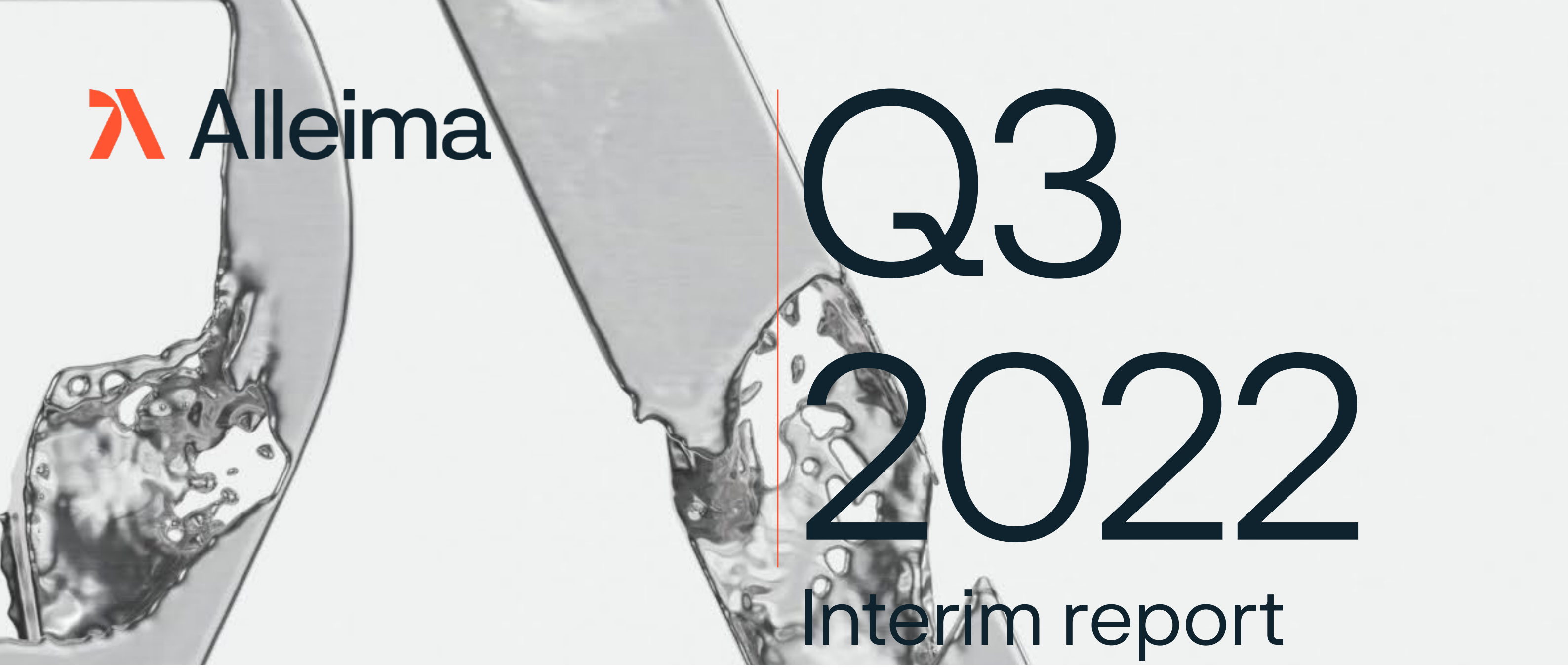


Alleima

Q3 2022 Interim report

Earnings in line with normal seasonality

- Order intake increased by 10% to SEK 3,869 million (3,512) year on year, corresponding to an organic growth of -10%, mainly due to weakened demand for low-refined products in the Industrial customer segment, and products for the Consumer segment.
- Revenues increased by 34% to SEK 4,270 million (3,197), corresponding to an organic growth of 12%, driven by a positive year on year development in all three divisions, and the Oil and Gas segment in particular.
- Operating profit (EBIT) amounted to SEK -26 million (295), corresponding to a margin of -0.6% (9.2), and included items affecting comparability of SEK -90 million (-18) and metal price effects of SEK -131 million (190).
- Adjusted operating profit (EBIT), amounted to SEK 195 million (123), corresponding to a margin of 4.6% (3.8), supported by higher volumes and a favorable product mix, despite cost inflation in freight and energy.
- Earnings per share was SEK -0.62 (1.06). Adjusted earnings per share was SEK 0.07 (0.53).
- Cash flow from operating activities amounted to SEK -297 million (-263) due to increased net working capital.
- Free operating cash flow decreased to SEK -323 million (-172) due to increased net working capital.
- The Alleima shares commenced trading on Nasdaq Stockholm on August 31.

Financial overview

SEK M	Q3 2022	Q3 2021	Change, %	Q1-Q3 2022	Q1-Q3 2021	Change, %
Order intake	3,869	3,512	10	16,305	11,419	43
Organic growth, %	*-10*	*30*	–	*20*	*21*	–
Revenues	4,270	3,197	34	13,246	9,912	34
Organic growth, %	*12*	*2*	–	*13*	*-5*	–
Adjusted EBITDA	403	257	57	1,756	1,253	40
Margin, %	*9.4*	*8.0*	–	*13.3*	*12.6*	–
Adjusted operating profit (EBIT)	195	123	59	1,126	703	60
Margin, %	*4.6*	*3.8*	–	*8.5*	*7.1*	–
Operating profit (EBIT)	-26	295	–	1,715	987	74
Profit for the period	-154	272	–	1,070	792	35
Adjusted earnings per share, SEK	0.07	0.53	-86	2.35	2.23	6
Earnings per share, SEK	-0.62	1.06	–	4.21	3.09	36
Free operating cash flow	-323	-172	88	-295	361	–
Net working capital to revenues, % [1]	40.2	35.6	–	33.2	N/A	–
Net debt/Equity ratio	0.02	0.15	–	0.02	0.15	–

Notes to the reader: Adjusted EBITDA and adjusted operating profit (EBIT) excludes items affecting comparability (IAC) and metal price effects, see Note 2 and the description of Alternative Performance Measures on page 29-32 for further details. Definitions and glossary can be found on www.alleima.com/investors
1) Quarter is quarterly annualized and the annual number is based on a four quarter average. 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. N/A = Not available.

"A successful and well received listing on Nasdaq Stockholm and a quarter in line with normal seasonality."

CEO's comment

This has truly been an eventful quarter and I am pleased that we were successfully listed on Nasdaq Stockholm on August 31. We have met with many investors, and we hosted our first ever Capital Markets Day, the main focus of which was to inform the market on our strategy and the dynamics of our business. We also launched our new brand, which unleashed a lot of energy and engagement among our employees and customers.

The third quarter is small from a seasonal perspective, with lower order intake, revenues and margins compared to the other quarters, mainly due to the summer shutdowns and planned maintenance. During the quarter, we noted continued positive demand in many of our customer segments, such as Industrial Heating, Power Generation, Transportation and Medical. We also noted some good orders in the Hydrogen and Renewable segment. Order intake in the Oil and Gas business in the Tube division continued to grow organically compared to last year, with large orders received for OCTG in the quarter. There is a high level of activity in the sector, but project awards are being delayed due to cost inflation and resource restraints in some customer projects related to umbilicals.

The slowdown that was noted in the short-cycle business in the second quarter, which related to low-refined products for the Industrial segment in Europe in the Tube division, continued into the third quarter, and we are now also seeing demand being hampered for these products in North America and Asia. Parts of the Consumer segment, mainly relating to compressor valve steel in the Strip division and appliance wire in the Kanthal division, both used in white goods products, also slowed. Overall, this translated into a year on year organic order intake growth of -10%.

Our backlog is solid, and in the quarter, revenues increased organically by 12%, with growth noted in all three divisions, and with an improved adjusted EBIT margin of 4.6%, compared to the same period last year, sequentially lower in line with normal seasonality. We noted a negative cash flow in the third quarter, due to payments of raw material purchases made during the second quarter, when metal prices were high. This is expected to improve sequentially in the fourth quarter.

We are aiming for industry-leading sustainability, both measured by our offering and by our own operations. A step in reducing our emissions is to transition to fossil-free electricity, and we are currently running at 94%. Since the beginning of this year, the Kanthal site in Hosur, India, has been using 100% renewable electricity and the switch has enabled an annual reduction in CO_2 emissions of approximately 850 tons. As our site in Mehsana, India, is already using fossil-free electricity, which means that our production in the country is now based on 100% renewable electricity.

We are operating in an uncertain environment, with global inflationary pressure and energy supply issues in Europe impacting our customers, and some parts of our short-cycle business will most likely remain subdued in the near-term. Looking ahead, I think that we are well positioned to grow our business and to execute on our strategy. Focus will be on growing within profitable and less cyclical segments. We view our diverse customer segment exposure as a strength, as our customers are in different parts of the business cycle. Our regional production footprint, being close to our customers in our main markets, is important as customers are now more focused on securing supply chains.

The energy sector is underinvested, and I believe that we will be able to leverage on the rebound in the oil and gas sector in the mid-term. Our application tubing business is strong in all regions, especially in the Chemical and Petrochemical customer segment. The transition from gas to electrical heating will continue and gain strength over time, supporting our Industrial Heating segment. I also believe we will continue to see good development in the Medical segment. All in all, we are well positioned for the future.

Göran Björkman, President and CEO

Market development and outlook

Market development

Demand was mixed during the quarter, and while several customer segments continued on a stable or positive trajectory compared to the same period last year, the demand weakened for the short-cycle business in all regions. The current market environment remains impacted by supply chain issues, extended freight lead times, inflation and uncertainties related to energy supply issues and costs, mainly in Europe.

- In the **Industrial segment,** a decrease in demand was noted for low-refined products in all regions during the period. Demand is expected to remain subdued in the near term.
- Demand in the **Chemical and Petrochemical segment** remained stable, despite some negative impact from inflation and higher energy costs. Activity related to application tubing products remained high.
- In the **Oil and Gas segment,** recovery continued with some significant orders booked, especially within OCTG (Oil Country Tubular Goods). However, while both the project list and sentiment are positive for offshore/umbilical projects, firm bookings were affected by cost inflation and resource restraints.
- The **Industrial Heating segment** noted increased demand driven mainly by the semiconductor, solar and steel end-customer segments.
- In the **Consumer segment,** demand related to compressor valve steel and appliance wire, both used in white goods products, as well as knife steel weakened during the quarter. Demand is expected to remain subdued in the near term. Demand for razor blades remained solid.
- Demand in the **Power Generation segment** remains solid in the mid- and long-term. Activity levels in clean energy remain high with discussions progressing well in relation to future power projects.
- The **Mining and Construction segment** noted solid demand, despite a slight decline compared to last year, due to high comparables on the back of last year's restocking in the wake of the pandemic.
- In the **Transportation segment,** aerospace noted strong year on year growth, mainly driven by precision tubing for hydraulic systems. Demand from automotive customers remained stable.
- Demand in the **Medical segment** showed continued strong underlying momentum although the timing of orders impacted the quarter.
- The **Hydrogen and Renewable Energy** segment noted continued growth in demand, mainly driven by coated strip steel for hydrogen fuel cells, related to stationary power.

Year on year underlying demand trend

	INDUSTRIAL	CHEMICAL AND PETROCHEMICAL	OIL AND GAS	INDUSTRIAL HEATING	CONSUMER
Year on year underlying demand trend	↘	→	→	↗	↘
% of Group revenues 2021	24%	16%	14%	13%	10%

	POWER GENERATION	MINING AND CONSTRUCTION	TRANSPORTATION	MEDICAL	HYDROGEN & RENEWABLE ENERGY
Year on year underlying demand trend	→	→	↗	↗	↗
% of Group revenues 2021	8%	8%	4%	3%	<1%

Outlook for the fourth quarter 2022

Market sentiment is mixed going into the fourth quarter. While the momentum is positive for some parts of the business, there are increased uncertainties due to inflationary pressure and the impact of energy supply issues and prices, impacting our customers mainly in Europe. Demand is expected to remain subdued for the short-cycle Industrial segment and Consumer segment in the near-term. The product mix going into the fourth quarter is expected to be similar to that noted in the third quarter. Orders, revenues and the adjusted margin in the fourth quarter are normally higher than in the third quarter, based on seasonal effects. Cash flow is expected to improve sequentially.

Note: Comments about market development and outlook are based on the company's current perceptions.

–10%

Organic order intake growth

Order intake and revenues

Order intake in the quarter increased by 10% to SEK 3,869 million (3,512) compared to the same period last year, driven by positive alloy surcharges and currency effects. Organic order intake growth of -10% was attributable to the negative development for low-refined products and the short-cycle business, mainly related to the Industrial and Consumer customer segments, in all three divisions. Organic order intake for most other segments was above last year. Order intake in the regions of North America and Asia noted organic growth of -31% and -19% respectively, mainly due to lower order intake for low-refined products compared to the same period last year. Order intake in Europe increased by 9%, driven mainly by Oil and Gas, Power Generation and Industrial Heating, despite a decline in the low-refined products. There were no orders classified as major orders, meaning above SEK 200 million, in the quarter or in the same period last year. The order backlog remained solid.

Revenues in the quarter increased by 34% to SEK 4,270 million (3,197), corresponding to organic growth of 12% compared to the same period last year. All customer segments except the Industrial segment noted positive organic development compared to last year, with the main drivers being OCTG for Oil and Gas, and hydraulic and instrumentation tubing to the Chemical and Petrochemical segment. Book-to-bill was 91% in the quarter.

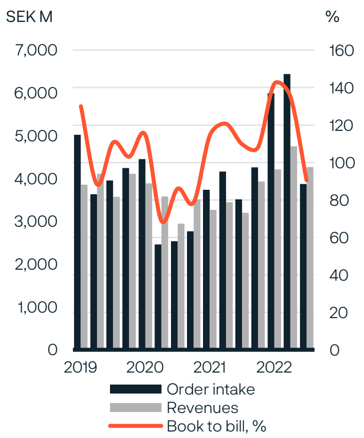
Acquisitions and divestments had a positive impact of 1% on both order intake and revenues, while **currency** had an impact of 7% on orders and 8% on revenues.
Alloy surcharges had a positive impact of 11% on both order intake and revenues, mainly driven by higher nickel prices, compared to the same period last year.

Order intake and revenue bridge

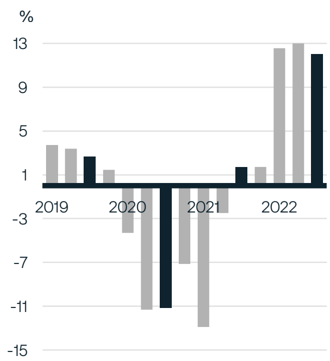
SEK M	Order intake	Revenues
Q3 2021	**3,512**	**3,197**
Organic, %	-10	12
Acquisitions & divestments, %	1	1
Currency, %	7	8
Alloys, %	11	11
Total growth, %	10	34
Q3 2022	**3,869**	**4,270**

Change compared to the same quarter last year.

Order intake and revenues



Organic revenue growth



Earnings

SEK M	Adjusted EBIT
Q3 2021	**123**
Organic	-29
Currency	99
Acquisitions & divestments	2
Q3 2022	**195**

Change compared to the same quarter last year.

Gross profit amounted to SEK 572 million (791).
Adjusted gross profit increased by 23% to SEK 703 million (569), corresponding to an adjusted gross margin of 16.5% (17.8), with higher production costs being the main reason for the decrease.

Sales, administrative and R&D costs increased by 24% year on year and amounted to SEK -639 million (-517). Adjusted sales, administrative and R&D costs increased by 25% year on year to SEK -549 million (-439), mainly due to higher activity, and temporary listing and branding promotion costs, as well as higher cost for operating as a standalone company. Adjusted sales, administrative and R&D costs in relation to revenues decreased to 12.9% (13.7), which was attributable to higher revenues.

Reported EBIT decreased to SEK -26 million (295), with a margin of -0.6% (9.2). Items affecting comparability amounted to SEK -90 million (-18) related to the separation from Sandvik AB and the listing. Metal price effects had a negative impact of SEK -131 million (190) in the quarter, mainly due to declining nickel prices.

Adjusted EBIT increased by 59% to SEK 195 million (123) corresponding to a margin of 4.6% (3.8). The year on year development was attributable to a strong product mix and higher revenues, somewhat offset by higher costs for freight and energy, as well as costs related to operating as a stand-alone company. Currency had a positive impact of SEK 99 million in the quarter. Earnings were in line with normal seasonality because of summer shutdowns for planned maintenance. Depreciation and amortization amounted to SEK -208 million (-134).

Net financial items decreased to SEK -187 million (77), mainly due to negative effects from revaluation of FX derivatives.

The reported tax rate was 27.6% (26.8) in the quarter. The normalized tax rate, excluding the impact related to items affecting comparability and metal price effects in operating profit, for Q1-Q3 2022 was 26.3% (26.4), in line with guidance for the full year.

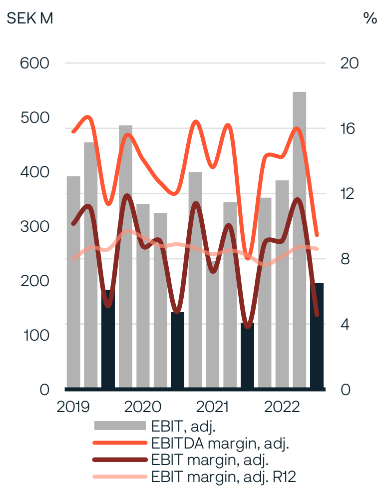
Profit for the period amounted to SEK -154 million (272), corresponding to earnings per share of SEK -0.62 (1.06). Adjusted profit for the period amounted to SEK 19 million (140) and adjusted earnings per share amounted to SEK 0.07 (0.53), see page 30 for further details.

Adjusted earnings per share

SEK

0.07

Adjusted EBITDA and Adjusted EBIT (%)



4.6%

Adjusted EBIT margin

Cash flow and financial position

Capital employed increased year on year to SEK 17,496 million (14,326), due to higher net working capital, currency effects and valuation effects for financial derivatives. Return on capital employed declined to -0.5% (8.7).

Net working capital increased year on year to SEK 7,091 million (4,798), and was up sequentially due to payments of raw material purchases made during the second quarter, when metal prices were high. Net working capital in relation to revenues was 40.2% (35.6) for the quarter.

Net investments (capex) increased to SEK -155 million (-97), mainly due to lower-than-normal levels last year, corresponding to 84.8% (72.2) of scheduled depreciations and -3.6% (-3.0) of revenues in the quarter.

Total net debt was SEK 325 million (1,728) mainly impacted by the negative free operating cash flow in the quarter. Net debt to equity ratio was 0.02 (0.15). The financial net debt was SEK -384 million (278) i.e., a net cash position. With an increased discount rate in Sweden, the net pension liability decreased year on year to SEK 492 million (1,271), and increased slightly sequentially (477). Total net debt in relation to rolling 12 months adjusted EBITDA was 0.14 (N/A).

Cash flow from operating activities amounted to SEK -297 million (-263) due to increased net working capital.

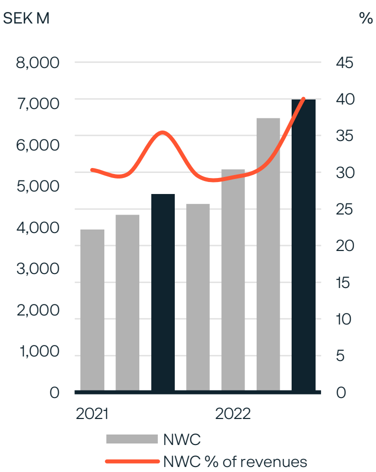
Free operating cash flow decreased to SEK -323 million (-172), negatively impacted by the higher net working capital.

Free operating cash flow

SEK M	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
EBITDA	182	429	2,345	1,525
Non-cash items	-91	24	-151	-103
Changes in working capital	-241	-512	-2,093	-775
Capex[1]	-155	-97	-337	-233
Amortization, lease liabilities	-17	-15	-60	-52
Free operating cash flow[2]	**-323**	**-172**	**-295**	**361**

1) Including tangible and intangible assets of SEK -158 million (-137) for Q3 and SEK -348 million (-275) Q1-Q3 2022.
2) Free operating cash flow before acquisitions and disposals of companies, net financial items and paid taxes.

Net working capital

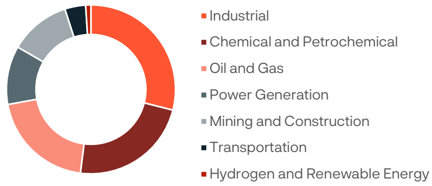


Net debt to Equity

Ratio

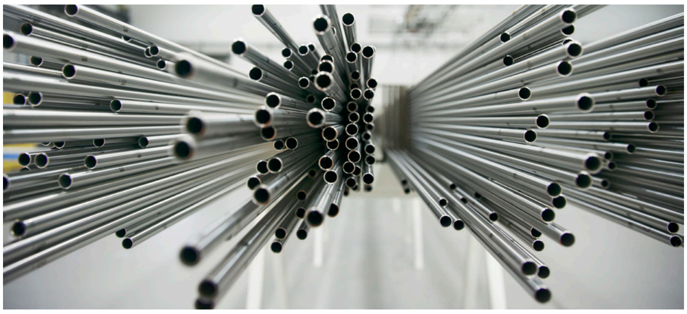
0.02x

Revenues per customer segment, full year 2021



Tube

Tube develops and manufactures seamless tubes and other long products in advanced stainless steels and special alloys used primarily in the customer segments of Industrial, Chemical and Petrochemical, Oil and Gas, Mining and Construction, Power Generation and Transportation. The offering also includes products and solutions for the growing Hydrogen and Renewable Energy segment.



Order intake and revenues

Order intake increased by 4% to SEK 2,552 million (2,449), and decreased organically by -16% compared to the same period last year. Organic growth in the Power Generation segment, hydraulic & instrumentation and heat exchanger tubing for the Chemical and Petrochemical segment, and titanium, high precision and GDI tubes for the Transportation segment did not offset the decline for the low-refined and short-cycle long products in the Industrial segment.

Revenues increased by 35% to SEK 2,931 million (2,169), corresponding to an organic growth of 13%, due to a broad-based positive development and higher revenues for umbilicals for the Oil and Gas segment in particular. Other main contributors to year on year organic growth were application tubing products such as high temperature and fertilizer, as well as hydraulic and instrumentation tubing to the Chemical and Petrochemical segment, somewhat mitigated by the negative development for long products to the Industrial segment. The book-to-bill ratio was 87% in the quarter.

Earnings

EBIT amounted to SEK 12 million (263) and included items affecting comparability of SEK -4 million (31) and metal price effects of SEK -129 million (161), mainly as a result of declining nickel prices. Adjusted EBIT totaled SEK 145 million (71), corresponding to a margin of 4.9% (3.3). The increase was primarily due to higher revenues, mainly in the Oil and Gas segment, and a positive product mix. Underabsorption related to decreased inventories had a negative impact on the margin, along with negative effects related to fire in the steel mill. Changes in exchange rates had a positive impact of SEK 92 million (-13). Amortization and depreciation amounted to SEK -166 million (-97).

Other quarterly highlights

To meet the increasing demand from mainly the Chemical and Petrochemical segment, and to optimize the footprint in Asia, an investment project is underway aimed at expanding the Mehsana mill in India. As part of this, a new cold finishing tube manufacturing line and a finishing line mainly for heat exchanger tubing, along with a hydraulic & instrumentation tube factory, have already been installed on site. During the quarter, and in line with capex guidance, the project entered its final phase, which is the establishment of a new heat exchanger tube factory that is expected to be fully completed and operational by Q3 2023.

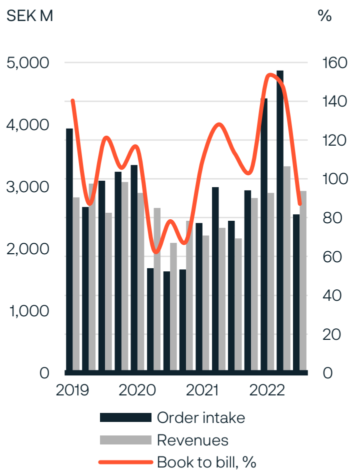
SEK M	Order intake	Revenues
Q3 2021	**2,449**	**2,169**
Organic, %	-16	13
Structure, %	1	1
Currency, %	6	7
Alloys, %	13	13
Total growth, %	4	35
Q3 2022	**2,552**	**2,931**

Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

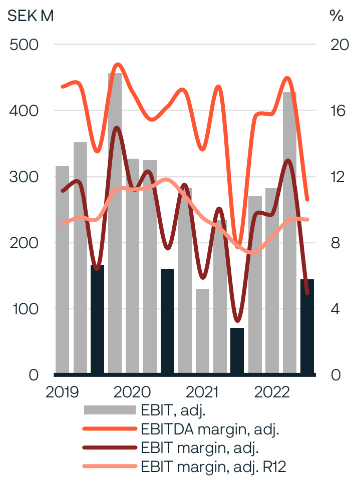
SEK M	Q3 2022	Q3 2021	Change %	Q1-Q3 2022	Q1-Q3 2021	Change %
Order intake	2,552	2,449	4	11,840	7,857	51
Organic growth, %	*-16*	*38*	–	*27*	*17*	–
Revenues	2,931	2,169	35	9,157	6,715	36
Organic growth, %	*13*	*-4*	–	*15*	*-14*	–
Adjusted EBITDA	311	168	85	1,361	874	56
Margin, %	*10.6*	*7.7*	–	*14.9*	*13.0*	–
Adjusted EBIT	145	71	104	855	436	96
Margin, %	*4.9*	*3.3*	–	*9.3*	*6.5*	–
EBIT	12	263	-95	1,433	788	82
Margin, %	*0.4*	*12.1*	–	*15.6*	*11.7*	–
Number of employees	3,926	3,590	9	3,926	3,590	9

Adjusted EBITDA and adjusted EBIT excludes items affecting comparability and metal price effects, for more information see page 26.

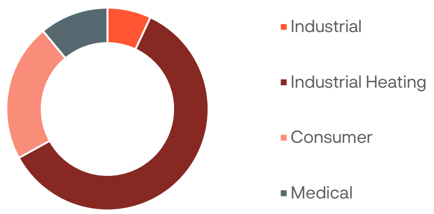
Order intake and revenues



Adj. EBITDA and Adj. EBIT (%)

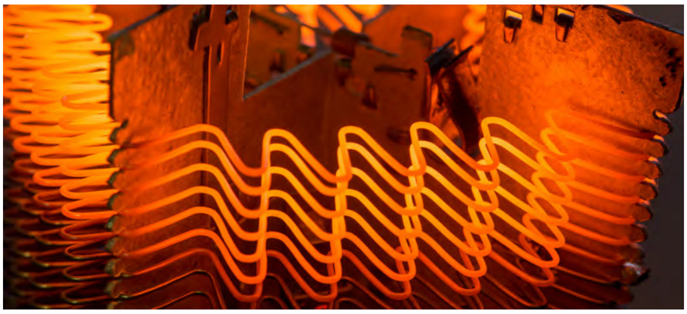


Revenues per customer segment, full year 2021



Kanthal

Kanthal is a leading supplier of heating materials, focusing on heating alloys for industrial, appliance and thermocouple applications, and heating systems, including heating elements, heating modules, and other products used in high temperature processes. The largest share of revenues is related to the Industrial Heating segment. The division also has an offering for ultra-fine wire for the Medical segment.



Order intake and revenues

Order intake increased 25% to SEK 945 million (755), corresponding to an organic growth of 2%. The positive organic development was primarily driven by the Industrial Heating segment, due to project orders for fibrothal® cassettes, process heating systems and metallic elements. Heating materials noted a slightly negative development compared to the same period last year, attributable to lower demand for appliance wire for white goods in the Consumer segment, and industrial wire for the Industrial segment. Organic order intake in the Medical segment was slightly lower year on year due to the timing of orders, although market sentiment remains positive.

Revenues increased by 38% to SEK 995 million (719), corresponding to an organic growth of 12%. The organic growth was driven by heating systems and heating materials, as well as yet another quarter with record-high revenues in the Medical segment. The book-to-bill ratio was 95% in the quarter.

Earnings

EBIT amounted to SEK 107 million (138) and included items affecting comparability of SEK -1 million (29) and metal price effects of SEK -7 million (20). Adjusted EBIT amounted to SEK 115 million (89), corresponding to a margin of 11.6% (12.4). The margin decline was primarily attributable to a weaker product mix due to a higher share of revenues related to heating materials, compared to the same period last year. Changes in exchange rates had a positive impact of SEK 9 million (-1). Amortization and depreciation amounted to SEK -24 million (-21).

Other quarterly highlights

Since the beginning of the year, the Kanthal site in Hosur, India, has been running on 100% renewable electricity. This transition is made possible through the use of renewable energy certificates. The switch to renewable electricity has enabled an annual reduction in CO_2 emissions of approximately 850 tons. The reduction of CO_2 emissions in Q3 amounted to 224 tons making it the quarter with the largest CO_2 savings so far this year.

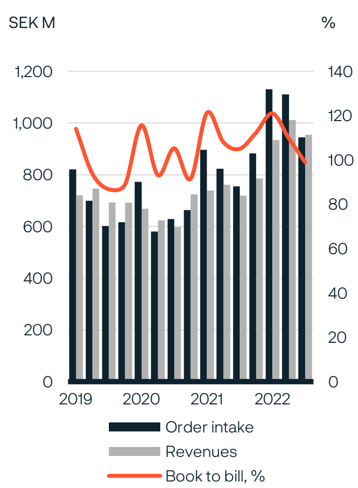
SEK M	Order intake	Revenues
Q3 2021	**755**	**719**
Organic, %	2	12
Structure, %	3	4
Currency, %	10	12
Alloys, %	9	8
Total growth, %	25	38
Q3 2022	**945**	**995**

Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

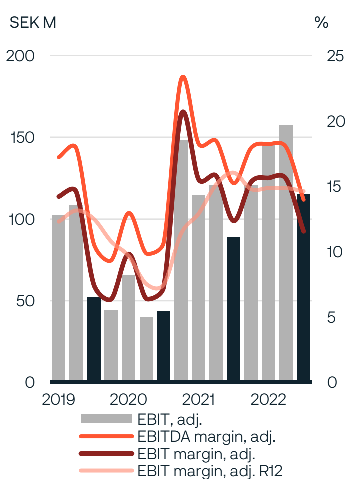
SEK M	Q3 2022	Q3 2021	Change %	Q1-Q3 2022	Q1-Q3 2021	Change %
Order intake	945	755	25	3,187	2,474	29
Organic growth, %	*2*	*16*	–	*4*	*30*	–
Revenues	995	719	38	2,942	2,221	32
Organic growth, %	*12*	*17*	–	*7*	*21*	–
Adjusted EBITDA	139	110	27	491	385	28
Margin, %	*14.0*	*15.2*	–	*16.7*	*17.3*	–
Adjusted EBIT	115	89	30	419	324	29
Margin, %	*11.6*	*12.4*	–	*14.2*	*14.6*	–
EBIT	107	138	-23	638	400	59
Margin, %	*10.7*	*19.1*	–	*21.7*	*18.0*	–
Number of employees	1,113	1,036	7	1,113	1,036	7

Adjusted EBITDA and adjusted EBIT excludes items affecting comparability and metal price effects, for more information see page 26.

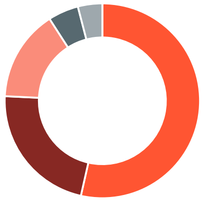
Order intake and revenues



Adj. EBITDA and Adj. EBIT (%)



Revenues per customer segment, full year 2021



Strip

Strip develops and manufactures a wide range of precision strip-steel products, such as razor blade steel and compressor valve steel, primarily for the Consumer, Industrial, Transportation (primarily automotive) and Medical customer segments. Through the Surface Technology business unit, the division is also exposed to the Hydrogen and Renewable Energy segment through its offering of pre-coated strip steel for one of the most critical components in the hydrogen fuel cell stack – the bipolar plates.

SEK M	Order intake	Revenues
Q3 2021	**308**	**309**
Organic, %	10	3
Structure, %	-	-
Currency, %	5	5
Alloys, %	5	3
Total growth, %	21	11
Q3 2022	**372**	**344**

Change compared to same quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

Order intake and revenues

Order intake increased 21% to SEK 372 million (308), corresponding to an organic growth of 10%, driven by orders for coated strip steel (Surface Technology) for the Hydrogen and Renewable Energy segment. Organic order intake in the Consumer segment declined year on year, mainly due to lower demand for stainless compressor valve steel in Asia and for knife steel. Demand for razor blades within the Consumer segment, and demand in the Industrial and Medical segments remained solid.

Revenues increased by 11% to SEK 344 million (309), corresponding to an organic growth of 3%, mainly driven by razor blade and spring knife steel to the Consumer segment, offsetting a negative impact from lower revenues from stainless compressor valve steel. Supply chain issues caused production related disturbances. The book-to-bill ratio was 108% in the quarter.

Earnings

EBIT amounted to SEK 15 million (31) and included metal price effects of SEK 5 million (9). Adjusted EBIT totaled SEK 10 million (23), corresponding to a margin of 3.0% (7.3). The decline was mainly attributable to higher production cost. Changes in exchange rates had a positive impact of SEK 19 million (-5). Amortization and depreciation amounted to SEK -12 million (-12).

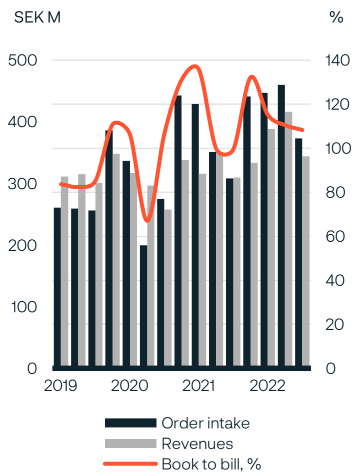
Other quarterly highlights

As part of continuous footprint optimizations, the Strip division's service center in Bethel, Connecticut, was moved to Clarks Summit in Pennsylvania during the third quarter. By relocating to the largest Alleima site in North America, the Strip division can utilize the Alleima distribution center, thereby improving customer service levels, for example, by shortening lead times. All strip material in North America will now be handled in one location with dedicated resources.

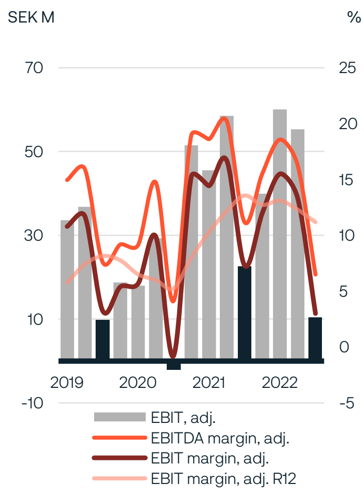
SEK M	Q3 2022	Q3 2021	Change %	Q1-Q3 2022	Q1-Q3 2021	Change %
Order intake	372	308	21	1,278	1,087	18
Organic growth, %	*10*	*8*	–	*7*	*36*	–
Revenues	344	309	11	1,148	976	18
Organic growth, %	*3*	*16*	–	*8*	*14*	–
Adjusted EBITDA	22	35	-35	162	164	-1
Margin, %	*6.5*	*11.2*	–	*14.1*	*16.8*	–
Adjusted EBIT	10	23	-54	126	127	-1
Margin, %	*3.0*	*7.3*	–	*10.9*	*13.0*	–
EBIT	15	31	-52	161	150	7
Margin, %	*4.4*	*10.1*	–	*14.0*	*15.4*	–
Number of employees	518	512	1	518	512	1

Adjusted EBITDA and adjusted EBIT excludes items affecting comparability and metal price effects, for more information see page 26.

Order intake and revenues



Adj. EBITDA and Adj. EBIT (%)



Sustainability

Alleima's strategy includes to be leading in the market from a sustainability perspective, contribute to increased circularity and support general health and well-being, both through its product offering and its operations. Developing a sustainable product offering, combined with several initiatives to reduce the overall environmental impact of the production process, is considered one of the most important success factors.

Having an impact through our offering

The solar energy industry is identified as a growth area within the Hydrogen and Renewable Energy customer segment. During the quarter, tube orders were received for the high-temperature alloy Sanicro31HT for polysilicon production, which is an upstream element of solar photovoltaic panel manufacturing. The customer uses this alloy in the final stages of the production of polysilicon. Alleima remains the trusted partner of the polysilicon industry, providing products that enable high performance and purity of polysilicon, which is essential for the solar industry where high-temperature strength and smooth inner surface roughness of the tubes are a prerequisite. Through its offering to the solar industry, Alleima is contributing to the green energy transition.

Having an impact through our operations

- The 12-month rolling Total Recordable Injury Frequency Rate, TRIFR, improved to 6.7. This was 21% better than at the end of 2021 (8.4) and 26% year on year (9.0).
- The share of scrap metal input in steel manufacturing amounted to 82.4% for the 12-month rolling period. The rate improved 0.5%-points compared to a year ago (81.9) and 0.6%-points compared with the end of 2021 (81.8). A healthy improvement to 83.0% (82.0) was noted during the quarter.
- The 12-month rolling Total Greenhouse Gas (GHG) emissions was 120 kton, unchanged compared to the corresponding period last year and down 1% compared to the end of 2021 (121). Emissions in the quarter decreased by 16% to 19 kton (22). Relative to produced tons, annualized GHG emissions decreased by 11% year on year.
- The share of female managers increased to 22.7% compared to a year ago (19.5), and improved by 3.2 %-points year over year, resulting in a record-high share of female managers in the company.

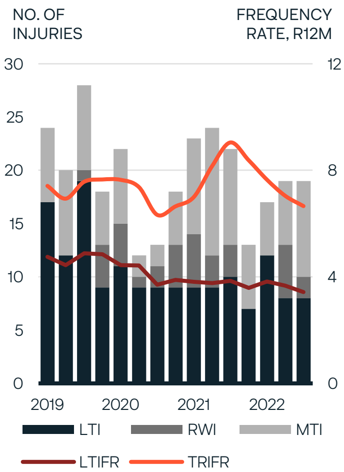
Definitions and glossary can be found at www.alleima.com/investors.

Sustainability overview

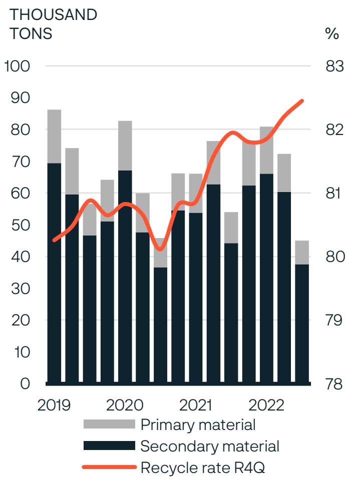
	Q3 2022	Q3 2021	Change, %	R12M, Q3 2022	R12M, Q3 2021
TRIFR [1]	8.1	9.9	-18.6	6.7	9.0
CO_2, thousand tons	19	22	-16.3	120	120
Recycled steel, %	83.4	82.0	1.8	82.4	81.9
Share of female managers, %	22.7	19.5	16.5	-	-

1) Total Recordable Injury Frequency Rate. Normalization factor: 1,000,000 exposure hours.

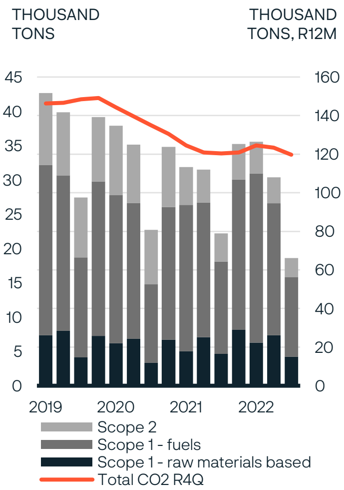
Health and safety – TRIFR



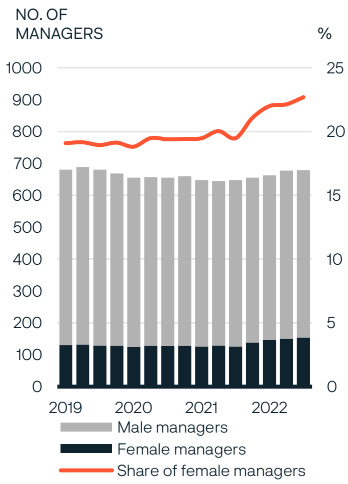
Recycled steel



GHG emissions



Share of female managers



First nine months 2022

Market development, order intake and revenues
The positive trend in market demand continued across most customer segments compared to the same period last year. However, demand in the short-cycle business, mainly related to long products for the Industrial customer segment as well as demand in the Consumer segment, softened toward the latter part of the period, indicating uncertainties in the market environment. The first nine months were impacted by supply chain issues, longer-than-normal freight lead times, and uncertainties related to energy supply issues and prices in Europe, as well as raw material price inflation, especially related to nickel prices.

Order intake in the period increased by 43% to SEK 16,305 million (11,419) year on year, corresponding to organic growth of 20%. All three divisions noted positive year on year development, mainly driven by orders related to the Power Generation, Oil and Gas, Industrial Heating and Medical customer segments. Order intake in the regions of Europe, North America and Asia noted a favorable trend, with organic growth of 1%, 35% and 118%, respectively, including major orders, and growth of 4%, 1% and 5%, respectively, excluding major orders. Excluding major orders of approximately SEK 1.5 billion (0) for the Group, organic order intake growth was 7% in the period.

Revenues increased by 34% to SEK 13,246 million (9,912), corresponding to year on year organic revenue growth of 13%. All customer segments and all three divisions noted positive development compared to last year, especially the Oil and Gas segment. The book-to-bill ratio was 123% in the period.

Acquisitions and divestments had a positive impact of 1% on both order intake and revenues, while currency had an impact of 5% on order intake and 6% revenues, respectively. Alloy surcharges had a positive impact of 14% on order intake and 12% on revenues, mainly driven by increased nickel prices.

Earnings
Reported EBIT increased to SEK 1,715 million (987), with a margin of 12.9% (10.0). Items affecting comparability amounted to SEK -254 million (-75), mainly related to the separation from Sandvik AB and the listing. Metal price effects had a positive impact of SEK 844 million (359) in the period, mainly due to increased nickel prices.

Adjusted EBIT increased by 60% to SEK 1,126 million (703) corresponding to a margin of 8.5% (7.1). The year on year development was attributable to higher revenues and an improved product mix, somewhat offset by higher costs for freight and energy and costs related to operating as a stand-alone company. Depreciation and amortization amounted to SEK -630 million (-538).

Profit for the period amounted to SEK 1,070 million (792), corresponding to earnings per share of SEK 4.21 (3.09). Adjusted profit for the period amounted to SEK 602 million (574) and adjusted earnings per share amounted to SEK 2.35 (2.23), see page 30 for further details.

Cash flow and financial position
Capital employed increased year on year to SEK 17,496 million (14,326), due to higher net working capital, currency effects and valuation effects for financial derivatives. Return on capital employed was 13.6% (N/A).

Net working capital increased year on year to SEK 7,091 million (4,798), driven by an increase in inventories due to higher activity, higher raw material prices and longer freight times, with the Tube division accounting for the largest increase. Net working capital in relation to revenues was 33.2% (N/A) for the period.

Net investments (capex) increased to SEK -337 million (-233), mainly due to lower-than-normal levels in the preceding year, corresponding to 62.2% (48.3) of scheduled depreciation and -2.5% (-2.4) of revenues in the period.

Cash flow from operating activities decreased year on year to SEK -419 million (211) due to increased working capital from higher activity levels and with a negative impact of higher raw material prices.

Free operating cash flow decreased to SEK -295 million (361), mainly due to increased working capital.

Significant events

During the quarter

-On July 6, Anders Björklund announced that he is resigning as President of the Kanthal division and that he will leave his position within the Group. Anders will remain in his current position until a successor takes office, but no later than December 31, 2022.

-On July 15, Alleima and Sandvik entered into the master separation agreement which governs separation principles, the allocation of liability between the parties as well as guarantees and indemnities to be able to complete the separation. The master separation agreement will remain in force during a perpetual period of time, neither party has a right to terminate the agreement and the agreement became effective on the date of the distribution of the shares in Alleima to the shareholders of Sandvik.

-On August 3, Nasdaq Stockholm communicated its decision to, subject to customary conditions, admit the Alleima shares to trading.

-On August 4, Sandvik's Board of Directors resolved that the record date for the distribution of all Alleima shares to the shareholders of Sandvik would be August 29, 2022. After the record date, Alleima was no longer part of the Sandvik Group.

-On August 31, the shares of Alleima commenced trading on Nasdaq Stockholm.

After the quarter

-On October 6, Alleima announced the appointment of the Nomination Committee for the 2023 Annual General Meeting.

Guidance and financial targets

Guidance relating to certain non-operational key figures considered useful when modeling financial outcome is provided below:

Guidance

Capex (Cash) (full year)	Estimated at less than SEK 600 million for 2022.
Currency effects (quarterly)	Based on currency rates at the end of September 2022, it is estimated that transaction and translation currency effects will have a positive impact of about SEK 100 million on operating profit (EBIT) for the fourth quarter of 2022, compared to the same period last year.
Metal price effects (quarterly)	In view of currency rates, inventory levels and metal prices at the end of September 2022, it is estimated that there will be an impact of approximately SEK -150 million on operating profit (EBIT) for the fourth quarter of 2022.
Tax rate, normalized (full year)	Estimated at 24-26% for 2022.

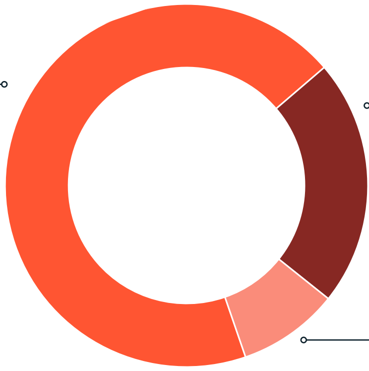
Financial targets

Alleima has four long-term financial targets:	
Organic growth	Deliver profitable organic revenue growth in line with or above growth in targeted end-markets over a business cycle.
Earnings	Adjusted EBIT margin (excluding items affecting comparability and metal price effects) to average above 9 percent over a business cycle.
Capital structure	A net debt to equity ratio below 0.3x.
Dividend policy	Dividend on average 50 percent of net profit (adjusted for metal price effects) over a business cycle. Dividend to reflect financial position, cash flow and outlook.

About us

Alleima is a world-leading developer, manufacturer, and supplier of high value-added products in advanced stainless steels and special alloys as well as products for industrial heating, operating with a global footprint. Based on close and long-term customer partnerships, Alleima advances processes and applications in the most demanding industries through materials that are lightweight, durable, corrosion-resistant and able to withstand extremely high temperatures and pressures.

Through its offering and in-depth expertise in materials technology, metallurgy and industrial processes, Alleima enables its customers to become more efficient, profitable, safe and sustainable.



Tube

Tube develops and manufactures seamless tubes and other long products in advanced stainless steels and special alloys.

Kanthal

Kanthal is a provider of products and services in the area of industrial heating technology and resistance materials, and also offers ultra-fine wire in stainless steel for use in medical appliances.

Strip

Strip develops and manufactures a wide range of precision strip steel products and also offers pre-coated strip steel.

Purpose

We advance industries through materials technology
Our unique and leading expertise enables more efficient, more profitable and more sustainable processes, products and applications for our customers.

Values

We care › We deliver › We evolve

Business model

Alleima's business model is based on close customer cooperation and extensive industry knowledge in combination with materials and process competence and a global footprint. Customer relationships are often characterized by a high degree of technical collaboration, including identifying the customers' needs and finding innovative ways to solve complex challenges. Approximately 80 percent of products are sold directly through Alleima's own global sales network and the remainder is often sold through distributors. Alleima has a fully integrated value chain, including in-house R&D, two steel mills with melt shops, five extrusion presses and several hot working, cold working, and finishing facilities.

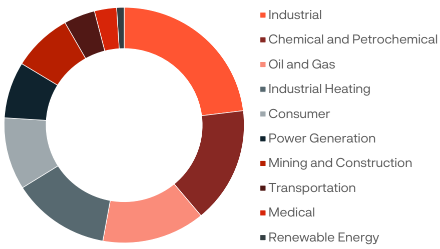
Strategy

Alleima's strategy is based on four pillars: Drive profitable growth by capitalizing on global megatrends such as energy transition, energy efficiency, electrification and medical growth; Continuous focus of R&D activities and digital innovations towards new business opportunities, defending and strengthening the current business and widening of the material portfolio; Operational and commercial excellence through continuous improvement, footprint optimization, price management, mix optimization and cost flexbiliy and resilience; and; industry-leading sustainability that provide benefits to the global climate, contribute to increased circularity and support general health and wellbeing, both through product offering as well as operations.

Customer segments sales exposure

Revenues per custumer segment based on full year 2021. Historically, these percentages have not changed substantially between the quarters and the full year figures of 2021 will therefore give a good approximation.

Revenues per customer segment, full year 2021



Other information

Risks and uncertainties
As an international group with a wide geographical spread, Alleima is exposed to several strategic, business and financial risks. Strategic risk at Alleima is defined as emerging risks affecting the business long-term, such as industry shifts, technological shifts, and macroeconomic developments. The business risks can be divided into operational, sustainability, compliance, legal and commercial risks. The financial risks include currency risks, interest rates, raw material prices, tax risks and more. These risk areas can all impact the business negatively both long and short-term but often also create business opportunities if managed well. Risk management at Alleima begins with an assessment in operational management teams where the material risks for their operations are first identified, followed by an evaluation of the probability of the risks occurring and their potential impact on the Group. Once the key risks have been identified and evaluated, risk mitigating activities to eliminate or reduce the risks are agreed on. For a more detailed description of Alleima's analysis of risks and risk universe, see the Alleima Group's prospectus.

Covid-19 and the conflict in Ukraine
The market demand has now largely recovered from the decline related to the Covid-19 pandemic. Uncertanties in the economy caused by the Covid-19 pandemic and the conflict in Ukraine may however still be visible, and the constantly evolving nature makes it difficult to predict its ultimate adverse impact on Alleima. Alleima has no significant direct exposure to Russia and Ukraine. Alleima is impacted by longer lead times, indirect supply chain disruptions, higher freight and energy costs as well as raw material price inflation, with uncertainty regarding its ultimate length and trajectory. Consequently, the Covid-19 pandemic and the conflict in Ukraine continues to present uncertainty and risk and could have material adverse effects on revenues, cash flows, financial condition, and results of operations.

Stockholm, October 17, 2022
Alleima AB (publ)
559224-1433

Göran Björkman
President and CEO

Auditor's report

Alleima AB (publ) reg no 559224-1433

Introduction
We have reviewed the interim report of Alleima AB (publ) as of September 30, 2022 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 17, 2022

PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

Financial reports summary

The Group

Condensed consolidated income statement

SEK M	Note	Q3 2022	Q3 2021	Q1 -Q3 2022	Q1-Q3 2021
Revenues		4,270	3,197	13,246	9,912
Cost of goods sold		-3,698	-2,406	-9,642	-7,390
Gross profit		**572**	**791**	**3,604**	**2,522**
Selling expenses		-277	-226	-863	-686
Administrative expenses		-313	-249	-958	-720
Research and development costs		-50	-43	-156	-156
Other operating income		109	57	191	127
Other operating expenses		-67	-36	-103	-100
Operating profit/loss	**2**	**-26**	**295**	**1,715**	**987**
Financial income		53	157	226	230
Financial expenses		-240	-79	-512	-246
Net financial items		**-187**	**77**	**-286**	**-16**
Profit/loss after net financial items		**-213**	**372**	**1,429**	**970**
Income tax	3	59	-100	-360	-178
Profit/loss for the period		**-154**	**272**	**1,070**	**792**
Profit/loss for the period attributable to					
Owners of the parent company		-154	266	1,057	776
Non-controlling interests	7	-	6	12	15
Earnings per share, SEK					
Basic and diluted [1]		-0.62	1.06	4.21	3.09

1) Alleima has no potential dilution of shares

The Group
Condensed consolidated comprehensive income

SEK M	Note	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Profit/loss for the period		**-154**	**272**	**1,070**	**792**
Other comprehensive income					
Items that will not be reclassified to profit (loss)					
Actuarial gains (losses) on defined benefit pension plans		-19	-126	679	267
Tax relating to items that will not be reclassified		11	26	-134	-54
Total items that will not be reclassified to profit (loss)		**-8**	**-100**	**545**	**214**
Items that may be reclassified to profit (loss)					
Foreign currency translation differences		236	50	533	56
Hedge reserve adjustment	1	661	-	1,135	-
Tax relating to items that may be reclassified	1	-136	-	-234	-
Total items that may be reclassified to profit (loss)		**761**	**50**	**1,434**	**56**
Total other comprehensive income		**753**	**-49**	**1,979**	**270**
Total comprehensive income		**599**	**223**	**3,049**	**1,062**
Total comprehensive income attributable to					
Owners of the parent company		599	217	3,035	1,047
Non-controlling interests	7	-	6	14	15

The Group
Condensed consolidated balance sheet

SEK M	Note	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Goodwill		1,479	1,269	1,352
Other intangible assets		141	108	123
Property, plant and equipment		7,311	7,020	7,251
Right-of-use assets		221	182	204
Financial assets	4	1,915	372	253
Deferred tax assets		198	416	218
Non-current assets		**11,266**	**9,366**	**9,401**
Inventories		7,472	5,050	5,372
Current receivables	4	4,371	3,428	3,452
Cash and cash equivalents		1,086	1,207	1,661
Current assets		**12,929**	**9,684**	**10,485**
Total assets		**24,195**	**19,051**	**19,886**
Equity attributable to owners of the parent company	6	15,993	11,226	11,663
Non-controlling interest	5,7	0	66	97
Total equity		**15,993**	**11,292**	**11,761**
Non-current interest-bearing liabilities		740	1,572	1,351
Non-current non-interest-bearing liabilities	4	1,884	859	840
Non-current liabilities		**2,624**	**2,431**	**2,191**
Current interest-bearing liabilities		763	1,463	1,691
Current non-interest-bearing liabilities	4	4,815	3,865	4,243
Current liabilities		**5,578**	**5,328**	**5,934**
Total equity and liabilities		**24,195**	**19,051**	**19,886**

The Group
Condensed consolidated cash flow statement

SEK M	Note	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Operating activities					
Operating profit		-26	295	1,715	987
Adjustments for non-cash items:					
Depreciation, amortization and impairments		208	134	629	538
Other non-cash items		-91	24	-151	-103
Received and paid interest		-137	-160	-270	-279
Income tax paid		-9	-44	-250	-156
Changes in working capital		-241	-512	-2,093	-775
Cash flow from operating activities		**-297**	**-263**	**-419**	**211**
Investing activities					
Additions to intangible and tangible assets		-158	-137	-348	-275
Proceeds from sale of intangible and tangible assets		2	39	11	42
Acquisition and sale of shares and participations	7	0	-	-141	6
Other investments and financial assets, net		0	1	5	-8
Cash flow from investing activities		**-156**	**-96**	**-473**	**-235**
Financing activities					
Proceeds from loans		685	-	701	-
Repayments of loans		-469	-	-1,637	-
Amortization of lease liabilities		-17	-15	-60	-52
New share issue and capital contribution from shareholders	6	-	-	1,400	-
Dividends paid		-	-	-3	-
Change in net Group cash pool		-	1,025	-	1,074
Cash flow from financing activities		**198**	**1,010**	**401**	**1,022**
Net change in cash and cash equivalents		**-254**	**650**	**-491**	**998**
Cash and cash equivalents at beginning of period		1,328	463	1,661	179
Exchange rate differences in cash and cash equivalents		36	3	88	9
Other cash flow from transactions with shareholders		-23	90	-171	20
Cash and cash equivalents at end of the period		**1,086**	**1,207**	**1,086**	**1,207**

The Group

Condensed consolidated statements of changes in equity

SEK M	Note	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
Equity at January 1, 2021		**10,317**	**50**	**10,368**
Changes				
Net profit		776	15	792
Other comprehensive income for the period, net of tax		270	0	270
Total comprehensive income for the period		*1,047*	*15*	*1,062*
Transactions with shareholders		-138	-	-138
Total transactions with owners		*-138*	*-*	*-138*
Equity at September 30, 2021		**11,226**	**66**	**11,292**
Changes				
Net profit		429	8	437
Other comprehensive income for the period, net of tax		-78	24	-54
Total comprehensive income for the period		*351*	*32*	*382*
Transactions with shareholders		87	-	87
Total transactions with owners		*87*	*-*	*87*
Equity at December 31, 2021		**11,663**	**97**	**11,761**
Changes				
Net profit		1,057	12	1,070
Other comprehensive income for the period, net of tax		1,977	2	1,979
Total comprehensive income for the period		*3,035*	*14*	*3,049*
Cash flow hedge, transferred to cost of hedged item		53	-	53
Tax on cash flow hedge, transferred to cost		-11	-	-11
Net cash flow hedge, transferred to cost		*42*	*-*	*42*
New share issue	6	251	-	251
Capital contribution from shareholders	6	1,149	-	1,149
Dividends		-	-3	-3
Transactions with shareholders	5	-111	0	-111
Transactions with non-controlling interests	5,7	-36	-109	-145
Total transactions with owners		*1,253*	*-112*	*1,141*
Equity at September 30, 2022		**15,993**	**0**	**15,993**

The Parent Company

Condensed income statement

SEK M	Note	Q3 2022	Q3 2021	Q1 -Q3 2022	Q1-Q3 2021
Revenues		3	0	15	0
Gross profit		**3**	**0**	**15**	**0**
Administrative expenses		-25	0	-89	0
Operating loss		**-22**	**0**	**-75**	**0**
Dividend from group companies		500	-	500	-
Interest revenue and similar income		1	-	1	-
Profit after financial items		**479**	**0**	**426**	**0**
Appropriations		70	-	70	-
Income tax		-10	0	1	0
Profit for the period		**539**	**0**	**496**	**0**

Condensed balance sheet

SEK M	Note	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Financial assets		11,907	11,907	11,907
Deferred tax assets		1	0	0
Non-current assets		**11,908**	**11,907**	**11,907**
Current receivables		1,442	0	11
Current assets		**1,442**	**0**	**11**
Total assets		**13,349**	**11,907**	**11,918**
Restricted equity	6	251	0	0
Unrestricted equity	6	13,071	11,425	11,425
Total equity		**13,322**	**11,425**	**11,425**
Non-interest-bearing liabilities		3	-	-
Non-current liabilities		**3**	**-**	**-**
Current interest-bearing liabilities		0	482	482
Current non-interest-bearing liabilities		25	0	10
Current liabilities		**25**	**482**	**492**
Total equity and liabilities		**13,349**	**11,907**	**11,918**

Order intake by division and region

SEK M	Note	Q3 2022	Q3 2021	Organic %	Organic ex. major orders[1] %	Q1 -Q3 2022	Q1-Q3 2021	Organic %	Organic ex. major orders[1] %
Tube									
North America		508	572	-38	-38	2,792	1,475	59	7
Europe		1,419	1,203	3	3	5,619	4,672	0	0
Asia		436	456	-34	-34	2,084	1,199	40	1
Other		190	219	-21	-21	1,345	511	145	104
Total		**2,552**	**2,449**	**-16**	**-16**	**11,840**	**7,857**	**27**	**8**
Kanthal									
North America		271	250	-20	-20	1,071	850	-4	-4
Europe		357	216	39	39	1,009	797	2	2
Asia		271	251	-7	-7	951	723	13	13
Other		46	39	-2	-2	156	104	29	29
Total		**945**	**755**	**2**	**2**	**3,187**	**2,474**	**4**	**4**
Strip									
North America		51	46	3	3	152	114	8	8
Europe		167	131	14	14	593	505	13	13
Asia		147	123	9	9	516	440	5	5
Other		6	8	-41	-41	17	28	-50	-50
Total		**372**	**308**	**10**	**10**	**1,278**	**1,087**	**7**	**7**
GROUP									
North America		830	868	-31	-31	4,015	2,440	35	4
Europe		1,943	1,549	9	9	7,221	5,974	1	1
Asia		854	830	-19	-19	3,551	2,362	25	5
Other		241	266	-19	-19	1,518	644	118	86
Total		**3,869**	**3,512**	**-10**	**-10**	**16,305**	**11,419**	**20**	**7**

1) Major orders are defined as orders above SEK 200 million.

Revenues by division and region

SEK M	Note	Q3 2022	Q3 2021	Organic %	Q1 -Q3 2022	Q1-Q3 2021	Organic %
Tube							
North America		734	504	17	2,304	1,481	31
Europe		1,522	1,251	5	5,151	3,928	12
Asia		534	335	28	1,256	1,020	-3
Other		141	79	53	446	286	34
Total		**2,931**	**2,169**	**13**	**9,157**	**6,715**	**15**
Kanthal							
North America		373	251	12	1,078	731	14
Europe		284	231	-1	899	756	-7
Asia		285	208	20	845	638	15
Other		53	29	50	120	96	6
Total		**995**	**719**	**12**	**2,942**	**2,221**	**7**
Strip							
North America		36	30	-5	117	75	29
Europe		181	140	26	568	451	22
Asia		119	131	-19	442	426	-9
Other		7	8	-22	22	24	-25
Total		**344**	**309**	**3**	**1,148**	**976**	**8**
GROUP							
North America		1,144	786	15	3,499	2,288	25
Europe		1,987	1,621	6	6,617	5,135	10
Asia		938	675	16	2,543	2,083	2
Other		200	116	47	587	406	24
Total		**4,270**	**3,197**	**12**	**13,246**	**9,912**	**13**

Quarterly by division

Alleima has three reportable operating segments, Tube, Kanthal and Strip. Items not included in the operating segments, mainly related to Group staff functions typically to run the Group or items Alleima considered to be centrally decided, are presented as Common functions.

	Note	Q1-Q3 2022	Q1-Q3 2021	Full year 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Order intake, SEK M											
Tube		11,840	7,857	10,795	2,552	4,869	4,419	2,938	2,449	2,992	2,416
Kanthal		3,187	2,474	3,357	945	1,111	1,130	883	755	823	896
Strip		1,278	1,087	1,529	372	460	447	441	308	351	429
Total[1]		**16,305**	**11,419**	**15,681**	**3,869**	**6,440**	**5,996**	**4,262**	**3,512**	**4,165**	**3,742**
Revenues, SEK M											
Tube		9,157	6,715	9,530	2,931	3,329	2,897	2,815	2,169	2,336	2,210
Kanthal		2,942	2,221	3,007	995	1,012	934	786	719	762	740
Strip		1,148	976	1,310	344	416	388	334	309	351	316
Total[1]		**13,246**	**9,912**	**13,847**	**4,270**	**4,757**	**4,219**	**3,935**	**3,197**	**3,449**	**3,266**
Adjusted EBITDA, SEK M	**2**										
Tube		1,361	874	1,311	311	592	458	438	168	404	301
Kanthal		491	385	526	139	182	170	141	110	141	135
Strip		162	164	216	22	68	72	52	35	71	59
Common functions		-258	-170	-243	-69	-90	-99	-73	-55	-63	-51
Total[1]		**1,756**	**1,253**	**1,811**	**403**	**751**	**601**	**557**	**257**	**553**	**444**
Adjusted EBITDA margin, %											
Tube		14.9	13.0	13.8	10.6	17.8	15.8	15.6	7.7	17.3	13.6
Kanthal		16.7	17.3	17.5	14.0	18.0	18.2	17.9	15.2	18.5	18.2
Strip		14.1	16.8	16.5	6.5	16.2	18.6	15.5	11.2	20.2	18.6
Common functions		N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Total[1]		**13.3**	**12.6**	**13.1**	**9.4**	**15.8**	**14.2**	**14.2**	**8.0**	**16.0**	**13.6**
Adjusted EBIT, SEK M	**2**										
Tube		855	436	707	145	428	282	271	71	235	130
Kanthal		419	324	445	115	158	146	121	89	120	115
Strip		126	127	167	10	55	60	40	23	59	46
Common functions		-274	-184	-263	-75	-94	-105	-79	-60	-69	-55
Total[1]		**1,126**	**703**	**1,055**	**195**	**547**	**384**	**353**	**123**	**344**	**236**
Adjusted EBIT margin, %											
Tube		9.3	6.5	7.4	4.9	12.9	9.7	9.6	3.3	10.0	5.9
Kanthal		14.2	14.6	14.8	11.6	15.6	15.6	15.3	12.4	15.8	15.5
Strip		10.9	13.0	12.7	3.0	13.3	15.5	12.0	7.3	16.7	14.4
Common functions		N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Total[1]		**8.5**	**7.1**	**7.6**	**4.6**	**11.5**	**9.1**	**9.0**	**3.8**	**10.0**	**7.2**

1) Internal transactions had negligible effect on division profits.

Notes

Note 1 | Accounting principles

The financial statements of the Group were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board. The accounting principles applied in the preparation of this interim report comply with the accounting principles presented in the prospectus "Admission to trading of shares in Alleima AB on Nasdaq Stockholm" in Note 1 "Significant accounting principles - assessments and assumptions for accounting purposes" in the combined financial statements on page F-40 and forward.

IASB has published amendments of standards that are effective as of January 1, 2022 or later. The standards have not had any material impact on the financial reports.

Alleima has as of January 1, 2022 started to apply hedge accounting for derivatives that are used to hedge the Group's exposure to electricity price risk, and as of April 1, 2022 hedge accounting for derivatives that are used to hedge the exposure to gas- and metal price risk, and in addition, as of July 1, 2022 hedge accounting 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. 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 recognised immediately in profit or loss.

The interim information on pages 1–33 is an integrated part of these financial statements.

The Parent Company

The parent company follows the same accounting policies as the Group with the following exceptions.

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.

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 Teasury 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.

Note 2 | Adjustment items on EBITDA/EBIT

SEK M	Q1-Q3 2022	Q1-Q3 2021	Full year 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
EBITDA										
Items affecting comparability										
Tube	-9	52	63	-4	-3	-2	11	31	22	0
Kanthal	-3	29	26	-1	-3	1	-2	29	0	0
Strip	0	0	8	0	0	0	8	0	0	0
Common functions	-242	-168	-273	-85	-83	-74	-105	-77	-73	-18
Total	**-254**	**-88**	**-176**	**-90**	**-89**	**-75**	**-89**	**-18**	**-51**	**-19**
Metal price effect										
Tube	586	288	385	-129	489	226	98	161	40	86
Kanthal	222	48	74	-7	142	88	27	20	3	24
Strip	35	24	28	5	17	13	4	9	6	9
Total	**844**	**359**	**487**	**-131**	**649**	**327**	**129**	**190**	**50**	**119**
Total adjustment items EBITDA										
Tube	577	340	448	-133	486	224	109	192	61	86
Kanthal	219	76	101	-8	139	88	24	49	3	24
Strip	35	24	35	5	17	13	12	9	6	9
Common functions	-242	-168	-273	-85	-83	-74	-105	-77	-73	-18
Total	**590**	**271**	**311**	**-221**	**559**	**252**	**40**	**172**	**-2**	**100**
EBIT										
Impairment of tangible and intan-gible fixed assets										
Tube	0	13	13	0	0	0	0	0	13	0
Total	**0**	**13**	**13**	**0**	**0**	**0**	**0**	**0**	**13**	**0**
Total adjustment items EBIT										
Tube	577	352	461	-133	486	224	109	192	74	86
Kanthal	219	76	101	-8	139	88	24	49	3	24
Strip	35	24	35	5	17	13	12	9	6	9
Common functions	-242	-168	-273	-85	-83	-74	-105	-77	-73	-18
Total	**590**	**284**	**324**	**-221**	**559**	**252**	**40**	**172**	**11**	**100**
Items affecting comparability, EBITDA, consists of:										
Separation costs	-254	-176	-305	-90	-89	-75	-130	-80	-77	-19
Reversal restructuring provisions	-	57	99	-	-	-	41	32	25	-
Capital gain from divestment of pro-perty	-	29	29	-	-	-	-	29	-	-
Total	**-254**	**-88**	**-176**	**-90**	**-89**	**-75**	**-89**	**-18**	**-51**	**-19**
Items affecting comparability, impairments, consists of:										
Reversal of impairment	-	13	13	-	-	-	-	-	13	-
Total	**-**	**13**	**13**	**-**	**-**	**-**	**-**	**-**	**13**	**-**
Total items affecting comparability	**-254**	**-75**	**-164**	**-90**	**-89**	**-75**	**-89**	**-18**	**-39**	**-19**

Note 3 | Taxes

SEK M	Q3 2022		Q3 2021		Q1-Q3 2022		Q1-Q3 2021	
Reported tax	59	*27.6%*	-100	*26.8%*	-360	*25.2%*	-178	*18.4%*
Tax on adjustment items (note 2)	-48	*-21.8%*	39	*-22.9%*	122	*-20.8%*	66	*-23.2%*
Tax excluding adjustment items	**11**	***-139.9%***	**-60**	***30.1%***	**-237**	***28.2%***	**-113**	***16.4%***
Adjustment for one time items taxes	-9	116.4%	-8	*4.1%*	16	-1.9%	-68	*10.0%*
Normalized tax rate	**2**	***-23.4%***	**-68**	***34.2%***	**-221**	***26.3%***	**-181**	***26.4%***

Adjustment for one time items taxes during Q1-Q3 2022 consist of revaluation of tax loss-carry-forwards of SEK - million (-37) and temporary differences of SEK 9 million (111) and other one time tax items of SEK -25 million (-6).

Note 4 | Financial assets and liabilities

Financing
During Q2 2022, Alleima has established a commercial paper program with a framework amount of SEK 3 billion with the aim of being able to raise short-term financing. During Q2, Alleima also entered into an agreement with a syndicate of lenders for revolving credit facilities of SEK 3 billion. The credit can be drawn in a number of currencies and runs for five years (with two possibilities for extension). In addition, Alleima has entered into framework agreements on short-term financing of which SEK 700 million was availed at September 30, 2022. The other credit facilities were not availed.

Financial instruments - fair values
In order to mitigate financial risks, the Group has entered into financial instruments such as currency-, commodity- and electricity- and gas derivatives. All derivatives belong to Level 2 in the fair value hierachy, i.e. observable inputs have been used in deriving the fair values. Fair values, which equals carrying amounts, of outstanding derivatives amounted at each reporting period to the amounts below.

SEK M	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Financial assets derivatives	2,454	255	489
Financial liabilities derivatives	1,277	46	208

The carrying amounts for other financial assets and liabilities are considered to represent a good approximation of the fair values due to the short durations.

Note 5 | Related party transactions

The Group companies have related party relationships with their subsidiaries. All related party transactions are based on market terms and negotiated on an arm's length basis.

On August 31, 2022 the Alleima shares were delivered to the shareholders of Sandvik and Alleima is no longer part of the Sandvik Group. Alleima former shareholder was Sandvik AB. Transactions with Sandvik Group are presented in the prospectus "Admission to trading of shares in Alleima AB on Nasdaq Stockholm" in Note 1 and in Note 27 in the combined financial statements. Where also remuneration to senior executives for Alleima is presented in Note 3. Between the Groups there are historical trade receivables and payables as well as cash pool and other short term liabilities. The short term loan from Sandvik was amortized before the listing. Transactions related to transfer of assets and liabilities as part of the formation of the Alleima Group between Sandvik group and Alleima Group have been classified as transactions with shareholders. The transactions with the shareholders that have been carried out via equity are presented in the Condensed consolidated statements of changes in equity. Alleima has also purchased services from the Sandvik Group such as IT services and administrative services.

During Q2 2022, the subsidiary Sandvik Materials Technology 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 will report 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 agreement or Alleima divests RDS at fair value according to the agreement's call option.

Note 6 | Equity

An extraordinary general meeting held on March 7, 2022, resolved on a directed share issue with right for the shareholder Sandvik AB, Reg. No. 556000-3468, to subscribe for 250,827,184 shares in Alleima AB and that all shares, in accordance with the terms and conditions in the general meeting's decision, have been subscribed for. Following the decision at an extraordinary general meeting, in March 2022, one existing share in Alleima AB was divided into fifty shares. Total number of shares after the split and the share issue amounted to 250,877,184.

In addition, in March 2022, the company received an unconditional shareholder contribution in the amount of SEK 1,149 million by way of cash payment from the shareholder Sandvik AB.

Note 7 | Business acquisitions

On April 26, 2022 Alleima acquired the remaining 30% of the US based joint venture Pennsylvania Extruded Tube Company (PEXCO).

In Q1 2022, Alleima completed the acquisition of the German based company Gerling GmbH, a precision tube engineering company serving multiple industries including the fast-developing hydrogen market. The offering includes innovative engineering solutions such as high-pressure control technology in hydrogen refueling stations. The company is reported in division Tube. Gerling GmbH is headquartered in Hörste, Germany, with around 75 employees. In 2021 Gerling GmbH had revenues of approximately SEK 118 million, with an EBIT margin neutral to Alleima. During the first nine months of 2022 the company had external revenues of SEK 35 milion with an impact on Alleima profit for the period of SEK 7 million. Impact on Alleima earnings per share will initially be neutral. The acquisition was made through the purchase of 100% of shares and voting rights. Alleima assumed control over the operations upon the date of closing. No equity instruments have been issued in connection with the acquisition. The acquisition have been accounted for using the acquisition method. Intangible and tangible assets of SEK 48 million and goodwill of SEK 3 million has been recorded on the purchase. The purchase price allocation is still preliminary, changes may occur at a later stage.

Note 8 | Significant events after the quarter

-On October 6, Alleima announced the appointment of the Nomination Committee for the 2023 Annual General Meeting.

Key ratios

	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021	Full year 2020	Full year 2019
Adjusted gross margin, %	16.5	17.8	20.8	20.8	20.6	22.2	23.2
Adjusted EBITDA margin, %	9.4	8.0	13.3	12.6	13.1	13.9	14.9
Adjusted EBIT margin, %	4.6	3.8	8.5	7.1	7.6	8.7	9.7
Normalized tax rate, % (Note 3)			26.1	26.4	24.9	31.6	35.2
Net working capital to revenues, % [1,2]	40.2	35.6	33.2	N/A	31.2	30.4	26.1
Return on capital employed, % [1,2]	-0.5	8.7	13.6	N/A	10.4	3.8	10.7
Net debt/Adjusted EBITDA ratio	0.14	N/A	0.14	N/A	0.73	0.90	2.04
Net debt/Equity ratio	0.02	0.12	0.02	0.15	0.11	0.17	0.54
Cash flow from operations, SEK M	-297	-263	-419	211	1,151	1,671	1,617
Adjusted earnings per share, basic, SEK	0.07	0.53	2.35	2.23	3.82	3.69	2.94
Average number of shares at the end of the period (millions)	250.877	250.877	250.877	250.877	250.877	250.877	250.877
Number of shares at the end of the period (millions)	250.877	250.877	250.877	250.77	250.877	250.877	250.877
Number of employees [3]	5,771	5,332	5,771	5,332	5,465	5,084	5,726
Number of consultants [3]	578	337	578	337	413	287	513

1) Quarter is quarterly annualized and the annual number is based on a four quarter average.
2) 12-month rolling Q3 2022 ROCE reported at 13.4% (N/A) and NWC reported at 34.6% (N/A).
3) Full-time equivalent.
N/A=Not available

Alternative Performance Measures

This interim 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 for Alleima. They should not be considered a substitute to 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 is 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 EBITDA and adjusted operating profit (EBIT)
Alleima considers Adjusted EBITDA and Adjusted operating profit (EBIT) and the related margin to be relevant measures to present profitability of the underlying business excluding metal price effects and items affecting comparability (IAC).

Metal price effect is the difference between sales price and purchase price on metal content used in the production of products. Metal price effect on operating profit in a particular period arises 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 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 EBITDA and margin: Operating profit (EBIT) excluding depreciations, amortization of intangible assets, items affecting comparability and metal price effects. Margin is expressed as a percentage of revenues.
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 EBITDA and adjusted operating profit (EBIT)

SEK M	Q1-Q3 2022	Q1-Q3 2021	Full year 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Operating profit/loss	**1,715**	**987**	**1,379**	**-26**	**1,106**	**635**	**392**	**295**	**355**	**336**
Reversal (Note 2):										
Items affecting comparability	254	88	176	90	89	75	89	18	51	19
Metal price effect	-844	-359	-487	131	-649	-327	-129	-190	-50	-119
Impairments	0	-13	-13	0	0	0	0	0	-13	0
Adjusted operating profit (EBIT)	**1,126**	**703**	**1,055**	**195**	**547**	**384**	**353**	**123**	**344**	**236**
Reversal:										
Depreciation and amortization	630	551	755	208	205	217	205	134	208	208
Adjusted EBITDA	**1,756**	**1,253**	**1,811**	**403**	**751**	**601**	**557**	**257**	**553**	**444**
Revenues	13,246	9,912	13,847	4,270	4,757	4,219	3,935	3,197	3,449	3,266
Adjusted operating profit (EBIT) margin, %	8.5	7.1	7.6	4.6	11.5	9.1	9.0	3.8	10	7.2
Adjusted EBITDA margin, %	13.3	12.6	13.1	9.4	15.8	14.2	14.2	8	16	13.6

Adjusted earnings per share

Alleima considers Adjusted earnings per share (EPS) to be relevant to understand the underlying performance, which excludes items affecting comparability and metal price effects between periods. Alleima has no potential dilution of shares.

Adjusted EPS: 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 outstanding during the year.

Adjusted profit for the period and adjusted earnings per share

SEK M	Q1-Q3 2022	Q1-Q3 2021	Full year 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Profit/loss for the period	**1,070**	**792**	**1,228**	**-154**	**669**	**555**	**437**	**272**	**365**	**154**
Reversal:										
Adjustment items EBITDA/EBIT (Note 2)	-590	-284	-324	221	-559	-252	-40	-172	-11	-100
Tax on adjustment items (Note 3)	122	66	76	-48	118	52	10	39	5	22
Adjusted profit for the period	**602**	**574**	**980**	**19**	**228**	**356**	**407**	**140**	**359**	**75**
Attributable to										
Owners of the parent company	590	558	958	19	228	343	399	133	355	70
Non-controlling interests	12	15	23	-	-	12	8	6	4	5
Average number of shares at the end of the period (millions)	250.877	250.877	250.877	250.877	250.877	250.877	250.877	250.877	250.877	250.877
Adjusted earnings per share, basic, SEK	2.35	2.23	3.82	0.07	0.91	1.37	1.59	0.53	1.42	0.28

Net working capital (NWC) in relation to revenues and return on capital employed (ROCE)

Alleima considers NWC in relation to revenues for the quarter 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 relevant 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.

Capital employed: Total assets less non-interest-bearing liabilities (including deferred tax liabilities, excluding net cash pool balances Sandvik)
Return on capital employed (ROCE): Annualized Operating profit/loss plus financial income (excl derivatives), as a percentage of a four quarter average capital employed.

SEK M	Q3 2022	Q3 2021	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Inventories	7,472	5,050	7,472	5,050	5,372
Trade receivables	2,948	2,252	2,948	2,252	2,532
Account payables	-2,044	-1,748	-2,044	-1,748	-2,128
Other receivables	646	955	646	955	497
Other liabilities	-1,930	-1,711	-1,930	-1,711	-1,706
Net working capital	**7,091**	**4,798**	**7,091**	**4,798**	**4,567**
Average net working capital	6,866	4,551	5,700	N/A	4,326
Revenues annualized	17,079	12,788	17,181	N/A	13,847
Net working capital to revenues, %	40.2	35.6	33.2	N/A	31.2
Tangible assets	7,311	7,020	7,311	7,020	7,251
Intangible assets	1,621	1,377	1,621	1,377	1,475
Cash and cash equivalents	1,086	1,207	1,086	1207	1,661
Other assets	14,177	9,448	14,177	9,448	9,499
Other liabilities	-6,699	-4,724	-6,699	-4,724	-5,083
Capital employed	**17,496**	**14,326**	**17,496**	**14,326**	**14,803**
Average capital employed	17,067	13,621	15,763	N/A	13,306
Operating profit annualized	-105	1,179	2,108	N/A	1,379
Financial income, excl derivatives, annualized	15	4	32	N/A	5
Total return annualized	**-90**	**1,183**	**2,139**	**N/A**	**1,384**
Return on capital employed (ROCE), %	-0.5	8.7	13.6	N/A	10.4

N/A=Not available

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.

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

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.

Net debt to Equity and Net debt to Adjusted EBITDA

SEK M	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Interest-bearing non-current liabilities	740	1,572	1,351
Interest-bearing current liabilities	763	1,463	1,691
Prepayment of pensions	-92	-100	-57
Cash & cash equivalents	-1,086	-1,207	-1,661
Net debt	**325**	**1,728**	**1,324**
Net pension liability	-492	-1,271	-1,147
Leasing liabilities	-216	-179	-200
Financial net debt	**-384**	**278**	**-22**
Adjusted EBITDA accumulated current year	1,756	1,253	1,811
Adjusted EBITDA previous year	557	N/A	-
Adjusted EBITDA rolling 12 months	**2,313**	**N/A**	**1,811**
Total equity	**15,993**	**11,292**	**11,761**
Net debt/Equity ratio	0.02	0.15	0.11
Net debt/Adjusted EBITDA ratio (multiple)	0.14	N/A	0.73

N/A=Not available

Shareholder information

Disclaimer statement
Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors, for example the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.

This report is published in Swedish and English. The Swedish version shall apply in any instance where the two versions differ.

Annual General Meeting
The Board of Directors has decided that the 2023 Annual General Meeting will be held in Sandviken, Sweden on May 2, 2023. The notice to convene the Annual General Meeting will be made in the prescribed manner.

For further information, please contact:
Emelie Alm, Head of Investor Relations
+46 79 060 87 17

Conference call and webcast:
A conference call will be on October 17, 2022 at 12:00 PM CEST.

Dial-in detalis for the conference call:
Participants in Sweden: +46 (0)8 5051 0031
Participants in UK: +44 (0) 207 107 06 13
Participants in US: +1 (1) 631 570 56 13

Presentation for download and webcast link:
https://www.alleima.com/en/investors/

Financial calendar

Q4 full year report January - December	January 24, 2023
Q1 interim report January - March	April 26, 2023
Q2 interim report January - June	July 21, 2023
Annual General Meeting, Sandviken	May 2, 2023
Q3 interim report January - September	October 24, 2023

Follow us:

Alleima AB (publ), corporate registration no. 559224-1433
Postal address: SE-811 81 Sandviken, Sweden
Visiting address: Storgatan 2, Sandviken, Sweden
Telephone: +46 26 426 00 00