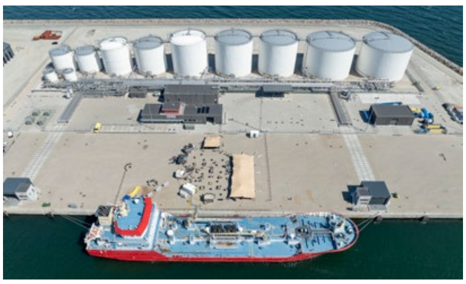
STENA METALL ANNUAL REPORT 2023/2024

CONTENTS

You can find more information about Stena Metall's operations and sustainability work in the Annual Review & Sustainability Report. Click on the report to download a PDF.

- Stena Metall reported EBITDA of SEK 2,946 million (2,530) and EBT of SEK 1,334 million (1,118).
- Business area Recycling delivered a strong full-year result despite lower volumes within some waste streams.
- Business area Steel has seen notably reduced demand throughout the year, especially from customers within the construction sector.
- Stena Oil continued to show strong earnings. The new terminal in Frederikshavn will give a better operational set-up and support the green transition in the marine sector.



Alexander Vistan works as operator at First treatment Cools at Stena Recycling Italy's branch in Cavenago.

THE YEAR IN BRIEF

KEY PERFORMANCE INDICATORS

SEK million	23/24	22/23	21/22	20/21	19/20	18/19
Net sales	41,620	44,334	43,509	28,191	23,658	27,391
EBITDA[1]	2,946	2,530	3,644	3,062	1,561	1,607
Operating profit	1,691	1,364	2,597	2,129	698	920
Shareholders' equity	11,232	10,607	10,084	8,349	6,825	6,524
Equity ratio, %[2]	47.5	46.8	45.1	44.3	43.0	44.3
Average number of employees	4,407	4,365	3,842	3,562	3,506	3,497

1) Earnings before interest, taxes, depreciation, and amortization.
2) Shareholders' equity as a percentage of total assets.

2,946
EBITDA, SEK MILLION

4,407
EMPLOYEES

41,620
NET SALES, SEK MILLION

POSITIVE MOMENTUM IN CHALLENGING MARKET CONDITIONS

Stena Metall has performed well despite tough conditions. Strategic investments, strengthening relationships with customers and partners, and a clear focus on the business, keep the Group well-positioned for current and future opportunities.

HOW WOULD YOU SUMMARIZE THE YEAR 2023/2024?

The year was characterized by a challenging market where Stena Metall achieved a good result. The Group reported EBITDA of SEK 2,946 million, compared to SEK 2,530 million in the prior financial year.

Stena Recycling started the year with lower inbound volumes. However, there was a recovery in both volumes and financial performance in the latter part of the year, and several agreements with new customers were signed. Focus has been on continued high investment levels to position Stena Recycling to grasp new opportunities and support future demands. Stena Recycling is investing in battery centers in some home markets for the collection and treatment of high-energy batteries. At the Stena Nordic Recycling Center in Halmstad, Sweden, investments in the Battery Recycling Center, that was inaugurated in March 2023, continue along with investments in a new aluminium center.

The situation has been tougher for some of the Trade & Industry companies. The European market for aluminium alloys has been characterized by overcapacity and an imbalance between raw material costs and current market prices on alloys, which has had a negative effect on Stena Aluminium's earnings. Efforts to streamline production continued during the year with good results.

Stena Stål has had lower volumes and margins, mainly because of lower activity in the construction sector. During the year, activities to reduce costs to compensate for the decrease in volume were implemented.

Stena Oil performed well with lower market volatility than the previous year. Several tenders were won in the first half of the financial year, combining Stena Oil's existing logistics setup in the Southern Baltic sea region with a new market entry

Kristofer Sundsgård, President and CEO, Stena Metall, visiting the Stena Recycling Tingstad branch in Gothenburg, Sweden.

We want to be a part of and support our partners in the ongoing transition to a circular economy.”

Kristofer Sundsgård,
President and CEO, Stena Metall

into the Stockholm ferry fuel market. In January, operations at the new Marine Fuels Terminal in Frederikshavn, Denmark started, enabling Stena Oil to enhance efficiency.

Despite the challenges we faced, the investment levels in the business remained high. In total, the Group invested SEK 1,859 million, compared to SEK 1,778 million the previous year.

HOW HAVE THE MARKET CONDITIONS IMPACTED STENA METALL DURING THE YEAR?

The continued geopolitical uncertainties around the world affect the economic situation in our markets. Inflation and interest rates still on elevated levels have affected our business negatively.

Stena Metall had clear positive momentum in the second part of the financial year with improved margins and earnings. Volumes in parts of the business have been trending downwards. However, our broad customer base and wide geographical market, together with our operating model of working closely with our customers through delegated business acumen, have once again proven successful.

WHY IS IT IMPORTANT FOR THE BUSINESSES OF STENA METALL TO INCORPORATE SUSTAINABILITY INTO THEIR STRATEGIES? WHAT ACTIONS HAVE BEEN TAKEN?

Sustainability is an important part and one of the cornerstones of our business. The three key sustainability areas – Care for the environment, Care for people, and Care for sustainable business – support the Group's strategies. Care is the foundation of the culture at Stena Metall. We care for each other, for our customers, for resources, and for society. When we care, we act in a more sustainable way.

Stena Recycling is one of the first European recycling and waste management companies to receive approval on its greenhouse gas reduction targets from the Science Based Target initiative (SBTi). This includes both near-term and net-zero targets. Stena Stål has also committed to setting climate targets in line with SBTi. The Group has issued three Green Bonds to support investments in projects with a clear sustainability profile.

Stena Metall makes a difference by offering leading material and product solutions through recycling, processing, and services. The past year we continued to make progress.

IN WHICH WAYS DO THE STRONG CULTURAL VALUES OF STENA METALL CONTRIBUTE TO THE DEVELOPMENT OF THE GROUP?

Our core values – simplicity, reliability, development – are the foundation of our culture and business. These shape how we act towards our customers and towards each other within the Group.

During the year we launched a Diversity & Inclusion program that focuses on equal opportunities. We promote diversity and inclusion because we want to ensure equal opportunity for everyone and aim to mirror the society we operate in. A workforce with diverse backgrounds creates a dynamic, creative organization that can offer high-quality products and services.

GOING FORWARD, HOW WILL STENA METALL CONTINUE TO GROW AND DEVELOP?

Our ambitions are to have a leading market position in all our companies, to have high customer satisfaction and a growing number of customers, and to reach our financial targets.

We want to be a part of and support our partners in the ongoing transition to a circular economy. Our delegated business acumen, which empowers the organization to make decisions close to the customers and operations, enables us to create value. Our operating model will continue to serve us and our customers well.

Several industries are undergoing major transformations. However, in some sectors, such as green steel, lithium-ion batteries, and electrification, there are signs that developments are likely to take longer than first anticipated. A key success factor is that we can continue to support our customers in their transformation journeys. Another important factor going forward is to continue investing in the business to constantly evolve and stay ahead.

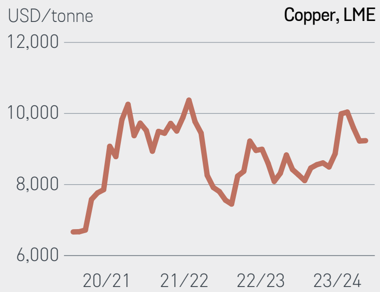
MARKET AND PRICES

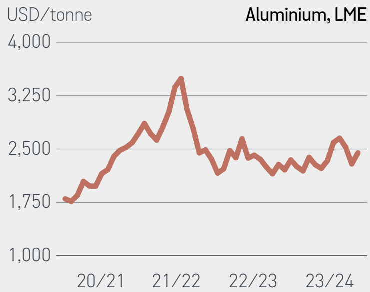
The 2023/2024 financial year has been characterized by continued concerns in the raw materials markets due to geopolitical tensions arising from Russia's invasion of Ukraine and the unrest in the Middle East, as well as interest rate turmoil.

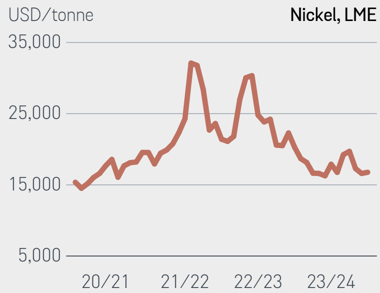
NON-FERROUS

It has been an eventful year for metals in terms of both financial and physical trade. The market has been volatile and affected by war and interest rate turmoil. The focus on China's economic situation created a relatively volatile market on the London Metal Exchange (LME). The market speculated that China would support its crisis-ridden real estate sector and consumption through stimuli, which drove prices up sharply during the spring. Copper reached an all-time high at the end of May (USD 11,104/tonne); the same trend was seen with the other metals.

However, the trend reversed during the summer with prices falling sharply, but recovering to some extent in the latter part of August. To sum up the financial year, all base metals on the LME performed positively, with the exception of nickel, which was down nearly 20 percent. The price of nickel was affected mainly by extensive new production in Indonesia that entered the market. Aluminum rose 15 percent, zinc 22 percent and copper 10 percent since September 2023. Also significant for the year is the large build-up of metal stocks on the LME that took place in Asia, where China delivered large quantities of aluminum and copper, demonstrating weak domestic demand. Turbulent times and interest rate policy also caused the price of gold to soar by more than 30 percent, trading at an all-time high of around USD 2,500/ounce. The political situation around the world had a major impact on all financial markets, including trade in metals on the LME, which also introduced restrictions and bans on trading in Russian metal.







FERROUS SCRAP

Ferrous scrap began the financial year at a low of around USD 370 per tonne in Turkey. Surplus raw materials in North America in particular put pressure on prices. Iron ore prices started the year at a high level of around USD 130 per tonne in China, where domestic conditions were strong and the outlook was expected to be even stronger for 2024, inflation was subdued, and the financial markets were performing well.

Economic activity in China deteriorated in 2024. Steel products were exported at levels not seen since 2016. The production rate in 2024 is around 110 million tonnes. The significant Chinese steel exports meant lower prices in general for the iron and steel sectors. Iron ore fell to its two-year low of around USD 90 per tonne and scrap iron, which was stable during the spring, fell to USD 360. The anti-dumping movement became increasingly vocal during the year and several countries either increased tariffs or introduced new tax levels.

Germany, Europe's largest economy, slowed down and was in recession in 2024. Expectations in Germany deteriorated as the manufacturing and automotive sectors underperformed. Flows of scrap iron were hampered by low economic activity. Lower scrap flows offset lower demand to some extent and meant that prices did not fall as much as expected. Iron scrap ended the year at a low level with an uncertain outlook despite the financial markets expecting an easing of interest rate cuts in both Europe and the US. The expected positive effects of the easing have been postponed from 2024 to at least 2025.

RECOVERED PAPER

Recovered paper is divided primarily into two different grades: packaging materials and graphic grades. The 2023/2024 financial year was characterized by increases in the price of recovered paper. Prices and demand were relatively stable in the fall and winter, while spring and summer saw sharp price increases, especially for packaging materials, and corrugated cardboard in particular. Collections were relatively low and many mills needed to secure materials on an ongoing basis throughout the year, which was the main reason for the price increases.

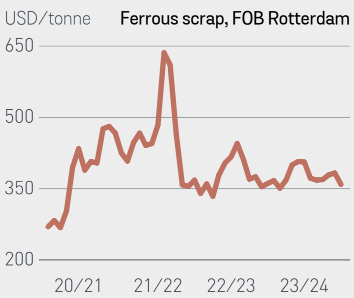
Graphic grades saw positive development in the second half of the financial year, with significant price increases. This development marks an important turning point after a challenging prior year, which was characterized by both reduced demand and falling prices. The market situation has now improved significantly, the paper mills are showing a growing need for volumes, and the decline in collection volumes during the year combined with the healthy demand indicates that the market situation will continue in the same vein in the near future.

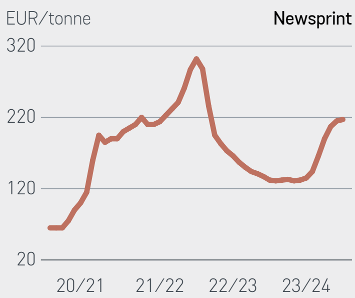
PLASTICS

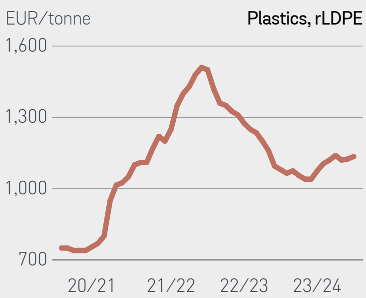
The financial year was characterized by a continued challenging market situation, with demand for materials falling to new lows. The trend that began in 2022 with high inflation and economic slowdown became even more challenging during the year. Rising production costs, high interest rates, and reduced consumption in important sectors such as the construction industry, pipe manufacturing, horticulture, electronics, and the automotive industry, made a significant contribution to the negative trends.

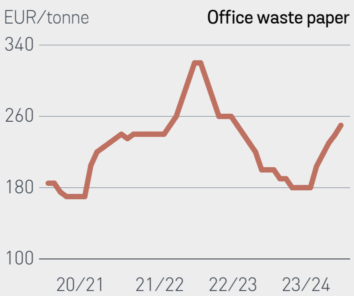
The lack of effective EU green transition legislation also led to newly produced plastics taking market shares from recycled plastics through lower prices. This created a difficult situation with stock build-up, shrinking margins and liquidity problems for many in the industry. The prices of standard plastics such as polypropylene (PP) and polyethylene (PE) recovered slightly in the second and third quarters, but from low levels.

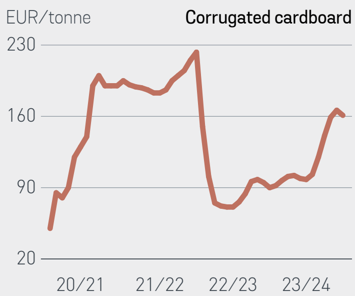
Attempts to increase prices met with resistance due to weak demand. Technical plastics have been struggling for a long time and prices have generally been trending downwards, mainly due to cheap virgin plastics and a weakened and











increasingly competitive automotive industry in Europe. Despite the challenges, the outlook is positive. We believe that the worst is over and that the market for recycled plastics has good growth opportunities going forward. The rapid development of process technology and upcoming EU legislation for the green transition promise a bright future for both industry and the environment.

ALTERNATIVE RAW MATERIALS

During the 2023/2024 financial year, the market for alternative raw materials (such as combustible commercial waste, waste wood, food waste, glass, gypsum, insulation, textiles, tires, wheels, process waste, pulp, and landfill material) was relatively stable. Demand for new sustainable circular solutions together with efficient logistics solutions remains high.

In the case of combustible commercial waste, the concerns in the prior year about the availability of material for incineration plants were replaced by an abundance in the market. Quality and delivery schedules are extremely important, and based on the market situation, an increase in the cost of delivering material for incineration is expected going forward.

Demand for waste wood remained very high. Looking ahead, we see continued high demand for waste wood for energy recovery, material recycling, and reuse.

The market for food waste, which is used primarily for biogas production, was stable during the year. The new regulation on the separation of contents and packaging was introduced on January 1, 2024.

STEEL

In the 2023/2024 financial year, the negative trend seen in the previous year continued. The economic situation deteriorated and demand for steel fell gradually during the year. Supply continues to exceed demand despite the steel mills reducing their production capacity.

The reduced demand for steel for the construction sector, which began in 2023, continued. Nevertheless, prices remained largely unchanged during the year. The weakening of the Swedish krona kept prices up in the Swedish market.

In the manufacturing industry, demand remained stable, but with a slowdown in the last quarter. The prices of flat products fell by approximately 10 percent during the year.

Expectations in terms of demand in the near future are that it will remain weak, but with the hope that expected lower interest rates may increase the willingness to invest in the long term.

FREIGHT

The freight markets were affected by two major events during the financial year. In December, there was a massive upturn in the freight markets for dry transport by sea. Freight rates doubled in just a few weeks, reaching record levels. This was mainly due to strong demand for transport at the end of the calendar year and the fact that Russia booked large tonnages for shadow transport.

In the winter, attacks by Houthi rebels on merchant ships in the Red Sea meant that container traffic had to be routed around the African continent instead of taking the normal route through the Suez Canal, which extended voyages by two weeks. This made trade between South Asia and Europe more difficult, which continued during the year, but traffic normalized on the longer routes.

OIL

The crude oil market was quite volatile and affected by a complex interplay between OPEC+ production strategies, geopolitical tensions, strong demand from key markets, economic uncertainties, and regulatory changes such as the EU Emissions Trading System (EU ETS) for shipping.

Geopolitical tensions in the Middle East and Russia's invasion of Ukraine increased fears of supply disruptions, which contributed to volatility and upward pressure on oil prices. These tensions, combined with sanctions against Russian oil, contributed to significant instability in the global energy markets.

Despite concerns about a global economic slowdown, strong demand for oil from Asian economies, especially China and India, provided stable support for prices. However, a stronger US dollar had a negative impact on global demand.

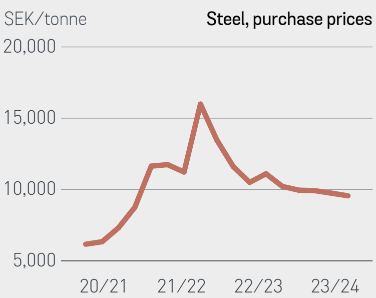
The extension of the EU ETS to maritime transport in 2024 entailed new costs for the maritime industry. This regulatory change is expected to increase demand for cleaner marine fuels, which will indirectly affect oil prices as the market adapts to higher operating costs.

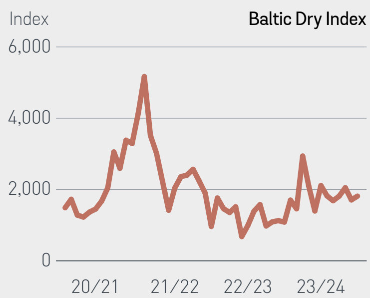
HAZARDOUS WASTE

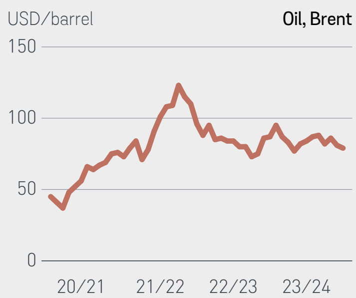
The past year was characterized by a lack of capacity to treat several waste streams within Hazardous Waste (HW). However, a slowdown in German industry meant that volumes decreased, thus freeing up capacity in Northern Europe. At the same time, construction of new facilities is underway, which will increase the availability of some HW flows. The challenges are likely to continue in the first half of 2025 but hopefully will diminish thereafter.

Overall, HW volumes are on the rise. Increases in volume from the new energy conversion industries, including battery production in particular, are substantial. This will continue over the next few years as new plants are planned and built.

There is a great need for a water treatment system that meets all new requirements and can cope with new substances to be treated. Going forward, it will become increasingly important for industry to be able to reuse its own water and reduce its climate footprint through reduced transport.







All graphs on pages 5–7 refer to prices during the period September 1, 2020 up to and including August 31, 2024. All graphs indicate monthly figures. Source: MBR and Stena Metall.

DIRECTORS' REPORT

The Board of Directors and CEO of Stena Metall Aktiebolag, corporate identity number 556138–8371, with its registered office in Gothenburg, hereby submit the report for the financial year September 1, 2023 to August 31, 2024.

ABOUT STENA METALL

Stena Metall conducts operations in five business areas in more than 200 locations in nine countries. The recycling business is a leader with highly advanced logistics solutions, industrial processing and a growing range of services related to waste management and recycling. The Group also produces recycled aluminium, supplies steel products, conducts finance operations, and trades ferrous and non-ferrous metals, and oil nationally and internationally. At the end of the 2023/2024 financial year, the Group had operations in Sweden, Norway, Denmark, Finland, Poland, Switzerland, Germany, Italy, and the USA.

The 2023/2024 financial year was characterized by challenging markets. Nevertheless, Stena Metall performed well and reports an improved result compared to the previous year. The year started with lower incoming volumes in many of Stena Recycling's product areas, but towards the end of the financial year, volumes recovered and several new customers were signed up. Despite geopolitical uncertainties and interest rates still on elevated levels, margins improved. Stena Metall's broad customer base, geographical spread and our operating model once again proved successful. The delegated business acumen with decision-making and performance responsibility close to customers enables the organization to make quick decisions in ever-changing environments.

However, the situation in other parts of the business was not as favorable as for Stena Recycling. The construction sector, which is one of Stena Stål's most important customer segments, saw a sharp decline in activity, which had a negative effect on volumes and margins. The aluminum market was characterized by overcapacity and imbalances between raw material prices and market prices for alloys. Several projects to improve profitability are underway, all with the aim of reducing short-term risks and strengthening the companies going forward.

MARKET

Recycling

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

The 2023/2024 financial year was eventful, with both positive and challenging elements. The high interest rate situation for most of the year affected the European economies. The economic downturn has had a negative impact on industrial activities in several sectors. For Stena Recycling, this resulted in lower volumes, especially in scrap iron, which affected gross margins. However, increased profitability in other product areas, such as hazardous and industrial waste, partially offset this effect. Despite market volatility and macroeconomic uncertainty, Stena Recycling achieved a strong performance. This was made possible through close partnerships with customers, strong financial discipline, and recovery of volumes in the second half of the year. Stena Recycling also strengthened its future position further by including new partners in the customer base. The company's ability to offer a complete circular solution has proven crucial to securing these partnerships.

Operating profit amounted to SEK 1,183 million (1,135). Net sales amounted to SEK 25,427 million (26,504).

Aluminium

Stena Aluminium is the leading producer of recycled aluminium in the Nordic region. During the financial year, the company continued its efforts to improve production efficiency according to plan, which also led to volume growth during the year. However, producers of secondary aluminum alloys in Europe, including Stena Aluminum, have faced challenges since last year with lower gross margins. Despite the fact that the level of alloy prices is high from a multi-year perspective, the biggest challenge is still higher raw material costs. This is due to a shortage of raw materials in the market where the increasing competition is driven by the focus of aluminium producers on blending in secondary raw materials in order to reduce CO_2 emissions.

Operating profit amounted to SEK –68 million (35). Net sales amounted to SEK 1,748 million (1,761).

Steel

Stena Stål operates in Sweden and Norway and offers a wide range of steel products. The market in which Stena Stål operates experienced a significant reduction in demand, especially from customers in the construction sector. This led to lower volumes. The industrial sector, however, has not seen such a sharp decline. Several improvement measures were implemented during the financial year to boost delivery performance to customers. In addition, a project is underway in Västerås to upgrade the product line and improve processing capacity. The project is expected to be completed during fall 2024.

Stena Stål's operating profit amounted to SEK –60 million (63). Net sales amounted to SEK 2,086 million (2,867).

Oil

Stena Oil is Scandinavia's leading supplier of bunker oil and complete marine solutions for vessels in Skagerak, Kattegat, and the North Sea region.

For most of the financial year, oil prices have fallen, affected by macroeconomic uncertainties. The marine fuel market experienced significant price volatility in the first two quarters, but conditions improved in the second half of the year. In the third quarter, Stena Oil opened a new bunkering terminal in Frederikshavn, Denmark. Construction began in 2019 and the terminal is now fully operational with a capacity of 75,000 cubic meters, and is designed to support the green transition in the marine sector.

Operating profit and net sales amounted to SEK 194 million (222) and SEK 12,202 million (13,142) respectively.

Finance

Stena Metall Finans manages investment operations and internal banking for the Group, from Gothenburg and Zug, Switzerland. Stena Metall Finans' operating profit amounted to SEK 84 million (–18).

As a result of current developments at Northvolt AB, Stena Metall Finans reported a change in fair value of its holding in the company of SEK –300 million in other comprehensive income. The change in fair value does not affect cash flow.

ENVIRONMENTAL INFORMATION

The majority of the Group's operations, 200 facilities, is subject to environmental notifications or permit requirements under the Swedish Environmental Code. The biggest environmental impacts from these operations are noise and emissions to soil, air and, water from handling and processing incoming material. All companies have specially appointed individuals with responsibility for safety and environmental work. Employees are given ongoing environmental, fire protection, and safety training in accordance with company-specific training plans and programs.

SUSTAINABILITY REPORT

In accordance with chapter 6, section 11 of the Swedish Annual Accounts Act, the Stena Metall Group 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 2023/2024, and on the company's website, www.stenametall.com.

EMPLOYEES

The Stena Metall Group strives to create a safe and engaging working environment, where care and inclusion are driving forces. The corporate culture is based on the delegation of business acumen, shared values, and a focus on continuous skills development. These elements form the basis of the Group's operations. The Stena Metall Group's corporate culture is based on three core values: Simplicity, Reliability, and Development. These principles, together with the Code of Conduct, govern all aspects of the company's activities. The culture is strongly rooted in a belief in delegated business acumen that promotes a sense of personal responsibility and commitment among employees, enabling them to make business decisions and adapt quickly to change. The average number of employees in the Stena Metall Group in the 2023/2024 financial year was 4,407 (4,365); of which 27 percent were women and 73 percent men.

RESEARCH AND DEVELOPMENT

The Group conducts a number of large projects aimed at developing new advanced recycling technology. Continuously improving the recycling rate of complex fractions and creating quality-assured recycled raw materials generates value for the Group and its customers with a view to achieving business-critical and sustainable global goals. Development takes place in a modern development environment where the focus is primarily on the areas of plastics, complex metals, hazardous waste, and Industry 4.0. There are a number of different partnerships with various stakeholders, such as customers, technology suppliers, technical colleges, universities, authorities, organizations, and the business community.

ACCOUNTING PRINCIPLES

The same accounting principles and calculation methods have been used as in the previous year's Annual Report. The Group's accounting principles can be found on pages 14–17.

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 are controlled by activities in the steel mills, paper mills, construction industry, transport sector, manufacturing, private market, etc. The company follows up on trends in the market on a regular basis in order to adapt to the prevailing conditions. In its operations, the Group is exposed to a variety 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.

SALES AND PROFIT

The Group's net sales amounted to SEK 41,620 million (44,334), down 6.1 percent compared with the previous financial year. The Parent Company's net sales amounted to SEK 690 million (350), of which intra-Group transactions accounted for SEK 688 million (348). The Group's profit for the year and comprehensive income amounted to SEK 1,042 million (838) and SEK 735 million (973) respectively. The Parent Company's profit, which is equal to its comprehensive income, amounted to SEK 399 million (454).

FUTURE DEVELOPMENT

Stena Metall continues to invest in new technology and improving customer partnerships. With continued financial discipline, a focus on the core business and strengthening the organization, our market position will continue to be strengthened and the ability to take advantage of future business opportunities will be improved.

PARENT COMPANY

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

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 amounting to SEK 2,577,875,302, be distributed as follows:

- dividend to shareholders of SEK 140,000,000
- remainder to be carried forward, SEK 2,437,875,302.

INCOME STATEMENT

September 1 – August 31, SEK million	Note	2023/2024	2022/2023
Net sales	2	41,620	44,334
Cost of goods sold	4, 26	–38,373	–40,979
GROSS PROFIT		3,247	3,355
Sales expenses	4, 26	–589	–628
Administrative expenses	3, 4, 26	–1,503	–1,571
Other operating income and expenses	5	536	208
OPERATING PROFIT	2	1,691	1,364
Income from investments in associated companies	6	8	10
Net interest income/expense	6	–347	–280
Other financial income and expenses	6	–18	24
PROFIT BEFORE TAX		1,334	1,118
Taxes	7	–292	–280
PROFIT FOR THE YEAR		1,042	838
Other comprehensive income			
Items that can later be reclassified to profit or loss:			
Change in value of hedging reserve		—	3
Translation differences		–21	116
Revaluation of hedges of net investments		14	16
Items that will not be reclassified to profit or loss:			
Change in fair value reserve		–300	—
Translation of provision for pensions and similar obligations		—	—
TOTAL COMPREHENSIVE INCOME		735	973
Profit/loss for the year is attributable to:			
Parent Company's shareholders		1,041	838
Non-controlling interests		1	—
PROFIT FOR THE YEAR		1,042	838
Total comprehensive income attributable to:			
Parent Company's shareholders		734	973
Non-controlling interests		1	—
TOTAL COMPREHENSIVE INCOME		735	973

BALANCE SHEET

August 31, SEK million	Note	2024	2023
ASSETS			
Fixed assets			
Goodwill	8	655	674
Trademarks and customer relationships	8	297	333
Other intangible fixed assets	8	787	553
TOTAL INTANGIBLE ASSETS		1,739	1,560
Buildings	9, 22	2,841	2,325
Land and other real estate	9	1,535	1,233
Plant and machinery	9, 22	4,023	4,261
Equipment	9	83	87
Construction in progress	9	826	730
TOTAL TANGIBLE FIXED ASSETS		9,308	8,636
Shares and participations in associated companies	10	56	50
Other long-term securities	11	1,739	2,053
Deferred tax assets	17	239	203
Other long-term receivables	12	243	62
TOTAL FINANCIAL FIXED ASSETS		2,277	2,368
TOTAL FIXED ASSETS		13,324	12,564
Current assets			
Inventories	13	2,685	2,616
Accounts receivable	14	3,498	3,283
Current tax assets		167	141
Other receivables	14	830	720
Prepaid expenses and accrued income	14	1,394	1,307
TOTAL CURRENT RECEIVABLES		5,889	5,451
Short-term investments		922	1,728
Cash and cash equivalents	15	849	305
TOTAL CURRENT ASSETS		10,345	10,100
TOTAL ASSETS		23,669	22,664

August 31, SEK million	Note	2024	2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		13	13
Reserves		190	497
Retained earnings		9,984	9,257
Profit for the year		1,042	838
Non-controlling interests		3	2
TOTAL SHAREHOLDERS' EQUITY		11,232	10,607
Pensions and similar obligations	16	11	13
Deferred tax liabilities	17	530	485
Other provisions	18	817	769
Bond loans	19	2,400	3,000
Interest-bearing liabilities	20	1,864	1,776
Other liabilities	21	10	10
TOTAL LONG-TERM LIABILITIES		5,632	6,053
Bond loans	19	1,000	800
Interest-bearing liabilities	20	564	465
Accounts payable		2,495	2,073
Current tax liabilities		190	128
Other liabilities	21	282	261
Accrued expenses and prepaid income	21	2,274	2,277
TOTAL CURRENT LIABILITIES		6,805	6,004
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		23,669	22,664

STATEMENT OF CASH FLOWS

September 1 – August 31, SEK million	Note	2023/2024	2022/2023
Operating activities			
Profit before tax		1,334	1,118
Adjustments for non-cash items		1,444	1,039
		2,778	2,157
Taxes paid		–256	–488
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		2,522	1,669
Changes in working capital			
Increase(-)/Decrease(+) in inventories		–83	456
Increase(-)/Decrease(+) in operating receivables		–429	303
Increase(+)/Decrease(-) in operating liabilities		500	–784
CASH FLOW FROM CHANGES IN WORKING CAPITAL		–12	–25
CASH FLOW FROM OPERATING ACTIVITIES		2,510	1,644
Investing activities			
Acquisition of subsidiaries and assets	24	–115	–304
Divestment of subsidiaries	24	–4	—
Acquisition of intangible fixed assets		–259	–243
Acquisition of tangible fixed assets		–1,600	–1,535
Sale of tangible fixed assets		49	49
Change in financial assets		608	–207
CASH FLOW FROM INVESTING ACTIVITIES		–1,321	–2,240
CASH FLOW AFTER INVESTMENTS		1,189	–596
Financing activities			
Loan proceeds	24	1,100	1,000
Amortization of loan liabilities	24	–1,379	–996
Amortization of lease liabilities	24	–254	–255
Share dividend		–110	–450
CASH FLOW FROM FINANCING ACTIVITIES		–643	–701
CASH FLOW FOR THE YEAR		546	–1,297
Cash and cash equivalents at the beginning of the year		305	1,579
Exchange rate differences in cash and cash equivalents		–2	23
CASH AND CASH EQUIVALENTS AT YEAR END		849	305
Supplemental disclosure to statement of cash flows			
Adjustments for non-cash items etc.			
Income from investments in associated companies		–8	–10
Depreciation and impairment of assets		986	914
Depreciation of right-of-use assets		269	252
Unrealized exchange rate differences		146	–243
Unrealized change in value of financial assets		51	18
Capital gain/loss on sale of tangible fixed assets		–19	–6
Capital gain/loss on sale of subsidiaries		–80	—
Change in provisions		52	88
Other items not affecting cash flow		47	26
TOTAL		1,444	1,039

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 shareholders' equity
SHAREHOLDERS' EQUITY, OPENING BALANCE SEPTEMBER 1, 2022	13	413	9,656	10,082	2	10,084
Reclassification		–51	51	0		0
Profit for the year			838	838		838
Other comprehensive income						
Change in hedging reserve		3		3		3
Change in translation reserve		116		116		116
Change in hedge of net investment		16		16		16
Recalculation of provisions for pensions			0	0		0
Transactions with shareholders						
Dividend			–450	–450		–450
SHAREHOLDERS' EQUITY, CLOSING BALANCE AUGUST 31, 2023	13	497	10,095	10,605	2	10,607
Profit for the year			1,041	1,041	1	1,042
Other comprehensive income						
Change in hedging reserve		—		—		—
Change in translation reserve		–21		–21		–21
Change in hedge of net investment		14		14		14
Change in fair value reserve		–300		–300		–300
Recalculation of provisions for pensions			0	0		0
Transactions with shareholders						
Dividend			–110	–110		–110
SHAREHOLDERS' EQUITY, CLOSING BALANCE AUGUST 31, 2024	13	190	11,026	11,229	3	11,232

HEDGING RESERVE

The reserve relates to the change in fair value 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 INVESTMENTS

The reserve comprises the revaluation of loans in order to hedge net investments in subsidiaries.

FAIR VALUE RESERVE

The reserve comprises gains and losses arising from the measurement of financial assets at fair value through other comprehensive income.

Opening balance as of September 1, 2022, has been adjusted because certain investments should have been reported as financial instruments at fair value through other comprehensive income instead of profit and loss.

NON-CONTROLLING INTERESTS

Refers to the minority interests' share of profit and loss in Bilretur ABC AB (49%) 0 (0), XO Transport & Service AS (50%) 1 (–1), and Norsk Bildemontering AS (40%) 0 (1).

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 produces recycled aluminium, supplies steel products, conducts finance operations and international trading in ferrous and non-ferrous metals, and oil.

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

The annual report is prepared in SEK million unless indicated otherwise. Figures in parentheses refer to the previous year.

BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

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

Fixed assets, long-term liabilities and provisions essentially consist solely of the amounts that are expected to be recovered or paid within twelve months of the balance sheet date. Current assets and short-term liabilities essentially consist solely of 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 in accordance with the same accounting policies as for the Group, with the exceptions described in the section "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. In addition, management is required to make certain assessments when applying the Group's accounting principles, see Note 1.

CONSOLIDATED FINANCIAL STATEMENTS

The Group's financial accounts include the Parent Company Stena Metall AB and all companies in which the Parent Company, at the end of the financial year, directly or indirectly, holds more than 50% of the voting rights, or otherwise exercises a controlling influence. Companies acquired during the year have been included in the consolidated financial statements as of the date on which the controlling influence is transferred to the Group. Companies divested during the year are not included in the consolidated financial statements as of the date on which the controlling influence 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 for 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 the contingent consideration. Subsequent changes in the fair value of the contingent consideration are recognized in the income statement in accordance with IFRS 9.

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 recognized as an expense as they arise.

Changes in ownership of a subsidiary without a change in controlling interest

Transactions with holders of non-controlling interests 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 has a significant but not controlling influence, which generally applies to shareholdings with between 20% and 50% of the votes. Holdings in associated companies are recognized using the equity method. When applying the equity method, the investment is initially valued at acquisition cost 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 acquisition date. The carrying amount also includes goodwill identified at the time of acquisition. If the Group's share of an associated company's losses is equal to or exceeds its holding in the associated company, the Group does not recognize any further losses unless the Group has assumed legal or constructive obligations or made payments on behalf of the associated company.

Shares are recognized in the consolidated balance sheet under "Shares and participations in associated companies", see Note 10. The consolidated income statement shows the Group's share of the associated companies' profit or loss under "Income from investments in associated companies" in net financial income/expense, 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 rate 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 currencies are translated at the exchange rate on the day of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate on the balance sheet date. Exchange rate gains and losses arising at the time of translation are recognized in the income statement. Exceptions are when the transactions are hedges that satisfy the conditions for hedge accounting of the net investments, when gains/losses are recognized in other comprehensive income. Non-monetary assets and liabilities which are recognized at historical acquisition costs are translated at the exchange rate on the day of the transaction.

Exchange rate gains and losses attributable to loans and cash and cash equivalents are recognized in the income statement as financial income or expenses. Other exchange rate gains and losses are recognized in operating profit.

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 segment 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 business areas, follow internal governance and reporting. These serve as a basis for identifying the main risks and varying returns in the business and are based on the different business models for the Group's end customers. The segments are 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 its segments are:

- Recycling
- Aluminium
- Oil
- Steel
- Finance

INTANGIBLE FIXED ASSETS

Goodwill

Goodwill arises on acquisition of subsidiaries and refers to the amount by which the purchase price exceeds Stena Metall's share of the fair value of identified assets, liabilities and contingent liabilities and the fair value of non-controlling interests in the acquired company. Goodwill is tested for impairment annually or more often if events or changes in circumstances indicate the possibility of diminished value. Any impairment is immediately recognized as an expense. In any impairment testing, goodwill is allocated to cash-generating units. An allocation is made to the cash-generating units that are expected to benefit from synergies resulting from the acquisition. Every unit to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is tested through internal governance.

IT investments

Acquired software is capitalized on the basis of acquisition and implementation expenses. The expense is amortized on a straight-line basis over an estimated useful life of 5–10 years. The useful life is reviewed 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 acquisition cost of the asset can be reliably estimated. Tangible fixed assets are recognized at acquisition cost less depreciation and any impairment.

Acquisition cost includes expenses 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 recognized as an expense 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 tangible fixed assets relate to selling 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 acquisition 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 their 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 residual values and useful lives of the assets are reviewed at the end of each reporting period and adjusted as needed. An asset's carrying amount is written down immediately 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 circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized at the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its estimated value in use.

For impairment testing purposes, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). Assets (other than goodwill) that have previously been impaired are tested 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 amount 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 or loss, financial assets and liabilities at amortized acquisition cost, financial assets at fair value through other comprehensive income, 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 financially hedge the risks to which the Group is exposed, such as exchange rate exposure. For the majority of the derivatives, the changes in the fair value are recognized directly in the income statement for the period in which they arise and reported net in cost of goods sold. The Stena Metall Group apply hedge accounting for some derivatives, see further section Derivatives and hedges.

Financial assets valued at fair value through other comprehensive income

Financial assets belonging to this category are measured and recognized at fair value through other comprehensive income. The accumulated change in value on sale will be recognized as part of other comprehensive income. Dividends attributable to instruments, on the other hand, are recognized in the income statement. This category includes long-term securities.

Financial assets valued at amortized cost

Loans and receivables are non-derivative financial assets with fixed payments that are not listed on an active market. These assets are valued at amortized 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 amortized cost. Assets in this category are initially recognized at fair value including transaction costs. After the acquisition date, they are recognized at amortized cost using the effective interest method. The carrying amount of these assets is adjusted for any expected credit losses reported. Interest income from these financial assets is recognized using the effective interest method and included in financial income. Assets in this category consist of accounts receivables 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 amortized cost
Bond loans, interest-bearing liabilities and other liabilities, such as accounts payable, are included in this category. Liabilities are valued at amortized cost. Interest-bearing liabilities and bond loans are initially recognized at their nominal amount. Borrowing 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. Borrowing is classified as a current liability unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period.

Financial instruments valued at fair value through other comprehensive income
The Group's exposure when translating the net assets of foreign subsidiaries into the Parent Company's functional currency has in certain cases been hedged with liabilities in foreign currency. Gains and losses on hedging instruments that meet the requirements for hedging net investments are recognized in the translation reserve in shareholders' equity via other comprehensive income. The gain or loss attributable to the ineffective portion is recognized 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 on which 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 measured at fair value through profit 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 essentially transferred 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 offset 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 measured at fair value through profit or loss are recognized in the income statement on the line Operating income and 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 may be impaired. In the case of financial assets, a significant or prolonged decline in the fair value of an instrument to a level below its acquisition cost is considered evidence of a need for 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 interest rate instruments are used to ensure an appropriate interest rate level. The gain or loss arising from the revaluation of interest rate instruments is recognized in the income statement in net financial income/expense. The results for other derivative instruments 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 current liability when the remaining maturity of the hedged item is less than 12 months. Exchange rate differences from the revaluation of borrowings in foreign currencies designed to hedge foreign assets are recognized directly in other comprehensive income and offset against the translation differences in such foreign net assets.

The Group also applies cash flow hedges. A number of criteria must be met in order to apply hedge accounting. When entering into a hedging transaction, the Group documents the relationship between the hedging instrument and the hedged item based on the Group's risk management objectives and strategy. The Group also documents its assessment, both at the time of entering into the hedge and on an ongoing basis, of whether the hedge relationship is effective, i.e. in terms of counteracting changes in the value of future cash flows attributable to the hedged items. The fair value of the hedging instruments is recognized in other comprehensive income until the hedged item affects profit or loss. The accumulated changes in fair value are transferred to profit or loss through other comprehensive income in the same period as the hedged item is realized (i.e. gives rise to a gain or a loss) and the reversed amount is recognized on the same line as the hedged item. Gains or losses attributable to any ineffective part of a hedge are recognized directly in the income statement.

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 realizable value on the balance sheet date. Net realizable value refers to the estimated selling price less selling expenses. The selected method of measurement takes into account obsolescence in inventories. 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 constructive obligation as a result of a past event and it is likely that an outflow of resources will be required 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

Tax expenses for the period include current and deferred tax. The current tax expense is calculated on the basis of the tax regulations that have been adopted or substantively adopted on the balance sheet date 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 using tax rates that have been adopted or announced on 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 loss carryforwards are recognized to the extent it is likely that future taxable profits will be available to offset the losses.

The Group is subject to the OECD's Pillar Two Model Rules, an international tax reform aiming to ensure that large multinationals pay a minimum tax on income arising in each jurisdiction in which they operate. The Stena Metall Group therefore becomes liable for additional tax on profits in each jurisdiction where the effective tax rate calculated in accordance with the GloBE rules is less than the minimum tax rate of 15%.

Legislation on Pillar Two has been adopted in Sweden, where Stena Metall AB has its registered office, and will apply to companies with calendar financial years from January 1, 2024. The Stena Metall Group does not have a calendar financial year, meaning that the legislation on Pillar Two had not entered into force, and on the balance sheet date, the Group had no related current tax exposure. The Group applies the exemption to report and disclose deferred tax assets and liabilities related to income taxes from Pillar Two, as set out in the amendments to IAS 12 issued in May 2023. Potential exposure as a result of the new legislation is not expected to have a material impact on the Stena Metall Group.

EMPLOYEE BENEFITS

Post-employment benefits, such as pensions and other benefits, are largely disbursed through ongoing payments to independent authorities or institutions, which thereby assume the obligations to the employees, i.e. through defined contribution plans. Costs are charged against the Group's result as benefits are vested. Certain pension entitlements are secured through company-owned endowment insurances.

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 using 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 contribution pension plan.

BORROWING COSTS

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

All other borrowing costs are recognized as an expense as they arise.

REVENUE RECOGNITION

Revenue comprises the fair value of what has been received or will be received for goods and services sold in the Group's operations. Revenue is recognized excluding VAT, 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 associated with the sale have been fulfilled or have 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 individual case.

The Group's revenue from recycling, aluminium, steel and oil businesses is attributable to the sale of goods and services, and the leasing 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 provided.

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

Interest income is recognized as income over the term using the effective interest method.

Dividends are recognized when the right to the proceeds is received and recognized in net financial income.

LEASING

The Stena Metall Group applies IFRS 16, which means that leases are recognized in the balance sheet as a right-of-use asset and a lease liability on the commencement date. An agreement is, or contains, a lease if it transfers 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 vessels, buildings, and machinery. The application of IFRS 16 increases the total value of recognized assets and liabilities as a result of the recognition of right-of-use assets and lease liabilities in the balance sheet. The Stena Metall Group 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. Grants are therefore recognized in the income statement over the useful life of the depreciable asset in the form of lower depreciation. Where a 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 when there is an obligation where an outflow of resources is not likely or a sufficiently reliable estimate of the amount cannot be made.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

The Parent Company applies the Swedish 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 Swedish Annual Accounts Act. The most significant differences between the Group's and the Parent Company's accounting policies are indicated below.

Shares in 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 a complete exemption from the application of IFRS 16 Leases.

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

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 during the next 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. Certain estimates must be made for these calculations, 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 loss carryforwards that are likely to be offset against future taxable profits and against taxable temporary differences.

Tax loss carryforwards for companies outside Sweden for which a deferred tax asset has not been booked amount to SEK 948 million (1, 100) as of August 31, 2024.

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. The Stena Metall Group's provisions are set out in Notes 16–18.

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

By area of operations	2023/2024	2022/2023
Recycling	25,427	26,504
Aluminium	1,748	1,761
Oil	12,202	13,142
Steel	2,086	2,867
Other	157	60
TOTAL	**41,620**	**44,334**
By geographic market		
Sweden	15,116	15,559
Europe excluding Sweden	18,917	17,884
Rest of the world	7,587	10,891
TOTAL	**41,620**	**44,334**
By significant revenue source		
Goods	35,951	39,075
Services	5,669	5,259
TOTAL	**41,620**	**44,334**

Excise duty of 1 (2) is included in sales.

OPERATING PROFIT

By area of operations	2023/2024	2022/2023
Recycling	1,183	1,135
Aluminium	−68	35
Oil	194	222
Steel	−60	63
Finance	84	−18
Other	358	−73
TOTAL	**1,691**	**1,364**

Net exchange rate differences recognized in operating profit amount to −8 (−8).

3 | AUDITORS' FEES

PwC	2023/2024	2022/2023
Audit assignment	13	12
Audit work in excess of audit assignment	—	—
Tax advice	—	1
Other assignments	—	—
TOTAL	13	13

Audit assignments refer to the review of the annual report and accounts and the administration by the Board of Directors and the CEO. 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 performance of other such duties. The audit also includes a general review of the Group's sustainability report. All other work is considered to be other services.

4 | DEPRECIATION AND IMPAIRMENTS

Depreciation/amortization according to plan and impairment losses by function	2023/2024	2022/2023
Cost of goods sold	–1,177	–1,097
Sales expenses	—	–1
Administrative expenses	–78	–68
TOTAL	–1,255	–1,166

Depreciation/amortization according to plan and impairment losses by asset	2023/2024	2022/2023
Trademarks and customer relationships	–55	–49
Other intangible fixed assets	–26	–23
Buildings	–250	–229
Land improvements	–29	–27
Plant and machinery	–883	–825
Equipment	–12	–13
TOTAL	–1,255	–1,166

5 | OTHER OPERATING INCOME AND OPERATING EXPENSES

	2023/2024	2022/2023
Business area Finance	111	14
Leasing income from vessels, net	174	172
Profit/loss from sale of subsidiaries	80	—
Profit/loss from sale of tangible fixed assets, net	19	6
Income derived from insurance	128	—
Rental income	12	12
Grants received	10	3
Other	2	1
TOTAL	536	208

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

6 | NET FINANCIAL INCOME/EXPENSE

Income from investments in associated companies	2023/2024	2022/2023
Returpapperscentralen i Uppsala HB	7	9
Other	1	1
TOTAL	8	10

Net interest income/expense	2023/2024	2022/2023
Interest income	55	57
Interest expenses	–384	–323
Borrowing costs	–18	–14
TOTAL	–347	–280

Interest expenses for the year include –45 (–32) attributable to lease liabilities in accordance with IFRS 16.

Other financial income and expenses	2023/2024	2022/2023
Exchange rate differences	–14	27
Other	–4	–3
TOTAL	–18	24

7 | TAXES

	2023/2024	2022/2023
Current tax	–295	–268
Deferred tax	3	–12
TOTAL	–292	–280
Current tax		
Current tax for the period	–300	–273
Tax attributable to previous years	5	5
TOTAL	–295	–268
Deferred tax		
Related to temporary differences	–2	–11
Related to tax loss carryforwards	5	–1
TOTAL	3	–12

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

Reconciliation of recognized tax charge	2023/2024	2022/2023
PROFIT BEFORE TAX	1,334	1,118
Tax according to Parent Company's current tax rate 20.6%	–275	–230
Effect of other tax rates for foreign subsidiaries	2	7
Non-deductible expenses	–50	–57
Tax-exempt revenue	44	7
Utilized tax loss carryforwards	14	5
Unrecognized tax assets on net loss for the year	–21	–6
Deferred tax	14	–4
Tax attributable to previous years	5	5
Other	–25	–7
RECOGNIZED TAX CHARGE	–292	–280

8 | INTANGIBLE FIXED ASSETS

	Goodwill	Trademarks and customer relationships	Other intangible fixed assets	Total
Acquisition cost, opening balance September 1, 2023	1,422	701	657	2,780
Acquisitions for the year	—	—	259	259
Purchased companies	15	26	—	41
Translation differences	–59	–8	–1	–68
ACQUISITION COST, CLOSING BALANCE AUGUST 31, 2024	**1,378**	**719**	**915**	**3,012**
Accumulated depreciation, opening balance September 1, 2023	–748	–368	–104	–1,220
Amortization for the year	—	–55	–26	–81
Purchased companies	—	—	—	—
Translation differences	25	1	2	28
ACCUMULATED AMORTIZATION AND IMPAIRMENTS, CLOSING BALANCE AUGUST 31, 2024	**–723**	**–422**	**–128**	**–1,273**
CARRYING VALUE AUGUST 31, 2024	**655**	**297**	**787**	**1,739**

	Goodwill	Trademarks and customer relationships	Other intangible fixed assets	Total
Acquisition cost, opening balance September 1, 2022	1,335	543	385	2,263
Acquisitions for the year	—	—	243	243
Purchased companies	23	150	31	204
Disposals	—	—	–4	–4
Translation differences	64	8	2	74
ACQUISITION COST, CLOSING BALANCE AUGUST 31, 2023	**1,422**	**701**	**657**	**2,780**
Accumulated depreciation, opening balance September 1, 2022	–699	–318	–66	–1,083
Amortization for the year	—	–49	–23	–72
Purchased companies	–5	—	–14	–19
Translation differences	–44	–1	–1	–46
ACCUMULATED AMORTIZATION AND IMPAIRMENTS, CLOSING BALANCE AUGUST 31, 2023	**–748**	**–368**	**–104**	**–1,220**
CARRYING VALUE AUGUST 31, 2023	**674**	**333**	**553**	**1,560**

GOODWILL

Goodwill is allocated to the Group's cash-generating units, which follows the segment reporting, see table below.

	Aug. 31, 2024	Aug. 31, 2023
Recycling	636	655
Steel	19	19
TOTAL	**655**	**674**

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 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 amounts 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 growth, operating profit after amortization, changes in working capital, and reinvestments. The most significant assumptions when determining the recoverable amount are the forecasted sales in each cash-generating unit.

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

In calculating the recoverable value of the cash-generating units and assets in 2023/2024, a discount factor (WACC – weighted average cost of capital) of 7.3% after tax and 9.2% before tax has been used for each segment.

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	Construction in progress	Total
Acquisition cost, opening balance September 1, 2023	4,245	1,665	10,889	322	730	17,851
Purchased companies	51	2	20	9	1	83
Sold companies	–19	—	—	–1	—	–20
Acquisitions for the year	438	137	567	13	777	1,932
Reclassification	354	169	188	–31	–680	—
Sales and disposals	–57	–13	–317	–4	—	–391
Translation differences	–87	17	–198	–3	–2	–273
ACQUISITION COST, CLOSING BALANCE AUGUST 31, 2024	**4,925**	**1,977**	**11,149**	**305**	**826**	**19,182**
Accumulated depreciation, opening balance September 1, 2023	–1,920	–432	–6,628	–235		–9,215
Purchased companies	–5	—	–5	–6		–16
Sold companies	4	—	—	—		4
Reclassification	–14	14	–23	23		—
Sales and disposals	48	5	305	5		363
Depreciation for the year	–250	–29	–883	–12		–1,174
Translation differences	53	—	108	3		164
ACCUMULATED DEPRECIATION AND IMPAIRMENTS, CLOSING BALANCE AUGUST 31, 2024	**–2,084**	**–442**	**–7,126**	**–222**		**–9,874**
CARRYING VALUE AUGUST 31, 2024	**2,841**	**1,535**	**4,023**	**83**	**826**	**9,308**
Acquisition cost, opening balance September 1, 2022	3,651	1,430	9,984	259	426	15,750
Purchased companies	54	32	71	—	4	161
Acquisitions for the year	353	134	871	6	637	2,001
Reclassification	63	30	204	48	–345	—
Sales and disposals	–16	–3	–621	–1	—	–641
Translation differences	140	42	380	10	8	580
ACQUISITION COST, CLOSING BALANCE AUGUST 31, 2023	**4,245**	**1,665**	**10,889**	**322**	**730**	**17,851**
Accumulated depreciation, opening balance September 1, 2022	–1,610	–399	–6,151	–207		–8,367
Purchased companies	–15	–1	–33	—		–49
Reclassification	15	–15	7	–7		—
Sales and disposals	13	—	584	1		598
Depreciation for the year	–229	–27	–825	–13		–1,094
Translation differences	–94	10	–210	–9		–303
ACCUMULATED DEPRECIATION AND IMPAIRMENTS, CLOSING BALANCE AUGUST 31, 2023	**–1,920**	**–432**	**–6,628**	**–235**		**–9,215**
CARRYING VALUE AUGUST 31, 2023	**2,325**	**1,233**	**4,261**	**87**	**730**	**8,636**

10 | SHARES AND PARTICIPATIONS IN ASSOCIATED COMPANIES

Indirectly owned	Share of equity/ Votes, %	Aug. 31, 2024	Aug. 31, 2023
Returpapperscentralen i Uppsala HB, 916513-9313, Uppsala	50.0	20	13
RPC Fastighet AB, 559449–1671, Uppsala	50.0	1	—
Jern og Metallomsetning AS, Norway	50.0	7	8
EPE Eigedom AS, Norway	50.0	24	25
Mørlandsmoen Bilopphugging AS, Norway	33.3	4	4
BioImpakt AB, 559004–5018, Örebro	20.0	—	—
Loop Electronics A/S, Denmark	50.0	—	—
Suomen Kierrätysyhteisö Oy, Finland	33.3	—	—
TOTAL		56	50

Accumulated acquisition cost	Aug. 31, 2024	Aug. 31, 2023
Net carrying value, opening balance	50	42
Purchased companies	1	—
Share of profit for the year	7	10
Translation differences	–2	–2
NET CARRYING VALUE, CLOSING BALANCE	56	50

11 | OTHER LONG-TERM SECURITIES

	Aug. 31, 2024	Aug. 31, 2023
Private equity funds and other unlisted holdings	1,704	2,020
Other	35	33
TOTAL	1,739	2,053

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

12 | OTHER LONG-TERM RECEIVABLES

	Aug. 31, 2024	Aug. 31, 2023
Interest-bearing receivables	110	51
Other	133	11
TOTAL	243	62
Net carrying value, opening balance	62	54
Additional receivables	185	8
Settled receivables	–4	—
NET CARRYING VALUE, CLOSING BALANCE	243	62

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

13 | INVENTORIES

	Aug. 31, 2024	Aug. 31, 2023
Raw materials	2,072	1,989
Finished goods	613	627
TOTAL	2,685	2,616

Obsolescence of 4 (3) was taken up as income/expensed during the year. At year-end, the obsolescence reserve amounted to 9 (13).

14 | CURRENT RECEIVABLES

ACCOUNTS RECEIVABLE	Aug. 31, 2024	Aug. 31, 2023
Not overdue	3,239	3,113
Overdue up to 30 days	221	136
Overdue more than 30 days	38	34
TOTAL	3,498	3,283

OTHER CURRENT RECEIVABLES	Aug. 31, 2024	Aug. 31, 2023
Value-added tax	478	508
Tax account	146	76
Derivatives	32	36
Advances to suppliers	20	26
Other	154	74
TOTAL	830	720

PREPAID EXPENSES AND ACCRUED INCOME	Aug. 31, 2024	Aug. 31, 2023
Prepaid expenses	187	182
Goods delivered but not invoiced	1,032	977
Other prepaid expenses and accrued income	175	148
TOTAL	1,394	1,307

The book value of the receivables is equal to the actual value. Accounts receivable include a credit risk reserve for expected credit losses of 5 (9). Contract 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, 2024	Aug. 31, 2023
Cash and bank balances	667	300
Bank deposits	182	5
TOTAL	849	305

16 | PENSIONS AND SIMILAR OBLIGATIONS

	Aug. 31, 2024	Aug. 31, 2023
Net carrying value, opening balance	13	10
Actuarial gain/loss	—	—
Transferred during the period	—	3
Utilized during the period	–1	–1
Translation differences etc.	–1	1
NET CARRYING VALUE, CLOSING BALANCE	**11**	**13**

DEFINED BENEFIT PENSION PLANS

Defined 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 11 (13). For actuarial calculations in Norway, a discount rate of 3.90% (4.25%) has been applied and salary increases have been estimated at 4.00% (4.50%).

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 333 (326).

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 107 (106).

17 | DEFERRED TAXES

DEFERRED TAX ASSETS	Aug. 31, 2024	Aug. 31, 2023
Net carrying value, opening balance	421	368
Additional receivables	111	109
Settled receivables	–58	–70
Sold companies	–4	—
Translation differences	–2	14
NET CARRYING VALUE, CLOSING BALANCE	**468**	**421**

Deferred tax assets related to tax loss carryforwards that have not been recognized in the income statement and balance sheet amount to 237 (269). Finland has time limits on the use of tax loss carryforwards amounting to 26 (45).

DEFERRED TAX LIABILITIES	Aug. 31, 2024	Aug. 31, 2023
Net carrying value, opening balance	703	602
Provisions during the period	135	127
Utilized during the period	–76	–62
Purchased companies	7	30
Sold companies	–4	—
Translation differences	–6	6
NET CARRYING VALUE, CLOSING BALANCE	**759**	**703**

DEFERRED TAX ASSETS/TAX LIABILITIES BY BALANCE SHEET ITEM	Aug. 31, 2024	Aug. 31, 2023
Intangible assets	–32	–32
Tangible assets	–599	–579
Inventories	13	9
Receivables	1	—
Other provisions	104	118
Liabilities	220	202
Loss carryforwards	2	—
TOTAL	**–291**	**–282**

18 | OTHER PROVISIONS

The larger part of other provisions consists of provisions for future remediation costs for contaminated land 532 (531). Unsecured pension obligations (endowment insurance) have been offset against corresponding long-term receivables.

	Aug. 31, 2024	Aug. 31, 2023
Net carrying value, opening balance	769	676
Provisions during the period	66	150
Utilized during the period	–14	–65
Purchased companies	3	—
Sold companies	–4	—
Translation differences	–3	8
NET CARRYING VALUE, CLOSING BALANCE	**817**	**769**

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. By taking out environmental insurance, the Stena Metall Group's subsidiaries has transferred the risk of remediating contaminated land to an insurance company. The insurance company's obligation applies as long as the insurance premium is paid. Since the insurance company reinsures most 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.

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, 2024	Aug. 31, 2023
SE0014402285 2020–2024	—	2.75	—	800
SE0013774916 2020–2025	1 year	2.06	200	200
SE0014402293 2020–2025	1 year	2.90	800	800
NO0012514274 2022–2027	3 years	2.50	1,000	1,000
NO0012909284 2023–2028	4 years	2.15	1,000	1,000
SE0022062022 2024-2030	6 years	2.10	400	—
TOTAL			3,400	3,800

20 | INTEREST-BEARING LIABILITIES

INTEREST-BEARING LONG-TERM LIABILITIES	Remaining term	Margin	Aug. 31, 2024	Aug. 31, 2023
Term loans 2022–2029	5 years	1.70	600	600
Term loans 2024–2030	6 years	1.80	400	—
Bank loans			4	395
Lease commitments on the balance sheet			860	781
TOTAL			1,864	1,776

The Group has credit commitments of 2,000 (1,600) of which 1,700 (1,600) has not been utilized. The agreements contain financial covenants.

INTEREST-BEARING CURRENT LIABILITIES	Aug. 31, 2024	Aug. 31, 2023
Bank loans	300	195
Lease commitments on the balance sheet	264	270
TOTAL	564	465

The Group has an overdraft facility agreement of 1, 200 (900), of which 1,200 (900) has not been utilized. The agreements contain financial covenants.

21 | OTHER LIABILITIES

OTHER LONG-TERM LIABILITIES	Aug. 31, 2024	Aug. 31, 2023
Other liabilities	10	10
TOTAL	10	10

OTHER CURRENT LIABILITIES	Aug. 31, 2024	Aug. 31, 2023
Employee salaries and withholding taxes	107	125
Value-added tax	132	63
Derivatives	12	34
Advances from customers	0	1
Excise taxes	1	1
Property tax	10	8
Other	20	29
TOTAL	282	261

ACCRUED EXPENSES AND PREPAID INCOME	Aug. 31, 2024	Aug. 31, 2023
Accrued cost of goods sold	1,070	1,127
Accrued salaries and payroll expenses	660	601
Landfill, incineration and sludge reserves	239	226
Other accrued expenses	233	262
Prepaid income	72	61
TOTAL	2,274	2,277

Advances from customers and prepaid income refer to contract liabilities for the Group. Opening contract liabilities have been taken up as income in full 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. Right-of-use assets are amortized on a straight-line basis over the term of the lease, which varies from one year to contracts without a term. Payments for short-term and low value leases are charged to the income statements on an ongoing basis.

REPORTED AMOUNTS IN THE CONSOLIDATED BALANCE SHEET	Aug. 31, 2024	Aug. 31, 2023
Right-of-use assets		
Buildings	948	786
Vessels	82	170
Machinery	59	72
TOTAL	1,089	1,028
Lease commitments on the balance sheet		
Long-term	860	781
Short-term	264	270
TOTAL	1,124	1,051

REPORTED AMOUNTS IN THE CONSOLIDATED INCOME STATEMENT	2023/2024	2022/2023
Depreciation and amortization		
Buildings	–152	–134
Vessels	–88	–95
Machinery	–29	–23
TOTAL	–269	–252
Interest expenses	–45	–32

GROUP AS LESSOR

Revenues for the year for operating leasing contracts amounted to 181 (178) and mainly relate to charter income from two vessels.

Future minimum lease income as of the balance sheet date amounted to:	Aug. 31, 2024	Aug. 31, 2023
Within one year	164	168
Between 1 and 5 years	288	401
More than 5 years	—	—
TOTAL MINIMUM LEASE INCOME	452	569

23 | ASSETS PLEDGED AND CONTINGENT LIABILITIES

	Aug. 31, 2024	Aug. 31, 2023
Assets pledged to credit institutions		
Vessels	—	590
Other	5	11
TOTAL	5	601
Assets pledged for other liabilities		
Cash and cash equivalents	1	1
TOTAL	1	1
TOTAL ASSETS PLEDGED	6	602
Contingent liabilities		
Sureties	90	101
Guarantees and other contingent liabilities	615	583
Remaining commitments Private equity funds	532	696
Obligations for partnerships	24	25
TOTAL CONTINGENT LIABILITIES	1,261	1,405

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 cash and cash equivalents in the acquired/divested units is recognized on a separate row 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 –321 (–265) and interest received to 33 (39). Dividends received amounted to 13 (31).

CONSOLIDATED INTEREST-BEARING LIABILITIES

	Aug. 31, 2023	Cash flow	Reclassifications	Other non-cash items	Aug. 31, 2024
Long-term bond loans	3,000	400	–1,000		2,400
Long-term capitalized leasing commitments	781		–253	332	860
Other long-term loans	995	14		–5	1,004
Short-term bond loans	800	–800	1,000		1,000
Short-term capitalized leasing commitments	270	–254	253	–5	264
Other short-term loans	195	107		–2	300
TOTAL INTEREST-BEARING LIABILITIES	6,041	–533	—	320	5,828

	Aug. 31, 2022	Cash flow	Reclassifications	Other non-cash items	Aug. 31, 2023
Long-term bond loans	2,800	1,000	–800	—	3,000
Long-term capitalized leasing commitments	572	—	–257	466	781
Other long-term loans	1,149	–196	—	42	995
Short-term bond loans	800	–800	800	—	800
Short-term capitalized leasing commitments	268	–255	257	—	270
Other short-term loans	188	—	—	7	195
TOTAL INTEREST-BEARING LIABILITIES	5,777	–251	—	515	6,041

ACQUISITIONS AND DIVESTMENTS 2023/2024

In September 2023, Stena Recycling S.r.l. in Italy acquired 100% of the shares in the Italian aluminium recycling company Pyreco S.r.l. The company's sales from the date of acquisition amounted to 139. The Danish company MV Farligt Affald A/S was acquired in May.

BatteryLoop Technologies AB was sold during the financial year.

ACQUISITIONS AND DIVESTMENTS 2022/2023

In October 2022, Stena Recycling Oy in Finland acquired all the shares in the Finnish recycling company Encore Ympäristöpalvelut Oy. The company's sales from the date of acquisition amounted to 807. Stena Recycling AS in Norway acquired 60% of the shares in Norsk Bildemontering AS. Stena Recyling AB acquired container operations from Lastbilscentralen i Tvåstad AB through a transfer of assets. Stena Metall AB acquired a smaller company that owns a property in Fyllinge.

The acquisitions are reported in aggregate as none of the acquisitions have been assessed individually material.

	2023/2024	2022/2023
Acquisitions		
Purchase price	135	373
Cash and cash equivalents in acquired companies	–20	–69
EFFECT ON CONSOLIDATED CASH AND CASH EQUIVALENTS	115	304
Intangible fixed assets	26	167
Tangible fixed assets	67	112
Inventories	28	41
Other assets	8	161
Liabilities	–29	–201
ASSETS AND LIABILITIES, NET	100	280
Non-controlling interests	—	—
Goodwill	15	18
	115	298
Divestments		
Effect on cash and cash equivalents under purchase agreements	–4	—
EFFECT ON CONSOLIDATED CASH AND CASH EQUIVALENTS	–4	—
Intangible fixed assets	—	—
Tangible fixed assets	16	—
Inventories	10	—
Other assets	—	—
Liabilities	–32	—
ASSETS AND LIABILITIES, NET	–6	—
Capital gain	80	—
	74	—

25 | FINANCIAL INSTRUMENTS/RISKS

The Group's overall financial objective is to create value for its shareholders and this forms the basis for the Group's long-term financial goals. The note below describes the Group's financial instruments and financial risk management. The accounting principles for financial instruments are described in "Accounting and Valuation Principles" on pages 14–17 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, Note 12 Other long-term receivables, Note 19 Bond loans, Note 20 Interest-bearing liabilities and Note 21 Other liabilities.

Financial instruments in the Stena Metall Group consist of bank loans, derivatives, leasing contracts, accounts payable, accounts receivable, bonds, shares and long-term securities, 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.

Note 25 Financial instruments/risks, contd.

FINANCIAL INSTRUMENTS BY CATEGORY

Aug. 31, 2024	Financial instruments at fair value through profit or loss [1]	Financial instruments at fair value through other comprehensive income	Accumulated acquisition cost	Total book value	Total fair value [2]
Assets					
Other long-term securities	1,247	492		1,739	1,739
Other long-term receivables			243	243	243
Accounts receivable			3,498	3,498	3,498
Derivatives included in other receivables	32			32	32
Short-term investments	922			922	922
Cash and cash equivalents			849	849	849
TOTAL ASSETS	**2,201**	**492**	**4,590**	**7,283**	**7,283**
Liabilities					
Bond loans			3,400	3,400	3,400
Interest-bearing liabilities			2,428	2,428	2,428
Accounts payable			2,495	2,495	2,495
Derivatives included in other liabilities	12			12	12
TOTAL LIABILITIES	**12**		**8,323**	**8,335**	**8,335**

Aug. 31, 2023	Financial instruments at fair value through profit or loss [1]	Financial instruments at fair value through other comprehensive income	Accumulated acquisition cost	Total book value	Total fair value [2]
Assets					
Other long-term securities	1,298	755		2,053	2,053
Other long-term receivables			62	62	62
Accounts receivable			3,283	3,283	3,283
Derivatives included in other receivables	36			36	36
Short-term investments	1,728			1,728	1,728
Cash and cash equivalents			305	305	305
TOTAL ASSETS	**3,062**	**755**	**3,650**	**7,467**	**7,467**
Liabilities					
Bond loans			3,800	3,800	3,800
Interest-bearing liabilities			2,241	2,241	2,241
Accounts payable			2,073	2,073	2,073
Derivatives included in other liabilities	34			34	34
TOTAL LIABILITIES	**34**		**8,114**	**8,148**	**8,148**

1) Financial instruments at fair value through profit or loss include derivatives held for financial hedging purposes, but not included in hedge accounting in other liabilities/receivables, 20 (2).

2) Of the Group's outstanding bond loans of SEK 3,400 million (3,800), 1,400 (1,800) are private placements. The remaining SEK 2,000 million (2,000) is quoted on a regulated exchange with short maturities. The market valuations are simplified and based on quoted bonds. Overall, the market value is considered 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 potential 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 cooperation 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, the 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 fixed interest profile, different types of interest instruments are used, such as fixed-rate swaps, swaps with combined exchange and interest lock-in periods, or interest options that fix the level of interest within certain ranges. Currency risks arise for both the conversion of earnings and balance sheet items in foreign currency to Swedish krona and also the conversion of cash flows in foreign currency. These currency risks are reduced by hedging of exchange rates with future 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 flows 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 at variable interest rates exposes the Group to interest rate risk relating to cash flow, which is partly neutralized by cash reserves with a variable interest rate. Borrowing at fixed interest rates exposes the Group to interest rate risk relating to fair value.

The Group usually takes on long-term loans with variable interest rates. The Group partly manages interest rate risks relating to cashflow by using interest rate swaps with the economic substance to convert borrowing from variable to fixed interest rates.

Interest rate swaps mean that the Group will agree with other parties to exchange, at specified 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 rates and 5,828 (6,041) to variable interest rates. The most important variable interest rate is STIBOR-based.

If the interest rate were to change by +/–1%, the Group would be charged at 58 (60) 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.

Translation differences from net investments:

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

The book value of the net assets in foreign currency in the Group's subsidiaries amounted to SEK 2,367 (2,216) on August 31, 2024. A change of 1% in the value of SEK against foreign currencies as of August 31, 2024 would affect shareholders' equity by 24 (22).

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

Hedging of net investment in foreign operations

Through the Group's finance company, the Parent Company has borrowings in NOK of 330 million (NOK 330 million), which are identified as hedging of the net investment in the Group's subsidiaries in Norway. Exchange rate losses/gains on the translation of borrowings to SEK amount to 18 (20) for the year and are recognized in other comprehensive income.

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

The Group has exposure in external borrowing if it 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 forward contracts. The Board of Directors has given the company some opportunity to make investments without currency hedging. On August 31, 2024, all external borrowing was made in the functional currency. 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 nominated 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 contracts entered into by the Group's finance company.

The Group does not normally choose to apply hedge accounting on the forward 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, 2024, there are contracts for which hedge accounting is applied.

Currency hedging	Aug. 31, 2024
Fair value	13
Nominal value	847
Maturity structure	Sep–Nov 2025
Hedging ratio	1:1
Valuation, outstanding hedging instruments since September 1, 2023	13
Change in value, hedged object used to determine hedging efficiency	–13

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

Forward contracts, nominal amount SEK million	Purchased	Sold
DKK	96	
EUR		279
NOK	49	
PLN	39	
SEK	700	
USD		605

PRICE RISK

The Group maintains 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, hence the Group has a price risk in inventory. The price of certain products can be hedged through derivatives, while others cannot be hedged. Ferrous metal is one such product that cannot be hedged.

On August 31, 2024, the Group had a ferrous stock of 815 (708). Of this, 596 (475) was sold but not delivered. If the market price of the ferrous metal had risen/fallen by 10% in relation to current market prices as of August 31, 2024, all other variables being constant, the market value of the ferrous stock as of August 31, 2024 would have been 22 (23) higher/lower, adjusted for 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 predominantly traded on active markets and where valuations are based on listed market prices. The types of holdings the Group had on August 31, 2024 can be divided into four portfolios: private equity, hedge funds, strategic 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 compared with a pure stock market exposure. Put simply, the tops and bottoms are cut off compared with the equity markets.

On August 31, 2024, the Group had 922 (1,728) in short-term securities and 1,739 (2,053) in long-term securities. If the market in general had risen/fallen by 10% on August 31, all other variables being constant, the profit for the year would have been 266 (378) higher/lower, when all securities are valued at the market price.

COUNTERPARTY RISK

Credit risks arise in the Group's operating activities in the form of accounts receivable and advances to suppliers. The Group has a credit policy adopted by the Board of Directors, in addition to which each company also 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 that can provide satisfactory collateral in the form of advance payments, and those that, after analysis, can be granted an open line of credit.

Counterparty risk also arises through cash and cash equivalents, 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 procedures 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 to credit risk at the end of the reporting period is the fair value of the derivatives recognized as assets in the balance sheet.

Aug. 31, 2024	Financial assets/ liabilities gross	Netted balances	Amounts recognized in the balance sheet	Financial instruments covered by a master netting agreement but not recognized net	Financial instruments net amount
Derivative financial assets	32	–	32	10	22
Derivative financial liabilities	–12	–	–12	–10	–2
TOTAL	20		20		20

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 it operating needs, whilst at the same time continuously maintaining sufficient unused 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 the Group's interest-bearing net debt in relation to EBITDA may not exceed 3.5, and that EBITDA in relation to net interest expense may not be less than 3.5. The Group is within the scope of covenants.

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 projections.

On the balance sheet date, the Group had cash and cash equivalents of 849 (305) and unused credit facilities of 2,900 (2,500).

The table below shows the Group's financial liabilities broken down according to the time remaining until their contractual maturity. The amounts shown in the table are contractual, undiscounted cash flows. Interest has been calculated based on the current variable market rate.

Aug. 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bond loans	1,184	141	2,213	417
Lease commitments on the balance sheet	269	201	395	570
Other interest-bearing liabilities	52	52	749	416
Accounts payable	2,495			
Derivatives	12			
TOTAL	4,012	394	3,357	1,403

Aug. 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bond loans	1,039	1,176	2,286	
Lease commitments on the balance sheet	278	234	376	297
Other interest-bearing liabilities	262	194	383	626
Accounts payable	2,073			
Derivatives	34			
TOTAL	3,686	1,604	3,045	923

FINANCIAL INSTRUMENTS AT FAIR VALUE

For a comparison between the book value and fair value of the Group's financial instruments, please 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, 2024, 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.

Aug. 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
– Derivatives		32		32
– Short-term investments	650	272		922
– Other long-term securities			1,247	1,247
Financial assets at fair value through other comprehensive income				
– Other long-term securities			492	492
TOTAL ASSETS	650	304	1,739	2,693
Financial liabilities at fair value through profit or loss:				
– Derivatives		–12		–12
TOTAL LIABILITIES		–12		–12

Aug. 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
– Derivatives		36		36
– Short-term investments	1,393	335		1,728
– Other long-term securities			1,298	1,298
Financial assets at fair value through other comprehensive income				
– Other long-term securities			755	755
TOTAL ASSETS	1,393	371	2,053	3,817
Financial liabilities at fair value through profit or loss:				
– Derivatives		–34		–34
TOTAL LIABILITIES		–34		–34

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 a stock exchange, broker, industry group, price setting service or regulatory agency are readily and regularly available, 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 using 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 using valuation techniques are classified on level 2. There were no transfers between level 1 and level 2 during the year.

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, 2024	Aug. 31, 2023
Opening balance	2,053	1,903
Total unrealized gain/loss		
– Currency effects recognized through profit or loss	–62	102
– Recognized in the income statement	28	–53
– Recognized in other comprehensive income	–300	–51
Purchase proceeds	161	280
Sales proceeds	–163	–182
Management fee	32	21
Realized results recognized through profit or loss	–10	33
CLOSING BALANCE	1,739	2,053

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 Valuation Guidelines (IPEV). In valuing its unlisted investments, the Group uses different valuation techniques depending on the information available. Valuation is made, for example, by 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 2024	Fair value 2024	Nominal amount 2023	Fair value 2023
Currency risk management				
Currency swap contracts				
positive position	952	1	4,550	28
negative position	3,901	–6		
Forward exchange contracts				
positive position	950	16	715	8
negative position	513	–4	1,243	–21
Oil risk management				
Oil futures				
positive position	464	13		
negative position			340	–13
Metal risk management				
Metal futures				
positive position				
negative position	—	—	4	—

26 | PERSONNEL

Average number of employees	2023/2024 Total	Of which men	2022/2023 Total	Of which men
Parent Company				
Sweden	7	4	8	4
Subsidiaries				
Sweden	2,350	1,720	2,362	1,736
Denmark	405	305	411	317
Norway	332	268	322	263
Finland	372	274	359	264
Germany	6	4	5	4
Switzerland	1	—	1	—
Italy	252	220	222	195
Poland	680	431	673	433
USA	2	1	2	2
GROUP TOTAL	**4,407**	**3,227**	**4,365**	**3,218**

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 Board of Directors of the Group and the Parent Company consists of three women and seven men (previous year: two women and six men). Of Stena Metall AB's senior executives, two are women and two are men (previous year: one woman and two men).

Salaries, remuneration and social insurance contributions	2023/2024 Salaries and other remuneration	Social insurance contributions (of which pensions)	2022/2023 Salaries and other remuneration	Social insurance contributions (of which pensions)
Parent Company	37	39 (22)	51	65 (40)
Subsidiaries	2,573	845 (314)	2,514	794 (288)
GROUP TOTAL	**2,610**	**884 (336)**	**2,565**	**859 (328)**

Salaries and other remuneration	Parent Company	Subsidiaries	Parent Company	Subsidiaries
Board of Directors and CEO				
Salaries	15	48	11	52
Bonuses	3	14	—	28
Other employees				
Salaries	18	2,454	23	2,345
Bonuses	1	57	17	89
GROUP TOTAL	**37**	**2,573**	**51**	**2,514**

Pension costs for the Parent Company's CEO and Board of Directors amount to 22 (23). During the year, the CEO converted a bonus of 0 (6) to pension, the amount is included in the pension costs for the year. Outstanding pension obligations amount to 159 (148).

An agreement has been reached with the CEO entitling him to 12 months' severance pay. The Stena Metall Group is covered by the collectively negotiated ITP plan (Swedish pension plan), including an alternative ITP pension for salaried employees with salaries exceeding ten times the price base amount.

The alternative ITP pension 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 Metalls AB'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 3,687 (3,893).

Stena Fastigheter AB has been paid 20 (14) for rents and property management.

The Stena Metall Group owns two vessels which are chartered out to Stena Line AB and Stena Rederi A/S. Total rental income for the vessels amounted to 174 (172).

OLSSON FAMILY

The Stena Metall Group rents offices from the Olsson family. Rents paid amounted to 35 (24).

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

28 | EVENTS AFTER THE END OF THE FINANCIAL YEAR

Stena Recycling in Finland has signed an agreement to sell its pallet business in order to streamline its business. The transaction is subject to review by the Finnish Competition Authority before it can be finalized. The sale is expected to have a positive effect on the Group's earnings.

INCOME STATEMENT

September 1 – August 31, SEK million	Note	2023/2024	2022/2023
Net sales	3	690	350
Cost of goods sold	5	–61	–74
GROSS PROFIT		**629**	**276**
Sales expenses		–2	–2
Administrative expenses	4, 5, 16, 19	–643	–348
Other operating income and operating expenses	6	149	2
OPERATING PROFIT		**133**	**–72**
Income from investments in Group companies	7	350	400
Interest income and similar items	7	33	32
Interest expenses and similar items	7	–96	–73
PROFIT/LOSS AFTER FINANCIAL ITEMS		**420**	**287**
Appropriations	8	–1	180
PROFIT BEFORE TAX		**419**	**467**
Taxes	9	–20	–13
PROFIT FOR THE YEAR		**399**	**454**

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

BALANCE SHEET

August 31, SEK million	Note	2024	2023
ASSETS			
Fixed assets			
Tangible fixed assets			
Buildings	10	514	411
Land and other real estate	10	515	432
Plant and machinery	10	8	7
Equipment	10	3	2
Construction in progress	10	225	369
TOTAL TANGIBLE FIXED ASSETS		1,265	1,221
Financial fixed assets			
Receivables from Group companies		460	481
Receivables from associated companies		8	—
Shares and participations in Group companies	11	1,527	1,490
Shares and participations in associated companies		1	—
Other long-term securities		3	3
Deferred tax assets	12	61	57
TOTAL FINANCIAL FIXED ASSETS		2,060	2,031
TOTAL FIXED ASSETS		3,325	3,252
Current assets			
Current receivables			
Accounts receivable		2	3
Receivables from Group companies		626	627
Other receivables		34	21
Prepaid expenses and accrued income		43	56
TOTAL CURRENT RECEIVABLES		705	707
Cash and cash equivalents		—	—
TOTAL CURRENT ASSETS		705	707
TOTAL ASSETS		4,030	3,959

August 31, SEK million	Note	2024	2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital		13	13
Restricted reserves		3	3
TOTAL RESTRICTED SHAREHOLDERS' EQUITY		16	16
Unrestricted shareholders' equity			
Non-restricted reserves		2,178	1,834
Profit for the year		399	454
TOTAL UNRESTRICTED SHAREHOLDERS' EQUITY		2,577	2,288
TOTAL SHAREHOLDERS' EQUITY		2,593	2,304
UNTAXED RESERVES	13	7	7
Deferred tax liabilities	12	15	—
Other provisions	14	57	54
PROVISIONS		72	54
Current liabilities			
Accounts payable		35	110
Liabilities to Group companies		1,184	1,422
Current tax liabilities		13	17
Other liabilities		72	6
Accrued expenses and prepaid income	15	54	39
TOTAL CURRENT LIABILITIES		1,358	1,594
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,030	3,959

STATEMENT OF CASH FLOWS

September 1 – August 31, SEK million	Note	2023/2024	2022/2023
Operating activities			
Profit/loss after financial items		420	287
Adjustments for non-cash items		–305	–401
		115	–114
Taxes paid		–13	–2
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		102	–116
Changes in working capital			
Increase(-)/Decrease(+) in operating receivables		–226	572
Increase(+)/Decrease(-) in operating liabilities		–237	332
CASH FLOW FROM CHANGES IN WORKING CAPITAL		–463	904
CASH FLOW FROM OPERATING ACTIVITIES		–361	788
Investing activities			
Acquisition/divestment of Group companies		–36	1
Acquisition of tangible fixed assets		–95	–357
Sale of tangible fixed assets		23	—
Dividends received from Group companies		400	—
Acquisition of financial assets		–1	—
CASH FLOW FROM INVESTING ACTIVITIES		291	–356
CASH FLOW AFTER INVESTMENTS		–70	432
Financing activities			
Group contributions received		180	18
Share dividend		–110	–450
CASH FLOW FROM FINANCING ACTIVITIES		70	–432
CASH FLOW FOR THE YEAR		—	—
Cash and cash equivalents at the beginning of the year		—	—
CASH AND CASH EQUIVALENTS AT YEAR END		—	—
Supplemental disclosure to statement of cash flows	18		
Adjustments for non-cash items etc.			
Depreciation and impairment of assets		35	34
Capital gain/loss on sale of tangible fixed assets		–13	–1
Disposal of tangible fixed assets		2	—
Change in provisions		3	8
Anticipated dividend		–350	–400
Currency effect conversion of loans		21	–47
Other non-cash items		–3	5
TOTAL		–305	–401

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Restricted reserves	Non-restricted reserves	Net income	Total shareholders' equity
Shareholders' equity, opening balance September 1, 2022	13	3	2,280	4	2,300
Transfer of previous year's profit			4	–4	—
Profit for the year				454	454
Dividend			–450		–450
SHAREHOLDERS' EQUITY, CLOSING BALANCE AUGUST 31, 2023	**13**	**3**	**1,834**	**454**	**2,304**
Transfer of previous year's profit			454	–454	—
Profit for the year				399	399
Dividend			–110		–110
SHAREHOLDERS' EQUITY, CLOSING BALANCE AUGUST 31, 2024	**13**	**3**	**2,178**	**399**	**2,593**

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

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 and Valuation Principles on pages 14–17 of the fair value of derivatives 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 refer to rental income for properties leased to subsidiaries, which is attributable in its entirety to Sweden and the provision of certain shared Group services. The amount for the year also includes billing of costs to subsidiaries for completed property projects. 2 (3) refers to income from the leasing of properties to outside tenants.

4 | AUDITORS' FEES

	2023/2024	2022/2023
PwC		
Audit assignment	4	3
Tax advice	—	1
TOTAL	4	4

Audit assignments refer to the review of the annual report and accounts and the administration by the Board of Directors and the CEO. 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 performance of other such duties. The audit also includes a general review of the Group's sustainability report. All other work is considered to be other services.

5 | DEPRECIATION AND IMPAIRMENT

	2023/2024	2022/2023
Depreciation according to plan by function		
Cost of goods sold	–34	–33
Administrative expenses	–1	–1
TOTAL	–35	–34
Depreciation according to plan by asset		
Buildings	–24	–23
Land improvements	–10	–9
Plant and machinery	—	–1
Equipment	–1	–1
TOTAL	–35	–34

6 | OTHER OPERATING INCOME AND OPERATING EXPENSES

This item relates to income derived from insurance of 137 (0) and sales and disposals of tangible fixed assets of 12 (1).

7 | NET FINANCIAL INCOME

Income from investments in Group companies	2023/2024	2022/2023
Dividends from Group companies	350	400
TOTAL	350	400

Interest income and similar items	2023/2024	2022/2023
Exchange rate gains	8	9
Other financial income from Group companies	25	23
TOTAL	33	32

Interest expenses and similar items	2023/2024	2022/2023
Interest expenses, Group companies	–93	–64
Exchange rate losses	–3	–9
TOTAL	–96	–73

8 | APPROPRIATIONS

	2023/2024	2022/2023
Group contributions	—	180
Provision for/Reversal of accumulated accelerated depreciation	–1	—
TOTAL	–1	180

9 | TAXES

	2023/2024	2022/2023
Current tax	–9	–22
Deferred tax	–11	9
TOTAL	–20	–13
Reconciliation of reported tax expense/tax revenue		
Profit before tax	419	467
Tax according to current tax rate 20.6%	**–86**	**–96**
Non-deductible expenses	–12	–10
Tax-exempt revenue	89	85
Change in deferred tax	–11	8
REPORTED TAX REVENUE	–20	–13

10 | TANGIBLE FIXED ASSETS

	Buildings	Land and other real estate	Plant and machinery	Equipment	Construction in progress	Total
Acquisition cost, opening balance September 1, 2023	759	530	30	53	369	1,741
Acquisitions for the year	4	4	—	—	357	365
Reclassification	130	94	1	2	–227	—
Sales and disposals	–11	–6	—	—	–274	–291
ACQUISITION COST, CLOSING BALANCE AUGUST 31, 2024	**882**	**622**	**31**	**55**	**225**	**1,815**
Accumulated depreciation, opening balance September 1, 2023	–348	–98	–23	–51		–520
Sales and disposals	4	1	—	—		5
Depreciation for the year	–24	–10	—	–1		–35
ACCUMULATED DEPRECIATION AND IMPAIRMENTS, CLOSING BALANCE AUGUST 31, 2024	**–368**	**–107**	**–23**	**–52**		**–550**
CARRYING VALUE AUGUST 31, 2024	**514**	**515**	**8**	**3**	**225**	**1,265**

	Buildings	Land and other real estate	Plant and machinery	Equipment	Construction in progress	Total
Acquisition cost, opening balance September 1, 2022	729	455	28	53	134	1,399
Acquisitions for the year	4	73	—	—	274	351
Reclassification	26	6	2	—	–34	—
Sales and disposals	—	–4	—	—	–5	–9
ACQUISITION COST, CLOSING BALANCE AUGUST 31, 2023	**759**	**530**	**30**	**53**	**369**	**1,741**
Accumulated depreciation, opening balance September 1, 2022	–325	–89	–22	–50		–486
Depreciation for the year	–23	–9	–1	–1		–34
ACCUMULATED DEPRECIATION AND IMPAIRMENTS, CLOSING BALANCE AUGUST 31, 2023	**–348**	**–98**	**–23**	**–51**		**–520**
CARRYING VALUE AUGUST 31, 2023	**411**	**432**	**7**	**2**	**369**	**1,221**

11 | SHARES AND PARTICIPATIONS IN GROUP COMPANIES

The holdings of shares and participations of the Parent Company and the Group are specified on pages 39–40.

12 | DEFERRED TAXES

DEFERRED TAX ASSETS	Aug. 31, 2024	Aug. 31, 2023
Net carrying value, opening balance	57	49
Additional receivables	4	8
NET CARRYING VALUE, CLOSING BALANCE	61	57

DEFERRED TAX LIABILITIES	Aug. 31, 2024	Aug. 31, 2023
Net carrying value, opening balance	—	—
Provisions during the year	15	—
NET CARRYING VALUE, CLOSING BALANCE	15	—

13 | UNTAXED RESERVES

	Aug. 31, 2024	Aug. 31, 2023
Accelerated depreciation		
Net carrying value, opening balance	7	7
Provision/reversal for the year	—	—
NET CARRYING VALUE, CLOSING BALANCE	7	7

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

14 | OTHER PROVISIONS

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

15 | ACCRUED EXPENSES AND PREPAID INCOME

	Aug. 31, 2024	Aug. 31, 2023
Accrued salaries	22	23
Accrued social insurance contributions	15	12
Other accrued expenses	—	3
Prepaid income	17	1
TOTAL	54	39

16 | LEASING

Lease income for the year related to rents amounts to 178 (158).

Future minimum lease income as of the balance sheet date amounted to:	Aug. 31, 2024	Aug. 31, 2023
Within one year	204	242
Between 1 and 5 years	820	972
More than five years	207	244
TOTAL	1,231	1,458

Leasing expenses for the year for assets held via operating leases, including leases on premises, amount to 26 (25).

Future minimum leasing fees as of the balance sheet date amounted to:	Aug. 31, 2024	Aug. 31, 2023
Within one year	25	26
Between 1 and 5 years	104	103
More than five years	27	27
TOTAL	156	156

17 | CONTINGENT LIABILITIES

	Aug. 31, 2024	Aug. 31, 2023
Sureties for subsidiaries	10,276	10,692
Other sureties	90	101
TOTAL	10,366	10,793

18 | CASH FLOW

Interest received from Group companies amounted to 24 (23). Interest paid to Group companies amounted to –93 (–64).

19 | PERSONNEL

For information on the average number of employees, salaries, other remuneration and social insurance contributions for employees, see Note 26 to the consolidated financial statements.

20 | PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors' proposed distribution of the Parent Company's earnings is presented on page 41.

SHARES AND PARTICIPATIONS IN GROUP COMPANIES

Shares in Group companies	Registration number	Headquarters	Holding, %	Carrying value SEK thousand August 31, 2024	Carrying value SEK thousand August 31, 2023
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	26,992
Fastighets AB Fyllinge 20:8 and 20:9	556371–7718	GOTHENBURG	100	23,295	23,295
Fastighets AB Fyllinge 20:470	559154–5040	GOTHENBURG	100	4,338	4,338
Fastighets AB Stigamo 1:61	556968–5281	GOTHENBURG	100	23,500	23,500
Fastighets AB Lanna 1:34	556207–8278	GOTHENBURG	100	36,274	—
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	GOTHENBURG	100	10,000	10,000
Umeå M3 AB	556857–4098	GOTHENBURG	100	11,198	11,198
Umeå M6 AB	559090–1715	GOTHENBURG	100	16,624	16,624
Fastighets AB B:staden 15:1	559049–5247	GOTHENBURG	100	9,928	9,928
Stenungsund Kärr 1:11 AB	559035–4543	GOTHENBURG	100	3,908	3,908
Fastighets AB Stilleryd 8:12	559119–9400	GOTHENBURG	100	4,140	4,140
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				1,526,584	1,490,310

Group companies' holdings of shares and participations	Registration number	Headquarters	Holding, %
Stena Recycling Holding AB			
Stena Recycling AB	556132–1752	GOTHENBURG	100
Stena Metal International AB	556732–2895	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 ABC AB	556814–7457	GOTHENBURG	51
Stena Recycling A/S		DENMARK	100
Stena Recycling sp. z o.o.		POLAND	100
Stena Recycling A/S			
MV Farligt Affald A/S		DENMARK	100
Stena Recycling AS			
Stena Confidential AS		NORWAY	100
Stena Recycling Decom AS		NORWAY	100
Elbilretur AS		NORWAY	100
XO Transport & Service AS		NORWAY	50
Norsk Bildemontering AS		NORWAY	60
Stena Recycling Oy			
Hämeen Kuljetuspiste Oy		FINLAND	100
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 New Ventures AB	556628–8246	GOTHENBURG	100
Stena Confidential AB	559418–7287	GOTHENBURG	100

Group companies' holdings of shares and participations	Registration number	Headquarters	Holding, %
Stena Stål AB			
Stena Stål Norge AS		NORWAY	100
Stena Oil AB			
Stena Terminals AB	559317–8253	GOTHENBURG	100
Stena Terminals A/S		DENMARK	100
Stena New Ventures AB			
Repur AB	556732–2911	GOTHENBURG	100
Stena Recycling Lab AB	559248–6665	GOTHENBURG	100
Stena Confidential AB			
Stena Confidential A/S		DENMARK	100
AB Stena Metall Finans (publ)			
Stena Metall Finans Invest AB	559089–0116	GOTHENBURG	100
Kollsholmen Shipping AB	559249–5500	GOTHENBURG	100
Brisen Rederi AB	559394–3888	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 S.r.l.			
Stena Recycling S.r.l.		ITALY	100
Stena Recycling S.r.l.			
Pyreco S.r.l.		ITALY	100
Tred Carpi spa		ITALY	100

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	2,178,557,145
Profit for the year	399,318,157
UNRESTRICTED SHAREHOLDERS' EQUITY	**2,577,875,302**
be distributed as follows:	
To the shareholders	140,000,000
To be carried forward	2,437,875,302
TOTAL	**2,577,875,302**

The proposed dividend reduces the company's equity/assets ratio to 63.2 percent. The equity/assets ratio is adequate given that the company continues to operate profitably. Liquidity in the company is considered similarly adequate.

In the opinion of the Board of Directors, the proposed dividend will 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 (precautionary rule).

Gothenburg, November 21, 2024

Anders Jansson
Chairman of the Board

Kristofer Sundsgård
President and CEO

Dan Sten Olsson

Marie Eriksson

William Olsson

Mårten Hulterström

Anna Hallberg

Christopher Norbye

Lena Olving

Joakim Rosengren

Fabrice Angelini
Employee Representative

My audit report was issued on November 21, 2024

Johan Rippe
Authorized Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of the shareholders of Stena Metall Aktiebolag, registration number 556138–8371

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

Opinions

I have audited the annual accounts and consolidated accounts of Stena Metall AB for the financial year 1 September 2023 – 31 August 2024. The annual accounts and consolidated accounts of the company are included on pages 8–41 in 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 parent company as of 31 August 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 August 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for opinions

I conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibility 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 responsibility 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 financial statements

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 2–7 and page 44. The Board of Directors and the Managing Director are responsible for the other information.

My opinion on the annual accounts and consolidated accounts does not cover this other information and I do not express any form of assurance conclusion 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 I, based on the work performed concerning this information, 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 Managing Director

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for 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 Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

My objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or 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 my responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's 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 also audited the administration of the Board of Directors and the Managing Director of Stena Metall AB for the financial year 1 September 2024 to 31 August 2024 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 administration report and that the members of the Board of Directors and the Managing Director 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 responsibility 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 responsibility 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 Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group'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 Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

My objective concerning the audit of the administration, and thereby my 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 Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can 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 my 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 with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Gothenburg, November 21, 2024

Johan Rippe
Authorized Public Accountant
PricewaterhouseCoopers AB

Scan the QR code to visit our website where you will find the digital Annual Report, along with the Annual Review & Sustainability Report.

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