



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - 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: 01.07.2018 - 31.12.2018

### 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: 31.05.2019

### Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert  
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

*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, 01.11.2020



## Resultatregnskap

Beløp i: EUR	Note	2018	2017
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		64 292 765	
Annen driftsinntekt		733 154	
<b>Sum inntekter</b>		<b>65 025 919</b>	
<b>Kostnader</b>			
Varekostnad		48 745 115	
Lønnskostnad		14 029 845	
Annen driftskostnad		5 751 238	
<b>Sum kostnader</b>		<b>68 526 198</b>	
<b>Driftsresultat</b>		<b>-3 500 279</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		95 331	
<b>Sum finansinntekter</b>		<b>95 331</b>	
Annen rentekostnad		85 551	
Annen finanskostnad		41 334	
<b>Sum finanskostnader</b>		<b>126 885</b>	
<b>Netto finans</b>		<b>-31 554</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>-3 531 833</b>	<b>0</b>
Skattekostnad på ordinært resultat		-12 183	
<b>Ordinært resultat etter skattekostnad</b>		<b>-3 519 650</b>	<b>0</b>
<b>Årsresultat</b>		<b>-3 519 650</b>	<b>0</b>



## Balanse

Beløp i: EUR	Note	2018	2017
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		50 832	
Utsatt skattefordel		1 764 762	
<b>Sum immaterielle eiendeler</b>		<b>1 815 594</b>	
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		23 700 287	
<b>Sum varige driftsmidler</b>		<b>23 700 287</b>	
<b>Finansielle anleggsmidler</b>			
Investeringer i aksjer og andeler		194 489	
Andre fordringer		1 969 781	
<b>Sum finansielle anleggsmidler</b>		<b>2 164 270</b>	
<b>Sum anleggsmidler</b>		<b>27 680 151</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		19 745 738	
<b>Sum varer</b>		<b>19 745 738</b>	
<b>Fordringer</b>			
Kundefordringer		23 401 372	
Andre fordringer		1 567 169	
<b>Sum fordringer</b>		<b>24 968 541</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		1 567 429	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 567 429</b>	
<b>Sum omløpsmidler</b>		<b>46 281 708</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>73 961 859</b>	<b>0</b>



## Balanse

Beløp i: EUR	Note	2018	2017
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		6 300 000	
Overkurs		25 205 763	
<b>Sum innskutt egenkapital</b>		<b>31 505 763</b>	
<b>Opptjent egenkapital</b>			
Udekket tap		3 558 377	
<b>Sum opptjent egenkapital</b>		<b>-3 558 377</b>	
<b>Sum egenkapital</b>		<b>27 947 386</b>	<b>0</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt		52 170	
<b>Sum avsetninger for forpliktelser</b>		<b>52 170</b>	
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner		4 521 369	
Øvrig langsiktig gjeld		3 367 090	
<b>Sum annen langsiktig gjeld</b>		<b>7 888 459</b>	
<b>Sum langsiktig gjeld</b>		<b>7 940 629</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner		13 457 038	
Leverandørgjeld		20 379 665	
Annen kortsiktig gjeld		4 237 141	
<b>Sum kortsiktig gjeld</b>		<b>38 073 844</b>	
<b>Sum gjeld</b>		<b>46 014 473</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>73 961 859</b>	<b>0</b>



# Redaelli

## **Redaelli Tecna Spa** Statutory Financials as of January 31<sup>st</sup> 2019

### 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*



## **Redaelli**

### **Redaelli Tecna S.p.a**

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

#### **1. BOARD OF DIRECTORS REPORT**

The statutory financials of Redaelli Tecna Spa as of January 31<sup>st</sup> 2019 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 31<sup>st</sup> of each year. Accordingly, the current financial statements have been closed as of January 31<sup>st</sup> 2019 and present a profit and loss period of 12 months (from February 1<sup>st</sup> 2018 to January 31<sup>st</sup> 2019) and is compared to 2017/18 fiscal year of 13 months (from January 1<sup>st</sup> 2017 to January 31<sup>st</sup> 2018).

#### **1.1 Framework**

##### **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 (Europe's tallest ferris wheel), High Roller in Las Vegas (World's tallest ferris wheel), Khan Shatyr Entertainment Center in Kazakhstan (giant tensile structure), several stadiums (eg. Olympic stadium in Rome and Athens, Warsaw, Brasilia, Juventus stadium in Turin, Miami Wanda Metropolitano in Madrid, Tottenham), more than 3.000 cableways produced in the world including the prestigious Skyway to Punta Helbronner (Mont Blanc).

In 2009 the Company realized in Trieste the exclusive and innovative plant for the production of giant ropes.

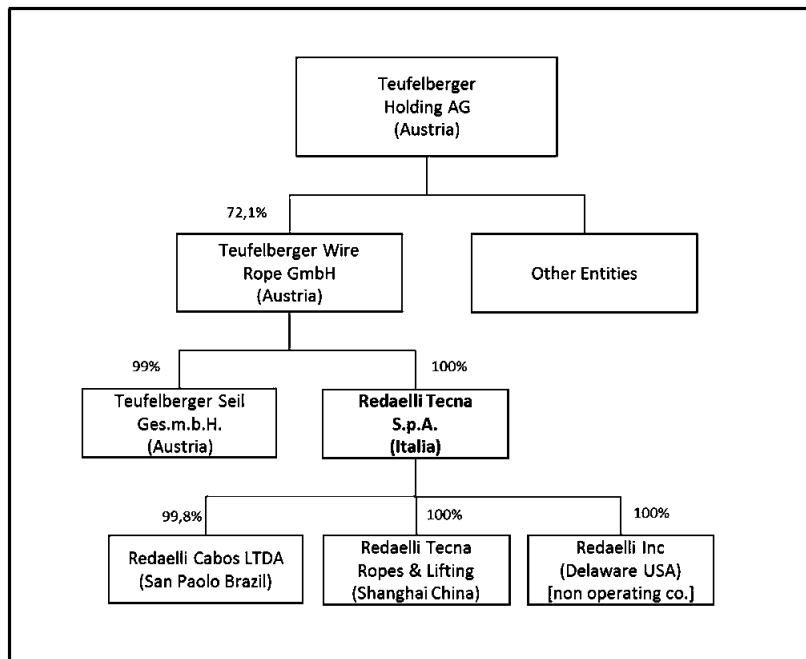
Since 2011 the commercial network was expanded with the opening of commercial branches in China and Brazil.

## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

The table below shows the group structure as of January 31<sup>st</sup> 2019.



#### 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).

##### 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 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 Valrompia, where production and storage operations are carried out.



## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

#### 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 centres of Castegnato and Bologna, 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.

In addition to the two plants of Trieste and Gardone Valtrompia, the Company has warehouses and sales offices in Castegnato (3 locations) 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 31<sup>st</sup> 2019, present an **operating loss (EBIT)** of 3,5 mln Euro compared to an operating loss of 9,3 mln Euro reported in prior year, and a **net loss** of 3,6 mln Euro compared to net loss of 2,8 mln Euro reported in prior year (that benefitted of an extraordinary capital gain of 6,4 mln Euro on the disposal of AO Redaelli SSM shares).

The **shareholders equity** as of January 31<sup>st</sup> 2019 amounts to 27,9 mln Euro compared to 31,5 mln Euro at January 31<sup>st</sup> 2018. The reduction was mainly due to the net loss of the period amounting to 3,6 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>	31.01.2019 <i>(12 months)</i>	31.12.2018 <i>(13 months)</i>
<b>TOTAL SALES</b>	<b>64.293</b>	<b>63.775</b>
Cost of sales	-48.745	-51.855
<b>GROSS PROFIT</b>	<b>15.548</b>	<b>11.920</b>
<i>% on sales</i>	24,2%	18,7%
<b>OPERATING PROFIT (EBIT)</b>	<b>-3.539</b>	<b>-9.294</b>
<i>% on sales</i>	-5,5%	-14,6%
<b>EBT</b>	<b>-3.571</b>	<b>-3.575</b>
<i>% on sales</i>	-5,6%	-5,6%
Current and deferred taxes	12	811
<b>NET RESULT</b>	<b>-3.558</b>	<b>-2.764</b>
<i>% on sales</i>	-5,5%	-4,3%
<b>EBITDA</b>	<b>-1.273</b>	<b>-6.545</b>
<i>% on sales</i>	-2,0%	-10,3%

The above income statement is summarized compared to the table on page 9 and reports the Company's EBITDA.



## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

RECLASSIFIED BALANCE SHEET <i>amounts in thousands of Euro</i>	31.01.2019	31.01.2018
<b>Fixed assets</b>	<b>23.751</b>	<b>24.743</b>
<b>Financial assets</b>	<b>194</b>	<b>236</b>
Trade receivables	23.401	22.497
Trade payables	-20.380	-17.967
Inventories	19.746	17.120
<b>Trade working capital</b>	<b>22.767</b>	<b>21.650</b>
Other assets /liabilities	1.705	2.093
<b>Net working capital</b>	<b>24.473</b>	<b>23.743</b>
Severance indemnity	-1.113	-1.289
Provisions for risks and charges	-2.947	-3.220
<b>NET INVESTED CAPITAL</b>	<b>44.358</b>	<b>44.213</b>
Banks financial Indebtedness (within the year)	9.390	4.115
Banks financial Indebtedness (over the year)	4.521	6.132
Financial indebtedness towards related parties	2.500	2.500
<b>Net financial position</b>	<b>16.411</b>	<b>12.746</b>
<b>Equity</b>	<b>27.947</b>	<b>31.467</b>
<b>Net financial position and Equity</b>	<b>44.358</b>	<b>44.213</b>
<i>Net financial position/Equity ratio</i>	<i>0,59</i>	<i>0,41</i>

Compared to page 10 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		31.01.2019	31.01.2018
ROE net	<i>Net Result / Equity</i>	-12,7%	-8,8%
ROS	<i>Operating profit / Sales</i>	-5,5%	-14,6%

ASSETS FINANCING INDEXES amounts in thousand Euro		31.01.2019	31.01.2018
Primary structural index	<i>Equity - Fixed Assets</i>	4.196	6.724
Primary structural ratio	<i>Equity / Fixed Assets</i>	1,18	1,27

SOLVIBILITY INDEXES		31.01.2019	31.01.2018
Liquidity margin	<i>Current assets - Current liabilities</i>	8.208	12.738
Liquidity ratio	<i>Current assets / Current liabilities</i>	1,22	1,44

### 1.2.2 Business Performance

Total **Sales** amounted to 64,3 mln Euro (12 months period) and increased compared to 63,8 mln Euro in prior year (13 months). On a 12 month like-for-like period, taking calendar year 2017, sales increase would have been of 5,4 mln Euro (from 58,9 to 64,3 mln Euro). The 12 months like-for-like period improvement was mainly driven by the recovery of the Wire Ropes division operating in offshore markets, passenger transport and mining, and a growth of Teci Division, operating in the Italian market of ropes and lifting accessories, while Tensostuctures sales, operating in the market of big projects for tensile structures, remained stable. For the Company as a whole the percentage of foreign turnover was 54% on total sales (55% in 2017/18).

The **operating result** reported a loss of 3,5 mln Euro with a relevant improvement compared to the loss of 9,3 mln Euro of prior year and includes depreciation and amortization costs of 2,3 mln Euro (2,7 mln Euro in 2017/18). The prior fiscal year was penalized by non-recurring costs of 3,5 mln Euro related to the reorganization that has led to the change of the Company's shareholder. Said costs included: (i) 1,5 mln Euro related to costs for external advisors, non recurring bonuses, restructuring costs, consulting costs for the integration project with the new shareholder and certain assets extraordinary write off; (ii) 2,0 mln Euro for a non recurring inventory provision accrual necessary to align the inventory obsolescence and slow moving provision to the calculation policy applied by the Teufelberger Group.

The year just ended, although improving compared to the previous year, is still affected by the prolonged contraction of the offshore market which, however, recorded a slight recovery in orders, and by the postponement to the 2019/20 financial year of some orders already acquired by the Tensostuctures and Wire



## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

Rope divisions not dependent on the Company. A positive recovery is reported both in terms of average sales prices and margins particularly in the Wire Rope division.

Reported **EBITDA** is still negative at 1,3 mln Euro but improving compared to the negative 6,5 mln Euro of the previous year (which, net of the aforementioned non-recurring items, would have been negative for 3,0 mln Euro).

The **net loss** is 3,6 mln Euro compared to the loss of 2,8 mln Euro of the previous year (which benefited from a positive impact of 6,4 mln Euro linked to the capital gain on the sale of the investment in AO Redaelli SSM).

The **Net financial position** increases from 12,7 mln Euro at January 31<sup>st</sup> 2018 to 16,4 mln Euro at January 31<sup>st</sup> 2019.

The net exposure to banks and other lenders, net of inter-company loans, amounts to 13,9 mln Euro (10,2 mln euros at January 31<sup>st</sup> 2018). The increase of 3,7 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 a slight increase in turnover compared to the previous year of 13 months. The contribution of turnover in foreign markets is 85% compared to 84% in the previous year. The growth in turnover compared to a period of 13 months was due to the increase in Offshore, Cableways, Crane Industrial and sales to Teufelberger Group. Profitability shows a cautious recovery 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 year of 13 months. The contribution of turnover in foreign markets is 86% against 81% in the previous year. The reduction in turnover compared to the previous year is partly due to the seasonality / variability of structural works and partly to the delay on some construction sites not depending on the Company. Among the others, the following projects of the year are noted: the Adana stadium in Turkey, the Motera cricket stadium in India, the Yaundè stadium in Cameroon, the Tana bridge in Norway.

**Teci** division recorded a slight increase in sales volumes compared to the previous year of 13 months. The contribution of turnover in the Italian market is 92% against 94% in 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 1,3 mln Euro (2,9 mln Euro in 2017/18) and are mainly due to the completion phases of the new stranding machine installed at the Trieste plant that started production in April 2019 and other measures to improve the efficiency of the machinery.

#### 1.4 Human resources

The Company's payroll employees in January 2019 amounted to 284 units (plus 11 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 through APL (Employment Agencies), became part of the direct workforce of Redaelli Tecna SpA. Contractors amounted to 35 units in line with the 34 units of the previous year.

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

Nine 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 or definitely liable.



## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

#### 1.5 Debt

The financial debt with the banking system, net of intercompany loans, at January 31<sup>st</sup> 2019 amounted to 13,9 mln Euro (compared to 10,2 mln Euro at January 31<sup>st</sup> 2018). 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:

Financing signed in 2009, expiring in December 2019, to support the construction of the Giant machine at the plant in Trieste in course of reimbursement with semi-annual instalments having an outstanding balance as of January 31<sup>st</sup> 2019 of 0,3 mln Euro.

Financing 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 31<sup>st</sup> 2019 of 3,2 mln Euro.

Financing 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 31<sup>st</sup> 2019 of 1,9 mln Euro.

##### Loan from primary banking institution

Loan signed with a primary banking institution in 2007, expiring in September 2019, in course of reimbursement with semi-annual instalments having an outstanding balance as of January 31<sup>st</sup> 2019 of 0,8 mln Euro.

##### Short term financing

As of January 31<sup>st</sup> 2019, the Company reported a net short term financial liability towards the bank system of 7,7 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.

**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.

Intercompany transactions between the Company and its shareholder Teufelberger Wire Rope GmbH and other Teufelberger group companies in the fiscal year ended January 31<sup>st</sup> 2019 were at arm length and were limited to the following: a) costs from Teufelberger Seil GmbH for management fees, IT services and insurance costs amounting to 692 k Euro, with an outstanding payable of 249 k Euro; b) issuance of patronage letter by Teufelberger Wire Rope GmbH in favour of an Italian bank for short term financing; c) sale of goods and services to Teufelberger Seil GmbH for 2.475 k Euro, with an outstanding receivable of 263 k Euro; d) purchase



## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

of goods and services from Teufelberger Seil GmbH for 731 k Euro with an outstanding payable of 249 k euro, e) short term credit line from Teufelberger Seil GmbH of 2,5 mln 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 234 k Euro, with receivables of 388 k Euro; costs for commissions, goods and services for 243 k Euro, with payables of 332 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 37 k Euro, an improvement compared to the loss of 218 k Euro in 2017 thanks to an increase in orders on the Chinese market. The commercial subsidiary in Brazil confirms the flat trend due to the economic crisis in the country with a loss of 5 k Euro (net profit of 37 k Euro in 2017).

The **cancelled entities** (Deriver S.r.l. in liquidation and Meccanica S.r.l. in liquidation) do not report events or requests in the year 2018 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.

Regarding the transfer of shares (Steelcord) and going concern (Prestressing) performed in 2008 there were no changes during the year concerning requests of indemnifications from buyers after the acquisitions. These disputes, which arose in previous years, are being addressed with the support of legal experts.

#### 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 (Decree 6/30/2003 n. 196) 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 25<sup>th</sup> 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) is being updated and will be included in the organizational mode.

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.



## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

#### 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 current year has been characterized by an encouraging recovery compared to 2017/18 in terms of revenues and margins. The reduction of the offshore sector in the last three years has had a significant impact on the company's results. The unstable trend in oil prices and the structural changes in the market of producers of machinery and equipment for offshore lifting, but above all the uncertain global geopolitical situation, make the evolution and recovery of this market in 2019 still uncertain, although starting from the second half of 2018 we are witnessing moderate signs of recovery and the release of some projects frozen in past years.

The Company has implemented a number of initiatives in order to regain a positive operating profit (EBIT) in the short term, even under the assumption that there will not be a significant recovery in the offshore market, by increasing the focus of its commercial effort on other segments already served (people transportation, mining, OEM, etc.) and on the leadership in the Tensostuctures and Teci divisions.

The integration process with the Teufelberger Group throughout 2018 has started to achieve the first important results in terms of strengthening and increasing of the efficiency of the commercial and product portfolio strategy and achievement of important synergies such as:

1. Consolidation and strengthening of the sales teams especially in the coverage of international markets also exploiting a common CRM
2. Optimization of product portfolio focusing on the complementarity of the Group's historical products and access to new markets/products
3. Investment plan aimed at completing/increasing the product portfolio and reducing production bottlenecks in Italy and Austria (i.e. new stranding machine in Trieste plant with a total investment of 4,5 mln Euro)
4. Rationalization of the structure in order to increase efficiency and reduce costs.
5. Industrialization of production processes deriving from completed R&D activity
6. Aggressive and joint R&D plan on products and systems

Fiscal year 2019/20 is expected in further improvement compared to the two prior years with the aim of reaching a positive EBITDA.

#### 1.14 Events occurred after the closing

As of the date of approval of the financial statements, there are no significant events that could impact the company's result and financial position reflected in these financial statements. On January 11<sup>th</sup> 2019 the Company signed a loan agreement with Banca Mediocredito of Friuli Venezia Giulia to support the program of investments in machinery at the Trieste plant for a total value of 3,6 mln Euros, of which 1,9 mln Euro released in March 2019. The residual loan will be released during the year 2019. The repayment plan will expire in January 2030.



## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

## 2. FINANCIALS

### 2.1 Income Statement

NOTE	Amounts in thousands of Euro	31/01/2019 (12 months)	31/01/2018 (13 months)
I	<b>SALES</b>	<b>64.292.765</b>	<b>63.775.096</b>
II	Cost of sales	-48.745.115	-51.855.287
	<b>GROSS PROFIT</b>	<b>15.547.650</b>	<b>11.919.809</b>
III	Other revenues	733.154	783.529
IV	Selling, General & Administrative expenses	-13.773.908	-15.849.302
V	Distribution cost	-5.671.910	-5.389.907
VI	Other costs	-79.328	-433.740
VII	Taxes and duties (excluding current income tax)	-294.665	-324.645
	<b>OPERATING RESULT</b>	<b>-3.539.006</b>	<b>-9.294.258</b>
	Interest income	95.331	111.583
	Interest expense	-213.648	-275.799
	FX differences	128.097	-307.022
VIII	Financial items and exchange differences, net	9.780	-471.238
IX	Result from equity investments (equity method, net of tax effects)	-41.334	-178.351
IX bis	Gain on disposal of financial asset	0	6.369.194
	<b>PRE TAX RESULT</b>	<b>-3.570.560</b>	<b>-3.574.653</b>
X	Income taxes	12.183	810.923
	<b>NET RESULT</b>	<b>-3.558.377</b>	<b>-2.763.730</b>

### 2.2 Overall Income Statement

NOTE	Amounts in euro	31/01/2019 (12 months)	31/01/2018 (13 months)
	<b>NET RESULT</b>	<b>-3.558.377</b>	<b>-2.763.730</b>
	<b>Other items of Overall Income Statement</b>		
	<i>reversed to net income</i>		
X-bis	Actuarial employee benefits Income (loss) Utili (net of tax impact)	38.728	-99.939
	<i>not reversed to net income</i>		
	FX Reserve OCI	0	-3.628.999
X-ter	Exchange Difference on participations	0	32.052
	Total other comprehensive income	38.728	-3.760.990
	<b>TOTALE OVERALL INCOME STATEMENT RESULT</b>	<b>-3.519.650</b>	<b>-6.524.721</b>

**Redaelli****Redaelli Tecna S.p.a**Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)**2.3 Balance Sheet**

NOTE	Amounts in euro	31/01/2019	31/01/2018
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
XI	Cash and cash equivalents	1.567.429	247.410
XII	Accounts receivables	23.401.372	22.496.765
XIII	Inventory	19.745.738	17.119.721
XIV	Receivables for current assets	89.971	351.971
XV	Other current receivables	1.477.198	1.658.412
	<b>Total Current Assets</b>	<b>46.281.709</b>	<b>41.874.279</b>
<b>NON CURRENT ASSETS</b>			
XVI	Fixed assets	23.700.287	24.698.442
XVII	Intangible assets	50.832	44.198
XVIII	Financial assets (equity method)	194.489	235.823
XIX	Receivables for non current taxes	805.691	805.691
XX	Deferred tax assets	1.764.762	1.753.265
XXI	Other non current receivables	1.164.090	1.162.560
	<b>Total Non Current Assets</b>	<b>27.680.152</b>	<b>28.699.980</b>
	<b>TOTAL ASSETS</b>	<b>73.961.861</b>	<b>70.574.259</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
XXII	Accounts payables	20.379.665	17.966.528
XXIII	Other liabilities	1.956.484	1.924.380
XXIV	Current income tax payables	0	0
XXV	Employee liabilities	1.587.869	1.661.237
XXVI	Provision for risk and charges	692.788	721.900
XXVII	Current financial debt	13.457.038	6.862.080
	<b>Total Current Liabilities</b>	<b>38.073.844</b>	<b>29.136.125</b>
<b>NON CURRENT LIABILITIES</b>			
XXVIII	Non current financial debt	4.521.369	6.131.764
XXIX	Provision for risk and charges	2.254.127	2.497.929
XXX	Employee liabilities	1.112.963	1.288.549
XXXI	Deferred tax liabilities	52.170	52.856
	<b>Total Non Current Liabilities</b>	<b>7.940.630</b>	<b>9.971.098</b>
<b>EQUITY</b>			
	Share capital	6.300.000	6.300.000
	Reserves	25.205.763	27.930.766
	Profit/loss of the period	-3.558.377	-2.763.730
XXXII	<b>Equity</b>	<b>27.947.386</b>	<b>31.467.036</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>73.961.861</b>	<b>70.574.259</b>



## Redaelli

### Redaelli Tecna S.p.a

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

#### 2.4 Net Equity Variations

NOTE	MOVEMENTS	RESERVES AND RETAINED EARNINGS									PROFIT / (LOSS) OF THE PERIOD	TOTAL
		SHARE CAPITAL	LEGAL RESERVE	SHARE PRICE RESERVE	EXTR. RESERVE	SHAREHOLDER CONTRIB.	EQUITY PARTICIPATIONS RESERVE	FTA RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS		
	<b>Value as 31/12/2016</b>	6.300.000	1.354.891	12.163.119	17.387.398	740.434	4.919.047	-16.720	3.497.192	3.991.598	6.415.092	56.752.052
X-bis	Actuarial employee benefits result (net taxes)									-99.939		-99.939
	2017/18 Loss										-2.763.730	-2.763.730
	FX Reserve OCI								-3.628.999			-3.628.999
XVIII	FX difference on equity participations								-32.052			-32.052
	<b>Total overall income statement</b>	0	0	0	0	0	0	0	-3.661.051	-99.939	-2.763.730	-6.524.720
	<b>2016 profit allocation</b>		320.755		6.094.337						-6.415.092	0
	Dividends paid				-14.770.826					-3.989.469		-18.760.295
	Reclassification						-4.727.493		108.146	4.619.347		0
	<b>Value as of 31/01/2018</b>	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
XVIII	FX difference on equity participations											0
	<b>Total overall income statement</b>	0	0	0	0	0	0	0	0	38.728	-3.558.377	-3.519.650
	<b>2017/18 profit allocation</b>									-2.763.730	2.763.730	0
	<b>VALUE as 31/12/2019</b>	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

**Redaelli****Redaelli Tecna S.p.a**Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)**2.5 Cash Flow Statement**

NOTE	Amounts in thousand Euro	31/01/2019	31/01/2018	Variazione
<b>Cash Flow Statement of Operational activities</b>				
	<b>Net Income/loss</b>	<b>-3.558.377</b>	<b>-2.763.730</b>	<b>-794.647</b>
Adjustments for:				
XVI-XVII	Depreciation	2.265.667	2.748.983	-483.316
XXVI-XXIX	Provision for risks and charges variation	-272.914	393.344	-666.258
XIII	Inventory provision accrual	109.678	1.961.425	-1.851.747
IX bis	Gain on disposal of shares	0	-6.369.194	6.369.194
XXX	Severance indemnity variation	-136.858	-302.124	165.266
VIII	Intrrest expense	213.648	275.799	-62.151
XII	Change in Accounts receivable and other receivables	-491.732	-308.873	-182.859
XIII	Change in Inventory	-2.735.695	-454.166	-2.281.529
XVIII	Change in Financial Assets	41.334	170.847	-129.513
XXII	Change in Accounts payable and other creditors	2.373.807	2.687.438	-313.630
VIII	Interest paid	-294.289	-269.385	-24.904
X	Income taxes paid	0	0	0
<b>A</b>	<b>Cash Flow generated / (absorbed) by operating activity</b>	<b>-2.485.731</b>	<b>-2.229.637</b>	<b>-256.093</b>
<b>Cash Flow from Investment activity:</b>				
XVII	Invest. / divest. in intangible assets	-37.950	0	-37.950
XVI	Invest. / divest. in tangible assets	-1.236.196	-2.787.731	1.551.535
XVIII	Invest. / disinvest. in financial assets	0	34.341.499	-34.341.499
VIII	Interest income	95.331	111.582	-16.251
<b>B</b>	<b>Cash Flow generated / (absorbed) by investment activity</b>	<b>-1.178.815</b>	<b>31.665.350</b>	<b>-32.844.165</b>
<b>Cash Flow of Financial activity:</b>				
XXVII-XVIII	Financial debt vs third party variation	4.984.564	1.164.203	3.820.361
XXVII	Financial debt vs intercompany variation	0	-12.707.187	12.707.187
	Dividend paid	0	-18.760.295	18.760.295
<b>C</b>	<b>Cash Flow generated / (absorbed) by financial activity</b>	<b>4.984.564</b>	<b>-30.303.279</b>	<b>35.287.843</b>
<b>A+B+C</b>	<b>Net increase / (decrease) of equivalent assets</b>	<b>1.320.018</b>	<b>-867.566</b>	<b>2.187.585</b>
XI	Cash - opening balance	247.410	1.114.975	-867.565
XI	<b>Cash - closing balance</b>	<b>1.567.429</b>	<b>247.410</b>	<b>1.320.019</b>



## **Redaelli**

### **Redaelli Tecna S.p.a**

Statutory Financials as of January 31<sup>st</sup> 2019 (courtesy translation)

#### **3 Notes to the financial statements**

[omissis]

#### **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 to retained earnings from prior years.

The Board of Directors



Oslo, 20.06.2020

## **FORKLARING TIL SEN RAPPORTERING AV SKATTEMELDING 2018**

På vegne av vår kunde Redaelli Tecna S.p.A med organisasjonsnummer 916051735, rapporterer vi nå inn skattemeldingen for 2018 ettersom vår kunde plutselig hadde fått et *fast driftssted*.

01.07.2018 begynte vår kunde å jobbe på prosjektet Tana Bru for deres oppdragsgiver Hak Steel AS med organisasjonsnummer 920649742. Dette prosjektet var planlagt å vare mindre enn 12 måneder, men da de innså at de ikke ble ferdige med prosjektet, forlenget de oppdraget. I henhold til skatteavtalen mellom Norge og Italia (artikkel 5 bokstav g) foreligger det et fast driftssted hvis «[...] et bygningsarbeid, konstruksjonsarbeid eller monteringsarbeid varighet overstiger tolv måneder». Her er det klart at prosjektet har oversteget 12 måneder da prosjektet varte helt til 29.02.2020.

Resultatet av dette gjorde at vi måtte rapportere lønn på nytt og kunden måtte betale forskuddsskatt til Norge på vegne av sine ansatte. Videre må kunden vår også sende inn skattemeldingen og hovedselskapets årsregnskap og balanse per 31.12.2018.

Undertegnede ber om at kunden ikke blir ilagt bøter for sen rapportering av skattemeldingen ettersom ingen forutså at prosjektet kom til å vare utover 12 måneder.

Jeg legger ved en kvittering for betaling av forskuddsskatt for år 2018 og 2019 da kunden naturlig nok ikke har skattetrekkkonto i Norge.

Jeg håper med dette at kunden ikke får straffetillegg fordi skattemeldingen blir rapportert sent.

Med vennlig hilsen

*Malin Scoglietti-Olstad*

Malin Scoglietti-Olstad  
VIEW Tax AS  
Postboks 6731, Etterstad  
0609 Oslo  
Tlf: 405 34 269

Web: [www.viewtax.no](http://www.viewtax.no) e-mail: [mol@viewtax.com](mailto:mol@viewtax.com)