



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 916 051 735
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: REDAELLI TECNA S.P.A.
Forretningsadresse: Piazzale Libia 2 Cap
20135 MILANO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Andrea Milani
Dato for fastsettelse av årsregnskapet: 30.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 25.07.2021



Resultatregnskap

Beløp i: EUR	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		57 526 627	65 705 231
Annen driftsinntekt		556 228	700 784
Sum inntekter		58 082 855	66 406 015
Kostnader			
Varekostnad		43 897 780	48 947 414
Lønnskostnad		14 463 011	15 809 386
Annen driftskostnad		4 565 286	5 558 584
Sum kostnader		62 926 077	70 315 384
Driftsresultat		-4 843 222	-3 909 369
Finansinntekter og finanskostnader			
Annen renteinntekt		71 192	83 291
Sum finansinntekter		71 192	83 291
Annen rentekostnad		465 812	316 631
Annen finanskostnad		117 140	66 301
Sum finanskostnader		582 952	382 932
Netto finans		-511 760	-299 641
Ordinært resultat før skattekostnad		-5 354 982	-4 209 010
Skattekostnad på ordinært resultat		10 191	269 563
Ordinært resultat etter skattekostnad		-5 365 173	-4 478 573
Årsresultat		-5 365 173	-4 478 573



Balanse

Beløp i: EUR	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		49 938	26 288
Utsatt skattefordel		1 764 762	1 764 762
Sum immaterielle eiendeler		1 814 700	1 791 050
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		21 409 589	23 012 326
Right of use IRFS 16		2 089 465	2 600 638
Sum varige driftsmidler		23 499 054	25 612 964
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		44 577	128 188
Andre fordringer		1 166 009	1 164 322
Sum finansielle anleggsmidler		1 210 586	1 292 510
Sum anleggsmidler		26 524 340	28 696 524
Omløpsmidler			
Varer			
Varer		17 208 492	18 229 599
Sum varer		17 208 492	18 229 599
Fordringer			
Kundefordringer		18 322 196	22 575 316
Andre fordringer		1 239 859	1 402 296
Sum fordringer		19 562 055	23 977 612
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		3 661 151	608 070
Sum bankinnskudd, kontanter og lignende		3 661 151	608 070
Sum omløpsmidler		40 431 698	42 815 281



Balanse

Beløp i: EUR	Note	2020	2019
SUM EIENDELER		66 956 038	71 511 805
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		6 300 000	6 300 000
Overkurs		17 141 509	21 611 003
Sum innskutt egenkapital		23 441 509	27 911 003
Opptjent egenkapital			
Udekket tap		5 337 834	4 442 190
Sum opptjent egenkapital		-5 337 834	-4 442 190
Sum egenkapital		18 103 675	23 468 813
Gjeld			
Langsiktig gjeld			
Utsatt skatt		52 170	52 170
Sum avsetninger for forpliktelser		52 170	52 170
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		13 777 421	8 500 430
Øvrig langsiktig gjeld		3 233 663	3 282 660
Non current financial liabilities		1 349 244	1 793 262
Sum annen langsiktig gjeld		18 360 328	13 576 352
Sum langsiktig gjeld		18 412 498	13 628 522
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		5 706 162	11 151 832
Current liabilities for leasing		718 150	793 481
Leverandørgjeld		18 248 249	17 967 620
Annen kortsiktig gjeld		5 767 304	4 501 538
Sum kortsiktig gjeld		30 439 865	34 414 471
Sum gjeld		48 852 363	48 042 993



Balanse

Beløp i: EUR	Note	2020	2019
SUM EGENKAPITAL OG GJELD		66 956 038	71 511 806



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Redaelli Tecna Spa Statutory Financials as of January 31st 2021

Management report translation

The present document is courtesy translation from the original Management report in Italian language that will be deposited at the Corporate site of Redaelli Tecna Spa and published as from Italian legal requirement



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1. BOARD OF DIRECTORS REPORT

The statutory financials of Redaelli Tecna Spa as of January 31st 2021 have been prepared in compliance with international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB).

In April 2017, 100% of Redaelli Tecna shares have been sold by JSC Severstal-Metiz (Russian entity) to Teufelberger Wire Rope GmbH (Austrian entity) controlled by Teufelberger Holding AG (holding company of the Austrian Group Teufelberger).

In order to align the fiscal year end of the financial statements to the Teufelberger Group companies, the shareholders meeting of Redaelli Tecna SpA approved in 2017 the change of the fiscal year end to January 31st of each year.

1.1 Framework

The Covid 19 pandemic has affected almost all countries in the world, impacting dramatically on various sectors including transport, tourism, infrastructure, healthcare, construction, international trade etc. The rigid lock down measures to contain the spread of the virus imposed by the various countries since February 2020 have caused important losses at the level of individual companies and on the public indebtedness of each nation. In Italy, which was more affected than other European countries, GDP loss amounted to 9% in 2020.

The Company was also affected by the lock down and social distancing measures. In application of the various Government Decrees, the production sites in Gardone Val Trompia, Trieste and Castegnato had to cease / reduce their activities from 25 March 2020 until 4 May 2020.

However, the Company had already prepared all the measures to protect the health of staff before the lock down, including: smart-working (starting from the beginning of March 2020) for all employees not directly involved in production (about 80 people), the supply of personal protective equipment, the reduction of the risk of concentration of people both inside the premises (changing rooms, canteen, etc.) and in the staff entrance and exit areas (by spacing out the start and end times of some specific shifts), the disinfection of both closed rooms (such as offices and laboratories) and of the entire factory, all in compliance with the Memorandum of Understanding that the Government signed with the trade unions.

During the lock down period from 25 March 2020 until 4 May 2020, the Company applied for the Ordinary Redundancy Fund (*cassa integrazione guadagni ordinaria*), as provided by the "Cura Italia" Government Decree of 17 March 2020, for all operating staff in the factories and on a rotation basis for staff in smart working. In the following months of the year, the ordinary redundancy fund was used to a reduced extent and in rotation in the Gardone Val Trompia and Castegnato plants.

During the year, the Company's management worked on strengthening its financial structure through the following actions:

- Postponement at the end of the amortization period (2025, 2029 e 2030 as the case may be) of the FRIE loans instalments due on 30 June 2020;
- obtaining of three long-term loans with three different credit institutions for a total of 3,8 mln Euro (two loans of 1,5 mln Euro and a loan of 0,75 mln Euro), 90% of which are backed by guarantees issued by the Fondo Centrale for small and medium-sized enterprises established pursuant to art. 2, paragraph 100, letter a) of law 662/96. These loans have a duration of 6 years;
- obtaining of greater flexibility on existing short-term credit lines and, in particular with a financial institution, the transformation of unused short-term credit lines into cash available;
- loan from the shareholder Teufelberger Wire rope GmbH amounting to 1,0 mln Euro received in the first quarter of 2020;



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- during the year, the loan signed in January 2019 and granted to support the investment program in machinery at the Trieste plant, was fully paid to the company with the disbursement of the residual capital amount of 1 Euro mln;
- overall maintenance of short-term credit lines.

The significant improvement in the financial structure, combined with the cash generation of 3,2 mln Euro which improved the net financial position during the year and the strong growth in the order backlog recorded in the first months of 2021, allow the Company's management to look with confidence to the next few years.

In the light of the foregoing, the Directors confirm the existence of the business continuity and therefore these financial statements have been drawn up on the assumption of going concern.

1.1.1 Presentation

Redaelli Tecna Spa is an industrial company specialized in the production and sale of steel wire ropes and high technology services for the following applications:

- Industrial lifting.
- Offshore and mining industries.
- Transport of passengers and materials.
- Distribution of accessories for lifting.
- Engineering systems of tensile structures.

Within the businesses in which it operates, the Company takes a leadership position internationally with high-tech supplies.

Some examples of works made possible by ropes and the know-how Redaelli: World Guinness for the world's heaviest rope produced in October 2017, Storebaelt Bridge (the longest suspension bridge in Europe), London Eye (as of today Europe's tallest ferris wheel), High Roller in Las Vegas (World's tallest ferris wheel), Khan Shatyr Entertainment Center in Kazakhstan (giant tensile structure), Lavizan Bird Garden, Al Wahda Arches 5/6 Interchange (since 2017 the biggest and highest monument in Qatar), several stadiums (eg. Olympic stadium in Rome and Athens, Warsaw, Brasilia, Juventus stadium in Turin, Miami Wanda Metropolitan in Madrid, Tottenham, Adana, Motera in India, Ciudad de Valencia stadium), several bridges (Lagen Bridge and Tana Bridge in Norway, the first bridge on the Bosphorus in Turkey, the Botlek Bridge one of the highest mobile bridges in Europe, the Tjorn Bridge rebuilt after the collapse of the previous bridge, the Highline 179 footbridge in Austria being the longest Tibetan footbridge in the world until 2018, the 2 bridges on the Dubai Water Canal), more than 3.000 cableways produced in the world including the prestigious Skyway to Punta Helbronner (Mont Blanc) and Kitzbuhel (Austria).

In 2009 the Company realized in Trieste the exclusive and innovative plant for the production of giant ropes. In addition, again at the Trieste plant, two other important investments were completed in 2017 and in 2019 to complete the range of products that can be produced there, making the plant significantly more complete and independent of the other group plants.

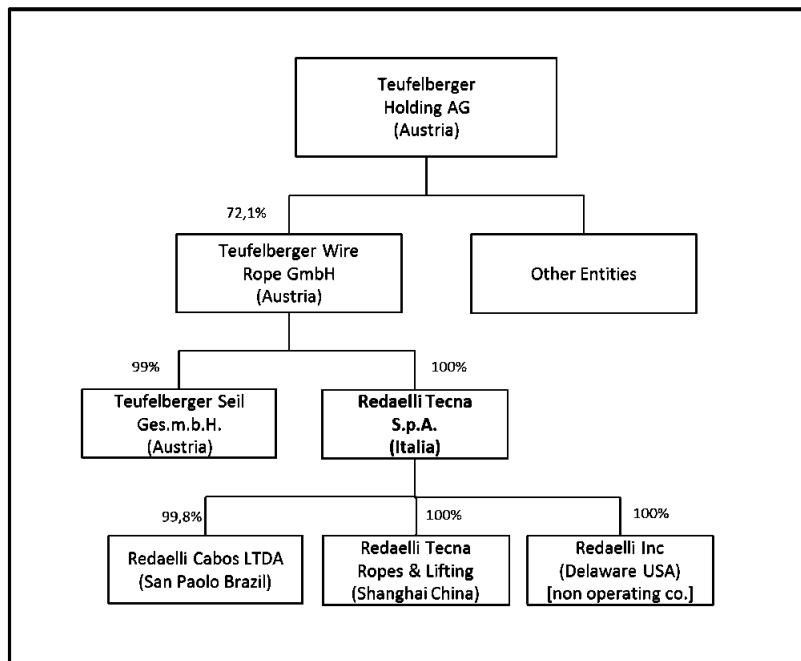
Since 2011 the commercial network was expanded with the opening of commercial branches in China and Brazil.

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The table below shows the group structure as of January 31st 2021.



1.1.2. Business

Redaelli Tecna Spa is organized with the following business divisions:

- **Wire Ropes:** Sales of special steel ropes.
- **Tensostructures:** Production and sale of systems and services for tensile structures.
- **Teci:** Distribution and technical assistance for lifting systems.

Wire Ropes:

This division specializes in selling high-tech steel ropes for lifting industrial, mining, Offshore industry and people & materials transport. The quality of their products in terms of performance is combined with unique technological skills. The top quality Redaelli product is represented by new ropes for Offshore applications Flexpack 1000 which allowed the company to get repeated Guinness World Records for the world's heaviest steel rope (488,4 tons reached in October 2017 exceeding the previous record of 437,9 tons reached on September 2013), research and development on new products and technologies has also allowed continuous improvement and efficiency of the entire product range.

Tensostructures:

Since several decades Redaelli is focused in the development and production of systems for engineering of tensile structures, offering the most comprehensive and innovative technical solutions. The Engineering division designs, realizes and installs tensostructure systems based on internal project design or based on clients' technical designs and through development of innovative and customized products. With this division Redaelli qualifies amongst world leaders in construction of tensile structure systems for stadiums, bridges and ferris wheels. The activity of this division is performed mainly in Cologno Monzese (Milan), where the Engineering Centre is located, and in Castegnato and Gardone Valtrompia, where production and storage operations are carried out.



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Teci:

Teci is the leading brand in Italy for steel ropes and lifting industry. This Division deals with distribution and technical assistance for lifting, drilling, tension and perforation. Products sold include both ropes produced internally, and products and accessories purchased externally. With its logistics network, which consists of the centre of Castegnato, one of the most important in Europe, Teci is the market leader in Italy, guaranteeing a quality service from a single rope to the supply of a complete lifting system for all major manufacturers of mobile cranes, tower cranes, gantry cranes and drilling machines.

Manufacturing plants:

Redaelli Tecna produces in the historical plant of Gardone Valtrompia and in the innovative plant in Trieste, opened in the 2009 directly onto the sea as the ropes produced there cannot be transported by land because of the heavy weight. Such plant hosts, among others, the giant cabling machine for the realization of the giant offshore ropes, and from 2019 also the largest and most efficient strander of the entire group.

In addition to the two plants of Trieste and Gardone Valtrompia, the Company has 3 warehouses (that include also assembly works) in Castegnato and sales offices in Padova and Bologna, while the Headquarter is located in Cologno Monzese.

Foreign commercial companies have offices in Shanghai and Sao Paulo do Brasil.

1.2 Financial Information

1.2.1 Result and Financial Indicators

The financial statements as of January 31st 2021, present an **operating loss (EBIT)** of 4,8 mln Euro and a **net loss** of 5,3 mln Euro.

The **shareholders equity** as of January 31st 2021 amounts to 18,1 mln Euro compared to 23,5 mln Euro at January 31st 2020. The reduction was due to the net loss of the period amounting to 5,3 mln Euro.

Below is the summary of the profit and loss statement and the reclassified balance sheet of the Company:

RECLASSIFIED PROFIT AND LOSS	31.01.2021	31.01.2020
<i>amounts in thousands of Euro</i>		
TOTAL SALES	57.527	65.705
Cost of sales	-43.898	-48.947
GROSS PROFIT	13.629	16.758
% on sales	23,7%	25,5%
OPERATING PROFIT (EBIT)	-4.816	-3.873
% on sales	-8,4%	-5,9%
EBT	-5.328	-4.173
% on sales	-9,3%	-6,4%
Current and deferred taxes	-10	-270
NET RESULT	-5.338	-4.442
% on sales	-9,3%	-6,8%
EBITDA	-1.691	-686
% on sales	-2,9%	-1,0%

The above income statement is summarized compared to the table on page 10 and reports the Company's EBITDA (calculated as the sum of Operating profit and depreciation and amortization).



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RECLASSIFIED BALANCE SHEET <i>amounts in thousands of Euro</i>	31.01.2021	31.01.2020
Fixed assets excluding right of use IFRS 16	21.460	23.039
Right of use IFRS 16	2.089	2.601
Fixed assets including right of use IFRS 16	23.549	25.639
Financial assets	45	128
Trade receivables	18.322	22.575
Trade payables	-18.248	-17.968
Inventories	17.208	18.230
Trade working capital	17.282	22.837
Other assets /liabilities	-274	825
Net working capital	17.008	23.663
Severance indemnity	-1.018	-1.075
Provisions for risks and charges	-3.591	-3.255
NET INVESTED CAPITAL	35.993	45.100
Banks financial indebtedness (within the year)	-1.455	8.044
Banks financial indebtedness (over the year)	13.777	8.500
Financial indebtedness towards related parties	3.500	2.500
Net financial position excluding IFRS 16	15.822	19.044
Financial indebtedness for leasing IFRS 16	2.067	2.587
Net financial position including IFRS 16	17.890	21.631
Equity	18.104	23.469
Net financial position and Equity	35.993	45.100
<i>Net financial position excluding IFRS 16/Equity ratio</i>	<i>0,87</i>	<i>0,81</i>
<i>Net financial position including IFRS 16/Equity ratio</i>	<i>0,99</i>	<i>0,92</i>

Compared to page 11 the above balance sheet has been reclassified in order to show the Net Working Capital, the Net invested capital and the Net financial position.

Below are the profitability and financial ratios of the Company:

PROFITABILITY INDEXES		31.01.2021	31.01.2020
ROE net	<i>Net Result / Equity</i>	-29,5%	-18,9%
ROS	<i>Operating profit / Sales</i>	-8,4%	-5,9%

ASSETS FINANCING INDEXES <small>□ amounts in thousand Euro</small>		31.01.2021	31.01.2020
Primary structural index	<i>Equity - Fixed Assets</i>	-3.356	430
Primary structural ratio	<i>Equity / Fixed Assets</i>	0,84	1,02

SOLVIBILITY INDEXES		31.01.2021	31.01.2020
Liquidity margin	<i>Current assets - Current liabilities</i>	9.992	8.401
Liquidity ratio	<i>Current assets / Current liabilities</i>	1,33	1,24

1.2.2 Business Performance

Total Sales amounted to 57,5 mln Euro, down 12% compared to the 65,7 mln Euro of the previous year. The sales for the year are affected by the closure during the lockdown period between March and May 2020 (which lasted over a month) and the subsequent expansion of the worldwide economic-health crisis. The percentage of foreign turnover was 57% of the total turnover of the Company (in line with the previous year).

The operating result (EBIT) shows a loss of 4,8 mln Euros, compared to the operating loss of 3,9 mln Euros in the previous year. The result for the year was however penalized by non-recurring costs for a total of 1,4 mln Euros relating to (i) restructuring costs, mainly linked to a reduction in personnel at the end of the year, the benefits of which, in economic terms, are expected already starting from the 2021/22 financial year, and (ii) a specific devaluation of the stock, in addition to the devaluation determined by applying the group policies, in order to identify obsolete products to be scrapped and reduce the costs of the occupied spaces.

Depreciation for the year was 3,1 mln Euro (3,2 mln Euro in 2019/20). This cost includes the accounting for the amortization of the right of use (for approximately 0,7 mln Euro in the year) following the introduction of the IFRS 16 accounting standard starting from the 2019/20 financial year.



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EBITDA is still negative at 1,6 mln Euro compared to the negative 0,7 mln Euro of the previous year. EBITDA includes non-recurring charges of 1,4 mln Euro mentioned above and is directly affected by lower sales. The cost reduction policies started during the previous year, together with the Redundancy Fund and other cost containment measures, made it possible to contain more serious effects on the loss generated by the decline in sales.

The **Net financial position** excluding the IFRS 16 lease liability improves from 19,0 mln Euro of financial debt at 31 January 2020 to 15,8 mln Euros at 31 January 2021. Cash generation of 3,2 mln Euro during the year is mainly linked to the reduction of trade working capital.

The adoption of the IFRS 16 accounting standard during the previous year led to the booking of a right of use which at 31 January 2021 amounted to 2,1 mln Euro and the booking of a financial liability which at 31 January 2021 amounted to 2,1 mln Euro.

The net exposure to banks and other lenders, net of intercompany loans, amounted to 12,3 mln Euro (16,5 mln Euro as of January 31, 2020). The reduction of 4,2 mln Euro is due to cash generation during the year of 3,2 mln Euro and the new Intercompany loan of 1 mln Euro.

Here below the key comments on the current fiscal year performance by division:

Wire Ropes division reported a decrease in sales compared to the previous year. The contribution of turnover in foreign markets is equal to 77% of the total (85% the previous year). The reduction in turnover was mainly driven by Mining, Intercompany sales, Crane & Industrial and Offshore sectors, while the Cableways sector performed better than the previous year. Despite the decline in sales that was caused by the pandemic crisis, profitability shows an encouraging improvement over the previous year despite the continuing market pressure on prices. Despite competitive pressures, the Company continues to play a leading role in this business while acting as a solid technological partner of the suppliers of equipment for ships and components for Offshore applications. Transportation sector continues to successfully defend its international leadership position in the areas of material transportation for mining and of people cableways.

Tensostructures division recorded a noticeable increase in sales compared to the previous year thanks to a number of projects acquired, among which the bridge over the Danube in Linz, the Levante stadium (Valencia) and the new stadium in Cairo. The contribution of sales in foreign markets is 80% of the total against 68% of the previous year.

Teci division recorded a decrease in sales volumes compared to the previous year impacted by the decline in consumption on the domestic market. The contribution of sales in the Italian market is 95% of the total (93% the previous year).

1.3 Investments

Investments made in the fiscal year amounted to 0,8 mln Euro (1,7 mln Euro in 2019/20) and are mainly due to measures to improve the efficiency of the machinery.

1.4 Human resources

The employees on the payroll of the Company in January 2021 amounted to 276 units (9 units less compared to the previous year). Contractors amounted to 36 units, in line with the 38 units of the previous year. During the year 2020/21 (February 2020-January 2021) there were 2 injuries that exceeded 100 days of prognosis.

There was an accident involving an employee of a third-party maintenance company and an accident in *itinere* (journey to work home on a motorcycle) of a worker who is still absent (more than 300 days).

There were ten other cases of minor accidents. No charges have emerged regarding occupational sickness of employees or former employees or causes of mobbing for which the company has been declared definitively responsible.



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1.5 Debt

The financial debt towards the banking system, net of intercompany loans, as of January 31, 2021, amounts to €12,3 mln Euro (compared to 16,5 mln Euro at January 31, 2020). Total Company Net financial position also includes Intercompany loans for a total of 3,5 mln Euro (from Teufelberger Seil GmbH and Teufelberger Wire Rope GmbH).

With regards to relations with banks:

Subsized loans from Friuli Venezia Giulia financing:

Loan signed in 2012, expiring in December 2029 and disbursed in 2012, for the acquisition of the Trieste plant in course of reimbursement with semi-annual instalments having an outstanding balance as at 31 January 2021 of 2,7 mln Euro.

Loan signed in 2015, expiring in July 2025, to support investment in machinery at the plant in Trieste, in course of reimbursement with semi-annual instalments having an outstanding balance as of January 31st 2021 of 1,4 mln Euro.

A new loan signed in January 2019, the disbursement of which was finalized in 2020, expiring in January 2030, granted to support the investment program in machinery at the Trieste plant. The overall loan was 3,3 mln Euro with semi-annual instalments having an outstanding balance as of January 31st 2021 of 3,1 mln Euro.

Covid Loans

During 2020, the company signed 3 separate loans with three different credit institutions for a total of 3,8 mln Euro (two loans of 1,5 mln and a loan of 0,75 mln). Said loans are backed by 90% guarantees issued by the Fondo di Garanzia for small and medium-sized enterprises set up pursuant to art. 2, paragraph 100, letter a) of law 662/96 and have a duration of 6 years.

Short term financing

As of January 31st 2021, the Company reported a net short term financial liability towards the bank system of 1,1 mln Euro mainly related to bank receipts (RIBA) and sales invoices advances.

1.6 Financial Instruments and Risk Coverage

Credit risk: There are no significant financial credits. The credit risk associated with commercial activity comes from the ordinary commercial activity.

Interest rate risk: The Company has a financial exposure at variable interest rates for which decision was made not to cover related risk, except for a minor amount.

In accordance with art. 2428, paragraph 2, section 6-bis of the Italian Civil Code information is provided regarding the use of any financial instruments, as relevant for the assessment of the financial position. More specifically, the objectives of management, policies and criteria used to measure, monitor and control the financial risks are closely related to the Company's operations.

Market risk: The Company is exposed in purchases and sales to foreign exchange fluctuation risks (mainly USD, NOK and GBP) for which an evaluation not to hedge was taken. There are no situations of concentration of credit beyond the ordinary business.

1.7 Relations with Subsidiaries, Affiliates and Parent Companies

Redaelli Tecna Spa is fully owned by Teufelberger Wire Rope GmbH.



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The transactions between the Company and its shareholder Teufelberger Wire Rope GmbH and other Teufelberger group companies during the financial year ended January 31, 2021 were governed by market conditions and were limited to the following:

- a) costs from Teufelberger Wire Rope GmbH of costs relating to consultancy for the integration project between Redaelli Tecna and Teufelberger Seil GmbH and management fees of 776 k Euro, with a residual payable of 261 k Euro;
- b) sales to Teufelberger Seil GmbH of products and services for a total amount of 2.063 k euro, with a receivable of 17 k Euro;
- c) purchases from Teufelberger Seil GmbH of products and services for a total amount of 1.029 k Euro with a payable of 302 k Euro;
- d) loan granted by Teufelberger Seil GmbH of 2,5 million Euro with interest in the year of 37 k Euro;
- e) loan granted by Teufelberger Wire Rope GmbH of 1,0 million Euro with interest in the year of 20 k Euro;
- f) IT costs and chargeback of insurance costs from Teufelberger Service GmbH for 211 k Euro with residual payable of 187 k Euro;

In addition to the above the following transactions with subsidiaries (Redaelli Cabos Ltda and Redaelli Tecna Ropes & Lifting Shanghai) were carried out during the year: sales of 0 k Euro, with receivables of 245 k Euro; costs for commissions and services for 176 k Euro, with payables of 119 k Euro.

Commercial and financial relations with subsidiaries and associated companies were held at normal market conditions.

The commercial subsidiary of Shanghai recorded a loss of 114 k Euro, compared to the loss of 60 k Euro in 2019. The commercial subsidiary in Brazil, that is in fact non – operative, shows a loss of 3 k Euro (net loss of 7 k Euro in 2019).

The **cancelled entities** in 2014 (Deriver S.r.l. in liquidation and Meccanica S.r.l. in liquidation) do not report events or requests in the year 2020 about potential areas of risk for Redaelli Tecna Spa.

1.8 Exogenous Risks and Uncertainties

Exogenous risks were covered through proper contingency reserves in the balance sheet and described in the additional notes to the financials.

It should be noted that during the year 2015 the company received two **antitrust claims** relating to the penalty imposed in July 2010 by the European Antitrust Commission to the European producers of steel strand for prestressed concrete. At the reporting date the legal dispute is ongoing with the assistance of Italian and international legal advisors. Currently there are no reasonable assumptions for the outcome of the claims.

1.9 Environment

During the fiscal year no events occurred which have caused damage to the environment for which the company was found definitely liable. Also there were no sanctions or penalties for offences or environmental damage.

1.10 Privacy Policy

The Company complies with the European (Directive 95/46/EC) and Italian laws concerning the protection of personal data and its circulation. The Company has updated its internal procedures in order to be compliant with the new European personal data protection law ("GDPR") effective in all of Europe starting from May 25th 2018.

1.11 Internal Control System

As provided by Decree Law 231/2001, concerning the administrative liability of companies in addition to personal liability of individuals, since 2010 the Company has introduced a general code of ethics and an



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organizational model consisting in one general part and various special parts to prevent carrying out crimes. The compliance with the model is verified by an external supervisory board appointed by the Board of Directors.

During the fiscal year the model has been monitored and updated to take into account any changes resulting from the organizational structure and is constantly revised. During this year, no specific reports were made by the ODV (surveillance board).

1.12 Own shares

In compliance with the provisions of paragraphs 3 and 4 of art. 2428 of the Italian Civil Code, it is stated that the Company did not purchase or sell during the year, even through interposed trust companies or people, own shares nor shares of parent companies.

1.13 Business Outlook

The year ended was heavily impacted in terms of sales by the world-wide economic-health crisis. However, the Company has implemented a series of measures that have made it possible to contain the loss, combined with the cost reduction plan already started in the previous year.

The Company has demonstrated good resilience in terms of cash generation and has exploited the opportunities granted by the new Legislative Decrees to deal with the Covid emergency, improving the financial structure and obtaining new long-term loans.

The beginning of the 2021/22 financial year showed an order backlog 6% higher than the same period of the previous year. After the first two months of the fiscal year, also thanks to the acquisition of an important order relating to the new Budapest stadium which will host the Athletics World Championships in 2023, the order backlog is 37% higher than the previous year. An important growth in the acquisition of orders is being recorded in most of the sectors in which the company operates.

The financial year 2021/22 is expected to constantly improve compared to the previous two years with the aim of returning with a positive EBITDA.

1.14 Events occurred after the closing

There are no significant events that occurred after the end of the financial year, other than what has already been highlighted in point 1.13 relating to the important contract for the Budapest stadium.



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2. FINANCIALS

2.1 Income Statement

NOTE	Amounts in thousands of Euro	31/01/2021	31/01/2020
I	SALES	57.526.627	65.705.231
II	Cost of sales	-43.897.780	-48.947.414
	GROSS PROFIT	13.628.847	16.757.817
III	Other revenues	556.228	700.784
IV	Selling, General & Administrative expenses	-14.152.712	-15.478.293
V	Distribution cost	-4.485.713	-5.402.429
VI	Other costs	-79.573	-156.155
VII	Taxes and duties (excluding current income tax)	-282.959	-294.710
	OPERATING RESULT	-4.815.882	-3.872.986
	Interest income	71.192	83.291
	Interest expense	-363.905	-348.974
	FX differences	-101.907	32.343
VIII	Financial items and exchange differences, net	-394.620	-233.341
IX	Result from equity investments (equity method, net of tax effects)	-117.140	-66.301
	PRE TAX RESULT	-5.327.643	-4.172.627
X	Income taxes	-10.191	-269.563
	NET RESULT	-5.337.834	-4.442.190

2.2 Overall Income Statement

NOTE	Amounts in euro	31/01/2021	31/01/2020
	NET RESULT	-5.337.834	-4.442.190
	Other items of Overall Income Statement		
	<i>reversed to net income</i>		
X-bis	Actuarial employee benefits income (loss) Utili (net of tax impact)	-27.340	-36.383
	Total other comprehensive income	-27.340	-36.383
	TOTALE OVERALL INCOME STATEMENT RES	-5.365.174	-4.478.573

**Redaelli****Redaelli Tecna S.p.a**Statutory Financials as of January 31st 2021 (courtesy translation)**2.3 Balance Sheet**

NOTE	Amounts in euro	31/01/2021	31/01/2020
ASSETS			
CURRENT ASSETS			
XI	Cash and cash equivalents	3.661.151	608.070
XII	Accounts receivables	18.322.196	22.575.316
XIII	Inventory	17.208.492	18.229.599
XIV	Receivables for current assets	56.893	55.559
XV	Other current receivables	1.182.966	1.346.737
	Total Current Assets	40.431.698	42.815.281
NON CURRENT ASSETS			
XVI	Fixed assets	21.409.589	23.012.326
XVII	Right of use IFRS 16	2.089.465	2.600.638
XVIII	Intangible assets	49.938	26.288
XIX	Financial assets (equity method)	44.577	128.188
XX	Deferred tax assets	1.764.762	1.764.762
XXI	Other non current receivables	1.166.009	1.164.322
	Total Non Current Assets	26.524.341	28.696.525
	TOTAL ASSETS	66.956.039	71.511.806
LIABILITIES & EQUITY			
CURRENT LIABILITIES			
XXII	Accounts payables	18.248.249	17.967.620
XXIII	Other liabilities	3.006.451	1.877.640
XXIV	Current income tax payables	0	30.000
XXV	Employee liabilities	1.386.150	1.546.353
XXVI	Provision for risk and charges	1.374.703	1.047.545
XXVII	Current financial debt	5.706.162	11.151.832
XXVIII	Current financial liabilities for leasing	718.150	793.481
	Total Current Liabilities	30.439.865	34.414.471
NON CURRENT LIABILITIES			
XXIX	Non current financial debt	13.777.421	8.500.430
XXX	Non current financial liabilities for leasing	1.349.244	1.793.262
XXXI	Provision for risk and charges	2.216.066	2.207.951
XXXII	Employee liabilities	1.017.597	1.074.709
XXXIII	Deferred tax liabilities	52.170	52.170
	Total Non Current Liabilities	18.412.498	13.628.522
EQUITY			
	Share capital	6.300.000	6.300.000
	Reserves	17.141.509	21.611.003
	Profit/loss of the period	-5.337.834	-4.442.190
XXXIV	Equity	18.103.675	23.468.813
	TOTAL LIABILITIES AND EQUITY	66.956.039	71.511.806



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2.4 Net Equity Variations

Amounts in thousands of Euro		RESERVES AND RETAINED EARNINGS									PROFIT / (LOSS) OF THE PERIOD	TOTAL
NOTE	MOVEMENTS	SHARE CAPITAL	LEGAL RESERVE	SHARE PRICE RESERVE	EXTR. RESERVE	SHAREHOLDER CONTRIB.	EQUITY PARTICIPATIONS RESERVE	FTA RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS		
	VALUE as 31/12/2019	6.300.000	1.675.645	12.163.119	8.710.909	740.434	191.554	-16.720	-55.713	1.796.536	-3.558.377	27.947.386
X-bis	Actuarial employee benefits result (net taxes)									-36.383		-36.383
	2019/20 Loss										-4.442.190	-4.442.190
	Total overall income statement	0	0	0	0	0	0	0	0	-36.383	-4.442.190	-4.478.573
	2018/19 result allocation				-1.761.842					-1.796.536	3.558.377	0
	VALUE as 31/12/2020	6.300.000	1.675.645	12.163.119	6.949.068	740.434	191.554	-16.720	-55.713	-36.382	-4.442.191	23.468.813
X-bis	Actuarial employee benefits result (net taxes)									-27.304		-27.304
	2020/21 Loss										-5.337.834	-5.337.834
	Total overall income statement	0	0	0	0	0	0	0	0	-27.304	-5.337.834	-5.365.138
	2019/20 result allocation				-4.442.190						4.442.190	0
	VALUE as 31/12/2021	6.300.000	1.675.645	12.163.119	2.506.878	740.434	191.554	-16.720	-55.713	-63.686	-5.337.834	18.103.675



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2.5 Cash Flow Statement

NOTE	Amounts in thousand Euro	31/01/2021	31/01/2020	Change
Cash Flow Statement of Operational activities				
	Net Income/loss	-5.337.854	-4.442.190	-895.663
Adjustments for:				
XVI-XVII-XIII	Depreciation	3.125.738	3.186.912	-61.174
XXVI-XXXI	Provision for risks and charges variation	335.273	308.581	26.692
XIII	Inventory provision accrual	1.189.500	244.121	945.379
XXXII	Severance indemnity variation	-84.452	-74.638	-9.814
VIII	Interest expense	292.713	265.684	27.029
XII	Change in Accounts receivable and other receivables	4.413.909	1.796.388	2.617.521
XIII	Change in Inventory	-168.393	1.272.018	-1.440.411
XIX	Change in Financial Assets	83.611	66.301	17.310
XXII	Change in Accounts payable and other creditors	1.229.448	-2.466.714	3.696.163
VIII	Interest paid	-292.713	-265.684	-27.029
X	Income taxes paid	-10.191	-35.691	25.500
A	Cash Flow generated / (absorbed) by operating activity	4.776.590	-144.912	4.921.502
Cash Flow from Investment activity:				
XVIII	Invest. / divest. in intangible assets	-46.623	6.280	-52.903
XVI	Invest. / divest. in tangible assets	-768.066	-1.649.936	881.870
B	Cash Flow generated / (absorbed) by investment activity	-814.689	-1.643.656	828.967
Cash Flow of Financial activity:				
XXVII-XXIX	Financial debt vs third party variation	-1.168.679	1.673.855	-2.842.534
XXVII-XXX	Financial debt for leasing IFRS 16 variation	-740.141	-844.646	104.505
XXVII-XXIX	Financial debt vs intercompany variation	1.000.000	0	1.000.000
C	Cash Flow generated / (absorbed) by financial activity	-908.820	829.209	-1.738.029
A+B+C	Net increase / (decrease) of equivalent assets	3.053.081	-959.359	4.012.439
XI	Cash - opening balance	608.070	1.567.429	-959.359
XI	Cash - closing balance	3.661.151	608.070	3.053.080



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3 Notes to the financial statements

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4.4 Motion for approval

Dear Shareholders,

We invite you to approve the financial statements together with the notes to the financial statements and the management report as they have been presented.

We propose also to decide to allocate the loss of the year by reducing the extraordinary reserve.

The Board of Directors