

The Board of Directors and President of
Norsk Stål Tynnplater Aktiebolag
Organisation registration No. 556275-7400

Hereby Presenting

Annual report

For the financial year 1 April 2016 - 31 March 2017

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Norsk Stål Tynnplater Aktiebolag**Organisation registration No. 556275-7400****Management report****General business information**

Norsk Stål Tynnplater AB in Sweden is a wholly-owned sales company for Norsk Stål Tynnplater A / Si Norway. The company is a part of Tata Steel. Norsk Stål Tynnplater AB sells thin sheet metal in the Swedish market. The company has three employees and is administered by the Norwegian parent company.

Development of the company's operations, results and position

The data in the multi-year review for the 2014 and 2013 have not been recalculated at the transition to the K3 Framework. The financial year 2015/2016 corresponding to 15 months.

Financial overview	2016/2017	2015/2016	2014	2013
Net sales in Millions	422	440	341	345
Profit after financial items in millions	5	2	-5	1
Total Balance sheet in millions	104	73	45	53
Number of employees	3	2	3	2
Equity %	19.5%	23.0%	34.1%	36.2%
Return on total Capital %	4.6%	3.6%	neg	3.5%
Return on equity %	22.8%	14.5%	neg	7.1%

Definition See Note

Significant events during the financial year and after the end of the financial year Steel consumption in Swedish industry and the construction sector has grown gently during the year 2016/17.

The expected future developments, as well as the significant risks and uncertainty factors, demand for steel and thin metal in Sweden, are expected to remain at the current level or increase slightly during 2017. Our strategic focus will be on the processed products and services that will ensure the viability of the company.

The use of financial instruments

Borrowings and liquidity surpluses are held within the Group. Currency exposure and hedging of currency requirements are hedged continuously through intra-group hedging.

Proposed disposal of company results the Board of Directors proposes that the unrestricted equity, SEK 19 742 437, be allocated as follows:

Opening Retained earnings	16228
Net profit for the year	<u>3514</u>
Retained earnings	19742
To be carried forward to new account	19742

As far as the profit and loss status, please refer to subsequent profit and loss accounts and balance sheets with accompanying notes. Amount is stated in SEK thousands unless otherwise stated. The financial year 2015/2016 was an extended year-end 15 months for the period from 01-01-2015 - 31-03-2016.

Income Statement

Amounts in SEK	Note	2016/2017	2015/2016
Net sales	2	413 735	439 539
Change of goods during the manufacturing, finished goods as well as work in progress on behalf of others		410	--
Other operating income		<u>7 992</u>	<u>8 918</u>
		422 137	448 457
Operating expenses			
Trade goods	2	-413 554	-439 621
Other external costs	3,4	-1 594	-2 317
Personnel costs	3	-2 161	-3 832
Depreciation of property, plant and equipment	5	<u>-75</u>	<u>-143</u>
Operating profit		4 753	2 544
Profit from financial items			
Interest income and similar profit/loss items		48	101
Interest expenses and similar profit/loss items		<u>-168</u>	<u>-199</u>
Profit after financial items		4 633	2 446
Appropriations			
Appropriations, exercises		--	--
Profit before tax		4 633	2 446
Tax on profit for the year	6	<u>- 1 119</u>	<u>-654</u>
The results		3 514	1 792

Balance sheet

Belopp i tkr	Note	2017-03-31	2016-03-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Inventories, tools and installations	7	<u>62</u>	<u>137</u>
		62	137
Financial fixed assets	9	<u>125</u>	<u>293</u>
The deferred tax asset		125	293
Total Fixed Assets		187	430
Current assets			
Inventories etc.			
Finished goods and goods for sale		<u>410</u>	=
		410	
Current receivables			
Customer Claims		84 445	49 909
Receivables from Group companies	8	19 374	22 483
Other receivables		2	318
Prepaid expenses and accrued income		<u>70</u>	<u>82</u>
		103 891	72 792
Cash and bank balances			
Cash and bank balances		--	--
Total current assets		<u>104 301</u>	<u>72 792</u>
TOTAL ASSETS		104 488	73 222

Balance sheet

Amounts in SEK	Note	2017-03-31	2016-03-31
EQUITY AND LIABILITIES			
Equity	10		
Restricted equity			
Share capital (5 000 shares)		500	500
Reserve Fund		<u>100</u>	<u>100</u>
		600	600
Unrestricted equity		16 228	14 436
Retained earnings		<u>3 514</u>	<u>1 792</u>
profit for the year		<u>19 742</u>	<u>16 228</u>
		20342	
Deposits	11	<u>3 018</u>	<u>5 066</u>
Other Deposits		3 018	5 066
Current liabilities			
Supplier debts		2 174	1 565
Liabilities to Group companies	8	66 517	42 549
Tax liabilities		1 127	239
Other liabilities		11 010	6 691
Upgrade costs and prepaid earnings	12	<u>300</u>	<u>284</u>
		<u>81 128</u>	<u>51 328</u>
TOTAL EQUITY AND LIABILITIES		<u>104 488</u>	<u>73222</u>

Pledged assets and contingent liabilities

Amounts in SEK	2017-03-31	2016-03-31
Pledged assets	Nil	Nil
Contingent liabilities	Nil	Nil

Cash Flow Analysis

Amounts in SEK	2016/2017	2015/2016
Operating activities		
Earnings after financial items	4 633	2 446
Adjustment for items not included in cash flow	<u>-1 973</u>	<u>- 169</u>
	<u>2 660</u>	<u>2 277</u>
	<u>-63</u>	<u>-162</u>
Income taxes paid		
Cash flow from operating activities before		
Changes in working capital	2 597	2 115
Changes in working capital		
Increase(-)/Decrease(+) in inventories	- 410	--
Increase(-)/Decrease(+) in operating receivables	- 31 099	- 29 441
Increase (+) / Reduction (-) of operating liabilities	<u>28 912</u>	<u>26 974</u>
Cash flow from current operations	<u>--</u>	<u>- 352</u>
Investing activities		
Disposal of materialia fixed assets	--	<u>250</u>
Cash flow from investing activities	--	<u>250</u>
Investing Activities		
Cash flow from financing activities	--	--
cash flow	--	-102
Cash and cash equivalents at the beginning of the year--		<u>102</u>
Cash and cash equivalents at the end of the year	--	--

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Note

Amounts in SEK thousands unless otherwise noted

Note 1 Accounting principles

The annual report has been prepared in accordance with the Annual Accounts Act and the General Council Board of Accounting BFNAR 2012: 1 Annual Report and Consolidated Financial Statements (K3). The accounting principles are unchanged when compared with the previous year.

Assets, provisions and liabilities have been valued! Acquisition value unless otherwise stated below.

Tangible fixed assets

Tangible fixed assets are reported at acquisition value less accumulated depreciation and impairment losses. In the acquisition value, in addition to the purchase price, expenses that are directly attributable to the acquisition.

Additional expenses

Additional expenses that fulfill the asset criterion are included in the asset's carrying amount. Expenses for ongoing maintenance and repairs are expensed as they are incurred.

Depreciation and amortization

Depreciation is linear over the asset's estimated life period because it reflects the expected usage of the asset's future economic benefits. The Depreciation is recognized as an expense in the income statement,

Fixtures, tools and installations	Assets period 5 year
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Leasing

All leases are accounted for as operating leases.

Operating lease contract

Lease payments under operating leases, including increased first-time rent but excluding costs for services such as insurance and maintenance, are reported as an expense on a straight-line basis over the lease term.

Foreign currency

For items included in a hedge relationship - see under the heading "Hedge accounting".

Items in foreign currency

Monetary items denominated in foreign currency are translated at the exchange rate date. Non-monetary items are not recalculated but are reported at the exchange rate at the acquisition date.

Inventories

Inventories are reported to! The lowest of cost and net realizable value. In addition, incidence risk has been taken into account. The acquisition value is calculated according to the first-in-first-out principle.

In the acquisition value, in addition to the purchase expenses, the expense such as to bring in the goods to their current location and condition is also included.

For the semi-finished and finished goods, the cost of direct manufacturing costs and the indirect costs constitutes more than an insignificant negligible amount of the total cost of production. Valuation has taken account of normal capacity utilization.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax.

Current tax is the income tax for the current financial year relating to the taxable profit for the year and the portion of previous taxable income tax which has not yet been reported. Deferred tax is income tax for taxable income in respect of future financial years as a result of past transactions or events.

Deferred tax liability is recognized for all taxable temporary differences, however, excepted deferred tax attributable to untaxed reserves as untaxed reserves are reported as a separate item on the balance sheet. Deferred tax assets are reported for deductible temporary differences and for the possibility of using tax loss carryforwards in the future. The valuation is based on how the carrying amount of the corresponding asset or liability is expected to be recovered and adjusted respectively. The amount is based on the tax rates and tax rules that were enacted before the balance sheet date and do not have the present value calculation.

Deferred tax assets have been valued at no more than the amount likely to be recovered based on current and future taxable income. The valuation is reviewed on the date of each balance sheet.

Deposits

A deposit is recognized in the balance sheet when the company 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 control the obligation and a reliable estimate of the amount can be made.

At initial recognition, deposits are valued at the best estimate of the amount that will be required to settle the liability on the balance sheet date. Provisions are reviewed on each balance sheet date.

Income

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The inflow of economic benefits that the company has received or will receive for own account are recognized as revenue, revenues are measured at the fair value of the received or receivable, with less discounts..

Sales of goods

Sale of goods revenue is recognized upon delivery.

Group information

The company is wholly owned subsidiary of Norsk Stål Tynnplater AS, Org No. 976623991, based in Fredrikstad, Norway.

Purchases and sales within the Group

Of the company's total purchases and sales measured in SEK, 100% (100%) of purchases and 0% (0%) of sales refer to other companies within the entire group of companies to which the company belongs.

Cash Flow

The cash flow statement is prepared according to the indirect method and the reported cash flow includes only transactions that have resulted in payments or payments. As cash and cash equivalents, the company, in addition to cash items, classifies available balances with banks and other credit institutions, as well as short-term equity investments listed on a market place and shorter than 3 months from the acquisition date. Changes in blocked funds are reported in the investment business. The company manages liquidity through a joint corporate account. Group accounts are included in the item receivables to group companies. Adjustment for items not included in cash flow consists mainly of depreciation and capital gains / losses on the sale of inventories.

Key ratio definitions

Balance sheet total: Total assets

Returns on

Total capital: Profit before the deduction of interest expenses / Total assets

Returns on

shareholders ' equity : Profit after financial items / Equity + Unsecured reserves (net of deferred tax)

Equity ratio: Total adjusted equity / Total assets

Note 2 Purchases and sales within the Group

	2016/2017	2015/2016
Sales within the group, relating to 0% (0%) of total sales	-	-
Purchase of materials within the group, relating to 100% (100%) purchases quote	-413 554	-439 621
Purchasing of services within the Group refers to 100% (100%) of total purchases	-1 000	-1 000

Note 3**Employees, personnel costs and fees to Board members and auditors**

the average number of employees	Of which:		Of which:	
	2016/2017	male	2015/2017	male
Sweden	<u>3</u>	<u>67%</u>	<u>2</u>	<u>100%</u>
Total	3	67%	2	100%

Accounting for gender distribution in management

	2016/2017	2015/2016
	Proportion of women	
Board of Directors		0% 0%
Other senior officers		0% 0%

Salaries and other remuneration as well as social costs, including pension costs

	2016/2017	2015/2016
Salaries and benefits	1515	3029
Social expenses	647	803
(Of which pension cost) 1)	111	96

1) Of the company's pension costs, SEK 0 msek (ms. 0 Sek) refers to the company's management
2 (2) people. The company's outstanding pension liabilities until these amount to 0 tsec (f.O. sek).

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Note 4 Fees and expenses to auditors

	2016/2017	2015/2016
PWC		
Auditing services	-20	-38
Other assignments	<u>--</u>	<u>-45</u>
	-20	-83

Note 5 Depreciation of tangible fixed assets

	2016/2017	2015/2016
Fixtures, tools and installations	- 75	- 143

Note 6 Tax on profit for the year

	2016/2017	2015/2016
Current tax expense	-951	-163
Deferred tax	<u>-168</u>	<u>-491</u>
	-1 119	- 654

Note 7 Fixtures, tools and installations

	2017-03-31	2016-03-31
Accumulated cost		
At the beginning of the year	299	1 234
New acquisitions	--	--
Divestments and deletions	<u>--</u>	<u>-935</u>
By the end of the year	299	299
Accumulated depreciation		
At the beginning of the year	-162	-731
Reversed depreciation of divestments and disposals	--	712
Depreciation for the year on acquisition values	<u>-75</u>	<u>-143</u>
By the end of the year	<u>-237</u>	<u>162</u>
Book value at end of year	62	137

Note 8 Receivables and liabilities of Group companies

	2017-03-31	2016-03-31
Receivables, Group account		
Accumulated cost		
At the beginning of the year	22 483	--
Additional receivables	--	22 483
Adjusted claims	<u>-3 109</u>	--
Book value at end of year	19 374	22 483

Liabilities		
Accumulated cost		
At the beginning of the year	42 549	22 237
Additional receivables	23 968	20 312
Adjusted claims	--	--
Book value at end of year	66 517	42 549

Note 9 Deferred tax asset

2017-03-31

2016-03-31

Refers to a temporary difference for the provision and loss carryforwards 125

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Note 10	Equity	Share capital	Statutory reserve	Retained earnings
		500	100	16 226
Opening balance				
profit for the year		<u> </u>	<u> </u>	<u>3 514</u>
Equity	2017-03-31	500	100	19 742

Note 11	Other provisions	2017-03-31	2016-03-31
Provision for future obligations to former CEO		3 018	5 066

Note 12	Accrued expenses and prepaid income	2017-03-31	2016-03-31
personnel costs		300	249
Other items		<u> --</u>	<u> 35</u>
		300	284

Halmstad 2017-06-22

Michael Andersson
CEO / Board member

Mattias Wisell
Board Member

Our audit report has been submitted 2017-06-27

Magnus Frostung
Chartered Accountant

Auditor's report

To the annual general meeting of Norwegian Tynnplater AB, org.nr 556275-7400

Report on the annual accounts

Statements

I have audited the annual accounts of the Norwegian Tynnplater AB for the year 1 April 2016 until 31 March 2017.

In my opinion, the annual report has been prepared in accordance with the Annual Accounts Act and gives a true and fair view of Norsk Stål Tynnplater AB's financial position as of 31 March 2017 and of its financial results and cash flow for the year as per the Annual Accounts Act. The management report is consistent with the other parts of the annual report.

I therefore recommend that the AGM adopt the income statement and balance sheet.

Reason for statements

I have conducted the audit according to International Standards on Auditing (ISA) and good auditing practice in Sweden. My responsibilities under these standards are described in more detail in the Auditor's section. I am independent in relation to Norsk Stål Tynnplater AB, according to a good auditor's report in Sweden, and in addition, I have completed my professional ethical responsibility according to these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate as the basis for my statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual report and giving a true and fair view according to the Annual Accounts Act. The Board and the CEO are also responsible for the internal control they consider necessary to establish an annual report that contains no material errors, whether due to irregularities or error.

When preparing the annual report, the Board and the CEO are responsible for assessing the company's ability to continue the business. They indicate, where applicable, conditions that may affect the ability to continue the business and to use the assumption of continued operation. However, the assumption of continued operation is not applicable if the board and the CEO intend to liquidate the company, discontinue operations or have no realistic alternative in doing any of this.

Auditor's responsibility

My goal is to achieve a reasonable degree of certainty as to whether the annual report as a whole does not contain any material misstatement, whether due to irregularities or error and to submit an audit report that contains my statements. Reasonable assurance is a high degree of certainty, but there is no guarantee that an audit performed in accordance with ISA and other generally accepted auditing standards in Sweden will always detect a material misstatement if any. Inaccuracies may occur due to irregularities or error and is considered to be essential if the individual or can reasonably be expected to affect the economic decisions that users make on the basis of the annual report.

A further description of my responsibility for auditing the annual report is available on the Audit Office's on-site website:

www.revisorsinspektionen.se/rn/showdocument/docmnents/rev_dok/revisors_ansvar.pdf.

This description is part of the audit report.

PWC

Report on other requirements under laws, regulations and administrative provisions

Statements

In addition to my audit of the annual report, I have also conducted a review of the Board of Directors and the Managing Director's management of Norsk Stal Tynnplater AB for the years in 1 April 2016 to March 31, 2017, and of the proposal for disposals regarding the company's profit or loss.

I recommend that the Annual General Meeting allocate the profits according to the proposal in the Directors' Report and grant discharge to the Board members and the Managing Director for the financial year.

Reason for statements

I have conducted the audit in accordance with good auditing practice in Sweden. My responsibilities under this are described in more detail in the Auditor's section. I am independent in relation to Norsk Stål Tynnplater AB, according to a good auditor's report in Sweden, and in addition has fulfilled my professional ethical responsibility according to these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate as the basis for my statements.

Responsibility of the Board of Directors and the Managing Director

It is the board that is responsible for the proposal for dispositions regarding the company's profit or loss. In the case of a proposed dividend, this includes an assessment of whether the dividend is justified in view of the clarity of the company's business scope, scope and risks to the size of the company's equity, consolidation needs, liquidity and position in general.

The Board is responsible for the company's organization and management of the company's affairs. This includes, inter alia, continually assessing the company's financial situation, and ensuring that the company's organization is designed so that the accounting, Otherwise, the financial management and the company's financial affairs are otherwise controlled in a satisfactory manner. The Managing Director is responsible for managing management in accordance with the guidelines and instructions of the Board and, inter alia, taking the necessary steps to ensure that the Company's accounts are complied with in accordance with law and that the Fund's management is managed in a satisfactory manner.

Auditor's responsibility

My objective regarding the audit of the management, and hence my statement of discharge, is to obtain audit evidence in order to be able to assess with reasonable certainty whether any board member or the CEO in any material respect:

- carries out any act or been guilty of any omission could give rise to liability for damages
- In any other way acted in violation of the Companies Act, the Annual Accounts Act or the Articles of Association.

My goal regarding the revision of the proposed disposal of the company's profit or loss, and hence my statement about this, is to reasonably assess whether the proposal complies with the Companies Act.

Fair security is a high degree of security, but no guarantee that a review conducted in accordance with generally accepted auditing standards in Sweden will always detect any actions or omissions that may cause liability to the company or that a proposal for disposal of the Company's profit or loss is not Compliant with the Companies Act.

A further description of my responsibility for the audit of the administration is available on the Auditors FSA website:

www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is part of the audit report,

Strömstad on June 27, 2017

Magnus Frostung
Chartered Accountant

These accounts are a translated version for information purpose only, the original language version prevails in the event of any discrepancies between the English translation and the original.