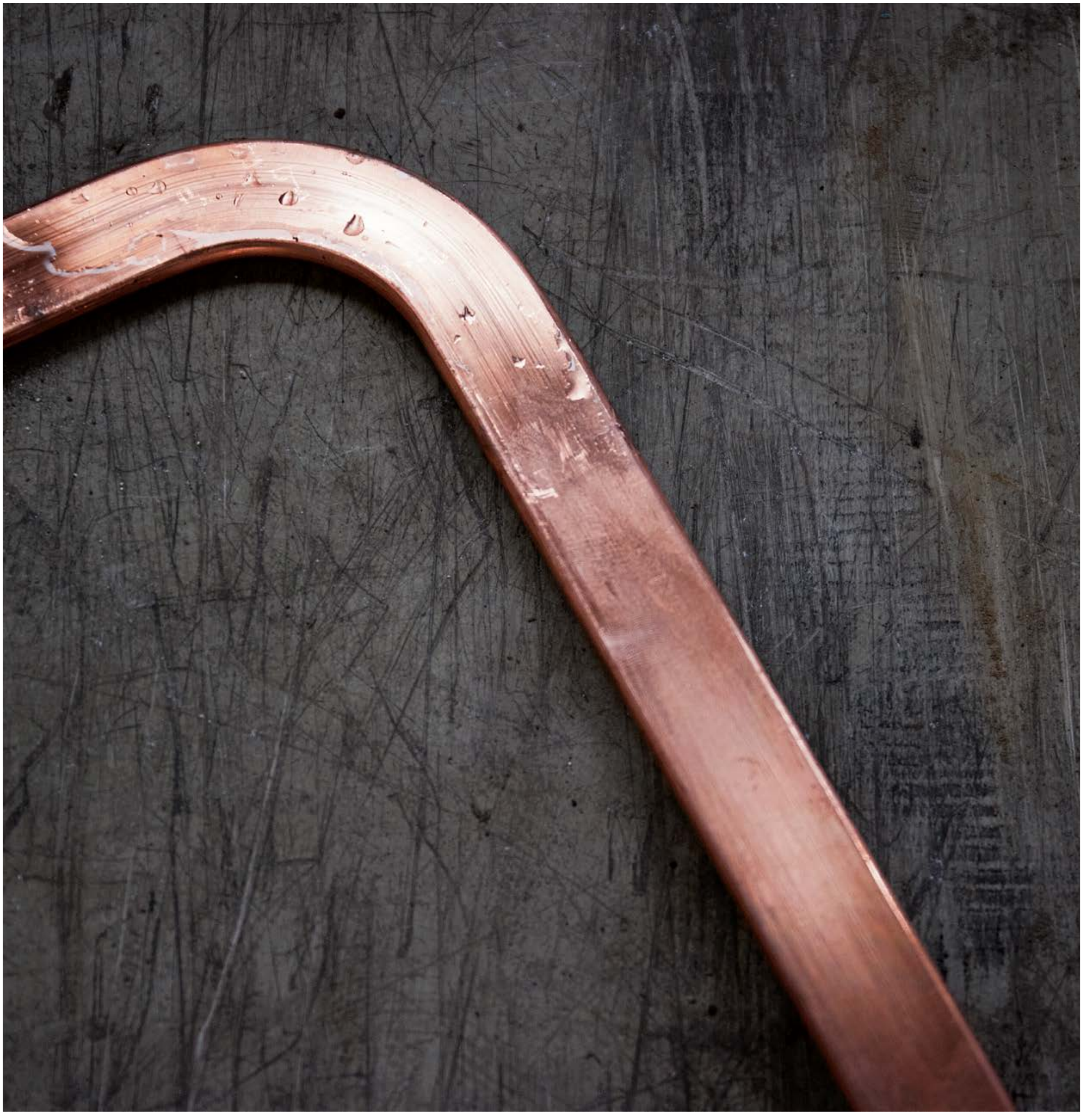
ANNUAL REPORT
2020/2021

STENA METALL



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COVER PHOTO – COPPER CONNECTOR

An electric vehicle battery consists of several important components that must be taken care of in the recycling process. Pictured is a copper connector that connects the modules in some battery packs.

THE YEAR IN BRIEF

- The Stena Metall Group reported an EBITDA of SEK 3,062 million (SEK 1,567 million). EBT increased from SEK 559 million to SEK 1,947 million.
- The Recycling business delivered a good result driven by a strong demand for services in all product areas. EBITDA for Recycling totalled SEK 2,052 million (SEK 1,305 millions).
- Several strategic initiatives were initiated within Stena Recycling, including a major investment in a new recycling process for batteries in Halmstad and an extended investment in plastic recycling in Poland and Italy.
- Improved results for Stena Stål and Stena Metall Finans.

2,129

OPERATING PROFIT, SEK MILLION

KEY FIGURES

SEK million	**2020/2021**	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Net sales	**28,191**	23,658	27,391	26,681	22,354	16,404
EBITDA[1]	**3,062**	1,561	1,607	1,657	1,382	987
Operating profit	**2,129**	698	920	932	758	472
Shareholders' equity	**8,349**	6,825	6,524	5,737	5,135	4,750
Equity ratio, %[2]	**44.3**	43.0	44.3	39.0	37.5	39.2
Average number of employees	**3,562**	3,506	3,497	3,756	3,365	3,152

1) Result before financial income and expenses, taxes and depreciation.
2) Shareholders' equity as a percentage of total assets.

STRENGHTHENED POSITIONS FOR THE STENA METALL GROUP

The financial year 2020/2021 was a strong year for the Stena Metall Group and was characterized by a positive market trend and a high development rate. Stena Metall thus continued to strengthen its position as the leading recycling company in the Nordic region. Profit before tax was SEK 1,947 million.

The financial year 20/21 was a year when we got most things right. In the midst of what was, for all of us, a strange pandemic with a lot of anxiety and uncertainty, the majority of Stena Metall's operations experienced a very positive market development. We injected energy and power into our decentralized organization at an early stage. In all companies, and in Stena Recycling in particular, we sought to instill courage and strength in our troops. With focus on the business and the closeness to our customers, suppliers and other business partners, we early on took a step forward in a period when many others were doing the opposite.

In addition to all the ongoing investments in the new recycling processes along the value chain, for example Stena Nordic Recycling Center (SNRC), we have broadened the business, developed the range of products and services, and continued to develop our large logistical set up with the aim of strengthening the revenue base and being able to do more and better business. With a focus on continuous value creation, we have worked closely with our customers, suppliers and partners, which has generated many exciting new business opportunities.

I am extremely impressed by the collective business acumen of Stena Metall over the past year. Our model of clearly delegated business acumen, where we ensure that everyone has the mandate to do business, has worked really well during this period.

CONTINUED GROWTH IN STENA RECYCLING

As the Nordic region's leading recycling company, Stena Recycling has advanced its positions further. Through a combination of acquisitions and in-house development, we continue to find new solutions that further increase the degree of refinement in recycling, while at the same time collaboration with customers and partners in developing sustainable, circular solutions is growing rapidly.

Our large network of branches, close to our customers, forms a solid foundation for good growth. There is an exciting potential in this recycling system with around 175 branches, linked via increasingly efficient logistics with regional, as well as more central, production units.

SNRC is the hub of the industrial recycling infrastructure we have established in the Group, and SNRC has continued to contribute to significantly increased recycling rates and higher quality output. We are continuously investing in new recycling processes as well as in new productivity improvements. This is going on not only at SNRC but also at other parts of Stena Recycling. In our efforts to meet the demands of some major customers, and to further improve the quality of the raw material from our aluminium scrap, work has for example started on establishing a completely new processing line at SNRC. A brand new facility for recycling of lithium-ion batteries from vehicles is also being built at SNRC.

In Poland, a new upgraded precious metals recycling process was started during the year, in parallel with the establishment of a new processing line for so called LDPE plastic, similar to the one at SNRC. Based on the positive experience with our electronic plastics processing line, a decision has also been taken to establish a similar plant in Italy.

In Denmark, we have invested in a brand new processing line for more efficient sorting of aluminium scrap, which creates a higher quality of recycled raw material.

An important part of the Group's continuous improvement work is the lean inspired program used in production and referred to as Stena Way of Production (SWOP). The program is based on the promotion of a culture of continuous improvements that is a natural part of the way we work in all our branches. We have now reached such a level of maturity in this approach that we can clearly see a stability in our key value-creating processes.

PARTNERSHIPS PROVIDE NEW CIRCULAR SOLUTIONS

Within Stena Recycling, an increasing number of collaborations with several of our customers and partners in developing new, sustainable circular businesses are underway. These focused, value-creating projects create truly exciting solutions for the benefit of all parties.

An example of such projects is Stena Recycling in Denmark, which has entered a new partnership agreement with LEGO where all waste streams in Denmark are collected, processed and recycled. LEGO wishes to create full transparency and traceability on all their waste streams in Denmark and thereafter implement this solution globally. LEGO tops the most powerful global brands list 2021 and we are proud to have been selected as their partner in developing both recycling solutions and metrics in LEGO in order to strive for sustainable solutions in their core business.

Another example is at SNRC, where we have successfully developed our sensor sorting of complex metal scrap so that we separate clean stainless steel grades that are recycled at Outokumpu Stainless AB in Avesta. This has enabled an increased recycling rate, and created a circular flow of stainless steel scrap in Scandinavia.

Open collaboration and partnership dialogue are key aspects of PF Logo Express' and Stena Recycling Poland's joint journey to achieve their sustainability goals. Over the years, a lot has been achieved together; new sorting processes have been introduced, internal logistics related to waste has been optimized, and innovative solutions to manage many fractions in line with the waste hierarchy have been found. All of this has enabled us, among other things, to increase the level of waste recycling and to improve cost efficiency in the waste management area.

In the summer of 2020, Volvo Cars communicated that the recall of about 2 million cars globally was necessary for the replacement of a component related to the seat belt. For the Swedish market, 500,000 components were to be replaced over a two-year period. There was concern about what a safe, secure and circular solution would look like. Through a close collaboration between Stena Recycling and Volvo Cars, we were able to deliver a solution that ensured safe collection, decontamination of the pyrotechnic component, and recycling of the residual material. We are now approaching a milestone where half of the components have been collected, the solution is proven to work well, and all parties involved are very satisfied.

STENA CIRCULAR CONSULTING CONTRIBUTES TO STRENGTHENED POSITION

During the year, the new strategic initiative Stena Circular Consulting (SCC) was launched, first with a preview in October 2020 and then as an actual operation from April 2021 when a unit manager was appointed. The aim of SCC is to build and provide strategic advice to customers in areas related to the transition to a more circular economy. This is a new area for Stena Metall and strengthens the Group´s leading position as a circular partner by complementing the recycling business with a consultancy offering.

RAPID PACE OF DEVELOPMENT IN DIGITALIZATION

The demands on Stena Recycling are increasing - our customer relationship is normally primarily B2B, but in the digital interface the customer expectations are much more similar to those in B2C. We want to meet this demand and need, and to do so we have started and launched several activities and initiatives during the financial year. For example, Stena Recycling has started a new department focused on digital transformation. This is the second step in the ongoing digital transformation within the Stena Metall Group.

We have also built and launched an eCommerce solution to sell services and products. This is now being scaled up to be rolled out widely.

The already established solution - the Customer Portal - has been expanded with more advanced functionality to increase usage in all countries in the Stena Recycling Group, which has also been the first step in creating an integrated web experience for our customers. The pace of development is high, and we expect to further strengthen the company's leading position in digital customer interaction.

STRONG YEAR FOR STENA ALUMINIUM AND STENA STÅL

The past financial year was characterized by improved market conditions for both Stena Aluminium and Stena Stål. Increased demand and rising prices have contributed to improved results in both companies.

At Stena Aluminium, several exciting customer partnerships, with a focus on circular solutions, have been initiated during the year. These include the collaboration with Ljunghälls and Volvo Cars, where aluminium from end-of-life vehicles is recycled via Stena Recycling and then returned via Stena Aluminium to the industry as components made from recycled raw material.

Several new circular partnerships have been launched in the energy sector as well.

Stena Oil is Scandinavia's leading bunker company and was an early supplier of low-sulfur bunker oil. In a more volatile oil market, the company has strengthened its market-leading position during the year. The result was lower than in the previous year.

During the year, HaloSep, our unique technology for handling hazardous waste from incinerators, completed the design of a development facility planned to be built in Gothenburg. The full-scale plant in Copenhagen has been in full operation since the beginning of the year and is delivering results fully in line with expectations. Customer interest remains strong, with several advanced discussions both in the Nordic region and around the world.

BatteryLoop continues to grow. Demand for energy storage and energy management services in buildings, logistics centres and ports is increasing in line with electrification. The forecast is an increase of about 40% per year. BatteryLoop continues to develop these products and services to meet the demand. BatteryLoop has delivered two full-scale systems during the year. One system is in a marine environment, and the other in a building with associated solar power generation and vehicle charging stations.

GOOD RESULTS IN STENA METALL FINANS

Stena Metall Finans has delivered a strong result, thanks to good discipline and a well-balanced level of risk in its financial investments.

Collaboration with other Group companies on financial risks, in particular counterparty risks, has been very good during the year and has contributed to the Group's good results.

Increased raw material prices for virtually all types of materials have contributed to significantly higher working capital commitments, with Stena Metall Finans contributing to very good liquidity and a high degree of financial freedom during the year thanks to access to unused credit facilities.

In times of greater uncertainty than normal, it feels very satisfying to be able to state that the Stena Metall Group's financial position remains strong.

INCREASED VOLATILITY IN COMMODITY MARKETS

At the time of writing, market conditions remain good for most of our businesses. However, since a few months back, volatility in the commodity markets has increased, resulting in relatively large price fluctuations. Commodity prices, though, remain at a relatively high level, while demand for high quality recycled raw materials has increased. However, global supply chain disruptions, energy shortages and growing trade policy challenges generate increasing pressure on the global system, resulting in for example component shortages, high freight costs and volatile volume trends.

Regardless, major price fluctuations and periods of increased market volatility pose recurring challenges that we must address. Our financial position is strong and by maintaining financial discipline we are well equipped to handle the situation in the best possible way.

Gothenburg, November 2021

Anders Jansson

MARKETS AND PRICES

Market development in 20/21 continued to be marked by COVID-19. Unlike at the beginning of the pandemic, when there was turbulence and sharp falls in commodity prices, markets have recovered and performed strongly during the year, with some commodity prices setting new records.

NON-FERROUS

Metals markets were generally very strong during the year. Prices on the London Metal Exchange (LME) rose steadily during the autumn as growth recovered at a rapid pace. There was a consolidation in December and January in connection with the strong second wave of the pandemic, following which optimism returned in the spring as vaccination took off, the Brexit deal was put in place and huge stimulus was promised by the new US administration. Societal pressure for green transformation is also a strong driver of demand for metals, and prices peaked in May with the price of copper at its highest level ever on the LME. During the summer we saw more of a consolidation of prices at the new high levels.

Demand for scrap metal has been good to strong from virtually all markets thanks to the strong economic recovery. However, the high price of copper, coupled with severe import restrictions in China, has led to a very good supply of scrap in Europe, resulting in record high discounts against the LME. The biggest change was in the aluminium scrap market, which went from ice-cold last year to red-hot this year thanks to the turnaround in the automotive industry. The stainless steel scrap market also developed very tightly as European steel mills had high production and the alloy metals nickel, chromium and molybdenum also rose sharply in price. The high demand for scrap metal looks set to continue. Companies' drive for greater sustainability is a strong incentive to increase the use of recycled metals.

FERROUS SCRAP

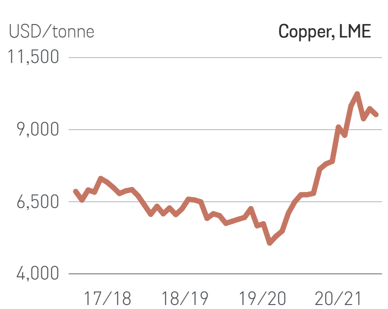
The year began on the road to recovery from the pandemic slump in the market and during the year long-standing price records were set several times. Coordinated stimulus measures around the world quickly generated strong demand in basic industries, which was sustained throughout the year. Stimulus measures and post-pandemic reopening have generated inflationary pressures where commodities have been early movers.

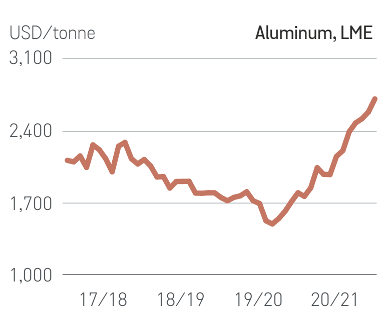
In January 2021, China allowed imports of scrap iron and during the year it also phased out VAT refunds on exports of steel products to reduce surplus production and thus meet carbon targets. Europe, which opened later, has seen a strong recovery of the steel industry in the second half of the year, generating stronger than normal demand in our home markets.

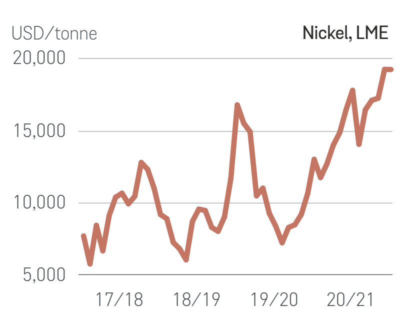
RECOVERED PAPER

The business year for mixed paper and collected corrugated board has largely been characterized by the global pandemic. During the autumn, we entered a second wave of COVID-19, which negatively affected collected volumes across the continent and thus pushed prices upwards. However, as the market stabilized in the spring, demand for packaging materials soared, resulting in increased demand and continued price rises. The coming financial year looks set to see continued stable demand and prices at current strong levels.

The graphic arts industry has continued to be affected by the pandemic during the year, with an uneven supply of raw materials and a general shortage of raw materials as a result. The newspaper market has undergone major changes with several large groups announcing and implementing closures and conversions of newsprint mills. Tissue mills have had a more stable production and supply during the year compared to the other graphic segments.







For the coming year, we can expect continued changes in the graphic sector, especially on the newspaper side.

PLASTICS

We leave behind a year in which global prices for recycled plastics have risen to historically high levels and demand for materials has increased across the board. After a rather cautious start to the year, with relatively stable prices and marked by a second wave of the pandemic, the market really took off in early 2021. At that time, virgin material prices had started to rise as a result of previous production cutbacks and supply problems in the petrochemical industry. In the aftermath, a severe shortage of materials was created, causing virgin material prices to skyrocket, reaching new record levels in the spring.

At the same time, plastics processors around the world began looking for recycled raw materials to keep their production going. Prices for standard grades such as PE and PP more than doubled in a short period of time, with post-consumer materials experiencing the biggest surge. The latter is also a consequence of a growing commitment from industry and brand owners to use more recycled content in their products. In chemical recycling, we have seen new alliances forming and the technology is seriously establishing itself as a complement to the more traditional mechanical recycling.

ALTERNATIVE RAW MATERIALS

Flows of combustible operational waste have been normal during the year. One exception is low collection and imports during January and February, which led to a short-term shortage for the incinerators. Treatment charges are expected to be higher from the beginning of the year, partly because the cost of emission allowances is increasing continuously, and partly because the incineration tax is being raised by SEK 25/tonne to SEK 125/tonne.

Demand and consumption of RT chips (recycled wood) has been lower than expected. There has been a very good supply of residues from the forest industry and prices have been low. In the contracts for the fuel season, which starts in August 2021, the prices for recycled wood are lower. However, there are regional differences. The fall in prices is a break in the trend compared to the previous three years' rises.

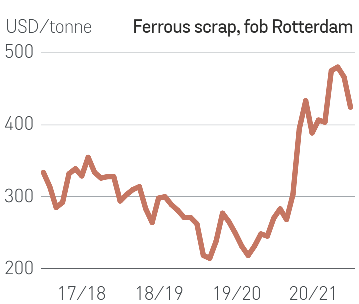
Pre-treatment and biogas plants generally show a strong interest in food waste. During the year, new facilities have been built and some facilities have been upgraded. A growing challenge is the ability of facilities to handle packaged food. In some cases, the conditions for deliveries to biogas plants have changed at short notice. It is very likely that the price for the reception of food waste will increase.

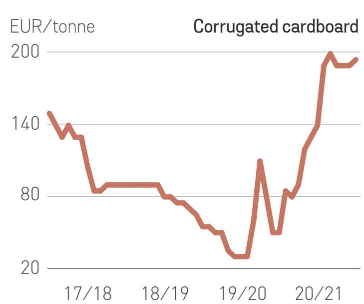
STEEL

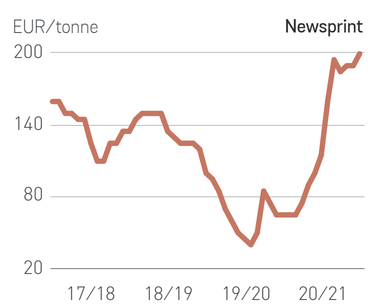
The steel market and price developments have been particularly dramatic during the year.

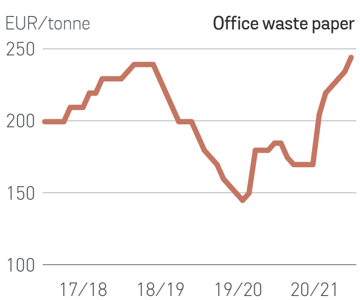
From September to November, demand was virtually stagnant. The market conditions affected by the pandemic had stabilized. Demand from the engineering sector had begun to recover slightly, while construction-related demand fell as a result of fewer construction projects being started.

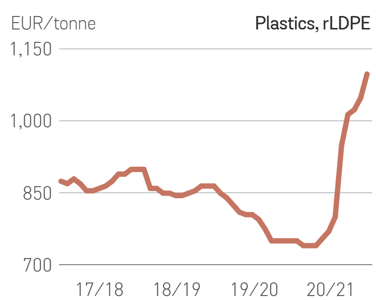
An increase in global vaccination and sustained consumer demand boosted economic activity during the winter. It gradually became clear that the supply chains of the steel industry were not











able to deliver the volumes that followed from a reopening of society. As a result of the shortage of materials, prices rose rapidly. In May, prices surpassed the "all time high" levels of 2008 and since then the price increases have only continued. As we exit this year, prices are on average 80% higher compared to September 2020.

The largest increases are recorded in sheets and tubing, where the rise is just over 100%. For other product groups, the increases vary between 60% and 80%. Industry-related products have faced the biggest supply challenge and price increases.

Demand is expected to remain at the current level. Delivery times from steel mills remain long, but capacity looks set to increase to meet demand. This means that price developments are likely to level off and that we may also see some adjustments. However, most of the price increases we have seen will persist and a new price level has been established.

FREIGHT

During the year, the freight market has been extremely strong, with the cost of transporting goods doubling several times over. At the beginning of the pandemic, industrial production was halted in many parts of the world, with a consequent drop in demand, but demand subsequently exploded. Most modes of transport remain out of balance, with abnormally high costs of transporting goods. Lead times have also been extended. Generally strong global growth has contributed to a shortage of transport capacity and pushed up freight rates. The year has also seen several major disruptions to supply chains due to pandemic-related port closures, as well as the blocking of the Suez Canal by the container ship Ever Given which was grounded during a storm in the Suez Canal amidst an acute semiconductor shortage. Throughout the year, normal price premiums have been put out of action due to the above factors and very high transport costs. The regionalization of trade has reduced long-distance transport during the year.

OIL

Crude oil prices have steadily recovered over the year from the historically low levels seen during the pandemic, back to pre-pandemic price levels.

Behind the recovery are factors such as the widespread roll-out of COVID-19 vaccinations, higher demand, a lower dollar, but above all OPEC+ has held back production increases. This has also pushed global oil stocks down to more normal levels.

Due to continued travel restrictions during the year, demand for aviation fuel has been almost non-existent. Typically, aviation fuel accounts for about 8% of global demand.

Iran's election of a new president during the year meant that the country's oil volumes were kept off the global market. US shale oil producers hope to regain volumes and profitability as oil prices rise and demand increases.

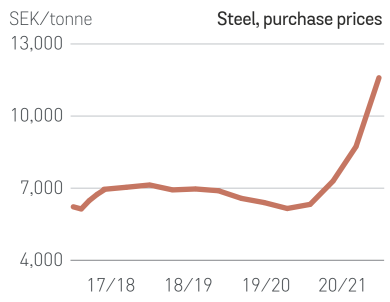
As investments focus increasingly on the goal of zero emissions, the oil market will shift towards greener fuels in the long term, but in the short term, demand for oil is expected to remain high.

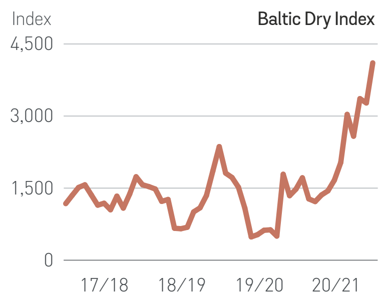
HAZARDOUS WASTE

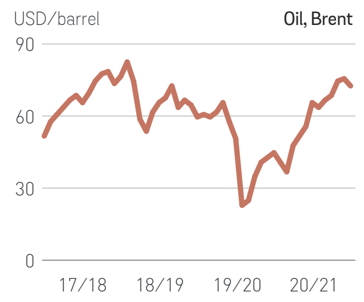
Hazardous waste (HW) is a fraction that everyone agrees should be removed or minimized as much as possible. Despite this, more HW is generated than ever before due to increased consumption and changes in waste classifications.

The volumes of hazardous waste have been affected by the pandemic and its aftermath. Some sectors have significantly increased their waste volumes while others have stagnated or decreased. However, the hazardous nature of the hazardous waste can be considered to have decreased as several of the most hazardous chemicals have been phased out from the market, such as chlorinated solvents, PCBs and pesticides of various kinds. During the year, new requirements were introduced by the authorities in Sweden regarding the traceability of hazardous waste.

In August 2021, a tragic accident occurred at Currenta GMBH in Leverkusen, where an explosion occurred in its liquid HW warehouse and seven people were killed. Because of the accident the plant had to be closed for an extended period, and the volumes processed in the plant had to find other alternatives. Alternatives are few and far between, and many facilities have been fully booked for a long time, making a challenging sales market for HW even more challenging.







All graphs refer to prices during the period September 1, 2017 to and including August 31, 2021. All graphs indicate monthly figures. Source: MBR and Stena Metall.

DIRECTORS' REPORT

The Board of Directors and the President of Stena Metall Aktiebolag, corporate identity no. 556138-8371, with its registered address in Gothenburg, Sweden, herewith presents the report for the financial year September 1, 2020 to August 31, 2021.

ABOUT STENA METALL

The Stena Metall Group conducts operations in seven business areas in more than 200 locations in ten countries. The recycling business is a leader with highly advanced logistical solutions, industrial processing and a growing range of services related to waste management and recycling.

The Group also includes production of recycled aluminium, supply of steel products, financial operations and international trading in ferrous and non-ferrous metals and oil. At the end of the financial year 2020/2021 the Group had operations in Sweden, Norway, Denmark, Finland, Poland, Switzerland, Germany, Italy and the U.S.

The 2020/2021 financial year has been a strong year in terms of results for the Stena Metal Group. Although this financial year has also been characterized by a large number of uncertainties due to the pandemic, market development for most of the Stena Metall Group's operations has been very positive. We have experienced historic increases in commodity prices and, with strong growth and confidence in the world around us, we have also seen a rapid increase in demand during the year for the majority of the commodities the Group works with.

The Group managed to inject energy and power into our decentralized organization at an early stage. With a strong focus on the business and proximity to customers, suppliers and other business partners,
we took an early step forward. In addition to continuing to invest in our businesses, we have succeeded in broadening our business and developing our range of products and services in the market.

MARKET

Recycling

Stena Recycling has recycling operations in Sweden, Norway, Denmark, Finland, Poland, Germany and Italy.

The business year 2020/2021 was a successful year for Stena Recycling. With a strong focus on business leadership and improved internal processes, Stena Recycling has been able to deliver in a market climate with increased raw material prices and a high demand for our goods and services.

Sales in the business area amounted to SEK 18,680 million (14,675) with operating profit of SEK 1.458 million (655).

Aluminium

Stena Aluminium is the leading producer of recycled aluminium in the Nordic region. There has been a high demand for alumnium alloys, which has also led to rising prices during the year. Stena Aluminium is performing well through skillful business management and with a strong focus on strengthening its gross margin.

Operating profit amounted to SEK 32 million (–38). Sales amounted to SEK 1,122 million (854).

Steel

Stena Stål operates in Sweden and Norway and offers a wide range of steel products. Demand for steel products has been good during the year, driving up prices. On average, prices have increased by 80% during the year. Stena Stål has managed the rapid price changes during the year through close contact with its customers. Stena Stål's turnover decreased slightly compared to the previous year as a result of a strategic decision to leave the steel service center.

The business area's operating result and sales amounted to SEK 178 million (1) and 2,160 million (2,209), respectively.

Components

As a result of a long-term strategic decision, Stena Components Nybro AB was divested during the financial year. The new owners took over the company on 1 July 2021.

Sales and operating profit up to the date of the divestment amounted to SEK 115 million (127) and SEK –3 million (–11) respectively.

Oil

Stena Oil is Scandinavia's leading supplier of bunker oil and marine waste solutions for ships in Skagerak, Kattegatt and the North Sea region.

Stena Oil has continued to operate at high volumes in a competitive and volatile market. In February 2021, the new 5600 dwt bunker tanker was delivered and is now operating in the Scandinavian market.

Sales and operating profit amounted to SEK 6,105 million (5,788) and SEK 35 million (124) respectively.

FINANCE OPERATIONS

Stena Metall Finans manages investment operations and internal banking for the Group from Gothenburg and Zug, Switzerland. During the financial year, Stena Metall Finans succeeded in generating a very good result in a volatile market.

Operating profit amounted to SEK 652 million (37).

CHANGES IN THE GROUP'S COMPOSITION

During the year, Allmiljö in Umeå was acquired by Stena Recycling AB by way of an asset acquisition. In addition, Pirkanmaan Uusiometalli Oy was acquired and merged into Stena Recycling Oy during the year. Stena Metall AB acquired three companies, all of which own properties. AB Stena Metall Finans started Kollsholmen Shipping AB during the year. The company in turn acquired the vessels Stena Scandica and M/V Skåne.

Stena Components Nybro AB and Vingaren Rederi AB was divested.

ENVIRONMENTAL INFORMATION

The majority of the Group's operations – 200 facilities – is subject to environmental notification or permit requirements according to the Environmental Code.

The biggest environmental impacts from these operations are noise and soil, air and water emissions from handling and processing incoming material. All companies have appointed individuals with responsibility for safety and environmental work. Employees continuously receive environmental, fire safety and other safety training in accordance with company-specific training plans and programs.

SUSTAINABILITY REPORT

In accordance with chapter 6, section 11 of the Annual Accounts Act, Stena Metall has chosen to prepare a sustainability report separately from the annual report. The sustainability report can be found in the Annual Review and Sustainability Report 2020/2021 and on the company's website, www.stenametall.com.

PERSONNEL

Stena Metall has a strong corporate culture and believes in people and their ability to create results. Employees and their skills are the key to the Group's success, which is why we continually strive to develop our people and our leadership. Through skills, behavior and abilities value is created every day. Currently, 3,562 people work together in the Stena Metall Group, of whom 26% are women and 74% men.

In a year marked by the pandemic, the Group has successfully adapted to new circumstances. The Group's learning and development programs have been transformed into digital form. We continued the roll-out of our internal leadership programs and employer branding and culture projects. A long-term People Strategy has been developed to create a common direction for people and culture, focusing on key initiatives to attract, engage and develop skills.

RESEARCH AND DEVELOPMENT

The Group conducts a number of environmental technology projects, some on its own and others in cooperation with customers, institutes of technology, universities, public authorities, organizations and other businesses. In total, approximately SEK 22 million (20) was spent on research and development during the year.

ACCOUNTING PRINCIPLES

The same accounting principles and methods of calculation have been used as in the previous year's Annual Report. The Group's accounting principles can be found on pages 17–21.

In its operations, the Group is exposed to a number of financial risks: market risk, price risk, counterparty risk and liquidity risk. The Group's risk exposure and management of these risks are explained in Note 25.

MATERIAL RISKS AND UNCERTAINTIES

The Stena Metall Group is exposed to a number of risk factors outside its control, wholly or in part, but which can affect the Group's profit and working capital. Demand for and purchase of the company's products is controlled by activities in the steel works, paper mill, construction industry, transport sector, manufacturing, private market etc. The company follows up trends in the market on a regular basis to adapt to the prevailing conditions.

SALES AND PROFIT

The Group's turnover amounted to SEK 28,191 million (23,658), an increase of 19.2% compared to the previous financial year. The Parent Company's turnover amounted to SEK 242 million (205), of which intra-Group transactions accounted for SEK 238 million (201).

The Group's profit for the year and comprehensive income amounted to SEK 1.653 million (449) and SEK 1.635 million (411) respectively. The Parent Company's profit for the year, which is equal to its comprehensive income, was SEK 10 million (12).

FUTURE OUTLOOK

With a continued focus on internal improvements and business leadership combined with maintained financial discipline, the Stena Metall Group is well equipped for the future.

PARENT COMPANY

The Parent Company's operations primarily consist of leasing properties to Group companies and supplying certain Group-wide functions.

PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors proposes that the unappropriated earnings in the Parent Company, amounting to SEK 2,730,589,957, be distributed as follows:

- Dividend to shareholders of SEK 450,000,000.
- To be carried forward, SEK 2,280,589,957.

GROUP

INCOME STATEMENT

September 1 to August 31, SEK millions	Note	2020/2021	2019/2020
Net sales	2	28,191	23,658
Cost of goods sold	4, 27	–25,288	–21,677
GROSS PROFIT		**2,903**	**1,981**
Sales expenses	4, 27	–419	–397
Administrative expenses	3, 4, 27	–1.148	–1.053
Other operating income and operating expenses	5	793	167
OPERATING PROFIT	2	**2,129**	**698**
Income from investments in associated companies	6	5	4
Net interest income	6	–140	–154
Other financial income and expenses	6	–47	11
PROFIT BEFORE TAX		**1,947**	**559**
Taxes	7	–294	–110
PROFIT FOR THE YEAR		**1,653**	**449**
OTHER COMPREHENSIVE INCOME			
Items that can later be reclassified to profit or loss:			
Change in value of hedging reserve		–7	–8
Translation differences		–8	–53
Revaluation hedge of net investment		–3	24
Items that will not be reclassified to profit or loss:			
Translation of provision for pensions and similar obligations		—	–1
TOTAL COMPREHENSIVE INCOME		**1,635**	**411**
Profit/loss for the year is attributable to:			
Parent Company's shareholders		1,653	449
Non-controlling interests		—	—
PROFIT FOR THE YEAR		**1,653**	**449**
Total comprehensive income attributable to:			
Parent Company's shareholders		1,635	411
Non-controlling interests		—	—
TOTAL COMPREHENSIVE INCOME		**1,635**	**411**

GROUP

BALANCE SHEET

ASSETS

August 31, SEK millions	Note	2021	2020
Fixed assets			
Intangible fixed assets			
Goodwill	8	592	565
Trademarks and customer relationships	8	233	242
Other intangible fixed assets	8	189	120
TOTAL INTANGIBLE FIXED ASSETS		**1,014**	**927**
Tangible fixed assets			
Buildings	9, 22	1,954	1,803
Land and other real estate	9	921	833
Plant and machinery	9, 22	4,082	2,675
Equipment	9	48	56
Construction in progress	9	185	146
TOTAL TANGIBLE FIXED ASSETS		**7,190**	**5,513**
Financial fixed assets			
Shares and participations in associated companies	10	12	9
Other long-term securities	11	1,668	1,053
Deferred tax assets	17	208	179
Other long-term receivables	12	55	74
TOTAL FINANCIAL FIXED ASSETS		**1,943**	**1,315**
TOTAL FIXED ASSETS		**10,147**	**7,755**
Current assets			
Inventories	13	**1,986**	**1,290**
Short-term receivables			
Accounts receivable	14	3,014	2,103
Current tax assets		38	79
Other receivables	14	401	313
Prepaid expenses and accrued income	14	633	547
TOTAL SHORT-TERM RECEIVABLES		**4,086**	**3,042**
Short-term investments		1,476	1,201
Cash and cash equivalents	15	1,140	2,578
TOTAL CURRENT ASSETS		**8,688**	**8,111**
TOTAL ASSETS		**18,835**	**15,866**

SHAREHOLDERS' EQUITY AND LIABILITIES

August 31, SEK millions	Note	2021	2020
Shareholders' equity			
Share capital		13	13
Reserves		45	63
Retained earnings		6,635	6,298
Profit for the year		1,653	449
Non-controlling interests		3	2
TOTAL SHAREHOLDERS' EQUITY		**8,349**	**6,825**
Long-term liabilities			
Pensions and similar obligations	16	10	11
Deferred tax liabilities	17	470	348
Other provisions	18	666	626
Bond loans	19	2,600	3,400
Interest-bearing liabilities	20, 22	1,603	629
Other liabilities	20	7	2
TOTAL LONG-TERM LIABILITIES		**5,356**	**5,016**
Current liabilities			
Bond loans	19	800	868
Interest-bearing liabilities	21, 22	237	276
Accounts payable		2,040	1,297
Current tax liabilities		118	15
Other liabilities	21	226	256
Accrued expenses and prepaid income	21	1,709	1,313
TOTAL CURRENT LIABILITIES		**5,130**	**4,025**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**18,835**	**15,866**

GROUP

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to Parent Company's shareholders					
	Share capital	Reserves	Retained earnings including profit for the year	Total	Non-controlling interests	Total sharehold-ers' equity
OPENING BALANCE AT SEPTEMBER 1, 2019	13	100	6,409	6,522	2	6,524
PROFIT FOR THE YEAR			449	449		449
Change in hedging reserve		–8		–8		–8
Change in translation reserve		–53		–53		–53
Change in hedge of net investment		24		24		24
Recalculation of provisions for pensions			–1	–1		–1
OTHER COMPREHENSIVE INCOME FOR THE YEAR		–37	–1	–38		–38
Share dividend			–110	–110		–110
CLOSING EQUITY AT AUGUST 31, 2020	**13**	**63**	**6,747**	**6,823**	**2**	**6,825**
PROFIT FOR THE YEAR			1,653	1,653		1,653
Change in hedging reserve		–7		–7		–7
Change in translation reserve		–8		–8		–8
Change in hedge of net investment		–3		–3		–3
Recalculation of provisionsfor pensions			0	0		0
OTHER COMPREHENSIVE INCOME FOR THE YEAR		–18		–18		–18
Adjustment for the year Change in non-controlling holdings			–2	–2	1	–1
Share dividend			–110	–110		–110
CLOSING EQUITY AT AUGUST 31, 2021	**13**	**45**	**8,288**	**8,346**	**3**	**8,349**

Hedging reserve
The reserve relates to the change in fair value change of derivative instruments which hedge a binding commitment in foreign currency.

Translation reserve
Exchange rate differences attributable to the translation of the Group's foreign subsidiaries' functional currencies to SEK are accumulated in the translation reserve.

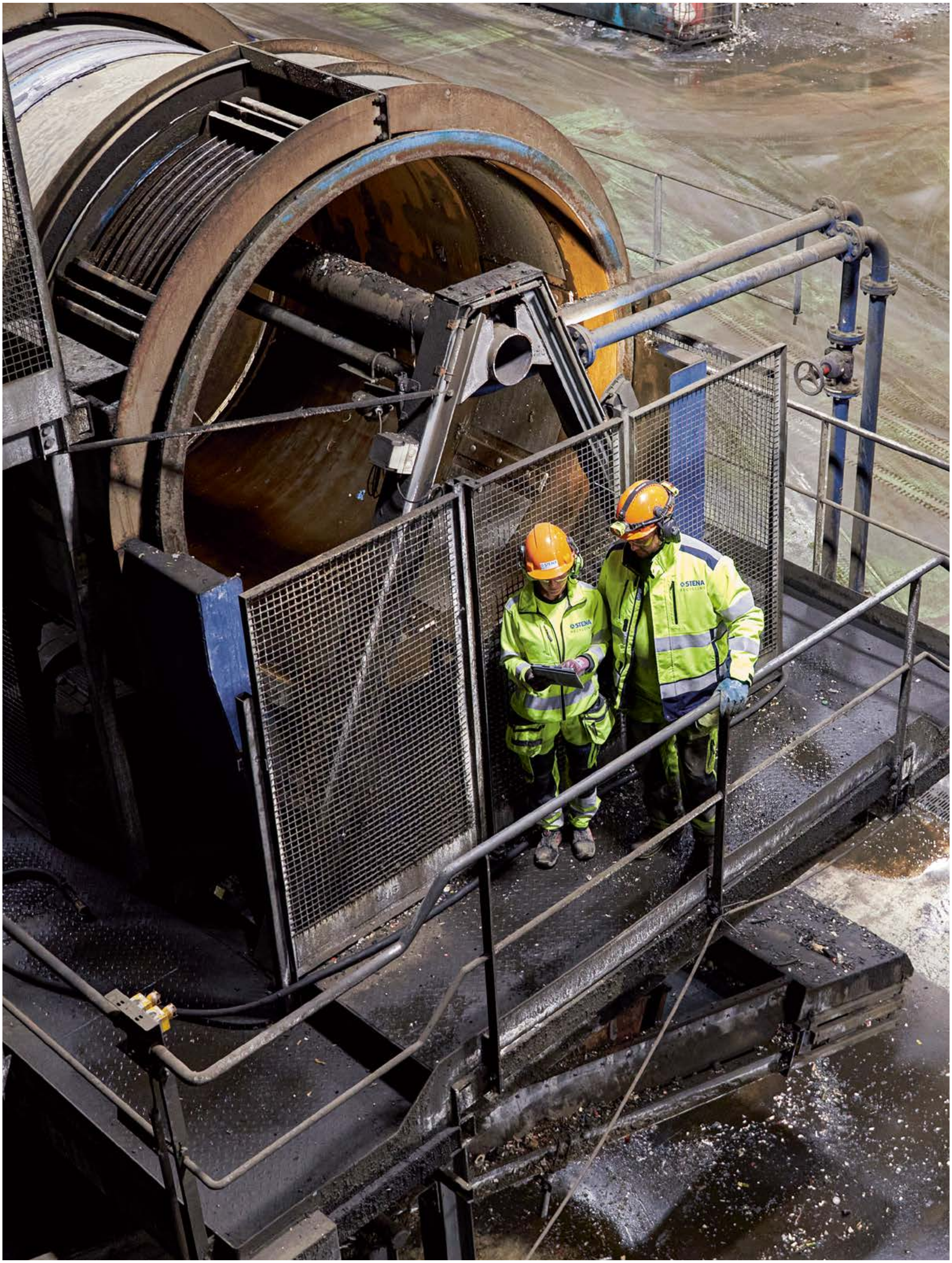
Reserve for hedging of net investment
The reserve comprises the revaluation of loans raised to hedge net investments in subsidiaries.

Non-controlling interests
Refers to the minority interests in Bilretur ABC AB (49%) 1 (1) and Tred Carpi spa (4%) 2 (2). The minority shareholding in Repur AB (0.5%) and BatteryLoop Technologies AB (6.25%) was acquired during the year and the companies are now 100% owned by the Stena Metall Group.

GROUP

STATEMENT OF CASH FLOWS

September 1 to August 31, SEK millions	Note	2020/2021	2019/2020
Operating activities			
Profit before tax		1,947	559
Adjustments for non-cash items		843	975
		2,790	1,534
Taxes paid		−69	−45
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**2,721**	**1,489**
Cash flow from changes in working capital			
Increase(–)/Decrease(+) in inventories		−738	364
Increase(–)/Decrease(+) in short-term receivables		−1,085	565
Increase(+)/Decrease(–) in current liabilities		1,246	−446
CASH FLOW FROM OPERATING ACTIVITIES		**2,144**	**1,972**
Investing activities			
Acquisitions of subsidiaries and assets		−191	−12
Sale of subsidiaries		—	16
Acquisition of intangible fixed assets		−92	−69
Acquisition of tangible fixed assets		−2,102	−523
Sale of tangible fixed assets		28	38
Acquisition of financial assets		−811	−460
CASH FLOW FROM INVESTING ACTIVITIES		**−3,168**	**−1,010**
CASH FLOW AFTER INVESTMENTS		**−1,024**	**962**
Financing activities			
Loan proceeds		903	1,800
Amortization of loan liabilities		−1,005	−1.227
Amortization of leasing liabilities		−202	−188
Share dividend		−110	−110
CASH FLOW FROM FINANCING ACTIVITIES		**−414**	**275**
CASH FLOW FOR THE YEAR		**−1.438**	**1,237**
Cash and cash equivalents at the beginning of the year		2,578	1,347
Exchange rate differences in cash and cash equivalents		—	−6
CASH AND CASH EQUIVALENTS AT YEAR END	24	**1,140**	**2,578**
Supplemental disclosure to statement of cash flows			
Adjustments for non-cash items			
Income from investments in associated companies		5	4
Depreciation and impairment of assets		733	675
Depreciation of rights of use		200	188
Unrealized translation differences		15	111
Unrealised change in value of financial assets		−228	—
Capital gain/loss on sale of tangible fixed assets		11	−14
Capital gain/loss on sale of subsidiaries		54	−16
Change in provisions		41	6
Other items not affecting cash flow		12	21
TOTAL		**843**	**975**


STENA

ACCOUNTING AND VALUATION PRINCIPLES

Stena Metall AB (the Parent Company) and its subsidiaries (together the Stena Metall Group) is a recycling company that collects, processes and recycles all types of waste. The Group also includes production of recycled aluminium, supply of steel products, financial operations and international trading in ferrous and non-ferrous metals and oil.

The Parent Company is a Swedish limited liability company with its registered address in Gothenburg. The address of the head office is Stena Metall AB, Box 4088, SE-400 40 Gothenburg, Sweden.

The annual report is prepared in millions of Swedish kronor (SEK million), unless indicated otherwise. Figures in parentheses refer to the previous year.

BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the Stena Metall Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, recommendation RFR 1 Supplementary Accounting Regulations for Groups and the Annual Accounts Act.

Fixed assets, long-term liabilities and provisions essentially consist of only the amounts that are expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and liabilities essentially consist of only the amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

The Parent Company's financial statements are prepared according to the same accounting principles as for the Group with the exceptions described in the section "The Parent Company's accounting principles".

Preparation of financial statements in accordance with IFRS requires the application of a number of significant estimates for accounting purposes. Moreover, management is required to make certain assessments in the application of the Group's accounting principles; see Note 1.

CONSOLIDATED FINANCIAL STATEMENTS

The Group's financial accounts comprise the Parent Company Stena Metall AB and all companies in which the Parent Company at the end of the financial year directly or indirectly owns more than 50% of the voting rights or otherwise exercises control. Companies acquired during the year have been included in the consolidated financial statements as of the date when control is transferred to the Group. Companies divested during the year are excluded from the consolidated financial statements as of the date when control ceases. Intra-Group receivables and liabilities as well as transactions between Group companies such as unrealized gains and losses on transactions between Group companies are eliminated on consolidation.

Business combinations and goodwill

The acquisition method is used for recognition of the Group's business combinations. The purchase price of the acquisition of a subsidiary consists of transferred assets, liabilities and contingent liabilities at fair value on the acquisition date. The purchase price also includes the fair value on the acquisition date of contingent consideration. Subsequent changes in the fair value of contingent consideration are recognized in accordance with IFRS 9 in the income statement.

If the purchase price exceeds the market value of identified assets, liabilities and contingent liabilities, the difference is recognized as goodwill. If the purchase price is less than the fair value of the acquired company's net assets, the difference is recognized directly through profit or loss. Acquisition-related costs are expensed when they arise.

Changes in the ownership of a subsidiary without a change in control

Transactions with holders without control that do not lead to a loss of control are recognized as equity transactions. This type of acquisition is reported as a share of the acquired net assets, i.e., the difference between the fair value of the purchase price paid and the actual acquired share of the carrying amount of the subsidiary's net assets, in shareholders' equity. As a result, no goodwill arises from this type of transaction.

ASSOCIATED COMPANIES

Associated companies are companies in which the Group exercises significant influence but not control, which generally applies to shareholdings with between 20% and 50% of the votes. Holdings in associated companies are accounted for using the equity method. When applying the equity method, the investment is initially valued at acquisition value and the carrying amount is increased or reduced subsequently by the Group's share of the profits or losses in the associated company after the date of acquisition. The carrying amount includes goodwill identified at the time of acquisition. When the Group's share of the associated company losses is equal to or exceeds the holding in the associated company, the Group does not report any further losses unless the Group has assumed legal or constructive obligations or made payments on behalf of the associated company.

The shares are reported in the consolidated balance sheet as "Shares and participations in associated companies", see Note 10. The consolidated income statement shows the Group's share of the associated company's profit or loss in the line "Income from investments in associated companies" in net financial items, see Note 6.

TRANSLATION OF FOREIGN CURRENCY

Translation of foreign operations

The functional currency of the Parent Company, as well as the reporting currency, and the Group's reporting currency is Swedish krona. All foreign subsidiaries report in their functional currency, which is the currency used in the company's economic environment. At the time of consolidation, all the balance sheet items are translated into Swedish krona at the rates on the balance sheet date. Income statement items are translated at the average rates. All translation differences that arise are posted directly in Group equity and are included in other comprehensive income.

Transactions in foreign currencies

Transactions in foreign currency are translated at the exchange rate applicable on the day of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate on the balance sheet date. Foreign exchange gains and losses arising at the time of translation are reported in the income statement. The exception is when the transactions are hedges that satisfy the conditions for hedge accounting of the net investments, when profits/losses are reported in other comprehensive income. Non-monetary assets and liabilites which are recognized at historic acquisition values translated at the exchange rate at the date of the transaction.

Currency rate gains and losses attributable to loans and liquid assets are reported in the income statement as financial income or expenses. Other exchange rate gains and losses are reported in the operating results.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting submitted to the top executive decision-maker. The top executive decision-maker is the function responsible for allocating resources and assessing the operating segments results. In the Group, this function has been identified as Stena Metall AB's Board of Directors, which makes strategic decisions.

The Group's segments, its areas of activity, follow the internal governance and reporting. This is the basis for identifying the main risks and varying returns in the business and is based on the different business models for the Group's end customers. The segment is responsible for operating profit and the assets used in their business operations.

Sales between segments are made on fair market terms and at market prices. The Stena Metall Group's business areas and thus segments are:

- Recycling
- Aluminium
- Oil
- Steel
- Components
- Finance

INTANGIBLE FIXED ASSETS

Goodwill

Goodwill arises in the acquisition of subsidiaries and refers to the amount by which the purchase price exceeds Stena Metall's share of the acquired subsidiary's identifiable net assets at the date of the acquisition. Goodwill is tested for impairment annually or more often if events or changes in conditions indicate the possibility of diminished value. Any impairment is immediately expensed. In any impairment testing, goodwill is distributed by cash-generating unit. The distribution applies to the cash-generating units that are expected to benefit from synergies from the acquisition. Every unit that goodwill has been distributed to corresponds to the lowest level in the Group at which the goodwill in question is monitored through internal governance. Goodwill is monitored by cash-generating unit.

IT investments

Acquired software is capitalized on the basis of acquisition and implementation expenses. The expense is written off on a straight-line basis over an estimated useful life of 5–10 years. The useful life is re-evaluated annually.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognized as assets in the balance sheet when it is likely that future economic benefits associated with the holding will be passed on to the Group and the cost of the asset can be reliably estimated. Tangible fixed assets are recognized at cost less depreciation and impairment.

Cost includes expenditures directly attributable to the acquisition of the asset.

Incremental expenses are added to the carrying amount or recognized as a separate asset, depending on which is most suitable. The carrying amount of a replaced portion is eliminated from the balance sheet. All other forms of repairs and maintenance are expensed in the period in which they arise.

The branch network is considered part of production and its costs are included in their entirety in cost of goods sold. As a result, all depreciation of fixed assets in the branch network is recognized as cost of goods sold. Other equipment relates collectively to Group sales or administrative expenses.

The cost of construction in progress is estimated on the same basis as acquired assets. An asset is reclassified once it can be put to use.

Each part of a tangible fixed asset whose cost is significant in relation to the asset's aggregate cost is depreciated separately. Land is not depreciated. Other assets are depreciated according to plan on a straight-line basis over there estimated useful life as follows:

Plant, machinery and equipment are depreciated over 5–20 years, buildings over 15–80 years and land improvements over 5–30 years.

The assets' residual values and useful lives are tested at the end of each reporting period and adjusted as needed. An asset's carrying amount is immediately written down to its net realizable value if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on the disposal of a tangible fixed asset consist of the difference between the sales proceeds and carrying amount and are recognized in other operating income and other operating expenses in the income statement.

IMPAIRMENT OF NON-FINANCIAL FIXED ASSETS

Intangible assets with an indefinite useful life (goodwill) are not amortized and instead are tested annually for impairment. Amortized assets are tested for impairment whenever events or changes in conditions indicate that the carrying amount perhaps is not recoverable. The impairment corresponds to the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less sales expenses and its estimated value in use.

For goodwill testing purposes, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that have previously been impaired, a test is conducted on each balance sheet date to determine whether a reversal is needed.

NON-FINANCIAL FIXED ASSETS HELD FOR SALE

Fixed assets are classified as assets held for sale when their carrying amounts will primarily be recovered through a sales transaction and a sale is considered highly likely. They are recognized at the lower of their carrying amount and fair value less selling expenses.

FINANCIAL INSTRUMENTS

Classification

The Group classifies its financial assets and liabilities in the following categories: Financial assets and liabilities at fair value through profit and loss, financial assets and liabilities at amortised cost and financial instruments at fair value through other comprehensive income.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities belonging to this category are measured and recognized at fair value through profit or loss on an ongoing basis.

This category includes other short-term investments, cash and cash equivalents, long-term securities and derivative instruments. The Group's derivative instruments have been acquired to economically hedge the risks to which the Group is exposed, such as foreign exchange exposure. Stena Metall does not apply hedge accounting for these assets, which means that changes in the fair value of derivatives are recognized directly in the income statement for the period in which they arise. Changes in the fair values of derivatives are reported net in cost of goods sold.

Financial assets valued at amortised cost

Loans and receivables are non-derivative financial assets with fixed payments that are not listed on an active market. These assets are values at amortised cost. Assets held for the purpose of collecting contractual cash flows and where these cash flows are only capital amounts and interest are valued at amortised cost. Assets in this category are initially recognized at fair value including transaction costs. After the acquisition date, they are recorded at amortised cost using the effective interest method. The carrying amount of those assets is adjusted for any expected credit losses reported. Interest income from these financial assets are reported using the effective interest method and are included in the financial income. Assets in this category consist of accounts receivable and other current receivables. They are included in current assets with the exception of items maturing more than 12 months after the balance sheet date, which are classified as fixed assets.

Financial liabilities valued at amortised cost

Bond loans, interest-bearing liabilities and other liabilities, such as accounts payable are included in this category. Liabilities are valued at amortised cost. Interest-bearing liabilities and bond loans are reported initially at their nominal amount. Funding is subsequently recognized at amortized cost and any difference between the amount received and the repayment amount is recognized in the income statement distributed over the loan period. Funding is classified as a current liability unless the Group has an unconditional right to postpone payment of the liability for at least 12 months after the conclusion of the reporting period.

Financial instruments valued at fair value through other comprehensive income

The Group's exposure when translating foreign subsidiaries' net assets into the Parent Company's functional currency has been hedged with liabilities in foreign currency. Gains and losses in hedging instruments that meet the requirements for hedging net investments are reported in the translation reserve in equity via other comprehensive income. The gain or loss attributable to the ineffective portion is reported in the income statement. In the Parent Company, these liabilities constitute hedging instruments in a fair value hedge regarding currency for shares in subsidiaries.

Recognition and measurement

Purchases and sales of financial assets are recognized on the transaction date, i.e., the date when the Group commits to buying or selling the asset. Financial instruments are initially recognized at fair value plus transaction costs for all financial instruments not measured at fair value through profit or loss. For financial assets at fair value throughprofit or loss, transaction costs are recognized through profit or loss. Financial assets are derecognized from the balance sheet when the right to retain cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and benefits associated with ownership. Financial liabilities are derecognized from the balance sheet when the contractual obligation has been fulfilled or otherwise discharged.

Financial assets and liabilities are offset only when there is a legal right to set off the recognized amounts and an intention to settle them with a net amount or to simultaneously realize the asset and settle the liability.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the income statement on the lines other operating income or operating expenses.

Impairment of financial instruments

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. With respect to financial assets, a significant or prolonged decline in the fair value of an instrument to a level below its cost is considered as evidence of impairment.

Derivatives and hedges

Derivatives are financial instruments recognized in the balance sheet on the transaction date and measured at fair value, both initially and in subsequent revaluations. The Group uses several different derivatives to minimize currency risks from financial flows as well as assets and liabilities. Moreover, various fixed income instruments are used to ensure an appropriate interest rate level. The gain or loss that arises from the revaluation of fixed income instruments is recognized in the income statement in net financial income/expense. The results for other derivatives are included in cost of goods sold.

The fair value of a derivative is classified as a financial fixed asset or long-term liability when the remaining maturity of the hedged item is longer than 12 months and as a current asset or short-term liability when the remaining maturity of the hedged item is less than 12 months. Exchange rate differences from the revaluation of foreign currency funding designed to hedge foreign assets are posted directly to the other comprehensive income and offset against the translation differences in such foreign net assets.

For a description of the Group's financial risks, see Note 25 to the consolidated financial statements.

INVENTORIES

Inventories have been measured at the lower of cost and net realisable value on the balance sheet date. Net realizable value refers to the estimated selling price of the goods less sales expenses. The selected valuation method means that obsolescence in inventories is taken into account. The measurement is made in accordance with the FIFO principle or using weighted average prices.

PROVISIONS

A provision is recognized in the balance sheet when there is a formal or informal obligation resulting from an event that has occurred and it is likely that an outflow of resources will be needed to settle the obligation and a reliable estimate of the amount can be made. Provisions are based on the best estimate of the amount required to settle the existing obligation on the balance sheet date.

CURRENT AND DEFERRED TAX

The tax expense for the period consists of current tax and deferred tax. The current tax expense is calculated on the basis of the tax regulations that on the balance sheet date have been enacted or substantively enacted in the countries where the Parent Company and its subsidiaries operate and generate taxable revenue.

Deferred tax is recognized according to the balance sheet method on temporary differences that arise between the tax value of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred tax is calculated applying the tax rates that have been enacted or announced as of the balance sheet date and which are expected to apply when the deferred tax asset in question is realized or the deferred tax liability is settled. Deferred tax assets on tax loss carryforwards are recognized to the extent it is likely that future taxable profits will be available to offset the carryforwards.

EMPLOYEE BENEFITS

Post-employment compensation such as pensions is dispersed in large part through periodic payments to independent authorities or institutions, which thereby assume the obligations to employees, i.e., through defined contribution plans. The Group's result is charged with expenses as benefits are vested. Certain pension entitlements are secured through company-owned endowment insurance.

The remainder is fulfilled through defined benefit plans, where the obligations are retained by the Stena Metall Group. For defined benefit plans, the company's costs and the value of outstanding obligations as of the balance sheet date are estimated with the help of actuarial calculations designed to determine the present value of outstanding obligations. See also Note 16.

The Group also has defined benefit pension obligations through insurance with Alecta. This pension plan is recognized as a defined benefit plan.

BORROWING COSTS

Borrowing costs attributable to so-called qualified assets are capitalized as part of the asset's acquisition cost. A qualified asset is an asset that by definition takes considerable time to finish. Borrowing costs are capitalized on loans that are specific to the qualified asset.

All other borrowing costs are expensed when they arise.

REVENUE RECOGNITION

Revenue comprises the fair value of what has been or will be received for goods and services sold in the Group's operations. Revenue is recognized exclusive of value-added tax, returns and discounts and after eliminating intra-Group sales.

The Group recognizes revenue when control is transferred to the customer, which in all business areas is upon handover or receipt of the goods in accordance with the agreed delivery terms. Revenue cannot be reliably measured until all obligations connected with the sale have been met or expired. The Group bases its estimates on historical outcomes and takes into consideration the type of customer, type of transaction and special circumstances in each case.

The Group's revenue from the recycling, aluminium, steel, components and oil businesses is attributable to the sale of goods and services as well as the lease of equipment such as containers. Sales of goods are recognized upon delivery to the customer, in accordance with the delivery terms. Revenue from service assignments is recognized when the services are rendered.

Capital gains and losses from financing activities are recognized net as other operating income/operating expenses.

Interest income is recognized over its maturity applying the effective interest method.

Dividends are recognized when the right to the proceeds is obtained reported in the financial net income.

LEASING

The Stena Metall Group applies IFRS 16, which means that the majority of leases are recognized in the balance sheet, at the commencement date, as a right-of-use asset and a lease liability. An agreement is, or contains, a lease if it conveys the right for the Group to control the use of an identified asset for a specified period of time in return for consideration. The Stena Metall Group is a lessee of assets such as ships, buildings and machinery. The application of IFRS 16 increases the total value of recognized assets and liabilities as a result of the recognition of rights of use and lease liabilities on the balance sheet. Stena Metall has chosen to apply the voluntary exemption that allows short-term and low-value contracts to be excluded from the balance sheet.

GOVERNMENT GRANTS

In accordance with IAS 20, government grants related to assets are recognized by reducing the carrying amount of the asset. The grant is therefore recognized in the income statement over the useful life of the depreciable asset in the form of lower depreciation. Where the new asset has not yet been acquired, the grant is recognized as deferred income.

CONTINGENT LIABILITIES

When an obligation does not meet the criteria for recognition in the balance sheet, it can be considered a contingent liability. A contingent liability is recognized when a potential obligation arises due to events that have occurred and whose occurrence is confirmed only by one or more uncertain future events or where there is an obligation where an outflow of resources is unlikely or an adequate temporary estimate of the amount cannot be made.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

The Parent Company applies the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Reporting by Legal Entities. The Parent Company primarily applies the principles for consolidated financial statements described above. Deviations between the Parent Company's and the Group's principles are the result of limits on opportunities to apply IFRS in the Parent Company due to the Annual Accounts Act. The most significant differences between the Group's and the Parent Company's accounting principles are indicated below.

Shares and subsidiaries are recognized at acquisition cost less any impairment.

The Parent Company has elected to take advantage of the exemption in RFR 2 which allows for a complete exemption from the application of IFRS 16 Leasing.

The Parent Company classifies shareholders' equity in accordance with the rules of the Annual Accounts Act, divided between restricted and unrestricted shareholders' equity.

GROUP

NOTES

1 | ESTIMATES AND ASSESSMENTS IN THE FINANCIAL STATEMENTS

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under current conditions. The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result will, by definition, rarely correspond to actual results. Estimates and assumptions that entail a significant risk of material adjustment in the carrying amounts of assets and liabilities in the financial year are summarized below.

GOODWILL IMPAIRMENT TESTING

Each year the Group tests goodwill for impairment, in accordance with the Group's accounting principles. Recoverable amounts for cash-generating units are determined by calculating value in use. For these calculations certain estimates must be made. See Note 8.

VALUATION OF LOSS CARRYFORWARDS

Each year the Group tests deferred assets from tax loss carryforwards for impairment. In addition, the Group evaluates whether it is appropriate to capitalize new deferred tax assets from the year's tax loss carryforwards. Deferred tax assets are recognized only for tax loss carryforwards that are likely to be offset against future taxable profits and against taxable temporary differences. Stena Metall has recognized deferred tax assets for the tax loss carryforwards in Sweden, since it is considered likely that these tax loss carryforwards can be offset against future profits.

Tax loss carryforwards for companies outside Sweden for which a deferred tax asset has not been booked amount to SEK 248 million (317 million) as of August 31, 2021.

PROVISIONS

In general, a provision is recognized when an obligation has arisen as a result of a past event, where it is likely that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are based on the best estimate of the amount required to settle the existing obligation on the balance sheet date. Since there is uncertainty in estimates of future events beyond the Group's control, actual outcomes may deviate significantly.

When an obligation does not meet the criteria to be recognized in the balance sheet, it can be considered a contingent liability and disclosed. These obligations stem from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not completely within the Group's control. Contingent liabilities also include existing obligations where an outflow of resources is not likely or a sufficiently reliable estimate of the amount cannot be made.

2 | SEGMENT REPORTING

NET SALES

Per area of operations	2020/2021	2019/2020
Recycling	18,680	14,675
Aluminium	1,122	854
Oil	6,105	5,788
Steel	2,160	2,209
Components (divested during the year)	115	127
Other	9	5
TOTAL	**28,191**	**23,658**
By geographic market		
Sweden	10,633	9,230
Europe excluding Sweden	11,823	9,616
Rest of world	5,735	4,812
TOTAL	**28,191**	**23,658**
By significant revenue source		
Goods	24,314	20,537
Services	3,877	3,121
TOTAL	**28,191**	**23,658**

Excise duties of 1 (1) are included in sales.

OPERATING PROFIT

Per area of operations	2020/2021	2019/2020
Recycling	1,458	655
Aluminium	32	–38
Oil	35	124
Steel	178	1
Components (divested during the year)	–3	–11
Finance	652	37
Other	–223	–70
TOTAL	**2,129**	**698**

Net exchange rate differences recognized in operating profit amount to 7 (–29).

3 | AUDITORS' FEES

PwC	2020/2021	2019/2020
Audit assignment	10	9
Audit work in excess of audit assignment	—	—
Tax advice	2	4
Other assignments	—	1
TOTAL	**12**	**14**

Audit assignments refer to the review of the annual report and accounts and the administration by the Board of Directors and the President. Also included are other duties that are the responsibility of the company's auditors as well as consulting or other assistance resulting from observations during such reviews or the implementation of such other duties. All other work is considered to be other services.

4 | DEPRECIATION AND IMPAIRMENTS

Depreciation/amortization according to plan and impairment losses by function	2020/2021	2019/2020
Cost of goods sold	−878	−818
Sales expenses	−3	—
Administrative expenses	−52	−45
TOTAL	**−933**	**−863**

Depreciation/amortization according to plan and impairment losses by asset		
Goodwill	−2	—
Trademarks and customer relationships	−63	−57
Other intangible fixed assets	−18	−13
Buildings	−184	−187
Land improvements	−25	−20
Plant and machinery	−629	−575
Equipment	−12	−11
TOTAL	**−933**	**−863**

5 | OTHER OPERATING INCOME AND OPERATING EXPENSES

	2020/2021	2019/2020
Area of operations Finance	692	60
Lease income from vessels, net	85	64
Result on sale of tangible fixed assets, net	–10	14
Grants received	9	2
Rental income	15	23
Other	2	4
TOTAL	**793**	**167**

Business area Finance refers to the net of the finance operations' trading in financial instruments.

The grants received relate to 5 Sea Li-ion projects aiming at evaluating and identifying innovative and sustainable solutions for electrification in the marine sector. The focus is on improving availability through the use of energy storage (batteries) as a complement to existing solutions. State contributions in Poland due to the Corona pandemic are included with 3. Previous years' amounts relate to a number of R&D projects, of which EU Horizon 2020 and the Life project are the single largest.

6 | NET FINANCIAL INCOME

INCOME FROM INVESTMENTS IN ASSOCIATED COMPANIES

	2020/2021	2019/2020
Returpapperscentralen i Uppsala HB	4	3
Other	1	1
TOTAL	**5**	**4**

NET INTEREST INCOME

	2020/2021	2019/2020
Interest income	13	14
Interest expenses	–138	–155
Borrowing costs	–15	–13
TOTAL	**–140**	**–154**

Interest expenses for the year include -27 (-21) attributable to leasing liabilities in accordance with IFRS 16.

OTHER FINANCIAL INCOME AND EXPENSES

	2020/2021	2019/2020
Capital gains/losses	–54	16
Exchange rate differences	9	–4
Other	–2	–1
TOTAL	**–47**	**11**

The net loss for the year mainly relates to the sale of Stena Components AB. The previous year's capital gain relates to the sale of the companies Fastighets AB Kalmar Mejseln 7, 8 and Fastighets AB Betongen 9 & 11, 8.

7 | TAXES

	2020/2021	2019/2020
Current tax	–211	–9
Deferred tax	–83	–101
TOTAL	**–294**	**–110**

Current tax		
Current tax for the period	–189	—
Tax attributable to previous years	–22	–9
TOTAL	**–211**	**–9**

Deferred tax		
Related to temporary differences	–61	–9
Related to tax loss carryforwards	–22	–92
TOTAL	**–83**	**–101**

Deferred tax related to temporary differences primarily refers to accelerated depreciation of tangible fixed assets. See Note 17.

Reconciliation of recognized tax charge	2020/2021	2019/2020
Profit before tax	1,947	559
Tax according to Parent Company's current tax rate 21.4%	**–417**	**–120**
Effect of other tax rates for foreign subsidiaries	13	1
Effect of changed tax rate	16	—
Non-deductible expenses	–62	–19
Tax-exempt revenue	97	21
Utilized tax loss carryforwards	29	12
Unrecognized tax assets on net loss for the year	–2	–8
Deferred tax	41	6
Tax attributable to previous years	–22	—
Other	13	–3
RECOGNIZED TAX CHARGE	**–294**	**–110**

8 | TANGIBLE FIXED ASSETS

ACQUISITION COST	Goodwill	Brands and ustomer relations	Other intangible fixed assets	Total
Opening balance Sep. 1, 2019	1,399	435	99	1,933
Acquisitions for the year	—	4	65	69
Translation differences	–61	—	—	–61
CLOSING BALANCE AUGUST 31, 2020	**1,338**	**439**	**164**	**1,941**
Acquisitions for the year	31	54	87	172
Sold/liquidated companies	–11	—	–9	–20
Translation differences	–7	—	—	–7
CLOSING BALANCE AUGUST 31, 2021	**1,351**	**493**	**242**	**2,086**

ACCUMULATED DEPRECIATION AND IMPAIRMENTS				
Opening balance September 1, 2019	–804	–140	–31	–975
Depreciation for the year	—	–57	–13	–70
Translation differences	31	—	—	31
CLOSING BALANCE AUGUST 31, 2020	**–773**	**–197**	**–44**	**–1.014**
Depreciation for the year	—	–63	–18	–81
Impairment losses for the year	–2	—	—	–2
Sold/liquidated companies	11	—	9	20
Translation differences	5	—	—	5
CLOSING BALANCE AUGUST 31, 2021	**–759**	**–260**	**–53**	**–1,072**
REPORTED VALUE AUGUST 31, 2021	**565**	**242**	**120**	**927**
REPORTED VALUE AUGUST 31, 2021	**592**	**233**	**189**	**1,014**

GOODWILL IMPAIRMENT TESTING

Goodwill is tested annually for impairment rather than amortized on an annual basis. Amortization of other intangible assets and fixed assets is based on their estimated useful lives. But these assets are also tested for impairment beyond their scheduled amortization. Estimated impairment losses are based on management's expectations with regard to future profits and cash flow.

Impairment losses are recognized through profit or loss. Goodwill impairment is never reversed.

Estimated recoverable values for cash generating units are based on management's five-year projections of free cash flow, which in turn are the result of projected sales, operating profit after amortization, changes in working capital and reinvestments.

Each cash generating unit issues specific five-year projections based on management's best estimates and knowledge of various market conditions. Calculation of so-called terminal value is based on perpetuity growth – estimated individually for each cash generating unit – of 1.5–3.0% and is calculated in accordance with Gordon's growth model.

In calculating the recoverable value of the cash-generating units and assets in 2020/2021, a discount factor (WACC - weighted average cost of capital) of 6.0%-10.0% after tax and 7.5%-12.3% before tax has been used.

These estimates showed no impairment need for the cash generating units.

9 | TANGIBLE FIXED ASSETS

	Buildings	Land and other real estate	Plant and machinery	Equipment	Ongoing installa-tions	Total
ACQUISITION COST						
Opening balance September 1, 2019	2,366	1,095	8,106	224	241	12,032
Effect of implementation of IFRS 16	850	—	133	—	—	983
Purchased companies	—	10	11	—	—	21
Acquisitions for the year	13	13	313	4	180	523
Reclassification	21	3	212	30	–266	—
Sales and disposals	–55	–14	–270	–1	—	–340
Translation differences	–71	–33	–167	–5	–9	–285
CLOSING BALANCE AUGUST 31, 2020	**3,124**	**1,074**	**8,338**	**252**	**146**	**12,934**
Purchased companies	99	53	45	—	—	197
Sold companies	–45	–4	–55	—	—	–104
Acquisitions for the year	240	23	1,980	3	227	2,473
Reclassification	72	148	–42	1	–179	—
Sales and disposals	–69	–4	–289	–8	—	–370
Translation differences	–42	–7	–48	–2	–9	–108
CLOSING BALANCE AUGUST 31, 2021	**3,379**	**1,283**	**9,929**	**246**	**185**	**15,022**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
Opening balance September 1, 2019	–1,195	–225	–5,462	–190		–7,072
Reclassification	4	–4	—	—		—
Sales and disposals	20	—	244	1		265
Depreciation for the year	–186	–20	–574	–11		–791
Impairment losses for the year	–1	—	–1	—		–2
Translation differences	37	8	130	4		179
CLOSING BALANCE AUGUST 31, 2020	**–1,321**	**–241**	**–5,663**	**–196**		**–7,421**
Acquired companies	–11	—	–1	—		–12
Divested companies	32	3	22	—		57
Reclassification	–7	–99	106	—		—
Sales and disposals	42	—	282	8		332
Depreciation for the year	–184	–25	–628	–12		–849
Impairment losses for the year	—	—	–1	—		–1
Translation differences	24	—	36	2		62
CLOSING BALANCE AUGUST 31, 2021	**–1,425**	**–362**	**–5,847**	**–198**		**–7,832**
REPORTED VALUE AUGUST 31, 2020	**1,803**	**833**	**2,675**	**56**	**146**	**5,513**
REPORTED VALUE AUGUST 31, 2021	**1,954**	**921**	**4,082**	**48**	**185**	**7,190**

10 | SHARES AND PARTICIPATIONS IN ASSOCIATED COMPANIES

Indirectly owned	Shareholders' equity/ Votes, %	Aug. 31, 2021	Aug. 31, 2020
Returpapperscentralen i Uppsala HB, 916513-9313, Uppsala	50.0	4	1
Jern og Metallomsetning AS, Norge	50.0	5	5
Mørlandsmoen Bilopphugging AS, Norge	33.3	3	3
BioImpakt AB, 559004-5018, Örebro	20.0	—	—
TOTAL		**12**	**9**

Accumulated acquisition cost		
Net carrying value, opening balance	9	8
Share of profit for the year	5	4
Distribution/withdrawal from partnerships	–2	–3
NET CARRYING VALUE, CLOSING BALANCE	**12**	**9**

11 | OTHER LONG-TERM SECURITIES HOLDINGS

	Aug. 31, 2021	Aug. 31, 2020
Private equity-funds and other unlisted holdings	1,660	1,047
Other	8	6
TOTAL	**1,668**	**1,053**

For a specification of the year's change, see Note 25.

12 | OTHER LONG-TERM RECEIVABLES

	Aug. 31, 2021	Aug. 31, 2020
Interest-bearing receivables	52	5
Other	3	69
TOTAL	**55**	**74**

Net carrying value, opening balance	74	66
Additional receivables	48	12
Settled receivables	–66	—
Transferred to short-term receivables	–1	–4
NET CARRYING VALUE, CLOSING BALANCE	**55**	**74**

Receivables related to endowment insurance have been offset against corresponding long-term liabilities.

13 | INVENTORIES

	Aug. 31, 2021	Aug. 31, 2020
Raw materials	1,244	847
Finished goods	742	443
TOTAL	**1,986**	**1,290**

Obsolescence of 2 (4) was expensed during the year. At year-end the obsolescence reserve amounted to 5 (7).

14 | SHORT-TERM RECEIVABLES

ACCOUNTS RECEIVABLE	Aug. 31, 2021	Aug. 31, 2020
Not overdue	2,798	1,956
Overdue up to 30 days	182	121
Overdue more than 30 days	34	26
TOTAL	**3,014**	**2,103**

OTHER SHORT-TERM RECEIVABLES		
Value-added tax	258	202
Derivatives	39	22
Advances to suppliers	14	—
Tax account	11	17
Interest-bearing receivables	4	4
Other	75	68
TOTAL	**401**	**313**

PREPAID EXPENSES AND ACCRUED INCOME		
Prepaid overhead	101	122
Goods delivered not invoiced	462	350
Other accrued income	70	75
TOTAL	**633**	**547**

The book value of the receivable is equal to the actual value. Accounts receivable include a credit risk reserve for expected credit losses of 8 (10). Agreement assets for the Group consist of receivables for delivered but not yet invoiced goods and other accrued income.

15 | CASH AND CASH EQUIVALENTS

	Aug. 31, 2021	Aug. 31, 2020
Cash and bank	1,139	2,572
Bank deposits	1	6
TOTAL	**1,140**	**2,578**

16 | PENSIONS AND SIMILAR OBLIGATIONS

	Aug. 31, 2021	Aug. 31, 2020
Net carrying value, opening balance	11	13
Actuarial gain/loss	—	1
Utilized during the period	–1	–2
Translation differences, etc.	—	–1
NET CARRYING VALUE, CLOSING BALANCE	**10**	**11**

DEFINED BENEFIT PENSION PLANS

Defined benefit pension plans primarily comprise retirement pensions where the employer has an obligation to pay a lifelong pension corresponding to a certain guaranteed percentage of salary or a specific annual amount. Retirement pensions are vested based on number of years of employment. The employee must be a member of the plan for a certain number of years to be entitled to a full retirement pension. Defined benefit plans are primarily used in Norway. These plans relate in their entirety to former employees, because of which no new contributions have been made. The pension liability for defined benefit plans amounts to 10 (11). For actuarial calculations in Norway a discount rate of 1.5% (1.5%) has been applied and salary increases have been estimated at 2.5% (2.0%).

DEFINED CONTRIBUTION PENSION PLANS

The plans primarily comprise retirement pension, disability pension and survivor's pension. The premiums are paid over the course of the year by each Group company to various insurance companies. The size of the premiums is based on the salary. Pension costs for the period are included in the income statement in the amount of 233 (182).

A majority of Swedish Group companies meet their retirement and disability pension obligations for salaried employees through insurance from Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 3, this is a multi-employer defined benefit plan. For the financial year the Group has not had access to sufficient information to allow it to report these plans as defined benefit, since Alecta currently cannot provide specific defined benefit amounts for those included in the plan. Pension plans backed by insurance from Alecta are therefore reported as a defined contribution plan. The annual fees for pension insurance obtained from Alecta amount to 81 (79).

17 | DEFERRED TAXES

DEFERRED TAX ASSETS	Aug. 31, 2021	Aug. 31, 2020
Net carrying value, opening balance	179	260
Additional receivables	53	16
Settled receivables	–23	–93
Translation differences	–1	–4
NET CARRYING VALUE, CLOSING BALANCE	**208**	**179**

Deferred tax assets related to tax loss carryforwards that have not been recognized in the income statement and balance sheet amount to 248 (317). Finland has time limits on the use of tax loss carryforwards.

DEFERRED TAX LIABILITIES	Aug. 31, 2021	Aug. 31, 2020
Net carrying value, opening balance	348	320
Provisions during the period	23	37
Utilized during the period	–16	–9
Acquired companies	132	—
Divested companies	–6	—
Conversion to new tax rate depreciation above plan (20.6%)	–11	—
NET CARRYING VALUE, CLOSING BALANCE	**470**	**348**

DEFERRED TAX ASSETS/TAX LIABILITIES BY BALANCE SHEET ITEM	Aug. 31, 2021	Aug. 31, 2020
Tangible assets	–387	–263
Inventories	19	15
Receivables	6	6
Other provisions	117	74
Liabilities	–18	–23
Tax loss carryforwards	1	22
TOTAL	**–262**	**–169**

18 | OTHER PROVISIONS

The large part of other provisions consists of future remediation costs for contaminated soil, 499 (472).
Unsecured pension obligations (endowment insurance) have been offset against corresponding long-term receivables.

	Aug. 31, 2021	Aug. 31, 2020
Net carrying value, opening balance	626	626
Provisions during the period	88	50
Utilized during the period	–46	–44
Translation differences	–2	–6
NET CARRYING VALUE, CLOSING BALANCE	**666**	**626**

The provisions are primarily expected to be paid after more than 12 months. Certain Group companies conduct operations on land which has or may have been contaminated. Through environmental insurance, the Stena Metall Group has transferred the risk to remediate contaminated soil to an insurance company. The insurance company's obligation applies as long as the insurance premium is paid. Since the insurance company reinsures part of the risk with an insurance company owned by the Group, the estimated liability for all companies in the Group is recognized in the consolidated financial statements. The insurance covers estimated remediation costs, assuming the most likely outcome, for all the Group's operating locations. The premium is paid annually and reported under the heading Cost of goods sold.

19 | BOND LOANS

The loans are issued by AB Stena Metall Finans (publ) and guaranteed by the Parent Company. The loans carry variable rates of interest. All bond loans have Stibor 3 months as interest base.

Bond loans	Remaining term	Margin	Aug. 31, 2021	Aug. 31, 2020
NO0010752710 2015–2020	—	3.50	—	868
NO0010764095 2016–2022	1 years	4.35	600	600
NO0010766157 2016–2022	1 years	4.35	200	200
NO0010823362 2018–2023	2 years	2.15	800	800
SE0014402285 2020–2024	3 years	2.75	800	800
SE0013774916 2020–2025	4 years	2.06	200	200
SE0014402293 2020–2025	4 years	2.90	800	800
TOTAL			**3,400**	**4,268**

20 | LONG-TERM LIABILITIES

INTEREST-BEARING LONG-TERM LIABILITIES	Aug. 31, 2021	Aug. 31, 2020
Lease commitments on the balance sheet	703	570
Other liabilities	900	59
TOTAL	**1,603**	**629**

The Group has credit commitments of 1,300 (1,300), of which 1,300 (1,300) has not been utilized. The agreements contain financial covenants.

OTHER LONG-TERM LIABILITIES		
Other liabilities	7	2
TOTAL	**7**	**2**

21 | SHORT-TERM LIABILITIES

INTEREST-BEARING SHORT-TERM LIABILITIES	Aug. 31, 2021	Aug. 31, 2020
Lease commitments on the balance sheet	234	198
Other liabilities	3	78
TOTAL	237	276

The Group has an overdraft facility agreement of 650 (650), of which 650 (650) has not been utilized. The agreements contain financial covenants.

OTHER SHORT-TERM LIABILITIES		
Employee salaries and withholding taxes	118	131
Value-added tax	51	46
Derivatives	7	32
Advance payments from customers	12	9
Excise taxes	5	6
Property tax	3	2
Other	30	30
TOTAL	226	256

ACCRUED EXPENSES AND PREPAID INCOME		
Accrued cost of goods sold	669	383
Accrued salary and payroll expenses	475	420
Landfill,incineration and sludge reserves	198	182
Interest	9	11
Other accrued expenses	295	303
Prepaid income	63	14
TOTAL	1,709	1,313

Advance payments from customers and prepaid income refer to agreement liabilities for the Group. Opening agreement debt has been fully expensed during the year.

22 | LEASING

GROUP AS LESSEE

The Group's leasing agreements refer to the lease of premises, charters of vessels and machinery. There are no subleases. The right of use asset is amortized on a straight-line basis over the term of the leasing agreement, which varies from 1 year to a contract without a term. Payments for short-term and low-value leases are charged to the income statement on an ongoing basis.

REPORTED AMOUNTS IN THE GROUP BALANCE SHEET	Aug. 31, 2021	Aug. 31, 2021
Rights of use		
Buildings	687	711
Vessels	222	35
Machinery	17	22
TOTAL	926	768

Lease commitments on the balance sheet		
Long-term	703	570
Short-term	234	198
TOTAL	937	768

CONT. NOTE **22**LEASING

REPORTED AMOUNTS IN THE GROUP BALANCE SHEET	Aug. 31, 2021	Aug. 31, 2020
Depreciation		
Buildings	–113	–113
Vessels	–78	–64
Machinery	–9	–11
TOTAL	**–200**	**–188**
Interest expenses	–27	21

GROUP AS LESSOR

Revenues for the year for operating leasing contracts amounted to 89 (64) and mainly relate to charter income from three vessels. Stena Metall acquired two vessels in July, which together with the vessel owned by the Group throughout the previous financial year explains the increase in leasing income.

Future minimum lease income as of the balance sheet date amounted to:	Aug. 31, 2021	Aug. 31, 2020
Within one year	196	64
Between 1 and 5 years	534	34
More than five years	170	—
TOTAL MINIMUM LEASING INCOME	**900**	**98**

23 | COLLATERAL AND CONTINGENT LIABILITIES

	Aug. 31, 2021	Aug. 31, 2020
Assets pledged to credit institutions		
Vessels	898	137
TOTAL	**898**	**137**
Assets pledged for other liabilities		
Liquid assets	26	18
TOTAL	**26**	**18**
TOTAL COLLATERAL	**924**	**155**
Contingent liabilities		
Sureties	101	101
Guarantees and other contingent liabilities	462	385
Remaining commitments private equity funds	648	590
Obligations for partnerships	21	19
TOTAL CONTINGENT LIABILITIES	**1,232**	**1,095**

24 | CASH FLOW AND ACQUISITIONS

In the statement of cash flows the effects of acquired and divested subsidiaries and business units have been excluded from other changes in the balance sheet. The sum of payments for these acquisitions/divestments after deducting liquid assets in the acquired/divested units is recognized on a separate line in the statement of cash flows. The effect of changes in exchange rates on the translation of foreign Group companies is also excluded, since it does not affect cash flow.

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other money market instruments with original maturities of less than three months.

Interest paid amounted to -112 (-127) and interest received to 3 (5). Dividends received amounted to 22 (21).

During the year, Stena Recycling acquired Allmiljö in Umeå by way of an asset transfer. In addition, Pirkanmaan Uusiometalli Oy was acquired and merged into Stena Recycling Oy during the year. Three companies, all of which own property were acquired by Stena Metall AB. AB Stena Metall Finans started Kollsholmen Shipping AB. This company acquired two vessels at the end of the financial year. Stena Components Nybro AB and Vingaren Rederi AB were divested.

The change in the Group's interest-bearing liability is analyzed in the following table.

	Aug. 31, 2020	Cash flow affecting	Reclassifications	Other non-cash items	Aug. 31, 2021
Long-term bond loans	3,400		–800		2,600
Long-term capitalized leasing commitments	570		–238	371	703
Other long-term loans	59	841			900
Short-term bond loans	868	–868	800		800
Short-term capitalized leasing commitments	198	–202	238		234
Other short-term loans	78	–75			3
TOTAL INTEREST-BEARING LIABILITIES	**5,173**	**–304**	**0**	**371**	**5,240**

25 | FINANCIAL INSTRUMENTS/RISKS

The note below describes the Group's financial instruments and the financial risk management in the Stena Metall Group. The accounting principles for financial instruments are described in "Accounting and Valuation Principles" on pages 17–21 and financial risk management later in this note. Other notes that include information used in Note 25 are Note 5 Other operating income and operating expenses, Note 11 Other long-term securities holdings, Note 12 Other long-term receivables, Note 19 Bond loans, Note 20 Long-term liabilities and Note 21 Short-term liabilities.

Financial instruments in the Stena Metall Group consist of bank loans, derivatives, leasing contracts, accounts payable, accounts receivable, bonds, stocks and shares, and cash and short-term investments. The primary risk arising from trade with financial instruments is the market risk which includes interest rate risk, currency risk, price risk, credit risk and liquidity risk. All these risks are managed by complying with the policies established for risk management adopted by the Board of Directors.

FINANCIAL INSTRUMENTS BY CATEGORY

August 31, 2021	Financial instruments at fair value through profit or loss[1]	Accumulated acquisition cost	Total bed value	Totalfair value[2]
Assets				
Other long-term securities	1,668		1,668	1,668
Other long-term receivables		55	55	55
Accounts receivable		3,014	3,014	3,014
Derivatives included in other receivables	39		39	39
Short-term investments	1,476		1,476	1,476
TOTAL ASSETS	**3,183**	**3,069**	**6,252**	**6,252**
Liabilities				
Bond loans		3,400	3,400	3,400
Interest-bearing liabilities		1,840	1,840	1,840
Accounts payable		2,040	2,040	2,040
Derivatives included in other liabilities	7		7	7
TOTAL LIABILITIES	**7**	**7,280**	**7,287**	**7,287**

CONT. NOTE **25** FINANCIAL INSTRUMENTS/RISKS

August 31, 2020	Financial instruments at fair value through profit or loss 1)	Accumulated acquisition cost	Total bed value	Total fair value 2)
Assets				
Other long-term securities	1,053		1,053	1,053
Other long-term receivables		74	74	74
Accounts receivable		2,103	2,103	2,103
Derivatives included in other receivables	22		22	22
Short-term investments	1,201		1,201	1,201
TOTAL ASSETS	**2,276**	**2,177**	**4,453**	**4,453**
Liabilities				
Bond loans		4,268	4,268	4,268
Interest-bearing liabilities		905	905	905
Accounts payable		1,297	1,297	1,297
Derivatives included in other liabilities	32		32	32
TOTAL LIABILITIES	**32**	**6,470**	**6,502**	**6,502**

1) Financial instruments at fair value through profit or loss includes derivatives held for hedging purposes, but not included in hedge accounting among other liabilities/receivables, 32 (-10).

2) Of the Group's outstanding bond loans of SEK 3,400 million, 1,800 are private placements. The remaining SEK 1,600 million is quoted on a regulated exchange and with short maturities. The market valuations are simplified and based on quoted bonds; overall, the market value is deemed to be the same as the book value.

FINANCIAL RISK FACTORS

In its operations, the Group is exposed to a number of financial risks. The Group's policies are focused on the unpredictability of financial markets and strive to minimize potentially unfavorable impacts on the Group's financial results. The Group uses derivatives to hedge certain risk exposures. Risk management is handled by a central finance department, in accordance with the policies adopted by the Board of Directors. The Finance department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Board of Directors prepares written policies for overarching risk management as well as for specific areas such as currency risk, interest rate risk, credit risk, price risk, use of derivatives and non-derivative financial instruments and investment of surplus liquidity. The Group makes use of financial instruments in order to reduce the risk of major impacts on earnings from price changes in exchange rates, interest rates and the oil markets. As a general principle, fixed assets are financed through long-term borrowing in the form of bond loans, bank loans and leasing. The assets of each subsidiary are financed in local currency and if assets and liabilities in the respective currency cannot be matched, the net position is adjusted using financial instruments. In order to achieve a desired mix of currencies and interest binding profile, different types of interest instruments are used such as fixed-rate swaps, with combined exchange and interest lock-in periods or interest options that fix the level of interest within certain ranges. Currency risks arise both for the conversion of results and balance sheet items in foreign currency to Swedish kronor and also the conversion of cash flows in foreign currency. These currency risks are reduced by hedging of exchange rates with futures contracts or loans in local currency. Price fluctuations of bunker oil are handled by hedging in financial instruments relating to the price of crude oil. The financial risks mentioned above are predominantly managed by the finance department in Sweden in accordance with the limits of authority specified in the Group Finance Policy.

MARKET RISK

Interest rate risk relating to cash flow and fair values

Since the Group does not hold any significant interest-bearing assets, the consolidated revenues and cash flow from operating activities are essentially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowing. Borrowing made with floating interest rates exposes the Group to interest rate risk relating to cash flow, which is partly neutralized by cash reserves with a floating interest rate. Borrowing made with a fixed interest rate exposes the Group to interest rate risk relating to fair value.

The Group usually takes on long-term loans with floating interest rates. The Group partly manages interest rate risks relating to cash flow both by using interest-rate swaps with the economic substance of converting borrowing from moving to fixed interest rates.

Interest rate swaps mean that the Group will agree with other parties to exchange, at specific intervals (usually quarterly), the difference between interest amounts according to a fixed contractual interest rate and the variable interest amount, calculated at the agreed nominal amount. The Group has chosen not to apply hedge accounting to interest rate swaps, the revaluation effect of which is recognized in net financial income in the income statement. With regard to the interest rate swaps held, 0 (0) of the Group's interest-bearing liabilities relate to fixed interest rate and 5,240 (5,173) to variable interest rate. The most important variable interest rate is STIBOR-based.

If the interest rate were to change by +/-1%, the Group would be charged at 52 (52) higher/lower interest costs, with all other variables constant.

Currency risk

The Group operates internationally and is subject to currency risks from various currency exposures. Currency risk arises from future business transactions, recognized assets and liabilities and net investments in foreign operations.

CONT. NOTE 25 FINANCIAL INSTRUMENTS/RISKS

Translation differences from net investments:
Translation differences from the exposure of net assets in foreign subsidiaries are transferred directly to the consolidated equity.

The book value of the net assets in foreign currency in the Group's subsidiaries amounted to SEK 1,353 million (297) on August 31, 2021. A change of 1% in the value of SEK against foreign currencies as of August 31, 2021 would affect shareholders' equity by 14 (3).

See also the section "Hedging of net investment in the foreign operations" further down in this note.

Hedging of net investment in foreign operations
Through the Group's financial company, the Parent Company has borrowings in NOK of 330 million (NOK 330 million) which are identified as hedging of the net investment in a Group subsidiary in Norway. The exchange rate gain on the translation of the funding to SEK amounts to -4 (31) for the year and is recognized in other comprehensive income.

Translation differences from balance sheet exposure:
Group management has implemented a policy that requires Group companies to manage their currency risk against their functional currencies. To manage the currency risk arising from the recognized assets and liabilities, Group companies use forward contracts entered into by the Group's finance company.

Monetary assets and liabilities in foreign currency arising as a result of company activities are revalued at the balance sheet date. Derivative instruments relating to financial hedging of the value of these balance sheet items such as currency swaps, forward foreign exchange contracts or currency option contracts are measured at fair value, which includes revaluations to the balance sheet date rates, and the change in fair value is recognized as exchange rate differences in the consolidated income statement, where the translation of assets and liabilities in foreign currency is also recognized.

The Group has exposure in the external borrowing as some of this is in a currency other than the functional currency. Since the Group's finance company has investments in financial instruments denominated in currencies other than the functional currency, these are hedged through currency forward contracts. The Board of Directors has granted the company certain possibility to make investments without currency hedging. On August 31, 2021, part of the external borrowings made in a currency other than the functional currency and the majority of investments in financial instruments denominated in foreign currency were hedged by fx derivatives. Translation exposure in other financial receivables and liabilities is deemed to be minor as these items are essentially denominated in the individual Group companies' functional currencies.

Translation differences from transaction exposure:
Group management has implemented a policy that requires Group companies to manage their currency risk against their functional currencies. To manage the currency risk arising from future business transactions, Group companies use forward currency contracts concluded by the Group's finance company.

The Group does not normally choose to apply hedge accounting on the forward currency contracts it has entered into and the market value of these contracts is recognized in the income statement on an ongoing basis. As at August 31, 2021, there are no contracts for which hedge accounting is applied.

The following table shows the Group's forward contracts as at the balance sheet date.

Forward contracts, nominated amounts, SEK million	Bought	Sold
DKK	132	
EUR		159
NOK	12	
PLN	30	
SEK	623	
USD		638

PRICE RISK

The Group maintains an inventory of processed and unprocessed material. The processed material is sold on the market at the current market price. The throughput time from the purchase of the material until it is processed and sold varies. During this time the market price of the material may change, because of which the Group has a price risk in inventory. During this time the market price of the material may change, because of which the Group has a price risk in inventory. Ferrous is one such product that cannot be hedged.

On August 31, 2021, the Group had a ferrous stock of SEK 875 million (413). Of this, SEK 669 million (259) was sold but not delivered. If the market price of the ferrous had risen/fallen by 10% in relation to current market prices as of August 31, 2021, all other variables being constant, the market value of the ferrous stock as of August 31, 2021 would have been 21 (15) higher/lower, adjusted for the portions of the stock that had already been sold. This change would affect the margin on the sale of these products correspondingly.

The Group's finance operations trade financial instruments that are to a predominant portion traded on active markets and where valuations are based on listed market prices. The types of holdings the Group had on August 31, 2021 can be divided into four portfolios: private equity, hedge funds, equity and bond portfolios and trading portfolios. The Group's strategy is that the various portfolios behave differently under different market conditions and thereby contribute to diversification, whereby the stock market correlation is lower than with a pure stock market exposure. Put simply, the tops and bottoms are cut off compared with the equity markets.

On August 31, 2021, the Group had 1,476 (1,201) in short-term securities and 1,668 (1,053) in long-term securities. If the market in general had been strengthened/weakened by 10% on August 31, with all other variables constant, the profit for the year would have been 314 (225) higher/lower when all securities are valued at the market price.

CONT. NOTE **25** FINANCIAL INSTRUMENTS/RISKS

COUNTERPARTY RISK

Credit risks arise in the Group's operating activities in the form of accounts receivable and advance payments to suppliers. The Group has a credit policy adopted by the Board of Directors, in addition to which each company has a credit instruction. The basic principle is that all counterparties must be highly solvent. Customers can be divided into three different categories: those that can be credit insured, those who can provide satisfactory collateral in the form of advance payments, and those who, after an analysis, can be granted an open line of credit.

Counterparty risk also arises through liquid assets, derivatives and balances with banks and financial institutions. All financial instruments and liquidity are traded with counterparties that are considered to be creditworthy and where the terms and settlement routines are well documented. Normally, no collateral is pledged by either party.

Financial derivatives that are included in ISDA/framework agreements and subject to netting are shown in the table below.

The maximum exposure for credit risk at the end of the reporting period is the fair value of the derivatives recognized as assets in the balance sheet.

August 31, 2021	Financial assets/ liabilities gross	Netted balances	Amount reported balance sheet	Financial instruments subject to master netting agreements but not reported net	Financial instruments net amount
Derivatives financial assets	40	–1	39	6	33
Derivatives financial liabilities	–8	1	–7	–6	–1
TOTAL	**32**	**0**	**32**	**0**	**32**

LIQUIDITY RISK

Cash flow projections are prepared by the Group's operating companies and aggregated by the Group. The Group's finance company carefully monitors rolling projections of the Group's liquidity reserve to ensure that the Group has sufficient cash reserves to meet its operating needs at the same time that it continuously maintains sufficient untapped credit facilities, so that the Group does not exceed the lending limits or terms of any of its loan facilities. The terms (covenants) that the Group has with its credit facility counterparties are that net debt in relation to EBITDA may not exceed 3.8 and that EBITDA in relation to net interest expense may not fall short of 3.4.

All liquidity in the Group is managed by the Group's finance company. The finance company places surplus liquidity in interest-bearing clearing accounts, fixed term deposits, money market instruments and marketable securities, depending on which instrument has a suitable maturity or sufficient liquidity as determined by the above-mentioned projections.

On the balance sheet date, the Group had liquid assets of 1,140 (2,578) and unused credit facilities of 1,950 (1,950).

The table below analyses the Group's financial liabilities by the remaining time on the balance sheet date until their contractual maturity. The amounts shown in the table are contractual, undiscounted cash flows. Interest has been calculated based on the current floating market rate.

August 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bond loans	895	867	1,864	
Leasing commitments on the balance sheet	203	170	357	337
Other interest-bearing liabilities	201	197	404	148
Accounts payable	2,040			
Derivatives	7			
TOTAL	**3,346**	**1,234**	**2,625**	**485**

August 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bond loans	981	898	2,734	
Lease commitments on the balance sheet	162	121	275	377
Other interest-bearing liabilities	80	59		
Accounts payable	1,297			
Derivatives	32			
TOTAL	**2,552**	**1,078**	**3,009**	**377**

CONT. NOTE 25 FINANCIAL INSTRUMENTS/RISKS

FINANCIAL INSTRUMENTS AT FAIR VALUE

For a comparison between the book value and fair value of the Group's financial instruments, refer to the first table in this note. That table includes the Group's financial liabilities at amortized cost in the balance sheet as of August 31, 2021 where fair value disclosure is required, as well as financial assets and liabilities at fair value in the balance sheet.

The table below shows financial instruments at fair value based on classification in the fair value hierarchy.

August 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
- Derivatives		39		39
- Short-term investments	1,174	302		1,476
- Other long-term securities			1,668	1,668
TOTAL ASSETS	**1,174**	**341**	**1,668**	**3,183**
Financial liabilities at fair value through profit or loss:				
- Derivatives		–7		–7
TOTAL LIABILITIES		**–7**		**–7**

August 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
- Derivatives		22		22
- Short-term investments	847	354		1,201
- Other long-term securities			1,053	1,053
TOTAL ASSETS	**847**	**376**	**1,053**	**2,276**
Financial liabilities at fair value through profit or loss:				
- Derivatives		–32		–32
TOTAL LIABILITIES		**–32**		**–32**

THE VARIOUS LEVELS ARE DEFINED AS FOLLOWS:

Financial instruments on level 1

The fair value of financial instruments traded on an active market is based on quoted market prices on the balance sheet date. A market is considered active if quoted prices from an exchange, broker, industry group, price setting service or regulatory agency are readily and regularly accessible, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the Group's financial assets is the current buy rate. These instruments are included on level 1.

Financial instruments on level 2

The fair value of financial instruments not traded on an active market (e.g., OTC derivatives) is determined with the help of valuation techniques. Available market information is used as far as possible, whereas company-specific information is used as little as possible. If all the significant inputs required for a fair value measurement of an instrument are observable, the instrument is included on level 2. Short-term securities on level 2 refer to holdings in equity funds where the fair value measurement is based on quoted prices on markets that are not considered active.

Specific valuation techniques used to measure financial instruments include

- Fair value of interest rate swaps is estimated as the present value of projected future cash flows based on observable yield curves.
- Fair value of forward exchange contracts is determined using forward rates on the balance sheet date, where the resulting value is discounted to present value.

Note that all fair values determined with the help of valuation techniques are classified on level 2. There were no transfers between level 1 and level 2 during the year.

CONT. NOTE **25** FINANCIAL INSTRUMENTS/RISKS

Financial instruments on level 3

In cases where one or more significant inputs in the fair value measurement are not based on observable market information.

There were no transfers of existing financial instruments to or from level 3 during the year.

The table below shows the changes in instruments on level 3:

Specification of financial instruments on level 3	Aug. 31, 2021	Aug. 31, 2020
Opening balance	1,053	780
Total unrealized gain/loss		
– Currency effects recognized through profit or loss	–7	–50
-Recognized in the income statement	397	32
Purchase proceeds	409	365
Sales proceeds	–239	–152
Management fee	20	15
Realized results recognized through profit or loss	35	63
CLOSING BALANCE	**1,668**	**1,053**

The components on level 3 of the fair value hierarchy consist of investments in unquoted private equity funds and unlisted shares. Fair value is determined based on the net asset value of private equity funds, which is measured by each fund manager in accordance with generally accepted practice, the International Private Equity and Venture Capital Guidelines (IPEV). In valuing its unlisted investments, the Group uses different valuation techniques depending on the information available. Valuation is done, for example, using expected future discounted cash flows.

The table below summarizes the contractual net values of the Group's forward exchange and swap contracts. Nominal amounts are gross amounts.

Assets	Nominal amount 2021	Fair value 2021	Nominal amount 2020	Fair value 2020
Currency risk management				
Currency swap contracts				
positive position	3,553	26	3,577	4
negative position	415	–1		
Forward exchange contracts				
positive position	769	6	949	16
negative position	536	–2	279	–18
Oil risk management				
Oil futures				
positive position	352	23	84	4
negative position	317	–19	255	–16
Metal risk management				
Metal futures				
positive position				
negative position	13	–1	8	
Share price risk management				
Options/futures				
positive position		3		1
negative position		–3		–1

26 | PERSONNEL

Average number of employees	2020/2021 Total	2020/2021 Of which men	2019/2020 Total	2019/2020 Of which men
Parent Company				
Sweden	7	4	8	5
Subsidiaries				
Sweden	2,046	1,558	2,017	1,549
Denmark	356	282	352	278
Norway	263	174	247	206
Finland	127	86	118	82
Germany	71	61	71	60
Switzerland	1	—	—	—
Italy	139	121	135	115
Poland	550	361	556	362
USA	2	2	2	2
GROUP TOTAL	**3,562**	**2,649**	**3,506**	**2,659**

The average number of employees has been calculated based on the company's paid working hours during the year in relation to the normal number of annual working hours in the company.
The Boards of Directors of the Group and the Parent Company consist of two women and six men. Of Stena Metall's senior executives, two are women and three are men.

	2020/2021		2019/2020	
Salaries, remuneration and social insurance contributions	**Salaries and other remuneration**	**Social insurance contributions (of which pensions)**	**Salaries and other remuneration**	**Social insurance contributions (of which pensions)**
Parent Company	33	31 (14)	33	29 (9)
Subsidiaries	1,832	646 (221)	1,751	571 (183)
GROUP TOTAL	**1,865**	**677 (235)**	**1,784**	**600 (192)**
Salaries and other remuneration	**Parent company**	**Subsidiaries**	**Parent company**	**Subsidiaries**
Board of Directors and CEO				
Salaries	12	47	11	44
Bonuses	6	10	6	10
Other employees				
Salaries	15	1,703	12	1,640
Bonuses	—	72	4	57
GROUP TOTAL	**33**	**1,832**	**33**	**1,751**

Pension costs for the Parent Company's CEO and Board of Directors amount to 5 (4), while outstanding pension obligations total 120 (108).
An agreement has been reached with the CEO entitling him to 24 months' severance pay.
The Stena Metall Group is covered by the collectively negotiated ITP plan (a Swedish pension plan), including an alternative ITP pension for salaried employees with salaries exceeding ten times the price base amount.
The alternative ITP applies the alternative Alecta premium, with the exception of senior executives in Executive Management positions, where the premium is 30 % of pensionable salary.

27 | RELATED PARTY DISCLOSURES

Transactions between Stena Metall AB and its subsidiaries, which are related parties to Stena Metall AB, have been eliminated in the Group and are not recognized in this note.

STENA AB

Stena Metall's subsidiary Stena Oil AB sells bunker oil for ships to the Stena AB Group. The value of these sales during the financial year amounted to 1,805 (1,857).

Stena Fastigheter AB has been paid 10 (10) for rents and property management.

In July, Stena Metall acquired two vessels from Stena Rederi AB and Stena Ropax Limited, which will be chartered out to Stena Line and Stena Rederi A/S respectively. Stena Metall already owns another vessel which is chartered out to Stena Line. The rent for the vessels amounted to 85 (64).

OLSSON FAMILY

Stena Metall rents offices from the Olsson family. Rents paid amounted to 20 (20).

All transactions with related parties are carried out on market terms.

28 | EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events have occurred after the end of the financial year.

PARENT COMPANY

INCOME STATEMENT

September 1 to August 31, SEK millions	Note	2020/2021	2019/2020
Net sales	3	242	205
Cost of goods sold	5	–47	–52
GROSS PROFIT		**195**	**153**
Sales expenses		–2	–2
Administrative expenses	4, 5, 17, 20	–188	–190
Other operating income and operating expenses	6	–22	1
OPERATING PROFIT		**–17**	**–38**
Income from investments in Group companies	7	—	46
Interest income and similar items	7	22	1
Interest expenses and similar items	7	–29	–26
PROFIT AFTER FINANCIAL ITEMS		**–24**	**–17**
Appropriations	8	30	25
PROFIT BEFORE TAX		**6**	**8**
Taxes	9	4	4
PROFIT FOR THE YEAR		**10**	**12**

Since the Parent Company has no items recognized as other comprehensive income, total comprehensive income is equal to profit for the year.

PARENT COMPANY

BALANCE SHEET

ASSETS

August 31, SEK millions	Note	2021	2020
Fixed assets			
Tangible fixed assets			
Buildings	10	397	429
Land and other real estate	10	360	358
Plant and machinery	10	6	7
Equipment	10	3	4
Construction in progress	10	31	4
TOTAL TANGIBLE FIXED ASSETS		**797**	**802**
Financial fixed assets			
Receivables from Group companies		440	418
Shares and participations in Group companies	11	1,440	1,379
Other long-term securities		3	3
Deferred tax assets	12	45	39
TOTAL FINANCIAL FIXED ASSETS		**1,928**	**1,839**
TOTAL FIXED ASSETS		**2,725**	**2,641**
Current assets			
Short-term receivables			
Accounts receivable		—	1
Receivables from Group companies		149	270
Current tax assets		3	9
Other receivables		4	2
Prepaid expenses and accrued income	13	34	30
TOTAL SHORT-TERM RECEIVABLES		**190**	**312**
Cash and cash equivalents		—	—
TOTAL CURRENT ASSETS		**190**	**312**
TOTAL ASSETS		**2,915**	**2,953**

SHAREHOLDERS' EQUITY AND LIABILITIES

August 31, SEK millions	Note	2021	2020
Shareholders' equity			
Restricted shareholders' equity			
Share capital		13	13
Restricted reserves		3	3
TOTAL RESTRICTED SHAREHOLDERS' EQUITY		**16**	**16**
Unrestricted shareholders' equity			
Unrestricted reserves		2,720	2,818
Profit for the year		10	12
TOTAL UNRESTRICTED SHAREHOLDERS' EQUITY		**2,730**	**2,830**
TOTAL SHAREHOLDERS' EQUITY		**2,746**	**2,846**
UNTAXED RESERVES	14	**8**	**7**
Provisions			
Other provisions	15	43	37
TOTAL PROVISIONS		**43**	**37**
Current liabilities			
Accounts payable		20	3
Other liabilities		5	8
Accrued expenses and prepaid income	16	93	52
TOTAL CURRENT LIABILITIES		**118**	**63**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,915**	**2,953**

PARENT COMPANY

STATEMENT OF CASH FLOWS

September 1 to August 31, SEK millions	Note	2020/2021	2019/2020
Operating activities			
Profit after financial items		–24	–17
Adjustments for non-cash items		67	22
		43	**5**
Taxes paid		4	—
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES INWORKING CAPITAL		**47**	**5**
Cash flow from changes in working capital			
Increase(–)/Decrease(+) in short-term receivables		101	–171
Increase(+)/Decrease(–) in current liabilities		55	–421
CASH FLOW FROM OPERATING ACTIVITIES		**203**	**–587**
Investing activities			
Acquisition/sale of Group companies		–60	–8
Dividend from Group companies		50	650
Shareholder contribution paid		—	–3
Acquisition of tangible fixed assets		–90	–35
Sale of tangible fixed assets		8	16
Loans to Group companies		–27	—
CASH FLOW FROM INVESTING ACTIVITIES		**–119**	**620**
Financing activities			
Financing activities		26	77
Share dividend		–110	–110
CASH FLOW FROM FINANCING ACTIVITIES		**–84**	**–33**
CASH FLOW FOR THE YEAR		0	0
Cash and cash equivalents at the beginning of the year		0	0
CASH AND CASH EQUIVALENTS AT YEAR END		0	0
Supplemental disclosure to statement of cash flows	19		
Adjustments for non-cash items, etc			
Anticipated dividend		—	–50
Depreciation and impairment of assets		34	34
Capital gain/loss on sale of tangible fixed assets		—	–1
Sale of tangible fixed assets		22	—
Net result on sale of financial fixed assets		—	4
Change in provisions		6	9
Reclassifications		—	4
Currency effect conversion of loans		5	22
TOTAL		**67**	**22**

PARENT COMPANY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Restricted reserves	Unrestricted reserves	Net income	Total equity
Opening equity September 1, 2019	13	3	2,844	84	2,944
Transfer of previous year's profit			84	–84	—
Dividend			–110		–110
Profit for the year				12	12
CLOSING EQUITY AT AUGUST 31, 2020	13	3	2,818	12	2,846
Transfer of previous year's profit			12	–12	—
Dividend			–110		–110
Profit for the year				10	10
CLOSING EQUITY AT AUGUST 31, 2021	13	3	2,720	10	2,746

The number of shares in Stena Metall AB is 130,000.

PARENT COMPANY

NOTES

1 | ESTIMATES AND ASSESSMENTS IN THE FINANCIAL STATEMENTS

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under current conditions. The description in Accounting policies on pages 17-21 of the fair value of derivative or other financial instruments and of the write-down of financial instruments to fair value through profit or loss is also applicable to the Parent Company.

2 | FINANCIAL RISK MANAGEMENT

The Group applies uniform risk management to all its units. Consequently, the description in the Group's Note 25 is in all material respects applicable to the Parent Company.

3 | NET SALES

Net sales primarily refer to rental income from properties leased to subsidiaries, which is attributable in its entirety to Sweden, as well as the provision of certain shared Group services. 3 (3) refers to income from properties leased to outside tenants.

4 | AUDITORS' FEES

	2020/2021	2019/2020
PwC		
Audit assignment	3	3
Tax advice	2	3
TOTAL	5	6

Audit assignments refer to the review of the annual report and accounts and the administration by the Board of Directors and the President. Also included are other duties that are the responsibility of the company's auditors as well as consulting or other assistance resulting from observations during such reviews or the implementation of such other duties. All other work is considered to be other services.

5 | DEPRECIATION AND IMPAIRMENTS

	2020/2021	2019/2020
Depreciation according to plan by function		
Cost of goods sold	–33	–33
Administrative expenses	–1	–1
TOTAL	**–34**	**–34**
Depreciation according to plan by asset		
Buildings	–23	–24
Land improvements	–9	–9
Plant and machinery	–1	—
Equipment	–1	–1
TOTAL	**–34**	**–34**

6 | OTHER OPERATING INCOME AND OPERATING EXPENSES

This year's and last year's amounts relate mainly to the disposal of property, plant and equipment.

7 | NET FINANCIAL INCOME

INCOME FROM INVESTMENTS IN GROUP COMPANIES	2020/2021	2019/2020
Dividends from Group companies	—	50
Liquidation of Group companies	—	–4
TOTAL	—	**46**

INTEREST INCOME AND SIMILAR ITEMS		
Exchange rate gains	3	1
Other financial income from Group companies	19	—
TOTAL	**22**	**1**

INTEREST EXPENSES AND SIMILAR ITEMS		
Interest expenses, Group companies	–26	–26
Exchange rate losses	–3	—
TOTAL	**–29**	**–26**

8 | APPROPRIATIONS

	2020/2021	2019/2020
Group contributions	30	26
Provision for/Reversal of accumulated accelerated depreciation	—	–1
TOTAL	**30**	**25**

9 | TAXES

	2020/2021	2019/2020
Current tax	–2	—
Deferred tax	6	4
TOTAL	4	4
Reconciliation of reported tax charge/tax claim		
Profit before tax	6	8
Tax according to current tax rate 21.4%	–1	–2
Non-deductible expenses	–2	–10
Tax-exempt revenue	1	12
Change in deferred tax	6	4
REPORTED TAX REVENUE	**4**	**4**

10 | TANGIBLE FIXED ASSETS

	Buildings	Land and other real estate	Plant and machinery	Equipment	Ongoing installations	Total
Acquisition cost, opening balance September 1, 2019	726	429	28	52	4	1,239
Acquisitions for the year	1	10	—	—	80	91
Reclassification	18	5	—	—	–23	—
Sales and disposals	–42	–4	–1	—	–30	–77
CLOSING ACQUISITION COST, AUGUST 31, 2021	**703**	**440**	**27**	**52**	**31**	**1,253**
Opening accumulated depreciation September 1, 2020	–297	–71	–21	–48		–438
Depreciation for the year	–23	–9	–1	–1		–34
Sales and disposals	14	—	1	—		15
CLOSING ACCUMULATEDDEPRECIATIONS AUGUST 31, 2021	**–306**	**–80**	**–21**	**–49**		**–456**
REPORTED RESIDUAL VALUE Aug. 31, 2021	**397**	**360**	**6**	**3**	**31**	**797**

CONT. NOTE **10** TANGIBLE FIXED ASSETS

	Buildings	Land and other real estate	Plant and machinery	Equipment	Ongoing installa-tions	Total
Acquisition cost, opening balance September 1, 2019	730	426	28	52	5	1,241
Acquisitions for the year	8	8	—	—	28	44
Reclassification	15	1	—	–	–16	–
Sales and disposals	–27	–6	—	—	–13	–46
ACQUISITION COST, CLOSING BALANCE AUGUST 31, 2020	**726**	**429**	**28**	**52**	**4**	**1,239**
Opening accumulated depreciation September 1, 2019	–291	–62	–21	–47		–421
Depreciation for the year	–24	–9	—	–1		–34
Sales and disposals	18	—	—	—		18
CLOSING ACCUMULATED DEPRECIATIONS AUGUST 31, 2020	**–297**	**–71**	**–21**	**–48**		**–438**
REPORTED RESIDUAL VALUE Aug. 31, 2020	**429**	**358**	**7**	**4**	**4**	**802**

11 | SHARES AND PARTICIPATIONS IN GROUP COMPANIES

The holdings of shares and participations of the Parent Company and the Group are specified on pages 54–55.

12 | DEFERRED TAX ASSETS

	Aug. 31, 2021	Aug. 31, 2020
Net carrying value, opening balance	39	35
Provisions during the period	6	4
NET CARRYING VALUE, CLOSING BALANCE	**45**	**39**

13 | PREPAID EXPENSES AND ACCRUED INCOME

	Aug. 31, 2021	Aug. 31, 2020
Prepaid rents	2	2
Prepaid insurance premiums	24	24
Other prepaid expenses and accrued income	8	4
TOTAL	**34**	**30**

14 | UNTAXED RESERVES

	Aug. 31, 2021	Aug. 31, 2020
Accelerated depreciation		
Net carrying value, opening balance	7	7
Provision/reversal for the year	1	—
NET CARRYING VALUE, CLOSING BALANCE	**8**	**7**

Of the untaxed reserves, 2 (1) refers to deferred tax.

15 | OTHER PROVISIONS

Unsecured pension obligations (endowment insurance) have been offset against corresponding long-term receivables. Other provisions subsequently consist of provisions for payroll taxes on the endowment insurance liability.

16 | ACCRUED EXPENSES AND PREPAID INCOME

	Aug. 31, 2021	Aug. 31, 2020
Accrued salaries	21	21
Accrued social insurance contributions	9	6
Other accrued expenses	8	25
Prepaid income	55	—
TOTAL	**93**	**52**

17 | LEASING

The year's leasing expense for rents amounts 138 (124).

Future minimum lease income as of the balance sheet date amounted to:	Aug. 31, 2021	Aug. 31, 2020
Within one year	146	128
Between 1 and 5 years	586	517
More than five years	147	130
TOTAL	**879**	**775**

The year's leasing expense for assets held via operating leases, including leases on premises, amounts to 20 (20).

Future minimum lease fees as of the balance sheet date amounted to:	Aug. 31, 2021	Aug. 31, 2020
Within one year	20	20
Between 1 and 5 years	81	82
More than five years	21	21
TOTAL	**122**	**123**

18| CONTINGENT LIABILITIES

	Aug. 31, 2021	Aug. 31, 2020
Sureties for subsidiaries	7,444	7,534
Other sureties	101	101
TOTAL	**7,545**	**7,635**

19 | CASH FLOW

Received and paid external interest amounted to – (–). Interest paid to Group companies amounted to –26 (–26).

20 | PERSONNEL

For information on the average number of employees, salaries, other compensation and social insurance contributions for employees, see Group Note 26 .

21 | PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors' proposed distribution of the Parent Company's earnings is found on page 56.

SHARES AND PARTICIPATIONS IN GROUP COMPANIES

Shares in Group companies	Registratio-number	Headquarters	Holding %	Reported value SEK thousand Aug. 31, 2021	Reported value SEK thousand Aug. 31, 2020
Stena Recycling Holding AB	556732-2887	GOTHENBURG	100	1,135,380	1,135,380
Stena Trade & Industry AB	559069-9210	GOTHENBURG	100	94,300	94.300
Stena Technoworld AB	556443-2184	GOTHENBURG	100	90,005	90,005
Fastighets AB Fyllinge 20:409	556746-5595	GOTHENBURG	100	26,992	—
Fastighets AB Fyllinge 20:8 and 20:9	556371-7718	GOTHENBURG	100	23,295	—
Stena Recycling International AB	556732-2903	GOTHENBURG	100	12,600	12,600
Stena Miljöteknik AB	556139-0922	GOTHENBURG	100	12,200	12,200
Gladökvarns Invest AB	559232-2704	GOTHENBURG	100	10,502	10,502
Umeå M1 AB	556189-3685	VÄNNÄS	100	10,000	—
Fastighets AB B:staden 15:1	559049-5247	GOTHENBURG	100	9,928	9,928
Stena New Ventures AB	556628-8246	GOTHENBURG	100	5,000	5,000
Stenungsund Kärr 1:11 AB	559035-4543	GOTHENBURG	100	3,908	3,908
Fastighets AB Stilleryd 8:12	559119-9400	GOTHENBURG	100	3,740	3,740
AB Stena Metall Finans (publ)	556008-2561	GOTHENBURG	100	1,200	1,200
Dannholmen AB	556867-2918	GOTHENBURG	100	100	100
Stena Nera AB	556719-5465	GOTHENBURG	100	100	100
TOTAL				**1439.250**	**1.378.963**

Group companies' holdings of shares and participations	Corp. ID number	Headquarters	Holding %
Stena Recycling Holding AB			
Stena Recycling AB	556132-1752	GOTHENBURG	100
Stena Metal International AB	556732-2895	GOTHENBURG	100
BatteryLoop Technologies AB	559119-9434	GOTHENBURG	100
Stena Circular Solutions AB	559319-1942	GOTHENBURG	100
Stena Circular Consulting AB	559319-1959	GOTHENBURG	100
Stena Recycling AS		NORWAY	100
Stena Recycling Oy		FINLAND	100
Stena Metal Inc		USA	100
Stena Recycling AB			
Rossholmen AB	556554-8269	GOTHENBURG	100
Bilretur AB	556814-7457	GOTHENBURG	51
Stena Recycling A/S		DENMARK	100
Stena Recycling Sp. z o.o.		POLAND	100
Stena Recycling AS			
Sikkerhetsmakulering AS		NORWAY	100
Stena Recycling Decom AS		NORWAY	100

Group companies' holdings of shares and participations	Corp. ID number	Headquarters	Holding %
Stena Trade & Industry AB			
Stena Aluminium AB	556039-3075	ÄLMHULT	100
Stena Stål AB	556077-5925	GOTHENBURG	100
Stena Oil AB	556236-0288	GOTHENBURG	100
Halosep AB	559197-5478	GOTHENBURG	100
Stena Stål AB			
Stena Stål Moss AS		NORWAY	100
Stena Oil AB			
Stena Terminals AB	559317-8253	GOTHENBURG	100
Stena Oil Terminal A/S		DENMARK	100
Stena New Ventures AB			
Repur AB	556732-2911	GOTHENBURG	100
Stena Recycling Lab AB	559248-6665	GOTHENBURG	100
AB Stena Metall Finans (publ)			
Stena Metall Finans Invest AB	559089-0116	GOTHENBURG	100
Havgalleskären AB	559054-3285	GOTHENBURG	100
Kollsholmen Shipping AB	559249-5500	GOTHENBURG	100
Stena Metall AG		SWITZERLAND	100
Sten Met Insurance AG		SWITZERLAND	100
Stena Technoworld AB			
Stena Metall Holding GmbH		GERMANY	100
Stena Metall Holding S.r.l.		ITALY	100
Stena Metall Holding GmbH			
Stena Recycling GmbH		GERMANY	100
Stena Metall Holding S.r.l			
Stena Recycling S.r.l.		ITALY	100
Stena Recycling S.r.l.			
Tred Carpi spa		ITALY	96

PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors proposes that the unappropriated earnings in the Parent Company at the disposal of the Annual General Meeting:

Retained earnings	SEK 2,720,212,474
Profit for the year	SEK 10,377,483
UNRESTRICTED SHAREHOLDERS' EQUITY	**SEK 2,730,589,957**

be distributed as follows:	
To the shareholders	SEK 450,000,000
To be carried forward	SEK 2,280,589,957
TOTAL	**SEK 2,730,589,957**

The proposed dividend reduces the company's equity/assets ratio to 93.2 percent. The equity/assets ratio is adequate given that the company continues to operate profitably. Liquidity in the company is similarly considered adequate.

In the opinion of the Board of Directors, the proposed dividend does not prevent the company from fulfilling its obligations in either the short or long term or from making the necessary investments. Consequently, the proposed dividend can be defended given the stipulations of the Swedish Companies Act, chapter 17, section 3, paragraphs 2–3 (the precautionary rule).

Gothenburg, the date set out next to our electronic signatures

Dan Sten Olsson
Chairman of the Board of Directors

Marie Eriksson

Mårten Hulterström

William Olsson

Lena Olving

Joakim Rosengren

Jan Svensson

Anders Jansson
President and CEO

Fabrice Angelini
Employee representative

My audit report was submitted on the date set out next to my electronic signature

Johan Rippe
Authorized Public Accountant

AUDITOR'S REPORT

TO THE ANNUAL GENERAL ASSEMBLY OF STENA METALL AB, CORPORATE REGISTRATION NO. 556138-8371

REPORT ON THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Opinions

I have audited the annual accounts and consolidated accounts of Stena Metall AB for the financial year September 1, 2020 to August 31, 2021. The company's annual accounts and consolidated accounts are included on pages 9-56 of this document.

In my 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 August 31, 2021 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 August 31, 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Annual Accounts Act. The statutory directors' report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for opinions

I conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the Auditor's Responsibilities section. I am independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Other information than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, set out on pages 1–8. The Board of Directors and the President are responsible for the other information.

My opinion on the annual accounts and consolidated accounts does not cover this other information and I am not making any corroborative statement regarding this other information.

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

If, based on the work performed concerning this information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Board of Directors and the President

The Board of Directors and the President 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, with respect to the consolidated accounts, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the President 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 President are responsible for the assessment of 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 basis of accounting is however not applied if the Board of Directors and the President intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 in the aggregate, 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 auditing the administration can be found on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to my audit of the annual accounts and consolidated accounts, I have audited the administration of the Board of Directors and the President of Stena Metall AB for the financial year September 1, 2020 – August 31, 2021 and the proposed appropriations of the company's profit or loss.

I recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory directors' report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Basis for opinions

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. When a dividend is proposed, 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's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The President shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to satisfy the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

My objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the President in any material respect:

- has undertaken any action or been guilty of any omission which could give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance withgenerally 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 auditing the administration can be found on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Gothenburg, the date set out next to my electronic signature
Johan Rippe
Authorized Public Accountant

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Read more about Stena Metall's operations and sustainability work in The Annual Review and Sustainability Report. PDF is available at stenametall.com. A printed version can be ordered at info@stenametall.se.