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 2022

Table of contents

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 2022

Dear Shareholders,

The Board of Directors has the pleasure to submit its annual report for the financial year ended 30 June 2022

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 2022

General economic and financial outlook

The economic estimates provided by the International Monetary Fund show global growth of around 3.2% for 2022, positive but down compared to 2021, which stood at 6.1%, largely driven by the generalized economic revival, linked to the exit from the pandemic emergency from COVID-19. The growth forecasts for 2023 are projected to decrease to 2.9%, where growth will develop differently in two blocks: that of advanced economies, steady at 1.4%, and that of emerging economies, which rose to 3.9. %, emerging from the pandemic emergency and with a revival of internal consumption.

The world economy still shows a positive trend for 2022, with the US at 2.3% and the EU at 2.6%, while the emerging countries will rise by 4.6%, with China in positive for 3 , 3%, although European countries are showing increasing difficulties due to the energy crisis triggered by the sanctions imposed on Russia following the conflict with Ukraine and due to a generalized industrial slowdown linked to the production slowdown of the Chinese supply chain blocked by the lockdowns imposed for the COVID-19. In 2023, the average growth rate expected for advanced countries will also be held back by the high inflation in the United States due to the lack of balance between supply and demand and that in the euro area caused by the sharp increases in the energy bill, while it will rise in emerging countries with the overcoming of the lockdodowns in China and India and the implementation of vaccination plans programmed to avoid further mutations of the virus and new pandemic waves in time. For the second half of 2022 and for the whole of 2023, periods of growth are still to be expected, but with increasing difficulties if government policies to mitigate energy prices and vaccination programs are not concretely implemented to eradicate the emergence of new COVID-19 variants. The main central banks have raised interest rates to contain the increase in inflation, which is expected to fall to pre-pandemic values at the end of 2024, although the generalized increases in food and energy supplies could lead the EU to a period of stagflation with an economic recession in 2023 accompanied by rising inflation.

In the EU, growth forecasts for the period 2022/2023 have undergone a negative revision, although a positive boost is expected from the use of NextGenerationUE funds, while Asia is recovering in growth thanks to the normalization of production after the stops generated by pandemic lockdowns and the US is fighting high inflation with a structured program of interest rate hikes.

Both the EU but also the US and China are planning their economic agendas to bring about a strong reduction in the use of fossil fuels to reach the sustainable development goals indicated by the United Nations Global Compaq and promoted by the last conference by 2050. climate COP26.

The transition to a decarbonised economy will require many multilateral actions and will lead to strong investment plans encouraged by the governments of the world's major economies and by many supranational financial organizations.

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 from1 July 2021 until 30 June 2022.

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 was characterized at first by low interest rates, tight credit spreads, low inflation and with the Continent's economies recovering from the crisis resulting from the pandemic generated by COVID-19. A continuation with what was already experienced during the first six half of 2021.

A second starting from the geopolitical crisis related to the invasion of Ukraine characterized by an overbearing return of inflation, a concomitant increase in interest rates growth expectations a significant widening of Credit Spreads and reduced expectations of economic growth.

The breaking point was certainly generated by the changed geopolitical environment that generated macroeconomic effects difficult to predict even by the most diligent analysts.

All of this impacted the valuation of assets held in the portfolio, in fact there was no opportunity to implement adequate hedging policies

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.

Due to the aforementioned crisis factors (inflationary pressures generated by increases in energy costs, expectations of interest rate increases and consequent widening of Credit Spreads) the valuation of assets held in the portfolio was negatively impacted. In fact, the valuation of the securities portfolio has returned to the levels tested during the COVID-19-related crisis. While a partial shift in central bank monetary policies following the ongoing recovery in the second part of 2021 was to be expected, none of what experienced in the course of 2022 was foreseeable. Actually none of the major players in the markets, including the ECB, had any way to predict and manage what happened.

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 80 million to 90 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 decrease from EUR 234.968 million to EUR 106.965 million as follows:

During the year, the Company received full reimbursement in accordance with the loan agreements

- In March 2022, the loan allowed to a Luxemburgish Company belonging to the Group which matured and this loan has been full reimbursed and all the related interests have paid. Thus the Company wrote-off the off-balance sheet items with the amount of EUR12 million.
- In May 2022, the Company received the full reimbursement of the loan granted to the parent company for a total amount of EUR 150 million. All the interests have been paid at the end-year.

The loan activities during the financial year increase as follows:

- The Company granted, two new loans in September and October 2021 to Companies belonging to Danieli Group for a total amount of EUR 40M.
- 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 90 million (2021: EUR 80 million). As of 30 June 2022, the loan has been drawn entirely and no off-balance sheet has been recognized in the Company's off-balance sheet.
- The Company allowed also the extension of the maturity to four existing loans

The financial year closes with a net loss of EUR 26.053.344 (2021: profit of EUR 5.756.728).

The financial year 2021/2022 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,

- The increased volatility of the financial markets as a result of : i) the progressive changes in the monetary policies of central banks, ii) the uncertainties generated by the war in Ukraine and the consequent geopolitical tensions).
- The sudden rise in interest rates as an effect of a more restrictive monetary policies adopted by Central Banks in order to contain inflationary pressures generated by supply and demand imbalances and rising energy costs.

After a decade of accommodative monetary policies, the correction in interest rates has been as sudden and unexpected as to leave little room for corrective action. These changes impacted the Company's investment policy. The appetite for exposure to interest rate risk has been reduced by favouring Money Market Asset Class. Since the final quarter of the fiscal year, treasury activities mainly involved investments in time deposits with banking counterparties on maturities of less than one year

In view of the above, during the financial year ended 30 June 2022, 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 positive 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 the keep the exposure to securities lending operations with a maximum limit of EUR 100M.

Based on the statement issued by the Governing Council of the European Central Bank and by the Federal Reserve FOMC, we expect restrictive monetary policies to continue through 2023; recent indicators of spending and production of the two macro areas have softened, nonetheless, job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated reflecting supply and demand imbalances related to the pandemic, higher food and energy prices, and broader price pressures. The war and related events are creating additional upward pressure on inflation and are weighing on global economic activity. As said, for both ECB and FED inflation is now the main concern. Similarly to most financial players, we expect interest to rates further. 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 2022/2023, the Company is expecting:
- Transferable Securities: to keep the overall exposure at June 30th 2022 level, to progressively reduce the portfolio modify duration. At the end of the annual accounts of June 2022, the securities portfolio modify duration was 2.63yy.
- To keep a prudential investment approach in consideration of uncertainties in respect of economic growth, inflation and geopolitical issues related to the conflict between Russia and Ukraine.
- 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 19 of the annual accounts.

During the financial years ended as at 30 June 2022 and 2021, 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 November 2021, the employee with a part-time agreement resigned its employment contract.

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. It 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 has been updated and aligned 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 2022 the management decided to record a Euro 770.000 impairment for an US Dollar investment in a Credit Suisse Fund made on 27th January 2021. The impairment is motivated by the Credit Suisse Asset Management decision to put in liquidation of the Fund in March 2021.The Company had no other 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 2022.

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 2022, there is no pending transactions.

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 2022:

	EUR
Financial result as of 30 June 2022	**(26.053.344)**
Profit/loss brought forward	---
Total	**(26.053.344)**
Allocation to the legal reserve	---
Allocation to results brought forward	**26.053.344**
Balance	---

Significant subsequent events

There is no residual COVID-19 impact on the Company economic and financial situation.

Starting in the second half of 2021, the inflationary tensions generated by the fast recovery from COVID-19 became manifest. These tensions accrued as a result of the energy crisis generated by geopolitical tensions and the war in Ukraine. Central banks responded to this with a dramatic change in monetary policies which we expect to be followed by a generalized slowdown in the world economy. This will add uncertainty to the Company's investment activities.

There are no significant direct exposures to Russia risk, the Company is in full compliance with European and Luxembourg directives regarding restrictions on activities with Russian counterparties.

The effectiveness changes in monetary and fiscal policies are still 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.

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 2022.

Luxembourg, 22 September 2022

On behalf of the Board of Directors

Alessandro Brussi,
Chairman

Norbert Houet Dutruge
Director

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To the Board of Directors of
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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, 2022 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, 2022 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.

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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.

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- 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, 2022

Danieli Finance Solutions S.A.
Société Anonyme

Balance Sheet
As at 30 June 2022

ASSETS (EUR)	**Note(s)**	**30/06/2022**	**30/06/2021**
Tangible assets	**4**	**556.166**	**564.268**
Financial assets	**5**	**2.506.280**	**4.157.334**
- Investments held as fixed assets		2.506.280	4.157.334
Current assets	**6, 7,8**	**747.433.032**	**920.725.006**
- Amounts owed by affiliated undertakings	**6**	**106.965.000**	**234.968.317**
becoming due and payable within one year		82.750.000	210.753.317
becoming due and payable after more than one year		24.215.000	24.215.000
- Other debtors	**7**	**419.671.233**	**440.057.943**
becoming due and payable within one year		187.098.379	203.198.629
becoming due and payable after more than one year		232.572.854	236.859.314
- Investments	**8**	**220.796.800**	**245.698.746**
		220.796.800	245.698.746
Cash at bank and in hand	**9**	**306.332.183**	**167.063.671**
Prepayments and accrued income	**10**	**46.195**	**40.517**
TOTAL ASSETS		**1.056.873.856**	**1.092.550.796**

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 2022

CAPITAL, RESERVES AND LIABILITIES (EUR)	Note(s)	30/06/2022	30/06/2021
Subscribed capital	**11**	**400.000.000**	**400.000.000**
Share premium account	**12**	**637.800.000**	**637.800.000**
Reserves	**13**	**41.240.615**	**35.345.193**
- Legal reserve		5.262.836	4.975.000
- Other available reserves		5.715.305	---
- Other not available reserves		30.262.474	30.370.193
Profit brought forward	**14**	**---**	**138.695**
Profit /(Loss) for the financial year	**14**	**(26.053.344)**	**5.756.728**
Provisions	**15**	**66.952**	**56.655**
- Other Provisions		66.952	56.655
Creditors	**16**	**3.819.634**	**13.453.525**
- Amounts owed to credit institutions			
becoming due and payable within one year		99	35
- Trade Creditors			
becoming due and payable within one year		221.351	1.797.855
- Other Creditors			
tax authorities		3.577.316	11.641.094
social security authorities		20.868	14.541
TOTAL CAPITAL, RESERVES AND LIABILITIES		**1.056.873.856**	**1.092.550.796**

OFF-BALANCE SHEET ITEMS (EUR)	Note(s)	30/06/2022	30/06/2021
Commitments (on loans)	**24**	**---**	**12.000.000**
TOTAL		**---**	**12.000.000**

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 2022

PROFIT AND LOSS ACCOUNT (EUR)	Note(s)	2022	2021
Other operating income	**17**	**7.320**	**7.320**
Other external expenses	**18**	**(1.253.153)**	**(1.026.405)**
Staff costs	**19**	**(590.043)**	**(598.704)**
- Wages and salaries		(558.867)	(540.881)
- Social security costs		(31.176)	(57.823)
- of which: pensions		*(28.706)*	*(20.713)*
Value adjustment	**20**	**(778.101)**	**(8.101)**
- Value adjustment in respect to tangible assets	**20.1**	(8.101)	(8.101)
- Value adjustment in respect to financial fixed assets	**20.2**	(770.000)	---
Other operating expenses	**21**	**(183.295)**	**(145.268)**
Net financial result	**22**	**(28.792.595)**	**5.711.359**
- Value adjustment in respect to investments held as current assets		(20.482.942)	(1.097.854)
- (Loss)/Gain on disposal of transferable securities		242.721	2.234.219
- Premium (paid)/received on derivatives		(7.188.600)	(19.000)
- Other financial (charge)/Income		(1.363.774)	4.593.994
Interest receivable and similar income		**6.656.056**	**6.874.136**
- From affiliated undertakings		769.890	983.749
- Interest on fixed-income securities		3.202.820	3.453.218
- Other interest and similar income not included in other captions		2.683.346	2.437.169
Interest payable and similar expenses		**(121.964)**	**(81.315)**
- Other interest and similar expenses		(121.964)	(81.315)
(Loss)/Profit on ordinary activities before tax		**(25.055.775)**	**10.733.021**
Tax on profit on ordinary activities		**(67.878)**	**(2.628.702)**
Profit or loss on ordinary activities after tax		**(25.123.653)**	**8.104.319**
Other taxes not shown under the preceding items	**23**	**(929.691)**	**(2.347.592)**
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**(26.053.344)**	**5.756.728**

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

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.

Note 1 – General (continued)

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.

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.*

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

Note 2 – Summary of significant accounting policies (continued)

- 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 2022 and 2021 are as follows:

	30/06/2022	**30/06/2021**
1 EUR	1,0387 USD	1,1884 USD
1 EUR	10,73 SEK	10,111 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 2022, 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.

Note 2 – Summary of significant accounting policies (continued)

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 valuated 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 does not operate a securities portfolio for trading purposes.

2.7 Derivatives contracts/options

Purchased options are valued at the cost and recorded under "investments". Sold options are valued at cost and recorded under "other creditors". A value adjustment is recorded, for purchased options, where the market value is lower than the cost and, for sold option, where the market value is higher than the cost.

The premiums paid and received related to derivatives contracts are recognized in profit and loss accounts at the maturity or at the termination of the contracts.

2.8 Prepayments and accrued income

This asset items 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.

2.9. 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.

2.10. 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".

2.11. 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.

Note 2 – Summary of significant accounting policies (continued)

2.12. Revenues/charges

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.

Note 3 – Comparative Figures

The presentation of the annual accounts has been modified when compared to the presentation used in respect of the financial year ended 30 June 2022. As per consequence and in order to ensure the adequate comparability across both financial years, certain comparatives figures in respect of the financial year ended 30 June 2021 have been reclassified.

The reclassified figures are detailed as follows:

- EUR 49.000 from "Other operating income" to the caption "Net financial result" in relation with the premiums received on derivatives contracts.
- EUR 68.000 from "Other external expenses" to the caption "Net financial result" in relation with the premiums paid on derivatives contracts.

Note 4 – Tangible assets

Tangible assets (EUR)				**30/06/2022**
Gross value				
	Lands	**Improvements Lands**	**Building**	**Total**
Gross value as at 1 July 2021	315.008	24.024	570.321	909.353
Gross value as at 30/06/2022	**315.008**	**24.024**	**570.321**	**909.353**
Value adjustments (EUR)				
Gross value as at 1 July 2021	---	(17.417)	(327.668)	(345.085)
Cumulative value adjustments at the end of the financial year	---	(1.201)	(6.900)	(8.101)
Total value adjustments	---	**(18.618)**	**(334.568)**	**(353.187)**
Net book value at end of the financial year	**315.008**	**5.406**	**235.752**	**556.166**

Note 5 – Financial assets

Book value of the investment	**30/06/2022**	**30/06/2021**
Cost	**EUR**	**EUR**
At the beginning of the year	4.078.402	---
Purchases and other additions during the year	---	8.258.405
Decreases during the year	(1.269.196)	(4.180.003)
Gross value at the end of the financial year	**2.809.206**	**4.078.402**
Value adjustments		
Reversal of previous year's value adjustments	(78.932)	---
Foreign exchange value adjustments of the year	546.006	78.932
Value adjustments at the end of the financial year	(770.000)	---
Total value adjustments	**(302.926)**	**78.932**
Net book value at the end of the financial year	**2.506.280**	**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.
In the course of the financial year, the Company recorded partial repayments in several instalments for a total amount of USD 1.537.504 (2021: USD 5.063.656). These liquidation proceeds were made in proportion of the investments. The investment at the end of June 2022 is USD 3.403.072 (2021: USD 4.940.576).

Based on the information included into the report made public by Credit Suisse and the confirmation that insurance claims have been filed on the applicable notes subscribed by the Fund, the Company performed an analysis for the determination of its residual exposure to the Fund. The Company accordingly decided to record an impairment. Therefore, as of June 30, 2022, based on the information provided by the Fund, which indicated that work on direct recoveries, litigation and insurance was in progress, the Company has decided to record an impairment for an amount of EUR 770.000 to reflect a prudent valuation of its investment.

Note 6 – Amounts owed by affiliated undertakings

Amount owed by affiliated undertakings	**30/06/2022**		**30/06/2021**	
Geographic Breakdown	**EUR**	**%**	**EUR**	**%**
Italy	34.965.000	32,69%	154.968.318	65,95%
Luxembourg	42.000.000	39,27%	60.000.000	25,54%
Other countries	30.000.000	28,05%	20.000.000	8,51%
Total	**106.965.000**	**100,00%**	**234.968.318**	**100,00%**

Note 6 – Amounts owed by affiliated undertakings (continued)

a) ***Italy***

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 which initially has a maturity date on 17 December 2021 has been extended until 30 December 2022 at the same terms and conditions.

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. As at 30 June 2022, the total balance of the loans granted to this Group Company amount to EUR 4.215.000.

In October 2021, the Company granted a loan for an amount of EUR 30.000.000 to an Italian Group Company who's the corporate purpose is the performance of steel, metallurgical and mechanical activities as well as complementary, accessory, related and derivative activities such as the production of aggregates for high-durability asphalt and aggregates for construction. The loan will matured on 31 March 2023.

During the month of May 2022, the Parent Company recorded operating cash flows and therefore decided to repay in full the existing loan as at 30 June 2021 for a total amount of EUR 150,000,000. All the notices of interests have been paid and the Company has recorded no more outstanding balance or off-balance sheet.

b) ***Luxembourg***

The Company has only one loan with the Luxembourgish Group Company for a total amount of EUR 42.000.000, for this credit facility the Company accepts to extend the maturity until 30th November 2022. The loan amounting to EUR 30.000.000 for which only EUR 18.000.000 has been drawdown matured on 18 March 2022 and has been fully reimbursed. The Company has recorded no more off-balance sheet and all the notices of interests have been paid.

c) ***Other countries***

On 24 September 2021, the Company granted an amount of EUR 10.000.000 for an additional financing of the working capital with maturity date 30 September 2025 to a Group Company whom activities is to manufacture and provide 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.
At the end-year, the total balance drawdown by the customer amount to EUR 30.000.000 (2021: EUR 20.000.000).

As at 30 June 2022, the Company has no recorded any outstanding amount related to the above mentioned loans and any provision for credit risk.

Note 7 – Other debtors

As of 30 June 2022 and 2021, other debtors are composed as follows:

Other Debtors	**30/06/2022**	**30/06/2021**
Less than one year	**EUR**	**EUR**
Accrued interests on insurance product	253.360	125.065
Advances for Corporate Income Tax and Municipality Business Tax	---	19.740.900
Loan granted to third parties	90.000.000	80.000.000
Receivable from the Social Security Office	8.772	8.162
Receivable from securities lending activities	96.801.124	103.176.568
Vat receivable	18.731	125.080
Vat reverse charge	16.392	22.854
Total	**187.098.379**	**203.198.629**

a) <u>*Loan granted to third parties:*</u>

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.

On 14 December 2021, the Company granted, in addition to the new extension of the loan until 31 December 2022, an increase of 10.000.000 with the same terms and conditions, which was drawn on 22 December 2021 in its entirety, bringing the amount of the loan to 90.000.000.

b) <u>*Securities lending activities*</u>

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. A decrease of the value of the securities lending has been registered due to the improvement of the markets prices.
The fee paid by the borrower to the Company is equal to 0,27% on an annual basis.

Note 7 – Other debtors (continued)

c) Tax advances

At the beginning of 2022, the Luxembourg tax authorities proceeded with the taxation of previous years, thus that the Company was reimbursed for certain advances, resulting in a zero balance sheet item, whereas the previous year it represented the amount of EUR 19.740.900.

Debtors	**30/06/2022**	**30/06/2021**
More than one year	**EUR**	**EUR**
Advances for Net Wealth Tax - Corporate Income Tax and Municipality Business Tax	1.360.000	4.263.000
Insurances	231.212.854	232.596.314
Total	**232.572.854**	**236.859.314**

The caption "Insurances" for a total amount of EUR 232.572.854 (2021: EUR 236.859.314) is related to placements with three Luxembourgish insurances companies.
During the financial, some bonds belonging to the insurances matured and have been replaced. The decrease of the value from the previous financial year is mainly due to the market decline price on the underlying securities included in the insurance agreements.

Note 8 – Investments

As of 30 June 2022 and 2021, 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 **Fixed-income securities**	**30/06/2022**		**30/06/2021**	
Geographic breakdown	**EUR**	**%**	**EUR**	**%**
Austria	959.321	0,40%	5.791.711	2,36%
Australia	8.759.044	3,97%	7.384.778	3,01%
Cayman Islands	1.760.705	0,80%	1.681.693	0,68%
Czech Republic	3.347.484	1,52%	3.990.574	1,62%
Estonia	2.431.063	1,10%	2.513.088	1,02%
Denmark	8.070.997	3,66%	7.494.463	3,05%
Finland	1.181.949	0,54%	1.492.449	0.61%
France	32.353.745	14,65%	36.669.115	14,92%
Germany	13.338.774	6,04%	12.888.606	5,25%
Ireland	1.843.723	0,84%	4.700.829	1,91%
Italy	16.619.730	7,53%	27.428.832	11,16%
Japan	13.168.035	5,96%	6.317.250	2,57%
Luxembourg	9.216.105	4,17%	12.582.676	5,12%
Netherlands	18.979.556	8,60%	9.667.627	3,93%
New Zealand	7.520.012	3,41%	6.082.146	2,48%
Russia	833.657	0,38%	3.009.377	1,22%
Singapore	1.205.196	0,55%	1.497.876	0,61%
South Korea	3.048.173	1,38%	5.037.029	2,05%
Spain	9.375.684	4,25%	16.462.016	6,70%
Sweden	1.383.029	0,63%	2.913.654	1,19%
United Kingdom	16.914.794	7,66%	21.782.972	8,87%
United States	48.486.024	21,96%	48.309.985	19,67%
Total	**220.796.800**	**100,00%**	**245.698.746**	**100,00%**

Note 8 – Investments (continued)

Other investments **Fixed income securities**	**30/06/2022**		**30/06/2021**	
Economic sector breakdown	**EUR**	**%**	**EUR**	**%**
Automotive	14.816.571	6,71%	9.797.017	3,99%
Chemical	2.337.591	1,06%	---	---
Construction	2.347.601	1,07%	1.962.026	0,80%
Credit Institutions	118.575.796	53,70%	130.120.993	52,96%
Oils - Energy	8.466.463	3,83%	17.644.544	7,18%
Financial Services	21.755.403	9,85%	15.774.809	6,42%
Food and Beverages	4.328.717	1,96%	300.318	0,12%
Health care	5.726.232	2,59%	11.487.356	4,68%
Industrial	---	---	2.506.530	1,02%
Manufacture	7.705.401	3,49%	8.421.302	3,43%
Real Estate	6.729.872	3,05%	13.006.638	5,29%
Retail	2.902.364	1,31%	3.008.684	1,22%
Services	7.652.387	3,47%	14.505.988	5,90%
Technologies	7.119.182	3,22%	10.525.864	4,28%
Telecommunications	3.547.129	1,62%	1.504.287	0,62%
Transportation	6.786.091	3,07%	5.132.390	2,09%
Total	**220.796.800**	**100,00%**	**245.698.746**	**100,00%**

The movements in the structural portfolio are as follows:

Movements in the structural portfolio	**30/06/2022**	**30/06/2021**
Cost	**EUR**	**EUR**
Gross value at the beginning of the year	245.886.730	282.402.826
Reversal previous year foreign exchange impact	2.595.104	(246.229)
Additions	134.113.140	139.991.593
Decreases	(139.491.925)	(171.861.253)
Decreases for securities lending activities	(1.798.740))	(1.805.103))
Foreign exchange impact	5.778.000	(2.595.104)
Gross value at the end of the financial year	**247.082.309**	**245.886.730**
Value adjustments	**EUR**	**EUR**
Cumulative value adjustments at the end of the financial year	(27.240.430)	(1.031.207))
Total value adjustments	**(27.240.430)**	**(1.031.207)**
Net book value at the end of the financial year	**219.841.879**	**244.855.523**

Note 8 – Investments (continued)

At the end of the financial year, the Company booked a net value of its above mentioned portfolio for a total amount of EUR 219.841.879 (2021: EUR 244.855.523) and accrued interests on the above- mentioned portfolio amounted to EUR 954.921 (2021: EUR 843.223) representing a total amount of EUR 220.796.800 (2021: EUR 245.698.746).

The value adjustments of the year ended 30 June 2022 amounts to EUR 27.240.430 (2021: EUR 1.031.207)

Note 9 – Cash at bank and in hand

As of 30 June 2022, the cash at bank and in hand amounts to EUR 306.332.183 (2021: EUR 167.063.671).

Note 10 – Prepayments and accrued income

As of 30 June 2022, the caption "prepayments and accrued income" amounts to EUR 46.195 for invoices or costs related to the next financial year (2021: EUR 40.517).

Note 11 – 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 subscripted 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 subscripted 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 subscripted 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 2022, the subscripted 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.

Note 12 – 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 2022, the share premium account remains unchanged and amounts to EUR 637.800.000.

Note 13 – 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 2022 the legal reserve amounts to EUR 5.262.836 (2021 EUR 4.795.000). The Annual shareholders' meeting held on 27 October 2021 for the approval of the annual accounts of the Company as at 30 June 2021 has decided has decided to allocate from the Net Profit of the financial year an amount of EUR 287.836 to the legal reserve.

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.

Note 13 – Reserves (continued)

- by the shareholders' meeting held on 27 October 2021 decided to allocate the Special Reserve for Net Wealth Tax Credit amounting to EUR 9.943.825 recorded on 27 May 2016 to the reserve available and EUR 4.228.520 of it has been transfer to the Special Reserve for NWT 2022 which represents an amount of EUR 9.836.106.

Note 14 – Shareholders' equity

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

Shareholders' Equity (EUR)	Subscribed capital	Share premium account	Legal reserve	Other available reserves	Other not available reserves*	Profit brought forward	Profit / (Loss) for the financial year	Total
Balance as at 1 July 2021	**400.000.000**	**637.800.000**	**4.975.000**	---	**30.370.193**	**138.695**	**5.756.728**	**1.079.040.615**
Allocation of the result of the previous years	---	---	287.836	9.943.825	(9.943.825)	5.468.892	(5.756.728)	---
Allocation to a special reserve for NWT	---	---	---	(4.228.520)	9.836.106	(5.607.586)	---	---
Profit for the financial year	---	---	---		---	---	(26.053.344)	(26.053.344)
Balance as at 30 June 2022	**400.000.000**	**637.800.000**	**5.262.836**	**5.715.305**	**30.262.474**	---	**(26.053.344)**	**1.052.987.271**

*Special reserve for Net wealth tax credit (see note 10).

The Annual Shareholders' meeting held on 27 October 2021 approved the allocation of the 2021 result.

Note 15– Provisions

As of 30 June 2022, other provisions are mainly composed of the estimated liability for not taken vacation owed to employees and amounts to EUR 66.951 (2021: EUR 56.654).

Note 16 – Creditors

As at 30 June 2022 and 2021, "Creditors" comprise:

Creditors	**30/06/2022**	**30/06/2021**
	EUR	**EUR**
Overdraft on current account	99	35
Payable to Direct Tax Authorities	3.520.713	11.572.726
Payable to Social Security Office	20.868	14.541
Trade on Bonds	---	1.685.915
Insurance commissions	127.338	---
Suppliers	94.013	111.940
VAT due on supplied services	56.603	68.368
Total	**3.819.634**	**13.453.525**

As at 30 June 2022, 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 2022, the caption "Suppliers" includes professional and consultancy fees.

Note 17 – 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 2022 mainly includes the rental revenues from this property.

Note 18 – Other external expenses

As of 30 June 2022, the caption "Other external expenses" amounts to EUR 1.253.153 (2021: EUR 1.026.405).

Other external expenses	**30/06/2022**	**30/06/2021**
	EUR	**EUR**
Bank Charges	47.900	35.961
Commission and brokerage fees *	737.260	533.210
Contribution to professional organisations	75.986	60.140
IT services	222.532	221.736
Maintenance and repairs	12.313	11.210
Miscellaneous external charges	14.264	10.980
Other Insurances	---	1.186
Professional fees	132.725	142.270
Postal charges and telecommunication costs	8.462	9.409
Travel expenses	1.713	303
Total	**1.253.153**	**1.026.405**

On November 2021, the Company subscribed some contracts on financial derivatives – foreign exchange options and forward accumulators. All these contracts have been closed or terminated and the related premiums paid have been recognized in profit and loss accounts.

To permit a comparability of the figures, some amounts on 30 June 2021 have been reclassified (see note 3).

Note 19 – Staff costs and Management

19.1. Staff Costs

The average number of employees and management during the financial years 2022 and 2021 was:

Staff costs	**2022**	**2021**
Authorized Managers (with employment agreement)	2	2
Employees (with full-time employment agreement)	2	2
Employees (with part-time employment agreement)*	---	1
Total	**4**	**5**

**From 14th November 2021, the Company hired 4 employees with full time contract.*

Note 19 – Staff costs and Management (continued)

19.2. Information related to Management

- Members of the Board of Directors received directors' fees totalizing EUR 81.250 (2021: EUR 81.250) (see also note 21).
- 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 20 – Value adjustment

The caption for the financial 2022 amounts to EUR 778.101 (2021: EUR 8.101).

20.1. Value adjustment in respect to tangible assets

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.

20.2. Value adjustment in respect to financial fixed assets

As at June 30, 2022, the value adjustment on financial assets amounts to EUR 770.000 (2021: nil).

This adjustment has been recorded in relation to the investment in Credit Suisse Virtuoso Sicav - SIF which is in liquidation and for which insurance files for recovery have been introduced and for which the residual losses are not quantifiable (see notes 5).

Note 21 – Other operating expenses

Other operating expenses during the financial years 2022 and 2021 are detailed as follows:

Other operating expenses	**30/06/2022**	**30/06/2021**
	EUR	**EUR**
Directors' fees	81.250	81.250
Non-deductible VAT	101.030	62.561
Other duties and taxes	1.015	1.457
Total	**183.295**	**145.268**

Note 22 – Net financial result

As at 30 June 2022, the net financial result is loss and amounts to EUR 28.792.594 (2021: income of EUR 5.711.359).

The net financial charges of the financial year ended as of 30 June 2022 are mainly due to:

- the net charges of an amount of EUR 20.482.942 (2021 EUR 1.097.854) 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 242.721 (2021: EUR 2.234.219) deriving from the sale of securities.
- On November 2021, the Company subscribed some contracts on financial derivatives – foreign exchange options and forward accumulators which have been closed as at 30 June 2022 thus the related premium received and paid have been recognized in profit and loss accounts for a net loss of EUR 7.188.600 (2021: 19.000). To permit a comparability of the figures, the amounts on 30 June 2021 have been reclassified (see note 3).
- The net loss of an amount of EUR 1.363.774 (2021: income of EUR 4.593.994) deriving from derivatives – foreign exchange options and forwards. At the end of the financial year, all these contracts have been closed or terminated.

Note 23 – Other taxes not shown under the preceding items

This caption amounting EUR 929.691 (2021: EUR 2.347.592) is composed of the Net Wealth Tax due by the Company as at 1 January 2022 amounting EUR 824.870 and the difference is due to the assessment from Tax authorities for the previous years.

Note 24 – Commitments

a) Loan activities

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 of the previous year EUR 18.000.000 has been drawn

At the end of December 2021, this loan has been entirely reimbursed and this loan matured on 18 March 2022. Thus the Company has written-off the existing of balance sheet recorded as at the end of June 2022.

As at 30 June 2022, the Company recognized any commitment in relation with credit facility granted.

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 25 – 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 2022.