Danieli Finance Solutions S.A.
126, rue Cents
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R.C.S. Luxembourg: B 59.765

Annual accounts, Management Report and
Report of the *réviseur d'entreprises agréé*
as at 30 June 2023

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Management Report for the year ended 30 June 2023

Dear Shareholders,

The Board of Directors has the pleasure to submit its annual report for the financial year ended 30 June 2023.

General economic and financial outlook

The latest economic estimates from the International Monetary Fund (IMF) show global growth for 2023 projected at around 3,0%, positive but down from 2022, which had stood at 3,5%, a value contracted by the generalised increase in the cost and decreased availability of energy resources caused by the Russian-Ukrainian conflict and the consequent cooling of trade in the global geopolitical system.

Growth forecasts for 2024 are projected to be stable at 3,0%, where growth will, however, develop differently in two blocks: that of the advanced economies, stationary at 1,4%-1,5%, and that of the emerging economies, rising to 3,9%-4,0%, with a revival of domestic consumption and green development plans to decarbonise major industrial activities.
The world economy is still expected to show a positive trend in 2023, with the US at 1,8% and the EU at 0,9%, while the emerging countries will rise by 4,0%, with China growing by 5,2%, where European countries have largely overcome the difficulties caused by the energy crisis triggered by the conflict between Russia and Ukraine, while also recovering from the slowdown linked to the production slowdown of the Chinese supply chain blocked by the lockdowns imposed for COVID-19.
In 2023, however, the average growth rate expected for advanced countries will be held back by the gradual increase in interest rates by the major central banks to counteract the high inflation in the EU and the US due in the eurozone to the sharp increases in energy bills and the related rise in industrial costs, and in the US to the failure to balance supply and demand.
Growth will be stronger in emerging countries driven by the realisation of economic plans designed to make the productive fabric more sustainable and improve wealthcare services for the community.
For the second half of 2023 and throughout 2024, periods of growth are still expected, but with increasing difficulties if appropriate government policies for a green transition of industry and transport are not concretely implemented by reducing the use of fossil fuels and promoting efficient recycling practices of natural resources.

In the EU, growth forecasts for the period 2023/2024 remain stable, although a positive boost is expected from the use of NextGenerationEU funds transposed by the NRPs of each individual state, while the US is pushing the green turn with the government's Inflation Reduction Act (IRA) programme, supporting companies that innovate and invest in sustainability and renewable energy.
The EU, but also the US and China, are increasingly planning their economic agendas to achieve the sustainable development goals set by the United Nations Global Compact and promoted by the last COP27 climate conference by 2050.
The transition to a decarbonised economy will require the development of many multilateral actions with strong investment plans incentivised by the governments of the world's major economies and financed by major supranational financial organisations.

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 2022 until 30 June 2023.

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 by 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 increase and consequent widening of Credit Spreads) the valuation of assets held in the portfolio was negatively impacted.

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 remains for the amount of EUR 90 million and has been renewed.

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 increase from EUR 106.965 million to EUR 174.215 million as follows:

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

- In December 2022, the Company received the full reimbursement of the loan granted to an Italian Company belonging to the Group which matured and all the related interests have been paid.
- In March 2023, the existing loan amounting to EUR 42 million and allowed to a Luxemburgish Company belonging to the Group matured and this loan has been full reimbursed and all the related interests have been paid.

The loan activities during the financial year increase as follows:

- In September 2022, the Company granted a loan to the Parent Company for a total amount of EUR 50 million all the amount has been drawn entirely and all the interests at the end of the financial year have been paid.
- In November 2022, one new loan has been allowed to a Companies belonging to Danieli Group for a total amount of EUR 10 million and in May 2023 a second loan for an amount of EUR 50 million has been granted and all the amounts of the two loans have been drawn entirely and no off-balance sheet has been recognized in the Company's off-balance sheet.
- 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 renewed for a total amount of EUR 90 million (2022: EUR 90 million). As of 30 June 2023, the loan has been drawn
- The Company allowed also the extension of the maturity to two existing loans.

The financial year closes with a net profit of EUR 28.260.212 (2022: net loss of EUR 26.053.344).

The financial year 2022/2023 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) paradigm shift in the monetary policies adopted by the major central banks; ii) the persistence of uncertainties generated by existing conflicts and changes in geopolitical scenarios. ii) revisions of economic growth forecasts and the resulting effects on the economies of major countries,
- Progressive implementation by central banks of more restrictive policies in order to contain the effects of inflationary pressures,

After a decade of accommodative monetary policies, the correction in interest rates has been the upward correction of interest rates was so sudden and, in some ways, unexpected in its intensity as to leave little room for corrective action.

As a result of this the Company reviewed its risk appetite. Therefore, management policies of aversion to Interest Rate risk and Credit risk were adopted, favouring, throughout the financial year, investments in the Money Market asset class (Term Deposits with leading bank counterparties).

In view of the above, during the financial year ended 30 June 2023, the Company, in a context of reduced risk appetite, to generate a satisfactory income.

The active management of exchange rate risk exposure (with reference to USD exposures) allowed the Company to sterilise the effects of exchange rate fluctuations through appropriate hedging policies.

The Company has no branches in Luxembourg and abroad.

Expected performance in 2022/23

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 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 100 million

Based on the recent statement issued by the Governing Council of the European Central Bank and by the Federal Reserve FOMC, we should expect current monetary policies to persist for a sufficiently long period of time well beyond 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 well above central bank targets. Not unlike the major financial players we believe that interest rates will remain at these levels for a long time. In this context, the Board of Directors, supported by the Risk Credit and Investment Committee will remain sensitive and ready to reconsider the approach to investment decision. Risk appetite will be periodically 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 2023/2024, the Company is expecting:

- Transferable Securities: to keep the overall exposure within the limits set by the Own Fund Investment Policy set at EUR 510 million nominal and Modify duration will remain in a range between 2y and 3y.
- To keep a prudential investment approach in consideration of uncertainties in respect of economic growth, inflation and geopolitical issues.
- 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 2023 and 2022, 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.

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 2023 the management decided to record an additional impairment of EUR 730.000 impairment for an US Dollar investment in a Credit Suisse Fund made on 27 January 2021. The total of the impairment on this investment amount to EUR 1,5 million representing 50% of the remaining investment. 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 2023.

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 2023, 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 risks 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 2023:

	EUR
Financial result as of 30 June 2023	28.260.212
Profit/loss brought forward	**(26.053.344)**
Total	**2.206.868**
Allocation to the legal reserve	(110.343)
Allocation to results brought forward	(2.096.525)
Balance	---

Significant subsequent events

On the interest rate and credit risk exposure, there are no events or new considerations to report.

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 on the whole more well-defined than in recent months, Risks on economic outlook remain.

There are no concerns about the Company's ability to continue as a going concem.

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 2023.

Luxembourg, 22 September 2023

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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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, 2023 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, 2023 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.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

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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.

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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.

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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 28, 2023

Danieli Finance Solutions S.A.
Société Anonyme

Balance Sheet
As at 30 June 2023

ASSETS (EUR)	Note(s)	30/06/2023	30/06/2022
Tangible assets	**4**	**548.065**	**556.166**
Financial assets	**5**	**1.521.914**	**2.506.280**
- Investments held as fixed assets		1.521.914	2.506.280
Current assets	**6, 7, 8**	**727.373.114**	**747.433.032**
- Amounts owed by affiliated undertakings	**6**	**174.215.000**	**106.965.000**
becoming due and payable within one year		51.715.000	82.750.000
becoming due and payable after more than one year		122.500.000	24.215.000
- Other debtors	**7**	**324.522.248**	**419.671.233**
becoming due and payable within one year	**7(a)**	191.150.209	188.458.379
becoming due and payable after more than one year	**7(b)**	133.372.039	231.212.854
- Investments	**8**	**228.635.866**	**220.796.800**
		228.635.866	220.796.800
Cash at bank and in hand	**9**	**357.097.443**	**306.332.183**
Prepayments and accrued income	**10**	**50.686**	**46.195**
TOTAL ASSETS		**1.086.591.222**	**1.056.873.856**

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 2023

CAPITAL, RESERVES AND LIABILITIES (EUR)	Note(s)	30/06/2023	30/06/2022
Subscribed capital	**11**	**400.000.000**	**400.000.000**
Share premium account	**12**	**637.800.000**	**637.800.000**
Reserves	**13**	**41.240.615**	**41.240.615**
- Legal reserve		5.262.836	5.262.836
- Other available reserves		5.715.305	5.715.305
- Other not available reserves		30.262.474	30.262.474
Loss brought forward	**14**	**(26.053.344)**	**---**
Profit /(Loss) for the financial year	**14**	**28.260.212**	**(26.053.344)**
Provisions	**15**	**78.514**	**66.952**
- Other provisions		78.514	66.952
Creditors	**16**	**5.265.225**	**3.819.634**
- Amounts owed to credit institutions			
becoming due and payable within one year		154	99
- Trade creditors			
becoming due and payable within one year		278.001	221.351
- Other creditors			
Tax authorities		4.954.860	3.577.316
Social security authorities		32.210	20.868
TOTAL CAPITAL, RESERVES AND LIABILITIES		**1.086.591.222**	**1.056.873.856**

OFF-BALANCE SHEET ITEMS (EUR)	Note(s)	30/06/2023	30/06/2022
Commitments	**25**	**---**	**---**
TOTAL		**---**	**---**

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 2023

PROFIT AND LOSS ACCOUNT (EUR)	Note(s)	2023	2022
Other operating income	**17**	**7.320**	**7.320**
Other external expenses	**18**	**(1.055.207)**	**(1.253.153)**
Staff costs	**19**	**(612.563)**	**(590.043)**
- Wages and salaries		(580.047)	(558.867)
- Social security costs		(32.516)	(31.176)
- of which: pensions		*(28.706)*	*(28.706)*
Value adjustment	**20**	**(738.101)**	**(778.101)**
- Value adjustment in respect to tangible assets	**20.1**	(8.101)	(8.101)
- Value adjustment in respect to financial fixed assets	**20.2**	(730.000)	(770.000)
Other operating expenses	**21**	**(159.939)**	**(183.295)**
Net financial result	**22**	**13.812.591**	**(28.792.595)**
- Value adjustment in respect to investments held as current assets		(12.299.916)	(20.482.942)
- (Loss)/Gain on disposal of transferable securities		2.390.043	242.721
- (Loss)/Gain on derivatives		23.722.464	(8.552.374)
Interest receivable and similar income	**23**	**22.311.466**	**6.656.056**
- From affiliated undertakings		5.256.882	769.890
- Interest on fixed-income securities		5.053.119	3.202.820
- Other interest and similar income not included in other captions		12.001.465	2.683.346
Interest payable and similar expenses		**(20.595)**	**(121.964)**
- Other interest and similar expenses		(20.595)	(121.964)
(Loss)/Profit on ordinary activities before tax		**33.544.972**	**(25.055.775)**
Tax on profit on ordinary activities		**(2.160.169)**	**---**
Profit or loss on ordinary activities after tax		**31.384.804**	**(25.055.775)**
Other taxes not shown under the preceding items	**24**	**(3.124.592)**	**(997.569)**
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**28.260.212**	**(26.053.344)**

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.

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 unrealized and realized gain or loss 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 2023 and 2022 are as follows:

	30/06/2023	**30/06/2022**
1 EUR	1,0866 USD	1,0387 USD
1 EUR	11,8055 SEK	10,7300 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 occurs 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 2023, 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.

Note 2 – Summary of significant accounting policies (continued)

c) <u>Other investments</u>

The Company owns a 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 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.

2.7 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.

2.8. 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 accrual’s 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 “Tax Authorities” 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/charges

The Company recognized in profit and loss account 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 activities on fixed-income securities, cash placement generate interests and for which accruals have been recognized.

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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 2023. 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 2022 have been reclassified.

The reclassified figures are detailed as follows:

- EUR 16.392 from “VAT reverse charge” to the caption “VAT receivable” (see note 7);
- EUR 1.360.000 from “Other debtors more than one year” to the caption “Other debtors less than one year (see note 7).

Note 4 – Tangible assets

Tangible assets				**30/06/2023**
Gross value				**EUR**
	Lands	**Improvements Lands**	**Building**	**Total**
Gross value as at 1 July 2022	315.008	24.024	570.321	909.353
Gross value as at 30/06/2023	**315.008**	**24.024**	**570.321**	**909.353**
Value adjustments				
Gross value as at 1 July 2022	---	(18.618)	**(334.568)**	**(353.187)**
Cumulative value adjustments at the end of the financial year	---	(1.201)	(6.900)	(8.101)
Total value adjustments	**---**	**(19.820)**	**(341.468)**	**(361.288)**
Net book value at end of the financial year	**315.008**	**4.204**	**228.853**	**548.065**

Note 5 – Financial assets

Book value of the investment				**30/06/2023**
Cost				**EUR**
At the beginning of the year	2.809.206	---	---	2.809.206
Decreases during the year	(98.613)	---	---	(98.613
Gross value as at 30/06/2023	**2.710.593**	**---**	**---**	**2.710.593**

Value adjustments	**Foreign Exchange**	**Value Adjustments**	
At the beginning of the year	467.074	(770.000)	(302.926)
Reversal adjustment previous year	(467.074)	---	(467.074)
Value adjustment during the financial year	311.321	(730.000)	(418.679)
Total value adjustments at the end of the financial year	**311.321**	**(1.500.000)**	**(1.188.679)**
Net book value at end of the financial year			**1.521.915**

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 a partial repayment for a total amount of USD 119.460 (2022: USD 1.537.504). These liquidation proceeds were made in proportion of the investments. The investment at the end of June 2023 is USD 3.283.612 (2022: USD 3.403.072).

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.
Therefore, as of 30 June 2023, based on the information provided by the Fund, which indicated that work on direct recoveries, litigation and insurance was in progress, the Company accordingly decided to record an impairment of EUR 730.000, in consequence the total impairment amounts to EUR 1.500.000 (2022: EUR 770.000) corresponding to 50 percent of the remaining investment. This total impairment reflects a prudent valuation of its investment.

Note 6 – Amounts owed by affiliated undertakings

Amount owed by affiliated undertakings	**30/06/2023**		**30/06/2022**	
Geographic Breakdown	**EUR**	**%**	**EUR**	**%**
Italy	144.215.000	82,78%	34.965.000	32,69%
Luxembourg	---	---	42.000.000	39,27%
Other countries	30.000.000	17,22%	30.000.000	28,05%
Total	**174.215.000**	**100,00%**	**106.965.000**	**100,00%**

Note 6 – Amounts owed by affiliated undertakings (continued)

a) Italy

On 30 December 2022, the loan of EUR 750.000 granted to an Italian Group Company matured. The principal and all the notices of interests have been paid.

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 be matured on 2 July 2027. As at 30 June 2023, 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 whom 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. This credit facility which initially has a maturity date on 31 March 2023 has been renewed and granted until 31 March 2025.

On 14 September 2022, the Company allowed to the Parent Company a loan for an amount of EUR 50.000.000 for working capital needs. The credit facility has been entirely drawdown.

On 25 November 2022, the Company increased its loan activity granting a loan for EUR 10.000.000 with maturity 31/12/2029 to an Italian Group Company who's the corporate purposes are the promotion and development of real estate activities both in Italy and abroad and the assumption as a non-prevailing activity of shares and participations, including equity interests, in other companies and to participate in associations, consortia, groupings.

On May 2023, the Company granted an amount of EUR 50.000.000 for an additional financing of the working capital with maturity 30 June 2024.
As at 30 June 2023, the total balance of the loan allowed to this Group Company amounts to EUR 60.000.000.

b) Luxembourg

In June 2022 the Company had only one loan with the Luxembourgish Group Company for a total amount of EUR 42.000.000, with maturity date until 30 November 2022. This Loan Facility has been extended until 30 June 2023.

In March 2023, the Luxembourgish Group Company decided to repay in full the principal and the interests due to the cash follows of the dividends received. 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 grants 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 are 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.

In November 2022, one credit facility matured and the Company decided to renew the loan with maturity date 13 November 2026.

At 30 June 2023 the total balance drawdown by the customer amount to EUR 30.000.000.

At 30 June 2023, the Company has not recorded any outstanding amount related to the above-mentioned loans and any provision for credit risk.

Note 6 – Amounts owed by affiliated undertakings (continued)

For all the credit facilities renewed the economic conditions have been updated accordingly with the increase of the rate interests.

At the end of the financial year, all the loans have been entirely drawn and no off-balance sheet has been recorded.

Note 7 – Other debtors

As of 30 June 2023, and 2022, other debtors are composed as follows:

a) Other Debtors less than on year:

Other Debtors	**30/06/2023**	**30/06/2022**
Less than one year	**EUR**	**EUR**
Accrued interests on insurance product	443.115	253.360
Advances for Corporate Income Tax and Municipality Business Tax*	2.766.140	1.360.000
Loan granted to third parties	90.662.980	90.000.000
Receivable from the Social Security Office	9.284	8.772
Receivable from securities lending activities	97.244.315	96.801.124
VAT receivable*	24.375	35.123
Total	**191.150.209**	**188.458.379**

**Some figures have been reclassified*

a.1) Loan granted to third parties:

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 EUR 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 EUR 90.000.000.

In September 2022, the Company has modified, by reason of circumstance affecting the Euro Interbank market the rate applicable to the counterparties.
The loan which matured on 31 December 2022 has been renewed until 31 December 2023 in the terms and conditions fixed on September 2022.

Note 7 – Other debtors (continued)

a.2) Securities lending activities

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

b) Other debtors more than one year

Debtors	**30/06/2023**	**30/06/2022**
More than one year	**EUR**	**EUR**
Insurances	133.372.039	231.212.854
Total	**133.372.039**	**231.212.854**

The caption “Insurances” for a total amount of EUR 133.372.039 (2022: EUR 231.212.854) is related to placements with two Luxembourgish insurances companies in June 2023 and three at the end of June 2022. During the financial, some bonds deposited in insurances matured and have been replaced. The decrease of the value from the previous financial year is mainly due to the Company’s decision to reduce its exposure to insurance products. The redemptions were made in April and May 2023.

Note 8 – Investments

As of 30 June 2023, and 2022, investments are composed of fixed-income securities held by the Company in its portfolio. Investments may be broken down as follows according to their geographic origin and economic sector:

Other investments **Fixed-income securities**	**30/06/2023**		**30/06/2022**	
Geographic breakdown	**EUR**	**%**	**EUR**	**%**
Austria	---	---	959.321	0,40%
Australia	8.755.811	3,83%	8.759.044	3,97%
Belgium	3.020.403	1,32%	---	---
Canada	5.487.804	2,40%	---	---
Cayman Islands	1.679.573	0,73%	1.760.705	0,80%
Czech Republic	3.416.288	1,49%	3.347.484	1,52%
Estonia	2.418.863	1,06%	2.431.063	1,10%
Denmark	8.000.764	3,50%	8.070.997	3,66%
Finland	1.166.739	0,51%	1.181.949	0,54%
France	46.555.981	20,36%	32.353.745	14,65%
Germany	10.392.192	4,55%	13.338.774	6,04%
Ireland	1.849.589	0,81%	1.843.723	0,84%
Italy	6.896.234	3,02%	16.619.730	7,53%
Japan	13.004.210	5,69%	13.168.035	5,96%
Luxembourg	7.605.761	3,33%	9.216.105	4,17%
Netherlands	20.330.856	8,89%	18.979.556	8,60%
New Zealand	7.403.654	3,24%	7.520.012	3,41%
Russia	1.898.582	0,83%	833.657	0,38%
Singapore	1.191.875	0,52%	1.205.196	0,55%
South Korea	2.882.170	1,26%	3.048.173	1,38%
Spain	7.145.007	3,13%	9.375.684	4,25%
Sweden	1.392.367	0,61%	1.383.029	0,63%
United Kingdom	14.684.533	6,42%	16.914.794	7,66%
United States	51.456.610	22,50%	48.486.024	21,96%
Total	**228.635.866**	**100,00%**	**220.796.800**	**100,00%**

Note 8 – Investments (continued)

Other investments **Fixed income securities**	**30/06/2023**		**30/06/2022**	
Economic sector breakdown	**EUR**	**%**	**EUR**	**%**
Automotive	14.003.238	6,12%	14.816.571	6,71%
Chemical	2.342.511	1,02%	2.337.591	1,06%
Construction	2.803.920	1,23%	2.347.601	1,07%
Credit Institutions	141.703.759	61,98%	118.575.796	53,70%
Oils - Energy	10.907.219	4,77%	8.466.463	3,83%
Financial Services	15.914.520	6,96%	21.755.403	9,85%
Food and Beverages	284.973	0,12%	4.328.717	1,96%
Health care	5.674.427	2,48%	5.726.232	2,59%
Manufacture	10.338.627	4,52%	7.705.401	3,49%
Real Estate	5.132.070	2,24%	6.729.872	3,05%
Retail	2.890.868	1,26%	2.902.364	1,31%
Services	2.357.541	1,03%	7.652.387	3,47%
Technologies	7.276.925	3,18%	7.119.182	3,22%
Telecommunications	2.578.320	1,13%	3.547.129	1,62%
Transportation	4.426.948	1,96%	6.786.091	3,07%
Total	**228.635.866**	**100,00%**	**220.796.800**	**100,00%**

The movements in the portfolio are as follows:

Movements in the portfolio	**30/06/2023**	**30/06/2022**
Cost	**EUR**	**EUR**
Gross value at the beginning of the year	247.082.309	245.886.730
Reversal previous year foreign exchange impact	(5.778.000)	2.595.104
Additions	66.745.794	134.113.140
Decreases	(40.626.372)	(139.491.925)
Decreases for securities lending activities	(19.972.216)	(1.798.740)
Foreign exchange impact	2.120.652	5.778.000
Gross value at the end of the financial year	**249.572.167**	**247.082.309**
Value adjustments	**EUR**	**EUR**
Cumulative value adjustments at the end of the financial year	(22.185.317)	(27.240.430)
Total value adjustments	**(22.185.317)**	**(27.240.430)**
Net book value at the end of the financial year	**227.386.850**	**219.841.879**

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 227.386.850 (2022: EUR 219.841.879) and accrued interests on the above-mentioned portfolio amounted to EUR 1.249.016 (2022: EUR 954.921) representing a total amount of EUR 228.635.866 (2022: EUR 220.796.800).
The value adjustments of the year ended 30 June 2023 amounts to EUR 22.185.317 (2022: EUR 27.240.430).

Note 9 – Cash at bank and in hand

As of 30 June 2023, the cash at bank and in hand amounts to EUR 357.097.443 (2022: EUR 306.332.183).

Note 10 – Prepayments and accrued income

As of 30 June 2023, the caption “prepayments and accrued income” amounts to EUR 50.686 for invoices or costs related to the next financial year (2022: EUR 46.195).

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 2023, 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 2023, 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 2023 the legal reserve amounts to EUR 5.262.836 (2022: EUR 5.262.836). During the Annual shareholders' meeting held on 26 October 2022 for the approval of the annual accounts 2022 of the Company no amount has been allocated to the legal reserve.as the result of the financial year was a 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,

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,
- by, the Annual shareholders' meeting held on 26 October 2022 – no amount has been allocated to the reserve as the result of the year was a loss.

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*	Loss brought forward	Profit / (Loss) for the financial year	Total
Balance as at 1 July 2022	**400.000.000**	**637.800.000**	**5.262.836**	**5.715.305**	**30.262.474**	**---**	**(26.053.344)**	**1.052.987.271**
Allocation of the result of the previous years	---	---	---	---	---	(26.053.344)	**26.053.344**	---
Allocation to a special reserve for NWT	---	---	---	---	---	---	---	---
Profit for the financial year	---	---	---		---	---	28.260.212	28.260.212
Balance as at 30 June 2023	**400.000.000**	**637.800.000**	**5.262.836**	**5.715.305**	**30.262.474**	**(26.053.344)**	**28.260.212**	**1.081.247.483**

*Special reserve for Net wealth tax credit (see note 13).

The Annual Shareholders' meeting held on 26 October 2022 approved the allocation of the 2022 result.

Note 15 – Provisions

As of 30 June 2023, other provisions are mainly composed of the estimated liability for not taken vacation owed to employees and amounts to EUR 78.514 (2022: EUR 66.951).

Note 16 – Creditors

As at 30 June 2023 and 2022, "Creditors" comprise:

Creditors	30/06/2023	30/06/2022
	EUR	**EUR**
Overdraft on current account	154	99
Payable to Direct Tax Authorities	4.904.676	3.520.713
Payable to Social Security Office	32.210	20.868
Insurance commissions	83.960	127.338
Suppliers	194.041	94.013
VAT due on supplied services	50.184	56.603
Total	**5.265.225**	**3.819.634**

As at 30 June 2023, 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 2023, 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 2023 mainly includes the rental revenues from this property.

Note 18 – Other external expenses

As of 30 June 2023, the caption "Other external expenses" amounts to EUR 1.055.207 (2022: EUR 1.253.153).

Other external expenses	**30/06/2023**	**30/06/2022**
	EUR	**EUR**
Bank Charges	39.920	47.900
Commission and brokerage fees	468.354	737.260
Contribution to professional organisations	84.923	75.986
IT services	243.014	222.532
Maintenance and repairs	14.753	12.313
Miscellaneous external charges	17.311	14.264
Professional fees	177.327	132.725
Postal charges and telecommunication costs	8.600	8.462
Travel expenses	1.005	1.713
Total	**1.055.207**	**1.253.153**

Note 19 – Staff costs and Management

19.1. Staff Costs

The average number of employees and management during the financial years 2023 and 2022 was:

Staff costs	**2023**	**2022**
Authorized Managers (with employment agreement)	2	2
Employees (with full-time employment agreement)	2	2
Total	**4**	**4**

19.2. Information related to Management

- Members of the Board of Directors received directors' fees totalizing EUR 81.250 (2022: 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 2023 amounts to EUR 738.101 (2022: EUR 778.101).

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 30 June 2023, the value adjustment on financial assets amounts to EUR 730.000 (2022: EUR 770.000).

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 note 5). The total of the impairment recorded for this investment on the assets accounts amounts to EUR 1.500.000 (2022: EUR 770.000).

Note 21 – Other operating expenses

Other operating expenses during the financial years 2023 and 2022 are detailed as follows:

Other operating expenses	**30/06/2023**	**30/06/2022**
	EUR	**EUR**
Directors' fees	81.250	81.250
Non-deductible VAT	63.438	101.030
Other duties and taxes	15.251	1.015
Total	**159.939**	**183.295**

Note 22 – Net financial result

As at 30 June 2023, the net financial result is gain and amounts to EUR 13.812.591 (2022: loss of EUR 28.792.595).

The net financial charges of the financial year ended as of 30 June 2023 are mainly due to:

- the net charges of an amount of EUR 12.299.916 (2022: EUR 20.482.942) 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 2.390.043 (2022: EUR 242.721) deriving from the sale of securities.
- On October 2022, the Company subscribed some contracts on financial derivatives – foreign exchange forward which have been closed as at 22 June 2023 thus the result received has been recognized in profit and loss accounts for a net gain of EUR 23.722.464 (2022: net loss of EUR 1.363.774).
  On these contracts no premium or commission has been paid by the Company (2022: loss of EUR 7.188.600).

Note 23 – Interest receivable and similar income

As of 30 June 2023, the caption “Interest receivable and similar income” amounts to EUR 22.311.466 (2022: EUR 6.656.057).

The year under review saw rising inflation and higher interest rates. As a result, the Company decided to invest in EUR and USD time deposits with several financial counterparties.

Yields on insurance products also rose in line with interest rates.

Higher interest rates also benefited the Company's lending activities. During the financial year the Company increased its loan activities.

Note 24 – Other taxes not shown under the preceding items

This caption amounting EUR 3.124.592 (2022: EUR 997.569) is mainly composed of the Net Wealth Tax due by the Company as at 1 January 2023, the difference corresponding to the withholding taxe paid abroad on interests received for the loan activity of the Company.

Note 25 – Commitments

a) Loan activities

As at 30 June 2023, the Company recognized any commitment in relation with credit facilities 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 26 – 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 2023.