**	**25**
Translation differences for the year	–	–	–	-1	**-1**	–	–	0	–	-1	**-1**	**-2**
At December 31, 2023	**119**	**169**	**0**	**24**	**312**	**19**	**68**	**4**	**0**	**23**	**115**	**427**
Net carrying amount at December 31, 2023	**0**	**123**	**0**	**46**	**169**	**0**	**9**	**0**	**1,621**	**115**	**1,745**	**1,913**

Intangible assets

Amortization for the year is included in the following lines in the income statement	2024	2023
Cost of gods and services sold	-3	-5
Selling expenses	-15	-13
Administrative expenses	-10	-6
Research and development expenses	-2	-1
Total	**-30**	**-25**

Impairment losses/reversal of impairment losses per line in the income statement	2024	2023
Administrative expenses	0	0
Research and development expenses	0	0
Total	**0**	**0**

Goodwill at December 31, 2024 amounted to SEK 1,693 million (1,621), essentially related to the acquisition of Kanthal in 1997. The impairment test of goodwill is presented below.

For Alleima the cash-generating units (CGU) are the divisions Tube, Kanthal and Strip. The goodwill is allocated to the CGU based on where the business combinations have originally been made.

Year	2024	2023
Tube	67	65
Kanthal	1,625	1,555
Strip	0	0
Total	**1,693**	**1,621**

The recoverable amount of the CGU has been assessed based on estimates of value in use.

Calculations of value in use are based on the estimated future cash flows using forecasts covering a five-year period, which are in turn based on the five-year plans prepared annually by Alleima.

The plan is founded on the Divisions' strategies and an analysis of the current and anticipated business climate, and the impact this is expected to have on the market in which the division operates. A range of economic indicators, which differ for each market, and external and internal studies of these, are used in the analysis of the business situation. The key assumptions mentioned below reflect past experience, current and future situation and are consistent with external information. The key assumptions when determining cash flow forecasts include anticipated demand, growth rate, operating margin and working capital requirements.

Alleima's goal is to be an industry leader in sustainability. The long-term targets include reducing carbon dioxide emissions from Scope 1 and 2 by more than 50% by 2030 compared to 2019, SBTi net zero by 2050, 83% circularity in steel production and 76% circularity in generated waste. This also includes exploring, testing and implementing alternative solutions to reduce slag that ends up in landfills. The divisions build their strategies in the same way, i.e. there are plans and ambitions linked to sustainability in each strategy. It is thus also an integral part of the financial forecast for the strategy period.

The factor used to calculate growth in the terminal period after five years was 2% for Alleima, the same level as used previous years.

Need of working capital beyond the five-year period is deemed to increase approximately as the expected growth in the terminal period. The discount rate consists of a weighted average cost of capital for borrowed capital and shareholders' equity.

The pre-tax discount rates used for Alleima are:

Year	2024	2023
Tube	11.4%	12.1%
Kanthal	11.1%	12.8%
Strip	11.0%	12.0%

The specific risks of the CGU have been adjusted in future cash flow forecasts. The impairment testing of goodwill performed at year end 2024 did not indicate any impairment requirements. Sensitivity in the calculations indicates that the goodwill value would be maintained even if the discount rate was increased by 1 percentage points, the long-term growth rate was lowered by 1 percentage points, and the operating margin dropped 1 percentage points.

Note 13 | Property, plant and equipment

SEK M	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Constructions in progress	Other	Total
Cost						
At January 1, 2024	5,686	14,686	1,497	819	28	**22,717**
Additions	6	57	13	1,020	50	**1,147**
Business combinations	0	0	0	0	0	**0**
Disposals	-13	-96	-42	0	0	**-151**
Scrapping	0	-6	-8	-7	0	**-21**
Reclassifications	26	432	52	-552	-12	**-54**
Translation differences for the year	98	267	31	21	3	**419**
At December 31, 2024	**5,802**	**15,340**	**1,544**	**1,301**	**69**	**24,056**
Accumulated depreciations and impairment losses						
At January 1, 2024	3,282	11,119	1,033	0	0	**15,435**
Disposals	-13	-93	-38	0	0	**-143**
Scrapping	0	-6	-8	0	0	**-14**
Impairment losses, net	0	-1	0	0	0	**-1**
Reclassifications	1	-1	0	0	0	**0**
Depreciations for the year	162	505	70	0	0	**736**
Translation differences for the year	63	208	16	0	0	**286**
At December 31, 2024	**3,495**	**11,731**	**1,074**	**0**	**0**	**16,300**
Net carrying amount at December 31, 2024	**2,307**	**3,609**	**470**	**1,301**	**69**	**7,757**
Cost						
At January 1, 2023	5,648	14,531	1,454	718	19	**22,369**
Additions	21	73	30	575	27	**726**
Business combinations	–	55	0	–	–	**55**
Disposals	-2	-34	-11	0	-3	**-50**
Scrapping	-12	-69	-14	-4	–	**-99**
Reclassifications	102	315	57	-461	-14	**-1**
Translation differences for the year	-72	-185	-19	-8	0	**-283**
At December 31, 2023	**5,686**	**14,686**	**1,497**	**819**	**28**	**22,717**
Accumulated depreciations and impairment losses						
At January 1, 2023	3,177	10,848	995	0	0	**15,020**
Disposals	-1	-34	-10	–	–	**-45**
Scrapping	-11	-63	-13	–	–	**-87**
Impairment losses, net	0	-1	–	–	–	**-1**
Reclassifications	-1	0	0	–	–	**-1**
Depreciations for the year	163	517	72	–	–	**752**
Translation differences for the year	-45	-149	-10	–	–	**-204**
At December 31, 2023	**3,282**	**11,119**	**1,033**	**0**	**0**	**15,435**
Net carrying amount at December 31, 2023	**2,403**	**3,567**	**464**	**819**	**28**	**7,281**

Tangible assets

Depreciation for the year is included in the following lines in the income statement	2024	2023
Cost of goods and services sold	-700	-713
Selling expenses	-9	-12
Administrative expenses	-12	-12
Research and development expenses	-16	-14
Total	**-736**	**-752**

Impairment losses/reversal of impairment losses per line in the income statement	2024	2023
Cost of goods and services sold	1	0
Selling expenses	0	0
Administrative expenses	0	0
Total	**1**	**0**

Note 14 | Leases

Alleima as a lessee

The arrangements in which Alleima is a lessee consist of a number of assets such as facilities for production, warehouse, office premises, certain office equipment and vehicles. Most of the facilities have a rental period of 5–10 years and for most office equipment and vehicles the period is 3–5 years.

SEK M	Land and buildings	Plant and machinery	Fixture and fittings	Total
Accumulated acquisition cost				
At January 1, 2024	427	248	152	826
Additions	35	0	30	65
Business combinations	0	0	0	0
Remeasurements	20	-4	5	21
Divestments and disposals	-43	0	-32	-75
Reclassifications	-3	-1	7	3
Translation differences for the year	11	0	3	15
At December 31, 2024	**448**	**244**	**164**	**855**
Depreciation and impairment losses				
At January 1, 2024	167	84	74	325
Remeasurements	0	-2	2	0
Divestments and disposals	-43	0	-32	-74
Reclassifications	-3	-1	-2	-5
Depreciations for the year	73	37	37	148
Translation differences for the year	5	0	2	7
At December 31, 2024	**202**	**119**	**80**	**401**
Net carrying amount at December 31, 2024	**246**	**125**	**83**	**455**
Accumulated acquisition cost				
At January 1, 2023	311	207	119	637
Additions	37	21	53	111
Business combinations	81	2	0	83
Remeasurements	20	23	5	49
Divestments and disposals	-14	-6	-24	-44
Reclassifications	0	–	0	0
Translation differences for the year	-8	0	-2	-10
At December 31, 2023	**427**	**248**	**152**	**826**
Depreciation and impairment losses				
At January 1, 2023	125	54	66	245
Remeasurements	-5	-2	-1	-7
Divestments and disposals	-14	-5	-23	-42
Reclassifications	0	–	0	0
Depreciations for the year	65	37	32	134
Translation differences for the year	-4	0	-1	-5
At December 31, 2023	**167**	**84**	**74**	**325**
Net carrying amount at December 31, 2023	**260**	**164**	**78**	**501**

See note 21 for split of Lease liabilities on current and non-current leases.

Depreciation per line item in the income statement

SEK M	2024	2023
Cost of goods sold	-98	-88
Selling expenses	-26	-23
Administrative expenses	-22	-19
Research and Development expenses	-2	-2
Total	**-148**	**-134**

Amounts recognized in the income statement

SEK M	2024	2023
Depreciations for the year	-148	-134
Interest expenses related to lease liabilities	-17	-15
Expenses for low value assets	-8	-10
Expenses for short-term leases	0	0
Expenses related to variable lease expenses not included in the lease liability	–	–
Total amount recognized in the income statement	**-172**	**-160**
The total cash outflow for leases during the year	**-135**	**-128**

Leasing liabilities

SEK M	2024	2023
Within one year	164	139
Between one and five years	263	334
Later than five years	52	75
Total undiscounted leasing liabilities	**479**	**549**

Contracts not yet commenced

At December 31, 2024, Alleima Group has entered three contracts with commenced date in 2025 or later.

Alleima as a lessor

The Group holds no financial leases.

Alleima's operational leases mainly consists of lease contracts related to two facilities owned by Alleima. Lease income amounted to SEK 52 millon (50).

Future minimum lease payments under non-cancel-able operational lease contracts was SEK 205 million (227) at December 31, 2024.

Operating leases

SEK M	2024	2023
Within one year	51	51
Between one and five years	89	90
Later than five years	65	86
Total undiscounted lease payments	**205**	**227**

Note 15 | Non-current financial assets

SEK M	2024	2023
Derivatives designated as hedging instruments	9	44
Funded pension plans (note 20)	65	43
Non-current holdings of securities	2	0
Other non-interest-bearing receivables	13	12
Other interest-bearing receivables	2	4
Total	**92**	**103**

Note 16 | Inventories

SEK M	2024	2023
Raw materials and consumables	2,460	3,308
Work in progress	3,045	2,232
Finished goods	1,902	1,820
Total	**7,407**	**7,360**

Inventories which were booked as expense amounted to SEK 15,740 million (15,409) during the year, whereof SEK 132 million (97) was related to write-down of inventories reported in cost of goods sold.

Note 17 | Trade receivable

	2024							
SEK M	Current	1–30 days past due	31–60 days past due	61–90 days past due	91–180 days past due	181–360 days past due	More than 360 days past due	Total
Expected loss rate, %	0,4	1,5	2,6	13,3	22,9	50,5	99,5	1,3
Gross carrying amount – trade receivables	2,540	317	42	13	19	5	13	2,949
Loss allowance	-10	-5	-1	-2	-4	-3	-12	-37
Reported value	**2,530**	**312**	**41**	**11**	**15**	**3**	**0**	**2,911**

	2023							
SEK M	Current	1–30 days past due	31–60 days past due	61–90 days past due	91–180 days past due	181–360 days past due	More than 360 days past due	Total
Expected loss rate, %	0.3	1.4	3.0	8.5	18.4	53.5	98.0	1.2
Gross carrying amount – trade receivables	2,590	289	47	20	18	14	11	2,989
Loss allowance	-8	-4	-1	-2	-3	-7	-11	-37
Reported value	**2,582**	**285**	**46**	**19**	**15**	**6**	**0**	**2,952**

Note 18 | Other current receivables

SEK M	2024	2023
Contract assets	35	8
Derivatives designated as hedging instruments	45	283
VAT receivables	209	174
Prepaid expenses	256	228
Other non-interest-bearing receivables	347	289
Advances to suppliers	25	31
Total	**917**	**1,013**

Note 19 | Equity

As of December 31, 2024 Alleima's share capital amounted to SEK 250,877,184 represented by 250,877,184 shares.

To the Annual General Meeting on April 28, 2025, Alleima's Board of Directors proposes for the financial year 2024 an ordinary dividend of SEK 2.30 per share (SEK 577,017,523), to be paid in May 2025. The remaining amount for the parent company, SEK 13,159,539,579, should be carried forward. The Board makes the assessment that the parent company's and the group's equity after the dividend distribution will be able to sustain the requirements which the nature, size and risks of the business will present. The Board further considers the actions reasonable in light of the parent company's and the Group's consolidation requirements, liquidity and position in general. The dividend distribution is assumed to not present any risk for the parent company's or the Group's ability to fulfil its short- or long-term payment obligations, or assumed to affect the ability to make required investments.

The Annual General Meeting held on May 2, 2024, resolved for the financial year 2023 on an ordinary dividend of SEK 2.00 per share. The dividend of SEK 502 million was distributed to the shareholders on May 10, 2024, of which SEK 1 million was repaid to Alleima in form of dividend related to the equity swap for LTI 2023.

Alleima's General Meeting held on May 2, 2024 approved the Board's proposal for a long-term share-based incentive program (LTI 2024). After a period of three years, a certain number of Alleima shares free of charge will be allotted, provided that certain performance targets are met. As of December 31, 2024, LTI 2024 comprises 306,857 share rights and LTI 2023 380,901 (403,544). The delivery of these shares is secured through an equity swap agreement with a third party. Further information regarding the incentive programs are provided in Note 3.

Reserves

Consolidated equity includes certain reserves which are described below.

Translation reserves

The translation reserve comprises all exchange differences arising from the translation of the financial statements of foreign operations into Alleima's presentation currency.

Hedge reserves

Alleima apply hedge accounting for derivatives that are used to hedge the Group's exposure to electricity-, gas- and metal price risk and for some derivatives that are used to hedge the exchange rate exposure in orders and investments. Changes in the fair value of the derivatives designated for hedge accounting are recognised in Other comprehensive income and accumulated in the Hedge reserve within equity. Refer to Note 1 for the accounting principles and Note 26 for more information on derivatives.

Non-controlling interest

Non-controlling interest amounted to SEK 0 million (0) and refers to Alleima Rock Drill Steel AB (RDS) in which Sandvik AB owns 10% of the company. The Class B shares held by Sandvik are not subject to future dividends. Refer to Note 27 for further information.

Note 20 | Provision for pensions and other non-current benefits

Alleima provides direct pension solutions or participates in defined benefit, defined contribution and other plans for post-employment benefits to all employees. These plans are structured in accordance with local regulations and practices. The Group's most significant defined-benefit pension plans are described below.

Sweden

The Swedish pension plan is funded through a foundation and is based on salary at the time of retirement. It is partly closed for new participants, meaning that only new employees born prior to 1979 have the option of joining the plan. Employees born after 1979 are encompassed by a defined contribution plan. There are no funding requirements for the defined benefit plan. Pension payments to retirees are made directly from Alleima, the Company has the opportunity to request reimbursement for pension payments made which have been secured by the pension fund. The total value of Alleima's assets held by the foundation was SEK 1,215 million (1,056), which was SEK 256 million lower (303 lower) than the capital value of the corresponding pension obligations for the entire foundation.

The commitment for family pension, also a defined-benefit plan, is insured with Alecta. Sufficient information to use defined-benefit accounting for this plan is not available, and therefore recognized as a defined-contribution plan. At the end of 2024, Alecta reported a plan surplus of 162% (158).

The Alleima Group's share of Alecta's saving premiums is 0.03%, the total share of active members in Alecta is 0.19%. For 2025, the expected contribution to Alecta is SEK 19 million (19).

The Group's mutual responsibility as a credit insured company of PRI Pensionsgaranti in Sweden is classified as a contingent liability and amounts to SEK 29 million (27). This mutual responsibility can only be imposed in the instance that PRI Pensionsgaranti has consumed all of its assets, and it amounts to a maximum of 2% of the Group's pension liability in Sweden.

US

In the US a defined benefit plan has been transformed to a defined contribution plan during 2024 and SEK 195 million of the plan assets has been transferred to an insurance company that will handle the defined contribution plan. Remaining defined benefit plan is a retiree medical plan that offers a dollar amount for each service year based on the age at which someone retires.

Germany

In Germany, Alleima has defined benefit pension plans. A few years ago, Alleima formed a foundation, a Contractual Trust Agreement, which covers the current employees of Alleima's German companies. The pension commitments for retirees and paid-up policyholders remain unfunded. The pension is based on salary at the time of retirement and other parameters. There are no funding requirements and employees in the plan are required to contribute a certain percentage of their salary to the plan. Pension payments to retirees are mainly made from the Company.

Other

Other countries have no material defined benefit pension plans.

Risks and cash flows

Three main categories of risks are associated with the Company's defined-benefit pension plans. The first category is linked to future pension payments. Greater life expectancy, increased inflation assumptions and higher salaries can increase future pension payments and thus also the liability for the pension obligation. The second category refers to the assets in the foundations that are funded. Low returns may, in the future, lead to the assets being insufficient for covering future pension payments. The third and final category pertains to the measurement methods and accounting of defined-benefit pension plans, primarily regarding the discount rate utilized in the measurement of the present value of the pension obligations. This rate can fluctuate, leading to major changes in the recognized pension liability. The discount rate also affects the interest rate component of the pension liability and that is recognized in net financial items.

To determine the discount rate, AA credit rated corporate bonds are used that correspond to the duration of the pension obligation. If there is no deep market for corporate bonds, government bonds are used as the basis for determining the discount rate. Mortgage bonds are used in Sweden to determine the discount rate.

A sensitivity analysis of the most important assumptions affecting the recognized pension liability is provided below. Note that this sensitivity analysis is not intended to be the expression of an opinion by the Company regarding the probability of such events occurring.

Governance

The defined benefit and defined contribution plans are governed through a Pension Supervisory Board (PSB). PSB meets twice a year and has the following areas of responsibility:

- Implement policies and directives
- Ensure efficient administration of the major pension plans and efficient management of reserved plan assets
- Approve establishment of new plans, material changes or closure of existing plan
- Approve guidelines for management of assets

Investment strategy

The aims of the investment decisions made in the foundations managing plan assets are as follows:

- Ensure that the plan assets are sufficient to cover the foundation's future pension commitments
- Achieve optimal returns while taking into account a reasonable level of risk

Each foundation is to have a written investment policy approved by PSB. Reviews are performed annually. The foundation makes its own decisions on its investment strategy and takes into consideration the composition of the pension commitments, requirements of cash and cash equivalents and available investment opportunities. The investment strategy is to be long-term and in line with the guidelines established by PSB.

Note 20 | Provision for pensions and other non-current benefits

Information by country December 31, 2024, SEK M	Sweden	US	Germany	Other	Total
Amounts included in the balance sheet					
Present value of funded and unfunded obligations	1,955	26	176	158	2,315
– of which for actives	*820*	*20*	*70*	*133*	*1,042*
– of which for vested deferreds	*595*	*0*	*28*	*2*	*624*
– of which for retirees	*540*	*6*	*79*	*25*	*650*
Plan assets	1,215	17	126	173	1,530
Total surplus/(deficit)	-740	-9	-50	15	-784
Other pension provisions					-35
Total Net liability					**-820**
Provision for pensions					-885
Overfunded pension plans recognized as asset, non-current receivable					65
Funding level, %	62	66	72	109	66
Net liability for medical plans		26			26
Average duration of the obligation, years	21	12	6		19
Amounts included in the income statement/ Other comprehensive income					
Total (Current) service cost	-29	0	-4	1	-32
Net interest	-23	0	-2	0	-24
Remeasurements	40	-15	2	6	32
Total expense for defined benefits (pretax)	**-12**	**-15**	**-3**	**8**	**-24**
Amounts included in the cash flow statement					
Contributions by the employer	0	0	2	-6	-4
Benefits paid, net	-49	0	-4	-1	-54
Major assumptions for the valuation of the liability					
Life expectancy, years[1]	23	22	22		
Inflation, %	2.00	2.50	2.00		
Discount rate, % (weighted average)	3.55	5.20	3.20		
Future salary increase, % (weighted average)	3.25	–	3.50		

1) Expressed as the expected remaining life expectancy of a 65 year old in number of years.

Information by country December 31, 2023, SEK M	Sweden	US	Germany	Other	Total
Amounts included in the balance sheet					
Present value of funded and unfunded obligations	1,819	204	160	147	2,331
– of which for actives	*704*	*59*	*62*	*134*	*959*
– of which for vested deferreds	*547*	*14*	*19*	*2*	*582*
– of which for retirees	*568*	*131*	*79*	*11*	*790*
Plan assets	1,056	183	117	162	1,518
Total surplus/(deficit)	-763	-21	-43	15	-812
Other pension provisions					-31
Total Net liability					**-843**
Provision for pensions					-886
Overfunded pension plans recognized as asset, non-current receivable					43
Funding level, %	58	89	73	110	65
Net liability for medical plans		21			21
Average duration of the obligation, years	21	9	6		18
Amounts included in the income statement/ Other comprehensive income					
Total (Current) service cost	-16	-12	-3	-8	-39
Net interest	-18	-1	-2	0	-20
Remeasurements	-299	-36	4	3	-327
Total expense for defined benefits (pretax)	**-333**	**-48**	**-1**	**-5**	**-388**
Amounts included in the cash flow statement					
Contributions by the employer	0	0	-7	-6	-13
Benefits paid, net	-46	0	-4	0	-50
Major assumptions for the valuation of the liability					
Life expectancy, years[1]	23	21	22		
Inflation, %	1.75	2.50	2.25		
Discount rate, % (weighted average)	3.45	5.51	3.90		
Future salary increase, % (weighted average)	3.00	–	3.25		

1) Expressed as the expected remaining life expectancy of a 65 year old in number of years.

Note 20 | Provision for pensions and other non-current benefits

Reconciliation of change in present value of defined benefit obligation for funded and unfunded plans

SEK M	2024	2023
Opening balance, January 1	2,331	2,146
Service cost	41	29
Past service cost	-8	11
Settlements	-1	0
Interest cost	77	84
Contributions by plan participants	4	4
Benefits paid	-82	-99
Settlements payment from plan assets	-195	0
Insurance premiums for risk benefits	-1	-1
Remeasurements loss/(gain) arising from:		
– Financial assumptions	78	132
– Demographic assumptions	0	19
– Experience adjustments	49	18
Exchange differences	23	-11
Closing balance, December 31	**2,315**	**2,331**

Reconciliation of change in the fair value of plan assets

SEK M	2024	2023
Opening balance, January 1	1,518	1,661
Interest income	52	65
Contribution by the employer	4	13
Benefits paid directly by employer	54	50
Settlements paid by employer	0	0
Insurance premiums for risk benefits	-1	-1
Contributions by plan participants	4	4
Benefits paid	-82	-99
Settlements payment from plan assets	-195	0
Return on plan assets, excl. amount included in interest	130	-132
Effect on asset ceiling	29	-27
Exchange differences	19	-17
Closing balance, December 31	**1,530**	**1,518**

SEK M	2024	2023
Actual return on plan assets	182	-67
Consolidation ratio for funded plans, %	66	69
Consolidation ratio for all plans, including unfunded, %	66	65
Estimated contributions for the next year	68	65

Sensitivity analysis, change in provision

(net, SEK M)	Sweden	US	Germany
Life expectancy, +1 year	82	0	4
Discount rate -50 bps	208	2	5
Inflation rate +50 bps	215	0	3

Class of assets in %	2024	2023
Interest-bearing securities	27	39
Shares	23	18
Properties	22	17
Other	22	20
Cash and cash equivalents	6	6
of which assets without quoted prices	*49*	*42*

Note 21 | Other interest-bearing liabilities

SEK M	2024	2023
Non-current liabilities		
Lease liabilities	327	378
Total	**327**	**378**
Current liabilities		
Lease liabilities	133	127
Total	**133**	**127**

Changes in liabilities arising from financing activities

		Cash flow		Non-cash flow changes					
SEK M	Jan 1, 2024	New loans	Amortization	Business combination	Reclassification	New leases	Currency/FX	Other	Dec 31, 2024
Interest-bearing non-current liabilities	1	–	0	–	-1	–	0	0	0
Interest-bearing current liabilities	3	–	-4	–	1	–	0	0	1
Lease liabilities	505	–	-135	–	0	65	8	18	460
Share swap	–	–	-20	–	–	–	–	–	–
Dividends paid	–	–	-501	–	–	–	–	–	–
Total	**510**	**–**	**-660**	**–**	**0**	**65**	**8**	**18**	**461**
			-660						

		Cash flow		Non-cash flow changes					
SEK M	Jan 1, 2023	New loans	Amortization	Business combination	Reclassification	New leases	Currency/FX	Other	Dec 31, 2023
Interest-bearing non-current liabilities	9	0	0	0	-8	–	0	0	1
Interest-bearing current liabilities	0	18	-22	0	8	–	0	0	3
Lease liabilities	391	–	-128	83	0	111	-5	58	505
Share swap	–	–	-20	–	–	–	–	–	–
Dividends paid	–	–	-351	–	–	–	–	–	–
Total	**401**	**18**	**-521**	**83**	**0**	**111**	**-5**	**58**	**510**
			-503						

Note 22 | Other provisions

SEK M	Warranties	Restruc-turing	Employee benefits	Environ-mental obligations	Legal disputes	Other obligations	Total
Balance at January 1, 2024	16	37	147	211	7	48	467
Provisions made during the year	4	0	63	2	13	21	103
Provisions used during the year	-3	-21	-29	-30	-2	-7	-93
Unutilized provisions reversed during the year	0	0	-3	0	0	0	-3
Reclassifications	0	0	4	0	0	-4	0
Business combinations	0	0	0	0	0	0	0
Translation differences	0	0	2	0	0	2	3
Balance at December 31, 2024	**17**	**15**	**184**	**183**	**18**	**60**	**476**
of which current	*2*	*5*	*27*	*0*	*0*	*57*	*91*
of which non-current	*15*	*10*	*157*	*183*	*17*	*2*	*385*

The provisions for environmental obligations mainly refer to waste material and slag, investigations and remedial measures in Sweden. Regarding environmental obligations, see also Note 1 Critical estimates and key judgments.

SEK M	Warranties	Restruc-turing	Employee benefits	Environ-mental obligations	Legal disputes	Other obligations	Total
Balance at January 1, 2023	32	56	111	203	5	57	465
Provisions made during the year	1	32	74	41	2	40	191
Provisions used during the year	-17	-48	-41	-23	0	-50	-180
Unutilized provisions reversed during the year	0	-3	0	-11	0	-2	-16
Reclassifications	0	0	5	0	0	-5	0
Business combinations	0	0	0	0	0	11	11
Translation differences	0	0	-2	0	0	-2	-3
Balance at December 31, 2023	**16**	**37**	**147**	**211**	**7**	**48**	**467**
of which current	*2*	*21*	*12*	*26*	*1*	*39*	*101*
of which non-current	*15*	*16*	*136*	*185*	*6*	*8*	*366*

Note 23 | Other non-interest-bearing liabilities

SEK M	2024	2023
Other non-current liabilities		
Derivatives designated as hedging instruments	124	125
Other	0	0
Total	**124**	**124**
Other current liabilities		
Derivatives designated as hedging instruments	276	369
VAT liabilities	82	95
Deferred purchase price business combinations	–	–
Other	222	242
Total	**580**	**706**

Other current liabilities refers mainly to personnel related liabilities.

Note 24 | Accrued expenses

SEK M	2024	2023
Personnel related	971	986
Customer discounts	11	21
Other accrued expenses	283	301
Total	**1,264**	**1,307**

Personnel related expenses includes social contribution, salaries and bonuses. Other accrued expenses includes accrued property tax, accrued IT costs, accrued commission to agents and accrued expenses for electricity and gas etc.

Note 25 | Contingent liabilities and pledged assets

SEK M	2024	2023
Bank guarantees	148	174
Other contingent liabilities	141	141
Total	**288**	**315**

Contingent liabilities

Other contingent liabilities refer mainly to bank guarantees provided by Sandvik to cover underlying business by Alleima. Sandvik has the right to recourse against Alleima for the guarantees. Other contingent liabilities also include pension related guarantees.

Pledged assets

At the end of 2024, no assets have been pledged as collateral (0).

Note 26 | Financial risk management

Financial assets and liabilities by valuation category

	Designated for hedge accounting		Fair value through profit or loss		Amortized cost		Total carrying amount	
SEK M	2024	2023	2024	2023	2024	2023	2024	2023
Financial assets								
Trade receivables	–	–	–	–	2,911	2,952	2,911	2,952
Other receivables	–	–	–	–	596	509	596	509
Derivatives	51	227	3	100	–	–	54	327
Cash and cash equivalents	–	–	–	–	1,912	1,595	1,912	1,595
Total financial assets	**51**	**227**	**3**	**100**	**5,419**	**5,057**	**5,474**	**5,384**
Financial liabilities								
Borrowings	–	–	–	–	1	5	1	5
Derivatives	391	412	10	81	–	–	400	493
Accounts payable	–	–	–	–	2,249	2,003	2,249	2,003
Other liabilities	–	–	–	–	1,299	1,399	1,299	1,399
Total financial liabilities	**391**	**412**	**10**	**81**	**3,550**	**3,407**	**3,950**	**3,900**

The carrying amounts are considered to represent a good approximation of the fair values due to the short durations. All derivatives belong to Level 2 in the fair value hierarchy, i.e. observable inputs have been used in deriving the fair values.

Financial exposure and risk management
Alleima is exposed to financial risks through its global operations. The Financial Risk Management Policy is established and decided by the Board of Directors of which outlines the framework on the identified financial risks of Alleima and how it shall be managed, measured, and reported.

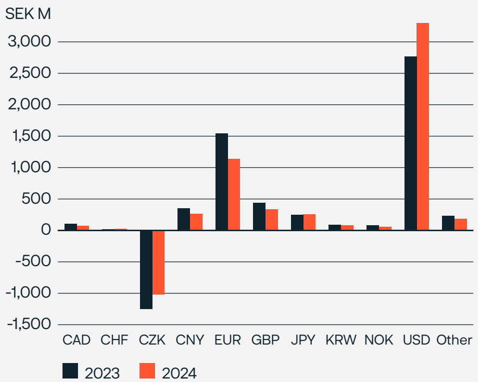
Group Treasury is the Group function responsible for managing most of the Group's financial risks. The primary objective of the function is to minimize the impact on the Group's net profit from the financial risks to which the Group is exposed.

Through internal banking operations, Group Treasury carries out its mission by supporting group companies with loans, deposits, currency and commodity hedging transactions. Through the internal transactions, the financial risks are channeled to Group Treasury, which can then measure the Group's total risk and carry out risk mitigation measures with external parties. The function is also responsible for the infrastructure that applies to the Group's bank accounts and payment solutions. Group account structures and netting payment solutions are important tools for Group Treasury to measure and optimally allocate the total liquidity to where there is a need within the group and minimize the number of internal transactions and the costs that comes with them. In the event of a funding need for the group, it is primarily Group Treasury that seeks financing solutions, analogously, excess liquidity is also managed by Group Treasury for an optimal return. Group Treasury assists group companies in financial matters, trade finance and credit management solutions, as well as on behalf of the pension trust funds with risk measurement and management of the pension liability and related assets.

Capital structure and dividend policy
The Group has financial targets on both capital structure and dividends. The capital structure is monitored by measuring the net debt/equity ratio and shall have a ratio below 0.3. Net debt is defined as interest-bearing current and non-current liabilities, including net pension liabilities and leases, less cash and cash equivalents. Dividend shall be on average 50% of net profit (adjusted for metal price effects) over a business cycle.

Currency risk – Transaction exposure
Transaction exposure occurs when the value of the foreign cash flows from sales and purchases fluctuate due to changes in foreign exchange rates and impacts the Group's profit and loss. Alleima's annual transaction exposure, meaning the Group's net flow of currencies, after full offsetting of the counter-value in the exporting companies' local currencies, and measured at the average exchange rate, amounted to SEK 4,691 million (4,625) in 2024. The most important currencies for one year of exposure are shown in the following diagram.

Exposure – Net flow in foreign currency



Sensitivity analysis by currency

CAD	CHF	CZK	CNY	EUR	GBP	JPY	KRW	NOK	USD	Other	Total
-4	-1	-51	-13	-57	-17	-13	-4	-3	-165	-7	-334

Alleima generally offers customers the possibility to pay in their own currencies through the global sales organization. As a result, the Group is continuously exposed to currency risks associated with account receivables denominated in foreign currency and with invoicing to foreign customers. Since a large percentage of production is concentrated to a few countries, while sales occur in many countries, Alleima is exposed to a large net inflow of foreign currencies.

To reduce exposure to foreign currencies, currencies received are used to pay for purchases in the same currency via a netting structure.

A certain portion of the anticipated net flow of sales and purchases is hedged through financial instruments and bank account balances in accordance with guidelines set in the Group's policy for financial risk management. In addition, major project orders are currency hedged to protect the gross margin. Under the finance policy, the CFO has a mandate to hedge the annual transaction exposure. At year-end, the total hedged amount was SEK 5,339 million (5,375). The average duration for the hedged volume of foreign currency was 13 months (10). Unrealized gain from outstanding currency contracts for hedging of future net flows amounted to SEK -216 million (11). This amount consists of SEK -141 million (35) related to contracts maturing in 2025 and SEK -75 million (-24) related to contracts maturing in 2026 or later.

To avoid transaction risk in the balance sheets of subsidiaries, they are financed in their functional currency through Group Treasury. The currency risk that arises in Group Treasury as a result of this is managed using various derivatives to minimize the transaction risk.

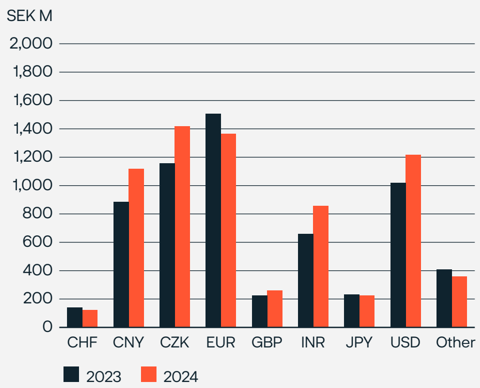
If all exchange rates for the exposure currencies were to change by 5% in, for Alleima unfavorable direction, total operating profit over a 12-month period would change by approximately SEK -334 million (-351), assuming that the composition is the same as it was at year-end.

Currency risk – Translation exposure

Translation exposure occurs when assets and liabilities in subsidiaries are denominated in currencies other than Alleima's presentation currency.

Since the Swedish krona (SEK) is Alleima's presentation currency, a translation risk related to the valuation of the net assets in foreign subsidiaries and the profit/loss in foreign currency achieved during the period occurs. The net assets, which usually consist of the foreign subsidiaries' shareholders equity, are translated to SEK at the rates applied at the balance sheet date. At December 31, 2024 the Group's net assets in subsidiaries in local currencies amounted to SEK 6,815 million (6,088).

Exposure – Net assets by foreign currency



Alleima has chosen not to hedge future profits in foreign subsidiaries. Net assets are also not hedged, but the differences that arise due to changes in exchange rates are recognized directly in other comprehensive income. The diagram above shows the distribution of net assets among various currencies.

If exchange rates were to change by 5% in an unfavorable direction the net effect on other comprehensive income would be approximately SEK -341 million (-304). This net effect primarily comprises translation exposure in equity.

Sensitivity analysis by currency

CHF	CNY	CZK	EUR	GBP	INR	JPY	USD	Other	Total
-6	-56	-71	-68	-13	-43	-11	-61	-12	-341

Commodity price risk

Alleima's financial risks related to commodities are primarily concentrated to energy such as electricity and gas and alloy metals such as nickel, molybdenum and copper.

A change in the electricity price of SEK 0.1 per kWh is estimated to affect Alleima's operating profit by plus or minus SEK 80 million (80) on an annual basis, based on the prevailing conditions at year-end 2024. For Alleima's largest production unit in Sweden, the electricity and gas prices are continuously hedged through derivatives.

When Alleima obtains a customer order containing a fixed price for nickel, molybdenum or copper, the prices of these materials are hedged by signing financial contracts. This means that Alleima's operating profit is not impacted by movements in the price of these raw materials, relating to the aforementioned orders at a fixed price.

The Group applies a hedging strategy in order to minimize the metal price risk in connection with transactions conducted at a variable metal price. The measurement of inventory is not affected by hedging.

Changes in metal prices affect the profit and loss statement as a consequence of the lead time between the purchase of raw material and delivery of the finished product. The effect can be estimated through the rules regarding valuation of inventory. The net effect is presented in the "Development in business areas" section. Changes in metal prices may also lead to changes in net working capital.

Estimated consumption and hedged volumes

		Volume hedged	Hedging horizon	Average hedged price
Electricity	800 GWh	911 GWh	36 months	520 SEK/MWh
Gas	190 GWh	144 GWh	24 months	40 EUR/MWh
Nickel	12,600 Mt	3,031 Mt	42 months	16,840 USD/Mt
Molybden	1,900 Mt	271 Mt	17 months	22 USD/lb
Copper	450 Mt	7 Mt	2 months	8,950 USD/Mt

Hedge accounting

Derivatives used in the hedging strategies are valued at fair value. To avoid impact on earnings from fluctuations in valuation of derivatives all commodity derivatives and the majority of the currency derivatives have been defined as cash flow hedges and hedge accounting is applied. The relationship between the hedging instrument and the hedged item is documented when the hedging contract is made. Hedge effectiveness is measured both at the start of the hedging relationship and quarterly throughout the duration of the relationship. The effective part of changes in the fair value of the derivatives that are designated as, and qualify for, cash flow hedging is recognized in Other comprehensive income. The gain or loss relating to the effective portion of hedging instruments is recognized in the income statement within the same line as the hedged item i.e. Cost of goods sold.

— Financial information and notes

Note 26 | Financial risk management

Hedge accounting effect on financial position and performance for the Group

SEK M	2024 Nominal amount of the hedge	2024 Cash flow hedge reserve	2024 Line item in the statement of financial position where the hedging instrument is included	2023 Nominal amount of the hedge	2023 Cash flow hedge reserve	2023 Line item in the statement of financial position where the hedging instrument is included
Cash flow hedges			non-current/other current financial assest and non-interest-bearing liabilities/current non-interes-bearing liabilities			non-current/other current financial assest and non-interest-bearing liabilities/current non-interes-bearing liabilities
Foreign exchange risk						
FX Forward contracts	4,951	-148		4,089	238	
Commodity price risk						
Electricity forward contracts	911 GWh	-83		1,056 GWh	-296	
Gas forward contracts	114 GWH	6		132 GWh	-140	
Metal forward contracts	3,309 tonnes	-40		2,952 tonnes	-216	
whereof						
Nickel forward contracts	*3,031 tonnes*			*2,607 tonnes*		
Molybden forward contracts	*271 tonnes*			*345 tonnes*		
Copper forward contracts	*7 tonnes*			*0 tonnes*		

SEK M	2024 Change in fair value of the hedging instrument recognized in OCI	2024 Hedge ineffectiveness recognized in finance net	2024 Line item in income statement for ineffectiveness	2023 Change in fair value of the hedging instrument recognized in OCI	2023 Hedge ineffectiveness recognized in finance net	2023 Line item in income statement for ineffectiveness
Cash flow hedges						
Foreign exchange risk						
FX Forward contracts	-386	0	–	96	0	–
Commodity price risk						
Electricity forward contracts	-23	0	–	-834	0	–
Gas forward contracts	93	0	–	-98	0	–
Metal forward contracts	281	0	–	-129	0	–

SEK M	2024 Amount reclassified from the cash flow hedge into profit and loss	2024 Amount transferred from the cash flow hedgeinto cost of hedged item	2024 Line item the in income statement that includes the reclassified amounts	2023 Amount reclassified from the cash flow hedge into profit and loss	2023 Amount transferred from the cash flow hedgeinto cost of hedged item	2023 Line item the in income statement that includes the reclassified amounts
Cash flow hedges						
Foreign exchange risk						
FX Forward contracts	0		–	0		–
Commodity price risk						
Electricity forward contracts	0		–	0		–
Gas forward contracts	0		–	0		–
Metal forward contracts	0	-165	–	0	-153	–

Interest rate risk

Interest rate risk is defined as the impact that changes in market interest rates will have on the Group's finance net items if a 1 percentage point change in interest rates occurs.

Depending of whether the interest bearing instrument is an asset or liability, interest risk is measured in two ways:
- If Alleima has invested in an interest-bearing asset, the risk is measured as the value change of the asset from an interest rate changes.
- If Alleima has interest bearing borrowings, the risk is measured as the increased interest cost for the coming twelve months is an impact of changed interest rates.

At December 31, 2024, Alleima had no interest-bearing loans with floating interest to be reset during 2025. Hence, if market rates were to rise by 1 percentage point across all terms interest costs would be impacted by SEK -0 million (-0).

The Group's interest-rate risk arises mainly in connection with borrowing. The Group CFO has a mandate to vary the average fixed-interest term of the Group's debt portfolio, provided that it does not exceed 36 months. At year-end, Alleima had equivalent SEK 1 million (4) in fixed interest-terms external borrowings with an average remaining time to maturity of 5 months (7).

In the event that Alleima has surplus liquidity, it is placed in bank deposits or in short-term money market instruments which means that the interest-rate risk (the risk of a change in value) is low.

Liquidity and refinancing risk

Liquidity and refinancing risk are defined as the risk that financing possibilities will be limited when loans are to be refinanced, and that payment commitments cannot be met as a result of insufficient liquidity. Mainly, all liabilities except certain derivatives, pension- and lease liabilities mature within 12 months.

According to the financial risk management policy, the Group's capital employed (cash excluded) shall, in addition to equity, pensions liabilities, deferred tax and long-term provisions, be financed long-term (>1 year). At December 31, 2024, the Group's capital employed, excluding cash and cash equivalents, was SEK 15,983 million (15,533) and long-term financing, including share capital, pension liabilities, long-term tax liabilities, long-term provisions and the guaranteed long-term credit facility, amounted to SEK 20,826 million (19,997). The short-term liquidity reserve, comprising committed credit facilities and accessible cash and cash equivalents was SEK 4,229 million (3,908). This reserve should at a minimum correspond to loans that mature for payment over the next six months and one-month operating expenses, calculated to SEK 1,481 million (1,501).

Alleima has a revolving credit facility of SEK 3,000 million that after extension during 2024 matures in 2029. That was the last opportunity to prolong the revolving credit facility. Alleima's financing strategy is to achieve a well-balanced maturity profile for liabilities to thereby reduce the refinancing risk.

At December 31, 2024, SEK 1,912 million (1,595) was reported as Cash and Cash equivalent whereof SEK 1,229 million (1,021) are cash directly available for Group Treasury and SEK 683 million (574) are restricted cash such as short-term deposits and cash accounts with, for Group Treasury, limited access. The short-term deposits are considered as cash equivalent as they have a time to maturity less than 3 month.

Credit risk

The Group's commercial and financial transactions give rise to credit risk in relation to Alleima's counterparties. Credit risk or counterparty risk is defined as the risk for losses if the counterparty does not fulfill its commitments.

The credit risk to which Alleima is exposed to can be divided into the following categories:

— Financial credit risk
— Credit risk in trade receivables

Exposure

SEK M	2024	2023
Trade receivables	2,911	2,952
Cash and cash equivalents	1,912	1,595
Unrealized net gains on derivatives	54	327
Other receivables	14	15
Total	**4,892**	**4,890**

Alleima has entered into agreements with the banks that are most important to the Group, covering such matters as the right to offset assets and liabilities that arise from financial derivative transactions, so-called ISDA agreements. This means that the Group's counterparty exposure to the financial sector is limited to the unrealized net gains that arise in derivative agreements, and investments and bank balances. At December 31, 2024 the value of these amounted to SEK 1,967 million (1,923). Alleima only accepts financial counterparties with a solid credit rating and financial position.

Alleima is exposed to credit risk in connection with outstanding accounts receivable arising from sales of good and services to customers. The credit risk is spread over a large number of customers with various credit worthiness.

The total value of accounts receivable as per December 31, 2024 was SEK 2,911 million (2,952) while SEK 37 million (37) was reserved for doubtful accounts. The total credit losses, defined as the sum of receivables written off and change in bad debt reserve, was SEK 5 million (8) corresponding to 0.02% (0.04) of sales.

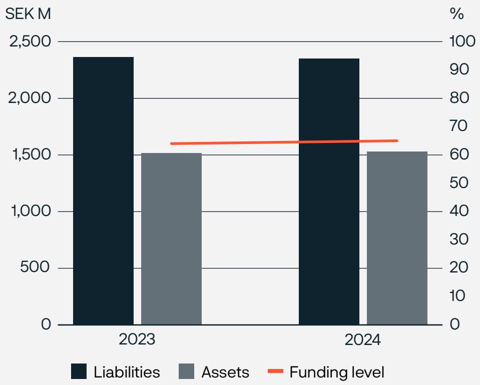
Pension commitments

The majority of the pension liability for Alleima is with its Swedish entities. Other countries with defined benefit pension plans are Germany and USA. Risks associated with Alleima's pension obligations are amongst others, interest rate fluctuations, capital market volatility, and changes in life expectancy.

The Group-funded pension liability has an average duration of 18.9 years (18.1). The allocation to interest-bearing assets is 27% (38) of the pension portfolio. Due to the asset allocation and differences in duration between the interest-bearing assets and the liability, Alleima is exposed to interest rate fluctuations, both when discounting the liability but also as market values change in the bond portfolio. If the average discount rate falls by -50 basis points the pension liability would increase by SEK 223 million (209).

23% (17) of the pension portfolio is invested in equities. A 20% movement in the equity portfolio would result in a change in market value of SEK 71 million (54). If the life expectancy assumptions increase by one year, the pension liability would rise by 3.8% (3.4) which corresponds to SEK 89 million (80). More information on pensions and pension risks is found in Note 20.

Development of pension liability and assets



In 2024, the pension assets totaled SEK 1,530 million (1,518) and the corresponding pension liability amounted to SEK 2,350 million (2,361), which is equal to a funding level of 65% (64). The value of Alleima's pension assets changed by +1% during the year (-9). The value of the pension liability changed by -1% during the year (+9).

The pension plans are governed through a Pension Supervisory Board (PSB). PSB is responsible for implementing policies and directives, approving new plans or material changes and closure of existing plans.

Supply chain finance

Supply chain finance (SCF) is a financing structure linking three parties together: the buyer, the supplier and the bank or financial institution. SCF enables the buyer to receive longer payment terms while the supplier can receive early payment. Incentives for using SCF are typically cash flow enhancement and reduction of working capital. Alleima entities can play the role of either the buyer or the seller, i.e. the counterpart can be either a customer or a supplier.

When Alleima use SCF as a customer, the company receives extended payment terms. Alleima has an SCF program that suppliers can join, which gives Alleima an extended credit period of up to 120 days in exchange for the supplier to receive a discounted amount of the original invoiced amount within 10 to 15 days. Ordinary credit time is usually 30–60 days. At the end of 2024, the extended payment period was 69 (79) days on average and total debt in the program was SEK 339 million (464), whereof SEK 189 million has been paid to the supplier by the program. The debt is shown in row Accounts payables in the balance sheet and during the year the impact from non-cash movements was SEK 0 million.

Alleima using SCF being a supplier, gives extended payment terms to its clients. The payment terms are discussed on case-by-case basis. At the end of 2024 the total value of the Account Receivable program was SEK 9 million (170).

Note 27 | Related parties

Transactions with shareholders

On August 31, 2022 the Alleima shares were delivered to the shareholders of Sandvik and Alleima is no longer part of the Sandvik Group.

During 2022, the subsidiary Alleima Rock Drill Steel AB (RDS) made a directed share issue to Sandvik AB regarding 10,000 B-shares in the Company, which resulted in the majority owner Alleima now owning 90% of the shares in RDS, i.e. all A-shares, and Sandvik 10%. The Class B shares held by Sandvik are not subject to future dividends. According to agreement between the parties, Alleima has, subject to certain conditions, the right, but not the obligation to acquire, Sandvik's Class B shares at its quota value (SEK 2,778). Furthermore, Alleima has issued a call option to Sandvik, which can only be exercised if a few predetermined events occur and in the event that the call option is exercised, the purchase price shall be set at Fair Market Value. Alleima has in all previous periods presented prior to the rights issue consolidated RDS to 100%, i.e. without accounting for a non-controlling interest. In the new issue of Class B shares, Alleima reports in its consolidated financial statements a minority shareholding of SEK 2,778 corresponding to the issue proceeds that RDS received from Sandvik AB. No "profit share" belonging to the minority shareholder Sandvik AB will be reported in the future as Sandvik is not entitled to any dividend. This means that the minority share in equity will be SEK 2,778 in all future periods unless Alleima acquires Sandvik AB's B shares in accordance with the agreement or Alleima divests RDS at fair value according to the agreement's call option.

Compensation to key management personnel

Compensation to the Board and Group Management is disclosed in Note 3.

Note 28 | Business combinations

During 2024 there were no acquisitions of business combinations executed. The acquisition of Endox that was closed in January 2025 will be presented in the interim report for the first quarter of 2025 (refer to Note 30). For the acquisition in 2023 please refer to in the Alleima Annual report 2023 Note 28.

Note 29 | Government grants

Alleima has received various forms of government grants in countries where the Group operates, consisting of mainly electricity support, they amount to SEK 0 million (95).The grants have been recognized as a reduction of the cost to which the grant is attributable. The majority of the grants have no unfulfilled conditions of contingencies attached to the grants.

Note 30 | Events after the close of the period

- On January 14, Alleima announced the completion of its acquisition of Endox Feinwerktechnik GmbH and Endox Polska z o.o. ("Endox"), which had been previously announced on December 10, 2024. Endox strengthens the company's medical business and will be reported in the Kanthal division.
- On January 24, the Nomination Committee proposed the re-election of Board members Göran Björkman, Claes Boustedt, Ulf Larsson, Andreas Nordbrandt, Susanne Pahlén Åklundh, Victoria Van Camp and Karl Åberg. Andreas Nordbrandt is proposed to be re-elected as Chairman of the Board.
- On February 26, it was announced that Per Eklund has been appointed President for the Strip division and member of the Group Executive Management from March 1, 2025.

Parent company financial information

Parent company income statement

SEK M	Note	2024	2023
Revenues	2	27	24
Gross Profit		**27**	**24**
Administrative expenses		-75	-84
Other operating income		0	1
Other operating expense		-2	0
Operating loss		**-50**	**-59**
Dividend from Group companies		1,076	485
Interest revenue and similar income	3	36	32
Interest expense and similar costs		-1	-1
Profit after net financial items		**1,060**	**458**
Appropriations		0	31
Income tax	4	3	0
Profit for the year		**1,063**	**488**

Parent company statement of comprehensive income

SEK M	Note	2024	2023
Profit for the year		**1,063**	**488**
Other comprehensive income			
Total other comprehensive income		0	0
Total comprehensive income		**1,063**	**488**

Parent company balance sheet

SEK M	Note	Dec 31, 2024	Dec 31, 2023
Shares in group companies	5	11,907	11,907
Deferred tax assets		5	2
Non-current assets		**11,912**	**11,909**
Receivables from group companies	6	2,121	1,572
Other current receivables		10	3
Prepaid expenses and accrued income		6	4
Current receivables		2,136	1,580
Cash and cash equivalents		0	0
Current assets		**2,136**	**1,580**
Total assets		**14,048**	**13,490**
Share capital		251	251
Restricted equity		251	251
Retained earnings		12,673	12,700
Net profit		1,063	488
Unrestricted equity		13,737	13,188
Total equity		**13,987**	**13,439**
Provision for pensions		2	2
Non-current interest-bearing liabilities		2	2
Other non-current provisions		14	13
Non-current non-interest-bearing liabilities		14	13
Non-current liabilities		**17**	**14**
Accounts payable		1	1
Current tax liabilities		1	1
Other current liabilities		2	1
Other liabilities to group companies		29	17
Accrued expenses and deferred income		11	15
Current non-interest-bearing liabilities		44	36
Current liabilities		**44**	**36**
Total equity and liabilities		**14,048**	**13,490**

Parent company cash flow statement

SEK M	Note	2024	2023
Operating activities			
Operating loss		-50	-59
Adjustments for non-cash items:			
Other non-cash items		3	12
Received interest		35	32
Cash flow from operating acitivities before changes in working capital		**-13**	**-15**
Changes in working capital			
Accounts receivable		0	-1
Other receivables		-1	4
Accounts payable		0	-1
Other payables		-4	2
Changes in working capital		**-5**	**4**
Cash flow from operating activities		**-18**	**-11**
Investing activities			
Lending to group companies	6	-536	-133
Dividend and appropriations received from group companies		1,076	516
Cash flow from investing activities		**540**	**383**
Financing activities			
Equity swap		-20	-20
Dividend		-501	-351
Cash flow from financing activities		**-521**	**-371**
Net change in cash and cash equivalents		**0**	**0**
Cash and cash equivalents at beginning of the year		0	0
Cash and cash equivalents at end of the year		**0**	**0**

Parent company changes in equity

		Restricted equity	Unrestricted equity	
SEK M	Note	Share capital	Retained earnings	Total equity
Equity at January 1, 2023		**251**	**13,069**	**13,320**
Changes				
Net profit		–	488	488
Other comprehensive income for the year, net of tax		–	0	0
Total comprehensive income for the year		–	*488*	*488*
Share-based payments		–	2	2
Equity swap		–	-20	-20
Dividends		–	-351	-351
Total transactions with owners		–	*-369*	*-369*
Equity at December 31, 2023		**251**	**13,188**	**13,439**
Changes				
Net profit		–	1,063	1,063
Other comprehensive income for the year, net of tax		–	0	0
Total comprehensive income for the year		–	*1,063*	*1,063*
Share-based payments		–	6	6
Equity swap		–	-20	-20
Dividends		–	-501	-501
Total transactions with owners		–	*-515*	*-515*
Equity at December 31, 2024		**251**	**13,737**	**13,987**

Note 1 | Significant accounting principles - assessments and assumptions for accounting purposes

The parent company's financial statements have been prepared according to the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board.

The parent company follows the same accounting policies as the Group (see Group Note 1) with the following exceptions.

Subsidiaries

Shares in subsidiaries are recognized at cost, including expenses directly related to the acquisition, less any impairment. Group contributions are reported as appropriations in the income statement.

Classification and measurement of financial instruments

IFRS 9 Financial Instruments is adopted, except regarding financial guarantees where the exception allowed in RFR 2 is chosen. Financial guarantees are included in contingent liabilities. Internal loans are managed by the Group's Treasury function and all internal credit facilities are reviewed on regular basis. Internal loans are managed to collect contractual cash flows and is therefore designated as amortized cost. Impairment losses are calculated based on expected credit losses.

Other information

The annual report has been approved by the Board of Directors on March 12, 2025. The balance sheet and income statement are subject to adoption by the Annual General Meeting on April 28, 2025.

Note 2 | Revenue

Revenues relates to sales to other companies within the Group.

Note 3 | Interest revenue and similar income

Interest revenue and similar income consist mainly of interest income from receivables from group companies.

Note 4 | Income tax

SEK M	2024	2023
Current tax expense	0	-1
Deferred tax expense/income	3	1
Total tax on profit for the year	**3**	**0**

The difference between recorded tax and the tax based on prevailing tax rate consists of the below listed components.

SEK M	2024		2023	
Profit before tax	1,060		488	
Tax effect according to tax rate in Sweden	-218	-20.6%	-101	-20.6%
Tax effect of:				
Non-taxable dividend from group company	222	20.9%	100	20.5%
Other	0	0.0%	1	0.2%
Total recognized tax income	**3**	**0.3%**	**0**	**0.0%**

Note 5 | Shares in group companies

Company, reg. No., reg'd office	Number of shares	Holding (capital/votes)	Dec 31, 2024 SEK M	Dec 31, 2023 SEK M
Alleima EMEA AB, 556734-2026, Sweden	501,000	100.0%	11,907	11,907
Alleima India Private Limited, U29308PN2019PTC182454 , India	1	0.1%	0	0
Total shares in group companies			**11,907**	**11,907**

SEK M	Dec 31, 2024	Dec 31, 2023
Acquisition value at January 1	11,907	11,907
Total shares in group companies	**11,907**	**11,907**

Indirectly owned subsidiaries (not directly owned by Alleima AB)

Company, reg. No., reg'd office	Holding (capital/ votes)
Alleima StripTech AB, 559250-4905, Sweden	100%
Alleima Rock Drill Steel AB, 559235-0986, Sweden	90%
Alleima Söderfors AB, 559415-0285, Sweden	100%
Alleima PT AB, 556207-5191, Sweden	100%
Alleima Treasury AB, 559216-9139, Sweden	100%
Alleima Sverige AB, 559456-3321, Sweden	100%
Alleima Tube AB, 556234-6832, Sweden	100%
Kanthal AB, 556442-5576, Sweden	100%
Alleima Denmark ApS, 42 82 89 63, Denmark	100%
Alleima Finland Oy, 3228605-8, Finland	100%
Kanthal Norway AS, 927733161, Norway	100%
Alleima Limited, 13164633, United Kingdom	100%
Alleima France SAS, 501352033, France	100%
Alleima Benelux B.V., 24350347, Netherlands	100%
Alleima Italia S.r.l., MI-2588812, Italy	100%
Alleima Calimera S.r.l, LE-182270, Italy	100%
Alleima Portugal, Unipessoal Lda., 516848720, Portugal	100%
Alleima Switzerland AG, CHE-178.868.723, Switzerland	100%
Alleima Sonceboz SA, CHE-107.535.722, Switzerland	100%
Alleima Zug AG, CHE-110.271.251, Switzerland	100%
Alleima Spain S.l., B67599217, Spain	100%
Alleima CZ Spol. S.r.o., CZ60278773, Czech Republic	100%
Alleima Karlsruhe GmbH, HRB 109839, Germany	100%
Kanthal GmbH, HR B 102852, Germany	100%

Company, reg. No., reg'd office	Holding (capital/ votes)
Alleima GmbH, HRB 12806, Germany	100%
Alleima Engineering GmbH, HRB 5049, Germany	100%
Alleima Special Metals, LLC, 91-0817881, USA	100%
PennPower Inc, 25-1706867, USA	100%
Alleima USA LLC, 82-5283200, USA	100%
Alleima Precision Tube LLC, 84-3834789, USA	100%
Pennsylvania Extruded Tube Co., 23-2685343, USA	100%
Kanthal Corporation, 06-1057960, USA	100%
Kanthal Thermal Process Inc., 94-2739405, USA	100%
Alleima do Brasil Industria e Comercio Ltda, 11.149.881/0001-23, Brazil	100%
A L L E I M A Advance Materials de Costa Rica SRL, 4062001304267, Costa Rica	100%
Alleima Materials Technology, S.A. de C.V., SMT191120RH2, Mexico	100%
Alleima Middle East DMCC, DMCC192604, United Arab Emirates	100%
Alleima India Private Limited, U29308PN2019PTC182454 , India	100%
Alleima Japan K.K., 9140001004795, Japan	100%
Alleima Materials Technology (Jiangsu) Co., 913211916657999610, Ltd, China	100%
Alleima (Shanghai) Materials Technology Co., Ltd, 91310115607381700W, China	100%
Alleima Korea Co.,Ltd, 180111-1265031, Republic of Korea	100%
Alleima Malaysia SDN. BHD., 6819T, Malaysia	100%
Alleima South East Asia Pte. Ltd., 201942268N, Singapore	100%
Taiwan Alleima Limited, 90523423, Taiwan	100%

Note 6 | Receivables from group companies

SEK M	Dec 31, 2024	Dec 31, 2023
Cash pool	2,118	1,054
Trade receivables group companies	3	3
Other current receivables group companies	0	516
Total	**2,121**	**1,572**

Note 7 | Contingent liabilities and other commitments

At December 31, 2024, the parent company's provided guarantees for the benefit of group companies amounted to SEK 2,904 million (2,745).

Note 8 | Employees

The average number of employees in the parent company is 9 (9), of whom 3 are women (2).

Salaries and remunerations for the Board and the President and CEO is presented below.

SEK M	2024	2023
Salaries and remunerations	15	13
Social costs	7	7
Total	**23**	**21**
Of which, pension costs recognized in social costs	*2*	*3*

Note 9 | Fees and remuneration to auditors

Audit fees to appointed auditor was SEK 5 million (6).

Board of Directors’ and President’s certification

The Board of Directors and the President hereby certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in the regulation (EU) no. 1606/2002 of the European Parliament and Council dated July 19, 2002, pertaining to the application of international financial reporting standards. The Annual Report and the consolidated financial statements give a true and fair view of the Parent Company’s and the Group’s financial position and results. The Report of the Directors pertaining to the Parent Company and the Group gives a fair overview of the development of the Parent Company’s and the Group’s operations, financial position, and results, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Sandviken, March 12, 2025

Andreas Nordbrandt
Chairman

Karl Åberg
Board member

Claes Boustedt
Board member

Susanne Pahlén Åklundh
Board member

Ulf Larsson
Board member

Victoria Van Camp
Board member

Göran Björkman
Board member
President and CEO

Tomas Kärnström
Board member
(Employee representative)

Mikael Larsson
Board member
(Employee representative)

Our auditors’ report was rendered on March 13, 2025
PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorised Public Accountant
Auditor-in-Charge

Auditor's report

To the general meeting of shareholders of Alleima AB (publ), corp. id 559224-1433

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Alleima AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 29-73 and 78-92 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with International Accounting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts. The corporate governance statement is in agreement with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Board of the Parent Company and the Group in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We have conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes, based on the best of our knowledge and belief, that no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its Parent Company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinions.

Our audit approach

Audit scope

We have designed our audit by determining the materiality level and assessing the risk of material misstatement in the financial statements. We have considered where the Managing Director and the Board of Directors have made significant accounting estimates about future events or outcomes that are inherently uncertain. In the audit, we have also addressed the risk that the Board of Directors and the Managing Director may have overridden internal controls, including considering whether there is evidence of systematic deviations that could indicate irregularities.

We have designed our audit to enable us to provide an opinion on the financial statements as a whole, taking into account how the Group is organised, the processes for financial reporting and the industry that the business belongs to.

Materiality

The scope of our audit has been influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we have determined quantitative thresholds for materiality concerning the financial statements as a whole. With the help of these and qualitative considerations, we have established the audit approach and scope as well as the nature and the timing of our audit procedures. Quantitative thresholds for materiality have also been used to assess the effect of potential misstatements, individually and in aggregate, on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, were of most significant in our audit of the annual accounts and consolidated accounts for the current period.

These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide separate opinions on these matters.

Description of key audit matter

Revenue recognition in the appropriate period

Revenue amounts to SEK 19,691 million in 2024 and is a material item in the consolidated accounts (see income statement and note 1 & 2).

The Group has various revenue streams that largely consist of precision strip products, seamless tubes and other long products in advanced stainless steel and alloys as well as heating materials and ultra fine wire products that are sold to customers.

Sales are generally recognised as revenue at a point in time when control has been transferred to the customers. Some significant orders are being delivered over a longer period of time and have characteristics that require additional attention to identify the transfer of control and other performance commitments so that revenue is recognised in the appropriate period.

The revenue streams are mostly transaction-rich and require robust processes with controls and monitoring in place to ensure accurate reporting.

In light of the inherent characteristics and the significant amount reported, the cut off in revenue recognition is considered a key audit matter in our audit.

How our audit addressed the key audit matter

Our audit procedures have included, but were not limited to, the procedures listed below.
We have:

- Evaluated if the Group's accounting principles for revenue recognition comply with IFRS.
- Mapped and evaluated processes for the recognition of significant revenue streams.
- Tested a sample of IT and business process controls in revenue processes.
- Tested a sample of transactions against supporting agreements and payments, as well as obtained accounts receivable confirmation from external customers.
- Tested a sample of transactions before and after year end to assess whether revenue has been recognised in the appropriate period.
- Performed tests to verify if intra group sales have been eliminated in the consolidated accounts.
- Evaluated the information on revenue recognition presented in the annual accounts and consolidated accounts and assessed whether it provides sufficient information according to the financial reporting frameworks.

Description of key audit matter

Measurement of inventories

The Group's inventories amount to SEK 7,407 million as of 31 December 2024 and is a significant item in the consolidated accounts (see balance sheet and note 1 & 16).

Alleima keeps its significant stocks of raw materials, work-in-progress and finished goods at its production and sales units. An accurate measurement of volumes and cost of assets included in inventories at the balance sheet date is important for a fair presentation of gross profit.

Robust processes are required to establish the acquisition cost of a product when procurement, production and logistical processes are complex. Establishing product costing requires many instances of management judgement which has an impact on the reported values. This includes, but is not limited to, assessing normal production volumes, foreign exchange rates, prices of raw materials and allocation of direct and indirect costs. Management evaluates the condition and how sellable finished products are to measure inventories at the lower of cost and market price. Finally, there is a complexity in measuring volumes, particularly for some raw materials and work in progress, and to eliminate effects from intra group transactions

The significant nature of the item and the inherent complexity in establishing acquisition cost, makes the measurement of inventories a key audit matter in our audit.

How our audit addressed the key audit matter

Our audit procedures have included, but were not limited to, the procedures listed below.
We have:

- Evaluated if the Group's accounting principles for the measurement of inventories comply with IFRS.
- Mapped and evaluated significant systems and processes for reporting of inventory and tested a sample of key controls in processes for establishing cost and existence.
- Tested book value of raw materials to actual prices on a sample basis.
- Assessed the reasonableness of the product costing for work in progress and finished goods.
- Participated in stock takes and performed own testing on a sample basis at a number of locations.
- Evaluated the Group's analysis of slow movers and assessments of obsolescence.
- Traced disclosure information to accounting records and other supporting documentation.
- Read the information presented in the annual accounts and consolidated accounts and assessed whether it provides sufficient information according to IFRS.

Other information than the annual accounts and consolidated accounts
This document also contains information other than the annual accounts and consolidated accounts, which is found on pages 1–28 and 93-133, and includes the Sustainability Report ("Other information"). The remuneration report that we obtained prior to the date of this auditor's report also constitutes Other information. The Board of Directors and the Managing Director are responsible for Other information.

Our opinion on the annual accounts and consolidated accounts does not cover Other information and we do not express any form of assurance conclusion regarding Other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the Other information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge obtained in the audit and assess whether Other information otherwise appears to be materially misstated.

If we, based on the work performed concerning Other information, conclude that the Other information contains a material misstatement, we are required to report this. We have nothing to report in this regard.

The Board of Directors' and Managing Director's responsibilities
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for assessing the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern assumption applies unless the Board and the Managing Director intend to liquidate the company or cease to operate or have no realistic alternative to doing so.

The auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditors' examination of the administration and the proposed appropriations of the profit or loss.

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Alleima AB (publ) for the year 2024 as well as the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis of opinion
We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

The Board of Directors' and Managing Director's responsibilities
Responsibility for the proposed appropriation of the company's profit or loss rests with the Board of Directors. In conjunction with the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the organisation and administration of the company's affairs. This includes continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director is responsible for day-to-day management in accordance with the guidelines and instructions issued by the Board and is required to take such actions as may be necessary to ensure compliance with the company's statutory accounting obligations and satisfactory management of funds.

The auditor's responsibility
Our objective for the management audit, and thus for our opinion on release from liability, is to obtain audit evidence which enables us to assess with reasonable assurance whether any member of the Board or the Managing Director has in any material respect:

— taken any action or been guilty of any neglect that could give rise to a liability to indemnify the company or,

— otherwise acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective in respect of our audit of the proposed appropriation of the company's profit or loss, and thus for our opinion on the same, is to obtain reasonable assurance that the proposed appropriation is consistent with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the statutory annual report.

The auditor's opinion on the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and the Managing Director have prepared the annual accounts and the consolidated accounts in a format that facilitates uniform electronic reporting (the ESEF report) according to Chapter 16, Section 4 a of the Securities Market Act (2007:528) for Alleima AB (publ) for the year 2024.

Our examination and our opinion refer only to the statutory requirement.

In our opinion, the ESEF report has been prepared in a format that in all significant respects facilitates uniform electronic reporting.

Basis for Opinion

We have conducted our examination in accordance with FAR's recommendation, RevR 18 *Examination of the Esef report*. Our responsibilities under this recommendation are further described in the Auditor's Responsibilities section. We are independent of Alleima AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007:528) and for ensuring that there is such internal control as the Board of Directors and the Managing Director regard as necessary to prepare the Esef report in a manner that is free from material misstatement, whether due to fraud or error.

The auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden 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 the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

PricewaterhouseCoopers AB, Torsgatan 21, SE-113 97 Stockholm, was appointed auditor of Alleima AB (publ) by the general meeting of the shareholders on 2 May 2024 and has been the company's auditor since 28 October 2020.

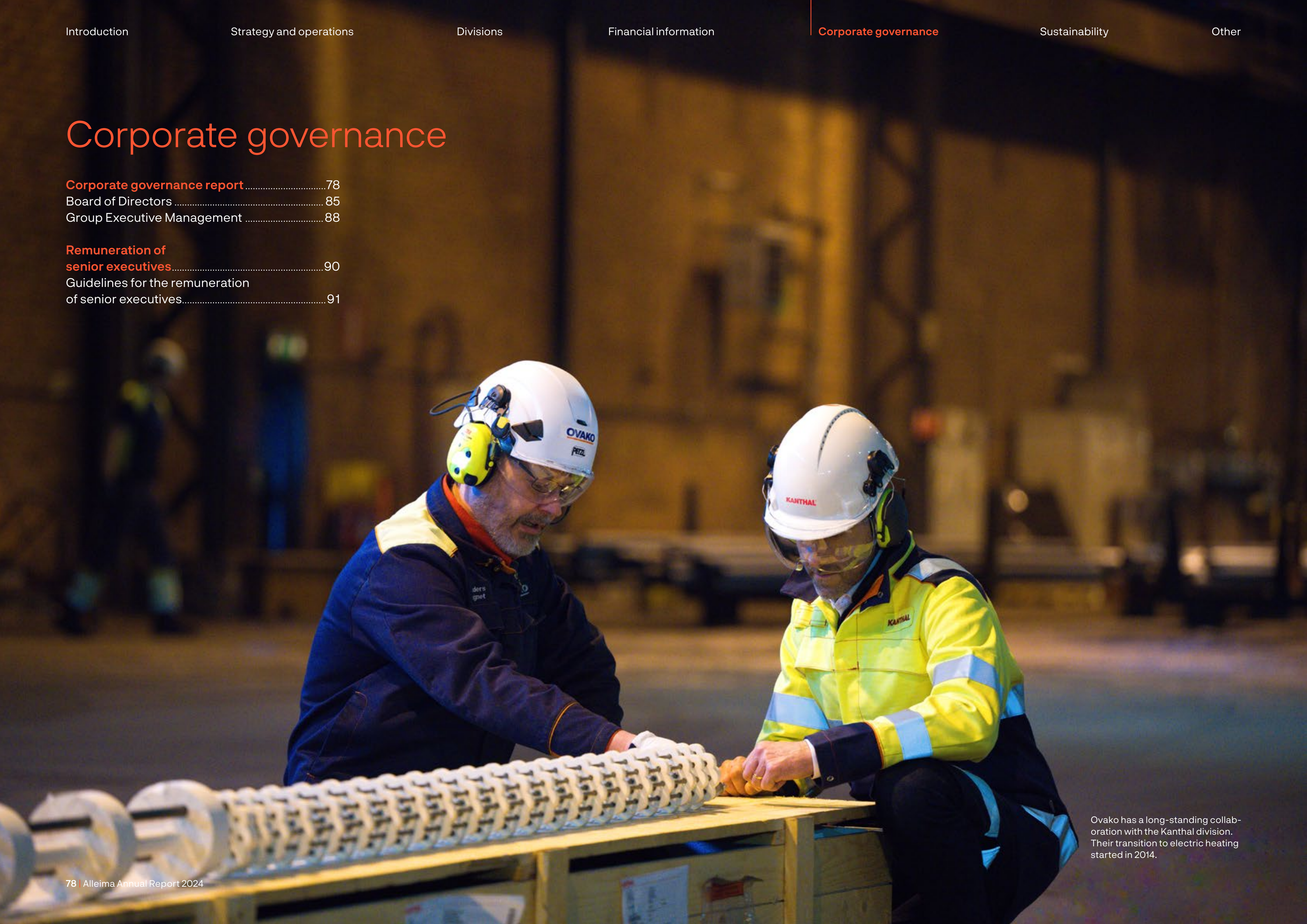
Stockholm, March 13, 2025

PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorised Public Accountant
Auditor-in-Charge

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Corporate governance



Ovako has a long-standing collaboration with the Kanthal division. Their transition to electric heating started in 2014.

Corporate governance report

The corporate governance report describes how Alleima applies internal and external regulations in the governance of the Group, and how these regulations are applied in the Group's management structures and decision-making processes.

Alleima's corporate governance and decentralized business management model are intended to make Alleima competitive in the market over the long term and to promote confidence in Alleima among all of the company's stakeholders. Alleima's operations must be efficiently organized, with clear areas of responsibility. The company's financial reporting and sustainability reporting must be correct, transparent and supported by a robust framework for risk management and monitoring.

As a Swedish company listed on the Nasdaq Stockholm stock exchange, Alleima is subject to several external regulations that are relevant to how the company is governed, such as the Swedish Companies Act, the Swedish Corporate Governance Code (the "Code") and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares. Additionally, Alleima's corporate governance is regulated by a number of internal regulations, such as the Articles of Association, the procedural guidelines for the Board of Directors, the instructions to the President and CEO and the company's policies.

In 2024, Alleima applied the Code without any deviations.

This corporate governance report for 2024 has been prepared in accordance with the Swedish Annual Accounts Act (SFS 1995:1554) and the Code, and has been reviewed by the company's auditors. This report describes the company's management structure and organization. It sets out the Board's duties and responsibilities and presents the Board's activities during the year. It also describes Alleima's internal control with regard to the company's financial reporting and sustainability reporting.

1. Shareholders

As of December 31, 2024, Alleima's share capital amounted to SEK 250,877,184 represented by 250,877,184 shares. Alleima has only one share class, and each share corresponds to one vote. Beyond this, there are no limitations as to how many votes each shareholder can cast at a General Meeting.

At year-end, Alleima had 107,306 shareholders. Two of these shareholders – AB Industrivärden and L E Lundbergföretagen AB – had direct or indirect holdings in the company that represented at least one tenth of the number of votes for all shares in the company.

The 2024 Annual General Meeting (AGM) authorized the Board of Directors of Alleima to decide, for the period up until the 2025 AGM, on the repurchase of own shares up to a maximum of 10% of all shares in the company. Alleima has not exercised the authorization to repurchase shares and does not hold any treasury shares.

Additional information on the share and Alleima's shareholders is provided in the section "The share" on pages 12–13.

2. General Meeting

The General Meeting is Alleima's highest decision-making body, where shareholders exercise their voting rights. The company's Board of Directors and auditor are elected at the AGM. The AGM also adopts the company's income statement and balance sheet, and resolves on issues including distribution of the company's profits, discharge from liability for the Board and CEO, and fees to Board members. If the Articles of Association, the instructions in force for the Nomination Committee, or the company's guidelines for remuneration to senior executives are to be amended, resolutions to that effect are also made by the General Meeting.

Each shareholder that is entered in the share register, and registers their participation in accordance with the notice to attend, has the right to participate and exercise the voting rights for their shares at a General Meeting. Shareholders are also entitled to be represented by a proxy. Under the Articles of Association, the Board may also decide to allow shareholders to exercise their voting rights through postal voting. Each shareholder has, independent of the scope of their shareholding, a legal right – under certain prescribed conditions – to have a matter addressed at a General Meeting.

The Swedish Corporate Governance Code is available at www.bolagsstyrning.se

Further information on Alleima's corporate governance is available at www.alleima.com, including:

- Alleima AB's Articles of Association
- Alleima's instructions for the Nomination Committee
- Corporate governance reports from previous years
- Information on the 2025 AGM, including the notice to attend (once issued)
- Information on the activities of the Nomination Committee ahead of the AGM
- Information and minutes from previous AGMs

Alleima's AGM must be held within six months of the end of the financial year on December 31. Normally, the AGM is held in late April or early May. At the latest, the date and location of the AGM is announced in conjunction with publication of the interim report for the third quarter. The notice to attend is issued through an announcement in Post- och Inrikes Tidningar and on the company's website, at the earliest six weeks and at the latest four weeks ahead of the date of the AGM.

2024 Annual General Meeting

Alleima's 2024 AGM was held on May 2, 2024 at Göransson Arena i Sandviken, Sweden. Shareholders representing 162,996,807 shares and votes, or approximately 65% of the total number of shares and votes, were in attendance at the meeting.

The notice to attend the meeting was issued on March 26, 2024. Shareholders who wished to attend the AGM could either participate in person on the premises, via proxy or through postal voting.

The company's Chairman of the Board, and its President and CEO, each gave presentations that were published on Alleima's website after the meeting.

The AGM passed the following resolutions:

- Adoption of the income statements and balance sheets for the Parent Company and the Group for 2023;
- Discharge from liability for the President and CEO, and for the Board of Directors, for the 2023 financial year;
- Adoption of the Board's proposal for a dividend of SEK 2.00 per share;
- Election of the Board of Directors;
- Appointment of auditor;
- Resolution on fees to Board members and the auditor;
- Adoption of revised instructions for the Nomination Committee;
- Approval of the Board of Directors' remuneration report for 2023;
- Adoption of a long-term incentive program (LTI 2024) in the form of a performance share program for 30 senior executives and key employees in the Group; and
- Authorization for the Board of Directors to make decisions on acquisitions of the company's own shares up to a maximum of 10% of the total number of shares in the company.

Complete minutes from the 2024 AGM and other information are available on www.alleima.com.

3. Nomination Committee

The main task of the Nomination Committee is to prepare and submit proposals to the AGM regarding election of the Board, election of the Chairman of the Board, appointment of the auditor, and fees to Board members who are not company employees and to the auditor. The 2024 AGM adopted revised instructions for the Nomination Committee, which includes a procedure for appointing the Nomination Committee and will be valid until the AGM resolves on a change. In accordance with the instructions, the Nomination Committee shall consist of members appointed by each of the four largest shareholders in terms of the number of votes on the final business day in August and the Chairman of the Board.

The composition of the Nomination Committee is announced each year in a press release and on Alleima's website. Information to shareholders on how to submit proposals to the Nomination Committee is also provided on the website.

In its work, the Nomination Committee specifically considers the demands that the company's strategic development, international operations, and governance and control place on Alleima's Board of Directors with regards to competencies and composition. The Nomination Committee applies rule 4.1 of the Code as its diversity policy. The goal of the diversity policy is that the Board shall have an appropriate composition in view of the company's operations, phase of development and other relevant circumstances, display diversity and breadth in terms of qualifications, experience and background of the Board members elected by the General Meeting, and promote efforts to achieve gender balance.

Nomination Committee for 2025 AGM

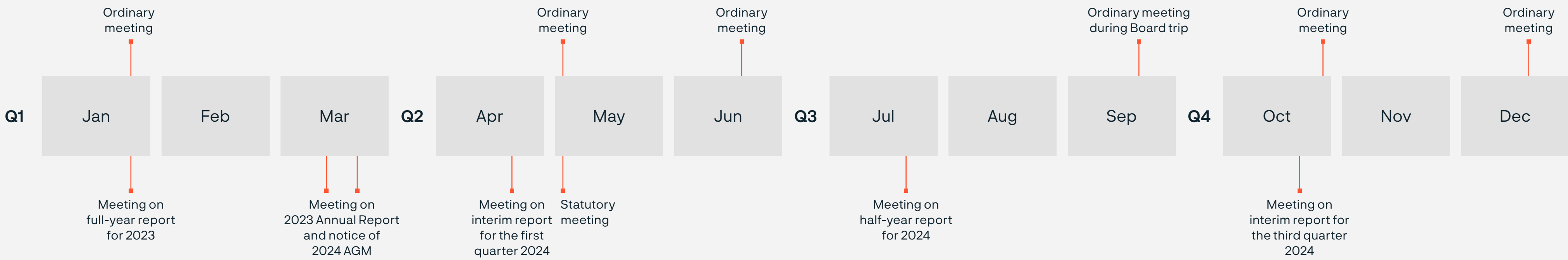
For the 2025 AGM, the Nomination Committee consists of Chairman Fredrik Lundberg (AB Industrivärden); Bo Selling (L E Lundbergföretagen AB); Martin Nilsson (Första AP-fonden); Jan Dworsky (Swedbank Robur Funds) and Alleima's Chairman of the Board Andreas Nordbrandt. The composition of the Nomination Committee was announced in a press release and on the company's website on September 25, 2024.

The Committee held two minuted meetings ahead of the AGM. At the statutory meeting of the Committee, the Chairman of the Board informed the Committee of the Board's activities during the year and about the results of the Board's annual evaluation. The Committee also

2025 Annual General Meeting

The AGM for Alleima AB will be held on Monday, April 28, 2025 in Sandviken, Sweden. The notice to attend the AGM will be published in Post- och Inrikes Tidningar and on the company's website. Issuance of the notice will be announced in Svenska Dagbladet and in a daily newspaper published in Sandviken or Gävle. Documentation for decision-making will be published on Alleima's website ahead of the AGM. Copies of these documents will also be sent to any shareholders who request them and provide their mailing address.

Board meetings in 2024



met all of the Board members elected by the AGM, including the President and CEO, in separate individual meetings.

The Committee's proposal for election of the Board was presented through a press release on January 24, 2025 and on the company's website where the Committee proposed the re-election of all members of the Board. The other proposals of the Nomination Committee are presented in the notice to attend the 2025 AGM. The members of the Nomination Committee did not receive any remuneration from the company for their work on the Committee.

4. Board of Directors

Alleima's Board of Directors has overall responsibility for the company's organization and management, and is tasked with achieving profitable and sustainable development in the company in accordance with the interests of the company and its shareholders. The Board regularly evaluates the company's strategy and long-term goals, and routinely monitors the company's financial position, financial reporting, sustainability reporting and risk management. The Board is tasked with making decisions on issues concerning major acquisitions and investments, or significant changes in Alleima's organization and operations. Moreover, the Board appoints the President and CEO, who is responsible for the daily operations pursuant to the Board's guidelines and instructions.

Every year, the Board adopts written procedural guidelines for its activities. These procedural guidelines describe the Board's duties, the Board committees to be formed and the allocation of responsibilities among the Board, the committees and the President and CEO. The Board also adopts a yearly plan that establishes which ordinary agenda items are to be addressed at the various Board meetings during the year.

Composition of the Board

As set out in Alleima's Articles of Association, the Board is to consist of a minimum of three and a maximum of ten members, elected by the AGM. The members of the Board are elected yearly by the AGM for the period up until the next AGM. Additionally, the trade union organizations that are represented in the company's operations have the right to jointly elect two employee representatives and two deputies to the Board.

Alleima's Board of Directors currently consists of seven members elected by the AGM, two employee representatives and two deputies for the employee representatives. The members of the Board have experience from different industrial segments and the financial markets. Moreover, all of the Board members elected by the AGM have experience of the requirements imposed on a listed company, including through their board assignments with other companies. In electing the Board members, Rule 4.1 of the Code was applied as diversity policy for the purpose of attaining diversity as regards gender, age and experience as well as educational and occupational background. Two of the seven members (approx. 29%) elected by the AGM are women. The Board members are presented in more detail on pages 85–87.

Alleima's Board fulfills the requirements of the Code as regards independence. Under the Code, a majority of the Board's members must be independent in relation to the company and its management. On Alleima's Board, all members elected by the AGM – apart from the company's President and CEO, Göran Björkman – are independent in relation to the company and its management. Furthermore, under the Code at least two of these members must be independent in relation to the company's major shareholders, which is achieved as all members elected by the Board apart from Karl Åberg and Claes Boustedt meet this requirement. The latter two members represent the company's two major shareholders, AB Industrivärden and L E Lundbergföretagen AB, whose business models are built on long-term active and responsible ownership in selected holding companies.

Board activities in 2024

The Board held 13 meetings in 2024. Five of these were physical meetings held at Alleima's premises in Sandviken or Stockholm, one was a physical meeting held during the Board's annual trip to one of Alleima's other production facilities, six meetings were virtual and one meeting was held per capsulam. Board member attendance is presented on pages 85–87. In advance of each meeting, an agenda and related pre-read materials were circulated to the Board members.

The President and CEO routinely reported to the Board regarding the company's development, financial results and market conditions. The Board approved the company's strategy for 2024–2028, and then regularly followed up on the company's implementation of the strategy. The Division Presidents also presented the current strategies of their respective operations to the Board. During the year, the Board approved a number of major investments that expanded Alleima's production capacity and capabilities as well as the acquisition of medical technology manufacturer Endox, with operations in Germany and Poland. Furthermore, the Board routinely oversaw the company's financial reporting and dissemination of information to the market to ensure that they were of good quality and accurately reflected the company's financial position. Reports from the Audit and Remuneration Committees were routinely addressed, and the Board met with the company's auditor to discuss the auditors observations on the audit activities for the year. The Board also reviewed the company's work in the areas of internal control, risk management, sustainability and compliance, and conducted an annual review of the Group's Code of Conduct and other policies. During the year, particular attention was devoted to oversight of the company's preparations for starting sustainability reporting in 2025 in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), which has been enacted in Swedish law. In the fall of 2024, the Board visited Alleima's operations at its Kanthal division in Mörfelden-Walldorf, Germany.

Remuneration to the Board

The AGM resolved that the total fees to all Board members who are elected by the AGM and who are not company employees would amount to SEK 4,637,000 for 2024. For more detailed information on remuneration of the Board, refer to pages 85–86 and Note 3.5 on page 52.

Evaluation of Board activities

The activities of the Board are evaluated annually to ensure the quality of the work, and to identify any need to add further competence or experience to the Board or to change the Board's working methods. In 2024, the evaluation was carried out by way of each Board member responding anonymously to an online questionnaire. The Chairman of the Board then held individual discussions with each Board member, where the results were discussed. The compiled findings of the evaluations were presented to the Board as well as to the Nomination Committee.

5. Audit Committee

The foremost tasks of the Audit Committee include supporting the Board in its efforts to monitor and ensure the quality and robustness of the company's accounting, financial reporting, sustainability reporting and dissemination of information to the market. The Committee monitors the efficiency of the Group's internal controls, internal audits, risk management and regulatory compliance. The Committee also oversees the work of the auditor, takes positions on any discoveries during the audit, reviews the independence of the auditor and assists the Nomination Committee in its work on proposing an auditor for appointment by the AGM. The work of the Audit Committee is governed by the regulations of the Swedish Companies Act, the Code and written instructions that are revised and approved annually by the Board.

The members of the Audit Committee are selected by the Board at its statutory Board meeting after the AGM, for a period of one year at a time. In 2024, the members of the Audit Committee were Susanne Pahlén Åklundh, Karl Åberg and Claes Boustedt. Up until the statutory Board meeting in 2024, Karl Åberg was Chairman of the Committee. Susanne Pahlén Åklundh subsequently succeeded to the post. All members are independent in relation to the company and its management, and Susanne Pahlén Åklundh is also independent in relation to the company's major shareholders. Furthermore, the Committee holds the auditing experience required under the Companies Act.

The Committee held six meetings during the year at which all members, the company's external auditor and representatives of company management were in attendance. The Chairman of the Committee reported to the Board after each meeting, and the meeting minutes were made available to the Board.

6. Remuneration Committee

The Remuneration Committee prepares issues related to remuneration of senior executives in the company. A central task is submitting proposals to the Board regarding remuneration of the President and CEO. The Committee also oversees the establishment of remuneration of senior executives who report directly to the President and CEO. Moreover, the Committee prepares proposals for long-term incentive programs for senior executives and key employees for resolution by the General Meeting, with the purpose of setting criteria for variable remuneration that benefits the interests of the shareholders. Similarly, the Committee prepares guidelines for the remuneration of senior executives that are then resolved on by the AGM. The Committee also prepares the remuneration report that the Board compiles for every financial year and presents for approval by the AGM. Furthermore, the Committee oversees succession planning for the President and CEO, Group Executive Management, and other key roles in the group. The work of the Remuneration Committee is governed by the regulations of the Code and written instructions that are revised and approved annually by the Board.

The members of the Remuneration Committee are selected by the Board at its statutory Board meeting after the AGM, for a period of one year at a time. In 2024, the Remuneration Committee consisted of Chairman Andreas Nordbrandt and member Ulf Larsson, both of whom are independent in relation to the company and its management.

The Committee held three meetings during the year at which all members and representatives of company management were in attendance. The Chairman of the Committee reported to the Board after each meeting, and the meeting minutes were presented to the Board.

For guidelines, remuneration and other benefits payable to Group Executive Management, refer also to pages 90–92, Note 3.5 on pages 52–53 and the remuneration report for 2024 on www.alleima.com.

7. President and CEO and Group Executive Management

The President and CEO governs the company's daily operations in accordance with the instructions and directions of the Board. The President and CEO is responsible for ensuring that the company works toward and achieves its goals and strategic plans. Moreover, the President and CEO is responsible for preparing and providing pre-read materials to the Board ahead of Board meetings and keeping the Board up to date regarding the company's financial position, development, risks and opportunities. The role, areas of responsibility and authority of the President and CEO are described in the instructions to the CEO, which are adopted every year by the Board.

The President and CEO is supported by Group Executive Management, to which responsibilities and authority are delegated.

Group Executive Management also has an advisory function. In addition to the President and CEO, Group Executive Management includes the three Division Presidents and six managers responsible for the company's Group functions: finance, strategy and IT, legal, communication, HR and strategic research. Group Executive Management holds minuted meetings once a month. The members of the Group Executive Management are presented further on pages 88–89.

8. Divisions and Group functions

Alleima's business operations follow the principle of clear decentralization of responsibilities and authority. Primary operational responsibility in the company lies with the divisions and their business units, which have been delegated responsibility for pursuing and developing their respective operations in accordance with established targets and strategies. The divisions and their respective business units are responsible for their operational earnings, capital and cash flows. The business and earnings situations are regularly monitored by the President and CEO and Group Executive Management.

Alleima has three divisions, each with its own distinct product range, production and sales organization: Tube, Kanthal and Strip. The divisions are described in more detail on pages 23–28.

The Group functions have Group-wide responsibility for issues within their respective areas of responsibility, and coordinate with corresponding functions in the divisions. The Group functions are responsible for establishing policies and processes in their areas of responsibility that will apply to the company as a whole.

Alleima has seven Group functions: corporate governance and sustainability, finance, strategy and IT, legal, communication, HR and strategic research.

The policies and processes that are decided on by the Group functions and by the heads of the division functions, together with the overall principles of decentralization that Alleima applies, are jointly called "The Alleima Way" and can be divided into three blocks: management, core and supporting processes.

9. External auditor

The external auditor is a control body that is appointed every year by the AGM. The task of the external auditor is to review the company's annual report and consolidated financial statements as well as management of the company by the President and CEO. The outcome of the external auditor's work – the auditor's report – is distributed to shareholders in the annual report and at the AGM. Prior to the AGM, the external auditor submits its opinion regarding the adoption of the income statements and balance sheets, appropriation of profit or loss, discharge from liability for the Board and President and CEO, and the preparation of the ESEF report.

Alleima AB's Articles of Association state that the company is to have a minimum of one and a maximum of three auditors, with a maximum of three deputy auditors, and that a registered audit company may be appointed auditor. At the 2024 AGM, the audit firm PricewaterhouseCoopers AB was re-elected auditor of Alleima AB for the period until the 2025 AGM. Magnus Svensson Henryson is auditor-in-charge.

In accordance with its procedural guidelines, the Board met with the external auditor in 2024. Moreover, the external auditor attended every meeting of the Audit Committee. The external auditor's activities included presenting the scope and orientation of the planned audit and submitting audit and review reports.

Audit fees are paid on an ongoing basis according to approved current invoices. For detailed information on fees paid to the external auditor, see Note 4 on page 54.

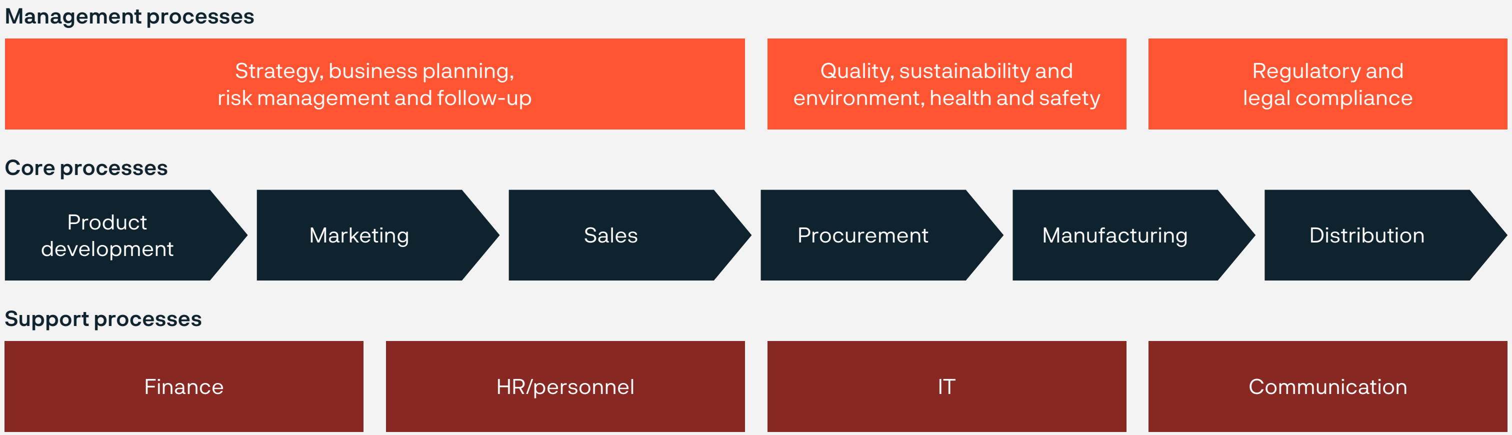
10. Internal audit

The internal audit function is subordinate to the Audit Committee. The task of the function is to provide independent and objective assurance of the company's internal control, risk management and governance by conducting internal audits. Internal control activities are governed by written instructions that are revised and approved annually by the Audit Committee and the Board.

The basis for the internal control activities is a risk-based annual plan that is prepared using a risk analysis based on documentation from the Board, the President and CEO, Group Executive Management and the divisions. The annual plan is approved by the Audit Committee.

Nine internal audits were conducted in 2024. The head of the internal audit function attended all Audit Committee meetings during the year, and the outcomes of the internal audits were reported to the Audit Committee. Opportunities for improving the efficiency of the company's governance and processes for internal control or risk management that were identified in internal audits were also reported to the executives responsible.

Alleima process map



Internal control and risk management pertaining to financial reporting and sustainability reporting

Alleima's internal control activities are intended to ensure that the company's financial position and consolidation of sustainability reporting are correct and reliable, and that the company is in compliance with applicable laws and regulations.

The starting point for internal control activities is the framework for internal controls issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. This framework identifies five integral components of internal control activities: control environment, risk assessment, control activities, information and communication, and monitoring.

The five integral components of internal control activities:

I.	II.	III.	IV.	V.
Control environment	Risk assessment	Control activities	Information and communication	Monitoring

For more information, visit the COSO website: www.coso.org

I. Control environment

Alleima's control environment is built on a clear allocation of duties and responsibilities between the company's various bodies and functions as well as a corporate culture in which integrity, ethics and transparency are fundamental values.

The Board is ultimately responsible for ensuring that the company has an efficient system for internal control and exercises oversight through regular follow-ups of internal control activities as well as through the Audit Committee and the President and CEO. The allocation of duties is clarified in the procedural guidelines to the Board, the instructions to the Audit Committee and the instructions to the President and CEO.

The Audit Committee routinely follows up on the company's internal control activities and prepares the Board's work related to quality assurance of the company's financial reporting and sustainability reporting. Additionally, both the Board and the Audit Committee meet the company's external auditor at least once a year without company management in attendance. The President and CEO leads the practical internal control activities through Group Executive Management and the internal control function. The company's management also has the important task of working clearly to ensure that all employees understand what is required to maintain good internal control and how they are expected to promote it.

The internal regulations for internal control activities are documented in policies, processes and manuals that are included in The Alleima Way and are reviewed and adopted annually.

II. Risk assessment

All divisions and selected Group functions perform an assessment of business risks in accordance with the enterprise risk management (ERM) methodology at least once a year, as part of their strategy work. Risks that are noted by the divisions and Group functions, as well as observations from internal and external audits, are then taken into account in the design of Alleima's Risk and Control Matrix (RACM) internal control framework to ensure that adequate controls are established to address identified risks. Identified and relevant risks are then reported to the Audit Committee and the Board.

III. Control activities

Based on identified and relevant risks, the internal control framework is designed, addressing different control perspectives for financial reporting (ICFR – including Group functions and local entities), general IT controls (ITGC – covering main financial IT systems), sustainability reporting, and governance and risk functions. For each control perspective, an individual is appointed to monitor whether the internal control is carried out in accordance with valid procedures. In addition, the individual operations within each respective control perspective appoint an indivdual to supervise and follow up their respective local units.

IV–V. Communication, information and monitoring

Internal control is monitored regularly through self-assessments to ensure that risks are managed appropriately and in accordance with the requirements of the internal control framework. The results from the self-assessments of completed internal controls, identified deficiencies, analysis and action plans are included in the CFO's report to the Audit Committee. The Chairman of the Audit Committee regularly reports on the Committee's work to the Board regarding internal control. The Board also carries out an annual review of the company's processes for internal control together with the results of completed controls and self-assessments.

Board of Directors

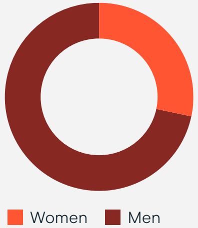
Name	**Andreas Nordbrandt**	**Karl Åberg**	**Claes Boustedt**	**Susanne Pahlén Åklundh**
Position	Chairman of the Board Chairman of the Remuneration Committee	Board member Member of the Audit Committee	Board member Member of the Audit Committee	Board member Chairman of the Audit Committee
Born	1971	1979	1962	1960
Election to the Board	2021	2021	2021	2022
Education	Master of Science in Mechanical Engineering from the Institute of Technology at Linköping University, Sweden.	Master of Science in Economics and Business Administration from Stockholm School of Economics, Sweden.	Master of Science in Economics and Business Administration from Stockholm School of Economics, Sweden.	Master of Science in Chemical Engineering from Lund Institute of Technology, Sweden.
Other material board assignments as per 31 December 2024	Chairman of the board of SaltX Technology AB. Member of the board of Sandvik AB.	Member of the board of Essity AB and Telefonaktiebolaget L M Ericsson.	Member of the board of Sandvik AB, Hufvudstaden AB and Förvaltnings AB Lunden.	Chairman of the board of Alfdex AB. Member of the board of ASSA ABLOY AB and Sweco AB.
Professional experience	Formerly Division President at Epiroc Underground Rock Excavation and Atlas Copco Rocktec.	Deputy CEO and head of the investment organization and the finance function at AB Industrivärden. Formerly partner an co-founder of Zeres Capital Partners AB, partner at CapMan Public Market Fund, and various positions within Handelsbanken Capital Markets.	Deputy CEO of L E Lundbergföretagen AB and CEO of L E Lundberg Kapitalförvaltning AB. Former Head of Research at Öhman Fondkommission.	Various previous positions within Alfa Laval AB, including President of the Energy Division and the Equipment Division and member of Alfa Laval Group Management.
Attendance				
Board meetings	13/13	13/13	13/13	13/13
Audit Committee meetings	–	6/6	6/6	6/6
Remuneration Committee meetings	3/3	–	–	–
Annual General Meeting	Yes	Yes	Yes	Yes
Independence				
In relation to the company and its management	Yes	Yes	Yes	Yes
In relation to major shareholders	Yes	No	No	Yes
Remuneration (kSEK)	1,578	618	618	727
Holdings[1]	9,180	12,000	30,000	10,000

1) Own and related parties' holdings in Alleima AB (publ) as of December 31, 2024.

Name	Ulf Larsson	Victoria Van Camp	Göran Björkman
Position	Board member Member of Remuneration Committee	Board member	Board member President and CEO
Born	1962	1966	1965
Election to the Board	2023	2024	2019
Education	Bachelor of Science in Forestry from the Swedish University of Agricultural Sciences in Umeå.	Master of Science in Mechanical Engineering and Ph.D. in Machine Elements from Luleå University of Technology, Sweden.	Master of Science in Mechanical Engineering from KTH Royal Institute of Technology in Stockholm, Sweden.
Other material board assignments as per 31 December 2024	Member of the board of Swedish Forest Industries and CEPI.	Member of the board of Billerud AB, ASSA ABLOY AB, LumenRadio AB, SR Energy AB and the Chalmers University of Technology Foundation. Deputy member of the board of Viking Analytics AB.	Chairman of the board of Industriarbets-givarna i Sverige service AB. Member of the board of the Confederation of Swedish Enterprise.
Professional experience	President and CEO of Svenska Cellulosa Aktiebolaget SCA. Former CEO of SCA Forest Products AB. Member of the Royal Swedish Academy of Engineering Sciences and the Royal Swedish Academy of Agriculture and Forestry.	Adjunct professor of Machine Elements at Luleå University of Technology. Member of the Royal Swedish Academy of Engineering Sciences. Founder and owner of consulting firm, Axa Consulting. Former CTO and President Technology, with several senior positions at SKF.	Various previous management positions within the Sandvik Group, including President of the business area Sandvik Materials Technology and member of Sandvik's Group Executive Management Team as well as VP and Head of Global Production at AB Sandvik Coromant.
Attendance			
Board meetings	13/13	7/13[2]	13/13
Audit Committee meetings	–	–	–
Remuneration Committee meetings	3/3	–	–
Annual General Meeting	Yes	Yes	Yes
Independence			
In relation to the company and its management	Yes	Yes	No
In relation to major shareholders	Yes	Yes	Yes
Remuneration (kSEK)	586	510	–
Holdings[1]	5,000	1,589	53,523

1) Own and related parties' holdings in Alleima AB (publ) as of December 31, 2024. 2) Full attendance starting from election at 2024 AGM.

Gender distribution members elected by AGM



Employee representatives

Name	Tomas Kärnström	Mikael Larsson	Niclas Widell	Maria Sundqvist
Position	Board member (appointed by IF Metall)	Board member (appointed by Unionen)	Deputy Board member (appointed by IF Metall)	Deputy Board member (appointed by Akademikerföreningen)
Born	1966	1963	1974	1964
Election to the Board	2021	2021	2021	2021
Attendance, Board meetings	13/13	13/13	12/13	11/13
Holdings[1]	577	27	24	144

1) Own and related parties' holdings in Alleima AB (publ) as of December 31, 2024.

Group Executive Management





Name	**Göran Björkman**	**Carl von Schantz**	**Robert Stål**	**Per Eklund**	**Olof Bengtsson**
Position	President and CEO	President Tube Division	President Kanthal Division	President Strip Division	CFO
Born	1965	1973	1983	1971	1961
In the position since	2017	2023	2023	2025[3]	2019
Education	Master of Science in Mechanical Engineering from KTH Royal Institute of Technology in Stockholm, Sweden.	Master's degree in Business Administration from Kellogg School of Management at Northwestern University and Bachelor of Arts degree in Economics from Northwestern University, USA.	Master of Science in Material Science from KTH Royal Institute of Technology, Sweden. Bachelor of Science in Business and Economics from Stockholm University, Sweden.	Master's degree in Mechanical Engineering and Materials Science from Luleå University of Technology, Sweden.	Master of Science in Economics and Business Administration from Stockholm School of Economics, Sweden.
Material board assignments[1] as per 31 December 2024	Chairman of the board of Industriarbetsgivarna i Sverige service AB. Member of the board of the Confederation of Swedish Enterprise.	–	–	–	–
Professional experience	Various previous management positions within the Sandvik Group, including President of the business area Sandvik Materials Technology and member of Sandvik's Group Executive Management Team as well as Vice President and Head of Global Production at AB Sandvik Coromant.	Formerly President of the General Industry division at Atlas Copco, Senior Vice President and Head of the Energy Sector at Lantmännen, and Managing Director within the Sapa Group (now Hydro Extrusions).	Former CEO of Dafo Vehicle Fire protection; various positions within Sandvik Materials Technology, including President of Business Unit EMEA within the Tube Division, Global Sales and Marketing Manager as well as Product Manager for Nuclear Power Products within the Tube Division, and Product Manager within the Metallurgy department at ABB AB.	Formerly General Manager Marketing and Sales at the Strip Division, as well as various senior positions within the Sandvik Group, including Head of Strategy Execution and Corporate Business Development at Sandvik Coromant and other roles primarily in sales and marketing as well as business development.	Former CFO and Head of Treasury and Corporate Finance at Capio AB, Finance Director and Head of Treasury and Corporate Finance at Securitas AB, VP Treasury and Cash Management at Stora AB, and Treasury Manager at Atlas Copco AB.
Holdings[2]	53,523	17,595	11,209	611	18,936

Other member of Group Executive Management in 2024
Claes Åkerblom was President Strip Division until December 9, 2024.

1) Pertains to board assignments outside the Alleima Group.
2) Own and related parties' holdings in Alleima AB (publ) as of December 31, 2024.
3) Acting since December 13, 2024. Member of Group Executive Management since March 1, 2025.

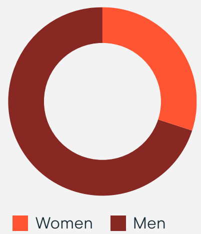




Name	Johanna Kreft	Mikael Blazquez	Ulrika Dunker	Tom Eriksson	Elja Nordlöf
Position	General Counsel	EVP and Head of Strategy, M&A and IT	EVP & Head of Human Resources	EVP & Head of Strategic Research	EVP & Head of Communications
Born	1976	1972	1975	1973	1985
In the position since	2015	2018	2020	2018	2018
Education	Master of Laws from Uppsala University, Sweden.	Master of Science in Automatic Data Processing from University of Gävle, Sweden.	Bachelor's degree in Education from University of Gävle, Sweden. Liquid Leader certificate from Hanken & SSE Executive Education.	Doctor of Philosophy in Materials Chemistry from Uppsala University, Sweden. Bachelor's degree in Inorganic Chemistry from Uppsala University, Sweden.	Master of Science in Media and Communication from University of Gävle, Sweden.
Material board assignments[1] as per 31 December 2024	–	–	–	Member of the board of SWERIM AB.	–
Professional experience	Formerly Business Area General Counsel and Chief Legal Counsel at Sandvik Materials Technology, Legal Counsel at Sandvik AB, and Associate at Ahlford Advokatbyrå and Michelson & Werner Advokat-byrå.	Various previous positions within Sandvik Materials Technology, including Business Unit Manager Nuclear Power and Global Sales and Marketing Manager Nuclear Power & Aerospace within the Tube division, and various positions within Telefonaktiebolaget L M Ericsson, including Manager Market Supply Americas and Manager Customer Logistics.	Various previous positions within the Sandvik Group, including VP and Head of HR at Sandvik Venture AB and Sandvik Construction AB; Executive VP Human Resources and EHS at Ramirent AB, HR Director at Kungliga Operan AB, and HR Assistant at the Boston Consulting Group.	Various previous positions within Sandvik Materials Technology, including Head of Materials Design and Strategic Research Manager; Discovery Research Manager and Material Specialist at St. Jude Medical AB; and Researcher at Lawrence Berkeley National Laboratory.	Various previous positions within the Sandvik Group, including Corporate Communications Manager and Communications Specialist; and Communications Officer at the German-Swedish Chamber of Commerce.
Holdings[2]	6,060	7,414	6,199	7,066	274

1) Pertains to board assignmenst outside the Alleima Group.
2) Own and related parties' holdings in Alleima AB (publ) as of December 31, 2024.

Gender distribution, Group Executive Management



Remuneration of senior executives

Remuneration of senior executives in listed companies is regulated by the Swedish Companies Act and the regulations of the Stock Market Self-Regulation Committee. The aim is for remuneration to be both market-based and predictable, and to promote the interests of the company's shareholders.

Guidelines for the remuneration of senior executives

Under the Companies Act, listed companies must have established guidelines for remuneration of senior executives ("remuneration guidelines").

The remuneration guidelines are adopted by the General Meeting following proposals from the Board. Under the Companies Act, proposals must be submitted at least once every four years. The proposals are prepared by the Remuneration Committee. For more information on the activities of the Remuneration Committee, refer to page 82.

The remuneration guidelines describe which types of remuneration the company can offer senior executives and how such remuneration is to promote the company's business strategy, long-term interests and sustainability. Remuneration that is resolved on by the General Meeting (ordinary Board fees, for example) is not covered by the guidelines.

Alleima's current remuneration guidelines were adopted by the AGM on May 2, 2023 and can be read at www.alleima.com and on page 91–92.

Board fees

Remuneration of the company's Board members elected by the AGM is determined by the AGM. For information on Board fees for 2024, which were resolved on by the 2024 AGM, refer to pages 85–86 and Note 3.5 on page 52.

The Nomination Committee will propose fees for Board activities in 2025 for resolution by the AGM on April 28, 2025. Additional information will be included in the notice to attend the AGM when it is issued. For more information on the activities of the Nomination Committee, refer to page 80.

Remuneration of the President and CEO and Group Executive Management

Remuneration of the President and CEO is decided on by the Board after preparation by the Remuneration Committee. Remuneration to Group Executive Management is prepared by the President and CEO, and approved by the Remuneration Committee. When the Board and Remuneration Committee address and decide on remuneration issues, the individuals in company management to whom the decision pertains will not be in attendance. For more information on the activities of the Remuneration Committee, refer to page 82.

For more information on the remuneration of the President and CEO and of Group Executive Management expensed in 2024, refer to Note 3.5 on pages 52–53.

Share-related incentive programs for senior executives and other key employees

Alleima's AGM resolved in 2023 and 2024 to offer share-related incentive programs to 30 senior executives, including the President and CEO and Group Executive Management, and other key employees.

For further information on Alleima's current share-related and other incentive programs, refer to Note 3.5 on page 53 and alleima.com. The incentive programs are prepared by the Board and the Remuneration Committee. For more information on the activities of the Remuneration Committee, refer to page 82.

Remuneration report for 2024

In accordance with the regulations of the Companies Act, the Board prepares an annual report on remuneration paid and outstanding covered by the remuneration guidelines for Board members elected by the AGM and for the President and CEO.

The remuneration report for 2024 will be presented for approval at the AGM on April 28, 2025 and will be available at alleima.com. The remuneration report is reviewed by the company's auditor, who submits a statement to the Board on whether the remuneration guidelines have been observed.

Guidelines for the renumeration of senior executives

Adopted by the AGM on May 2, 2023
(Unofficial translation of the Swedish text)

Scope of the guidelines
The guidelines apply to the President and CEO and other members of Group Executive Management. The guidelines do not cover remuneration decided or approved by the General Meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability
A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration.

The guidelines enable the company to offer senior executives a competitive total remuneration. For more information regarding the company's business and sustainability strategy, please see the company's website www.alleima.com.

Forms of remuneration
The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as the Group's earnings trend. The remuneration may consist of fixed salary, variable remuneration, pension benefits and other benefits.

Fixed salary
The purpose of the fixed salary is to attract and retain senior executives with the right competence for the respective positions. The salary level should be determined by comparing the salary to similarly complex positions within a defined peer group, which may change over time.

Variable consideration
Variable share-related remuneration
The company may offer long-term share-related or share price-related remuneration. Such programs (including any cash-based incentive programs that may be offered as an alternative, when deemed appropriate) are adopted by the General Meeting and are therefore not covered by the guidelines.

Variable cash remuneration
The company may offer short or long-term variable cash remuneration. The company may only offer long-term variable cash remuneration as a three-year program and during a year when the General Meeting has not resolved to adopt a share or share price-related program.

The long-term variable cash remuneration shall be a maximum of 75% of the fixed annual cash salary, paid during the program's third and final year, for the President and CEO, and a maximum of 60% of the fixed annual cash salary, paid during the program's third and final year, for other members of Group Executive Management. The fulfillment of objectives for awarding such remuneration shall be measured over a period of one to three years and paid out year four.

The short-term variable cash remuneration shall be a maximum of 70% of the fixed annual cash salary for the President and CEO and a maximum of 50% of the fixed annual cash salary for other members of Group Executive Management.

Any variable cash remuneration shall be conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the company's business strategy and performance as well as its long-term interests, including its sustainability. At the beginning of each year, the criteria are proposed by the Remuneration Committee and approved by the Board of Directors, including key performance indicators (KPIs) and the target ranges deemed relevant for the upcoming measurement period.

The criteria may be financial, and non-financial, and shall always be related to business performance. At least 80% of the variable cash remuneration shall be linked to the financial criteria.

The established KPIs shall be presented on the company's website www.alleima.com. The extent to which the criteria for awarding variable cash remuneration have been fulfilled shall be determined when the measurement period has ended and will be published in the remuneration report the following year. For financial criteria, the evaluation shall be based on the latest financial information made public by the company.

Special arrangements
Provided that remuneration is only made on an individual basis, the company may offer one-off remuneration in specific cases for the purpose of recruiting or retaining senior executives. The remuneration may not exceed an amount corresponding to 100% of the individual's fixed annual salary including maximum variable cash remuneration.

Right to withhold or reclaim remuneration
Terms and conditions for variable remuneration shall be designed so that the Board of Directors (i) has the right to limit or refrain from payment of variable remuneration if exceptional economic circumstances prevail and such a measure is considered reasonable, and (ii) has the right to withhold or reclaim variable remuneration paid to an executive based on results that afterward were found to have been misstated because of wrongdoing or malpractice (so-called malus and clawback).

Pension benefits
Pension shall be paid in accordance with relevant national legislation, applicable collective agreements (or similar).

For senior executives based in Sweden, pension benefits are subject to the ITP plan (Industry and Trade Supplemental Pension). Accordingly, there are both premium-based ("defined contribution") and benefits-based ("defined benefit") pension undertakings, based on individual prerequisites and applicable regulations. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions (or similar) applicable to the executive.

In addition to ITP, Alleima may offer complementary pension benefits. Senior executives are offered disability pension and a defined contribution pension scheme with an Alleima approved insurance provider in accordance with Alleima's Procurement Policy (Alleima Procurement Procedure).

For senior executives residing outside Sweden, deviations may be made for pension benefits, if required by local law or established market practice.

Total pension premiums shall not amount to more than 37.5% of the fixed annual salary.

Other benefits
Other benefits may include, for example, life insurance, medical insurance and company car benefit. Such benefits may not amount to more than 5% of the fixed annual salary. For senior executives in need of double accommodation: paid accommodation, etc. may be added in line with Alleima's regulations and such benefits may not amount to more than 20% of the fixed annual salary.

Termination of employment
Severance pay may be paid when employment is terminated by Alleima. The President and CEO and the other senior executives may have a period of notice of not more than 12 months, in combination with severance pay corresponding to 6–12 months fixed salary.

When employment is terminated by the senior executive, the notice period may not exceed six months and no severance pay shall be paid.

In case a senior executive is not entitled to severance pay, but is covered by a non-compete undertaking, the senior executive may instead be compensated for such a non-compete undertaking. Any remuneration paid as compensation for a non-compete undertaking shall not exceed 60% of the fixed salary at the time of notice of termination of the employment and shall not be paid for a longer period than 18 months. Fixed salary during the notice period together with any compensation for the non-compete undertaking shall not exceed an amount equivalent to the senior executive's fixed salary for 24 months.

Consideration of remuneration to the company's employees
When preparing the proposal for the guidelines, the employment conditions applied within the company as a whole have been used as a benchmark, following the principle that the remuneration packages of all Alleima employees should be based on the complexity of the position, performance and market practice. In general, the same combination of remuneration components such as fixed salary, variable remuneration, pension and other benefits are offered within Alleima.

The decision-making process for determining, reviewing and implementing the guidelines
The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration.

The Remuneration Committee shall annually assess whether a revision of the guidelines is needed. The Board of Directors shall prepare a proposal for guidelines at least once every four years and submit it to the General Meeting for resolution. The guidelines shall be in force until new guidelines are adopted by the General Meeting.

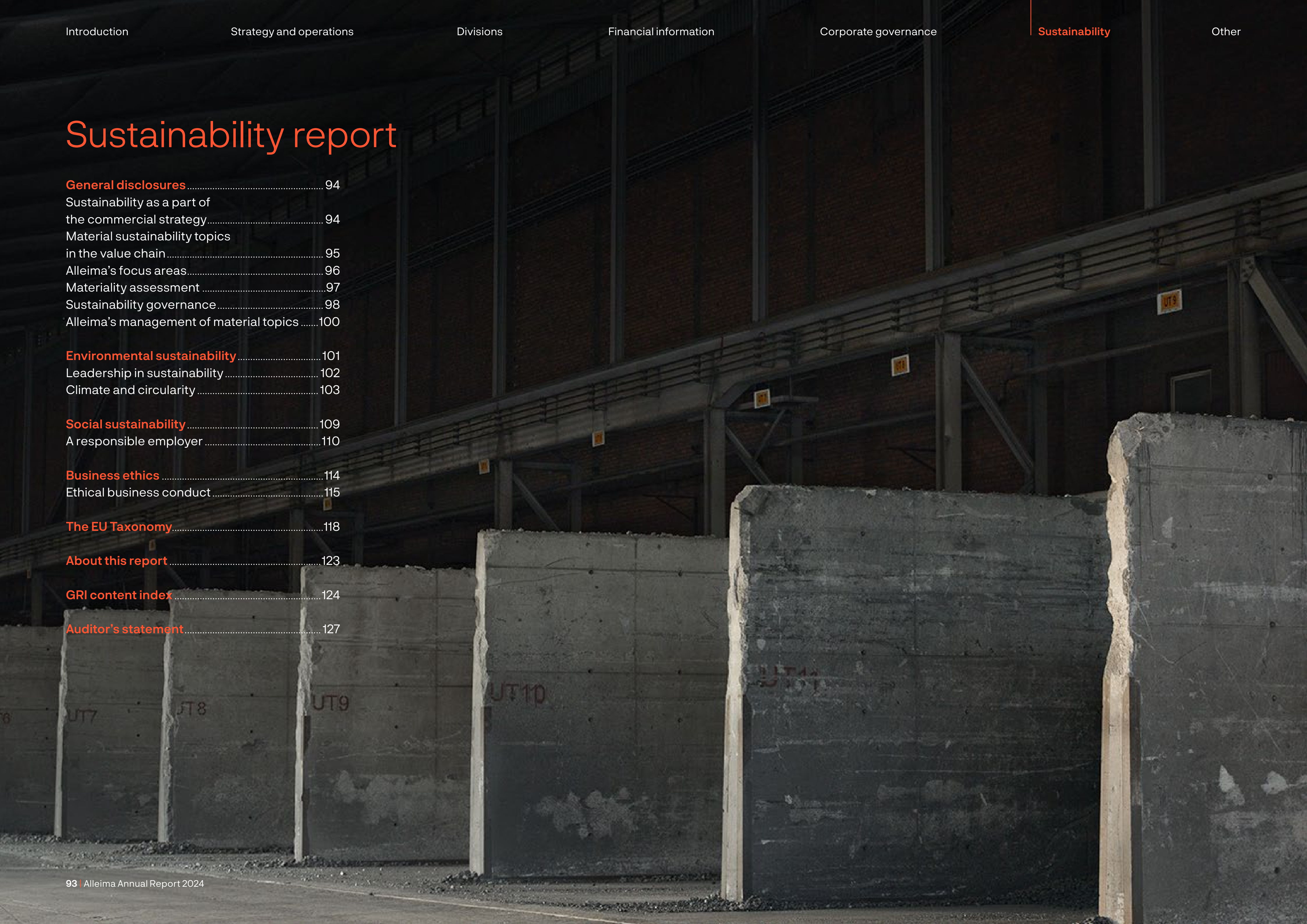
The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the company.

The members of the Remuneration Committee are independent of the company and its executive management. The President and the CEO and other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration related matters to the extent that they are affected by such matters.

Decisions on remuneration to the President and CEO are taken by the Board of Directors, based on proposals from the Remuneration Committee, and decisions on remuneration to the other senior executives are taken by the Remuneration Committee

Adjustment to local regulations
Remuneration under employment is subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Derogation from the guidelines
The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.



Sustainability report

General disclosures

Sustainability is firmly established in Alleima's operations and is an integral part of its strategy. By contributing to making customers' products more efficient, safer, and more sustainable, Alleima contributes to the transition of society.

Alleima is to be a competitive, respectful and reliable partner for its customers, current and future employees, as well as suppliers and other stakeholders. Sustainability is an integral part of Alleima's strategy, and the company manages the impact on the environment, people, human rights, and operations equally with other business decisions.

Sustainability as part of the commercial strategy

Alleima is a global developer, manufacturer and supplier of high value-added products in advanced stainless steels and special alloys as well as products for industrial heating. Through its close and long-standing customer relationships, the company develops products and applications that are light, sustainable and corrosion resistant, and can withstand high temperatures and pressure.

Alleima has identified sustainability as an important success factor and driver of profitable growth. Sustainability is a natural part of all aspects of the company's operations and is an integral part of the company's commercial strategy. It involves continuous work to further minimize emissions and ensure employee safety and well-being.

Alleima's greatest contribution to sustainability is through its product offering. The company's products, based on over 900 active alloys, contribute to making customers' products, applications and processes safer, more efficient and more sustainable. They also enable the transition to renewable sources of energy, the electrification of industries and innovations in the medical sector.

Alleima's customers are located in ten different segments, in more than 80 countries, and the offering includes products such as seamless stainless steel tubes, electric heating technology and resistance materials, ultra-fine wire and components for medical applications, precision strip steel, and coated strip steel for hydrogen applications.

Business model and value chain

Alleima's business model aims to deliver profitable growth and create added value for its stakeholders. With a fully integrated value chain, from research and development to final product, Alleima has the opportunity to influence and minimize the climate footprint in all phases of the production. The company's upstream value chain consists of suppliers of direct and indirect materials. Downstream, there are customers and end products.

Alleima's core values

We care

At Alleima, we take pride in what we do. We care about our customers, our people, our owners, the environment, the communities in which we operate, and the future that we share.

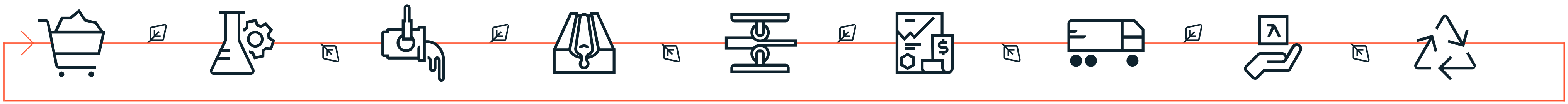
We deliver

At Alleima, we deliver on our commitments. With a solution-oriented mindset, we enable our customers to be their very best: more efficient, more profitable, more sustainable.

We evolve

At Alleima, we constantly evolve. Together, we take the lead to advance materials, ambitions, industries, ourselves – and societies for the better.

Material sustainability topics in the value chain



	Sourcing and buy-back of raw materials	Research and development	Melting of steel in electric arc furnace / Hot working / Cold working	Marketing and sales	Logistics	Product use	Recycle
Activities in the value chain	The majority of Alleima's sourcing consists of acquiring secondary material, including through established buy-back programs with customers. Purchasing fossil-free energy, as well as optimized and fossil-free transportation, contribute to sustainable sourcing. To reduce the amount of purchased material and energy, Alleima also focuses on a recycling system for internal scrap and waste heat recovery.	Alleima's research and development aims to solve complex challenges with advanced material together with customers. Work to develop future material in the form of patented alloy compositions results in innovations that support energy efficiency and the energy transition, as well as reduced CO_2 emissions and increased circularity, safety and quality of life.	Alleima's operations consist of producing high value-added products in advanced stainless steel and specialty alloys as well as products for industrial heating. This is primarily done by melting steel in electric arc furnaces as well as hot and cold working products in various stages of completion. 100% fossil-free electricity and more than 80% recycled steel are used in the process. A high proportion of metals and other residual products are also recycled in production. Alleima works continuously to increase energy efficiency, reduce waste and ensure health and safety in the workplace.	Marketing and sales follows the highest ethical standards. In addition to finished products, the company offers data from life cycle assessments for several products.	Electric and biofuel-powered vehicles are used for internal logistics and material transportation. High demands are placed on external transportation when it comes to fossil-free fuel and to load and route optimization. Transportation is primarily by water, rail and road, and only to a certain extent by air.	End products enable better energy efficiency, reduced CO_2 emissions, the energy transition, reduced materials usage, and increased safety and quality of life.	Metallic materials are circular and have good recycling potential. Buy-back programs and recycling systems allow Alleima to reduce the climate impact of manufacturing new materials.
Geographic connection	Sandviken.	Globally.	Concentrated primarily in Sweden, Germany, Czechia and the UK in Europe. There are also major production facilities in the US, India and China.	Globally.	Globally. The majority of large flows originate in Sweden.	Depends on customer or service unit.	Sweden and globally.
Sustainability topics*							

Upstream	Own operations	Downstream

* The icons show where Alleima's material topics mainly occur in the value chain. The illustration is not exhaustive and should be seen as an example.

Climate and energy · Pollution · Water · Resource use and waste · Growth in products that support increased sustainability · Health and safety · Diversity · Business ethics

Alleima's focus areas

Alleima's long-term sustainability agenda is based on four focus areas: climate and circularity, leadership in sustainability, being a responsible employer, and ethical business conduct.

Climate and circularity
Alleima primarily melts steel scrap instead of virgin material in its steel production. More than 80% of the company's products consist of recycled steel. Together with the use of fossil-free electricity at the company's production facilities, this means that Alleima has a relatively low carbon footprint. Since 2013, all of Alleima's operations in Europe and approximately 96% worldwide use fossil-free electricity.

Leadership in sustainability
Alleima's goal is to be an industry leader in sustainability in terms of its operations as well as its product offering. The main contribution to sustainability comes from the company's products and solutions, which allow customers to transition to fossil-free energy, improve their energy efficiency and reduce their climate impact.

A responsible employer
Alleima's success is largely due to the company's ability to attract, develop and retain the right employees. Workplace health and safety is the top priority and all operations have clear plans for how the work environment and employee safety can be improved. Diversity, equality and inclusion are also prioritized areas that help employees thrive and develop.

Ethical business conduct
Alleima's operations are to be characterized by a high level of business ethics to foster pride and create long-term value for customers, the company and society. The company has zero tolerance for corruption and bribery and places great importance on evaluating suppliers to ensure responsible sourcing.

Alleima's contributions to the UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING
Continued development of medical wire for applications in various areas of life-changing medical technology, such as vascular therapy, sensing, and neurostimulation.

5 GENDER EQUALITY
Increased focus on diversity, equality and inclusion as part of the people strategy and commercial strategy to improve gender balance, with the share of female managers continuing to increase.

6 CLEAN WATER AND SANITATION
Different initiatives and improvements to reduce the usage of freshwater and increase the circularity and reuse of water in general.

7 AFFORDABLE AND CLEAN ENERGY
Purchase of fossil-free electricity for all facilities in the EU. Globally, 96% of all electricity used within Alleima is fossil-free.

8 DECENT WORK AND ECONOMIC GROWTH
Strengthened focus on reducing the TRIFR in line with the long-term target of zero harm to people.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Continued development and introduction of new products and solutions to support customer needs. A significant part of the product portfolio focuses on renewable energy and the transition to fossil-free energy production.

10 REDUCED INEQUALITIES
Clear statements in the Code of Conduct on diversity, equality and inclusion are supported by the People Policy and related procedures.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
A high degree of circularity is built into the Alleima business model. More than 80% of the final product is manufactured from recycled material. Buy-back programs for decommissioned products or waste material at customers introduced.

13 CLIMATE ACTION
Long-term target to reduce Scope 1 and 2 CO_2 emissions by more than 50% by 2030. Monitoring of Scope 3 emissions has commenced.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Compliance training, including principles for when the company refuses to do business with entities engaged in illegal activities. Zero tolerance for any form of corruption or bribery.

Materiality assessment

The materiality assessment aims to assess Alleima's impact on the outside world and the impact of the outside world on Alleima. In 2023, the company carried out its first double materiality assessment, where impacts as well as risks and opportunities were identified. In 2024, the materiality assessment was reviewed.

The materiality assessment was carried out in the following steps:

Step 1 – Mapping stakeholders and the value chain
A comprehensive mapping of Alleima's value chain was carried out in combination with an analysis of the operating environment and interviews with stakeholders. The goal was to better understand the company's context and pave the way for the next step in the materiality assessment.

Step 2 – Identifying impacts, risks and opportunities
A mapping of possible impacts, risks and opportunities along the value chain was carried out. This resulted in several potential material topics. Internal and external stakeholders were then identified for each topic.

Step 3 – Assessment
To establish material topics, workshops were held with internal stakeholders along with interviews with Group Executive Management and the Board. Materiality thresholds were based on these initiatives, and each topic was weighted based on scale, scope, irremediable character and likelihood. The weighting resulted in a summary of material topics.

Step 4 – Validation and documentation
The selection was then validated by the finance function and the corporate governance function, along with Group Executive Management and the Board, which resulted in a final collection of topics that are material for Alleima and that will therefore be included in the company's sustainability reporting.

The materiality assessment was reviewed in 2024 and the descriptions of identified impacts, risks and opportunities were expanded.

The material topics identified define the scope of Alleima's reporting. The material topics should also be reflected in the company's sustainability targets and strategies and be integrated into its risk and business processes.

The materiality assessment covers Alleima's entire value chain. The process and method used for the double materiality assessment and the predetermined threshold for materiality are approved annually by the Board and the Audit Committee. Topics are deemed material if they exceed the threshold for likelihood and/or impact.

The results of the double materiality assessment are reported annually to the Board and the Audit Committee. The results are also used as input for Alleima's risk management process.

The topics deemed material are:

- Climate and energy
- Pollution
- Water
- Resource use and waste
- Health and safety
- Diversity
- Business ethics
- Growth in products that support increased sustainability

Climate and energy include reporting of greenhouse gas emissions in scope 1, 2, and 3. Pollution is reported under emissions and water. Resource use and waste cover Alleima's material inflows and outflows of resources and their circularity, reported as metallic raw materials and waste management. Health and safety encompass both the company's own workforce and employees in the value chain. Diversity includes the company's own workforce. Business ethics include compliance and sustainable procurement. Alleima has also defined a company-specific material topic, the growth of products that contribute to increased sustainability.

Step 5 – Dialogue with stakeholders
Alleima's main stakeholders are its employees, customers, owners and suppliers. The company also has common interests with the communities and organizations where it operates, both locally near its operations and at the national and global levels. There are also more distant stakeholders, such as the employees of its business partners.

Communication with stakeholders uses the same channels as other company communication, which includes interim reports, annual reports, investor calls, employee webinars and committees for consultation.

Several different stakeholder groups were involved in Alleima's first materiality assessment as an independent company back in 2022. Interviews were carried out with a number of external stakeholders (suppliers and customers) as well as with internal stakeholders from different central functions within the Group, from the divisions and from the Board and management. In the 2023 materiality assessment, the results were expanded to include consultations with internal and external specialist experts and other external sources and reports as well as a geographic mapping of impacts, risks and opportunities. The review in 2024 included those responsible for the various topic groups as well as the Board and management.

Sustainability governance

The highest responsibility for sustainability work is held by the Board of Directors of Alleima. This responsibility includes the governance and oversight of the processes needed to ensure efficiency and due diligence in various areas such as reporting, compliance with regulations and policies, as well as the international principles that Alleima follows. Alleima is governed based on its internal corporate governance framework, The Alleima Way, which implements the laws and external rules to be followed and also sets out the internal rules and principles for governance that apply specifically within Alleima.

The Alleima Way is based on three blocks: management, core and supporting processes. The processes are governed by policies, procedures and other governing documents describing the common ways of working implemented throughout the entire organization. Sustainability governance is integrated into The Alleima Way and there is a clear structure in place for how sustainability is to be managed within the company. For a more detailed description of The Alleima Way, refer to page 79 in the corporate governance report.

Alleima's Board of Directors has the overall responsibility for sustainability reporting, monitored by the Audit Committee. Group Executive Management has the overall responsibility for the company's strategy as well as its sustainability work and agenda, while the divisions are responsible for implementation and follow-up.

Alleima has established a Sustainability Council with representatives from various Group functions and divisions, tasked with coordinating the Group's sustainability work. The council coordinates the preparation of sustainability governing documents, such as the Sustainability Policy and related procedures, as well as preparing materials that require approval from Group Executive Management. The head of the governance and sustainability function chairs the Sustainability Council and reports to the President and CEO.

The Sustainability Council reports to Group Executive Management quarterly. In these reviews, management is informed about any issues related to sustainability as well as the company's progress towards its sustainability targets and plans for further progress towards reaching long-term targets. Sustainability work is reported to the Board twice per year.

The Nomination Committee is responsible for ensuring that Board members have the requisite expertise. Information from the sustainability function allows the Board to continuously develop their sustainability expertise. The Board also participates in the double materiality assessment and helps identify Alleima's impacts, risks and opportunities.

Long- and short-term operational targets are set based on Alleima's materiality assessment. The long-term targets are approved by the Board and management. Monitoring and follow-up of progress towards sustainability targets are integrated into the company's overall performance review process. The targets are followed up on a monthly basis and reported to Group Executive Management on a quarterly basis. Short-term targets are followed up continuously and the results are used for deciding on improvement plans and actions.

Key performance indicators (KPIs) and other relevant information are consolidated at the Group level on a monthly, quarterly or annual basis depending on the type of target or reporting requirement.

The Annual General Meeting has adopted guidelines for variable cash remuneration for senior executives, making it conditional upon the fulfillment of defined and measurable criteria, see page 91. These criteria shall aim at promoting the company's business strategy and performance as well as its long-term interests, including sustainability. At the beginning of each year, the criteria are proposed by the Remuneration Committee and approved by the Board of Directors, including KPIs and the target ranges deemed relevant for the upcoming measurement period. Variable remuneration for the year is based on factors such as the company's reduction of CO_2 emissions.

Policies

Alleima has a long history of operating in accordance with applicable laws and internationally recognized principles and is committed to following sustainable business practices. This involves its own internal work as well as its interactions with business partners.

Group-wide policies governing the operations are established based on The Alleima Way and the company's risk management process. These are supported by procedures and process descriptions. Some of the company's most important policy documents are:

- Code of Conduct
- Supplier Code of Conduct
- Sustainability Policy
- People Policy
- Procurement Policy
- Ethics and Compliance Policy

Alleima's Code of Conduct provides principles for how the company is to do business and establishes responsible, ethical behavior as a requirement. There is also a separate Supplier Code of Conduct. The Codes of Conduct are based on internationally recognized principles for environmental, social and governance aspects, such as the ten principles in the UN Global Compact, the UN Universal Declaration of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and he UN Convention Against Corruption.

Alleima also follows the principles in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Responsible Minerals Initiative and the UN Sustainable Development Goals (SDGs). Alleima is also a signatory to the UN Global Compact (UNGC) and reports on the ten principles in accordance with the UN Global Compact.

Alleima does not accept any form of harassment, bullying or discrimination. The company has zero tolerance for forced labor, slave labor, and child labor and supports children's rights and the right to education. All Alleima employees have the right to join a trade union if they so wish.

The Board is ultimately responsible for the Code of Conduct, the Sustainability Policy, and the Ethics and Compliance Policy. Group Executive Management has the ultimate responsibility for the supplier Code of Conduct, the People Policy and the Procurement Policy.

The Code of Conduct and Supplier Code of Conduct can be found on Alleima's website: www.alleima.com/sustainability/codeofconduct.

Alleima's commitments to respect human rights are also available on the website: www.alleima.com/sustainability/humanrights.

Risk management and internal control

The Board is ultimately responsible for establishing effective systems for risk management and internal control. Sustainability risks are managed in Alleima's overall risk management process. The Sustainability Council helps develop the risk management process for climate-related risks and opportunities, while the HR function helps with social and workplace risk management and the compliance function helps with risks related to business ethics. he program for internal control also includes compliance follow-up, for example with the company's Code of Conduct.

The Board reviews the company's work in the areas of internal control, risk management, sustainability and compliance on an annual basis, with the latter including a review of the Group's Code of Conduct and other internal policies.

In a situation that does not appear to conform with Alleima's principles as set out in the Code of Conduct, policies, or currently prevailing law, we expect employees and business partners to bring their concerns to the company's attention. This can be done through the company's whistleblower service, Speak Up. Read more on page 115.

Management system

Alleima has implemented a multi-site certification according to ISO 45001 and ISO 14001 that covers each major location and workers that perform work for Alleima at these locations. Whether a location is deemed major is based on the risk profile of that facility. If a location is not covered by a certified management system, it will instead be covered by a separate procedure under the Sustainability Policy, which aims to ensure that environmental, health and safety considerations are sufficiently addressed. At the end of 2024, all of the company's major locations were covered by a management system that was verified by a third party.

Alleima's management of material topics

Alleima's governance, management and follow-up of material topics are presented in the following table.

	Climate and circularity	Leadership in sustainability	A responsible employer	Ethical business conduct
GRI Standards	301: Materials 302: Energy 303: Water and Effluents 305: Emissions 306: Waste	Own disclosure: Growth in products that support increased sustainability	403: Occupational Health and Safety 405: Diversity and Equal Opportunity 406: Non-discrimination	205: Anti-corruption 308: Supplier Environmental Assessment 414: Supplier Social Assessment
Material sustainability topics	Climate and energy Pollution Water Resource use and waste	Growth in products that support increased sustainability	Health and safety Diversity	Business ethics
Responsibility in the value chain	Alleima sets requirements for and evaluates its suppliers, for example with respect to water consumption in material extraction. The company's products contribute to lowering customers' carbon footprint.	Alleima helps customers increase their circularity, reduce the weight of their products and lower their carbon footprint as well as their costs related to CO_2 emissions.	In addition to taking responsibility for its own employees, Alleima strives to ensure a good work environment at its suppliers as well. This is accomplished through supplier evaluations and by following up compliance with Alleima's Supplier Code of Conduct.	Alleima requires its suppliers to comply with the company's business ethics principles. The company also engages with the local communities where it operates and contributes to activities that make a difference and are aligned with its values and focus areas.
Reporting limitations	See page 107		See page 111	
Way of working	Alleima strives to minimize the company's impact on the environment and climate by using a high percentage of recycled material and renewable energy sources in production. The company also works to minimize the use of hazardous materials and conflict minerals and metals and to apply the precautionary principle when choosing materials or handling chemicals.	Products from Alleima play an essential role in developing new technologies. By continuously investing in developing the product offering, Alleima strives to be a market leader within sustainability and circularity.	Being a responsible employer is a top priority. "Safety first" is Alleima's motto, and the company works preventively to minimize the number of incidents. Alleima strives to ensure that all employees thrive and develop in the company and is convinced that diversity, equality and inclusion are key to its continued success.	At Alleima, ethical business conduct means that all employees, contractors and partners comply with legal requirements as well as the highest ethical standards. The company promotes a culture where ethics and compliance are essential to operations at every level.
Outcomes	Alleima's approach is expected to contribute to a decreasing climate impact over time.	Alleima's main contribution to sustainability comes from the company's products and solutions, which allow customers to transition to fossil-free energy and improve their energy efficiency.	Through active work with diversity and inclusion, Alleima creates sustainable workplaces where employees thrive and grow.	Alleima's values and corporate culture lay the foundation for sustainable business. Supplier follow-up supports ethical business conduct throughout the entire value chain.
Policies	Sustainability Policy	Sustainability Policy	Code of Conduct People Policy	Code of Conduct Supplier Code of Conduct Ethics and Compliance Policy Procurement Policy
Overall targets	Reduce Scope 1 and 2 CO_2 emissions by more than 50% by 2030, compared with 2019. For a more detailed description of the target, see page 101.	Grow the product portfolio of applications for the green transition, electrification, energy efficiency and improved quality of life at a faster pace than total growth.	Reduce TRIFR by more than 50% by 2030, compared with 2019. The share of female managers will be one-third of the total number of managers by 2030. For a more detailed description of the target, see page 109.	All suppliers are required to follow the company's Supplier Code of Conduct by 2030. For a more detailed description of the target, see page 114.
Governance evaluation	Sustainability reporting, energy follow-ups, emissions calculations.	Annual updates of definitions of sustainable products.	Injury frequency rate follow-up, employee surveys.	Whistleblower function follow-up, supplier follow-up.

Environmental sustainability

Alleima's operations have a relatively low carbon footprint due to the company's manufacturing based on recycled steel and focused work to reduce water consumption as well as waste and emissions.

Alleima's aim is that its activities should have as little impact on the environment as possible. Alleima's manufacturing process is based on recycled steel as an input material and uses an electric arc furnace in production, which is more energy-efficient and has a lower climate footprint than traditional steel manufacturing.

To reduce waste and residual products, Alleima strives to use all byproducts and all waste. This includes recycling slag, which accounts for the majority of the waste generated by the operations. Alleima is also actively working to reduce its water consumption. The company strives to be compliant with the European Chemicals Regulation (REACH) in its chemical management.

Governance and targets

Alleima aims to have an action plan in place at each site to increase energy and resource efficiency and reduce CO_2 emissions. The company's Sustainability Policy governs its environmental and climate work. Read more about Alleima's policies on page 98.

In December 2022, Alleima committed to the Science Based Target initiative (SBTi), committing to set scienced-based climate targets for net-zero emissions. The SBTi will provide a third-party review of the company's targets and confirm them. The final SBTi application was submitted for validation in early 2025, and Alleima intends to establish targets in accordance with the SBTi in 2025.

During the year, the company identified the activities that could be carried out to further reduce emissions in its own operations. These include gradually shifting technologies in processes for heat treatment and increasing the share of fossil-free electricity and biofuel when possible. The Scope 3 inventory carried out in 2023 was also supplemented with a mapping of how the upstream value chain (primarily the supply of raw materials) can be managed to reduce emissions, which is a prerequisite for Alleima to reach net-zero emissions over time.

Targets and priorities

Focus area	Long-term target	Milestones 2024	Outcome 2024	Milestones 2025	Status of long-term target
Leadership in sustainability	Grow the product portfolio of applications for the green transition, electrification, energy efficiency and improved quality of life at a faster pace than total growth.	This product portfolio should show higher growth than Alleima's total growth.	This product portfolio: 0% Alleima's total growth: -5%	This product portfolio should show higher growth than Alleima's total growth.	Satisfactory performance relative to overall growth.
Climate and circularity	Reduce Scope 1 and 2 CO_2 emissions by more than 50% by 2030, compared with 2019.	4.5% decline year-on-year.	3.1% decline year-on-year.	4.5% decline year-on-year.	37% reduction achieved since 2019.
	SBTi: Net-zero by 2050.	Target validated by the SBTi.	Target not validated by the SBTi.	Target validated by the SBTi.	The proposed target has been prepared and approved internally. The application was submitted for validation.
	83% circularity in steel produced.	81.7%	80.8%	81.9%	A change in mix led to a higher share of high-alloy primary raw materials.
	76% circularity in waste generated.	71.6%	74.5%	74.8%	The waste circularity rate has increased from 70.1% to 74.5% since the target was established in 2022.
	Research, test and implement alternative solutions to reduce the amount of slag sent to landfill.	Continued focus on progress in new and existing areas. Outcome reported in 2024 sustainability report.	Internal work proceeded as planned. External collaboration initiated with the ambition to find alternative use for slag.	Continued focus on progress in new and existing areas. Outcome reported in 2025 sustainability report.	Satisfactory progress in external partnerships provided a good basis for progress in introducing alternatives to sending slag to landfill.

Leadership in sustainability

Alleima's products contribute to developing advanced technologies required to address future sustainability challenges. The company's goal is to be a leader in sustainability and for the product portfolio for green transition applications to grow faster than for other products.

Together with customers, Alleima develops products in durable materials to enable the transition from fossil-fueled to electric furnaces. This helps to reduce both customers' carbon footprint and costs related to CO_2 emissions. The company provides applications for production, distribution and use in hydrogen, biogas production, solar and bioenergy, offshore wind, and carbon capture and storage.

To guarantee Alleima's customers that the products have a low carbon footprint, the company implemented LCAs for rock drill steel and solid bar products. All calculations were reviewed by the independent party IVL Swedish Environmental Research Institute to ensure that the figures are accurate. Reliable LCA data means that customers can more easily calculate the CO_2 emissions for their own products.

Product offering and R&D enable new technologies

Hydrogen and renewable energy

- Hydrogen refueling stations
- Concentrated solar power
- Biogas
- Offshore wind
- Carbon capture and storage
- Geothermal energy

Electrification

- Electrification of industrial heating within:
  - Steel industry
  - Chemical and petrochemical industry
  - Lithium-ion industry

Energy transition

- Hydrogen fuel cell technology
- Energy-efficient compressor valve steel
- Small modular nuclear reactors

Innovations for improved quality of life

- Cochlear implant
- Neurostimulation
- Diagnostics and sensing
- Remote monitoring

Climate and circularity

Alleima's operations currently have a relatively low carbon footprint, primarily due to the high percentage of recycled steel used production and a large proportion of fossil-free electricity. The areas deemed most material in terms of climate and circularity are climate and energy, pollution, water, and resource use and waste. In future sustainability reports, Alleima will also report on biodiversity.

Energy and climate

Alleima emits greenhouse gases in production and in the use of fuel. The company has secured volumes of biogas that are blended with the fuel used in furnaces and heating processes and has thereby been able to reduce the amount of fossil fuels. In addition, hydrogen gas cutting tests have been performed with positive results.

CO_2 emissions from the company's own operations in 2024 amounted to approximately 93 ktons, a decrease from the previous year. Compared with the base year 2019, the total decrease was 37%.

Emissions also arise from the company's energy consumption, primarily within production. CO_2 emissions from electricity, heating and steam in 2024 amounted to approximately 10 ktons, which corresponds to approximately 11% of total emissions. 68% of the total energy consumption came from fossil-free energy sources in 2024. Alleima's operations are by nature energy intensive.

Alleima's largest emissions arise in the value chain (Scope 3) and are linked to purchased goods and services, capital goods, fuel and energy-related activities, travel and transportation. During the year, additional Scope 3 emissions were mapped in connection with the company's application to have its targets approved by the Science Based Targets initiatives. Read more on page 101.

The operations contribute to air and soil pollution, mainly through its own production and indirectly from extraction facilities, for example through the use of fossil fuels or pollution generated in production processes. The company's production in Sandviken, Söderfors and Hallstahammar requires environmental permits.

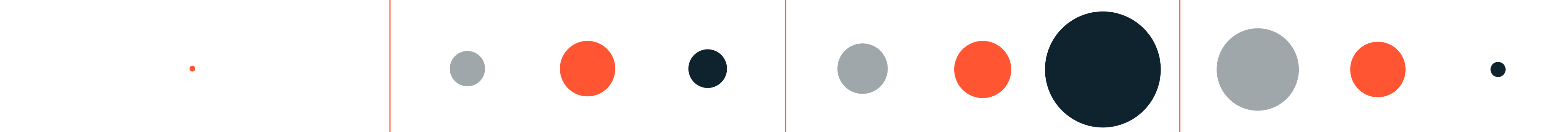
The company's facilities generate pollutants covered by Annex II (of the Industrial and Livestock Rearing Emissions Directive) that exceed the reporting threshold.

Alleima's operations are energy intensive. An energy management system has been established to ensure efficient energy consumption. Energy shortages and energy costs represent a present risk, which is managed as part of Alleima's risk management process. The company's steel manufacturing is located where it has access to fossil-free electricity to run its electric arc furnace. In 2024, Alleima used 638 GWh of fossil-free electricity, corresponding to 96% of the total electricity purchased.

Energy consumption and emissions in operations

The size of the circles represents the activities' share of total consumption/emissions

	Energy	Fossil CO_2	Biogenic CO_2
Raw material handling	3,642 MWh 0%	852 tons 1%	0 tons 0%
Production of stainless steel and other alloys	218,107 MWh 21%	30,416 tons 32%	4,822 tons 23%
Heating and processing	316,538 MWh 30%	31,687 tons 34%	14,467 tons 68%
Manufacture of final product	510,872 MWh 49%	30,489 tons 33%	1,827 tons 9%



Raw material handling: For transportation and raw material handling on industrial sites, biofuels, electricity and liquefied petroleum gas (LPG) are used.

Production of stainless steel and other alloys: Preheating in ladles and molding boxes is done with biogas and natural gas. Melting is done in an electric arc furnace.

Heating and processing: Heating for further processing is done with biofuels, LPG and natural gas.

Manufacture of final product: Processing and manufacturing of final products, such as tubes, strip and wire mainly use fossil-free energy.

Water

Alleima depends on water in its production processes, especially for cooling. The purchase, use, discharge and purification of water is monitored through environmental management systems at all facilities with manufacturing operations and also strictly monitored and regulated through local environmental permits. Alleima has nine facilities in areas with high levels of water stress. Eight are administrative offices, and the ninth is a production facility in Mehsana, India, with two boreholes measuring approximately 150 meters. In the national groundwater assessment conducted in 2023, Mehsana's groundwater was categorized as overexploited and the nearby and surrounding areas were all either critical or overexploited. To reduce this burden, water equivalent to approximately one quarter of Mehsana's annual requirement is recirculated.

In addition to water consumption in steel production and processing, the use of water is also essential for extracting raw materials. Using recycled steel to manufacture new steel reduces water consumption considerably. Alleima's production is approximately 80% based on secondary raw materials, which means that the company's indirect impact in connection with the extraction of metals is relatively small compared with manufacturing, where primary raw materials are predominant. However, production is based on the use of virgin materials, which gives rise to a certain impact.

Resource use and waste

Alleima's most significant input material is various metallic raw materials. Our products are refined products based on advanced materials technology. A metallic raw material can be remelted and used many times, without compromising quality, which creates favorable conditions for circular material handling.

To increase circularity, Alleima – in collaboration with customers – has set up several buy-back programs where we buy back materials from end-of-life products that are returned to production process.

Alleima uses certain substances that are restricted under the REACH regulation due to their effects on human health. Nickel and molybdenum are two such examples. Most of the materials that Alleima handles are exempt from use restrictions when used for industrial purposes.

Alleima's production generates significant amounts of waste, some of which are classified as hazardous. Waste is also produced upstream in the value chain by suppliers and downstream in customer operations.

Slag from steel manufacturing is the largest waste category and is also the one with the greatest impact on the environment. Alleima works continuously to reduce the amount of slag that goes to landfill and to instead identify possible alternatives. Slag, for example, has been used as a replacement for sand in the steel mill and as a construction material for depot surfaces, both with good results. At Alleima's industrial location in Sandviken, Sweden, there are now multiple surfaces paved with asphalt in which slag produced in-house has replaced natural materials. The surfaces have proven to hold up well despite the stress from heavy vehicles and mechanical wear and tear.

Another area where waste is reused is magnesite-based tundish lining, which is sent externally for processing and mixing with lime. The material can then be repurchased as dolomite for the steel mill.

Alleima's ambition also includes taking responsibility for waste generated from purchased goods as well as downstream impacts from packaging materials and the company's products. This could involve activities within sourcing to identify recyclability in products and include this knowledge in purchasing decisions. It also involves engaging with waste management suppliers to understand what recovery operations are accessible in different regions where Alleima is present.

Based on identified potential improvements, either by reducing waste generation or by moving waste streams to circular recovery methods, Alleima aims to reach 76% circularity for these, by 2030. At the end of 2024, 74.5% waste circularity was reported, excluding slag. Total waste increased by 1% to 106 ktons.

Accounting principles

Environmental data is derived from Alleima's Environment Health and Safety (EHS) reporting system, where reporting is conducted on a quarterly basis. The KPIs compiled are based on information available at the end of the most recent year-end reporting. Energy and greenhouse gas (GHG) emission data is calculated based on reported consumption data.

The conversion factors are established in the company's EHS definitions presented in the management system documentation. For Scope 1, these factors originate from the Swedish Environmental Protection Agency (EPA). For Scope 2, location-based emissions are derived from reported consumption and recalculated using average grid emission factors, originating from the International Energy Agency (IEA). For the market-based emissions, the consumption data uses specific emission factors. Where this has not been possible, the same factors were used as for location-based emissions.

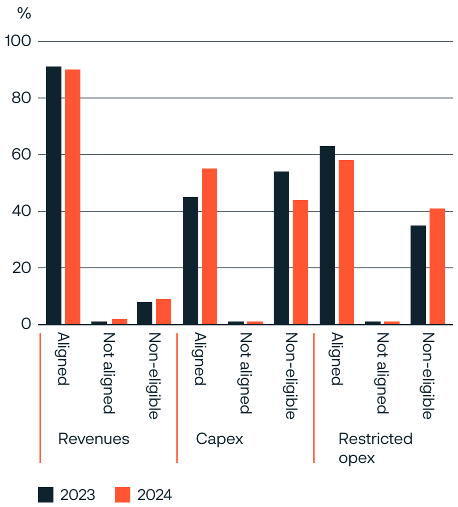
To establish water consumption in areas with high water stress, geodata for the company's facilities were screened using the tool provided by the World Resources Institute.

Environmental outcomes

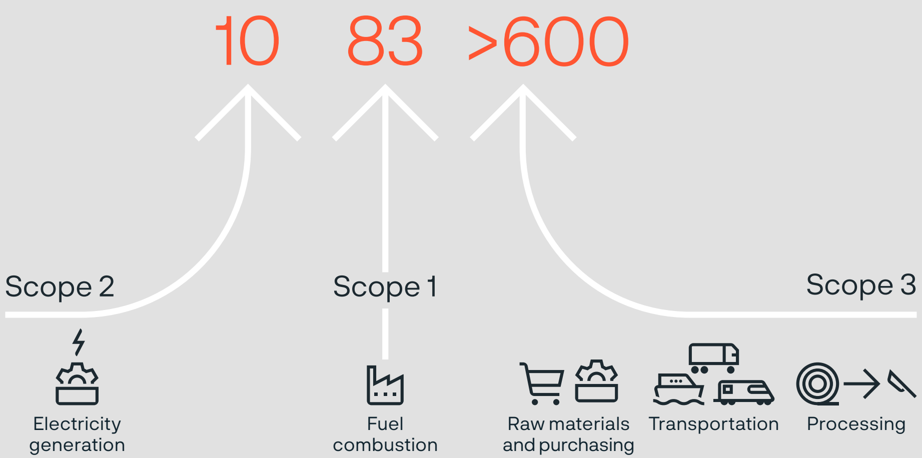
The EU Taxonomy for sustainable investments is designed to help financial actors identify economic activities that make a substantial contribution to achieving the EU environmental objectives and strategy for green growth.

Iron and steel manufacturing is a taxonomy-eligible activity, which means that the EU Taxonomy provides a framework for determining whether investments can be considered sustainable. The adjacent diagram illustrates how the company's activities are classified according to the KPIs defined in the taxonomy for revenues (turnover), investments (CapEx) and a limited proportion of operating expenses (OpEx). For a complete report, see page 118.

KPIs from the EU Taxonomy for sustainable investments



Alleima's CO_2 emissions in kton



Energy consumption

Energy consumption, TJ	2024	2023
Non-renewable fuels	**1,031**	**1,063**
Gasoline	2	2
Diesel	5	6
LPG	422	428
Natural gas	538	548
Fuel oil	64	79
Renewable fuels	**262**	**205**
Biopropane	4	2
HVO	23	23
Biogas	235	181
Total energy from fuels	**1,292**	**1,268**
Purchased electricity	2,375	2,340
Self-generated electricity	12	17
Purchased district heating and steam	98	104
Total electricity, district heating and steam	**2,485**	**2,461**
Total energy consumption	**3,777**	**3,729**

No reported cooling consumption, cooling sold, heat sold or steam sold.

Total energy consumption over ton rollable steel	2024	2023
GJ energy/ton rollable steel	**18.6**	**19.1**

Water and effluents

	2024		2023	
Freshwater intake by source, 1,000 m³	**Total**	**Of which water stressed areas**	**Total**	**Of which water stressed areas**
Surface water	1,918	0	1,760	0
Groundwater	475	44	455	45
Purchased water	1,094	7	1,291	6
Collected rainwater	0	0	0	0
Total water withdrawal	**3,487**	**51**	**3,507**	**52**

	2024		2023	
Freshwater discharge by recipient, 1,000 m³	**Total**	**Of which water stressed areas**	**Total**	**Of which water stressed areas**
Surface water	640	17	654	11
Total	**640**	**17**	**654**	**11**

Water consumption pertains to production units. Wastewater refers to the water used in a production process. The difference between water intake and discharge comprises the water not used in a production process and evaporation from cooling and has therefore not been reported as process wastewater. Reported intake and discharge pertain exclusively to freshwater. No wastewater is discharged into the sea, discharged into groundwater or sent to third parties for use. Accordingly, reported wastewater is assumed to be exclusively returned to the recipient as surface water. Consumption reported in water stressed areas refers to use at production units in areas classified as having high or extremely high water stress during the mapping conducted in 2024 using the Aqueduct water tool from the World Resources Institute (WRI).

Emissions

CO_2 emissions, kton CO_2eq	2024	2023
Scope 1	83	86
Scope 2, location-based	61	61
Initiative to purchase fossil-free market instruments for electricity	-51	-51
Scope 2, market-based	10	10
Total Scope 1 and 2, location-based	**145**	**148**
Total Scope 1 and 2, market-based	**93**	**96**
Biogenic emissions pertaining to, but outside the total for, Scope 1 and 2	21	17

Total CO_2 emissions over ton rollable steel	2024	2023
Ton CO_2/ton rollable steel	**0.46**	**0.49**

CO_2 emissions, kton CO_2eq	2024
Scope 3	
3.1 Purchased goods and services	520
3.2 Capital goods	22
3.3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	28
3.4 Upstream transportation and distribution	32
3.5 Waste generated in operations	5
3.6 Business travel	3
3.7 Employee commuting	8
3.8 Upstream leased assets	–
3.9 Downstream transportation and distribution	Not available
3.10 Processing of sold products	7
3.11 Use of sold products	–
3.12 End-of-life treatment of sold products	1
3.13 Downstream leased assets	0
3.14 Franchises	–
3.15 Investments	–
Total Scope 3	**627**

Scope 3 emissions calculation is based on an annual data collection and a data model defined according to the GHG Protocol framework.

The following categories are either immaterial in relation to the totals or have been deemed too impractical to measure in relation to the amount of emissions they are deemed to include. They are therefore not included in the simplified data collection and calculations have largely been based on assumptions: 3.7 and 3.10.

The following categories are not applicable: 3.8, 3.11, 3.14 and 3.15. Data is not available for category 3.9.

CO_2 emissions by division, ton	Scope 1		Scope 2	Scope 1 + 2
Division	**Fuels**	**Process-based**	**Electricity, district heating, steam**	**Total**
Tube	57,132	22,032	5,521	84,686
Kanthal	3,419	316	4,705	8,439
Strip	285	0	33	318
Total	**60,836**	**22,348**	**10,259**	**93,443**

Significant emissions to air and water, kg	2024	2023
NOx to air	156,000	190,000
Hazardous air pollutants (HAP) to air	481	832
Zinc to air	490	770
Nitrogen to water	86,364	70,241
Nickel to water	106	124
Fluorine to water	5,695	6,581

Values of emissions to air and water refer to the production unit in Sandviken, which is the only operation that meets the thresholds in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council. Alleima also measures SOx and particulate values in the air and persistent organic compounds, as well as calculates NMVOC in the air. These values are below the thresholds in Annex II. While emissions of zinc are not included in the HAP, the value exceeds the threshold in Annex II.

Accounting principles Scope 3

In 2024, greenhouse gas (GHG) data for scope 3 was included for the first time in Alleima's sustainability reporting. The GHG inventory was based on a combination of activity data primarily from internal data sources and to some extent on emissions data from both internal and external data sources. The data set is considered complete for the most significant emission category, with a focus on obtaining a high proportion of primary data and supplier-specific emissions data, especially for raw material purchases in category 1. For other, less significant categories, expenditure data was used extensively. However, the calculation of greenhouse gas emissions based on expenditure data has higher uncertainty than using activity data such as consumption in weight, volume, or number of items. The accounting system and data model built for greenhouse gas accounting are based on the greenhouse gas protocol. Conversion factors come from suppliers where available; otherwise, industry averages have been used. For expenditure-based data, conversion factors from Exiobase have been used. Some categories were deemed not applicable, some were based on surveys, assumptions, and extrapolation. No primary data was available, and no data model based on assumptions was set up for downstream transportation. To some extent, this information is included in category 1. How these emissions will be reported will be determined at a later stage. More information per category is provided in the footnote under the table for Scope 3 emissions data.

Materials

Metallic raw materials	2024	2023
Primary, kton	47	45
Secondary, kton	195	182
Recycled steel rate, %	80.8	80.0

Metals are non-renewable, 100% recyclable materials.

Waste

Waste by type, ton	Generated	Circular	Non-circular
Slag	56,104	3,775	52,329
Metals	15,499	15,496	3
Sludge	6,199	43	6,155
Industrial dust	5,975	5,931	44
Uncategorized	4,408	3,083	1,325
Emulsions	4,153	2,611	1,542
Mill scales	4,092	4,092	0
Other	9,098	5,583	3,515
Total	**105,527**	**40,614**	**64,913**

Waste by disposal method and legal classification, ton	Total	On site	Off site
Circular, hazardous waste	**10,145**	**0**	**10,145**
Reuse	73	0	73
Recycle	10,072	0	10,072
Circular, non-hazardous waste	**30,469**	**15,545**	**14,924**
Reuse	3,390	0	3,390
Recycle	27,080	15,545	11,535
Non-circular, hazardous waste	**8,398**	**2,390**	**6,008**
Incineration, energy recovery	845	0	845
Incineration	781	0	781
Landfill	6,427	2,390	4,037
Unspecified	346	0	346
Non-circular, non-hazardous waste	**56,515**	**48,244**	**8,270**
Incineration, energy recovery	1,516	0	1,516
Incineration	18	0	18
Landfill	54,469	48,244	6,224
Unspecified	512	0	512
Total	**105,527**	**66,179**	**39,348**

Social sustainability

Alleima prioritizes being a responsible employer. The company strives to offer a safe and inclusive workplace where employees thrive and grow.

Alleima has a workforce of approximately 6,800, including employees and third-party workers, in more than 25 countries. It is crucial for the company's long-term success that current and future employees thrive and develop. Alleima strives to offer a diverse and inclusive workplace with market-based remuneration and working conditions. The compensation ratio amounted to 18.6 which corresponded to an increase by 7.5%. Considerable emphasis is placed on creating a safe workplace through preventive efforts to minimize the number of incidents.

Governance and targets

Work is governed by the overall People Policy, which is supported by procedures and processes for various areas. The Board has delegated ownership of the People Policy to the CEO. The policy is broken down and implemented by each division. Several key initiatives were formulated in connection with Alleima's overall strategy work, and they are continuously followed up.

The HR management team has quarterly follow-ups with the CEO, and the divisions report quarterly to Group Executive Management. Key activities are formulated and followed up on a quarterly basis, based on the company's strategic focus.

Targets and priorities

Focus area	Long-term target	Milestones 2024	Outcome 2024	Milestones 2025	Status of long-term target
A responsible employer	Reduce TRIFR by more than 50% by 2030, compared with 2019.	TRIFR of 5.3	TRIFR of 7.1	TRIFR of 5.3	Unsatisfactory trend. The trend has been flat in recent years, and an increased injury frequency rate was reported in 2024.
	The share of female managers will be one-third of the total number of managers by 2030.	25.6% female managers.	24.0% female managers.	Target under review	A continued improvement was reported during the year.

A responsible employer

Health and safety

Alleima has a systematic process to ensure the health and safety of those people working at the Group's workplaces. The company has implemented a multi-site certification according to ISO 45001 and ISO 14001 that covers each major location and workers that perform work for Alleima at these locations. If a location is not covered by a certified management system, it will instead be covered by a separate procedure under the Sustainability Policy.

Assessing and reducing risks is a part of the company's everyday work. It is the responsibility of each Alleima unit's management to ensure that this is carried out. A task-based risk assessment method shall be used to systematically examine a job and identify hazards, evaluate the risks and specify controls. There is a procedure for this work, which also includes requirements that need to be met beyond any local, statutory or legal requirements.

Risk assessments shall be performed by a group of individuals with the necessary expertise, which must include, as a minimum, a trained facilitator, the local manager in charge, and the operator. The risk assessment shall be reviewed and approved by this group plus a health and safety representative, a relevant subject matter expert (if required) and the manager of the process that is being assessed for risk.

Review is conducted continuously to understand the effectiveness of measures and to update local risk assessments. Knowledge exchange between units also takes place through network meetings, where successful practices are shared and examples are presented for discussion. A system has been introduced for the dissemination and sharing of information about incidents and potentially serious incidents to create greater awareness of hazards and incidents that could occur in more than one location within the company.

Alleima has set up health and safety committees at several locations to promote participation and consultation on all levels. Typically, committee representatives include local management, employees and EHS professionals.

In addition to KPIs that measure outcomes, leading indicators are also used. These are intended to measure the progress of local environment, health, and safety plans. The aim is to ensure that each site identifies, formulates and implements improvement measures based on the local risk profile or a shared priority focus area. Hazards and near misses are also measured, as is the percentage of these that have been managed and closed out.

During the year, the TRIFR developed negatively, increasing to 7.1 (6.8). In 2024, 85 injuries were reported among employees and non-employees at Alleima's locations. A total of 38 lost time injuries were reported for employees and non-employees. The most common accidents were hand and finger injuries. One incident was reported during the year where the GRI criterion for high-consequence injury/illness (defined as absenteeism exceeding six months) was met.

Health and safety training is an important area. The aim is to ensure that everyone who works for Alleima has the relevant skills, knowledge, competencies, and behaviors to undertake their work safely. The responsible manager ensures that all employees and anyone working on Alleima's behalf understands their responsibilities and that they have been offered and participated in training as needed.

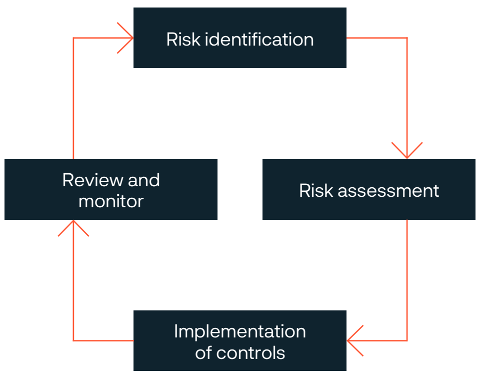


Figure: Alleima's process for EHS risk assessment.

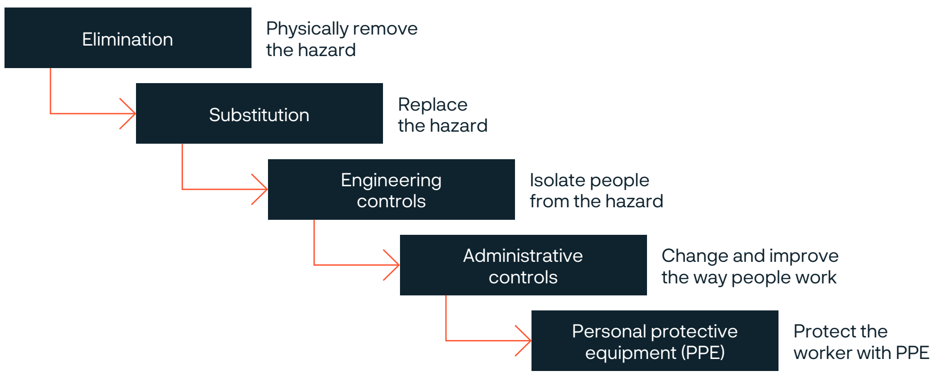


Figure: The hierarchy of controls in EHS.

Diversity

Diversity, equality and inclusion are critical to innovation, business performance and the future success of the company. Alleima works actively to create an inclusive and gender-equal workplace, with zero tolerance for discrimination. All employees should feel valued and be able to achieve their full potential. The company takes measures to promote an inclusive culture and ensure the physical and psychological well-being of its employees.

One focus area involves working proactively to ensure future expertise and diversity by defining new skills and hybrid skills that could be in demand in the future. To assess necessary future skill needs, the talent management work is linked to the overall business strategy and to the global trends and events affecting the company.

Another focus area is increasing diversity and inclusion in recruitment processes. Alleima has developed a tool to support managers in the organization, and the HR function also helps the organization by formulating and managing job listings to promote diversity and inclusion.

Alleima has three leadership programs for developing new leaders as well as experienced managers. Alleima Commit and Elevate is for new managers, Alleima Empower and Advance is for those who have been managers for some time and Alleima Accelerate and GoBeyond is for senior executives. Diversity and inclusion perspectives are a natural part of the structure for every leadership program. Additionally, through the Accelerate and GoBeyond program, Alleima coordinates with the Stockholm School of Economics Executive Education. In 2024, 24 managers completed the Accelerate and GoBeyond program.

Alleima has an ambassador program in Sweden that aims to raise awareness of, and encourage, inclusive behavior. There are also several different initiatives ongoing within the divisions and in different countries to promote diversity and inclusion. One example is in India, where the company offers diversity and inclusion courses in collaboration with Business Sweden.

The company also aims to increase the number of female managers. One way to accomplish this is to provide training in the company's core values, diversity and inclusion, and psychological well-being in order to promote new ways of thinking, strengthen the organization's culture, and create networks for women. Alleima's target is to have one-third female managers by 2030. The share of female managers increased to 24.0% (23.3) in 2024.

Employee engagement

The Alleima Colleague Engagement Survey (ACES) aims to regularly measure employee satisfaction, engagement, and sense of belonging. It provides insights into Alleima's company performance and enables improvements in identified and prioritized areas. The survey is conducted twice a year.

Inclusion is followed up in the employee survey and, if necessary, measures are taken to improve the company's initiatives in various employee groups based on the results.

Measures against violence and harassment

Alleima does not accept any form of harassment or bullying. Unreported cases are also identified in employee surveys and other dialogues with employees about their perceptions of the work environment, such as in the ambassador programs for diversity and inclusion. Processes and procedures are in place to address suspected cases of violence and harassment. In 2024, 16 cases of harassment or discrimination were reported through the whistleblower channel, Speak Up. Read more about Speak Up on page 115.

Workers in the supply chain

Alleima also strives to take responsibility for workers in the supply chain. Some of them work in countries with a risk of inadequate or dangerous working conditions. Alleima also purchases primary materials, such as nickel and molybdenum, that are associated with a high risk of poor working conditions, such as inadequate health and safety measures.

The Supplier Code of Conduct requires suppliers to comply with applicable legislation, including health and safety legislation. Suppliers are also obligated to provide a safe and healthy work environment and to take every possible action to prevent incidents and injuries. Compliance is verified through checkpoints such as risk screening, evaluations and physical audits. Read more about supplier evaluations on page 116.

Reporting principles

Alleima monitors its health and safety performance globally, using a number of KPIs. This includes the lost time injury frequency rate (LTIFR) and TRIFR.

A lost time injury (LTI) is an accident resulting in time away from work, a restricted work injury (RWI) is an injury where the employee can be at work but cannot perform their ordinary work, and a medical treatment injury (MTI) is when the employee requires some kind of medical treatment but can still perform their normal work.

Worked hours are defined as exposure hours, meaning all hours during which employees, contractors and sub-contractors are exposed to the risk of a work-related incident.

The data is derived from our EHS reporting system, where safety-related indicators and exposure hours are recorded on a monthly basis.

The GRI term "high-consequence injury/illness" is incorporated into the KPI for LTI.

The compensation ratio is calculated as the ratio between the highest-paid individual and the median for the company, excluding the highest-paid. Variable components are not included.

Occupational health and safety

Incidents	2024 Employees	2024 Non-employees	2024 Total workforce	2023 Employees	2023 Non-employees	2023 Total workforce
Number of fatal injuries	0	0	0	0	0	0
Number of LTIs[1]	38	0	38	35	1	36
LTIFR[2]	3.5	0.0	3.2	3.4	1.1	3.2
Number of TRIs[3]	85	0	85	73	3	76
TRIFR[4]	7.9	0.0	7.1	7.1	3.2	6.8
Million hours worked	10.794	1.251	12.045	10.313	0.940	11.253
Hazards			10,372			11,390
Hazards closed out			9,917			10,589
Hazard close out ratio, %			95.6			93.0
Near misses			1,185			1,269

TRIFR by division	2024	2023
Tube	6.9	6.7
Kanthal	5.8	7.0
Strip	14.5	8.2
Common functions	0.0	0.0
Total	**7.1**	**6.8**

1) Lost time injuries
2) Number of lost time injuries and fatal injuries per million hours worked
3) Total recordable injuries
4) TRIs per million hours worked

Diversity among management and employees

Board of Directors by gender and age group, number, December 31	Women		Men	
	2024	2023	2024	2023
Under 30	0	0	0	0
30–50	0	0	1	2
Over 50	3	2	7	6
Total	**3**	**2**	**8**	**8**

Group Executive Management by gender and age group, number, December 31	Women		Men	
	2024	2023	2024	2023
Under 30	0	0	0	0
30–50	3	3	2	4
Over 50	0	0	5	3
Total	**3**	**3**	**7**	**7**

All employees by age group and employee category, and share of women by employee category, FTE %, December 31	2024				2023			
	Under 30	30–50	Over 50	Share of women	Under 30	30–50	Over 50	Share of women
Group Executive Management (GEM)	0	50	50	30	0	70	30	30
Management teams headed by a member of GEM	0	44	56	51	0	58	42	44
Other managers	2	55	43	23	1	56	43	22
Other staff	13	49	38	22	11	51	38	21
Total	**11**	**50**	**39**	**22**	**10**	**51**	**39**	**21**

All employees by age group and division, and share of women by division, FTE %, December 31	2024				2023			
	Under 30	30–50	Over 50	Share of women	Under 30	30–50	Over 50	Share of women
Tube	12	50	38	19	10	52	38	19
Kanthal	11	49	40	26	11	49	41	25
Strip	10	45	45	24	8	47	45	23
Common functions	8	53	39	42	8	56	36	43
Total	**11**	**50**	**39**	**22**	**10**	**51**	**39**	**21**

Accounting principles
All personnel statistics (number of employees, age, employment statistics, part-time/full-time, gender, management levels) are retrieved from the company's global HR system. Values are based on employment rate (FTE). In the reporting, a "manager" is defined as an employee who has personnel responsibility for at least one other employee. Third-party workers are not included in the figures.

Business ethics

Alleima's policy, Code of Conduct and core values form the basis of its ethical business conduct. All employees, contractors and partners are to comply with legal requirements as well as the company's ethical standards.

At Alleima, ethical business conduct means a business that is conducted with honesty and integrity, where all employees, contractors and partners comply with legal requirements as well as the highest ethical standards. This is ensured through policies, integrated into core processes and maintained through continuous engagement and training. The company promotes a culture where ethics and compliance are essential to operations at every level of the company.

Governance and targets

Alleima's Ethics and Compliance Policy has been designed to address legal, regulatory and internal requirements and describes how the company is to incorporate these to achieve compliance. The policy is governed by procedures for specific issues, for example gifts and hospitality and data security.

The Board is responsible for the Ethics and Compliance Policy. Policy revisions are prepared by the Audit Committee and decided by the Board. The company's compliance function regularly reports to the Audit Committee about the implementation of the policy, including the effectiveness of the entire compliance program. Matters dealt with by the Audit Committee are recorded in minutes and reported to the Board.

To ensure sustainable sourcing, Alleima has a Procurement Policy that is supported by a procedure for evaluating supplier sustainability work. The Procurement Council establishes structures and processes to manage the requirements imposed by the compliance function, the Board and the CEO. Governing documents are managed through the Procurement Council, but there is also scope for local processes. The Procurement Policy is owned by Group Executive Management. For information about other policies, see page 98.

The compliance function establishes the requirements outlined in the Group's compliance program. These include the identification of risks, policy development, training, controls, audits, reporting, and monitoring. Each division is responsible for implementing the program within its organization. The Group's compliance function reports to Alleima's General Counsel.

Employees in the compliance function monitor developments with respect to new legislation and regulations as well as external factors such as geopolitical developments that impact the operations and their governance. Collaboration takes place with external parties as well as internal functions such as the company's risk management process.

Several systems are used to ensure that Alleima follows all regulations and internal requirements, including controls in production and checking business partners against sanction lists.

The Ethics and Compliance Policy and related procedures regulate how employees are to act, and the policy is further supported by Compliance House, a tool used to monitor effectiveness and performance. By monitoring and analyzing employees' ethical conduct, the tool supports the organization in identifying and addressing any shortcomings. When shortcomings are identified, measures are taken to ensure that all defined requirements are managed and that there are no issues left unaddressed. Alleima did not receive any sanctions in 2024 for insufficient compliance with laws or regulations related to the program's six areas, as described below.

Targets and priorities

Focus area	Long-term target	Milestones 2024	Outcome 2024	Milestones 2025	Status of long-term target
Ethical business conduct	Alleima shall have a business ethics and compliance culture evolving with the regulatory standards utilizing technological advancements.	100% completed evaluations in Compliance House and all cases of non-compliance have a remedial activity.	98% of Alleima's units had completed their evaluation and remedied any cases of non-compliance	100% completed evaluations of regulatory compliance. All cases of non-compliance to be addressed with remedial actions and a deadline for implementation.	Development and adaptation of the follow-up program for regulatory compliance completed.
	All suppliers compliant with the Alleima Supplier Code of conduct by 2030.	59% of suppliers, based on purchase volume, complied with the Supplier Code of Conduct.	63% of suppliers, based on purchase volume, complied with the Supplier Code of Conduct.	69% of suppliers, based on purchase volume, complied with the Supplier Code of Conduct.	Continued progress on the introduction of systematic supplier performance monitoring.

In August 2024, Alleima was awarded a gold medal by EcoVadis, a leading supplier of sustainability ratings. This prestigious recognition of sustainable business practices places Alleima among the top 5% of the over 130,000 companies assessed around the world.

Ethical business conduct

Compliance
Alleima's compliance program encompasses six main areas: anti-bribery and corruption, the Speak Up whistleblower mechanism, competition law, trade compliance and sanctions, customs, and data privacy.

Compliance House is used to identify and manage any shortcomings in compliance and business ethics, which also includes sourcing policies. A Compliance House review is carried out annually for the entire business. This involves a comprehensive assessment of the key compliance risks identified for each entity. This review is conducted collaboratively by the entity's management team and Alleima's compliance team. Throughout the annual review process, the effectiveness of existing remedial actions was thoroughly assessed. Any new compliance risks noted were assigned an action plan with a timeline for completion. The results of the audit can also indicate a need for training.

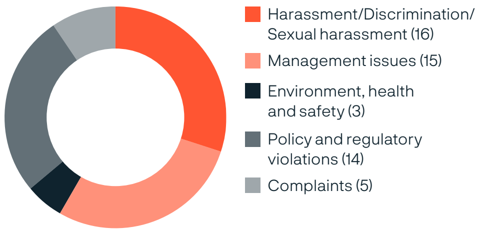
Continuous training is a prerequisite for facilitating successful implementation as well as ensuring employees have the awareness needed to adhere to the compliance program. Compliance training was offered to employees in different formats, including e-learning, webinars, and classroom training. There is also specific training for roles identified as high-risk, for example related to corruption. At year-end, the implementation rate for this training was 84%. Various parts of the organization may also have a need for special training.

SpeakUp
Employees and partners are expected to alert Alleima to any violation of the company's Codes of Conduct and policies as well as applicable laws and regulations in countries where the company operates. Receiving reports on violations allows Alleima to improve its work environment, reduce its risks and continuously work to be an ethical and sustainable company.

Employees and external stakeholders can file reports through Alleima's whistleblower service, Speak Up. This online service is owned and managed by the compliance function. All reports received are evaluated and, if necessary, an internal investigation is carried out.

The privacy and integrity of the person reporting the incident are always of the utmost importance. The information reported is kept confidential, and reports can be submitted anonymously if local laws permit. The Ethics and Compliance Policy states that there will be no retaliation taken against an employee or business partner who, in good faith, provides information about a violation. The SpeakUp process follows all applicable whistleblower and data privacy laws, and personal data is deleted in accordance with the General Data Protection Regulation (GDPR) – all to ensure personal data is kept safe.

SpeakUp. Breakdown of matters reported



In 2024, a total of 53 reports were made through the SpeakUp system. See more details in the chart below. Of the 53 matters reported, 26 were predicated for investigation by the business integrity function, 16 were referred back to the relevant manager for appropriate investigation and action, and 11 were recorded but deemed not to require any further action. 48 of the reports had been closed by year-end, while five are still open, ongoing or awaiting appropriate action.

Anti-bribery and corruption
Alleima has business partners in many regions around the world and there is a risk of corruption and bribery in various parts of the company's value chain. The Group's compliance work within this area aims to ensure a well-implemented way of working to prevent bribery and corruption from occurring and includes processes and tools to detect and counteract any shortcomings. The principle of the program stems from the US Foreign Corrupt Practices Act, the UK Bribery Act and other national legislation.

It includes risk identification and risk assessment, control elements such as policies, procedures and instructions, and control activities such as record keeping, advice, and support. Training is an important part of the program, as is the process for reporting, following up and carrying out improvement activities.

Competition law
Any violation of competition law could entail a serious impact and financial consequences for Alleima's brand. The employees involved risk punishment in the form of imprisonment, personal fines, a ban on serving as a director, and disciplinary actions.

As part of its compliance program, Alleima has a common platform aimed at minimizing the risk of a breach of competition law. All employees are individually responsible, as set out in the Code of Conduct, for having a basic understanding of competition law so they can identify situations where issues may occur. Employees in roles where a deeper knowledge of competition law is relevant are also to undergo competition law training every other year to ensure that they have sufficient knowledge.

Trade compliance and sanctions
Alleima moves goods, tangible as well as intangible, domestically and across national borders. When moving goods, it is vital to comply with applicable trade laws and regulations. This reduces the risk of fines, penalties, delays of shipments, loss of export/import privileges, criminal liability, and damage to the Group's brand.

The Ethics and Compliance Policy and the export control procedure are applicable for all Group companies, and the company has committed to following applicable trade laws and regulations in the countries where it operates. All Alleima businesses, companies, and relevant employees worldwide are to be familiar with and adhere to the content of the policy and procedure covering trade compliance.

Customs compliance
Alleima is a global group with manufacturing and trade operations – and a footprint – in many parts of the world. Our extensive portfolio – made up of different products, including raw material, semi-finished goods, equipment, exhibition materials, and inventories – passes through customs borders every day, all year round. Understanding and complying with

customs law is important to reduce the risk of disturbances in the supply chain, penalties, or damage to the reputation of the brand.

The Ethics and Compliance Policy and customs procedure define the important elements of customs compliance, such as product classification, origin determination and utilization of free trade. Other important elements include relevant staff training, documentation, reporting and management of customs agents.

Data privacy

The right to privacy includes an individual's fundamental right to protection of their personal data. Alleima's commitment to this fundamental right is expressed in the company's Code of Conduct and implemented as a part of the Ethics and Compliance Policy. The policy establishes the basic principles and requirements for compliance with data privacy in the Group and applies to all processing of personal data.

Long-term sustainable sourcing

Alleima has thousands of suppliers in nearly 60 countries, from which we source products, materials and services. It is important that our suppliers share the sustainability values that we uphold. Therefore, all our suppliers are expected to commit to, and comply with, Alleima's Supplier Code of Conduct. Business relationships are built on honesty, trust and cooperation, the company strives to develop transparency around suppliers' sustainability performance.

Responsibility and governance

Alleima's Supplier Code of Conduct applies to all suppliers providing products, materials, or services to the company. It contains supplier requirements in areas such as legal compliance, health and safety, human and labor rights, responsible sourcing of minerals and metals, the environment, and business ethics. It also encourages suppliers to adopt climate targets in line with the 2015 Paris Agreement on climate change, and to provide working conditions that enable a healthy work-life balance. The Supplier Code states that suppliers are expected not only to implement the requirements in their own operations, but also to set equivalent requirements in their value chain.

Each division is responsible for ensuring that supplier contacts are managed sustainably. This is followed up regularly in the company's sustainability reviews. It is also important that all employees involved are aware of and understand the requirements in place to maintain sustainable sourcing. In 2024, we continued to train buyers on the Alleima Supplier Code and its requirements as well as the process for supplier sustainability evaluations. Three courses on sustainable sourcing have also been launched.

Responsible supplier management

Through a structured supplier evaluation process, Alleima works to identify, prevent, mitigate and address the supply chain's negative impacts on the environment and human rights. The process is based on the OECD Due Diligence Guidance for Responsible Business Conduct.

The process follows the sustainability requirements set out in the Supplier Code of Conduct, and suppliers are assessed as to whether or not they meet these requirements. The supplier sustainability evaluation process includes controls such as risk screening, sustainability performance evaluation and audits. The tools for risk screening and sustainability performance evaluation are provided by EcoVadis.

Supplier risk identification

Suppliers are screened for sustainability risks arising from the fact that they operate in a specific country or industry. This screening covers four areas: environment, labor and human rights, ethics, and sustainable sourcing.

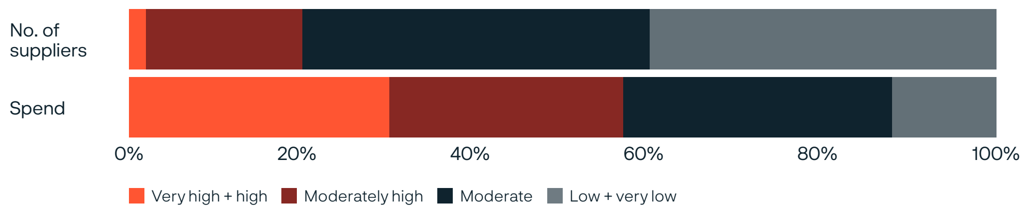
Through the risk screening carried out in 2024, 158 suppliers were identified as having a significant potential negative environmental impact, and 259 were identified as having a significant potential negative social impact.

The largest supplier risks identified relate to, for example, different kinds of raw materials and how they are extracted as well as operations in high-risk countries such as Brazil, China and India.

Assessment and sustainability evaluations

High-risk suppliers are prioritized for sustainability performance evaluation. The evaluation covers energy consumption, emissions, biodiversity, waste, employee health and safety, social impact, child labor, forced labor, human trafficking, discrimination and harassment, corruption, anti-competitive practices, and more. The assessment is analyzed by EcoVadis, which creates a scorecard showing the suppliers' performance within the areas.

Supplier risk exposure



Supplier audits

Supplier audits are a supplement to the supplier performance evaluation and are conducted by a third party. The extent to which the supplier meets the requirements of the Supplier Code of Conduct is checked during the audit. Audits include document reviews, site visits and interviews with supplier employees.

Management of negative impacts

Deviations and improvement activities are managed through corrective action plans. If necessary, Alleima offers support in establishing improvement activities and provides training to help the supplier improve their understanding of environmental and social matters. If the deviation is too significant or if the supplier does not cooperate, this leads to a risk escalation process whereby the matter is raised internally at Alleima for a decision, for example whether to terminate the partnership. However, Alleima's initial approach is to always try to solve deviations together with the supplier. No supplier contracts were terminated during the year as a result of identified breaches of the Supplier Code.

Responsible sourcing of minerals and metals
There are major risks related to extracting, trading, exporting, and procuring minerals from conflict and high-risk areas. Alleima is a member of the Responsible Minerals Initiative (RMI), which provides tools and processes for improving compliance and establishing sustainable sourcing processes for minerals originating from conflict or high-risk areas. Alleima sources minerals and metals exclusively from suppliers that are approved in RMI's third-party review.

To identify, assess and manage risks related to sourcing minerals and metals, Alleima also follows the OECD Guidelines for Due Diligence and takes appropriate measures. The company conducts an annual country-of-origin survey based on OECD guidelines to identify the smelters and refineries linked to the supply chain. Of the suppliers identified in the country-of-origin survey, 100% returned completed documents in accordance with the RMI's Conflict Minerals Reporting Template.

Alleima's website includes a statement by the company on responsible sourcing of minerals and metals. The statement, together with Alleima's Supplier Code of Conduct, forms the basis for responsible sourcing and describes supplier requirements for 3TG (tin, tungsten, tantalum and gold) and cobalt. Of the total primary alloys used in 2024, 3TG accounted for approximately 0%.

Employees trained in compliance, number per area	Number
Anti-bribery and anti-corruption	584
Trade and sanctions	74
Competition law	370
Data privacy	33
Customs operations and incoterms	53

Outcome 2024, percentage of relevant spend	
Supplier Code of Conduct signed by contracted suppliers	90%
Risk-screened suppliers	87%
Complies with requirements of Supplier Code of Conduct	63%

Percentage of buyers who have attended sustainability courses	
Alleima's Supplier Code of Conduct and its requirements	57%
Supplier sustainability evaluation	63%
Sustainability for sourcing	56%
Circularity for sourcing	49%
Climate for sourcing	47%

		Identified improvement activities		Completed improvement activities	
Supplier assessments	**Number**	**Environment**	**Social**	**Environment**	**Social**
Evaluation	283	148	164	25	33
Audit	6	22	130	5	41

The EU Taxonomy

The EU Taxonomy is a classification system that aims to identify whether economic activities contribute to achieving the EU's environmental objectives.

Reporting policies
The following section describes how the KPIs were calculated.

Turnover
Turnover was derived from the consolidated income statement on page 39 and reconciled with reported revenues of the group. Total turnover aligns with revenues in the income statement.

The identification of eligible turnover was determined based on a screening of significant revenue streams that comply with the screening criteria. Manufacture of iron and steel was identified.

Alleima's steel manufacturing and the reported turnover originating from its supply chain are included based on the fact that they comply with the criteria for the manufacture of iron and steel, including its sub-groups, which for the company include, for example, manufacturing of tube products, precision strip steel, ultra-fine wire for medical devices and material for heating technology. No other activities that generate significant revenue streams comply with any of the classifications listed in the taxonomy. The year-on-year development for revenue-generating activities is presented in Note 2 on page 50.

Capex
Capex was derived from Group Notes 12–14 detailing intangible assets, property, plant and equipment, and leases, on pages 56–58.

Capex in the company's steel manufacturing facility and the units to which it supplies are considered taxonomy-aligned given that they are considered necessary to maintain taxonomy-aligned activities. Total capex for the year included reported new acquisitions and business combinations pertaining to intangible assets, excluding goodwill, property, plant and equipment, and leases.

Capex reported as taxonomy-aligned includes plant and machinery, assets under construction, and equipment, tools, fixtures and fittings amounting to SEK 30 million (64), SEK 594 million (398) and SEK 21 million (31), respectively. The difference in taxonomy-aligned capex compared with the previous year is due to production-related capex.

Opex
Opex is determined based on items in the consolidated income statement. Deductions for non-eligible opex have been made. Eligible activities include the steel manufacturing facility and the units in the company to which it supplies.

Opex reported as taxonomy-aligned includes SEK 25 million (9) related to research and development. Other expenses related to service and maintenance of taxonomy-aligned activities include costs for repairs and maintenance, and short-term leases. These are included in an amount of SEK 1,487 million (1,568). The increase was mainly attributable to repairs and maintenance.

Assessment of compliance with Regulation (EU) 2020/852
The following section summarizes the company's assessment of its compliance with the regulation, detailing the key aspects of the process to identify and categorize the company's core operations as generally set out in the EU regulation on the establishment of a framework to facilitate sustainable investment.

The review was conducted to identify taxonomy-eligible activities. The review found that the company's manufacture of iron and steel meets the criteria as an eligible economic activity. The steel material is manufactured by two subsidiaries. These are classified as manufacturing electric arc furnace (EAF) high-alloy steel, which is a taxonomy-eligible technology. The company further processes the steel material into finished products, which the delegated act describes as sub-groups of the category "manufacture of iron and steel." The sub-groups are based on the European Statistical Classification of Economic Activities (NACE).

The technical screening criteria for climate change mitigation and the emissions reporting to EU Emissions Trading System (EU-ETS) are aligned. Testing of alignment with the criteria for the EU environmental objective for climate change mitigation was therefore based on reported and verified GHG emissions in the product benchmark.

The subsidiaries that produce steel reported a GHG intensity of 140 kg and 152 kg of CO_2 per ton of steel produced, respectively. When tested against the technical screening criteria, both were found to meet the listed thresholds for steel manufactured using an electric arc furnace. To a limited extent, the manufacturing operations are supplied with purchased steel, for which the company has not been able to verify that the technical screening criteria have been met. This share was reported as not taxonomy-aligned.

Alleima is only covered by the environmental objective of making a substantial contribution to climate change mitigation through the economic activity of manufacture of iron and steel. This means that the risk of double counting has been eliminated.

Do no significant harm
Climate change adaptation
A climate change risk analysis and assessment has been carried out. An updated climate change analysis and assessment was carried out during the year. The analysis confirmed that water-related risks, such as flooding during heavy rainfall, constitute the main climate-related risk for steel production.

Sustainable use and protection of water and marine resources
An environmental impact assessment has been carried out in accordance with the Water Framework Directive (2000/60/EC) in connection with the permit application. The identified risks were included as a condition in the permit. All conditions have been met.

Pollution prevention and control
Within the framework of chemical management and the established chemical register, the review showed that no significant amounts of substances listed in Appendix C are used, manufactured or released to the market. The current permit originates from an application that was based on the best available techniques.

Protection and restoration of biodiversity and ecosystems
An environmental impact assessment has been carried out in accordance with 2000/60/EC in connection with the permit application. The identified risks were included as a condition in the permit. All conditions have been met.

Minimum safeguards
Alleima has ensured that it has the governing documents, including policies, procedures and instructions, needed to conduct its business in accordance with established guidelines and principles for companies and human rights. This included examining whether the company has explicitly stated its commitment to comply with these guidelines and principles and whether requirements and expectations are included in the company's Codes of Conduct for its own operations and the value chain.

Controls have been carried out to ensure that the company's policy documents and actual procedures comply with the commitments made and that the company's policies are thus followed. The review concluded that the company's commitments, governing documents and actual procedures entail that these minimum safeguards have been met.

Turnover table, 2024 financial year

Economic Activities	2024 Code	Turnover, SEK M	Proportion of turnover, %	Substantial Contribution Criteria: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2023 %	Category enabling activity	Category transitional activity
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel	CCM 3.9	17,660	90	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	91	–	T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		17,660	90	90	–	–	–	–	–	–	Y	Y	Y	–	Y	Y	91		
Of which Enabling		**0**	**0**	**0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Of which Transitional		**17,660**	**90**	**90**						**–**	**Y**	**Y**	**Y**	**–**	**Y**	**Y**	**91**		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of iron and steel	CCM 3.9	328	2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**328**	**2**		**–**	**–**	**–**	**–**	**–**								**1**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**17,988**	**91**		**–**	**–**	**–**	**–**	**–**								**92**		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		**1,703**	**9**																
Total		**19,691**	**100**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.
EL – Taxonomy-eligible activity for the relevant objective.

Nuclear and fossil gas related activities

Nuclear energy related activities	
1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Capex table, 2024 financial year

	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	Capex, SEK M	Proportion of capex, %	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) capex, 2023 %	Category enabling activity	Category transitional activity
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel	CCM 3.9	697	55	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	45	–	T
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		697	55	55	–	–	–	–	–	–	Y	Y	Y	–	Y	Y	45		
Of which Enabling		**0**	**0**	**0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Of which Transitional		**697**	**55**	**55**						**–**	**Y**	**Y**	**Y**	**–**	**Y**	**Y**	**45**		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of iron and steel	CCM 3.9	15	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**15**	**1**		**–**	**–**	**–**	**–**	**–**								**1**		
A. Capex of Taxonomy eligible activities (A.1+A.2)		**712**	**56**		**–**	**–**	**–**	**–**	**–**								**46**		
B. Taxonomy-non-eligible activities																			
Capex of Taxonomy-non-eligible activities		**548**	**44**																
Total		**1,260**	**100**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.
EL – Taxonomy-eligible activity for the relevant objective.

Opex table, 2024 financial year

Economic Activities	2024 Code	2024 Opex, SEK M	2024 Proportion of Opex, %	Substantial Contribution Criteria: Climate Change Mitigation	Substantial Contribution Criteria: Climate Change Adaptation	Substantial Contribution Criteria: Water	Substantial Contribution Criteria: Pollution	Substantial Contribution Criteria: Circular Economy	Substantial Contribution Criteria: Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	DNSH: Climate Change Adaptation	DNSH: Water	DNSH: Pollution	DNSH: Circular Economy	DNSH: Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Opex, 2023 %	Category enabling activity	Category transitional activity
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel	CCM 3.9	1,512	58	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	63	–	T
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,512	58		–	–	–	–	–	–	Y	Y	Y	–	Y	Y	63		
Of which Enabling		**0**	**0**	**0**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**–**	**Y**	**Y**	**–**	**–**	
Of which Transitional		**1,512**	**58**							**–**	**Y**	**Y**	**Y**	**–**	**Y**	**Y**	**63**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of iron and steel	CCM 3.9	33	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**33**	**1**		**–**	**–**	**–**	**–**	**–**								**1**		
A. Opex of Taxonomy eligible activities (A.1+A.2)		**1,544**	**59**		**–**	**–**	**–**	**–**	**–**								**65**		
B. Taxonomy-non-eligible activities																			
Opex of Taxonomy-non-eligible activities		**1,061**	**41**																
Total		**2,605**	**100**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.
EL – Taxonomy-eligible activity for the relevant objective.

About this report

Based on the importance of sustainability and to follow up on Alleima's performance in this area, the corporate governance and sustainability function was assigned by Group Executive Management to compile this report, to make it publicly available and to have an external party perform a limited assurance on the contents of this report.

This report, published on March 19, 2025, is the third sustainability report published by Alleima as a listed public company. The report has been prepared in accordance with the Global Reporting Initiative, GRI Standards 2021.

In the sustainability report, information on the strategy, management approach, stakeholder dialogues, materiality assessment and sustainability data are presented. See page 100 for the company's material topics. Reference to the statutory information requirement for sustainability reporting is found on page 32. All subsidiaries are required to report unless otherwise stated.

The information in the sustainability report represents the consolidated outcome for the year 2024 for the Alleima Group unless a specific exception is stated for any of the disclosures. There are no other holdings in associated companies that are of any significance to the outcome of the disclosures in this report. Structural changes in the company could have an impact on quantitative disclosures when these are presented for more than one year. If such impacts were significant, they would be commented on in connection with the disclosure.

An operational control approach was used for consolidations. Acquisitions are included in the data set as soon as they become a subsidiary and have been introduced to the sustainability reporting process. Divestments remain part of the legacy data, and any significant impacts from a divestment would be disclosed separately when applicable.

The figures presented are the accumulated figures for 2024 for all active reporting units unless otherwise stated. For environmental disclosures, the figures are based on a quarterly reporting process that is aligned with the company's interim reporting process. However, the cut-off for the data included is shifted by one month compared with the calendar year. This means that the full year 2024 is based on data from December 1, 2023–November 30, 2024. For safety data, the indicators are based on a monthly reporting process and the full-year data for 2024 represents the outcome of January 1–December 31, 2024.

Indicators stated as omitted in the GRI content index where the reason is stated as unavailable are explained by the fact that the information was not followed up in full accordance with the definition of the indicator according to GRI. Alleima currently has no plans to adjust the current follow-up.

Reporting is compiled based on the most recently available information, which means that comparative figures may change. No significant adjustments to historical data have been made.

The report has undergone limited assurance by an independent auditor.

Please contact info@alleima.com with any questions about the sustainability report.

GRI index

Alleima has reported in accordance with the GRI Standards 2021 for the period January 4, 2024–December 31, 2024.

GRI standard and disclosure		Location	Requirement omitted	Reason
General disclosures				
GRI 2: General Disclosures 2021				
2-1	Organizational details	43, 72, 79		
2-2	Entities included in the organization's sustainability reporting	72, 123		
2-3	Reporting period, frequency and contact point	43, 123		
2-4	Restatements of information	123		
2-5	External assurance	123, 127		
2-6	Activities, value chain and other business relationships	14, 16, 17, 95		
2-7	Employees	52, 113	b	Unavailable
2-8	Workers who are not employees		Omitted	Unavailable
2-9	Governance structure and composition	79–82, 85–87, 98		
2-10	Nomination and selection of the highest governance body	80–81		
2-11	Chair of the highest governance body	81, 85–86		
2-12	Role of the highest governance body in overseeing the management of impacts	98–99		
2-13	Delegation of responsibility for managing impacts	98–99		
2-14	Role of the highest governance body in sustainability reporting	81–82, 98–99		
2-15	Conflicts of interest	68, 81, 85–87		
2-16	Communication of critical concerns	84, 98–99, 114–115		
2-17	Collective knowledge of the highest governance body	81–82, 85–87, 98–99		
2-18	Evaluation of the performance of the highest governance body	82		
2-19	Remuneration policies	31, 47–49, 52–53, 85–86, 91–92		
2-20	Process to determine remuneration	31, 47–49, 52–53, 85–86, 91–92		
2-21	Annual total compensation ratio	109, 111		
2-22	Statement on sustainable development strategy	6–7		
2-23	Policy commitments	83, 98–99, 115–116		
2-24	Embedding policy commitments	83, 98–100, 114–116		
2-25	Processes to remediate negative impacts	101, 103–104, 110, 115–116		
2-26	Mechanisms for seeking advice and raising concerns	115		
2-27	Compliance with laws and regulations	115		
2-28	Membership associations		Omitted	Unavailable
2-29	Approach to stakeholder engagement	97		
2-30	Collective bargaining agreements		Omitted	Unavailable

GRI standard and disclosure		Location	Requirement omitted	Reason
Material topics				
3-1	Process to determine material topics	97		
3-2	List of material topics	97		
GRI 205: Anti-corruption 2016				
3-3	Management of material topics	96, 98–99, 114–116		
205-1	Operations assessed for risks related to corruption	115		
205-2	Communication and training about anti-corruption policies and procedures	115–116		
205-3	Confirmed incidents of corruption and actions taken	115		
GRI 301: Materials 2016				
3-3	Management of material topics	98–99, 104		
301-1	Materials used by weight or volume	101, 104, 108		
301-2	Recycled input materials used	101, 104, 108		
GRI 302: Energy 2016				
3-3	Management of material topics	98–99, 103		
302-1	Energy consumption within the organization	103, 106		
302-3	Energy intensity	106		
GRI 303: Water and Effluents				
3-3	Management of material topics	98–99		
303-1	Interactions with water as a shared resource	104, 106		
303-2	Management of discharge-related impacts	106		
303-3	Water withdrawal	104, 106		
303-4	Water discharge	104, 106		
GRI 305: Emissions 2016				
3-3	Management of material topics	98–101, 103		
305-1	Direct (Scope 1) GHG emissions	101, 103, 104, 107, 111		
305-2	Energy indirect (Scope 2) GHG emissions	101, 103, 104, 107, 111		
305-3	Other indirect (Scope 3) GHG emissions	101, 104, 107	b, c, e	Unavailable
305-4	GHG emissions intensity	107		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	104, 107		
GRI 306: Waste 2020				
3-3	Management of material topics	98–99, 101, 104		
306-1	Waste generation and significant waste-related impacts	104, 108		
306-2	Management of significant waste-related impacts	104, 108		
306-3	Waste generated	108		
306-4	Waste diverted from disposal	108		
306-5	Waste directed to disposal	108		
GRI 308: Supplier Environmental Assessment 2016				
3-3	Management of material topics	98–100, 114		
308-1	New suppliers that were screened using environmental criteria	116		
308-2	Negative environmental impacts in the supply chain and actions taken	116		

GRI standard and disclosure		Location	Requirement omitted	Reason
GRI 403: Occupational Health and Safety 2018				
3-3	Management of material topics	96, 98–99		
403-1	Occupational health and safety management system	110	c	Unavailable
403-2	Hazard identification, risk assessment, and incident investigation	110–111		
403-4	Worker participation, consultation, and communication on occupational health and safety	110–111		
403-5	Worker training on occupational health and safety	110		
403-8	Workers covered by an occupational health and safety management system	110		
403-9	Work-related injuries	110–112		
GRI 405: Diversity and Equal Opportunity 2016				
3-3	Management of material topics	96, 98–99		
405-1	Diversity of governance bodies and employees	111, 113		
GRI 406: Non-discrimination 2016				
3-3	Management of material topics	96, 98–99, 115		
406-1	Incidents of discrimination and corrective actions taken	115		
GRI 414: Supplier Social Assessment 2016				
3-3	Management of material topics	98–99		
414-1	New suppliers that were screened using social criteria	116		
414-2	Negative social impacts in the supply chain and actions taken	116		

Auditor's Limited Assurance Report on Alleima AB (publ) Sustainability Report and statement on the Statutory Sustainability Report

To the annual general meeting of Alleima AB (publ), corporate identity number: 559224-1433

Introduction

We have been engaged by the Board and Group Management Alleima AB (publ) ("Alleima") to undertake a limited assurance of Alleima's Sustainability Report for the year 2024. The company has defined the scope of its sustainability report in the list of contents of this document. The statutory sustainability report is defined in the list of contents of this document.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act in the older version that applied before 1 July 2024. The criteria are described on the pages 124-126 of the Sustainability Report, and consists of the parts of the sustainability reporting framework issued by the GRI (Global Reporting Initiative) Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Alleima has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Alleima AB according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, March 13, 2025
PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorised Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Definitions

Financial definitions

Adjusted earnings per share
Adjusted profit for the period divided by average number of shares outstanding during the year.

Adjusted EBIT
Operating profit (EBIT) excluding metal price effects and items affecting comparability.

Adjusted EBITDA
Operating profit (EBIT) before depreciation and amortizations, adjusted for metal price effects and items affecting comparability.

Adjusted profit for the period
Profit for the period, adjusted for metal price effects, items affecting comparability, and income tax effects.

Book-to-bill, %
The order intake of the period divided by the revenues of the period.

Capex
Acquisitions and sale of tangible and intangible assets.

EBIT
Earnings before interest and taxes (Operating profit).

EBIT/EBITDA margin, %
EBIT/EBITDA in relation to revenues.

EBITDA
Operating profit (EBIT) excluding depreciations and amortizations.

Financial net debt (+)
Net debt, excluding net pension and lease liabilities.

Free operating cash flow
EBITDA adjusted for non-cash items plus the change in net working capital minus investments and disposals of tangible and intangible assets and plus the amortization of lease liabilities.

Items affecting comparability (IAC)
Capital gains and losses from divestments and larger restructuring initiatives, impairments, capital gains and losses from divestments of financial assets as well as other material items having a significant impact on the comparability.

Metal price effects
Metal price effect on the operating profit during a particular period from changes in alloy prices arising from the timing difference between the purchase (as included in cost of goods sold) and the sale of an alloy (as included in the revenue) when alloy surcharges are applied.

Net debt
Interest-bearing current and non-current liabilities, including net pension and lease liability, less cash and cash equivalents.

Net working capital
Total of inventories, trade receivables, account payables and other current non-interest-bearing receivables and liabilities, including those classified as liabilities and assets held for sale, but excluding tax assets and liabilities and provisions.

Net working capital to revenues, %
The annual value is the average working capital for four quarters divided by revenues for the full year.

Order intake
Order intake for a period refers to all orders received for immediate delivery and those orders for future delivery for which delivery dates and quantities have been confirmed.

Organic growth, %
Change in order intake or revenues after adjustments for exchange rate effects and structural changes such as divestments and acquisitions and alloy surcharges.

Return on capital employed, %
Rolling 12 months' operating profit/loss plus financialincome (excl. derivatives), as a percentage of a four-quarter average capital employed.

Return on capital employed excluding cash, %
Rolling 12 months' operating profit/loss, as a percentage of a four-quarter average capital employed excluding cash and cash equivalents.

Sustainability definitions

Exposure hours (ET)
Number of hours worked in the time-period by the workforce. Refers to the amount of time where the workforce is exposed to the risk of a work-related incident.

Fatal Injury (FI)
An Injury that results in the death of a Worker.

Injury
An occurrence of physical or mental harm in the course of work because of a single or instantaneous event. An Injury will be classified as one of the following: Fatal, Lost Time Injury (LTI), Restricted Work Injury (RWI), Medical Treatment Injury (MTI) or Minor Injury (MI).

Lost Time Injury (LTI)
An Injury that results in one or more Days Lost from work at some time (not necessarily immediately) after the shift in which the Injury occurred.

Lost Time Injury Frequency Rate (LTIFR)
Number of Fatal Injuries and Lost Time Injuries per million Exposure Hours.

Medical Treatment Injury (MTI)
An Injury that results in a Worker not being able to return to their Full Normal Duties immediately following any treatment for that Injury (i.e. for the remainder of the current shift), but where they are / would have been able to return to Full Normal Duties on the next calendar day.

Minor Injury (MI)
An Injury where the worker can immediately return to their Full Normal Duties after receiving treatment for the Injury.

Primary Material
Virgin material.

Recycle rate
Secondary material in relation to total material (Primary + Secondary).

Restricted Work Injury (RWI)
An Injury where the Worker does not have any Days Lost but would have been able to perform only some of their Normal Duties.

Scope 1 – Raw materials based
CO_2 emission from reduction of carbon content in the steel manufacturing process.

Scope 1 – Fuels
CO_2 emission from fuel combustion.

Scope 2
CO_2 emission from purchased electricity, heat and steam.

Scope 3
CO_2 emissions occurring in the company's value chain, excluding those included in Scope 1 and Scope 2.

Secondary Material
Recycled material.

Total Recordable Injury (TRI)
The sum of the number of Fatal Injuries (FI), Lost Time Injuries (LTI), Restricted Work. Injuries (RWI) and Medical Treatment Injuries (MTI).

Total Recordable Injury Frequency Rate (TRIFR)
Number of Total Recordable Injuries per million Exposure Hours.

Product definitions

Austenitic steel
A stainless steel with austenitic crystal structure which contains high share of nickel and chromium. It combines excellent mechanical properties and resistance to corrosion with good ductility and weldability.

Bi-polar plates
Pre-coated strip steel; bipolar plates for Polymer Electrolyte Fuel Cell (PEFC) applications.

Cladding tubes
Cladding tubes are used mainly as fuel tubes, with a group of fuel rods containing the fissionable material (uranium) providing fuel for the nuclear reactor.

Coated strip steel
Stainless steel in strip form and pre-coated for specific needs.

Compressor valve steel
Strip steel grades with a very high fatigue resistance, especially designed to meet the tough demands on compressor valves.

Corrosion Resistant Alloy (CRA)
Grade with high mechanical strength and excellent corrosion resistance, e.g. to pitting and crevice corrosion, stress corrosion cracking (SCC), acid and caustic environments, erosion-corrosion.

GDI automotive tubing
Seamless stainless steel tubing developed for gasoline direct injection (GDI)

Heating elements and modules
Prefabricated heating modules are designed for a wide range of thermal processing applications up to 1,700° C (3,090° F) element temperature.

Heating resistance materials
Products used for the manufacture of heating elements, thermocouples and a range of highly demanding high temperature applications.

High-pressure tubing
Seamless high-pressure tubes for a variety of high-pressure applications using liquid or gas as the pressure medium, such as hydraulic installations, test benches and water-jet cutting equipment.

Hollow bar
Hollow bar is a thick-walled stainless steel tube often used for machining components.

Hydraulic and instrumentation tubing
Hydraulic and instrumentation tubing are supplied with smooth surfaces and close dimensional tolerances reducing the risk of leakages when connecting tubes with couplings.

Kanthal APM®
Kanthal® APM is an advanced powder-metal lurgical, dispersion-strengthened, ferritic iron-chromium-aluminium alloy (FeCrAl alloy) for use at temperatures up to 1,425° C (2,600° F). The alloy is characterized by exceptionally good form stability and oxidation resistance.

Kanthal® APMT
Kanthal® APMT is an advanced powder metallurgical, dispersion strengthened, ferritic iron-chromium-aluminum alloy (FeCrAlMo alloy) recommended for continuous use up to 1,250° C (2,280° F) in oxidizing and reducing environments.

Medical wire
Ultra-fine wire specifically for medical devices.

OCTG
Oil Country Tubular Goods (OCTG) is used as production pipe for transporting oil or gas from the borehole, for water or gas injection in the opposite direction and as casing in the borehole.

Polymer Electrolyte Fuel Cells (PEFC)
Polymer electrolyte fuel cells are electrochemical devices, converting the chemical energy of fuel directly into electrical energy.

Rock drill steel
Drill steel developed for the manufacturing of top-hammer rock drill rods.

Umbilical tubes
Umbilical tubes are the lifeline between surface installations and subsea equipment, and link surface and seafloor oil and gas equipment for controls, power or heat. Umbilical tubes are designed for high systematic pressure at great depth, where thinner walls and high strength are required.

Alternative Performance Measures

This annual report contains certain alternative performance measures that are not defined by IFRS. These measures are included as they are considered to be important performance indicators of the operating performance and liquidity of Alleima. They should not be considered a substitute for Alleima's financial statements prepared in accordance with IFRS. Alleima's definitions of these measures are described below, and as other companies may calculate non-IFRS measures differently, these measures are therefore not always comparable to similar measures used by other companies.

Organic order intake and revenue growth
Change in order intake and revenues after adjustments for exchange rate effects and structural changes such as divestments and acquisitions and alloy surcharges. Organic growth is used to analyze the underlying sales performance in the Group, as most of its revenues are in currencies other than in the reporting currency (i.e SEK, Swedish Krona). Alloy surcharges are used as an instrument to pass on changes in alloy costs along the value chain and the effects from alloy surcharges may fluctuate over time.

Adjusted operating profit (EBIT)
Alleima considers Adjusted operating profit (EBIT) and the related margin to be relevant measures to present the profitability of the underlying business excluding metal price effects and items affecting comparability (IAC).

Metal price effect is the difference between the sales price and purchase price on metal content used in the production of products. Metal price effect of operating profit in a particular period arises from changes in alloy prices arising from the timing difference between the purchase, as included in the cost of goods sold, and the sale of an alloy, as included in revenues, when alloy surcharges are applied. IAC includes capital gains and losses from divestments and larger restructuring initiatives, impairments, capital gains and losses from divestments of financial assets as well as other material items having a significant impact on the comparability.

Adjusted operating profit (EBIT) and margin: Operating profit (EBIT) excluding items affecting comparability and metal price effects. Margin is expressed as a percentage of revenues.

Adjusted operating profit (EBIT)

SEK M	2024	2023
Operating profit	**1,498**	**2,046**
Reversal (Note 2):		
Items affecting comparability	0	0
Metal price effect	446	95
Impairments	0	0
Adjusted operating profit (EBIT)	**1,944**	**2,141**
Revenues	19,691	20,669
Adjusted operating profit (EBIT) margin, %	9.9	10.4

Adjusted earnings per share, diluted
Alleima considers Adjusted earnings per share (EPS), diluted to be relevant to understand the underlying performance, which excludes items affecting comparability and metal price effects between periods.

Adjusted EPS, diluted: Profit/loss, adjusted for items affecting comparability and metal price effects, attributable to equity holders of the parent company divided by the average number of shares, diluted, outstanding during the year.

Adjusted profit for the period and adjusted earnings per share, diluted

SEK M	2024	2023
Profit for the period	**1,221**	**1,574**
Reversal:		
Adjustment items EBIT (Note 2)	446	95
Tax on adjustment items	-94	-22
Adjusted profit for the period	**1,573**	**1,647**
Attributable to		
Owners of the parent company	1,573	1,647
Non-controlling interests	–	–
Average number of shares, diluted, at the end of the period (millions)	250.867	250.876
Adjusted earnings per share, diluted, SEK	6.27	6.56

Net working capital (NWC) in relation to revenues and return on capital employed (ROCE)
Alleima considers NWC in relation to revenues relevant as measure of both the Group's efficiency and its short-term financial health.

Net working capital (NWC): Total of inventories, trade receivables, account payables and other current non-interest-bearing receivables and liabilities, including those classified as liabilities and assets held for sale, but excluding tax assets and liabilities and provisions.

Net working capital (NWC) in relation to revenues: Quarter is quarterly annualized and year-to-date numbers are based on a four quarter average.

Alleima considers ROCE to be useful for the readers of its financial reports as a complement in assessing the possibility of implementing strategic investments and considering the Group's ability to meet its financial commitments. In addition, it is useful to also follow ROCE excluding cash, as it is focused on the operating capital employed.

Capital employed: Total assets less non-interest-bearing liabilities (including deferred tax liabilities).

Return on capital employed (ROCE): Rolling 12 months' operating profit/loss plus financial income (excl. derivatives), as a percentage of a four-quarter average capital employed.

ROCE excluding cash: Rolling 12 months' operating profit/loss, as a percentage of a four-quarter average capital employed excluding cash and cash equivalents.

SEK M	2024	2023
Inventories	7,407	7,360
Trade receivables	2,911	2,952
Account payables	-2,249	-2,003
Other receivables	859	720
Other liabilities	-2,107	-2,205
Net working capital	**6,821**	**6,825**
Average net working capital	6,909	7,087
Revenues annualized	19,691	20,669
Net working capital to revenues, %	35.1	34.3
Tangible assets	7,757	7,281
Intangible assets	2,037	1,913
Cash and cash equivalents	1,912	1,595
Other assets	12,077	12,206
Other liabilities	-5,888	-5,868
Capital employed	**17,895**	**17,128**
Average capital employed	17,407	16,999
Operating profit rolling 12 months	1,498	2,046
Financial income, excl. derivatives, rolling 12 months	57	34
Total return annualized	**1,554**	**2,080**
Return on capital employed (ROCE), %	8.9	12.2
Average capital employed excl. cash	15,707	15,920
Return on capital employed excl. cash, %	9.5	12.9

Free operating cash flow (FOCF)

Alleima considers free operating cash flow (FOCF) to be useful to provide an indication of the funds the operations generate to be able to implement strategic investments, make amortizations and pay dividends to the shareholders.

Free operating cash flow (FOCF): EBITDA adjusted for non-cash items plus the change in net working capital minus investments and disposals of tangible and intangible assets and plus the amortization of lease liabilities.

SEK M	2024	2023
EBITDA	2,410	2,957
Non-cash items	148	54
Changes in working capital	33	-380
Capex	-1190	-815
Amortization, lease liabilities	-135	-128
Free operating cash flow	**1,266**	**1,688**

Net debt to Equity and Net debt to Adjusted EBITDA

Alleima considers both Net debt to Equity and Net debt to Adjusted EBITDA to be useful for the readers of its financial reports as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments. Net debt to Equity ratio is included in Alleima's financial targets.

Net debt: Interest-bearing current and non-current liabilities, including net pension liabilities and leases, less cash and cash equivalents.

Adjusted EBITDA: Operating profit (EBIT) before depreciation and amortizations, adjusted for metal price effects and items affecting comparability.

Financial net debt

Alleima considers financial net debt to be a useful indicator of the business's ability to pay off all debt, excluding pension liabilities and lease liabilities, at a certain point in time.

Financial net debt: Net debt, excluding net pension and lease liabilities.

SEK M	2024	2023
Non-current interest-bearing liabilities	1,212	1,266
Current interest-bearing liabilities	134	130
Prepayment of pensions	-65	-43
Cash and cash equivalents	-1,912	-1,595
Net debt	**-631**	**-242**
Net pension liability	-820	-843
Leasing liabilities	-460	-505
Financial net debt	**-1,911**	**-1,590**
Adjusted EBITDA	**2,856**	**3,056**
Total Equity	**16,614**	**15,732**
Net debt/Equity ratio	-0.04	-0.02
Net debt/Adjusted EBITDA ratio (multiple)	-0.22	-0.08

Five-year overview

Key figures - Group

SEK million	2024	2023	2022	2021	2020
Order intake	19,419	21,684	22,130	15,681	12,230
Organic growth, %	-6	-6	19	26	-26
Revenues	19,691	20,669	18,405	13,847	13,925
Organic growth, %	1	8	13	-3	-9
Adjusted gross margin, %	22.3	22.6	21.8	20.6	22.2
Adjusted EBITDA	2,856	3,056	2,540	1,811	1,933
Margin, %	14.5	14.8	13.8	13.1	13.9
Adjusted operating profit (EBIT)	1,944	2,141	1,681	1,055	1,205
Margin, %	9.9	10.4	9.1	7.6	8.7
Metal price effects	-446	-95	695	487	-172
Items affecting comparability	0	0	-254	-176	-478
Operating profit (EBIT)	1,498	2,046	2,122	1,379	492
Margin, %	7.6	9.9	11.5	10.0	3.5
Profit for the period	1,221	1,574	1,206[3]	1,228	380
Adjusted earnings per share, diluted, SEK	6.27	6.56	3.36[3]	3.82	3.69
Earnings per share adjusted for metal price effects, diluted, SEK	6.27	6.56	2.55[3]	3.27	2.09
Earnings per share, SEK	4.88	6.28	4.76[3]	4.80	1.55
Cash flow from operations	2,123	2,234	687	1,151	1,671
Free operating cash flow	1,266	1,688	505	1,046	1,483
Net working capital to revenues,[1]	35.1	34.3	32.8	31.2	30.4
Return on capital employed, %[1]	8.9	12.2	13.2	10.4	3.8
Return on capital employed excluding cash, %[1]	9.5	12.9	14.2	11.0	3.8
Net debt/Equity ratio	-0.04	-0.02	0.00	0.11	0.17
Net debt/Adjusted EBITDA ratio	-0.22	-0.08	0.01	0.73	0.9
Normalized tax rate, %	23.9	24.2	24.3	24.9	31.6
Average number of shares, diluted, at the end of the period (millions)	250.867	250.876	250.877	250.877	250.877
Number of shares at the end of the period (millions)	250.175	250.467	250.877	250.877	250.877
Number of employees[2]	6,309	6,110	5,886	5,465	5,084
Number of third party workers[2]	516	596	612	413	287

1) The annual number is based on a four quarter average.
2) Full-time equivalent.
3) Profit for the period and Earnings per share 2022 is adjusted due to correction of hedge accounting, refer to Note 1. Profit for the period has been adjusted by SEK -277 million.

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