



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - 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: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Alberto Zullato
Dato for fastsettelse av årsregnskapet: 01.07.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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Brønnøysundregistrene, 25.07.2021



Resultatregnskap

Beløp i: EUR	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		65 705 231	64 292 765
Annen driftsinntekt		700 784	733 154
Sum inntekter		66 406 015	65 025 919
Kostnader			
Varekostnad		48 947 414	48 745 115
Lønnskostnad		15 809 386	14 029 845
Annen driftskostnad		5 558 584	5 751 238
Sum kostnader		70 315 384	68 526 198
Driftsresultat		-3 909 369	-3 500 279
Finansinntekter og finanskostnader			
Annen renteinntekt		83 291	95 331
Sum finansinntekter		83 291	95 331
Annen rentekostnad		316 631	85 551
Annen finanskostnad		66 301	41 334
Sum finanskostnader		382 932	126 885
Netto finans		-299 641	-31 554
Ordinært resultat før skattekostnad		-4 209 010	-3 531 833
Skattekostnad på ordinært resultat		269 563	-12 183
Ordinært resultat etter skattekostnad		-4 478 573	-3 519 650
Årsresultat		-4 478 573	-3 519 650



Balanse

Beløp i: EUR	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		26 288	50 832
Utsatt skattefordel		1 764 762	1 764 762
Sum immaterielle eiendeler		1 791 050	1 815 594
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		23 012 326	23 700 287
Right of use IFRS 16		2 600 638	
Sum varige driftsmidler		25 612 964	23 700 287
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		128 188	194 489
Andre fordringer		1 164 322	1 969 781
Sum finansielle anleggsmidler		1 292 510	2 164 270
Sum anleggsmidler		28 696 524	27 680 151
Omløpsmidler			
Varer			
Varer		18 229 599	19 745 738
Sum varer		18 229 599	19 745 738
Fordringer			
Kundefordringer		22 575 316	23 401 372
Andre fordringer		1 402 296	1 567 169
Sum fordringer		23 977 612	24 968 541
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		608 070	1 567 429
Sum bankinnskudd, kontanter og lignende		608 070	1 567 429
Sum omløpsmidler		42 815 281	46 281 708



Balanse

Beløp i: EUR	Note	2019	2018
SUM EIENDELER		71 511 805	73 961 859
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		6 300 000	6 300 000
Overkurs		21 611 003	25 205 763
Sum innskutt egenkapital		27 911 003	31 505 763
Opptjent egenkapital			
Udekket tap		4 442 190	3 558 377
Sum opptjent egenkapital		-4 442 190	-3 558 377
Sum egenkapital		23 468 813	27 947 386
Gjeld			
Langsiktig gjeld			
Utsatt skatt		52 170	52 170
Sum avsetninger for forpliktelser		52 170	52 170
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		8 500 430	4 521 369
Øvrig langsiktig gjeld		3 282 660	3 367 090
Non current financial liabilities for leasing		1 793 262	
Sum annen langsiktig gjeld		13 576 352	7 888 459
Sum langsiktig gjeld		13 628 522	7 940 629
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		11 151 832	13 457 038
Current financial liabilities for leasing		793 481	
Leverandørgjeld		17 967 620	20 379 665
Annen kortsiktig gjeld		4 501 538	4 237 141
Sum kortsiktig gjeld		34 414 471	38 073 844
Sum gjeld		48 042 993	46 014 473



Balanse

Beløp i: EUR	Note	2019	2018
SUM EGENKAPITAL OG GJELD		71 511 806	73 961 859



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Redaelli Tecna Spa Statutory Financials as of January 31st 2020

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 2020 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 and will cause 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 is expected to range between 10% and 15% 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 on March 14, 2020.

During the lock down period however, it should be noted that, as of April 6, some production lines in Gardone Val Trompia and Trieste have been able to continue operating to guarantee some supplies of Public Interest (ropes for bridges and cableways) and, starting from April 20, some activities in Castagnato were also able to partially resume operations before the end of the production lockdown on May 4.

During the lock down period, 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 consideration of the situation that has arisen, the Company revised in a prudential way the budget for the current year and the 5 year business plan, taking into account the lock down period with reduced operational levels and estimating the possible impact of the Covid 19 emergency on the various domestic and international markets in which it operates, including the Oil & Gas sector, which is hit also by the oil price crisis.

The analysis, supported by an improved order backlog, has led to a prudential reduction of both sales and results for the year 2020/21 compared to what had been foreseen in the Budget, highlighting however a net recovery already in the year 2021/2022 and a gradual realignment to the results of the original plan (pre-emergency Covid) starting from year 2023/24.

Following the review of the economic projections for the current year and the revised business plan, the overall financial situation was also reviewed. Said analysis has led the company management to work in order to implement further initiatives that will allow it to mitigate any eventual temporary negative impacts expected in the second half of the year, until the subsequent improvement expected already starting from 2021. The actions taken include:



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- 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 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;
- Ongoing application to obtain further financing according to the Government Decree of 8 April 2020. This Decree allows companies, which as of 31 December 2019 are not classified in the category of companies in difficulty according to the EU definition and which as of 23 February 2020 do not have impaired exposures with respect to the banking sector (conditions both met by the Company), to obtain a 90% state guarantee. The Decree allows obtaining 90% guaranteed loans for amounts well in excess of the Company's needs (value greater than 25% of turnover or 2 times the personnel cost).

In addition, we highlight a new group loan granted by the shareholder Teufelberger Wire rope GmbH of 1,0 mln Euro in the first quarter of 2020.

In light of the above, the Directors confirm the existence of business continuity. Therefore, these financial statements have been drawn up under the assumption of going concern and taking due consideration of the possible effects of the Covid-19 emergency in progress, particularly on the valuation items in the financial statements.

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.
- Oil & gas 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 Metropolitano in Madrid, Tottenham, Adana, Motera), 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.

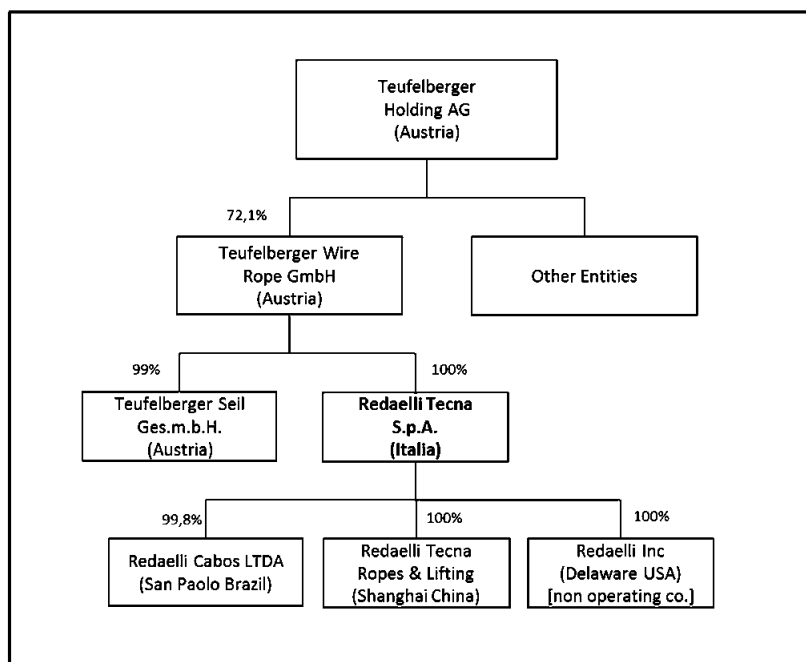
Since 2011 the commercial network was expanded with the opening of commercial branches in China and Brazil.

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The table below shows the group structure as of January 31st 2020.



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, Oil & Gas 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



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Engineering Centre is located, and in Castegnato and Gardone Valtrompia, where production and storage operations are carried out.

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 this year 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 2020, present an **operating loss (EBIT)** of 3,9 mln Euro and a **net loss** of 4,4 mln Euro.

The **shareholders equity** as of January 31st 2020 amounts to 23,5 mln Euro compared to 27,9 mln Euro at January 31st 2020. The reduction was due to the net loss of the period amounting to 4,4 mln Euro.

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

RECLASSIFIED PROFIT AND LOSS <i>amounts in thousands of Euro</i>	31.01.2020	31.01.2019
TOTAL SALES	65.705	64.293
Cost of sales	-48.947	-48.745
GROSS PROFIT	16.758	15.548
<i>% on sales</i>	25,5%	24,2%
OPERATING PROFIT (EBIT)	-3.873	-3.539
<i>% on sales</i>	-5,9%	-5,5%
EBT	-4.173	-3.571
<i>% on sales</i>	-6,4%	-5,6%
Current and deferred taxes	-270	12
NET RESULT	-4.442	-3.558
<i>% on sales</i>	-6,8%	-5,5%
EBITDA	-686	-1.273
<i>% on sales</i>	-1,0%	-2,0%

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>	31.01.2020	31.01.2019
Fixed assets excluding right of use IFRS 16	23.039	23.751
Right of use IFRS 16		
Fixed assets including right of use IFRS 16		
Financial assets	128	194
Trade receivables	22.575	23.401
Trade payables	-17.968	-20.380
Inventories	18.230	19.746
Trade working capital	22.837	22.767
Other assets /liabilities	825	1.705
Net working capital	23.663	24.473
Severance indemnity	-1.075	-1.113
Provisions for risks and charges	-3.255	-2.947
NET INVESTED CAPITAL	45.100	44.358
Banks financial Indebtedness (within the year)	8.044	9.390
Banks financial Indebtedness (over the year)	8.500	4.521
Financial indebtedness towards related parties	2.500	2.500
Net financial position excluding IFRS 16	19.044	16.411
Financial indebtedness for leasing IFRS16	2.587	0
Net financial position including IFRS 16	21.631	16.411
Equity	23.469	27.947
Net financial position and Equity	45.100	44.358
<i>Net financial position excluding IFRS 16/Equity ratio</i>	0,81	0,59
<i>Net financial position including IFRS 16/Equity ratio</i>	0,92	n.a.

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		31.01.2020	31.01.2019
ROE net	<i>Net Result / Equity</i>	-18,9%	-12,7%
ROS	<i>Operating profit / Sales</i>	-5,9%	-5,5%

ASSETS FINANCING INDEXES		31.01.2020	31.01.2019
<i>amounts in thousand Euro</i>			
Primary structural index	<i>Equity - Fixed Assets</i>	430	4.196
Primary structural ratio	<i>Equity / Fixed Assets</i>	1,02	1,18

SOLVIBILITY INDEXES		31.01.2020	31.01.2019
Liquidity margin	<i>Current assets - Current liabilities</i>	8.401	8.208
Liquidity ratio	<i>Current assets / Current liabilities</i>	1,24	1,22

1.2.2 Business Performance

Total **Sales** amounted to 65,7 mln Euro and increased compared to 64,3 mln Euro in prior year. The percentage of foreign sales was 57% on total sales (54% in 2018/19).

The year was characterized by an encouraging growth (+ 8,9%) in order acquisition in the 12 months amounting to 70,3 mln Euro (compared to the 64,6 mln Euro of order acquisition in the previous year). However, in the last quarter of the year, a part of these orders, equal to approximately 3,5 mln Euro, suffered slight delays in the production phase due to a particular concentration of special projects with the same type



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of rope. Therefore, the related revenue was postponed to the financial year 20/21. In this respect, the Company has already taken the necessary steps to redefine the workflow that will avoid further future risks of this kind.

The **operating result** (EBIT) reported a loss of 3,9 mln Euro, compared to the operating loss of 3,5 mln Euro the previous year. The result for the year was penalized by a non-recurring accrual of 0,5 mln Euro for restructuring costs, mainly related to a reduction in staff at the end of the year, whose economic benefits are expected from the beginning of 2020/21.

Depreciation for the year was 3,2 mln Euro (2,3 mln Euro in 2018/19). The increase in depreciation was determined by the introduction of IFRS 16 accounting standard in 2019/20. This principle applies to operating leases and implies the accounting of a right to use of the underlying asset and a liability that reflects the obligation to pay the lease instalments. Said accounting treatment entailed the elimination of the rent cost from the income statement (approx. 0,9 mln Euro) and the accounting of the amortization cost for the right of use (approx 0,8 mln Euro).

Reported **EBITDA** is still negative at 0,7 mln Euro compared to the negative 1,3 mln Euro of the previous year. The EBITDA for the year benefited from the introduction of IFRS 16 accounting principle mentioned above and includes the aforementioned restructuring accrual of 0,5 mln Euros

The **Net financial position** excluding IFRS 16 liability increases from 16,4 mln Euro at January 31st 2019 to 19,0 mln Euro at January 31st 2020.

The adoption of the IFRS 16 accounting standard entailed the booking of a right of use of 2,6 mln Euro within fixed assets and the booking of a financial liability of 2,6 mln Euro.

The net exposure to banks, net of inter-company loans, amounts to 16,5 mln Euro (13,9 mln euros at January 31st 2019). The increase of 2,6 mln Euro is due to the increased needs generated by investments and operations.

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

Wire Ropes division reported an increase in turnover compared to the previous year. The contribution of turnover in foreign markets is 85%, in line with the previous year. The growth in turnover was due to the increase in Cableways & Mining and sales to Teufelberger Group. Profitability shows an encouraging improvement compared to the previous year despite the constant 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 reports a slight decrease in sales compared to the previous. The contribution of turnover in foreign markets is 68% against 86% in the previous year. The reduction in turnover compared to the previous year is partly due to the seasonality / variability of structural works but is not a matter of concern considering the significant increase in order backlog compared to prior year. Among the others, the following projects of the year are noted: the Motera cricket stadium in India, the Tana bridge in Norway, the Linz bridge on the Danube.

Teci division recorded a decrease in sales volumes compared to the previous year. The contribution of turnover in the Italian market is 92% in line with the previous year. Despite the increased competitive pressure, sales margins remained in line with the previous year.

1.3 Investments

Investments made in the fiscal year amounted to 1,7 mln Euro (1,3 mln Euro in 2018/19) and are mainly due to the completion of the new stranding machine installed at the Trieste and other measures to improve the efficiency of the machinery.



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1.4 Human resources

The Company's payroll employees in January 2020 amounted to 285 units (plus 7 units compared to the previous year). The increase was largely dictated by the consolidation of the labor relations of some workers who, after a certain period of service in the form of staff-leasing, became part of the direct workforce of Redaelli Tecna SpA. Contractors amounted to 38 units in line with the 35 units of the previous year.

During the year there were no accidents that led to fatalities or to serious injuries.

Sixteen cases of injury were recorded of minor entity. There were no claims referred to occupational diseases from employees or former employees or claims for mobbing for which the Company was declared temporarily of definitely liable.

1.5 Debt

The financial debt with the banking system, net of intercompany loans, at January 31st 2020 amounted to 16,5 mln Euro (compared to 13,9 mln Euro at January 31st 2019). Total Company Net financial position also includes an intercompany loan of 2,5 mln Euro funded by a Teufelberger Group Company (Teufelberger Seil GmbH).

With regards to relations with banks:

Subsized loans from Friuli Venezia Giulia financing:

Loan signed in 2009, that expired in December 2019, to support the construction of the Giant machine at the plant in Trieste.

Loan signed in 2012, expiring in December 2029, for the acquisition of the plant of Trieste in course of reimbursement with semi-annual instalments having an outstanding balance as of January 31st 2020 of 2,8 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 2020 of 1,5 mln Euro.

A new loan signed in January 2019 and still being received, expiring in January 2030, to support investment in machinery at the plant in Trieste. As of January 31st 2020, 2,4 mln Euro out of 3,6 mln Euro have been received by the Company.

Loan from primary banking institution

The loan signed with a primary banking institution in 2007, expired in September 2019.

Short term financing

As of January 31st 2020, the Company reported a net short term financial liability towards the bank system of 9,6 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.

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.



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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.

The transactions between the Company and its shareholder Teufelberger Wire Rope GmbH and other Teufelberger group companies during the financial year ended January 31, 2020 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 647 k Euro, with a residual payable of 335 k Euro;
- b) sales to Teufelberger Seil GmbH of products and services for a total amount of 5.129 k euro, with a receivable of 961 k Euro;
- c) purchases from Teufelberger Seil GmbH of products and services for a total amount of 1.617 k Euro with a payable of 902 k Euro;
- d) loan granted by Teufelberger Seil GmbH of 2,5 million Euro with interest in the year of 19 k Euro;
- e) IT costs and chargeback of insurance costs from Teufelberger Service GmbH for 109 k Euro with residual payable of 33 k Euro;
- f) revenues for the sale of SAP licenses to Teufelberger Service GmbH for 195 k Euro with residual receivable of 195 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 228 k Euro, with receivables of 362 k Euro; costs for commissions, goods and services for 134 k Euro, with payables of 223 k Euro.

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

The commercial subsidiary of Shanghai recorded a slight loss of 60 k Euro, compared to the loss of 37 k Euro in 2018. The commercial subsidiary in Brazil, that is in fact non – operative, confirms shows a loss of 7 k Euro (net loss of 5 k Euro in 2018).

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 2019 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.



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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 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. It should be noted that the Whistle Blowing procedure (Law n.179 / 2017) was updated and included in the organizational model.

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 just ended saw an encouraging growth in terms of orders acquired (from 64 million Euros in 2018/19 to 70 million Euros in 2019/20) and a slight improvement in margins. The beginning of 2020/21 started with an order portfolio of 30% higher than the same period of the previous year. However, the Covid 19 emergency has made any budget for the year 2020 out of date in all of the Italian and International business environment.

The pre-Covid budget envisaged a breakeven for 2020/21 in terms of net result also taking into account an important cost saving plan implemented by the Company. With the current emergency situation, the forced lock down period, the difficulty and uncertainty about the recovery of markets, and not least the reduction of the oil price, it is believed that the current year will close with a loss although with an improvement compared to 2019/20.

For further details refer to point 1.1.

1.14 Events occurred after the closing

In addition to what has already been highlighted in points 1.1 and 1.13, we highlight a further disbursement in February 2020 for 0.5 mln Euro relating to the new FRIE loan.

**Redaelli****Redaelli Tecna S.p.a**Statutory Financials as of January 31st 2020 (courtesy translation)**2. FINANCIALS****2.1 Income Statement**

NOTE	Amounts in thousands of Euro	31/01/2020	31/01/2019
I	SALES	65.705.231	64.292.765
II	Cost of sales	-48.947.414	-48.745.115
	GROSS PROFIT	16.757.817	15.547.650
III	Other revenues	700.784	733.154
IV	Selling, General & Administrative expenses	-15.478.293	-13.773.908
V	Distribution cost	-5.402.429	-5.671.910
VI	Other costs	-156.155	-79.328
VII	Taxes and duties (excluding current income tax)	-294.710	-294.665
	OPERATING RESULT	-3.872.986	-3.539.006
	Interest income	83.291	95.331
	Interest expense	-348.974	-213.648
	FX differences	32.343	128.097
VIII	Financial items and exchange differences, net	-233.341	9.780
IX	Result from equity investments (equity method, net of tax effects)	-66.301	-41.334
	PRE TAX RESULT	-4.172.627	-3.570.560
X	Income taxes	-269.563	12.183
	NET RESULT	-4.442.190	-3.558.377

2.2 Overall Income Statement

NOTE	Amounts in euro	31/01/2020	31/01/2019
	NET RESULT	-4.442.190	-3.558.377
	Other items of Overall Income Statement		
	<i>reversed to net income</i>		
X-bis	Actuarial employee benefits Income (loss) Utili (net of tax impact)	-36.383	38.728
	Total other comprehensive income	-36.383	38.728
	TOTALE OVERALL INCOME STATEMENT RESUL	-4.478.573	-3.519.650

**Redaelli****Redaelli Tecna S.p.a**Statutory Financials as of January 31st 2020 (courtesy translation)**2.3 Balance Sheet**

NOTE	Amounts in euro	31/01/2020	31/01/2019
ASSETS			
CURRENT ASSETS			
XI	Cash and cash equivalents	608.070	1.567.429
XII	Accounts receivables	22.575.316	23.401.372
XIII	Inventory	18.229.599	19.745.738
XIV	Receivables for current assets	55.559	89.971
XV	Other current receivables	1.346.737	1.477.198
	Total Current Assets	42.815.281	46.281.709
NON CURRENT ASSETS			
XVI	Fixed assets	23.012.326	23.700.287
XVII	Right of use IFRS 16	2.600.638	0
XVIII	Intangible assets	26.288	50.832
XIX	Financial assets (equity method)	128.188	194.489
XX	Receivables for non current taxes	0	805.691
XXI	Deferred tax assets	1.764.762	1.764.762
XXII	Other non current receivables	1.164.322	1.164.090
	Total Non Current Assets	28.696.525	27.680.152
	TOTAL ASSETS	71.511.806	73.961.861
LIABILITIES & EQUITY			
CURRENT LIABILITIES			
XXIII	Accounts payables	17.967.620	20.379.665
XXIV	Other liabilities	1.877.640	1.956.484
XXV	Current income tax payables	30.000	0
XXVI	Employee liabilities	1.546.353	1.587.869
XXVII	Provision for risk and charges	1.047.545	692.788
XXVIII	Current financial debt	11.151.832	13.457.038
XXIX	Current financial liabilities for leasing	793.481	0
	Total Current Liabilities	34.414.471	38.073.844
NON CURRENT LIABILITIES			
XXX	Non current financial debt	8.500.430	4.521.369
XXXI	Non current financial liabilities for leasing	1.793.262	0
XXXII	Provision for risk and charges	2.207.951	2.254.127
XXXIII	Employee liabilities	1.074.709	1.112.963
XXXIV	Deferred tax liabilities	52.170	52.170
	Total Non Current Liabilities	13.628.522	7.940.630
EQUITY			
	Share capital	6.300.000	6.300.000
	Reserves	21.611.003	25.205.763
	Profit/loss of the period	-4.442.190	-3.558.377
XXXV	Equity	23.468.813	27.947.386
	TOTAL LIABILITIES AND EQUITY	71.511.806	73.961.861



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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 of 31/01/2018	6.300.000	1.675.645	12.163.119	8.710.909	740.434	191.554	-16.720	-55.713	4.521.539	-2.763.730	31.467.037
X-bis	Actuarial employee benefits result (net taxes)									38.728		38.728
	2018/19 Loss										-3.558.377	-3.558.377
	Total overall income statement	0	0	0	0	0	0	0	0	38.728	-3.558.377	-3.519.650
	2017/18 result allocation									-2.763.730	2.763.730	0
	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



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Statutory Financials as of January 31st 2020 (courtesy translation)

2.5 Cash Flow Statement

NOTE	Amounts in thousand Euro	31/01/2020	31/01/2019	Change
Cash Flow Statement of Operational activities				
	Net Income/loss	-4.442.190	-3.558.377	-883.813
Adjustments for:				
XVI-XVII-XIII	Depreciation	3.186.912	2.265.667	921.245
XXVI-XXXI	Provision for risks and charges variation	308.581	-272.914	581.494
XIII	Inventory provision accrual	244.121	109.678	134.443
XXXII	Severance indemnity variation	-74.638	-136.858	62.220
VIII	Intrereast expense	265.684	118.317	147.367
XII	Change in Accounts receivable and other receivables	1.796.388	-491.732	2.288.120
XIII	Change in Inventory	1.272.018	-2.735.695	4.007.713
XIX	Change in Financial Assets	66.301	41.334	24.967
XXII	Change in Accounts payable and other creditors	-2.466.714	2.373.807	-4.840.522
VIII	Interest paid	-265.684	-103.627	-162.057
X	Income taxes paid	-35.691	0	-35.691
A	Cash Flow generated / (absorbed) by operating activity	-144.912	-2.390.400	2.245.488
Cash Flow from Investment activity:				
XVIII	Invest. / divest. in intangible assets	6.280	-37.950	44.230
XVI	Invest. / divest. in tangible assets	-1.649.936	-1.236.196	-413.740
B	Cash Flow generated / (absorbed) by investment activity	-1.643.656	-1.274.146	-369.510
Cash Flow of Financial activity:				
XXVII-XXIX	Financial debt vs third party variation	1.673.855	4.984.564	-3.310.709
XXVIII-XXX	Financial debt for leasing IFRS 16 variation	-844.646	0	-844.646
XXVII-XXIX	Financial debt vs intercompany variation	0	0	0
C	Cash Flow generated / (absorbed) by financial activity	829.209	4.984.564	-4.155.355
A+B+C	Net increase / (decrease) of equivalent assets	-959.359	1.320.018	-2.279.377
XI	Cash - opening balance	1.567.429	247.410	1.320.018
XI	Cash - closing balance	608.070	1.567.429	-959.359



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Statutory Financials as of January 31st 2020 (courtesy translation)

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