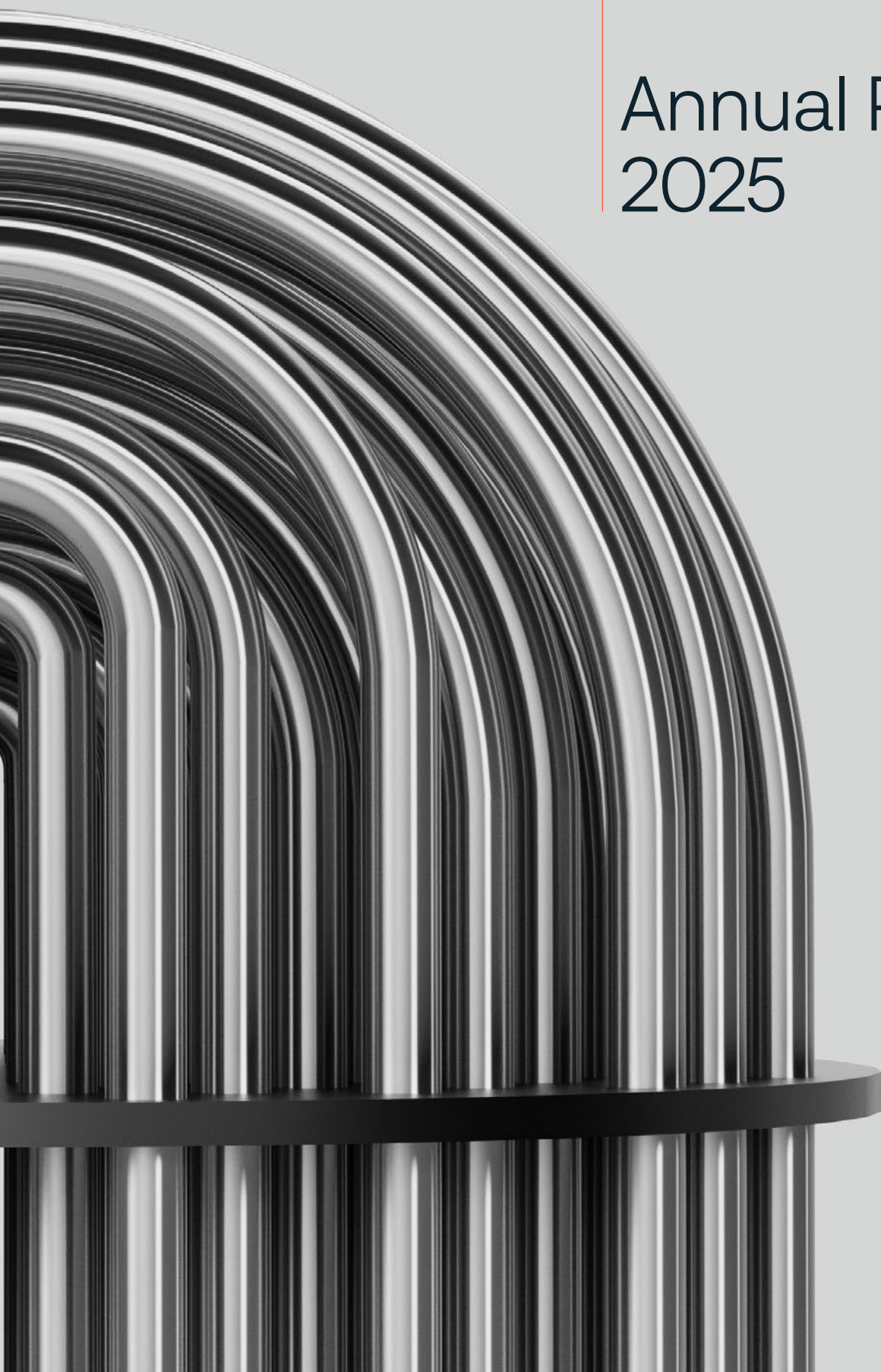


Annual Report 2025



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The formal Annual Report comprises pages 30–76 and 83–131. The Director's Report covers pages 31–39 and 83–131, and as part of the Director's Report, Alleima's statutory Sustainability Report is presented on pages 95–131. The report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the Taxonomy Regulation. A listing of the disclosure requirements reported by Alleima can be found on pages 123–124. The Annual Report has been prepared in the European Single Electronic Format (ESEF) and is published on alleima.com.

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



Advanced materials technology that makes a difference

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

>80

sales in more than 80 countries



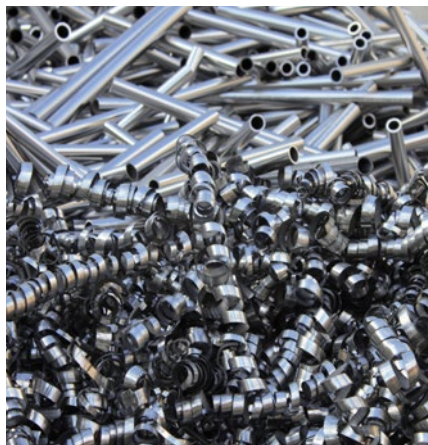
~100

years of electric melting of steel



81%

recycled steel in production



>900

active alloys in the product portfolio



~6,800

employees¹⁾

¹⁾ Total workforce includes employees and third-party workers and is based on full-time equivalents.



Premium offering in three divisions



Tube

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



Kanthal

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



Strip

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

Key figures

Revenues, SEK million

18,630

Organic revenue growth

0%

Adjusted EBIT, SEK million

1,555

Adjusted EBIT margin

8.3%

Free operating cash flow,
SEK million

1,100

Adjusted earnings
per share, SEK

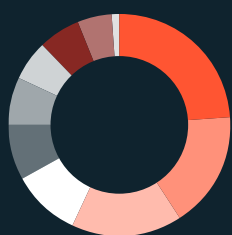
4.62

Proposed dividend
per share, SEK

2.50

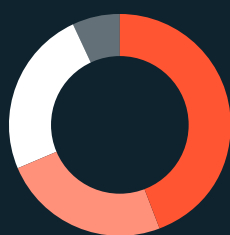
Net debt/equity ratio

-0.05

Revenues by
customer segment

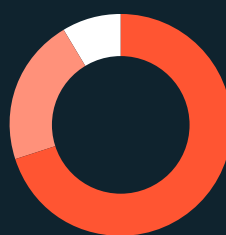
- Oil and Gas
- Chemical and Petrochemical
- Industrial
- Industrial Heating
- Consumer
- Medical
- Mining and Construction
- Nuclear
- Transportation
- Hydrogen and Renewable Energy

Revenues by geography



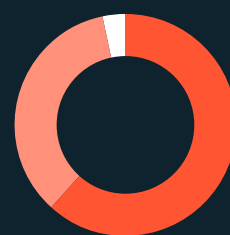
- Europe
- North America
- Asia
- Other

Revenues by division



- Tube
- Kanthal
- Strip

Adjusted EBIT by division



- Tube
- Kanthal
- Strip

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

Key events

Growth investments

Alleima had multiple organic initiatives ongoing to increase its capacity, including the opening of a new production facility for the Tube division in Zhenjiang, China, in order to meet the demand for high-quality tube products, mainly in the Chemical and Petrochemical segment. The work to reopen a plant in Sandviken progressed according to plan and will boost the company's capacity for steam generator tubes for the Nuclear segment by approximately 60%. The Kanthal division strengthened its global presence by increasing its capacity for electronic heating solutions in India. The division also has ongoing expansions in Japan, the US and Scotland and is establishing a new production facility for medical wire in Malaysia.



Measures to improve efficiency and competitiveness

During the year, Alleima implemented a number of targeted measures to further strengthen the company's operational efficiency and long-term competitiveness. Most of these measures are intended to reduce Alleima's cost levels over the long term, including through restructuring, while others are a natural part of the company's continuing efforts to adapt its capacity based on volume. The measures are expected to generate cost savings of more than SEK 200 million per year.



Alleimind: AI for increased knowledge and productivity

Alleimind – a data-driven AI platform that builds further on Alleima Guru to promote innovation, productivity and growth – was launched during the year. Combining established AI models with Alleima's own data, the platform provides fast and relevant responses to complex questions. The solution is based on retrieval-augmented generation (RAG) and is implemented in a secure environment, ensuring that no information leaves the company. Alleimind supports the company's sales, finance and purchasing functions, enabling shorter lead times and increased productivity by providing quick access to product data, technical specifications, reporting and other relevant information.

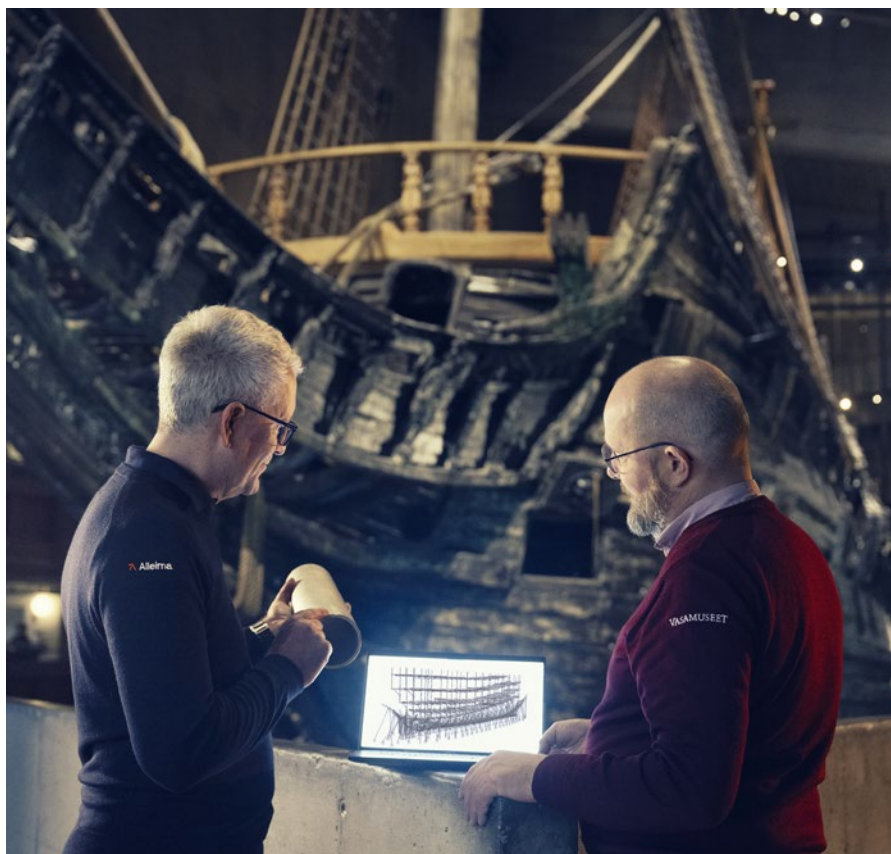


Alleima Innovation Prize

The Alleima Innovation Prize 2025 was awarded to Thomas Froböse, Chief Technology Officer, and Haydn Eagle, Sales Manager, both from the Specialized business unit in the Tube division. They received the prize for their exceptional contribution to the development of a critical component in the steering module of a space application. The project strengthened Alleima's position in aerospace technology and led to continued cooperation and new development projects.

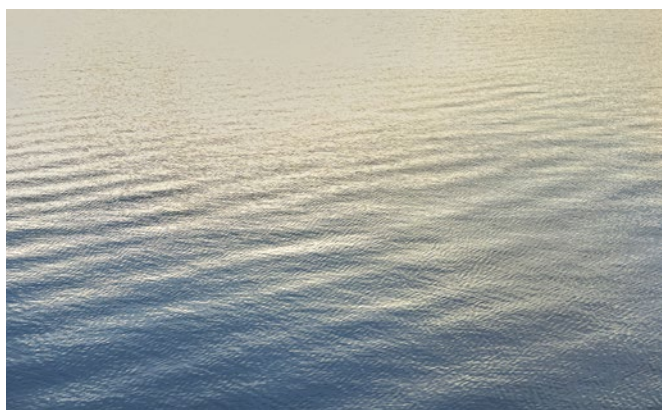
Alleima supports the Vasa ship

During the year, a collaboration was initiated with the Vasa Museum, in which Alleima contributes expertise and materials to support the efforts to preserve the Vasa ship for future generations. The new internal support structure plays a key role in preserving the ship, and Alleima's high-alloyed SAF™ 2507 super-duplex stainless steel material is being used to construct a customized inner steel support, resulting in minimal impact on the hull. The aim is to complete the steel support by 2028, in time for Vasa's 400th memorial year.



Value-creating partnerships

Together with Danieli, a global supplier of industrial equipment, the Kanthal division will supply a pilot-scale electric process gas heater to Emsteel's direct reduced iron (DRI) plant in Abu Dhabi, United Arab Emirates, to electrify part of the company's existing heating system. The heater is based on Prothal® DH technology and will be the first electric process gas heater for DRI that Kanthal supplies for commercial use – marking an important step in the joint development project. Delivery is planned for the first half of 2026.



Leading sustainability initiatives

Alleima was once again awarded a gold medal by EcoVadis. This recognition of sustainable business practices places Alleima among the top 5% of the over 150,000 companies assessed around the world. Alleima's climate targets were approved by the Science Based Targets initiative (SBTi). The targets include a reduction in Scope 1 and 2 CO₂ emissions by more than 54% and Scope 3 CO₂ emissions by 28% by 2030, with a base year of 2019.



A challenging year with focus on long term value creation

2025 was a complex year, marked by both challenges and opportunities for Alleima. Despite turbulent market conditions, including higher tariffs and trade barriers, currency headwinds, cautious demand and geopolitical uncertainty, we maintained a solid foundation and continued to deliver on our long-term objectives.

Market conditions and development during the year

Market conditions varied throughout the year as global geopolitical turbulence intensified, leading to increased uncertainty and a cautious investment approach among our customers. This was particularly evident in the Industrial, Chemical and Petrochemical segments in the European market. At the same time, we noted yet another year of strong demand in the Medical and Nuclear segments, while demand in Oil and Gas remained at healthy levels. Toward the latter part of the year, we noted signs of recovery in the Industrial Heating segment, albeit from low levels. Our diversified segment exposure and broad geographic presence clearly benefited us. The Kanthal and Strip divisions demonstrated positive organic revenue growth, whereas Tube reported a negative development for the full year 2025.

Financial performance

The financial performance reflected the challenging market conditions, while also highlighting our resilience and ability to adapt the business to the economic climate. Revenues amounted to SEK 18,630 million (19,691) for the full year, with organic growth of 0%. Adjusted EBIT totaled SEK 1,555 million (1,944), corresponding to an adjusted EBIT margin of 8.3% (9.9). The weaker earnings were primarily driven by significant currency headwinds and adjusted for negative currency effects of SEK 341 million, the adjusted EBIT margin amounted to 9.8% -underscoring the robustness of Alleima's business model. It is a strength that, despite the challenging market environment, we generated positive cash flow of SEK 1,100 million (1,266). Combined with our strong balance sheet, this has enabled us to continue executing on our strategy.

Production limitations following a maintenance shutdown

During the summer maintenance stop, a planned replacement of the expansion press at one of our largest production units in Sandviken was carried out. The new press has a higher degree of automation and will increase productivity as well as improve the working environment and safety for our employees.

The maintenance stop was extended, and we experienced ramp up issues related to the automation system, which resulted in production limitations and reduced capacity. This negatively affected both revenues and profitability in the third and fourth quarters.

Measures to strengthen efficiency and competitiveness

We continuously work on operational and process improvements. To further strengthen operational efficiency and Alleima's long term competitiveness, a number of targeted measures were initiated

in October 2025 to adapt the business to the prevailing market conditions, including through restructuring activities. These measures are expected to generate annual cost savings of approximately SEK 200 million, with full effect by the end of 2026, with the majority aimed at permanently reducing the cost base.

“Our strong financial position has enabled us to be selective and strategic in our order intake”

Strategic investments for increased customer value

Business development and growth investments are central to our strategy for long term improvements in our product mix. In practice, this means we have a clear capital allocation strategy toward selected priority segments where we see strong potential for attractive returns

During the year, we completed the growth investment in a new production line in Zhenjiang, China, further strengthening our leading position in high-quality tube products primarily for the Chemical and Petrochemical industries.

In parallel, work progressed on reopening a plant in Sandviken, which will increase our nuclear steam generator tubing capacity by 60% toward the end of 2026. The establishment of our medical production facility in Malaysia continued according to plan, laying the foundation for future growth in one of Alleima's most attractive segments.

Growth initiatives in Industrial Heating in Japan and Scotland also progressed according to plan, supported by megatrends such as increasing energy demand, the energy transition, and the drive for higher energy efficiency. Being close to customers with local production and service has proven to be a key success factor, partly by reducing lead times, enabling close collaborations, while also providing a natural safeguard against tariffs and trade barriers.

Safety – always the highest priority

The health and safety of our employees are Alleima's top priority. Across the organization, clear and structured plans are in place to continuously improve the working environment and reduce risks for employees.

During the year, we achieved a record low total recordable injury frequency rate, which is a clear result of long term and consistent safety efforts. The TRIFR for the rolling 12-month period was 5.1, compared with 7.1 the previous year, representing a 28% improvement. Our efforts to enhance safety continue across the organization.



“We demonstrate resilience in a challenging market environment”

The results show that our initiatives are effective, but every incident is one too many. Beyond employee safety, a strong focus on safety also contributes to increased production stability and improved capacity utilization over time.

Recognition within sustainability

Our overall ambition with the sustainability agenda is to be an industry leader and to create the conditions for long term value creation. In 2025, Alleima's climate targets were validated by the Science Based Targets initiative (SBTi), confirming that our sustainability ambitions are aligned with the latest climate science and international agreements. We were also once again awarded a Gold Medal by the global sustainability rating agency EcoVadis,

placing Alleima among the top 5% of companies globally. Together, these achievements represent important milestones in our work to increase customer value by reducing climate impact and strengthening sustainability across the entire value chain.

Focus on long term value creation

2025 was a challenging year, shaped by market uncertainty and significant currency headwinds. Despite this, we delivered a positive cash flow and continued to execute our strategic initiatives to lay the foundation for profitable organic growth. Our strong financial position has allowed us, despite a softer market environment, to be selective and strategic in our order intake, which positions us attractively as market sentiment improves. We now enter 2026 with strong confidence that Alleima will continue to create value for customers, employees, and shareholders.

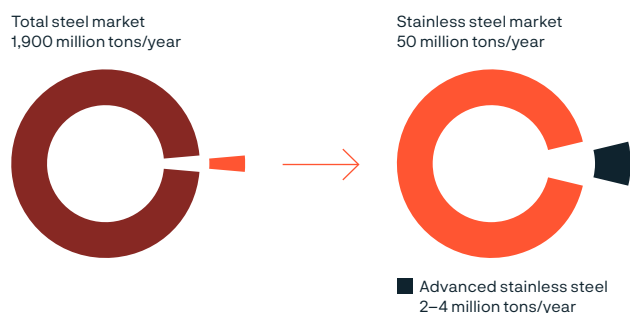
Göran Björkman,
President and CEO

Leading in niche markets

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

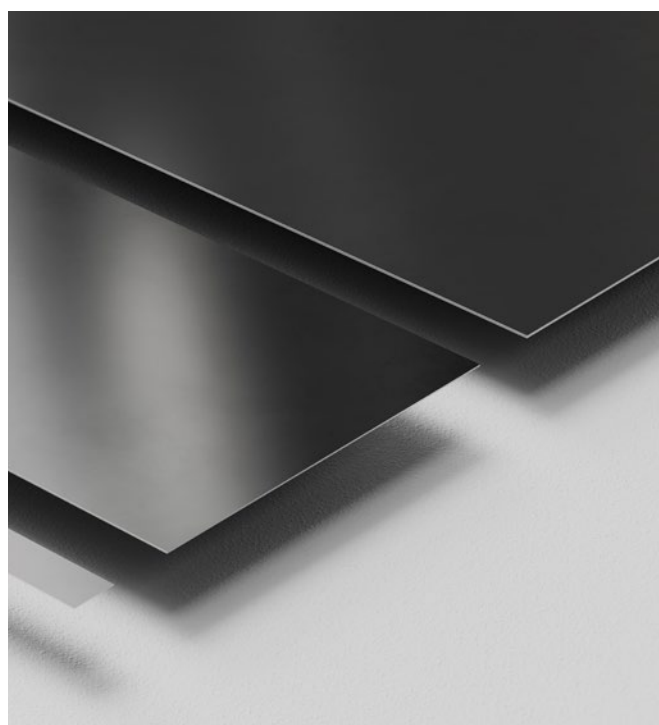
Advanced stainless steel

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



Special alloys

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

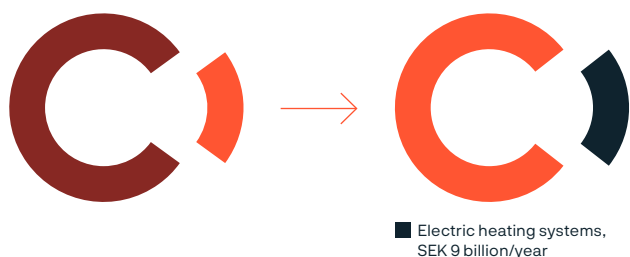


Electric heating systems

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

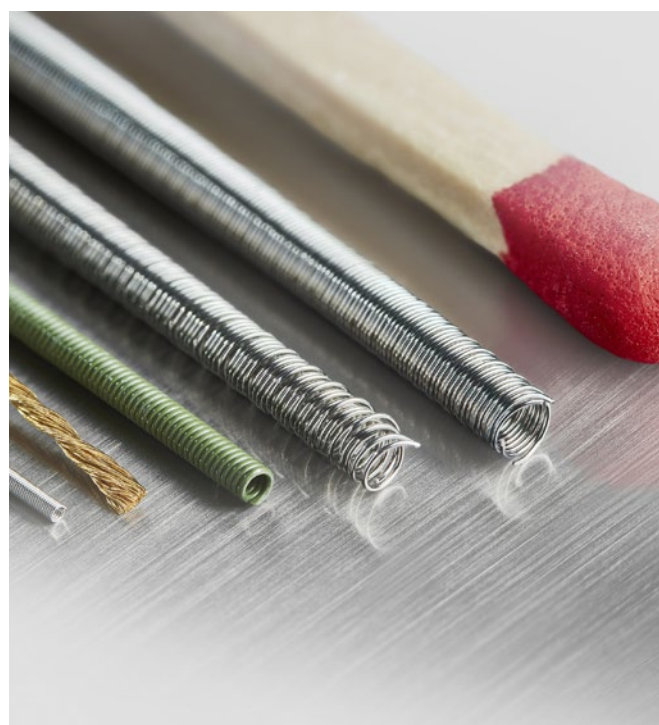
Total industrial furnace market,
SEK 120 billion/year

Electric furnace market,
SEK 30 billion/year



Medical wire and components

The market for ultra-fine wire and components for medical devices is a growing niche in which Alleima is a leading supplier of ultra-fine medical wire, wire-based components, orthopedic implants and surgical instruments, and nitinol solutions for various applications, such as continuous glucose monitors, pacemakers and neurostimulation systems. The size of the market is estimated at around SEK 13 billion in annual turnover.



Alleima as an investment

Advanced materials technology that makes a difference...

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

- Critical components for customers' specific applications that contribute to increased safety, sustainability, efficiency, and profitability
- Market leader in niche end-markets where demands on advanced materials are high
- Diversified customer segments and presence in several geographic regions

Market positions (examples)

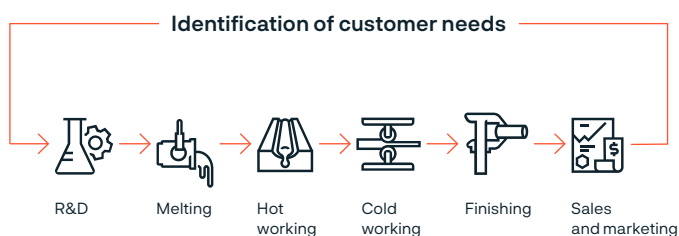
Industrial heating	1
Umbilical tubing	1
Steam generator tubing	1
Aerospace titanium tubing	1
Compressor valve steel	1
Medical wire	2

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

A fully integrated value chain enables technology and price leadership

- Reduces the dependence on external suppliers and enables quality assurance at every stage, strengthening customer confidence and product performance
- Enables product and application development across the entire value chain, based on the customer's needs

[Read more on page 18](#)



Financial stability

- Strengthened resilience throughout the business cycle
- Countercyclical cash flow profile
- Solid financial position enables growth investments and acquisitions

-0.05

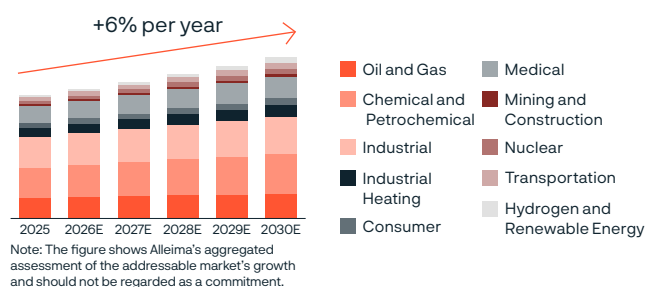
2025, Net debt/equity ratio

...with good opportunities for continued value creation

Well positioned on the basis of several megatrends

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

A growing addressable market

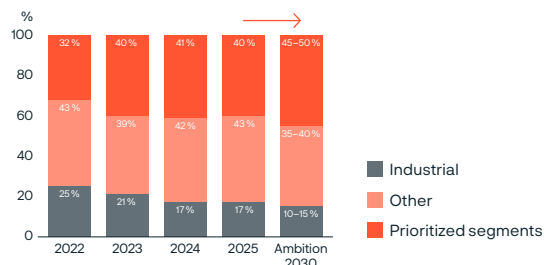


Profitable growth in attractive niches

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

Read more on pages 19–23

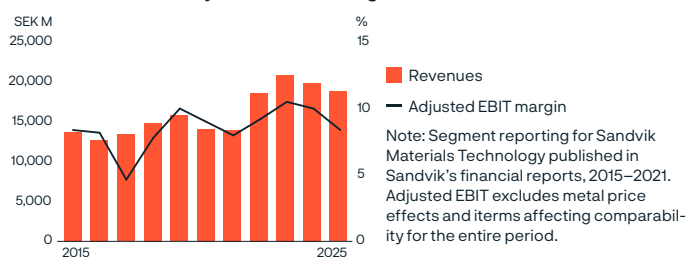
Share of revenues



Improved margin profile over the long term

- Shift in product mix toward more profitable and less cyclical segments
- Continuous productivity improvements and optimization of local presence around the world
- Value-based pricing model for strengthened price leadership
- Ongoing process improvements, for example through optimized inventory management for efficient production planning

Revenues and adjusted EBIT margin



Read more on pages 19–23

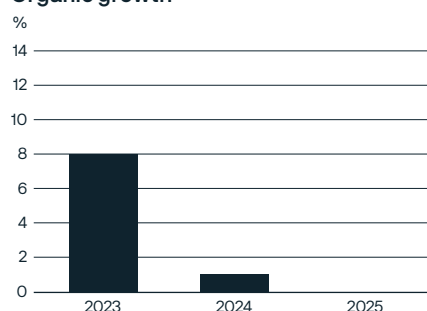
Financial targets

Alleima has four long-term financial targets.

Growth

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

Organic growth



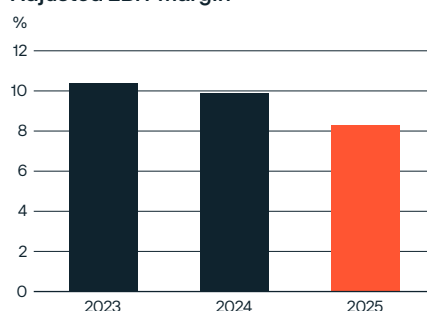
0%

Organic revenue growth of 0% for 2025. Organic growth over the four-year period that the target has been in effect averages 5%.

Earnings

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

Adjusted EBIT margin



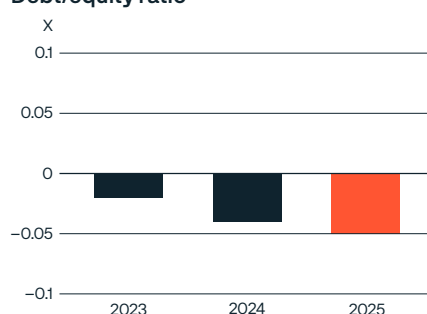
8.3%

Adjusted EBIT margin of 8.3% for 2025. The average for the four-year period that the target has been in effect is 9.5%.

Capital structure

Net debt in relation to equity below 0.3x.

Debt/equity ratio



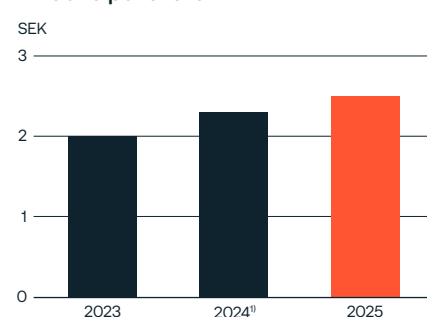
-0.05

At the end of 2025, net debt in relation to equity was -0.05.

Dividend policy

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

Dividend per share



1) Proposed dividend

2.50

The Board proposes a dividend of SEK 2.50 per share. The proposal corresponds to 71% of profit for the period (adjusted for metal price effects) for 2025. The average for the four-year period that the target has been in effect is 43%.

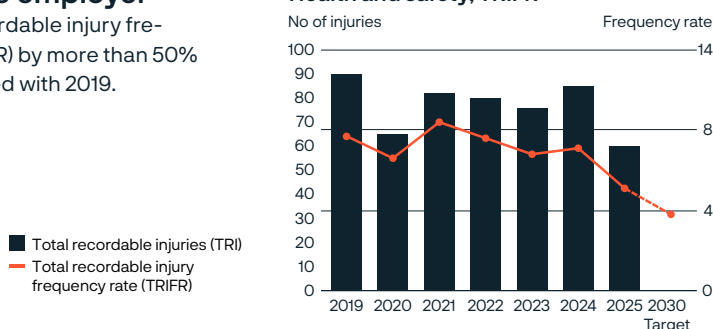
Sustainability targets

Alleima has long-term sustainability targets in four main areas. A presentation of all sustainability targets and performance can be found in the Sustainability Report on page 95 and on Alleima's website.

A responsible employer

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

Health and safety, TRIFR

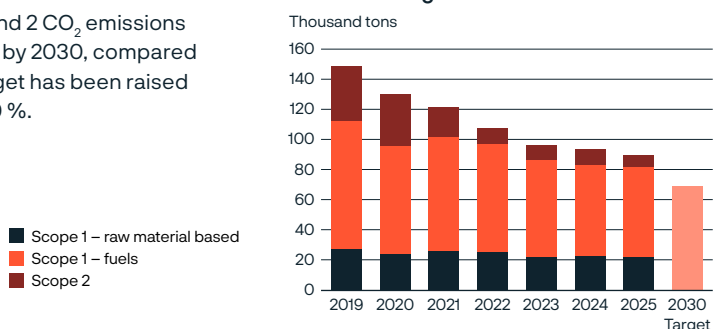


During the year, the total recordable injury frequency rate (TRIFR) was 5.1, corresponding to a decrease of 28% during the year and a decrease of 34% since 2019.

Climate

Reduce Scope 1 and 2 CO₂ emissions by more than 54% by 2030, compared with 2019. The target has been raised from the earlier 50 %.

Greenhouse gases

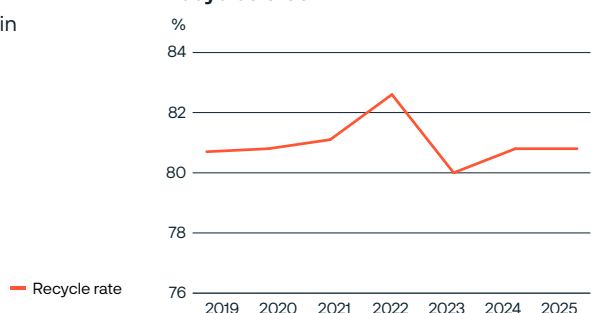


CO₂ emissions from own operations amounted to 89 ktons, corresponding to a decrease of 4% during the year and 40% since 2019.

Circularity

More than 80% recycled steel in manufactured products

Recycled steel



80.8%

The share of recycled steel in finished products amounted to 80.8%.

Product offering

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

Sustainable product portfolio¹⁾

25%

of the Group's total revenues

The sustainable product portfolio amounted to 25% of the Group's total revenues, corresponding to a development of -2%, compared with -5% for the Group's total growth.

¹⁾ Sustainable product portfolio includes the Hydrogen and Renewable Energy segment (hydrogen gas, CCS, biofuels, solar, wind and geothermal energy), products in the Nuclear, Industrial Heating and Medical segments, and compressor valve steel in the Consumer segment.

The share

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

Share price performance

In 2025, Alleima's share price increased by 9%. During the same period, the OMX Stockholm All Share Index increased by 10%. At the end of the year, the closing price for the share was SEK 81.85, corresponding to a market capitalization of SEK 20.5 billion. In 2025, the highest closing price for the share was SEK 98.25, which was recorded on February 18. The lowest closing price during the year was SEK 67.15, recorded on August 7. The total return on the Alleima share was 12%, compared with 13% for the OMX Stockholm All Share Index.

Dividend and dividend policy

Alleima has a long-term dividend policy to distribute on average 50% of profit for the period (adjusted for metal price effects) over a business cycle, with dividends to reflect financial position, cash flow and outlook. The Board of Directors has proposed a dividend of SEK 2.50 per share to the 2026 Annual General Meeting, corresponding to approximately SEK 627 million and a dividend yield of 3.1% based on the share price at year-end. The dividend proposal corresponds to 71% of profit for the period (adjusted for metal price effects).

Share trading

In 2025, a total of 218 million shares were traded at a total value of SEK 17 billion on all marketplaces. The average daily turnover of the share was approximately 370,000 on Nasdaq Stockholm.

Shares and share capital

At the end of 2025, the registered share capital was SEK 250,877,184, represented by 250,877,184 shares, each with a quota value of SEK 1. The share capital comprises one class of shares, with all shares carrying equal voting rights and equal rights to dividends. Alleima does not hold any shares in treasury.

Ownership structure

The total number of shareholders according to the Monitor shareholder platform was 102,008 at the end of 2025. The shares held by the ten largest shareholders corresponded to approximately 55% of the share capital and the same amount of voting rights. Swedish institutions and mutual funds owned approximately 57% of the share capital, international investors owned approximately 20% and Swedish private investors approximately 18%. Other ownership was 5%.

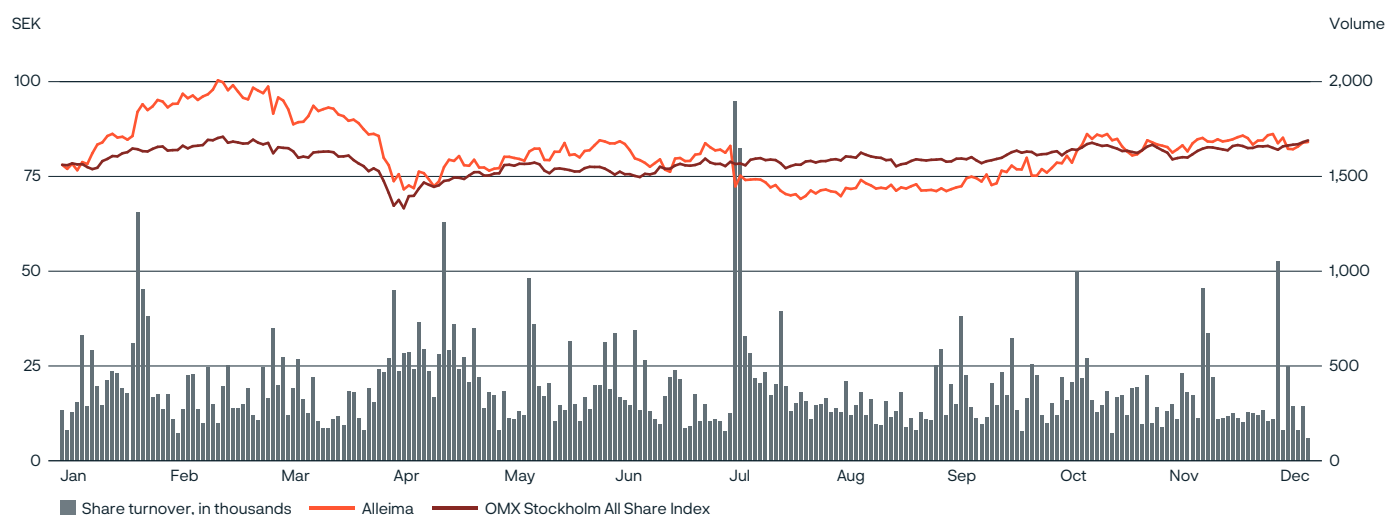
Shareholder communication

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

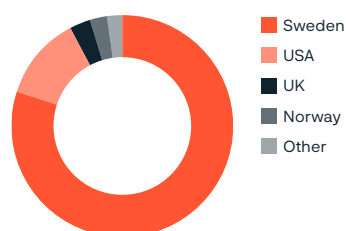
2.50

Proposed dividend per share, SEK

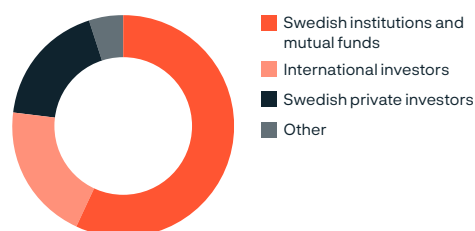
Share price development, January 1–December 31, 2025



Ownership by geography



Ownership by category



Share information

Exchange	Nasdaq Stockholm
Ticker	ALLEI
ISIN code	SE0017615644
Highest price paid	SEK 98.25
Lowest price paid	SEK 67.15
Price at the year's start	SEK 75.10
Share price at year-end	SEK 81.85
Market cap. at year-end	SEK 21 billion
Number of shares	250,877,184

List of covering analysts

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

Ownership list, December 31, 2025

Shareholders	Total number of shares	Shares and votes, %
Industrivärden	52,900,000	21.09%
Lundbergföretagen AB	25,200,000	10.04%
First Swedish National Pension Fund	12,520,000	4.99%
Swedbank Robur Funds	10,990,285	4.38%
AFA Insurance	8,181,291	3.26%
Vanguard	7,954,728	3.17%
SEB Funds	6,141,531	2.45%
Göranssonska Stiftelserna	4,944,276	1.97%
Dimensional Fund Advisors	4,926,644	1.96%
Norges Bank	3,882,349	1.55%
Ten largest shareholders	137,641,104	54.86%
Other shareholders	113,236,080	45.14%
Total	250,877,184	100.00%

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

Share capital development

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

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

Customer segments

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

Oil and Gas

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

24%



Industrial

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

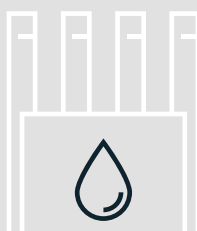
17%



Chemical and Petrochemical

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

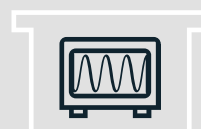
16%



Industrial Heating

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

10%



Consumer

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

8%



Medical

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

7%**Transportation**

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

6%**Mining and Construction**

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

6%**Nuclear**

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

5%**Hydrogen and Renewable Energy**

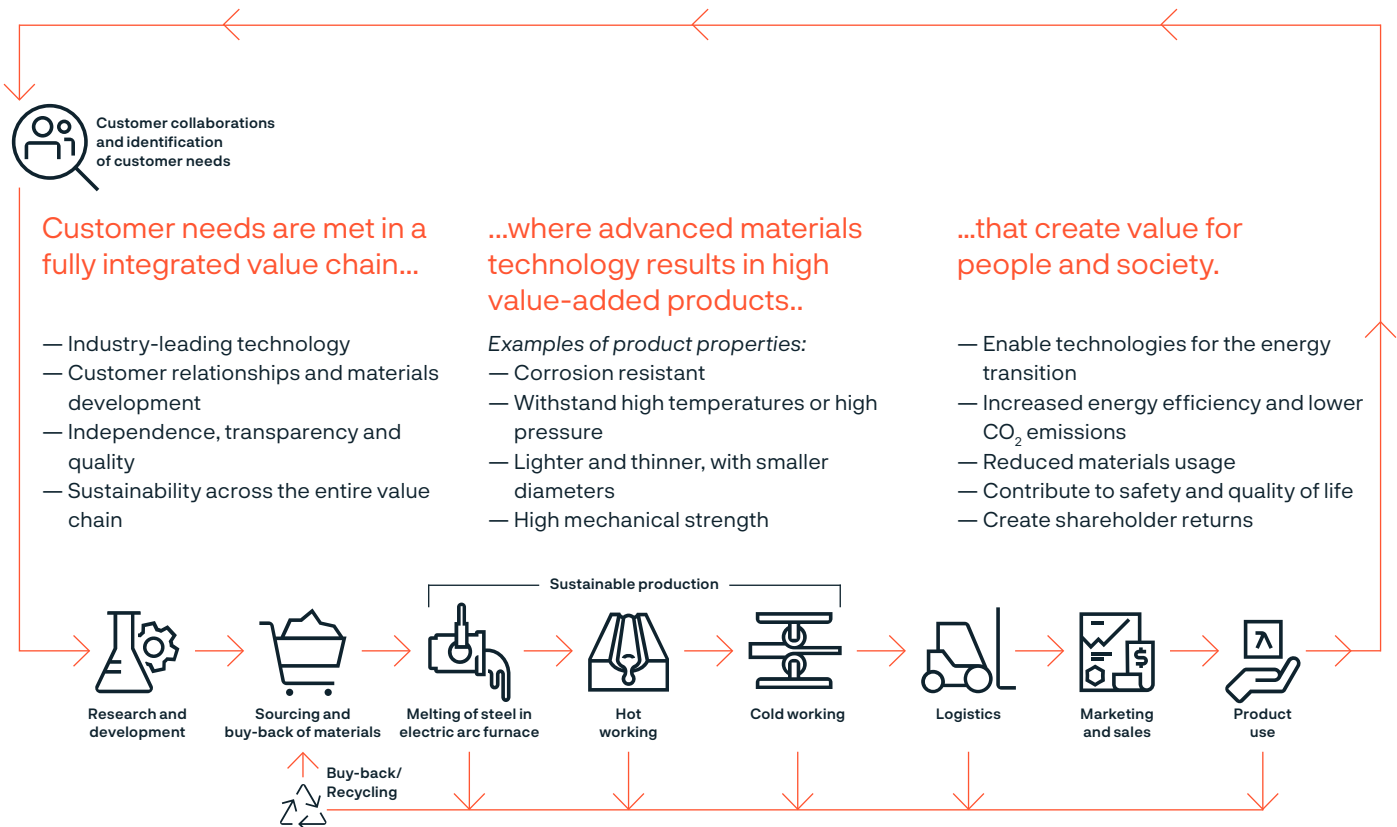
Tubes for hydrogen applications, concentrated solar power, geothermal energy, bioenergy and biofuels, offshore wind, and carbon capture and storage, as well as coated strip steel for fuel cells and electrolyzers.

1%

Note: Percentage refers to share of total revenues 2025.

A value-creating and sustainable business model

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



Technological innovation and customer collaboration

Alleima's value chain is based on a focus on innovation. With industry-leading technology and through continuous R&D, often in close collaboration with customers, the company develops material and process solutions that contribute to higher energy efficiency, lower CO₂ emissions, and increased circularity, safety and quality of life.

Sourcing and circularity

Responsible material sourcing is combined with programs for buying back raw materials from customers and extensive internal recycling flows. This includes both scrap metal and waste heat, which minimizes resource use and strengthens the circular economy within the company.

Sustainable production

The company's steel production uses 100% fossil-free electricity and its end-products are largely made from recycled materials. Residual products from the melting process are recycled and returned to the material flow. High CO₂ efficiency is achieved during hot working by blending in biogas and using electric furnaces, while continuing to recover metal from residual flows. In cold working, products are further refined with a continued focus on resource efficiency.

Efficient logistics

Electric and biofuel-powered vehicles are used for internal logistics and material handling, and external transportation is continuously optimized based on sustainability criteria.

Ethical marketing and sales

Marketing and sales are conducted according to the company's ethical guidelines, and life cycle assessments are provided for several product segments to support customers' environmental assessments.

Customer value and benefits for society

Alleima's advanced materials technology makes customer products and processes safer, more sustainable and more efficient, and has a positive impact on society. The use of Alleima's products contributes to tangible sustainability improvements for customers through increased energy efficiency, lower CO₂ emissions, reduced material consumption and improved safety.

Strategy for long-term value creation

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

Four strategic pillars

Profitable growth

[Read more on page 20](#)

Materials innovator
and
technology leader

[Read more on page 21](#)

Operational
and commercial
excellence

[Read more on page 22](#)

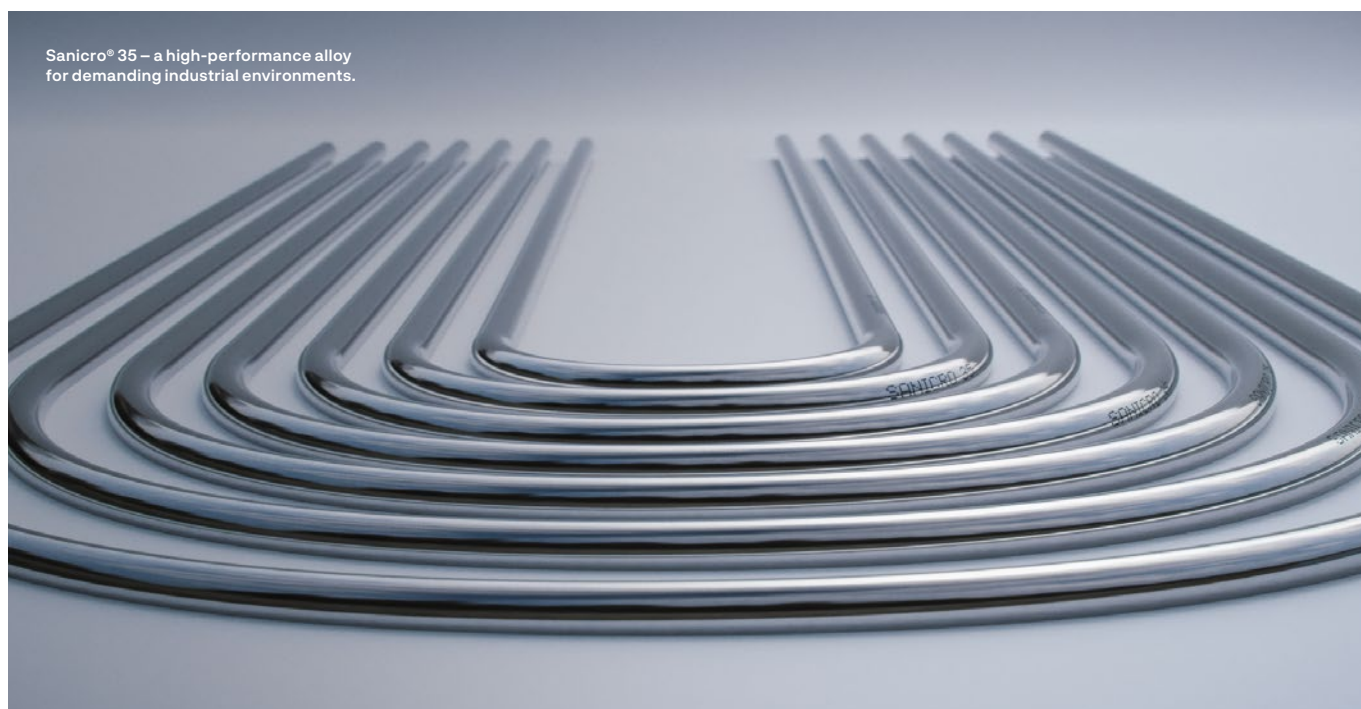
Industry-leading
sustainability

[Read more on page 23](#)

Common operating model

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

Sanicro® 35 – a high-performance alloy
for demanding industrial environments.



Profitable growth

Alleima has good prospects for continued profitable growth. Business development across the entire product portfolio is a key element of the strategy for a long-term improved and more profitable mix in all customer segments. Alleima also has a capital allocation strategy for growth investments and acquisitions focused on prioritized segments.

Long-term strategy to shift product mix in all segments

Alleima is working on a structural portfolio shift to improve the product mix across its portfolio. The aim is to reduce volatility and increase profitability by increasing the share of products with higher levels of refinement and higher technical content in all seg-

ments. Alleima's financial position and cash flow generation enable long-term investment decisions and flexibility in the order booking, which in turn ensures price leadership. This provides the company with a foundation to consistently execute its strategy, even in periods with challenging market conditions.

Alleima's capital allocation strategy focuses on prioritized segments characterized by higher growth, better profitability, higher capital efficiency and lower volatility.



Nuclear

Alleima has supplied products to the nuclear power industry for over 60 years and is now seeing a clear upswing in the market driven by energy security and growing demand for electricity for data centers, AI and electrification. Nuclear power offers a stable, fossil-free solution, and the development of small modular reactors (SMRs) is creating new opportunities. Alleima has already secured and delivered commercial SMR orders and is responding to broad global demand. The company is now increasing its capacity for steam generator tubing by 60%, with its first deliveries scheduled for late 2026. With its extensive experience and unique metallurgical expertise, Alleima is also well positioned for the next generation of nuclear power using lead, sodium, helium and molten salt as cooling media.



Medical

Alleima is a leading supplier of ultra-fine medical wire, wire-based components and nitinol solutions for various applications, such as continuous glucose monitors, pacemakers, neurostimulation systems and surgical instruments. The development of the segment has been, and is expected to remain, positive, driven by long-term trends such as increased remote monitoring and growing investments in healthcare. The acquisition of the German company Endox was completed during the year, and Alleima is responding to strong demand by establishing a presence in Asia together with existing customers.



Chemical and Petrochemical

Alleima offers premium solutions to the Chemical and Petrochemical segment globally, focusing in particular on the rapidly growing Asian market. Growth is being driven by an expanding middle class and increasing production of food, plastics and renewable energy. This has led to the establishment of new chemical and petrochemical plants in the region, where Alleima's tube products are used in the most demanding applications and play a crucial role in sub-segments such as ethylene, purified terephthalic acid (PTA), urea and biofuels. In these applications, corrosion resistance and tolerance to high pressure and temperatures are critical to operational reliability. Capacity investments have been made in both India and China in recent years in order to meet high demand.



Industrial Heating

Global electrification and increasing energy efficiency requirements are driving growth within various industrial heat treatment processes. Kanthal offers solutions ranging from resistance materials and heating elements to advanced heating modules and process gas heaters for metal, glass, electronics and semiconductor applications. The level of innovation is high, and to meet the growing demand, Alleima is currently investing in capacity expansions in Europe, Japan, and the USA, as well as developing solutions for megawatt-scale electric process gas heating.

M&A
in prioritized segments

When valuable synergies can be achieved. To increase capacity, capabilities, product portfolio or geographic presence.

Growth investments
in prioritized segments

To increase capacity, capabilities, product portfolio or geographic presence.

Business development
in all segments

Innovation along with R&D, often together with customers in order to continuously push the boundaries of what can be achieved with materials technology.

Materials innovator and technology leader

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

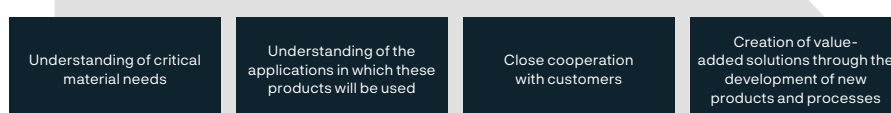
Alleima's R&D strategy is based on understanding material trends and customer needs. As the world changes, new and higher demands are being placed on products, including:

- Lighter and stronger materials for improved performance and durability
- High temperature resistance to increase reliability in extreme conditions
- Better compatibility with corrosive environments for longer life and increased safety
- Increased fatigue resistance to extend product lifecycles
- Tighter tolerances for higher precision and performance
- Advanced surface coatings for better functionality and protection

Integrated value chain and close customer collaboration

One of Alleima's strengths is the combination of its leading position in technology and an integrated value chain, from R&D capabilities, metallurgical expertise and in-house production to finished products for customers. This allows for faster iteration with customers, deeper technical insight and closer coordination between

R&D and production. Through in-depth knowledge of customers' application areas and a high level of technical sales, the company guides customers from idea and design to finished product. This ensures the right solutions are developed for the customer's specific needs, both in terms of material specifications and quality and to improve the customer's processes.



Innovation based on material trends and customer needs

Products in the market and in Alleima's R&D pipeline provide examples of innovation based on material trends and customer needs.

Trends

Nuclear

- Further safety enhancements in nuclear power operation (Gen IV)
- Data centers/AI and general electrification are increasing the need for small modular reactors

Products and innovations

- Products for the next generation of nuclear technologies, including SMRs and Gen IV nuclear reactors. Alleima is developing various technologies and new tube materials for use in reactors, including high temperature resistant FeCrAl alloys (APMT)

Medical

- Remote patient monitoring, which leads to more precision-driven out-of-hospital care, thereby enabling algorithm-based treatment
- Increased demand for minimally invasive surgery thanks to faster recovery times and reimbursement benefits

- Continuous glucose monitors (CGMs)
- Heart failure (HF) monitors
- New product development based on Nitinol material
- Integration of sensors and stimulation features in new ultra-fine configurations

Chemical and Petrochemical

- Higher pressure and temperatures to increase process efficiency
- Increased demand for cost-effective, high-performance materials that can handle a wider variety of corrosive conditions and processes

- In many critical applications, Sanicro® 35 can match more expensive alloys in terms of quality and performance, making this alloy a cost-effective alternative for customers

Industrial Heating

- Industrial electrification: the transition to low-carbon technologies often requires that various process gases be heated
- Energy flexibility: increased focus on flexibility in terms of energy supply constraints and cost-efficiency

- Prothal® range of electric process gas heaters
- Hybrid heating solution powered by natural gas and electricity

Operational and commercial excellence

Alleima works continuously to improve its operational and commercial efficiency. Focus areas include cost-efficiency, mix optimization and measures to strengthen its commercial capabilities.



From left: Jane Chen, Product Specialist, Alleima, and Richard Jägrud, CEO, Morakniv.

Measures to improve competitiveness

Alleima continuously reviews measures to adjust its capacity and costs to the prevailing market conditions. This often involves adjusting staffing levels to current volumes as well as optimizing, and in some cases consolidating, parts of its operations to increase efficiency. An example of this during the year was the introduction of a number of targeted measures to further strengthen the company's operational efficiency and long-term competitiveness. Most of these measures were intended to reduce Alleima's cost levels over the long term, including through restructuring, while others were a natural part of the company's continuing efforts to adapt its capacity based on volume.

Optimized inventory management and digitalization

An efficient supply chain is essential to meeting customer needs and maintaining high delivery accuracy. Efforts to optimize sales and capacity planning continued during the year, with a focus on balanced inventory levels based on forecasts, actual order intake and volume planning. The continued implementation of new systems resulted in improved oversight and traceability throughout the value chain. These systems enable more efficient production planning, product mix optimization and improved cost monitoring and analysis.

Price leadership and commercial strength

Alleima has achieved price leadership in several niches. To further strengthen its commercial capabilities, the company introduced more systematic follow-up of

its commercial performance during the year, with a particular focus on value-based sales and technical marketing. Exercising a high level of discipline when booking orders is a key prerequisite for maintaining price leadership and ensuring profitability in a more challenging market environment.

Stronger performance culture

To fully realize the potential of its end-markets, Alleima is working to strengthen its internal performance culture. This includes an improved financial governance model to enable greater transparency and better decision-making, further decentralization of responsibilities to increase its speed and customer focus, and the introduction of shared business principles that strengthen engagement and clarify what is required to succeed.

Industry-leading sustainability

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

Impact through own operations

Since 1929, Alleima has used recycled steel and an electric arc furnace in production, which are more energy efficient and has a lower carbon footprint than traditional steel production with a blast furnace. Today, the products consist of about 81% recycled material, and 98% of the global electricity usage is fossil-free, resulting in a relatively low climate footprint. Alleima is actively working to reduce its environmental impact and to increase the circularity of its raw material use. Its business model is based on a fully integrated value chain, from research to end-product, enabling it to control and minimize its carbon footprint throughout the production process.

Impact through product offering

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



Still image from Alleima's global brand campaign Hidden Heroes, featuring Kanthal® Super elements.



At the raw materials yard, recycled steel is classified using positive material identification (PMI) equipment to ensure that the materials are properly analyzed when the goods are received.

Tube

The Tube division develops and manufactures seamless tubes and other long products in advanced stainless steels and special alloys that are tailored for specific end-applications. The customers are primarily found in the segments of Oil and Gas, Chemical and Petrochemical, Industrial, Mining and Construction, Nuclear, Transportation, and Hydrogen and Renewable Energy. The business model is based on a fully integrated value chain that encompasses the entire production chain, from steel melting to finished end-product, with in-house R&D throughout all stages. Tube has a strong global presence, with its largest production facilities located in Sandviken (Sweden), Chomutov (Czechia), Scranton, PA (US), Mehsana (India) and Zhenjiang (China).



Long-standing expertise in nuclear power

Demand in the nuclear power industry is expected to grow, driven by stricter energy security requirements and a growing need for electricity for data centers, AI and general electrification. After more than six decades as an independent supplier to the sector, Alleima commands a strong position, with new construction and refurbishments of traditional nuclear power plants as well as emerging SMR projects creating broad global demand. At the same time, the development of new reactor technologies with advanced coolants is creating significant long-term opportunities. Alleima is actively involved in materials research related to these technologies together with customers and will have the capability to deliver materials solutions for the future.

Material solutions for extreme environments

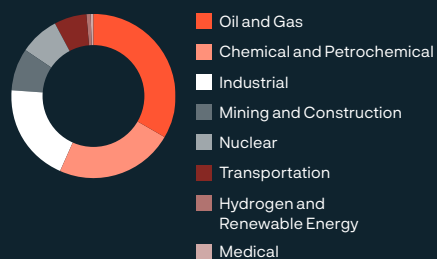
Combined with close customer collaboration throughout the value chain, Alleima's long-standing materials expertise has laid the foundation for the company's position as a leading supplier to the oil and gas industry. Although overall market demand for oil and gas is expected to be unchanged for the foreseeable future, Alleima's volumes are expected to remain favorable as existing fields gradually decrease in capacity and new resources need to be deployed. In parallel, Alleima is continuously developing new materials with even higher corrosion and pressure resistance as extraction shifts to deeper and more demanding environments where materials are exposed to even greater strain.

Growth through local presence

Alleima is strengthening its position in the Chemical and Petrochemical segment in Asia by gradually expanding its production capacity, capabilities and collaborations with customers. The strategy is based on a "local-for-local" approach, where production is carried out close to the market to enable shorter lead times and increased production flexibility. This approach also reflects the company's clear ambition to promote sustainability and enables innovation together with end-customers along the entire value chain, making it possible to customize solutions for critical applications to specific needs. Demand in the region is growing, and Alleima opened a new facility in Zhenjiang, China, the company's latest investment in expanded capacity.

2025 in figures

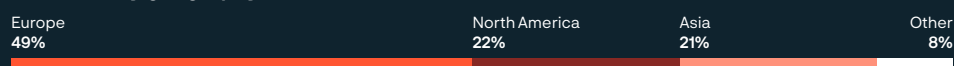
Revenues by customer segment



Key figures

Revenues, SEK million	Organic revenue growth	Adjusted EBIT, SEK million	Adjusted EBIT margin	Total workforce
13,063	-2%	1,159	8.9%	4,555

Revenues by geography



Main competitors:

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

Go-to-market model:

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

Note: Adjusted EBIT excludes metal price effects of SEK -223 million.

Total workforce includes employees and third-party workers and is based on full-time equivalents. Revenues are recognized in the purchaser's region, not the end-user's.

Forging the Future of Clean Energy with Doosan and NuScale Power

A collaboration between South Korea's Doosan Enerbility, US-based NuScale Power and Sweden's Alleima, is shaping the next chapter of the nuclear evolution. Alleima's tubing technology is enabling a new era of nuclear power – one built on industry expertise and innovation.

Alleima supplies critical steam generator tubing to Doosan Enerbility, which in turn manufactures key components for NuScale Power's pioneering small modular reactors (SMRs). Together, the companies are building a new generation of safe, scalable, and efficient low carbon energy systems.

"Doosan and Alleima have a long-standing relationship, where Alleima has successfully supplied steam generator tubes for large-scale nuclear power plants," says Yunsik Sung, Senior Manager at Doosan Enerbility. "Our history of collaboration and trust naturally extended into the NuScale SMR program. This trilateral partnership is strategic."

Alleima has been supplying tubes to the nuclear power industry for more than 60 years. This experience has enabled Alleima to lead in quality, while adapting to the evolving needs of the industry.

"Alleima's ability to respond to complex project requirements has been instrumental," Yunsik Sung adds.

A key need for the NuScale SMR design is the requirement for helical bending of steam generator tubes to boost heat transfer efficiency. Unlike conventional U-shaped tubes used in large plants, the NuScale SMR design required tighter tolerances in diameter and wall thickness to ensure consistent performance. Doosan Enerbility has established these stricter specifications to meet those demands.

"Alleima responded with exceptional collaboration adjusting their manufacturing processes and quality controls to meet Doosan's requirements. Currently, Alleima's tubes are being bent and articulated using Doosan Enerbility tube bending machines at our Changwon facility," Yunsik Sung explains.

In 2024, Alleima announced the reopening of Tube Mill 68 in Sandviken, Sweden, an investment that will increase production capacity for steam generator tubes for conventional and SMR reactors. This will strengthen Alleima's position as a reliable, long-term supplier to the global nuclear industry.

"Doosan and NuScale are preparing for the global deployment of SMRs, with plans to support a significant number of modules



in the 2030's across multiple regions," Sung concludes "To achieve this goal, we need suppliers who can scale with us. Alleima's expansion of its manufacturing capacity and its commitment to long-term supply position the company as a vital part of our global strategy, and we believe Alleima has both the willingness and the capability to align with this vision."

"As NuScale moves closer to the future deployment of our SMR technology, strong partners like Alleima and Doosan Enerbility are essential in building a resilient, high-quality supply chain," said Graham Callaway, Senior Director, Supply Chain of NuScale Power. "This collaboration supports our mission to provide safe, reliable, and affordable carbon-free energy, that ensures the right partnerships in place as customer demand continues to grow."

"Strong partners like Alleima and Doosan Enerbility are essential in building a resilient, high-quality supply chain"

Graham Callaway

Senior Director, Supply Chain of NuScale Power

"We are proud to supply steam generator tubes to Doosan Enerbility and NuScale Power, two leading innovators in the energy sector. SMRs hold tremendous potential for growth in the coming years, and we are well positioned to support these projects," said Carl von Schantz, President, Tube Division.

Kanthal

Kanthal is a global supplier of products in the areas of industrial heating technology and resistance materials as well as ultra-fine wire for use in medical devices. The division's customers are primarily in the Industrial Heating, Consumer, Medical and Industrial customer segments.

Kanthal has a global production footprint, with facilities in locations such as Hallstahammar (Sweden), Palm Coast, FL (US), Perth (UK), Sakura (Japan) and Walldorf (Germany).



Advanced medical technology create growing opportunities

Digitalization is driving the development of new, advanced medical technologies. The need is especially increasing for chronic conditions where automated health data collection and digital treatment solutions improve safety and quality of life. Through the Kanthal division, Alleima supplies ultra-fine wire, wire-based components and nitinol solutions for various applications, such as continuous glucose monitors, pacemakers, neurostimulation systems and surgical instruments. Thanks to its combination of materials expertise, global capacity and capabilities, and customization, Alleima is a key partner to leading medical device manufacturers. The ongoing expansion in Malaysia will provide Alleima with a strong global platform for continued innovation and growth.

Leader in electrical heating processes

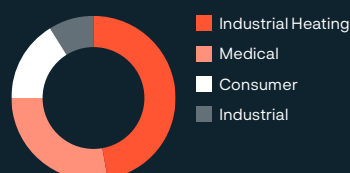
With over 90 years of experience of heating processes requiring very high temperatures, Kanthal holds a leading position in enabling the electrification of energy-intensive operations. Its solutions are used in several sub-segments, such as electronics, semiconductors, glass and metal. Unlike gas-fired furnaces, electric heating solutions do not require combustion and thus have the potential to significantly reduce or entirely eliminate CO₂ emissions from heat treatment processes. Electric heating therefore plays a key role in the transition towards a more sustainable industry. Up to 95% thermal efficiency can be achieved, compared with significantly lower efficiency with gas heating. This results not only in a lower climate impact but also in improved operational performance and lower energy consumption.

Large-scale process gas heaters

Prothal® – an electric process gas heating solution that can be used with hydrogen, natural gas or hybrid solutions – marks an important step towards more climate-neutral industry. The technology is particularly relevant for future DRI plants and also enables upgrades of existing installations. During the year, Alleima's partnership with Danieli was expanded to scale up the technology to several hundred megawatts, with the aim of having a commercial solution in place by 2027. An important step towards industrialization was taken during the year, with the company receiving its first order for a pilot heater for commercial use. Thanks to a combination of technical expertise, innovation and global delivery capabilities, Kanthal plays a central role in accelerating the transition to electrified, resource-efficient and climate-neutral industrial heating processes.

2025 in figures

Revenues by customer segment



Key figures

Revenues SEK million	Organic revenue growth	Adjusted EBIT, SEK million	Adjusted EBIT margin	Total workforce
3,996	1%	656	16.4%	1,472

Revenues by geography



Note: Adjusted EBIT excludes metal price effects of SEK -37 million.

Total workforce includes employees and third-party workers and is based on full-time equivalents. Revenues are recognized in the purchaser's region, not the end-user's.

Main competitors:

Industrial Heating:

Aperam, VDM Metals, Tokai KK and I Squared R Element.

Medical:

Fort Wayne Metals and Heraeus.

Go-to-market model:

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

A joint path towards fossil-free steelmaking

Kanthal and the Italian engineering group Danieli formed a strategic partnership in 2024 with a shared ambition: to speed up the steel industry's shift to electrification. The companies now are developing a new generation of electric process-gas heaters to replace fossil-fuelled systems, innovation with the potential to dramatically cut emissions from steelmaking.

Prothal®, Kanthal's electric process-gas heater, sits at the core of the project. This high-temperature system can bring hydrogen or natural gas to more than 1,000°C using electricity rather than combustion. The technology has already proven itself in a pilot together with HYBRIT in Luleå, where hydrogen was heated to 950°C at roughly 95 % efficiency. The collaboration with Danieli will take it a step further, by integrating the solution into a DRI plant, where iron ore can be reduced to iron without carbon dioxide emissions.

Installation without downtime

The first installation will be a demonstration unit at Emsteel in Abu Dhabi, where a 1,3 MW heater is scheduled to come online in 2026. The project marks a significant milestone – technically, because it brings electric heating into one of the world's most energy-intensive and carbon-heavy industries¹⁾, and symbolically, because it shows how electrification can be deployed without disrupting production.

"After successful test projects, we are very pleased to be able to install and evaluate Prothal® in a real production environment without risking production disruptions," says Dilip Chandrasekaran, Business Development Manager at Kanthal. "For the end customer, it is an important factor not to have to plan costly stoppages in production and at the same time have the opportunity to scale up electrification at the plant in the future."

Significant reduction in CO₂ emissions

The advantage of the system is its simplicity. Prothal® is built from Kanthal's proprietary material, which acts both as the heating element and as a structural component. This cuts heat loss and results in a design that is robust, efficient and easy to scale. The heater can raise pure hydrogen or hydrogen–natural gas blends to high temperatures under pressure, giving operators flexibility – whether they are building new capacity or upgrading existing plants. Electrification represents the most efficient way to use renewable energy to reduce emissions and it also delivers



precise temperature and process control without combustion gases, soot or open flames.

When powered by renewable electricity, the process step becomes entirely emissions-free. And even in existing natural-gas-based facilities, a full scale system can cut carbon-dioxide emissions up to 30 %, according to Danieli's calculations.

Strategic partnership for a sustainable steel industry

For Kanthal, the partnership is a step toward commercializing its approach to sustainable process-gas heating. For Danieli, it expands a growing portfolio of renewable energy ready systems for the steel industry, giving customers practical routes to reduce carbon-dioxide emissions in existing operations. As one of the world's leading suppliers of equipment and complete production lines for metals and steel – spanning blast furnaces, direct reduction, melting, rolling, automation and digital control – Danieli brings the industrial integration and electric power control expertise that complements Kanthal's electric-heating technology. Together, the companies cover the full path from electric heat generation to plant-level implementation.

This technology builds on years of research and testing, but also on a wider shift in how the industry approaches its

"This collaboration makes it possible to unlock the potential of a new technology that will further reduce the carbon footprint of DRI plants"

Marco Lapasin

Vice President Danieli Engineering Centro Metallica

climate responsibility. Steel production accounts for roughly seven percent of global carbon-dioxide emissions²⁾, making decarbonization one of the sector's defining challenges. The goal now is to demonstrate that the next generation of steel-making can run on renewable energy and electric heating, not only as a technical possibility, but as a commercially viable route forward.

"This collaboration makes it possible to unlock the potential of a new technology that will further reduce the carbon footprint of DRI plants and drive the development of more sustainable steel production," says Marco Lapasin, Vice President, Danieli Engineering Centro Metallica.

The collaboration brings together Swedish materials expertise and Italian systems engineering, resulting in a solution that strengthens competitiveness while moving the steel industry closer to net-zero. For Kanthal, it is another example of how innovation and sustainability reinforce one another, and how electrification can reshape the future of an entire sector.

1) DRI-based steel production, which starts from iron ore, is generally more energy and resource-intensive and therefore has a higher climate impact than scrap-based production, which is the method used by Alleima.

2) <https://www.weforum.org/stories/2023/09/steel-industry-lower-carbon-production/>

Strip

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

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



Innovative materials for energy-efficient compressors

Through Strip, Alleima has a long tradition of producing precision strip steel made from materials with high fatigue resistance for compressor manufacturers. The valve steel plays a crucial role in the energy efficiency of the compressors and is used in refrigeration and freezer systems, air conditioning solutions, heat pumps and industrial compressors. The business is based on close customer collaboration, from design and material selection to application support, creating long-term and loyal customer relationships and enabling solutions to be adapted to specific performance requirements. With energy efficiency expected to become increasingly important in the future, Strip continuously researches and develops materials for the future, with a focus on both business interests and the climate.

A profitable sustainability offering

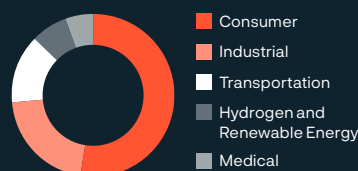
Sustainability permeates Alleima's business model and value chain, including Strip, which has a significant exposure to the consumer market. The division is successfully conducting product life cycle assessment initiatives in order to increase transparency towards customers and end-users as well as several buy-back programs in cooperation with customers. The buy-back programs contribute to cost-efficiency as the materials are high quality and have a precise composition, saving customers money and enabling a lower climate impact by reducing the need for virgin material.

A stronger position for Strip going forward

Strip is implementing targeted commercial and operational initiatives in order to strengthen its profitability and delivery accuracy. The focus is on optimizing production flows, digitalization and improved inventory management as well as mix optimization and cost reduction measures. During the year, the division also launched a new distribution network to enable delivery of high-quality products to more customers. This includes, for example, its premium Damascus steel, used for high-quality chef's knives and other products under the Damax™ brand, a product that Alleima is the only company in the world to produce on an industrial scale.

2025 in figures

Revenues by customer segment



Key figures

Revenues SEK million	Organic revenue growth	Adjusted EBIT SEK million	Adjusted EBIT margin	Total workforce
1,571	13%	61	3.9%	525

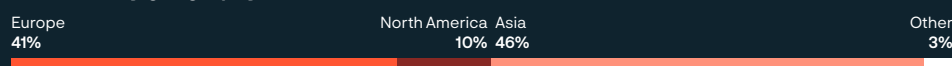
Main competitors:

Proterial, Voestalpine, Jindal Steel and Zapp.

Go-to-market model:

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

Revenues by geography



Note: Adjusted EBIT excludes metal price effects of SEK -16 million.

Total workforce includes employees and third-party workers and is based on full-time equivalents. Revenues are recognized in the purchaser's region, not the end-user's.

From scrap to strength: circular knife-making at Morakniv

For over a century, Alleima has supplied premium steel to Morakniv. Together, they have combined Swedish industrial tradition and craftsmanship with the future's demands for sustainability and circularity.

At a time when sustainability and the circular economy are becoming increasingly important for the industry's competitiveness, the collaboration between Morakniv and Alleima stands as a clear example of high quality combined with responsible material management. Together, the companies have developed new processes to ensure that leftover material or scrap steel is collected and returned to the production chain, which helps ensure that the proportion of recycled steel in Alleima's knife steel can be maintained at between 80 and 90%.

A classic recycled edition

When Morakniv launched its most sustainable knife to date, the Basic 546 SE, the steel from Alleima was a central piece of the puzzle. With 90%¹⁾ recycled steel in the blade, and recycled materials in the handle and sheath, the product points the way toward the knives of the future.

"Morakniv sees sustainability as an integrated part of our core business: delivering knives of the highest quality while minimizing climate impact and making material flows as circular as possible," says Richard Jägrud, CEO of Morakniv. "The collaboration with Alleima has made it possible to develop processes where surplus or residual steel is taken care of and returned to the production chain. We want to show that high performance and environmental responsibility can go hand in hand – durability in service life, in material choices and across the entire production chain is at the heart of Morakniv's strategy."

Buy-back program, a benefit for all involved

Through Alleima's buy-back program, Morakniv sells back its residual material, which becomes feedstock for new steel. Because steel retains its properties through repeated recycling, the loop protects both high standards and climate outcomes.

"We want to ensure a high recycling rate in the material we purchase, while also taking care that scrap from our production is reintroduced into a circular production chain," adds Thomas Holmgren, COO at Morakniv. "Thanks to this set-up, we achieve both of these objectives."



At present, Morakniv purchases three different stainless steel grades from Alleima: Alleima® 14C28N, Alleima® 10C28M, and Alleima® 12C27. All three grades are included in the buy-back program. Scrap from the production in Mora is collected in separate containers before being transported back to Alleima for inspection and remelting.

"Getting back residual steel with documented quality simplifies our process," says Mikael Silver, Program Manager Sustainability at Alleima Strip. "It enables a higher share of recycled steel, facilitates further processing and ensures that we maintain our high requirements for alloy composition and purity."

Supply-chain resilience

Virgin raw materials often have vulnerable supply chains, as they are usually concen-

"We want to ensure a high recycling rate in the material we purchase"

Thomas Holmgren
COO at Morakniv

trated among a limited number of producers, and the material also needs to be transported over long distances. This can be compared to steel scrap, where there are more suppliers and where the vast majority is sourced within the EU. This contributes to lower climate impact and a more resilient production.

¹⁾ Calculated according to ISO 14021.

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Directors' report

Summary

Financial overview – Group

SEK M	2025	2024	Change, %
Order intake	17,741	19,419	-9
Organic growth, %	-4	-6	–
Revenues	18,630	19,691	-5
Organic growth, %	0	1	–
Adjusted operating profit (EBIT)	1,555	1,944	-20
Margin, %	8.3	9.9	–
Operating profit (EBIT)	938	1,498	-37
Profit for the period	671	1,221	-45
Adjusted earnings per share, diluted, SEK	4.62	6.27	-26
Earnings per share, diluted, SEK	2.68	4.87	-45
Free operating cash flow	1,100	1,266	-13
Net working capital to revenues, % ¹⁾	35.8	35.1	–
Net debt/Equity ratio	-0.05	-0.04	–

Notes to the reader: Tables and calculations in the report do not always agree exactly with the totals due to rounding. Comparisons refer to the corresponding period last year, unless otherwise stated. Adjusted operating profit (EBIT) excludes items affecting comparability (IAC) and metal price effects, see Note 2 and description of Alternative Performance Measures on pages 138–139 for further details. Definitions and glossary can be found on www.alleima.com/investors.

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

Market development

Market development for the year was mixed. Demand in the Medical segment remained high and increased. Demand in Oil and Gas and Nuclear remained stable at a high level. Demand in the short-cycle business, mainly related to low-refined products in the Industrial and Chemical and Petrochemical segments, declined. Demand in the Industrial Heating segment increased from low levels.

Order intake and revenues

Order intake decreased by 9% to SEK 17,741 million (19,419), with organic growth of -4%. Growth was noted in the Medical and Industrial Heating customer segments, while negative growth was reported in the Oil and Gas, Industrial and Chemical and Petrochemical segments. The regions of North America and Asia noted organic order intake growth of -3% and 1%, respectively. The region Europe noted organic order intake growth of -6%.

Revenues decreased by 5% to SEK 18,630 million (19,691), with organic growth of 0%. The Kanthal and Strip divisions noted positive organic growth, while the trend was negative for Tube.

Book-to-bill was 95%. The backlog remained solid with a good product mix.

Structure had an impact of 0%, while currency had an impact of -4% on both order intake and revenues. Alloy surcharges had an impact of -2% on both order intake and revenues.

Orderingång och intäkter

SEK M	Order intake	Revenues
2024	19,419	19,691
Organic, %	-4	0
Structure, %	0	0
Currency, %	-4	-4
Alloy, %	-2	-2
Total, %	-9	-5
2025	17,741	18,630

The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

Earnings

Gross profit

Cost of goods sold decreased by 4% to 15,178 million (15,740), mainly driven by decreased cost for intermediate goods. Gross profit decreased by 13% to SEK 3,452 million (3,951), corresponding to a gross margin of 18.5% (20.1). The decrease was primarily driven by negative items affecting comparability of SEK -265 million (0) and negative currency effects.

Sales, administrative and R&D costs

Selling expenses decreased by 7% to SEK 1,166 million (1,250), mainly driven by lower sales volumes.

Administrative expenses increased by 9% to SEK 1,062 million (975), mainly driven by increased personnel costs and items affecting comparability.

Research and development costs amounted to SEK 296 million (292).

Other operating income and expenses amounted to SEK 10 million (64), mainly driven by currency effects.

Operating profit (EBIT)

Adjusted EBIT decreased by 20% to SEK 1,555 million (1,944) corresponding to a margin of 8.3% (9.9), mainly driven by negative currency effects. Depreciation and amortization amounted to SEK -1,012 million (-913).

Reported EBIT amounted to SEK 938 million (1,498), corresponding to a margin of 5.0% (7.6). Metal price effects had an impact of SEK -275 million (-446) and items affecting comparability of SEK -342 million (0).

SEK M	Adjusted EBIT
2024	1,944
Organic	-52
Currency	-341
Structure	3
2025	1,555

Financial items

Net financial items were SEK 35 million (73). The change was primarily due to detoration in interest net.

Taxes

Income tax expense amounted to SEK 301 million (350), corresponding to an effective tax rate of 31.0% (22.3). See Note 10 Income tax for more information.

Profit

Profit for the period amounted to SEK 671 million (1,221), corresponding to earnings per share, diluted, of SEK 2.68 (4.87). Adjusted profit for the period amounted to SEK 1,160 million (1,573) and adjusted earnings per share, diluted, amounted to SEK 4.62 (6.27). See page 138 for further details.

Financial position, capital resources and liquidity

Capital employed

Capital employed excluding cash increased to SEK 15,653 million (15,983). The decrease was mainly attributable to lower growth investments and fx effects. Return on capital employed excluding cash decreased to 5.8% (9.5).

Working capital

Net working capital amounted to SEK 6,222 million (6,821). Net working capital in relation to revenues was 35.8% (35.1).

Capital expenditure

Capex amounted to SEK -1,089 million (-1,190), corresponding to 108% (130) of scheduled depreciation and 5.8% (6.0) of revenues. The decrease was mainly attributable to lower growth investments and higher positive effects from the sale of tangible assets.

Cash flow

Cash flow from operating activities decreased to SEK 2,011 million (2,123).

Free operating cash flow declined to SEK 1,100 million (1,266). The change was primarily attributable to lower operating profit and lower growth investments.

Free operating cash flow

SEK M	2025	2024
EBITDA	1,950	2,410
Non-cash items	301	148
Changes in working capital	86	33
Capex	-1,089	-1,190
Amortization, lease liabilities	-148	-135
Free operating cash flow¹	1,100	1,266

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

Funding and liquidity

On December 31 2025, SEK 1,891 million (1,912) was reported as Cash and Cash equivalents, whereof SEK 1,397 million (1,229) in cash directly available for Group Treasury and SEK 494 million (683) is restricted cash such as short-term deposits and cash accounts with, for Group Treasury, limited access. The short-term deposits are considered as cash equivalent as they have a time to maturity of less than 3 months.

Net debt amounted to SEK -864 million (-631), i.e. a net cash position. Net debt in relation to equity was -0.05x (-0.04). The financial net debt position was SEK -1,871 million (-1,911). Net pension liability decreased year on year to SEK 589 million (820). Net debt in relation to rolling 12-month adjusted EBITDA was -0.35x (-0.22).

On December 31, 2025, available credit facilities were unutilized. The short-term liquidity reserve, comprising committed credit facilities and accessible cash and cash equivalents was SEK 4,397 million (4,229). See Note 26 for further information.

Share and share capital

As of December 31, 2025 Alleima's share capital amounted to SEK 250,877,184 represented by 250,877,184 shares.

Alleima's Annual General Meeting held on April 28, 2025 approved the Board's proposal for a long-term share-based incentive program (LTI 2025). As of December 31, 2025, LTI 2023, LTI 2024 and LTI 2025 comprises 851,721 share rights. The delivery of these shares is secured through equity swap agreement with a third party.

The Annual General Meeting held on April 28, 2025, resolved for the financial year 2024 on an ordinary dividend of SEK 2.30 (2.00) per share. The dividend of SEK 577 million (502) was distributed to the shareholders on May 6, 2025, of which SEK 2 million was repaid to Alleima in form of dividend related to the equity swap for LTI 2023 and LTI 2024.

Significant events in 2025

- On January 14, Alleima announced the completion of its acquisition of Endox Feinwerktechnik GmbH and Endox Polska SP.oz.o. ("Endox"), which had been previously announced on December 10, 2024. Endox strengthens the company's medical business and is reported in the Kanthal division.
- On January 24, the Nomination Committee proposed the re-election of Board members Göran Björkman, Claes Boustedt, Ulf Larsson, Andreas Nordbrandt, Susanne Pahlén Åklundh, Victoria Van Camp and Karl Åberg. Andreas Nordbrandt is proposed to be re-elected as Chairman of the Board.
- On February 26, it was announced that Per Eklund has been appointed President for the Strip division and member of the Group Executive Management from March 1, 2025.
- CFO Olof Bengtsson has retired from his position as of August 31, 2025. He has been succeeded by Johan Eriksson.
- On April 14, it was announced that Johanna Kreft, EVP and General Counsel had decided to leave the company. She has been succeeded by Christian Swarling from January 19, 2026.
- On June 16, it was announced that Ulrika Dunker, EVP & Head of Human Resources, had decided to leave the company. She has been succeeded by Maria Reinholdsson from March 2, 2026.
- Alleima has initiated targeted measures to permanently reduce cost levels and thereby strengthen operational efficiency and long-term competitiveness. The measures are expected to generate cost savings of just over SEK 200 million annually. At the same time, one-off costs related to the measures are estimated to amount to nearly SEK 400 million, of which approximately half effects cash flow. Most of these costs impacted earnings in the fourth quarter 2025.

Significant events after year-end 2025

- On January 29, the Nomination Committee proposed the re-election of Board members Göran Björkman, Claes Boustedt, Ulf Larsson, Andreas Nordbrandt, Susanne Pahlén Åklundh, Victoria Van Camp and Karl Åberg. Andreas Nordbrandt is proposed to be re-elected as Chairman of the Board.

Significant agreements

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

Workforce

The number of employees at year-end was 6,380 (6,309). Wages, salaries, and other remunerations for the year totaled SEK 3,972 million (3,858). The number of third-party workers at year-end was 440 (516).

Alleima guidelines for the remuneration of senior executives

The below remuneration guidelines were approved by the Annual General Meeting 2023 and apply until the Annual General Meeting 2027, unless any changes are proposed. The Board of Directors does not propose any new guidelines.

Scope of the guidelines

The guidelines apply to the President and CEO and other members of Group Executive Management. The guidelines do not cover remuneration decided or approved by the General Meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration.

The guidelines enable the company to offer senior executives a competitive total remuneration. For more information regarding the company's business and sustainability strategy, please see the company's website www.alleima.com.

Forms of remuneration

The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as the Group's earnings trend. The remuneration may consist of fixed salary, variable remuneration, pension benefits and other benefits.

Fixed salary

The purpose of the fixed salary is to attract and retain senior executives with the right competence for the respective positions. The salary level should be determined by comparing the salary to similarly complex positions within a defined peer group, which may change over time.

Variable consideration

Variable share-related remuneration

The company may offer long-term share-related or share price-related remuneration. Such programs (including any cash-based incentive programs that may be offered as an alternative, when deemed appropriate) are adopted by the General Meeting and are therefore not covered by the guidelines.

Variable cash remuneration

The company may offer short or long-term variable cash remuneration. The company may only offer long-term variable cash remuneration as a three-year program and during a year when the General Meeting has not resolved to adopt a share or share price-related program.

The long-term variable cash remuneration shall be a maximum of 75% of the fixed annual cash salary, paid during the program's third and final year, for the President and CEO, and a maximum of 60% of the fixed annual cash salary, paid during the program's third and final year, for other members of Group Executive Management. The fulfillment of objectives for awarding such remuneration shall be measured over a period of one to three years and paid out year four.

The short-term variable cash remuneration shall be a maximum of 70% of the fixed annual cash salary for the President and CEO and a maximum of 50% of the fixed annual cash salary for other members of Group Executive Management.

Any variable cash remuneration shall be conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the company's business strategy and performance as well as its long-term interests, including its sustainability. At the beginning of each year, the criteria are proposed by the Remuneration Committee and approved by the Board of Directors, including key performance indicators (KPIs) and the target ranges deemed relevant for the upcoming measurement period.

The criteria may be financial, and non-financial, and shall always be related to business performance. At least 80% of the variable cash remuneration shall be linked to the financial criteria.

The established KPIs shall be presented on the company's website www.alleima.com. The extent to which the criteria for awarding variable cash remuneration have been fulfilled shall be determined when the measurement period has ended and will be published in the remuneration report the following year. For financial criteria, the evaluation shall be based on the latest financial information made public by the company.

Special arrangements

Provided that remuneration is only made on an individual basis, the company may offer one-off remuneration in specific cases for the purpose of recruiting or retaining senior executives. The remuneration may not exceed an amount corresponding to 100% of the individual's fixed annual salary including maximum variable cash remuneration.

Right to withhold or reclaim remuneration

Terms and conditions for variable remuneration shall be designed so that the Board of Directors (i) has the right to limit or refrain from payment of variable remuneration if exceptional economic circumstances prevail and such a measure is considered reasonable, and (ii) has the right to withhold or reclaim variable remuneration paid to an executive based on results that afterward were found to have been misstated because of wrongdoing or malpractice (so-called malus and clawback).

Pension benefits

Pension shall be paid in accordance with relevant national legislation, applicable collective agreements (or similar).

For senior executives based in Sweden, pension benefits are subject to the ITP plan (Industry and Trade Supplemental Pension). Accordingly, there are both premium-based ("defined contribution") and benefits-based ("defined benefit") pension undertakings, based on individual prerequisites and applicable regulations. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions (or similar) applicable to the executive.

In addition to ITP, Alleima may offer complementary pension benefits. Senior executives are offered disability pension and a defined contribution pension scheme with an Alleima approved insurance provider in accordance with Alleima's Procurement Policy (Alleima Procurement Procedure).

For senior executives residing outside Sweden, deviations may be made for pension benefits, if required by local law or established market practice.

Total pension premiums shall not amount to more than 37.5% of the fixed annual salary.

Other benefits

Other benefits may include, for example, life insurance, medical insurance and company car benefit. Such benefits may not amount to more than 5% of the fixed annual salary. For senior executives in need of double accommodation: paid accommodation, etc. may be added in line with Alleima's regulations and such benefits may not amount to more than 20% of the fixed annual salary.

Termination of employment

Severance pay may be paid when employment is terminated by Alleima. The President and CEO and the other senior executives may have a period of notice of not more than 12 months, in combination with severance pay corresponding to 6–12 months fixed salary.

When employment is terminated by the senior executive, the notice period may not exceed six months and no severance pay shall be paid.

In case a senior executive is not entitled to severance pay, but is covered by a non-compete undertaking, the senior executive may instead be compensated for such a non-compete undertaking. Any remuneration paid as compensation for a non-compete undertaking shall not exceed 60% of the fixed salary at the time of notice of termination of the employment and shall not be paid for a longer period than 18 months. Fixed salary during the notice period together with any compensation for the non-compete undertaking shall not exceed an amount equivalent to the senior executive's fixed salary for 24 months.

Consideration of remuneration to the company's employees

When preparing the proposal for the guidelines, the employment conditions applied within the company as a whole have been used as a benchmark, following the principle that the remuneration

packages of all Alleima employees should be based on the complexity of the position, performance and market practice. In general, the same combination of remuneration components such as fixed salary, variable remuneration, pension and other benefits are offered within Alleima.

The decision-making process for determining, reviewing and implementing the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration.

The Remuneration Committee shall annually assess whether a revision of the guidelines is needed. The Board of Directors shall prepare a proposal for guidelines at least once every four years and submit it to the General Meeting for resolution. The guidelines shall be in force until new guidelines are adopted by the General Meeting.

The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the company.

The members of the Remuneration Committee are independent of the company and its executive management. The President and the CEO and other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration related matters to the extent that they are affected by such matters.

Decisions on remuneration to the President and CEO are taken by the Board of Directors, based on proposals from the Remuneration Committee, and decisions on remuneration to the other senior executives are taken by the Remuneration Committee.

Adjustment to local regulations

Remuneration under employment is subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Research and development (R&D)

The R&D team works in close collaboration with the sales organization and directly with customers to identify present and future customer needs. Focus areas are both evolutionary upgrades and refinement of existing materials and processes, such as developing new super duplex alloys, austenitic materials, and new efficient compressor valve steels, as well as more revolutionary developments that expand the existing product portfolio. Alleima's R&D spend amounted to SEK 296 million (292) during 2025, corresponding to approximately 1.6% (1.5) of sales. The number of employees in R&D was approximately 255 (249) by year end.

Key intangible resources

Alleima's business model relies on key intangible resources such as technological leadership, advanced materials expertise, and continuous research and development. These capabilities enable the company to develop specialized solutions in close collaboration with customers and form an essential part of its competitive

advantage. Through its deep metallurgical knowledge and strong innovation capacity, Alleima creates solutions that enhance energy efficiency, reduce CO₂ emissions and support increased circularity. These intangible resources are therefore central to the company's value creation and long-term competitiveness.

Tax

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

In 2025, the Group paid SEK 499 million (451) in income taxes globally. Income tax comprises just a portion of all taxes paid by Alleima worldwide. In addition, Alleima pays social security contributions, environmental and energy taxes, property taxes, etc. Furthermore, Alleima collects and pays taxes at the request of governments and authorities, including indirect taxes and withholding taxes.

Environment

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

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

Two subsidiaries in Sweden are included in the EU Emissions Trading System (EU ETS). Should Alleima not execute its carbon reduction plan, an associated cost would incur. In 2025, the number of allowances allocated for the year was 55,110. Actual emissions in the trading system amounted to around 61,188 tonnes. The cost to cover the deficit amounted to approximately SEK 5 million.

Statutory sustainability report

The statutory sustainability report is part of the Directors' report and covers pages 95–131. The report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the Taxonomy Regulation. A listing of the disclosure requirements reported by Alleima can be found on pages 123–124.

Parent company

The parent company's (Alleima AB) revenues amounted to SEK 36 million (27) and the operating result was SEK -47 million (-50).

As of December 31, 2025 Alleima AB's share capital amounted to SEK 250,877,184 represented by 250,877,184 shares. The largest shareholders of the parent company at year-end were Industri-

värden (21.09%) and Lundbergföretagen AB (10.04%). The ten largest shareholders amounted to 54.86% of total shares and votes.

The number of employees in the parent company as of December 31, 2025 was 9 (9).

Proposed appropriation of earnings

To the Annual General Meeting on April 29, 2026, Alleima Board of Directors proposes for the financial year 2025 a dividend of SEK 2.50 (2.30) per share (SEK 627 million), to be paid in May 2026, and that the parent company shall retain the remaining part of non-restricted equity. The record date for entitlement to receive dividends is proposed as May 4, 2026 and payment is expected to be made on May 7, 2026.

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

	SEK
Amount to be paid to the shareholders	627,192,960
Amount to be retained by the parent company	13,267,680,441
Total non-restricted equity of the parent company	13,894,873,401

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

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

The Board has proposed that the Annual General Meeting 2026 resolve on a dividend distribution of SEK 2.50 per share.

After the dividend distribution, the remaining non-restricted equity of SEK 13,268 million is proposed to be retained in the business and brought forward. The total amount of the proposed dividend distribution corresponds to approximately 4.5% of the non-restricted equity of the parent company, which in total amounts to SEK 13,895 million prior to the transaction. After the proposed dividend of SEK 627 million, an amount of SEK 13,268 million will remain. In the consolidated balance sheet per December 31, 2025, retained earnings, including the result of the year 2025, amount to SEK 16,322 million prior to the proposed dividend distribution and will amount to SEK 15,695 million after the proposed dividend distribution. The Board notes that there will be full coverage for the restricted reserves of the company after the dividend distribution.

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

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

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

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

January 27, 2026

Alleima AB (publ)
The Board of Directors

Divisions

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

Tube

Tube develops and manufactures seamless tubes and other long products in advanced stainless steel and special alloys, tailored for specific end applications. The customers are primarily found in the segments of Oil and Gas, Chemical and Petrochemical, Industrial, Mining and Construction, Nuclear, and Transportation. The offering also includes products and solutions for the growing segment of Hydrogen and Renewable Energy. Order intake decreased by 11% to SEK 12,138 million (13,677), with organic growth of -7%. Revenues decreased by 7% to SEK 13,063 million (14,027), with organic growth of -2%. Adjusted EBIT margin was 8.9% (10.1). EBIT margin was 6.4% (7.4) and included metal price effects of SEK -223 million (-378) and items affecting comparability of SEK -97 million (0).

SEK M	2025	2024	Change %
Order intake	12,138	13,677	-11
Organic growth, %	-7	-10	-
Revenues	13,063	14,027	-7
Organic growth, %	-2	2	-
Adjusted EBIT	1,159	1,422	-18
Adjusted EBIT margin, %	8.9	10.1	-
EBIT	839	1,044	-20
EBIT margin, %	6.4	7.4	-
Number of employees ¹	4,253	4,292	-1
Number of third party workers ¹	301	379	-20

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

Kanthal

Kanthal is a provider of products in the area of industrial heating technology and resistance materials, and also offers ultra-fine wire in stainless steel for use in medical appliances. The customers are primarily in the segments Industrial Heating, Consumer, Medical and Industrial. Order intake increased by 2% to SEK 4,177 million (4,077), with organic growth of 9%. Revenues decreased by 5% to SEK 3,996 million (4,200), with organic growth of 1%. Adjusted EBIT margin was 16.4% (17.9). EBIT margin was 10.2% (16.5) and included metal price effects of SEK -37 million (-59) and items affecting comparability of SEK -210 million (0).

SEK M	2025	2024	Change %
Order intake	4,177	4,077	2
Organic growth, %	9	0	-
Revenues	3,996	4,200	-5
Organic growth, %	1	-3	-
Adjusted EBIT	656	750	-13
Adjusted EBIT margin, %	16.4	17.9	-
EBIT	409	691	-41
EBIT margin, %	10.2	16.5	-
Number of employees ¹	1,370	1,298	6
Number of third party workers ¹	101	101	0

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

Strip

Strip develops and manufactures a wide range of precision strip steel and compressor valve steel and also offers a portfolio of coated strip steel for components in hydrogen fuel cells. The customers are in the segments Consumer, Industrial, Transportation, Hydrogen and Renewable Energy, as well as Medical. Order intake decreased by 14% to SEK 1,426 million (1,665), with organic growth of -11%. Revenues increased by 7% to SEK 1,571 million (1,465), with organic growth of 13%. Adjusted EBIT margin was 3.9% (4.5). EBIT margin was 0.7% (3.8) and included metal price effects of SEK -16 million (-9) and items affecting comparability of SEK -35 million (0).

SEK M	2025	2024	Change %
Order intake	1,426	1,665	-14
Organic growth, %	-11	32	-
Revenues	1,571	1,465	7
Organic growth, %	13	-4	-
Adjusted EBIT	61	66	-7
Adjusted EBIT margin, %	3.9	4.5	-
EBIT	11	56	-81
EBIT margin, %	0.7	3.8	-
Number of employees ¹	507	486	4
Number of third party workers ¹	18	15	25

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

Risks and risk management

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

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

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

Enterprise Risk Management

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

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

The ERM report, which summarizes important risks and preventive activities, was presented to the Audit Committee in October 2025 and the Board of Directors in December 2025.

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

Continuity Planning and Crisis Management

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

Insurance as a Risk Management Tool

Alleima has tailored insurance programs that manage risks associated with, among other things, the Group's property, transport, and liability exposures. Insurable risks are continuously evaluated, and measures are taken to reduce these risks. To ensure cost-effective insurance solutions for the company, an a captive company within the group has been started, with the intention of re-insuring selected risks for Alleima's subsidiaries.

Internal Audit and Internal Control in Alleima's Risk Work

The internal audit function regularly follows up on the implementation of various risk management programs such as ERM, continuity planning, crisis management, and insurance programs. Alleima applies Group-wide internal controls to prevent risks related to financial reporting, IT systems, and security, as well as other business risks. Read more about the internal control program in the section on corporate governance and on the page for internal control over financial reporting.

Financial Risks

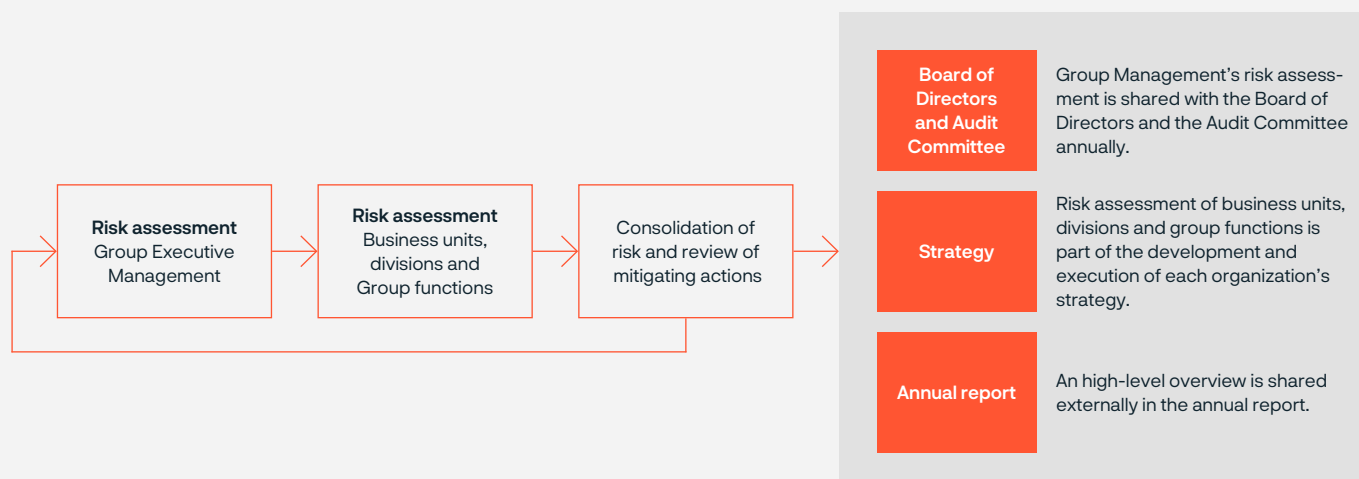
Alleima's financial risk management is centralized, with a central finance function, Group Treasury, which manages most of the Group's financial risks and transactions. Financial risk management is handled in accordance with the Group's financial risk management policy, which is part of "The Alleima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

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

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

Sustainability Risks

The most important sustainability risks are assessed in terms of both probability and impact. To further understand the sustainability risks, Alleima's materiality analysis is used to identify risks related to sustainability and climate in the value chain. For further information on sustainability-related risks and opportunities, please see the Sustainability Report on pages 95–130.



Strategic risks



Unchanged risk assessment



Increased likelihood and/or impact



Reduced likelihood and/or impact

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

Operational risks

Risk	Example of measures	Change compared to the previous year
Business interruption in our production Alleima has several production units globally. Fires, breakdowns in production equipment or IT systems, weather-related events and other types of losses can lead to significant production interruptions that can affect Alleima's ability to deliver to customers and thus Alleima's results.	— Business continuity plans developed with focus on how to minimize interruptions in production, continuous monitoring of the location of production facilities and review of risks related to natural disasters — Risk engineering visits are made regularly to larger production units to identify and develop plans to address potential causes of production interruptions — Reinvestment plans are in place for the most important production assets — Critical IT systems have disaster recovery plans in place that are tested regularly	→
Lack of required competence to fulfill our strategic objectives Alleima has a need for competent and committed employees. The company must have the ability to attract and retain talent and ensure access to leadership in order to achieve set strategic and operational objectives.	— Continuous work with Employer Branding and maintaining Alleima's core values — Ongoing work with competence development, including the possibility of job rotation and talent management	↘ Comment: The probability and impact of this risk have decreased seen to the ERM scope. In longer term, there is an identified risk of managing required competence shift.
Supply chain risks Risk of disruptions, increased production costs, changed capital binding, or longer lead times due to dependencies on individual suppliers, regional dependencies, changed metal prices, and increased likelihood of risks related to weather.	— Defined strategy for supply of raw materials and secondary raw materials — Strengthening long-term supplier relationships and securing alternative suppliers where possible — Reducing impacts of metal price changes through alloy surcharges or fixed-price agreements with end customers and inventory optimizations — Hedging to secure energy prices	→

Cont. Operational risks

Risk	Example of measures	Change compared to the previous year
Incidents within Own Operations Causing Harm to Employees or the Environment Risk of serious harm to employees or the environment due to an accident at one of the company's production facilities	— "Safety first" prioritized on the Alleima's management agenda — Regular training to raise awareness of potential accidents within our operations — Regular follow-up of management systems related to health and safety — Specific risk assessments to minimize risks related to the environment, health, and safety	→
Compliance related risks Risk of non-compliance with laws and regulations that are continuously evolving due to the geopolitical situation. This could lead to lawsuits, penalties, and potential impact on the business, including potential brand impact.	— Compliance programs have been established and continuously developed based on new and changing regulations Kommentar	↗ Comment: Current geopolitical situation have lead to an increase of this risk
Deficiencies related to information management and information security Modern digital business methods increase risks of unauthorized information disclosure and data breaches.	— The company has clearly defined processes for information management, including classification of information and internal regulations regarding where different types of information should be stored — Framework, including processes and organization for Digital Security implemented — Ongoing training of employees to ensure knowledge about cyber-related risks	→
Liability risks related to contracts or delivered Products Risk that delivered products do not meet defined requirements in the product specification or contract.	— Continuous focus on quality and further development of Alleima's management systems	↗ Comment: Increased requirements from customer due to increased regulatory requirements mean that the risk is assessed as increasing

Financial risks

Risk	Example of measures	Change compared to the previous year
Financing The company is exposed to risks related to currency, commodities, interest rates, liquidity, refinancing, and credit	— Continuous hedging of financial risks through derivatives — Ensuring strong financial counterparties. — Focus on cash flow and low debt — Access to confirmed long-term credit facility	→

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

Financial information and notes

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Consolidated financial information

Consolidated income statement

SEK M	Note	2025	2024
Revenues	2	18,630	19,691
Cost of goods sold	2	-15,178	-15,740
Gross Profit		3,452	3,951
Selling expenses		-1,166	-1,250
Administrative expenses		-1,062	-975
Research and development costs	5	-296	-292
Other operating income	1,6	455	440
Other operating expenses	1,7	-445	-376
Operating profit	2, 3, 4, 5, 8, 17	938	1,498
Financial income		274	170
Financial expenses		-239	-97
Net financial items	9	35	73
Profit after net financial items		973	1,571
Income tax	10	-301	-350
Profit for the year		671	1,221
<i>Profit for the year attributable to</i>			
Owners of the parent company		671	1,221
Non-controlling interests		–	–
<i>Earnings per share, SEK</i>			
Basic	11	2.68	4.88
Diluted		2.68	4.87

Consolidated statement of comprehensive income

SEK M	Note	2025	2024
Profit for the year		671	1,221
Other comprehensive income			
Items that will not be reclassified to profit (loss)			
Actuarial gains (losses) on defined benefit pension plans	20	268	32
Tax relating to items that will not be reclassified	10	-55	-8
Total items that will not be reclassified to profit (loss)		213	24
Items that may be reclassified to profit (loss)			
Foreign currency translation differences		-740	310
Cash flow hedge	26	455	-35
Tax relating to items that may be reclassified	10	-94	7
Total items that may be reclassified to profit (loss)		-378	282
Total other comprehensive income		-165	306
Total comprehensive income		506	1,528
<i>Total comprehensive income attributable to</i>			
Owners of the parent company		506	1,528
Non-controlling interests		–	–

Consolidated balance sheet

SEK M	Note	Dec 31, 2025	Dec 31, 2024
Goodwill	12	1,612	1,693
Other intangible assets	12	338	345
Property, plant and equipment	13	7,742	7,757
Right-of-use assets	14	391	455
Non-current financial assets	15	144	92
Deferred tax assets	10	202	228
Non-current assets		10,429	10,569
Inventories	16	6,813	7,407
Trade receivables	17	2,426	2,911
Income tax receivables	10	110	132
Other current receivables	18	863	917
Current receivables		3,399	3,960
Cash and cash equivalents	26	1,891	1,912
Current assets		12,103	13,279
Total assets		22,531	23,848
Share capital		251	251
Other paid-in capital		0	0
Reserves	1	-56	356
Retained earnings	1	16,322	16,007
Equity attributable to owners of the parent company		16,516	16,614
Non-controlling interests		0	0
Total Equity	19	16,516	16,614
Provisions for pensions	20	623	885
Loans	21	18	0
Other non-current interest-bearing liabilities	21	275	327
Non-current interest-bearing liabilities		916	1,212
Deferred tax liabilities	10	440	402
Other non-current provisions	22	348	385
Other non-current liabilities	23	39	124
Non-current non-interest-bearing liabilities		828	911
Non-current liabilities		1,744	2,123
Loans	21	2	1
Other current interest-bearing liabilities	21	142	133
Current interest-bearing liabilities		144	134
Accounts payable		1,640	2,249
Advances from customers	2	541	539
Income tax liabilities	10	114	253
Other current provisions	22	234	91
Accrued expenses	24	1,232	1,264
Other current non-interest-bearing liabilities	23	367	580
Current non-interest-bearing liabilities		4,127	4,977
Current liabilities		4,271	5,111
Total equity and liabilities		22,531	23,848

Consolidated statement of cash flows

SEK M	Note	2025	2024
Operating activities			
Operating profit		938	1,498
Adjustments for non-cash items:			
Depreciation, amortization and impairment		1,012	913
Pensions		-64	-32
Other non-cash items		365	180
Received interest		35	57
Paid interest		-31	-30
Cash flow from financial derivatives and similar		168	-43
Income tax paid		-499	-451
Cash flow from operating activities before changes in working capital		1,925	2,091
Changes in working capital			
Inventories		170	-23
Accounts receivable		297	111
Other receivable		169	-146
Accounts payable		-575	230
Other payables		26	-140
Changes in working capital		86	33
Cash flow from operating activities		2,011	2,123
Investing activities			
Acquisition of intangible assets	12	-41	-48
Proceeds from sale of intangible assets	12	0	0
Acquisition of tangible assets	13	-1,112	-1,147
Proceeds from sale of tangible assets	13	64	5
Acquisition of companies and shares, net of cash	28	-147	–
Other investments and financial assets		3	-3
Cash flow from investing activities		-1,233	-1,193
Financing activities			
Repayment of loans		-3	-4
Amortization of lease liabilities		-148	-135
Equity swap	19	-2	-20
Dividends paid	19	-575	-501
Cash flow from financing activities	21	-729	-660
Net change in cash and cash equivalents		50	270
Cash and cash equivalents at beginning of year		1,912	1,595
Exchange rate differences in cash and cash equivalents		-71	47
Cash and cash equivalents at end of the year		1,891	1,912

Consolidated statement of changes in equity

SEK M	Note	Share capital	Other paid-in capital	Translation reserve	Hedge reserve	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total Equity
Equity at January 1, 2024		251	0	257	-52	15,276	15,732	0	15,732
<i>Changes</i>									
Net profit		–	–	–	–	1,221	1,221	–	1,221
Other comprehensive income for the year, net of tax		–	–	310	-27	24	306	–	306
<i>Total comprehensive income for the year</i>		–	–	310	-27	1,245	1,528	–	1,528
Cash flow hedge, transferred to cost of hedged item		–	–	–	-165	0	-165	–	-165
Tax on cash flow hedge, transferred to cost		–	–	–	34	0	34	–	34
<i>Net cash flow hedge, transferred to cost</i>		–	–	–	-131	0	-131	–	-131
Share-based payments	3, 19	–	–	–	–	6	6	–	6
Equity swap	19	–	–	–	–	-20	-20	–	-20
Dividends	19	–	–	–	–	-501	-501	–	-501
<i>Total transactions with owners</i>		–	–	–	–	-515	-515	–	-515
Equity at December 31, 2024		251	0	567	-211	16,007	16,614	0	16,614
<i>Changes</i>									
Net profit		–	–	–	–	671	671	–	671
Other comprehensive income for the year, net of tax		–	–	-740	361	213	-165	–	-165
<i>Total comprehensive income for the year</i>		–	–	-740	361	885	506	–	506
Cash flow hedge, transferred to cost of hedged item		–	–	–	-43	–	-43	–	-43
Tax on cash flow hedge, transferred to cost		–	–	–	9	–	9	–	9
<i>Net cash flow hedge, transferred to cost</i>		–	–	–	-34	–	-34	–	-34
Share-based payments	3, 19	–	–	–	–	7	7	–	7
Equity swap	19	–	–	–	–	-2	-2	–	-2
Dividends	19	–	–	–	–	-575	-575	–	-575
<i>Total transactions with owners</i>		–	–	–	–	-570	-570	–	-570
Equity at December 31, 2025		251	0	-173	117	16,322	16,516	0	16,516

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

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

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

The Parent Company's Annual Report and the consolidated financial statements covering the period from January 1 to December 31, 2025, were approved for issuance by the Board of Directors and the President and CEO on March 18, 2026 and are subject to adoption at the Annual General Meeting on April 29, 2026.

ACCOUNTING PRINCIPLES

Basis for preparation

The consolidated financial statements for the year 2025 covering the period from January 1 to December 31, 2025, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The statements are also prepared in accordance with the Swedish recommendation RFR 1 "Supplementary Accounting Rules for Groups" and applicable statements issued by the Swedish Corporate Reporting Board. These require certain additional disclosure requirements for Swedish consolidated financial statements prepared in accordance with IFRS.

Basis of measurement

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

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

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

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

Basis of consolidation

The combined accounts are prepared in accordance with the Group's accounting principles and include the accounts of the Parent Company and all entities in which the Parent Company, directly or indirectly has control. Control exists when the Parent Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to use its power to affect its returns. Generally,

control and hence consolidation is based on ownership. Group companies are consolidated from the date the Parent Company exercises control or influence over the Company. Divested companies are included in the consolidated accounts until the date the Parent Company ceases to control or exercise influence over them. In preparing Alleima's combined financial statements, any intra-group transactions have been eliminated. For cases in which the subsidiary's accounting policies do not coincide with the Group's accounting policies, adjustments were made to comply with the Group's accounting policies.

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

Foreign currency

Foreign currency transactions

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

Financial statements of foreign operations

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

Changes in accounting policies

IASB has published amendments of standards that are effective as of January 1, 2025 or later. The standards have not had any material impact on the financial reports.

IASB has published IFRS 18 Presentation and Disclosure in Financial Statements with an implementation date of January 1, 2027. The standard has been approved by the EU. IFRS 18 will replace IAS 1 Presentation of Financial Statements. IFRS 18 primarily concerns three key areas for presentation and disclosures in the financial statements, with a focus on the income statement and reporting of financial performance. According to Alleima's analysis, IFRS 18 is not expected to have a material impact on Alleima's financial reports when it is applied for the first time.

Adjustment of reporting of sold services

Other operating income and other operating expenses have been adjusted in order to recognize certain of Alleima's contractual services gross. These services mainly relate to facility management, electricity and warehouse services, which are not part of Alleima's core business. Previously, these

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

services were accounted for through netting of income and expenses. Comparative periods have been restated, resulting in an increase in both other operating income and other operating expenses of SEK 300 million for the full year 2024. The adjustment has no impact on operating profit (EBIT).

SEK M	Reported	Restatement	Restated
2024			
Other operating income	140	300	440
Other operating expenses	-76	-300	-376

Cash flow statement

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

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

Reporting of operating segments

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

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

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

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

Revenue from goods

Sales from Alleima are mainly made through three types of contracts; (i) framework agreements where sales are made on orders placed, (ii) agreements for specific sales, or (iii) orders and order confirmations with or without reference to standard terms and conditions. The contract period varies depending on the type of product. Agreements for products with a long production time and framework agreements have longer durations which can be several years, agreements for certain specific products carried in stock have a short term.

Revenue is recognized when the control of goods is transferred to the customer at an amount reflecting the expected and entitled consideration for the goods provided. The supply of goods comprises, advanced stainless steels and other long products in advanced stainless steels and special alloys as well as products in the area of industrial heating, resistance materials and ultra-fine wire for use in medical appliances, as well as a wide range of precision strip steel products and pre-coated strip steel.

Allocation of transaction price

The transaction price is allocated to each identified performance obligation on a relative stand-alone selling price basis. This means that each performance obligation will be allocated its share of revenue based on its stand-alone selling price put in relation to the sum of all performance obligation's stand-alone selling price. Adjusted market assessment approach and expected cost plus a margin approach are normally used to determine the stand-alone selling price if no observable selling price is available for

one or more of the performance obligations. Variable consideration is generally allocated proportionally to all performance obligations unless there is evidence that the entire variable consideration is related to a specific performance obligation in the contract.

Variable consideration

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

Significant financing component

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

Cost to obtain a contract

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

Goods sold

In many Alleima contracts, revenue is recognized at point of sale because the control is transferred at one point in time. However, some contracts are executed over a period of time, hence are to be recognized over time

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

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

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

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

Operating expenses

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

Cost of goods sold

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

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

Selling expenses

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

Administrative expenses

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

Other operating income and other operating expenses

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

Financial income and expenses

Financial income consists of interest income on cash and cash equivalents. Financial expenses consist of interest expense on borrowings, lease liabilities and pension liabilities. Unrealized gains and losses on hedging instruments are recognized in profit or loss for the year.

Income tax

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

Effects of changes in tax rates are recognized in the period when the change is substantively enacted.

Intangible assets

Goodwill

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

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

Research and development

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

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

Emission rights

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

Other intangible assets

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

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

Amortization of intangible assets

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

The estimated useful lives are as follows:

— Patents and trademarks	10–20 years
— Customer relationships	7–12 years
— Capitalized development costs	3–10 years
— Software for IT operations	3 years

Impairment and reversals of impairment

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

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

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

Property, plant and equipment

Owned assets

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

Depreciation of property, plant and equipment

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

Land and buildings:

— Land	indefinite useful life
— Buildings	10–50 years
— Site improvements	10–50 years

Plant and machinery:

— Plant and machinery	5–25 years
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Equipment, tools, fixtures and fittings:

— Estimated useful lives	
— Computer equipment	3–5 years

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

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

Impairment and reversals of impairment

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

Borrowing costs

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

Leases

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

Impairment and reversals of impairment

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

Alleima as a lessee

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

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

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

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

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

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

Alleima as a lessor

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

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

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

Inventories

Inventories consist of goods held for sale in the ordinary course of business, in the process of production for such sales or in the form of materials or supplies to be consumed in the production process.

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

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

Financial instruments

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

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

Recognition and derecognition

A financial asset or a financial liability is recognized on the balance sheet when the entity becomes a party to the contractual provisions of the instrument. Account receivables are recognized upon issuance of the invoice.

A liability is recognized when the counterparty has performed under the agreement and the Company is contractually obliged to settle the obligation, even if no invoice has been received.

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

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

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

Classification and measurement

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

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

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

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

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

Financial liabilities

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

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

Financial instruments measured at fair value in the balance sheet

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

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

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

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

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

Measurements of fair value

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

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

Hedge accounting

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

Cash flow hedges

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

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

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

Current receivables

Trade receivables

Trade receivables are recognized at amortized cost.

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

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

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

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

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

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

Contract assets

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

Equity

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

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

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

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

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

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

Pensions

Defined-contribution plans

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

Defined-benefit plans

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

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

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

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

Other provisions

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

Termination benefits

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

Warranty commitments

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

Restructuring

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

Employee benefits

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

Environmental obligations

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

Site restoration

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

Legal disputes

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

Other obligations

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

Share-based payments

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

all outstanding share-based payments. Social security expenses attributable to equity-based instruments to employees as compensation for provided services are expensed in the periods during which the services are performed. The provision for social security expenses is based on the fair value of the share rights at each reporting period.

Other liabilities

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

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

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

Contingent liabilities

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

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

CRITICAL ESTIMATES AND KEY JUDGMENTS

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

Business combinations

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

Income tax

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

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

Valuation of inventory

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

Impairment of non-current assets

Intangible and tangible assets represent a significant part of Alleima's total assets. Determination of the useful lives of asset classes involves taking into account historical trends and making assumptions related to future socioeconomic and technological development and expected changes in market behavior

Impairment tests of goodwill

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired, for example due to a changed business climate or a decision taken either to sell or close down certain operations. In order to determine if the value of goodwill has been impaired, the cash generating unit or group of cash generating units to which goodwill has been allocated

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

must be valued using present value techniques. When applying this valuation technique, Alleima relies on a number of factors, including historical results, business plans, forecasts and market data. As can be deduced from this description, changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill, see Note 12 Intangible assets.

Impairment tests of other non-current assets

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

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

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

Post-employment benefits

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

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

Environmental obligations

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

Environmental obligation is presented in Note 22 Other Provisions.

Note 2 | Segment information and revenue

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

Alleima monitors and evaluates the segments on adjusted operating profit (Adjusted EBIT), see Alternative Performance Measures presented in page 138. Further information see Reporting of operating segments in Note 1.

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

2.1 Revenues by division and region

SEK M	2025	2024	Organic %
Tube			
Europe	6,442	7,417	-10
North America	2,907	3,008	1
Asia	2,742	2,422	23
Other	971	1,180	-15
Total	13,063	14,027	-2
Kanthal			
Europe	1,190	1,223	-4
North America	1,485	1,493	9
Asia	1,050	1,225	-6
Other	272	258	13
Total	3,996	4,200	1
Strip			
Europe	645	627	4
North America	148	114	42
Asia	728	703	12
Other	50	21	145
Total	1,571	1,465	13
GROUP			
Europe	8,277	9,266	-8
North America	4,540	4,616	5
Asia	4,520	4,350	13
Other	1,293	1,460	-7
Total	18,630	19,691	0

Note 2 | Segment information and revenue

2.2 Information on business segments/divisions

2025, SEK M	Tube	Kanthal	Strip	Common functions	Un-allocated	Eliminations	Group Total
Revenue							
External revenue	13,063	3,996	1,571	0			18,630
Internal revenue	434	45	0	0		-478	0
Total	13,497	4,041	1,571	0		-478	18,630
Cost of goods sold	-11,409	-2,913	-1,334	0		478	-15,178
Adjusted EBIT	1,159	656	61	-321			1,555
Items affecting comparability	-97	-210	-35	0			-342
Metal price effects	-223	-37	-16	0			-275
EBIT	839	409	11	-321			938
Net financial items							35
Earnings before tax							973
Other segment information							
Inventory	5,233	975	604	0	0		6,813
Accounts Receivable	1,658	511	229	28	0		2,426
Accounts Payable	-1,298	-201	-52	-89	0		-1,640
Other Receivables	382	121	60	111	0		675
Other Liabilities	-1,451	-298	-147	-157	0		-2,052
Net working capital	4,524	1,109	695	-107	0		6,222
Tangible assets	6,334	939	341	128			7,742
Intangible assets	225	1,642	56	26			1,950
Cash and cash equivalents	0	0	0	0	1,891		1,891
Other Assets	7,534	1,709	899	164	610		10,915
Other Liabilities	-3,087	-667	-234	-283	-684		-4,954
Capital employed	11,006	3,623	1,063	35	1,817		17,543
Capital expenditure	843	214	60	35	0		1,153
Total depreciation & amortization	-707	-146	-50	-27	0		-930
Impairment losses	-3	-79	0	0	0		-82
Other non-cash expenses	150	129	27	-19	78		365
2024, SEK M	Tube	Kanthal	Strip	Common functions	Un-allocated	Eliminations	Group Total
Revenue							
External revenue	14,027	4,200	1,465	0			19,691
Internal revenue	427	36	0	0		-462	0
Total	14,453	4,235	1,465	0		-462	19,691
Cost of goods sold	-12,178	-2,819	-1,204	0		462	-15,740
Adjusted EBIT	1,422	750	66	-294			1,944
Items affecting comparability	0	0	0	0			0
Metal price effects	-378	-59	-9	0			-446
EBIT	1,044	691	56	-294			1,498
Net financial items							73
Earnings before tax							1,571
Other segment information							
Inventory	5,605	1,166	636	0	0		7,407
Accounts Receivable	2,192	538	181	0	0		2,911
Accounts Payable	-1,761	-322	-53	-114	0		-2,249
Other Receivables	594	125	43	97	0		859
Other Liabilities	-1,507	-353	-148	-99	0		-2,107
Net working capital	5,123	1,155	659	-116	0		6,821
Tangible assets	6,345	954	334	123	0		7,757
Intangible assets	241	1,722	61	12	0		2,037
Cash and cash equivalents	0	0	0	0	1,912		1,912
Other Assets	8,701	1,925	865	142	444		12,077
Other Liabilities	-3,551	-793	-211	-274	-1,059		-5,888
Capital employed	11,735	3,809	1,049	4	1,298		17,895
Capital expenditure	841	270	37	46	0		1,195
Total depreciation & amortization	-720	-120	-48	-27	0		-914
Impairment losses	0	1	0	0	0		1
Other non-cash expenses	146	14	9	0	10		180

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

Note 2 | Segment information and revenue

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

Revenue by country, SEK M			Non-current assets by country, SEK M		
	2025	2024		2025	2024
USA	3,982	4,205	Sweden	6,260	6,154
China	2,301	2,055	USA	1,205	1,399
Sweden	2,085	2,298	Germany	747	634
UK	1,480	1,802	Czech Republic	581	597
Germany	1,091	1,185	China	311	252
India	845	814	India	198	257
Italy	798	1,167	Japan	191	180
Brazil	498	485	UK	182	185
Japan	472	542	Italy	145	179
France	467	456	Netherlands	81	84
Canada	466	319	Other countries	183	328
Norway	423	367	Total	10,083	10,249
Korea	393	458			
Saudi Arabia	257	320			
Taiwan	247	193			
Netherlands	244	236			
Spain	210	231			
Finland	192	139			
Australia	191	169			
Switzerland	185	195			
Other countries	1,802	2,055			
Total	18,630	19,691			

Revenues are attributed to countries on the basis of the customer's location.

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

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

Contract liabilities, SEK M		
	2025	2024
Balance at January 1	539	560
Revenue recognized included in contract liability open balance	-236	-409
Revenue recognized from performance obligations satisfied in previous years	-5	0
Reversed this year	-11	-13
Additions this year	294	375
Business combinations	0	0
Translation differences for the year	-40	26
Balance at December 31	541	539

2.4 Revenue per customer segment

Revenue 2025 Revenue per customer segment	Tube		Kanthal		Strip		Alleima	
	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)	SEK M	Share of revenue (%)
Oil and Gas	4,371	33	0	0	0	0	4,371	23
Industrial	2,564	20	352	9	331	21	3,246	17
Chemical and Petrochemical	3,035	23	0	0	0	0	3,035	16
Industrial Heating	0	0	1,892	47	0	0	1,892	10
Consumer	0	0	639	16	827	53	1,467	8
Medical	41	0	1,110	28	85	5	1,237	7
Mining and Construction	1,081	8	0	0	0	0	1,081	6
Transportation	850	7	3	0	214	14	1,067	6
Nuclear	1,010	8	0	0	0	0	1,010	5
Hydrogen and Renewable Energy	111	1	0	0	114	7	225	1
Total	13,063	100	3,996	100	1,571	100	18,630	100

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

Note 3 | Personnel information and remuneration of management

3.1 Average number of employees

	2025		2024	
	Number	Women %	Number	Women %
Sweden	3,262	22	3,175	21
Czech Republic	725	19	721	19
Germany	459	26	468	25
United Kingdom of Great Britain	127	18	138	15
Netherlands	76	16	74	15
Italy	43	37	41	34
Rest of Europe	119	48	100	38
Total Europe	4,812	22	4,718	21
USA	770	27	764	24
Rest of North America	4	29	3	33
North America	774	27	767	24
India	336	8	321	7
China	272	31	253	32
Japan	63	25	66	23
Rest of Asia	51	42	47	40
Asia	722	20	686	20
Other	32	40	38	39
Total	6,339	23	6,209	22

3.2 Wages, salaries, other remuneration and social costs

SEK M	2025	2024
Wages, salaries and other remuneration	3,972	3,858
Social costs	1,244	1,172
Total	5,216	5,030

Of which, pension costs recognized in social costs

Defined contribution plan	315	259
Defined benefit plan	64	32
Total	379	292

3.3 Wages, salaries, other remuneration by market area

SEK M	2025	2024
Sweden	2,049	1,930
Rest of Europe	988	884
Total Europe	3,038	2,814
North America	700	790
Asia	221	238
Other	13	15
Total	3,972	3,858
Of which, to Boards of Directors and presidents in all consolidated group companies		
Salaries and other remuneration	112	108
Of which, variable salary	19	15

3.4 Gender distribution in senior management

Proportion of women, %	2025	2024
Senior management	30	29
Other senior executives	36	32

3.5 Remuneration to executive management

Remuneration to the board of directors

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

In accordance with the resolution of the 2025 Annual General Meeting the total fee to the external Board members elected at the Meeting amounts to in total SEK 4,829,000 on an annual basis.

SEK	2025				2024			
	Board fee	Audit Committee fee	Remuneration Committee	Total Board and Committee fee	Board fee	Audit Committee fee	Remuneration Committee	Total Board and Committee fee
Andreas Nordbrandt(Chairman of the Board)	1,530,000		112,000	1,642,000	1,470,000		108,000	1,578,000
Claes Boustedt	530,000	114,000		644,000	510,000	108,000		618,000
Susanne Pahlén Åklundh	530,000	230,000		760,000	510,000	217,000		727,000
Karl Åberg	530,000	114,000		644,000	510,000	108,000		618,000
Ulf Larsson	530,000		79,000	609,000	510,000		76,000	586,000
Victoria Van Camp	530,000			530,000	510,000 ¹⁾			510,000
Total	4,180,000	458,000	191,000	4,829,000	4,020,000	433,000	184,000	4,637,000

1) Member in the Board since 2 May 2024.

President and other senior executives

Guidelines for remuneration

For information on the guidelines for remuneration of senior executives, please refer to page 33.

President and CEO

Alleima's President and CEO, Göran Björkman, was paid an annual fixed salary of SEK 7,842,444 during 2025. In addition, car allowance and an annual variable cash based salary of a maximum 70% of the fixed salary is payable. The variable salary for 2025 amounted to SEK 1,976,296.

Göran Björkman is entitled to retire at age 65. Göran Björkman has a Swedish pension plan (ITP 2) and supplementary defined contribution plan apply under which the company each year contributes 30% of fixed salary proportions in excess of 20 price base amounts. Pension premium amounted of 34.4% of his annual fixed salary.

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

Other senior executives

Other members of the Group Executive Management are covered by a Swedish pension plan (ITP 1 or ITP 2) and for one member a German pension plan. The minimum retirement age is 62. For members of the Group Executive Management a supplementary defined contribution plan applies under which the company each year contributes 25–30% (depending on age and employment start in GEM) of fixed salary proportions in excess of 20 price base amounts. One member is covered by a German pension plan under which 2.2% of fixed salary is contributed.

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

Short-term incentive program (STI)

Alleima annual incentive program for senior executives, and other managers in the Group, are linked to predetermined and measurable financial criteria, measured during 2025. Senior executives except Division managers are measured 100% on Group performance. Division managers are measured 80% on own business performance and 20% on Group performance. During 2025 the criteria's have been related to Alleima's adjusted EBIT, cash conversion and growth.

Note 3 | Personnel information and remuneration of management

Remuneration and other benefits pertaining to 2025 expensed during 2025, in SEK

Position	Fixed salary	Annual variable salary ¹⁾	Other benefits	Long-term variable salary ²⁾	Pension costs
President and CEO	7,999,293 ³⁾	1,976,296	151,409	7,204,824	2,753,962
Other senior executives ⁴⁾	24,568,991	3,184,461	2,741,846	9,758,432	9,246,245
Total	32,568,284	5,160,757	2,893,255	16,963,256	12,000,207

1) Amount pertaining to 2025 and expected to be paid in 2026.

2) Refers to LTI 2022 payment and expensed LTI 2023–2025.

3) Göran Björkmans fixed salary during 2025 amounts to 7,842,444. The remaining amount relates to vacation pay, etc. Board fees are not payable to President and CEO.

4) Pertains to the following persons in 2025: Olof Bengtsson (Jan–Aug), Johan Eriksson (Sep–Dec), Ulrika Dunker, Johanna Kreft (Jan–Oct), Mikael Blazquez, Tom Eriksson, Elja Nordlöf, Per Eklund, Robert Stål, Carl von Schantz.

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

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

1) Amount pertaining to 2024 and expected to be paid in 2025.

2) Refers to LTI 2021 payment and expensed LTI 2023–2024.

3) Göran Björkmans fixed salary during 2024 amounts to 7,329,384. The remaining amount relates to vacation pay, etc. Board fees are not payable to President and CEO.

4) Pertains to the following persons in 2024: Olof Bengtsson, Ulrika Dunker, Johanna Kreft, Mikael Blazquez, Tom Eriksson, Elja Nordlöf, Claes Åkerblom, Robert Stål, Carl von Schantz.

Long-term incentive program (LTI)**Share-based incentive program 2023–2025**

The Annual General Meetings approved the Board's proposal to adopt a performance share program for each year for a maximum 30 senior executives and key individuals in the Alleima Group, divided into three categories. For all participants, a personal investment is required in each separate program and the programs encompass a grant of a maximum total of 852,000 shares. All program participants have invested in Alleima shares ("investment shares"), up to an amount corresponding to 8% of the employee's fixed annual salary before tax.

Provided certain performance targets are met, Alleima shares may be allotted ("performance shares"). The maximum number of performance shares that may be allotted for each acquired investment share depends on the category to which the participant belongs. The number of Performance Shares that will finally be allotted to the participant for each acquired Investment Share is dependent on the development of the Alleima Group's (i) adjusted earnings per share, excluding (a) metal price effects and (b) items affecting comparability (IAC) ("adjusted EPS") and (ii) reduction of carbon dioxide (CO₂). The two targets (adjusted EPS and CO₂ emission) are weighted among themselves at 90 and 10%, respectively, of the total target fulfillment.

In January 2025, the Board of Directors established the levels regarding adjusted EPS for the performance years and CO₂ emission for LTI 2025 that must be attained. After three years, 2023–2025, 2024–2026, 2025–2027, will the outcome of the LTI 2023, LTI 2024 and LTI 2025 be established. The level required for maximum allotment and the extent to which the established levels are attained will be disclosed in the 2025, 2026 and 2027 Annual Report. The allotments of performance shares in ongoing programs requires continuous employment and that all investment shares are held during a period of three years from the acquisition of the investment shares.

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

Performance outcome LTI 2023: Performance shares will be allotted since the performance targets set by the Board of Directors were met. For maximum level of fulfillment requires 15% adjusted EPS growth and CO₂ emissions requires a reduction to 0.44 metric tons of CO₂ emissions per rollable metric ton steel from 2023 to 2025. Target fulfillment for adjusted EPS was 33.3% and CO₂ emission 67.0%.

Assumptions for determining the value, 2023–2025 LTI Program

Assumptions	LTI 2025 (on date of issue)	LTI 2024 (on date of issue)	LTI 2023 (on date of issue)
Share price, SEK	79.75	71.80	47.82
Present value of forecasted future dividends, SEK ¹⁾	6.96	7.22	8.62
Risk-free interest rate, %	2.04	3.75	3.50

1) Based on analysts' 3 year combined expectations.

Maximum number of Performance Shares	LTI 2025			LTI 2024			LTI 2023		
	Total	Of which CEO	Of which oth sen exec	Total	Of which CEO	Of which oth sen exec	Total	Of which CEO	Of which oth sen exec
Outstanding at beginning of year	0	0	0	306,857	54,615	113,814	380,901	77,663	122,790
Allotted during the period	284,395	55,275	106,728	0	0	0	0	0	0
Forfeited during the year	-6,786	0	-6,786	-50,440	0	-45,252	-63,206	0	-59,034
Outstanding at year-end	277,609	55,275	99,942	256,417	54,615	68,562	317,695	77,663	63,756
Theoretical value when allotted acc. to Black-Scholes, SEK	72.14			64.84			39.82		

Cash-based incentive program (2022)

In 2022 the Board decided upon Remuneration Committee proposal to implement a cash based LTI program, LTI 2022. The payment is conditional on continued employment in Alleima for a three-year period until the end of 2024 and the Group achieving a defined profitability target in 2022. It is limited to a maximum of 75% of the fixed annual salary for the President and CEO and 60% of the fixed annual salary for other members of the Group Executive Management. Payment was done in May 2025 since the performance targets, Adjusted EBITA, set by the Board of Directors were met.

Costs for the programs

The following IFRS 2 provisions were made during the year:

LTI 2025: SEK 4 million, of which SEK 1 million social costs,

LTI 2024: SEK 4 million (4), of which SEK 1 million (1) social costs,

LTI 2023: SEK 2 million (6), of which SEK 1 million (2) social costs.

Preparation and decision-making process

The Board's Remuneration Committee prepares issues relating to the Group Executive Management's remuneration. The Committee met two times during the year. Issues dealt with included the magnitude of any pay increases and the long-term variable incentive program. The Board discussed the Committee's proposals and made a decision, using the Committee's proposal as a basis. Based on the Committee's proposals, the Board decided on the remuneration of the President for 2025. The President decided on remuneration to other senior executives after consultation with the Committee. The Committee performed its task supported by expertise on remuneration levels and structures. For information on the composition of the Committee, refer to the Corporate Governance Report.

Note 4 | Fees and remuneration to auditors

SEK M	2025	2024
PwC		
Audit fees	-21	-19
Other services	-1	-2
Total	-22	-21
Other audit firms		
Tax consultancy services	-6	-4
Other services	-5	-3
Total	-11	-7

Note 5 | Research, development and quality assurance

SEK M	2025	2024
Research and development, charged as cost	-296	-292
Total	-296	-292

Note 6 | Other operating income

SEK M	2025	2024
Currency exchange gain	138	106
Capital gain on disposal of intangible and tangible fixed assets	7	0
Contractual services (Note 1 page 45-46)	248	300
Other operating income	62	33
Total	455	440

Other operating income includes insurance compensations for damages etc.

Note 7 | Other operating expenses

SEK M	2025	2024
Currency exchange loss	-198	-61
Capital loss on disposal of intangible and tangible fixed assets	-7	-3
Contractual services (Note 1 page 45-46)	-229	-300
Other operating expenses	-11	-13
Total	-445	-376

Other operating expenses consist of transaction cost related to acquisition SEK -9 million (-3) and other operating non-financial cost SEK -2 million (-9).

Note 8 | Operating expenses

SEK M	2025	2024
Cost of goods and material	-7,339	-8,437
Employee benefit expense	-5,216	-5,030
Depreciation and amortization	-930	-914
Inventory obsolescence provision	-148	-132
Impairment losses and reversal impairment losses, non-current assets	-82	1
Impairment losses, doubtful receivables	-1	-5
Other expenses	-4,431	-4,117
Total	-18,147	-18,633

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

Note 9 | Net financial items

SEK M	2025	2024
Interest income	35	56
Other investments including derivatives		
Net gain on remeasurements of financial assets/liabilities	238	108
Other financial income	0	7
Financial income	274	170
Interest expense	-47	-50
Other investments including derivatives		
Net loss on remeasurements of financial assets/liabilities	-170	-33
Other financial expenses	-21	-14
Financial expenses	-239	-97
Net financial items	35	73

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

Note 10 | Income tax

Recognized in profit and loss

Income tax expense for the year, SEK M	2025	2024
Current tax	-287	-499
Adjustment of taxes attributable to prior years	-9	-24
Total current tax expense	-296	-522
Deferred taxes relating to temporary differences and tax losses carried forward	-5	173
Total tax expense	-301	-350

Reconciliation of the Group's tax expense

Alleima's recognized tax expense for the year amounted to SEK 301 million (350) or 31.0% (22.3) of profit after financial items.

	2025		2024	
	SEK M	%	SEK M	%
Profit after financial items	973		1,571	
Weighted average tax based on each country's tax rate	-248	-25.4%	-372	-23.7
Tax effect of				
Non-deductible expenses	-20	-2.0%	-25	-1.6
Tax-exempt income	14	1.4%	25	1.6
Adjustments relating to prior years' current tax expenses	-9	-1.0%	-24	-1.5
Revaluation of temporary differences	8	0.8%	52	3.3
Effects of tax losses carried forward, net	-31	-3.2%	-3	-0.2
Other	-16	-1.6%	-3	-0.2
Total recognized tax expense	-301	-31.0%	-350	-22.3

The weighted average tax rate for Alleima calculated in accordance with the statutory tax rates in each country is 25.4% (23.7).

Note 10 | Income tax

Tax items attributable to Other comprehensive income

SEK M	2025			2024		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Actuarial gains/losses attributable to defined benefit pension plans	268	-55	213	32	-8	24
Foreign currency translation differences	-740	–	-740	310	–	310
Hedge reserve adjustment	455	-94	361	-35	7	-27
Other comprehensive income	-16	-149	-165	307	-1	306

Recognized in the balance sheet

Deferred tax assets and liabilities

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

SEK M	2025			2024		
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	2	-39	-37	2	-42	-39
Property, plant and equipment	33	-688	-655	44	-662	-618
Financial non-current assets	25	-112	-87	5	-115	-110
Inventories	84	-2	82	73	-3	70
Receivables	3	-48	-45	4	-10	-6
Pensions	79	-13	66	126	-8	118
Interest-bearing liabilities	87	0	87	97	0	97
Non-interest-bearing liabilities	155	1	155	193	0	193
Tax losses carried forward	196	–	196	122	–	122
Total	664	-902	-238	666	-839	-173
Offsetting within companies	-462	462	0	-437	437	0
Total deferred tax assets and liabilities	202	-440	-238	228	-402	-173

Unrecognized deferred tax assets

The Group has additional tax losses carried forward of SEK 150 million (51) related to Switzerland, Brazil and Malaysia. No deferred tax asset was recognized for these losses.

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

Year	SEK M
No expiry date	150
Total	150

Related deferred tax assets were not recognized since utilization of the tax losses against future taxable profits is not deemed probable in the foreseeable future.

The tax value of the unrecognized tax losses carried forward amounted to SEK 41 million (17).

Change of deferred tax in temporary differences and unused tax losses

SEK M	2025	2024
Balance at the beginning of the year, net	-173	-317
Recognized in profit and loss	-5	173
Recognized in other comprehensive income	-61	-23
Translation differences	8	-6
Acquisitions	-7	–
Balance at end of year, net	-238	-173

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

SEK M	2025	2024
Income tax receivables	110	132
Income tax liabilities	-114	-253
Net tax receivables/liabilities	-4	-121

Pillar 2

Alleima is covered by the OECD model rules for Pillar 2. The Group's parent company, Alleima AB, is based in Sweden which has implemented the rules as of January 1, 2024. The rules are not expected to have a material impact on the Group for 2025.

Note 11 | Earnings per share

Earnings per share, SEK	2025	2024
Basic	2.68	4.88
Diluted	2.68	4.87

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

	2025	2024
Profit for the year attributable to the owners of the parent company	671	1,221
Total number of shares	250,877,184	250,877,184
Number of shares in equity swap (LTI)	-720,006	-702,053
Number of outstanding shares	250,157,178	250,175,131
Number of outstanding shares, weighted average	250,164,359	250,291,704
Number of shares after dilution	250,836,665	250,862,889
Number of shares after dilution, weighted average	250,855,258	250,866,966

Dilution is related to the outstanding share-based LTI programs for 2023, 2024 and 2025. Refer to Note 3.5 for further information about the LTI programs.

Note 12 | Intangible assets

SEK M	Internally generated intangible assets					Acquired intangible assets						
	Capital- ized R&D expendi- tures	IT soft- ware	Patents and licenses	Other	Sub-total	Capital- ized R&D expendi- tures	IT soft- ware	Patents, licenses, trade- marks	Goodwill	Other	Sub-total	Total
Cost												
At January 1, 2025	69	334	–	59	462	19	83	4	1,693	144	1,942	2,404
Additions	–	14	–	0	14	–	27	–	–	0	27	41
Business combinations	–	–	–	–	–	–	0	3	92	21	115	115
Disposals	–	-12	–	–	-12	–	0	–	–	–	0	-13
Reclassifications	–	-4	–	-1	-5	–	0	–	–	–	0	-5
Translation differences for the year	–	–	–	-6	-6	–	0	0	-142	-10	-153	-159
At December 31, 2025	69	332	–	52	453	19	110	6	1,641	154	1,931	2,383
Accumulated amortizations and impairment losses												
At January 1, 2025	27	179	–	27	233	19	70	8	–	37	134	367
Disposals	0	-12	–	0	-12	–	0	0	–	0	0	-13
Impairment losses, net	–	–	–	–	–	–	–	–	30	7	37	37
Reclassifications	–	–	–	1	1	–	0	-9	–	9	0	0
Amortizations for the year	7	22	–	0	29	–	3	6	–	13	22	51
Translation differences for the year	–	–	–	-4	-4	–	0	0	0	-4	-5	-9
At December 31, 2025	33	189	–	24	246	19	72	5	29	62	188	434
Net carrying amount at December 31, 2025	36	143	–	28	207	–	38	1	1,612	92	1,742	1,949
Cost												
At January 1, 2024	119	292	–	70	481	19	77	4	1,621	138	1,859	2,340
Additions	0	35	–	12	47	0	0	0	–	0	0	48
Business combinations	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	-94	–	–	-27	-121	–	0	–	–	–	0	-121
Reclassifications	45	7	–	–	51	–	6	–	0	–	6	57
Translation differences for the year	–	–	–	3	3	–	0	0	71	5	77	80
At December 31, 2024	69	334	–	59	462	19	83	4	1,693	144	1,942	2,404
Accumulated amortizations and impairment losses												
At January 1, 2024	119	169	–	24	312	19	68	4	0	23	115	427
Disposals	-94	0	–	0	-94	0	0	0	–	0	0	-94
Impairment losses, net	–	–	–	–	–	–	–	–	–	–	–	–
Reclassifications	–	–	–	0	0	–	0	–	–	–	0	0
Amortizations for the year	2	10	–	0	12	–	2	3	–	12	18	30
Translation differences for the year	–	–	–	2	2	–	0	0	–	2	2	5
At December 31, 2024	27	179	–	27	233	19	70	8	0	37	134	367
Net carrying amount at December 31, 2024	43	155	–	32	229	–	13	-4	1,693	107	1,808	2,037

Intangible assets

Depreciation for the year is included in the following lines in the income statement

	2025	2024
Cost of goods and services sold	-4	-3
Selling expenses	-17	-15
Administrative expenses	-24	-10
Research and development expenses	-7	-2
Total	-51	-30

Impairment losses per line in the income statement

	2025	2024
Cost of goods and services sold	-30	0
Selling expenses	-7	0
Total	-37	0

Goodwill at December 31, 2025 amounted to SEK 1,612 million (1,693), essentially related to the acquisition of Kanthal in 1997. The impairment test of goodwill is presented below.

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

Year	2025	2024
Tube	65	67
Kanthal	1,547	1,625
Strip	0	0
Total	1,612	1,693

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

Note 12 | Intangible assets

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

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

Alleima's goal is to be an industry leader in sustainability. The long-term targets include reducing carbon dioxide emissions from Scope 1 and 2 by more than 54% by 2030 compared to 2019, SBTi net zero by 2050, and more than 80% circularity in steel production, and exploring, testing and implementing alternative solutions to reduce slag that ends up in landfills. The divisions build their strategies in the same way, i.e. there are plans and ambitions linked to sustainability in each strategy. It is thus also an integral part of the financial forecast for the strategy period.

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

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

The pre-tax discount rates used for Alleima are:

Year	2025	2024
Tube	11.5%	11.4%
Kanthar	10.9%	11.1%
Strip	10.9%	11.0%

The specific risks of the CGU have been adjusted in future cash flow forecasts. The impairment testing of goodwill performed at year end 2025 did not indicate any impairment requirements. Sensitivity in the calculations indicates that the goodwill value would be maintained even if the discount rate was increased by 1 percentage points, the long-term growth rate was lowered by 1 percentage points, and the operating margin dropped 1 percentage points.

Note 13 | Property, plant and equipment

SEK M	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Constructions in progress	Other	Total
Cost						
At January 1, 2025	5,802	15,340	1,544	1,301	69	24,056
Additions	71	90	10	933	7	1,112
Business combinations	44	4	3	0	–	51
Disposals	-127	-247	-52	-53	–	-479
Reclassifications	151	750	89	-976	-29	-16
Translation differences for the year	-200	-537	-59	-70	-7	-873
At December 31, 2025	5,741	15,401	1,534	1,135	40	23,851
Accumulated depreciations and impairment losses						
At January 1, 2025	3,495	11,731	1,074	–	–	16,300
Disposals	-81	-226	-47	–	–	-354
Impairment losses, net	3	25	2	–	–	30
Reclassifications	-2	-11	-3	–	–	-16
Depreciations for the year	165	491	68	–	–	724
Translation differences for the year	-123	-419	-32	–	–	-574
At December 31, 2025	3,457	11,591	1,062	–	–	16,110
Net carrying amount at December 31, 2025	2,285	3,810	472	1,135	40	7,742
Cost						
At January 1, 2024	5,686	14,686	1,497	819	28	22,717
Additions	6	57	13	1,020	50	1,147
Business combinations	–	–	–	–	–	0
Disposals	-13	-102	-50	-7	–	-172
Reclassifications	26	432	52	-552	-12	-54
Translation differences for the year	98	267	31	21	3	419
At December 31, 2024	5,802	15,340	1,544	1,301	69	24,056
Accumulated depreciations and impairment losses						
At January 1, 2024	3,282	11,119	1,033	–	–	15,435
Disposals	-13	-99	-46	–	–	-157
Impairment losses, net	0	-1	0	–	–	-1
Reclassifications	1	-1	0	–	–	0
Depreciations for the year	162	505	70	–	–	736
Translation differences for the year	63	208	16	–	–	286
At December 31, 2024	3,495	11,731	1,074	–	–	16,300
Net carrying amount at December 31, 2024	2,307	3,609	470	1,301	69	7,757

Note 13 | Property, plant and equipment

Tangible assets

Depreciation for the year is included in the following lines in the income statement

	2025	2024
Cost of goods and services sold	-687	-700
Selling expenses	-7	-9
Administrative expenses	-13	-12
Research and development expenses	-17	-16
Total	-724	-736

Impairment losses/reversal of impairment losses per line in the income statement

	2025	2024
Cost of goods and services sold	-30	1
Selling expenses	–	0
Administrative expenses	–	0
Total	-30	1

Note 14 | Leases

Alleima as a lessee

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

SEK M	Land and buildings	Plant and machinery	Fixture and fittings	Total
Accumulated acquisition cost				
At January 1, 2025	448	244	164	855
Additions	92	1	34	127
Business combinations	3	0	1	3
Remeasurements	-5	1	1	-3
Divestments and disposals	-33	-2	-23	-58
Reclassifications	4	0	0	5
Translation differences for the year	-32	0	-8	-40
At December 31, 2025	477	244	169	890
Depreciation and impairment losses				
At January 1, 2024	202	119	80	401
Reclassifications	6	0	-4	2
Divestments and disposals	-30	-2	-22	-54
Impairment losses	15	0	0	15
Depreciations for the year	77	37	41	155
Translation differences for the year	-15	0	-4	-19
At December 31, 2025	255	153	91	500
Net carrying amount at December 31, 2025	222	90	78	391
Accumulated acquisition cost				
At January 1, 2024	427	248	152	826
Additions	35	0	30	65
Business combinations	0	0	0	0
Remeasurements	20	-4	5	21
Divestments and disposals	-43	0	-32	-75
Reclassifications	-3	-1	7	3
Translation differences for the year	11	0	3	15
At December 31, 2024	448	244	164	855
Depreciation and impairment losses				
At January 1, 2024	167	84	74	325
Reclassifications	-3	-2	0	-5
Divestments and disposals	-43	0	-32	-74
Impairment losses	0	0	0	0
Depreciations for the year	73	37	37	148
Translation differences for the year	5	0	2	7
At December 31, 2024	202	119	80	401
Net carrying amount at December 31, 2024	246	125	83	455

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

Note 14 | Leases

Depreciation per line item in the income statement

SEK M	2025	2024
Cost of goods sold	-103	-98
Selling expenses	-25	-26
Administrative expenses	-24	-22
Research and Development expenses	-2	-2
Total	-155	-148

Impairment losses

SEK M	2025	2024
Cost of goods sold	-12	0
Administrative expenses	-3	0
Total	-15	0

Amounts recognized in the income statement

SEK M	2025	2024
Depreciations	-155	-148
Impairment losses	-15	0
Interest expenses related to lease liabilities	-17	-17
Expenses for low value assets	-6	-8
Total amount recognized in the income statement	-193	-172
The total cash outflow for leases during the year	-148	-135

Leasing liabilities

SEK M	2025	2024
Within one year	140	164
Between one and five years	240	263
Later than five years	46	52
Total undiscounted leasing liabilities	426	479

Contracts not yet commenced

At December 31 2025 Alleima Group has not entered any contracts with commenced date in 2026 or later.

Alleima as a lessor

The Group holds no financial leases.

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

Future minimum lease payments under non-cancelable operational lease contracts was SEK 190 million (205) at December 31, 2025.

Operating leases

SEK M	2025	2024
Within one year	47	51
Between one and five years	95	89
Later than five years	47	65
Total undiscounted lease payments	190	205

Note 15 | Non-current financial assets

SEK M	2025	2024
Derivatives designated as hedging instruments	99	9
Funded pension plans (note 20)	34	65
Non-current holdings of securities	0	2
Other non-interest-bearing receivables	10	13
Other interest-bearing receivables	1	2
Total	144	92

Note 16 | Inventories

SEK M	2025	2024
Raw materials and consumables	2,431	2,460
Work in progress	2,843	3,045
Finished goods	1,539	1,902
Total	6,813	7,407

Inventories which were booked as expense amounted to SEK 15,178 million (15,740) during the year, whereof SEK 148 million (132) was related to write-down of inventories reported in cost of goods sold.

Note 17 | Trade receivable

2025								
SEK M	Current	1–30 days past due	31–60 days past due	61–90 days past due	91–180 days past due	181–360 days past due	More than 360 days past due	Total
Expected loss rate, %	0,7	1,4	3,7	12,6	28	69,9	88,9	2,0
Gross carrying amount – trade receivables	2,111	276	34	16	6	20	13	2,476
Loss allowance	-15	-4	-1	-2	-2	-14	-12	-50
Reported value	2,095	272	33	14	4	6	1	2,426
2024								
SEK M	Current	1–30 days past due	31–60 days past due	61–90 days past due	91–180 days past due	181–360 days past due	More than 360 days past due	Total
Expected loss rate, %	0,4	1,5	2,6	13,3	22,9	50,5	99,5	1,3
Gross carrying amount – trade receivables	2,540	317	42	13	19	5	13	2,949
Loss allowance	-10	-5	-1	-2	-4	-3	-12	-37
Reported value	2,530	312	41	11	15	3	0	2,911

Note 18 | Other current receivables

SEK M	2025	2024
Contract assets	0	35
Derivatives designated as hedging instruments	178	45
VAT receivables	164	209
Prepaid expenses	286	256
Other non-interest-bearing receivables	211	347
Advances to suppliers	24	25
Total	863	917

Note 19 | Equity

As of December 31, 2025 Alleima's share capital amounted to SEK 250,877,184 represented by 250,877,184 shares.

To the Annual General Meeting on April 29, 2026, Alleima's Board of Directors proposes for the financial year 2024 an ordinary dividend of SEK 2.50 per share (SEK 627,192,960), to be paid in May 2026. The remaining amount for the parent company, SEK 13,267,680,441, should be carried forward. The Board makes the assessment that the parent company's and the group's equity after the dividend distribution will be able to sustain the requirements which the nature, size and risks of the business will present. The Board further considers the actions reasonable in light of the parent company's and the Group's consolidation requirements, liquidity and position in general. The dividend distribution is assumed to not present any risk for the parent company's or the Group's ability to fulfil its short- or long-term payment obligations, or assumed to affect the ability to make required investments.

The Annual General Meeting held on April 28, 2025, resolved for the financial year 2024 on an ordinary dividend of SEK 2.30 per share. The dividend of SEK 577 million was distributed to the shareholders on May 6, 2025, of which SEK 2 million was repaid to Alleima in form of dividend related to the equity swap for LTI 2023 and LTI 2024.

Alleima's General Meeting held on April 28, 2025 approved the Board's proposal for a long-term share-based incentive program (LTI 2025). After a period of three years, a certain number of Alleima shares free of charge will be allotted, provided that certain performance targets are met. As of December 31, 2025, LTI 2025 comprises 277,609 share rights and LTI 2023 and LTI 2024 comprises 317,695 and 256,417 share rights respectively (LTI 2023: 380,901, LTI 2024 306,857)). The delivery of these shares is secured through an equity swap agreement with a third party. Further information regarding the incentive programs are provided in Note 3.

Reserves

Consolidated equity includes certain reserves which are described below.

Translation reserves

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

Hedge reserves

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

Non-controlling interest

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

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

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

Sweden

The Swedish pension plan is funded through a foundation and is based on salary at the time of retirement. It is partly closed for new participants, meaning that only new employees born prior to 1979 have the option of joining the plan. Employees born after 1979 are encompassed by a defined contribution plan. There are no funding requirements for the defined benefit plan. Pension payments to retirees are made directly from Alleima, the Company has the opportunity to request reimbursement for pension payments made which have been secured by the pension fund. The total value of Alleima's assets held by the foundation was SEK 1,262 million (1,215), which was SEK 221 million lower (256 lower) than the capital value of the corresponding pension obligations for the entire foundation.

The commitment for family pension, also a defined-benefit plan, is insured with Alecta. Sufficient information to use defined-benefit accounting for this plan is not available, and therefore recognized as a defined-contribution plan. At the end of 2025, Alecta reported a plan surplus of 167% (162).

The Alleima Group's share of Alecta's saving premiums is 0.03%, the total share of active members in Alecta is 0.20%. For 2026, the expected contribution to Alecta is SEK 20 million (19).

The Group's mutual responsibility as a credit insured company of PRI Pensionsgaranti in Sweden is classified as a contingent liability and amounts to SEK 30 million (29). This mutual responsibility can only be imposed in the instance that PRI Pensionsgaranti has consumed all of its assets, and it amounts to a maximum of 2% of the Group's pension liability in Sweden.

Germany

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

Other

Other countries have no material defined benefit pension plans.

Risks and cash flows

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

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

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

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

Governance

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

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

Investment strategy

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

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

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

Information by country December 31, 2025, SEK M	Sweden	Germany	Other	Total
Amounts included in the balance sheet				
Present value of funded and unfunded obligations	1,758	162	152	2,073
– of which for actives	725	60	130	915
– of which for vested deferreds	517	32	1	551
– of which for retirees	516	69	20	605
Plan assets	1,262	120	135	1,517
Total surplus/(deficit)	-496	-42	-17	-555
Other pension provisions				-34
Total Net liability				-589
Provision for pensions				-623
Overfunded pension plans recognized as asset, non-current receivable				34
Funding level, %	72	74	89	73
Net liability for medical plans			22	22
Average duration of the obligation, years	20	5	12	18
Amounts included in the income statement/Other comprehensive income				
Total (Current) service cost	-52	-4	-9	-64
Net interest	-25	-1	-1	-28
Remeasurements	271	0	-3	268
Total expense for defined benefits (pretax)	194	-5	-12	176
Amounts included in the cash flow statement				
Contributions by the employer	0	-6	-6	-11
Benefits paid, net	-50	-4	-1	-56
Major assumptions for the valuation of the liability				
Life expectancy, years ¹	23	23		
Inflation, %	1.75	2.00		
Discount rate, % (weighted average)	3.95	3.90		
Future salary increase, % (weighted average)	3.00	3.50		

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

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

Information by country December 31, 2024, SEK M	Sweden	Germany	Other	Total
Amounts included in the balance sheet				
Present value of funded and unfunded obligations	1,955	176	185	2,315
– of which for actives	820	70	153	1,042
– of which for vested deferreds	595	28	2	624
– of which for retirees	540	79	31	650
Plan assets	1,215	126	190	1,530
Total surplus/(deficit)	-740	-50	6	-784
Other pension provisions				-35
Total Net liability				-820
Provision for pensions				-885
Overfunded pension plans recognized as asset, non-current receivable				65
Funding level, %	62	72	103	66
Net liability for medical plans			26	26
Average duration of the obligation, years	21	6	12	19
Amounts included in the income statement/Other comprehensive income				
Total (Current) service cost	-29	-4	1	-32
Net interest	-23	-2	0	-24
Remeasurements	40	2	-9	32
Total expense for defined benefits (pretax)	-12	-3	-7	-24
Amounts included in the cash flow statement				
Contributions by the employer	0	2	-6	-4
Benefits paid, net	-49	-4	-1	-54
Major assumptions for the valuation of the liability				
Life expectancy, years ¹	23	22		
Inflation, %	2.00	2.00		
Discount rate, % (weighted average)	3.55	3.20		
Future salary increase, % (weighted average)	3.25	3.50		

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

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

SEK M	2025	2024
Opening balance, January 1	2,315	2,331
Service cost	63	41
Past service cost	1	-8
Settlements	0	-1
Interest cost	79	77
Contributions by plan participants	3	4
Benefits paid	-78	-82
Settlements payment from plan assets	-2	-195
Insurance premiums for risk benefits	-1	-1
Remeasurements loss/(gain) arising from:		
– Financial assumptions	-244	78
– Demographic assumptions	0	0
– Experience adjustments	-33	49
Exchange differences	-31	23
Closing balance, December 31	2,073	2,315

Reconciliation of change in the fair value of plan assets

SEK M	2025	2024
Opening balance, January 1	1,530	1,518
Interest income	51	52
Contribution by the employer	11	4
Benefits paid directly by employer	56	54
Insurance premiums for risk benefits	-1	-1
Contributions by plan participants	3	4
Benefits paid	-78	-82
Settlements payment from plan assets	-2	-195
Payment from foundation	-16	0
Effect on asset ceiling	0	29
Return on plan assets excl amount included in interest	-8	130
Exchange differences	-31	19
Closing balance, December 31	1,517	1,530

SEK M	2025	2024
Actual return on plan assets	43	182
Consolidation ratio for funded plans, %	73	66
Consolidation ratio for all plans, including unfunded, %	73	66
Estimated contributions for the next year	67	68

Sensitivity analysis, change in provision

(net, SEK M)	Sweden	Germany
Life expectancy, +1 year	70	4
Discount rate -50 bps	179	4
Inflation rate +50 bps	182	3

Class of assets in %

	2025	2024
Interest-bearing securities	25	27
Shares	24	23
Properties	23	22
Other	24	22
Cash and cash equivalents	4	6
– of which assets without quoted prices	52	49

Note 21 | Other interest-bearing liabilities

SEK M	2025	2024
Non-current liabilities		
Lease liabilities	275	327
Total	275	327
Current liabilities		
Lease liabilities	142	133
Total	142	133

Changes in liabilities arising from financing activities

SEK M	Cash flow			Non-cash flow changes					Dec 31, 2025
	Jan 1, 2025	New loans	Amortization	Business combination	Reclassification	New leases	Currency/FX	Other	
Interest-bearing non-current liabilities	0	–	0	23	-4	–	-1	0	18
Interest-bearing current liabilities	1	–	-3	0	4	–	0	0	2
Lease liabilities	460	–	-148	4	0	128	-23	-3	418
Share swap	–	–	-2	–	–	–	–	–	–
Dividends paid	–	–	-575	–	–	–	–	–	–
Total	461	–	-729	27	0	128	-24	-3	438
			-729						

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

Note 22 | Other provisions

SEK M	Warranties	Restructuring	Employee benefits	Environmental obligations	Legal disputes	Other obligations	Total
Balance at January 1, 2025	17	15	184	183	18	60	476
Provisions made during the year	17	177	36	15	11	13	270
Provisions used during the year	-7	-12	-55	0	-1	-21	-97
Unutilized provisions reversed during the year	-1	-10	-36	-5	0	0	-53
Reclassifications	0	0	0	0	0	-3	-3
Business combinations	1	0	0	0	0	0	1
Translation differences	-1	-2	-3	0	-3	-3	-13
Balance at December 31, 2025	26	167	126	193	25	45	582
of which current	8	167	2	5	11	40	234
of which non-current	18	0	123	188	14	5	348

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

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

Note 23 | Other non-interest-bearing liabilities

SEK M	2025	2024
Other non-current liabilities		
Derivatives designated as hedging instruments	39	124
Total	39	124
Other current liabilities		
Derivatives designated as hedging instruments	87	276
VAT liabilities	86	82
Other	193	222
Total	367	580

Other current liabilities refers mainly to personnel related liabilities.

Note 24 | Accrued expenses

SEK M	2025	2024
Personnel related	914	971
Customer discounts	10	11
Other accrued expenses	307	283
Total	1,232	1,264

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

Note 26 | Financial risk management

Financial assets and liabilities by valuation category

SEK M	Designated for hedge accounting		Fair value through profit or loss		Amortized cost		Total carrying amount	
	2025	2024	2025	2024	2025	2024	2025	2024
Financial assets								
Trade receivables	–	–	–	–	2,426	2,911	2,426	2,911
Other receivables	–	–	–	–	410	596	410	596
Derivatives	269	51	9	3	–	–	277	54
Cash and cash equivalents	–	–	–	–	1,891	1,912	1,891	1,912
Total financial assets	269	51	9	3	4,727	5,419	5,004	5,474
Financial liabilities								
Borrowings	–	–	–	–	20	1	20	1
Derivatives	104	391	22	10	–	–	126	400
Accounts payable	–	–	–	–	1,640	2,249	1,640	2,249
Other liabilities	–	–	–	–	693	760	693	760
Total financial liabilities	104	391	22	10	2,353	3,011	2,480	3,411

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

Financial exposure and risk management

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

Group Treasury is the Group function tasked with managing the majority of its financial risks. The primary objective of Group Treasury is to mitigate the impact of financial risks on the Group's net profit.

Through internal banking operations, Group Treasury carries out its mission by supporting group companies with interest-bearing instruments and transactions for currency and commodity hedging. These internal transactions consolidate the Group's financial risks within Group Treasury, enabling a comprehensive assessment of the total risk exposure and the implementation of

Note 25 | Contingent liabilities and pledged assets

SEK M	2025	2024
Bank guarantees	146	148
Other contingent liabilities	116	141
Total	262	288

Contingent liabilities

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

Pledged assets

At the end of 2025, no assets have been pledged as collateral (0).

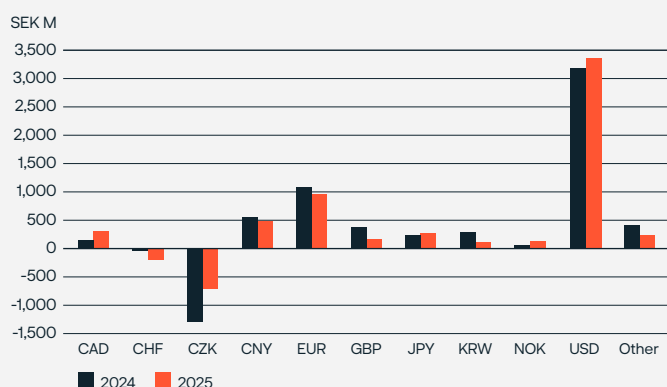
Note 26 | Financial risk management

Capital structure and dividend policy

The Group has financial targets on both capital structure and dividends. The capital structure is monitored by measuring the net debt/equity ratio and shall have a ratio below 0.3. Net debt is defined as interest-bearing current and non-current liabilities, including net pension liabilities and leases, less cash and cash equivalents. The ratio at year end 2025 amounted to -0.05x (-0.02). A breakdown of the components is presented in Alternative Performance Measures on page 139. Dividend shall be on average 50% of net profit (adjusted for metal price effects) over a business cycle.

Currency risk – Transaction exposure

Transaction exposure occurs when the value of the foreign cash flows from sales and purchases fluctuate due to changes in foreign exchange rates and impacts the Group's profit and loss. Alleima's annual transaction without hedging instruments, meaning the Group's net flow of currencies from operations, after full offsetting of the counter-value in the exporting companies' local currencies, and measured at the average exchange rate, amounted to SEK 5,115 million (5,059) in 2025. The most important currencies for one year of exposure are shown in the following diagram.

Exposure – Net flow in foreign currency

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

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

A certain portion of the anticipated net flow of sales and purchases is hedged through financial instruments and bank account balances in accordance with guidelines set in the Group's policy for financial risk management. In addition, major project orders are currency hedged to protect the gross margin. At year-end, the total hedged amount was SEK 5,535 million (5,339). The average duration for the hedged volume of foreign currency was 8 months (13). Unrealized gain from outstanding currency contracts for hedging of future net flows amounted to SEK 205 million (-216). This amount consists of SEK 116 million (-141) related to contracts maturing in 2026 and SEK 89 million (-75) related to contracts maturing in 2027 or later.

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

The effect on total operating profit over a 12-month period would be approximately SEK -512 million (-506) if the Swedish krona strengthened by 10% against all currencies with exposure, assuming that the composition is the same as it was at year-end.

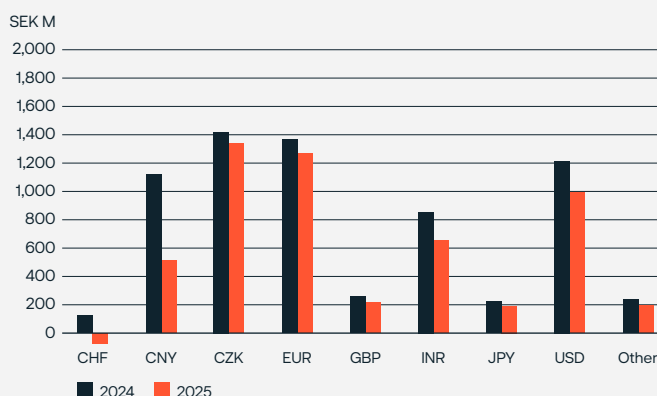
Sensitivity analysis by currency against SEK

CAD	CHF	CZK	CNY	EUR	GBP	JPY	KRW	NOK	USD	Other	Total
-31	20	72	-49	-96	-17	-27	-12	-13	-336	-23	-512

Currency risk – Translation exposure

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

Since the Swedish krona (SEK) is Alleima's presentation currency, a translation risk related to the valuation of the net assets in foreign subsidiaries and the profit/loss in foreign currency achieved during the period occurs. The net assets, which usually consist of the foreign subsidiaries' shareholders equity, are translated to SEK at the rates applied at the balance sheet date. At December 31, 2025 the Group's net assets in subsidiaries in local currencies amounted to SEK 5,293 million (6,815).

Exposure – Net assets by foreign currency

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

If exchange rates were to change by 10% in an unfavorable direction the net effect on other comprehensive income would be approximately SEK -529 million (-681). This net effect primarily comprises translation exposure in equity.

Sensitivity analysis by currency against SEK

CHF	CNY	CZK	EUR	GBP	INR	JPY	USD	Övr	Total
8	-51	-134	-127	-22	-65	-19	-99	-19	-529

Commodity price risk

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

A change in the electricity price of SEK 0.1 per kWh is estimated to affect Alleima's operating profit by plus or minus SEK 80 million (80) on an annual basis, based on the prevailing conditions and without hedging instruments at year-end 2025. For Alleima's largest production unit in Sweden, the electricity and gas prices are continuously hedged through derivatives.

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

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

Changes in metal prices affect the profit and loss statement as a consequence of the lead time between the purchase of raw material and delivery of the finished product. The effect can be estimated through the rules regarding valuation of inventory. The net effect is presented in Note 2 and description of Alternative Performance Measures on pages 138-139.

Changes in metal prices may also lead to changes in net working capital.

Note 26 | Financial risk management

Estimated consumption and hedged volumes

	Estimated yearly consumption	Volume hedged	Hedging horizon	Average hedged price
Electricity	800 GWh	1,024 GWh	36 months	492 SEK/MWh
Gas	190 GWh	44 GWh	12 months	30 EUR/MWh
Nickel	11,400 Mt	1,254 Mt	29 months	16,308 USD/Mt
Molybden	1,800 Mt	135 Mt	10 months	23 USD/lb
Copper	390 Mt	0 Mt	0 months	- USD/Mt

Hedge accounting

Derivatives used in the Group's hedging strategies are measured at fair value. To reduce the impact on earnings from valuation fluctuations, all commodity derivatives and the majority of currency derivatives are designated as cash flow hedges, with hedge accounting applied in accordance with applicable accounting standards. The relationship between the hedging instrument and the hedged item is formally documented at the inception of the hedge. Hedge effectiveness is assessed both at the start of the hedging relationship and on a quarterly basis throughout its duration. The effective part of changes in the fair value of the derivatives that are designated as, and qualify for, cash flow hedging is recognized in Other comprehensive income. Changes in fair value are subsequently reclassified to profit or loss in the same period as the Group reports the expense of the hedged consumption of electricity, gas and metal or included in the carrying amount of the purchased metals. Any ineffectiveness is recognized immediately in profit or loss.

Hedge accounting effect on financial position and performance for the Group

SEK M	2025			2024		
	Nominal amount of the hedge	Cash flow hedge reserve	Line item in the statement of financial position where the hedging instrument is included	Nominal amount of the hedge	Cash flow hedge reserve	Line item in the statement of financial position where the hedging instrument is included
Cash flow hedges			Non-current/other current financial asset and non-interest-bearing liabilities/ current non-interest-bearing liabilities			Non-current/other current financial asset and non-interest-bearing liabilities/ current non-interest-bearing liabilities
Foreign exchange risk						
FX Forward contracts	5,038	197		4,951	-148	
Commodity price risk						
Electricity forward contracts	1 024 GWh	-50		911 GWh	-83	
Gas forward contracts	44 GWh	-1		114 GWh	6	
Metal forward contracts	1,323 tonnes	1		3,309 tonnes	-40	
whereof						
Nickel forward contracts	1,188 tonnes			3,031 tonnes		
Molybden forward contracts	135 tonnes			271 tonnes		
Copper forward contracts	0 tonnes			7 tonnes		

SEK M	2025			2024		
	Change in fair value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit before tax	Line item in income statement for ineffectiveness	Change in fair value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit before tax	Line item in income statement for ineffectiveness
Cash flow hedges						
Foreign exchange risk						
FX Forward contracts	139	0	-	-337	0	-
Commodity price risk						
Electricity forward contracts	19	0	-	17	0	-
Gas forward contracts	-2	0	-	129	0	-
Metal forward contracts	84	0	-	281	0	-

SEK M	2025			2024		
	Amount reclassified from the cash flow hedge into profit and loss	Amount transferred from the cash flow hedge into cost of hedged item	Line item in the income statement that includes the reclassified amounts	Amount reclassified from the cash flow hedge into profit and loss	Amount transferred from the cash flow hedge into cost of hedged item	Line item in the income statement that includes the reclassified amounts
Cash flow hedges						
Foreign exchange risk			Revenues and other operating income/ expenses			Revenues and other operating income/ expenses
FX Forward contracts	206			-49		
Commodity price risk						
Electricity forward contracts	14		Cost of goods sold	-40		Cost of goods sold
Gas forward contracts	-5		Cost of goods sold	-36		Cost of goods sold
Metal forward contracts	0	-43	-	0	-165	-

Note 26 | Financial risk management

Interest rate risk

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

Depending of whether the interest bearing instrument is an asset or liability, interest risk is measured in two ways:

- If Alleima has invested in an interest-bearing asset, the risk is measured as the value change of the asset from an interest rate changes
- If Alleima has interest bearing borrowings, the risk is measured as the increased interest cost for the coming twelve months is an impact of changed interest rates

At December 31, 2025, Alleima had no interest-bearing loans with floating interest to be reset during 2026. Hence, if market rates were to rise by 1 percentage point across all terms interest costs would be impacted by SEK -0 million (-0).

The Group CFO has a mandate to vary the average fixed-interest term of the Group's debt portfolio, provided that it does not exceed 36 months. At year-end, Alleima had equivalent SEK 20 million (1) in fixed interest-terms external borrowings with an average remaining time to maturity of 35 months (5).

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

Liquidity and refinancing risk

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

According to the financial risk management policy, the Group's capital employed (cash excluded) shall, in addition to equity, pensions liabilities, deferred tax and long-term provisions, be financed long-term (>1 year). At December 31, 2025, the Group's capital employed, excluding cash and cash equivalents, was SEK 15,365 million (15,983) and long-term financing, including share capital, pension liabilities, long-term tax liabilities, long-term provisions and the guaranteed long-term credit facility, amounted to SEK 20,046 million (20,826). The short-term liquidity reserve, comprising committed credit facilities and accessible cash and cash equivalents, was SEK 4,397 million (4,229). This reserve should at a minimum correspond to loans that mature for payment over the next six months and one-month operating expenses, calculated to SEK 1,230 million (1,481).

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

At December 31, 2025, SEK 1,891 million (1,912) was reported as Cash and Cash equivalent whereof SEK 1,397 million (1,229) are cash directly available for Group Treasury and SEK 494 million (683) are restricted cash such as short-term deposits and cash accounts with, for Group Treasury, limited access. The short-term deposits are considered as cash equivalent as they have a time to maturity less than 3 months.

Credit risk

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

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

- Financial credit risk
- Credit risk in trade receivables

Exposure

SEK M	2025	2024
Trade receivables	2,426	2,911
Cash and cash equivalents	1,891	1,912
Unrealized net gains on derivatives	277	54
Other receivables	9	14
Total	4,604	4,892

Alleima has established agreements with the Group's principal banking partners, including International Swaps and Derivatives Association (ISDA) agreements, which provide the right to offset assets and liabilities arising from financial derivative transactions. This means that the Group's counterparty exposure to the financial sector is limited to the unrealized net gains that arise in derivative agreements, and investments and bank balances. At December 31, 2025 the value of these amounted to SEK 2,168 million (1,967). Alleima only accepts financial counterparties with a solid credit rating and financial position.

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

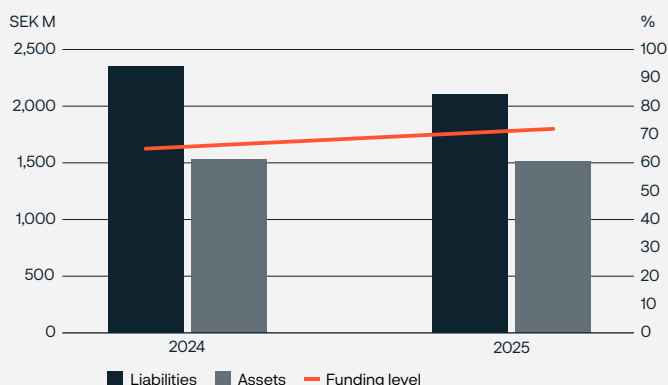
The total value of accounts receivable as per December 31, 2025 was SEK 2,426 million (2,911) while SEK 50 million (37) was reserved for doubtful accounts. The total credit losses, defined as the sum of receivables written off and change in bad debt reserve, was SEK 1 million (5) corresponding to 0.004% (0.02) of sales.

Pension commitments

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

The Group-funded pension liability has an average duration of 18.1 years (18.9). The allocation to interest-bearing assets is 25% (27) of the pension portfolio. Due to the asset allocation and differences in duration between interest-bearing assets and the pension liability, Alleima is exposed to interest rate fluctuations. This exposure arises both from the discounting of the liabilities and from changes in the market value of the interest-bearing assets. If the average discount rate falls by -50 basis points the pension liability would increase by SEK 191 million (223).

24% (23) of the pension portfolio is invested in equities. A 20% movement in the equity portfolio would result in a change in market value of SEK 72 million (71). If the life expectancy assumptions increase by one year, the pension liability would rise by 3.6% (3.8) which corresponds to SEK 75 million (89). More information on pensions and pension risks is found in Note 20.

Development of pension liability and assets

Note 26 | Financial risk management

In 2025, the pension assets totaled SEK 1,517 million (1,530) and the corresponding pension liability amounted to SEK 2,106 million (2,350), which is equal to a funding level of 72% (65). The value of Alleima's pension assets changed by -1% during the year (+1). The value of the pension liability changed by -10% during the year (-1).

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

Supply chain finance

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

When Alleima use SCF as a customer, the company receives extended payment terms. Alleima has an SCF program that suppliers can join, which gives Alleima an extended credit period of up to 120 days in exchange for the supplier to receive a discounted amount of the original invoiced amount within 10 to 15 days. Ordinary credit time is usually 30–60 days. At the end of 2025, the extended payment period was 60 (69) days on average and total debt in the program was SEK 379 million (339), whereof SEK 345 million (189) has been paid to the supplier by the program. The debt is shown in row Accounts payables in the balance sheet and was not impacted by any non-cash movements during the year.

Alleima using SCF being a supplier, gives extended payment terms to its clients. The payment terms are discussed on case-by-case basis. At the end of 2025 the total value of the Account Receivable program was SEK 9 million (9).

Note 27 | Related parties

Transactions with shareholders

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

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

Compensation to key management personnel

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

Note 28 | Business combinations

The acquisitions of business combinations executed during current year are set out on the table below. Annual revenue and number of employees reflect the situation at the date of the respective transaction. During 2024 there were no acquisitions of business combinations executed.

Division/Cash Generating Unit	Company	Country	Acquisition date	Annual revenue	No. of employees
Kanthal	Endox Feinwerktechnik GmbH & Endox Polska SP.zo.o. ("Endox")	Germany/ Poland	January 10, 2025	SEK 65 M in 2023	90

On 10 January 2025, Alleima acquired Endox Feinwerktechnik GmbH and Endox Polska SP.zo.o. ("Endox"). Endox strengthens the company's medical technology business. The acquisition was carried out through the acquisition of 100% of the shares, as well as the voting rights. Alleima gained control of the business on the transaction date. No equity instruments have been issued in connection with the acquisition. The acquisition has been reported according to the acquisition method and SEK 9 million in acquisition costs were reported and are included in Other operating expenses. The impact on Alleima's earnings per share is expected to be somewhat positive.

Goodwill from the acquisition consist of expected synergies and is not deductible for tax purposes. Assets, liabilities and contingent liabilities included in the acquired operations are stated below.

Fair value recognized in the Group

SEK M	Endox
Intangible assets	24
Property, plant and equipment	51
Right of use assets	3
Inventories	14
Receivables	6
Cash and cash equivalents	34
other liabilities and provisions	-36
Deferred tax liabilities	-7
Net identifiable assets and liabilities	90
Goodwill	92
Purchase consideration	181
Less: cash and cash equivalents in acquired companies	-34
Net cash outflow	147

Contributions from companies acquired during the year

SEK M	2025
Contributions as of acquisition date	
Revenues	65
Profit for the year	4
Contributions if the acquisition date would have been 1 January	
Revenues	65
Profit for the year	4

Note 29 | Government grants

Alleima has received various forms of government grants in countries where the Group operates, totalling SEK 6 million (5). The grants have been recognized as a reduction of the cost to which the grant is attributable. The majority of the grants have no unfulfilled conditions of contingencies attached to the grants.

Note 30 | Events after the close of the period

— On January 29, the Nomination Committee proposed the re-election of Board members Göran Björkman, Claes Boustedt, Ulf Larsson, Andreas Nordbrandt, Susanne Pahlén Åklundh, Victoria Van Camp and Karl Åberg. Andreas Nordbrandt is proposed to be re-elected as Chairman of the Board.

Parent company financial information

Parent company income statement

SEK M	Note	2025	2024
Revenues	2	36	27
Gross Profit		36	27
Administrative expenses		-85	-75
Other operating income		2	0
Other operating expense		0	-2
Operating loss		-47	-50
Dividend from Group companies		740	1,076
Interest revenue and similar income	3	33	36
Interest expense and similar costs		0	-1
Profit after net financial items		726	1,060
Income tax	4	3	3
Profit for the year		729	1,063

Parent company statement of comprehensive income

SEK M	Note	2025	2024
Profit for the year		729	1,063
Other comprehensive income			
Total other comprehensive income		0	0
Total comprehensive income		729	1,063

Parent company balance sheet

SEK M	Note	Dec 31, 2025	Dec 31, 2024
Shares in group companies	5	11,907	11,907
Deferred tax assets		8	5
Non-current assets		11,915	11,912
Receivables from group companies	6	2,241	2,121
Other current receivables		13	10
Prepaid expenses and accrued income		4	6
Current receivables		2,258	2,136
Cash and cash equivalents		0	0
Current assets		2,258	2,136
Total assets		14,173	14,048
Share capital		251	251
Restricted equity		251	251
Retained earnings		13,166	12,673
Net profit		729	1,063
Unrestricted equity		13,895	13,737
Total equity		14,146	13,987
Provision for pensions		3	2
Non-current interest-bearing liabilities		3	2
Other non-current provisions		3	14
Non-current non-interest-bearing liabilities		3	14
Non-current liabilities		6	17
Accounts payable		1	1
Current tax liabilities		0	1
Other current liabilities		2	2
Other liabilities to group companies		5	29
Accrued expenses and deferred income		13	11
Current non-interest-bearing liabilities		21	44
Current liabilities		21	44
Total equity and liabilities		14,173	14,048

Parent company cash flow statement

SEK M	Note	2025	2024
Operating activities			
Operating loss		-47	-50
Adjustments for non-cash items:			
Other non-cash items		-11	3
Received interest		32	35
Income tax paid		-1	0
Cash flow from operating activities before changes in working capital		-26	-13
Changes in working capital			
Accounts receivable		-1	0
Other receivables		5	-1
Accounts payable		0	0
Other payables		2	-4
Changes in working capital		6	-5
Cash flow from operating activities		-20	-18
Investing activities			
Lending to group companies	6	-143	-536
Dividend and appropriations received from group companies		740	1,076
Cash flow from investing activities		597	540
Financing activities			
Equity swap		-2	-20
Dividend		-575	-501
Cash flow from financing activities		-577	-521
Net change in cash and cash equivalents		0	0
Cash and cash equivalents at beginning of the year		0	0
Cash and cash equivalents at end of the year		0	0

Parent company changes in equity

SEK M	Note	Restricted equity Share capital	Unrestricted equity Retained earnings	Total equity
Equity at January 1, 2024		251	13,188	13,439
<i>Changes</i>				
Net profit		–	1,063	1,063
Other comprehensive income for the year, net of tax		–	0	0
<i>Total comprehensive income for the year</i>		–	1,063	1,063
Share-based payments		–	6	6
Equity swap		–	-20	-20
Dividends		–	-501	-501
<i>Total transactions with owners</i>		–	-515	-515
Equity at December 31, 2024		251	13,737	13,987
<i>Changes</i>				
Net profit		–	729	729
Other comprehensive income for the year, net of tax		–	0	0
<i>Total comprehensive income for the year</i>		–	729	729
Share-based payments		–	7	7
Equity swap		–	-2	-2
Dividends		–	-575	-575
<i>Total transactions with owners</i>		–	-570	-570
Equity at December 31, 2025		251	13,895	14,146

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

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

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

Subsidiaries

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

Classification and measurement of financial instruments

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

Other information

The annual report has been approved by the Board of Directors on March 18, 2026. The balance sheet and income statement are subject to adoption by the Annual General Meeting on April 29, 2026.

Note 2 | Revenue

Revenues relates to sales to other companies within the Group.

Note 3 | Interest revenue and similar income

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

Note 4 | Income tax

SEK M	2025	2024
Current tax expense	0	0
Deferred tax expense/income	3	3
Total tax on profit for the year	3	3

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

SEK M	2025	2024
Profit before tax	726	1,060
Tax effect according to tax rate in Sweden	-149 -20.6%	-218 -20.6%
Tax effect of:		
Non-taxable dividend from group company	152 21.0%	222 20.9%
Other	0 0.0%	0 0.0%
Total recognized tax income	3 0.4%	3 0.3%

Note 5 | Shares in group companies

Company, reg. No., reg'd office	Number of shares	Holding (capital/ votes)	Dec 31, 2025 SEK M	Dec 31, 2024 SEK M
Alleima EMEA AB, 556734-2026, Sweden	501,000	100.0%	11,907	11,907
Alleima India Private Limited, U29308PN2019PTC182454, India	1	0.1%	0	0
Total shares in group companies			11,907	11,907

SEK M	Dec 31, 2025	Dec 31, 2024
Acquisition value at January 1	11,907	11,907
Total shares in group companies	11,907	11,907

Indirectly owned subsidiaries (not directly owned by Alleima AB)

Company, reg. No., reg'd office	Holding (capital/ votes)
Alleima StripTech AB, 559250-4905, Sweden	100%
Alleima Rock Drill Steel AB, 559235-0986, Sweden	90%
Alleima Söderfors AB, 559415-0285, Sweden	100%
Alleima PT AB, 556207-5191, Sweden	100%
Alleima Treasury AB, 559216-9139, Sweden	100%
Alleima Captive Försäkrings AB, 559456-3321, Sweden	100%
Alleima Tube AB, 556234-6832, Sweden	100%
Kanthal AB, 556442-5576, Sweden	100%
Alleima Denmark ApS, 42 82 89 63, Denmark	100%
Alleima Finland Oy, 3228605-8, Finland	100%
Kanthal Norway AS, 927733161, Norway	100%
Alleima Limited, 13164633, United Kingdom	100%
Alleima France SAS, 501352033, France	100%
Alleima Benelux B.V., 24350347, Netherlands	100%
Alleima Italia S.r.l., MI-2588812, Italy	100%
Alleima Calimera S.r.l., LE-182270, Italy	100%
Alleima Portugal, Unipessoal Lda., 516848720, Portugal	100%
Alleima Switzerland AG, CHE-178.868.723, Switzerland	100%
Alleima Sonceboz SA, CHE-107.535.722, Switzerland	100%
Alleima Zug AG, CHE-110.271.251, Switzerland	100%
Alleima Spain S.L., B67599217, Spain	100%
Alleima CZ Spol. S.r.o., CZ60278773, Czech Republic	100%
Alleima Karlsruhe GmbH, HRB 109839, Germany	100%
Kanthal GmbH, HR B 102852, Germany	100%
Alleima GmbH, HRB 12806, Germany	100%
Alleima Engineering GmbH, HRB 5049, Germany	100%
Alleima Dettingen GmbH, HRB 361289, Germany	100%
Alleima Poland Sp. Z o.o., 0000343886, Poland	100%
Alleima Special Metals, LLC, 91-0817881, USA	100%
PennPower Inc, 25-1706867, USA	100%
Alleima USA LLC, 82-5283200, USA	100%
Alleima Precision Tube LLC, 84-3834789, USA	100%
Pennsylvania Extruded Tube Co., 23-2685343, USA	100%
Kanthal Corporation, 06-1057960, USA	100%
Kanthal Thermal Process Inc., 94-2739405, USA	100%
Alleima do Brasil Indústria e Comércio Ltda, 11.149.881/0001-23, Brazil	100%
A L L E I M A Advance Materials de Costa Rica SRL, 4062001304267, Costa Rica	100%
Alleima Materials Technology, S.A. de C.V., SMT191120RH2, Mexico	100%
Alleima Middle East DMCC, DMCC192604, United Arab Emirates	100%
Alleima India Private Limited, U29308PN2019PTC182454, India	100%
Alleima Japan K.K., 9140001004795, Japan	100%
Alleima Materials Technology (Jiangsu) Co., 913211916657999610, Ltd, China	100%
Alleima (Shanghai) Materials Technology Co., Ltd, 91310115607381700W, China	100%
Alleima Korea Co.,Ltd, 180111-1265031, Republic of Korea	100%
Alleima Malaysia SDN. BHD., 6819T, Malaysia	100%
Alleima South East Asia Pte. Ltd., 201942268N, Singapore	100%
Taiwan Alleima Limited, 90523423, Taiwan	100%

Note 6 | Receivables from group companies

SEK M	Dec 31, 2025	Dec 31, 2024
Cash pool	2,237	2,118
Trade receivables group companies	4	3
Total	2,241	2,121

Note 7 | Contingent liabilities and other commitments

At December 31, 2025, the parent company's provided guarantees for the benefit of group companies amounted to SEK 967 million (2,904).

Note 8 | Employees

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

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

SEK M	2025	2024
Salaries and remunerations	19	15
Social costs	3	7
Total	22	23
<i>Of which, pension costs recognized in social costs</i>	3	2

Note 9 | Fees and remuneration to auditors

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

Board of Directors' and President and CEO's certification

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

The Report of the Directors pertaining to the Parent Company and the Group gives a fair overview of the development of the Parent Company's and the Group's operations, financial position, and results, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

The Board of Directors and the President and CEO further certify that the Annual Report and the consolidated financial statements have been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications adopted pursuant to Article 8.4 of the EU Taxonomy Regulation.

Sandviken, March 18, 2026

Andreas Nordbrandt
Chairman

Karl Åberg
Board member

Claes Boustedt
Board member

Susanne Pahlén Åklundh
Board member

Ulf Larsson
Board member

Victoria Van Camp
Board member

Göran Björkman
Board member
President and CEO

Tomas Kärnström
Board member
(Employee representative)

Mikael Larsson
Board member
(Employee representative)

Our auditors' report was rendered on March 19, 2026
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorised Public Accountant
Auditor-in-Charge

Auditor's report

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Alleima AB (publ) for the year 2025 except for the corporate statement on pages 83-93 and the sustainability report on pages 95-131. The annual accounts and consolidated accounts of the company are included on pages 30-76 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2025 and its 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. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 83-93 and 95-131, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

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

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

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

Based on our professional judgement, we determined certain quantitative thresholds for materiality, for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts for the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide separate opinions on these matters.

Description of key audit matter

Revenue recognition in the appropriate period

Revenue amounts to SEK 18,630 million in 2025 and is a material item in the consolidated accounts.

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

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

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

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

A description of the area is presented in Note 2. Accounting and valuation principles are presented in Note 1.

How our audit addressed the key audit matter

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

We have:

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

Description of key audit matter

Measurement of inventories

The Group's inventories amount to SEK 6,813 million as of 31 December 2025 and is a significant item in the consolidated accounts.

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

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

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

A description of the area is presented in Note 16. Accounting and valuation principles are presented in Note 1.

How our audit addressed the key audit matter

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

We have:

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

Other information than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is found on pages 1-29, 83-93 and 135-140. The remuneration report that we obtained prior to the date of this auditor's report also constitutes other information. The Board of Directors and the Managing Director are responsible for other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our 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, we also take into account our knowledge obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

The Board of Directors' and Managing Director's responsibilities

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

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

The auditor's responsibility

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

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

Report on other legal and regulatory requirements

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

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Alleima AB (publ) for the year 2025 as well as the proposed appropriations of the company's profit or loss.

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

Basis of opinion

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

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

The Board of Directors' and Managing Director's responsibilities

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

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

The auditor's responsibility

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

- taken any action or been guilty of any neglect that could give rise to a liability to indemnify the company or,
- otherwise acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association

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

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

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

The auditor's opinion on the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and the Managing Director have prepared the annual accounts and the consolidated accounts in a format that facilitates uniform electronic reporting (the ESEF report) according to Chapter 16, Section 4 a of the Securities Market Act (2007:528) for Alleima AB (publ) for the year 2025.

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

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

Basis for Opinion

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

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

Responsibilities of the Board of Directors and the Managing Director

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

The auditor's responsibility

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

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

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

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on

the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

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

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

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 83-93 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, SE-113 97 Stockholm, was appointed auditor of Alleima AB (publ) by the general meeting of the shareholders on 28 April 2025 and has been the company's auditor since 28 October 2020.

Stockholm, March 19, 2026

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson

Authorised Public Accountant
Auditor-in-Charge

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

Corporate governance

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Corporate governance report

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

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

As a Swedish company listed on the Nasdaq Stockholm stock exchange, Alleima is subject to several external regulations that are relevant to how the company is governed, such as the Swedish Companies Act, the Swedish Corporate Governance Code (the "Code") and the Nasdaq Nordic Main Market Rulebook for Issuers

of Shares. Additionally, Alleima's corporate governance is regulated by a number of internal regulations, such as the Articles of Association, the procedural guidelines for the Board of Directors, the instructions to the President and CEO and the company's policies.

In 2025, Alleima applied the Code without any deviations.

This corporate governance report for 2025 has been prepared in accordance with the Swedish Annual Accounts Act (SFS 1995:1554) and the Code, and has been reviewed by the company's auditors. This report describes the company's management structure and organization. It sets out the Board's duties and responsibilities and presents the Board's activities during the year. It also describes Alleima's internal control with regard to the company's financial reporting and sustainability reporting.



1. Shareholders

As of December 31, 2025, Alleima's share capital amounted to SEK 250,877,184 represented by 250,877,184 shares. Alleima has only one share class, and each share corresponds to one vote. Beyond this, there are no limitations as to how many votes each shareholder can cast at a General Meeting.

At year-end, Alleima had 102,008 shareholders. Two of these shareholders – AB Industrivärden and L E Lundbergföretagen AB – had direct or indirect holdings in the company that represented at least one tenth of the number of votes for all shares in the company.

The 2025 Annual General Meeting (AGM) authorized the Board of Directors of Alleima to decide, for the period up until the 2026 AGM, on the repurchase of own shares up to a maximum of 10% of all shares in the company. Alleima has not exercised the authorization to repurchase shares and does not hold any treasury shares.

Additional information on the share and Alleima's shareholders is provided in the section "The share" on pages 14–15.

2. General Meeting

The General Meeting is Alleima's highest decision-making body, where shareholders exercise their voting rights. The company's Board of Directors and auditor are elected at the AGM. The AGM also adopts the company's income statement and balance sheet, and resolves on issues including distribution of the company's profits, discharge from liability for the Board and CEO, and fees to Board members. If the Articles of Association, the instructions in

force for the Nomination Committee, or the company's guidelines for remuneration to senior executives are to be amended, resolutions to that effect are also made by the General Meeting.

Each shareholder that is entered in the share register, and registers their participation in accordance with the notice to attend, has the right to participate and exercise the voting rights for their shares at a General Meeting. Shareholders are also entitled to be represented by a proxy. Under the Articles of Association, the Board may also decide to allow shareholders to exercise their

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

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

- Alleima AB's Articles of Association
- Alleima's instructions for the Nomination Committee
- Corporate governance reports from previous years
- Information on the 2026 AGM, including the notice to attend (once issued)
- Information on the activities of the Nomination Committee ahead of the AGM
- Information and minutes from previous AGMs



2026 Annual General Meeting

The AGM for Alleima AB will be held on Wednesday, April 29, 2026 in Sandviken, Sweden. The notice to attend the AGM will be published in Post- och Inrikes Tidningar and on the company's website. Issuance of the notice will be announced in Svenska Dagbladet and in a daily newspaper published in Sandviken or Gävle. Documentation for decision-making will be published on Alleima's website ahead of the AGM. Copies of these documents will also be sent to any shareholders who request them and provide their mailing address.

voting rights through postal voting. Each shareholder has, independent of the scope of their shareholding, a legal right – under certain prescribed conditions – to have a matter addressed at a General Meeting.

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

2025 Annual General Meeting

Alleima's 2025 AGM was held on April 28, 2025, at Ferrum Arena in Sandviken, Sweden. Shareholders representing 161,100,251 shares and votes, or approximately 64% of the total number of shares and votes, were in attendance at the meeting.

The notice to attend the meeting was issued on March 24, 2025. Shareholders who wished to attend the AGM could either participate in person on the premises, via proxy or through postal voting.

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

The AGM passed the following resolutions:

- Adoption of the income statements and balance sheets for the Parent Company and the Group for 2024.
- Discharge from liability for the President and CEO, and for the Board of Directors, for the 2024 financial year.
- Adoption of the Board's proposal for a dividend of SEK 2.30 per share.
- Election of the Board of Directors.
- Appointment of auditor.
- Resolution on fees to Board members and the auditor.
- Approval of the Board of Directors' remuneration report for 2024.
- Adoption of a long-term incentive program (LTI 2025) in the form of a performance share program for 30 senior executives and key employees in the Group.
- Authorization for the Board of Directors to make decisions on acquisitions of the company's own shares up to a maximum of 10% of the total number of shares in the company.

Complete minutes from the 2025 AGM and other information are available on www.alleima.com.

3. Nomination Committee

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

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

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

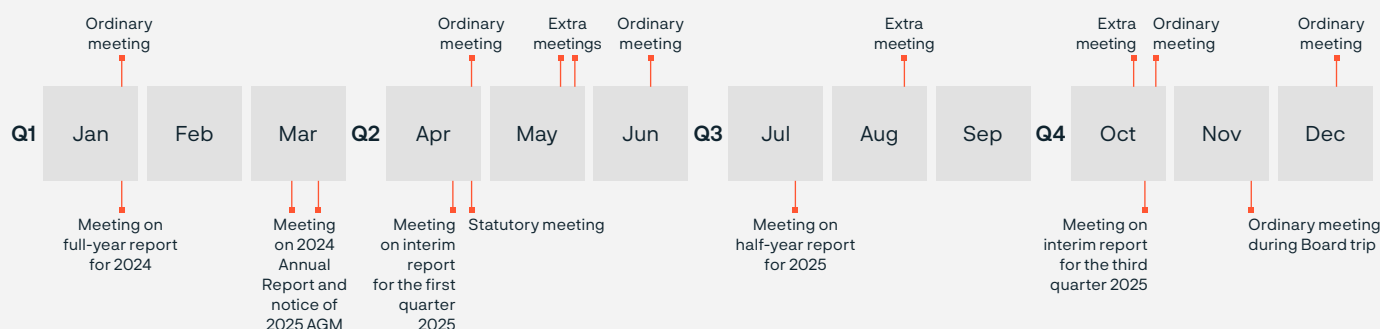
Nomination Committee for 2026 AGM

For the 2026 AGM, the Nomination Committee consists of Chairman Fredrik Lundberg (AB Industrivärden); Bo Selling (L E Lundberg-företagen AB); Jan Dworsky (Swedbank Robur Funds); Anders Algotsson (AFA Försäkring); and Alleima's Chairman of the Board Andreas Nordbrandt. The composition of the Nomination Committee was announced in a press release and on the company's website on September 9, 2025.

The Committee held two minuted meetings ahead of the AGM. At the statutory meeting of the Committee, the Chairman of the Board informed the Committee of the Board's activities during the year and about the results of the Board's annual evaluation. The Committee also held separate individual meetings with certain Board members elected by the AGM, including the President and CEO.

The Committee's proposal for election of the Board was presented through a press release on January 29, 2026 and on the company's website where the Committee proposed the re-election of all members of the Board. The other proposals of the Nomination

Board meetings in 2025



Committee are presented in the notice to attend the 2026 AGM. The members of the Nomination Committee did not receive any remuneration from the company for their work on the Committee.

4. Board of Directors

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

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

Composition of the Board (ESRS2, GOV-1)

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

Alleima's Board of Directors currently consists of seven members elected by the AGM, two employee representatives and two deputies for the employee representatives. The members of the Board have experience from different industrial segments and the financial markets. Moreover, all of the Board members elected by the AGM have experience of the requirements imposed on a listed company, including through their board assignments with other companies. In electing the Board members, Rule 4.1 of the Code was applied as diversity policy for the purpose of attaining diversity as regards gender, age and experience as well as educational and

occupational background. Two of the seven members (approx. 29%) elected by the AGM are women. The Board members are presented in more detail on pages 90–91.

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

Board activities in 2025

The Board held 17 meetings in 2025. Eight of these were physical meetings held at Alleima's premises in Sandviken or Stockholm, one was a physical meeting held during the Board's annual trip to one of Alleima's other production facilities, five meetings were virtual and three meetings were held per capsulam. Board member attendance is presented on pages 90–91. In advance of each meeting, an agenda and related pre-read materials were circulated to the Board members.

The President and CEO routinely reported to the Board regarding the company's development, financial results and market conditions. The Board approved the company's strategy for 2025–2029, and then regularly followed up on the company's implementation of the strategy. The Division Presidents and several business unit presidents also presented the current strategies of their respective operations to the Board. Furthermore, the Board routinely oversaw the company's financial reporting and dissemination of information to the market to ensure that they were of good quality and accurately reflected the company's financial position. Reports from the Audit and Remuneration Committees were routinely addressed, and the Board met with the company's auditor to discuss the auditors' observations on the audit activities for the year. The Board also reviewed the company's work in the areas of internal control, risk management, sustainability and compliance, and conducted an annual review of the Group's Code of Conduct and other poli-

cies. During the year, the Board continued to devote particular attention to the supervision of the company's work to, as from the financial year of 2025, prepare sustainability reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), which has been enacted in Swedish law. In the fall of 2025, the Board visited Alleima's operations at its Tube division in Mehsana, India.

Remuneration to the Board

The AGM resolved that the total fees to all Board members who are elected by the AGM and who are not company employees would amount to SEK 4,829,000 for 2025. For more detailed information on remuneration of the Board, refer to pages 90–91 and Note 3.5 on page 54.

Evaluation of Board activities

The activities of the Board are evaluated annually to ensure the quality of the work, and to identify any need to add further competence or experience to the Board or to change the Board's working methods. In 2025, the evaluation was carried out by way of each Board member responding anonymously to an online questionnaire. The Chairman of the Board then held individual discussions with each Board member, where the results were discussed. The compiled findings of the evaluations were presented to the Board as well as to the Nomination Committee.

5. Audit Committee

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

The members of the Audit Committee are selected by the Board at its statutory Board meeting after the AGM, for a period of one year at a time. In 2025, the members of the Audit Committee were Susanne Pahlén Åklundh, Karl Åberg and Claes Boustedt. All members are independent in relation to the company and its management, and Susanne Pahlén Åklundh is also independent in relation to the company's major shareholders. Furthermore, the Committee holds the auditing experience required under the Companies Act.

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

6. Remuneration Committee

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

The members of the Remuneration Committee are selected by the Board at its statutory Board meeting after the AGM, for a period of one year at a time. In 2025, the Remuneration Committee consisted of Chairman Andreas Nordbrandt and member Ulf Larsson, both of whom are independent in relation to the company and its management.

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

For guidelines, remuneration and other benefits payable to Group Executive Management, refer to page 33, Note 3.5 on page 54 and the remuneration report for 2025 on www.alleima.com.

7. President and CEO and Group Executive Management

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

The President and CEO is supported by Group Executive Management, to which responsibilities and authority are delegated. Group Executive Management also has an advisory function. In addition to the President and CEO, Group Executive Management includes the three Division Presidents and six managers responsible for the company's Group functions: finance, strategy and IT, legal, communication, HR and strategic research. Group Executive Management holds minuted meetings once a month. The members of the Group Executive Management are presented further on pages 92–93.

8. Divisions and Group functions

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

Alleima has three divisions, each with its own distinct product range, production and sales organization: Tube, Kanthal and Strip. The divisions are described in more detail on pages 24–29.

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

Alleima has seven Group functions: corporate governance and sustainability, finance, strategy and IT, legal, communication, HR and strategic research.

The policies and processes that are decided on by the Group functions and by the heads of the division functions, together with the overall principles of decentralization that Alleima applies, are jointly called "The Alleima Way" and can be divided into three blocks: management, core and supporting processes.

9. External auditor

The external auditor is a control body that is appointed every year by the AGM. The task of the external auditor is to review the company's annual report and consolidated financial statements as well as management of the company by the President and CEO. The outcome of the external auditor's work – the auditor's report – is distributed to shareholders in the annual report and at the AGM. Prior to the AGM, the external auditor submits its opinion regarding among other things, the adoption of the income statements and balance sheets, appropriation of profit or loss, discharge from liability for the Board and President and CEO, and the preparation of the ESEF report.

Alleima AB's Articles of Association state that the company is to have a minimum of one and a maximum of three auditors, with a maximum of three deputy auditors, and that a registered audit company may be appointed auditor. At the 2025 AGM, the audit firm Öhrlings PricewaterhouseCoopers AB was elected auditor of Alleima AB for the period until the 2026 AGM. Magnus Svensson Henryson is auditor-in-charge.

In accordance with its procedural guidelines, the Board met with the external auditor in 2025. Moreover, the external auditor attended every meeting of the Audit Committee. The external auditor's activities included presenting the scope and orientation of the planned audit and submitting audit and review reports.

Audit fees are paid on an ongoing basis according to approved current invoices. For detailed information on fees paid to the external auditor, see Note 4 on page 56.

10. Internal audit

The internal audit function is subordinate to the Audit Committee. The task of the function is to provide independent and objective assurance of the company's internal control, risk management and governance by conducting internal audits. Internal control activities are governed by written instructions that are revised and approved annually by the Audit Committee and the Board.

The basis for the internal control activities is a risk-based annual plan that is prepared using a risk analysis based on documentation from the Board, the President and CEO, Group Executive Management and the divisions. The annual plan is approved by the Audit Committee.

Nine internal audits were conducted in 2025. The head of the internal audit function attended all Audit Committee meetings during the year, except for the meeting that dealt exclusively with the annual report. The outcomes of the internal audits were reported to the Audit Committee. Opportunities for improving the efficiency of the company's governance and processes for internal control or risk management that were identified in internal audits were also reported to the executives responsible.

Alleima process map

Management processes

Strategy, business planning, risk management and follow-up

Quality, sustainability and environment, health and safety

Regulatory and legal compliance

Core processes

Product development

Marketing

Sales

Procurement

Manufacturing

Distribution

Support processes

Finance

HR/personnel

IT

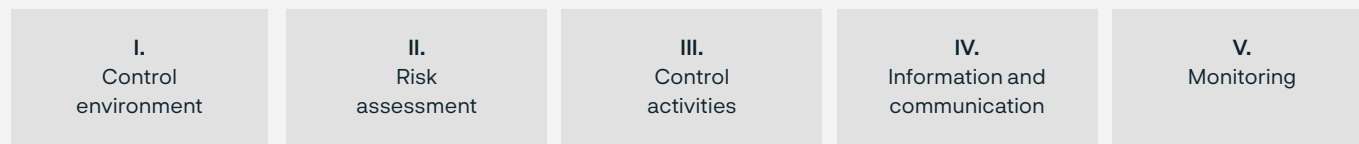
Communication

Internal control and risk management pertaining to financial reporting and sustainability reporting (ESRS 2, GOV-5)

Alleima's internal control activities are intended to ensure that the company's financial position and consolidation of sustainability reporting are correct and reliable, and that the company is in compliance with applicable laws and regulations.

The starting point for internal control activities is the framework for internal controls issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. This framework identifies five integral components of internal control activities: control environment, risk assessment, control activities, information and communication, and monitoring.

The five integral components of internal control activities:



For more information, visit the COSO website: www.coso.org

I. Control environment

Alleima's control environment is built on a clear allocation of duties and responsibilities between the company's various bodies and functions as well as a corporate culture in which integrity, ethics and transparency are fundamental values.

The Board is ultimately responsible for ensuring that the company has an efficient system for internal control and exercises oversight through regular follow-ups of internal control activities as well as through the Audit Committee and the President and CEO. The allocation of duties is clarified in the procedural guidelines to the Board, the instructions to the Audit Committee and the instructions to the President and CEO.

The Audit Committee routinely follows up on the company's internal control activities and prepares the Board's work related to quality assurance of the company's financial reporting and sustainability reporting. Additionally, both the Board and the Audit Committee meet the company's external auditor at least once a year without company management in attendance. The President and CEO leads the practical internal control activities through Group Executive Management and the internal control function. The company's management also has the important task of working clearly to ensure that all employees understand what is required to maintain good internal control and how they are expected to promote it.

The internal regulations for internal control activities are documented in policies, processes and manuals that are included in The Alleima Way and are reviewed and adopted annually.

II. Risk assessment

All divisions and selected Group functions perform an assessment of business risks in accordance with the enterprise risk management (ERM) methodology at least once a year, as part of their strategy work. Risks that are noted by the divisions and Group functions, as well as observations from internal and external audits, are then taken into account in the design of Alleima's Risk and Control Matrix (RACM) internal control framework to ensure that adequate controls are established to address identified risks. Identified and relevant risks are then reported to the Audit Committee and the Board.

III. Control activities

Based on identified and relevant risks, the internal control framework is designed, addressing different control perspectives for financial reporting (ICFR – including Group functions and local entities), general IT controls (ITGC – covering main financial IT systems), sustainability reporting, and governance and risk functions. For each control perspective, an individual is appointed to monitor whether the internal control is carried out in accordance with valid procedures. In addition, the individual operations within each respective control perspective appoint an individual to supervise and follow up their respective local units.

IV–V. Communication, information and monitoring

Internal control is monitored regularly through self-assessments to ensure that risks are managed appropriately and in accordance with the requirements of the internal control framework. The results from the self-assessments of completed internal controls, identified deficiencies, analysis and action plans are included in the CFO's report to the Audit Committee. The Chairman of the Audit Committee regularly reports on the Committee's work to the Board regarding internal control. The Board also carries out an annual review of the company's processes for internal control together with the results of completed controls and self-assessments.

Board of Directors



Name	Andreas Nordbrandt	Karl Åberg	Claes Boustedt	Susanne Pahlén Åklundh	Ulf Larsson
Position	Chairman of the Board Chairman of the Remuneration Committee	Board member Member of the Audit Committee	Board member Member of the Audit Committee	Board member Chairman of the Audit Committee	Board member Member of Remuneration Committee
Born	1971	1979	1962	1960	1962
Election to the Board	2021	2021	2021	2022	2023
Education	Master of Science in Mechanical Engineering from the Institute of Technology at Linköping University, Sweden.	Master of Science in Economics and Business Administration from Stockholm School of Economics, Sweden.	Master of Science in Business and Economics from Stockholm School of Economics, Sweden.	Master of Science in Chemical Engineering from Lund Institute of Technology, Sweden.	Bachelor of Science in Forestry from the Swedish University of Agricultural Sciences in Umeå, Sweden.
Other material board assignments as per December 31, 2025	Chairman of the board of SaltX Technology Holding AB and SMP Holding AB. Member of the board of Sandvik AB.	Member of the board of Essity AB and Telefonaktiebolaget L M Ericsson.	Member of the board of Sandvik AB, Hufvudstaden AB, Husqvarna AB and Förvaltnings AB Lunden.	Chairman of the board of Alfdex AB. Member of the board of ASSA ABLOY AB and Sweco AB.	Member of the board of CEPI, Swedish Forest Industries and Svenska Cellulosa Aktiebolaget SCA.
Professional experience	Former Division President at Epiroc Underground Rock Excavation and Atlas Copco Rocktec.	Deputy CEO and head of the investment organization and the finance function at AB Industrivärden. Former partner and co-founder of Zeres Capital Partners AB, partner at CapMan Public Market Fund, and various positions within Handelsbanken Capital Markets.	Deputy CEO of L E Lundbergföretagen AB and CEO of L E Lundberg Kapitalförvaltning AB. Former Head of Research at Öhman Fondkommission.	Various previous positions within Alfa Laval AB, including President of the Energy Division and the Equipment Division and member of Alfa Laval Group Management.	President and CEO of Svenska Cellulosa Aktiebolaget SCA. Former CEO of SCA Forest Products AB. Member of the Royal Swedish Academy of Engineering Sciences and the Royal Swedish Academy of Agriculture and Forestry. Norwegian Consul General.
Attendance					
Board meetings	17/17	17/17	17/17	17/17	16/17
Audit Committee meetings	–	6/6	6/6	6/6	–
Remuneration Committee meetings	2/2	–	–	–	2/2
Annual General Meeting	Yes	Yes	Yes	Yes	Yes
Independence					
In relation to the company and its management	Yes	Yes	Yes	Yes	Yes
In relation to major shareholders	Yes	No	No	Yes	Yes
Remuneration (kSEK)	1,642	644	644	760	609
Holdings ¹⁾	9,180	12,000	30,000	10,000	5,000

¹⁾ Own and related parties' holdings in Alleima AB (publ) as of December 31, 2025.

Gender distribution members elected by AGM

Women, 29 %

Men, 71 %

**Victoria Van Camp**

Board member

1966

2024

Master of Science in Mechanical Engineering and Ph.D. in Machine Elements from Luleå University of Technology, Sweden.

Chairman of the board of LumenRadio AB. Member of the board of Billerud AB, ASSA ABLOY AB, SR Energy AB, Wireless Solution AB and the Chalmers University of Technology Foundation. Deputy member of the board of Viking Analytics AB.

Adjunct professor of Machine Elements at Luleå University of Technology. Member of the Royal Swedish Academy of Engineering Sciences. Founder and owner of consulting firm, Axa Consulting. Former CTO and President Technology, with several senior positions at SKF.

17/17

–

–

Yes

Yes

Yes

530

2,320

**Göran Björkman**Board member
President and CEO

1965

2019

Master of Science in Mechanical Engineering from KTH Royal Institute of Technology in Stockholm, Sweden.

Chairman of the board of SKGS. Member of the board of Industrierbetsgivarna i Sverige service AB and the Confederation of Swedish Enterprise.

Various previous management positions within the Sandvik Group, including President of the business area Sandvik Materials Technology and member of Sandvik's Group Executive Management Team as well as VP and Head of Global Production at AB Sandvik Coromant.

17/17

–

–

Yes

No

Yes

–

65,893

**Tomas Kärnström**Board member
(appointed by IF Metall)

1966

2021

17/17

577

**Mikael Larsson**Board member
(appointed by Unionen)

1963

2021

15/17

27

**Niclas Widell**Deputy Board member
(appointed by IF Metall)

1974

2021

14/17²⁾

24

**Maria Sundqvist**Deputy Board member
(appointed by Akademikerförbundet)

1964

2021

10/17²⁾

126

1) Own and related parties' holdings in Alleima AB (publ) as of December 31, 2024.

2) The number of board meetings includes three per capsulam resolutions in which deputy board members did not participate.

Group Executive Management



Name	Göran Björkman	Carl von Schantz	Robert Stål	Per Eklund	Johan Eriksson
Position	President and CEO	President Tube Division	President Kanthal Division	President Strip Division	CFO
Born	1965	1973	1983	1971	1973
In the position since	2017	2023	2023	2025	2025
Education	Master of Science in Mechanical Engineering from KTH Royal Institute of Technology in Stockholm, Sweden.	Master's degree in Business Administration from Kellogg School of Management at Northwestern University and Bachelor of Arts degree in Economics from Northwestern University, USA.	Master of Science in Material Science from KTH Royal Institute of Technology, Sweden. Bachelor of Science in Business and Economics from Stockholm University, Sweden.	Master's degree in Mechanical Engineering and Materials Science from Luleå University of Technology, Sweden.	Bachelor of arts degree in Economics and Business Administration from Dalarna University, Sweden.
Material board assignments ¹⁾ as per December 31, 2025	Chairman of the board of SKGS. Member of the board of Industrierbetsgivarna i Sverige service AB and the Confederation of Swedish Enterprise.	–	–	–	–
Professional experience	Various previous management positions within the Sandvik Group, including President of the business area Sandvik Materials Technology and member of Sandvik's Group Executive Management Team as well as Vice President and Head of Global Production at AB Sandvik Coromant.	Formerly President of the General Industry division at Atlas Copco, Senior Vice President and Head of the Energy Sector at Lantmännen, and Managing Director within the Sapa Group (now Hydro Extrusions).	Former CEO of Dafo Vehicle Fire protection; various positions within Sandvik Materials Technology, including President of Business Unit EMEA within the Tube Division, Global Sales and Marketing Manager as well as Product Manager for Nuclear Power Products within the Tube Division, and Product Manager within the Metallurgy department at ABB AB.	Formerly General Manager Marketing and Sales at the Strip Division, as well as various senior positions within the Sandvik Group, including Head of Strategy Execution and Corporate Business Development at Sandvik Coromant and other roles primarily in sales and marketing as well as business development.	Former Head of Group Business Control at Alleima, different roles at Sandvik Group including Head of Group Business Control, and different managerial roles within Business Control at AstraZeneca.
Holdings ²⁾	65,893	21,584	15,085	611	5,011

Other members of Group Executive Management in 2025

Olof Bengtsson was CFO until August 31, 2025.

Johanna Kreft was EVP and General Counsel until October 8, 2025.

Ulrika Dunker was EVP and Head of Human Resources until December 31, 2025.

1) Pertains to board assignments outside the Alleima Group.

2) Own and related parties' holdings in Alleima AB (publ) as of December 31, 2025.

Gender distribution, Group Executive Management

Women, 20 % Men, 80 %

				
Christian Swartling	Mikael Blazquez	Maria Reinholdsson	Tom Eriksson	Elja Nordlöf
EVP and General Counsel	EVP and Head of Strategy, M&A and IT	EVP and Head of Human Resources	EVP & Head of Strategic Research	EVP & Head of Communications
1974	1972	1968	1973	1985
2026 ³⁾	2018	2026 ⁴⁾	2018	2018
Master of Laws (Corporate Law) from New York University, School of Law. Master of Laws from the Faculty of Law at Lund University.	Master of Science in Automatic Data Processing from University of Gävle, Sweden.	Master of Business Administration (MBA) from Edinburgh Business School, Bachelor of Science (BSc) in Human Resource Development and Labor Relations from Umeå University.	Doctor of Philosophy in Materials Chemistry from Uppsala University, Sweden. Bachelor's degree in Inorganic Chemistry from Uppsala University, Sweden.	Master of Science in Media and Communication from University of Gävle, Sweden.
–	–	–	Member of the board of SWERIM AB.	–
Former Senior Vice President Group Legal at Stora Enso, Nordic General Counsel at GE Capital, and lawyer at Mannheimer Swartling law firm.	Various previous positions within Sandvik Materials Technology, including Business Unit Manager Nuclear Power and Global Sales and Marketing Manager Nuclear Power & Aerospace within the Tube division, and various positions within Telefonaktiebolaget L M Ericsson, including Manager Market Supply Americas and Manager Customer Logistics.	Former CHRO at Stockholm Exergi, HR and Communications Director at LKAB, CHRO and Head of Corporate Staffs at Telenor Sweden, and SVP Talent Management at Telenor Group, and various positions within Vattenfall including CHRO, VP Talent Management, and IT Manager.	Various previous positions within Sandvik Materials Technology, including Head of Materials Design and Strategic Research Manager; Discovery Research Manager and Material Specialist at St. Jude Medical AB; and Researcher at Lawrence Berkeley National Laboratory.	Various previous positions within the Sandvik Group, including Corporate Communications Manager and Communications Specialist; and Communications Officer at the German-Swedish Chamber of Commerce.
–	9,961	–	8,636	2,096

3) Christian Swartling was appointed EVP and General Counsel with effect from January 19, 2026.

4) Maria Reinholdsson was appointed EVP and Head of Human Resources with effect from March 2, 2026.



Sustainability report

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General disclosures (ESRS 2)

Basis for preparation and reporting principles

General basis for preparation of sustainability statements (BP-1)

This is Alleima's consolidated sustainability report for the 2025 financial year. It has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS) and the Swedish Annual Accounts Act, and contains the disclosures deemed to be material in Alleima's double materiality assessment.

The sustainability report covers Alleima AB and all its subsidiaries, jointly the Alleima Group, with its registered office in Sandviken, Sweden. The contents and scope of the consolidated report, and the principles for determining what is included, are the same as for the financial statements. See Note 1 on page 45.

The sustainability statement covers the areas of Alleima's upstream and downstream value chain where the materiality assessment has indicated that material impacts, risks or opportunities exist or could arise. Read more about the materiality assessment on page 103 and about policies, activities, targets and metrics under each material disclosure.

The report has been reviewed by an independent auditor.

Disclosures in relation to specific circumstances (BP-2)

Time horizons

Alleima applies the time horizons set out in ESRS:

- short-term: less than 1 year
- medium-term: 1–5 years
- long-term: more than 5 years

Estimates and uncertainties

Alleima reports Scope 1, 2 and 3 emissions in accordance with the GHG Protocol. Emissions data within Scope 3 include information from the company's value chain and are considered to be subject to a higher degree of measurement uncertainty. The GHG accounting for Scope 3 was based on a combination of activity data primarily from internal data sources and, to some extent, on emissions data from both internal and external data sources.

The data set is considered complete for the most significant emission category (category 1), with a focus on obtaining a high proportion of primary data and supplier-specific emissions data, especially for raw material purchases. For other, less significant categories, expenditure data was used extensively. The calculation of GHG emissions based on expenditure data has higher uncertainty than using activity data such as consumption in weight, volume, or number of items.

The calculations were carried out using data models within an IT system for GHG data reporting. Conversion factors were sourced from suppliers where available; otherwise, industry averages were applied. For spend-based data, conversion factors from Exiobase were used.

Some categories were deemed not applicable, some were based on surveys, assumptions, and extrapolation. No primary data was available, and no data model based on assumptions was set up for downstream transportation. To some extent, this information is included in category 1. How these emissions will be reported will be determined at a later stage.

In cases where reported data are not fully available at the end of the reporting period, estimated values are included to reflect the full year. Estimates are prepared by the reporting entities themselves based on historical reporting patterns. For further information on estimates and sources of uncertainty, see the Accounting policies section, starting on page 125.

Incorporation by reference

ESRS	Disclosure requirements	Information	Part of the directors' report	Location
GOV-1	The role of the administrative, management and supervisory bodies	Information on the composition, experience and diversity of the Board	Corporate governance report – Composition of the Board	86
GOV-5	Risk management and internal control over sustainability reporting	Description of risk management and internal control processes including identified risks	Corporate governance report – Internal control and risk management pertaining to financial reporting and sustainability reporting	89
SBM-1	Strategy, business model and value chain	Further information regarding employees	Note 3 Personnel information	54

Amendments and corrections of errors in previous reporting

This is Alleima's first report prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the ESRS. The presentation and information in the sustainability report therefore differ from previous reports.

Emissions data for 2024 relating to scope 3 has been updated based on more precise information that has become available. The update represents a material reduction and creates the basis for a meaningful comparison between the current year's and the previous year's emissions data. No other material adjustments have been made compared with Alleima's previous sustainability reporting.

Omission of sensitive information

Information relating to upcoming innovations of a commercially sensitive nature that could have a potentially material impact on the Group's future earnings has been omitted for confidentiality reasons.

Phase-in of disclosures

Alleima has identified biodiversity as an area where it has material impacts and risks, mainly through its impacts related to climate change, pollution and water use in its own operations and from activities in the value chain. The steel value chain and Alleima's production processes generate GHG emissions, use water and are associated with a number of non-GHG pollutants that can contribute to biodiversity loss. Alleima's production operations are also dependent on ecosystem services, such as water and raw materials. Similarly, Alleima has an impact on ecosystem services both in its own operations and upstream in the value chain as a result of water withdrawal and the extraction of raw materials.

In this year's report, Alleima has chosen to apply the phase-in rules presented by the EU in summer 2025. The company's environmental and sustainability policies include actions to reduce negative impacts on biodiversity, including requirements for traceability, certifications and cooperation with stakeholders that promote ecosystem restoration, as well as descriptions of how these actions are to be followed up. For additional information about metrics and targets, see page 98. For additional information about Alleima's policies, see pages 98 and 125.

This is the first time Alleima has prepared a report in accordance with the ESRS; therefore, comparative information is not available for all indicators. This applies to the reporting of indicators under E2-5 and G1-3.

In addition, Alleima has chosen to apply the phase-in provisions for the following disclosures:

ESRS standard	Disclosure requirements	Phase-in
General disclosures		
ESRS 2	SBM-3	Anticipated financial effects
Environmental disclosures		
ESRS E1	E1-9	Anticipated financial effects
ESRS E2	E2-6	Anticipated financial effects
ESRS E3	E3-5	Anticipated financial effects
ESRS E4	E4-1	Transition plan
	E4-2	Policies
	E4-3	Actions
	E4-4	Targets
	E4-5	Metrics
ESRS E5	E4-6	Anticipated financial effects
	E5-6	Anticipated financial effects

General disclosures (ESRS 2), cont.

Governance

The role of the administrative, management and supervisory bodies (GOV-1) and information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

Alleima's Board of Directors has the highest responsibility for the Group's sustainability work. This responsibility includes the governance and oversight of the processes needed to ensure efficiency and due diligence in various areas such as reporting, compliance with regulations and policies, as well as the international principles that Alleima follows.

Composition of the Board

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

Alleima's Board of Directors currently consists of seven members elected by the AGM, two employee representatives and two deputies for the employee representatives. The members of the Board have experience from different industrial segments and the financial markets. Moreover, all of the Board members elected by the AGM have experience of the requirements imposed on a listed company, including through their board assignments with other companies.

With the exception of the President and CEO, all members elected by the AGM are independent in relation to the company and its management.

In electing the Board members, Rule 4.1 of the Code was applied as the company's diversity policy to ensure selection based on qualifications, experience and relevant expertise. Two of the seven members (approximately 29%) elected by the AGM are women. The Board members are presented in more detail on pages 90–91.

Corporate governance and management system

Alleima is governed based on its internal corporate governance framework, The Alleima Way, which implements the laws and external rules to be followed and also sets out the internal rules and principles for governance that apply specifically within Alleima.

The Alleima Way is based on three blocks: management, core and supporting processes. The processes are governed by policies, procedures and other governing documents describing the common ways of working implemented throughout the entire organization. Sustainability governance is integrated into The Alleima Way and there is a clear structure in place for how sustainability is to be managed within the company. For a more detailed description of The Alleima Way, refer to page 87 in the Corporate governance report.

Alleima has also implemented global multi-site certifications according to ISO 45001 and ISO 14001 that covers each major location and workers that perform work for Alleima at these locations. Whether a location is deemed major is based on the risk profile of that facility. If a location is not covered by a certified management system, it will instead be covered by a separate procedure under the Sustainability Policy, which aims to ensure that environmental, health and safety considerations are sufficiently addressed. At the end of 2025, all of the company's major locations were covered by a management system that was verified by a third party.



Sustainability governance

Alleima's Board of Directors has the overall responsibility for sustainability reporting, monitored by the Audit Committee. Group Executive Management has the overall responsibility for the company's strategy as well as its sustainability work and agenda, while the divisions are responsible for implementation and follow-up.

To coordinate the Group's sustainability work, Alleima has established a Sustainability Council with representatives from various Group functions and divisions. Its composition, with broad overall expertise, helps integrate sustainability into the company's various operations. All divisions are represented by their sustainability managers, who bring their familiarity with each business unit to the table. The division representatives also have broad sustainability expertise and knowledge in areas such as water, biodiversity and sustainable value chains. The Sustainability Council also includes experts in the fields of energy, reporting and analysis, sourcing, HR and communication.

The council coordinates the preparation of sustainability governing documents, such as the Sustainability Policy and related procedures, as well as preparing materials that require approval from Group Executive Management. The head of the governance and sustainability function chairs the Sustainability Council and reports to the President and CEO. The Sustainability Council reports to Group Executive Management quarterly. In these reviews, management is informed about issues related to sustainability as well as the company's progress towards its sustainability targets and plans

for further progress towards reaching long-term targets. Sustainability work is reported to the Board in the same way twice per year.

During the year, Alleima reviewed its Sustainability Policy and revised its sustainability targets, including introducing science-based targets approved by the Science Based Targets initiative. An ongoing review of the Group's progress has been provided to management and the Audit Committee on a quarterly basis and to Alleima's Board. The Group continued to focus on security work during the year, and several security-related programs and campaigns were implemented.

The Nomination Committee is responsible for ensuring that Board members have the requisite expertise. Information from the sustainability function allows the Board to continuously develop their sustainability expertise.

The Board participates in the double materiality assessment and helps identify Alleima's impacts, risks and opportunities. Its sustainability review led, for example, to long-term sustainability risks being included in the risk management process. Sustainability is also a part of Alleima's strategy, meaning that sustainability issues have been identified as crucial for the company's continued success. In order to execute the company's strategy, long- and short-term operational targets are set based on Alleima's materiality assessment. The long-term targets are approved by the Board and management. Monitoring and follow-up of progress towards sustainability targets are integrated into the company's overall performance review process. The targets are followed up on a monthly basis and reported to Group Executive Management on a quarterly basis. Short-term targets are followed

General disclosures (ESRS 2), cont.

up continuously and the results are used for deciding on improvement plans and actions. Key performance indicators (KPIs) and other relevant information are consolidated at the Group level on a monthly, quarterly or annual basis depending on the type of target or reporting requirement.

Policies

Alleima has a long history of operating in accordance with applicable laws and internationally recognized principles and is committed to following sustainable business practices. This involves its own internal work as well as its interactions with business partners.

Group-wide policies governing the operations are established based on The Alleima Way and the company's risk management process. These are supported by procedures and process descriptions. Some of the company's most important policy documents are:

- Code of Conduct
- Supplier Code of Conduct
- Sustainability Policy
- People Policy
- Procurement Policy
- Ethics and Compliance Policy

Alleima's Code of Conduct provides principles for how the company is to do business and establishes responsible, ethical behavior as a requirement. There is also a separate Supplier Code of Conduct. The Codes of Conduct are based on internationally recognized principles for environmental, social and governance aspects, such as the ten principles in the UN Global Compact, the UN Universal Declaration of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption.

Alleima also follows the principles in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Responsible Minerals Initiative and the UN Sustainable Development Goals (SDGs). The company is also a signatory to the UN Global Compact (UNGC) and reports on the ten principles in accordance with the UN Global Compact.

Alleima does not accept any form of harassment, bullying or discrimination. The company has zero tolerance for forced labor, slave labor, and child labor and supports children's rights and the right to education. All Alleima employees have the right to join a trade union if they so wish.

The Board is ultimately responsible for the Code of Conduct, the Sustainability Policy, and the Ethics and Compliance Policy. Group Executive Management has the ultimate responsibility for the Supplier Code of Conduct, the People Policy and the Procurement Policy. The Code of Conduct and Supplier Code of Conduct can be found on Alleima's website: www.alleima.com/sustainability/codeofconduct. Alleima's commitments to respect human rights are also available on the website: www.alleima.com/sustainability/humanrights. For further information on Alleima's policies, see Appendix 1, page 125.

Metrics and targets

Alleima has not set group-wide sustainability targets for the areas of pollution and hazardous substances, water, biodiversity, waste circularity, or areas encompassed by responsible business conduct. These are measured and monitored through the internal framework The Alleima Way. Along with the long-term sustainability targets adopted by the Board, The Alleima Way is a comprehensive framework designed to manage and monitor all topics defined as material in Alleima's double materiality assessment.

The Alleima Way implements the laws and external rules to be followed and sets out the internal rules and principles for governance that apply specifically within Alleima. The framework is based on three blocks: management, core and supporting processes. The processes are governed by policies, procedures and other governing documents describing the common ways of working implemented throughout the entire organization. The Alleima Way includes several mandatory KPIs that are measured and monitored.

Policies and procedures are reviewed on an annual basis, including a follow-up of their appropriateness and effectiveness. The follow-up consists of several checkpoints that measure whether the policy in question has been implemented in the organization.

Sustainability-related incentive programs

Integration of sustainability-related performance in incentive schemes (GOV-3)

The Annual General Meeting has adopted guidelines for variable cash remuneration for senior executives, making it conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the company's business strategy and performance as well as its long-term interests, including sustainability. At the beginning of each year, the criteria are proposed by the Remuneration Committee and approved by the Board of Directors, including KPIs and the target ranges deemed relevant for the upcoming measurement period.

The criteria may be financial, and non-financial, and shall always be related to business performance. At least 80% of the variable cash remuneration shall be linked to the financial criteria. With respect to short-term variable remuneration in 2025, it was decided that the CEO and the heads of Group functions are to be assessed on the basis of Group-level KPIs and the heads of divisions are to be assessed on the basis of a combination of Group-level and division-level KPIs. Variable remuneration for the year was based on factors such as the company's reduction of CO₂ emissions. To achieve maximum fulfillment of the GHG emissions reduction target, Scope 1 and 2 emissions must be reduced to 87,950 tons of CO₂ by 2027, compared with 2025.

Due diligence

Statement on due diligence (GOV-4)

Alleima's process for identifying, preventing and mitigating negative impacts from the company's operations are guided by internationally recognized principles, such as the ten principles in the UN Global Compact, the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption.

Alleima also follows the principles in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Responsible Minerals Initiative and the UN SDGs. The company is also a signatory to the UN Global Compact (UNGC) and reports on the ten principles in accordance with the UN Global Compact.

Further information on Alleima's due diligence process is presented in the sections below.

Core elements of due diligence	References to the sustainability report	Pages
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3	97 98 102
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS S1	97 99 103 115
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3	103 102
d) Taking actions to address those adverse impacts	ESRS E1 ESRS S1	106–108 115
e) Tracking the effectiveness of these efforts and communicating	ESRS E1 ESRS S1	108–109 116–117

Risk management and internal controls over sustainability reporting (GOV-5)

The Board is ultimately responsible for establishing effective systems for risk management and internal control. Sustainability risks are managed in Alleima's overall risk management process. The Sustainability Council helps develop the risk management process for climate-related risks and opportunities, while the HR function helps with social and workplace risk management and the compliance function helps with risks related to business ethics. The top risk within internal controls constitute the fact that the program is limited given that it's new. A new risk assessment was conducted during the year which will be used to plan expansion of the program. The program for internal control also includes compliance follow-up, for example with Alleima's Code of Conduct.

General disclosures (ESRS 2), cont.

The Board reviews the company's work in the areas of internal control, risk management, sustainability and compliance on an annual basis, with the latter including a review of the Group's Code of Conduct and other internal policies.

In a situation that does not appear to conform with Alleima's principles as set out in the Code of Conduct, policies, or currently prevailing law, we expect employees and business partners to bring their concerns to the company's attention. This can be done through the company's whistleblower service, Speak Up. Read more on page 102.

Read more about internal control and risk management on page 89 (corporate governance report).

Strategy, business model and value chain

Strategy, business model and value chain (SBM-1)

Alleima has identified sustainability as an important success factor and driver of profitable growth. Sustainability is a natural part of all aspects of the company's operations and is an integral part of the company's commercial strategy. The impact on the environment, people, human rights, and operations are managed equally with other business decisions. For further information on Alleima's strategy, see page 86.

Business model and value chain

Alleima's greatest contribution to sustainability is through its product offering. The company's products contribute to making customers' products, applications and processes safer, more efficient and more sustainable. They also enable the transition to renewable sources of energy, the electrification of industries and innovations in the medical sector.

Alleima's business model aims to deliver profitable growth and create added value for the company's stakeholders. With a fully integrated value chain, Alleima has the opportunity to influence and minimize the climate footprint in all phases of production. The company's upstream value chain consists of suppliers of direct and indirect materials. Downstream, there are customers and end-products.

The upstream value chain primarily involves the production of raw materials and energy used in the production process. The company's circular business model and steel production based on scrap as an input material enables a sustainable manufacturing process, which is largely supplied using recycled metal raw material. In addition to recycled metal raw material, primary metal raw material and alloy elements are added to varying degrees, depending on the material being produced. Alleima has developed a process with robust procedures to ensure sustainable sourcing of primary materials. Direct material sourcing addresses aspects related to common sustainability risks, such as risks related to mining and refinement of metallic raw materials.

The products Alleima manufactures are based on unique material compositions with properties that meet customers' high demands in terms of safety, mechanical properties, corrosion resistance, temperature and more. The company delivers tube products in advanced stainless steel and special alloys, products for industrial heating and resistance materials, and ultra-fine medical wire and wire-based components. Alleima also develops a wide range of precision strip steel and valve steel and offers a range of coated strip steel aimed at hydrogen applications. Alleima's customers mainly operate in the Energy, Chemical and Petrochemical, Industrial, Mining, Construction, Transportation and Medical segments, spanning more than 80 countries.

In terms of revenues, the five largest geographic markets are the US, China, Sweden, the UK and Germany. Together, these markets accounted for just over 50% of the company's total revenues. The company's employees in these countries represented more than 77% of the total workforce. For further information, see the segment information in Note 2 of the company's financial information.

Alleima's sustainability focus areas

Alleima's long-term sustainability agenda is based on four focus areas: a responsible employer, climate, circularity, and product offering.

A responsible employer

Alleima's success is largely due to the company's ability to attract, develop and retain the right employees. Workplace health and safety is the top priority and all operations have clear plans for how the work environment and employee safety can be improved. Equal opportunity and development are also prioritized areas that help employees thrive and develop.

Climate

Electrification and an increased share of biofuels are two components of Alleima's plan to reduce the climate impact of its own operations. Alleima mainly uses energy in its heating processes in the form of fuel-powered burners in furnaces, for example, and electricity for electric arc furnaces. Since 2013, all of Alleima's operations in Europe and approximately 98% of its operations worldwide use fossil-free electricity. In some heating processes, biofuels are also blended in. During the year, blended biofuels accounted for 16% of the energy used in direct combustion.

Circularity

Alleima primarily melts steel scrap instead of virgin material in its steel production, and the company's end-products consist of more than 80% recycled steel. Together with the use of fossil-free electricity at the production facilities, this means that Alleima has a relatively low carbon footprint.

Product offering

Alleima's goal is to be an industry leader in sustainability in terms of its operations as well as its product offering. The main contribution to sustainability comes from the company's products and solutions, which allow customers to transition to fossil-free energy, improve their energy efficiency and reduce their climate impact.

Interests and views of stakeholders (SBM-2)

Alleima's main stakeholders are its employees, customers, owners and suppliers. The company also has common interests with the communities and organizations where it operates, both locally near its operations and at the national and global levels. There are also more distant stakeholders, such as the employees of its business partners.

Communication with stakeholders uses the same channels as other company communication, which includes interim reports, annual reports, investor calls, employee webinars and committees for consultation. The information is taken into account and serves as input for future analyses, such as materiality assessments. The Audit Committee and the CEO are informed of the stakeholders' views in connection with the annual materiality assessment.

Interests and views of stakeholders (SBM-2)

Stakeholder groups	Channels for dialogue	Purpose of dialogue
Own workforce	Employee appraisals, webinars, consultation committees	To encourage commitment among employees and to understand their sustainability interests
Customers	Continuous dialogue, trade fairs, customer surveys	To understand customer needs, interests and challenges
Owners	Interim reports, annual report, investor calls, AGM	To develop communication methods that attract new shareholders and provide the financial information they need
Suppliers	Continuous dialogue, supplier evaluations	To gain insight into suppliers' sustainability work and offerings
Local communities and workers in the value chain	Continuous dialogue, consultation committees	To meet the needs of local communities and employees in the value chain and to manage Alleima's impact on them.

General disclosures (ESRS 2), cont.

Material sustainability aspects in the value chain



1) The icons show where Alleima's material topics mainly occur in the value chain. The illustration is not exhaustive and should be seen as an overview.

General disclosures (ESRS 2), cont.



Marketing and sales

Marketing and sales follows the highest ethical standards. In addition to finished products, the company offers data from life cycle assessments for several products.

Logistics

Electric and biofuel-powered vehicles are used for internal logistics and material transportation. High demands are placed on external transportation when it comes to fossil-free fuel and to load and route optimization. Transportation is primarily by water, rail and road, and only to a certain extent by air.

Product use

End-products enable better energy efficiency, reduced CO₂ emissions, the energy transition, reduced materials usage, and increased safety and quality of life.

Recycle

Metallic materials are circular and have good recycling potential. Buy-back programs and recycling systems allow Alleima to reduce the climate impact of manufacturing new materials.

Globally.

Globally. The majority of large flows originate in Sweden.

Depends on customer or service unit.

Sweden and globally.



 Own operations

 Downstream

General disclosures (ESRS 2), cont.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The table below lists Alleima's material sustainability topics. The table also shows the type of impact, risk or opportunity they entail, where in the value chain they arise, and within what time horizon. This is Alleima's first sustainability report in accordance with the ESRS, which is why no changes compared to the previous year regarding the outcome of the materiality assessment are reported. In addition to the sustainability topics covered by the ESRS, Alleima has identified a company-specific disclosure: Growth of products that support increased sustainability.

Sustainability topics are incorporated into Alleima's overall strategic work to ensure that the company's business model and strategy are resilient to the identified impacts, risks, and opportunities. This work includes analyzing Alleima's ability to manage impacts and risks and to take advantage of opportunities. For further information on Alleima's strategy, see page 86. Impacts, risks, and opportunities are further described in each topical section of the report.

ESRS standard	Topic	Negative / positive impact, risk/opportunity	Time horizon	Where in the value chain	Location
E1	Climate				106
	Climate change mitigation	Negative impact, risk	■ □ □	↑ 🏠 ↓	
	Energy	Negative impact, risk	■ □ □	↑ 🏠 ↓	
E2	Pollution				110
	Air	Negative impact, risk	■ □ □	↑ 🏠 ↓	
	Soil	Negative impact, risk	■ □ □	↑ 🏠 ↓	
	Substances of concern and substances of very high concern	Negative impact, risk	□ □ ■	↑ 🏠 ↓	
E3	Water				111
	Water withdrawals	Negative impact, risk	□ □ ■	↑ 🏠 ↓	
	Water discharges	Negative impact	□ □ ■	↑ 🏠 ↓	
E4	Biodiversity				96
	Impacts and dependencies on ecosystems	Negative impact, risk	□ □ ■	↑ 🏠 ↓	
	Impacts through climate change and pollution	Negative impact, risk	□ □ ■	↑ 🏠 ↓	
E5	Resource use and circular economy				112
	Resource inflows	Negative impact, risk	■ □ □	↑ 🏠 ↓	
	Resource outflows	Negative impact, risk	■ □ □	↑ 🏠 ↓	
n/a	Company-specific disclosure				114
	Growth in products that support increased sustainability	Positive impact, opportunity	□ □ ■	↑ 🏠 ↓	
S1	Own workforce				115
	Health and safety	Negative impact, risk	□ ■ □	↑ 🏠 ↓	
	Diversity	Negative impact, risk	□ ■ □	↑ 🏠 ↓	
S2	Workers in the value chain				118
	Health and safety	Negative impact, risk	■ □ □	↑ 🏠 ↓	
G1	Business ethics				120
	Corporate culture	Positive impact, opportunity	□ □ ■	↑ 🏠 ↓	
	Corruption and bribery	Negative impact, risk	□ □ ■	↑ 🏠 ↓	
	Management of relationships with suppliers	Negative impact	□ □ ■	↑ 🏠 ↓	

■ □ □ Short □ ■ □ Medium □ □ ■ Long

↑ Upstream 🏠 Own operations ↓ Downstream

General disclosures (ESRS 2), cont.

Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

The materiality assessment aims to assess Alleima's impact on the outside world and the impact of the outside world on Alleima as well as the risks and opportunities that arise. In 2023, the company carried out its first double materiality assessment, where impacts as well as risks and opportunities were identified. Since then, the materiality assessment has been reviewed annually. The assessment is based on Alleima's own operations and value chain.

The materiality assessment was carried out in the following steps:

Step 1 – Mapping stakeholders and the value chain

A comprehensive mapping of Alleima's value chain was carried out in combination with an analysis of the operating environment and interviews with stakeholders. The goal was to better understand the company's context and pave the way for the next step in the materiality assessment.

Step 2 – Identifying impacts, risks and opportunities

A mapping of possible impacts, risks and opportunities along the value chain was carried out. This resulted in several potential material topics. Internal and external stakeholders were then identified for each topic.

Step 3 – Assessment

To establish material topics, workshops were held with internal stakeholders along with interviews with Group Executive Management and the Board. Materiality thresholds were based on these initiatives, and each topic was weighted based on scale, scope, irremediable character and likelihood. The weighting resulted in a summary of material topics.

Step 4 – Validation and documentation

The selection was then validated by the finance function and the corporate governance function, along with Group Executive Management and the Board, which resulted in a final collection of topics that are material for Alleima and that will therefore be included in the company's sustainability reporting.

The material topics identified define the scope of Alleima's reporting. The material topics are also to be reflected in the company's sustainability targets and strategies and be integrated into its risk and business processes.

The materiality assessment covers Alleima's entire value chain. The process and method used for the double materiality assessment and the pre-determined threshold for materiality are approved annually by the Board and the Audit Committee.

Process

Impact materiality

The assessment covered Alleima's impacts on people and the environment, both those caused directly by the company's own operations and those caused indirectly by activities upstream or downstream in the value chain. These impacts can be either positive or negative, or both. They can also be either actual or potential.

Scale defines how grave the negative impact is – for example, consequences for people and/or the environment – as well as how beneficial the positive impact is.

Scope defines how widespread the impacts are – for example, the number of people or the geographical perimeter impacted.

Irremediable character is defined as the possibility of restoring the environment or people impacted to their prior state.

Severity is then categorized based on a five-point scale: not applicable, minimal, important, significant or critical.

Likelihood categorizes impacts as actual, likely or unlikely.

For negative impacts, materiality is defined based on severity (scale, scope and irremediable character) and the likelihood of occurrence. For positive impacts, materiality is defined based on benefits and the likelihood of occurrence.

Impact materiality is assessed using due diligence principles to draw conclusions on the severity of the impacts.

Financial materiality

The assessment of financial materiality covers the financial impacts for Alleima due to external factors. Impacts may arise in the form of risks (negative financial impacts) or opportunities (positive financial impacts). Financial materiality is assessed based on the likelihood and magnitude of the financial impact.

Step 5 – Dialogue with stakeholders

Several different stakeholder groups were involved in Alleima's first materiality assessment as an independent company back in 2022. Interviews were carried out with a number of external stakeholders (suppliers and customers) as well as with internal stakeholders from different central functions within the Group, from the divisions and from the Board and management.

In the 2023 materiality assessment, the results were expanded to include consultations with internal and external specialist experts and other external sources and reports as well as a geographic mapping of impacts, risks and opportunities. The reviews in 2024 and 2025 included those responsible for the various topic groups as well as the Board and management.

Read more about stakeholder dialogues on page 99.

Results

Topics are deemed material if they exceed Alleima's defined threshold for likelihood and/or impact, risk and opportunity. The results of the double materiality assessment are reported annually to the Board and the Audit Committee. The results are also used as input for Alleima's risk management process.

The topics deemed material are:

- Climate and energy
- Pollution
- Water
- Biodiversity
- Circularity
- Health and safety
- Diversity
- Business ethics
- Growth in products that support increased sustainability

Climate and energy include reporting of Scope 1, 2, and 3 GHG emissions. Circularity covers Alleima's material inflows and outflows of resources and their circularity, reported as metallic raw materials and waste management. Health and safety encompass both the company's own workforce and employees in the value chain. Diversity includes the company's own workforce. Business ethics include compliance and sustainable procurement. Alleima has also defined a company-specific material topic: Growth of products that contribute to increased sustainability.

For a complete list of the disclosure requirements covered by the sustainability report, see Appendix 1 on page 123.

General disclosures (ESRS 2), cont.

Climate-related scenario analysis

To identify and analyze the company's main climate-related risks and opportunities, Alleima has conducted a climate scenario analysis.

The analysis covered transition risks and opportunities in Alleima's own operations and value chain as well as physical risks in Alleima's own operations. For the latter, all of Alleima's facilities were included.

Transition risks were analyzed using the Net Zero (NZ) and Nationally Determined Contributions (NDC) Scenario from the Network for Greening the Financial System (NGFS), while RCP8.5 (continued high emissions) and RCP2.6 (significantly reduced emissions) were used for physical risks. The time horizons used were 2020, 2030 and 2050.

Physical risk refers to the potential negative impacts and damages caused by climate-related events and changes in the physical environment. These risks are associated with the direct consequences of climate risks such as extreme weather conditions, rising sea levels, heat waves and other natural disasters.

Transition risk refers to the financial, legal and operational risks associated with the transition to a low-carbon and sustainable economy. This type of risk arises due to changes in policies, regulations, technologies, market dynamics and consumer preferences aimed at mitigating climate change and reducing GHG emissions.

The climate risk analysis focused on the components of risk and expo-

sure. Risk is defined as potential sources of climate-related damages, such as rising sea levels resulting in damages or property loss. Exposure refers to the presence of people, livelihoods, environmental services and resources, infrastructure, or economic, social or cultural assets in places and settings that could be adversely affected.

The analysis identified expected changes in eight risks for two emission scenarios (RCP2.6 and RCP8.5) and three time horizons (2030, 2050 and 2100) at 55 of Alleima's facilities.

The potential risks assessed were extreme heat, extreme cold, drought/water stress, heavy precipitation, river flooding, coastal flooding, coastal erosion and variable winds.

The 55 facilities assessed comprise administrative offices, production units, sales units, distribution units, and warehouses. The facilities are located in five regions: North America (10), South America (2), Europe (29), the Middle East and South Asia (5), and East Asia (9).

The main risks and opportunities were grouped into three opportunity clusters and five risk clusters, together providing a description of Alleima's potential climate-related risks and opportunities.

The results of the analysis have been used in Alleima's climate transition plan to ensure that the right activities are implemented to mitigate the company's climate impact.

Identified risk/opportunity	Category
Extreme heat	Physical risk
Heavy precipitation	Physical risk
Drought	Physical risk
Water stress	Physical risk
Floods	Physical risk
Reputational damage and loss of trust due to failure to meet sustainability expectations	Transition risk
Costs associated with compliance with sustainability regulations, including inconsistent regulations between regions and legal disputes	Transition risk
A lack of investment and/or insufficient speed in developing the technologies needed to reduce emissions	Transition risk
Sustainable growth through alignment with the European Green Deal, green financing and opportunities to attract talent	Transition opportunity
Commercialization of products that support the climate transition	Transition opportunity

Environment

Alleima's operations currently have a relatively low carbon footprint with in our industry, primarily due to the high percentage of recycled steel used production and a large proportion of fossil-free electricity. The areas deemed most material are climate and energy, pollution, water, biodiversity, and circularity.

The EU Taxonomy

The EU Taxonomy is a classification system that aims to identify whether economic activities contribute to achieving the EU's environmental objectives. For the 2025 reporting, the company has chosen to apply the new delegated act (Delegated Regulation 2026/73), which was published in the EU Official Journal in January 2026.

Reporting principles

The following section describes how the KPIs were calculated.

Turnover

Turnover was derived from the consolidated income statement on page 41 and reconciled with reported revenues of the group. Total turnover aligns with revenues in the income statement.

The identification of eligible turnover was determined based on a screening of significant revenue streams that comply with the screening criteria. Manufacture of iron and steel was identified.

Alleima's steel manufacturing and the reported turnover originating from its supply chain are included based on the fact that they comply with the criteria for the manufacture of iron and steel, including its sub-groups, which for the company include, for example, manufacturing of tube products, precision strip steel, ultra-fine wire for medical devices and material for heating technology. No other activities that generate significant revenue streams comply with any of the classifications listed in the Taxonomy. The year-on-year development for revenue-generating activities is presented in Note 2 on page 51.

CapEx

CapEx was derived from Group Notes 12–14 detailing intangible assets, property, plant and equipment, and leases, on pages 58–61. CapEx in the company's steel manufacturing facility and the units to which it supplies are considered Taxonomy-aligned given that they are considered necessary to maintain Taxonomy-aligned activities. Total CapEx for the year included reported new acquisitions and business combinations pertaining to intangible assets, excluding goodwill, property, plant and equipment, and leases.

CapEx reported as Taxonomy-aligned includes plant and machinery, assets under construction, and equipment, tools, fixtures and fittings amounting to SEK 23 million (30), SEK 632 million (594) and SEK 16 million (21), respectively. The difference in Taxonomy-aligned CapEx compared with the previous year is due to production-related CapEx.

OpEx

OpEx is determined based on items in the consolidated income statement. Deductions for non-eligible OpEx have been made. Eligible activities include the steel manufacturing facility and the units in the company to which it supplies.

OpEx reported as Taxonomy-aligned includes SEK 22 million (25) related to research and development. Other expenses related to service and maintenance of Taxonomy-aligned activities include costs for repairs and maintenance, and short-term leases. These are included in an amount of SEK 1,448 million (1,487). The increase was mainly attributable to repairs and maintenance.

Assessment of compliance with Regulation (EU) 2020/852

The following section summarizes the company's assessment of its compliance with the regulation, detailing the key aspects of the process to identify and categorize the company's core operations as generally set out in the EU regulation on the establishment of a framework to facilitate sustainable investment.

The review was conducted to identify Taxonomy-eligible activities. The review found that the company's manufacture of iron and steel meets the criteria as an eligible economic activity. The steel material is manufactured by two subsidiaries. These are classified as manufacturing electric arc furnace (EAF) high-alloy steel, which is a Taxonomy-eligible technology. The company further processes the steel material into finished products, which the delegated act describes as sub-groups of the category "manufacture of iron and steel." The sub-groups are based on the European Statistical Classification of Economic Activities (NACE).

The technical screening criteria for climate change mitigation and the emissions reporting to EU Emissions Trading System (EU-ETS) are aligned. Testing of alignment with the criteria for the EU environmental objective for climate change mitigation was therefore based on reported and verified GHG emissions in the product benchmark.

The subsidiaries that produce steel reported a GHG intensity of 98 kg and 149 kg of CO₂ per ton of steel produced, respectively. When tested against the technical screening criteria, both were found to meet the listed thresholds for steel manufactured using an electric arc furnace. To a limited extent, the manufacturing operations are supplied with purchased steel, for which the company has not been able to verify that the technical screening criteria have been met. This share was reported as not Taxonomy-aligned.

Alleima is only covered by the environmental objective of making a substantial contribution to climate change mitigation through the economic activity of manufacture of iron and steel. This means that the risk of double counting has been eliminated.

Do no significant harm

Climate Change Adaptation

A climate change risk analysis and assessment has been carried out. An updated climate change analysis and assessment was carried out during the year. The analysis confirmed that water-related risks, such as flooding during heavy rainfall, constitute the main climate-related risk for steel production.

Sustainable use and protection of water and marine resources

An environmental impact assessment has been carried out in accordance with the Water Framework Directive (2000/60/EC) in connection with the permit application. The identified risks were included as a condition in the permit. All conditions have been met.

Pollution prevention and control

Within the framework of chemical management and the established chemical register, the review showed that no significant amounts of substances listed in Appendix C are used, manufactured or released to the market. The current permit originates from an application that was based on the best available techniques.

Protection and restoration of biodiversity and ecosystems

An environmental impact assessment has been carried out in accordance with 2000/60/EC in connection with the permit application. The identified risks were included as a condition in the permit. All conditions have been met.

Minimum safeguards

Alleima has ensured that it has the governing documents, including policies, procedures and instructions, needed to conduct its business in accordance with established guidelines and principles for companies and human rights. This included examining whether the company has explicitly stated its commitment to comply with these guidelines and principles and whether requirements and expectations are included in the company's Codes of Conduct for its own operations and the value chain.

Controls have been carried out to ensure that the company's policy documents and actual procedures comply with the commitments made and that the company's policies are thus followed. The review concluded that the company's commitments, governing documents and actual procedures entail that these minimum safeguards have been met.

The Taxonomy tables are presented in Appendix 5, on page 129.

Climate change (ESRS E1)

Although Alleima has energy-intensive production processes and emits greenhouse gases (GHG) in its production and through the use of fuel and purchased goods, several of the company's products also contribute to lower emissions among customers.

Topic	Negative / positive impact, risk/opportunity	Where in the value chain
Climate change mitigation Alleima generates Scope 1 and 2 GHG emissions in its production and through the use of fuel and energy, which represents an actual negative climate impact. However, the largest share of its emissions are Scope 3 emissions and are mainly linked to the purchase of raw materials as well as capital goods, transportation, business travel and energy-related activities. A shortage of recycled steel could result in a greater need for virgin material, which would further increase Scope 3 emissions. The company faces several financial climate-related risks, including the fact that the price of emission rights has a direct impact on production costs. The transition to net zero requires both short-term and long-term investments. Rising electricity prices and stricter regulations concerning non-renewable energy could also have a financial impact, while cheaper renewable electricity could create opportunities. In the long term, a tax on Scope 2 emissions could be introduced, which would have a financial impact. In addition, the climate transition in the value chain could lead to increased costs, supply disruptions and price fluctuations. Growing demand for recycled or low-carbon steel could also drive up input prices.	Negative impact, risk	  
Energy Alleima's operations, particularly its production processes, are inherently energy-intensive, resulting in a negative impact linked to energy consumption. The company is facing significant financial risk due to rising energy prices and inefficient energy consumption. At the same time, there is a certain financial potential to be leveraged by improving energy efficiency. Energy shortages and high energy costs are existing risks that are managed within the framework of the company's risk management process. To reduce its climate impact and secure access to sustainable energy, Alleima's steel production is strategically located in an area where fossil-free electricity is available to power the electric arc furnace.	Negative impact, risk	  

 Upstream
  Own operations
  Downstream

Strategy

Transition plan for climate change mitigation (E1-1)

Alleima has set net-zero targets to 2050 that were verified by the Science Based Targets initiative (SBTi) in 2025. The targets for Scopes 1 and 2 are in line with the 1.5°C target set by the Paris Agreement, and the target for Scope 3 is linked to the goal of limiting global warming to well below 2°C. A transition plan has been established to achieve these targets.

Sustainability and reducing climate impact are closely linked to Alleima's business strategy and operations. The transition plan has been presented to the Board and approved for implementation. The investments required will be handled within the framework of the company's regular investment process.

Limiting Alleima's climate impact requires efforts and actions to reduce GHG emissions or support the removal of GHG from the atmosphere. This involves mitigating or slowing down climate change by reducing the drivers of anthropogenic GHG emissions (emissions caused by human activity).

Reducing the amount of GHG emissions to the atmosphere will limit the increase in the global temperature and the potential impacts of climate change. Examples of activities:

- Transitioning to renewable energy sources in the company's own operations
- Phasing out fossil fuels in the transportation sector
- Purchasing low-carbon products and services

Energy efficiency also plays an important role in climate change mitigation since it reduces the overall demand for energy, leading to lower GHG emissions. Examples of activities to increase energy efficiency:

- Increasing the efficiency of production and distribution processes
- Constructing or adapting buildings to reduce energy loss
- Reducing water use and consumption

Challenges

Implementing major changes in the production process entails risks. Alleima's production flow impacts all aspects of its operations, which means that downtime and interruptions have major consequences. For example, when changing energy sources, inputs or workflows, major efforts are required to ensure that both the process and the end-product achieve the desired quality.

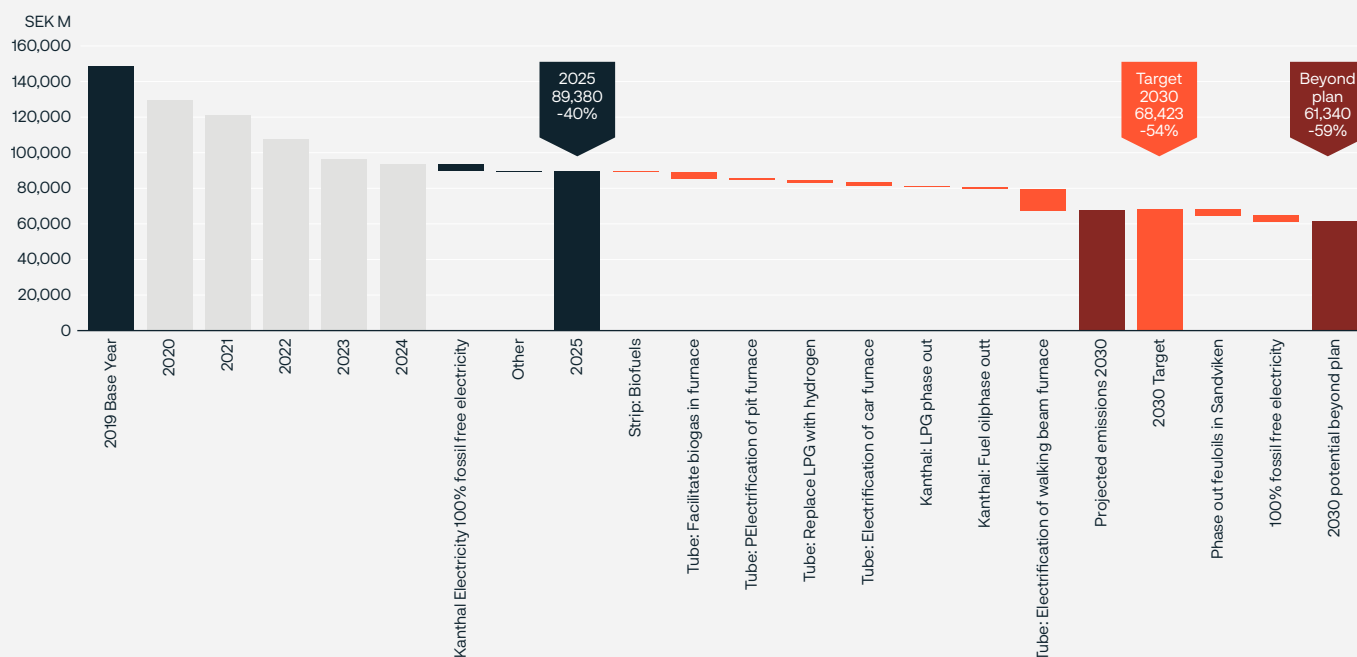
Alleima's focus is on managing the transition while continuing to develop the company's business and ensure the delivery of high-quality products to customers. By adopting a controlled approach in the conversion activities, the company can secure its production process, while continuing to manufacture high-quality products.

Competition for scrap is growing, limiting the supply and making it more difficult for Alleima to secure the required volumes. If this trend continues, it could result in both higher costs and increased emissions.

At present, there are only a few sources of primary iron raw material with low climate impact, which means that Alleima must continue to purchase various grades of secondary raw material (ferrous scrap) to produce steel.

Climate change (ESRS E1), cont.

Transition plan Scopes 1 and 2



Impact, risk and opportunity management

Policies related to climate change mitigation and adaptation (E1-2)

Alleima's Sustainability Policy covers all units in the Group and describes the company's management and oversight of sustainability in order to ensure regulatory compliance.

Alleima's material impacts, risks and opportunities are related to climate change mitigation and energy.

All activities are to be incorporated into implemented programs aimed at improving energy efficiency and reducing GHG emissions. Improvement initiatives should not be solely limited to the company's manufacturing operations.

For facilities in high-risk areas with severe weather conditions or areas where other unplanned events linked to climate change could occur, the business continuity planning process should include adaptation actions or operational modifications. Adaptation as a result of slower changes should also be taken into account in the strategic planning process.

As far as possible, the energy used should come from fossil-free sources. Efforts to have renewable energy sources installed at or near Alleima's facilities should be supported.

Modes for transporting materials (internally, between Alleima facilities and to customers) with a low environmental and carbon footprint are to be promoted. Where economically viable alternatives are not available, efforts should be made to encourage transportation service providers to lower their environmental and carbon footprint.

The process for assessing the climate impact of suppliers is laid out in the Supplier Code of Conduct and the Procurement Policy.

For further information on Alleima's policies, see page 98.

Actions and resources in relation to climate change (E1-3)

Management of physical and transition risks and opportunities

Alleima can become more resilient to climate risks and opportunities by implementing mitigation and adaptation actions. Previous actions and strategies can be incorporated into a climate transition plan that further develops Alleima's resilience strategy.

Extreme heat

Reviewing working hours and schedules can help to ensure the health and safety of workers. Ensuring refrigeration equipment is installed and workers have reliable access to water and cool places to rest can also contribute to the health and safety.

Heavy precipitation and flooding

Along with servicing drains, gutters and manholes, continuous building inspections and maintenance reduce the risks of negative impacts of heavy precipitation and flooding.

Drought

Alleima is working to improve the water efficiency of its operations in order to reduce its water consumption. This also includes reusing water, for example by installing solutions to collect water from production and stormwater.

Actions to mitigate climate change

Mitigation refers to the efforts and actions taken to reduce GHG emissions or support the removal of GHG from the atmosphere. This involves implementing policies and practices aimed at mitigating or slowing down climate change by reducing the drivers of anthropogenic GHG emissions (emissions caused by human activity).

Alleima has established a climate transition plan to manage risks and mitigate the company's climate impact, read more on page 106. Several actions have been planned to manage the climate-related risks identified.

Climate change (ESRS E1), cont.

Actions Scopes 1 and 2

The transition plan defines concrete activities intended to help achieve the company's targets. Many of these activities involve switching from fossil fuels to biofuels, electricity or hydrogen in heating processes. As of the start of 2025, the company's emissions had already been reduced by 37% compared with the base year. The actions taken to achieve this reduction were relatively simple to implement, but gave considerable leverage and thus had a major impact. The main changes involved starting to blend in biofuels and making conscious choices when purchasing electricity.

The company's operations, and therefore its emissions, vary from division to division. The majority of Tube's emissions fall within Scope 1, arising from the production of primary products. In Kanthal, electrification plans are in place, especially in Hallstahammar, where the focus is on phasing out liquefied petroleum gas (LPG) and fuel oil.

In 2025, Kanthal completed its initiative regarding electricity procurement and achieved 100% fossil-free electricity.

Within Tube, a walking-beam furnace used for heating drill steel—currently powered by LPG—has been prepared to handle fuels such as natural gas, hydrogen, and/or biogas. Investments in infrastructure for supplying these media remain to be carried out. The project is currently paused and is planned to resume in 2027.

Additional conversions from LPG to biopropane will be carried out in coming years, and there are plans in place to convert several furnaces from fossil fuel operation to hydrogen or electricity in 2027.

There are also plans to convert a large furnace at the Sandviken plant used for heating materials for hot forming. The conversion is expected to contribute to a reduction of 12,000 tons of CO₂ and will thus have a major impact on the company's total Scope 1 and 2 emissions. By 2030, Scope 1 and 2 emissions are expected to be reduced by 54% compared with the base year.

There is also scope for additional activities – such as the electrification of two plants in the US that have not yet fully transitioned to fossil-free electricity and the phase-out of fuel oil used to supplement electricity at the Sandviken plant – but these activities are not included in the primary climate transition plan.

In Scopes 1 and 2, the company generates approximately 25,000 tons of process-related emissions per year, which could potentially give rise to a lock-in effect. These emissions are linked to the steel production process and stem from the blending of coal, which causes CO₂ emissions. Alleima works with its suppliers to identify alternative materials, but faces a challenge since there are currently no other materials that give the end-product the same properties.

Actions Scope 3

The largest Scope 3 climate impact occurs upstream in the value chain, where raw materials represent the main source of emissions. Since these emissions still require a higher level of assumptions, it is difficult to be as precise for them as for Scopes 1 and 2.

To limit Alleima's Scope 3 climate impact, the focus is on working with suppliers to gain access to alternative materials with a lower climate impact, while at the same time maintaining the quality of the end-products. This includes gaining access to scrap with the right chemical composition and striving to buy back the company's own products and scrap from customers where possible.

Targets and metrics

Targets related to climate change mitigation and adaptation (E1-4)

Alleima has set net-zero targets to 2050 that have been verified by the SBTi, a third party that reviews and confirms targets.

Alleima continuously works to identify activities that could be carried out to further reduce emissions in its own operations. These include gradually shifting technologies in processes for heat treatment and increasing the share of fossil-free electricity and biofuel when possible. The upstream value chain is also continuously mapped out to identify steps that would result in reduced emissions, which is a prerequisite for Alleima to reach net-zero emissions over time.

Targets	Outcome 2025	Status of target
Reduce Scope 1 and 2 CO ₂ emissions by 54% by 2030.	4% decline year-on-year.	40% reduction achieved since 2019.
Reduce Scope 3 CO ₂ emissions by more than 28% by 2030.	12% decline year-on-year.	18% reduction achieved since 2019.

Energy consumption and mix (E1-5)

MWh	2025	2024
Total fossil	314,988	320,806
Of which petroleum products	131,237	136,937
Of which natural gas	155,063	149,330
Of which purchased electricity and heat	25,157	31,370
Of which self-generated electricity	3,531	3,169
Total nuclear	520,884	536,207
Total renewable	180,224	192,146
Of which biofuels	55,164	72,742
Of which purchased electricity	124,724	119,333
Of which self-generated renewable electricity	336	71
Total energy consumption	1,016,096	1,049,159
Energy intensity, MWh / SEK M revenue	55	53

Climate change (ESRS E1), cont.

Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

Thousand ton CO ₂ eq	2025	2024	Change, %	Base year 2019	Change against base year, %	Target 2030, %	Target 2050, %
Scope 1							
Total	82	83	-2				
Share from emissions trading schemes, %	74	73	1				
Scope 2							
Total (market-based)	8	10	-25				
Total (location-based)	63	61	3				
Scope 3							
Total	486	553	-12	595	-18	-28	-90 (net-zero)
Purchased goods and services	384	450	-15				
Capital goods	11	19	-39				
Fuel- and energy-related activities	28	28	-2				
Upstream transportation and distribution	40	32	25				
Waste generated in operations	4	5	-15				
Business travel	4	3	25				
Employee commuting	8	8	2				
Upstream leased assets	–	–					
Downstream transportation and distribution	Not disclosed	Not disclosed					
Processing of sold products	6	7	-15				
Use of sold products	–	–					
End-of-life treatment of sold products	1	1	-27				
Downstream leased assets	0	0	-6				
Franchises	–	–					
Investing activities	–	–					
Total emissions							
Total emissions (market-based)	575	646	-11				
Total emissions (location-based)	631	697	-9				
Own operations							
Scope 1 and 2 (market-based)	89	93	-4	149	-40	-54	-90 (net-zero)
kton CO₂eq	2025	2024					
Biogenic emissions	18	21					
tCO₂eq/SEK M revenue	2025	2024					
GHG intensity (market-based)	31	33					
GHG intensity (location-based)	34	35					

Comments on outcome 2025

Alleima emits GHG in its production and through the use of fuel. The company has secured volumes of biogas that are blended with the fuel used in furnaces and heating processes and has thereby been able to reduce the amount of fossil fuels. In addition, hydrogen gas cutting tests have been performed with positive results.

CO₂ emissions from the company's own operations in 2025 amounted to approximately 89 ktons, a decrease from the previous year. Compared with the base year 2019, the total decrease was 40%.

Emissions arise from the company's direct energy consumption, primarily within production. CO₂ emissions from indirect energy sources amounted to approximately 8 ktons in 2025, which corresponds to approximately 9% of total own emissions. 69% of the total energy consumption came from fossil-free energy sources in 2025, of which 51% from nuclear sources.

Alleima's operations are energy intensive. An energy management system has been established to ensure efficient energy consumption. In 2025, Alleima used 632 GWh of fossil-free electricity, corresponding to 98% of the total electricity purchased.

Reporting principles

See Reporting principles on page 125.

Pollution (ESRS E2)

Alleima has an impact on air, water and soil pollution both through its own production and through activities upstream in the value chain. In addition, some of the substances used in its operations are classified as substances of concern or very high concern.

Direct pollution is mainly linked to the company's own production, while indirect pollution occurs upstream, for example during the extraction of raw materials. The use of fossil fuels and emissions from production processes contribute to these environmental impacts.

Topic	Negative / positive impact, risk/opportunity	Where in the value chain
Pollution of air Alleima's production facilities in Sandviken, Söderfors and Hallstahammar require permits and are subject to environmental legislation, including emissions rules. Several of the facilities release substances listed in Annex II of the EU Emission and Transfer Register Regulation, exceeding the reporting thresholds. Within the Group, none of the facilities in the Strip division are subject to the regulation, while the Kanthal division has one facility that is subject to the regulation (Hallstahammar). In the Tube division, an investigation is ongoing to determine how many facilities are affected. Stricter environmental requirements and changes in permit processes could have a financial impact for Alleima, especially if the requirements result in increased costs or restrict its operations.	Negative impact, risk	  
Pollution of soil Alleima has an actual negative impact on soil, particularly in connection with its production facilities in Sandviken and Hallstahammar, where substances have been detected in the soil. This gives rise to a financial risk linked to costs and liabilities for past and potential new pollution. The company also faces a financial risk related to stricter environmental requirements and licensing rules.	Negative impact, risk	  
Substances of concern and substances of very high concern Alleima's production uses certain substances that are restricted by law and some that are on the candidate list of substances of very high concern under the EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). However, our handling of these substances is exempt since they are used in industrial processes. Stricter environmental requirements and permit processes may entail a financial risk due to increased costs for finding replacement components. However, none of Alleima's products contain substances that are on the candidate list or require special permits, which reduces the regulatory risk associated with the contents of the products.	Negative impact, risk	  

 Upstream
  Own operations
  Downstream

Impact, risk and opportunity management

Policies related to pollution (E2-1)

Alleima's Sustainability Policy covers all units in the Group and describes the company's management and oversight of sustainability in order to ensure regulatory compliance.

Where applicable, the prevention of pollution from the company's operations and the mitigation of negative impacts related to air and soil pollution are included as part of the environmental management activities of all facilities with manufacturing activities. The environmental management system is to include relevant requirements and conditions for operation in accordance with the facility's permit.

Use of potentially harmful substances is to be minimized and efforts are to be made to find replacements. The use of substances of very high concern is to be phased out as far as possible. Chemical risks are to be identified and proactively managed to eliminate or reduce the risk of harm to human health and the environment.

The process for assessing the impact of suppliers on the company's pollution prevention and control is laid out in the Supplier Code of Conduct and the Procurement Policy.

Actions and resources related to pollution (E2-2)

Alleima carries out systematic remediation work related to pollution and in accordance with its granted environmental permits where required. Engineering operations have traditionally generated large emissions of pollutants to air, soil and water. As technological developments and continuous improvements are made, more measures and resources related to monitoring and control are needed to ensure that the operations are conducted in accordance with applicable permits. The design of these control programs is based on the specific operations in question, following consultations regarding the principles and regulations in place in each location. For example, the largest operations in Sandviken, Sweden, have a rigorous self-inspection program in place that includes control procedures where responsibility, sampling programs and procedures for actions, training, etc. form part of a management system.

Targets and metrics

Targets related to pollution (E2-3)

See page 98.

Pollution (E2-4)

Ton	2025	2024
NOx	156	156
Hazardous air pollutants (Cd, Cr, Ni)	1	0
Zinc	2	0

SOx, non-methane volatile organic compounds (NMVOC) and particulate matter are monitored and are below the reporting thresholds.

Substances of concern and substances of very high concern (E2-5)

Ton	2025
Substances of concern	10,223
Substances of very high concern	16

For details, see table on page 131.

Comments on outcome 2025

The conditions for emissions to air were met in 2025, with a few exceptions of elevated dust and metal levels in filters, elevated level of hydrogen fluoride from pickling plant and elevated nitrogen oxide emissions from a furnace. Other non-continuous measurements did not reveal any elevated levels. Continuous NOx measurements did not reveal any elevated levels. Continuous mercury measurements did not reveal any elevated levels.

Nickel and cobalt are included in several classes of substances of concern and are included in reported quantities used and emitted as part of products. Nickel and cobalt are not classified as substances of very high concern. Endocrine disruptors or substances of very high concern to the environment are not handled at any of Alleima's facilities. While emissions of substances of concern to the environment occur, emissions of substances of very high concern are very low.

Reporting principles

See Reporting principles on page 125.

Water (ESRS E3)

Alleima depends on water in its production processes, especially for cooling. This water is also discharged. Significant water consumption also occurs upstream in the value chain.

Topic	Negative / positive impact, risk/opportunity	Where in the value chain
Water withdrawals Alleima depends on water during production, especially for cooling. Water use, discharge and treatment are monitored according to environmental management protocols and regulated by local permits. The majority of the water is recirculated in closed systems, with varying flows depending on the level of pollution. One of the facilities, in Mehsana, India, is located in an area of high water stress. The groundwater in the area was classified as overexploited in 2023, putting it at risk of a future water shortage. Impacts also occur upstream in the value chain, since raw material extraction requires large amounts of water. While Alleima reduces its water footprint by basing approximately 80% of its production on recycled steel, it remains dependent on virgin alloy materials. Limited water supply poses an economic risk since water scarcity can lead to higher production costs or operational disruptions.	Negative impact, risk	  
Water discharge Alleima has extensive discharge of cooling water in own operations. The cooling water can be discharged into a surface water recipient, in accordance with local regulations. The discharge of water is monitored through the Environmental Management System. In the upstream value chain, especially in the mining of raw materials there is significant discharge of water from production. Estimated ground-water discharge to projected copper-nickel mines ranges from less than 95 to 7,500 liters per minute, depending on the location and type of mining activity. There is a financial risk connected to water discharge related to stricter regulations and/or permits.	Negative impact	  

 Upstream
  Own operations
  Downstream

Impact, risk and opportunity management

Policies related to water and marine resources (E3-1)

Alleima's Sustainability Policy covers all units in the Group and describes the company's management and oversight of sustainability in order to ensure regulatory compliance.

Where applicable, water sourcing, use, discharge and treatment are included as part of the environmental management activities of all facilities with manufacturing activities. The environmental management system is to include relevant requirements and conditions for operation in accordance with the facility's permit.

Commitments to reduce water consumption are to be established for the company's own operations as well as upstream and downstream in the value chain where there are water supply threats or for facilities located in areas of high water stress.

The process for assessing the impact of suppliers on the company's water resources is laid out in the Supplier Code of Conduct and the Procurement Policy.

Actions and resources related to water and marine resources (E3-2)

A previous reviews of water stress according to company geography was updated during the year. The outcome confirmed the previous understanding of the locations where we operate. Based on the results, resources have been allocated to additional studies to map out and understand the situation at our operations in the Gujarat and Tamil Nadu regions in India. The goal of the work is to establish accurate facts and provide local management with good knowledge. This would allow correct and appropriate measures to be decided on and implemented locally, if necessary.

Targets and metrics

Targets related to water and marine resources (E3-3)

See page 98.

Water consumption (E3-4)

Water and effluents

Freshwater intake by source, 1,000 m³	2025		2024	
	Total	Of which water stressed areas	Total	Of which water stressed areas
Surface water	1,825	0	1,918	0
Groundwater	604	48	475	44
Purchased water	1,306	7	1,094	7
Collected rainwater	0	0	0	0
Total	3,735	55	3,487	51
Water discharge	419	21	640	17

The water intensity, in cubic meters per million euro revenue amounted to 2,218.

Comments on outcome 2025

During the year, water use increased by 7%, mainly due to higher intake at the operations in Sandviken.

Water use in water-stressed areas accounted for just over 1% of total water withdrawal and amounted to 55 thousand cubic meters (51).

Reporting principles

See Reporting principles on page 125.

Resource use and circular economy (ESRS E5)

Alleima is highly dependent on material inputs, such as primary and secondary raw materials (scrap). The company also produces significant volumes of waste in its production operations as well as upstream and downstream in the value chain. However, Alleima produces sustainable and circular products, which means that its resource outflows are less significant.

Topic	Negative / positive impact, risk/opportunity	Where in the value chain
Resource inflows Alleima has an environmental impact through its use of materials and is dependent on both virgin and recycled metal raw materials. Its production is based on advanced materials technology, and its main inputs are various metals and alloys. There are currently no regulatory restrictions on these raw materials. Since its production is largely based on secondary materials, Alleima has a positive impact by contributing to circular material use. At the same time, there are financial risks linked to the supply and price of scrap metal and to future demands for a more circular business model. Expanding the use of recycled materials also represents a financial opportunity since metals can be reused several times without deteriorating in quality, thus creating good conditions for circular resource efficiency.	Negative impact, risk	  
Resource outflows Alleima's production generates relatively large volumes of waste, some of which is highly toxic. Depending on customers' operations, significant amounts of waste are also generated upstream – and potentially downstream – in the value chain. There is a financial risk linked to stricter rules regarding waste management and a risk of fines for improper disposal.	Negative impact, risk	  

 Upstream
  Own operations
  Downstream

Impact, risk and opportunity management

Policies related to resource use and circular economy (E5-1)

Alleima's Sustainability Policy covers all units in the Group and describes the company's management and oversight of sustainability in order to ensure regulatory compliance.

Alleima's material impacts, risks and opportunities are related to waste and resource inflows.

All facilities have a responsibility to use materials and other resources as respectfully and efficiently as possible in order to reduce the need for virgin materials and energy consumption.

At Alleima, 100% of recycled materials must be correctly sorted and labeled to maintain the high value and quality.

All generated scrap shall remain within Alleima for recycling. The sale of secondary raw materials is not permitted unless approved by the direct purchasing organization.

Efforts to minimize waste from product manufacturing, operational processes and office environments are to be encouraged. All waste is to be recycled or reused. If neither recycling nor reuse is possible, the disposal of waste to landfill is to be kept to a minimum. The facilities are to actively look for internal or external solutions for recycling or reuse of waste arising from their own operations.

Efforts are to be made to ensure that all packaging materials, both for internal use and for delivery to customers, are based on renewable and recyclable materials. The use of plastics should be avoided. If plastics are used, they should be made from recycled materials and be designed to be reused or recycled after use.

When purchasing consumables (indirect materials) for operating and office environments, sustainability criteria such as renewability, reusability and environmental impact should be taken into consideration.

The process for assessing the impact of suppliers on the company's resource use and circularity is laid out in the Supplier Code of Conduct and the Procurement Policy.

Actions and resources related to resource use and circular economy (E5-2)

To increase circularity, Alleima – in collaboration with customers – has set up buy-back programs where we buy back materials from end-of-life products and waste from customer manufacturing.

Slag from steel manufacturing is the largest waste category. Alleima works continuously to reduce the amount of slag that goes to landfill and to instead identify possible alternatives. Slag, for example, has been used as a replacement for sand in the steel mill and as a construction material for depot surfaces, both with good results. At Alleima's industrial location in Sandviken, Sweden, there are now multiple surfaces paved with asphalt in which slag produced in-house has replaced natural materials. The surfaces have proven to hold up well despite the stress from heavy vehicles and mechanical wear and tear.

Another area where waste is reused is magnesite-based tundish lining, which is sent externally for processing. The material is then used together with lime as a substitute for dolomite.

Alleima's ambition also includes taking responsibility for waste generated from purchased goods as well as downstream impacts from packaging materials and the company's products. This could involve activities within sourcing to identify recyclability in products and include this knowledge in purchasing decisions. It also involves engaging with waste management suppliers to understand what recovery operations are accessible in different regions where Alleima is present.

Resource use and circular economy (ESRS E5), cont.

Targets and metrics

Targets related to resource use and circular economy (E5-3)

Alleima strives to continuously increase the amount of recycled steel in the products it manufactures.

Targets	Outcome 2025	Status of target
More than 80% recycled steel in finished products	80.8%	Meets target

Resource inflows (E5-4)

Thousand ton	2025	2024
Primary metallic material	44	47
Secondary metallic material	185	195
Share recycled, %	80,8	80,8

Resource outflows (E5-5)

	2025		2024	
Thousand ton	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Total waste diverted from disposal. By recovery operations:	10,477	31,564	10,990	31,985
of which reuse	72	2,885	73	3,390
of which recycling	9,052	27,048	10,072	27,080
of which incineration with energy recovery	1,353	1,631	845	1,516
Total waste directed to disposal. By treatment type:	6,364	69,282	7,553	54,998
of which incineration	776	74	781	18
of which landfill	5,317	68,869	6,427	54,469
of which other management methods	271	339	346	512
Total hazardous / non-hazardous	16,841	100,847	18,543	86,984
Totalt waste, 1,000 ton / circularity, %	117,688	36	105,527	41
Excluding slag, 1,000 ton / circularity, %	49,008	78	49,423	74

Comments on outcome 2025

The circularity of input materials amounted to approximately 81%, which meant that the level from the previous year was maintained despite lower volumes and continued focus on high-alloy materials and specialty steels.

Waste circularity declined for total waste but continued to improve when slag volumes are excluded, reaching 78% (74).

For total waste, the breakdown between circular and non-circular waste was 36% / 64%.

Reporting principles

See Reporting principles on page 125.

Entity-specific disclosure

Growth in products that support increased sustainability

Topic	Negative / positive impact, risk/opportunity	Where in the value chain
Growth in products that support increased sustainability Alleima has a positive impact downstream in the value chain through products that contribute to lower emissions among customers, for example through electric industrial heating and solutions that enable energy efficiency gains for customers. There is a financial opportunity related to market demand for the products offered by Alleima, which can facilitate customers' transition to net-zero emissions.	Positive impact, opportunity	  
 Upstream  Own operations  Downstream		

Impact, risk and opportunity management

Alleima enables sustainable development through its broad product offering and plays an important role in the transition to a more sustainable society. The company's products contribute to developing advanced technologies required to address future sustainability challenges.

Alleima's goal is to be a leader in sustainability and for the product portfolio for green transition applications to grow faster than for other products.

Policies

Alleima's Sustainability Policy covers all units in the Group and describes the company's management and oversight of sustainability in order to ensure regulatory compliance. The policy provides guidelines for how Alleima is to boost the growth of products that support increased sustainability.

Activities

Together with customers, Alleima develops products in durable materials to enable the transition from fossil-fueled to electric furnaces. This helps to reduce both customers' carbon footprint and costs related to CO₂ emissions. The company provides applications for production, distribution and use in hydrogen, biogas production, solar and bioenergy, offshore wind, and carbon capture and storage.

To guarantee Alleima's customers that the products have a low carbon footprint, the company implemented LCAs for rock drill steel, strip steel and solid bar products. All calculations were reviewed by the independent party IVL Swedish Environmental Research Institute to ensure that the figures are accurate. Reliable LCA data means that customers can more easily calculate the CO₂ emissions for their own products.

Product offering and R&D enable new technologies



Hydrogen and renewable energy

- Hydrogen refueling stations
- Concentrated solar power
- Biogas
- Offshore wind
- Carbon capture and storage
- Geothermal energy



Electrification

- Electrification of industrial heating within:
 - Steel industry
 - Chemical and petrochemical industry
 - Lithium-ion industry



Energy transition

- Hydrogen fuel cell technology
- Energy-efficient compressor valve steel
- Small modular nuclear reactors



Innovations for improved quality of life

- Cochlear implant
- Neurostimulation
- Diagnostics and sensing
- Remote monitoring

Targets and metrics

Products from Alleima play an essential role in developing new technologies. By continuously investing in developing the product offering, Alleima strives to be a market leader within sustainability and circularity.

Alleima's overall target is to grow the product portfolio of applications for the green transition, electrification, energy efficiency and improved quality of life at a faster pace than total growth.

Targets	Outcome 2025	Status of target
Grow the product portfolio of applications for the green transition, electrification, energy efficiency and improved quality of life at a faster pace than total growth.	The sustainable product portfolio ¹ amounted to 25% of the Group's total revenues, corresponding to growth of -2%, compared with -5% for the Group's total growth.	Revenues within the product portfolio declined to a lesser extent than total revenues, which resulted in the share increasing to 25% (24%).

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

Comments on outcome 2025

The share amounted to 25% of total sales (24). The increase was mainly driven by the fact that these applications weakened to a lesser extent than the business as a whole.

Reporting principles

See Reporting principles on page 126.

Social

Own workforce (ESRS S1)

Alleima operates in an industry associated with a risk of damages and has systematic processes for ensuring the health and safety of the people working at the company's facilities. Diversity is an important issue for Alleima and there are action plans in place to increase diversity at the company.

Topic	Negative / positive impact, risk/opportunity	Where in the value chain
Health and safety Alleima's production operations are associated with a risk of accidents and serious incidents. To ensure health and safety, the company has established a systematic work environment process. All major facilities are certified according to ISO 45001, which also covers third-party workers. Other units follow specific policies adapted to their local risk profile. There are financial risks linked to health and safety, such as the cost of sick leave, sanctions or negative publicity in the event of incidents.	Negative impact, risk	  
Diversity Alleima's Code of Conduct takes a clear stand against any form of discrimination based on gender identity, ethnicity, national origin, religion, age, disability, marital status, social class or other individual characteristics. To support this, regular training is provided to ensure professional workplace standards. Employee surveys gather feedback on workplace culture, and management responds to concerns to foster an environment where all employees can succeed. Discrimination in recruitment processes and in the workplace constitutes a financial risk, as it may cause the organization to lose valuable talent and experience increased employee turnover. At the same time, there is significant economic potential linked to successful efforts in diversity and inclusion – for example by attracting and retaining competent employees. Active work in these areas can also strengthen the organization's attractiveness from both a customer and investor perspective.	Negative impact, risk	  

 Upstream
  Own operations
  Downstream

Impact, risk and opportunity management

Policies related to own workforce (S1-1)

Alleima has a workforce of approximately 6,800, including employees and third-party workers, in more than 25 countries. It is crucial for the company's long-term success that current and future employees thrive and develop. Alleima strives to offer a diverse and inclusive workplace with market-based remuneration and working conditions. Considerable emphasis is placed on creating a safe workplace through preventive efforts to minimize the number of incidents.

Alleima's material impacts, risks and opportunities are related to working conditions, including health and safety, and diversity.

Alleima's Sustainability Policy covers all units in the Group and describes the company's management and oversight of sustainability in order to ensure regulatory compliance.

Health and safety risks are to be identified and managed proactively to reduce or minimize the risk of harm to the company's employees. Monitoring, auditing and incident reporting processes are to be followed, and appropriate corrective and preventive actions are to be taken for all incidents, near misses and risks that arise. Incidents are to be appropriately investigated, and lessons learned from the investigations and other good health and safety procedures are to be promoted and shared across the organization.

Strategies and practices related to diversity and inclusion are established and implemented to support a workplace characterized by diversity and to benefit from the effects of a diverse and inclusive culture.

Work is governed by the overall People Policy, which is supported by procedures and processes for various areas. The Board has delegated ownership of the People Policy to the CEO. The policy is broken down and

implemented by each division. Several key initiatives were formulated in connection with Alleima's overall strategy work, and they are continuously followed up.

The Head of Human Resources has quarterly follow-ups with the CEO, with representatives from the HR management team participating when necessary. The divisions report quarterly to Group Executive Management. Key activities are formulated and followed up on a quarterly basis, based on the company's strategic focus.

Read more about Alleima's policies on page 98.

Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

Alleima's employee survey is conducted twice a year and aims to continuously measure employee satisfaction, engagement, and sense of belonging. The results provide valuable insights into how the company is performing from an employee perspective and enable targeted improvement measures in identified and prioritized areas.

Inclusion is a separate follow-up area in the survey, and concrete actions are taken where necessary to strengthen inclusion and diversity within specific employee groups based on the survey results.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3) and Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

Health and safety

Alleima has a systematic process to ensure the health and safety of those people working at the Group's workplaces.

Assessing and reducing risks is a part of the company's everyday work. It is the responsibility of each Alleima unit's management to ensure that this is carried out. A task-based risk assessment method shall be used to systematically examine a job and identify hazards, evaluate the risks and specify controls. There is a procedure for this work, which also includes requirements that need to be met beyond any local, statutory or legal requirements.

Risk assessments shall be performed by a group of individuals with the necessary expertise, which must include, as a minimum, a trained facilitator, the local manager in charge, and the operator. The risk assessment shall be reviewed and approved by this group plus a health and safety representative, a relevant subject matter expert (if required) and the manager of the process that is being assessed for risk.

Channels for engaging with own workforce and workers' representatives

- Performance and development reviews, and regular employee reviews. All employees are offered reviews at least once a year.
- Regular function and department meetings, quarterly Alleima Update webinars with leaders in the company with the opportunity to ask questions.
- Cooperation with local trade union representatives, formation of the European Workers Council (EWC), trade union representation on the Alleima Board.
- Regular employee survey with subsequent dialogue.

Own workforce (ESRS S1), cont.

Review is conducted continuously to understand the effectiveness of measures and to update local risk assessments. Knowledge exchange between units also takes place through network meetings, where successful practices are shared and examples are presented for discussion. A system has been introduced for the dissemination and sharing of information about incidents and potentially serious incidents to create greater awareness of risks and incidents that could occur in more than one location within the company.

Alleima has set up health and safety committees at several locations to promote participation and consultation on all levels. Typically, committee representatives include local management, employees and EHS professionals.

Health and safety training is an important area. The aim is to ensure that everyone who works for Alleima has the relevant skills, knowledge, competencies, and behaviors to undertake their work safely. The responsible manager ensures that all employees and anyone working on Alleima's behalf understands their responsibilities and that they have been offered and participated in training as needed.

Diversity

Diversity, equality and inclusion are critical to innovation, business performance and the future success of the company. Alleima works actively to create an inclusive and gender-equal workplace, with zero tolerance for discrimination. All employees should feel valued and be able to achieve their full potential. The company takes measures to promote an inclusive culture and ensure the physical and psychological well-being of its employees.

One focus area involves working proactively to ensure future expertise and diversity by defining new skills and hybrid skills that could be in demand in the future. To assess necessary future skill needs, the talent management work is linked to the overall business strategy and to the global trends and events affecting the company.

Another focus area is talent recruitment. Alleima has developed a tool to support managers in evaluation of candidates and the HR function formulates and manages job listings to attract qualified candidates and ensure equal opportunity.

Alleima has three leadership programs for developing new leaders as well as experienced managers. Alleima Commit and Elevate is for new managers, Alleima Empower and Advance is for those who have been managers for some time and Alleima Accelerate and GoBeyond is for senior executives. Equal opportunity perspectives are a natural part of the structure for every leadership program. Additionally, through the Accelerate and GoBeyond program, Alleima coordinates with the Stockholm School of Economics Executive Education. In 2025, 23 managers completed the Accelerate and GoBeyond program.

Alleima has an ambassador program in Sweden that aims to raise awareness of, and encourage, inclusive behavior. There are also several different initiatives ongoing within the divisions and in different countries to promote diversity and inclusion. One example is in India, where the company offers diversity and inclusion courses in collaboration with Business Sweden.

Violations are to be reported through Alleima's whistleblower tool, Speak Up. Read more about this tool on page 121.

Targets and metrics

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

The overall target in health and safety is to be ambitious and attainable and, over a long-term time horizon, help Alleima to make clear progress towards its vision of zero accidents. Proposed targets are prepared by the Sustainability Council and consensus is built across the organization through the divisions. Proposals are decided on by Group Executive Management, and final approval is obtained from the Board as a part of the Group's sustainability targets.

The divisions engage their units to prepare local plans with annual milestones that help the Group to achieve the long-term target. Implementation of the plans is followed up at the division level, and safety KPIs such as accident frequency are monitored by management teams at every level on a monthly basis.

Alleima has a dedicated environment, health and safety team that functions as a working group, addressing Group-wide improvement matters through measures such as campaigns and developing joint training.

Targets	Outcome 2025	Status of target
Reduce TRIFR by more than 50% by 2030, compared with 2019	TRIFR of 5.1	TRIFR decreased 34% compared with 2019
All employees can work to their full potential while feeling valued and welcome, no matter who they are	77 of 100	Engagement index amounted to 77 of 100 which was higher than the benchmark

Comments on outcome 2025

Health and safety

In addition to KPIs that measure outcomes, leading indicators are also used. These are intended to measure the progress of local environment, health, and safety plans. The aim is to ensure that each site identifies, formulates and implements improvement measures based on the local risk profile or a shared priority focus area. Hazards and near misses are also measured, as is the percentage of these that have been managed and closed out.

During the year, TRIFR developed favorably, reducing to 5.1 (7.1). In 2025, 60 injuries were reported among employees and non-employees at Alleima's locations (85). The most common accidents were hand and finger injuries.

Diversity

One way to strengthen the organization is to provide training in the company's core values, equal opportunity, and psychological well-being in order to promote new ways of thinking and strengthen the organization's culture.

Reporting principles

See Reporting principles on page 126.

Own workforce (ESRS S1), cont.

Reporting on employee head count in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees (S1-6)

Employee head count by country	2025	2024
Sweden	3,494	3,408
USA	789	783
Czech Republic	748	747
Other countries	1,666	1,606
Total employees	6,696	6,543

Reporting on employees, broken down by gender (S1-6)

Employee head count by gender	2025	2024
Male	5,142	5,098
Female	1,550	1,438
Other	0	0
Not reported	5	8
Total employees	6,696	6,543

Total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period (S1-6)

Employee mobility	2025	2024
Terminated positions	711	779
Total employees	6,696	6,543
Employee turnover, % ¹⁾	10.6	12.0

1) Employee turnover: number of terminated positions in relation to the average number of employees.

Reporting on employees by contract type, broken down by gender (S1-6)

Employee head count by contract type and gender	2025					2024				
	Female	Male	Other	Not reported	Total	Female	Male	Other	Not reported	Total
Total	1,550	5,142	0	5	6,696	1,438	5,098	0	8	6,543
Whereof permanent	1,492	5,003	0	5	6,499	1,380	4,959	0	8	6,347
Whereof temporary	58	139	0	0	197	58	139	0	0	197
Whereof non-guaranteed hours	0	0	0	0	0	0	0	0	0	0
Total	1,550	5,142	0	5	6,696	1,438	5,098	0	8	6,543
Whereof full-time	1,483	4,959	0	5	6,447	1,374	4,931	0	8	6,313
Whereof part-time	67	183	0	0	249	64	167	0	0	230

Reporting on employees by contract type, broken down by region (S1-6)

Employee head count by contract type and region	2025					2024				
	Europe	North America	Asia	Other	Total	Europe	North America	Asia	Other	Total
Total	5,137	819	740	0	6,696	5,026	819	699	0	6,543
Whereof permanent employees	5,011	819	669	0	6,499	4,900	819	628	0	6,347
Whereof temporary	126	0	71	0	197	126	0	71	0	197
Whereof non-guaranteed hours	0	0	0	0	0	0	0	0	0	0
Total	5,137	819	740	0	6,696	5,026	819	699	0	6,543
Whereof full-time	4,889	818	740	0	6,447	4,797	818	699	0	6,313
Whereof part-time	248	1	0	0	249	229	1	0	0	230

Reporting on top management by gender (S1-9)

Top management by gender, %	2025		2024	
	Female	Male	Female	Male
Group Executive Management	25	75	30	70
Senior management	45	55	42	58

Age distribution (S1-9)

Age distribution, number	2025	2024
Under 30	781	710
30–50	3,300	3,274
Over 50	2,616	2,560
Total	6,696	6,543

Health and safety (S1-14)

Occupational health and safety

Incidents	2025			2024		
	Employees	Non-employees	Total workforce	Employees	Non-employees	Total workforce
Number of fatal injuries	0	0	0	0	0	0
Number of LTIs	32	1	33	38	0	38
LTIFR	3.0	0.9	2.8	3.5	0.0	3.2
Number of TRIs	57	3	60	85	0	85
TRIFR	5.3	2.6	5.1	7.9	0.0	7.1
Days lost due to work-related incidents	513	18	531	683	0	683

Workers in the value chain (ESRS S2)

Alleima is highly dependent on its suppliers. Some of the workers in Alleima's value chain work in high-risk countries with potentially inadequate or dangerous working conditions, precarious employment, a lack of adequate training and career development, a lack of equality and inclusion, inadequate

facilities, and child or forced labor, which Alleima does not accept. To ensure that such inadequacies are not accepted, the company has a Supplier Code of Conduct that all suppliers must comply with. Compliance is verified through multiple checkpoints.

Topic	Negative / positive impact, risk/opportunity	Where in the value chain
Health and safety Some workers in Alleima's supply chain work in high-risk countries, such as China, India, Gabon and Madagascar, where there is a risk of inadequate or dangerous working conditions. Alleima also sources primary materials such as nickel and manganese, which are associated with elevated risks of poor working conditions and inadequate health and safety measures. There is a financial risk associated with the fact that stricter regulations could lead to higher costs for due diligence and monitoring of suppliers. There is also a reputational risk related to Alleima being associated with suppliers with poor working conditions.	Negative impact, risk	  
 Upstream  Own operations  Downstream		

Impact, risk and opportunity management

Policies related to value chain workers (S2-1)

Alleima strives to ensure that human rights and good working conditions are respected throughout the value chain. The Supplier Code of Conduct sets out requirements for compliance with applicable legislation, including in areas such as health, safety and the working environment. Suppliers are expected to provide a safe and healthy work environment and to take preventive measures to minimize risks of incidents and injuries. Compliance is verified through checkpoints such as risk screening, evaluations and physical audits. Read more about supplier evaluations on page 121.

Alleima's Sustainability Policy covers all units in the Group and describes the company's management and oversight of sustainability in order to ensure regulatory compliance.

Sustainable procurement and sourcing practices are to be implemented in order to systematically evaluate and monitor suppliers, and encourage their continuous development, to ensure they meet Alleima's sustainability requirements and expectations. Efforts are to be made to get all suppliers to sign Alleima's Supplier Code of Conduct and to ensure their compliance.

Conflict minerals originating from conflict or high-risk areas must comply with the requirements of EU directives, OECD due diligence processes or national legislation enacting such resolutions. Alleima undertakes to refrain from any action that contributes to financing conflicts.

Additional impacts, risks and opportunities related to workers in the value chain are governed by the Supplier Code of Conduct and the Procurement Policy.

Read more about Alleima's policies on page 98.

Alleima's commitments to respect human rights are also available on the website: www.alleima.com/sustainability/humanrights.

Processes for engaging with value chain workers about impacts (S2-2)

For information on processes for engaging with value chain workers, see the section "Sustainable sourcing" on page 121.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

Alleima's commitment to human rights covers the entire supply chain, Alleima's own operations and its dialogue with suppliers. Alleima's approach to responsible supplier management is based on the six stages of the OECD Due Diligence Guidance for Responsible Business Conduct. Alleima's Supplier Code of Conduct provides clear guidelines on principles and rules that suppliers are to apply and follow.

Human rights due diligence (HRDD) is an integral part of the governance of Alleima's processes. Alleima's Code of Conduct provides guidance on principles to be followed, such as having a safe and healthy workplace with fair wages and no harassment, characterized by diversity, equality and non-discrimination, with no child or forced labor, and where everyone is free to form and join organizations of their choice.

HRDD is also included in assessments of potential acquisitions, major investments and significant business restructuring.

In the Supplier Code of Conduct, Alleima requires suppliers to comply with applicable health and safety legislation and rules. Suppliers are also obligated to provide a safe and healthy work environment and to take every possible action to prevent incidents and injuries. Compliance is verified through multiple checkpoints, including but not limited to audits of the physical environment and equipment, procedures and control measures.

Employees and partners are expected to alert Alleima to any violation of the company's Codes of Conduct and policies as well as applicable laws and regulations in countries where the company operates. Receiving reports on violations allows Alleima to improve its work environment, reduce its risks and continuously work to be an ethical and sustainable company. Read more about Speak Up and reporting violations on page 121.

Workers in the value chain (ESRS S2), cont.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action (S2-4)

Work related to supplier sustainability evaluations continued during the year according to the defined procedures from a sustainability perspective. This is a common process for the entire company and shall be carried out globally by purchasing organizations. Purchasers are to have the necessary training to effectively follow the company's procedure for sustainable sourcing. The outcome of the supplier evaluations carried out during the year and training figures are presented under G1-2 on page 122.

The company continued with its active approach of using corrective action plans for managing improvement activities and deviations. When necessary, Alleima engaged with actors in the value chain to develop such activities. Other actions include training for suppliers provided by Alleima.

Alleima applied an escalation process implemented by the company when deviations were identified that were too significant or when the business partner did not accept the company's supportive involvement. In such cases, Alleima raised the matter internally to decide on the correct approach. The company's default approach is to try to resolve deviations together with the business partner, but in certain cases this process can result in the partnership being terminated. No contracts were terminated during the year as a result of violations of the Supplier Code of Conduct.

Targets and metrics

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

See page 98.

Comments on outcome 2025

During the year, work on risks in the supply chain continued, resulting in increased compliance with the requirements of our Supplier Code of Conduct.

This year's risk screening shows that supplier risks have decreased compared with the previous year.

No contracts were terminated as a result of violations of the company's Supplier Code of Conduct that caused material adverse impacts on workers in the value chain.

Reporting principles

See Reporting principles on page 126.

Governance

Business conduct (G1)

Alleima is a group with several units, where the company's values and Code of Conduct must be successfully integrated. Alleima has a broad value chain and business partners in many regions, some of which have known corruption risks. Alleima has a compliance program that addresses anti-bribery and corruption.

Topic	Negative / positive impact, risk/opportunity	Where in the value chain
Corporate culture Alleima's operations are spread across several regions, which has a major impact on the corporate culture of its units. Depending on how successfully the company's values, Code of Conduct and other similar frameworks are integrated, both positive and negative impacts can arise. In a worst case scenario, weak governance or shortcomings in the corporate culture could lead to violations of the law. Maintaining a good corporate culture can be the key to successful business.	Positive impact, opportunity	  
Corruption and bribery A mapping of Alleima's value chain showed that corruption risks exist in several of the regions where the company operates. Alleima has a compliance program that addresses anti-bribery and corruption, including the Code of Conduct, employee training and supplier audits. An inability to prevent and detect corruption and bribery could lead to legal proceedings and have a major impact on the company's brand. Failure to comply with sanctions and competition law could lead to reputational damage and have an impact on earnings as a result of fines. There is therefore a financial risk related to corruption and bribery.	Negative impact, risk	  
Supplier management There is a risk that Alleima could unknowingly partner with suppliers who use unsustainable methods or who violate laws and regulations. This could lead to increased costs and a loss of reputation as well as potential legal liability. It could also have a negative impact on the company's dependence on supply chain partners. Alleima has a Supplier Code of Conduct that all suppliers are expected to sign and follow. Additionally, the company carries out supplier evaluations, including compliance checks such as risk audits and sustainability evaluations.	Negative impact, risk	  

 Upstream
  Own operations
  Downstream

At Alleima, ethical business conduct means a business that is conducted with honesty and integrity, where all employees, contractors and partners comply with legal requirements as well as the highest ethical standards. This is ensured through policies, integrated into core processes and maintained through continuous engagement and training. The company promotes a culture where ethics and compliance are core elements of the operations at every level of the company.

Material aspects of business ethics include zero tolerance of bribery and corruption, and ensuring ethical business conduct, which includes compliance with laws as well as the company's own rules as set out in the Code of Conduct.

The company's operations are conducted in environments where there is a risk of bribery and corruption. This is an inherent risk for a company that purchases and sells in a global market, where goods are transported across national and regional borders.

For a more detailed overview of where in the value chain business ethics risks occur, see the illustration of the value chain on page 100.

Impact, risk and opportunity management

Business conduct policies and corporate culture (G1-1)

Alleima's Sustainability Policy covers all units in the Group and describes the company's management and oversight of sustainability in order to ensure regulatory compliance.

Alleima's Code of Conduct describes the business principles in selected areas of the business operations. All employees, as well as consultants on long-term contracts, are to receive Code of Conduct training within 90 days of employment.

Alleima's Code of Conduct provides principles for how the company is to do business and establishes responsible, ethical behavior as a requirement. There is also a separate Supplier Code of Conduct.

Ethics programs are to be implemented to address compliance in the areas of anti-bribery and corruption, trade, competition law and general data protection. Additional impacts, risks and opportunities related to business conduct are governed by the Ethics and Compliance Policy. Breaches of the Code of Conduct are to be reported to the relevant manager or through the Speak Up whistleblower channel.

The process for assessing the impact of suppliers on the company's own operations is laid out in the Supplier Code of Conduct and the Procurement Policy.

Alleima's Ethics and Compliance Policy has been designed to address legal, regulatory and internal requirements and describes how the company is to incorporate these to achieve compliance. The policy is governed by procedures for specific issues, for example gifts and hospitality and data security.

The Board is responsible for the Ethics and Compliance Policy. Policy revisions are prepared by the Audit Committee and decided by the Board. The company's compliance function regularly reports to the Audit Committee about the implementation of the policy, including the effectiveness of the entire compliance program. Matters dealt with by the Audit Committee are recorded in minutes and reported to the Board.

To ensure sustainable sourcing, Alleima has a Procurement Policy that is supported by a procedure for evaluating supplier sustainability work. The Procurement Council establishes structures and processes to manage the requirements imposed by the compliance function, the Board and the CEO. Governing documents are managed through the Procurement Council, but there is also scope for local processes. The Procurement Policy is owned by Group Executive Management. For information on other policies, see page 98.

The compliance function establishes the requirements outlined in the Group's compliance program. These include the identification of risks, policy development, training, controls, audits, reporting, and monitoring. Each division is responsible for implementing the program within its organization. The Group's compliance function reports to Alleima's General Counsel.

Employees in the compliance function monitor developments with respect to new legislation and regulations as well as external factors such as geopolitical developments that impact the operations and their governance. Collaboration takes place with external parties as well as internal functions such as the company's risk management process.

The Ethics and Compliance Policy and related procedures regulate how employees are to act, and the policy is further supported by Compliance House, a tool used to monitor effectiveness and performance. By monitoring and analyzing employees' ethical conduct, the tool supports the organization in identifying and addressing any shortcomings. When shortcomings are identified, measures are taken to ensure that all defined requirements are managed and that there are no issues left unaddressed.

Business conduct (ESRS G1), cont.

Compliance

Alleima's compliance program encompasses six main areas: anti-bribery and corruption, the Speak Up whistleblower mechanism, competition law, trade compliance and sanctions, customs, and data privacy.

Compliance House is used to identify and manage any shortcomings in compliance and business ethics, which also includes sourcing policies. A Compliance House review is carried out annually for the entire business. This involves a comprehensive assessment of the key compliance risks identified for each entity. This review is conducted collaboratively by the entity's management team and Alleima's compliance team. Throughout the annual review process, the effectiveness of existing remedial actions was thoroughly assessed. Any new compliance risks noted were assigned an action plan with a timeline for completion. The results of the audit can also indicate a need for training.

Continuous training is a prerequisite for facilitating successful implementation as well as ensuring employees have the awareness needed to adhere to the compliance program. Compliance training is offered to employees in different formats, including e-learning, webinars, and classroom training. There is also specific training for roles identified as high-risk, for example related to corruption. Various parts of the organization may also have a need for special training.

Speak Up

Employees and partners are expected to alert Alleima to any violation of the company's Codes of Conduct and policies as well as applicable laws and regulations in countries where the company operates. Receiving reports on violations allows Alleima to improve its work environment, reduce its risks and continuously work to be an ethical and sustainable company.

Employees and external stakeholders can file reports through Alleima's Speak Up whistleblower service. This online service is owned and managed by the compliance function. All reports received are evaluated and, if necessary, an internal investigation is carried out.

The privacy and integrity of the person reporting the incident are always of the utmost importance. The information reported is kept confidential, and reports can be submitted anonymously if local laws permit. The Ethics and Compliance Policy states that there will be no retaliation taken against an employee or business partner who, in good faith, provides information about a violation. The Speak Up process is designed to comply with applicable whistleblowing and data protection laws, including the GDPR.

Competition law

Any violation of competition law could entail a serious impact and financial consequences for Alleima's brand. The employees involved risk punishment in the form of imprisonment, personal fines, a ban on serving as a director, and disciplinary actions.

As part of its compliance program, Alleima has a common platform aimed at minimizing the risk of a breach of competition law. All employees are individually responsible, as set out in the Code of Conduct, for having a basic understanding of competition law so they can identify situations where issues may occur. Employees in roles where a deeper knowledge of competition law is relevant are also to undergo competition law training every other year to ensure that they have sufficient knowledge.

Trade compliance and sanctions

Alleima moves goods, tangible as well as intangible, domestically and across national borders. When moving goods, it is vital to comply with applicable trade laws and regulations. This reduces the risk of fines, penalties, delays of shipments, loss of export/import privileges, criminal liability, and damage to the Group's brand.

The Ethics and Compliance Policy and the export control procedure are applicable for all Group companies, and the company has committed to following applicable trade laws and regulations in the countries where it operates. All Alleima businesses, companies, and relevant employees worldwide are to be familiar with and adhere to the content of the policy and procedure covering trade compliance.

Customs compliance

Alleima is a global group with manufacturing and trade operations – and a footprint – in many parts of the world. Our extensive portfolio – made up of different products, including raw material, semi-finished goods, equip-

ment, exhibition materials, and inventories – passes through customs borders every day, all year round. Understanding and complying with customs laws is important to reduce the risk of disturbances in the supply chain, penalties, or damage to the reputation of the brand.

The Ethics and Compliance Policy and customs procedure define the important elements of customs compliance, such as product classification, origin determination and utilization of free trade. Other important elements include relevant staff training, documentation, reporting and management of customs agents.

Data privacy

The right to privacy includes an individual's fundamental right to protection of their personal data. Alleima's commitment to this fundamental right is expressed in the company's Code of Conduct and implemented as a part of the Ethics and Compliance Policy. The policy establishes the basic principles and requirements for compliance with data privacy in the Group and applies to all processing of personal data.

Long-term sustainable sourcing (G1-2)

Alleima has thousands of suppliers in nearly 60 countries, from which we source products, materials and services. It is important that our suppliers share the sustainability values that we uphold. Therefore, all our suppliers are expected to commit to, and comply with, Alleima's Supplier Code of Conduct. Business relationships are built on honesty, trust and cooperation, the company strives to develop transparency around suppliers' sustainability performance.

Responsibility and governance

Alleima's Supplier Code of Conduct applies to all suppliers providing products, materials, or services to the company. It contains supplier requirements in areas such as legal compliance, health and safety, human and labor rights, responsible sourcing of minerals and metals, the environment, and business ethics. It also encourages suppliers to adopt climate targets in line with the 2015 Paris Agreement on climate change, and to provide working conditions that enable a healthy work-life balance. The Supplier Code states that suppliers are expected not only to implement the requirements in their own operations, but also to set equivalent requirements in their value chain.

Each division is responsible for ensuring that supplier contacts are managed sustainably. This is followed up regularly in the company's sustainability reviews. It is also important that all employees involved are aware of and understand the requirements in place to maintain sustainable sourcing.

Responsible supplier management

Through a structured supplier evaluation process, Alleima works to identify, prevent, mitigate and address the supply chain's negative impacts on the environment and human rights. The process is based on the OECD Due Diligence Guidance for Responsible Business Conduct.

The process follows the sustainability requirements set out in the Supplier Code of Conduct, and suppliers are assessed as to whether or not they meet these requirements. The supplier sustainability evaluation process includes controls such as risk screening, sustainability performance evaluation and audits. The tools for risk screening and sustainability performance evaluation are provided by EcoVadis.

Supplier risk identification

Suppliers are screened for sustainability risks arising from the fact that they operate in a specific country or industry. This screening covers four areas: environment, labor and human rights, ethics, and sustainable sourcing.

The largest supplier risks identified relate to, for example, different kinds of raw materials and how they are extracted as well as operations in high-risk countries such as Brazil, China and India.

Assessment and sustainability evaluations

High-risk suppliers are prioritized for sustainability performance evaluation. The evaluation covers energy consumption, emissions, biodiversity, waste, employee health and safety, social impact, child labor, forced labor, human trafficking, discrimination and harassment, corruption, anti-competitive practices, and more. The assessment is analyzed by EcoVadis, which creates a scorecard showing the suppliers' performance within the areas.

Business conduct (ESRS G1), cont.

Supplier audits

Supplier audits are a supplement to the supplier performance evaluation and are conducted by a third party. The extent to which the supplier meets the requirements of the Supplier Code of Conduct is checked during the audit. Audits include document reviews, site visits and interviews with supplier employees.

Management of negative impacts

Deviations and improvement activities are managed through corrective action plans. If necessary, Alleima offers support in establishing improvement activities and provides training to help the supplier improve their understanding of environmental and social matters. If the deviation is too significant or if the supplier does not cooperate, this leads to a risk escalation process whereby the matter is raised internally at Alleima for a decision, for example whether to terminate the partnership. However, Alleima's initial approach is to always try to solve deviations together with the supplier. No supplier contracts were terminated during the year as a result of identified breaches of the Supplier Code.

Prevention and detection of corruption and bribery (G1-3)

Alleima has business partners in many regions around the world and there is a risk of corruption and bribery in various parts of the company's value chain.

The Group's compliance work within this area aims to ensure a well-implemented way of working to prevent bribery and corruption from occurring and includes processes and tools to detect and counteract any shortcomings. The principle of the program stems from the US Foreign Corrupt Practices Act, the UK Bribery Act and other national legislation.

It includes risk identification and risk assessment, control elements such as policies, procedures and instructions, and control activities such as record keeping, advice, and support. Training is an important part of the program, as is the process for reporting, following up and carrying out improvement activities.

Responsible sourcing of minerals and metals

There are major risks related to extracting, trading, exporting, and procuring minerals from conflict and high-risk areas. Alleima is a member of the Responsible Minerals Initiative (RMI), which provides tools and processes for improving compliance and establishing sustainable sourcing processes for minerals originating from conflict or high-risk areas. Alleima sources minerals and metals exclusively from suppliers that are approved in RMI's third-party review.

To identify, assess and manage risks related to sourcing minerals and metals, Alleima also follows the OECD Guidelines for Due Diligence and takes appropriate measures. The company conducts an annual country-of-origin survey based on OECD guidelines to identify the smelters and refineries linked to the supply chain. Of the suppliers identified in the country-of-origin survey, 100% returned completed documents in accordance with the RMI's Conflict Minerals Reporting Template.

Alleima's website includes a statement by the company on responsible sourcing of minerals and metals. The statement, together with Alleima's Supplier Code of Conduct, forms the basis for responsible sourcing and describes supplier requirements for 3TG (tin, tungsten, tantalum and gold) and cobalt.

Sustainable sourcing

Percentage of purchasers who have attended sustainability courses, %	2025	2024
Alleima's Supplier Code of Conduct and its requirements	60	57
Supplier sustainability evaluation	68	63
Sustainability for sourcing	79	56
Circularity for sourcing	78	49
Climate for sourcing	77	47

Outcome 2025, percentage of relevant spend, %	2025	2024
Supplier Code of Conduct signed by contracted suppliers	91	90
Risk-screened suppliers	90	87
Complies with requirements of Supplier Code of Conduct	75	63

Supplier assessments	Number	Identified improvement activities		Completed improvement activities	
		Environment	Social	Environment	Social
Evaluation	346	36	55	15	19
Audit	6	4	74	3	37

Targets and metrics

Targets related to business conduct (G1)

See page 98.

Prevention and detection of corruption and bribery (G1-3)

Employees trained in anti-bribery and anti-corruption	%
Share trained in functions at risk	71

Incidents of corruption and bribery (G1-4)

During the year, no convictions or fines regarding corruption and bribery were imposed on Alleima.

Comments on outcome 2025

In 2025, a total of 69 reports were made through the Speak Up system. Of the 69 matters reported, 18 were predicated for investigation by the business integrity function, 48 were referred back to the relevant manager for appropriate investigation and action, and 3 were recorded but deemed not to require any further action. 65 of the reports had been closed by year-end, while 4 were still open, ongoing or awaiting appropriate action.

In 2025, we saw a significant improvement in the share of purchasers who completed training in sustainability, the Supplier Code of Conduct and its requirements, as well as sustainability evaluations of suppliers. The trainings and distribution are presented in the table above.

During the year, work on supply-chain risks continued, resulting in increased compliance with the requirements of our Supplier Code of Conduct. The results from this year's risk screening show that supplier risks have decreased compared with the previous year. Approximately 40% of the covered purchasing value is now assessed as low risk. During the year, 346 evaluations were carried out in Ecovadis, corresponding to 43% of the total purchasing value for the target group. Of the suppliers included in the audit target group, 13% of the covered purchasing value have so far been audited. Six of these audits were carried out during the year. Through the supplier risk screening conducted in 2025, 131 suppliers with potential significant negative environmental impact were identified, and 229 suppliers with potential significant negative social impact.

The portion of suppliers that do not meet the requirements of the Supplier Code of Conduct consists mainly of suppliers who have not yet undergone any evaluation since the assessment process began.

Reporting principles

See Reporting principles on page 126.

Appendix

1. Disclosure requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

Disclosure		Location
ESRS 2	General disclosures	
BP-1	General basis for preparation of sustainability statements	96
BP-2	Disclosures in relation to specific circumstances	96
GOV-1	The role of the administrative, management and supervisory bodies	96–98
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	96–98
GOV-3	Integration of sustainability-related performance in incentive schemes	98
GOV-4	Statement on due diligence	98
GOV-5	Risk management and internal controls over sustainability reporting	98
SBM-1	Strategy, business model and value chain	99, 100–101
SBM-2	Interests and views of stakeholders	99
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	102
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	103–104
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	123–124
E1	Climate change	
GOV-3	Integration of sustainability-related performance in incentive schemes	98
E1-1	Transition plan for climate change mitigation	105
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	102, 104, 107
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	103–104
E1-2	Policies related to climate change mitigation and adaptation	107
E1-3	Actions and resources in relation to climate change policies	107–108
E1-4	Targets related to climate change mitigation and adaptation	108
E1-5	Energy consumption and mix	108
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	109
E2	Pollution	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	103
E2-1	Policies related to pollution	110
E2-2	Actions and resources related to pollution	110
E2-3	Targets related to pollution	98
E2-4	Pollution of air, water and soil	110
E2-5	Substances of concern and substances of very high concern	110
E3	Water	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	103
E3-1	Policies related to water and marine resources	111
E3-2	Actions and resources related to water and marine resources	111
E3-3	Targets related to water and marine resources	98
E3-4	Water consumption	111
E5	Resource use and circular economy	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	103
E5-1	Policies related to resource use and circular economy	112
E5-2	Actions and resources related to resource use and circular economy	112
E5-3	Targets related to resource use and circular economy	113
E5-4	Resource inflows	113
E5-5	Resource outflows	112
Entity-specific disclosure	Growth in products that support increased sustainability	114

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Disclosure		Location
S1	Own workforce	
SBM-2	Interests and views of stakeholders	99
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	102
S1-1	Policies related to own workforce	115
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	115
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	115–116
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	115–116
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	116
S1-6	Characteristics of the undertaking's employees	117
S1-9	Diversity metrics	117
S1-14	Health and safety	117
S2	Workers in the value chain	
SBM-2	Interests and views of stakeholders	99
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	102
S1-1	Policies related to value chain workers	118
S1-2	Processes for engaging with value chain workers about impacts	118
S1-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	118
S1-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	119
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	98
G1	Business conduct	
GOV-1	The role of the administrative, management and supervisory bodies	97–98
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	103
G1-1	Business conduct policies and corporate culture	120
G1-2	Management of relationships with suppliers	121–122
G1-3	Prevention and detection of corruption and bribery	122
G1-4	Incidents of corruption or bribery	122

Appendix, cont.

2. Alleima's policies

Policy	Description	Scope	Responsibility
Code of Conduct	Provides principles for how the company is to do business and establishes responsible, ethical behavior as a requirement.	All Alleima employees	The Board of Directors
Supplier Code of Conduct	Describes Alleima's requirements for suppliers regarding the environment, social issues, and responsible and ethical conduct.	All suppliers	Group Executive Management
Sustainability Policy	Describes the company's overall sustainability principles, including its environmental principles.	All Alleima employees	The Board of Directors
People Policy	Describes Alleima's principles and regulations as well as the rights of its employees.	All Alleima employees	Group Executive Management
Procurement Policy	Sets out sourcing guidelines and principles.	All Alleima employees	Group Executive Management
Ethics and Compliance Policy	Sets out ethical conduct and compliance guidelines and principles.	All Alleima employees	The Board of Directors

3. Reporting principles

This section describes the principles implemented by Alleima with respect to the collection of reported information and the administration of IT systems that contain this information. It also describes reporting processes, defines the concepts and KPIs used, and provides other explanations necessary for understanding how the reported metrics are compiled.

Environment

General

Environmental data is derived from Alleima's sustainability reporting system. The KPIs compiled are based on information available at the end of the most recent year-end reporting. The following metrics are based on the quarterly reporting process: E1-5, E1-6 excluding Scope 3 emissions, E3-4, E5-4 and E5-5. E2-4 and E2-5 are reported based on an annual mapping and collection of information that is outside the Group's normal reporting process and systems.

E1-5 Energy consumption and mix

Information provided under E1-5 is based on a quarterly collection of data that includes the use of fuel for direct combustion within Alleima and indirect energy sources produced by external suppliers and used by the company. Collection is based on reporting to the Group's consolidation system for sustainability data and consists of the amount of fuel consumed and energy values used for electricity, district heating and steam. Fuels are reported by type and categorized as fossil or renewable. Electricity is reported as energy values, without attributing the electricity to source. Categorization of reported electricity is based on the emissions factors used for calculating GHG emissions. These are based on the emissions values calculated using the market-based approach for GHG emissions calculation, which can verify that renewable energy was purchased through, for example, guarantees of origin or renewable energy certificates. Electricity with no guarantee of its origin is reported as fossil electricity.

E1-6 Total GHG emissions

Energy and GHG emissions data are calculated based on reported consumption data, in accordance with the GHG Protocol. The conversion factors are established in Alleima's EHS definitions presented in the management system documentation. For Scope 1, these factors originate from the Swedish Environmental Protection Agency (EPA). For Scope 2, location-based emissions are derived from reported consumption and recalculated using average grid emission factors, originating from the International Energy Agency (IEA). For the market-based emissions, reported consumption and specific emission factors based on guarantees of origin are used, or a residual mix factor where guarantees of origin are not available. Where residual mix data could not be obtained, location-based factors were applied.

For Scope 3, reported results are based on a combination of activity data primarily from internal sources and, to some extent, emissions data from both internal and external sources.

The dataset is considered complete for the most significant emission category. Priority was given to collecting a high share of primary data and supplier-specific emissions data, particularly for raw material purchases in Category 1. Categories 3 and 4 are also based on a high share of primary data. For less significant categories, spend-based data was largely used. Spend-based emissions calculations carry higher uncertainty than activity-based calculations, such as those based on weight, volume, or number of items.

The GHG accounting system and data model are based on the Greenhouse Gas Protocol. Conversion factors are sourced from suppliers where available; otherwise, industry averages are used. For spend-based data, conversion factors from Exiobase are applied and adjusted for inflation using IMF data. A general inflation adjustment based on "major advanced economies (G7)" is used, as this category is considered to best reflect the company's cost structure among the IMF's available categories and is therefore most suitable for generic application.

E2-4 Pollution of air, water and soil

Emissions to air are monitored through continuous measurement of nitrogen oxide emissions, for example. Mercury is also continuously measured and monitored. In addition, emissions are measured in connection with the inspections of certain facilities. These controls include sample testing of emissions from the steel mill, dust from mechanical processing, nitrogen oxides from combustion and pickling plants, and oil aerosol. Emissions to air are measured by the company's own measurement specialists and by external measurement consultants. In addition to planned measurements, targeted random measurements have also been carried out.

E2-5 Substances of concern and substances of very high concern

The process for registering and following up substances of concern and substances of very high concern is covered by Alleima's environmental management system and is described in a chemical management procedure. The chemical management system ensures that substances used in the company are documented.

Substances that meet the criteria for substances of concern are compiled in a separate list. The use of substances of concern and substances of very high concern is mapped annually. Information is collected, documented and compiled by the environmental department at the Sandviken operations, and is based on the mapping carried out by all units.

The collected quantities of substances of concern and substances of very high concern are calculated based on the concentration of the substance in question as indicated in the safety data sheet for each product multiplied by the annual consumption of the product. This is then aggregated for each category and main hazard class. Annual consumption is derived through estimates based on the quantity purchased for the year or the estimated quantity purchased.

E3-4 Water consumption

Water consumption pertains to production units. Wastewater refers to the water used in a production process. The difference between water intake and discharge comprises the water not used in a production process and evaporation from cooling and has therefore not been reported as process wastewater. Reported intake and discharge pertain exclusively to freshwater. No wastewater is discharged into the sea, discharged into groundwater or sent to third parties for use. Accordingly, reported wastewater is assumed to be exclusively returned to the recipient as surface water. Consumption reported in water stressed areas refers to use at production units in areas classified as having high or extremely high water stress based on the Aqueduct water tool from the World Resources Institute (WRI).

Appendix, cont.

E5-4 Resource inflows

Information for E5-4 metrics includes the metal raw materials that Alleima uses for steel production. The information contains basic data taken directly from manufacturing production systems. The information is continuously registered and compiled for reporting on a quarterly basis. The basic data from the source systems is loaded into the consolidation system that handles compilation and KPI calculation. Total weight and total weight of secondary raw materials are the metrics that are collected and compiled. A circularity measure is calculated as the percentage of total weight that consists of secondary raw material.

E5-5 Waste

E5-5 metrics are part of Alleima's quarterly sustainability information reporting process. The units use the Group's consolidation system to carry out this reporting, which consists of detailed information about waste quantities generated during the reporting period. The data is categorized based on the recycling or disposal operations that take place, according to waste fraction. Additional categorization is based on how hazardous the waste is and whether or not it was handled by the company. Recycling classification is based on categories that enable the calculation of circularity measures. Circularity is calculated as the percentage of total weight that is not disposed of.

Information about quantities of waste and management methods are, to some extent, based on estimates and calculation models. This is the case when external waste managers are unable to provide actual weights handled, for example, or in the event of internal handling since disposed quantities are not weighed. In such cases, the values reported are based on calculation models to estimate reportable weight.

Company-specific disclosure: Growth in products that support increased sustainability

Information for the metric is collected on a quarterly basis from Alleima's business divisions and consists of data on invoiced product sales during the reporting period. The divisions themselves have determined which products could be considered to support increased sustainability. Information about the company's total invoiced sales is collected on a quarterly basis from the company's financial reporting. The reported KPI is expressed as the percentage of invoiced sales attributable to products that contribute to increased sustainability in relation to total invoiced sales. Growth is expressed in absolute figures, without adjusting for effects on growth rates such as exchange rate effects, price changes and structural effects from acquisitions and disposals.

Social information

General

The reported information is derived from established reporting processes for KPIs in S1-9 and S1-14, with these KPIs representing an important aspect of internal performance follow-up, in addition to the sustainability statement. Information for S1-14 also derives from quarterly external communication. The information reported in S1-6 is collected annually for the sustainability statement. The same information is used internally and its data quality and compilation principles are managed by the HR support function, which includes a separate IT function for continuous administration of the company's personnel system.

S1-6 Characteristics of the undertaking's employees and S1-9 Diversity metrics

Alleima manages personnel-related information in a Group-wide system. The system has been implemented at all of the company's units. The data provided for the disclosures related to the characteristics of company's employees and diversity metrics are based on the information available in the personnel system as of December 31 of the financial year. Reported values pertain to head count unless otherwise stated.

S1-14 Health and safety metrics

Alleima monitors its health and safety performance globally, using a number of KPIs. This includes the lost time injury frequency rate (LTIFR) and the total recordable injury frequency rate (TRIFR).

The total injury frequency rate KPI is a metric that has been normalized to express the number of accidents per million hours worked. Its components consist of the number of accidents during the reporting period, the number of hours worked and a normalization factor. The number of accidents only includes work-related incidents, which is when an incident could have realistically been prevented from happening by the company's management system.

The accident categories included in the number of work-related accidents are fatal injuries, lost time injuries (LTI), restricted work injuries (RWI) and medical treatment injuries (MTI). An LTI is an accident resulting in time away from work, an RWI is an injury where the injured employee cannot fully perform their ordinary work, and an MTI is when the employee requires some kind of medical treatment but can perform their normal work thereafter.

Worked hours consist of exposure hours, meaning all hours during which someone is exposed to the risk of a work-related incident.

The data is derived from the sustainability reporting system, where safety-related indicators and exposure hours are recorded on a monthly basis.

Business ethics information

General

The effectiveness of Alleima's way of working with business ethics is confirmed using a data-driven approach. Business ethics disclosures are complemented by quantitative data in areas related to ethical conduct and regulatory compliance in the company's own operations and in the value chain in the form of outcome reporting of observations made during the year, in addition to data covering training initiatives and information about any convictions and fines for violating corruption and bribery laws.

Metrics in G1-2 pertaining to the outcome of sustainable supplier management are reported quarterly. Data collection, quality assurance and analysis are managed by Alleima's purchasing function. Metrics reported in G1-3 and G1-4 that pertain to corporate culture and regulatory compliance are compiled on an annual basis. Data collection, quality assurance and analysis are managed by Alleima's compliance function.

G1-3 and G1-4 Prevention and detection of corruption and bribery and Incidents of corruption or bribery

Data for metrics concerning training related to G1-3 are documented in Alleima's personnel management system based on attendance records for the training sessions held. Employees in at-risk functions have been marked in the reports from the personnel system. Based on the report from the personnel system, the compliance function reports the information for annual data collection in the sustainability reporting consolidation system.

Data for metrics covering reports received concerning deviations from applicable laws and from the company's own rules are handled within the whistleblower function and are treated with high level of confidentiality to ensure trust in the function and to protect the privacy of those involved. This means that access to the original information is limited and the data is thus not subjected to further quality checks.

Should such data arise, data on convictions for violations of anti-corruption and anti-bribery laws are reported directly by the compliance function.

G1-2 Management of relationships with suppliers

Information in G1-2 pertaining to the outcome of sustainable supplier management is reported quarterly. Data collection, quality assurance, compilation and analysis are managed by Alleima's purchasing function. The function's system for supplier-related information and third-party services for independent supplier sustainability rating and auditing are essential systems. The information they provide forms the basis for assessing the metric of whether suppliers comply with the company's Supplier Code of Conduct.

The suppliers assessed as out of scope are not included in the metric. The boundary was based on the assessment as regulated in the supplier management due diligence process. The boundary was set based on a combination of supplier-related risk and the extent to which Alleima is deemed to be able to influence the supplier.

Appendix, cont.

4. Disclosures stemming from other legislation

Disclosure requirements and datapoints	Information	Regulation	Comment	Location
ESRS 2 GOV-121 (d)	Board's gender diversity	SFDR, Benchmark Regulation		90, 97
ESRS 2 GOV-121 (e)	Percentage of board members who are independent	Benchmark Regulation		86
ESRS 2 GOV-4 30	Statement on due diligence	SFDR		98
ESRS 2 SBM-140 (d) i	Involvement in activities related to fossil fuel activities	SFDR, Pillar 3, Benchmark Regulation	Not material	
ESRS 2 SBM-140 (d) ii	Involvement in activities related to chemical production	SFDR, Benchmark Regulation	Not material	
ESRS 2 SBM-140 (d) iii	Involvement in activities related to controversial weapons	SFDR, Benchmark Regulation	Not material	
ESRS 2 SBM-140 (d) iv	Involvement in activities related to cultivation and production of tobacco	Benchmark Regulation	Not material	
ESRS E1-114	Transition plan to reach climate neutrality by 2050	EU Climate Law		105
ESRS E1-116 (g)	Undertakings excluded from Paris-aligned Benchmarks	Pillar 3, Benchmark Regulation	Not excluded	126
ESRS E1-4 34	GHG emission reduction targets	SFDR, Pillar 3, Benchmark Regulation		107
ESRS E1-5 38	Energy consumption from fossil sources disaggregated by sources	SFDR		107
ESRS E1-5 37	Energy consumption and mix	SFDR		107
ESRS E1-5 40–43	Energy intensity associated with activities in high climate impact sectors	SFDR		107
ESRS E1-6 44	Scopes 1, 2, 3 (gross) and Total GHG emissions	SFDR, Pillar 3, Benchmark Regulation		108
ESRS E1-6 53–55	Gross GHG emissions intensity	SFDR, Pillar 3, Benchmark Regulation		108
ESRS E1-7 56	GHG removals and carbon credits	EU Climate Law	Not material	
ESRS E1-9 66	Exposure of the benchmark portfolio to climate-related physical risks	Benchmark Regulation	Not material	
ESRS E1-9 66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk	Pillar 3	Not material	
ESRS E1-9 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Pillar 3	Phase-in provisions	
ESRS E1-9 69	Degree of exposure of the portfolio to climate-related opportunities	Benchmark Regulation	Phase-in provisions	
ESRS E2-4 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	SFDR		109
ESRS E3-19	Water and marine resources	SFDR		110
ESRS E3-113	Dedicated policy for water and marine resources	SFDR		110
ESRS E3-114	Sustainable oceans and seas	SFDR	Not material	
ESRS E3-4 28 (c)	Total water recycled and reused	SFDR	Not material	
ESRS E3-4 29	Total water consumption in m³ per net revenue on own operations	SFDR		110
ESRS 2- SBM 3 - E4 16 (a) i	Specification of activities negatively affecting biodiversity-sensitive areas	SFDR		96, 103
ESRS 2- SBM 3 - E4 16 (b)	Identified material negative impacts with regards to land degradation, desertification or soil sealing	SFDR	Phase-in provisions	
ESRS 2- SBM 3 - E4 16 (c)	Operations that affect threatened species	SFDR	Phase-in provisions	
ESRS E4-2 24 (b)	Sustainable land/agriculture practices or policies	SFDR	Phase-in provisions	
ESRS E4-2 24 (c)	Sustainable oceans/seas practices or policies	SFDR	Phase-in provisions	
ESRS E4-2 24 (d)	Policies to address deforestation	SFDR	Phase-in provisions	
ESRS E5-5 37 (d)	Non-recycled waste	SFDR		112
ESRS E5-5 39	Hazardous waste and radioactive waste	SFDR		112
ESRS 2- SBM 3 - S114 (f)	Risk of incidents of forced labor	SFDR	Not material	
ESRS 2- SBM 3 - S114 (g)	Risk of incidents of child labor	SFDR	Not material	
ESRS S1-120	Human rights policy commitments	SFDR		114
ESRS S1-121	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation		98
ESRS S1-122	Processes and measures for preventing trafficking in human beings	SFDR	Not material	
ESRS S1-123	Workplace accident prevention policy or management system	SFDR		114
ESRS S1-3 32 (c)	Grievance/complaints handling mechanisms	SFDR		115

Appendix, cont.

Disclosure requirements and datapoints	Information	Regulation	Comment	Location
ESRS S1-14 88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	SFDR, Benchmark Regulation		116
ESRS S1-14 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR		116
ESRS S1-16 97 (a)	Unadjusted gender pay gap	SFDR, Benchmark Regulation	Not material	
ESRS S1-16 97 (b)	Excessive CEO pay ratio	SFDR	Not material	
ESRS S1-17 103 (a)	Incidents of discrimination	SFDR	Not material	
ESRS S1-17 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR, Benchmark Regulation	Not material	
ESRS 2- SBM 3 - S2 11 (b)	Significant risk of child labor or forced labor in the value chain	SFDR		117
ESRS S2-117	Human rights policy commitments	SFDR		117
ESRS S2-118	Policies related to value chain workers	SFDR		117
ESRS S2-119	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR		117
ESRS S2-119	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation		98
ESRS S2-4 36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR		118
ESRS S3-116	Human rights policy commitments	SFDR	Not material	
ESRS S3-117	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	SFDR, Benchmark Regulation	Not material	
ESRS S3-4 36	Human rights issues and incidents	SFDR	Not material	
ESRS S4-116	Policies related to consumers and end-users	SFDR	Not material	
ESRS S4-117	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR, Benchmark Regulation	Not material	
ESRS S4-4 35	Human rights issues and incidents	SFDR	Not material	
ESRS G1-110 (b)	United Nations Convention against Corruption	SFDR		119
ESRS G1-110 (d)	Protection of whistleblowers	SFDR		120
ESRS G1-4 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR, Benchmark Regulation		120
ESRS G1-4 24 (b)	Standards of anti-corruption and anti-bribery	SFDR		119

Appendix, cont.

5. Taxonomy tables

Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering 2025 (summary)

2025					Breakdown by environmental objectives of Taxonomy-aligned activities											
KPI	Total	Proportion of Taxonomy-eligible activities			Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity						
	SEK M	%	SEK M	%	%	%	%	%	%	%	%	%	%	SEK M	%	
Turn-over	18,630	90	16,471	88	88	–	–	–	–	–	–	88	0	17,660	90	
CapEx	1,358	53	704	52	52	–	–	–	–	–	–	52	0	697	55	
OpEx	2,572	58	1,470	57	57	–	–	–	–	–	–	57	0	1,512	58	

Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering 2025

Turnover													
2025													
Economic Activities	Code	Proportion of Taxonomy-eligible turnover	Taxonomy-aligned turnover	Proportion of Taxonomy-aligned turnover	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	SEK M	%	%	%	%	%	%	%			%
Manufacture of iron and steel	CCM 3.9	90	16,471	88	88	–	–	–	–	–	–	T	98
Sum of alignment per objective					88	–	–	–	–	–			
Total turnover		90	16,471	88	88	–	–	–	–	–	–	88	98

Appendix, cont.

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering 2025

CapEx													
2025													
Economic Activities	Code	Proportion of Taxonomy-eligible CapEx	Taxonomy-aligned CapEx	Proportion of Taxonomy-aligned CapEx	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	SEK M	%	%	%	%	%	%	%			%
Manufacture of iron and steel	CCM 3.9	53	704	52	52	–	–	–	–	–	–	T	99
Sum of alignment per objective					52	–	–	–	–	–			
Total CapEx		53	704	52	52	–	–	–	–	–	–	52	99

Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering 2025

OpEx													
2025													
Economic Activities	Code	Proportion of Taxonomy-eligible OpEx	Taxonomy-aligned OpEx	Proportion of Taxonomy-aligned OpEx	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	SEK M	%	%	%	%	%	%	%			%
Manufacture of iron and steel	CCM 3.9	58	1,470	57	57	–	–	–	–	–	–	T	98
Sum of alignment per objective					57	–	–	–	–	–			
Total OpEx		58	1,470	57	57	–	–	–	–	–	–	57	98

Appendix, cont.

6. Substances of concern (E2-5)

		By hazard class ¹⁾								
Ton	Total	Carcinogenicity, categories 1 and 2	Germ cell mutagenicity, categories 1 and 2	Reproductive toxicity, categories 1 and 2	Endocrine disruption for human health or environment	Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties	Skin and Respiratory sensitisation , category 1	Chronic hazard to the aquatic environment, categories 1 to 4	Hazardous to the ozone layer	Specific target organ toxicity, repeated and single exposure, categories 1 and 2
Total amounts of sub- stances of high concern	10,223									
Produced at the facility	–	–	–	–	–	–	–	–	–	–
Leave facility as products	–	–	–	–	–	–	–	–	–	–
Leave facility as part of products	9,502	9, 502	12	12	–	–	9,502	12	–	8,288
Substances that are used at the facility	10,220	10,220	30	50	–	–	47	1,168	–	1,113
Substances that are generated at the facility	–	–	–	–	–	–	–	–	–	–
Leave facility as emissions	3	3	1	1	–	–	2	3	–	0
Total amounts of substances of very high concern	16									
Produced at the facility	–	–	–	–	–	–	–	–	–	–
Leave facility as products	–	–	–	–	–	–	–	–	–	–
Leave facility as part of products	0	–	–	0	–	–	0	0	–	–
Substances that are used at the facility	16	3	0	16	–	–	12	14	–	15
Substances that are generated at the facility	–	–	–	–	–	–	–	–	–	–
Leave facility as emissions	0	0	0	0	–	–	–	0	–	0

1) The same substance can be included in more than one hazard class.

Auditor's limited assurance report of Alleima AB (publ)'s statutory sustainability statement

To the general meeting of the shareholders of Alleima AB (publ) corporate identity number 559224-1433

Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Alleima AB (publ) for the financial year 2025. The sustainability statement is included on page 95–131 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities on page 103 of the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

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

Other matter

The Sustainability Report for 2024 was prepared in accordance with the Global Reporting Initiative and was subject to our review. Limited assurance of the comparative figures in the Sustainability Report for 2025, in accordance with the current wording of the Annual Accounts Act after 1 July 2024, has therefore not been performed.

Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages sidorna 1–94 and 134–140. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the *Managing Director* determine necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Alleima AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include

Summary of the work performed

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
 - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
 - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities on page 103 of the sustainability statement

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement
- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Perform substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods, assumptions and data for developing significant estimates and forward-looking information;
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement;
- The review of taxonomy disclosures included, but was not limited to, the following review procedures:
 - Conducted inquiries to obtain an understanding of the process and sources of information used in the taxonomy disclosures
 - Performed substantive testing on a selection of samples regarding disclosures provided in accordance with the EU Green Taxonomy

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Alleima AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Alleima AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm, March 19, 2026

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson

Authorized Public Accountant

Auditor-in-Charge

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



Other

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Alternative Performance Measures 138

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Definitions

Financial definitions

Adjusted earnings per share

Adjusted profit for the period divided by average number of shares outstanding during the year.

Adjusted EBIT

Operating profit (EBIT) excluding metal price effects and items affecting comparability.

Adjusted EBITDA

Operating profit (EBIT) before depreciation and amortizations, adjusted for metal price effects and items affecting comparability.

Adjusted profit for the period

Profit for the period, adjusted for metal price effects, items affecting comparability, and income tax effects.

Book-to-bill, %

The order intake of the period divided by the revenues of the period.

Capex

Acquisitions and sale of tangible and intangible assets.

EBIT

Earnings before interest and taxes (Operating profit).

EBIT/EBITDA margin, %

EBIT/EBITDA in relation to revenues.

EBITDA

Operating profit (EBIT) excluding depreciations and amortizations.

Financial net debt (+)

Net debt, excluding net pension and lease liabilities.

Free operating cash flow

EBITDA adjusted for non-cash items plus the change in net working capital minus investments and disposals of tangible and intangible assets and plus the amortization of lease liabilities.

Items affecting comparability (IAC)

Capital gains and losses from divestments and larger restructuring initiatives, impairments, capital gains and losses from divestments of financial assets as well as other material items having a significant impact on the comparability.

Metal price effects

Metal price effect on the operating profit during a particular period from changes in alloy prices arising from the timing difference between the purchase (as included in cost of goods sold) and the sale of an alloy (as included in the revenue) when alloy surcharges are applied.

Net debt

Interest-bearing current and non-current liabilities, including net pension and lease liability, less cash and cash equivalents.

Net working capital

Total of inventories, trade receivables, account payables and other current non-interest-bearing receivables and liabilities,

including those classified as liabilities and assets held for sale, but excluding tax assets and liabilities and provisions.

Net working capital to revenues, %

The annual value is the average working capital for four quarters divided by revenues for the full year.

Order intake

Order intake for a period refers to all orders received for immediate delivery and those orders for future delivery for which delivery dates and quantities have been confirmed.

Organic growth, %

Change in order intake or revenues after adjustments for exchange rate effects and structural changes such as divestments and acquisitions and alloy surcharges.

Return on capital employed, %

Rolling 12 months' operating profit/loss plus financial income (excl. derivatives), as a percentage of a four-quarter average capital employed.

Return on capital employed excluding cash, %

Rolling 12 months' operating profit/loss, as a percentage of a four-quarter average capital employed excluding cash and cash equivalents.

Sustainability definitions

Exposure hours (ET)

Number of hours worked in the time-period by the workforce. Refers to the amount of time where the workforce is exposed to the risk of a work-related incident.

Fatal Injury (FI)

An Injury that results in the death of a Worker.

Injury

An occurrence of physical or mental harm in the course of work because of a single or instantaneous event. An Injury will be classified as one of the following: Fatal, Lost Time Injury (LTI), Restricted Work Injury (RWI), Medical Treatment Injury (MTI) or Minor Injury (MI).

Lost Time Injury (LTI)

An Injury that results in one or more Days Lost from work at some time (not necessarily immediately) after the shift in which the Injury occurred.

Lost Time Injury Frequency Rate (LTIFR)

Number of Fatal Injuries and Lost Time Injuries per million Exposure Hours.

Medical Treatment Injury (MTI)

An Injury that results in a Worker not being able to return to their Full Normal Duties immediately following any treatment for that Injury (i.e. for the remainder of the current shift), but where they are / would have been able to return to Full Normal Duties on the next calendar day.

Minor Injury (MI)

An Injury where the worker can immediately return to their Full Normal Duties after receiving treatment for the Injury.

Primary Material

Virgin material.

Recycle rate

Secondary material in relation to total material (Primary + Secondary).

Restricted Work Injury (RWI)

An Injury where the Worker does not have any Days Lost but would have been able to perform only some of their Normal Duties.

Scope 1 – Raw materials based

CO₂ emission from reduction of carbon content in the steel manufacturing process.

Scope 1 – Fuels

CO₂ emission from fuel combustion.

Scope 2

CO₂ emission from purchased electricity, heat and steam.

Scope 3

CO₂ emissions occurring in the company's value chain, excluding those included in Scope 1 and Scope 2.

Secondary Material

Recycled material.

Total Recordable Injury (TRI)

The sum of the number of Fatal Injuries (FI), Lost Time Injuries (LTI), Restricted Work Injuries (RWI) and Medical Treatment Injuries (MTI).

Total Recordable Injury Frequency Rate (TRIFR)

Number of Total Recordable Injuries per million Exposure Hours.

Product definitions**Austenitic steel**

A stainless steel with austenitic crystal structure which contains high share of nickel and chromium. It combines excellent mechanical properties and resistance to corrosion with good ductility and weldability.

Bi-polar plates

Pre-coated strip steel; bipolar plates for Polymer Electrolyte Fuel Cell (PEFC) applications.

Cladding tubes

Cladding tubes are used mainly as fuel tubes, with a group of fuel rods containing the fissionable material (uranium) providing fuel for the nuclear reactor.

Coated strip steel

Stainless steel in strip form and pre-coated for specific needs.

Compressor valve steel

Strip steel grades with a very high fatigue resistance, especially designed to meet the tough demands on compressor valves.

Corrosion Resistant Alloy (CRA)

Grade with high mechanical strength and excellent corrosion resistance, e.g. to pitting and crevice corrosion, stress corrosion cracking (SCC), acid and caustic environments, erosion-corrosion.

GDI automotive tubing

Seamless stainless steel tubing developed for gasoline direct injection (GDI)

Heating elements and modules

Prefabricated heating modules are designed for a wide range of thermal processing applications up to 1,700° C (3,090° F) element temperature.

Heating resistance materials

Products used for the manufacture of heating elements, thermocouples and a range of highly demanding high temperature applications.

High-pressure tubing

Seamless high-pressure tubes for a variety of high-pressure applications using liquid or gas as the pressure medium, such as hydraulic installations, test benches and water-jet cutting equipment.

Hollow bar

Hollow bar is a thick-walled stainless steel tube often used for machining components.

Hydraulic and instrumentation tubing

Hydraulic and instrumentation tubing are supplied with smooth surfaces and close dimensional tolerances reducing the risk of leakages when connecting tubes with couplings.

Kanthal APM®

Kanthal® APM is an advanced powder-metalurgical, dispersion-strengthened, ferritic iron-chromium-aluminum alloy (FeCrAl alloy) for use at temperatures up to 1,425° C (2,600° F). The alloy is characterized by exceptionally good form stability and oxidation resistance.

Kanthal® APMT

Kanthal® APMT is an advanced powder metallurgical, dispersion strengthened, ferritic iron-chromium-aluminum alloy (FeCrAlMo alloy) recommended for continuous use up to 1,250° C (2,280° F) in oxidizing and reducing environments.

Medical wire

Ultra-fine wire specifically for medical devices.

OCTG

Oil Country Tubular Goods (OCTG) is used as production pipe for transporting oil or gas from the borehole, for water or gas injection in the opposite direction and as casing in the borehole.

Polymer Electrolyte Fuel Cells (PEFC)

Polymer electrolyte fuel cells are electrochemical devices, converting the chemical energy of fuel directly into electrical energy.

Rock drill steel

Drill steel developed for the manufacturing of top-hammer rock drill rods.

Umbilical tubes

Umbilical tubes are the lifeline between surface installations and subsea equipment, and link surface and seafloor oil and gas equipment for controls, power or heat. Umbilical tubes are designed for high systematic pressure at great depth, where thinner walls and high strength are required.

Alternative Performance Measures

This annual report contains certain alternative performance measures that are not defined by IFRS. These measures are included as they are considered to be important performance indicators of the operating performance and liquidity of Alleima. They should not be considered a substitute for Alleima's financial statements prepared in accordance with IFRS. Alleima's definitions of these measures are described below, and as other companies may calculate non-IFRS measures differently, these measures are therefore not always comparable to similar measures used by other companies.

Organic order intake and revenue growth

Change in order intake and revenues after adjustments for exchange rate effects and structural changes such as divestments and acquisitions and alloy surcharges. Organic growth is used to analyze the underlying sales performance in the Group, as most of its revenues are in currencies other than in the reporting currency (i.e. SEK, Swedish Krona). Alloy surcharges are used as an instrument to pass on changes in alloy costs along the value chain and the effects from alloy surcharges may fluctuate over time.

Adjusted operating profit (EBIT)

Alleima considers Adjusted operating profit (EBIT) and the related margin to be relevant measures to present the profitability of the underlying business excluding metal price effects and items affecting comparability (IAC).

Metal price effect is the difference between the sales price and purchase price on metal content used in the production of products. Metal price effect of operating profit in a particular period arises from changes in alloy prices arising from the timing difference between the purchase, as included in the cost of goods sold, and the sale of an alloy, as included in revenues, when alloy surcharges are applied. IAC includes capital gains and losses from divestments and larger restructuring initiatives, impairments, capital gains and losses from divestments of financial assets as well as other material items having a significant impact on the comparability.

Adjusted operating profit (EBIT) and margin: Operating profit (EBIT) excluding items affecting comparability and metal price effects. Margin is expressed as a percentage of revenues.

Adjusted operating profit (EBIT)

SEK M	2025	2024
Operating profit	938	1,498
Reversal (Note 2):		
Items affecting comparability	342	0
Metal price effect	275	446
Adjusted operating profit (EBIT)	1,555	1,944
Revenues	18,630	19,691
Adjusted operating profit (EBIT) margin, %	8.3	9.9

Adjusted earnings per share, diluted

Alleima considers Adjusted earnings per share (EPS), diluted to be relevant to understand the underlying performance, which excludes items affecting comparability and metal price effects between periods.

Adjusted EPS, diluted: Profit/loss, adjusted for items affecting comparability and metal price effects, attributable to equity holders of the parent company divided by the average number of shares, diluted, outstanding during the year.

Adjusted profit for the period and adjusted earnings per share, diluted

SEK M	2025	2024
Profit for the period	671	1,221
Reversal:		
Adjustment items EBIT (Note 2)	617	446
Tax on adjustment items	-129	-94
Adjusted profit for the period	1,160	1,573
Attributable to		
Owners of the parent company	1,160	1,573
Non-controlling interests	–	–
Average number of shares, diluted, at the end of the period (millions)	250.855	250.867
Adjusted earnings per share, diluted, SEK	4.62	6.27

Net working capital (NWC) in relation to revenues and return on capital employed (ROCE)

Alleima considers NWC in relation to revenues relevant as measure of both the Group's efficiency and its short-term financial health.

Net working capital (NWC): Total of inventories, trade receivables, account payables and other current non-interest-bearing receivables and liabilities, including those classified as liabilities and assets held for sale, but excluding tax assets and liabilities and provisions.

Net working capital (NWC) in relation to revenues: Quarter is quarterly annualized and year-to-date numbers are based on a four-quarter average.

Alleima considers ROCE to be useful for the readers of its financial reports as a complement in assessing the possibility of implementing strategic investments and considering the Group's ability to meet its financial commitments. In addition, it is useful to also follow ROCE excluding cash, as it is focused on the operating capital employed.

Capital employed: Total assets less non-interest-bearing liabilities (including deferred tax liabilities).

Return on capital employed (ROCE): Rolling 12 months' operating profit/loss plus financial income (excl. derivatives), as a percentage of a four-quarter average capital employed.

ROCE excluding cash: Rolling 12 months' operating profit/loss, as a percentage of a four-quarter average capital employed excluding cash and cash equivalents.

SEK M	2025	2024
Inventories	6,813	7,407
Trade receivables	2,426	2,911
Account payables	-1,640	-2,249
Other receivables	675	859
Other liabilities	-2,052	-2,107
Net working capital	6,222	6,821
Average net working capital	6,666	6,909
Revenues annualized	18,630	19,691
Net working capital to revenues, %	35.8	35.1
Tangible assets	7,742	7,757
Intangible assets	1,950	2,037
Cash and cash equivalents	1,891	1,912
Other assets	10,915	12,077
Other liabilities	-4,954	-5,888
Capital employed	17,543	17,895
Average capital employed	17,823	17,407
Operating profit rolling 12 months	938	1,498
Financial income, excl. derivatives, rolling 12 months	35	57
Total return annualized	973	1,554
Return on capital employed (ROCE), %	5.5	8.9
Average capital employed excl. cash	16,135	15,707
Return on capital employed excl. cash, %	5.8	9.5

Free operating cash flow (FOCF)

Alleima considers free operating cash flow (FOCF) to be useful to provide an indication of the funds the operations generate to be able to implement strategic investments, make amortizations and pay dividends to the shareholders.

Free operating cash flow (FOCF): EBITDA adjusted for non-cash items plus the change in net working capital minus investments and disposals of tangible and intangible assets and plus the amortization of lease liabilities.

SEK M	2025	2024
EBITDA	1,950	2,410
Non-cash items	301	148
Changes in working capital	86	33
Capex	-1,089	-1,190
Amortization, lease liabilities	-148	-135
Free operating cash flow	1,100	1,266

Net debt to Equity and Net debt to Adjusted EBITDA

Alleima considers both Net debt to Equity and Net debt to Adjusted EBITDA to be useful for the readers of its financial reports as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments. Net debt to Equity ratio is included in Alleima's financial targets.

Net debt: Interest-bearing current and non-current liabilities, including net pension liabilities and leases, less cash and cash equivalents.

Adjusted EBITDA: Operating profit (EBIT) before depreciation and amortizations, adjusted for metal price effects and items affecting comparability.

Financial net debt

Alleima considers financial net debt to be a useful indicator of the business's ability to pay off all debt, excluding pension liabilities and lease liabilities, at a certain point in time.

Financial net debt: Net debt, excluding net pension and lease liabilities.

SEK M	2025	2024
Non-current interest-bearing liabilities	916	1,212
Current interest-bearing liabilities	144	134
Prepayment of pensions	-34	-65
Cash and cash equivalents	-1,891	-1,912
Net debt	-864	-631
Net pension liability	-589	-820
Leasing liabilities	-418	-460
Financial net debt	-1,871	-1,911
Adjusted EBITDA	2,485	2,856
Total Equity	16,516	16,614
Net debt/Equity ratio	-0.05	-0.04
Net debt/Adjusted EBITDA ratio (multiple)	-0.35	-0.22

Five-year overview

Key figures – Group

SEK million	2025	2024	2023	2022	2021
Order intake	17,741	19,419	21,684	22,130	15,681
Organic growth, %	-4	-6	-6	19	26
Revenues	18,630	19,691	20,669	18,405	13,847
Organic growth, %	0	1	8	13	-3
Adjusted gross margin, %	21.4	22.3	22.6	21.8	20.6
Adjusted EBITDA	2,485	2,856	3,056	2,540	1,811
Margin, %	13.3	14.5	14.8	13.8	13.1
Adjusted operating profit (EBIT)	1,555	1,944	2,141	1,681	1,055
Margin, %	8.3	9.9	10.4	9.1	7.6
Metal price effects	-275	-446	-95	695	487
Items affecting comparability	-342	0	0	-254	-176
Operating profit (EBIT)	938	1,498	2,046	2,122	1,379
Margin, %	5.0	7.6	9.9	11.5	10.0
Profit for the period	671	1,221	1,574	1,206	1,228
Adjusted earnings per share, diluted, SEK	4.62	6.27	6.56	3.36	3.82
Earnings per share adjusted for metal price effects, diluted, SEK	3.54	6.27	6.56	2.55	3.27
Earnings per share, SEK	2.68	4.88	6.28	4.76	4.80
Cash flow from operations	2,011	2,123	2,234	687	1,151
Free operating cash flow	1,100	1,266	1,688	505	1,046
Net working capital to revenues, ¹	35.8	35.1	34.3	32.8	31.2
Return on capital employed, % ¹	5.5	8.9	12.2	13.2	10.4
Return on capital employed excluding cash, % ¹	5.8	9.5	12.9	14.2	11.0
Net debt/Equity ratio	-0.05	-0.04	-0.02	0.00	0.11
Net debt/Adjusted EBITDA ratio	-0.35	-0.22	-0.08	0.01	0.73
Normalized tax rate, %	23.9	23.9	24.2	24.3	24.9
Average number of shares, diluted, at the end of the period (millions)	250.855	250.867	250.876	250.877	250.877
Number of shares at the end of the period (millions)	250.157	250.175	250.467	250.877	250.877
Number of employees ²	6,380	6,309	6,110	5,886	5,465
Number of third party workers ²	440	516	596	612	413

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

2) Full-time equivalent.

