

Danieli Finance Solutions S.A.
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**Annual accounts, Management Report and
Report of the *Réviseur d'Entreprises Agréé*
as at 30 June 2021**

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The quantitative tables in the following pages may sometimes show small differences due to the use of concealed decimals. These differences, however, do not in any way affect the true and fair view of the annual accounts of the Company.

Management Report for the year ended 30 June 2021

Dear Shareholders,

The Board of Directors has the pleasure to submit its annual report for the financial year ended 30 June 2021

General economic and financial outlook

Dear Shareholders,

The Board of Directors has the pleasure to submit its annual report for the financial year ended 30 June 2021

General economic and financial outlook

The economic estimates forecast by the International Monetary Fund show a clear improvement in 2021 compared to 2020, with world economic growth at 6.0% compared to a negative 3.2% in 2020 (and a positive 2.8% in 2019). Growth forecasts for 2022 are projected at 4.9% where the recovery will consolidate in two blocks, that of advanced economies that will be able to normalise activities by the end of the year thanks to the availability of vaccines and that of low value-added economies that will have to manage with greater difficulty the emergency created by the pandemic due to the lack of vaccinations. The world economy shows an upward rebound forecast for 2021 with the US at 7% and the EU at 4.6% while emerging countries will rise 6.3% with China in positive territory at 8.1%.

In 2022 the average growth rate forecast for advanced countries is 4.4% and 5.2% for emerging countries with China at 5.7%, all to be confirmed with the implementation of the vaccination plans foreseen to avoid further virus mutations and new pandemic waves in time. A significant upturn in activity is expected from the second half of 2021, especially in countries with advanced economies, driven by government fiscal stimuli and accompanied by a rise in inflation linked to strong global demand for raw materials.

The experience in medical management of the pandemic gained in 2020 will be of great help in the second half of 2021 to manage more carefully any resumption of contagions, while the financial support measures launched by all countries will be able to be activated efficiently and allow activities to be relaunched for a promising 2022.

Good growth in the US in 2021 with a recovery in consumption and employment supported by a protected and financially strong domestic market will hopefully be accompanied by a good recovery in the EU economy, no longer conditioned by Brexit and supported by the expansive fiscal policies promoted by the European Central Bank with the promotion of the green revolution underway also in the industrial and utilities sectors.

Japan will also be on the upswing, with India and China showing strong growth thanks to public investment and green transition programmes developed by their governments in line with the international trend.

Maintaining a growing demand in 2022 will ensure that the prices of the main energy factors and raw materials remain stable, thereby boosting the economies of producer countries, while the expansion policies developed by the main central banks will lead to the implementation of an accommodative monetary policy and Government will implement fiscal policies to stimulate the economy and encourage the consolidation of growth and employment. Fiscal policies will push the use new technologies to reduce emissions.

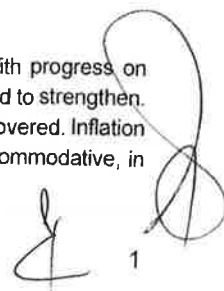
Evolution of the business

The PFS activity (art 28-4 of the law of 5 April 1993, as amended) started on 20 June 2018 has been pursued during period from 1 July 2020 until 30 June 2021.

During the financial year, the Company continued to manage its assets, arising from its own funds in accordance with the Investment Policy and Risk Tolerance Statement (limits) adopted by the Board of Directors. The Company's basic investment categories can be represented by:

- 1) **Cash Placement transactions:** current accounts, cash deposits, loan granting (Group Companies and third parties) and Euro Guaranteed Fund.
- 2) **Transferable Securities transactions:**

The financial period has been characterised by low interest rates and reduced credit spreads. With progress on vaccinations and strong policy support, indicators of economic activity and employment have continued to strengthen. The sectors most adversely affected by the pandemic have shown improvement but have not fully recovered. Inflation has risen, largely reflecting transitory factors. Overall financial conditions in US and EU, remain accommodative, in



part reflecting policy measures. The path of the economy continues to depend on the course of the virus. Progress on vaccinations will likely continue to reduce the effects of the public health crisis on the economy, but risks to the economic outlook remain. The Corporate Bodies monitored the evolution of the financial markets constantly crosschecking the coherence and the conformity on the overall investment of the Company to the Investment Policy.

The Investment Policy and Risk Tolerance Statement has been periodically re-assessed in the course of the financial year in accordance with Company's procedures. The Company in the financial period adopted a very conservative approach to new exposures, new investments, credit spreads and interest rates.

The negative effects arising from COVID-19 outbreak have been progressively reabsorbed. In general, it can be state that the overall situation is back to pre-crisis levels.

The Company supported by the Risk, Credit and Investment, Compliance Committee, continued to analyse possible investment alternatives, including the development of new loan granting to third parties (that are clients or suppliers of the Group). For the financial year there are no substantial changes of the investment policy. Loan to third parties increased from EUR 40 million to 80 million.

Regulatory reporting

The regulatory reporting applicable to the Company as a PFS has been submitted during the financial year according to the related regulatory requirements.

Financial results

The notable evolutions are as follows:

the total loan granting activity increased from EUR 230.516 million to EUR 234.968 million as follows:

- the Company granted, two new loans to companies belonging to Danieli Group.
- The Company has recorded as of 30 June 2021 off-balance sheet items with the amount of EUR12 million representing granted loans not yet drawn.
- The total amount of the loans reached as at 30 June 2021 EUR 84,45 million (2020: EUR 80,48). During the year, the Company received also partial reimbursements in accordance with the loan agreement
- In May and June 2020, the Company granted to the parent company two loans for a total amount of EUR 150 million. All the interests have been paid at the end-year.
- The loan granted to customer classified as third party, in relationship with the Danieli Group, a financial institution ultimately owned by the Italian State has been increased for a total amount of EUR 80 million (2020: EUR 40 million). As of 30 June 2021, the loan has been drawn entirely and no off-balance sheet has been recognized in the Company's off-balance sheet.

The financial year closes with a net profit of EUR 5.756.728 (2020: loss of EUR 440.690).

The financial year 2020/2021 has been characterised by the following three main trends, which impacted the activity of the Company directly:

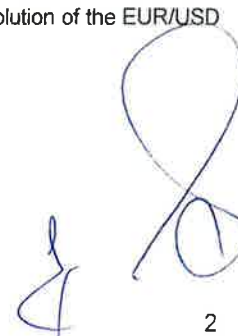
- the evolution of the EUR/USD exchange rate,
- reduced volatility of the financial markets (as effect of COVID-19 outbreak), in particular with respect of credit spreads,
- low interest rates as effect of Central Banks highly accommodative monetary policies.

Although overall the Company continued to perform satisfactorily, its profitability was impacted by the low interest's rates.

In view of the above, during the financial year ended 30 June 2021, the Company has been able to generate incomes by interests on loans and advances, on fixed-income securities, Euro Guarantee Fund, and lending securities activities.

The Company recognized in its annual accounts negative effect due to the unfavourable evolution of the EUR/USD exchange rate.

The Company has no branches in Luxembourg and abroad.



Expected performance in 2021/22

The Company will continue the management of its own funds through the allocation and placement of its liquidity between a carefully selection of financial counterparts in continuity with previous year. The Company targets to maintain investments in its structural portfolio represented by Cash Placement Transaction and Transferable Securities Transaction. The overall limit on Transferable Securities will stay close to EUR 510 million, representing the limit set by the "Own Fund Company Procedure".

Loans and advances to customers belonging to the Danieli Group will presumably grow in line with the development of the group business activity.

The Company will continue to develop the loan granting activities with third parties.

The Company, in addition to the existing facility, will continue to keep the exposure to securities lending operations.

Based on the statement issued by the Governing Council of the European Central Bank and Federal Reserve, we expect that monetary policies will remain accommodative at least throughout the first part of 2022. Signals of tapering, particularly in US are expected in autumn. In EU APP and PEPP are expected to continue to run as long as necessary to reinforce the accommodative impact of policy rates. This being so we are expecting that Interest rates will remain at their present levels during the financial period 2021/2022. No significant changes are expected in the interest revenues. In this context, the Board of Directors, supported by the Risk Credit and Investment Committee will periodically reconsider the approach to investment decision. Risk tolerance will be reassessed and accordingly reviewed. In any case, the Company will not substantially change its risk tolerance in continuity with what has been done so far.

Summarising in 2021/2022, the Company is expecting:

- transferable Securities: to be fully invested,
- to substantially maintain the current duration: at the end of the annual accounts of June 2021 it is lower than 4 years,
- implement a more active approach to the portfolio management to be able to realize capital gains on investment activities,
- take advantages of any opportunity offered by the financial markets under the current environment, according to the limits set by the Company's Own Fund Investment Procedure.
- Keep monitoring the USD exposure and ready to implement an active hedging on USD exposures.

Employees and Management

The composition of the Company's management and staff of the Company is detailed in Note 18 of the annual accounts.

During the financial years ended as at 30 June 2021 and 2020, there was no deferred remuneration, vested or unvested, awarded or paid-out and reduced through performance adjustment. Remunerations are only paid in cash and there was no individual being remunerated EUR 1 million or more per financial year.

In May 2020, the Company has hired one new employee with a part-time agreement despite Covid crisis.

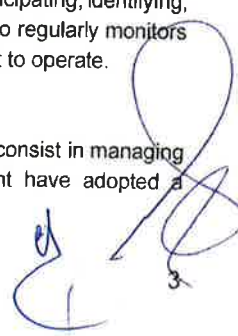
Risk Management Organization

Within the Company, the Authorized Management has the ultimate responsibility for the risk taking while the Board of Directors is responsible for setting, documenting and communicating to the Authorized Management its risk strategy for risk taking and risk management. Considering the size of the Company, the nature of its business the risk management framework of the Company will remain substantially unchanged during the next years despite the change of part of the Company's business. The Risk Management is reorganized in a manner to involve, through the Risk, Credit and Investment Compliance Committee, the two members of the Authorized Management, one member of the Board and one member of the Treasury Department of the Parent Company.

The Risk, Credit and Investment Compliance Committee is responsible, among others, for anticipating, identifying, measuring, monitoring and reporting all the risks the Company is or may be exposed to. He also regularly monitors the compliance with limits (credit and market) considered by the Market and Finance Department to operate.

Risk Appetite and Tolerance

By taking into consideration the nature of the Company's business, which for a significant part, consist in managing assets arising from its own funds, the Board of Directors and the Authorized Management have adopted a



conservative approach which, through the establishment of a clear Investment Policy and a Risk Tolerance Statement (limits) linked to this policy, is designated firstly to safeguard the activity of the Company and secondly to address the Company's investment strategy and to meet its business developments and objectives in terms of investments return.

Credit Risk

Credit risk is the risk of suffering losses as a result of customers and counterparties not being able to meet their obligations towards the Company as they become due and payable. The credit risk definition adopted by the Company includes country risk and counterparty risk.

The Company has a prudent approach in building its credit and structural securities portfolio. For the time being, credits provided to customers are composed of loans granted to companies belonging to the Danieli Group and of one loan granted to a financial entity being in relationship with the Danieli Group and being ultimately owned by the Italian State.

The loan granting and risk management policy is in process to be updated in order to align it with the business activity of the Company as a Professional performing lending operations. Moreover, the Company held amounts deposited with credit institutions or insurance counterparties. The Company's structural securities portfolio is composed of securities issued by issuers having at least an Investment Grade Rating assessed by a nominated ECAI.

The Risk, Credit and Investment Compliance Committee is responsible for doing a due diligent evaluation of the counterparties before initial approval by the Board of Directors.

Impaired and Past Due Assets and Provisions

Specific provisions are made against loans and advances when, in the opinion of the Board of Directors and the Authorized Management, recovery in full is doubtful. For this purpose, each overdue exceeding 30 days shall be reported to the members of the Risk, Credit and Investment Compliance Committee. As at 30 June 2021 and 2020 the Company had no impaired asset for which a specific or general provision has been raised. The Company has not incurred any material write-off of bad debts or made any recovery of amounts previously written off during the year to 30 June 2021.

Settlement and Free Delivery Risk

Regarding Settlement Risk, the Company execute transactions related to securities or foreign currencies only for its own account so that an eventual price difference on unsettled transactions will result rather in an opportunity cost than in an out-of-pocket loss. In order to manage Free Delivery Risk, the Company imposes delivery versus payment process to make settlement on transactions. In addition, the Company monitors pending transactions by type of products. The exposure to Settlement Risk is therefore considered as being minimal. As at 30 June 2021, there is one pending transactions with one counterparty. This transaction has been settled and the remaining bonds delivered beginning of July 2021.

Concentration Risk

Concentration risk is the risk of losses due to unbalanced positions towards counterparties or customers. Concentration risk can be linked to group activity concentration, but also to economic sector or localization. The Company controls its concentration risk through large exposures analysis which is performed on a regular basis.

Market Risk & Foreign exchange Risk

Market Risk other than Foreign Exchange Risk

The Company's objectives are to maintain a structural securities portfolio so that the Company does not plan to engage in proprietary trading activities and will therefore normally not directly be exposed to market risk other than to foreign exchange risk by reason of assets held in USD through its securities portfolio.

Foreign Exchange Risk is the risk incurred by the Company as a result of the variation of exchange rates

The Company is exposed to Foreign Exchange Risk by reason of assets held in USD and mainly related to its structural securities portfolio. The risks related to the Company's exposure in USD respect the limits determined by the Board of Directors in the Risk Tolerance Statement and in the approved Investment Policy. The Company monitors its exposure in USD on a daily basis.

Interest Rate Risk Arising from Non-trading Activities

The Interest Rate risk arising from non-trading activities (securities portfolio and deposits with other financial counterparties), under the form of impact on interest income or costs (current income impact) or under the form of impact on the fair value of assets and liabilities (patrimonial impact) is subject to limits which have been determined

by the Board of Directors and which have been included in the Company's Risk Tolerance Statement.

Liquidity Risk

The Company's strategy for Liquidity Risk is to observe higher liquidity standards in order to be able to meet any unforeseen payment obligations. Considering the Company's Investment Policy, that foresees to maintain a consistent part of liquidity invested for a period below 6 months, the Authorized Management does not expect to have any material risk in terms of liquidity. In addition the Company generally uses to maintain adequate reserves of immediately available funds to face its current payment obligations.

Operational Risk

Operational risk in the Company is related, amongst others, to the following areas: mistake in processing of transactions, unplanned loss of personnel, embezzlement and physical destruction of assets (in particular of the EDP system) by a third party or by force majeure. Operational Risk, which includes Outsourcing Risk, has been identified as one of the material risk which the Company is exposed to. The Operational Risk includes Outsourcing Risk and, in particular for the Company, the risk related to the EDP system and IT infrastructure outsourced. The Company controls its operational risk through the internal controls processes implemented.

Legal & Compliance Risk

Legal & Compliance risk is the risk of adverse effects for a company which does not comply with currently prevailing standards. The Compliance Risk can cover a variety of risks such as reputational, legal, litigation and sanctions risks, including some aspects of operating risk as well as regulatory risk.

The Company aims to fully comply with the applicable laws, regulations, policies, procedures and internal Code of Conduct. Emerging regulations are monitored by the members of the Authorized Management and by the Risk, Credit and Investment Compliance Committee. Additional strategies and procedures required to comply with regulations are put in place where necessary. The members of the Authorized Management, "RR" and "RC" and the Risk, Credit and Investment Compliance Committee ensure that the Company complies with AML/CBT regulation and is responsible of the Company's compliance with the legal and regulatory framework. They are also in charge for the centralized monitoring of Customer's Complaints.

Reputation Risk

Due to the type of activity and business that the Company will perform during the following year, the Company considers that the risk of a reputation issue, which could directly have an impact on its results, is low. Reputation Risk is managed and monitored by the Authorized Management and the Risk, Credit and Investment Compliance Committee.

Allocation of results

In consideration of the financial results registered during the year under review, the Board of Directors proposes to the Shareholders the following allocation of the results of the financial year ended on 30 June 2021:

	EUR
Financial result as of 30 June 2021	5.756.728
Profit brought forward	138.695
Total	5.895.423
Allocation to the legal reserve	(287.836)
Allocation to results brought forward	(5.607.587)
Balance	---

The Board of Directors proposes to the shareholders to allocate the five-year reserve for NWT set up on 01.01.2016 as other reserves free for distribution and/or allocation for NWT for the next fiscal years.



5

Significant subsequent events

The residual COVID-19 impact on the Company economic and financial situation is very limited.

Since 30 June 2021, governments and central banks have reacted with monetary interventions, plans designs to stabilise economic conditions, the duration and extent of the impact of the COVID-19 outbreak even if the effectiveness of the actions remains indeterminate. Risks on economic outlook remain.

There is no reliable estimate of the duration and severity of these consequences and their impact on the financial position for future periods. But, there is no significant doubt about the Company's ability to continue as a going concern.

The financial markets have recovered in full the effects of the pandemic crisis and the Company recovered losses on its financial exposures.


No COVID-19 impact on Company's liquidity that remains strong significantly valuable on the next twelve months.

In relation to Company's exposure to Credit Suisse (Lux) Supply Chain Fund, two supplemental pay-out were registered on July 7th and August 6th for a total amount of USD 640.016 bringing the cumulative distribution to 56%. Based on the information that the Fund provided to the Company and other investors, further liquidation proceeds are expected to be paid out in the course of the next months.

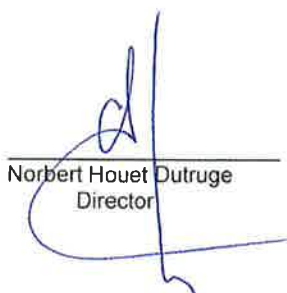
There are no other significant events subsequent to the year-end that might affect the results or disclosures presented in the annual accounts for the year ended 30 June 2021.

Luxembourg, 22 September 2021

On behalf of the Board of Directors



Alessandro Brussi
Chairman



Norbert Houet Dutruge
Director

To the Board of Directors of
Danieli Finance Solutions S.A.
126 rue Cents,
L-1319 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Annual Accounts

Opinion

We have audited the annual accounts of Danieli Finance Solutions S.A. (the "Company"), which comprise the balance sheet as at June 30, 2021 and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at June 30, 2021 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé*" for the Audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the annual accounts and our report of the "*Réviseur d'Entreprises Agréé*" thereon.

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

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report.

Responsibilities of the Board of Directors of the Company for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "*Réviseur d'Entreprises Agréé*" for the Audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "*Réviseur d'Entreprises Agréé*" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*Réviseur d'Entreprises Agréé*" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*Réviseur d'Entreprises Agréé*". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

For Deloitte Audit, *Cabinet de Révision Agréé*



Raphael Charlier

Raphaël Charlier, *Réviseur d'Entreprises Agréé*
Partner

September 22, 2021

Danieli Finance Solutions S.A.
Société Anonyme

Balance Sheet
As at 30 June 2021

ASSETS (EUR)	Note(s)	30/06/2021	30/06/2020
Tangible assets	3	564.268	572.369
Financial assets	4	4.157.334	---
- Investments held as fixed assets		4.157.334	---
Current assets	5, 6, 7	920.725.006	857.759.240
- Amounts owed by affiliated undertakings	5	234.968.317	230.515.742
becoming due and payable within one year		210.753.317	58.050.742
becoming due and payable after more than one year		24.215.000	172.465.000
- Other debtors	6	440.057.943	349.771.475
becoming due and payable within one year		203.198.629	119.502.958
becoming due and payable after more than one year		236.859.314	230.268.517
- Investments	7	245.698.746	277.472.023
other investments		245.698.746	277.472.023
Cash at bank and in hand	8	167.063.671	224.626.000
Prepayments and accrued income	9	40.517	40.506
TOTAL ASSETS		1.092.550.796	1.082.998.115

The accompanying notes are an integral part of these annual accounts.

Danieli Finance Solutions S.A.
Société Anonyme

Balance sheet (continued)
As at 30 June 2021

CAPITAL, RESERVES AND LIABILITIES (EUR)	Note(s)	30/06/2021	30/06/2020
Subscribed capital	10	400.000.000	400.000.000
Share premium account	11	637.800.000	637.800.000
Reserves	12	35.345.193	33.635.825
- Legal reserve		4.975.000	4.975.000
- Other not available reserves		30.370.193	28.660.825
Profit brought forward	13	138.695	2.288.753
Profit /(Loss) for the financial year	13	5.756.728	(440.690)
Provisions	14	56.655	46.013
- Other Provisions	14.2	56.655	46.013
Creditors	14, 15	13.453.525	9.668.215
- Amounts owed to credit institutions becoming due and payable within one year		35	361.597
- Trade Creditors becoming due and payable within one year		1.797.855	125.133
- Other Creditors			
tax authorities	14-1	11.641.094	9.167.153
social security authorities	15	14.541	14.332
staff - other payable		---	---
TOTAL CAPITAL, RESERVES AND LIABILITIES		1.092.550.796	1.082.998.115
OFF-BALANCE SHEET ITEMS (EUR)	Note(s)	30/06/2021	30/06/2020
Commitments (on foreign exchange options)	23	---	200.928.738
Commitments (on loans)	23	12.000.000	35.000.000
TOTAL		12.000.000	235.928.738

The accompanying notes are an integral part of these annual accounts.

Danieli Finance Solutions S.A.
Société Anonyme

Profit and loss account
For the year ended 30 June 2021

PROFIT AND LOSS ACCOUNT (EUR)	Note(s)	2021	2020
Other operating income	16	56.320	7.320
Other external expenses	17	(1.094.405)	(1.655.322)
Staff costs	18	(598.704)	(529.009)
- Wages and salaries		(540.881)	(516.330)
- Social security costs		(57.823)	(12.679)
- of which: pensions		(20.713)	(7.448)
Value adjustment	19	(8.101)	(8.101)
- Value adjustment in respect to tangible assets		(8.101)	(8.101)
Other operating expenses	20	(145.268)	(583.048)
Net financial result	21	5.730.359	(3.729.854)
- Value adjustment in respect to investments held as current assets		(1.097.854)	(4.956.880)
- (Loss)/Gain on disposal of transferable securities		2.234.219	1.227.026
- Other financial (charge)/Income		4.593.994	---
Interest receivable and similar income		6.874.136	8.634.791
- From affiliated undertakings		983.749	645.160
- Interest on fixed-income securities		3.453.218	4.726.740
- Other interest and similar income not included in other captions		2.437.169	3.262.891
Interest payable and similar expenses		(81.315)	(92.337)
- Other interest and similar expenses		(81.315)	(92.337)
(Loss)/Profit on ordinary activities before tax		10.733.021	2.044.440
Tax on profit on ordinary activities		(2.628.702)	(594.316)
Profit or loss on ordinary activities after tax		8.104.319	1.450.124
Other taxes not shown under the preceding items	22	(2.347.592)	(1.890.814)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		5.756.728	(440.690)

The accompanying notes are an integral part of these annual accounts.

Danieli Finance Solutions S.A.
Société Anonyme

Notes to the annual accounts
As at 30 June 2021

Note 1 – General

1.1. Corporate matters

Danieli Finance Solutions S.A. (the "Company") or ("DFS") was incorporated in Luxembourg on 18 June 1997 as "société anonyme" and under the name of Danflat International S.A..

Following an extraordinary shareholder's meeting ("EGM") held on 26 May 2009, the Company changed its name in Danfin International S.A..

The Company applied in 2013 for an authorization to carry out banking activities within the meaning of Article 2 (1) of the law of 5 April 1993 on the financial sector, as amended. On 23 December 2013, the EGM decided, among other, to change the corporate name of the Company into Danieli Banking Corporation S.A., and to completely restate the articles of association of the Company in order to adapt the structure of the Company to its future banking activity.

At the beginning of the year 2018, the Company decided to start the process of giving-up the banking licence and applied for an authorization to exercise the activity as Professional of the Financial Sector ("PFS").

As a result of the foregoing, the EGM held on 18 May 2018 decided to change the Company's corporate object and the Company's name into Danieli Finance Solutions S.A. ("DFS"). With effective date 18 May 2018 the Company has been cancelled from the CSSF's official list of credit institutions.

On 20 June 2018, the Company received from the Ministry of Finance of the Grand-Duchy of Luxembourg the authorization to exercise the activity as Professional of the Financial Sector (PFS) and more specifically as Professional performing lending operations according to article 28-4 of the Law of 5 April 1993 on financial sector, as amended ("LFS").

On 29 January 2019, the Company took part in the reverse merger absorbing Danieli International S.A. (hereinafter the "Absorbed Company") with registered office in 126, rue Cents L-1319 Luxembourg. The object of the reverse merger has been an internal restructuring of the Group with the sole aim of simplifying the control chain of the Company. The entire assets and liabilities of the Absorbed Company has been transferred to Danieli Finance Solutions S.A..

The registered office and the central administration of Danieli Finance Solutions S.A. located at 126, rue Cents, L-1319 Luxembourg. The DFS' financial year starts on July 1 and ends on June 30 of each year.

The Company belongs to the Danieli Group. The parent company of Danieli Group is Danieli & C. Officine Meccaniche S.p.A. ("D&C" / "Parent Company") having its registered office in Italy, via Nazionale, 41, Buttrio, Province of Udine which controls the Company, through its Luxembourg subsidiary Danieli International S.A., a "société anonyme" having its registered office at 126, rue Cents, L-1319 Luxembourg.

D&C is listed on the Milan Stock Exchange. Founded in 1914, the Danieli Group is one of the main actors worldwide involved in the design, manufacture and sale of plants and equipment for the steel industry by offering a range of machinery that covers the entire production process, from the management of the primary process (iron ore) to the production of the finished product. The Danieli Group is also a primary actor in the production of special steels through its two operating factories in Italy and Croatia.

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As at 30 June 2021

The Company's annual accounts are included in the consolidated annual accounts of D&C. The consolidated annual accounts of D&C are prepared in conformity with the IAS ("International Accounting Standards") and IFRS ("International Financial Reporting Standards"), as adopted by the EU rules. They are available at the registered office of D&C and of the Company.

The Company does not hold any participations and consequently does not need to prepare consolidated annual accounts.

Note 1 – General (continued)

1.2. Nature of the Company's business

Danieli Finance Solutions S.A. is authorized to carry out all activities as Professionals performing lending operations according to article 28-4 as defined by the law of 5 April 1993 on the financial sector (LFS), as amended and is consequently submitted to the supervision of the Luxembourg Supervisory Authority *the Commission de Surveillance du Secteur Financier* ("CSSF").

The Company's business consists of the granting credit facilities and/or loans on its own behalf mainly with the companies belonging to the "Danieli Group" as well as with public counterparts in accordance with article 28-4 of the LFS. The purpose of the Company's activity is also to invest in fixed-income instruments, cash placements with institutions. DFS carries out all the prior loan agreements granted to companies belonging to the "Danieli Group" and other entities.

Note 2 – Summary of significant accounting policies

2.1. Basis of presentation

These annual accounts have been prepared in conformity with the legal and accounting principles generally accepted in the financial sector in the Grand-Duchy of Luxembourg. The accounting policies and the valuation principles are determined and applied by the Board of Directors, except those which are defined by law and by the Luxembourg Supervisory Authority, the *Commission de Surveillance du Secteur Financier*.

Reclassification of comparatives figures:

The Company reclassified some amounts disclosed in its 2020 annual accounts in order to ensure the clear presentation and comparability with the figures presented for the year ended on 30 June 2021.

The books and records of the Company are kept in euro ("EUR"), which is the currency of the Company's capital.

2.2. Date of recording of transactions in the balance sheet

Assets and liabilities are recorded on the balance sheet on the transaction date rather than when the amounts concerned become cleared funds, i.e. the date of the effective transfer.

2.3. Foreign currencies

The Company has adopted a multicurrency accounting system, as a result of which assets and liabilities are recorded in the currencies in which they were created. For the preparation of the annual accounts, amounts in foreign currencies are translated into EUR with the following criteria:

- Foreign currency transactions are translated at the exchange rate prevailing on the date of the transaction;

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- Assets and liabilities denominated in currencies other than EUR are translated into EUR at the exchange rate prevailing at the balance sheet date. The gain or loss unrealized and realized arising from such translation is recorded in the profit and loss account;
- The elements of the profit and loss account are translated into EUR on the basis of the exchange rates prevailing at date of the transaction.

The year-end exchange rates of the main currencies used by the Company as of 30 June 2021 and 2020 are as follows:

	30/06/2021	30/06/2020
1 EUR	1,1884 USD	1,1198 USD
1 EUR	10,111 SEK	10,4948 SEK

2.4 Tangible assets

The assets are recognized at cost. Amortization is recognized in the profit and loss account for each financial period. The amortization has been calculated based on 50 years for the building and 20 years for improvements. Lands are not depreciated.

2.5 Financial assets

The investment held as fixed assets are stated at cost. Should other than temporary decline occur in the value of the investments, the carrying value is reduced to recognise such decline. Reductions in the carrying value are reversed should there be an increase in the value of the investments or should the reasons for the reductions no longer exist.

2.6. Current assets

a) Amount owed by affiliated undertakings

Loans and credit facilities to companies belonging to the Danieli Group, i.e. related parties, are stated at disbursement value less repayments and any value adjustments required.

The policy of the Company is to set up specific value adjustments for doubtful and irrecoverable debts in accordance with the circumstances and for amounts determined by the Authorized Management of the Company and approved by the Board of Directors. Value adjustments, if any, are deducted from the asset items to which they relate. These value adjustments are not maintained if the reasons for which the value adjustments were made have ceased to apply.

As of 30 June 2021, the loans and facilities were solely granted in EUR. Therefore, the Company is not subject to currency risk.

b) Other debtors

Credit facilities and placements with financial entities outside the Danieli Group are stated at disbursement value less repayments and, if applicable, value adjustments, which are set up similarly to the policy highlighted above. No value adjustment was required as at year-end.

c) Other investments

The Company owns a structural portfolio which is held to establish a particular asset structure and is used as a secondary source of liquidity. Debt securities and other fixed-income securities included in the Company's structural portfolio are recorded in the balance sheet initially at their acquisition cost, including the expenses incidental thereto. At year-end, they are valued at the lower of their acquisition cost or their market value. The value adjustment, corresponding to the negative difference between the market value and the acquisition cost, is not maintained if the reasons for which it was recorded no longer exist. The Company

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As at 30 June 2021

does not operate a securities portfolio for trading purposes.

2.7 Prepayments and accrued income

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year. The Company recognizes accrual for expected income related to the present annual accounts.

2.8 Accruals

Income and expenses received or incurred before the balance sheet date but attributable to a subsequent financial year are shown under the assets item "Prepayments and accrued Income" or the liabilities item "accruals and deferred income". The liabilities item "accruals and deferred income" also includes accrued interests on amounts due to customers whereas the assets item "prepayments and accrued income" also include accrued interests on loans, advances, debt securities and other fixed-income securities.

2.9 Taxes

The Company is subject to Corporate Income Tax, Municipal Business Tax and Net Wealth Tax in Luxembourg. Taxes are accounted for into the profit and loss account on an accruals basis and not in the year in which payment occurs. Accordingly, provisions for taxation have been recorded for the financial years for which no final assessments have been issued by the tax authorities.

Tax provisions are disclosed in the caption "Provisions for taxation" while tax advances are included in the caption "Other debtors".

2.10 Provisions

Provisions may be established. They are intended to cover losses which are certain or likely to be incurred based on available reliable information and are clearly defined in nature, but are, at the balance sheet date, uncertain as to the amount or as to the date on which they will arise.

2.11 Revenues

The Company recognized in profit and loss accounts the revenues relating to the financial year in respect of which the accounts are drawn up and which must be taken into account irrespective of the date of receipt. The activity on fixed-income securities, cash placement generate interests and for which some accruals has been recognized.

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As at 30 June 2021

Note 3 – Tangible assets

Tangible assets (EUR)				30/06/2021
Gross value				
	Lands	Improvements Lands	Building	Total
Gross value as at 1 July 2020	315.008	24.024	570.321	909.353
Gross value as at 30/06/2021	315.008	24.024	570.321	909.353
Value adjustments (EUR)				
Gross value as at 1 July 2020	---	(16.216)	(320.768)	(336.984)
Cumulative value adjustments at the end of the financial year	---	(1.201)	(6.900)	(8.101)
Total value adjustments	---	(17.417)	(327.668)	(345.085)
Net book value at end of the financial year	315.008	6.607	242.653	564.268

Note 4 – Financial assets

Book value of the investment	30/06/2021
Cost	EUR
At the beginning of the year	---
Purchases and other additions during the year	8.258.405
Decreases during the year	(4.180.003)
Gross value at the end of the financial year	4.078.402
Value adjustments	
Reversal of previous year's value adjustments	---
Foreign exchange value adjustments of the year	78.932
Total value adjustments	78.932
Net book value at the end of the financial year	4.157.334

On 27 January 2021, the Company invested 10 million of US dollar on Credit Suisse Virtuoso Sicav – SIF.

In early March 2021, the Company received a communication from Credit Suisse Asset Management regarding its decision to suspend redemptions and subscriptions in all its Supply Chain Finance Funds and to liquidate them. Credit Suisse justified its decision on reduced availability in insurance coverage for new investment and uncertainty with respect to valuation of some of the funds' asset.

At the end of the financial year, the company recorded a partial repayment in two instalments for a total amount of USD 5.063.656. Based on the information that the Fund provided to the Company and other investors. These payments were made in proportion of the investments. The investment at the end of June 2021 is USD 4.940.576.

The Company considers no impairment due to the fact that according to the information made available by the Fund there are no objective elements to quantify any possible loss at present. The Fund also informs that according to the applicable investment policy the credit risks are covered by insurance policies.

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As at 30 June 2021

Note 5– Amounts owed by affiliated undertakings

Amount owed by affiliated undertakings	30/06/2021		30/06/2020	
Geographic Breakdown	EUR	%	EUR	%
Italy	154.968.318	65,95%	152.509.424	66,16%
Luxembourg	60.000.000	25,54%	67.000.000	29,07%
Other countries	20.000.000	8,51%	11.006.319	4,77%
Total	234.968.318	100,00%	230.515.743	100,00%

On 13 November 2018, the Company renewed an existing credit facility to a Group Company for a principal amount of EUR 10.000.000, for a period of four years in order to partially finance the start of several production lines. The borrower manufactures and supplies steel blooms and seamless pipes to oil and gas, petrochemical, shipbuilding, mechanical, and construction sectors worldwide. It provides carbon steel seamless pipes, construction and boiler seamless pipes, line pipes, and casings and commercialize its products in the United States, the Middle East, North Africa and Europe.

On 24 November 2020, the Company allowed a new loan to the above-mentioned company for an amount of EUR 10.000.000 which will matured on 26 November 2024. At the end-year, the total balance drawdown by the customer amounts to EUR 20.000.000

In December 2019, a Luxembourgish Group Company having as purpose the holding and management of participating interest worldwide, partially reimbursed the initial loan of EUR 157.000.000, having a balance as at end of June 2020 of EUR 57.000.000, for a total amount of EUR 15.000.000 through its cash flows deriving from dividends received between during the financial year from affiliated undertakings. This credit facility had a maturity date on 29 May 2021, but in March 2021, in the aim to avoid to the borrower to disinvest, the Company accepted to grant an extension until 29 May 2022 at the same terms and conditions reducing the principal of the loan from EUR 157.000.00 to EUR 57.000.000. The outstanding amount for this credit facility loan amounts to EUR 42.000.000.

On 18 March 2020, the Company has granted a new credit facility to the above-mentioned Luxembourgish Group Company for a total amount of EUR 30.000.000 with maturity 18 March 2022. The borrower having as purpose the holding of participating interest worldwide explained its needs to obtain liquidities in the aim to avoid some disinvestments. The reimbursement of the loans will be ensure through the cash flows deriving from dividends. On 11 June 2021, the amount of EUR 8.000.000 has been drawdown, the Company recorded an off-balance sheet for an amount of EUR 12.000.000 (2020: EUR 20.000.000) (note 23). The outstanding amount for this loan shows a balance of EUR 18.000.000.

In May 2020 and June 2020, the Company granted to its Parent Company two loans for EUR 50.000.000 and EUR 100.000.000 with maturity 26 November 2021 in the aim to finance corporate purposes and working capital. At the end year, all the interest notices have been paid.

In June 2020, the Company increased its loan activity granting also a loan for EUR 750.000 to an Italian Group Company for working capital needs of this entity. This credit facility will mature on 17 December 2021.

In early July 2020, the Company has allowed a loan for an amount of EUR 2.500.000 to an Italian Group Company for financing the construction of a building which will be used by the borrower for the performance of its corporate object. The loan entirely drawdown will matured on 2 July 2027.

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As at 30 June 2021

On 28 May 2021, the loan granted on March 2017 to a Turkish Group Company has been entirely reimbursed for a total amount of EUR 1.000.000 plus interests.

Note 6 – Other debtors

As of 30 June 2021 and 2020, other debtors are composed as follows:

Other Debtors	30/06/2021	30/06/2020
Less than one year	EUR	EUR
Accrued interests on insurance product	125.065	82.346
Advances for Corporate Income Tax and Municipality Business Tax	19.740.900	19.784.185
Loan granted to third parties	80.000.000	---
Premium on foreign exchange options	---	68.000
Receivable from the Social Security Office	8.162	49.500
Receivable from securities lending activities	103.176.568	99.317.469
Vat receivable	125.080	178.826
Vat reverse charge	22.854	22.632
Total	203.198.629	119.502.958

On 28 October 2019, the Company renewed and amended on 13 December 2019 an existing loan up to EUR 40.000.00 to a financial entity, outside the Danieli Group but being in relationship with the Group and being ultimately owned by the Italian State. In October 2020, the customer repaid an amount of EUR 15.000.000 in relation the cash flow derived from its activities.

In December 2020, in the accordance with the market condition, an amendment has been signed and the loan bears interest at the net fixed interest rate of 0,09% per annum.

On May 2021, a further amendment to the loan has been allowed by the Company with two main modifications in consideration of the corporate purposes and working capital of the borrower:

- principal amount has been increased up to EUR 80.000.000
- maturity date of the contract has been postponed to 31 December 2021 instead of 26 October 2021.

This loan was classified last year in the caption "other debtors more than one year", as the maturity of the loan is 31 December 2021, the loan has been reclassified at the end - year in the caption "other debtors less than one year".

During the previous financial year, the Company entered into a Securities Lending Agreement with Barclays Bank Ireland PLC. The loan will terminate upon request of either the borrower or the lender (the Company) with notice given not less than 185 calendar days from the notice. Some bonds have been matured and replace. An increase of the value of the securities lending has been registered due to the improvement of the markets prices compare to last financial year which suffered the consequences of the collapse of the markets following the Covid-19.

The fee paid by the borrower to the Company is equal to 0,27% on an annual basis.

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Notes to the annual accounts (continued)
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Note 6 – Other debtors (continued)

Debtors	30/06/2021	30/06/2020
<i>More than one year</i>	EUR	EUR
Advances for Net Wealth Tax	4.263.000	1.421.000
Insurances	232.596.314	203.847.517
Loan granted to third parties	---	25.000.000
Total	236.859.314	230.268.517

In consideration of the historical – low interest rates, the Company decided to increase some investments offering a good opportunity to challenge the decrease of the interest rates and especially increase some investments in insurances products. These contracts have been signed during the previous financial years and the investments on them have been increased.

The caption "Insurances" for a total amount of EUR 232.596.314 (2020: EUR 203.847.517) is related to placements with three Luxembourgish insurances companies.

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As at 30 June 2021

Note 7 – Investments

As of 30 June 2021 and 2020, investments are composed of fixed-income securities held by the Company in its structural portfolio. Investments may be broken down as follows according to their geographic origin and economic sector:

Other investments	30/06/2021		30/06/2020	
Fixed-income securities				
Geographic breakdown	EUR	%	EUR	%
Austria	5.791.711	2,36%	---	---
Australia	7.384.778	3,01%	13.056.881	4,71%
Cayman Islands	1.681.693	0,68%	---	---
China	---	---	4.465.583	1,61%
Czech Republic	3.990.574	1,62%	2.990.323	1,08%
Estonia	2.513.088	1,02%	---	---
Denmark	7.494.463	3,05%	4.002.302	1,44%
Finland	1.492.449	0,61%	6.987.567	2,52%
France	36.669.115	14,92%	43.845.647	15,80%
Germany	12.888.606	5,25%	13.583.696	4,90%
Ireland	4.700.829	1,91%	---	---
Italy	27.428.832	11,16%	11.125.641	4,01%
Japan	6.317.250	2,57%	6.423.424	2,31%
Luxembourg	12.582.676	5,12%	21.807.919	7,86%
Netherlands	9.667.627	3,93%	17.196.865	6,20%
New Zealand	6.082.146	2,48%	6.082.151	2,19%
Russia	3.009.377	1,22%	---	---
Norway	---	---	3.578.120	1,29%
Singapore	1.497.876	0,61%	---	---
South Korea	5.037.029	2,05%	21.333.643	7,69%
Spain	16.462.016	6,70%	2.314.620	0,83%
Sweden	2.913.654	1,19%	---	---
Switzerland	---	---	7.430.015	2,68%
United Kingdom	21.782.972	8,87%	26.807.006	9,66%
United States	48.309.985	19,67%	64.440.620	23,22%
Total	245.698.746	100,00%	277.472.023	100,00%

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Notes to the annual accounts (continued)
As at 30 June 2021

Note 7 – Investments (continued)

Other investments Fixed income securities	30/06/2021		30/06/2020	
<i>Economic sector breakdown</i>	EUR	%	EUR	%
Automotive	9.797.017	3,99%	6.207.962	2,24%
Construction	1.962.026	0,80%	---	---
Credit Institutions	130.120.993	52,96%	179.770.008	64,79%
Oils - Energy	17.644.544	7,18%	15.408.057	5,55%
Financial Services	15.774.809	6,42%	17.178.148	6,19%
Food and Beverages	300.318	0,12%	---	---
Health care	11.487.356	4,68%	---	---
Industrial	2.506.530	1,02%	3.945.116	1,42%
IT services & Providers	---	---	3.668.914	1,32%
Manufacture	8.421.302	3,43%	---	---
Media Entertainment	---	---	2.857.447	1,03%
Medical - Pharmaceutical	---	---	8.499.098	3,06%
Real Estate	13.006.638	5,29%	12.340.510	4,45%
Retail	3.008.684	1,22%	3.488.431	1,26%
Services	14.505.988	5,90%	---	---
Technologies	10.525.864	4,28%	7.933.903	2,86%
Telecommunications	1.504.287	0,62%	5.477.944	1,97%
Transportation	5.132.390	2,09%	10.696.485	3,86%
Total	245.698.746	100,00%	277.472.023	100,00%

The movements in the structural portfolio are as follows:

Movements in the structural portfolio	30/06/2021	30/06/2020
Cost	EUR	EUR
Gross value at the beginning of the year	282.402.826	401.654.070
Reversal previous year foreign exchange impact	(246.229)	958.276
Additions	139.991.593	166.455.778
Decreases	(171.861.253)	(185.760.982)
Decreases for securities lending activities	(1.805.103))	(101.150.545)
Foreign exchange impact	(2.595.104)	246.229
Gross value at the end of the financial year	245.886.730	282.402.826
Value adjustments	EUR	EUR
Cumulative value adjustments at the end of the financial year	(1.031.207))	(5.935.624)
Total value adjustments	(1.031.207)	(5.935.624)
Net book value at the end of the financial year	244.855.523	276.467.202

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Notes to the annual accounts (continued)
As at 30 June 2021

At the end of the financial year, the company booked a net value of its above mentioned portfolio for a total amount of EUR 244.855.523 (2020: EUR 276.467.202) and accrued interest on the above- mentioned portfolio amounted to EUR 843.223 (2020: EUR 1.004.821) representing a total amount of EUR 245.698.746 (2020: EUR 277.472.023).

The value adjustments of the year ended 30 June 2021 amounts to EUR 1.031.207 (2020: EUR 5.935.624)

Note 8 – Cash at bank and in hand

As of 30 June 2021, the cash at bank and in hand amounts to EUR 167.063.671 (2020: EUR 224.626.000).

Note 9 – Prepayments and accrued income

As of 30 June 2021, the caption "prepayments and accrued income" amounts to EUR 40.517 for invoices or costs related to the next financial year (2020: EUR 40.506).

Note 10 – Subscribed capital

At its incorporation on 18 June 1997, the corporate capital amounted to EUR 50.000 and represented by 500 registered shares with nominal value of EUR 100.

As at 29 June 2001, the extraordinary shareholders' meeting ("EGM") has decided to increase the share capital from EUR 50.000 to EUR 3.000.000 through the issuance of 29.500 new shares of a par value of EUR 100 each.

As at 23 December 2013, the EGM has decided to increase the share capital from EUR 3.000.000 to EUR 400.000.000, through the issuance of 1.970.000 ordinary shares of a par value of EUR 100 each, having the same rights and advantages as the existing ordinary shares and fully subscribed and paid-in and of 2.000.000 mandatory redeemable preferred shares ("MRPS") without voting rights of a par value of EUR 100 each, fully subscribed and paid-in. Following to this capital increase, the subscribed capital of the Company amounted to EUR 400.000.000 and was represented by 2.000.000 ordinary shares and by 2.000.000 mandatory redeemable preferred shares ("MRPS") without voting rights, having a par value of EUR 100 each.

As at 27 June 2016, the EGM has decided to convert the 2.000.000 MRPS into 2.000.000 ordinary shares of a par value of EUR 100 each. Following this conversion, the subscribed capital of DFS amounted to EUR 400.000.000 and was represented by 4.000.000 ordinary shares having a par value of EUR 100 each.

As at 30 June 2018, the subscribed capital of the Company remains unchanged and amounts to EUR 400.000.000 represented by 4.000.000 ordinary shares having a par value of EUR 100 each.

On 29 January 2019, the Company has absorbed its sole shareholder Danieli International S.A., in the aim of a restructuring operation for the Group Danieli. Due to the reverse merger transaction, the "EGM" has decided to cancel the Company's own shares, as result the subscribed capital amounted to EUR 400.000.000 and was represented by 400.000.000 ordinary shares having a par value of EUR 1 each.

As at 30 June 2021, the subscribed capital of the Company remains unchanged and amounts to EUR 400.000.000 represented by 400.000.000 ordinary shares having a par value of EUR 1 each.

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Notes to the annual accounts (continued)
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Note 11 – Share premium account

Before 27 June 2016, the share premium account of the Company was represented by an amount of EUR 15.000.000 which was attached to the 2.000.000 ordinary shares issued by the Company and by an amount of EUR 557.800.000 which was attached to the MRPS shares issued by the Company on 23 December 2013. The EGM held on 27 June 2016 has also decided to convert the share premium attached to the MRPS of an amount of EUR 557.800.000 into a share premium attached to the new ordinary shares issued following the conversion of MRPS. Following this conversion, the total share premium account amounted to EUR 572.800.000.

The EGM held on 28 June 2017 has approved a contribution into the share premium account of the Company of an amount of EUR 65.000.000 made by the sole shareholder of the Company.

As at 30 June 2021, the share premium account remains unchanged and amounts to EUR 637.800.000.

Note 12 – Reserves

Legal reserve

Under Luxembourg law an amount equal to at least 5% of the annual net profit must be allocated to a legal reserve until this legal reserve equals 10% of the issued share capital. This reserve is not available for distribution.

As at 30 June 2021 the legal reserve amounts to EUR 4.975.000 (2020: EUR 4.795.000). The Annual shareholders' meeting held on 27 October 2020 for the approval of the annual accounts of the Company as at 30 June 2020 has decided to carry forward the loss amounting to EUR 440.690 of the financial year. No amount has been allocated to the legal reserve due to the loss.

Special Reserve for Net Wealth Tax credit

Luxembourgish companies are subject to the Net Wealth Tax, which is calculated on the net asset value after adjustments, exceptions and exclusion provided by the net wealth tax law and which considers a rate of 0,5%. The law grants also the possibility to reduce the amount to pay in case some conditions are met: a ceiling, which is the Corporate Income Tax due, and the creation of a special reserve which has to be held for 5 years. The allocations to this special reserve were as follows:

- by the shareholders' meeting held extraordinarily on 27 May 2016 - EUR 9.943.825 from the results brought forward of the Company to a 5-year non-distributable special reserve for NWT 2016,
- by, the Annual shareholders' meeting held on 26 October 2016 - EUR 11.000.000 from the results brought forward of the Company to a 5-year non-distributable special reserve for NWT 2017,
- by, the Annual shareholders' meeting held on 25 October 2017 - EUR 2.686.000 from the results brought forward of the Company to a 5-year non-distributable special reserve for NWT 2018,
- by, the Annual shareholders' meeting held on 24 October 2018 – no amount has been allocated to the reserve as the result of the year was a loss,
- by, the Annual shareholders' meeting held on 30 October 2019 - EUR 5.031.000 from the results brought forward of the Company to a 5-year non-distributable special reserve for NWT 2020.
- by, the Annual shareholders' meeting held on 27 October 2020 has resolved to reduce the special reserve for MWT 2020 by an amount of EUR 529.500 and to allocate this amount to results brought forward. As result of the foregoing the special reserve for the NWT 2020 amounts to EUR 4.501.500 and EUR 2.238.868 from the results brought forward of the Company to a 5-year non-distributable special reserve for NWT 2021.

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As at 30 June 2021

Note 13 – Shareholders' equity

The movements in shareholders' equity may be summarized as follows:

Shareholders' Equity (EUR)	Subscribed capital	Share premium account	Legal reserve	Other not available reserves*	Profit brought forward	Profit / (Loss) for the financial year	Total
Balance as at 1 July 2020	400.000.000	637.800.000	4.975.000	28.660.825	2.288.753	(440.690)	1.073.283.888
Allocation of the result of the previous years	---	---	---	(529.500)	(2.150.058)	440.690	(2.238.868)
Allocation to a special reserve for NWT	---	---	---	2.238.868	---	---	2.238.868
Profit for the financial year	---	---	---	---	---	5.756.728	5.756.728
Balance as at 30 June 2021	400.000.000	637.800.000	4.975.000	30.370.193	138.695	5.756.728	1.079.040.615

*Special reserve for Net wealth tax credit

The Annual Shareholders' meeting held on 27 October 2020 approved the allocation of the 2020 result.

Note 14– Provisions

14.1. Provisions for taxation

The Company is subject to Corporate Income Tax (CIT), Municipal Business Tax (MBT) and Net Wealth Tax (NWT) in Luxembourg and recognized the estimated amounts payable for the current fiscal year and previous years within the caption "Creditors" note 15.

14.2. Other provisions

As of 30 June 2021, other provisions are mainly composed of the estimated liability for not taken vacation owed to employees and amounts to EUR 56.654 (2020: EUR 46.013).

Note 15 – Creditors

As at 30 June 2021 and 2020, "Creditors" comprise:

Creditors	30/06/2021	30/06/2020
	EUR	EUR
Market value on foreign exchange options	---	312.562
Overdraft on current account	35	35
Payable to Direct Tax Authorities	11.572.726	9.082.745
Payable to Social Security Office	14.541	14.332
Premium on foreign exchange options	---	49.000
Trade on Bonds	1.685.915	---
Suppliers	111.940	125.133
VAT due on supplied services	68.368	74.955
VAT due on sales	---	9.453
Total	13.453.525	9.668.215

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Notes to the annual accounts (continued)
As at 30 June 2021

Note 15 – Creditors (continued)

As at 30 June 2021, the Company has no more contracts for foreign exchange options, no valuation has been recognized.

As at 30 June 2021, the "caption payable to Direct Tax Authorities" corresponds to estimation amounts payable for the current fiscal year and previous fiscal years

As at 30 June 2021, the caption "Suppliers" includes professional and consultancy fees.

Note 16 – Other operating income

Due to the reverse Merger on 29 January 2019, the Company has become the owner of the real estate property situated in 126, rue Cent, Luxembourg.

Thus, the other operating income for the year ended 30 June 2021 mainly includes the rental revenues from this property.

Note 17 – Other external expenses

As of 30 June 2021, the caption "Other external expenses" amounts to EUR 1.094.405 (2020: EUR 1.655.322) and includes the fees of the *Cabinet de Révision Agréé* under the caption "Audit fees".

Other external expenses	30/06/2021	30/06/2020
	EUR	EUR
Bank Charges	35.961	41.196
Commission and brokerage fees and Premium on Foreign exchange options	601.210	1.128.951
Contribution to professional organisations	60.140	64.793
IT services	221.736	241.690
Maintenance and repairs	11.210	13.538
Miscellaneous external charges	10.980	10.795
Other Insurances	1.186	515
Professional fees	142.270	91.749
Postal charges and telecommunication costs	9.409	8.232
Travel expenses	303	1.648
Total	1.094.405	1.655.322

During the previous financial year, the Company subscribed some contracts on financial derivatives – foreign exchange options all these contracts have been closed or terminated and the related premium paid have been recognized in profit and loss account (see note 6).

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Notes to the annual accounts (continued)
As at 30 June 2021

Note 18 – Staff costs and Management

18.1. Staff Costs

The average number of employees and management during the financial years 2021 and 2020 was:

Staff costs	2021	2020
Authorized Managers (with employment agreement)	2	2
Employees (with full-time employment agreement)	2	2
Employees (with part-time employment agreement)*	1	1
Total	5	5

* Starting 4 May 2020 an employee was hired (with part time employment contract).

18.2. Information related to Management

- Members of the Board of Directors received directors' fees totalizing EUR 81.250 (2020: EUR 81.250) (see also note 20).
- No loans or advances were granted to members of the Board of Directors and to the Authorized Managers.
- No guarantees were issued on behalf of members of the Board of Directors and Authorized Managers.

Note 19 – Value adjustment

The caption "value adjustment" for the financial 2021 amounts to EUR 8.101 (2020: EUR 8.101).

Due to the reverse merger on 29 January 2019, the fixed assets have been allocated to the Company and amortization have been recognized in profit and loss account. Refer to note 4 for the breakdown of the value adjustments.

Note 20 – Other operating expenses

Other operating expenses during the financial years 2021 and 2020 are detailed as follows:

Other operating expenses	30/06/2021	30/06/2020
	EUR	EUR
Directors' fees	81.250	81.250
Non-recoverable Foreign withholding taxes	---	116.840
Non-deductible VAT	62.561	48.120
Other duties and taxes	1.457	336.838
Total	145.268	583.048

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Notes to the annual accounts (continued)
As at 30 June 2021

Note 21 – Net financial result

As at 30 June 2021, the net financial result is an income and amounts to EUR 5.730.359 (2020: loss of EUR 3.729.854).

The net financial charges of the financial year ended as of 30 June 2021 are mainly due to:

- the net charges of an amount of EUR 1.097.854 (2020: income of EUR 4.956.880) representing the value adjustments of the financial year in relation to the Company's current assets (i.e. negative impact deriving from market prices on securities and net unrealized foreign exchange gain deriving from the revaluation of the USD versus the EUR at the year-end).
- The net income of an amount of EUR 2.234.219 (2020: income of EUR 1.227.026) deriving from the sale of securities.
- The net income of an amount of EUR 4.593.994 (2020: nil) deriving from derivatives – foreign exchange options and forwards. At the end of the financial year, all these contracts have been closed or terminated.

Note 22 – Other taxes not shown under the preceding items

This caption amounting EUR 2.347.592 (2020: EUR 1.890.814) is composed of the Net Wealth Tax due by the Company as at 1 January 2021 amounting EUR 2.340.102 and the difference is due to the assessment from Tax authorities for the previous years following the merger dated 29 January 2019 and the increase of the result for the end-year.

Note 23 – Commitments

a) Loan activities

- On 28 October 2019 and on 13 December 2019, the Company granted to an Italian financial entity a credit facility for a total amount of EUR 40.000.000 with due date on 26 October 2021. At the end of December 2020, this loan has been entirely drawdown and the maturity has been extended to 31 December 2021.
- On 18 March 2020, the Company granted to Luxembourgish company of the Group a credit facility for a total amount of EUR 30.000.000 of which at the end-year EUR 18.000.000 has been drawn (note 5).

The remaining available balance for drawdown for the two above mentioned credit facilities as of 30 June 2021 of an amount of EUR 12.000.000 has been recognized by the Company in the off-balance sheet in the item "commitments" (2020: EUR 35.000.000) for only one credit facility granted to the Luxembourgish company Group.

b) Derivatives on foreign exchange

At the end-year, the Company has no more derivative contracts and no off-balance-sheet has been recognized.

Note 24 – Significant subsequent events

There is no significant event subsequent to the year-end that might affect the results or disclosures presented in the annual accounts as at and for the year ended 30 June 2021.