20251215080040

SUND BIRSTA AB
Org. nr 556219-4679

Årsredovisning för räkenskapsåret 2024-07-01 - 2025-06-30

Styrelsen avger följande årsredovisning.

	Sid
Förvaltningsberättelse	2-3
Resultaträkning	4
Balansräkning	5-6
Kassaflödesanalys	7
Noter	8-14

Undertecknad styrelseledamot i SUND BIRSTA AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 9 december 2025. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska disponeras.
Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Sundsvall 2025-12-11

Fabian Öhlund

20251215080411

ÅRSREDOVISNING FÖR SUND BIRSTA AB

FÖRVALTNINGSBERÄTTELSE

Styrelsen och verkställande direktören för Sund Birsta AB får härmed avge årsredovisning för verksamheten under räkenskapsåret 2024-07-01--2025-06-30. Bolaget är ett helägt dotterbolag till Industrielle Beteiligung S.A, med säte i Luxemburg. Koncernmoderbolaget är Danieli & C. S.p.A beläget i Buttrio (UD), Italien.

Verksamheten

Verksamheten består huvudsakligen av utveckling, konstruktion samt försäljning av maskiner och anläggningar för stålindustrin. Nästan all omsättning avser exportförsäljning. Bolaget har sitt säte i Sundsvall, Västernorrlands län.

Under räkenskapåret har det inte skett några väsentliga händelser.

Verksamhet inom forskning och utveckling

Företaget har framgångsrikt levererat nyutvecklade produkter inom segmentet elektriska maskiner för stånghantering, däribland en ny variant av bindmaskin som benämns KNSe samt en ny stångräknare som benämns BCBe. Inom produktområdet platta produkter får företagets SMB bandmaskiner en allt starkare ställning och vi har levererat ett flertal nya maskiner inom Europa och Asien. I övrigt så har en ny form av märkutrustning utvecklats som avser fungera som en tillbyggnadsenhet till bl.a. våra SMA bandmaskiner, vilken kan ge användaren en möjlighet att med laser märka direkt på emballageband i nya och gamla Sund Birsta produkter. Detta är något som nu efterfrågas brett i USA, Europa och Asien.
Företagets omfattande projekt som syftar till en ny revolutionerande lösning för att dela kontinuerligt valsade valstrådsprodukter står för ögonblicket stilla efter att alla kalltester har genomförts framgångsrikt i samarbete med slutkund och maskinen kommer att återstartar i årsskiftet 25/26 när kunden avser starta sin produktionslina med svetsade billets.

De totala utvecklingskostnaderna utgjorde 4,1% (3,8%) av nettoomsättningen för 2024/25.

Flerårsjämförelse

Räkenskapsår	2024/25	2023/24	2022/23	2021/22	2020/21
Nettoomsättning, tkr	414.298	450.139	488.204	406.005	456.877
Resultat efter finansiella poster, tkr	89.930	87.629	101.386	60.255	62.927
Balansomslutning, tkr	511.340	493.759	488.033	490.021	487.116
Nettomarginal, %	21,7	19,5	20,7	14,8	13,8
Soliditet, %	84,5	81,2	78,8	76,7	73,2
Årets kassaflöde, tkr	92.277	2.655	- 38.413	-19.029	5.271
Antal anställda, st	88	89	87	81	74

Förväntad framtida utveckling

Sund Birsta AB redovisar för räkenskapsåret 2024/2025 en något lägre omsättning men med en fortsatt god lönsamhet. För företagskoncernen Sund Birsta, inklusive dotterbolag, har årets verksamhetsresultat varit i nivå med de budgeterade målen.

20251215080042

Några för oss viktiga marknadsområden så som till exempel Tyskland, Österrike, Italien och USA har under kalenderåret 2024, och början av 2025 haft en vikande efterfrågan men där ser vi nu en viss vändning.
Vi förväntar oss att för 2025/2026 kommer vi ligga på samma omsättning och lägre lönsamhet än 2024/2025. Företagets goda marknadsposition samt teknologiska ledarskap innebär dock att Sund Birsta AB skall kunna vidmakthålla sin ställning som den ledande leverantören inom sin nisch även de närmaste åren framöver.
En drivkraft och en fördel i detta sammanhang är den satsning som pågår i syfte att elektrifiera företagets produktprogram. Detta är ett efterfrågat teknikskifte som företagets kunder förväntar sig av branschens maskinleverantörer, och som förutses ge företaget en möjlighet att ta marknadsandelar framåt. Detta gäller inte minst inom området stånghanteringsutrustning där de senaste produktlanseringarna varit framgångsrika.

Förändring utav eget kapital. tkr

	Aktie-kapital	Reserv-fond	Fritt eget kapital	Totalt
Belopp vid årets ingång	10.000	2.000	388.908	400.908
Utdelning			- 50.000	- 50.000
Årets resultat			80.742	80.742
BELOPP VID ÅRETS UTGÅNG	**10.000**	**2.000**	**419.650**	**431.650**

Vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel, kr	338.907.618
Årets vinst, kr	80.742.469
Summa	**419.650.087**

Styrelsen och VD föreslår att vinstmedlen disponeras på följande sätt:

till aktieägaren utdelas 500,00 per aktie, totalt, kr	33.000.000
i ny räkning överförs, kr	386.650.087
Summa	**419.650.087**

Styrelsens yttrande över den föreslagna utdelningen

Den föreslagna utdelningen till aktieägarna reducerar bolagets soliditet till 83 procent. Soliditeten är mot bakgrund av att bolagets verksamhet fortsatt bedrivs med lönsamhet betryggande. Likviditeten i bolaget bedöms kunna upprätthållas på en likaledes betryggande nivå.

Styrelsens uppfattning är att den föreslagna utdelningen ej hindrar bolaget, från att fullgöra sina förpliktelser på kort och lång sikt, ej heller att fullgöra erforderliga investeringar. Den föreslagna utdelningen kan därmed försvaras med hänsyn till vad som anförs i ABL 17 kap 3 § 2-3 st (försiktighetsregeln).

20251215080043

RESULTATRÄKNING
(Belopp i tkr)

	Not	2024-07-01 2025-06-30	2023-07-01 2024-06-30
Rörelsens intäkter			
Nettoomsättning	3	414.298	450.139
Förändring av pågående arbete för annans räkning		- 46.363	25.360
Övriga rörelseintäkter		236	113
Summa rörelsens intäkter		**368.171**	**475.612**
Rörelsens kostnader			
Varor och förnödenheter		- 166.519	- 257.014
Övriga externa kostnader	4	- 76.714	- 84.502
Personalkostnader	5	- 86.712	- 86.279
Avskrivningar av materiella anläggningstillgångar	9	- 851	- 1.001
Summa rörelsens kostnader		**- 330.796**	**- 428.796**
Rörelseresultat	2	**37.375**	**46.816**
Resultat från finansiella investeringar	6		
Utdelning från dotterbolag		46.047	33.000
Ränteintäkter		6.546	7.829
Räntekostnader		- 38	- 16
Resultat efter finansiella poster		**89.930**	**87.629**
Bokslutsdispositioner	7	- 100	- 50
Skatt på årets resultat	8	- 9.088	- 11.347
ÅRETS RESULTAT		**80.742**	**76.232**

20251215080044

BALANSRÄKNING
(Belopp i tkr)

TILLGÅNGAR	Not	2025-06-30	2024-06-30
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier	9	2.004	2.559
Summa materiella anläggningstillgångar		**2.004**	**2.559**
Finansiella anläggningstillgångar			
Aktier i koncernföretag	11	5.318	5.318
Fordringar hos koncernföretag		2.977	3.019
Övriga finansiella anläggningstillgångar		4.903	4.903
Summa finansiella anläggningstillgångar		**13.198**	**13.240**
Omsättningstillgångar			
Varulager m m			
Färdiga varor		88.720	88.999
Pågående arbete för annans räkning, netto	12	0	45.252
Summa varulager m m		**88.720**	**134.251**
Kortfristiga fordringar			
Kundfordringar		46.083	41.638
Fordringar hos koncernföretag	13	296.850	212.315
Övriga fordringar		5.217	7.990
Skattefordringar		646	1.858
Förutbetalda kostnader och upplupna intäkter	14	12.021	43.020
Summa kortfristiga fordringar		**360.817**	**306.821**
Kassa och bank		**46.601**	**36.888**
SUMMA TILLGÅNGAR		**511.340**	**493.759**

20251215080845

BALANSRÄKNING
(Belopp i tkr)

EGET KAPITAL OCH SKULDER	Not	2025-06-30	2024-06-30
Eget kapital			
Bundet eget kapital			
Aktiekapital (100.000 aktier med kvotvärde 100 kr)		10.000	10.000
Reservfond		2.000	2.000
Summa bundet eget kapital		**12.000**	**12.000**
Fritt eget kapital			
Balanserad vinst		338.908	312.676
Årets resultat		80.742	76.232
Summa fritt eget kapital		**419.650**	**388.908**
Summa eget kapital		**431.650**	**400.908**
Obeskattade reserver	7	**350**	**250**
Skulder			
Avsättningar			
Avsatt till pensioner		4.903	4.903
Övriga avsättningar	15	160	160
Summa avsättningar		**5.063**	**5.063**
Kortfristiga skulder			
Förskott från kunder		277	917
Pågående arbete för annans räkning, netto	12	1.111	-
Leverantörsskulder		25.079	37.247
Skulder till koncernföretag	13	2.538	3.440
Upplupna kostnader och förutbetalda intäkter	16	39.007	35.979
Skatteskulder		-	-
Övriga skulder		6.265	9.955
Summa kortfristiga skulder		**74.277**	**87.538**
SUMMA EGET KAPITAL OCH SKULDER		**511.340**	**493.759**

20251215080046

KASSAFLÖDESANALYS
(Belopp i tkr)

	Not	2024-07-01 2025-06-30	2023-07-01 2024-06-30
DEN LÖPANDE VERKSAMHETEN			
Resultat efter finansiella poster		89.930	87.629
Avskrivningar	9	851	1.001
Justering för poster som inte ingår i kassaflödet, m.m		42	- 240
Betald skatt		- 7.876	- 13.806
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**82.947**	**74.584**
Kassaflöde från förändringar av rörelsekapital			
Ökning (-)/minskning (+) av varulager och pågående arbete		46.642	- 10.392
Ökning (-)/minskning (+) av kortfristiga fordringar		27.356	12.591
Ökning (+)/minskning (-) av kortfristiga skulder		- 14.372	- 9.715
Kassaflöde från den löpande verksamheten		**142.573**	**67.068**
INVESTERINGSVERKSAMHETEN			
Förvärv av dotterföretag		-	- 13
Lämnade lån till koncernföretag		-	- 3.019
Förvärv av materiella anläggningstillgångar	9	- 296	- 1.381
Kassaflöde från investeringsverksamheten		**- 296**	**- 4.413**
FINANSIERINGSVERKSAMHETEN			
Utbetald utdelning		- 50.000	- 60.000
Kassaflöde från finansieringsverksamheten		**- 50.000**	**- 60.000**
ÅRETS KASSAFLÖDE		**92.277**	**2.655**
Likvida medel (inkl. koncernkonton) vid räkenskapsårets ingång		**182.407**	**179.752**
LIKVIDA MEDEL (inkl. koncernkonton) VID RÄKENSKAPSÅRETS UTGÅNG		**274.684**	**182.407**

20251215080047

BOKSLUTSKOMMENTARER

Redovisningsprinciper

Företagets redovisningsvaluta är: Svenska kronor (SEK). Företaget tillämpar BNFAR 2012:1 Årsredovisning (K3).

Intäktsredovisning

Kontrakterade pågående arbeten resultat avräknas vid leverans från bolagets sida. Bedömning sker av eventuella återstående kostnader inklusive garantikostnader, varefter motsvarande belopp reserveras som upplupna kostnader vid tidpunkten för resultatavräkning.

Utvecklingskostnader

Kostnader för forskning och utveckling belastar rörelseresultatet löpande.

Materiella anläggningstillgångar

Materiella anläggningstillgångar, bestående företrädelsevis av fordon, datorutrustning respektive kontorsinventarier, redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar.

Avskrivningar enligt plan

Avskrivningar enligt plan är baserade på tillgångars anskaffningsvärden och beräknade nyttjandeperiod. Nyttjandeperioden bedöms för inventarier vara mellan 5-7 år. Skattemässiga avskrivningar beräknas i enlighet med de lagar och regler som gäller. Skattemässiga avskrivningar utöver avskrivningar enligt plan betraktas som överavskrivningar vilka utgör en obeskattad reserv.

Varulager och pågående arbeten

Varulagret har värderats till det lägsta av anskaffningsvärdet enligt först-in, först-ut principen och verkligt värde. Pågående arbeten har värderats till nedlagda kostnader jämte skälig andel av indirekta kostnader. Vid värdering av pågående arbeten nedskrivs förlustorder omedelbart med total befarad förlust utan hänsyn till orderns upparbetningsgrad.

Fordringar

Fordringar har upptagits till det belopp varmed de beräknas inflyta. Avsättning för förväntade förlustrisker avseende utestående fordringar har skett efter individuell prövning.

Fordringar och skulder i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs och orealiserade kursvinster och kursförluster ingår i resultatet. När terminssäkring genomförts används istället terminskursen. Skillnaden mellan terminskursen och dagskursen vid kontraktets ingående periodiseras över terminskontraktets löptid. Förskott från kunder upptas till de kurser som rådde när respektive förskott erhölls, eftersom återbetalningsskyldighet inte förutses inträffa.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt s k indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- och utbetalningar.

Leasingavtal

Samtliga leasingavtal, oavsett om de är finansiella eller operationella, redovisas som vanlig operationell leasing, d v s leasingavgifter kostnadsförs löpande

Pensioner

Alla pensionsutfästelser har övertagits av försäkringsbolag.

20251215080048

Skatter

Skattelagstiftningen i Sverige medger avsättning till särskilda reserver och fonder. Härigenom kan företagen inom vissa gränser disponera och kvarhålla redovisade vinster i rörelsen utan att de omedelbart beskattas. De obeskattade reserverna blir föremål för beskattning först då de upplöses. För den händelse att verksamheten skulle gå med förlust kan dock de obeskattade reserverna tas i anspråk för att täcka förlusten utan att någon beskattning blir aktuell.

Fordringar, skulder och avsättningar

Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

Händelser efter balansdagens slut

Vi är beroende av den allmänna marknadsutvecklingen inom stålbranschen. I dagsläget bedömer vi inte att det finns några särskilda omständigheter som medför stora risker för bolagets ställning eller framtida finansiella rapportering.

Nyckeltalsdefinitioner

Soliditet: Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.
Nettomarginal: Resultat efter finansiella poster i förhållande till nettoomsättning.

20251215080049

NOTER – SAMTLIGA BELOPP I TKR, OM EJ ANNAT ANGES

Not. 1 Ställda säkerheter	**2025-06-30**	**2024-06-30**
För skuld till kreditinstitut	52.000	52.000

Not 2. Inköp och försäljning mellan koncernföretag

Av årets totala inköp och försäljning mätt i kronor avser 6 (10) procent av inköpen och 45 (41) procent av försäljningen andra företag inom hela den företagsgrupp som bolaget tillhör.

Not 3. Nettoomsättning i % per geografisk marknad

	2024/25	**2023/24**	**2022/23**
EU	79%	62%	58%
Nordamerika	7%	11%	18%
Asien	11%	15%	19%
Övriga marknadsområden	3%	12%	5%
Summa	**100%**	**100%**	**100%**

Not 4. Övriga externa kostnader

Till Deloitte AB har ersättning bokförts om 220 (178), varav 220 (178) avser ersättningar avseende revisionsuppdrag varmed avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

Not 5. Personal

MEDELANTALET ANSTÄLLDA	**2024/25 Antal Anställda**	**2024/25 Varav Kvinnor**	**2023/24 Antal Anställda**	**2023/24 Varav Kvinnor**
TOTALT	**88**	**11**	**89**	**12**

LÖNER OCH ANDRA ERSÄTTNINGAR	**2024/2025 Styrelse och VD**	**2024/25 Övriga anställda**	**2023/2024 Styrelse och VD**	**2023/24 Övriga anställda**
TOTALT	**1.780**	**54.323**	**1.723**	**53.943**

LÖNER OCH ANDRA ERSÄTTNINGAR	**2024/25 Löner och andra ersättningar**	**2024/25 Sociala kostnader**	**2024/25 Varav pensions-kostnader**	**2023/24 Löner och andra ersättningar**	**2023/24 Sociala kostnader**	**2023/24 Varav pensions-kostnader**
TOTALT	**56.103**	**26.618**	**7.344**	**55.666**	**26.359**	**7.177**

Av bolagets pensionskostnader avser 565 (525) VD. VD's anställningsavtal gäller med en ömsesidig uppsägningstid om 6 månader.

20251215080050

Styrelseledamöter och ledande befattningshavare	2025-06-30 Antal	2025-06-30 Varav män i %	2024-06-30 Antal	2024-06-30 Varav män i %
Styrelseledamöter	5	100%	5	100%
VD och andra ledande befattningshavare	7	100%	7	100%

Not 6. Resultat från finansiella investeringar

Erhållen utdelning om totalt 46.047 (33.000) avser Sund Birsta Inc. 31.582 (33.000) samt från Sund Birsta (Beijing) Metallurgical Equipment Co., Ltd 14.465 (0). Av ränteintäkterna 6.546 (7.829) härrör sig 4.821 (5.995) till ersättning från koncernföretag Av räntekostnaderna 38 (16) härrör sig 0 (0) till ersättning till koncernföretag.

Not 7. Bokslutsdispositioner och obeskattade reserver

	2024/25	2023/24
Bokslutsdispositioner		
Skillnad mellan bokförd avskrivning och avskrivning enligt plan	- 100	- 50
Summa	**- 100**	**- 50**
Obeskattade reserver		
Ackumulerade överavskrivningar	350	250
Summa	**350**	**250**

Not 8. Avstämning årets skattekostnad

	2024/25	2023/24
Redovisat resultat före skatt	89.830	87.579
Skatt beräknad med skattesats 20,6%	- 18.505	- 18.041
Skatteeffekt av ej avdragsgilla kostnader	- 69	- 105
Skatteeffekt av ej skattepliktiga intäkter	9.486	6.799
Årets redovisade skattekostnad	**- 9.088**	**- 11.347**

Ej redovisad uppskjuten skatt
Ej redovisad uppskjuten skatt, dvs skillnaden mellan å ena sidan den inkomstskatt som faktiskt har redovisats i årets och tidigare års resultaträkningar (kostnadsförd skatt) och å andra sidan den inkomstskatt som bolaget slutligen kommer att belastas med i anledning av räkenskapsårets och tidigare räkenskapsårs verksamhet (full skatt), uppgår till följande belopp:

	2024/25	2023/24
Uppskjutna skatteskulder		
Avseende obeskattade reserver	72	52

20251215080051

Not 9. Materiella anläggningstillgångar

Inventarier	2024/25	2023/24
Ingående anskaffningsvärden	11.112	9.731
Inköp	296	1.381
Försäljningar/utrangeringar	-	-
Utgående ackumulerade anskaffningsvärden	**11.408**	**11.112**
Ingående avskrivningar	- 8.553	- 7.552
Årets avskrivningar	- 851	- 1.001
Försäljningar/utrangeringar	-	-
Utgående ackumulerade avskrivningar	**- 9.404**	**- 8.553**
UTGÅENDE PLANENLIGT RESTVÄRDE	**2.004**	**2.559**

Not. 10 Leasingavtal - leasetagare

Kostnadsförda leasingavgifter avseende operationella leasingavtal samt lokalhyror under periodens uppgår 7.319 (6.560). Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal inklusive lokalhyror uppgår till:

Att betala inom 1 år	6.918 (6.028)
Att betala inom 1-5 år	9.162 (804)
Att betala senare än 5 år	-

Företaget har ingått operationella leasingavtal avseende kontorsutrustning samt lokalhyror.

Not 11. Aktier i koncernföretag (Tsek)

	Org. nr	Säte	Eget kapital	Antal - andelar	Kapital Andel (Rösträtts Andel) %	Bokfört värde
Direkt ägda:						
Sund Strap AB	556231-7791	Sundsvall	116	500	100(100)	50
Sund Birsta (Beijing) Metallurgical Equipment Co.,Ltd	-	Beijing, Kina	90.860	100	100(100)	5.175
Sund Birsta Inc.	-	Jacksonville, USA	103.613	100	100(100)	80
Sund Birsta India Private Ltd.		Pune, Indien	-936	9999	99,99(99,99)	13
Summa			**193.653**			**5.318**

I koncernen ingår förutom Sund Birsta AB det helägda och vilande dotterbolaget Sund Strap AB samt de helägda bolagen Sund Birsta (Beijing) Metallurgical Equipment Co.,Ltd, Sund Birsta Inc., samt Sund Birsta India Private Ltd. Sund Birsta AB upprättar ej koncernredovisning, i enlighet med årsredovisningslagen, 7 kap 2 §. Koncernredovisning upprättas av Danieli & C. S.p.A beläget i Buttrio (UD), Italien.

20251215080052

Not 12. Pågående arbete för annans räkning

	2025-06-30	2024-06-30
Nedlagda kostnader	17.697	72.857
Fakturerade delbelopp	- 18.808	- 27.605
Summa	**- 1.111**	**45.252**

Not 13. Fordringar/skulder hos koncernföretag

	2025-06-30	2024-06-30
Koncernkonton	228.083	145.519
Övriga fordringar och skulder	66.229	63.356
Summa	**294.312**	**208.875**

Not 14. Förutbetalda kostnader och upplupna intäkter

	2025-06-30	2024-06-30
Återstående fakturering för resultatavräknade projekt	8.963	37.680
Övriga förutbetalda kostnader och upplupna intäkter	3.058	5.340
Summa	**12.021**	**43.020**

Not 15. Övriga avsättningar

Garantiåtaganden	2024/25	2023/24
Ingående balans vid räkenskapsårets början	160	400
Tillkommande avsättningar	568	84
Belopp som tagits i anspråk	- 568	- 324
Återföring av outnyttjade belopp	-	-
Utgående balans vid räkenskapsårets slut	**160**	**160**

Not 16. Upplupna kostnader och förutbetalda intäkter

	2025-06-30	2024-06-30
Tillkommande kostnader i resultatavräknade projekt	14.208	7.865
Upplupna löner inklusive semesterlöneskuld	12.904	12.897
Upplupna försäljningsprovisioner	3.945	3.566
Övriga upplupna kostnader och förutbetalda intäkter	7.950	11.651
Summa	**39.007**	**35.979**

20260127031102

Not 17. Förslag till disposition av företagets vinst

Styrelsen och VD föreslår att vinstmedlen disponeras på följande sätt:

till aktieägaren utdelas 500,00 per aktie, totalt, kr	33.000.000
i ny räkning överförs, kr	386.650.087
Summa	**419.650.087**

Årsredovisningens innehåll blev klart 2025-10-31

Sundsvall, Oktober, 2025 - 10-31

Rolando Paolone
Styrelseordförande

Fabian Öhlund
Verkställande direktör

Fabrizio Mulinaris

Henrik Andersson

Niclas Nyberg
Arbetstagarrepresentant

Vår revisionsberättelse har ~~avgivits~~ den 12/11 -2025
Deloitte AB

Anders Rinzén
Auktoriserad revisor

20251215083054

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i SUND BIRSTA AB
organisationsnummer 556219-4679

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för SUND BIRSTA AB för räkenskapsåret 2024-07-01 - 2025-06-30.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av SUND BIRSTA ABs finansiella ställning per den 30 juni 2025 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SUND BIRSTA AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

20251215080555

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för SUND BIRSTA AB för räkenskapsåret 2024-07-01 - 2025-06-30 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SUND BIRSTA AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Umeå den 12 November 2025

Deloitte AB

Anders Rinzén
Auktoriserad revisor

20251215080056

DANIELI & C. OFFICINE MECCANICHE S.p.A.

Annual financial report for the period July 01, 2024 to June 30, 2025

20251213080057

Annual financial report for the period July 01, 2024 to June 30, 2025

Contents

Boards and officers 3
Mission statement 4
Strategic approach 4
Danieli Group structure 6
Financial highlights of the Danieli Group 7
Key share data 11
DIRECTORS' REPORT 13
The steel market 13
The market for steel making plants 14
Danieli Group operations 15
Danieli Group structure 17
Danieli & C. Officine Meccaniche S.p.A. 17
Steel making 18
Plant making 22
Analysis of/commentary on the economic and financial position of the Danieli Group 34
Russian/Ukrainian conflict 35
Highlights of the consolidated income statement as at June 30, 2025 and outlook 36
Summary of results by business segment 38
Revenues by geographical area 38
Highlights of the reclassified consolidated balance sheet as at June 30, 2025 39
Analysis of the consolidated net financial position as at June 30, 2025 40
Key consolidated financial ratios 41
Statement of changes in net financial position 42
Investments and research activities 43
Analysis of/commentary on the economic and financial position of the Parent Company Danieli & C. Officine Meccaniche S.p.A. 44
Highlights of the income statement as at June 30, 2025 44
Highlights of the reclassified balance sheet as at June 30, 2025 45
Analysis of the net financial position as at June 30, 2025 46
Key financial ratios 47
Management of business risks 48
Atypical and unusual transactions 51
Treasury shares 51
Secondary headquarters 51
Management and coordination 51
Statement pursuant to Art. 2.6.2 of the Italian Stock Exchange Regulations 52
Governance 52
Remuneration 53
Events occurring after the reporting period 53
Outlook 53
Reconciliation between Parent Company shareholders' equity and profit for the year and Group shareholders' equity and profit for the year 54
Proposals by the Board of Directors to the annual general meeting 54
Consolidated Non-Financial Statement pursuant to Italian Legislative Decree 254/2016 57
Independent Auditors' report 157

CONSOLIDATED FINANCIAL STATEMENTS 163
Consolidated Financial Statements 164
Explanatory Notes 168
Supplementary schedules 227
Board certification of the consolidated financial statements 235
External auditors' report on the Group's consolidated financial statements 236

SEPARATE FINANCIAL STATEMENTS 243
Accounting schedules 244
Explanatory Notes 249
Supplementary schedules 289
Board certification of the separate financial statements 304
Report of the Board of Statutory Auditors 305
External auditors' report on the Parent Company separate financial statements 318
Resolutions of the annual Shareholders' Meeting 325

20251213080358

Boards and officers

Boards and officers as at September 26, 2025 were as follows:

Board of Directors	Alessandro Brussi (1) (2) (3)	Deputy Chair
	Camilla Benedetti (1) (2) (6)	Deputy Chair
	Giacomo Mareschi Danieli (1) (2) (3) (6)	Chief Executive Officer
	Rolando Paolone (1) (2) (3) (6)	Chief Executive Officer
	Anna Mareschi Danieli (1) (5)	Director
	Carla de Colle (1) (5)	Director
	Antonello Mordeglia (1) (5)	Director
	Cecilia Metra (1) (4)	Director
	Lorenza Morandini (1) (4)	Director
	Barbara Falcomer (1) (4)	Director
Board of Statutory Auditors		
	Davide Barbieri (1)	Chair
	Gaetano Terrin (1)	Standing Auditor
	Vincenza Bellettini (1)	Standing Auditor
	Alessandro Ardiani (1)	Alternate Auditor
	Marina Barbieri (1)	Alternate Auditor
	Emanuela Rollino (1)	Alternate Auditor
Common representative of the savings shareholders	Edgardo Fattor	
Independent Auditors	Deloitte & Touche S.p.A. (7)	

(1) Appointed by the annual Shareholders' Meeting on October 25, 2024
(2) Powers granted by Board of Directors' resolution of October 25, 2024
(3) Member of the Executive Committee
(4) Independent directors in accordance with Article 148, Paragraph 3 of Italian Legislative Decree 58/1998 (Consolidated Law on Finance).
(5) Director not vested with operating powers
(6) Appointed by the Board of Directors on October 25, 2024
(7) Appointed by the annual Shareholders' Meeting on October 26, 2018

20251215080559

Mission statement

The Danieli group produces high-quality special steel and builds and installs machines and plants worldwide for the ferrous and non-ferrous metals industry and the production of energy using innovative technological solutions with low environmental impact. The company's reliability and competitiveness are based on research, know-how, and experience. In fact, Danieli not only supplies high-tech plants but also conceptually innovative, efficient ones with zero emissions, performing highly complex, specialised services of undisputed quality. Research, investment in advanced technologies, and the development of new types of sustainable plants is therefore considered a basic prerequisite for maintaining and strengthening the Group's leadership position in the global market.

Strategic approach

Danieli started operations in 1914 when Timo and Mario Danieli founded Acciaierie Angelini, one of the first production units to use electric arc melting furnaces.
From the outset, Danieli began to develop and produce equipment for the iron and steel industry, such as forges and auxiliary plant for rolling mills, which later gave rise to the motto "We know the Art of Steel".
Continuous efforts to produce innovative, environmentally sustainable plants and an unwavering commitment to quality and on-time delivery have driven the Danieli Group to expand its operations offering an ever more complete range of equipment with multiple production facilities throughout the world, in order to efficiently integrate itself into the international market, effectively applying the concept "We don't shop around for Noble Components" and striving for customer satisfaction as its main objective.

Danieli's mottoes are:

- "Innovaction to be a step ahead in CapEx and OpEx", which aims to enhance the new organisational model adopted by the Group by encouraging multicultural, intellectual growth and developing solutions for the decarbonisation of production, in order to meet current market needs more effectively.

- *"Danieli, the innovative and reliable partner in the steel industry to be front runners".* The Danieli Group will continue to consolidate and expand its activities to assure better competitiveness in terms of innovation, technology, quality, costs, productivity and customer service.

  Danieli is not just known for its plant engineering capabilities, but also for its manufacturing skills: in Europe, with high-value, high-tech products, and in Asia with the design and production of consolidated, proven products with European quality levels.

- "*Absolute Steel Quality*", which summarises the constant commitment of the subsidiary Acciaierie Bertoli Safau S.p.A. to produce steel with a level of finish and customer service always in line with the most demanding expectations and for the most innovative and rigorous industrial applications. Acciaierie Bertoli Safau S.p.A. is internationally recognised as one of the most modern steelworks in the world for the technical properties and quality of its plants that guarantee not only certified products but also maximum production efficiency with extremely low emissions to guarantee full protection of the ecosystem in which it operates.

20251215080060

> Mission

Danieli is a *full cycle provider* from raw materials to finished products in the metals industry.

We are *multicultural sparkling team* with deep knowledge of our business.

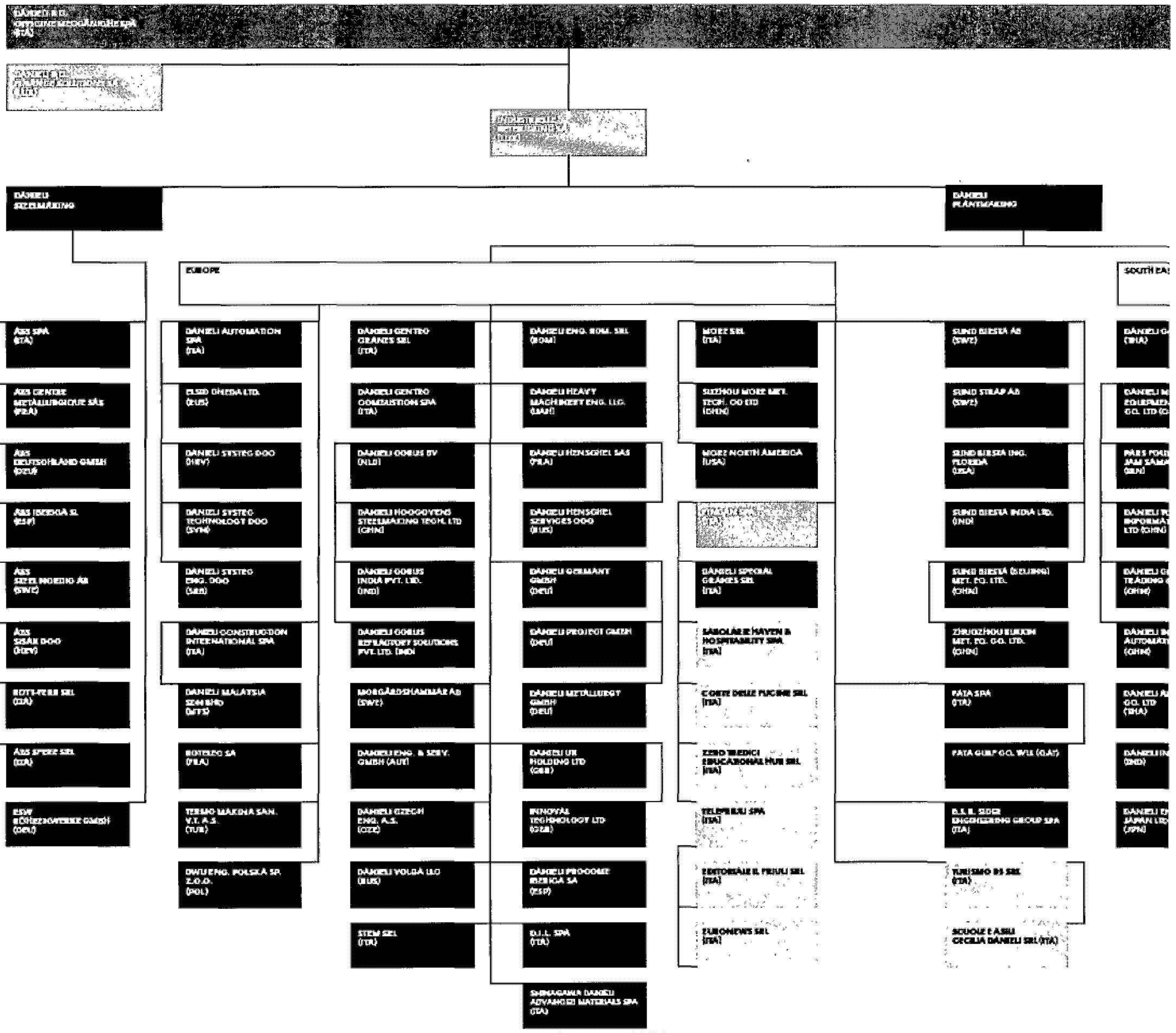
Our professional life is dedicated to understanding and satisfying the customer's needs through our *experience*, *continuous team-up* and *flexibility*.

We turn *ideas into end-to-end solutions* of technological excellence to create added value for our customers and stakeholders.

We empower people, our main asset, with *courage* and *creativity*.

20251215080061

Danieli Group structure



(*) the diagram includes only line-by-line consolidated companies as at June 30, 2025

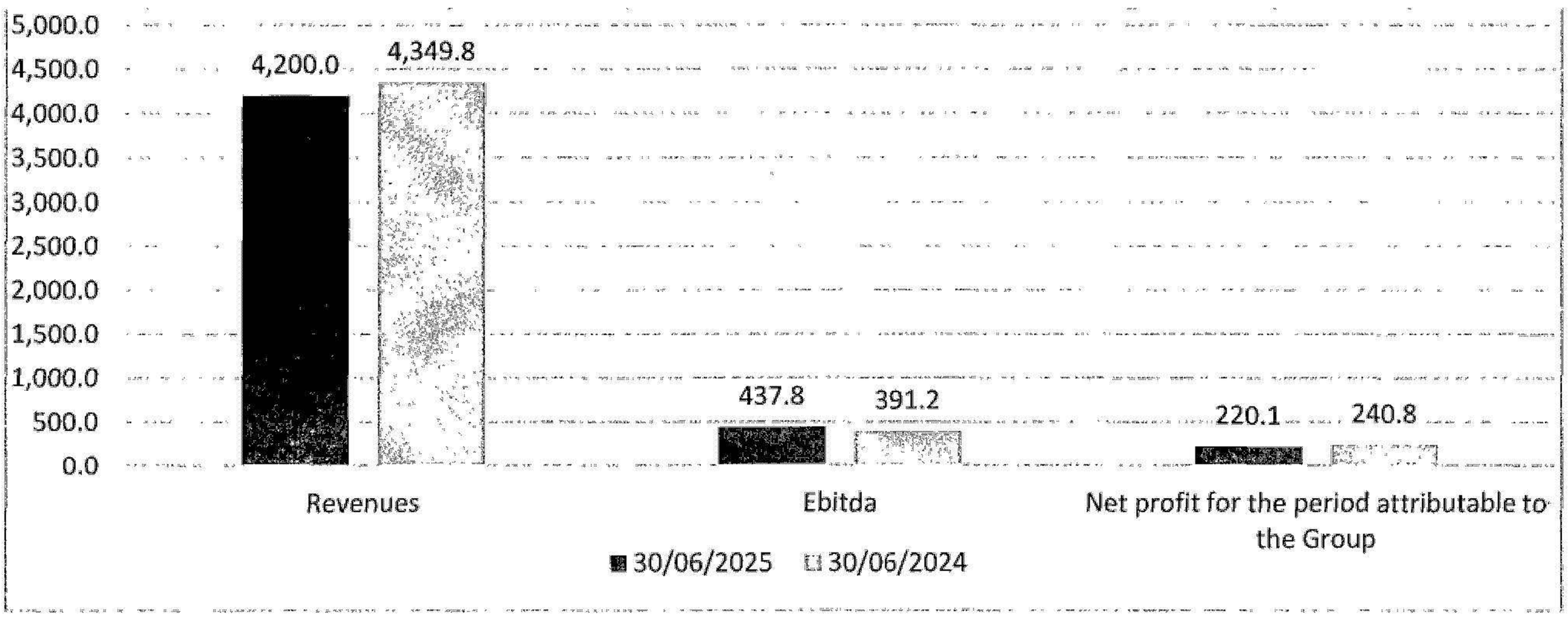
20251215080062

Financial highlights of the Danieli Group

(millions of euro)	30/06/2025	30/06/2024	Variation
Revenues	4,200.0	4,349.8	-3%
Gross operating margin (Ebitda) (*)	437.8	391.2	12%
Operating income	303.1	220.8	37%
Net profit from continued operations	220.2	237.7	-7%
Net profit for the period attributable to the Group	220.1	240.8	-9%

	30/06/2025	30/06/2024
Net invested capital	2,167.4	1,034.4
Investiments in tangible and intangible assets	188.2	175.8
Total shareholders' equity	2,760.5	2,628.8
Positive net financial position Adjusted (**)	688.9	663.8
Ebitda/Revenues	10.4%	9.0%
Net profit for the period/Revenues	5.2%	5.5%
Number of employees at period end	10,009	10,365
Group order backlog	5,384	5,751
(of which Steel Making)	271	296

(*) The Gross Operating Margin (EBITDA) represents the operating result as in the consolidated income statement, before depreciation, amortisation and write-downs of fixed asset and net write-downs of receivables.
(**) Adjusted net financial position is shown net of payables for advances received from customers and net of those paid to suppliers related to contracts operationally in force to clearly show the net cash available after removing the influence of the aforementioned items of working capital (without considering this reclassification, the net financial position would amount to 1,971.4 million euro and 1,707.7 million euro, respectively).



20251215080063

LETTER TO STAKEHOLDERS

Dear Shareholders, Customers and Colleagues,

The financial year ended as at June 30, 2025 was a positive year for Danieli and more or less in keeping with the previous one. However, the margins that were generated offset several extraordinary expenses and costs that negatively impacted on the result.
The company confirmed its ability to offer technological solutions and plants to the market of steel manufacturers. Such products are always welcomed by customers around the world, in line with their expectations to innovate and encourage the decarbonisation of production.

The effective diversification within the Group and its capital strength also made it possible to maintain good consolidated net profit for FY 2024/25, albeit in the presence of less than brilliant results in the steel making sector and a negative fluctuation in the EUR/USD exchange rate, which compromised currency management for the period.

Results for FY 2024/2025

Revenue 4,200.0 million euro
EBITDA 437.8 million euro
Net Income 220.1 million euro
Net cash 1,971.4 million euro
Order Backlog 5,384 million euro

MARKET FORECAST
The second half of 2024 and the first 6 months of 2025 were not easy for steel manufacturers, who were penalised by the cost of energy in Europe and geopolitical uncertainties in the USA. However, a drop in the margins and volumes was expected and should ease off by the end of the year, with a 2026 that is less uncertain and stronger on the demand front.
India, SEA and MENA are exceptions to this trend, maintaining good volumes and significant levels of steel consumption in regions with good economic growth that will continue over time.
The market has priced in the uncertainties generated by tariff policies in the USA and the geopolitical situation in the EU, where the conflict between Russia and Ukraine led to strong restrictions on trade, but expectations for a progressive normalisation could lead to a recovery in demand and consumption in the coming months.

DANIELI PLANT MAKING
Our customers continued to invest in new plants thanks to their solid budgets and good results from previous years, with the aim of reducing CO_2 emissions and improving the quality and competitiveness of management in order to address a less favourable economic cycle, and so our order book remains nicely diversified in both quantity and quality (margins).
In addition, innovative Danieli technology with Digimelter, which will progressively replace traditional electrically powered furnace systems, and Direct Rolling (DUE and MI.DA.), have been increasingly successful on the international market, to the extent that our competitors are attempting to offer products similar to ours, and have abandoned their own technology.
We strengthened our presence in the Japanese market and closed an important order with Swedish company SSAB during the period, and we are currently finalising a project of equal size and importance with Metinvest Adria, which confirms the interest in our End-Less technology solutions in the sector of quality products.
The success of Mi.Da. and DUE Direct Rolling is due to the competitive total cost per ton: CapEx + OpEx + CO_2.
With Energiron direct reduction, we have and will continue to have excellent opportunities for projects to replace coal-powered blast furnaces with green plants that use hydrogen where available at competitive prices. These opportunities are primarily in Europe, as there are relatively few blast furnaces in the US.
In India and China, blast furnaces are continuing to be installed, as sufficient gas to replace coal is not available, but with many innovative solutions that enable a significant reduction in CO_2 emissions.
In conclusion, there is a good portfolio of orders thanks to the positive state of the steel market in recent years, but also due to the sophisticated and innovative digital technologies offered by Danieli to manufacturers.

20251215080064

DANIELI STEELMAKING (ABS – Acciaierie Bertoli Safau)

As envisaged by market trends, 2024/2025 was a complex year for ABS, which held fast in terms of volumes but suffered in terms of margins. It managed to close the financial year with some improvement but not without a loss.

Despite everything, ABS continued to invest in product innovation, especially with its ACM research centre in Metz, developing technological solutions for new steels with projects to improve the characteristics of the product and reduce the carbon footprint.

ABS is committed to reduce Scope 1 and 2 emissions by 30% by 2030 and collaborates with various Italian and Europe universities, integrating academic and industrial research to improve the sustainability of the steel industry.

In this way, ABS has continued to expand the range of products of the new Quali Wire Rod Mill (QWRM) plant for the European market, while global sales began of high-quality products from the new ball plant, with improved profitability forecasts for the new FY just begun.

Investments began in the period for the new Digital Green Plant furnace, which will make it possible to increase production with significant improvements to energy consumption, noise impact, waste reduction and water recovery, creating a sustainable and circular steel model.

We believe that the decline in the market could linger for another year, even if we think that the special steels sector will be the first to emerge from this situation.

GROUP VISION

We managed the Group carefully and prudently, carrying on the spiritual legacy of Chair Benedetti to keep the company competitive and resilient for years to come.

In this season, the market requires plants of considerable size and complexity, where the closure or near-closure of an order leads to highly diverse management decisions and choices.

Negotiations currently being finalised point to a good order intake also for 2025-2026, which will keep the company's order book high.

We confirm our priority of innovation aimed at reducing the OpEx of plants and zeroing CO_2 emissions, to remain front runners in both plant making and steel making.

With these considerations, here is the FY 2025/2026 outlook:

Revenue 4.2 - 4.3 billion euro
EBITDA 430- 450 million euro
NFP stable at 2.0 billion euro
Order Backlog 5.7 - 6.0 billion euro

We will invest a further 300–350 million euro during the period in new initiatives in the steel sector, participating in joint ventures with selected customers in strategic investments for Italy and its international competitive position.

We firmly believe that the emissions-reduction target set by COP29 in Baku is a goal that must be pursued through the innovative technology now developed, but paired with coherent and coordinated political strategies between states that enable reasonable economic stability.

The Danieli Group not only excels in technology, but in its respect for ESG principles, which it transforms into levers of sustainable competitiveness for us and our customers along a process to produce net-zero steel.

SOCIAL ASPECT, EDUCATION, EMPLOYMENT

Danieli pursues sustainable development in all of its activities and, in this sense, also continues its social commitment in support of communities:

The Zerotredici educational hub continues to be appreciated by students and families for the quality of learning, soft skills and teamwork approach.

The MITS (Malignani Istituto Tecnico Superiore) college in Udine, Italy is one of the top technical secondary institutes in the country, achieving excellent academic results.

We completed the new Corte Villalta (former Dormisch site) multiservice centre in Udine, which houses the new modern main campus of MITS (with technologically advanced laboratories) and the new sporting complex

2023121508065

of the hotel Corte delle Fucine in Buttrio. Work is progressing on the new offices of Telefriuli, again in Udine, with expanded, multifunctional studios. The aim is to complete these investments during 2025.
We have undertaken many charity initiatives in Italy, China, Thailand and Myanmar in response to situations of critical need, and have supported sports, cultural and social associations in the territories where we operate
It is with great satisfaction that we continue to sponsor the Italian Paralympic swimming team which, due to their commitment, skill and achievements, remains amongst the world's top teams.
The Group's focus also extends to the promotion of the arts, with the goal of safeguarding and promoting regional cultural heritage
Finally, we would like to thank all of our shareholders who continue to reinvest more than 85% of our profits, enabling the Company to self-finance. This has been perceived as an expression of the trust and esteem the shareholders have for the Danieli team, something we intend to honour with conviction and to the best of our abilities.
This trust, in any case, has been repaid, as the acquisition of Danieli shares has been demonstrated to be a solid long-term investment.
On behalf of the Board of Directors and the shareholders, special thanks go to the Danieli Group Team who, with passion and professionalism, are fully committed to achieving the established objectives to guarantee our company's continuous improvement, and to honour the motto "Danieli, the reliable and innovative partner to be a step ahead in CapEx and OpEx", for the satisfaction of our customers and business partners. Last but not least, we are grateful for the efforts made by the team in bringing about the cultural change required by technological and social trends today and which is essential for maintaining a competitive edge and established market shares in a highly complex global economy that is continuously evolving.

Alessandro Brussi

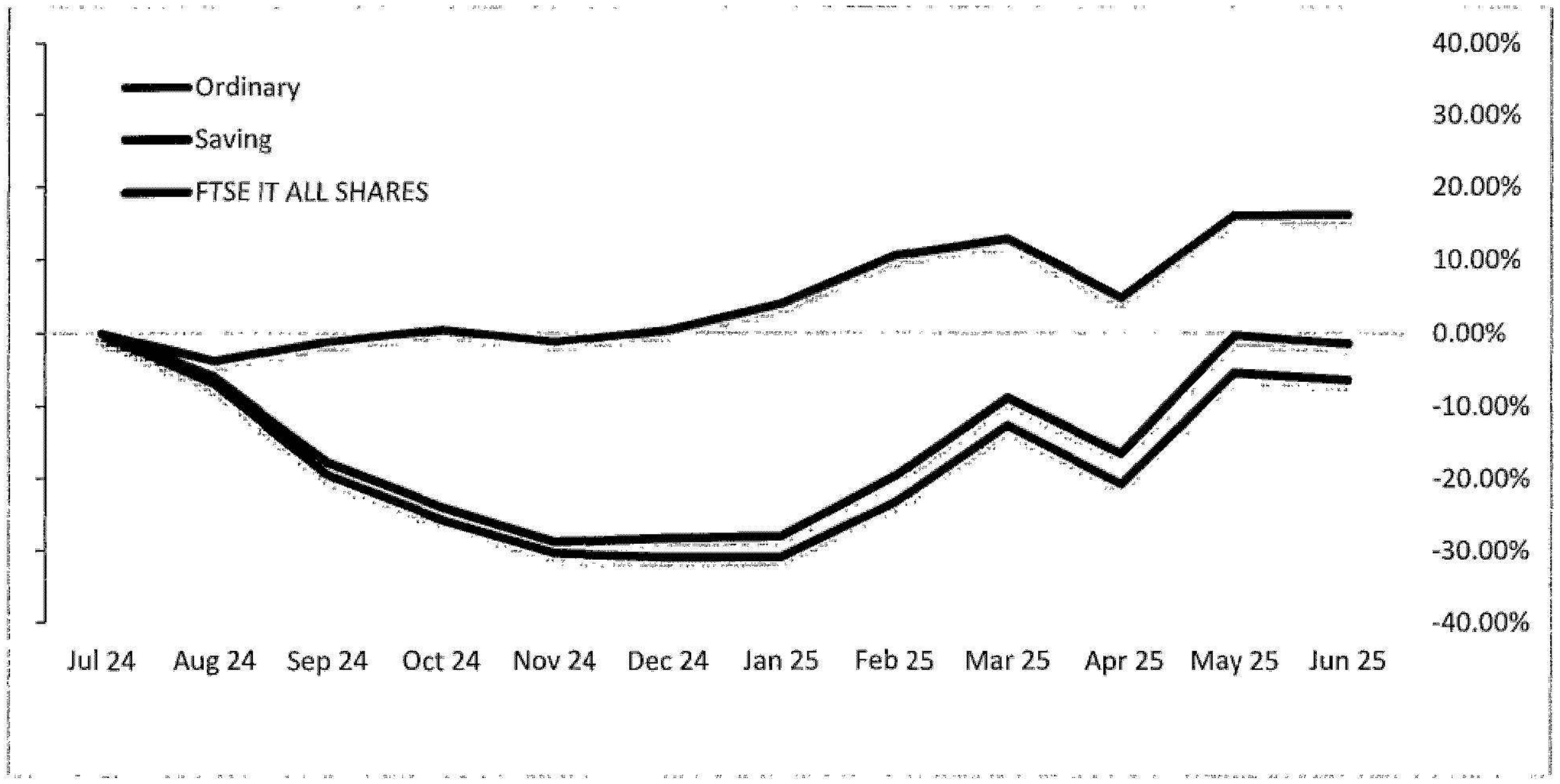
20251215085066

Key share data

(millions of euro)	30/06/2025	30/06/2024
No. of shares in share capital	81,304,566	81,304,566
of which:		
Ordinary shares	40,879,533	40,879,533
N.C. Saving shares	40,425,033	40,425,033
Average no. of ordinary shares outstanding	37,546,341	37,546,341
Average no. of savings shares outstanding	36,471,170	36,471,170
Basic earnings per share (euro)		
Ordinary shares	3.0354	3.2432
N.C. Savings shares	3.0561	3.2639
Shareholders' equity per share (euro)	37.2948	35.5162
Period-end price of ordinary shares (euro)	33.3500	32.9000
Period-end price of savings shares (euro)	25.6000	26.6500
Maximum trading price of ordinary shares in the period (euro)	36.7500	38.2500
Maximum trading price of savings shares in the period (euro)	28.1800	28.4500
Minimum trading price of ordinary shares in the period (euro)	23.6500	21.0000
Minimum trading price of savings shares in the period (euro)	18.0800	16.2000

	30/06/2025	30/06/2024
Total stock exchange capitalisation - ordinary shares (thousands of euro)	1,363,332	1,344,937
Total stock exchange capitalisation - savings shares (thousands of euro)	1,034,881	1,077,327
Total	**2,398,213**	**2,422,264**

Danieli ordinary shares and savings shares v. FTSE IT All-Shares for the period from July 2024 to June 2025



Group personnel	30/06/2025		30/06/2024	
	Plant making	Steel making	Plant making	Steel making
in Danieli & C. Officine Meccaniche S.p.A.	2,375		2,426	
Italian affiliates	1,157	1,277	1,188	1,351
Foreign Affiliates	5,018	182	5,155	245
Total	**8,550**	**1,459**	**8,769**	**1,596**
Group total	**10,009**		**10,365**	

2025121508068

DIRECTORS' REPORT

The latest update of the World Economic Outlook prepared by the International Monetary Fund (IMF) showed global growth for 2025 expected at around 3.0%, which is positive but lower than 2024 when it stood at 3.3%. Growth was impacted by the uncertainty caused by the tariff policy implemented by the new US administration and by the cooling off in trade in the world economy resulting from the Russian/Ukrainian conflict and other resulting and related trade limitations.
The world economy shows a stable trend for 2025, with the USA at 1.9% and the EU at 1.0%, while emerging markets such as China will grow by 4.8% and India to 6.4%. Europe has partly overcome the energy crisis (triggered by the conflict between Russia and Ukraine), but is now suffering from a new slowdown linked to the slowdown in competitiveness caused by high tariffs applied in the USA on all foreign goods, including from the EU. However, inflation is now under control and interest rates are aligned with the 2% target envisaged by the ECB.
Forecasts for 2026 are stable at 3.1%, with growth set to develop in two different blocks: advanced economies, remaining stable at 1.6% and partly supported by green development plans to decarbonise the main industries, and emerging economies, remaining stable at 4.0%, with weaker domestic consumption in China but constant growth in India alongside other countries of the EMEA area.
In 2026, the average growth rate envisaged for advanced economies will be positive but still slowed by the protectionist policies caused by the current geopolitical situation, while growth will be more contained in emerging economies, also driven by economic plans to make the activities of the industrial fabric more sustainable and improve wealthcare services for the community. For the second half of 2025 and throughout 2026, therefore, steady but weak growth is forecast, where government policies to enact the green transition will require renewed momentum to overcome current difficulties of implementation, especially in industry, by reducing the use of fossil fuels and promoting efficient recycling practices for natural resources.
The government boost in the EU and the USA continues to promote re-shoring investments for many industrial activities (supported by the NRRP and the IRA programme), especially to recreate internally an industrial system that is backed in strategic sectors with a long-term vision that makes it possible to achieve, by 2050, the sustainable development goals indicated by the United Nations Global Compact and confirmed at the recent COP29 climate conference.
The transition towards a decarbonised economy will require the development of a fiscal policy with strong investment plans incentivised by the governments of the world's main economies and financed by the main supranational financial organisations.

The steel market

Worldwide steel production reached nearly 935 million tonnes in the first half of 2025 (as indicated by the World Steel Association), in reduction of 2% with respect to the same period of 2024, which reached approximately a total of 1,882 million tonnes in the 12 months of the 2024 calendar year.
Forecasts for the entire 2025 calendar year project a fall in global production between 2% and 2.5% with a drop in China offset by growth in India and the Americas, whereas the remainder of the Asian countries will see a slight reduction alongside developed and emerging countries.
The average coefficient of use of plants compared to the maximum theoretical level remains stable at between 80-85% with a more efficient use of plants in China and the start-up in India of plants with more modern and sustainable technologies, while considerable investments are under way in the EU for the decarbonisation of the steel industry, which still lags behind in growth due to the consequences of the energy crisis caused by the Russian/Ukrainian conflict.
The general outlook for the steel market nevertheless remains stable for the second half of 2025, with prices growing slightly and stable volumes thanks to the progressive normalisation of the energy market, especially in Europe.

China maintained its leadership in the steel industry in 2025, accounting for approximately 55% of world production (gradually increasing the production from electric arc furnaces by recycling metal scrap), while India takes second place with growing production driven by domestic consumption with production mainly from primary metallurgy (which uses iron ore).
Confirmation of the zero emissions target by 2060 at the COP29 in Baku will lead in the coming years to a significant change in the technologies used to produce liquid steel with the need for huge investments to significantly reduce the environmental impact of production.

2025121508069

In Europe especially the topic of GHG emissions has also become decisive for steel manufacturers, especially for reducing the costs of offsetting in light of the new taxation mechanism on the CO_2 content of steel products imported into the EU (CBAM), and for financing investments for sustainable production in line with the provisions of the new EU Taxonomy, which will favour electric furnace producers with fewer emissions compared to traditional production using a blast furnace.
The price of steel fell on average over the first half of 2025, reflecting the price reduction in production and energy factors with stable volumes, though demand was still not expansive. The second half of 2025 is expected to see a slight increase in prices and volumes, including due to restocking by the entire industrial supply chain and in preparation for many investments for infrastructure works to be completed in the two-year period in the US and the EU, supported by IRA and NRRP development funds.
It is expected that the sectors of HGVs, construction and infrastructure will once again be able to develop satisfactory growth in the second half of 2025 in countries with developed economies, thanks to government support programmes that strive for decarbonisation and green industry as a leading element of sustainable growth in the industry.

The market for steel making plants

The maintenance of a constantly high steel consumption in the world and the geopolitical interest in supporting the steel industry in many geographical areas, which are strategically aiming to achieve independence of production, maintain our customers' keen interest in investing in new plants, in addition to technologically upgrading and developing existing plants to increase flexibility and quality while increasing the use of renewable energy and lowering CO_2 emissions by decarbonising production with an even more sustainable use of available resources.
In recent years, the decarbonisation of steel products has taken on an increasingly central role for all sector investments, which can now rely on new technologies to be used to employ less coal in the production process, preferring electricity produced from renewable sources and gas or hydrogen (when available), under competitive economic conditions to allow for a significant reduction in emissions from the industrial process of liquid steel production.
The gradual elimination of carbon from the primary metallurgy process will make it possible to reduce GHG emissions (which today account for approximately 7% of global CO_2 production: an industrial sector second only to that of energy generation), leading to its transformation in line with the objectives of COP29, which require a decarbonisation that:

- initially leads to an improvement in the efficiency of blast furnaces, then
- to their gradual replacement by implementing new iron ore chemical reduction processes using new DRI plants, first with natural gas and then hydrogen, in order to achieve the NET ZERO EMISSION TARGET.

The goal to limit average global temperature growth to no higher than 1.5°C, as reiterated at the COP29 in Baku, will therefore require heavy financial commitment with investments in the steel sector intended for the use of new plants that significantly limit the use of coal in the production process.
Danieli has developed and possesses all these new technologies and can work to achieve these results in line with the sustainable development goals promoted by the United Nations Global Compact thanks to its know-how and solutions to reduce emissions towards ZERO, a target approved by the SBTi (Science-Based Targets initiative) and by CDP (formerly Carbon Disclosure Project), which secured for leadership in Climate Action and the use of a sustainable Supply Chain thanks to significant efforts to develop innovative and environmentally friendly solutions for our customers.

In particular, demand is maintaining appreciable growth in the EU and in the USA where there are calls for large new generation, low-emission, complete plants and verticalised production with high quality and finishes used in mechanical engineering, car making and infrastructure, whereas the BRIC and North African countries are seeing demand for plants to increase steel production with technologies that make it possible to use local available resources with a decarbonised production and higher operating efficiency to support construction and civil works.
The production of low CO_2 green steel will be more and more central to all investments in the sector, and will require ample availability of electricity from renewable sources while replacing coal first with gas and then hydrogen in the future when available at competitive economic conditions to allow for a significant reduction in emissions in the production process of liquid steel.

20251215080070

The tariffs and anti-dumping policies now active in the USA and the planned customs barriers (CBAM) being activated in the EU to discourage the use of steel produced with high CO_2 emissions have stimulated demand for new plants, which will lead to many investments in innovative plants already during 2025 and in the following years, also supported by government support programmes promoted across the board by the main States to limit the rise in the average global temperature.
The goal to limit average global temperature growth to no higher than 1.5°C will therefore lead to heavy investments in the steel sector to use innovative plants that significantly limit the use of coal in the production process.
In order to remain competitive in this market, Danieli invested heavily in innovative technologies that enable green steel production, reaffirming first and foremost the centrality of the customer:

- increasing the productivity of the plants and with it the added value per capita;
- reducing GHG emissions per tonne produced by applying innovative low environmental impact technological solutions;
- making the principles of the 4.0 revolution operational in the steel industry by developing the DIGIMET project to ensure total control of production variables at all stages from liquid steel to the final, finished and packaged product;
- speeding up and streamlining production processes with reduced times and costs and optimising production efficiency with integration of several thermomechanical processing phases with endless solutions for both long and flat products.

The research and technological development carried out by Danieli over the last ten years have led to an expansion in the range of products offered within the Metal sector (steel, aluminium and other metals), reducing significantly the cost required for the initial investment per individual project (CapEx) and even optimising operational expenditure (OpEx) and reducing CO_2 emissions costs, with machine learning solutions in the production and thus widening the target audience of potential investors in the sector thanks to increased economic feasibility of investments, both in countries with mature economies and in those still at the development phase.
Maintenance by the Group of a significant order book that now includes many innovative plants for green steel production confirms the propensity of our customers to invest in new plants, thanks to the competitiveness and technological solutions proposed by Danieli currently qualified and well-referenced across the entire metal making industry in order to reach the NET ZERO targets to safeguard the planet.

Danieli Group operations

The Danieli Group designs, builds and sells plants for the iron and steel industry, offering a complete range of machines from primary process management to the manufacture of finished goods (essentially from ore to finished product). It also produces and sells special steels for the long products market through its subsidiaries Acciaierie Bertoli Safau S.p.A. and ABS Sisak d.o.o that use secondary metallurgy (electric arc furnaces) for the production of liquid steel.

- ***Construction and sale of plants for the steel industry***

Eight design centres:

Danieli Corus BV	The Netherlands
DWU Engineering Polska Z.o.o.	Poland
Innoval Technology Ltd.	United Kingdom
Danieli Engineering Rom S.r.l.	Romania
Danieli Procome Iberica SA	Spain
Danieli Heavy Machinery Engineering LLC	Ukraine
Danieli Engineering Japan Ltd.	Japan
Industrielle Beteiligung Co. Ltd.	Vietnam

Eighteen production units and design centres:

20251215080071

Danieli & C. S.p.A.	Italy
Fata S.p.A.	Italy
Danieli Automation S.p.A.	Italy
Danieli Centro Combustion S.p.A.	Italy
More S.p.A.	Italy
Danieli Engineering & Services GmbH	Austria
Rotelec SA	France
Danieli Germany GmbH	Germany
Danieli Taranis inc	USA
Danieli UK Holding Ltd.	UK
Danieli Czech Engineering AS	Czech Republic
Danieli Volga LLC	Russia
Morgardshammar AB	Sweden
Sund Birsta AB	Sweden, People's Republic of China
Termo Makina San VT AS	Türkiye
Danieli India Ltd.	India
Danieli Met. Equipment & Service (China) Co. Ltd.	People's Rep. of China
Danieli Co. Ltd.	Thailand

The product lines are as follows:

Danieli Plant Engineering	Turnkey plants and systems engineering	Italy
Danieli Automation	Process control systems	Italy, USA
DanGreen Metal	Hybrid technology solutions for Green Steel production	Italy, Netherlands
Danieli Centro Metallics	Mineral treatment and direct reduction plants	Italy
Danieli Corus IJmuiden	Integrated steel mills	The Netherlands
Danieli Centro Recycling	Scrap shredder plants	Italy, UK, France, Germany, USA
Danieli Centro Met	Electric steelworks and continuous casting of long products	Italy, Austria
Danieli Davy Distington	Continuous casting for thins and conventional slabs	Italy
Danieli Wean United	Rolling mills for flat products and strip processing lines	Italy, USA, Germany,
Danieli Fata Hunter	Casting, rolling and painting plants for aluminium strip	UK, USA, Germany, Italy
Danieli Fata EPC	Turnkey building plants	Italy, USA, India, People's Republic of China UAE
Danieli Fröhling	Special plants for strip rolling and finishing	Germany
Danieli Morgårdshammar	Rolling mills for long products	Italy, Sweden
Danieli Centro Tube	Plants for seamless tubes	Italy
Danieli Centro Maskin	Conditioning, drawing and finishing plants	Italy, Sweden

20251215080072

Danieli Rotelec	Electromagnetic agitators and induction reheating systems	France, Italy
Danieli Breda	Extrusion and forging plants	Italy
Danieli Centro Combustion	Reheating systems	Italy
Danieli Hydraulics	Industrial hydraulic and lubrication equipment	Italy, Thailand
Danieli Centro Cranes	Bridge crane for heavy duty	Italy
Danieli Environment	Ecological and recovery systems	Italy
Danieli Construction	Construction of turnkey plants, assembly, systems engineering	Italy, Thailand
Danieli Service	Customer support service and original spare parts	Italy, Austria, People's Rep. of China, India, Russia, USA, Brazil, Thailand
Danieli More	production of auxiliary systems for electric furnaces	Italy
Danieli Engineering System	Water treatment systems	Italy

- ***Production and sale of special steel***

These operations are carried out by the subsidiaries Acciaierie Bertoli Safau S.p.A. and ABS Sisak d.o.o., which are in a position of leadership in Europe in the special structural steels sector, with production to order of high quality products for the most demanding applications in the form of ingots up to 160 tonnes, blooms, billets, forged and rolled products with a high level of verticalisation, with diameters from 15 to 800 mm, in addition to the high-quality products of the new wire rod mill and special steels successfully commissioned in record time during the previous year, as well as special steel spheres for crushing minerals and aggregates (the only global producer that manages the quality of the finished product in both the melting and milling phases).
The structural steels family includes high carbon steels, case-hardened, hardened and tempered, and surface hardened steels verticalised into many types of products, which have applications in all engineering components. Their field of use is very extensive: motor vehicles and engines in general, tractors and earthmoving machines, machine tools, the railway industry and the energy and petrochemical industries.

Danieli Group structure

The main companies of the Group, both based in Italy, are Danieli & C. Officine Meccaniche S.p.A. (hereinafter the Company or Parent Company) operating in the Plant Making sector, and Acciaierie Bertoli Safau S.p.A. (hereafter ABS), which operates in the Steel Making sector. Details of their activities carried out during the year and those by the other subsidiaries included in their respective sectors are given below.

Danieli & C. Officine Meccaniche S.p.A.

The value of production developed during the financial year by the Parent Company amounted to 1,544.1 million euro (1,378.8 million euro in 2023/2024) with EBITDA of 142.4 million euro (79.9 million euro in 2023/2024) which grew considerably both in absolute terms and even more so in percentage terms.
The value of production for the period includes 20.6 million euro (in 2023/2024, it was 38.7 million euro) for the progress of works launched during the year vis-a-vis the subsidiary Acciaierie Bertoli Safau S.p.A. for bar finishing plants and the new Digimelter launched in the year. These systems are part of a wider plan of investments which calls for total CapEx of around 700 million euro, financed by the European Investment Bank (EIB) and Cassa Depositi e Prestiti (CdP), which also envisage the replacement of the current electric furnaces (with two new innovative digital furnaces) and their casting machines to increase the production volumes of the ABS Group up to around 2 million tonnes, while shrinking the company's carbon footprint thanks to the new technologies implemented.
Once again, the Company achieved high turnover volumes this year, with a positive operating margin in relation to the orders developed, albeit in the presence of negative impacts linked to the closure of several legal disputes with customers and competitors that penalised the operating margins. The Parent Company also maintained

the substantial provisions made to the contingency reserve for the risks of recoverability on problematic contracts, keeping a prudent approach also in view of the complexity of the current geopolitical situation.

Research and development activities continued with the use of important corporate resources, above all to expand and complete the range of products offered, developing high-tech solutions and environmental management and energy recovery systems to be used mainly in cutting-edge facilities.
The Company continued with its investment plan during the financial year to improve the productivity and efficiency of the Buttrio plants by replacing some operating equipment with next-generation modern work centres.
On the other hand, the financial management of the period showed an overall negative result, where the exchange rate differences arising from the alignment of foreign currency items to the year-end exchange rate (essentially US dollars) practically cancelled out the positive results of financial management for the year, which in any case allowed an improvement in the company's net financial position, thanks to an effective use of the cash flow linked to job orders in progress, without significant penalties during the year for discounting charges on financial receivables for which deferred collection is expected beyond twelve months.
The accounting alignment of cash and items expressed in foreign currencies generated a negative exchange rate effect during the year, only partly mitigated by exchange rate hedging in the period, faced with a strong and sudden depreciation of the dollar, which at June 30, 2025 traded at 1.1720 against an exchange rate of 1.0705 as at June 30, 2024.
Order acquisition for the year is in line with the budget and already assures good production planning for next year, with operating income expected to further improve also for the 2025/2026 financial year.

The Parent Company Danieli & C. Officine Meccaniche S.p.A. directly owns the following companies:

- INDUSTRIELLE BETEILIGUNG SA, the holding company for the Group's manufacturing firms;

- DANIELI FINANCE SOLUTIONS SA, which invests important liquidity available to the Group in the international financial markets;

- D.I.L. S.p.A., an Italian newco with the aim of developing investments in new steel hubs in the Mediterranean region.

Below is a description of the operations and results of the main companies of the Group around the world and of the Italian-based steel making and plant making businesses. Results are based on the companies' own financial statements, suitably reclassified and adjusted to bring them into line with the international accounting standards followed by the Group.

Steel making

ABS Group

The ABS Group is formed of nine companies operating in the steel sector:
- Acciaierie Bertoli Safau (ABS) S.p.A.
- ABS Centre Métallurgique (ACM) SAS
- ABS Deutschland GmbH
- ABS Scandinavia AB
- ABS Iberica s.l.
- ABS Sisak d.o.o.
- ESW Röhrenwerke GmbH (no longer in operation)
- Rott – Ferr S.r.l.
- ABS Sfere S.r.l.

ABS Group companies in Italy

Acciaierie Bertoli Safau (ABS) S.p.A.

20251215080073

20251215080074

ABS ended the 2024/2025 financial year with production value of 1,069.9 million euro (1,272.7 million euro in 2023/2024), gross operating income (EBITDA) of 56.7million euro, and a loss at the end of the period of 29.6 million euro.
While maintaining a satisfactory result in terms of tonnes of finished product shipped, the economic results for the period were significantly impacted by the decreasing trend in the prices of steel products that began in the second half of 2024.
In the second half of 2024, the German market experienced a reduction in reference prices, favoured by the significantly more competitive cost of energy components compared to Italy. Although the latter had to adapt to this trend, it was affected by the much higher level of energy costs, with a strong negative impact on the competitiveness of Italian steel producers. Apparent steel consumption in Europe saw an improvement during 2025 where corrective actions related to CO_2 and Energy Release quotas set by the Italian government improved the company's operating profitability.
In this difficult context, ABS had to implement a commercial policy aimed at containing the sharp reduction in margins at the expense of sales volumes.
The extraordinary range of products and the continuous development of the markets are continuing to give ABS the opportunity to contain the otherwise strongly negative effects of this period.
The focus on innovation remains one of the key elements. ABS believes that research and development of new products, which begins with the effective interaction between the ACM research centre and customers, can lead to innovative, more environmentally and economically sustainable solutions, which is the key to boosting the competitiveness that the European supply chain is lacking.
Service remains another important focus, with the constant development of new solutions such as the ABS Service sales channel and service management projects tailored to customer requirements. All of this is allowing a continuous reduction of stocks and the valorisation of ABS products.
The company also continues to invest in sustainability, offering services and products in line with customer needs, with the aim of enhancing products in higher value-added markets.
In this difficult context, ABS did not, however, stop the multiple investments envisaged in its "vision" plan.
With regard to the procurement of key production assets, the scrap market in the financial year 2024/2025 was characterised by initially declining then relatively stable prices, on average about 15% lower than in the previous financial year.
Quantities of purchases were lower than in the previous period, mainly due to the lack of demand at Sisak production site.
The main supply market remains the Central European and Italian countries, with a slight decrease in the latter mainly due to the lower revenue available from the local market. The Group company active in this area, Rott-ferr S.r.l., has nevertheless seen steadily increasing numbers and has partly compensated for this shortfall.
As far as secondary raw materials are concerned, ferroalloys showed a stable trend during the year, even though the European market had to absorb tensions related to longer transshipments and evaluations by the European community on the introduction of safeguarding measures. Bullish trends were instead seen for aluminium and copper.
Lime prices remained stable with slight reductions, while coal prices decreased. In general, purchase prices were affected during the year by a sluggish European market.
As far as investment activity is concerned, the ABS sustainable development strategy stems from a careful analysis of enabling factors, global megatrends and evolving European regulations. In this scenario, ABS is committed to transforming its industrial model towards a low-carbon, highly innovative reality where people and customers play a central role.
The transition to a more sustainable future is guided by a path of continuous improvement, where every decision is geared towards eliminating environmental impacts, or reducing them when elimination is not yet possible. The goal is to protect the Planet, generate shared value and anticipate the future regulatory framework, transforming sustainability into a lever of competitiveness.
ABS looks to the future with a clear and structured vision in a growth plan for the period FY 2023/24 - FY 2029/30. This path defines precise targets in terms of production and shipment, target markets, technologies to be implemented and strategic investments to be made. Everything is consistent with the company's Vision, Mission and Values, and finds full expression in the Business Plan.
In parallel and perfect synergy with the Business Plan, ABS has also developed the ESG Plan: a strategic document that translates sustainable growth into concrete objectives and targeted actions, in line with the reference regulatory framework and voluntary commitments in the environmental, social and governance spheres.
The ESG Plan is built on solid pillars, capable of generating real transformation:

20251215080075

- Energy efficiency at every stage of the process
- Continuous production optimisation
- Development of circular and regenerative models
- Large-scale adoption of renewables
- Innovation as a product and process driver
- Technologies for CO_2 capture and reuse (CCU)
- Strategies for offsetting emissions (GO and carbon credits)
- Active stakeholder engagement, starting from the value chain

By FY 2029/30, compared to 2022/23, ABS aims to achieve:

- -16% greenhouse gas (GHG) emissions intensity for every ton of steel produced
- -11% energy intensity for each ton of steel produced
- +7% of waste sent for recovery out of the total waste generated

These objectives, together with concrete actions and defined timeframes, represent a strategic compass for ABS. Not only to improve its own environmental and industrial performance, but also to offer customers high value-added solutions and contribute to the Group's daily sustainable progress.
In the financial year 2024/2025 ABS continued to invest almost 100 million euro annually, which can be divided into three macrocategories, as per the company classification:

- VISION, which encompasses the strategic projects aimed at realising the objectives of the Business Plan. These investments arise from the needs of the business plan, of customers or shareholder input.
- EXTRAORDINARY, i.e. projects not originally foreseen in the plans, but deemed crucial to ensure business continuity, compliance with regulations or strengthening sustainability.
- ORDINARY, i.e. all those activities proposed by the various areas or functions of the company to maintain plants in efficiency and improve their performance and quality, also on the basis of specific indicators (KPIs).

Measures in the Vision category involved:

- the start of construction of the new Acciaieria Nord, with an investment of 35.5 million euro;
- the continuation of the Luna Level Up project, aimed at eliminating major bottlenecks on the Luna Line (25.6 million euro);
- the purchase of new land to extend the perimeter of the plant to the south (8 million euro);
- the implementation of the new SAP release, with a commitment of 1.8 million euro.
- Extraordinary and Ordinary investments included:
  - the construction and installation of the double cover of the VD1 tank;
  - the replacement of the 1D crane serving the EAF at the steel mill;
  - the revamping of the Valdora press in the Conditioning area.

ABS Group companies in Europe

ABS Centre Métallurgique (ACM) SAS (France)

Located in Metz, France, the heart of European steel, the ABS Centre Métallurgique (ACM) is a centre of excellence for research and study of the product and processes for steel production, covering the entire operating chain, from processing in the steelworks to the finished product developed according to specific requirements.
The main objective of the product research developed this year was to find technological solutions aimed at lightening the parts produced by customers, while guaranteeing high mechanical performance, all thanks to the development of new innovative steel brands and with the specific aim of lowering CO_2 emissions along the supply chain; new prototypes of steel with improved machinability were also developed; finally, the company continued to work within the European RFCS Feather project to develop steels less sensitive to contact with hydrogen.

20251215080076

With regard to process studies, ACM continued its activities within the European ENGINE project to analyse the flow of molten metal in the ladle, during casting and during rolling.
Overall, this year ACM was involved in 5 projects in synergy with research Institutes and universities. Since the year of its foundation, ACM has worked on 50 medium and long-term projects, co-designing or collaborating with end customers.
In addition to research, ACM confirms its accreditation according to international standard ISO 17025 (General requirements for the competence of testing and calibration laboratories).
The activity conducted by the company makes it possible to obtain a tax credit from the French authorities for research and development in each year of operation.

ABS Deutschland GmbH (Germany) – ABS Steel Nordic AB (Sweden) – ABS Iberica SL (Spain)

The three companies operate in their respective national markets for the development of commercial activities and sales of special steels. Also during the 2024-25 financial year, they consolidated their presence in their countries, increasingly developing an on-demand service with local warehouses managed by customers that allow shorter delivery times and greater flexibility in supply, with a better service for the customer.
Following the expansion of ABS Iberica's corporate purpose, which now includes in its core business the customer support activity of ABS Sfere (a Group company that produces steel spheres for milling), a decision was made in July 2025 to transfer the registered office from Bilbao to Oviedo; the operation was finalised in September.
The expansion of the corporate purpose is also the basis for the name change of ABS Scandinava AB, now ABS Steel Nordic AB, still located at Nastagatan 10C, Orebro. The next steps envisaged for the Swedish commercial company will be the purchase of a warehouse and the on-site management of a finished goods warehouse.

ABS Sisak d.o.o. (Croatia)

The profitability of the manufacturing industry within the steel sector has declined significantly in recent times, and this has severely affected ABS Sisak's order volume, especially with regard to its parent company ABS; this prompted the company management to take the decision to suspend production activities since October last year.
Production personnel who were no longer active were guaranteed a salary equal to an agreed percentage of their wage, while administrative employees were guaranteed a minimum attendance level in order to ensure the company's day-to-day business.
At the time of writing, the plant is still shut down; based on current market forecasts, a gradual restart of production is expected from January next year.
The uncertainties arising from the current macroeconomic environment and the negative trend in the economic results of the past financial years led the Directors to assess for any impairment with reference to certain fixed assets in Croatia, making a write-down of 11.1 million euro to adjust the net book value to the market value.

ESW Röhrenwerke (Germany)

In late 2019, the shareholders' meeting of the German subsidiary resolved to discontinue production. Though this did not lead to the formal liquidation of the company, the decision to abandon the business of special tubes involved the gradual and structured discontinuation of the company's operation and the sale of the main company assets. As a result of this situation, the assets and liabilities have since been valued in the balance sheet of ESW Röhrenwerke GmbH at the expected market value with a view to liquidation, while the costs incurred relate to consultancy and charges for both the company's ordinary operations and environmental costs, as well as other costs such as personnel, legal fees, property taxes, utilities, insurance, and maintenance, all exclusively related to maintaining the site.
Environmental clean-up activities have been completed as agreed with the local authorities, and now the land and buildings located south of the area, recorded at a net book value of 2.7 million euro, have been put up for sale with the aim of completing their disposal by the end of the year at an estimated value at least equal to the book value of the assets.

20251215080077

Rott-Ferr S.r.l.

In the reporting year, the subsidiary carried out its traditional activity of recycling scrap metal.
In the ferrous scrap market, market instability, reduced volumes and a lack of demand for finished products characterised the second half of 2024 with an increase in December, which was reabsorbed in January before prices then fluctuated for the following months, returning to just below the starting point in June 2024.
Macroeconomic elements and international trends, such as the continuing Russian/Ukrainian and Israeli/Palestinian conflicts and the low cost of Chinese finished products, also negatively influenced the sector this year. In recent months, the major crisis in the German manufacturing industry, which has always been one of the main markets for Italian companies, has negatively affected the market. Restrictions on movement determined by the EU's strategic vision and environmental policies also continue.
In particular, the ferrous scrap metal market remained stable from July to November 2024, before it fluctuated between 20-30 euro/tonne between December and January, between plus and minus ten to the average 330 euro/tonne of E8 sheet metal.
Revenues from sales and services amounted to 40 million euro (23 million euro in the six months of FY 2024), 80% of which was generated by Acciaierie Bertoli Safau S.p.A.
Sales volumes for the year just ended amounted to 118.88 thousand tonnes, up from the previous 12 months' volumes of 109.95 thousand tonnes.
The increase in tonnes sold, particularly in the last quarter of the year, and the achievement of ancillary revenues in addition to good management and control of operating costs resulted in a significant increase in the operating result, both in absolute terms (from 19 thousand euro to 862 thousand euro) and as a percentage of the value of production (from 0.08% to 2.10%).
Forecasts for the second half of 2025 foresee a very difficult context due to the reduction in orders from steel mills, the scarcity of scrap and the lower cost of Chinese products compared to the Italian market (despite the presence of a 35% tariff).

ABS Sfere S.r.l.

The company, established in 2024, markets milling spheres produced by the new plant built on the Cargnacco site by Acciaierie Bertoli Safau S.p.A. The plant is part of the ABS S.p.A. wider production system and is structured to forge 150,000 tonnes of milling sphere over a complete range from 30 mm to 150 mm thanks to two production lines.
Leveraging the commercial expertise of its partner Suprasteel Worldwide SL, ABS Sfere is strategically targeting the key markets of Latin America, with Mexico emerging as the largest and most significant market. In addition to Mexico, Brazil, Canada and Chile are important areas of interest, driven by their solid mining sectors and growing demand for high-quality milling media. Other target markets are Africa (Copperbelt and Maghreb), as well as Scandinavia and the Balkans as potential neighbouring markets, where distribution and local content have become a crucial factor for the company's business development.
The ABS Sfere business proposal focuses on fundamental pillars such as quality, service and sustainability, which will be key vectors of the sector's growth in the coming years.

Plant making

Group companies – Italy

Danieli Automation S.p.A.

In the 2024-25 financial year, the company made revenues of 294.8 million euro (in 2023/2024 revenues were 258.3 million euro) and a profit of 22.7 million euro (13.6 million euro as at June 30, 2024).
The financial year ended as at June 30, 2025was characterised by lower demand in the first six months, which then recovered nicely at the end of the second half of the year. Investments were not only impacted by ongoing conflict, but the expectations around the US elections and their economic repercussions in the second half of the year caused an initially cautious approach towards new investments.

20251215080078

However, in Europe strategic and high-value projects were awarded, especially the casting and ecological rolling centre of SSAB, a guiding light in the European and global market, in addition to projects in Japan, Southeast Asia, India and Italy.
The market continues to focus on innovative and green technologies, with the unique casting and rolling solutions of Danieli, which require cutting-edge automation and advanced digital solutions to master process control and maintain technological leadership over its competitors.
The scenario also remains positive for the upcoming financial year, with several strategic orders already in the portfolio and excellent prospects for new plants already at the preliminary engineering stage. The main driver of these market developments is the challenge of a more sustainable future for steel production, which includes a new approach to plant operations, supported by extremely advanced controls and the adoption of artificial intelligence to improve efficiency, productivity and quality control.
The order book as at June 30, 2025 amounted to 466 million euro (494 million euro as at June 30, 2024), allowing for growing production levels and opportunities for additional strategic developments and ensuring a positive result for the 2025/2026 two-year period as well.

Danieli Centro Combustion S.p.A.

The 2024/2025 financial year closed with a value of production of 62.3 million euro (77.8 million euro in 2023/2024), and a positive net profit of 5.6 million euro (7.7 million euro as at June 30, 2024).
During the year, the company acquired many new job orders, the most significant of which are:

- Metallus, United States: continuous normalising and annealing furnace for bars and tubes (carbon and alloy steel);
- TYASA, Mexico: continuous furnace for hardening and tempering of bars (carbon steel and alloy steel);
- Marcegaglia Fagersta Stainless, Sweden: pit furnaces for reheating and homogenisation of stainless steel and special steel slabs.
- NLMK La Louvière, Belgium: installation of a boiler in the exhaust gas system to increase the overall efficiency of the furnace (decarbonisation);
- Marcegaglia, Italy: revamping of HDGL 1 open flame to increase the overall efficiency of the furnace (decarbonisation);
- SSAB, Sweden: fully electric tunnel furnace for special steel and carbon slabs (decarbonisation).

Additionally, the final acceptances of the following plants were obtained during the year:

- Sinobras
- IPNT Interpipe
- Annahutte

During the 2024/2025 financial year, Danieli Centro Combustion focused its research and development efforts on three strategic fronts: improving combustion efficiency, advancing digital plant solutions and optimising burner design:

- The development of low-emission and high efficiency combustion systems was driven by projects for ABS and Metallus, with results applicable to different furnace types. The revamping of the ABS furnace allowed for a fuel saving of up to 35% and a reduction in NOx emissions from 500 to 310 mg/Nm³. Metallus adopted the SinFlam technology, reducing NOx emissions by 60-70%.
- Digitisation efforts began with the ABS subsidiary and were quickly rolled out to Metallus and Fagersta. These initiatives also led to the creation of new diagnostics tools and a configurator.
- The standardisation of burner designs significantly reduced design times and manufacturing costs. Production in India offers savings of 10-20% compared to previous Indian models and up to 40% compared to versions of Italian production. Completion of the remaining groups of burners is expected by the end of the year.

The most significant projects include the development of the HGB low-NOx digitised furnace and the ultra-low-NOx flameless FAB burner.
DCC also carried out the European research projects HyInHeat and NAHV related to the implementation of oxygen enrichment and oxygen lancing on its burners, further improving the efficiency of combustion and reducing emissions.
The order book as at June 30, 2025, of 90 million euro forms the basis for a further development of profitability in the 2025/26 tax year and beyond.

2025121308079

Danieli Construction International S.p.A.

This company specialises in site management for plant installation in the metals sector carrying out all work required to build the civil works, technological foundation, assemble the machine and equipment and start up systems, and it operates on a worldwide basis with an independent operating structure for managing also large construction sites in particular.
Production in the financial year in question of 26.6 million euro is lower than in the previous period (2023/2024: 36.9 million euro) and the operating result for the 2024/2025 financial year shows a profit of 4.1 million (profit of 2.2 million euro in the previous year).
During FY 2024/2025, the company continued activities at a major site in Uzbekistan, which will be completed by the end of 2025, and opened the new site for the new Digimelter at ABS.
Danieli Construction International is an important strategic asset of the Group, making it possible to offer customers in the metal sector the plant assembled and started up, completing the supply chain from initial design to industrial commissioning, completely carried out by the Danieli Group. This is particularly advantageous for customers who can significantly reduce the risks related to the construction of a new plant or to performing complex revamping.

Fata S.p.A.

Fata S.p.A. is an industrial company that operates in the field of Engineering Procurement and Construction (EPC) in various industrial sectors, mostly in Europe.
FY 2024/2025 required a decisive change in the company's management approach. The challenges arising in relation to certain contracts and to the profits of ongoing projects in general, led to a substantial overhaul of both the Board of Directors and the executive team. This also led to an in-depth review of the costs of the entire lifecycle of certain contracts and the recognition of specific provisions for risks to hedge against future charges, net of the reasonably expected recoveries from customers.
The order book as at June 30, 2025 amounted to 526 million euro compared to 652 million euro as at June 30, 2024. The result for the period was negative and revenue for the year reached 151.6 million euro, a decrease of 13 million euro compared to the previous year.
Immediate action and exceptional organisational effort made it possible to restore orderly and improved project management. These actions did, however, compromise the operating project for the financial year just ended, while putting a stop to potential future losses.
FATA operates in the sector of complex orders to be provided according to the terms of EPC (Engineering, Procurement and Construction), where many installation changes are required with additional costs that cannot always be predicted nor recovered from customers by contract (in their entirety or only partly, subject to lengthy negotiations). A careful project-by-project review during the year found certain unexpected losses linked to higher costs for finishing projects.
Furthermore, other projects faced difficulties in achieving the technological and production performance of plants, with consequent legal disputes with customers yet to be resolved.

During financial year 2024-25 Fata was mainly committed to the following projects in the energy sector:
- Terna's Tyrrhenian Link and Adriatic Link projects, the undersea interconnection between mainland Italy and the islands of Sicily and Sardinia and the regions of Marche and Abruzzo using high-voltage direct current (HVDC) technology through an electric connection thousand of km long;
- EP Produzione, 880 MW combined cycle power plant in Ostiglia, Italy, a contract linked to the Italian capacity market;
- A2A, 870 MW combined cycle power plant in Monfalcone, Italy, a contract linked to the Italian capacity market.
We believe that in the next financial year the company will be able to aim at the very least, for a breakeven operating result, since it will have significantly improved its methodology for estimating the costs to finish ongoing orders.
On the other hand, the works of three medium/small-sized plants built in Sicily for electricity production with solar concentrators remain at a standstill, with construction sites currently suspended due to regulatory and/or technological aspects and with closure activities being discussed with the relevant customers.

More S.r.l.

2025121508080

The supplier of technology packages for electric furnaces in steelworks, the company recorded a value of production of 28.9 million euro (2023/2024 27.6 million euro) with a net profit of 4.7 million euro (2023/2024: 5.0 million euro) and an order book as at June 30, 2025 of 15 million euro.
During the year, the company was awarded multiple orders across the world for the supply of innovative technologies for the ecological transformation of steel, reducing the carbon footprint of melting processes in electric arc furnaces, and for ZERO-MEN-AROUND equipment to improve safety levels at foundries.
The Chinese branch, Suzhou MORE Metallurgy Technology Co. Ltd., based in Changshu, and the US branch, MORE North America Corporation, based in Kennesaw, Georgia, guarantee a constant and continuous presence of personnel specialised in these two strategic markets to support customers and equipment.
As for the plant located in Italy, significant improvements were made to various key production processes with the installation and commissioning of a robotised system for welding copper/steel components and a laser scanning system for size checks of mechanical parts.
Research and development continued with the aim of creating new sustainable solutions for the green transition of steel, in collaboration various Italian universities and research centres.
MORE's reputation, order book, consolidated testimonies and commitment to research and development confirm its leadership position, with positive results also predicted for the 2025/26 financial year.

Group companies - Europe

Danieli UK Holding Ltd. (United Kingdom)

The company recorded a value of product of 30.8 million pounds in 2024/2025, the equivalent of 36.7 million euro.
During the year, the company continued to record good results, acquiring new orders in the sector of metal recycling and providing engineering services for crushing plants in the high-growth areas of Central and Latin America, as well as in mature markets such as the United Kingdom. Investments made in the previous year, particularly in the aluminium sector in the United Kingdom, have completed the production phase and are now being delivered. These projects are expected to be completed in the upcoming year.
Revenues remained geographically diversified. Presence on the United Kingdom market continues to grow, while revenues in Africa and Asia stabilised. The company continues to enjoy a strong presence in the Australian market for metal recycling and continues to consolidate its market position in that region.
The recovery of the macroeconomic context and the need to recycle post-consumer scrap has led to sustained demand in the metal recycling sector. The ongoing development of the steel sector will further drive demand for an expanding range of products in the recycling sector. Thanks to the continuous recovery of global supply chains, the company continued to record a stabilisation in the prices of raw materials. This figure, alongside the price and availability of global logistics, continues to be carefully monitored by management.
The company completed the transfer of the new cutting-edge engineering and distribution plant under its ownership. This made it possible to consolidate all the Group's activities in the United Kingdom into one plant, offering significantly higher capacity and functionality that will allow further growth.
The order book and the orders received by the company remain stable, with resulting stable profit levels for the financial year, in line with the Group's average. Management is encouraged by the trend at the start of the current year, with the first indicators also showing good financial performance in 2025-26, in line with the budget.

Innoval Technology Ltd. (United Kingdom)

Innoval provides innovative and sustainable technology solutions to many of the leading manufacturers and global users of aluminium and other critical materials. During the year, the company moved to a cutting-edge facility at the new central office of Danieli UK. From this site, the Innoval team provides technical resources to support the design and development of materials, sustainability, the transfer of knowledge and the production process. The team of consultants come from a wide background of technical disciplines and together boast over 400 years' experience across the world. Thanks to a team of this kind, the company is ideally placed to provide sustainable solutions on the aluminium market to support both Danieli and our external customers.

2025121508081

The company recorded a turnover of 1.8 million pounds in 2024/2025, the equivalent of 2.2 million euro, in line with previous years. Following the move to the new location, the company recorded a substantial improvement in performance in terms of both sales and order intake in the second half of FY 2024/2025. The recent investments in offices, training structures and workshops allowed for the implementation of a more streamlined operating structure, with greater emphasis on support for sustainability and decarbonisation initiatives. The company continues to invest in research to maintain its position as a leading provider of services for the global aluminium industry, all while expanding its capacity in the sector of steel and other strategic materials.

Danieli Engineering & Services GmbH (Austria)

This company, based in Völkermarkt, Austria, is specialised in the management and sale of components, spare parts and after-sales services for steelworks and rolling mills and its volume of revenues for the period was 127.6 million euro (2023/2024: 103.5 million euro) and a net profit of 29.1 million euro. The 2024/2025 financial year was one of the best in terms of revenues since the company was founded.

During the year the company invested nearly 0.7 million euro (2023/2024: 2.2 million euro) in tangible and intangible assets. This represents a 68% decrease in investment activity compared to the previous year. The main investments made during the financial year involved property, plant and equipment such as a packaging machine, a cleaning system and equipment for the automatic warehouse.
Alongside these investments, the company has dedicated many hours during the year to implementing new processes and procedures to maximise the potential of the new automatic warehouses and the new ERP, intended to become the new ERP for the entire Group.

Danieli Heavy Machinery Engineering LLC (Ukraine)

Based in Dnepropetrovsk, Ukraine, this company has its own design centre that enables it to develop basic and detailed engineering for the following sectors:

- Steel and aluminium rolling mills (DWU, flat products);
- Rolling mills for profiles (DMH, long products);
- Blast furnaces (CORUS, refractory and mechanical parts);
- Extrusion and forging plants (Danieli Breda, long products).

Production value for the year was UAH 43.2 million, equal to 1.0 million euro (UAH 49.5 million, equal to 1.2 million euro as at June 30, 2024) with a profit for the period of UAH 18.7 million, equal to 0.4 million euro (profit of UAH 18.9 million, equal to 0.5 million euro as at June 30, 2023).
The activities carried out by our design centre situated in Ukraine are currently suspended in person, but they continue remotely in line with safety measures for local personnel.

Danieli Czech Engineering AS (Czech Republic)

The company, located in Prague, has an independent project management and expediting structure and it is specialised in EP (Engineering Procurement), using, among others, a group of loyal local suppliers for the supply of machinery and equipment of steelworks and rolling mills for quality steel bars.
During the year just ended, the company completed the Spooler PAC tests for a customer in Israel.
The company showed operating revenues of CZK 11.0 million, equal to 0.4 million euro (2023/2024: CZK 19.8 million, equal to 0.8 million euro) and a negative result in accordance with the financial plan.

Danieli Germany GmbH (Germany)

Danieli Germany GmbH operates in Germany with almost eighty employees at two premises:
- the head office in Duisburg and
- the subsidiary in Meinerzhagen, where the Danieli Fröhling product line is developing new technologies for cold rolling mills and cutting and finishing lines.

2025121308082

Danieli Germany GmbH recorded revenues of 203.7 million euro with a profit of 12.6 million euro (178.9 million euro in revenues and 7.4 million euro in profit as at June 30, 2024).
The German steel industry began a process of change to reduce its carbon emissions and move to more sustainable practices. In Europe, we can also see an increase in investments in cleaner technologies, such as direct reduction plants, electric arc furnaces powered by renewable energy sources, and increased use of recycled metal scrap in steel production.
In line with contractual agreements, Danieli Germany is carrying out an important green project: a DRP Energiron (a direct reduction plant) at Salzgitter Flachstahl GmbH. The unit forms the largest part of the plant in the first phase of the SALCOS® – Salzgitter Low CO_2 Steelmaking transformation programme and has the annual production capacity of two million tonnes of direct reduction iron (DRI). The project marks another milestone in the path towards low-CO_2 steel production at the Salzgitter facility. This new plant will be the most innovative plant in Europe and will function with zero direct CO_2 emissions.

Danieli Germany's structure will remain flexible and will adapt to the necessary requirements in relation to the development of such projects, including the use of its own machine shop in Meinerzhagen.
Expertise in services, revamping and modernisation were reorganised into a new organisation of teams comprising customer advisory services, sales, design and execution. For flexible availability, this new structure of services was organised into a workshop area independent of the main projects and value chain.
Furthermore, in future we expect to see the start-up of certain new important projects, to underline the leading position on the technology market of Danieli Germany GmbH.

Considering the projects mentioned above, Danieli Germany's order book amounts to a total value of about 174 million euro as at June 30, 2025. The outlook for the coming year is positive as the world market, and especially Europe, is expected to recover.

Danieli Procome Iberica SA (Spain)

Based in Sondica, Spain, this company operates in the sector of design and construction of machines for the management, handling and charging of additives for electric furnaces (EAF, LF, VD/VOD) and closed the year with a value of production of 3.6 million euro (2023/2024: 3.9 million euro) and a net profit of 0.7 million euro (2023/2024: 0.98 million euro).
During the year, the company continued carrying out important technological development activities on its products in collaboration with the Danieli Centro MET product line to improve the performance, accessibility, maintainability and cleaning of the Meltshop equipment dedicated to carrying out storage, dosage and input operations, required for the production of liquid steel.
Danieli Procome will continue to operate as a technological centre for the development of additive products to ensure customer satisfaction throughout the Iberian peninsula with the forecast of a positive result in the 2025-26 financial year, too.

Morgårdshammar AB (Sweden)

Morgårdshammar AB is based in Sweden and has a long tradition of operating in the steel sector, dating back to its foundation in 1856. The company, which joined the Danieli Group in 1987, operates as an engineering centre in support of the Group and has stabilised its cost structure by generating positive operating margins.
The company is also venturing into new markets, thus strengthening the Danieli brand and ensuring that it will be known for high standards throughout the Scandinavian Peninsula.
The company's value of production was SEK 34.6 million, equal to 3.1 million euro (2023/2024: SEK 62.7 million, equal to 5.5 million euro) and showed a positive result for SEK 2.2 million, equal to 0.2 million euro (2023/2024: SEK 5.4 million, equal to 0.5 million euro).

Sund Birsta AB (Sweden)

20251215080083

The value of production was SEK 313.4 million, equal to 27.8 million euro (2023/2024: SEK 474.6 million, equal to 41.3 million euro), while net profit was SEK 73.8 million, equal to 6.5 million euro (2023/2024: SEK 78.6 million, equal to 6.8 million euro).
The operating result was positive, despite the acquisition of orders slightly below the budget objectives set at the start of the year. The company successfully launched on the market new products in the sector of electric machinery for handling bars, including a new type of binding machine called KNSe and a new bar counter called BCBe.
In the sector of flat products, the company's SMB strapping tools are gaining an even stronger position and several machines have been delivered to Europe and Asia.

Rotelec SA (France)

Value of production for the year as at June 30, 2025 was 15.0 million euro (2023/2024: 14.1 million euro), with a net profit of 3.5 million euro (2023/2024: 2.6 million euro), thanks to new the products developed in recent years and the ongoing renewal process.
Rotelec has retained its position as leading innovator for over 40 years and is innovating, designing and building a complete range of solutions for metallurgy applications including commercial and special steels, and for casting and rolling of long and flat products.
Each technological solution is tailor-made. Each plant (over 3,300 units supplied) is developed and designed by the company's technical office, in synergy with the Danieli Group, by assessing the customer's needs in terms of productivity, product quality, operating flexibility, environmental sustainability and cost reduction.
The outlook for the coming year is positive.

Danieli Corus Group (Holland)

Danieli Corus Group, based in IJmuiden in the Netherlands, consists of Danieli Corus BV and its subsidiaries in China and India.
Within the Danieli Group, Danieli Corus is responsible for the blast furnace production of iron, converter production of steel and emissions control for the production of primary aluminium. Danieli Corus is committed to accelerating the decarbonisation of the steel industry by 2030 by offering technical solutions that reduce CO_2 emissions in blast furnace and converter steel production by 40%, bringing them in line with those of DRI that uses natural gas.
The financial year ended on June 30, 2025, with consolidated operating revenues of 175.61 million euro and an operating profit of 11.29 million euro (after a turnover of 157.2 million euro and a profit of 10.4 million euro in the 2023/2024 financial year).
In the past financial year, three blast furnaces and three BOF converters were commissioned, and major progress was made on the completion of two new plants in India. For the new financial year, activities will be focused on the completion of these blast furnaces and the commissioning of another blast furnace in Vietnam. For FY 2025/2026, we expect that the main steel manufacturers in India will take measures to increase their production capacity, with consequent contracts for Danieli Corus in both the public and private sectors. Outside India, Danieli Corus is focused on projects to revamp and modernise existing plants. In the final quarters of the year there was a slowdown in these investments, but they will soon become essential for many steel manufacturers. An upswing in orders is therefore expected.

Danieli Finance Solutions S.A. (formerly Danieli International SA) (Luxembourg)

During the period, Danieli Finance Solutions SA regularly carried out its activity of managing and investing the Group's liquidity and management activities were carried out in full autonomy in terms of operations and presence in Luxembourg, ensuring a result in line with the best market benchmarks during the financial year.
During the period, liquidity management continued according to the principle of absolute prudence in investments and in continuity with the activities carried out in previous years, mainly with investments in industrial, banking and insurance bonds as well as guaranteeing the natural support to intra-group finance.
The company is recorded as a "Professional of the Financial Sector" (PSF) and as such is subject to the supervision of the Luxembourg Financial Supervision Commission (CSSF) pursuant to Article 13 of the Law of 5 April 1993 on the Luxembourg financial sector. The company's governance calls for a clear separation of

20251215080084

roles and responsibilities between the Back Office and Front Office and a financial and operational risk control committee (CRIC) which carries out an analysis and control activity on the work of the two operational managers, including by the directors without powers.
Cash and cash equivalents and deposits with leading banking counterparties remained significant at June 30, 2025, as did investments in diversified bonds with prudent criteria. The low risk tolerance did not allow for high returns in absolute terms, but these nevertheless improved compared to the previous year. The high degree of quality and liquidity of the investment activities is pointed out. The counterparties allowed by the defined investment policy are in fact qualified by an "Investments Grade" rating and the average duration of the investments as at June 30, 2025, was just over 4 years.
Currency management for the period was negative and penalised the economic result for the year due to the depreciation of liquid assets denominated in US dollar, net of the "Mark to Market" valuation of existing hedging operations, which will come to an end in the upcoming year.
The average net profitability of the portfolio managed by Danieli Finance Solutions S.A. increased on the previous year thanks to positive short-term interest rates on deposits in euro and also with good profitability in the liquidity component expressed in US dollars in line with the trend in the rates decided the two main central banks (ECB and FED).

Group companies – Russia / Türkiye

Danieli Volga LLC (Russia)

Danieli Volga (whose factory is located in the Niznhiy Novgorod region) operates mainly in the Russian market with a completely autonomous production plant to serve the other strategic markets in the former CSI territory. During the year, the company maintained significantly reduced activities on the local market, operating in full compliance with the restrictions imposed by the EU.
As at June 30, 2025 the company showed total operating revenues of 7,548.5 million rouble, equal to 76.5 million euro (2023/2024: 2,594.3 million rouble, equal to 26.0 million euro) and a loss of 395.3 million rouble, equal to 4.0 million euro (2023/2024: loss of 64.9 million rouble, equal to 0.7 million euro).

Termo Makina San.V.T. AS (Türkiye)

The company, based in Duzce (Türkiye), operates with its own operating structure in a central location with respect to all major Turkish steel producers.
As at June 30, 2025 Termo Makina presented a final loss for 1.9 million Turkish lira, equal to 0.05 million euro (profit of 6.3 million Turkish lira equal to 0.2 million euro in the previous year).

Group Companies – America

Danieli Holdings Inc. (United States)

The Daniel Group operates in North America with Danieli Holdings Inc., which coordinates the work of several local affiliates.
In particular, the US subgroup is formed of Danieli Holdings Inc. (holding), Danieli Corporation, Danieli Canada Inc. (Canada) and Danieli Taranis. The US subgroup reported a consolidated value of production of USD 799.36 million, equal to 733.55 million euro (2023/2024: USD 596.8 million, equal to 550.1 million euro) and a profit of USD 16.23 million, equal to 14.86 million euro (2023/2024: profit of USD 12.4 million, equal to 11.4 million euro).
Sund Birsta Inc. is in the USA, directly controlled by the Swedish company of the Sund Birsta AB Group. More North America Corporation, controlled by More S.r.l., is also in the USA.

The Group's operating companies the United States are:

Danieli Corporation

20251215080085

The company continues to operate as the main operating company in the American continent, covering the entire range of products offered by the Group on the local market and providing assistance to customers for revamping and post-sale maintenance services for metal plants, machinery and spare parts.

Company activities are divided into the following product lines:
- DWU USA – developing sale, design, supply and project management activities for flat product plants;
- DMH USA, DCM USA – with the sale, design, supply and project management of plant and machinery for long product rolling mills, steelworks, casting machines and special handling systems;
- DANIELI SERVICE – with the provision of equipment, services and spare parts for all product lines to the North American market;
- DANIELI FATA HUNTER – with the sale, design and supply of casting machines, rolling and aluminium painting plants;
- DANIELI CRANES and DANIELI ENVIRONMENT – with the sale of special lifting systems and auxiliary systems for steelworks;
- DANIELI CENTRO RECYCLING – with the sale of scrap shredders, shears, packers and complete scrap processing lines as well as a complete line of consumable parts for scrap shredding equipment;
- DANIELI CENTRO COMBUSTION – with sales of reheating and process furnaces for both flat and long products;

During the financial year, the company operated as usual through its three service centres in Ashland (Kentucky), Portage (Illinois), and Mesa (Arizona), consolidating its long-term strategy to increase the level of service provided to US customers.
In the 2024/2025 financial year, significant contracts were acquired with important US customers, both excellent in terms of the size of the projects and their technological and innovative content.
The US steel market remains strong following the antidumping measures that continue to be supported by the US government, with demand for steel remaining consistent and prices persistently stable.
North American steelworks are still posting positive results quarter after quarter and are expected to continue to post good profits in the coming year in anticipation of a still strong market supported by investments in infrastructure promoted by the expansionary measures of the US administration. Major investments in the steel plant sector are planned for next year, and Danieli Corporation is well positioned technically to secure a significant share.

Taranis LLC

Danieli Taranis LLC is based near Birmingham in Alabama, USA. The company operates in coordination with Danieli Automation S.p.A. and directly manages the supply of electrical and automation equipment to Danieli customers in the United States of America and Canada.
In the 2024/2025 financial year, the company reported turnover of USD 58.7 million and a profit of USD 5.6 million and ended the year with a volume of orders worth USD 32 million. These results, plus the stable steel market in the USA, are expected to enable continuous and profitable growth in 2025/2026.
In addition to providing after-sales support to Danieli's customers, the company also provides a wide range of services to US metal producers, including electrical and automation system upgrades, high-performance gauges and specialist engineering services.

Sund Birsta Inc. (USA)

The company operates from Jacksonville, Florida, guaranteeing service to customers in North America for support, spare parts sales and technological updating of the machines in this area.
The company's revenues reached USD 9.4 million, equal to 8.6 million euro (USD 12.9 million in 2024, equal to 12.0 million euro) with a positive result in line with the previous year.
The company continued its activities throughout the year and is working constantly to increase productivity. Growth in orders is slightly below the targets set by company management at the start of the year, which reflects the trend seen in other Group companies.

2025121508086

Group Companies – South-east Asia

Danieli Co. Ltd. (Thailand)

In the financial year 2024/2025, the company recorded a result of 56.2 million euro (2023/2024: 30.4 million euro) with operating revenues of 291.4 million euro (2023/2024: 253.7 million euro).
Despite the numerous challenges faced during the year, including geopolitical tensions, currency volatility, interruptions to the supply chain and an increase in the prices of raw materials, demand for steel in both Northeast and South-East Asia saw growth. This recovery was largely driven by the relaunch of infrastructure and real estate investments, strong private consumption and the recovery of the electronics sector, particularly in the field of electric motors for vehicles. In Northeast Asia, the Japanese steel companies played a leading role in driving market recovery, supported by government initiatives for decarbonisation. Their activities remained strong throughout the year, supported by significant investments such as the new G Steel hot skin-pass mill in Thailand, the modernisation of the Good Steel mill for bars and the installation of a new electric arc furnace (EAF) by JFE in Japan. On the contrary, other markets such as Korea and Taiwan remained stagnant, mainly influenced by internal political instability and economic difficulties. In Southeast Asia, most countries saw moderate performance in the first half of the year, but regained momentum in the second half, supported by new projects, especially in Vietnam. This recovery was fuelled by an increase in domestic demand, a strong growth in exports and the commercial protection measures implemented by the government. The most significant developments include contracts for two hot rolling mills for Hoa Phat, the new rod mills for VAS Nhi Son and a mill for bars and ingots for Vinausteel. Thanks to new contract volumes, engineering and after-sales support activities continued to grow significantly. In particular, the engineering workload remained stable throughout the entire year despite market fluctuations and, thanks to the collaboration with external technical firms, it was managed efficiently, offsetting the impact of these fluctuations.
In line with previous years, strategic investments allowed the company to reach high and constant productivity and better product quality. The implementation of a semi-automatic sanding system and a plasma cutting station improved the processing speed and cutting precision thanks to the automated functionalities of bevel cutting, marking and drilling. The workshop was equipped with a new CNC boring machine and the addition of an induction heat treatment station for wheels allows for refined and customisable treatments, improved repeatability and greater productivity. The ongoing collaboration with local technical institutes enables the integration of young students into our workforce, providing them with valuable practical experience alongside professional experts.
The company actively supports initiatives to reduce consumption, including tailor-made training programmes and the acquisition of more efficient equipment from an energy perspective. Furthermore, multiple safety measures were introduced, using artificial intelligence systems to identify potential risks and mitigate their effects proactively. Danieli Thailand receives numerous awards from government agencies, confirming our compliance with legal standards and our commitment to the development of the workforce and employee well-being. The most important awards include the Outstanding Establishment Award for Skill Development, the IEAT Sustainability Business Leader, the CSR award from the Thai Department of Industrial Works and the Platinum Award from the Thai Ministry of Public Health.

Danieli Automation Co. Ltd. (Thailand)

Danieli Automation Co., Ltd. (DACO), based in Rayong, Thailand, is a leading supplier of innovative technology solutions. Since its foundation in 2016, DACO has been committed to providing cutting-edge solutions in the sector of electric motor maintenance and the production of inductors for "Q-ONE", the inverter for electric arc furnaces. Thanks to fundamental values of quality, customer satisfaction and continuous innovation, DACO meets the various needs of the main strategic industrial sectors: automotive, rubber, production of aluminium, steel and plastic polymers.
The company ended the financial year as at June 30, 2025 with significantly higher operating revenues equal to 212.8 million baht, equivalent to 5.8 million euro (214.4 million baht, equal to 5.5 million euro in the 2023/2024 financial year).
The company's order book as at June 30, 2025 should generate a sufficient sales volume to expect a positive result also for the next financial year.

Group Companies – China

2025121538087

Danieli in China is a well-established business serving the local and international market, comprised of three independent companies, located strategically in the Beijing and Shanghai areas. Specifically:

Danieli Metallurgical Equipment & Service (China) Co. Ltd. (People's Republic of China)

The company, with operating headquarters in Changshu – Jiangsu, has become the Danieli Group's foremost production centre in China with a surface area of over 90,000 sq. m for production and assembly activities using nearly 60 operating machines including boring machines, work centres and vertical lathes for high-precision machining.
Revenues amounted to CNY 3,147.7 million, the equivalent of 401.0 million euro (2024: CNY 4,483.6 million, equal to 573.7 million euro) and a net profit of CNY 512.1 million, equal to 65.2 million euro (2024: CNY 376.2 million, equal to 48.1 million euro).
The company develops and builds locally a wide range of products including: EAFs, continuous castings, long and flat rolling mills, supply lines, extrusion presses, scrap processing machines, where most of the high value components are manufactured in-house to ensure high quality standards.
This year, the company achieved an excellent result in terms of turnover and profit, despite the decline in the Chinese steel industry. Strategically important orders were acquired, such as the Donghua order for an electric arc furnace, the Hengyang order for 610mm diameter seamless steel tube rolling, the largest in the world, and the contract for the continuous rolling mill with 6 rollers for the NEMM project. The four technologies of green steel will remain the main drivers of Danieli China activities in the new year.
The Company has maintained its commitment to support the development of local communities by funding local universities, collecting donations for exceptional cases of people in need, carrying out activities to protect the environment, etc. The order book as at June 30, 2025 remains solid and is expected to generate a healthy volume of sales with a positive net profit also for next year.

Danieli Industrial Automation (Suzhou) Co., Ltd.

The company, with offices in Changshu, Jiangsu and Tianjin, was founded to follow the activity of Danieli Automation and increase the presence on the local market.
It manages a specialised workshop in Tianjin that assembles Danieli Automation products, guaranteeing quality, reliability and competitiveness.
The financial year was the third year of full operation, with revenues that reached CNY 175.5 million, equal to 22.4 million euro (2024: CNY 203.6 million, equal to 26 million euro) and a net profit of CNY 30.7 million, equal to 3.9 million euro (2024: CNY 31 million, equal to 3.9 million euro).

Sund Birsta Metallaurgical Equipment Co. Ltd. (People's Republic of China)

Sund Birsta Metallurgical Equipment Co. Ltd. is based in Beijing and operates in complete autonomy directly following the Chinese market with the production of binding machines and compactors for high-quality, low-cost steel coils.
The company's revenues were 19.9 million yuan, equal to 2.5 million euro (95.0 million yuan in 2024, equal to 12.2 million euro) albeit with a negative performance of the financial results compared to previous years due to local competition and the overall financial situation of the local steel sector.
The order book was larger than in the previous financial year even faced with operating performance that tended to be lower than expected, due to the general financial situation of the local steel sector.

Danieli Hoogovens Steel Making Technology Ltd., based in Shanghai, directly controlled by the Dutch company of the Danieli Corus BV Group, and Suzhou MORE Metallurgy Technology Co. Ltd., controlled by More S.r.l., as mentioned above, are also in China.

Danieli India Ltd. (India)

2025121508088

The operating activities of the company were concentrated in the main facility in Sri City, in the south of India, while the technical offices are located in Chennai and Kolkata (formerly Calcutta). The company is active in the design and construction of plants for the steel industry, offering a complete range of products for the smelting of metals and casting machines on the hot and cold finishing lines, alongside auxiliary systems, based on customer requirements.
The Indian steel market is the company's main market, though it is also developing important commercial relationships in other Asian countries. A consistent portion of the revenues refers to the spare parts sector and after-sales services, which are constantly increasing in terms of volumes and turnover.
In the 2024/2025 financial year, the company achieved total revenues of INR 13,142.2 million, equal to 141.9 million euro compared to INR 12,035.4 million in the 2023/2024 financial year, equal to 133.9 million euro, thanks to the expansion of the steel industry in the area.
The company achieved a net profit during the year of INR 506.8 million (equal to 5.5 million euro) compared to a profit of INR 505.5 million in the previous financial year (equal to 5.6 million euro), maintaining a positive trend that we believe will be repeated in financial year 2025-26.
The company also continues to support education in the local community with tangible support for local schools.

Danieli Centro Combustion India Pvt. Ltd. (India)

The company operates in the city of Pune, in the state of Maharashtra (India) with full autonomy and in complete collaboration with Danieli Centro Combustion SpA, providing local customers with reheating furnaces for long products, heat treatments, process lines for strip and bell furnaces, locally manufacturing all components required for the products offered.
The company ended the year with a value of production equal to INR 1,007.8 million, equal to 10.9 million euro (2023/2024: INR 1,574.9 million, equal to 17.5 million euro) with a profit of INR 267.2 million, equal to 2.9 million euro (2023/2024: profit of INR 199.0 million, the equivalent of 2.2 million euro).
During the year, activities continued to strengthen the local technical organisation in order to expand capacities for engineering and planning and to diversify the skills available, with support and collaboration from Danieli Centro Combustion S.p.A.
Thanks to the order book as at June 30, 2025 and the new orders expected for 2025/26, the company will also generate a positive result for the upcoming year.
In the context of corporate social responsibility, the company is actively committed to supporting and creating entrepreneurial skills among disadvantaged women in nearby communities to support their families.

Danieli Engineering Japan Ltd. (Japan)

The company, which is based in Yokohama, Japan, achieved revenues for JPY 5,035.3 million (equal to 31.0 million euro) (JPY 6,790.2 million equal to 42.1 million euro as at June 30, 2024). It has operated for 14 years in the Japanese market, ensuring primary project management with local customers, sales support, and engineering development for the Group's product lines.
The company continues its consolidation in Japan with an interesting growth targeting high-tech products and is expected to acquire a good number of orders in 2025-26.
The company's business remains focused on the sale of new electric furnaces, casting machines and Mi.Da rolling mills for long products and the development of the Q-ONE product for digital control of arc furnaces in Japan.

Industrielle Beteiligung Company Ltd. (Vietnam)

The company is based in HoChiMin City, with a service centre located in Hai Phong, Vietnam.
In June 2025, operating revenues amounted to VND 336,302.0 million, the equivalent of 12.2 million euro (2023/2024: VND 316,689.9 million, equal to 11.9 million euro), an improvement on the previous year. This positive result was mainly determined by the workload supported by the technical office throughout the year.
Net profit stood at VND 30,725.8 million, equal to 1.1 million euro (VND 23,868.8 million, equal to 0.9 million euro in 2023/2024).

20251215080089

During the year, the Vietnamese steel industry saw favourable developments, supported by initiatives aimed at resolving the challenges in the real estate sector and by the acceleration of public investments. Furthermore, free trade agreements provided additional tariff benefits, improving the competitiveness of exporting finished and semi-finished products.
This positive context created favourable conditions for new investments in steel plants as well as for the expansion of after-sales services. In the final quarter of the financial year, new contracts were signed that led to an increase in the workforce and strengthened the turnover forecast. As a result, even the sales volumes of the Service Centre increased, contributing to a healthy performance in terms of revenues and net profit compared to previous financial years, albeit falling slightly short of expectations due to the postponement of certain orders after June 2025.
In light of the increased workload and improved market scenario, the company launched projects to expand the office spaces and revamp worn-out areas, in line with its development plan. However, overall spending remained under control, also thanks to the considerable cost saving generated by the full operation of the photovoltaic plant throughout the year.
Constant collaboration with external technical firms and local universities continued, providing valuable support to manage variable workflows in a flexible manner. In particular, the strengthening of the partnership with the University of Science and Metallurgyof Hanoi has formed the solid foundations for the development of future joint projects in Vietnam.
Furthermore, targeted training programmes, combined with the integration of qualified professionals and talented new graduates, have further improved the efficiency and reliability in departments such as project management, Group sales and technical operations. These efforts have ensured a continuous support for company units, even during fluctuations in workload.
As further confirmation of its solid and effective organisational model, the company was named one of the "Best Companies to Work for in Asia 2024" for the second year in a row, an award that celebrates organisations that stand out for high levels of employee engagement and excellent work environments in Asian countries.
Looking to the future, the outlook for the next financial year remains positive, supported by the company's clear commitment to strengthen its leadership as the Group's main engineering centre and to consolidate its strategic positioning as the preferred partner for projects across South-East Asia and Oceania.

Analysis of/commentary on the economic and financial position of the Danieli Group

At June 30, 2025, the main economic, equity and financial data were as follows:

- revenues: 4,200.0 million euro, a decrease of -3% compared to the value of 4,349.8 million euro as at June 30, 2024;
- net profit for the period attributable to the Group: 220.1 million euro, a decrease of 9% compared to the value of 240.8 million euro as at June 30, 2024;
- total shareholders' equity: 2,760.5 million euro with an increase of 131.7 million euro compared to the value of 2,628.8 million euro as at June 30, 2024;
- positive net financial position: 1,971.4 million euro up by 263.7 million euro compared to 1,707.7 million euro as at June 30, 2024, including the financial lease liabilities of 37.6 million euro as at June 30, 2025, as required by IFRS 16.

The Group order book is well diversified by geographical area and by product type and as at June 30, 2025, amounted to approximately 5,384 million euro (of which 271 million euro in the special steel making segment), below the values as at June 2024 (of which 296 million euro for special steels). Specifically, the order book as at June 30, 2025 does not include any orders from Russian or Ukrainian customers. For more details, see the section on the Russian/Ukrainian conflict.
However, the order backlog does not include the orders to the ABS group (which, including the new Digimelter amount to approximately 350 million euro, which tie up our workshops and technical departments but are considered internal capitalisation activities) and some important contracts already signed with Italian and foreign customers, and which will only come into effect upon completion of the engineering or with the finalisation of the related financing practices.
The rationalisation process of management in the Plant Making sector continued strongly with a special attention to competitiveness in terms of innovation, technology, quality, efficiency and customer service, with:

- the research and production of innovative products with noble components mainly developed in Europe and China/India;
- the acquisition of companies operating in niche technology sectors to complete the spectrum of proprietary technologies offered by the Danieli Group;
- the design and production of plants with consolidated technologies is carried out in the Asian factories, at a lower cost but with the same European quality, covering both the Western steel making market and the Asian one, which to date accounts for more than half of global steel production.

This process led to investments in the Plant Making segment of approximately 15-20 million euro per year for new operating machinery and updating of administrative and management software, in addition to those for research and innovation, which are still high, mainly due to the development of new green technologies to produce steel without CO_2 and with low GHG emissions.

In the Steel Making sector, an important investment plan is under way, involving the construction of an innovative Digimelter at ABS in Cargnacco and the replacement of the current electric furnaces with new digital furnaces, which will generally modernise the plants used by ABS, after having successfully launched the new Quality Wire Rod Mill and the new sphere mill that allowed the company to expand its range of high-quality products thanks to the use of innovative thermomechanical processes.
These plants are part of ABS's Vision 2.3 programme, which, as mentioned, envisages around 700 million euro of investment in the medium to long term with the aim of bringing production volumes to approximately two million tonnes, with the distinction of being the only steelworks for the production of quality steels, with a product range from 5.5 mm to 500 mm in diameter at a single site, with all the savings on OpEx and logistics that this entails.
The objective is always to raise the technological competitiveness of ABS by increasing production quality and efficiency, reducing the cost of processing and improving the increasingly personalised customer service, rationalising and completing the product range to be able to directly export more than 50% of production with the acquisition of operating companies upstream and downstream in steel production that make it possible to verticalise the supply and distribution chains, to complete the steel making activities.

Russian/Ukrainian conflict

In the Plant Making segment there are currently no active projects of significant value in Ukraine, whereas all residual ongoing projects as at June 30, 2025 with Russian customers have been slowed down or suspended following strong limitations, or terminated due to force majeure. For this reason, the order book prudentially no longer includes any value for projects still open due to their poor prospects for future development.
Albeit with relevant uncertainties around the current geopolitical and economic environment, it is believed that the Group is not significantly exposed to risks arising from its activities in the Russian and Ukrainian markets and the receivables on jobs in progress in such markets have already been adequately written down. The Group's operations in those countries has been limited (albeit with strong slowdowns) to conclude the projects launched prior to the conflict, subject to receipt of all the necessary authorisations and in compliance with the sanctions in force.
Several projects in Russia, production for which began prior to the outbreak of the conflict, are currently managed by the Chinese subsidiary Danieli Metallurgical Equipment & Service (China) Co. Ltd. These projects are now complete and are managed in accordance with the international sanctions issued by the EU and the USA.
The activities carried out by our design centre situated in Ukraine are currently suspended in person, but they continue remotely in line with safety measures for local personnel, while the activities at the Danieli Volga plant in Russia, focused on spare parts, continued during the year to a very reduced extent and only with a few non-sanctioned customers, with the company recording sharp drops in volumes (compared to the pre-conflict period) and an unfortunate negative result for the year.
In addition to what has already been recognised in the financial statements as at June 30, 2025, in terms of write-downs, hedging risk and discounting on the values present in the register and related to industrial assets and other activities on specific projects in Russia, no further items have been identified as a risk to the recoverability of the Group's assets exposed to the Russian and Ukrainian market and/or customers.
Management continuously and closely examines the various impacts on the Group of this complicated situation related to the system of sanctions activated by the EU, which continues to evolve, and it is now believed that greater negative impact is more linked to fewer current and future commercial opportunities with the cooling off

of the Russian market rather than the extraordinary expenses on existing projects, which are already adequately hedged and secure.
Danieli condemns all ongoing conflict, especially the one between Russia and Ukraine and its serious consequences in Europe due to destruction, loss of human life and economic losses, which we are hopeful will cease as soon as possible with a fair and just conclusion.

20231215080091

Highlights of the consolidated income statement as at June 30, 2025 and outlook

(millions of euro)	30/06/2025	30/06/2024	Variation
Revenues	**4,200.0**	**4,349.8**	**-3%**
Gross operating margin (Ebitda) (*)	**437.8**	**391.2**	12%
% of revenues	10.4%	9.0%	
Depreciation, amortization and net write-downs of fixed assets and receivables	(134.7)	(170.4)	
Operating income	**303.1**	**220.8**	**37%**
% of revenues	7.2%	5.1%	
Financial Income and charges	4.3	86.2	
Income/(charges) arising from the valuation of equity investments in assoc. with the equity method	0.6	0.5	
Profit before taxes	**308.0**	**307.5**	0%
Income taxes	(87.8)	(69.8)	
Net profit from continued operations	**220.2**	**237.7**	-7%
Profit and loss deriving from discontinued operations	(0.2)	2.3	
Net profit for the period	**220.0**	**240.0**	-8%
% of revenues	5.2%	5.5%	
(Profit)/loss attributable to non-controlling interests	0.1	0.8	
Net profit for the period attributable to the Group	**220.1**	**240.8**	-9%
% of revenues	5.2%	5.5%	

(*) The Gross Operating Margin (EBITDA) represents the operating result as in the consolidated income statement, before depreciation, amortisation and write-downs of fixed asset and receivables.
The Gross Operating Margin (EBITDA) is used by the issuer to monitor and evaluate the performance of the Danieli Group, although it is not defined as an accounting measurement within IFRS. Consequently, the criteria for determining this value may not be consistent with the one used by other entities, and therefore not be altogether comparable.

The Group's revenue is in line with that of the previous year, with turnover increasing in the Plant Making segment and decreasing in the Steel Making segment. The latter, while maintaining production volumes similar to last year, saw a very negative first half with low average prices against high production costs and a better second half with more profitable prices and lower costs (especially energy costs) with still unsatisfactory saturation of production facilities.
Group EBITDA as at June 30, 2025 was 437.8 million euro, an increase of approximately 12% on the previous year; nevertheless, margins were still substantial compared to the turnover, to cover the very high research and development costs incurred in the period.

Revenues for the Plant Making segment were in line with forecasts made at the beginning of the year and derived from compliance with the construction programmes contractually agreed with customers, with an EBITDA of 384.1 million euro, better than the result for the 2023/2024 period, despite having recorded some significant losses in the period due to disputes with customers and significant extraordinary charges related to

2025121508092

the completion of some complex and innovative plants at the subsidiary Fata S.p.A. and the Russian subsidiary Danieli Volga following the forced closure (due to EU sanctions against Russia) of some projects with start-up problems.
Revenues for the Steel Making sector were below the budget from the start of the year and show unsatisfactory profits (EBITDA of 53.7 million euro), due to the negative effect (largely in the second half of 2024) of the cost of energy factors that in Italy were more costly than in other European countries. We believe that the Italian government's interventions, also supported by the EU, have led to a gradual mitigation of this aspect over the course of 2025, allowing an improvement in profitability that will persist into next year thanks to a normalisation of energy factor costs more in line with prices per MWh in France and Germany.
The production sold during the financial year by the Steel Making segment (ABS Group) reached approximately 1.1 million tonnes (10% less than last year), with the aim of increasing these volumes in the next financial year by bringing the ABS furnaces used for new bar, wire rod and sphere mills to maximum capacity.
ABS provides high-quality products and delivery times in line with the best global producers, and its objective is to be the leading operator in Italy in the special steel sector and among the top three in Europe.
FY 2024/2025 therefore shows better consolidated operating profits (EBIT) for the Danieli Group than the previous year despite penalisation for the unsatisfactory results of the ABS Steel Making sector and the problems faced in the Plant Making sector.
Thanks to investments made in both operating segments, the Danieli Group can offer its customers innovative and more environmentally friendly products and an increasingly better service in terms of quality, price and delivery timeliness, operating with an organisation that aims to optimise company processes in order to reduce waste, striving for maximum customer satisfaction.
Lastly, liquidity management continued during the year in accordance with the usual low-risk and easy to realise investment principles, with a good average remuneration both on investments in euro and on those denominated in foreign currencies (essentially in USD).

Net financial income came to a positive 91.0 million euro. Cash management was handled efficiently in the period, maintaining a high solvency profile and a positive net financial position at the end of the period. Currency management, on the other hand, was heavily penalised by the sudden and significant depreciation of the US dollar (June 2025), which generated a negative exchange rate effect of 86 million euro related to the alignment of all foreign currency items in the balance sheet to the exchange rate of June 30, 2025. The negative exchange rate effect was only partly offset by existing hedging and therefore undermined the good financial results achieved in the financial year. It also remains linked to future developments in the EUR/USD exchange rate, which seems to have limited its range of fluctuation. Considering the profile of investments already in place at the end of the financial year, we can also expect a good financial result for FY 2025/2026, where the exchange rate component may not as negative an impact as it did in FY 2024/2025.

Total taxes for the period amounted to 87.8 million euro (69.8 million euro in the previous year), essentially deriving from the application of the ordinary taxation to the results of the consolidated companies and also includes the taxes related to fiscal disputes closed and ongoing, without one-off distortive effects as happened in the past at ABS S.p.A. due to the tax credit for energy-intensive companies envisaged by the Italian tax administration.
Net profit for the period attributable came to 220.1 million euro, a decrease of 1% compared to 240.8 million euro for the year ended as at June 30, 2024.

20251215080093

Summary of results by business segment

The results discussed above are broken down below by business segment in the following table:

Revenues (millions of euro)	30/06/2025	30/06/2024	Variation
Plant making	3,116.4	3,033.7	3%
Steel making	1,083.6	1,316.1	-18%
Total	4,200.0	4,349.8	-3%

Gross operating margin (Ebitda) (millions of euro)	30/06/2025	30/06/2024	Variation
Plant making	384.1	315.7	22%
Steel making	53.7	75.5	-29%
Total	437.8	391.2	12%

Operating income (millions of euro)	30/06/2025	30/06/2024	Variation
Plant making	320.9	216.0	49%
Steel making	(17.8)	4.8	-471%
Total	303.1	220.8	37%

Net profit/(net losses) for the period attributable to the Group (millions of euro)	30/06/2025	30/06/2024	Variation
Plant making	250.3	241.6	4%
Steel making	(30.2)	(0.8)	3675%
Total	220.1	240.8	-9%

Revenues by geographical area

The allocation of Group consolidated revenues by geographical area is as follows:

(millions of euro)	30/06/2025	%	30/06/2024	%	Variation
Europe	1,810	43%	1,528	35%	18%
Middle East	286	7%	209	5%	37%
Americas	1,167	28%	1,293	30%	-10%
Southeast Asia	936	22%	1,320	30%	-29%
Total	**4,200**	**100%**	**4,350**	**100%**	**-3%**

With regard to the Plant Making segment, the geographical distribution of revenues for the period reflects the target area of sales related to shipments made and includes the progress of equipment construction operations

20251215080094

at our factories and the assembly and start-up activities carried out at our customers' sites on a worldwide basis.
On the other hand, the revenues of the Steel Making segment are concentrated in Italy and Europe and are included in the Europe geographical area, where they account for 91% of the total value of this area as at June 30, 2025, and for 30% of the total value of this area as at June 30, 2024.

Highlights of the reclassified consolidated balance sheet as at June 30, 2025

(millions of euro)	30/06/2025	30/06/2024
Investments	31.5	26.3
Net tangible and intangible fixed assets	1,087.3	1,058.2
Right of use	37.2	35.1
Net fixed assets	**1,156.0**	**1,119.6**
Working capital	(271.1)	(85.1)
Net invested capital	**884.9**	**1,034.5**
Group shareholders' equity	2,758.8	2,627.2
Non controlling interest in shareholders' equity	1.7	1.6
Total shareholders' equity	**2,760.5**	**2,628.8**
Provisions for risks and employee benefits	**95.8**	**113.4**
Current financial assets	(2,932.5)	(2,755.0)
Non-current financial assets	(0.2)	(0.2)
Current financial liabilities	415.6	536.3
Non-current financial liabilities	545.7	511.2
Positive net financial position	**(1,971.4)**	**(1,707.7)**
Total sources of funds	**884.9**	**1,034.5**

Net Invested Capital decreased compared to the previous year and Working Capital increased. The cash flow generated and financial management of the period guaranteed adequate coverage of the investments made in both operating segments.
This situation, with expectations of continuing positive economic and cash flows in the next few years, will allow the Group to quickly repay its debt to banks, which decreased during the period despite having supported new significant investments in particular in the Steel Making segment.

20231215080025

Analysis of the consolidated net financial position as at June 30, 2025

(millions of euro)	30/06/2025	30/06/2024	Variation
Non-current financial assets			
Other financial receivables	0.2	0.2	-
Total	**0.2**	**0.2**	**-**
Current financial assets			
Securities and other financial assets	655.0	608.9	46.1
Cash and cash equivalents	2,277.5	2,146.1	131.4
Total	**2,932.5**	**2,755.0**	**177.5**
Non-current financial liabilities			
Non-current financial liabilities	521.6	487.9	33.7
Lease liabilities non-current IFRS 16	24.1	23.3	0.8
Total	**545.7**	**511.2**	**34.5**
Current financial liabilities			
Bank debts and other financial liabilities	402.1	524.0	(121.9)
Lease liabilities current IFRS 16	13.5	12.3	1.2
Total	**415.6**	**536.3**	**(120.7)**
Current net financial position	**2,516.9**	**2,218.7**	**298.2**
Non-current net financial position	**(545.5)**	**(511.0)**	**(34.5)**
Positive net financial position	**1,971.4**	**1,707.7**	**263.7**
Net Advances (received)/paid	**1,282.5**	**1,043.9**	**238.6**
Positive net financial position Adjusted (*)	**688.9**	**663.8**	**25.1**

(*) The net financial position is shown net of the payables for advance payments received from customers and of receivables for those paid to suppliers related to contracts operationally in force.

The net adjusted financial position remained strong, increasing by 25.1 million euro compared to the value as at June 30, 2024.
The net financial position remains positive and high and, in order to clearly show the net cash available, starting from this financial year, it is also shown "Adjusted", which envisages its determination not only considering, as in the past, "Bank debts and other financial liabilities" including advances received from customers on job orders not yet in production equal to 361 million euro at June 30, 2025 (442 million euro at June 30, 2024), but also considering advances received from customers and those paid to suppliers on job orders in production equal to 1,282.5 million euro (previous year 1,043.9 million euro). These amounts are still included as liabilities for contracts and customer advance payments in the consolidated balance sheet. As at June 30, 2025, on a similar basis to the previous financial year, liabilities recognised during the previous year were also included, relating to deferred components of the price for an acquisition made in previous financial years for 5.8 million euro.
Note that the net financial position does not include the tax credits acquired by Danieli & C. Officine Meccaniche S.p.A. and by several subsidiaries over the past two years unused as yet for around 70 million euro and which will be offset over the next year by tax liabilities and contributions due in Italy.
The diagram shown above includes all the components envisaged for the calculation of the net financial position as indicated in CONSOB communication no. 5-21 of April 29, 2021, which refers to ESMA guideline 32-382-1138. The item trade payables and other non-current liabilities envisaged by the aforesaid guideline, which is a significant component of implicit or explicit financing, is included in the column "Bank debts and other financial liabilities" as outlined in this section above.

For commentary on reverse factor operations, refer to note 17 in the explanatory notes to the consolidated financial statements.
The financial position reached 1,971.4 million euro as at June 30, 2025. This amount is still high, partly due to advances collected on current contracts and partly by a careful financial management of production on job orders, enabling the Group to repay past due debt to banks and to finance the important investments in research and development in both the Plant Making and Steel Making segments for the new Digital Melter to be built at the Italian plant of ABS SpA.
By maintaining this level of cash, the Group can meet without financial stresses the new technological challenges of building plants with high innovative content, by independently covering all extraordinary expenses that may arise from technical difficulties during their start-up.

Key consolidated financial ratios

Profitability Ratios	Description	30/06/2025	30/06/2024
ROE	Net profit for the period attributable to the Group / Group shareholders' equity	8.0%	9.2%
ROI	Operating income / Net invested capital	14.0%	21.3%
	Gross operating margin (Ebitda) / Group shareholders' equity	15.9%	14.9%
	Gross operating margin (Ebitda) / Financial charges (*)	12.05	9.69
	Gross operating margin (Ebitda) / Operating revenues	10.4%	9.0%
	Gross financial indebtedness (**) / Gross operating margin (Ebitda)	1.28	1.46
ROS	Operating income / Operating revenues	7.2%	5.1%
Financial charges over turnover	Financial charges / Revenues	0.9%	0.9%

20251215080937

Capital ratios	Description	30/06/2025	30/06/2024
Debt to equity ratio	Gross financial indebtedness / Total shareholders' equity	34.8%	39.8%
Financial independence	Total shareholders' equity / Total Assets	35.0%	35.1%
Primary structural margin	Total shareholders' equity / Non-current assets	187.8%	176.1%
Secondary structural margin	Total shareholders' equity + non-current liabilities / Non-current assets	232.9%	219.6%
Current ratio	Current assets / Current liabilities	143.9%	142.3%
Quick ratio	Current assets -Inventories / Current liabilities	102.0%	96.8%

(*) net of interests on discounting operations
(**) excluding advances on job orders not yet in production and indebtedness in accordance with IFRS 16

Profit indicators	30/06/2025	30/06/2024
Revenues per employee (thousands of euro)	**419.6**	**419.7**

Note that the figures used to calculate the performance ratios shown above do not always constitute standard measurements in the context of the Group's accounting policies.
Consequently, the criteria for determining this value may not be consistent with the one used by other entities, and therefore not be altogether comparable.

Statement of changes in net financial position

The statement of changes in net financial position confirms the Group's ability to generate significant positive cash flows from operations, which were only partially absorbed during the financial year by the disbursements on investments made, with a decrease in working capital by 169.1 million euro (an increase of 19.0 million euro in the previous year). The cash flow generated from operating activities amounted to 563.8 million euro (324.9 million in the previous period) and allowed the financial coverage of net operating investments of 258.4 million euro (164.7 million euro as at June 30, 2024). Hence, a final net cash increase, after financing operating investments, of 258.4 million euro (164.7 million euro as at June 30, 2024).
The total positive change in the net financial position, up by 263.7 million euro, includes the outlay for the payment of dividends in November 2024, amounting to 23.7 million euro, as well as the accounting effects arising from the trend in exchange rates.

(millions of euro)	30/06/2025	30/06/2024
Initial positive net financial position	**1,707.7**	**1,602.2**
Profit before taxes	307.8	307.4
Adjustment for the determination of cash flows from operations		
Depreciation, amortisation and other non-monetary components	133.6	172.8
Losses/(gains) on disposal of property plant and equipment	(0.6)	(4.6)
Net financial charges/(income) for the period	(4.3)	(86.6)
Gross cash flow from operations	**436.5**	**389.0**
Net change in working capital	169.1	(19.0)
Collected (paid) interest and income taxes	(41.8)	(45.1)
Cash flow generated /(absorbed) by operating activities	**563.8**	**324.9**
Investiments in tangible and intangible assets	(188.2)	(175.8)
Business combinations of the period and the previous financial year	0.1	(13.3)
Application of IFRS 16 - Right of use	(6.0)	(3.8)
Equity investments	(4.4)	(7.2)
Realised foreign exchange losses/(gains)	(51.8)	(5.4)
Disposals of tangible and intangible fixed assets	21.2	20.5
(Purchase)/sale of treasury shares	(42.8)	-
Changes in fair value of financial instruments measured at equity	13.5	20.3
Cash flow generated/(absorbed) by investing activities	**(258.4)**	**(164.7)**
Free cash flow	**305.4**	**160.2**
Other changes in net financial position		
Dividends to parent company shareholders	(23.7)	(23.7)
Changes in balance sheet items due to exchange rate translation	(18.0)	(31.0)
Total	**(41.7)**	**(54.7)**
Total change in net financial position in the period	**263.7**	**105.5**
Final positive net financial position	**1,971.4**	**1,707.7**

Investments and research activities

The main investments in tangible and intangible fixed assets in the period, totalling 188.2 million euro, were as follows:

- 111.8 million euro in the Steel Making segment are mainly related to the ongoing civil works for the new Digimelter plant and the completion of the new in-line control system for wire rods (LUNA) that will guarantee greater flexibility, diversification and efficiency in steel production, by expanding the range of products offered with improvements to their quality, together with a careful environmental management of all phases of production;
- 76.5 million euro in the Plant Making segment for new automatic machine tools installed in Italy and in production facilities abroad, with the aim of improving efficiency and increasing the manufacturing capacity of our plants.

During the period, the Group moved ahead with research programmes initiated in previous years, with a view to providing customers with new-technology plants capable of superior quality output and lower investment (CapEx) and production costs (OpEx). This process involved expenditure of approximately 40 million euro for direct and indirect research activities (almost entirely supported by the Plant Making segment and equal to approximately 1.3% of the related turnover), with the management of a volume of innovative projects of approximately 200 million euro (approximately 7% of the turnover of the Plant Making segment).

20251215080099

Analysis of/commentary on the economic and financial position of the Parent Company Danieli & C. Officine Meccaniche S.p.A.

Highlights of the income statement as at June 30, 2025

(millions of euro)	30/06/2025	30/06/2024	Variation
Revenues	**1,544.1**	**1,378.8**	12%
Gross operating margin (Ebitda) (*)	**142.4**	**79.9**	78%
% of revenues	9.2%	5.8%	
Depreciation, amortization and net write-downs of fixed assets and receivables	(7.5)	(33.8)	
Operating income	**134.9**	**46.1**	193%
% of revenues	8.7%	3.3%	
Financial Income and charges	(49.5)	42.7	
Profit before taxes	**85.4**	**88.8**	-4%
Income taxes	(30.2)	(21.8)	
Net profit for the period	**55.2**	**67.1**	-18%
% of revenues	3.6%	4.9%	

(*) The Gross Operating Margin (EBITDA) represents the operating result as in the income statement, before depreciation, amortisation and write-downs of fixed asset and receivables.
The Gross Operating Margin (EBITDA) is used by the issuer to monitor and evaluate the performance of the Danieli Company and Group, although it is not defined as an accounting measurement within IFRS. Consequently, the criteria for determining this value may not be consistent with the one used by other entities, and therefore not be altogether comparable.

Revenues for the year were 12% higher than in the previous year, with a positive gross operating margin, an improvement on last year.
The financial year showed a positive operating result, an improvement compared to the previous year, having maintained the necessary provisions to cover ongoing risks without significant additional costs. Net financial income was good in spite of a negative exchange rate management faced with strong alignment of receivables, payables and other financial assets expressed in US dollars to the year-end exchange rate.
Cash continued to be managed prudently to allow the financial coverage of investments while maintaining reasonable subcontractor payment times, with a significant improvement in the year-end net financial position.
The financial year closed with a profit of 55.2 million euro, compared to the profit of 67.1 million euro as at June 30, 2024, net of the tax burden related to the composition of the relative tax base.

Highlights of the reclassified balance sheet as at June 30, 2025

(millions of euro)	30/06/2025	30/06/2024
Investments	1,170.9	1,170.8
Net tangible and intangible fixed assets	94.6	85.0
Right of use	5.7	6.7
Net fixed assets	**1,271.2**	**1,262.5**
Working capital	(759.5)	(431.3)
Net invested capital	**511.7**	**831.2**
Total shareholders' equity	**879.3**	**890.6**
Non-current financial assets	75.0	75.0
Provisions for risks and employee benefits	26.1	61.9
Current financial assets	(938.0)	(769.4)
Non-current financial liabilities	258.5	259.4
Bank debts and other financial liabilities	285.8	388.7
Net financial position (*)	(393.7)	(121.3)
Total sources of funds	**511.7**	**831.2**

(*) The net financial position would amount to approximately 468 million euro as at June 30. 2025 considering the value of the non-current loan for 75 million euro disbursed in favour of the subsidiary ABS SpA.

The Net Invested Capital decreased compared to the previous year reflecting the change in working capital deriving from the collection and absorption of advance payments from customers on job orders in progress and the substantial stability of the other components of working capital (trade receivables, inventories and trade payables).
The net financial position as at June 30, 2025, positive for 393.7 million euro, was determined including current financial receivables and payables from/to Group companies.

20251215083101

Analysis of the net financial position as at June 30, 2025

(millions of euro)	30/06/2025	30/06/2024	Variation
Current financial assets			
Securities and other financial assets	36.1	39.4	(3.3)
Cash and cash equivalents	901.9	730.0	171.9
Total	**938.0**	**769.4**	**168.6**
Non-current financial liabilities			
Non-current financial liabilities	253.0	253.0	-
Lease liabilities non-current IFRS 16	5.5	6.4	(0.9)
Total	**258.5**	**259.4**	**(0.9)**
Current financial liabilities			
Bank debts and other financial liabilities	285.7	388.2	(102.5)
Lease liabilities current IFRS 16	0.1	0.5	(0.4)
Total	**285.8**	**388.7**	**(102.9)**
Current net financial position	**652.2**	**380.7**	**271.5**
Non-current net financial position	**(258.5)**	**(259.4)**	**0.9**
Net financial position (*)	**393.7**	**121.3**	**272.4**

(*) The net financial position would amount to approximately 468 million euro considering the value of the non-current loan for 75 million euro disbursed in favour of the subsidiary ABS SpA.

The net financial position includes, as "Bank debts and other financial liabilities", customer advance payments on job orders not yet in production amounting to 75,444 thousand euro (90,911 thousand euro as at June 30, 2024). These amounts are included in the balance sheet as other current liabilities in the item liabilities for contracts and customer advance payments.
Customer advances on job orders in production (including those from Group companies), amounting to 511.1 million euro as at June 30, 2025, and to 690.8 million euro as at June 30, 2024, respectively, are included in working capital as they are used to finance jobs in progress. These amounts are still included as liabilities for contracts and customer advance payments in the balance sheet.
The net financial position as at June 30, 2025 was positive for 393.7 million euro, with an increase of 272.4 million euro compared to the previous year; the position is expected further to improve next year, thanks to the flow of collections expected during the 2024/2025 financial year.
During the year, the net cash flow arising from operating activities allowed the Parent Company to finance planned investments and repay the past due portion of its debt. At the end of 2023 the Parent Company received a disbursement of 100 million euro, bringing the funds received from the European Investment Bank to 253 million, for a multi-year development plan that will mainly involve the Steel Making sector and will be mostly transferred to the subsidiary ABS in support of its investments.
Note that maintaining an adequate gross level of cash enables the company to suitably meet the technological challenges associated with the supply and start-up of innovative plants, with the ability to independently meet all extraordinary expenses associated with any technical difficulties.
Note that the net financial position of the Parent Company stated in accordance with ESMA guideline 32-382-1138 does not include non-current financial receivables for 75 million euro from the subsidiary ABS SpA. Part of the loan disbursed to the Company by the European Investment Bank was allocated to the subsidiary ABS S.p.A. through this intra-group financing since it was intended for the financing of its significant CAPEX, as described in the previous sections.

20231213081102

Key financial ratios

Profitability Ratios	Description	30/06/2025	30/06/2024
ROE	Net profit for the period / Total shareholders' equity	6.3%	7.5%
ROI	Operating income / Net invested capital	26.4%	5.5%
	Gross operating margin (Ebitda) / Total shareholders' equity	16.2%	9.0%
	Gross operating margin (Ebitda) / Financial charges (*)	5.93	3.40
	Gross operating margin (Ebitda) / Operating revenues	9.2%	5.8%
	Gross financial indebtedness (**) / Gross operating margin (Ebitda)	3.25	6.89
ROS	Operating income / Operating revenues	8.7%	3.3%
Financial charges over turnover	Financial charges / Revenues	1.55%	1.70%

Capital ratios	Description	30/06/2025	30/06/2024
Debt to equity ratio	Gross financial indebtedness / Total shareholders' equity	61.9%	72.8%
Financial independence	Total shareholders' equity / Total Assets	24.9%	25.4%
Primary structural margin	Total shareholders' equity / Non-current assets	56.8%	57.7%
Secondary structural margin	Total shareholders' equity + non-current liabilities / Non-current assets	75.2%	78.8%
Current ratio	Current assets / Current liabilities	83.8%	85.7%
Quick ratio	Current assets-Inventories / Current liabilities	67.0%	61.8%

(*) net of interests on discounting operations
(**) excluding advances on job orders not yet in production and indebtedness in accordance with IFRS 16

Profit indicators	30/06/2025	30/06/2024
Revenues per employee (thousands of euro)	**650.1**	**568.3**

Note that the figures used to calculate the performance ratios shown above do not always constitute standard measurements in the context of the company's accounting policies. Consequently, the criteria for determining

these indicators may not be consistent with the one used by other entities, and therefore not be altogether comparable.

Management of business risks

2025121508103

The Danieli Group carries out a continuous monitoring of business risks for all corporate functions by carefully managing them, in accordance with risk management methodology and principles, in order to identify, reduce and eliminate risks and thereby safeguard shareholders' rights.
Considering the different operations between the Plant Making and Steel Making sectors and the specific risk profiles of the individual production processes, the Board of Directors defines the nature and level of risk compatible with the Group's short and medium/long-term strategic objectives.
The centrally identified guidelines are valid for both business segments of the Danieli Group (Plant Making and Steel Making) and are followed with a view to standardising and coordinating Group policies.
The main industrial risks monitored by the Danieli Group are the following:

- risks related to the general state of the economy;
- risks related to market conditions;
- risks related to commodity prices (energy and raw materials), the cancellation of job orders and relations with suppliers;
- risks related to climate change and the environmental policy adopted;
- risks related to human resources, to Occupational Health and Safety;
- risks related to cybersecurity;
- risks related to compliance, management and taxation.

For information on financial risks, see the section "Management of financial risks" in the "Explanatory notes" to the consolidated financial statements.

MAIN RISKS		***MITIGATING ACTIONS***
Risks related to the general state of the economy	In the period ended as at June 30, 2025 the financial markets remain characterised by reduced interest rates in the EU and with expectations of a reduction in the US with a US dollar devalued against the euro by around 10% compared to 30 June 2024,. while the performance of the real economy remains low but stable at a global level.. In the second half of 2024 and 2025, the cost of energy factors decreased with estimated easing in the interest rates. The monetary policies implemented by the central banks of the main industrialised countries nevertheless allowed States to guarantee, again in 2024, support for innovation and decarbonisation programmes for production activities at a global level. The bank credit market still appear lively in the EU and the USA, with possible positive developments throughout 2025. This said, the effects of the ongoing Russian/Ukrainian conflict on this macroeconomic context are not easy to foresee.	The earnings and finances of the Danieli Group continue to remain solid, balanced and diversified by segments and product lines, albeit still affected by the various macroeconomic situations of the markets it serves around the world. This solidity represents an element of mitigation of the risk related to the current macroeconomic context that allows the Group to face with reasonable serenity the challenges that this context entails. However, the envisaged favourable evolution of the macroeconomic environment in 2025 could positively affect the strategies and outlook of the Danieli Group, in particular for the Steel Making segment, which is more sensitive to short-term changes. The Plant Making segment, on the other hand, which operates in job orders extending over several years, is able to plan production over the long term and thereby reduce the short-term impact of market volatility. The economic slowdown related to the pandemic effects of COVID-19 had initially disappeared during 2022, before another slowdown was seen in 2023 and 2024 with the Russian/Ukrainian conflict, which stopped the economic boost generated by the green sustainable development plans launched by the EU, China and the USA to support production with a lower environmental impact, generating positive effects for all economic sectors, including steel-related ones over a time horizon of at least two years.
Risks related to market conditions	This risk consists of the possibility that there may be no demand from the market for Danieli products, either for technological reasons or because of financial problems.	The Danieli Group's constant focus on the research and development of new solutions to propose to customers to promote environmentally sustainable production and to operate with ever better production efficiency is one of our major strengths. Group Management continuously monitors these aspects so as to safeguard our leadership position. Manufacturing operations in the Danieli Group are certified to ISO 140001 and ISO 9001 and also involve a continuous process of identifying, managing and mitigating the price risk that might have an economic impact on the Group's activities: ▪ in the Plant Making segment, purchases of the components used in the facilities qualified as strategic due to their nature and/or because of long delivery times are constantly

2025121508104

		monitored by ordering them once the job orders are effective to fix prices immediately, avoiding unexpected market fluctuations; • in the Steel Making segment, procurement of scrap, ferroalloys and energy is carefully planned to correlate purchases and production with orders received from customers in order to reduce any price imbalances between purchases and sales.
Risks associated with commodity prices, the cancellation of job orders and relations with suppliers	The Danieli Group results can be significantly affected by fluctuations in commodity prices, in particular in the Steel Making segment, but also in the Plant Making segment, insofar as they affect the cost of completing job orders.	Management at Group level carries out an ongoing process of identifying, managing and mitigating price, compliance, commercial and reputational risks related to shortcomings in the pre-qualification or performance of suppliers to avoid scenarios where suppliers are found to be technically and qualitatively inadequate. In the Steel Making segment, volumes of inventories and purchases of all production components subject to possible unexpected fluctuations (scrap, ferroalloys, energy, electrodes, etc.) are carefully managed and selling prices include a variable component related to scrap and ferroalloy price trend, which limits commodity price risk as much as possible. However, the sudden and sharp increase in gas prices seen in previous financial years with the related cost of energy and rapid upward and downward fluctuations in scrap prices led to tensions on the market and difficulties in the formation of prices, with distortive effects that were difficult to sterilise. Demand is nevertheless still good and, albeit with some delays, the higher costs are expected to be passed on to selling prices, thus easing pressure on the sales margins. In the Plant Making segment, the management of each project is always structured to align the "expenditure curve" with the "receipts curve", at least to limit financial imbalances in the event a job order is cancelled; in addition, for unusual projects in terms of type or geographical area, suitable insurance or financial coverage is taken out to ensure the continuity of the project at all times. The Danieli Group is active in several markets around the world. Operating mainly to job order, for each individual contract it sets up a policy for the management of subcontract price volatility, negotiating orders with deliveries exceeding six to eight months as soon as job orders are effective and, in any case, being able to count on a significant manufacturing capacity of its own located throughout the world, guaranteed by its factories in Italy, Thailand, India and China.
Risks related to climate change and the environmental policy adopted	Countries and companies around the world are being called upon to consciously assess and manage the risks related to climate change. The company's activities are also subject to many national and international environmental protection laws and regulations.	The risk arising from climate change is twofold: • a physical risk, namely that the company assets could be affected by natural events (flooding, drought, rising sea levels, fire) generated by the side effects of rising temperatures and • a transition risk, related to the economic effects and technological evolution required to transition from the current situation to the new target situation (with consequent impact on the company's reputation, finance, production and market change, *etc.*). With respect to this risk, it can be said that the Group has embarked on a process aimed at supporting the identification and assessment of the materiality of the climate risks and opportunities to which it could be exposed. Danieli is currently in possession of a "CCRVA" (Climate Change Risk and Vulnerability assessment) limited to some specific cases and has started a process of expanding the scope of application.Furthermore, Danieli established a new corporate institute in December 2022: the Risk and Sustainability Committee. With independent figures specialised in sustainability and financial investments, this limited advisory committee is tasked with ensuring greater monitoring of the risks associated with climate change. In addition, note that in 2019, Danieli had presented its decarbonisation targets and achieved independent science-based validation with a target to reduce emissions in line with a trajectory Well Below 2°C. In 2022, Danieli joined the programme promoted by the Science-Based Targets initiative (SBTi) for the second time, once again receiving validation of its short-term targets aligned with the new trajectory of 1.5°C and its long-term ones according to the new Net Zero Standard, ranking among some of the very first companies to achieve these goals.To mitigate this risk, the Group is working to reduce greenhouse gas

20251215081305

		(GHG) emissions at ABS by supporting self-production and the use of renewable energy and developing new technologies to reduce consumption in both the Steel Making and Plant Making segments, where research into new technological solutions is vital in order to be competitive in the market. But, at the same time, the aim is also to adapt to climate change in order to be able to anticipate its negative effects using appropriate measures and to prevent or minimise the damage that may result. Note that for the Steel Making segment, in particular, the adopted environmental policy complies with and often goes beyond the required standards. Steel Making sector of Danieli produces steel in a sustainable way and works to maintain a constant improvement in the environmental performance of its processes and products while maintaining an important focus on the social aspects of management. Danieli is a world leader in offering plants that produce steel without using coal and with very low CO_2 emissions. The impact is that the ecological transition — now necessary across the globe — represents a market opportunity for Danieli for supplying plants that, thanks in part to new patented technologies, have a low carbon footprint. In 2020, the new Dan Green department was established at the Danieli research centre. It aims to find increasingly more innovative solutions with an extremely low environmental impact. For further details, please refer to chapters E1 Climate Change and E2 Pollution of the Consolidated Sustainability Statement.
Risks related to human resources, to Occupational Health and Safety	The Group identified the risk of failing to make the most of human capital and poor management of processes aimed at protecting occupational health and safety.	As part of the human resource department, the Group worked to manage normal turnover (with an improvement in education level and a decrease in average employee age), but also to adapt personnel to market requirements related to the rationalisation of the activities in Italy and in other operating units in Europe and in South-east Asia, keeping production shifts in line with the current demand for plants. At ABS especially but at all other Group companies as well, measures have been taken to reduce injury risks by implementing adequate policies for the management and preventive maintenance of plants with a view to pursuing safety levels in line with the best industrial practices, and by using the insurance market to make sure our units are well protected even in the event construction is halted, against third-party liability and/or as part of the responsibility of directors towards shareholders/creditors. Health and safety compliance at production units and construction sites are the main operational areas where the company developed procedures and processes for the systematic mitigation of related risks. In May 2024, the Court of Padua ruled in relation to the fatal accident that occurred in 2018 at the Acciaierie Venete plant in Padua. The sentence acquitted the top management of the Danieli Group from the charge of double manslaughter as requested by the Padua Public Prosecutor's Office and convicted Danieli & C. Officine Meccaniche S.p.A. and Danieli Centro Cranes (in liquidation), in the context of the application of Decree 231/01. The reasons for the sentence recall the responsibility of the two companies on the basis of an alleged lack of organization of the same and our defenders, in addition to noting that in the indictment and in the description of the negligent conduct there is no reference to a fault in organization believe that the company will be able to prove the absence of any defect in organization of the Danieli Group. The two companies appealed against this sentence before the Court of Appeal of Venice. We believe that there is a reasonable possibility that, already on appeal or in the Supreme Court, these convictions will be annulled. For further information, please refer to chapters S1 Own workforce and S2 Workers in the value chain of the Consolidated Sustainability Statement.
Risks related to cybersecurity	The Group has mapped the cybersecurity risks related to the management of computer processes used in operating and management activities.	The topic of IT risk was explored with the help of the external consulting company Accenture, appointed by the Group to implement the programme intended to improve cybersecurity following a specific assessment, identifying the areas of intervention and defining a roadmap with a time frame of 36 months and the use of around 45 full-time employees dedicated

2025121508106

		to the prevention of hardware risks within the Group. The intervention times defined in the roadmap developed with the help of Accenture are in line with the risk index for the critical issues detected. Maximum attention is paid to the subject and the cyber risk oversight function operates with great flexibility, with access to a significant annual budget in light of its continuous evolution. The Group uses many tools (software and hardware) to mitigate the risks and outsources several activities to third parties specialised in the research, prompt identification and verification of anomalous behaviours. Periodic reports are prepared and submitted to the CEO. In the upcoming months/years, the Group will implement an even more refined Network Access Control (NAC) system to prevent access to the Group's network using external devices.
Risks related to compliance, management and taxation	The Group, given the international articulation of its activity, is subject to the risk of fraud or illegal activities.	As part of corporate governance, the Group adopted protocols, procedures and operating practices to prevent the risk of corruption and anti-money laundering by defining the guidelines of behaviour and the control measures of active and passive processes potentially involved (in the sales process and in procurement) in accordance with international best practices. For more information, please refer to chapter G1 Business Conduct of the Consolidated Sustainability Statement. In the context of tax risks, note that the Parent Company closed – with integrated and compliant tax returns – all findings disputed to date (only small positions of a negligent value remain open). As at June 30, 2025, a tax dispute is still pending between the Algerian administration and the parent company, for which charges are not expected. The tax audit carried out at ABS ended with the issuance in 2024 of an assessment report contesting the merits of certain tax credits which was closed during the year with the signing of an agreement with the Italian Revenue Agency that resulted in a much lower outlay than the dispute. Also closed at the end of December 2024 was the audit of the Parent Company Danieli & C. Officine Meccaniche S.p.A. by the Trieste Revenue Agency on FY 2018/19 with disputes essentially related to transfer prices for a total of alleged unpaid taxes of approximately 12 million euro. *An initial preliminary cross-examination against the objections* raised by the Company is currently under way with the Revenue Agency in Trieste. At the moment, the presence of countless errors and estimates in the contested findings does not yet make it possible to accurately count the taxes owed, which in any case should be significantly lower than the contested amount. Management believes that, in light of the risk provisions made, there will be no further burden on the Group.

Atypical and unusual transactions

There were no significant atypical or unusual transactions during the year.

Treasury shares

As at June 30, 2025, the company held 4,177,167 ordinary shares and 4,873,221 savings shares with a par value of 1 euro each, for a total par value of 9,050 thousand euro (10.22% of the share capital).

Secondary headquarters

Pursuant to Art. 2428 of the Italian Civil Code, the Parent Company declares that it does not have any secondary headquarters.

Management and coordination

Danieli & C. Officine Meccaniche S.p.A. is not subject to management and control activities by companies or organisations and determines its own strategic, general and operating policies on a wholly independent basis.

20251215081107

Pursuant to Art. 2497-*bis* of the Italian Civil Code, the Italian companies controlled directly or indirectly, except for particular cases, identified Danieli & C. Officine Meccaniche S.p.A. as the body that exercises the activity of management and coordination. This activity consists in indicating Group strategic, general and operating policies and is achieved by defining and adapting the internal control system and corporate governance model and company structures, by issuing a Code of Ethics adopted at Group level and by formulating general policies for managing human and financial resources, procurement of production components, and marketing and communication.
The above enables the subsidiary companies, which retain full responsibility for their own managerial and operating independence, to achieve economies of scale, taking advantage of the skills and specialist services with increasing quality levels, and to concentrate their own resources on the management of their core business.

Statement pursuant to Art. 2.6.2 of the Italian Stock Exchange Regulations

Pursuant to Art. 2.6.2 of the Italian Stock Exchange Regulations, to comply with the terms of Art. 36 of CONSOB Market Regulation no. 16191/2007, the company, as the parent of companies established and governed under the laws of countries outside the European Union, declares that:

1. it has made available to the public (as indicated in the provisions set forth in Part III, Title II, Chapter II, Section V of the regulations adopted by CONSOB with Resolution 11971/1999, as amended) the financial statements of its subsidiaries as prepared for drawing up these consolidated financial statements, including at least the balance sheet and income statement;
2. it has acquired from the subsidiaries the Articles of Association and the composition and powers of company boards;
3. it has verified that the subsidiaries have a suitable administration and accounting system for sending, in a timely manner, the necessary profit and loss, balance sheet and financial data to the parent company's management and external auditors for preparation of the consolidated financial statements.

Governance

The "Report on Corporate Governance and Ownership Structure" (hereafter, the Report) required by Art. 123-*bis* of Italian Legislative Decree no. 58/1998 of the Consolidated Finance Act is an independent document approved by the Board of Directors on September 25, 2024 and published on the authorised storage system SDIR & STORAGE, www.emarketstorage.com, and on the company's website, www.danieli.com, in the section "Investors – Corporate documents".
The Report was prepared in compliance with the spirit of transparency and correctness inspired by the Code of Conduct for Listed Companies issued by Borsa Italiana S.p.A., even though the Company, in 2010, decided not to continue to adopt it.
The Report provides a general and complete picture of the adopted corporate governance system: it describes the profile of Danieli & C. Officine Meccaniche S.p.A. and its guiding principles; it discusses the ownership structure and the main governance practices followed, including the main characteristics of the internal control and risk management system; and it describes the functioning and composition of the governing and control bodies and their committees, roles and responsibilities.
It also presents the procedures adopted with regard to transactions involving interests of directors and statutory auditors and transactions with related parties, whose Regulations are available on the company's website in the section "Investors – Corporate documents", and the policy for communications with institutional investors and shareholders, and for the management of corporate information. The values and criteria used to determine the directors' fees are disclosed in the "2023 Report on remuneration policy and fees paid", prepared in accordance with Art. 123-*ter* of Italian Legislative Decree 58/1998 and Art. 84-quater of the CONSOB Regulations for Issuers, and published online in the section "Investors - Corporate documents" of the company's website.

The Independent Auditor appointed by the Shareholders' Meeting of October 26, 2018, for nine years from July 01, 2019 to June 30, 2028, is Deloitte & Touche S.p.A.
The fees paid to the independent auditor are those approved by the shareholders' meeting of October 26, 2018. Adjusted to take account of inflation, they can be revised only in specific cases, such as new acquisitions or transfers.
For the audit of the financial statements as at June 30, 2025, the consolidated consideration accrued as a whole by Deloitte & Touche S.p.A. and by its network for the external auditing activity was 1,231 thousand euro

(including the limited audit on the CSRD). The same network was recognised in the financial year 89 thousand euro for other audit activities and consulting activities.

Remuneration

The company's remuneration policy provides for a fixed fee for the members of the Board of Directors, except for any Extraordinary Bonuses for the Chief Executive Officers against well-defined objectives to be approved by the Board of Directors itself while it envisages, for key management personnel, a fixed remuneration with an additional variable component (according to a Management By Objectives Plan) related to the results achieved compared to previously agreed objectives (linked to the achievement of economic/financial targets but only for governance and sustainability), which does not however exceed 30% of the salary.

Considering the size of the Group and its operating structure, the use of a Remuneration Committee for regulating this matter was not envisaged, assigning this task to the Human Resource Management with the help, if necessary, of the Executive Committee as a leaner and more efficient operating body (for further details, see the Report on Remuneration approved by the Board of Directors dated September 26, 2025).

Events occurring after the reporting period

Company operations continued with no further significant events occurring since June 30, 2025, with a world steel market that is still receptive and without the emergence of significant negative factors.
Alignment of currency items to the exchange rate prevailing on September 26, 2025, would not have resulted in a significant change in unrealised exchange differences for the year compared to the figure recorded considering the exchange rate as at June 30, 2025.
Except for what has already been discussed, no other events occurred after June 30, 2025, which could have had an impact on the economic, equity and financial position as shown in the balance sheet, the income statement and statement of comprehensive income at said date or required further adjustments or additional notes to the consolidated financial statements and to the separate financial statements.

Outlook

We believe that, in the second half of 2025, the world economy will still show positive growth albeit with a cooler recovery in the USA and the EU, and with an improvement in Asia by the end of the year that should expand more broadly to the rest of the world in 2026.
The new world balances that are forming as a result of the Russian/Ukrainian conflict and the new import tariffs in the USA are leading to an unprecedented economic geography and related international trade in two parallel yet opposing blocks, with an acceleration in economic growth but fewer interrelations between Asia and the western countries.
Despite the uncertainties related to the current geopolitical and macroeconomic context, no significant direct impacts are expected from the protectionist policies recently implemented by the US administration.
This has enhanced the strategic nature of the manufacturing and steel sectors especially, which remain important for both blocks to support the development of infrastructure and the metalworking industry.
The forecasts for steel consumption in 2025 and 2026 remain strong in absolute terms, with slight recovery in Asia and a constant production in other countries, partly affected by the increase in demand in support of the decarbonisation process of the industry.
The global trend of the main players in the metals market to make targeted investments to improve production efficiency starting from the decarbonisation process in steel production and always aiming at quality products is confirmed, also by migrating production to countries where the general competitiveness package (energy, ore and transport and including the presence of domestic demand) can guarantee greater production cost-effectiveness, with good opportunities for new orders in the plant engineering sector to be added to Danieli's current order book.
The performance of both the Plant Making (plant engineering and construction) and Steel Making (special steel production) sectors in the year just ended and the maintenance of the order book at good levels suggest positive Group results for the next year as well, with the aim of improving in 2025/26 what was done in 2024/2025.Based on these premises, the Danieli Group will be able to register steady and positive performance in the next financial year in the engineering and plant making sector, while 2025/2026 is expected to be a more

20251215081109

positive year in the steel making sector, with constant volumes despite better margins than the year just ended, which was influenced negatively by the energy situation and by inconsistent demand trends.
In particular, in the Plant Making sector, an operating result is expected to be in line with or better than in 2024/2025 with good volumes and margins, with an equal distribution of the same in the main product lines (steel mills, long products and flat products) and in a homogeneous manner in all the geographical areas affected by our projects and a better contribution to the Group's operating profitability by the Parent Company Danieli & C Officine Meccaniche S.p.A..
For the Steel Making sector, 2025/2026 is expected to see a slight growth in production volumes but with better margins and greater efficiency in production processes, being able to have three product verticalization lines: bars, wire rod and balls, albeit the energy variable and the weakness of demand, also linked to the uncertainty present in the EU and that generated by the American policy on duties, it could still negatively affect both volumes and production margins.

With these objectives in mind, the Danieli Group, in the Plant Making sector, will continue to consolidate its international structure, while the Steel Making sector will continue with the construction of the new Digimelter plant at the Italian site of ABS, an integral part of the new investment plan intended to renew the other electric furnaces and double the installed production capacity, thus improving competitiveness, quality and productivity by the end of 2027.
The Group continues to pursue its efficiency objectives such as increased productivity, reduction in structural costs and innovation with the goal of improving competitiveness in the global market and ensuring an improved service especially to South-east Asian customers where steel production is mostly concentrated.
There are no other significant unknown factors for the year ahead, barring unforeseeable events beyond our control.

Reconciliation between Parent Company shareholders' equity and profit for the year and Group shareholders' equity and profit for the year

The reconciliation between shareholders' equity and profit for the year as at June 30, 2025 and June 30, 2024, as shown in the financial statements of the Parent Company and in the consolidated financial statements, can be summarised as follows:

	30/06/2025		30/06/2024	
(thousands of euro)	Total shareholders' equity	Net profit for the period	Total shareholders' equity	Net profit for the period
Balances in the financial statements of Danieli & C. S.p.A.	**879,298**	**55,194**	**890,620**	**67,061**
Elimination of the carrying value of equity investments and of the shareholders' equity of investees	1,900,633		1,752,670	
Share in subsidiaries result		248,901		276,225
Intercompany dividends		(79,736)		(96,714)
Impact of the valuation with the equity method of equity investments not consolidated line-by-line	5,291	(636)	5,927	863
Eliminiation of the effect of intercompany transactions	(26,913)	(3,884)	(21,996)	(6,623)
Group shareholders' equity	**2,758,770**	**220,055**	**2,627,221**	**240,812**
Non controlling interest in shareholders' equity	1,699	(98)	1,599	(787)
Total shareholders' equity	**2,760,469**	**219,960**	**2,628,820**	**240,025**

Proposals by the Board of Directors to the annual general meeting

20251215081110

Dear Shareholders,

We express our appreciation and thanks to all those whose perseverance and professionalism contribute to maintaining our strong competitive position and high technological status in world markets. We rely on their enthusiasm, as well as on our own, as we seek to progress with the serenity, confidence and strength necessary to meet future challenges.

The financial statements of Danieli & C. Officine Meccaniche S.p.A. for the financial year ended June 30, 2025, which we submit for your approval, show a profit of 55,193,671 euro.

Considering the net profit of the consolidated financial statements of the Danieli Group for the year ended June 30, 2025, which amounted to 220.1 million euro, we propose the payment of a dividend of:

- 0.3100 euro for the 36,367,962 ordinary shares;
- 0.3307 euro for the 35,204,779 savings shares.

The entire amount of the dividend is held in available reserves in the shareholders' equity of Danieli & C. Officine Meccaniche S.p.A. as at June 30, 2025 pursuant to Italian Ministerial Decree of May 26, 2017.

The breakdown is shown below.

Allocation of net profit for the year	Total shares outstanding at the period end	Dividend per share	Total
Ordinary shares (1)	36,367,962	0.3100	11,274,068
N.C. Saving shares (2)	35,204,779	0.3307	11,642,221
Total			**22,916,289**
To extraordinary reserve			**32,277,382**
Distribution of net profit of the financial year			**55,193,671**

(1) net of 4,511,571 ordinary treasury shares held on September 26, 2025
(2) net of 5,220,254 savings treasury shares held on September 26, 2025

Dividends to shareholders will be payable as from November 26, 2025 (distribution date November 24, 2025; record date November 25, 2025).

You are reminded that the ordinary Shareholders' Meeting has been convened for October 28, 2025, in single call.

2025121508112

CONSOLIDATED SUSTAINABILITY STATEMENT FINANCIAL YEAR 2024/2025

(Consolidated sustainability reporting pursuant to Italian Legislative Decree 125/2024)

GENERAL INFORMATION 60

ESRS 2 General Disclosures 60

Basis for preparation

BP-1 – General basis for preparation of the sustainability statement 60

BP-2 - Disclosures in relation to specific circumstances 60

Governance

GOV-1 – The role of the administrative, management and supervisory bodies 61

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies 64

GOV–3 – Integration of sustainability performance in incentive schemes 65

GOV-4 – Statement on due diligence 66

GOV-5 – Risk management and internal controls over sustainability reporting 67

Strategy

SBM-1 – Strategy, business model and value chain 68

SBM-2 – Interests and views of stakeholders 71

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 73

Impacts, risks and opportunities management

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities 80

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement 84

ENVIRONMENTAL INFORMATION 94

Taxonomy - Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 94

ESRS E1 Climate change 102

Strategy

E1-1 – Transition plan for climate change mitigation 102

E1 – SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 102

Impacts, risks and opportunities management

E1-2 – Policies related to climate change mitigation and adaptation 103

E1-3 – Actions and resources in relation to climate change policies 104

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation 108

E1-5 – Energy consumption and mix 109

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions 110

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits 112

– Internal carbon pricing 112

ESRS E2 Pollution 113

Impacts, risks and opportunities management

E2-1 – Policies related to pollution 113

E2-2 – Actions and resources related to pollution 113

Metrics and targets

E2-3 – Targets related to pollution 114

E2-4 – Pollution of air, water and soil 114

E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities 115

ESRS E3 Water and marine resources 116

Impacts, risks and opportunities management

E3-1 – Policies related to water and marine resources 116

E3-2 – Actions and resources related to water and marine resources 116
Metrics and targets
E3-3 – Targets related to water and marine resources 117
E3-4 – Water consumption 117
ESRS E5 Resource use and circular economy 119
Impacts, risks and opportunities management
E5-1 – Policies related to resource use and circular economy 119
E5-2 – Actions and resources related to resource use and circular economy 119
Metrics and targets
E5-3 – Targets related to resource use and circular economy 120
E5-4 – Resource inflows 120
E5-5 – Resource outflows 121

SOCIAL INFORMATION 124
ESRS S1 Own workforce 124
Strategy
S1 - SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 124
Impacts, risks and opportunities management
S1-1 – Policies related to own workforce 126
S1-2 – Processes for engaging with own workers and workers' representatives about impacts 128
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns 128
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions 129
Metrics and targets
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities 132
S1-6 – Characteristics of the undertaking's employees 133
S1-8 – Collective bargaining coverage and social dialogue 134
S1-9 – Diversity metrics 135
S1-10 – Adequate wages 135
S1-14 – Health and safety metrics 136
S1-16 – Compensation metrics (pay gap and total compensation) 136
S1-17 – Incidents, complaints and severe human rights impacts 137
ESRS S2 Workers in the value chain 138
Strategy
S2 – SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model 138
Impacts, risks and opportunities management
S2-1 – Policies related to value chain workers 139
S2-2 – Processes for engaging with value chain workers about impacts 140
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns 140
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions 141
Metrics and targets
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities 143
ESRS S3 Affected communities 144

Strategy
S3 – SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 144
Impacts, risks and opportunities management
S3-1 – Policies related to affected communities 144
S3-2 – Processes for engaging with affected communities about impacts 144
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns 145
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions 145
Metrics and targets
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities 147

GOVERNANCE INFORMATION 148
ESRS G1 Business conduct 148
Impacts, risks and opportunities management
G1-1 – Business conduct policies and corporate culture 148
G1-2 – Management of relationships with suppliers 151
G1-3 – Prevention and detection of corruption and bribery 153
Metrics and targets
G1-4 – Confirmed incidents of corruption or bribery 155
G1-6 – Payment practices 155

Certification of Sustainability Reporting 156

Auditors' report 157

20251215081114

20251213081115

GENERAL DISCLOSURES

ESRS 2 General Disclosures

Basis for preparation

BP-1 - General basis for preparation of the sustainability statement

The Danieli Group has prepared this Consolidated Sustainability Statement (hereinafter 'Sustainability Statement') for financial year 2024/2025 in accordance with Italian Legislative Decree 125/2024, which transposes Directive (EU) 2022/2464 (CSRD), and in line with the principles of the European Sustainability Reporting Standards (ESRS), in particular the provisions of Delegated Regulation (EU) 2023/2772.
The scope of the data in the Sustainability Statement coincides with the scope of the Consolidated Financial Statements of the Danieli Group.
This Statement includes information related to the Group's value chain upstream and downstream, in particular: qualitative information on material impacts, risks and opportunities (IRO), for which please refer to the list in sections SBM-3 - Impacts, risks and opportunities and their interaction with strategy and business model and IRO-1; chapter S2 Workers in the value chain; metrics E1-6 Gross Scope 3 GHG emissions and S1-14 Health and safety metrics. The document was approved by the Board of Directors on 26 September 2025, following validation of the double materiality analysis by the Executive Committee.
Publication occurs annually and the reporting period coincides with the Group's fiscal year (1 July 2024 - 30 June 2025).

BP-2 - Disclosures in relation to specific circumstances

In preparing the Consolidated Sustainability Statement 2024/2025, the Danieli Group considered the specific circumstances set forth in ESRS 2 BP-2, providing transparent disclosure on:
Estimates and proxies: in the absence of specific data, estimates based on recognised methodologies and sectoral proxies were used, in particular for some items related to resource inflows (E5-4 - Resource inflows) and Scope 3 emissions (E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions). These estimates and the underlying methodologies have been highlighted in Chapters E1 - Climate Change and E5 - Resource Use and Circular Economy, and validated internally according to criteria of reliability and representativeness.

- **Uncertainties:** with regard to metrics subject to estimation by management, characterised by a high level of uncertainty, we note metric E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions, with reference to Scope 3 emissions (for detailed information please refer to Chapter E1 - Climate Change). In particular, the carbon footprint of systems sold, estimated within Scope 3 emissions category 11, is subject to variability depending on customer usage and the local energy mix.
- **Transitional provisions**: in accordance with Appendix C of ESRS 1, the Group has chosen not to report certain data points relating to anticipated financial impacts and has omitted information subject to gradual implementation (e.g. social protection, disability, certain health and safety metrics, training and work-life balance).
- **Definition of time horizons** according to ESRS guidelines: short term (1 year), medium term (up to 5 years from the end of the short-term reference period), long term (more than 5 years). The short-, medium- and long-term time horizons differ solely for SBTi targets and targets derived from the Sustainability Plan, for which the relevant time horizons are specified in the text: these changes meet the Group's strategic and planning requirements.

The Group has ensured consistency and integration between the Sustainability Statement and the other corporate reporting documents, such as the Directors' Report and the Consolidated Financial Statements at 30 June 2025. The Danieli Group is also required to disclose information relating to Article 8 of Regulation

2025121508116

(EU) 2020/852 on the Taxonomy and this information has been provided in the chapter dedicated to the European Taxonomy within the Environmental Information section.
Links between sections have been made explicit by cross-referencing.
The Group is committed to progressively improving the quality and granularity of the information reported, in line with regulatory developments and the aim of ensuring increasing transparency and comparability.

Use of Transitional Provisions

For this Sustainability Statement, the Danieli Group reported all the information required under the disclosure requirements for sustainability issues found to be material by the Double Materiality Analysis. The Group has adopted transitional measures for the reporting of the following material disclosure obligations:

- E1-9, E2-6, E3-5, E5-6 - Anticipated financial effects of impacts, risks and opportunities;
- S1-7 - Characteristics of non-employees in the undertaking's own workforce;
- S1-8 - Collective bargaining coverage and social dialogue (disclosure requirement for employees in non-EEA countries)
- S1-11 - Social protection;
- S1-13 - Training and skills development metrics
- S1-14 - Health and safety metrics (disclosure requirement for non-employees, cases of occupational disease and number of days lost due to injury, death and occupational disease)
- S1-15 - Work-life balance metrics

Transitional measures have also been adopted for reporting on the following disclosure requirements not related to Double Materiality Analysis:

- ESRS 2 SBM-1 40 b, c;
- ESRS 2 SBM-3 48 e.

GOV-1 - The role of the administrative, management and supervisory bodies

The Danieli Group values the diversity and expertise of its governance bodies as key elements in responsible management. Below is information on the composition and skills of the Board of Directors and the Board of Statutory Auditors:

- number of executive and non-executive members: The Board of Directors consists of 10 members, 4 of whom are executive (40%) and 6 non-executive (60%);
- representation of employees and other workers: There is no direct representation of employees on the Board of Directors. However, the Group promotes engagement with workers through internal communication channels and listening initiatives;
- sectoral and geographical experience: board members have expertise in the fields of steel and industry in general, industrial engineering, automation and finance, with experience gained in international contexts, particularly in the European, Asian and American markets in which the Group operates;
- gender diversity and other aspects: the Council consists of 10 members, 6 of whom are women (60%) and 4 men (40%). The average ratio of female to male members is thus 1.5:1, in line with indicator no. 13 of Delegated Regulation (EU) 2022/1288. In addition to gender, the Group considers diversity in terms of age and educational and professional background. The Board of Statutory Auditors consists of 3 women and 3 men, with an equal gender representation of 50% with proven experience in administration, finance and control. In terms of age diversity, 30% of Board of Directors members are 30-50 years of age, while 70% are over 50 years of age. The members of the Board of Statutory Auditors are divided equally, with 50% in the 30-50 age bracket and 50% in the over-50 bracket;
- percentage and number of independent members: 3 members of the Board qualify as independent, i.e. 30% of the total, based on the criteria of Italian Legislative Decree 58/1998 and Delegated Regulation (EU) 2020/1816.

20251215083117

Table of Board of Directors Members (appointments as at 28/10/2024):

Name	Role	Executive Powers	Independent
Alessandro Brussi	Chairman and Executive Committee Member	Yes	No
Camilla Benedetti	Deputy Chairman	Yes	No
Rolando Paolone	Managing Director and Executive Committee Member	Yes	No
Giacomo Mareschi Danieli	Managing Director and Executive Committee Member	Yes	No
Anna Mareschi Danieli	Director	No	No
Cecilia Metra	Director	No	Yes
Carla De Colle	Director	No	No
Barbara Falcomer	Director	No	Yes
Antonello Mordeglia	Director	No	No
Lorenza Morandini	Director	No	Yes

Table of members of the Board of Statutory Auditors (appointments as at 28/10/2024):

Name	Role
Davide Barbieri	Chairman
Vincenza Bellettini	Statutory Auditor
Gaetano Terrin	Statutory Auditor
Marina Barbieri	Alternate Auditor
Alessandro Ardiani	Alternate Auditor
Emanuela Rollino	Alternate Auditor

2023121508118

The Danieli Group assigns a central role to the administration, management and control bodies in defining, supervising and monitoring sustainability strategies, therefore a governance system has been formalised that integrates sustainability into decision-making and control processes

The **Board of Directors** of the parent company Danieli & C. Officine Meccaniche S.p.A. annually approves the Consolidated Sustainability Statement, including the double materiality analysis, and assesses the adequacy of the risk management system.

The **Board of Directors** is supported by two internal committees:

- The **Executive Committee**, which holds the delegated powers of the Board of Directors, and expresses its opinion on the materiality analysis and ESG strategies.
- The **Risk and Sustainability Committee**, composed mainly of independent directors, performs investigative and monitoring functions on ESG risks and policies, formulating opinions and recommendations for the Board of Directors as set out in the 'Risk and Sustainability Committee Regulations', which establish its tasks.

The **Board of Statutory Auditors** monitors compliance with sustainability regulations, including disclosure requirements and compliance with ESRS standards.

The **Compliance & Internal Audit** function oversees ESG, anti-corruption, export control and risk management issues, supporting the internal control system. An organisational model in line with Italian Legislative Decree 231/01 and a Code of Ethics is in effect and has been adopted by all Group companies.

At the operational level, the Group has appointed dedicated sustainability figures:

- The **Chief Sustainability Officer & Lead of Sustainability** for the steelmaking sector;
- The **CO-CEO with responsibility for sustainability** for the plantmaking sector.

Both have specific expertise in decarbonisation and green innovation.

At the consolidated level, reporting and monitoring of sustainability issues is entrusted to the Administration, Finance and Control Department, which works in close synergy with the above-mentioned functions and a multifunctional working group consisting of representatives from the main company departments and functions involved in the operational management of sustainability initiatives. The Administration, Finance and Control Department is responsible for steering, coordinating and supervising sustainability-related processes, ensuring the integration of ESG principles into corporate management. In particular, it is responsible for identifying material issues through double materiality analysis, managing the collection of information in accordance with ESRS standards, and preparing the annual Sustainability Statement.

The department also monitors the implementation of the commitments made in the Sustainability Plan, checking progress with respect to targets and periodically informing the Risk and Sustainability Committee - the body responsible for strategic oversight of ESG issues. The Risk and Sustainability Committee meets regularly with company departments to assess the effectiveness of the policies adopted, and the management of sustainability-related impacts, risks and opportunities, and monitors the progress and implementation of the Guidelines included in the approved Sustainability Plan.

Within the Danieli Group, sustainability governance has been progressively strengthened by integrating specific skills within the administration and control bodies. The Board of Directors, also through the Risk and Sustainability Committee, has taken an active role in the monitoring of ESG issues, making use of individuals with consolidated experience in technology and the environment. Among them, the co-Managing Director with a technical-scientific background contributed significantly to the Group's strategic orientation with respect to sustainable innovation, promoting industrial solutions with low environmental impact.

The ability of the **Board of Directors** and the **Board of Statutory Auditors** to face the challenges of sustainability is based not only on internal expertise, but also on the possibility of access to external professionals and refresher courses on specific governance issues, such as the anti-corruption course that was administered in an initial phase to the non-independent members of the **Board of Directors**. This approach allows the governance bodies to maintain an up-to-date and informed view of regulatory developments and stakeholder expectations.

2025121508319

The skills gained in previous leadership roles play a key role in the Group's strategic management, including the main ESG impacts, risks and opportunities, particularly those related to the ecological transition. An emblematic example are the decarbonisation strategies initiated by ABS S.p.A., which are part of a long-term industrial plan to transform the production model in a sustainable way. These initiatives, involving the adoption of innovative technologies and the optimisation of processes, were conceived and monitored with the direct engagement of governance bodies, confirming the importance attributed to ESG skills in defining the Group's strategic choices.

The governance bodies play a central role in the promotion and supervision of the Danieli Group's business conduct. In particular, the Board of Directors is actively involved in defining ethics policies and supervising compliance, anti-corruption and whistleblowing. It exercises strategic steering functions, approving the main policies and monitoring the effectiveness of the internal control system.
The Board of Statutory Auditors, for its part, verifies the compliance of the company's activities with applicable regulations and rules of good conduct, contributing to the independent supervision of control processes and the protection of the company's integrity. The members of these governance bodies possess specific expertise in business conduct, gained through professional experience and dedicated training. In addition, the Group has initiated periodic update programmes on issues such as compliance, risk management and international regulations, with the aim of strengthening the Board of Directors' ability to supervise and strategically steer.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

During the 2024/2025 financial year, the Danieli Group ensured information was provided to the governance bodies on ESG issues in a structured, periodic and formalised manner. The **Board of Directors** and the **Executive Committee** were updated on a quarterly basis, with the support of the **Risk and Sustainability Committee**, on: the results of the double materiality analysis, with identification and prioritisation of issues material to the Group and its stakeholders; the effectiveness of ESG policies, actions and targets, including those already validated by SBTi for decarbonisation by 2030 and 2050; performance in terms of environmental, social and governance metrics (GHG, health and safety, training, diversity and stakeholder engagement); the results of audit and compliance activities, focusing on anti-corruption, export control, whistleblowing and privacy. Reports were prepared by the relevant functions, including:

- Chief Sustainability Officer & Lead of Sustainability (Steelmaking);
- CO-CEO with responsibility for sustainability (Plantmaking);
- Compliance & Internal Audit Department;
- Administration, Finance and Control Department; Human Resources Department;
- 'DanGreen' Research Centre and Department.

Material impacts, risks and opportunities were integrated into the strategic decision-making process, the evaluation of extraordinary transactions and corporate risk management. In particular, trade-offs between environmental and industrial objectives were considered, with reference to the **Decarbonisation Plan**, the Sustainability Plan and circular economy initiatives.
During the reporting period, the **Executive Committee** reviewed and approved the list of material impacts, risks and opportunities arising from the double materiality analysis, including:

- Physical and transitional climate risks;
- Reputational and regulatory risks related to the supply chain;
- Opportunities for green innovation and technological leadership;
- Environmental impacts associated with steel production;
- Social impacts related to health, safety and inclusion.

20251215083120

The active involvement of governance bodies ensured the integration of ESG issues into corporate strategy and risk management, strengthening the culture of sustainability within the Group.

GOV–3 – Integration of sustainability performance in incentive schemes

The Danieli Group has integrated sustainability performance into its incentive systems. This approach reflects the Group's commitment to promoting responsible, ESG-oriented behaviour at both strategic and operational levels.

The incentive policy linked to ESG targets is mainly focused on executive directors, in particular the Chairman and Managing Directors. For these positions, the incentive system provides a variable remuneration component linked to the achievement of performance targets that include ESG KPIs, defined in the three-year Management by Objectives (MBO) plans as set forth in the Remuneration and Compensation Policy approved by the Board of Directors on 25 September 2024 and subsequently presented to and approved by the Shareholders' Meeting on 25 October 2024. These objectives include, for example, the improvement of the Group's ESG ratings and the development of low-emission steelmaking technologies (which contribute to the European Taxonomy KPIs for identified eco-sustainable economic activities and to the progressive lowering of indirect emissions in Group Scope 3, thanks to the low carbon footprint of the plants sold). Performance is assessed against ESG targets consistent with the Group's sustainability strategy and decarbonisation targets validated by SBTi.
In addition, ESG metrics are integrated into remuneration policies, applying to key management personnel. The METYOU® system allows for transparent and traceable monitoring of the achievement of individual and team goals, fostering alignment between performance and sustainability. The variable component of remuneration is generally no more than 30% of the total, and a 20% share of this component is directly related to the achievement of ESG objectives, based on the individual position and responsibilities. Any exceptions are subject to a resolution of the **Board of Directors**. The incentive systems are approved and updated by the **Executive Committee**, with the support of the Human Resources Department and the Risk and Sustainability Committee. The **Board of Directors** annually reviews and approves the structure of the MBO plans and their consistency with the Group's ESG strategy. There are no share-based incentive plans, no non-monetary benefits, and no deferred payment or vesting period mechanisms. The remuneration policy is based on the principles of equity, sustainability, proportionality, competitiveness, meritocracy and transparency. This system contributes to strengthening the culture of sustainability, promoting alignment between corporate objectives and stakeholder expectations. The Danieli Group recognises the importance of integrating climate change considerations into the incentive mechanisms of its governance bodies, in line with regulatory developments and stakeholder expectations. In this context, specific sustainability targets have been defined within the Group's **Decarbonisation Plan** and **Sustainability Plan**, consistent with medium- to long-term climate targets. Currently, the remuneration structure does not yet systematically include the integration of climate indicators (e.g. GHG targets) in the performance evaluation criteria of **Board of Directors** members. However, an evaluation process is in progress, to strengthen alignment between the climate strategy and remuneration systems.

20251215081121

GOV-4 - Statement on due diligence

In the context of preparing its Sustainability Statement, Danieli started a process of mapping information on its due diligence practices, to establish an action plan to be gradually developed over time.
The table below includes the sections of the Sustainability Statement that describe the initiatives and activities that contribute significantly to establishing a framework for managing the impacts generated or potentially generated by the Group in the ESG sphere. In particular, Danieli has equipped itself with digital tools, dedicated policies and a governance system for the supervision of impacts by the relevant bodies. The efforts undertaken form the basis for the development of a more comprehensive strategy in the future.

Element of the due diligence process	References in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
	S1-1 – Policies related to own workforce
	S2-1 – Policies related to value chain workers
	G1-1– Business conduct policies and corporate culture
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM – 2: Interests and views of stakeholders;
	S1-2 – Processes for engaging with own workers and workers' representatives about impacts
	S3-2 – Processes for engaging with affected communities about impacts
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
	S1, S2, S3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address those adverse impacts	S1-3, S2-3, S3-3 – Processes to remediate negative impacts and channels to raise concerns
	S1-4, S2-4, S3-4 – Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and the effectiveness of those actions
	G1-2 – Management of relationships with suppliers
e) Tracking the effectiveness of these efforts and communicating	S1-5, S2-5, S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	G1-2 – Management of relationships with suppliers

2025121508122

GOV-5 - Risk management and internal controls over sustainability reporting

During the 2024/2025 financial year, the Danieli Group started a process aimed at defining an **Internal Control System for the Sustainability Statement (ICSSS)**, in order to support the reliability of data and information related to sustainability reporting prepared in accordance with ESRS reporting standards and Legislative Decree 125/2024.

During the current financial year, as part of the process of compliance with the new obligations introduced by the Legislative Decree 125/2024, the Danieli Group has prioritised reviewing and adapting the process of preparing the Sustainability Statement and the formalisation of a procedure relating to the same, which includes the main process activities, the identification of roles and responsibilities and the control activities associated with the main misreporting risks identified by the Group. In this sense, the main control controls have been designed with respect to the process of determining material issues (double materiality analysis), the scope of reporting, the reporting calendar for the various parties that in various ways contribute to the formation of the Consolidated Sustainability Statement, the data collection process, also through system authorisation workflows, and the review and approval procedures for the sustainability statement. This procedure and the related controls have been defined under the supervision of the manager in charge, and annually the governance bodies are involved with respect to controls within their competence.
The path to implementing the ICSSS provides for gradual extension over the next few years according to a logic of significance and proportionality with respect to the information and companies included in the reporting scope. The process of risk identification and assessment was carried out considering the risk of non-compliance with the qualitative characteristics of sustainability information, as defined by the standard, and the main risks identified include:

- failure/incorrect updating of double materiality analysis;
- incompleteness or lack of data integrity;
- inaccuracy of estimates and calculation methodologies;
- inadequate timing in collecting and validating information.

The mitigation strategies adopted include:

- specific control procedures, defined as part of the sustainability reporting procedure, for both automatic and manual flows;
- clear definition of roles and responsibilities, through approval workflows to validate the data and information collected;
- internal spot checks of documentation supporting data, information and estimates;
- continuous training of those involved in the preparation of reporting and data collection.

The results of the Sustainability Statement error risk assessments, and the related internal controls, will be progressively integrated into business processes, consistent with the progressive implementation of the control system, through the engagement of operational and strategic functions, the continuous updating of documentation and supervision by the relevant functions. When the control model is fully operational, this approach will ensure that sustainability information is consistent, traceable and aligned with corporate objectives. The control model also provides that the results of control and verification activities will, once fully implemented, be periodically shared with administrative, management and control bodies. At the end of the process, a formal certificate of conformity will be prepared, accompanying the Sustainability Statement and certifying its consistency with current legislation.

2025121508123

SBM-1 – Strategy, business model and value chain

The Danieli Group consists of two main business lines: Plantmaking, dedicated to the design and construction of turnkey steelmaking plants and Steelmaking, focused on the production of special steels, through the company ABS. The breakdown of revenues for the two lines of business can be found in the Consolidated Financial Statements, Section '35) Information by business segment and geographical area'. This structure allows the Group to cover its entire value chain, from engineering design to production, installation and after-sales service, adopting an integrated and modular approach.

Geographical breakdown of Danieli Group employees for the year 2024/25	
COUNTRY	**NUMBER**
ITALY	4,809
PEOPLE'S REPUBLIC OF CHINA	1,134
THAILAND	1,004
INDIA	848
CROATIA	438
VIETNAM	250
RUSSIA	246
UNITED STATES OF AMERICA	303
NETHERLANDS	130
OTHER EUROPEAN COUNTRIES	678
OTHER NON-EUROPEAN COUNTRIES	169
TOTAL	**10,009**

The Danieli Group integrates sustainability into its business strategy, with the aim of contributing to the decarbonisation of the steel industry. In particular, in the Plantmaking segment, Danieli has developed proprietary technologies with high energy efficiency and low environmental impacts, such as MIDA QLP, QSP-DUE and Digimelter, which represent concrete solutions for reducing emissions (for more information, please visit www.danieli.com). These technologies are integrated into the Group's industrial strategy, which includes measurable targets validated by international initiatives, including the Science-Based Targets Initiative (SBTi).

In addition, specific targets have been defined as part of the Group's sustainability strategy, which will be described in detail in the following chapters.

The process of identifying material issues is based on the double materiality analysis, which considers both the impacts generated by the Group on the environment and people, and the risks and opportunities that these issues entail for economic and financial performance. Analysis is conducted with the engagement of internal and external stakeholders and enables definition of strategic sustainability priorities. Environmental protection is not only a priority for the Group in relation to the production activities directly carried out in both the Steelmaking and Plantmaking sectors, but also represents an opportunity to be promoted to customers, as enabling them to comply with applicable legal requirements, as well as ensuring conscious use of resources as part of a continuous improvement process in line with best practices. In particular, the production of low-carbon green steel will increasingly take centre stage in the investments made in this sector.

2025121508124

The value chain of the Danieli Group is structured as follows:

Upstream Operations

The procurement phase is structured in a different manner for the Group's two main operating areas:

- Plantmaking: suppliers are distributed globally in terms of purchase value: 47% in Italy, 22% in China, 15% in Asia (excluding China), 11% in Europe (excluding Italy), 4% in the Americas. Supplies include mechanical and electronic components, engineering services, assembly, commissioning, insurance and logistics.
- Steelmaking: deliveries mainly concern ferrous scrap, ferroalloys, refractories and special steels. Here, the geographical distribution of suppliers is more concentrated: about 50% in Italy and 49% in Europe (excluding Italy), while only a residual share of about 1% of the value purchased concerns non-European countries. The breakdown of the supply chain in terms of expenditure is as follows: 44% scrap, 34% materials, 14% services, 7% logistics, 1% information technology.

Own operations

- Plantmaking: all phases of the plant cycle are directly managed, from design to installation, including engineering, procurement, manufacturing, shipment, erection, commissioning and after-sales services. Activities are spread across Europe and Asia, with a strong export component and a global network of customers.
- Steelmaking: the entire steel production cycle is covered, with plants located in Italy and Croatia. The stages include scrap preparation, casting, rolling, forging and finishing.

Downstream Operations

The Group serves industrial customers in the automotive, oil & gas, infrastructure, engineering and shipbuilding sectors. The products and equipment are used in the construction of bridges, ships, cars, energy plants and civil infrastructure. The Group also offers after-sales services, training, performance monitoring and end-of-life management of plants, promoting circular and environmentally friendly solutions.

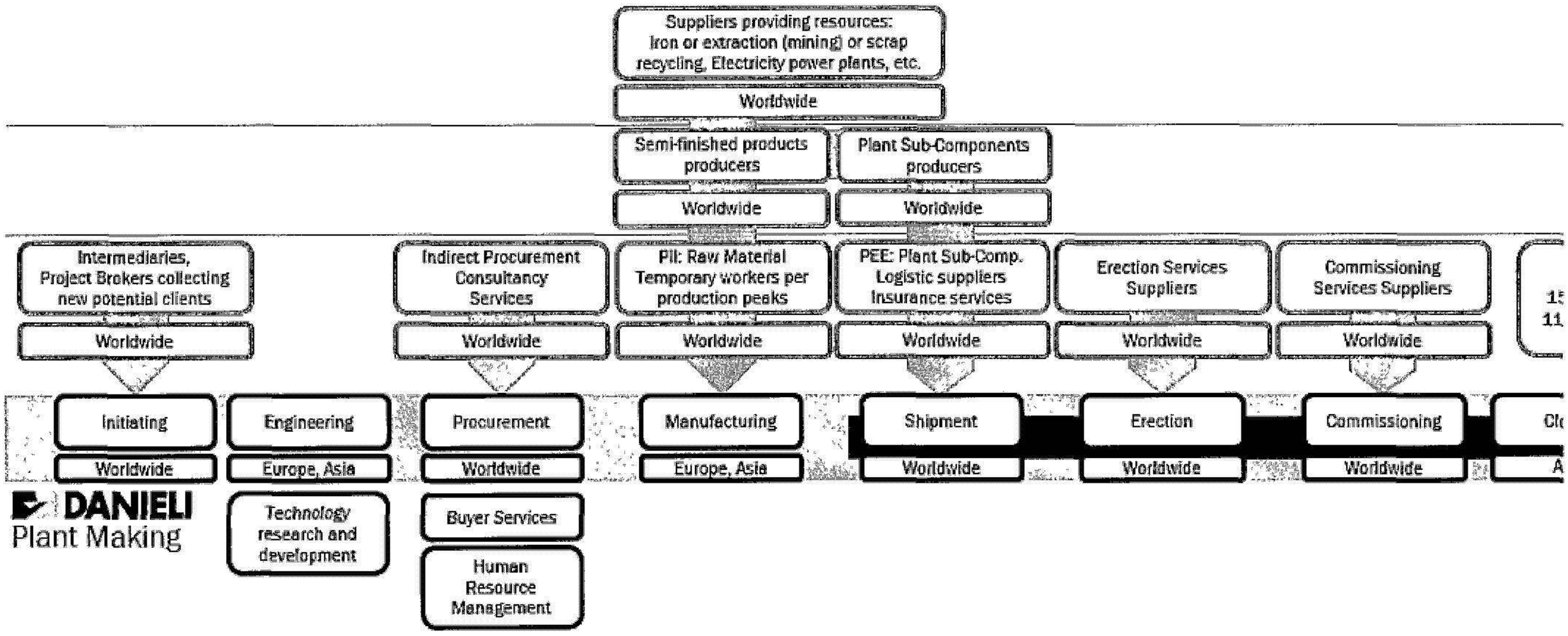
In line with the EFRAG IG 2, guidelines the value chain is considered a central element in the assessment of impacts, risks and opportunities. The materiality analysis includes direct and indirect actors, even beyond the first level of supply, and takes into account business relationships, geographical contexts and strategic dependencies.

The Group clearly distinguishes the extent to which materiality analysis, policies and targets are applied along the value chain, specifying the degree of inclusion of supply chain data in the reporting of ESG metrics. This approach allows for a consistent and transparent representation of the interactions between the operating model and sustainability issues.

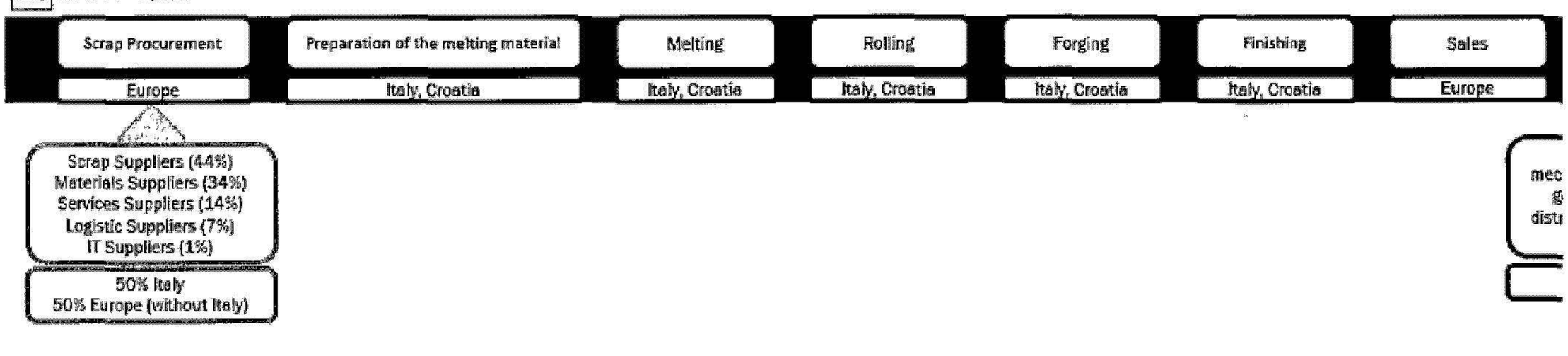
Finally, corporate strategy is informed by the opinions of stakeholders, gathered through structured engagement processes. The evidence obtained from these activities helps guide strategic decisions and strengthen the coherence between sustainability goals and the business model.

20251215081125

Danieli Group Value Chain



Steel Making



20251215083126

SBM-2 – Interests and views of stakeholders

With the entry into force of the CSRD, listening to and engaging stakeholders has become an increasing priority in order to understand their needs, interests and expectations. Through a proactive, multi-channel approach, stakeholder engagement enables the establishment of long-term relationships, transforming stakeholders into a source of competitive advantage for the Group.

During 2024, the Danieli Group continued to engage key stakeholders - including customers, suppliers, employees, local communities, academic partners, investors, institutions and trade associations - through targeted initiatives such as sustainability surveys, thematic workshops, periodic meetings and dedicated consultations. These activities provide a crucial opportunity to gather stakeholder perspectives, improving understanding of their priorities and concerns and supporting the double materiality process. The results are used to update the materiality matrix and guide the definition of ESG strategies, with a focus on decarbonisation, technological innovation, responsible supply chain management, health and safety, diversity and inclusion.

For each stakeholder category, specific tools and channels for listening were identified, as well as the frequency of contact, with the aim of ensuring continuous and transparent dialogue. Information collected is regularly shared with management and governance bodies so that they can be integrated into decision-making processes and corporate policy-making. Responsibility for managing stakeholder relations is spread among the various corporate functions, which constantly interface with their respective target groups. The opinions and expectations of stakeholders, in particular those from the workforce, the value chain, local communities and end users, are taken into account when defining strategic goals and updating sustainability policies.

<u>Own workforce</u>

Danieli employees are at the centre of company life and they are engaged through tools and initiatives that foster constant and constructive dialogue. A significant example are the periodic feedback meetings foreseen in the evaluation and self-assessment process: these moments offer direct contact that makes it possible to collect opinions, suggestions and proposals for improvement, which are then taken into account in the definition of HR policies, professional growth paths and welfare initiatives. Another channel for active participation is the **Danieli InnovAction Award** (DIA), the annual competition that invites all employees to propose innovative ideas and projects, both in the technological and process fields. The most deserving proposals are evaluated by Management and, if deemed of value, implemented in the various company areas. This approach not only stimulates creativity and a sense of ownership, but also helps to spread a shared culture of innovation. Respect for workers' rights and the protection of working conditions are also guaranteed through dialogue with trade unions, which takes place in accordance with national legislation in the various countries in which the Group operates. Meetings with employee representatives are characterised by transparency and cooperation, with the aim of promoting a safe, inclusive and diversity-friendly working environment. All these methods for engagement enable the integration of the demands of the company's own workforce into decision-making processes and sustainability strategy, strengthening the bond between people and the company and promoting respect for human rights at every stage of working life.

<u>Workers in the value chain</u>

Workers along the value chain, in particular those employed on customer sites, are also involved through concrete tools that foster a continuous exchange of information and best practices. Worksite meetings represent a fundamental moment for operational dialogue, where technical, technological and safety information is shared between Danieli personnel, supplier workers and customers. This constant dialogue makes it possible to ensure safe working conditions, while disseminating high standards and ensuring compliance with applicable regulations in the various international locations. The Group also promotes long-term collaborations and partnerships with suppliers and customers to develop innovative technologies and shared solutions. A particularly significant example concerns the project initiated in the free port area of Trieste, where Danieli laid the foundations for a collaboration with the Japanese technology partner Shinagawa. The aim of this partnership is to develop the production of casting powder, exploiting Shinagawa's technical expertise and the logistical support of the infrastructure provided by the

2025121508127

free port itself. This project represents not only an opportunity for industrial growth, but also a model of synergy between technological excellence and the local area, capable of generating value along the entire value chain. These initiatives are complemented by other important collaborations, such as the strategic partnership with Kanthal for electric process gas heaters, and projects developed together with Siemens and Microsoft Italia for digitisation and industrial automation. Discussions with suppliers and customers also take place at international events, such as those organised by the World Steel Association, which are valuable moments for discussions of innovation, sustainability and social responsibility. Through these activities, Danieli gathers the opinions and needs of workers in the value chain, directing its choices towards an increasingly responsible supply chain, attentive to human rights and the adoption of sustainable practices.

Affected communities

The link with local communities and the territory is another pillar of Danieli's sustainability strategy. The Group actively participates in the social and cultural life of the areas in which it operates, collaborating with trade associations such as Confindustria and Federacciai, but also with local organisations such as the Comitato San Floriano, the Teatro Giovanni da Udine, the Cooperativa Sociale Team and the Arte e Libro association. A central role is also played by partnerships with school and university institutes, such as ITS Malignani and the University of Udine, with which training programmes, school-to-work alternation courses and scholarships are developed. Danieli also provides state-of-the-art infrastructure to foster youth employment and skills growth, thus contributing to the development of local human capital. Social responsibility initiatives range from supporting solidarity and inclusion projects, to promoting cultural and sporting events, to urban regeneration and enhancing artistic heritage.
In this way, the Group strives to generate a positive impact for communities by listening to their needs and integrating their expectations into the definition of corporate strategies.

Key stakeholder engagement initiatives are detailed in the specific chapters, while their involvement during the double materiality analysis is reported in ESRS 2 IRO-1 - Description of processes to identify and assess material impacts, risks and opportunities.

Stakeholder category	Engagement methods	Frequency
Employees	Individual interviews, internal surveys, regular meetings, training, reporting channels	Ongoing
Trade Associations and Trade Unions	Meetings and discussions based on needs and on what the collective agreements provide for	Periodic / at the request of the parties
Suppliers	Audits, bilateral meetings, surveys, dedicated communication channels	Periodic / On request
Customers	Project meetings, post-delivery feedback, technical workshops, trade fairs and events	Continuous / Project based
Local Communities	Collaborative projects, meetings with local authorities, social and environmental initiatives	Periodic / Initiative based
Institutions and PA	Working tables, public consultations, participation in joint projects	On request / Strategic
Investors and analysts	Financial presentations, roadshows, conference calls, assemblies	Quarterly / On request

2025121508128

Universities and Research Centres	Collaboration on R&D projects, internships, theses, participation in calls for tenders, thematic workshops	Periodic / Project-based

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Danieli Group conducted an in-depth **double materiality analysis**, identifying **52** material **impacts, risks and opportunities (IROs)**, distributed along the entire value chain of the **Plantmaking** and **Steelmaking** businesses. The material impacts were identified considering the characteristics of the Group's business model and the operational specificities in the Steelmaking and Plantmaking sectors. The interaction between these impacts and the corporate strategy, in particular with respect to environmental and social aspects, can be seen in the integration within the Sustainability Plan of specific goals such as reducing greenhouse gas emissions, promoting diversity and inclusion, and strengthening sustainability along the supply chain. This approach enables the Group to focus its strategic decisions in a manner consistent with stakeholder expectations and the sustainability targets defined at the European and international level. For a detailed description of how the relevant negative and positive impacts of each issue affect people and the environment, please refer to the following chapters.

The Danieli Group has developed an integrated approach to sustainability, based on sound governance and a resilience-oriented industrial strategy. The double materiality analysis identified 52 material impacts, risks and opportunities (IROs) distributed along the value chain of the Plantmaking and Steelmaking businesses, with internal evaluations and internal and external stakeholder assessments.

Although the Group has not formalised an analysis on the resilience of its strategy and business model with defined time horizons, the Group's long-term strategy is sound due to its ability to offer Green Steel technology solutions to its customers and its active contribution to the green conversion of the steel industry. The resilience of the business model is also ensured by a number of structural and management elements:

- governance and risk monitoring, including ESG risks;
- ability to offer technologies for climate change mitigation
- operational and financial resilience, accompanied by a plan to invest in technology, processes and research to address key ESG risks;
- strategic and industrial planning aligned with emission reduction targets;
- corporate culture and internal engagement through initiatives such as the Danieli InnovAction Awards, Danieli Academy, and welfare and inclusion projects.

These elements highlight the Danieli Group's ability to address ESG risks and seize opportunities related to the ecological transition, while maintaining economic soundness and strategic coherence.

ESRS - Sub-topic	**Description Impact/Risk/ Opportunities**	**Nature**	**Value chain**			**Time horizon**
			Upstream	**Own operations**	**Downstream**	
ESRS E1 - Climate change						
Climate change mitigation	Generation of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions related to production activities in own operations.	Current negative impact		Plant Steel		Short
Climate change mitigation	Generation of greenhouse gas emissions along the value chain (Scope 3) from the activities of suppliers and customers.	Current negative impact	Plant Steel		Plant Steel	Short

20251215081129

Climate change mitigation	Changing customer preferences and increasing demand for products with a lower environmental impact may generate new market opportunities, particularly with regard to projects that can achieve a premium price in low-GHG business segments (i.e. hydrogen, emission capture and storage).	Opportunities		Plant Steel		Long
Climate change mitigation	The changing regulatory environment (e.g. CBAM and EU ETS) may lead to increased operating costs and costs associated with the transition to low-emission technologies for the Group.	Risk		Plant Steel		Medium
Climate change mitigation	Reliance on non-renewable energy sources can cause high Scope 1 and 2 emissions, with the Group unable to reduce its carbon footprint, incurring penalties and reputational damage.	Risk		Plant Steel		Medium
Energy	The high use of energy from non-renewable sources in the Group's production activities and in its value chain leads to negative consequences for the environment and a reduction in available energy reserves.	Current negative impact	Plant Steel	Plant Steel	Plant	Short
Energy	The Group's production processes are energy-intensive, which can lead to higher operating costs resulting from volatile energy prices.	Risk		Plant Steel		Medium
Energy	Greater institutional attention to climate change issues can increase opportunities to access European transition funds and tenders, offering the Group the chance to cost-effectively implement energy efficiency and emission reduction projects.	Opportunities		Plant Steel		Medium
ESRS E2 - Pollution						
Pollution of air	The creation of airborne pollutants, e.g. carbon monoxide (CO), nitrogen oxides (NOx), sulphur oxides (SOx), which deteriorate air quality and affect the biosphere.	Current negative impact	Plant Steel	Plant Steel	Plant	Short
ESRS E3 - Water and marine resources						
Water and Marine Resources	Water consumption, resulting from steel production activities and raw material extraction operations along the value	Current negative impact	Plant Steel	Plant Steel	Plant	Short

2025121508130

	chain, contributes to the intensification of water stress, particularly in vulnerable regions.					
Water and Marine Resources	Withdrawal of water resources due to production activities can affect the balance of ecosystems and cause a reduction in water availability.	Current negative impact		Steel	Plant	Short
Water and Marine Resources	Water withdrawal for Group activities may expose the Company to financial risks arising from reduced water availability or restrictions imposed by local authorities on the use of this resource, resulting in reduced productivity, particularly in water-stressed areas, to the detriment of business continuity.	Risk		Plant Steel		Long
ESRS E5 – Resource use and circular economy						
Resources inflows, including resource use	The supply and consumption of virgin, primary and non-recycled resources lead to an increase in the need for extractive activities and the consequent depletion of natural reserves.	Current negative impact	Plant Steel	Plant Steel	Plant Steel	Short
Resources inflows, including resource use	The use of large quantities of scrap metal within the steel industry contributes to the circular economy, turning a waste into a resource to be utilised, reducing the demand for virgin ore mining and limiting the amount of metal waste going to landfills.	Current positive impact		Steel	Plant	Short
Resources inflows, including resource use	The use of and dependence on non-renewable and polluting resources, e.g. fossil coal, has negative consequences on the availability of such materials which cannot be regenerated, such as depletion of the same.	Current negative impact		Steel	Plant	Short
Resources inflows, including resource use	The unstable macroeconomic situation may lead to an increase in the cost of raw materials with a consequent reduction in profitability.	Risk	Plant Steel	Plant Steel		Medium
Resource outflows related to products and services	Failure to utilise waste and recovered materials as secondary raw materials increases the need for virgin material extraction, intensifying the direct exploitation of resources	Current negative impact		Steel	Plant	Short
Resource outflows related	Recycling or reusing production waste to create new by-products (e.g.	Opportunities		Plant		Medium

to products and services	Ecogravel) can generate new sources of income with possible increased sales and attraction of new customers.			Steel		
Waste	Activities at production sites and construction sites generate waste, both non-hazardous and hazardous, which, if not properly treated, can fill landfills and incinerators with negative consequences for the surrounding environment and human health.	Current negative impact	Plant Steel	Plant Steel	Plant Steel	Short
ESRS S1 - Own workforce						
Working conditions	The Danieli Group provides secure jobs for its workers in Italy and abroad, contributing significantly to local economic development by offering employment stability.	Current positive impact		Plant Steel		Short
Working conditions	Economic treatment that is not aligned with the local cost of living could result in a reduction in workforce motivation and negatively affect the ability of Group employees to meet their essential needs.	Potential negative impact		Plant Steel		Medium
Working conditions	The Group's respect for and protection of freedom of trade union association fosters the ability of workers to organise collectively to defend their rights and interests, improving the corporate climate.	Current positive impact		Plant Steel		Short
Working conditions	The significant protections and benefits offered by the company's adherence to collective bargaining or similar instruments promotes the economic stability and long-term well-being of workers.	Current positive impact		Plant Steel		Short
Working conditions	Supporting work-life balance through a corporate welfare system, including employee welfare-oriented policies and flexibility initiatives, which enhance employee motivation and engagement, strengthens the sense of belonging and improves the quality of working life.	Current positive impact		Plant Steel		Short
Working conditions	The occurrence of injuries, including serious injuries, occupational diseases or other accidents in the workplace has negative consequences for the health of Group employees.	Current negative impact		Plant Steel		Short

20251215081132

Working conditions	Excessive workloads and inadequate salary levels can lead to an increase in staff turnover, resulting in a loss of productivity and the departure of strategic figures such as employees with high technical skills.	Risk		Plant Steel		Medium
Working conditions	Safeguarding the work-life balance of employees fosters their satisfaction and positive engagement with the work environment, resulting in a reduction of employee turnover and recruitment costs.	Opportunities		Plant Steel		Medium
Equal treatment and opportunities for all	Lack of significant representation of women in the workplace, especially in technical or managerial roles, also due to the characteristics of the sector.	Current negative impact		Plant Steel		Short
Equal treatment and opportunities for all	Improving the technical, managerial and organisational skills of employees through the provision of professional development and talent retention paths and training activities.	Current positive impact		Plant Steel		Short
Equal treatment and opportunities for all	Conduct that does not comply with company and/or legal requirements applied with regard to the issue of violence and harassment in the workplace could generate negative consequences within the workforce	Potential negative impact		Plant Steel		Short
Equal treatment and opportunities for all	The lack of initiatives to foster the attraction and integration of minority employees could lead to misunderstandings, conflicts and reduced collaboration, with negative impacts on the corporate climate and diversity.	Potential negative impact		Plant Steel		Medium
Equal treatment and opportunities for all	Inclusion and increased well-being of employees through the promotion of a culture of valuing diversity.	Current positive impact		Plant Steel		Short
Equal treatment and opportunities for all	Professional opportunities, continuous training and recognition of employee merit and skills can lead to improved talent retention resulting in lower recruiting costs and increased productivity.	Opportunities		Plant Steel		Medium
Equal treatment and opportunities for all	The loss of key skills within production departments can adversely affect operational efficiency, leading to a decrease in productivity and an increase in costs, related both to finding qualified	Risk		Plant Steel		Medium

2025121508133

	personnel and to training and updating internal resources.					
ESRS S2 - Workers in the value chain						
Working conditions	The Danieli Group provides secure jobs for workers along its value chain, in Italy and abroad, contributing significantly to local economic development by offering employment stability.	Current positive impact	Plant Steel		Plant	Short
Working conditions	The occurrence of injuries, including serious injuries, occupational diseases or other accidents in the workplace has negative consequences for the health of workers in the value chain.	Current negative impact	Plant Steel		Plant	Short
Working conditions	Violations of worker rights by business partners, such as failure to pay fair wages or respect working hours, can cause serious reputational damage to the Group, with possible economic repercussions such as loss of turnover and the application of fines or penalties.	Risk	Plant Steel		Plant	Short
Equal treatment and opportunities for all	Developing the skills of workers in the value chain through engagement initiatives to strengthen the specific technical skills needed to perform their tasks, in quality and on time.	Current positive impact	Plant Steel		Plant	Short
Other work-related rights	The occurrence of cases of child labour and/or forced labour along the value chain could compromise the health and psycho-physical well-being of the individuals involved.	Potential negative impact	Plant Steel		Plant	Medium
ESRS S3 - Affected communities						
Communities' economic, social and cultural rights	Contribution to the development of the economic and social fabric of local communities through initiatives such as donations, sponsorships and the implementation of investment programmes in infrastructure/services	Current positive impact		Plant Steel		Short
Communities' economic, social and cultural rights	Increasing the skills and opportunities of people in the region through development programmes, such as training and collaboration with academic institutions, which contribute to the growth of the region, specifically for the Friuli Venezia Giulia.	Current positive impact		Plant Steel		Short

2025121508134

Communities' economic, social and cultural rights	Projects in the local area, such as the planning of new industrial areas, when carried out without adequate engagement of local communities and their representatives, can generate social tensions and reputational damage for the organisation.	Risk		Plant Steel		Medium
ESRS G1 - Business conduct						
Corporate culture	The Group's commitment to responsible practices, also thanks to special figures and committees such as the Risk and Sustainability Committee, fosters the dissemination of a sustainability-oriented corporate culture.	Current positive impact		Plant Steel		Short
Corporate culture	Positive working environment through the promotion of a corporate culture based on principles of ethics and integrity, supported and enforced concretely by corporate governance.	Current positive impact		Plant Steel		Short
Protection of whistle-blowers	Ensuring confidentiality by adequately managing the company's reporting channels, which allow reports to be sent in full anonymity.	Current positive impact	Plant Steel	Plant Steel	Plant Steel	Short
Management of relationships with suppliers	Favouring local suppliers supports the development of the regional economy, contributing to the growth of local businesses and creating jobs in the region.	Current positive impact	Plant Steel	Plant Steel		Short
Corruption and bribery	Prevention of corruption through business practices, thanks to the efforts of the Organisation in the fight against active and passive corruption through application of policies, procedures and reporting mechanisms for potential irregularities or illegal conduct and specific training on the issue.	Current positive impact		Plant Steel		Short
Corruption and bribery	The occurrence of corrupt behaviour can lead to social and economic damage, undermining corporate transparency and harming investors and business partners.	Potential negative impact	Plant Steel	Plant Steel	Plant Steel	Short
Corruption and bribery	The occurrence of episodes of active or passive corruption and bribery by Group personnel can cause significant reputational damage, leading to the loss of business partners, as well as to economic burdens	Risk	Plant Steel		Plant Steel	Medium

20251215091335

	resulting from sanctions and legal disputes.					
Corporate culture	Unethical and non-compliant practices may lead to the application of administrative or criminal sanctions, as well as significantly compromise the Group's reputation in the eyes of stakeholders.	Risk		Plant Steel		Short
Corporate culture	Maintaining business relations with counterparties located in areas subject to international restrictions or involved in conflict situations may expose the Group to significant reputational and sanction risks.	Risk	Plant Steel	Plant Steel	Plant	Short
Management of relationships with suppliers	Failure to meet contractual payment terms with suppliers may lead to disruptions in the supply chain, jeopardise relations with strategic partners and result in charges arising from legal disputes and penalties.	Risk	Plant Steel	Plant Steel		Medium

During the reporting period, the Danieli Group did not recognise any significant current financial effects associated with the risks and opportunities identified as material in the double materiality analysis.
At the date of publication of this document, there was no evidence to suggest that there is a significant risk of impairment or adjustment of the carrying amounts of assets and liabilities in the consolidated financial statements in the coming year.
This assessment is consistent with the prudential approach adopted by the Group and the continuous monitoring of ESG risks through its governance and internal control system.

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

During 2025, the Danieli Group implemented a structured process for the identification and assessment of material impacts, risks and opportunities (IROs), in accordance with the requirements of ESRS and the principle of double materiality, as required by Delegated Regulation (EU) 2023/2772. The process was formally approved by the **Executive Committee** on 7 August 2025.

The methodology adopted included the following steps:

- analysis of the context in which the Group operates;
- impacts, risks and opportunities identification;
- qualitative and quantitative assessment of impacts, risks and opportunities;
- analysis of results and identification of material issues.

The methodological assumptions were defined in line with the Group's business model and the specific details of the Plantmaking and Steelmaking segments.

2025121508136

Context analysis

Identification of impacts on people and the environment was conducted as part of the analysis of the internal context, which focused on the Group, its business model and its positioning within the value chain, and the external context, by which the Group identified the main regulatory trends guiding the industry and the ESG issues material to its peers for the Plantmaking and Steelmaking lines. The Group has mapped its value chain, upstream and downstream, to identify the geographical areas of greatest interest and the actors involved. Context analysis included the assessment of business activities, analysis of business relationships and consideration of high-risk geographies.

Impacts, risks, and opportunities identification

The Danieli Group, with the help of the context analysis carried out, has identified its impacts, whether positive or negative, actual or potential. Both direct impacts of own operations and indirect impacts along the value chain were considered. On the basis of the analysis performed and considering the business dependencies and connections with impacts, ESG risks and opportunities with potential financial effects were identified. For both impacts and risks and opportunities, the relevant time horizon of occurrence has been identified.

Assessment of impacts, risks and opportunities, analysis of results and material issues

The assessment of impacts took into account magnitude, extent, irretrievability (for negative impacts) and likelihood (for potential impacts). The impact assessment, carried out by an internal working group of senior executives for both the Plantmaking and Steelmaking sectors, involved the assignment of a score on a predefined scale for each of the relevant metrics. Specifically, the maximum value from among magnitude, extent and irretrievability was used to determine the severity of each impact, and the product of probability and severity provided the relative impact score for each voter. Subsequently, the Plantmaking and Steelmaking assessments were averaged to give equal weighting to the votes of the two divisions.
The impact assessment process was complemented by a stakeholder engagement activity aimed at gathering opinions, expectations and concerns relevant to the definition of strategic priorities and material issues. The mapping identified the following categories of stakeholders to be involved: suppliers, customers, employees with management functions, HR functions, members of the Board of Directors of the parent company Danieli & C. S.p.A., third sector entities and associations.
Stakeholders were engaged through simplified questionnaires, focusing on the most relevant issues for the various categories of stakeholders. Information gathered from stakeholder engagement was integrated into the impact assessment carried out by the internal working group, contributing to the definition of material impacts.

The risk and opportunity assessment process involved an internal working group with technical expertise in financial matters, both on the Plant Making and Steel Making segments: risks and opportunities were assessed on the basis of their likelihood of occurrence and magnitude (financial impact).
As a result of the above assessments and critical analysis of the results, appropriate assessment thresholds, differentiated by impacts, risks and opportunities, were defined in order to define those impacts, risks and opportunities with a score above the threshold value as material for the Group.

Currently, the Group does not formally prioritise ESG risks with respect to other business risks, but assesses, manages and monitors them within its overall business risk management framework, with a view to increasing integration.

The Group has adapted its internal control system for the preparation of the Sustainability Statement, including the supervision and monitoring of the double materiality analysis process.
The results of the analysis, together with the relevant methodological approach, are submitted to the Executive Board for approval, which is assisted in this activity by the **Risk and Sustainability Committee**.

20251215081137

ESG opportunities were incorporated into the strategic and industrial planning processes, in particular in the **Sustainability Plan** and the **Decarbonisation Plan** approved in 2025.

To ensure the robustness of the analysis, primary data, sector benchmarks, proxies and assumptions specific to each sector and region were used. The operational scope included the entire value chain, with a level of detail consistent with reporting requirements.

The process was updated in 2025 in accordance with the CSRD. Annual reviews are planned, with methodological updates according to regulatory and strategic developments.

In accordance with the reporting requirements for IRO disclosures in ESRS E1, E2, E3, E4, E5 and G1, the following considerations are provided, to be viewed in addition to the IRO methodology described above.

E1 – CLIMATE CHANGE

The Danieli Group has identified its climate-related impacts, risks and opportunities as part of the Double Materiality Analysis, the process of which is described in the section on ESRS 2 IRO-1.

With regard to the definition of climate impacts, the Group focused on greenhouse gas emissions generated by its operations and along the entire value chain. Based on historical emissions data from the company's sites and in-depth knowledge of its production processes, which are characterised by the use of energy-intensive machinery, the Group's direct and indirect emissions impacts were identified (Scope 1 and 2).
In addition, through the mapping of the value chain and discussions with relevant company contact persons, the activities of customers and suppliers that contribute most significantly to emissions were considered, thus also recognising the emissions generated along the value chain as material (Scope 3).
The significance of these impacts has been assessed on the basis of their likelihood of occurrence and the severity of their effects on the external environment, with reference to the time horizon in which they are likely to occur. As mentioned in ESRS E1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model, to date the Danieli Group has not performed a structured resilience analysis based on scientific climate scenarios, nor has it identified any assets or activities incompatible with the transition to a climate-neutral economy. However, to support the identification of financial risks and opportunities under Double Materiality, the Danieli Group considered both physical and transitional events. In particular, as part of the qualitative analysis performed, the Group considered the list of physical and transitional events proposed by the Task Force on Climate Related Financial Disclosures (TCFD), the main reference framework for resilience analyses based on climate scenarios, applied in conjunction with the definition of time horizons proposed by the ESRS standards, which adequately reflect the possible interactions between climate risks and opportunities and corporate strategy and assets. In particular, the Group has identified a risk related to the potential exposure of its assets to extreme weather events, both acute and chronic, such as heat waves, droughts, fires, floods and landslides, which could entail significant costs for the technological reconversion of production processes over a long-term time horizon. Similarly, for transition risks, different types of risk events were considered, such as:

- market-related events: changes in customer preferences, which may give access to new business opportunities, as well as rising costs of raw materials and energy sources;
- political and legal events: increases in the price of GHG emissions due to the introduction of stringent regulations, such as CBAM and EU-ETS;
- technology-related events: replacement of existing products with low-emission ones, as well as costs for transition to low-emission technology; events related to the Group's reputation: negative feedback from stakeholders regarding the Group's carbon footprint and slowdowns in achieving decarbonisation targets.

Climate risks and opportunities were subjected to a materiality assessment by the relevant management, based on the magnitude of their financial impact with respect to specific financial metrics, as well as their likelihood of occurrence. As a result of this assessment, only climate change-related transition risks and opportunities were found to be material, and therefore potentially financially relevant, as reported in

paragraph ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

E2 – POLLUTION

2025121508138

During the 2024/2025 financial year, the Danieli Group identified air pollution as the only material sub-topic, with reference to emissions of pollutants (e.g. CO, NOx, SOx) from production activities. The other sub-topics under ESRS E2 were evaluated in the stakeholder consultation process, but were not material and are therefore not reported. The Impacts, Risks and Opportunities (IRO) identification process was structured according to ESRS 2 and included the screening of Group sites and activities, assessment of the operating perimeter and value chain.
At the present time, no consultations with affected communities have been carried out in relation to this issue. The Group, in line with its sustainability management strategies, will continue to evaluate the possible engagement of stakeholders in the future when deemed necessary. It should be noted that the Steelmaking production sites in Cargnacco (Italy) and Sisak (Croatia) are the most significant in terms of atmospheric emissions.

E3 – WATER AND MARINE RESOURCES

The assessment of impacts, risks and opportunities related to water and marine resources was developed in line with regulatory recommendations and international best practices.
To support the analysis, the Group used the Aqueduct Tool developed by the World Resources Institute (WRI), available online at https://www.wri.org/our-work/project/aqueduct, to identify areas potentially at risk of water stress. In particular, the categories 'high stress' and 'extremely high stress' were considered. The updated analysis for the 2024/2025 financial year confirmed the presence of a Group company in a high water stress areas. In particular, ABS S.p.A. (Cargnacco site) is the only Group company with water consumption that is located in a high water stress area. The assessment was also extended to the value chain, mainly downstream. Impacts from the use of the plants sold were considered. The process did not include consultations with external stakeholders specifically dedicated to the identification and assessment of IROs related to water and marine resources.

E4 – BIODIVERSITY AND ECOSYSTEMS

Following the double materiality analysis, the topic Biodiversity and Ecosystems was found to be material neither from an impact materiality nor a financial materiality perspective.
In the year 2024/2025, the Group conducted an analysis of production sites in relation to their geographical location in biodiversity-sensitive areas.
The analysis, conducted using the Natura 2000 and Protected Planet reference tools, showed that none of the sites are located within protected areas or endangered habitats; some sites are in areas adjacent to agricultural and peri-urban areas, with no evidence of direct impacts on vulnerable species or ecosystems. Therefore, no specific biodiversity mitigation measures are deemed necessary.
Although the topic has not been classified as material, the company is committed to monitoring its geographic presence in relation to biodiversity over time, consistent with the principles of environmental prevention and precaution, and with a view to transparency towards stakeholders.

E5 – RESOUCE USE AND CIRCULAR ECONOMY

Danieli looked at material inflows and outflows to evaluate the impacts, risks and opportunities associated with the use and type of resources used in its products.
The analysis of IRO was carried out in relation to waste and the main materials used in the production phases generated at the sites and activities. The Group actively monitors its sites and activities in terms of waste and materials used, in order to identify any new impacts, risks and opportunities. No further consultations with the communities concerned were necessary at the moment. However, Danieli will continue to monitor developments and consider the possible involvement of relevant stakeholders in the future.

20251215081139

G1 - BUSINESS CONDUCT

In the process of identifying material impacts, risks and opportunities in relation to business conduct, the Danieli Group has taken into consideration various factors, including location, activity, sector and structure of operations, both with regard to its direct operations and its reference value chain.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

DISCLOSURE	DESCRIPTION OF THE DISCLOSURE	PARAGRAPH/ PAGE
GENERAL DISCLOSURES		
ESRS 2 – General Disclosures	BP-1 – General basis for preparation of the sustainability statement	60
	BP-2 - Disclosures in relation to specific circumstances	60
	GOV-1 – The role of the administrative, management and supervisory bodies	61 – 64
	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	64 – 65
	GOV–3 – Integration of sustainability performance in incentive schemes	65 – 66
	GOV-4 – Statement on due diligence	66 – 67
	GOV-5 – Risk management and internal controls over sustainability reporting	67 – 68
	SBM-1 – Strategy, business model and value chain	68 – 71
	SBM-2 – Interests and views of stakeholders	71 – 73
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	73 – 80
	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	80 – 84
	IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	84 – 93
ENVIRONMENTAL INFORMATION		
ESRS E1 – Climate change	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes; and	65 – 66
	E1-1 – Transition plan for climate change mitigation	102
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	73 – 80 102 – 103
	ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	80 – 84
	E1-2 – Policies related to climate change mitigation and adaptation	103
	E1-3 – Actions and resources in relation to climate change policies	104 – 107
	E1-4 – Targets related to climate change mitigation and adaptation	108
	E1-5 – Energy consumption and mix	109
	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	110 – 112
	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	112
	E1-8 – Internal carbon pricing	112
ESRS E2 - Pollution	ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	80 – 84

20251215081140

	E2-1 – Policies related to pollution	113
	E2-2 – Actions and resources related to pollution	113 – 114
	E2-3 – Targets related to pollution	114
	E2-4 – Pollution of air, water and soil	114 – 115
	E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	115
ESRS E3 - Water and marine resources	ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	80 – 84
	E3-1 – Policies related to water and marine resources	116
	E3-2 – Actions and resources related to water and marine resources	116
	E3-3 – Targets related to water and marine resources	117
	E3-4 - Water consumption	117 – 118
ESRS E4 – Biodiversity and ecosystems	ESRS 2 IRO-1 — Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	80 – 84
ESRS E5 – Resource use and circular economy	ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	80 – 84
	E5-1 – Policies related to resource use and circular economy	119
	E5-2 – Actions and resources related to resource use and circular economy	119 – 120
	E5-3 – Targets related to resource use and circular economy	120
	E5-4 – Resource inflows	120 – 121
	E5-5 – Resource outflows	121 – 123
SOCIAL INFORMATION		
ESRS S1 – Own workforce	ESRS 2 SBM-2 – Interests and views of stakeholders;	71 – 73
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	73 – 80 124 – 126
	S1-1 – Policies related to own workforce	126 – 127
	S1-2– Processes for engaging with own workers and workers' representatives about impacts	128
	S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	128 – 129
	S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	129 – 132
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	132
	S1-6 – Characteristics of the undertaking's employees	133 – 134
	S1-8 – Collective bargaining coverage and social dialogue	134
	S1-9 - Diversity metrics	135
	S1-10- Adequate wages	135
	S1-14 – Health and safety metrics	136
	S1-16 – Compensation metrics (pay gap and total compensation)	136 – 137
	S1-17 – Incidents, complaints and severe human rights impacts	137
	ESRS 2 SBM-2 – Interests and views of stakeholders;	71 – 73

20251215083141

ESRS S2 - Workers in the value chain	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	73 – 80 138 – 139
	S2-1 – Policies related to value chain workers	139 – 140
	S2-2 – Processes for engaging with value chain workers about impacts	140
	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	140 – 141
	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities *related to value chain workers, and effectiveness of those actions*	141 – 142
	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	143
ESRS S3 - Affected communities	ESRS 2 SBM-2 – Interests and views of stakeholders;	71 – 73
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	73 – 80 144
	S3-1 – Policies related to affected communities	144 – 145
	S3-2 – Processes for engaging with affected communities about impacts	145
	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	145
	S3-4 – Taking action on material impacts on affected communities, and *approaches to managing material risks and pursuing material opportunities* related to affected communities, and effectiveness of those actions	145 – 147
	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	147
GOVERNANCE INFORMATION		
ESRS G1 - Business conduct	ESRS 2 GOV–1 The role of the administrative, management, and supervisory bodies	61 - 64
	ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities	80 – 84
	G1-1– Business conduct policies and corporate culture	148 – 151
	G1-2 – Management of relationships with suppliers	151 – 153
	G1-3 – Prevention and detection of corruption and bribery	153 – 155
	G1-4 – Confirmed incidents of corruption or bribery	155
	G1-6 – Payment practices	155

20251215081142

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Disclosure within the Sustainability Statement
ESRS 2 GOV-1 Board's gender diversity paragraph 21, point (d)	Indicator number 13 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies.
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies.
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				ESRS 2 GOV-4 – Statement on due diligence
ESRS 2 SBM-1 Engagement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 ([28]) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 SBM-1 – Strategy, business model and value chain
ESRS 2 SBM-1 Engagement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Engagement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	ESRS E1-1 – Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not material

2025121535B143

		and residual maturity			
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		ESRS E1-4 - Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				ESRS E1-5 – Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I				ESRS E1-5 – Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex I				ESRS E1-5 – Energy consumption and mix
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and n. 2 Table #1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		ESRS E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		ESRS E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1-9 Exposure of the benchmark portfolio to climate-related			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU)		Not material

physical risks paragraph 66			2020/1816, Annex II		
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				E2-4 – Pollution of air, water and soil
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I				E3-1 – Policies related to water and marine resources
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex I				E3-1 – Policies related to water and marine resources
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex I				E3-1 – Policies related to water and marine resources
ESRS E3-4	Indicator number 6.2				E3-4 - Water consumption

20251213081144

20251215081345

Total water recycled and reused paragraph 28 (c)	Table #2 of Annex I				
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex I				E3-4 - Water consumption
ESRS 2 IRO-1 – E4 paragraph 16 (a) (i)	Indicator number 7 Table #1 of Annex I				IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities ESRS E4 – Biodiversity and ecosystems
ESRS 2 IRO-1 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I				IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities ESRS E4 – Biodiversity and ecosystems
ESRS 2 IRO-1 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I				IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities ESRS E4 – Biodiversity and ecosystems
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex I				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex I				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				E5-5 – Resource outflows
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				E5-5 – Resource outflows
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				ESRS 2 SBM-3 - S1 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				ESRS 2 SBM-3 - S1 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11				S1-1 – Policies related to own workforce

2025121503145

	Table #1 of Annex 1				
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		S1-1 – Policies related to own workforce
ESRS S1-1 *processes and* measures for preventing trafficking in human beings paragraph 22	Indicator *number 11* Table #3 of Annex I				Not material
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				S1-1 – Policies related to own workforce
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1-14 – Health and safety metrics
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Not material
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1-16 – Compensation metrics (pay gap and total compensation)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				S1-16 – Compensation metrics (pay gap and total compensation)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex 1				S1-17 – Incidents, complaints and severe human rights impacts
ESR S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		S1-17 – Incidents, complaints and severe human rights impacts
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				ESRS 2 SBM-3 – S2 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S2-1 *Human rights policy* commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11				Not material

2025121508147

	Table #1 of Annex 1				
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators number 11 and n. 4 Table #3 of Annex I				S2-1 – Policies related to value chain workers
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		S2-1 – Policies related to value chain workers
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		S2-1 – Policies related to value chain workers
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				S3-1 – Policies related to affected communities
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		S3-1 – Policies related to affected communities
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator number 14 Table #3 of Annex I				S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU)		Not material

20251213081148

and OECD guidelines paragraph 17			2020/1818 Art 12 (1)		
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator number 14 Table #3 of Annex I				Not material
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				G1-1– Business conduct policies and corporate culture
ESRS G1-1 Protection of whistle-blowers, paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				G1-1– Business conduct policies and corporate culture
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		G1-4 – Confirmed incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				G1-4 – Confirmed incidents of corruption or bribery

20251215081145

ENVIRONMENTAL INFORMATION

Taxonomy - Disclosures pursuant to Article 8 of Regulation (EU) 2020/852

The European Taxonomy (hereinafter also referred to as the 'Regulation' or 'Taxonomy') is a unified classification system for environmentally sustainable economic activities, established by the European Union with Regulation 2020/852, in force since 12 July 2020. This system aims to identify environmentally sustainable economic activities in order to guide the choices of all financial market participants by promoting sustainable investments, prevent greenwashing, and support the targets of the European Green Deal.
The Taxonomy establishes six environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

To achieve these objectives, the European Union has identified specific economic activities and established criteria for environmental sustainability through Delegated Regulation 2021/2139 (which defines the technical screening criteria for the first two environmental objectives in terms of substantial contribution (TSC) and introduces the Do No Significant Harm (DNSH) principle for the others) and Delegated Regulation 2023/2486 (which sets the technical screening criteria for the remaining four environmental objectives in terms of substantial contribution (TSC) and defines the DNSH criteria for the others).

Companies subject to reporting requirements must analyse their activities and investments in order to determine whether they are eligible ('Eligible') and/or aligned ('Aligned') with the Taxonomy.

An economic activity is defined as:

- eligible when it corresponds to one of the activities described in the delegated acts;
- aligned if:
    - it contributes substantially to the achievement of one or more of the six environmental objectives;
    - does no significant harm to any of the other environmental objectives;
    - is carried out in compliance with the minimum safeguards.

Companies subject to the taxonomy reporting requirements must provide a disclosure regarding the proportion of their total revenue, CapEx and OpEx that qualify as eligible and/or aligned.

Eligibility analysis

The Danieli Group has carried out an analysis of the Group's economic activities in order to identify those that comply with the indications of the aforementioned Delegated Regulations and determine their eligibility.
The initial stage of the process made it possible to identify, through an analysis of the activities included in Delegated Regulation (EU) 2021/2139 and 2023/2486, as well as subsequent additions, those applicable to the Danieli Group's business considering the description provided by the annexes to said Regulation and the potentially applicable NACE codes focusing on activities related to the Group's two main businesses.

- the production of steel in the Steelmaking area;
- the manufacture of machinery, equipment and turnkey systems aimed at steel production in the plantmaking area.

20251215081150

Through this analysis, the Group identified the following activities as eligible with reference to the six environmental objectives:

Objectives	Economic activities under the Taxonomy	Description of Danieli Group Activities
Climate change mitigation (CCM)	3.6 Manufacture of other low carbon technologies	Plantmaking
	3.9 Manufacture of iron and steel	Steelmaking

Alignment analysis

Following the identification of eligible economic activities, specific analysis was carried out to identify activities aligned with the Climate Change Mitigation (CCM) objective.

Substantive Contribution Analysis:

3.6 Manufacture of other low-carbon technologies: the production of steel-making machines in the Plantmaking perimeter falls under activity '3.6 Manufacture of other low-carbon technologies'. The Group analysed its technologies and for each of them the reduction of life cycle greenhouse gas emissions was verified and quantified by an independent third party. The Danieli Group's Plantmaking business features innovative technologies, thanks to which it is the market leader in the sale of steelmaking machines. Therefore, Danieli technologies are considered to be among the best BAT in the industry. That said, most Plantmaking technologies satisfied the requirement of making a substantial contribution to climate change mitigation as required by the EU Delegated Regulation 2021/2139, which requires that the economic activity be aimed at the manufacture of technologies intended to substantially reduce life cycle greenhouse gas emissions, and that this reduction be demonstrated, compared to the best available alternative technologies/solutions/products on the market.

3.9 Manufacture of iron and steel: steel production from the Steelmaking segment meets the substantial contribution to climate change mitigation criterion because, through the ABS subsidiary, steel is produced in electric arc furnaces (EAFs) that produce carbon steel from EAFs, as defined in Commission Delegated Regulation (EU) 2019/331, and in which the ratio of steel scrap input to product output is not less than 90%.

Analysis of the Do No Significant Harm criteria (DNSH)

To verify alignment of economic activities 3.6 and 3.9, the DNSH criterion was analysed for each environmental objective to which they do not directly contribute. The DNSH criteria are essentially the same for both activities and generally require compliance with the appendices of Delegated Regulation EU 2021/2139. Given the similarities between the two economic activities, the considerations are set out together below.

CLIMATE CHANGE ADAPTATION: The DNSH criterion to verify the climate change adaptation objective is the same for activities 3.6 and 3.9 and, specifically, requires compliance with Appendix A of Delegated Regulation EU 2021/2139. The Danieli Group currently holds a 'CCRVA' (Climate Change Risk and Vulnerability Assessment) limited to several specific cases and has launched a process to expand the scope of application.

SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES: With regard to the environmental objective of sustainable use and protection of waters and marine resources, verification of compliance with Appendix B in the Climate Regulation is required for activities 3.6 and 3.9. The Danieli Group monitors that consumed by its technology, evaluates its sources of supply and methods of use, and defines strategies to control aspects related to the aforementioned environmental objective.

TRANSITION TO A CIRCULAR ECONOMY: The DNSH criterion related to the goal of transition to a Circular Economy specifically requires that the company has techniques into place to promote circular economy and control waste management. For this specific objective, there is a distinction to be made

with respect to the economic activities under consideration; in particular, the Regulation does apply this criterion to activity 3.9, in contrast, as far as activity 3.6 is concerned, the Group adopts where possible the requirements compatible with the best available techniques concerning re-use, durability, recycling and hazardous substances.

POLLUTION PREVENTION AND REDUCTION: For the purpose of the alignment of activities 3.6 and 3.9, the DNSH criteria for the Pollution Prevention and Reduction objective are linked to technical requirements made explicit in Appendix C of the Delegated Climate Regulation. The Danieli Group constantly monitors its environmental objectives, verifying compliance with the criteria specified in Appendix C of the Climate Regulation.

PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS: the DNSH criterion for activities 3.6 and 3.9 refers to Appendix D of EU Delegated Regulation 2021/2139, which requires an assessment of impacts on biodiversity and ecosystems. The Danieli Group adopts necessary measures to protect the areas surrounding the plant area, implementing, when planned, the needed mitigation and compensation measures required to protect the environment.

Minimum safeguards

The Danieli Group conducted a structured analysis to verify compliance with the minimum safeguard requirements of the EU Taxonomy, in accordance with Regulation (EU) 2020/852 and the recommendations of the Platform on Sustainable Finance. This analysis covered the main areas of corporate responsibility: human and worker rights, corruption, fair competition and taxation:

- **Human and worker rights:** the Group has formalised its commitment to the protection of human and worker rights through its Code of Ethics, approved by the corporate bodies and made publicly available. This document defines the expected behaviour of employees, suppliers and business partners, and is integrated into the operational policies of company departments.

Specific safeguards have been implemented to ensure respect for human rights along the value chain, including technical pre-qualification processes for suppliers and safety plans at construction sites, which also provide for the application of ethical principles to third-party personnel. Danieli also promotes inclusive policies, with the aim of ensuring equal opportunities and fair working conditions. The Group is strengthening its supplier screening activities by integrating new features into its management software, including the clustering of supplier categories according to risk level. Danieli's commitment to these issues and the related actions implemented are described in Chapters S1 'Own Workforce' and S2 - Workers in the Value Chain' of this document.

- **Corruption:** the Group has adopted a specific policy for the prevention of bribery and corruption, which is periodically updated by the Compliance function. In addition, the Group's Code of Ethics emphasises its commitment to the fight against corruption. The Group continuously ensures corporate functions are well aware of the issue of corruption through constant training. In addition, a whistleblowing system is in place to ensure the protection of whistleblowers and the transparency of procedures. For all information relating to the Group's anti-corruption system, please refer to section G1 - Business Conduct, in particular G1-1 - Business conduct policies and corporate culture, G1-3 - Prevention and detection of corruption and bribery, and G1-4 - Confirmed incidents of corruption and bribery, which include a detailed description of the actions taken by the company aimed at minimising risk and preventing and detecting bribery.

- **Fair competition:** the Group is committed to operating in compliance with the law and ethical principles, prohibiting practices that may harm the market. Furthermore, the Group adopts internal regulations governing procurement according to principles of transparency, equal treatment and rotation.

- **Taxation:** the Group complies with tax regulations in the countries in which it operates and has adopted a procedure for managing tax compliance. The Group Tax Strategy is in line with ethical principles and promotes transparency and legality.

20251215081152

- **Convictions:** there have been no definitive convictions for corruption, tax offences, human rights or competition violations, nor reports from relevant international bodies. The Group continues to monitor and strengthen its safeguards to ensure compliance with the principles of responsible business conduct.

In conclusion, the Danieli Group conducts its business activities in compliance with the minimum safeguards, in line with the requirements of Article 3(c) of Regulation 2020/852.

Contextual information and KPI calculation criteria

The tables below include the calculation of the percentage of Turnover, CapEx and OpEx associated with eligible and aligned assets.

Turnover KPI: The turnover KPIs were determined as follows:

- Denominator: item 'Revenues' in the consolidated income statement;
- Numerator: Steelmaking and Plantmaking revenues from eligible and/or aligned technologies.

CapEx KPI: CapEx KPIs were determined as follows:

- Denominator: year 2024/2025 increases in property, plant and equipment, intangible assets and rights of use (reference to Explanatory Notes to the Consolidated Financial Statements No. 1 'Property, plant and equipment', No. 3 'Intangible Assets' and No. 2 'Rights of Use');
- Numerator: the portion of the increases (considered in the denominator) referring to assets or processes associated with eligible economic activities and/or aligned with the Taxonomy;

OpEx KPI: OpEx KPIs were determined as follows:

- Denominator: direct material non-capitalised costs related to research and development, short-term leasing, maintenance and repair;
- Numerator: the portion of the costs (considered in the denominator) referring to activities or processes associated with eligible economic activities and/or aligned with the Taxonomy.

20251215081153

Table A. Proportion of Turnover from products or services associated with economic activities aligned with t year 2024/2025

2024/2025 financial year		2024/2025		Substantial Contribution Criteria						DNSH criteria ('Do No		
Economic Activities	Code	Turnover	Proportion of Turnover, 2024/2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water
		Currency (EUR '000)	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES												
A.1. Environmentally sustainable activities (Taxonomy-aligned)												
Manufacture of other low carbon technologies	3.6	2,438,007	58.78%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y
Manufacture of iron and steel	3.9	1,042,044	25.13%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y
Turnover of environmentally sustainable activities (Taxonomy-aligned)		**3,480,051**	**83.91%**	**83.91%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**Y**	**Y**	**Y**
Of which enabling		2,438,007	58.78%	58.78%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y
Of which transitional		1,042,044	25.13%	25.13%						Y	Y	Y
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)												
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL			
Manufacture of other low carbon technologies	3.6	331,226	7.99%	EL	N/EL	N/EL	N/EL	N/EL	N/EL			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**331,226**	**7.99%**	**7.99%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**3,811,277**	**91.90%**	**91.90%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES												
Turnover of Taxonomy-non-eligible activities (B)		**336,142**	**8.10%**									
TOTAL		**4,147,419**	**100.00%**									

	Proportion turnover / Total turnover	
Code (1)	Taxonomy-aligned objective	Taxonomy-eligible objective
CCM	83.91%	7.99%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

(1) Climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prever BIO.

20251215081154

Table B. Proportion of OPEX associated with economic activities aligned with the European Taxon

2024/2025 financial year		2024/2025		Substantial Contribution Criteria						DNSH criteria ('Do No Si			
Economic Activities	Code	OpEx	Proportion of OpEx, 2024/2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	
		Currency (EUR '000)	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	
A. TAXONOMY-ELIGIBLE ACTIVITIES													
A.1. Environmentally sustainable activities (Taxonomy-aligned)													
Manufacture of other low carbon technologies	3.6	57,944	67.66%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	
Manufacture of iron and steel	3.9	19,672	22.97%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**77,616**	**90.63%**	**90.63%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**Y**	**Y**	**Y**	
Of which enabling		57,944	67.66%	67.66%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	
Of which transitional		19,672	22.97%	22.97%						Y	Y	Y	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)													
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL				
Manufacture of other low carbon technologies	3.6	698	0.82%	EL	N/EL	N/EL	N/EL	N/EL	N/EL				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**698**	**0.82%**	**0.82%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**78,314**	**91.45%**	**91.45%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES													
OpEx of Taxonomy-non-eligible activities (B)		**7,323**	**8.55%**										
TOTAL		**85,637**	**100.00%**										

	Proportion of OPEX / Total OF
Code (1)	Taxonomy-aligned objective
CCM	90.63%
CCA	0.00%
WTR	0.00%
CE	0.00%
PPC	0.00%
BIO	0.00%

(1) Climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prever
BIO.

20251215081553

Table C. Proportion of CAPEX associated with economic activities aligned with the European Taxo

2024/2025 financial year		2024/2025		Substantial Contribution Criteria						DNSH criteria ('Do No Signifi		
Economic Activities	Code	CapEx	Proportion of CapEx, 2024/2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	...
		Currency (EUR '000)	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/*
A. TAXONOMY-ELIGIBLE ACTIVITIES												
A.1. Environmentally sustainable activities (Taxonomy-aligned)												
Construction of new buildings	7.1	-	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	
Installation and operation of electric heat pumps	4.16	-	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	
Installation, maintenance and repair of energy efficiency equipment	7.3	-	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	-	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	
Installation, maintenance and repair of renewable energy technologies	7.6	-	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	
Manufacture of other low carbon technologies	3.6	-	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	
Manufacture of iron and steel	3.9	58,416	28.32%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**58,416**	**28.32%**	**28.32%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**Y**	**Y**	
Of which enabling		-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	
Of which transitional		58,416	28.32%	28.32%	[redacted]					Y	Y	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)												
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	[redacted]		
Manufacture of other low carbon technologies	3.6	-	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**58,416**	**28.32%**	**28.32%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES												
CapEx of Taxonomy-non-eligible activities (B)		**147,858**	**71.68%**									
TOTAL		**206,274**	**100.00%**									

	Proportion of CAPEX / Total CA
Code (1)	Taxonomy-aligned objective
CCM	28.32%
CCA	0.00%
WTR	0.00%
CE	0.00%
PPC	0.00%
BIO	0.00%

(1) Climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prever BIO.

20251215081156

Annex XII. Disclosure of activities connected to nuclear power and fossil gases

	Activities connected to nuclear power	
1	The company performs, finances or has exposure to research, development, demonstration and creation of innovative plants for the generation of electricity that produce energy using nuclear processes with a minimal quantity of waste from the fuel cycle.	NO
2	The company performs, finances or has exposure to the construction and safe operation of new nuclear plants for the generation of electricity or cycle heat, including for the purposes of district heating or industrial processes such as the production of hydrogen, and improvement of their safety, using the best available technologies.	NO
3	The company performs, finances or has exposure to the safe operation of existing nuclear plants that generate electricity or cycle heat, including for the purposes of district heating or industrial processes such as the production of hydrogen using nuclear energy, and improvement of their safety.	NO
	Activities connected to gas fossil fuels	
4	The company performs, finances or has exposure to the construction or management of plants for the generation of electricity that use gas fossil fuels.	NO
5	The company performs, finances or has exposure to the construction, refitting or management of plants for the combined generation of cold or heat that use gas fossil fuels.	NO
6	The company performs, finances or has exposure to the construction, refitting or management of plants for the generation of heat that produce cold or heat using gas fossil fuels.	NO

2025121508157

ESRS E1 Climate change

E1-1 – Transition plan for climate change mitigation

The Danieli Group has begun the process of defining a plan to ensure the compatibility of its business model with the objectives of the Paris Agreement and the achievement of climate neutrality by 2050.

In this context, medium-term and long-term GHG emission reduction targets have been defined, validated by Science Based Targets initiatives (SBTi), which envisage in the medium term, a 55% reduction in Scope 1 and 2 emissions by 2030 compared to 2017 and a 62% reduction in Scope 3 emissions by value added in USD by 2030 compared to 2021; in the long term, a 93% reduction in Scope 1 and 2 emissions by 2050 compared to 2017 and a 97% reduction in Scope 3 emissions by value added in USD by 2050 compared to 2021. In addition, the Net Zero goal was defined, which envisages zero net GHG emissions along the entire value chain by 2050.
These targets, and in particular the Scope 1 and Scope 2 reduction targets, are compatible with the trajectory of containing global warming to within 1.5°C in the medium and long term.

The plan will be further articulated and completed with respect to the requirements of the ESRS standards, also through the planning of a series of strategic actions and initiatives that will include the identification of decarbonisation levers, the definition of concrete actions for the reduction of emissions, in particular Scope 3, through the adoption of low environmental impact technologies to be implemented in the medium to long term, in relation to, among others, DRI plants, scrap-based EAFs, CCUs, photovoltaics, green hydrogen and process digitisation.

To this end, investments dedicated to climate transition have been planned, with reference to the activities aligned with the European taxonomy and in particular: € 190 million already invested in Quality Wire Rod Mill 4.0 and a further € 572 million planned for green plants and patented technologies, these expenditures are part of the € 750 million multi-year investment plan set out by the Group in the Sustainability Plan approved in August 2025, which will be further detailed in 'E1-3 - Actions and resources in relation to climate change policies'.
The plan will be progressively completed and integrated into corporate strategy and financial planning, including through the assessment of locked-in emissions associated with key assets, with the aim of managing transition risks associated with energy-intensive plants, and monitoring measurable progress in emission reductions and planned technology adoption.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

During the 2024/2025 financial year, the Danieli Group identified a number of physical and transition risks in the course of its double materiality process. This process was conducted considering the entire perimeter of the Group, including the upstream and downstream value chain, where business relationships could generate external impacts or risks for the Group. Short, medium and long-term time horizons were also considered for the possible manifestation of these impacts, risks and opportunities.
Although the Group has not yet conducted a formalised analysis of the resilience of its strategy and business model with respect to climate change, nor has it adopted specific climate scenarios aligned to international standards, Danieli currently has a 'CCRVA' (*Climate Change Risk and Vulnerability assessment*) limited to a few specific cases and has begun a process of expanding the scope of application.
Moreover, the Group has embarked on a process to support the identification and assessment of the materiality of the climate risks and opportunities to which it might be exposed.

2025121508158

To this end, a qualitative analysis was conducted based on an understanding of the business and regulatory environment in which the Group operates, with a particular focus on developments with respect to sustainability and industry regulations. The analysis drew on the expertise and sensitivity of the business contacts involved in the evaluation of IROs and included discussions on the effects that the transition to a low-emission economy may have on various aspects of business.
In particular, the analysis highlighted how changing customer preferences towards products with a lower environmental impact may generate new opportunities in low-emission segments. Risks stemming from the evolving regulatory framework, in particular with the introduction of the CBAM and the extension of the EU-ETS, as well as dependence on non-renewable energy sources, which directly affect GHG emission costs and the achievement of decarbonisation targets, the non-achievement of which could have reputational repercussions for the Group, were also considered. Finally, the issue of energy price volatility was analysed, which constitutes a further risk factor but, at the same time, can be balanced by the opportunity to access European funds and instruments for energy efficiency and energy transition.
The analysis led to the identification of material transition risks and opportunities to which the Group could potentially be exposed, as reported in paragraph ESRS 2 - SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model. These risks and opportunities were considered material on the basis of an assessment of their significance, carried out taking into account the potential financial effects on the Group at an inherent level, i.e. without including the effects of mitigation actions already in place.
It should be noted that as this is a qualitative analysis not based on scientific climate scenarios and referring to long-term projections, it has an inherent level of uncertainty. However, it represents a significant first step on the path to understanding and managing climate risks and opportunities. Future resilience analysis, based on scientific scenarios, could enable the Group to more accurately assess its ability to adapt its strategy to climate change through appropriate prevention and mitigation actions.

E1-2 – Policies related to climate change mitigation and adaptation

To date, the Danieli Group has not adopted a climate change adaptation and mitigation policy, but has implemented environmental and climate guidelines on several levels: from the direct management of environmental impacts at production sites, to the promotion of technologies to decarbonise the steel industry. The Group is committed to climate change mitigation and adaptation, energy efficiency and promoting the use of renewable energy sources, with the aim of reducing greenhouse gas emissions throughout the value chain. The main contents of the Danieli Group guidelines are:

- General objectives: reduction of GHG emissions, promotion of the circular economy, improvement of energy efficiency and development of technologies for low-emission steel production.
- material impacts, risks and opportunities: these address physical and transition risks, technological and market opportunities related to decarbonisation, and regulatory challenges.
- Monitoring process: through environmental audits, ISO certifications (14001, 14067, PAS 2060), ESG reporting and integrated management systems.

Scope
The guidelines apply to all the Group's production activities, both in the Plantmaking and Steelmaking sectors, with reference to its own operations and value chain, and are also extended to foreign subsidiaries and newly acquired or established companies (e.g. Rott-Ferr Srl, ABS Sfere Srl), with the aim of ensuring a short and sustainable supply chain.

Responsibility
The Danieli Group's Board of Directors and Executive Committee have final responsibility for environmental matters, assisted by the Risk and Sustainability Committee set up in 2022 to oversee climate risks and support the ecological transition. Operational implementation involves the environmental office and operational functions.

2025121508159

E1-3 – Actions and resources in relation to climate change policies

The Danieli Group has defined a climate action plan consisting of several decarbonisation levers, with 2030 and 2050 targets validated by the Science Based Target Initiative (SBTi) and monitored by joining the Carbon Disclosure Project (CDP) programme.

The Plan is based on four macrocategories of Decarbonisation Levers:

- production and energy efficiency;
- increasing Supply Chain Sustainability;
- increasing circular economy aspects;
- technological improvement and plant efficiency

Each of the four focus areas consists of a series of targeted projects aimed at reducing the Group's carbon intensity while enabling business development.

Production and energy efficiency

The decarbonisation lever linked to production and energy efficiency translates into modernisation and optimisation of existing plants, the adoption of state-of-the-art technologies and the progressive integration of electricity from renewable sources into production processes. These actions will allow for a significant reduction in the carbon intensity of Scope 1 and Scope 2 by fiscal year 2029-2030.

Supply chain sustainability

Leverage oriented towards increasing the sustainability of the supply chain includes the development of projects aimed at enhancing the integration of the rail network, both internal and external, with an increase in inbound and outbound rail transport. This strategy will allow for a significant reduction in CO2 emissions related to logistics, thanks in particular to the increase in outbound flows by rail: from 16% in 2023, the aim is to reach 45% by 2030, thus avoiding the emission of some 24,511 tonnes of CO2 into the atmosphere.

Circular economy

The focus on strengthening the circular economy will be realised through the use of ferrous scrap as raw material and the internal or external reuse or recovery of materials and by-products. The ultimate goal is to minimise the share of waste going to disposal, favouring a more sustainable and circular production model. With this in mind, a target was set to increase the share of waste sent for recovery by 7%, from 83% in FY 2022-2023 to 90% in FY 2029-2030. This also has an effect on Scope 3 emissions, as the recovery and reuse of by-products and materials reduces the demand for disposal and new resources, contributing to lower emissions along the entire value chain. The extent of these benefits is currently being quantified.

Technological improvement and plant efficiency

This decarbonisation lever is realised through the development and implementation of innovative technological solutions, mainly designed by the technical and Research & Development area of the Danieli Group's Plantmaking sector. Interventions aim to improve the energy and environmental efficiency of plants supplied to customers, indirectly contributing to the reduction of greenhouse gas emissions along the value chain (Scope 3). Activities include the optimisation of plant layouts, the introduction of advanced energy recovery systems, the integration of digital technologies for monitoring and intelligent consumption management, and the design of low-emission solutions for energy-intensive industrial processes. These innovations not only generate environmental benefits, but also strengthen the competitiveness of Danieli's offerings, facilitating customers' transition to more sustainable production models. The contribution of this lever to decarbonisation is reflected in the Group's ability to positively influence the environmental performance of its customers by promoting a reduction in Scope

20251215081160

3 emissions associated with the use of the plants it sells. The main implemented and/or planned actions grouped by decarbonisation lever are listed below:

Action name: Q-One digital transformers and Q-Heat systems for energy efficiency and decarbonisation

Description: The Danieli Group is continuing with the improvement and expansion of Q-One technology for digitising electrical control in electric arc furnace (EAF) melting processes. Q-One enables dynamic and precise arc control, eliminating the need for conventional transformers and reducing grid disturbances such as flicker. The stability of the process improves energy efficiency, reduces electrode consumption and enables energy savings of between 6% and 14%, depending on the process and materials used. At the same time, the Q-Heat system enables efficient and sustainable induction heating, which can be integrated with renewable sources. Both technologies contribute to the reduction of GHG emissions and the optimisation of energy consumption, improving the environmental sustainability of steelmaking operations.
Decarbonisation levers: Production and energy efficiency.
Expected results: reduction of carbon intensity (Scope 1 and Scope 2 Location Based) by 30% by 2030.
Scope: Application at the Danieli Group's production sites (Steelmaking), particularly in casting and reheating processes. It involves EAF plants, automation and energy management systems.
Time horizon: 2024-2027 (technologies already implemented at some customers and at ABS, in the process of being extended to the market).
Financial resources allocated: this action is part of the multi-year € 750 million investment plan[1] set out by the Group in the Sustainability Plan approved in August 2025.

Action name: Installation of photovoltaic plants for self-production of energy

Description: the Danieli Group is continuing to implement the programme for the installation of photovoltaic plants at its production sites, with the aim of increasing self-production of energy from renewable sources and reducing dependence on the national electricity grid. The energy produced will be used to power production processes, particularly energy-intensive ones such as casting and rolling. In the Plantmaking perimeter, the goal is to install 5,000 m² of solar panels by 2026 for a total power output of 1,000 kWp, as indicated in the D&C S.p.A. strategic plan. Within the Steelmaking scope, 16 MWp of solar panels are to be installed at ABS S.p.A. In financial year 2024-2025, ABS supplemented the share of self-generated renewable energy with the purchase of Guarantees of Origin, covering 30% of consumption with electricity generated from renewable sources.
Decarbonisation levers: Production and energy efficiency.
Expected results: reduction of GHG Scope 2 emissions, increase of the share of renewable energy in the company mix, increase of renewable energy production by 1,000 kWh in Plantmaking and 16 MWh in Steelmaking (of which 5MWp already installed), covering 2.00% of energy needs from renewable sources by 2026, improvement of energy resilience, reduction of energy costs.
Scope: Plantmaking and Steelmaking.
Time horizon: 2026 (plants being installed and gradually activated).
Financial resources allocated: this action is part of the multi-year € 750 million[2] investment plan set out by the Group in the Sustainability Plan approved in August 2025.

[1] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet and contributes, for the relevant values, to the amounts reported in the section on European Taxonomy.
[2] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet and contributes, for the relevant values, to the amounts reported in the section on European Taxonomy.

2025121509163

Action name: ECOGRAVEL® Project - Recovery and valorisation of steel mill slag

Description: ABS's (Acciaierie Bertoli Safau) ECOGRAVEL® project involves the production of EC-certified industrial aggregates obtained from the complete recovery of melt slag from electric furnaces (EAF) and ladle furnaces. ECOGRAVEL® and ECOGRAVEL® WHITE products are used as sustainable substitutes for natural aggregates in applications such as concrete, asphalt, road sub-base and soil stabilisation. ABS is constantly striving to improve the mechanical characteristics of the resulting product, with a view to the circular economy. The process involves crushing, screening and magnetic separation of the slag, with reintroduction of the ferrous fraction into the smelting cycle and valorisation of the inert part as a finished product. ECOGRAVEL® WHITE, in particular, is characterised by its high free lime content, which makes it suitable for soil stabilisation as a mineral binder. The re-use of slag fits into Scope 1, as the ETS emission factor is negative for recovery, contributing directly to the reduction of regulated emissions.
Decarbonisation Lever: Circular Economy.
Expected results: recovery of more than 160,000 tonnes/year of slag, reduction of CO_2 emissions compared to natural aggregates, reduction of environmental impact and resource consumption, and contribution to the sustainability of the construction sector.
Scope: ABS plant in Cargnacco (UD), with nationwide and European distribution. It involves clients from the construction, road and infrastructure sectors. Downstream application in the value chain.
Time horizon: 2029 (EPD validity), project already operational and being expanded.
Financial resources allocated: 15 million euro.

Action name: CUSTARD project - Carbon Capture and Usage for the production of sodium bicarbonate

Description: The CUSTARD project, developed by ABS in cooperation with Danieli, was selected and funded by the European Community under the Innovation Fund - Small Scale. The action involves the installation of a plant to capture the CO_2 contained in the fumes of the billet reheating furnace of the wire rod rolling plant, with the aim of converting it into sodium bicarbonate. When fully operational, the project will avoid the emission of around **15,000 tonnes/year of CO_2** and produce up to **25,000 tonnes/year of bicarbonate**, generating a saleable product and contributing to the decarbonisation of the process. The methodology developed is replicable in other ABS and Danieli plants, and potentially extendable to other industries (chemical, energy).
Decarbonisation Lever: Circular Economy.
Expected results: net reduction in GHG emissions of approximately 15,000 tonnes/year of CO_2, production of bicarbonate as an industrial output, improved environmental sustainability, potential replicability in other plants and sectors. This emission reduction refers to Scope 1 and 2 emissions.
Scope: application at the ABS plant in Cargnacco (UD), with potential extension to other Danieli Group plants and other industries. It involves industrial, environmental and institutional stakeholders.
Time horizon: 2024-2030 (planned installation between FY 26/27 and FY 29/30).
Financial resources allocated: a total of € 20 million[3], European funding of approximately € 4 million through Innovation Fund.

Action name: DANGREEN - Product line for competitive, intelligent and sustainable steel

Description: The launch and development of the DanGreen product line represents the Danieli Group's commitment to promoting a sustainable, intelligent and competitive steel industry. It consists of a range of technological and plant engineering solutions designed to reduce environmental impacts throughout the entire steel production cycle by integrating energy, digital and process innovations. Technologies included in the DanGreen line include equipment such as the Digimelter, the Q-One system for electric melting, QSP-DUE for direct rolling, Q-Heat for induction heating, and advanced energy recovery and water treatment systems. The aim is to offer steel products with lower emissions, higher energy efficiency and superior quality, meeting the needs of sectors ranging from automotive to energy, from construction to infrastructure.

[3] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet.

20251215081162

Decarbonisation levers: Technological improvement and plant efficiency.
Expected results: Reduction of Scope 1 and 2 emissions (for the Steelmaking sector) and Scope 3 emissions (given the impact on customers in the Plant-making sector), as per the **Sustainability Plan** and **Decarbonisation Plan**.
Scope: cross application in the Danieli Group's Plantmaking and Steelmaking sectors, with impact on new and revamped plants, in Italy and abroad. It involves industrial customers, environmental stakeholders and technology partners.
Time horizon: 2023–2030.
Financial resources allocated: this is part of R&D investments which average € 25 million/year[4].

Action name: Supply chain sustainability - Strengthening rail transport

Description of the action: The Danieli Group, through ABS S.p.A., has initiated a plan to enhance sustainable logistics, with the aim of increasing the integration of the railway network inside and outside the Cargnacco plant. The action involves increasing inbound and outbound flows by rail, significantly reducing CO_2 emissions from road transport.
Decarbonisation levers: Supply chain sustainability.
Expected results: *increase of outbound rail transport from* **16% (2023)** *to* **45% by 2030**, *reduction of* logistics-related CO_2 emissions by approximately **24,511 tonnes,** improvement of logistics efficiency and reduction of the environmental impact of transport.
Scope of application: ABS S.p.A. plant in Cargnacco (UD), with engagement of logistics operators, local authorities and environmental stakeholders.
Time horizon: 2023–2030.
Financial resources allocated: this action is part of the multi-year € 750 million investment plan[5] set out by the Group in the Sustainability Plan approved in August 2025.

Action name: Hybrid Digital Green Plant - New low-emission line

Description: Start-up of a new production line at the Cargnacco (UD) site, based on innovative technologies such as the Digimelter furnace with Q-One system for continuous scrap melting. The action aims to reduce direct and indirect emissions, improve energy efficiency, fully recover cooling water and minimise waste. Following the implementation of the Digital Green Plant Development Programme, the new production set-up, the plant's new production set-up will allow it to achieve the environmental targets of preventing CO2e emissions of over 26,600 tls/year compared to the expected production volume of 730,000 tls/y. The plant is designed to integrate self-generated renewable sources and reduce noise impact.
Decarbonisation levers: Production and energy efficiency.
Expected results: Over 26,600 tonnes/year of CO_2e emissions avoided, affecting Scope 1 and 2 emissions.
Scope: Cargnacco production site (Steelmaking), with direct impacts on smelting processes, internal logistics, energy and environmental management.
Time horizon: 2024-2027 (authorisations already started, implementation ongoing).
Financial resources allocated: this action is part of the multi-year € 750 million[6] investment plan set out by the Group in the Sustainability Plan approved in August 2025.

[4] This amount is included in the values presented in Note 26 of the Consolidated Income Statement and contributes, for the relevant values, to the amounts reported in the section on European Taxonomy.
[5] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet and contributes, for the relevant values, to the amounts reported in the section on European Taxonomy.
[6] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet and contributes, for the relevant values, to the amounts reported in the section on European Taxonomy.

20251215081163

E1-4 – Targets related to climate change mitigation and adaptation

The Danieli Group has defined an articulated and ambitious climate strategy, integrated in the Sustainability Plan 2023-2050, approved by the Board of Directors in August 2025 and shared with the Risk and Sustainability Committee. This plan is the guiding tool for the Group's strategic and operational decisions on ESG issues, with an approach based on hard data, measurable targets and continuous monitoring. The Danieli Group's climate targets have been defined according to the SMART (Specific, Measurable, Achievable, material, Time-bound) principle and validated by third-party bodies such as the Science Based Target Initiative (SBTi).

Target title: Reduction of absolute GHG emissions Scope 1 and 2

Description: the Danieli Group has set an absolute greenhouse gas (GHG) emission reduction target for Scope 1 and 2 (location based) of **55% by FY 2030** and **93% by FY 2050**, compared to the FY 2017 baseline. The target is expressed in **absolute terms**, in tonnes of CO_2 equivalent, and has been **validated by SBTi** as being compatible with the **1.5°C** global warming containment scenario. The strategy is based on energy efficiency measures, electrification of processes, use of renewable sources, industrial decarbonisation technologies and improved certified energy management.
Scope: the entire Danieli Group, including direct operations (Plantmaking and Steelmaking) and companies consolidated in the financial statements. It includes **ISO 14001** and **ISO 50001** certified factories.
Baseline: year 2017, selected as the stable operational year.
Emissions Scope 1: **291,109 t CO_2e**
Scope 2 emissions (location based): **306,637 t CO_2e**
Methodology: SMART target validated by **SBTi** and consistent with the **Net-Zero Standard**. For Scope 2, monitoring is carried out using a **location-based** approach.
Scientific evidence: Science-based target, compatible with the 1.5°C scenario, validated by **SBTi**.
Stakeholder engagement: The target-setting process involved internal stakeholders, including employees from the technical and R&D departments, and board members with technical executive authority.

The Group indicates that the main decarbonisation lever adopted to achieve the above target is the **production and energy efficiency** planned through investments in the Steelmaking segment.

Target title: Scope 3 emission reductions by value added in dollars

Description: the Danieli Group has set a Scope 3 emission reduction target of **62% by 2030** and **97% by 2050**, by dollar value added compared to the 2021 baseline. The target is expressed in **intensity value** (per dollar of value added) and has been **validated by SBTi**.
Scope: applicable to the entire Danieli Group **value chain**, with focus on emissions from the use of plants sold (about **98% of Scope 3**), calculated according to **GHG Protocol**.
Baseline: year 2021, selected as the representative year for Scope 3 emissions. Scope 3 Emissions: **306,207,605 t CO_2e.**
Methodology: target defined according to the **SMART** principle. The calculation of emissions is based on the **GHG Protocol**. Includes analysis by plant type and geographical area.
Scientific evidence: science-based target, validated by **SBTi**.
Stakeholder engagement: the target-setting process involved internal stakeholders, including employees of the technical and R&D departments, and board members with technical executive authority.

The Group indicates that the main decarbonisation lever adopted to achieve the above target is the **technological improvement and plant efficiency** planned through economic and human capital investments in research and development in the Plantmaking sector.

2025121508164

E1-5 – Energy consumption and mix

The energy consumption and energy mix of the Danieli Group is reported below.

Energy consumption and mix (MWh)	2024/2025
Fuel consumption from coal and coal products	152,290.91
Fuel consumption from crude oil and petroleum products	87,754.03
Fuel consumption from natural gas	689,478.42
Fuel consumption from other fossil sources	0
Consumption of electricity, heat, steam, and cooling from fossil sources, acquired or purchased	706,139.72
Total energy consumption from fossil sources;	**1,635,663.07**
Share of fossil sources in total energy consumption (%)	**82.12%**
Consumption from nuclear sources	0
Share of consumption from nuclear sources in total energy consumption (%)	**0%**
Fuel consumption for renewable sources, including biomass	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	344,847.00
Consumption of self-generated non-fuel renewable energy	11,176.29
Total energy consumption from renewable sources	**356,023.29**
Share of renewable sources in total energy consumption (%)	**17.88%**
Total energy consumption	**1,991,686.36**

For companies with operations in high climate impact sectors, the MWh energy intensity is reported per euro of net revenues.

Energy intensity (high climate impact sectors)	2024/2025
Total energy consumption from activities in high climate impact sectors (MWh)	1,987,868.57
Net revenue from activities in high climate impact sectors (€ million)	4,114.62
Energy intensity (MWh/EUR)	**0.00048**

The Danieli Group's high-impact sectors mainly focus on activities related to the production, automation, marketing and construction of steel plants, the core business of the Plantmaking segment. Steel production and marketing are among the high-impact activities of the steelmaking sector. The NACE Code sections belonging to the high-impact sectors that include the activities of Group companies are C (Manufacturing), F (Construction) and G (Wholesale and Retail Trade).

Below we provide the reconciliation of net revenue from activities in high climate impact sectors with the relevant financial statements line item or disclosure.

Net revenue from activities in high climate impact sectors used to calculate energy intensity (€ million)	4,114.62
Net revenue (other) (€ million)	32.81
Total net revenue[7] (€ million)	4,147.43

[7] This amount is included in the values presented in Note 23 to the Consolidated Income Statement.

2025121508165

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Scope 1, 2 and 3 Emissions		**2024/2025**
Direct emissions - Scope 1	**t CO_2 eq**	**252,769.61**
Percentage of Scope 1 emissions from regulated emission trading schemes		**94%**
Scope 2 - location-based	**t CO_2 eq**	**302,394.21**
Scope 2 - market-based	**t CO_2 eq**	**318,682.66**
Indirect Emissions - Scope 3	**t CO_2 eq**	**98,495,218.33**
1. Purchased goods and services	t CO_2 eq	987,123.89
2. Capital goods	t CO_2 eq	41,555.98
3. Fuel and energy-related activities (not included in Scope1 or Scope 2)	t CO_2 eq	123,765.24
4. Upstream transportation and distribution	t CO_2 eq	330,047.09
5. Waste generated in operations	t CO_2 eq	268,818.83
6. Business traveling	t CO_2 eq	21,677.72
7. Employee commuting	t CO_2 eq	13,857.32
8. Upstream leased assets	t CO_2 eq	6,252.00
9. Downstream transportation	t CO_2 eq	40,240.21
10. Processing of sold products	t CO_2 eq	301,395.54
11. Use of sold products	t CO_2 eq	94,821,853.00
12. End-of-life treatment of sold products	t CO_2 eq	1,538,631.50
13. Downstream leased assets	t CO_2 eq	0
14. Franchises	t CO_2 eq	0
15. Investments	t CO_2 eq	0.01
Total GHG emissions in tCO_2 - location-based	**t CO_2 eq**	**99,050,382.15**
Total GHG emissions in tCO2 - market-based	**t CO2 eq**	**99,066,670.59**
Emission intensity	**2024/2025**	
Net revenue[8] (€ million)		4,147.43
Location-based emission intensity (tCO_2e/EUR)		0.02388
Market-based emission intensity (tCO_2e/EUR)		0.02389

The emission factors used for calculating direct emissions - Scope 1 are taken from the document 'UK Government - GHG Conversion Factors for Company Reporting 2024', with the exception of those relating to ABS S.p.A. and ABS Sisak d.o.o., the calculation of which was estimated based on the certification issued by the Emission Trading System (ETS).
The emission factors used for the calculation of indirect Scope 2 emissions are those proposed by AIB 2024 for the location-based approach (AIB - supplier mix) for European countries and by the Carbon Database Initiative (CaDI - generation mix) for other countries. For the market-based approach, factors from AIB 2024 (AIB - residual mixes) for European countries and from the Carbon Database Initiative (CaDI - generation mix) for other countries were considered. Indirect Scope 3 emissions from the Danieli Group's value chain make up 99% of the Group's total emissions. In the 2024/2025 financial year, the Danieli Group considered all 13 of applicable categories of the Greenhouse Gas Protocol Accounting & Reporting Standard in its inventory. The most relevant category is category 11 'Use of products sold' in which the lifetime emissions of equipment sold in the year are reported, covering about 96% of the Group's total Scope 3 emissions. These emissions depend strongly on the type of plants sold by Danieli's various product lines and used in different phases of the steel industry (production of liquid steel from ore or scrap, direct reduction and/or rolling plants, etc.). The calculation was carried out in

[8] This amount is included in the values presented in Note 23 to the Consolidated Income Statement.

20251215083166

line with the GHG Protocol, for the entire life cycle of the plant, and in cooperation with the Dan Green research-centre division and the Technology Process Engineers of the product lines in the Plantmaking area. The Scope 3 emissions inventory was calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard - Revised Edition. The categories included in the inventory are listed below.

Cat. 1 - Purchased goods and services. With regard to the calculation of emissions related to the purchase of goods, for the Steelmaking (SM) segment, emission factors from Ecoinvent were used, starting from kg of material purchased, while for the Plantmaking (PM) segment, a spend-based methodology was used and the factors used are those provided by Eurostat's EEIO database. A spend-based methodology was used to calculate emissions related to purchased services and the factors used are those provided by Eurostat's EEIO database.

Cat. 2 - Capital goods. The emissions associated with capital goods were calculated starting from the value spent on capital goods for each Group company, which were clustered according to their type. For the calculation of emissions, spend-based emission factors provided by Eurostat's EEIO database were applied.

Cat. 3 - Fuel and energy-related activities (not included in Scope1 or Scope 2). The emissions associated with this category were calculated using the consumption data reported in Chapter E1-5 - Energy Consumption and Mix.. The emission factors applied for Well-to-Tank (WTT) foreign electricity emissions are based on data published by DEFRA. Scope 3 emissions in this category include emissions related to the production of fuels and the generation, transmission and distribution of purchased and consumed energy, not included in Scope 1 and Scope 2.

Cat. 4 - Upstream transportation and distribution. This category considers emissions from inbound and outbound logistics for the Danieli Group, as well as intercompany transport. A spend-based methodology was used to calculate transport-related emissions and the factors used are those provided by Eurostat's EEIO database.

Cat. 5 - Waste generated in operations. The primary figure taken into account for the calculation of category 5 corresponds to the waste produced in operations (kg) owned or controlled by Group companies. Depending on the type of waste and its method of disposal, emission factors published by DEFRA 2024 were applied.

Cat. 6 - Business travel Emissions related to business trips, made by train, plane, boat and car, were calculated for the reference period from primary data (city of origin and destination, means of transport) obtained from dedicated business travel booking/tracking software, to which emission factors published by DEFRA 2024 were applied.

Cat. 7 - Employee commuting Emissions were calculated by estimating an average distance and the means of transport for employees' home-work journeys. For the calculation, emission factors published by DEFRA 2024 were applied.

Cat. 8 - Assets leased to the company. Emissions for each leased asset were estimated based on the average emissions per type of asset or building, derived from *The CURB Tool:. Climate Action for Urban Sustainability.*

Cat. 9 - Downstream transportation and distribution. The category considers emissions from transport and distribution activities of products sold. Estimates based on the calculation of Cat. 4 - Upstream transportation and distribution.

Cat. 10 - Processing of sold products. The category considers emissions from activities to process products sold, applicable only for the Steelmaking (SM) segment. To calculate the emissions associated with these processes, energy consumption estimates were made for each type of processing, and the emission factors considered were derived from Ecoinvent.

Cat. 11 - Use of sold products. The category considers lifetime emissions from plants sold by the Group. The estimation of energy consumption of products during the entire life cycle is based on technical data from the plants and some estimates made by the team of Technology Process Engineers for the Plantmaking area product lines. The sources considered for the emission factors of energy carriers are consistent with those used for the calculation of Scope 1 and 2 emissions.

Cat. 12 - End-of-life treatment of sold products. For the calculation of end-of-life emissions of products sold, the material composition of products sold during the year by the entire Group and their respective weight were taken as primary data. The published DEFRA 2024 emission factors were applied depending on the type of material and disposal method considered.

20251215081167

Cat. 15 - Investments. The category considers Scope 1 and 2 emissions by the Group's investee companies, re-proportioned by the percentage of shares held by Danieli. Scope 1 and Scope 2 emissions, both location-based and market-based, were calculated using the same method as above for the calculation of group emissions.

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

The Steelmaking sector does not currently have any projects for GHG absorption or mitigation financed by Carbon Credits, while the Plantmaking sector is studying CCUS (Carbon Capture Utilisation and Storage) projects for use in the steel sector and which fall within the scope of GHG absorption, but are still at a very preliminary engineering stage.

E1-8 – Internal carbon pricing

There is currently no internal carbon pricing within the Group. In both the Plantmaking and Steelmaking sectors, there are formalised and structured sustainability plans, with a time horizon of 2023-2030, which envisages numerous decarbonisation projects for ABS that will enable them to achieve the target of reducing climate-changing emissions by 30% by 2022, the implementation of which will saturate the availability of our resources.

2023121508168

ESRS E2 - Pollution

E2-1 – Policies related to pollution

Although not set out in a specific environmental policy, the Group's guidelines have been drawn up and are an integral part of the Sustainability Plan, approved by the Executive Committee and shared with the Risk and Sustainability Committee. The Group has not yet adopted a Group policy related to pollution as it is in a preliminary stage of harmonising the various local guidelines.

The guidelines are consistent with the Group's **Decarbonisation Plan**, which includes SBTi-validated decarbonisation targets and concrete initiatives such as plant revamps, installation of solar panels, use of patented low-impact technologies and the purchase of a recycling company.

Specific measures for the replacement or reduction of substances of very high concern, or for the management of accidents or emergency situations, are not included at present, as these sub-topics have not been assessed as material.

The Danieli Group implements a structured set of actions and resources to manage air pollution, consistent with the guidelines and targets of the Sustainability Plan.

E2-2 – Actions and resources related to pollution

Within the Danieli Group's perimeter, the only environmental impact found to be material with reference to Chapter E2 - Pollution is that relating to emissions into the air, with particular reference to the activities of the subsidiary ABS S.p.A., a company operating in the Steelmaking segment. Group companies belonging to the Plantmaking area do not generate significant atmospheric emissions, as they mainly carry out design, engineering, mechanical workshop and automation activities.

ABS S.p.A. has implemented an environmental strategy aimed at reducing atmospheric emissions, through a structural and technological investment plan, with significant results: at the Cargnacco (Italy) site, dioxin emissions have been reduced by 67%, while carbon monoxide emissions have decreased by 40%, remaining consistently below the limits set by the Integrated Environmental Authorisation (AIA).

Further improvements can also be achieved through the adoption of advanced environmental monitoring systems and the implementation of the Digital Green Plant project, which involves the use of the Digimelter melting furnace with digital Q-ONE, developed by Danieli Automation. This technology enables precise control of energy and environmental parameters, helping to reduce emissions and improve the energy efficiency of the production process.

The Group's Steelmaking segment's commitment to reducing atmospheric emissions is an integral part of the Sustainability Plan and a key element of the transition strategy towards environmentally friendly steel production.

Action name: Reducing atmospheric emissions at the ABS Cargnacco site

Description: ABS - Acciaierie Bertoli Safau, a Danieli Group company operating in the steelmaking sector, has implemented an environmental strategy aimed at reducing emissions into the air, the only material impact recorded for Chapter E2 - Pollution. The action took the form of a structural and technological investment plan at the Cargnacco (UD) production site, with the aim of improving air quality and ensuring compliance with the limits set by the Integrated Environmental Authorisation (AIA). The results obtained are significant: a 67% reduction in dioxin emissions and a 40% reduction in carbon monoxide emissions, while remaining consistently below the authorised limits.
Expected results: improved air quality at the industrial site, continued compliance with AIA limits, reduced pollutant emissions and increased environmental compliance.
Scope: application at the Cargnacco (Italy) production site, the Danieli Group's main steelmaking plant. It involves environmental, technical and institutional stakeholders.

20251215081169

Time horizon: Intervention started in the previous three years, with further actions planned up to FY 2025.
Financial resources allocated: over € 53 million[9] invested in financial year 2024/2025 for the modernisation of facilities and the adoption of advanced environmental technologies.

Action name: Environmental monitoring of atmospheric emissions

Description: The Danieli Group has implemented a structured environmental monitoring system for atmospheric emissions, with particular reference to plants in the Steelmaking segment. Data is collected at each site and consolidated at corporate level through ISO 14001-certified environmental management systems.
Expected results: *Improved traceability and transparency of emissions, support for ESG reporting,* early identification of possible deviations from permit limits, strengthening of environmental monitoring.
Scope: ABS S.p.A. and ABS Sisak d.o.o.
Time horizon: Continuous monitoring, with annual review. The system is active and consolidated, with updates planned according to regulatory and technological developments.

Action name: CUSTARD project - Carbon Capture and Usage for the production of sodium bicarbonate

Already described in paragraph E1-3 – Actions and resources in relation to climate change policies

E2-3 – Targets related to pollution

For the time being, the Danieli Group **has not formalised binding, time-bound quantity targets** for each air pollutant. However, a structured process of setting **voluntary and measurable targets** is under way, in line with the European Action Plan 'Towards Zero Pollution' and the Group's sustainability strategies.
In the absence of formalised targets, the Group **monitors the effectiveness of its actions** through:

- annual comparison of emission data;
- the adoption of BAT technologies;
- the involvement of the EHS and R&D functions in defining environmental priorities.

The process also involves internal stakeholders, in particular the technical and environmental departments of production sites, and takes into account regulatory and market expectations.
The targets being set are voluntary in nature, but consistent with European guidelines and the Group's decarbonisation strategies.

E2-4 – Pollution of air, water and soil

The Danieli Group monitors and reports atmospheric pollutant emissions from all its production activities (both plantmaking and steelmaking), in accordance with ESRS standards. However, it should be noted that the most significant emissions are generated in the Steelmaking sector, particularly at ABS S.p.A.'s production facilities. (Cargnacco, Italy) and ABS Sisak d.o.o. (Croatia), which represent the Group's main emission sites.
Plantmaking companies, on the other hand, mainly carry out design and mechanical engineering activities that do not generate significant atmospheric emissions.
During the 2024/2025 financial year, the following atmospheric emission values were recorded:

[9] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet.

Emissions of pollutants	2024/2025
Pollutant	**Atmospheric emissions (Kg/year)**
Carbon monoxide (CO)	707,690
Nitrogen oxides (NOx/NO2)	369,570
PCDD + PCDF (dioxins + furans) (expressed as TEQ)	0.0004
Arsenic and compounds (expressed as As)	29
Cadmium and compounds (expressed as Cd)	29
Zinc and compounds (expressed as Zn)	1,805
Total Organic Carbon (TOC) (expressed as total C or COD/3)	9,383

The data were considered for the production companies that monitor these air pollutant emissions, for ABS S.p.A. and Sisak it is derived from the E-PRTR. For the other production companies, documents were collected based on the sampling that is carried out annually. The data for each affiliate were compared with the thresholds of Regulation (EC) No. 166/2006.

E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities

During the 2024/2025 financial year, the Danieli Group did not incur any operating or capital expenditure related to deposits or major pollution incidents. Furthermore, no funds or resources were allocated in the budget in relation to environmental impacts, risks or opportunities attributable to such events.

20251215081710

20251215081171

ESRS E3 - Water and marine resources

E3-1 – Policies related to water and marine resources

Currently, there is no specific Group policy segmented by water stress area. The main reasons why the Company has not yet adopted specific policies for high water stress areas are as follows: as far as Plantmaking is concerned, all activities in the sector are characterised by very low water consumption, as production processes do not involve significant water use and are already geared towards efficiency and recycling. With respect to Steelmaking, a policy has not been implemented as the Group's plants are equipped with advanced technology to minimise water withdrawal and consumption, and ongoing actions (technological investments) go in the direction of further reducing the potential impact even in areas at risk of water stress.
However, the Company is committed to periodically reviewing its strategy according to updated water risk data and changes in the operating environment.
The Group has not adopted policies or practices related to the sustainability of the oceans and seas, as it does not operate in marine contexts nor does it have direct impacts on these ecosystems.

E3-2 – Actions and resources related to water and marine resources

The Danieli Group has defined and implemented a series of actions aimed at the sustainable management of water resources, consistent with the objectives described in the Sustainability Plan.

Action name: Sustainable Management of Water Resources in the Steelmaking sector

Description: The Danieli Group has begun a sustainable water management plan, with actions aimed at reducing consumption, recovering rainwater and process water, and digitising the water footprint calculation. Actions implemented and/or planned include:

- stormwater recovery at the ABS QWR plant;
- a number of innovative technology packages will be implemented to improve performance and consumption efficiency, including Q-Panels. These are energy storage panels that allow closed-loop cooling of the Digimelter, without producing waste water (**net zero discharge**) and with waste heat recovery for other uses, such as district heating, power generation or in downstream CCU plants;
- optimisation of discharges through treatment and monitoring systems, and collaboration with the University of Udine to digitise the water footprint.

Expected results: Reduced use of water, increased rate of internal reuse, improved discharge quality, water footprint tracked along the value chain, and progress towards water neutrality.
Scope: Steelmaking Sector (ABS S.p.A. and ABS Sisak d.o.o.). The geographical areas involved include the Cargnacco plant, located in a water-stressed area, and the Sisak plant.
Time horizon:

- Short term (2024-2026): completion of water recovery and environmental digitisation projects;
- Medium term (up to 2030): extension of treatment and reuse technologies;
- Long-term (up to 2050): achieving water neutrality and regeneration of ecosystems.

Financial resources allocated: this action is part of the multi-year € 750 million investment plan[10] set out by the Group in the Sustainability Plan approved in August 2025.

[10] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet.

2025121508172

E3-3 – Targets related to water and marine resources

The Danieli Group has initiated a voluntary process to define environmental targets aimed at reducing water withdrawals, with a particular focus on production plants located in water-stressed areas, such as Cargnacco in Italy. Although no binding quantitative targets have been formalised at present, the long-term goal is a progressive reduction of water intensity by 2050, through the recovery and reuse of process and storm water. The baseline is the FY 2023/2024 data, which shows average water withdrawal of 1.47 m^3 per tonne of tapped steel. In the medium term, by 2030, operational targets are being evaluated that include the extension of water recovery systems to other Group plants and the engagement of suppliers in declaring the water footprint of purchased materials. Monitoring is carried out through ISO 14001-certified environmental management systems, with calculation based on environmental indicators and scientific support provided by academic partners. The methodological approach is aligned with the Sustainability Plan and makes use of certified environmental data, analyses conducted in cooperation with academic institutions and validation through dedicated software. The process actively involves the Environment and Sustainability functions, the technical management of the production sites, and the University of Udine.

E3-4 - Water consumption

The water consumption recorded refers to the Sisak and ABS S.p.A. plants. For water utilised by the remaining Group companies, whether civil or similar, it is assumed that all the offtake is discharged:

Water consumption	Unit	2024/2025
Total water consumption	m3	1,141,730

The water consumption recorded in high water stress areas refers to ABS S.p.A.'s 1,017,037 cubic metres of water.

As far as reused or recycled water is concerned, especially for the steelmaking sector, a highly efficient water management system has been adopted, which allows most of the water used in its production facilities to be recirculated.
The improvement of chemical characteristics is ensured through softening plants, while the possibility of continuous reuse is ensured through evaporative cooling towers.
In addition, a portion of the waste water from some plants is used to make up for evaporation losses in other departments that do not require the use of potable water.
Reuse/recycling is monitored indirectly. The systems and management used for water allow ABS SpA to estimate a water reuse value of over 90%, which is among the best in the steel industry in Italy. As a specific figure is not available and considering that after a certain number of cycles water is discharged or emitted into the atmosphere in the form of water vapour, recycled or reused water is already counted within the indicated value for water consumption.

The figure for stored water refers to the amount of cubic metres of water stored in cisterns for fire-fighting purposes:

Water consumption	Unit	2024/2025
Stored water present at the beginning of the period	m3	775
Water stored in the period	m3	-
Stored water used in the period	m3	-
Stored water present at the end of the period	**m3**	**775**
Changes in stored water over the period	**m3**	**-**

20251213081173

The Danieli Group records revenue-weighted water consumption intensities.

Water Intensity	Unit	2024/2025
Total water consumption	m3	1,141,730
Net revenue[11]	€ million	4,147.43
Water Intensity	m3/€	0.00028

[11] This amount is included in the values presented in Note 23 to the Consolidated Income Statement.

2025121508174

ESRS E5 – Resource use and circular economy

E5-1 – Policies related to resource use and circular economy

Although the Danieli Group does not currently have a formalised circular economy policy, it adopts an approach consistent with circularity principles, as confirmed by the guidelines contained in the Sustainability Plan. Attention to efficient resource management and waste reduction is also supported by the parent company Danieli & C. Officine Meccaniche S.p.A. in its Environmental and Occupational Health and Safety Policy, which includes a guiding principle that expresses a commitment to improve waste management through appropriate dedicated and identified areas and more accurate separate waste collection. This context also includes the Group's acquisition of a controlling stake in Rott-Fer, an operator active in the recovery and processing of ferrous scrap, which represents a strategic building block for the development of the circular economy within the Group and along its value chain. This transaction was accompanied by investments in new equipment and technology, aimed at increasing scrap quality and traceability, improving the efficiency of smelting processes and reducing the overall environmental impact. Although specific measurable targets have not yet been defined, the Group promotes concrete initiatives in the industrial field, such as the recovery of steel slag for the production of aggregates for construction, the reuse of process and storm water, and the valorisation of by-products, contributing to the transition towards more sustainable production models.

E5-2 – Actions and resources related to resource use and circular economy

During the 2024/2025 financial year, the Danieli Group implemented and planned a series of concrete actions aimed at promoting the circular economy and responsible resource management, consistent with the targets defined in the approved Sustainability Plan.

Action name: ABS steel slag recovery Cargnacco

Description: At the ABS production site in Cargnacco, the Danieli Group implemented a complete system for the recovery of steel slag, transforming it entirely into CE-certified industrial aggregates, marketed under the Ecogravel brand. These materials, intended for the construction sector, represent a concrete solution for reducing waste production and improving efficiency in the use of technical resources. The project is part of the Group's environmental investment plan and by the end of 2025 completion and start-up of the new Global Blue plant is expected, dedicated to the treatment and valorisation of waste.
Expected results: 100% recovery of steel slag generated, reduction of waste for disposal, generation of reusable materials, reduction of the overall environmental impact of the production cycle.
Scope: ABS production site in Cargnacco (UD), the Group's main steel plant.
Time horizon: Completion of the installation and start-up of the new Global Blue plant by the end of financial year 2025/2026.
Financial Resources: 15 million euro[12].

Action name: Vertical integration of the scrap chain

Description: As part of its circular economy and decarbonisation strategy, the Danieli Group acquired a controlling interest in Rott-Ferr S.r.l., an operator specialising in the recovery and processing of ferrous scrap. The operation, completed in FY 2023/2024, aims to strengthen raw material traceability, increase the use of recycled scrap as a secondary raw material and reduce transport-related emissions. The vertical integration of the supply chain allows the Group to handle a critical phase of the production cycle, improving environmental sustainability and the quality of the materials used. This action is not yet complete, as the Group is completing further investments to increase recycling and supply capacity from scrap.
Expected results: Increased efficiency in scrap management, reduction of Scope 3 emissions, improved circularity of material flows, enhanced traceability and quality of raw materials.

[12] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet.

20251215083175

Scope: Upstream value chain, Rott-Ferr site and related logistics.
Time horizon: 2025/2026.

E5-3 – Targets related to resource use and circular economy

The Danieli Group, through ABS S.p.A., has defined a series of environmental and circular economy targets that are part of the broader Industrial Plan and ESG Plan 2023-2030. These targets are consistent with the policies and actions described in the previous paragraphs and meet the reporting requirements of the ESRS regulations.

Target title: Increasing the recycling rate of outflows

Description: Increase the recycling rate of outflows to 90% by 2029/2030.
Scope: Steelmaking sector.
Baseline: 83% in FY 2022/2023.
Time horizon: Target to be achieved by FY 2029/2030.
Methodology: Monitoring of material flows and traceability of by-products, calculation of recycled waste as a percentage of total waste.
Stakeholder engagement: Environment and Sustainability Department.

This target is related to resource output streams and more specifically to increasing the circular material use rate, minimising virgin raw materials and reducing waste; it also refers to the 'recycling' level of the waste hierarchy.

E5-4 – Resource inflows

During FY2024/25, the Group recorded resource inflows of approximately 1.78 million tonnes of material. Of these, more than 98% (about 1.75 million tonnes) fall under the category of technical materials, while less than 2% (about 29 thousand tonnes) fall under biological materials. Biological materials that are sustainably sourced (wood) are FSC or PEFC certified.
The macro-categories of materials used by the Group are subdivided into:

- Raw materials/natural resources, which includes ferroalloys, direct reduced iron, pig iron and more;
- Secondary raw materials, i.e. scrap used in steelmaking;
- Materials required for the production process not part of the finished product, which consists mainly of filler materials, oxygen and other gases and refractories;
- Semi-finished products or components, including paints and adhesives and billets;
- Finished products, mainly metal;
- Packaging materials (wood, plastic, cardboard, metals and others).

Scrap represents the most significant category at Group level (64.3% of total input weight) and also accounts for almost all recycled materials used. The secondary reused or recycled materials used by the company for its products and services (including packaging) amount to approximately 1.15 million tonnes (64.5% of the total materials used). The Group does not purchase reused or recycled secondary components.
Besides scrap, the most significant material categories are semi-finished metal products, finished metal products and filler materials.

20251213083176

Resource inflows (kg)	2024/2025 Technical materials	Biological materials	Total
Raw materials/natural resources	63,959,075	-	63,959,075
Secondary raw materials	1,147,197,732	-	1,147,197,732
Materials required for the production process not part of the finished product	212,209,927	-	212,209,927
Semi-finished products or components	215,683,015	-	215,683,015
Finished products	108,184,705	-	108,184,705
Packaging materials	7,603,407	29,467,708	37,071,115
Total materials	**1,754,837,861**	**29,467,708**	**1,784,305,569**

Sustainably sourced biological materials (kg)	2024/2025 Sustainably sourced biological materials	% sustainably sourced biological materials
Packaging materials *(FSC/PEFC wood)*.	4,186,176	0.2%
Total sustainably sourced biological materials	**4,186,176**	**0.2%**

The source inflows values for the steelmaking sector were converted from the original and varied units of measurement into the same weight unit by means of appropriate conversion factors. The figures for the Plantmaking sector, which amount to approximately 20% of the weight of the incoming resource flows, were estimated due to partial incompleteness of the master data for materials ordered: the value of the incoming weights was therefore supplemented with the weight of the materials shipped, where necessary, in order to provide as accurate an estimate as possible with the available data. For the Plantmaking sector, a complete registry of incoming materials is currently being built, which will allow, once the new ERP is implemented, refinement of the calculation of this indicator.

E5-5 – Resource outflows

The Danieli Group generates resource outflows through two main business lines: Plantmaking, dedicated to the design and construction of steel plants, and Steelmaking, represented by ABS S.p.A., and focused on the production of special steels. Both areas contribute to the creation of industrial outputs oriented towards sustainability, resource efficiency and circular economy principles.

In the Plantmaking segment, Danieli produces complete plants, automated production lines, mechanical and electronic components, and digital solutions for process optimisation. The plants are designed to integrate energy recovery technologies, waste reduction and efficient use of resources. Components such as converters, electric furnaces and automation systems are designed so they can be upgraded and restored, facilitating repair and extending the life cycle. Software solutions developed by Danieli Automation - including DigiMelter and Q-REG - support intelligent resource management in customer production processes, helping to reduce waste and optimise the use of materials and energy.
In the Steelmaking sector, ABS S.p.A. describes in detail the products and materials coming out of the production process, including both finished products and those resulting from the recovery of waste materials. The main products include:

- Special long steels: rolled bars, forged bars, wire rod, ingots, blooms, billets;
- Grinding balls: produced from recycled steel, intended for the mining industry;
- Cold-finished products: drawn, ground, rolled;
- Industrial aggregates: Ecogravel® and Ecogravel White®, derived from slag processing, used in construction and soil stabilisation.

ABS emphasises that steel produced is 100% recyclable, and that products made from waste materials are manufactured according to circular principles, contributing to a reduction in the use of virgin resources. As far as repair is concerned, ABS does not produce final consumer goods, but materials used in sectors such as automotive, energy, construction and mechanical engineering. The adoption of

2025121508177

high durability steels and the certification of recycled content (ISO 14021) indirectly contribute to the circular design of downstream products. The types of waste generated in the Plantmaking sector are mainly from the manufacturing, assembly and testing phases of plants. The waste can be grouped into: metals (ferrous and non-ferrous) from machining and welding; materials from painting and surface treatments; residues from construction and assembly (plastic, rubber, composite materials); packaging waste (wood, paper/cardboard, plastic); spent oils and lubricants from testing and plant start-up.
The types of waste generated in the Steelmaking process include:

- metals: from machining, cutting and casting;
- steel slag: 100% recovered for the production of Ecogravel® and Ecogravel White®, used in construction;
- rolling scale: also 100% recovered, with 60% used for the production of washing machine counterweights and 40% reused as scrap;
- flue gas dust: rich in metals (e.g. zinc), sent to separation plants for recovery;
- packaging: wood, plastic, paper/cardboard;
- liquids from production activities: oils, emulsions, sludges;
- refractories: furnace lining materials, subject to recovery;
- sludge and other residues from treatment plants.

Waste generated (kg)	2024/2025
Hazardous waste directed to disposal	**12,086,643.00**
Hazardous waste directed to disposal - incineration	80,671.00
Hazardous waste directed to disposal - landfill	4,606,298.00
Hazardous waste directed to disposal - other disposal operations	7,399,674.00
Hazardous waste for recovery/recycling	**21,845,102.50**
Hazardous waste for recovery/recycling - reuse	514,113.00
Hazardous waste for recovery/recycling - recycling	1,345,167.50
Hazardous waste for recovery/recycling - other recovery operations	19,985,822.00
Total hazardous waste	**33,931,745.50**
of which radioactive waste	0
Non-hazardous waste directed to disposal	**18,655,852.49**
Non-hazardous waste directed to disposal - incineration	14,204.00
Non-hazardous waste directed to disposal - landfill	13,116,443.84
Non-hazardous waste directed to disposal - other disposal operations	5,525,204.65
Non-hazardous waste for recovery/recycling	**97,367,230.07**
Non-hazardous waste for recovery/recycling - reuse	7,511,825.50
Non-hazardous waste for recovery/recycling - recycling	12,943,676.17
Non-hazardous waste for recovery/recycling - other recovery operations	76,911,728.40
Total non-hazardous waste	**116,023,082.56**
Total waste	**149,954,828.06**
Total waste directed to disposal	**30,742,495.5**
Total waste for recovery/recycling	**119,212,333**
Total non-recycled waste	**135,665,984.39**
Percentage of non-recycled waste	**90.5%**

2025123503178

The Danieli Group has adopted an estimation method for companies that did not provide data on municipal waste (office waste). The method is based on a per-capita benchmark approach, consistent with the non-manufacturing nature of the companies in question.

The procedure involves the use of available data on municipal waste generated by other Group companies with comparable characteristics (in terms of activity and staff composition), from which an average reference value per employee with office duties was calculated. This value was then applied to the number of employees for companies lacking data, to estimate the amount of municipal waste generated in a uniform and conservative manner.

The method was also extended to companies in the Steelmaking sector with exclusively office activities. For the companies that independently provided the data, the declared value was maintained.

This methodology ensures consistency, transparency and traceability in reporting, despite missing data, and will be reviewed and refined in the coming years.

With reference to the rate of recyclable content in products sold by the Group, it should be noted that about 100% of steelmaking products are recyclable and 99% of plantmaking products are recyclable. Regarding the composition of packaging, about 96% of the packaging used by the Group is recyclable. For the definition of these figures, it was necessary to resort to estimates, developed considering the nature and weight of the materials that make up the products sold by the Group and their packaging.

The Danieli Group designs and manufactures plants and machinery that by their nature are characterised by high reparability. The modular design and focus on component accessibility allow maintenance, replacement and restoration in line with customers' operational requirements. This approach helps to extend the life of machinery and reduce downtime.

In the steelmaking sector, steel products placed on the market have an expected durability that varies according to type and use. In particular, a service life of between 30 and 75 years is estimated, with higher values for materials used in infrastructure and civil construction and lower values for products used in lightweight applications. Overall, the durability of steelmaking products is in line with commonly recognised industry averages, ranging from 25-75 years depending on the product family and application area.
With regard to the durability of plantmaking products, the two main types of orders that contribute most to the Group's Scope 3 emissions in the category Use of sold products are considered as examples. The first type relates to the construction of reheating furnaces for which the Group has identified a useful life of 30 years, in line with industry averages of 25-30 years.
The second type of order concerns electric arc furnaces, for which an average life of 20 years has been identified considering the rapid technological changes taking place and the average life of the components. In fact, for such products, technical obsolescence is more important than mechanical obsolescence. For this type of order, industry averages indicate a range of 25-30 years, however, the Group has adopted a more conservative analysis approach.

2025121508175

SOCIAL INFORMATION

ESRS S1 – Own Workforce

Strategy

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Integration with strategy and business model

During the 2024/2025 financial year, the Danieli Group conducted a double materiality process to identify and classify the significant impacts on its workforce, distinguishing between positive and negative impacts, and formalising the associated risks and opportunities which could potentially impact its entire workforce without any particular exclusions. These IROs were identified considering the characteristics of the Group's business model and operational specificities in the Steelmaking and Plantmaking sectors. In addition, these are linked to the Group's strategy in that personnel are a key resource for Danieli, which pays particular attention to skill requirements, safety at production sites and the working conditions of its employees.

Description of own workforce

The analysis took into account all categories of own workers, including:

- Direct employees, working at headquarters, production plants and international construction sites;
- Workers and technicians, working in production and plant installation departments, particularly exposed to health and safety impacts;
- Engineering and management staff, involved in design, innovation and management processes;
- Temporary workers and external collaborators in operational support roles, when present.

This segmentation provided insight into how specific groups of workers may be more exposed to certain impacts, as in the case of workers in high-risk departments.

Significant negative impacts

The negative impacts observed are mainly related to individual incidents (e.g. accidents), while others are related to systemic phenomena linked to the type of business, for both Plantmaking and Steelmaking (e.g. gender equality) or related to the current economic context (e.g. adequate wages). The impacts, listed below, are managed through organisational and preventive measures:

- **Adequate wages**: potential impact of economic treatment not aligned to the local cost of living. The Group continued to be recognised as a 'Top Employer Italy', testifying to its commitment to competitive and inclusive remuneration and welfare policies.
- **Health and safety**: accidents or occupational diseases. ABS has strengthened its HSE-certified management system, with initiatives such as 'ABS Cardio Protected Company' and continuous training programmes. Also in the Plantmaking segment, Danieli promotes proactive health and safety management, integrated into the plant design, construction and installation processes. The approach is based on:
    - Designing plants with integrated safety criteria;
    - Continuous training through the Danieli Academy;
    - Adoption of digital technologies and automation, such as computer vision and artificial intelligence.

Technological evolution has led to a progressive reduction of human presence in the most critical operational areas, according to the 'zero man on the floor' principle.

- **Gender equality and Equal pay**: limited representation of women in technical and management roles. The Group has continued to implement its Gender Equality Plan.

20251215081180

- **Violence and harassment in the workplace**: potential impact mitigated through the **Ethics and Integrity Line** platform, which allows anonymous reporting and ensures protection from retaliation.
- **Diversity**: lack of initiatives to foster the integration of minorities. The Group is committed to promoting an inclusive culture through welfare policies, flexibility and educational services, such as the 'Cecilia Danieli' school complex.

Material positive impacts

Positive impacts include:

- **Secure employment**: stable employment in the areas in which the production plants are located.
- **Collective bargaining and freedom of association**: workers are covered by collective bargaining agreements and respect for trade union freedom.
- **Work-life balance**: company welfare system with educational services and flexible working hours.
- **Training and development**: training courses offered through the Danieli Academy and collaborations with academic institutions.

These positive impacts mainly affect direct employees, both operational and clerical, and contribute to retention and engagement. The initiatives connected to these impacts are detailed in paragraph S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.

Workforce-related risks and opportunities

The process revealed the following material risks, in particular with regard to the specialised workforce:

- Risk related to dependence on specialised expertise, including the risk of loss of know-how in the event of unmanaged turnover and challenges in the training and retraining of technical and managerial profiles;
- Risk of excessive workloads that may cause increased turnover of staff with technical skills.

These risks are addressed through investments in training, retention programmes and employer branding initiatives.

Initiatives that contribute to the enhancement of the workforce include the *Danieli InnovAction Awards*, an annual programme that rewards the best technological and process innovation proposals submitted by employees. Although the initiative has no direct social purpose, it stands out for its inclusive and meritocratic approach, helping to strengthen a sense of belonging and the enhancement of internal skills.

The material opportunities identified are:

- Decreased turnover by safeguarding employees' work-life balance;
- Increased productivity and retention through the provision of continuous training and recognition of employees' skills.

Impacts from environmental actions

Downstream of the decarbonisation and environmental impact reduction strategies, no significant impacts on the company's own workforce from divestments of high-emission activities were found. However, the Group constantly monitors technological and production developments to ensure an equitable transition, including retraining personnel involved in processes subject to change.

The Group operates in an international context and, despite the fact that some Group sites are located in areas considered at risk of forced or child labour (e.g. India, China), the Double Materiality analysis did not reveal any significant impacts or risks related to these issues within the Group's own workforce. In fact, the Group oversees the application of the principles contained in the Code of Ethics and company policies, ensuring compliance with national and international regulations regarding labour and fundamental rights.

20251215081331

Impacts, risks, and opportunities management

S1-1 – Policies related to own workforce

Policies and management tools

The Danieli Group, including Acciaierie Bertoli Safau S.p.A. (ABS), has adopted a structured set of policies and management tools to protect and enhance its workforce, in line with the principles of social responsibility, integrity and sustainability. These policies are formalised through documents such as the Code of Ethics, the Whistleblowing Policy, the Health and Safety policies and the ABS Sustainability Policy ('ABS Commitment to Sustainable Business Conduct').

The policies apply to all employees and collaborators, regardless of category, location or contract, and are monitored by the Risk and Sustainability Committee and the HR and HSE managers of the individual companies or, as a last resort, by the delegated director or board member, who is also responsible for implementation.
The Code of Ethics, whose purpose is to define and share the corporate principles and values that inspire the Group, spells out Danieli's cornerstones for managing relations with its own workforce. In particular, the Code addresses the following issues and linked IROs:

- training: Danieli invests in the growth, training and satisfaction of its personnel, in order to increase their skills and enhance their knowledge base;
- Worker health: it promotes and prioritises the continuous improvement of health and safety conditions in the workplace and requires timely compliance with the prevention and safety measures adopted;
- collective bargaining: it deals with employees with the utmost fairness as well as in compliance with applicable labour legislation and national collective agreements;
- equality and respect for diversity: it rejects discriminatory behaviour based on gender, age, sexual orientation, ethnicity, language, religion, political opinions, personal conditions and social conditions, and demands that no harassment, intimidation or bullying take place in labour relations, without exception.

The Code of Ethics also specifies the Group's commitment not to enter into relations with parties suspected of using the labour of illegally employed staff, minors or, more generally, operating in violation of laws on the protection of workers' rights. The Code has been adopted by Danieli & C. Officine Meccaniche S.p.A., by the Plantmaking companies and by ABS Acciaierie Bertoli Safau S.p.A., with versions consistent with specific operational features; it can also be consulted by all employees and external stakeholders through the company website.

Human rights, equality and inclusion

Although Danieli does not currently have an ad hoc policy on human rights at Group level, these principles are integrated into the Code of Ethics, which also includes compliance with labour legislation, applicable national collective agreements, the protection of privacy and the continuous improvement of health and safety conditions in the workplace and the external environment.

The Danieli Group, which carries out its activities in compliance with recognised international instruments, has initiated an internal reflection to strengthen the formal alignment of its Group policies with the main standards, including:

- the UN Guiding Principles on Business and Human Rights
- the ILO Declaration on Fundamental Principles and Rights at Work
- the OECD Guidelines for Multinational Enterprises

The fundamental rights of workers are guaranteed, including freedom of expression, trade union association and decent working conditions. Worker engagement is promoted through dialogue channels, training and active participation, while measures to prevent and manage human rights impacts are monitored through audits, reporting and corrective action. For more on these issues, please refer to paragraphs S1-2 Processes for engaging with own workers and workers' representatives about

2025121508182

impacts and S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns, respectively. Through its Code of Ethics, the Group promotes an inclusive culture, with a focus on the representation of women, the integration of minorities and the enhancement of diversity. In this regard, the Group approved the Gender Equality Plan in 2022, with which the company laid the foundations to strengthen the principles of equality and parity mentioned in its policies, in particular by identifying five key areas for action: Recruitment and Career Progression; Work-Life Balance and Organisational Culture; Gender Balance in Leadership and Decision Making; Inclusive Culture and Measures against gender-based violence including sexual harassment.

In the context of ABS S.p.A., the company has formalised the 'ABS Commitment to Sustainable Business Conduct' document, in which it explains its process to assess the impact of its activities on respect for human rights and the environment. ABS is committed to adhering to the principles of responsible business conduct established by international organisations, such as the United Nations Guiding Principles for Business Enterprises on Human Rights and the Environment (UNGPs) and the OECD Guidelines for Multinational Enterprises, and to responsibly assessing and managing the environmental and social risks associated with funded projects (Equator Principle). ABS S.p.A. recognises and is committed to respecting universally recognised human rights, such as freedom of expression, association and assembly, and to ensuring fair working conditions in line with current regulations on working hours and rest. Responsibility for the implementation of ABS's sustainability commitments is assigned to the Sustainability Committee and Senior Management, who are responsible for integrating ethical and sustainability commitments into their areas of responsibility. The Policy, published on the ABS institutional website, is freely available for consultation by both employees and third parties.

Health and safety

The Parent Company and the main production companies (a total of 21 companies in all) have certified occupational health and safety management systems (UNI ISO 45001:2018), with specific policies (Environmental and Occupational Health and Safety Manual) for the prevention of accidents and occupational diseases.
Danieli & C S.p.A.'s Manual, in particular, specifies among the company's principles compliance with international, national and local laws on the subject, the promotion of compliance with occupational health and safety regulations, and prevention based on constant information and training of workers. The Policy, which is made available to all stakeholders via the company intranet, is reviewed annually at the Management Review.

Reporting and protection

The **Whistleblowing Policy** guarantees secure and confidential channels for reporting violations, with protection for the whistleblower and the reported person, in accordance with Legislative Decree no. 24/2023. The system is managed by the **Reporting Committee**, consisting of Legal, HR and Compliance & Internal Audit, and provides for anonymous reporting, internal audits and corrective actions. For more on the policy, please refer to section G1-1 Business conduct policies and corporate culture.

2025121508383

S1-2 - Processes for engaging with own workers and workers' representatives about impacts

Workforce Engagement System

The Danieli Group has implemented a periodic workforce engagement system aimed at collecting feedback and managing the material impacts, both positive and negative, that can influence employee well-being, motivation and performance.
Engagement takes place mainly through:

- **Individual and team discussions** *between employees, function managers and HR, at least* once a year;
- **Listening sessions** organised in connection with organisational changes or strategic projects;
- **Follow-up meetings** to monitor the effectiveness of the actions taken are held at least once a year.

These activities take place at both company and function level, with results centralised by the **HR Department**, which has operational responsibility for the process. The feedback gathered is integrated into decision-making processes, e.g. in the definition of **training plans** and **welfare initiatives**.

The Group does not currently have a **global framework agreement** with workers' representatives, however, it is always open to discussion with trade union representatives in line with the methods and schedules provided for by law or by collective agreements, and promotes **ongoing dialogue** through internal communication and discussion tools, such as regular meetings, digital channels and local consultations. The various opportunities for dialogue between the company and the workforce are also a tool to identify actions to be implemented in order to prevent negative impacts and promote positive impacts on the workforce.
The effectiveness of engagement is monitored through **quantitative and qualitative indicators**, including:

- the **rate of participation** in feedback interviews,
- *the* ***level of satisfaction*** *observed in the follow-ups.*

With regard to vulnerable groups, the Group adopts an inclusive approach, in line with its Code of Ethics.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

Following the double materiality analysis, the Danieli Group identified a number of material negative impacts on its workforce, particularly in relation to health and safety, equal treatment and management of working conditions. For each of these impacts, the Group has **remedial processes** in place that include preventive, corrective and continuous monitoring measures.
For example, for health and safety impacts, the following have been implemented:

- HSE certified management systems;
- Periodic internal audits;
- Compulsory training programmes;
- Structural interventions to reduce operational risks.

The actions implemented by the Group to remedy or help remedy the negative impacts on its own workforce are detailed in S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.
The Group has **specific channels** for employees to report concerns, needs or violations. The main tool is the **Ethics and Integrity Line** platform, which allows for anonymous reporting and guarantees protection from retaliation. The effectiveness of the system is monitored through performance indicators, such as the number of reports received, the resolution rate and the average handling time; the trend in the number of reports is also monitored as a key indicator of workforce awareness in using the channel.
For more information on the Whistleblowing Reporting Channel and its Policy, see section G1-1 - Business conduct policies and corporate culture. This channel was set up directly by the Group and

20251215081184

does not make use of external mechanisms. In order to allow the reconstruction of the entire reporting process, the Reporting Committee ensures traceability of the reporting management process, as well as the proper storage and archiving of the documentation produced during the reporting and throughout the analysis and verification process.
To date, there has been no structured assessment of employees' **awareness of and trust** in reporting channels.
Finally, the Group confirms that it has policies in place to **protect against retaliation** against those who use reporting channels, including employee representatives. These policies are set out in the Code of Ethics and the Whistleblowing Policy in the internal regulations.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Danieli Group recognises the central role of its workforce in generating value and promoting industrial innovation. In response to the material impacts revealed by the double materiality analysis, the Group has initiated a series of interventions aimed at reinforcing positive impacts, mitigating negative impacts and risks, and enhancing opportunities related to the well-being, training, safety and inclusion of its employees. Prevention processes and actions, which are implemented consistently with the principles listed in the policies, are tools designed to prevent the Group's practices from causing or contributing to significant negative impacts on its workforce.

Well-being and work-life balance

In order to foster an inclusive and sustainable working environment, Danieli & C SpA introduced flexible workhour models at its Buttrio plant and set up a company campus to welcome new recruits from outside the region, facilitating their integration in the first few months. To support families, the Group set up the 'Cecilia Danieli' crèche and the 'Cecilia Danieli' primary school, managed within the Zero Tredici Educational Hub, which offer innovative education, with bilingual teaching, educational robotics and psycho-motor activities.

These facilities, which are also open to the local community, allow parents and employees of the Group's Plantmaking and Steelmaking companies in Buttrio and Cargnacco, to reconcile work and family commitments, thanks to extended hours (7:30 a.m. to 6 p.m.), an in-house canteen and extracurricular activities. The Group has also activated a dedicated CAF service for its Buttrio office for tax returns and a fringe benefits system that contributes to the economic well-being of employees.

As part of its actions to promote well-being and work-life balance, in the summer of 2025 the Danieli Group completed an investment of around € 8.2 million[13] to build a multifunctional sports centre in Buttrio for employees, family members and the local community. The project, managed through the Danieli Sporting Club, involves the construction of infrastructure dedicated to various sports disciplines, including football, basketball, padel, swimming, cycling, hiking and indoor activities. The initiative is part of an integrated vision of social sustainability, which sees sport as a tool for promoting health, inclusion and social cohesion, helping to improve the quality of life of workers and strengthen their sense of belonging. The facilities will also be accessible to additional members, i.e. people from outside the Group, favouring openness towards the local area and the creation of social networks. These actions represent a concrete example of how the Danieli Group integrates sustainability into its development strategy.

Continuing education and professional development

The Danieli Academy is the operational hub for the realisation of the training and development goals within the Plantmaking area. More than 60,000 hours of internal training are provided each year,

[13] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet.

20251215081185

involving around 500 teachers, 260 of whom are internal and 230 external. The training programmes are customised and cover technical (26,000 hours), managerial (12,000 hours), language (4,000 hours) and health, safety and environment (18,000 hours) skills. A certificate of participation is issued at the end of each course. Training is designed with various seniorities, roles and responsibilities in mind, and aims to promote a strong, inclusive and innovation-oriented corporate culture. The transversal skills developed help to improve operational efficiency, strengthen the spirit of collaboration and foster flexibility to change. The Group contributes to the success of the University of Udine's Executive MBA by allowing its best talents to participate in this outstanding training programme that fosters the development of strategic skills and the creation of high-potential professional networks.

Health and safety at work

Safety is a pillar of the corporate culture. The Group promotes continuous health and safety training, with refresher programmes, periodic audits and KPI monitoring. The fact that we have obtained Top Employer certification testifies to our commitment to ensuring safe, inclusive and stimulating working environments.

Danieli defined a company management model identifying the roles, operational responsibilities and methods for carrying out the main production processes, paying the utmost attention to the health and safety of workers.
In particular, specific guidelines and company procedures were prepared for each operating unit and the activities carried out by them in order to:

- identify and assess any possible exposure to the hazard;
- use the prevention and protection systems made available by the company;
- identify potentially exposed persons;
- implement risk mitigation measures and control their application, training personnel at the time of recruitment and with subsequent periodic updates by making available to them (for easier consultation and use) on the company website all the safety and prevention documentation to avoid dangerous situations at work.

Moreover, continuous awareness-raising is carried out with information campaigns and specific communications to alert and remind people of the need to comply with safety protocols. Employers and Safety Managers are responsible for the implementation of health prevention activities and the implementation of safety in the workplace using specialist personnel who devote particular attention to the training and education of personnel assigned to specific operational tasks. In cases of internal mobility with employees changing role, the company organises all additional safety courses required to adapt specific expertise to the new type of work. Risk Assessment Documents are prepared and coordination meetings are held between third-party companies and site managers, verifying the health and safety issues of external workers. The health of workers is guaranteed in the workplace also with the help of a Company Health Service present in all production units that carries out a health surveillance program with prevention and control procedures, information campaigns and periodic inspections. With the company's approach aimed at the prevention and reduction of injuries, both in terms of frequency and severity, actions are planned and implemented on the basis of any accidents and/or near misses. The company provides education, information and training courses with the aim of educating all employees on issues related to occupational health and safety, correct emergency management practices and the use of equipment in the company. A special focus is also placed on regular training for workshop technicians on the procedures to be used in their daily work. The company continuously ensures that personnel are trained in accordance with safety regulations by constantly surveying the training requirements of employees, e.g. when changing jobs.

Inclusion and social responsibility

The Group (Plantmaking sector) also promotes cultural inclusion through dedicated training courses. The Danieli Academy department offers soft skills development courses, including the 'Multiculturality' module, which can be activated upon request for employees, by the heads of the various functions, to

20251215081186

address issues related to managing different cultural contexts, intercultural communication and understanding the 'mental software' that guides behaviour in different contexts. The course is available in Italian and English in order to reach the majority of the corporate population.

Adequate wages, gender equality and equal pay for work of equal value

The Human Resources department constantly monitors, through statistical databases, any pay gaps compared to the market and between genders, taking corrective action where necessary. The implementation of the **Gender Equality Plan**, adopted by the Board of Directors of Danieli & C. Officine Meccaniche S.p.A., represents a structured commitment to promote equal opportunities in terms of access, development and remuneration. The plan includes actions on recruitment, careers, inclusive culture, work-life balance and prevention of discrimination. A concrete sign of the progress made is the composition of the Board of Directors, where **60% of the directors are female**, confirming the Group's commitment to more equitable and representative governance. In this context, in 2021 Danieli joined the UN Women's Empowerment Principles initiative promoted by the United Nations, actively participating in training sessions dedicated to signatories, such as the WEPs - Spring 2025 induction webinar, attended by representatives from the Human Resources Department. As further confirmation of its commitment to the enhancement of female talent, the Group financially sponsors the participation of some employees in high-profile training courses such as the Master in Metallurgy at the University of Udine (beginning January 2025) and the Executive MBA (beginning November 2024), also organised by the same university, fostering professional development and internal growth. Among the initiatives to support work-life balance, the Group has introduced concrete tools that allow employees to reconcile their role as mothers with their professional growth, without renouncing their talent and ambitions and maintaining their salary level. In particular, the establishment of the company crèche and the availability of the Pink Car Parks at the Buttrio site represent tangible indications of the attention paid to the needs of families, fostering an inclusive environment that respects the different stages of life.

Finally, a further sign of the Group's commitment to enhancing the role of women in the steel industry is represented by the participation of one of the highest-ranking female figures within the organisation as the Executive Vice President of Human Resources & Academy at the 'L'impresa delle donne' (The Women's Enterprise) conference, held as part of the Made in Steel 2025 event. On this occasion, she spoke in a video dedicated to the theme of women in the steel industry, helping to give visibility and meaning to the 'Acciaio al Femminile' project, created to promote inclusion, awareness and friendship among female professionals in the sector.

Freedom of association and collective bargaining

The Danieli Group recognises and protects the right of workers to form trade unions and to freely participate in collective bargaining. At all operational locations, relations with trade union representatives are conducted in an atmosphere of constructive and transparent dialogue, with the aim of promoting stable and collaborative industrial relations.

Prevention of violence and harassment at work

The Group adopts a zero-tolerance policy towards any form of violence, harassment or discrimination in the workplace. In line with the Gender Equality Plan, training and awareness-raising activities are planned, as well as an annual monitoring system on the application of the Code of Ethics. Employees can report critical incidents or situations through the **Ethics & Integrity Line** platform, accessible to all staff and external stakeholders, which ensures confidentiality and protects the whistleblower.

Governance and monitoring of actions

The actions implemented are supervised by the relevant functions, such as Human Resources and the H&S Department, which monitor the progress and results of the actions, including through KPIs, where applicable.

2025121508187

Finally, to ensure the sustainability and continuity of the actions undertaken, the Group has allocated dedicated resources, both in terms of personnel and investments. The functions involved work in synergy to ensure that resources are adequate and properly directed, consistent with strategic targets and sustainability commitments.

Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

During the 2024/2025 financial year, the Danieli Group initiated a structured process aimed at defining time-based and results-oriented targets, aimed at managing the material impacts, risks and opportunities associated with its workforce and consistent with the principles contained in the Code of Ethics and Group policies.
In the area of diversity, the Group has confirmed its commitment to continue to pursue the goal of maintaining female representation on the Board of Directors of at least 40%, in continuity with the base financial year, a value that exceeds the minimum required by law and that the Group intends to confirm for all time horizons up to 2050. In fiscal year 2024/2025, 60% of Directors were female.

In order to promote work-life balance, a 10% increase in the number of Danieli Sporting Club members has been planned by 2026, compared to 946 members in the year 2024/2025, with the aim of promoting wellness through sports activities organised directly by Danieli.

With regard to the attraction and development of younger workers, the Group has launched the 160 Project, which was created with the aim of hiring 160 young talents, up to 40 participants per year, to train the future technical and managerial figures of the Danieli Group's foreign offices (Plantmaking sector) and starting from a baseline of zero relative to financial year 2022/23.

The target-setting process started with the direct engagement of the workforce, through individual and team interviews, listening sessions and internal survey instruments. These included periodic feedback interviews and termination interviews, which gather information on the reasons for leaving and identify areas for organisational and management improvement.

20251215091355

S1-6 – Characteristics of the undertaking's employees

The number of employees of the Danieli Group as at 30 June 2025 is 10,009[14].
The quantitative information below regarding Group employees is expressed in headcount terms and refers to Group employees as at 30 June 2025.
The number of employees leaving the Group during the year 2024/2025 was 1,194 - a turnover rate of 11.9%[15].

Number of employees by gender

Gender	2024/2025
Male	8,667
Female	1,342
Other	-
Not reported	-
Total employees	**10,009**

Number of Employees by Most Significant Countries[16]

Country	2024/2025
Italy	4,809
China	1,134
Thailand	1,004
Total employees	**6,947**

Number of employees by type of contract and gender

	2024/2025				
	Female	**Male**	**Other**	**Not reported**	**Total employees**
Number of employees	1,342	8,667	-	-	10,009
Number of permanent employees;	1,198	8,042	-	-	9,240
Number of temporary employees;	142	622	-	-	764
Number of non-guaranteed hours employees	2	3	-	-	5
Number of full-time employees	1,277	8,629	-	-	9,906
Number of part-time employees;	65	38	-	-	103

Number of employees by type of contract and region

	2024/2025				
	Europe	**Americas**	**Asia/Pacific**	**Africa**	**Total**
Number of employees	6,055	341	3,603	10	10,009
Number of permanent employees;	5,786	334	3,110	10	9,240
Number of temporary employees;	264	7	493	-	764

[14] The total number of employees is consistent with the total number of employees reported in the 2024/2025 Directors' Report, which can be found in the section 'Financial highlights of the Danieli Group'.
[15] The turnover rate was calculated by means of the ratio of the number of employees leaving during the year to the total number of employees as at 30.06.2025.
[16] Figures refer to countries where the enterprise has at least 50 employees representing at least 10% of the Group's total number of employees.

Number of non-guaranteed hours employees	5	-	-	-	5
Number of full-time employees	5,956	340	3,600	10	9,906
Number of part-time employees;	99	1	3	-	103

20251215081859

S1-8 – Collective bargaining coverage and social dialogue

The Danieli Group recognises the importance of social dialogue as a fundamental tool to promote constructive industrial relations based on mutual respect and the protection of workers' rights. In line with international decent work principles and local regulations, the Group guarantees its employees the freedom of association and the right to collective bargaining, and is committed to maintaining an inclusive and collaborative working environment.

In the year 2024/2025, the percentage of Danieli Group employees covered by collective bargaining agreements was 64%.

2024/2025		
Coverage Rate	**Collective Bargaining Coverage**	**Social dialogue (*)**
	Employees - EEA (for countries with > 50 employees representing >10% total employees)	**Workplace Representation (EEA only) (for countries with > 50 employees representing >10% of total employees)**
0-19%		Italy
20-39%		
40-59%		
60-79%		
80-100%	Italy	

(*) At present, there are no agreements between Danieli and its employees with respect to a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

20251215081950

S1-9 – Diversity metrics

The Group actively promotes diversity and inclusion, with a focus on gender equality and generational balance.
Below is the age distribution of Group employees and the gender distribution of top management[17].

Number and percentage of employees by gender

Gender	2024/2025	%
Male	8,667	87%
Female	1,342	13%
Other	-	0%
Not reported	-	0%
Total employees	**10,009**	**100%**

Number and percentage of top management employees by gender

	2024/2025
Female	17
% compared to top management	8.2%
Male	190
% compared to top management	91.8%
Other	0
% compared to top management	0.0%
Not reported	0
% compared to top management	0.0%
Total	207

Number of employees by age group

Gender	2024/2025
Under 30 years old	1,660
30-50 years old	5,958
Over 50 years old	2,391
Total employees	**10,009**

S1-10 - Adequate wages

The Danieli Group is committed to guaranteeing pay conditions that are fair and consistent with the benchmarks applicable in the geographic areas in which it operates. The Group constantly monitors that salaries comply with minimum and appropriate standards, with the aim of ensuring suitable remuneration for all its employees.
All Group's employees receive adequate wages, in line with applicable benchmarks.

[17] The definition of top management used corresponds, for Italian companies, to employees employed with a managerial contract under the reference national collective labour contract (CCNL); for foreign companies, employees with comparable functions and levels or belonging to management bodies are considered managers.

20251215081931

S1-14 – Health and safety metrics

Protecting health and safety in the workplace is a strategic priority for the Danieli Group, integrated into its corporate processes and organisational culture. The approach adopted is geared towards prevention, continuous training and constant improvement of working conditions, with the aim of reducing the number and severity of accidents and promoting safe and healthy environments for all employees.

The health and safety management system is structured and certified according to the international ISO 45001 standard, covering 82% of the Group's workforce. This system provides for the identification and assessment of risks, the adoption of prevention and protection measures, health surveillance and periodic training of personnel, including in the event of a change of job. Safety documentation is made available in digital format for easy consultation by all workers.
The Group also promotes internal awareness and communication campaigns, periodic audits and coordination meetings (safety induction) with third-party companies, in order to ensure compliance with safety protocols, also at construction sites and in activities outsourced. This commitment extends to the management of critical events, with the implementation of corrective and remedial actions following incidents or near misses.
Below are the Health and Safety metrics for the Group in relation to the number of injuries and fatalities suffered by employees.

Number and rate of work-related accidents - Employees	2024/2025
Number of recordable work-related accidents (*)	69
Rate of recordable work-related accidents (**)	4.69

(*) No fatalities due to work-related injuries or work-related ill health of the own workforce.
(**) The rate of recordable work-related accidents is calculated as the ratio of the number of accidents to the total number of hours worked by its employees in the same period, multiplied by 1,000,000.

During the financial year, a tragic event occurred at a Danieli Group operating site in Thailand, involving an employee of an external supplier company contracted to perform a specialised technical service. The deceased was not part of the Group's own workforce, nor was he a subcontractor, as defined by applicable law. The supplier company, selected for specific skills not available internally, took full responsibility for the incident. The local authorities attributed sole responsibility for the event to the supplier, who provided compensation to the family of the deceased.

S1-16 – Compensation metrics (pay gap and total compensation)

Danieli's remuneration policy is based on principles of fairness, sustainability, proportionality, competitiveness, meritocracy and transparency. Employee remuneration is in line with the market and with the provisions of collective labour agreements and supplementary company agreements and consists of a fixed component and a variable component.
The incentive systems are based on the principle of meritocracy with the aim of rewarding both commitment and results achieved by those concerned. The remuneration of staff in positions of greater responsibility is subject to periodic evaluation on the basis of pre-established and shared targets, in the forms of personal plans (Management by Objectives of a financial nature, targets in the area of sustainability) and a company work plan. Any variable component of the aforementioned remuneration shall not exceed 30% of the remuneration deriving from the employment relationship and shall be related to the results achieved (overall of the company or individual of each product line of the Company). The awarding of any bonuses for special commitments or achievements is decided by the Chairman and Managing Director, with the assistance of the Human Resources Department.
In view of the elements described above, the Danieli Group determined the salary gap between female and male employees, calculated on the basis of the gross annual salary for male and female employees. The gender pay gap, determined by subtracting the average gross hourly pay of female employees from that of male employees and dividing the result by the average gross hourly pay of men, was 13.7%.

The ratio of the annual total remuneration of the highest paid person to the median employee of the Group is 21.3. This ratio was determined by dividing the total annual remuneration of the employee with the highest salary by the median total annual remuneration of employees within the Group (excluding the person with the highest salary).
In order to calculate the median remuneration, all legal entities were asked to provide a complete dataset for the quantification of total remuneration, including fixed remuneration items, as gross salary due according to the role and responsibilities assigned to the recipients, and variable remuneration linked to the achievement of Group and individual performance objectives (MBO, LTI, performance bonuses, benefits, complementary pay elements).

2025123150B192

S1-17 – Incidents, complaints and severe human rights impacts

During the year 2024/2025, there were no severe incidents or human rights violations against workers. During the year, there were 13 complaints, via the **Ethics and Integrity Line** platform on the Danieli Group website, of which only 1 found to be entirely justified, and none at the National Contact Points for OECD Multinational Enterprises. Of these reports, none involved incidents of discrimination, including harassment, and there were no fines or sanctions in this regard.

2025121508193

ESRS S2 - Workers in the value chain

Strategy

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Danieli Group recognises the central role of workers along its value chain in ensuring the quality, sustainability and resilience of its production processes. In a global context characterised by growing expectations regarding human rights, working conditions and social responsibility, the Group has embarked on a process to analyse and manage the impacts, risks and opportunities that may affect workers employed by suppliers, subcontractors and business partners.

The approach adopted is based on the principles of double materiality, which allow us to assess not only the effects that the company's activities may generate on workers in the value chain, but also the strategic and operational implications arising from these relationships. The mapping conducted identified critical areas and vulnerable groups, highlighting the need to strengthen policies, engagement processes and protection mechanisms.

This chapter outlines the policies adopted by the Danieli Group, how workers are engaged, the reporting channels available, the actions taken to manage material impacts and the objectives the Group intends to pursue to promote decent and inclusive working conditions throughout the value chain.

Within the framework of the double materiality analysis conducted by the Danieli Group, special attention was paid to workers along the value chain, recognised as subjects potentially exposed to significant impacts deriving from the company's activities, products and services offered, and business relations entertained by the Group. This inclusion was also explicitly considered in the disclosure regarding the identification of material impacts, risks and opportunities and their interaction with the strategy and business model.
IROs for workers in the value chain derive from the Group's business model, which on the one hand generates stable employment, skills development and positive economic impacts on the territories, and on the other hand may entail risks related to potential accidents or cases of violation of workers' rights along the value chain. These aspects are taken into account within the corporate strategy by focusing the Group's attention on health and safety issues, training programmes and supply chain monitoring.
The mapping of the value chain made it possible to identify several categories of workers who may be affected by the Group's operations. These include workers present at production sites but not in their own workforce, those employed in the upstream value chain (such as extraction or processing of raw materials), those present on construction sites, and those involved in downstream logistics and distribution. All workers in the value chain who are assessed by the Danieli Group as likely to have a material impact are included in the scope of reporting under ESRS 2.

The analysis showed that a significant part of the Danieli Group's value chain, particularly that relating to the Plantmaking sector, is located in Asian countries. In such contexts, there is an abstract risk of child labour exploitation, especially in industries characterised by low skills and limited regulatory control capacity. However, in the specific case of the Danieli Group, the type of supplies involved - which include mechanical engineering services, industrial automation and high-tech mechanical components - require high technical skills and a level of education that naturally and structurally excludes the possibility of this risk materialising. Therefore, while recognising the theoretical risk associated with certain geographical areas, the analysis conducted showed that, for the activities and supplies actually managed by the Group, there is no evidence of child, forced or compulsory labour. Continuous monitoring and audits by inspectors at suppliers' facilities further contribute to mitigating this risk.

2025121508194

The material negative impacts identified along the Danieli Group's value chain are not to be considered systemic or generalised in the contexts in which the company operates, carries out procurement activities or has business relations. On the contrary, these impacts are related to individual cases and specific incidents. In particular:
- The occurrence of accidents, even serious ones, occupational diseases or other accidents in the workplace has negative consequences for the health of workers in the value chain, but these events are circumscribed and managed through corrective and preventive measures;
- On the subject of child and forced labour, the Danieli Group pays particular attention to the prevention of these practices. To this end, it has adopted practices involving the continuous monitoring of suppliers and the application of codes of conduct and specific contractual clauses. Through inspections and audits, the Group undertakes to promptly identify any risk situations and manage them in a timely manner, in order to prevent and mitigate any form of negative impact on workers. In the case that they arise, they involve one off episodes.
Alongside the negative impacts, positive effects were also identified, such as training and skills development opportunities for supplier workers, including capacity-building initiatives in a 'just transition' perspective, and job creation in local contexts. These positive impacts, if appropriately exploited, can contribute to the improvement of working conditions along the value chain and to the strengthening of the Group's social resilience. Initiatives associated with these impacts are detailed in paragraph S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions.

Finally, the Group, with regard to workers in the value chain, identified a material risk in relation to working conditions applied by business partners, such as working hours and adequate wages, while it did not identify any material opportunities.
In order to understand how workers in the value chain who work in particular contexts or perform certain operational activities may be more exposed to risks, the Group has mapped its value chain, taking into consideration the types of activities performed and the geographical contexts in which it operates.

Impacts, risks, and opportunities management

S2-1 – Policies related to value chain workers

As part of its sustainability strategy, the Danieli Group has defined policies and tools to manage material impacts, risks and opportunities related to workers along the value chain. These policies apply to all suppliers and subcontractors, including those operating in geographical contexts with fewer regulatory protections, and are integrated into the selection and qualification processes of business partners.

The Group does not have a formal policy on human rights. However, activities are carried out in accordance with the minimum safeguards defined by international standards and, more specifically, the Danieli Group has endorsed the United Nations Global Compact.
The international human rights principles used as a reference by the Group include the United Nations Guiding Principles on Business and Human Rights (UNGP), the OECD Guidelines for Multinational Enterprises and the Core Conventions of the International Labour Organisation (ILO).
To support these principles, the Group has adopted a **Whistleblowing Policy** that allows all workers, including those outside the organisation, to confidentially and anonymously report critical situations or non-compliant behaviour. The **Ethics and Integrity Line**, which is also accessible to suppliers and their employees, is a centralised tool for collecting and managing reports. The monitoring process involves analysing the cases received, defining corrective actions and tracking the outcomes, with the direct involvement of the Compliance Department, in coordination with the CSR and Human Resources functions. For more on the policy, please refer to section G1-1 Business conduct policies and corporate culture.

2025121508195

In the context of ABS S.p.A. and its commitment to human rights issues, the company formalised the 'ABS Commitment to Sustainable Business Conduct' document: for more details see section S1-1 Policies related to own workforce.

In close connection with the Whistleblowing Policy, the Danieli's Group **Code of Conduct for Suppliers** establishes the ethical and behavioural principles that business partners are required to comply with. The Code requires the explicit rejection of all forms of child, forced or compulsory labour, compliance with accident prevention regulations and the promotion of safe and healthy working environments. It also requires respect for human dignity and equality, prohibiting all forms of discrimination, harassment or intimidation. Suppliers are expected to operate with transparency, fairness and professionalism, adopting environmental protection measures and promoting the same principles along their supply chain. Finally, Danieli requires the entire supply chain to comply with its principles, and consequently, suppliers may not enter into or maintain business relations with counterparties whose behaviour does not comply with the content of the Code.

Compliance with the Code and its principles, including those on human rights, is verified through audits, inspections and digital tools, and may lead to the activation of remedial plans in case of non-compliance. In the event of serious or repeated violations, the Group reserves the right to terminate business relations. Responsibility for implementing the Code is shared between the Compliance Department, the Procurement Department and the CSR and Risk Management departments, which work together to ensure alignment with ethical principles and timely management of any reports. The Code is freely available on Danieli's corporate website and is shared with suppliers when they sign contracts.

Through the integration of operational policies, digital tools and codes of ethics, the Danieli Group promotes responsible and transparent management of relations with workers along the value chain, contributing to the prevention of negative impacts and the creation of positive impacts. The Group (Plantmaking sector) has defined internal operating instructions in order to support its partners and their workers in acquiring additional or updated technical skills necessary to guarantee the quality, punctuality and safety of supplies. These training courses are designed in cooperation with the supplier, taking into account available resources and operational problems, and provide for the implementation of corrective actions, opportunities for verification and periodic updates: in this regard, specific roles and responsibilities for each stage of the process are identified within the document. The aim is to strengthen the executive capacity of suppliers, promoting sustainable growth and greater efficiency throughout the entire value chain.

Finally, there have been no case reported of violations of international human rights principles (UNGP, ILO, OECD) in the Group's value chain. Should they emerge, the Group has committed to providing a description of the nature of the incidents and the measures taken to deal with them.

S2-2 – Processes for engaging with value chain workers about impacts

The Danieli Group recognises the importance of the engagement of workers along the value chain and their representatives, in order to understand the material impacts - actual and potential - that company activities may generate for them.

Currently, there is no structured and systematic process of engagement with workers in the value chain. However, the Group has initiated an internal reflection in order to define an approach to integrate the perspectives of these workers into business decisions, particularly those related to the management of social impacts and related risks.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

The Danieli Group recognises the importance of having effective processes in place to address and remedy negative impacts that may affect workers along its value chain.

20251215081296

In this context, tools have been put in place to enable workers, including those from outside the organisation, to report critical situations and receive assistance.
The **Ethics and Integrity Line** platform (for more details on the Whistleblowing channel, see S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns and G1-1 - Business conduct policies and corporate culture), also accessible to external parties, is the main channel for collecting whistleblowing reports. Its functioning is governed by the **Whistleblowing Policy**, which guarantees the protection of the whistleblower, confidentiality of personal data and compliance with national regulations and the GDPR. Reports received are analysed by the Reporting Committee which coordinates corrective actions. This Committee consists of the Compliance Officer, the Group General Counsel and the Head of Human Resources.

The Code of Conduct for Suppliers further strengthens this oversight by obliging business partners to adopt behaviour in line with the Group's ethical principles and to promote the use of the **Ethics and Integrity Line** also within their own organisations. In the event of non-compliance, Danieli reserves the right to request the implementation of remedial plans and, in the most serious or repeated cases, to terminate business relations. Additionally, the Group has recently activated its 'Supplier Development Plans', detailed in paragraph S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions.
In addition to internal channels, the Group recognises the possibility for workers in the value chain to access third-party mechanisms, such as those run by public authorities, NGOs, trade associations or collaborative initiatives. These instruments are an additional safeguard for the protection of human rights and the management of negative impacts.

To ensure the protection of whistleblowers, the Group has adopted specific measures against retaliation, ensuring the confidentiality of personal data and the possibility of anonymous reporting. These measures comply with the GDPR and national data protection regulations.

The effectiveness of the reporting channels is monitored through performance indicators, such as the number of reports received and handled, and the participation rate. However, analysis highlighted the need to strengthen the awareness of workers along the value chain regarding the existence and effectiveness of such tools.

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The Danieli Group has initiated a process to strengthen its actions to manage material impacts, risks and opportunities related to workers along the value chain. In line with the requirements of the ESRS regulation, the approach adopted aims to prevent, mitigate and, where necessary, remedy negative impacts, while promoting positive impacts that arise from responsible management of supplier relationships.

In the course of the Double Materiality analysis, the Group identified a negative impact related to the health and safety of workers in the value chain. In this regard, Danieli implemented specific safeguards: in particular from the point of view of Construction Site Safety, i.e. the sites where customers' plants are built and where workers in the value chain are also present, the strengthening of safeguards in relation to accident events was achieved through the creation of a specialised team. Since FY 2022/23, this team has been dedicated to work sites of Danieli & C. Officine Meccaniche S.p.A., the company managing the majority of Group work sites through direct management or support to associate companies for the most important activities. This team has implemented an integrated approach involving actions on two fronts:
Safety induction: with the aim of informing and raising awareness among workers of the risks present on the construction site;
Verification of technical suitability, also with regard to site safety requirements.

20251215083197

With regard to the potential negative impact associated with child labour and forced labour, as specified in SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model, the Group has adopted practices that provide for the continuous monitoring of suppliers and the application of codes of conduct and specific contractual clauses.

For suppliers operating their own production facilities, the Group carries out continuous visits with its inspectors, with the aim of verifying the quality of the supply and compliance with technical specifications. During such visits, inspectors have the opportunity to directly observe working conditions and, if non-compliant situations or potential abuses emerge, they can activate internal reporting and management procedures. In this regard, the Group (Plantmaking segment) defined an operational instruction in 2025, according to which the Group actively cooperates with suppliers to identify areas of expertise to be strengthened, estimate the necessary efforts and plan concrete training actions. These may concern, for example, the adoption of digital solutions for order management, the improvement of production capacity, technical updates on specific process steps or operational risk management.
The plan is formalised and shared with the supplier, providing for intermediate opportunities for verification and the possibility of adjusting the path according to progress. The aim is to bring the operational instruction called 'Supplier Development Plan' into force by 2025/2026 and to consolidate the technical skills of the workers involved, improve the quality and efficiency of supplies, and contribute to the creation of stable, growth-oriented industrial relations. During financial year 2024/25, a concrete example of the application of this approach involved a group of Turkish strategic suppliers, who were involved in a technical training programme on proper machinery packaging practices. The intervention resulted in a significant improvement in the quality of the crates used for shipping, a critical element in the preservation of components and often the subject of complaints from end customers. The initiative helped to strengthen the suppliers' operational skills, improving compliance with quality requirements and reducing the risk of non-compliance during delivery.

These actions are complemented by the implementation and continuous improvement of the EasyBuy digital system, which represents a significant evolution in the supplier qualification and management process. EasyBuy enables the structured collection of information by means of pre-qualification questionnaires, the transparent management of offers, the monitoring of improvement plans, and integration with the new SAP ERP, which, at present, is expected to be implemented at the parent company starting in financial year 2025/2026 and subsequently at all other companies in the perimeter.
Among the actions launched in 2024/2025 and scheduled for completion in 2025/2026 is the new Third Party Risk Management (TPRM) process, which includes, among other features, the completion of an onboarding questionnaire by suppliers that includes an ESG self-assessment section on human rights, health and safety, governance and other issues. For more details, see G1-2 Management of relationships with suppliers.
The Head of Procurement monitors the adherence of suppliers to the process described above and defines remediation actions in case the supplier does not adhere or is not aligned with the minimum requirements of the TPRM.
For further details on the remediation processes related to the identified material negative impacts, please refer to SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model and S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns.
The preventive processes and actions listed above are tools designed to prevent Group practices from causing or contributing to significant negative impacts on workers in the value chain.

No serious incidents of human rights violations along the value chain were reported during the analysis. However, the Group maintains active control and reporting mechanisms to promptly intercept any critical situations and activate appropriate remediation measures.

The actions implemented are under the supervision of the relevant functions, which monitor the progress and results of the actions, including through KPIs, where applicable.
Finally, to ensure the sustainability and continuity of the actions undertaken, the Group has allocated dedicated resources, both in terms of personnel and investments. The functions involved work in

synergy to ensure that resources are adequate and properly directed, consistent with strategic targets and sustainability commitments.

2025121508198

Metrics and Targets

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In the context of its sustainability strategy, the Danieli Group recognises the importance of defining measurable, results-oriented targets aimed at reducing negative impacts, promoting positive impacts and proactively managing material risks and opportunities related to workers along the value chain, in line with the principles found in the Group's Code of Ethics and policies.
Among the targets already in place is the increased use of the EasyBuy platform to ensure transparent tender management (also to support monitoring of ESG parameters), with the aim of achieving coverage of more than 90% of tenders managed through the platform by 2026 for the Plantmaking sector, compared to 50% in base year 2024/2025. At the same time, implementation of the new SAP ERP is underway, which provides for advanced supplier governance mechanisms, including automatic disqualification in case of non-compliance, with a target of 100% completion by 2030 for the Plantmaking sector.
Finally, again with the same implementation scope, the supplier environmental and social assessment project was launched, with the introduction of qualification procedures dedicated to ESG issues. The project has two goalposts: 30% coverage of suppliers assessed by 2026 and 100% by 2030, with the aim of increasing the percentage of suppliers with defined ESG plans and certifications such as SA8000. For further details see the section on targets in chapter 'G1-2 - Management of relationships with suppliers'.

Although the target setting process did not involve direct interaction with employees in the value chain or their representatives, it was based on an analysis of performance achieved compared to the Group's aspirations and commitments, also with a view to strengthening relations and facilitating interactions with its business partners.

20251215081199

ESRS S3 - Affected communities

Strategy

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Danieli Group recognises the central role of local communities in the geographic areas in which it operates, particularly in the Friuli-Venezia Giulia regional context, where its main production and research activities are concentrated. Interaction with affected communities is considered a strategic element for creating shared value and strengthening the social licence to operate. In this context, the Group promotes social, educational and cultural initiatives, in cooperation with third sector organisations, local institutions and associations active in the area. The approach adopted is based on principles of social responsibility, inclusion and dialogue, and is implemented through actions aimed at supporting the development of human capital, social cohesion and quality of life in the areas where the Group is present.

The IROs for affected communities were identified considering the characteristics of the Group's business model, which generates economic and social benefits through investments, donations and training programmes, especially in the areas in which it operates. At the same time, interventions such as the construction of new industrial areas can generate social tensions and reputational risks. The management of these aspects guides the Group's strategy, which aims to consolidate its bonds with local areas, while reducing any potential negative impacts.

Interaction with affected communities generates impacts, risks and opportunities that directly influence corporate strategy and the business model. Social and local initiatives are seen not only as instruments of social responsibility, but also as levers to strengthen cohesion with the local context and improve the company's reputation.

As part of the dual materiality analysis, the Group analysed the impacts, risks and opportunities inherent in the affected communities, both with respect to its own operations and along the value chain. The results of the analysis showed that material impacts and risks refer to communities located near the Group's operating sites.

Among the most significant positive impacts are the contribution made to the development of the economic and social fabric through donations, sponsorships and investments in local infrastructure and services, as well as the increase in skills and opportunities for the local population through training programmes and collaboration with academic institutions. These initiatives, described in detail under S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions, are particularly relevant for young people and for strengthening regional human capital, and are consistent with the Group's commitment to generating shared value over the long term.

Moreover, the risk of social tensions and reputational damage resulting from infrastructural or industrial interventions carried out without adequate involvement of surrounding local communities was found to be material.

The Danieli Group integrates community impact management into its strategy through the inclusion of social objectives in its Sustainability Plan, the promotion of partnerships with local authorities, schools and universities, and the adoption of a proactive approach to stakeholder engagement. This approach aims to strengthen its social licence to operate and generate shared value, contributing to the Group's attractiveness as an employer and industrial partner.

Impacts, risks, and opportunities management

S3-1 – Policies related to affected communities

To date, the Danieli Group has not formalised a specific policy dedicated to managing impacts, risks and opportunities relating to affected communities. However, there is a general reference to local communities in the Supplier Code of Conduct, which states that 'Danieli expects its Suppliers to carry

2025121508200

out their activities with an awareness of the impact they have on the environment and on their communities, and consequently to be committed to respect for the environment, efficient use of natural resources and minimisation of polluting emissions'. The Group has not yet adopted a Group policy on the communities concerned as it is in a preliminary stage of harmonising the different local guidelines. In the 'ABS Commitment to Sustainable Business Conduct' document, the company makes explicit its active support for the rights to decent work, education and health, to contribute to the well-being of the communities in which it operates.

With regard to human rights commitments in terms of affected communities, the Group does not have a formalised human rights policy, but conducts its activities in accordance with recognised international standards. For more details on the Group's Supplier Code of Conduct and human rights commitments, please refer to S1-1 - Policies related to own workforce and S2-1 - Policies related to value chain workers.

The Danieli Group notes that at present no cases of non-compliance have been reported, in its own operations or in its upstream and downstream value chains, with respect to the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises, that involve affected communities.

S3-2 - Processes for engaging with affected communities about impacts

The Danieli Group recognises the importance of the active engagement of the communities concerned in the territories in which it operates, particularly through dialogue with local authorities, third sector associations and institutional representatives. This approach aims to ensure that the perspectives of communities are considered when defining corporate strategies and managing impacts.
Engagement takes place mainly through forms of collaboration with bodies and associations operating in the area, with the aim of supporting educational, social and cultural initiatives. In some cases, direct discussions with representatives of local communities and public institutions have helped guide business decisions, particularly in relation to infrastructure and industrial development projects.
Operational responsibility for community engagement is currently distributed among the corporate functions that manage institutional relations and sustainability projects. Internal considerations are in progress to identify a more structured organisational structure that can ensure consistency and continuity in dialogue with territorial stakeholders.
The Group intends to strengthen its evaluation of the effectiveness of engagement processes, including through monitoring tools such as analysis of results, comparison with previous years and, where possible, formalisation of agreements with communities (e.g. cooperation protocols, shared initiatives).

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

The Danieli Group recognises the importance of ensuring that affected communities are able to report any negative impacts they have suffered and have access to effective remedial tools. To this end, a whistleblowing channel is in place that is also accessible to third parties, which allows them to report, confidentially and, where applicable, anonymously, situations that are potentially harmful to the rights of persons or the environment. For more details on the Whistleblowing channel, please refer to S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns and G1-1 - Business conduct policies and corporate culture

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

The Danieli Group has embarked on a path to strengthen its initiatives in favour of local communities, with the aim of generating positive impacts and mitigating any negative effects of its activities. The actions undertaken focus mainly on supporting educational, cultural and social projects, in cooperation with third sector organisations and local institutions, particularly in the Friuli-Venezia Giulia region.

20251215082201

Among the initiatives implemented are training programmes for young people, sponsorship of cultural and sports events, and donations to associations working in the field of social inclusion. These activities are designed to foster the development of human capital and strengthen the link between the company and the local area.
The Group is considering introducing monitoring tools to measure the effectiveness of the actions undertaken, including through discussions with local stakeholders.
In relation to material risks, the Group considers it a priority to prevent social tensions and reputational damage resulting from infrastructural or industrial interventions. This is done mainly through consultation with relevant local public authorities, such as municipalities and regions, as well as the relevant ministries if the project is of national strategic importance.
During the reporting period, no serious incidents or human rights violations directly involving the affected communities were reported. Should such situations arise, the Group undertakes to provide a detailed description of the measures taken to deal with them.

Actions

Among the most significant initiatives launched by the Danieli Group to promote the development of technical and digital skills in the area is the project to build the **new educational centre Centro Villalta - MITS Academy**, which will be located on the redeveloped area of the former Dormisch brewery in Udine. The project, entirely financed by the Group with an investment of **€ 25 million**[18], involves the construction of the new headquarters of ITS Malignani, as a 'knowledge factory' destined to train up to **600 students** in strategic areas such as mechatronics, machine learning and artificial intelligence.
The project has a twofold purpose: first, **to contribute to the development of the economic and social fabric of local communities**, through an infrastructural investment that enhances a historic urban area and restores its educational and social function; second, to **increase the skills and opportunities of people in the area**, particularly in the Friuli-Venezia Giulia region, thanks to collaboration with academic institutions and the creation of highly specialised training courses.
The facility will be equipped with **educational workshops, a canteen, library, auditorium, restaurant and socialising areas**, and will be built according to **environmentally sustainable** criteria, with a **low-carbon building** and a **hydroelectric power turbine.** The hub is scheduled to open in **FY 2025/2026**, and represents a key piece in the Group's strategy to strengthen ties with the region, promote industrial innovation and generate shared value.

Also within the scope of actions aimed at developing training and enhancing merit, in both the 2024/2025 and 2025/2026 financial years, the Danieli Group promoted inclusion through initiatives such as scholarships in cooperation with the Don Bosco Salesian Institute (Shubra district - Egypt), which promote access to technical training for young people in disadvantaged geographical contexts. The Group also actively participated in the Villaggio Italia project in Cairo, promoting educational cooperation between Italian technical schools and similar Egyptian institutes, with the aim of training qualified technicians and fostering cultural and professional integration.

The actions implemented are under the supervision of the relevant reference functions, which monitor the progress and results of the actions, such as the number of annual enrolments and the number of graduates at the end of the school year.

During the 2024/25 financial year, the Danieli Group launched the 'Orto Solidale' project in cooperation with the social cooperative TèAM (Ti Educa A Migliorare), with the aim of promoting a virtuous model of social economy. The initiative is aimed at the cultivation of an organic vegetable garden by persons with disabilities, supported by professional educators and agricultural technicians, in a horticultural therapy course aimed at developing skills, autonomy and psychophysical well-being. The garden's produce was also utilised in the company canteen, contributing to the company's community awareness.

[18] This amount is included in the values presented in Note 1 to the Consolidated Balance Sheet.

20251215083202

To support the project, some of the Group's departments participated in events organised by the TèAM cooperative, with the aim of informing and raising awareness among the workforce on the issues of disability and social inclusion, strengthening the link between the company and the territory.

Another concrete action implemented by the Danieli Group to contribute to the economic, social and cultural development of local communities was the **donation to help restore the church of Santa Maria in Castello**, located on the hill of Udine. The intervention, directly supported by the Group with an **expenditure of € 628,000**, aims to preserve and enhance one of the city's symbolic places, returning it to public use and strengthening the link between business and territory.
The project, which will be completed by the **autumn of 2025**, is part of a broader strategy of social and cultural responsibility, which has also seen Danieli play a leading role in previous years in the restoration of other historical city assets, such as Udine Castle, the Loggia of San Giovanni and the Clock Tower. The intervention directly responds to the material impact identified in the double materiality analysis, concerning the **contribution to the development of the economic and social fabric of local communities**, through **donations, sponsorships and investments in infrastructure and services**. In addition to its symbolic and cultural value, the action represents a concrete example of how the Danieli Group integrates sustainability into its strategy, promoting initiatives that generate tangible benefits for the territory and for future generations.

No serious incidents of human rights violations were reported during the analysis with respect to affected communities. However, the Group maintains control and reporting mechanisms to promptly intercept any critical situations and activate the appropriate remediation measures, through which it strives to prevent the Group's practices from causing or contributing to significant negative impacts on its own workforce.

Metrics and Targets

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To date, the Danieli Group has not formalised measurable and time-bound objectives specifically dedicated to the management of impacts, risks and opportunities relating to affected communities. However, some initiatives already implemented - such as training programmes, sponsorships and collaborations with third sector organisations - are intended to generate positive impacts and are monitored annually through qualitative and quantitative indicators, such as the number of beneficiaries and the level of participation.

20251215082203

GOVERNANCE INFORMATION

ESRS G1 - Business conduct

G1-1 – Business conduct policies and corporate culture

Business Conduct Policies

Over time, the Danieli Group has developed a governance system based on principles of integrity, transparency and accountability, which translates into the adoption of structured policies and operational tools aimed at promoting ethical and compliant business conduct.
In line with the Group's organisational structure, the companies belonging to the Plantmaking segment adopt a set of common corporate conduct policies, just as the companies in the Steelmaking segment refer to their own shared policy framework. Although distinct according to the specificities of the two areas, both approaches address similar issues and reflect the Group's commitment to responsible practices. The policies are aimed at preventing, mitigating and correcting potential negative impacts, such as corrupt behaviour or unethical practices, and promoting actual positive impacts, such as the dissemination of a sustainability-oriented corporate culture and the protection of whistleblowers. Implementation is monitored by the highest management levels, reporting to the Board of Directors, supported by the Board of Statutory Auditors and, for the Plantmaking perimeter, also by the Internal Audit and Compliance function.

The main company policies include:

Code of Ethics:
The Code of Ethics represents the document that establishes the Danieli Group's values, defining the fundamental principles that guide company actions: legality, respect for human rights, fairness, transparency, environmental protection and social responsibility. The Code sets out the rules of conduct expected of all persons working on behalf of the Group, promoting an inclusive and sustainable corporate culture. It has been adopted by Danieli & C. Officine Meccaniche S.p.A., by the Plantmaking companies and by ABS Acciaierie Bertoli Safau S.p.A., with versions consistent with operational specificities. For more details, please refer to section S1-1 - Policies related to own workforce.

Organisation, Management and Control Model pursuant to Legislative Decree 231/01: the Model 231 is the instrument through which the Danieli Group prevents the commission of crimes relevant to Legislative Decree 231/01, promoting a corporate culture based on legality and internal control.
Each Plantmaking company adopts its own Model, supported by an independent Supervisory Board. The 'short version' of Danieli's Model 231 is available and can be consulted on the Group's institutional website. ABS S.p.A. has also implemented a Model 231 consistent with the regulations and requirements of the steel industry.

Anti-Corruption Policy:
The Anti-Corruption Policy, which can be consulted on the Group's website, formalises the Group's commitment to pursuing its business objectives without resorting to unlawful practices or those aimed at obtaining undue advantages. Key principles include:

- Impartiality in relations with third parties;
- Transparency in the management of conflicts of interest;
- Honesty and individual responsibility;
- Active reporting of risky behaviour.

The Policy is supplemented by internal regulations and specific procedures, and includes controls on sensitive areas such as supplier onboarding, relations with authorities, and the management of gifts and sponsorships. The Group has been a member of the Metal Technology Initiative (MTI) since 2014.

20251213082204

Antitrust Policy:
Danieli's Antitrust Policy (Plantmaking segment) ensures compliance with competition regulations, prohibiting anti-competitive agreements, exchange of sensitive information with competitors and abuse of dominant position. It includes operational provisions for managing relations with competitors and for participation in trade associations and industry groups, subject to annual review. Any interaction with competitors must be authorised by the Group Compliance Officer or the Legal Department. The Policy is made available to all stakeholders via the company intranet.

International Sanctions Policy:
The International Sanctions Policy governs the Group's activities (Plantmaking sector) in relation to sanction regimes imposed by national governments and supranational bodies (EU, UN). The Policy, which is made available to all stakeholders via the company intranet, defines an internal process for the verification and control of operations potentially affected by sanctions, and provides operating instructions for the personnel involved. Plantmaking companies are required to formalise controls in their processes to ensure compliance.

Whistleblowing Policy:
The Danieli Group promotes the collaboration of workers and third parties for the purposes of detecting illegal, fraudulent or suspicious phenomena, violations of the Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 and any other irregularity in the business or conduct in breach of the law and the Group's internal regulatory system. To this end, in March 2022 the Board of Directors of Danieli & C. approved the Whistleblowing Management Guidelines, followed by the adoption of a whistleblowing platform.

The Policy issued by the Parent Company, adopted by the companies in the plantmaking sector, illustrates the methods for sending reports, the standards used to protect reporting and reported parties, the related management process as well as any possible action arising from the violations found, all of which also complies with the Directive of the European Parliament and of the Council no. 1937/2019. In May 2023, the Board of Directors of the Parent Company approved an update to the aforementioned document adopting the provisions of Italian Legislative Decree 24/2023, implementing the Whistleblowing Directive 2019/1937.
The reporting process can be activated by:

- employees or former employees of the Danieli Group and all those persons who work on the basis of contractual relationships which determine their inclusion in the company organisation, even in forms other than employment relationships;
- the members of the corporate bodies;
- third parties including, by way of example: customers, suppliers, consultants, business partners, persons whose employment relationship has not yet commenced or has been terminated, shareholders, etc.

The Danieli Group has activated the following internal reporting channels:

- a website, through the computer platform known as the **Ethics and Integrity Line,** accessible at ethics.danieli.com, from any device;
- by mail, indicating the confidential nature and sent to: Reporting Committee - to the attention of the Chairman of the Reporting Committee - at Danieli & C. Officine Meccaniche S.p.A. - Legal Office, Via Nazionale, 41 - 33042 - Buttrio (UD) - Italy;
- by means of a direct meeting, documented by minutes, with one or more members of the Committee, during which the Whistleblower may present in person the information in his or her possession.

Anyone receiving a Report outside the prescribed channels shall forward it within seven days to the Chairman of the Reporting Committee, ensuring the utmost confidentiality so as to protect the identity of the Reporting Party and the identity of any reported persons. At the same time they inform the reporting party.

20251215082205

Moreover, reporting through the external reporting channels made available by the National Anti-Corruption Authority (ANAC) is allowed under the sole conditions provided for by the applicable legislation.
The Danieli Group, in its Plantmaking segment, has assigned the task of receiving and examining reports to the Reporting Committee, an interdepartmental committee consisting of the Group General Counsel, who also acts as Chairman of the Committee, and of the heads of the Human Resources function and of the Compliance & Internal Audit function of Danieli & C. The Committee is responsible for receiving and managing reports concerning all companies in the Danieli Group, plant-making sector. In this regard, the Group has in place procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively.
The Compliance & Internal Audit function, with the support of the Group Marketing function, disseminates the Policy by publishing it on the Danieli & C. website. S.p.A., on that of Group Companies and on the Company intranet. Furthermore, in consultation with the local Human Resources functions, it sees to the dissemination of the Policy in the workplace by means of the tools deemed suitable for the purpose.

The Danieli Group ensures the confidentiality of the Reporting Party's personal data and the confidentiality of the information contained in the Report with respect to all parties involved in the proceedings. The identity of the reporting person and any other information from which the same can be inferred, directly or indirectly, may not be disclosed to persons other than those entrusted with receiving Reports or following them up, without the express consent of the reporting person himself/herself, except in cases where anonymity cannot be enforced by law. The Danieli Group prohibits the tracking of any information relating to access logs in terms of reports made utilising the platform with company devices and networks.

The Danieli Group guarantees protection against any act of retaliation, discrimination or penalisation against the Whistleblower, whether direct or indirect, for reasons directly or indirectly linked to the Report, provided that: at the time of the Report, the Whistleblower had good reason to believe that the information reported was true and fell within the objective scope of the laws and regulations internal to the Danieli Group; the Report was made in the manner and form set forth in this Policy and/or in Legislative Decree no. 231/2001; the Report was made in accordance with the procedures and forms set forth in this Policy and in Legislative Decree no. 24/2023.
In addition, disciplinary measures are provided for anyone who violates the whistleblower protection measures or who takes retaliatory and/or discriminatory measures against the whistleblower.

At the same time, ABS Acciaierie Bertoli Safau S.p.A., the main company in the Steelmaking sector, adopted its own Whistleblowing Policy, consistent with current legislation and the operational needs of the steel sector. ABS has also implemented autonomous monitoring and investigation tools for the handling of reports, ensuring the protection of whistleblowers and the confidentiality of information in line with Group standards.

Promotion and evaluation of corporate culture

The Danieli Group actively promotes its corporate culture through internal communication, training and awareness initiatives. Among the most significant activities applied to date are the dissemination of the Code of Ethics, the publication of thematic newsletters, the production of videos dedicated to company values and the presence of a dedicated section on the corporate website.

Alignment with the UN Convention against Corruption

The Danieli Group's anti-corruption policies are **consistent with the United Nations Convention against Corruption**, and no further amendments or implementations are planned, as they are already fully compliant.

2025121508236

Business Conduct Training

Employee training on the above policies and procedures is tailored to the company's needs for awareness and regulatory compliance. In this regard, the Group provides **dedicated training** courses for appropriate employees whenever significant updates in business conduct issues occur. In particular, in 2024-2025, the Compliance & Internal Audit Function promoted a training video on the **Whistleblowing Policy**, aimed at all white collar employees in the Plantmaking area.
The video is available in Italian and English, with subtitles in 15 languages, to ensure maximum accessibility. It was also added to the onboarding process for new hires, by the Academy Office.
In addition, all new employees of the Danieli Group (Plantmaking sector) participate in a **induction training course** that includes specific modules on business conduct, with targeted and accessible content:

- **Induction Training**: general overview of the Danieli Group and Business Unit processes.
- **Whistleblowing**: presentation of the Ethics and Integrity Line platform, which serves for reports (anonymous, if desired) of conduct contrary to rules, Code of Ethics or internal regulations.
- **Conflict of Interest**: illustration of the dedicated Policy, with focus on prevention, transparency and impartiality.
- **Anti-corruption**: introduction to the Anti-corruption Policy, with principles and safeguards to promote an ethical corporate culture.
- **Code of Ethics**: a summary of the values and principles that guide the Group, including integrity, sustainability and professional growth.

At present, there are no plans for a periodic repetition. The training programmes are structured to ensure thorough and up-to-date coverage, and include modules on compliance, ethics, anti-corruption and conflict of interest management.
In addition, anti-corruption training for corruption-risk functions in the plantmaking sector was also conducted during financial year 2024/2025. More information on this can be found in section G1-3 - Prevention and detection of active and passive corruption.

At-risk functions

The corporate functions most exposed to the risk of bribery and corruption are those with high levels of responsibility or which manage sensitive business relationships, such as the **commercial, purchasing, legal and administration** areas. The Group carried out an internal assessment to identify these functions and strengthen specific controls.

G1-2 – Management of relationships with suppliers

Policies to prevent late payments, in particular to SMEs

The Danieli Group recognises the importance of ensuring fair and transparent relations with its suppliers. To this end, it has adopted principles and safeguards to prevent late payments, promoting punctuality as a key element of corporate responsibility.
The **Finance Department** has set up a **dedicated supplier payment office** to handle communications and provide clarification on the authorisation status of invoices and related payments. This is particularly useful for SMEs, which can transparently monitor the progress of administrative procedures and receive timely support.

Approach to management of relationships with suppliers and ESG risks in the supply chain

The Group has strengthened its approach to supplier relationship management, taking into account supply chain risks and environmental, social and governance (ESG) impacts mainly in the Plantmaking sector. The approach is based on selection and monitoring criteria that consider operational soundness, regulatory compliance and the ability to contribute to the Group's sustainability goals.

20251215082407

Social and environmental criteria in supplier selection

The quality of the supply is a key element for Danieli and the supplier is an important partner with which to build relationships based on principles of transparency, integrity and trust that can last in the long term. The Group manages its activities with suppliers selecting them correctly and impartially based on quality/competitiveness checking of the offers and without taking advantage of any situations of weakness or dependence.
Danieli has begun the process of integrating social and environmental criteria into its supplier selection processes, with the aim of promoting a responsible supply chain. These criteria include adherence to ethical and occupational safety standards, compliance with environmental regulations and documented commitment to sustainable practices. Specifically, the measures aimed at selecting and evaluating suppliers are as follows:

- Structured qualification and evaluation: all suppliers are subject to qualification through a structured process that, in addition to technical and economic aspects, includes verification of technical capacity, financial soundness and integrity, applying a risk-based approach;
- Supplier Code of Conduct: suppliers are required to sign the Code of Conduct, aligned with the Group's Code of Ethics, Plantmaking sector, which contains the principles of respect for human rights, environmental protection, occupational health and safety, and combating unethical practices;
- ESG checklists and qualification questionnaires: the Plantmaking sector has begun the process of integrating ESG criteria into supplier evaluation, which will be implemented in 2025/2026. In particular, dedicated sections have been implemented in the EasyBuy digital platform where the supplier has the opportunity to answer specific questions in the environmental, social and governance fields. At present, filling out these sections is not yet mandatory, but it represents a first step towards the progressive extension of ESG criteria to the entire supply chain, in line with international best practices and the Group's sustainability goals;
- Audit and continuous monitoring: audit sessions are currently carried out for qualification and verification at internally identified suppliers. Additionally, following the implementation of the digital platform, periodic audits will be planned at suppliers to verify compliance with ethical, social and environmental requirements;
- Vendor rating and performance monitoring: the Group adopts a vendor rating system for the periodic evaluation of supplier performance, also in relation to ESG aspects, stimulating continuous improvement;
- Sustainability projects and initiatives: specific projects were initiated to reduce the environmental footprint of the supply chain, such as preference for local suppliers, reduction of transport, use of recyclable materials and promotion of low-impact transport.

Actions

Action name: Implementation of the Third Party Risk Management system in the Plantmaking perimeter
Description: In the 2023/2024 and 2024/2025 periods, the Danieli Group strengthened its supplier screening and evaluation activities in the Plantmaking perimeter by launching a structured **Third Party Risk Management (TPRM)** project. It involved both the developers of the **EasyBuy** management software and external evaluation platforms such as **Dow Jones** and **Coface**, with the aim of identifying critical issues, categorising suppliers according to risk level and conducting targeted tests.
As a result of these activities, a **new supplier onboarding model** was approved and will be implemented in FY 2025/2026 via the EasyBuy platform. The process involves:

- **Initial screening** through specialised platforms to check blacklisting, reputational and financial risks and sanctions;
- **Completion of an onboarding questionnaire** by the supplier, including an **ESG self-assessment** section (sustainability, human rights, anti-corruption, health and safety, environment, governance);
- **Automated risk assessment** via the 'Risk Centre' section of the EasyBuy platform, with continuous monitoring;
- **Acceptance criteria** based on risk level (low, medium, high, unsuitable), with escalation for critical cases;

20251215082208

- **Reputational screening** through adverse media and uploading of evidence in the Risk Centre, accessible to Vendor Managers.

The system ensures a tracked and transparent management of the entire supplier lifecycle, strengthening due diligence and alignment with international standards on **human rights**, **integrity** and **sustainability**.

Expected results: Stronger due diligence and transparency in relations with third parties, Prevention of reputational, regulatory and sustainability risks, Integration of ESG criteria into supplier qualification processes, Improved traceability and continuous monitoring of suppliers.

Scope: Upstream Value Chain, Plantmaking Suppliers and Business Partners

Time horizon: 2026-2030

Targets

Target title: Extension of Third Party Risk Management coverage

Description: Achieve **30% coverage of suppliers assessed through TPRM by FY 2025/2026**, rising to **100% by FY 2029/2030**, starting from a **baseline of zero**. The target is linked to the implementation of the new supplier onboarding model and the automated risk assessment system via the EasyBuy platform, with the integration of ESG criteria and continuous monitoring tools.

Scope: Upstream Value Chain - Plantmaking Suppliers and Business Partners

Baseline: 0% of suppliers assessed via TPRM

Time horizon: Target to be achieved by FY 2029/2030, with intermediate milestone at 30% by FY 2025/2026

Methodology:

- Initial screening via external platforms (Dow Jones, Coface)
- Onboarding questionnaire with ESG section
- Automated risk assessment via EasyBuy 'Risk Centre
- Continuous monitoring and tracked supplier lifecycle management
- Risk classification and acceptance/escalation criteria

Stakeholder engagement: Purchasing Department, Vendor Management, Compliance & Internal Audit, EasyBuy Developers

G1-3 – Prevention and detection of corruption and bribery

Procedures to prevent, detect and manage incidents of corruption

The Danieli Group has implemented a structured corruption prevention and detection system. In particular, with reference to the plantmaking sector, the procedures include: the adoption of **an Anti-Corruption Policy**, the integration of specific safeguards in the **231 Model** to manage the risk of active and passive bribery, and the definition of operational protocols for the management of reports and internal investigations. Control activities are coordinated by the **Compliance and Internal Audit** Department.

Separation of investigative function and management chain

The function responsible for controlling corruption is **formally separated** from the management chain potentially involved in incidents under investigation. This organisational set-up guarantees the impartiality and objectivity of audits, in line with international best practice.

Reporting processes to governance bodies

In the event of investigations into alleged or actual bribery incidents, the results are communicated to the **Board of Directors** and, where applicable, to the **Risk Control and Anti-Fraud System Committee**, during meetings held periodically, which assesses corrective action and possible disciplinary sanctions.

20251215082209

Communication of anti-corruption policies

Anti-corruption policies are communicated to recipients through **dedicated training** sessions, documentation accessible through the **corporate intranet**, and an information section on the institutional website. These initiatives aim to ensure that the content and implications of policies are understood by all stakeholders.

Anti-corruption training: nature, scope and depth

During the 2024/2025 financial year, the Danieli Group conducted an analysis of its corporate processes, identifying the functions most exposed to the risk of active and passive corruption, as required by the Group Anti-Corruption Policy. In particular, the corporate areas more sensitive to possible corruption due to the nature of the activities performed or the level of responsibility assigned have been deemed to be at risk. These include, for example, the purchasing and sales functions, which manage relations with suppliers and customers, the personnel department and general services, as well as the areas of health, safety and environment, legal, quality and research and development. Financial, administrative and control functions, as well as general management, were also included among the most exposed functions, due to their central role in decision-making and authorisation processes. Based on this assessment, the anti-corruption training was designed and administered online via video training of less than one hour, with the aim of reaching the entire population of employees affected by these measures in the Plantmaking division. The course, which is also an integral part of the onboarding process for new employees, was part of a broader training campaign on key compliance issues, including the Code of Ethics, conflicts of interest and whistleblowing. The training content was developed to provide a clear and concrete overview of the definition of corruption, corporate principles and values, operational guidelines and channels for reporting unlawful conduct, with particular attention to the Anti-Corruption Policy, which is also publicly available on the institutional website. The training was targeted at all employees in the Plantmaking division working in at risk functions, thus ensuring full coverage of this category. As far as the Parent Company's Board of Directors is concerned, anti-corruption training was targeted, in the first phase, exclusively at internal members, while independent external directors have not yet been involved in the training programme.
The table below summarises the coverage of anti-corruption training with respect to the identified target groups:

2024/2025			
Functions at risk of corruption	**Total functions at risk of corruption**	**Total of functions-at-risk covered by training programmes**	**% of functions-at-risk covered by training programmes**
Employees	2,354	2,070	88%
Board of Directors members	10	5	50%
Total	2,364	2,075	88%

The training, delivered through video training, achieved significant coverage of the intended recipients, ensuring the dissemination of anti-corruption principles and the strengthening of the culture of legality within the Group.

Actions

Action title: Screening of at risk functions and anti-corruption training in Plantmaking
Description: During FY 2024/2025, the Danieli Group - Plantmaking division - conducted an in-depth analysis of its business processes to identify the **functions most exposed to the risk of active and passive corruption**, as required by the Anti-Corruption Policy. Areas considered at risk include purchasing, sales, personnel, general services, health, safety and environment, legal, quality, research and development, as well as financial, administrative, control and general management functions.

20251215082210

On the basis of this assessment, an online **anti-corruption training course** (video training lasting less than one hour) was designed and administered to all employees in at-risk functions and also included in the onboarding of new employees. The course is part of a broader training campaign on compliance issues, including the Code of Ethics, conflicts of interest and whistleblowing.
The training content provides a clear and concrete overview of the definition of corruption, corporate principles and values, operational guidelines and channels for reporting, with particular attention to the Anti-Corruption Policy, which is also available on the institutional website.
Expected results: Full coverage of risk functions through dedicated training, Strengthening of corporate culture and compliance, Prevention of corruption incidents and improvement of risk management
Scope: Plantmaking Division
Time horizon: 2024–2025

Metrics and targets

In the context of the Group Sustainability Plan, there are no formalised targets.

G1-4 – Confirmed incidents of corruption or bribery

During the financial year 2024/2025, no corruption convictions were recorded. Furthermore, no convictions or sanctions were issued for corruption incidents, nor was any action taken for violations of procedures and rules for combating active and passive corruption. The Group has implemented a plan of actions and resources to manage related risks, including training, audits, strengthening of controls and dissemination of ethical content.

G1-6 – Payment practices

During the 2024/2025 financial year, the Danieli Group paid particular attention to the management of payment practices, recognising the importance of ensuring fair and sustainable conditions for all suppliers, regardless of their size or sector. The Group's supplier base is extremely heterogeneous: it ranges from suppliers of raw materials for steelmaking, to suppliers of complete machines and components for Plantmaking, to suppliers of engineering services, site supervision and subcontractors who take on a significant part of the scope of supply in large contracts. The payment terms applied by the Group reflect this diversity. In the plantmaking sector, for example, it is customary to provide for progress payments along the entire value chain, with substantial portions of amounts retained being settled upon final acceptance (Provisional Acceptance Certificate and Final Acceptance Certificate) regardless of the time of invoicing. This implies, contractually, a natural lengthening of payment times compared to other sectors. In the steelmaking sector, on the other hand, payment terms are generally linked to the supply of raw materials, except in the case of contracts for the construction of new plants. Thus, the Group's standard payment terms vary on average between 60 and 120 days, with 69% of payments falling within this range in financial year 2024/2025. An analysis of payment times was conducted on a representative sample of Group companies, which showed that the average time between the date of invoice issue and the date of payment is 102 days. The analysis was conducted on the most significant subsidiaries in terms of operating costs and trade payables, in order to ensure representative coverage of both the sectors in which the Group operates. No differences in treatment between SMEs and large companies were found: the percentage of payments made in accordance with standard contractual terms was homogeneous between the different categories of suppliers. During the reporting period, there were no ongoing legal proceedings for late payments, confirming the Group's commitment to maintaining fair and responsible behaviour towards its suppliers.

Certification of Sustainability Reporting in accordance with the provisions of Article 154-bis, Paragraph 5-ter of Legislative Decree of 30 June 1998 58/1998 (Consolidated Law on Finance)

I, the undersigned Alessandro Brussi, in my capacity as Financial Reporting Manager of Danieli & C. Officine Meccaniche S.p.A. hereby certify, pursuant to art. 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of February 24, 1998, that the Sustainability Report for the year to June 30, 2025, pursuant to Legislative Decree no. 125/2024 included in the Directors' Report was prepared:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree No. 125 of 6 September 2024;
- with the specifications adopted in line with art. 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

FINANCIAL REPORTING MANAGER
Alessandro Brussi

20251215082111

Deloitte.

Deloitte & Touche S.p.A.
Via Giovanni Paolo II, 3/7
33100 Udine
Italia

Tel: +39 0432 1487711
Fax: +39 0432 1487712
www.deloitte.it

20251215082212

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Danieli & C. Officine Meccaniche S.p.A.

Conclusion

Pursuant to dell'art. 8 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have been engaged to carry out a limited assurance engagement on the consolidated sustainability statement of Danieli & C. Officine Meccaniche S.p.A. (hereinafter also "Danieli Group" or "Group") for the fiscal year ended on June 30, 2025, prepared pursuant to Art. 4 of the Decree, included in the specific section of the consolidated management report on operations.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Danieli Group for the year ended on June 30, 2025 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in the paragraph "Taxonomy - Disclosures pursuant to Article 8 of Regulation (EU) 2020/852" of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "*Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)*". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent compared to, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.

Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo *www.deloitte.com/about*.

© Deloitte & Touche S.p.A.

2025121508213

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The consolidated sustainability statement for the year ended on June 30, 2025 include, in the specific paragraph "Taxonomy - Disclosures pursuant to Article 8 of Regulation (EU) 2020/852", the comparative information pertaining to the year ended on June 30, 2024, which has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Danieli & C. Officine Meccaniche S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing this process in the paragraph "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities" of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;

- compliance of the information included in the paragraph "Taxonomy - Disclosures pursuant to Article 8 of Regulation (EU) 2020/852" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

2025121508214

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare such information on the basis of assumptions, described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain.

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the *Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)*, we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;

- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;

- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

2025121508215

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;

- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;

- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;

- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the relevant calculation methods, as well as qualitative and quantitative factors related to the nature of such information;

- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte network specialists, in particular with with reference to specific environmental information;

- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;

- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data having an accounting in nature;

2025121508216

- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, including the information related to the materiality assessment process;

- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.,

Signed by
Barbara Moscardi
Partner

Udine, Italy
October 6, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

2025121508217

20251215082218

DANIELI GROUP

CONSOLIDATED FINANCIAL STATEMENTS

AS AT JUNE 30, 2025

20251215082219

Consolidated Financial Statements

Consolidated Balance Sheet

(thousands of euro)

ASSETS	Notes	30/06/2025	30/06/2024
Property plant and equipment	1	1,033,164	1,007,673
Right of use	2	37,185	35,125
Intangible Assets	3	54,123	50,495
Equity investment in associates measured at equity	4	9,905	10,600
Other equity investments	4	21,617	15,717
Deferred tax assets	5	143,193	137,300
Other financial receivables		645	425
Trade and other receivables	6	169,836	235,598
Non-current assets		**1,469,668**	**1,492,933**
Current assets			
Contract assets	7	1,036,918	907,354
Inventories	7	825,419	1,013,119
Trade receivables	8	1,310,759	1,068,276
Other Receivables	9	165,451	164,873
Current tax assets	10	135,245	92,218
Current financial assets	11	655,034	608,921
Cash and cash equivalents	12	2,277,481	2,146,081
Currents assets		**6,406,307**	**6,000,842**
Total Assets		**7,875,975**	**7,493,775**

(thousands of euro)

LIABILITIES AND SHAREHOLDERS' EQUITY		30/06/2025	30/06/2024
Shareholders' equity			
Share capital		81,305	81,305
Treasury shares		(131,672)	(88,912)
Other reserves and profit carries forward, including profit for the year		2,809,137	2,634,828
Group shareholders' equity		**2,758,770**	**2,627,221**
Non controlling interest in shareholders' equity		1,699	1,599
Total shareholders' equity	13	**2,760,469**	**2,628,820**
Non-current liabilities			
Non-current financial liabilities	14	545,658	511,138
Deferred tax liabilities	5	20,954	23,281
Post employment benefits	15	26,851	25,929
Provisions for risks	16	68,946	87,442
Other non-current liabilities		68	1,223
Total non-current liabilities		**662,477**	**649,013**
Current liabilities			
Trade payables	17	1,229,547	1,445,017
Contract Liabilities and Advances from Customers	7/18	2,854,973	2,375,787
Other current liabilities	19	233,479	226,790
Current tax liabilities	20	80,655	73,920
Bank debts and other financial liabilities	21	54,375	94,428
Total current liabilities		**4,453,029**	**4,215,942**
Total liabilities and shareholders' equity		**7,875,975**	**7,493,775**

20251215082220

Consolidated Income Statement

(thousands of euro)	note	Financial year ended 30/06/2025	30/06/2024
Operating revenues		4,147,419	4,218,920
Other operating income		122,561	106,058
Changes in inventories	7	(70,013)	24,792
Total revenues	23	**4,199,967**	**4,349,770**
Purchase cost of raw materials and consumables	24	(2,125,278)	(2,325,509)
Personnel costs	25	(578,381)	(564,296)
Other operating costs	26	(1,058,507)	(1,068,770)
Depreciation, amortisation and write-downs	27	(134,744)	(170,411)
Operating income		**303,057**	**220,784**
Financial income	28	127,453	113,468
Financial charges	29	(36,483)	(40,489)
Gains/(losses) on foreign exchange transactions	30	(86,636)	13,228
Income/(charges) arising from the valuation of equity investments in assoc, with the equity method	31	635	501
Profit before taxes		**308,026**	**307,492**
Income taxes	32	(87,841)	(69,813)
Net profit from continued operations		**220,185**	**237,679**
Profit and loss deriving from discontinued operations	33	(228)	2,346
Net profit for the period		**219,957**	**240,025**
(Profit)/loss attributable to non-controlling interests		**98**	**787**
Net profit for the period attributable to the Group		**220,055**	**240,812**
Basic earnings per share (euro)			
Ordinary shares	**34**	**3.0354**	**3.2432**
N.C. Saving shares	**34**	**3.0561**	**3.2639**

Consolidated statement of comprehensive income

(thousands of euro)		Financial year ended 30/06/2025	30/06/2024
Net profit for the period		**219,957**	**240,025**
Components of comprehensive income subsequently reclassified in the result of the period			
Foreign financial statements translation difference		(35,627)	(15,303)
Change in fair value reserves including tax effect		13,524	20,496
	13	**(22,103)**	**5,193**
Components of comprehensive income not subsequently reclassified in the result of the period			
Actuarialprofit/(losses) recognised in other comprehensive income, net of tax effect		154	234
	13	**154**	**234**
Consolidated comprehensive income		**198,008**	**245,452**
Attributable to:			
Danieli Group		**197,991**	**246,208**
Non-controlling interests		**17**	**(756)**
		198,008	**245,452**

20251215082234

Consolidated Statement of Changes in Shareholders' Equity

(thousands of euro)	Share capital	Treasury shares	Share Premium reserve	Fair value reserve	Other reserves	Translation difference
Shareholders' equity as at 30/06/2023	**81,305**	**(88,912)**	**22,523**	**(42,376)**	**2,220,528**	**(31,996)**
Operations with shareholders						
Allocation of profit per shareholders' meeting of 27/10/2023 to reserves	-	-	-	-	219,940	-
Change in treasury shares	-	-	-	-	-	-
dividends to parent company shareholders	-	-	-	-	-	-
dividends to third parties						
Change in scope of consolidation	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-
Total operations with shareholders	**-**	**-**	**-**	**-**	**219,940**	**-**
Profit as at 30/06/2024	-	-	-	-	-	-
Other compehensive income						
Change in fair value reserves	-	-	-	20,496	-	-
Actuarial gains/(losses) from IAS 19	-	-	-	-	234	-
Foreign financial statements translation difference	-	-	-	-	-	(15,334)
Comprehensive income (expenses) for the period	**-**	**-**	**-**	**20,496**	**234**	**(15,334)**
Shareholders' equity as at 30/06/2024	**81,305**	**(88,912)**	**22,523**	**(21,880)**	**2,440,702**	**(47,330)**
Operations with shareholders						
Allocation of profit per shareholders' meeting of 25/10/2024 to reserves	-	-	-	-	217,131	-
Change in treasury shares	-	(42,760)	-	-	-	-
dividends to parent company shareholders	-	-	-	-	-	-
dividends to third parties	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-
Variation third parties capital	-	-	-	-	-	-
Total operations with shareholders	**-**	**(42,760)**	**-**	**-**	**217,131**	**-**
Profit as at 30/06/2025	-	-	-	-	-	-
Other compehensive income						
Change in fair value reserves	-	-	-	13,524	-	-
Actuarial gains/(losses) from IAS 19	-	-	-	-	154	-
Foreign financial statements translation difference	-	-	-	-	-	(35,742)
Comprehensive income (expenses) for the period	**-**	**-**	**-**	**13,524**	**154**	**(35,742)**
Shareholders' equity as at 30/06/2025	**81,305**	**(131,672)**	**22,523**	**(8,356)**	**2,657,987**	**(83,072)**

20231215082222

Consolidated Statement of Cash Flows

(thousands of euro)	30/06/2025	30/06/2024
Reconciliation of profit before taxes with net cash flows from op. activities		
Profit before taxes	307,798	307,392
Net increase/(decrease) in prov.for risks&charges	(18,828)	4,141
Income/(charges) arising from the valuation of equity investments in assoc. with the equity method	(811)	(501)
Depreciation, amortisation and write-downs	129,553	144,751
Losses/(gains) on disposal of property plant and equipment	(588)	(4,571)
Write-down/(Reversal) of impairment losses	22,613	25,114
Other non-monetary changes	-	-
Net change in employee sev. indemnity prov.	1,076	(752)
Foreign exchange losses/(gains) for the period	86,636	(13,629)
Financial income for the period	(127,453)	(113,468)
Financial charges for the period	36,483	40,489
Total	**436,479**	**388,966**
Net change in working capital		
Decrease/(Increase) of Inventories of, raw materials, finished prod. and goods, and advances	187,700	(62,903)
Decrease/(Increase) assets from contracts	(129,564)	(199,614)
(Increase)/decrease in trade and other receivables	(205,125)	(90,477)
Increase/(decrease) in trade and other payables	(208,957)	64,692
Increase/(decrease) of current advances and liabilities from contracts	559,808	250,189
Unrealised foreign exchange losses/(gains)	(34,791)	19,064
Total	**169,071**	**(19,049)**
(Interest paid)	(35,261)	(40,119)
Interest received	125,852	87,756
Taxes paid in the period	(132,353)	(85,710)
Cash flow generated /(absorbed) by operating activities	**563,788**	**331,844**
Investing activities		
Investments:		
Property plant and equipment	(168,575)	(156,753)
Intangible Assets	(19,655)	(19,013)
Business combinations of the period and the previous financial year	83	(11,589)
Equity investments	(4,394)	(7,241)
(Purchase)/sale of treasury shares	(42,760)	-
Available for sale financial assets	(17,926)	(14,801)
Realised foreign exchange losses/(gains)	(51,845)	(5,435)
Disposals:		
Property plant and equipment	19,628	19,987
Intangible Assets	1,616	548
Cash flow generated/(absorbed) by investing activities	**(283,828)**	**(194,297)**
Financing activities		
Application of IFRS 16 - Financial loans	(12,247)	(66)
New loans payable	62,461	317,012
Increase/(decrease) in advances on job orders not yet in production	(80,622)	40,275
Repayment of loans payable	(62,586)	(39,725)
Short term derivative financial instrument	(13,918)	(3,873)
Dividends to parent company shareholders	(23,682)	(23,700)
Cash flow generated/(absorbed) by financing activities	**(130,594)**	**289,923**
Changes in balance sheet items due to exchange rate translation	(17,966)	(31,022)
Total cash flow	**131,400**	**396,448**
Opening cash and bank position	**2,146,081**	**1,749,633**
Closing cash and bank position	**2,277,481**	**2,146,081**

20251215088223

Explanatory notes

Introduction

These Consolidated Financial Statements for the year ended June 30, 2025 comprise the balance sheet, income statement, statement of comprehensive income, statement of cash flows, statement of changes in shareholders' equity and explanatory notes.

Unless otherwise indicated, amounts included in the financial statements are rounded to the nearest thousand euro.

Danieli & C. Officine Meccaniche S.p.A. (the Parent Company) is a joint stock company, listed on the Borsa Italiana (Italian stock exchange), operating in the design, construction and sale of plants for the iron and steel industry. Its registered office is at Via Nazionale 41, Buttrio (Udine – Italy).

As at June 30, 2025, the share capital consisted of 40,879,533 ordinary shares and 40,425,033 savings shares. The ordinary shares are held by:

	Shares representing the share capital
Sind International s.r.l.	68,22%
Treasury shares	10,22%
Market	21,56%

The consolidated financial statements of the Danieli Group have been externally audited by Deloitte & Touche S.p.A.

The draft consolidated financial statements were approved on September 26, 2025, by the Board of Directors, which authorised their publication in the September 26, 2025, press release containing the main elements of these financial statements.

Danieli Group operations

Danieli & C. Officine Meccaniche S.p.A. is a corporate entity set up in accordance with the law of the Italian Republic and has been listed on the Milan Stock Exchange since 1984.

The Danieli Group constructs and sells plants for the iron and steel industry, offering a range of machines extending from primary process management to the manufacture of finished goods (essentially from ore to finished product), and produces and sells special steels through the subsidiaries Acciaierie Bertoli Safau S.p.A. and ABS Sisak d.o.o.

With the subsidiary Fata S.p.A. the Group also operates in the sector of plants for production and transmission of electricity including from renewable and sustainable sources.

In brief, the Danieli Group designs and builds plants for the iron and steel industry for all process areas, such as:

- Mines;
- Pellet production plants;
- Blast furnaces;
- Direct reduction;
- Scrap shredders,
- Steelworks for production of liquid steel;
- Continuous casting for:
  - blooms and billets;
  - slabs;
  - thin slabs;
- Rolling mills for long products;
- Rolling mills for seamless tubes;
- Lines for welded tubes;
- Hot and cold rolling mills for flat products (all ferrous and non ferrous metals and stainless steel);
- Process lines for flat products;

2025121508224

- Complete plants for dimensional checking and for non-destructive quality control, and conditioning plants;
- Plants for secondary processing, such as peeling, straightening, 2-roll reeling and drawing machines;
- Forging presses and manipulators and complete forging plants;
- Extrusion presses for ferrous and non-ferrous materials;
- Plants for longitudinal cutting and for transversal cutting to size of sheet and plate in all non-ferrous metals and stainless steel;
- Level 1, 2, 3 and 4 plant automation systems;
- Cranes and lifting equipment.

In the long product rolling plant sector, the Danieli Group is world market leader in terms of both the number of plants in use and annual sales, and in particular, is the undisputed technological leader for plant reliability, productivity and achievable product quality as well as for level of automation.

Statement of compliance with IFRS accounting standards

The consolidated financial statements for the year ended June 30, 2025, have been prepared in compliance with the IFRS issued by the International Accounting Standards Board and endorsed by the European Commission, in accordance with the procedure per Art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and the Council of July 19, 2002, in force at the date of preparation (September 2025), together with recommendations set out in the Regulations for Issuing Companies as approved by CONSOB (the Italian S.E.C.). The term "IFRS Accounting Standards" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

The consolidated financial statements have been prepared on a going concern basis and on the historical cost principle, except for derivative financial instruments and available-for-sale financial assets, which have been recorded at fair value; investments in associates and joint ventures, valued by the equity method; and job orders extending over several years, recognised according to the percentage of completion method.
From the various options permitted by IAS 1, the Group has chosen, in the balance sheet, to show current and non-current assets and liabilities separately on the basis of whether they will be realised/settled as part of the company's normal operating cycle within twelve months of the closure of the period, and to provide an analysis of costs on the basis of their nature in the income statement.
The statement of cash flows has been drawn up using the indirect method.

SUMMARY OF ACCOUNTING STANDARDS

Improvements and amendments to accounting standards applied as from July 1, 2024

The following accounting standards, amendments and interpretations of the IFRS Accounting Principles were applied by the Group for the first time from July 1, 2024:

On January 23, 2020, the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on October 31, 2022 it published "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These amendments aim to clarify how to classify debts and other short or long-term liabilities. Furthermore, the amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of this amendment did not have any effect on the Company's consolidated financial statements.

On September 22, 2022 the IASB published an amendment entitled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires that the seller-lessee measure the lease

20251215083225

liability arising from a sale and leaseback transaction so as not to recognise a gain or loss that refers to the retained right of use. The adoption of this amendment did not have any effect on the Company's consolidated financial statements.

On May 25, 2023, the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional information about reverse factoring arrangements that enables users of financial statements to assess how supplier finance arrangements might influence the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The adoption of this amendment did not have any effect on the Company's consolidated financial statements.

IFRS and IFRIC accounting standards, amendments, and interpretations approved by the European Union, not yet compulsorily applicable and not adopted early by the Group as at June 30, 2025

On August 15, 2023, the IASB published an amendment entitled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a methodology to be applied consistently in order to verify whether a currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the explanatory notes. The change will apply from the next financial year, but early application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements through the adoption of this amendment.

Accounting standards and interpretations issued by the IASB but not yet approved by the European Commission

On May 30, 2024, the IASB published the "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The document clarifies a number of problematic aspects that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:

- Clarify the classification of financial assets with variable returns linked to environmental, social and governance (ESG) objectives and the criteria to be used for the SPPI test assessment;
- Determine that the settlement date of liabilities using electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specific conditions.

With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated at FVOCI.
The amendments will apply as of the financial statements for financial years beginning on or after January 1, 2026. The directors do not expect a significant effect on the Group's consolidated financial statements through the adoption of this amendment.

On July 18, 2024 the IASB published a document named "Annual Improvements Volume 11". The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The amended standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and related guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

2025121508226

The amendments will apply as of the financial statements for financial years beginning on or after January 1, 2026, but earlier application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements through the adoption of these amendments.

- On December 18, 2024, the IASB published an amendment entitled "Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7". The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). On the basis of these agreements, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - a clarification regarding the application of the "own use" requirements to this type of contract;
  - the criteria for allowing such contracts to be accounted for as hedging instruments; and,
  - new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The amendment will apply as of the financial statements for financial years beginning on or after January 1, 2026, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

On April 9, 2024, the IASB published a new standard IFRS 18 Presentation and Disclosure in Financial Statements to replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements, with particular reference to the statement of profit or loss. In particular, the new standard requires that entities:

- Classify income and expenses into three new categories (operating category, investing category and financing section), in addition to the income taxes and discontinued operations categories already present in the statement of profit or loss;
- Present two new subtotals, operating profit or loss and profit or loss before financing and income taxes (i.e. EBIT).
- The new standard also:
- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces a number of changes to the format of the statement of cash flows, including the requirement to use the operating profit or loss as the starting point for the presentation of the statement of cash flows prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will enter into force as of the financial statements for financial years beginning on or after January 1, 2027, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

Consolidation scope and method

The consolidated financial statements of the Danieli Group include data as at June 30, 2025 for Danieli & C. Officine Meccaniche S.p.A. and of the Italian and foreign companies over which it exercises control, either directly or indirectly. The details of the companies consolidated line-by-line are provided in Attachment I-C.

From December 2024, the newco D.I.L. S.p.A. entered the scope of consolidation with a 57% shareholding as at June 30, 2025, while Shinagawa Danieli Advanced Materials S.p.A., a wholly-owned subsidiary, was established in June 2025.

In late November 2019, activities began to close the facility of the German subsidiary ESW Röhrenwerke Gmbh ("ESW"), which, from the interim report as at December 31, 2019, was stated as a discontinued operation with the result that, in accordance with the provisions of IFRS 5, the operating results of ESW, essentially relating to the liquidation of the company's assets, were recognised separately in the income statement, under profit/(loss) from discontinued operations.

2025121500227

The Russian/Ukrainian conflict did not lead to changes in the scope of consolidation due to loss of control in the Russian and Ukrainian subsidiaries.
The activity of the most significant companies is described in the Directors' report.
The financial statements used in the consolidation were those prepared for approval by the relevant boards and officers and, in case of subsidiaries whose financial years do not coincide with that of Danieli & C. Officine Meccaniche S.p.A., an accounting situation relating to a period of twelve months specially prepared for this purpose by the respective directors referring to the date of June 30, 2025. The individual financial statements have also been suitably aligned with the accounting principles adopted by the consolidating company.

Companies measured at equity

The list of companies measured at equity is shown in attachment II-C, whereas the key figures of the last approved financial statements are listed in attachment III-C.

Equity investments in subsidiaries, allocation of the price of acquisition and goodwill

Companies over which the Group exercises control (subsidiaries) are included in the consolidation on a full line-by-line basis in accordance with IFRS 10, i.e. as a result either of directly or indirectly owning the majority of the shares with the right to vote or of exercising a dominant influence, demonstrated by the power to determine, even indirectly, the financial and operating policies of these companies and to obtain the relative benefits (or relative losses), irrespective of shareholding relationships. The existence of potential voting rights that can be exercised at the date of the financial statements is considered for the purpose of determining control. Subsidiaries are consolidated from the date on which control is acquired and deconsolidated from the date on which control ceases.
The Group checks, taking into account all applicable facts and circumstances, at the end of each reporting period (or interim financial statements) whether or not control over its investee companies exists and, if necessary, makes the necessary changes to the scope of consolidation.
Business combinations whereby control of a company is acquired are recorded by use of the purchase method: on the basis of this method, the acquisition is valued as the sum of the consideration transferred, measured at fair value at the date of purchase, and the amount of any non-controlling interests in the acquired company. For each business combination, this latter can be measured at fair value or in proportion to the acquired company's net assets attributable to non-controlling interests. Acquisition costs are charged to the income statement.
The consideration recognised for a business combination includes the fair value of any contingent consideration as of the acquisition date. A change in the fair value of contingent consideration classified as an asset or liability is recognised in accordance with IAS 39, in the income statement or in the statement of comprehensive income. If the contingent consideration is classified as equity, it needs not be re-measured until settlement of the contingency is reflected within equity.
Goodwill from a business combination is initially stated at cost, measured as the excess between the consideration paid and the amount recognised for the non-controlling interest in respect of the net identifiable assets acquired and the liabilities assumed by the Group. If the consideration paid and the recognised value of the non-controlling interests are less than the fair value of the subsidiary's net purchased assets, the difference is recorded in the income statement.
Recognition of goodwill, even initially, is only made where, as a result of the business combination, there are tangible valuation criteria and measurable future profitability of the new subsidiary. Where these cannot be clearly identified, due to the difficulty of integrating the subsidiary into the Group and adapting to its manufacturing policies, or if the subsidiary's independent capability to generate profits cannot be objectively proved, the goodwill is prudently written down.
After the acquisition, goodwill is subjected to impairment test once a year or more frequently in case of events or changes that may lead to impairment, in accordance with the provisions of IAS 36 - Impairment of Assets. Any impairment is identified through valuations that refer to each unit's capability to generate cash flows sufficient to recover the part of goodwill allocated to it, with the procedures indicated subsequently in the section "impairment of property, plant and equipment and intangible assets".
If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of shall be included in the carrying value of the operation when determining the gain or loss on disposal. The goodwill associated with the operation

2025121508228

disposed of must be measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit retained.
If a business combination is achieved in stages, upon acquiring control the investor has to re-measure the fair value of the interest previously held that was valued using the equity method; any resulting gain or loss is recognised in the income statement.
The effects of purchasing or selling shares subsequent to taking control, without this resulting in a loss of control, are measured at equity.
If the partial disposal of an investment results in loss of control, the residual holding is re-measured to fair value, and any difference is included in the capital gain or loss on the disposal.
During consolidation, using the full line-by-line method:
- the following are eliminated: accounts payable and receivable between companies included in the consolidation, income and expenses relating to transactions between those same companies, and profits and losses resulting from transactions between these companies relative to items included in equity;
- the non-controlling interests in shareholders' equity of subsidiaries is entered as a specific shareholders' equity item called "Non-controlling interests in shareholders' equity". The non-controlling interest in the consolidated profit and loss is recognised as "Net (profit)/loss attributable to non-controlling interests".

Equity investments in associates

Equity investments in companies over which a significant influence is exercised ("associates"), which is presumed to be the case when the percentage of shares held is between 20% and 50%, are valued by the equity method. As a consequence of using this method, the carrying value of the equity investment is aligned with shareholders' equity (adjusted, where necessary, to reflect the application of IFRS approved by the European Commission) and includes any goodwill identified at the time of the acquisition.
The share of profits and losses made by associates after the acquisition is recognised through the income statement, while movements in reserves subsequent to acquisition are entered in reserves in shareholders' equity. When the Group share of losses in an associate equal or exceeds the amount of its holding in that company, the value of its shareholding is reduced to zero and the Group does not book further losses relating to its share, unless and to the extent that the Group is responsible for them. Unrealised profits and losses generated by transactions with associates are eliminated in proportion to the percentage of the Group's equity investment in those companies.

Other equity investments

Other equity investments in which the Group ownership percentage is less than 20%, or 10% if listed, or over which the Group exercises no significant influence, are measured at fair value. If the fair value of these assets cannot be reliably calculated, they are measured at purchase or subscription cost net of any write-downs for impairment losses.
They continue to be carried at cost even when this exceeds the amount determined by the equity method, provided that earnings prospects or implicit capital gains make it likely that the higher value will be recovered.

Translation of foreign currency accounts and financial statements

Identification of the functional currency
Amounts in the income statement and balance sheet of each Group company are entered in the currency of the primary economic environment in which the entity operates (functional currency). The Danieli Group consolidated financial statements are prepared in euro, which is the functional currency of the Parent Company.

Translation of foreign currency transactions
Elements in currencies other than the functional currency, both monetary (liquid assets, assets and liabilities that will be paid in preset or determinable amounts of cash, etc.), and non-monetary (advances to suppliers and advances received from customers for goods and/or services, goodwill, intangible assets, etc.), are initially recorded at the spot exchange rate on the date when the transaction takes place. Subsequently, monetary items are translated into the functional currency on the basis of exchange rates at the date of the

financial statements and differences arising from the conversion are booked to the income statement. Non-monetary items are maintained at the historical rate of exchange of the transaction except in the case of a persistent unfavourable trend in the reference exchange rate. The allocation of differences (to the income statement or translation reserve) follows that applied for changes in value of the related items.

Translation of financial statements in currencies other than the functional currency of the Group
The rules for translation of financial statements in foreign currencies into the functional currency of the Group are as follows:

- assets and liabilities are translated using financial year-end closing exchange rates;
- costs, revenue, expenses and income are translated at the average rate for the year;
- the "translation reserve" holds both exchange differences generated by translation of foreign currencies at rates different from those at the reference date of the consolidated financial statements and those generated by translation of opening shareholders' equity at an exchange rate different from that at the end of the reporting period;
- goodwill and adjustments resulting from the fair value associated with the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the spot exchange rate at the end of the reporting period.

The exchange rates used for translation of financial statements in currencies other than the euro for the years ended June 30, 2025, and June 30, 2024, are shown below (foreign currency value of 1 euro):

20251215082229

20251215082230

	2024/2025		2023/2024	
	Average	30/06/2025	Average	30/06/2024
Thai Baht	36,9288	38,1250	38,7111	39,3190
Czech Koruna	25,1100	24,7460	24,6702	25,0250
Swedish Krona	11,2831	11,1465	11,5016	11,3595
Serbian Dinar	117,123	117,181	117,172	117,105
Canadian Dollar	1,5178	1,6027	1,4654	1,4670
US Dollar	1,0880	1,1720	1,0816	1,0705
Vietnamese Dong	27.664	30.583	26.552	27.250
Swiss Franc	0,9425	0,9347	0,9597	0,9634
Ukrainian Hryvnia	45,1098	48,9856	40,8969	43,2658
Romanian Leu	4,9895	5,0785	4,9669	4,9773
Egyptian Lira	54,1020	58,3194	39,1949	51,4080
Turkish Lira	38,9942	46,5682	32,1035	35,1868
Brasilian Real	6,2250	6,4384	5,4072	5,8915
Chinese Renminbi (Yuan)	7,8487	8,3970	7,8147	7,7748
Malaysian Ringgit	4,7859	4,9365	5,0779	5,0501
Iranian Rial	633.651	799.575	392.302	457.735
Qatar Riyal	3,9602	4,2661	3,9372	3,8966
Saudi Riyal	4,0799	4,3950	4,0561	4,0144
Russian Rouble	98,6474	92,2785	99,7273	92,0674
Indian Rupee	92,5879	100,5605	89,8763	89,2495
Sterling (Great Britain)	0,8405	0,8555	0,8589	0,8464
Japanese Yen	162,611	169,170	161,315	171,940
Polish Zloty	4,2629	4,2423	4,3875	4,3090

Property, plant and equipment

Property, plant and equipment are recognised in the balance sheet at cost of purchase or internal production, including directly attributable ancillary expenses, net of accumulated depreciation. Where there is a present obligation and where significant, cost is increased by the present value of the estimated cost of dismantling and removing the asset.
Borrowing costs directly attributable to the purchase, construction or production of an asset that requires significant time before the asset is available for use (a qualifying asset pursuant to IAS 23 – Borrowing costs) are capitalised, as part of the cost of such asset, and amortised over the useful life of the class of asset to which they refer.
Plant and machinery may include parts with different useful lives. Depreciation is calculated over the useful life of each individual part; in the event of replacement, the new parts are capitalised to the extent that they meet the criteria for recognition as assets, and the carrying value of the parts replaced is derecognised.
The residual value and useful lives of the assets are reviewed at least every year-end. Regardless of existing depreciation, whenever impairment is determined based on IAS 36, the asset is written down

2025121508231

accordingly; the write-down is reversed in subsequent years, net of depreciation, if the reasons cease to apply. Ordinary maintenance costs are expensed in full in the income statement, while maintenance costs that increase the value of assets are allocated to the relative assets and depreciated over their residual useful lives.
Depreciation charged to the income statement has been calculated on a systematic and straight-line basis, at rates considered to be representative of the estimated useful economic and technical life of the assets. For some specific plants in the Steel making segment, and, in particular, melting furnaces and endless casting rolling plants, considering the technological innovations inherent in their realisation and the long period necessary for start-up and bringing them up to capacity, it has been considered appropriate to relate the depreciation rate to the actual production capacity used in the period, compared to the normal total production capacity expected for each year of useful life of the plants. The main yearly or annualised depreciation rates are as follows:

Buildings and light constructions	3-10%
Plant and machinery	from 10 to 17.5%
Furnaces and large automated plants	from 5 to 23.4%
Equipment	20-25%
Motor vehicles, wheeled internal transport and cars	20-25%
Furniture and office machinery	12-20%

Land, free of construction or annexed to buildings, is not depreciated since it has an unlimited useful life.

Right of use

Rights of use are measured according to the provisions of IFRS 16.
IFRS 16 establishes how to recognise, measure, present and disclose information about leases in the financial statements. The standard defines a lease as a contract or part of a contract that conveys a right to use the asset for a period of time in exchange for consideration. The following model is established by the new standard for lessees: at the start date of the contract, the lessee will recognise a liability for the lease payments (i.e. a lease liability) and a right-of-use asset of the underlying asset for the duration of the contract (i.e. the right to use the asset). Lessees will have to separately account for interest expense on the lease liability and the depreciation of the right-of-use of the asset.
The Group made use of the practical expedients available for the transition to IFRS 16 in order not to redetermine when a contract is or contains a lease. Therefore, the definition of a lease in compliance with IAS 17 and IFRIC 4 will continue to be applied to the lease contracts signed or amended before its first application. The change in the definition of a lease mainly refers to the criterion of control ("right of use"). According to IFRS 16, a contract contains a lease if the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies the definition of lease and the related provisions under IFRS 16 for all lease contracts signed or amended after July 1, 2019.
The lessees will also have to remeasure the lease liability if certain events occur (for example: a change in the terms and conditions of the lease contract, changes in future lease payments resulting from a change in an index or a rate used to determine those payments).
Contract terms are established contractually and, in the event of contractual clauses that allow for its early termination or extension or renewal, an analysis is carried out for each contract on the likelihood of such clauses being exercised. The Group used its own experience to determine the terms of the leases containing extension or termination options.
The incremental borrowing rate was calculated for each contract using the spreads commonly applied to the Group for its loans with similar conditions and terms to those of the leases with the addition of the normal variable rates on the basis of lease term, currency and geographical area (e.g. EURIBOR, USD LIBOR, EURIRS).
For disclosure purposes, the Group made use of the exemptions granted by IFRS 16 section C5 letters a and b.
The Group made use of these exemptions in two circumstances, allowed by the standard: lease contracts in which the underlying asset is of modest value (IFRS 16:5(b), e.g. personal computers, printers) and

20251215082232

short-term lease contracts (e.g. contracts with expiry date within 12 months – IFRS 16:5(a)). The value of the cost for use of third-party assets relating to these exemptions is equal to around 1.5 million euro.
For these exemptions, neither the financial liability of the lease nor the related right of use was recognised while the rent was recognised in the income statement, as was done in the past, among operating costs.
The right of use is amortised systematically at the lower of the lease term and the residual useful life of the underlying asset. If the lease contract transfers the ownership of the related asset or the cost of the right of use reflects the Group's desire to exercise the option to purchase, the related right of use is amortised over the useful life of the asset in question. Amortisation begins from the start of the lease.
The liability arising from the lease is not stated in a separate item but among current and non-current borrowings.
After initial recognition, by applying the amortised cost method for measuring the liability arising from the lease, the carrying value of this liability is increased by the interest on it (using the effective interest method) and decreased to take account of the payments made as a result of the lease contract.
The Group redetermines the balance of the liability arising from the lease (and implements an adjustment of the corresponding value of the right of use) if:

- the lease term changes or there is a change in the measurement of exercising the option right during the financial year;
- the value of the lease payments changes following changes to the indicators or rates or the amount of the guarantees for the expected residual value changes;
- a lease contract has been amended and the amendment does not fall under the cases for the recognition of a separate contract.

The Group did not record any of the aforesaid changes in the current period.

Intangible assets

Intangible assets are recognised at purchase or production cost, including directly attributable ancillary expenses.
The cost of an internally generated intangible asset includes only those expenses that can be directly attributed to the asset as from the date on which the criteria for recognition of that asset are met.
After initial recognition, intangible assets are recorded at cost, net of accumulated amortisation and any impairment losses calculated as set out in IAS 36.
Research costs relating to production activities are fully expensed the year they are incurred.
Intangible assets are subject to amortisation unless they have indefinite useful lives. Amortisation is charged systematically over the useful life of the asset in accordance with estimated future economic use. The residual value at the end of the useful life is assumed to be zero unless there is a commitment by third parties to buy the asset at the end of its useful life or if there is an active market for the asset. The directors review the estimated useful lives of intangible assets every financial year-end.
The main annual amortisation rates applied are in the following ranges:

Intellectual property rights	from 6.67% to 20%
Licences and trademarks	20%
Other intangible assets	from 20 to 33%

Goodwill is the difference between the price of acquisition and the current value of the assets and liabilities that can be identified at the date of acquisition of the subsidiaries included in the consolidation. After initial recognition, goodwill is no longer amortised and is decreased by any impairment losses.
After the acquisition, goodwill is subjected to impairment test once a year or more frequently in case of events or changes that may lead to impairment, in accordance with the provisions of IAS 36 - Impairment of Assets. For the purpose of verifying any impairment, from the date of acquisition, the goodwill acquired in a business combination is allocated to each cash-generating unit of the Group which is expected to benefit from the synergy of the combination, regardless of whether other assets or liabilities of the entity acquired have been assigned to these units. Any impairment is identified through valuations that refer to each unit's capability to generate cash flows sufficient to recover the part of goodwill allocated to it, with the procedures indicated subsequently in the section "impairment of property, plant and equipment and intangible assets".

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of shall be included in the carrying value of the operation when determining the gain or loss on disposal. The goodwill associated with the operation disposed of must be measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit retained.

2025121508233

Impairment of tangible and intangible assets

At the end of each financial year and in the event indicators that suppose permanent impairment are identified, an estimate is made of the recoverable value of the intangible or tangible assets or group of intangible or tangible assets (cash-generating unit, or CGU) net of the selling costs and the value in use. If the carrying amount of an asset is greater than its recoverable value, this asset is written down until brought back to its recoverable value.
The recoverable value is the fair value net of selling costs or the value in use, whichever is higher. When defining the value in use, the expected future cash flows are discounted using a discount rate before tax that reflects the current market estimate referring to the cost of money compared to the time and the specific risks of the activity. For an asset that does not generate widely independent cash flows, the realisable value is determined in relation to the cash-generating unit to which this asset belongs. Impairment is recognised in the income statement among the costs for depreciation, amortisation and write-downs. This impairment is reversed if the reasons that caused it to cease to exist, except for impairment related to goodwill.

Financial receivables and assets

At initial recognition, financial assets are classified, where appropriate, based on the subsequent methods of measurement, i.e. at amortised cost, at fair value through other comprehensive income, and at fair value through profit and loss.
The classification of financial assets at initial recognition depends on the characteristics of their contractual cash flows and on the business model used by the Group to manage them. Except for trade receivables that do not contain a significant financial component or for which the Group has applied a practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not at FVPL. Trade receivables that do not contain a significant financial component or for which the Group has applied a practical expedient are measured at the price of the transaction determined according to IFRS 15.

For a financial asset to be classified and measured at amortised cost or at FVOCI, it must generate cash flows that depend solely on the principal and the interest of the principal amount to be repaid (Solely Payments of Principal and Interest (SPPI)). This measurement is indicated as an SPPI test.

Treasury shares

Treasury shares that are repurchased are deducted from shareholders' equity on the basis of the purchase price. The purchase, sale, issue and cancellation of equity instruments in the company share capital do not have any impact on gain or loss in the income statement. Voting rights associated with treasury shares are cancelled, as is the right to receive dividends.

Inventories and Assets and Liabilities from Contracts

Inventories of raw and ancillary materials and consumables are recognised at the lower of purchase cost (including ancillary expenses), determined using the weighted average cost method, and estimated realisable value as determined from market trends at the end of the period.
"Finished and semi-finished products are valued at the weighted average purchase or production cost; any negative difference between cost and the corresponding market value at the end of the period is accrued to a specific product write-down reserve, which directly reduces the closing value of inventories."

20251215082234

Work in progress is valued at the production cost related to the year of manufacture, based on the stage of completion achieved.

Assets and liabilities from contracts are related to construction contracts (or "job orders") for more than one year are recorded using the state of advancement (or percentage of completion), under which revenues (and consequently the margin) are recognised on the basis of production progress, determined by the Group companies on the basis of the costs already incurred to complete the job order in proportion to the total, including using updated final costs. For construction contracts where the invoicing carried out exceeds the costs incurred plus the identified margins, the net value is stated in current liabilities – payables from contracts.
The value is determined based on estimated revenues and costs over the full life of the projects, for which the measurement is influenced, by nature, by significant subjective components. The assumptions on which the measurements are based are updated periodically. The economic effects of the revised estimates are recorded in the year in which the updates are made.
The valuation of job orders includes additional fees, compared with those agreed contractually, if their receipt is considered more than probable and the amount can be reliably estimated.
If it is expected that the completion of a contract may result in the occurrence of a loss in terms of the industrial margin, also deriving from the estimate of any future charges relating to the completion of the order, this is recognized in its entirety in the year in which it becomes reasonably foreseeable and allocated to a special fund.
Job orders with prices denominated in a currency different from the functional one and exceeding the advances received are affected by the closing exchange rate for the period in question, which contributes to determining the total contractual revenue of the order, to which to apply the state of advancement percentage.

Cash and cash equivalents

Cash and cash equivalents are kept to meet short-term cash commitments; the latter are highly liquid and easily convertible to cash for a known amount. Their value is subject to an irrelevant risk of fluctuation, with the exception of those in foreign currencies, which are subject to exchange rate risk.

Post-employment benefits

Employee severance indemnity (trattamento di fine rapporto, or TFR) for employees of the Group's Italian companies falls within the scope of IAS 19 (employee benefits), since it is similar to defined benefit plans. The amount recognised in the financial statements is subject to an actuarial valuation according to the method of projected unit credit, using an interest rate for the discounting that reflects the market return of securities of leading companies with a maturity in line with the one expected for the obligation.

Provisions for risks and charges

The Group accrues a provision when a present obligation exists for a future outflow of economic resources as a result of past events, it is probable that this outflow will be required and the amount can be reasonably estimated. The amount recognised is the best estimate of the expense required to completely extinguish the present obligation.
Restructuring costs are recognised if the Group has a detailed restructuring plan that it has communicated to the interested parties.
For contracts whose execution involves inevitable costs that exceed the presumed economic benefits of the agreements, the present contractual obligation is recorded on the same basis as a standard provision.

Greenhouse gas emission quotas
Greenhouse gas emission quotas (grey certificates) represent the right to inject a certain quantity of greenhouse gas into the atmosphere. These quotas are an instrument to reduce pollution that originates from the Kyoto Protocol, and they were introduced with the goal of abating greenhouse gas emissions through the improvement of technologies used in the production of energy and in industrial processes, as well as more efficient use of energy.

20251215082355

Emission quotas are assigned, free of charge, by the competent national authority and they allow to inject a certain quantity of greenhouse gases into the atmosphere.
If this quantity is exceeded, it will be necessary to hand over quotas to be acquired on the market; surplus quotas may be used in following years or sold at auctions organised by the competent national authority.
Purchasing emission quotas entails recognizing a cost in the income statement and a payable in the balance sheet. Their sale entails recognising a revenue and a receivable.
The Group has adopted a policy whereby the net liability pertaining to granted emission rights is recognised. Therefore, an allocation to the provision for risks is recognised only when actual emissions exceed the emission rights received and still available.

Financial liabilities

Group financial liabilities include trade payables, other liabilities, bank debts and loans.

Trade payables, customer advance payments and other liabilities
Trade payables, advance payments received from customers and other current and non-current liabilities are recognised initially at nominal value, which represents fair value at the reference date. After initial recognition, these financial liabilities are measured at amortised cost, using the original effective interest rate method.

Loans
Initially, all loans are entered at the fair value of the amount received, net of transaction costs incurred to obtain the loan. After initial recognition, loans are measured at amortised cost using the effective interest rate method.
Loans are classified within current liabilities unless Group companies have an unconditional right to defer payment for at least 12 months after the date of the financial statements.
Financial liabilities are derecognised when they are extinguished, and the Group has transferred all risks and charges related to the instrument.

Derivative financial instruments

The Group uses derivative financial instruments such as: forward sales/purchases of foreign currency, including synthetic ones with knock-out clause and accumulation of forward purchases/sales, interest rate swaps.
Derivative instruments are classified as hedging instruments in accordance with IFRS 9 when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedging, checked initially and periodically, is high.
Transactions that meet all the qualifying criteria for hedge accounting are recognised as follows:
Fair value hedging
The change in the fair value of hedging derivatives is recognised in profit or loss under other costs. The change in the fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying value of the hedged item and is also recognised in profit or loss under other costs.
Changes in the fair value of derivatives that do not meet the conditions to be classified as hedging instruments in accordance with IFRS 9 are recognised in the income statement.

Revenues, contributions, interest and dividend

Revenues from construction contracts are recognised based on the agreed considerations in proportion to the stage of completion of the work, determined using the percentage of completion method ("Performance obligations satisfied over time") measured on the basis of the costs already incurred for a specific project out of the total estimated costs for a specific project (input method). This method of recognition and the contracts with customer on which it is based comply with the requirements of IFRS 15.
This is illustrated in greater detail in the section on Inventories and Assets and Liabilities from Contracts.
Revenues from sales and services are recognised in accordance with the provisions of IFRS 15 and of the transfer of control over the goods sold or services rendered and the fulfilment of the "Performance

20251213082356

obligation" envisaged by the contractual agreements with the counterparties ("Performance obligations satisfied at a point in time").
Revenues for partially provided services are recognised for the amount of the consideration earned, provided it is possible to reliably determine the stage of completion and there is no significant uncertainty about the amount or existence of the income and relative costs; otherwise, they are recognised up to the amount of the recoverable costs incurred.
Revenues are booked net of returns, discounts, allowances and rebates, as well as of directly associated taxes on sales (value added tax).
Among the other operating revenues are recorded the "energy efficiency credits" (titoli di efficienza energetica, TEE), also known as white certificates, issued by the Italian Power Exchange in favour of certain parties as a result of energy efficiency improvement projects. They are credits that certify the reduction in consumption achieved within a certain time interval and they are allocated to companies only after the competent authorities give their prior approval to the project and subsequently verify the periodic reports filed; they may be exchanged within a dedicated organised market or through bilateral contracts outside the aforesaid market.
The right matured with respect to the Power Exchange is recorded in the financial year when the production that generated the energy savings takes place, evaluated on the basis of the presumable realisation value of the energy efficiency credits at the date of recognition.
Contributions for operating expenses are recognised directly in the income statement when the entitlement to their disbursement is considered definitive and their amount can be determined objectively. When contributions are commensurate to specific components of operating costs (excluding depreciation), they are recognised directly in reduction thereof.
Contributions related to assets are recognised among the other operating revenues according to the systematic and rational criterion that reflects the process of depreciation of the asset to which they refer.
Based on this accounting approach, the tax credit for new investments in machinery, prescribed by Italian Law Decree, was also recognised among tax receivables - beyond the next financial year. No. 91 of 24 June 2014 will run from the same date. Its recognition in the income statement follows a systematic and rational criterion in view of the depreciation of the fixed assets to which it refers, with the consequent recognition under deferred income of the portion of contribution not yet accrued.
For all financial instruments valued at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is entered using the effective interest rate (EIR), which is the rate that discounts estimated future payments and receipts over the expected life of the financial instrument.
Dividends are recognised the year in which they are resolved and the right to their collection arises.

Contributions

Contributions are recorded at fair value when reasonable certainty exists that they will be received and that all the conditions for obtaining them will be satisfied.
Specifically:
i)
subsidised tariffs received as energy-intensive enterprise are recorded on the basis of reported consumption and reducing energy costs;
ii) Energy Efficiency Credits (titoli di efficienza energetica, TEE, or white certificates), obtained for energy efficiency projects authorised by the GSE (Gestore Servizio Elettrico, Electric Service Manager), are recorded in other income on the basis of production volumes and energy saved as a result of the project;
iii) the tax credit for new investments in machinery, envisaged by Italian Law Decree no. 91 of June 24, 2014, is recorded under other non-current and current assets of the balance sheet and will be used as tax credit based on the methods envisaged by the reference regulations. Its recognition in the income statement follows a systematic and rational criterion in view of the depreciation of the fixed assets to which it refers, with the consequent recognition under other current liabilities of the portion of contribution not yet accrued.

Costs

Costs are recognised when they relate to goods and services sold or consumed in the financial year or by systematic allocation or when a useful future life can no longer be determined.

20251215082337

Operating lease instalments are allocated to the income statement over the life of the contract.
Personnel costs include the amount of earnings paid, accruals for complementary pension funds and holidays due but not taken and social security costs, in accordance with the labour contracts and current legislation.
Costs for the acquisition of new knowledge or discoveries; for research into alternative products or processes, new technologies or models; for design and construction of prototypes or, in any case, for scientific research or technological development activities are normally treated as research costs and charged to the income statement the year they are incurred. Development costs incurred relative to a given project are recorded as intangible assets when the Group can demonstrate:

i) the technical feasibility of completing the project to make it available for use or sale;
ii) its intention to complete the asset;
iii) its ability to use it or sell it;
iv) the way in which the asset will generate future economic benefits;
v) the existence of available resources to complete the asset
vi) the ability to reliably evaluate the cost attributable to the asset during its development.

Borrowing costs directly attributable to the purchase, construction or production of an asset that requires significant time before the asset is available for use (a qualifying asset pursuant to IAS 23 – Borrowing costs) are capitalised as part of the cost of such asset. All other financial charges are recognised as costs the year they are incurred.

Income taxes

Current tax receivables and payables are valued at the amount that is expected to be recovered from or paid to the tax authorities, in accordance with the laws in force at the closing date of the financial statements in the countries where the Group operates and generates its taxable income.
Current taxes related to items not reported in the income statement are taken directly to equity or to the statement of comprehensive income, consistently with the recognition of the item to which they refer.
Current tax assets and liabilities are only offset if there is an exercisable right to offset the amounts recorded in the accounts and the Group intends to settle or pay the net amounts or to realise the asset and settle the liability at the same time.
Deferred tax assets are recorded for all temporary differences to the extent that it is probable that taxable income will be achieved against which the deductible temporary difference can be used. The same principle applies to the recording of deferred tax assets for usable tax losses.
The carrying value of deferred tax assets is reviewed at the reporting date and, if necessary, reduced to the extent that it is no longer probable that sufficient taxable income will be generated to permit recovery of all or part of the asset. Such reductions are reversed in the event that the conditions for which they were made no longer apply.
Deferred tax liabilities are calculated using the "liability method" on all temporary differences existing at the reporting date between the value of assets and liabilities for tax purposes and the value reported in the balance sheet, save for specific exceptions.
Deferred tax assets and liabilities are calculated using tax rates and regulations which are in force or substantially in force at the reporting date in the countries where the Group operates.
Legislative Decree no. 209 of December 27, 2023, ("Pillar II legislation" or "global minimum tax"), in transposition of Council Directive (EU) 2022/2523 of December 14, 2022, introduced for large domestic and multinational groups with a turnover in excess of 750 million euro a minimum effective taxation at the rate of 15% for each jurisdiction in which they are located, establishing the application of a supplementary tax in cases where the effective tax rate per country, with the adjustments provided for in the application rules, is lower than the aforementioned minimum tax rate.
During 2024, the Pillar II regulations were supplemented by Ministerial Decree of May 20, 2024, which introduced the possibility of adopting a simplified regime (Transitional Safe Harbour - TSH) for the first periods of effectiveness, valid for periods beginning before December 31, 2026 and ending by June 30, 2028, based primarily on accounting information available for each jurisdiction. Passing at least one of three tests allows for a significant reduction in compliance costs and a zeroing of the supplementary tax from Pillar Two.
The Danieli Group falls within the scope of this regime.

For the 2024/2025 financial year, the Group – with the support of leading external consultants – has set up a TSH verification system for each jurisdiction in which it operates. This analysis showed that, for the financial year 2024/25, all of the jurisdictions in which the Group operates meet at least one of the tests, thus making it possible not to have to calculate or pay any additional taxes beyond what is already due under the local regulations applicable to the individual consolidated companies.

20251215082238

Use of estimates

Preparation of the financial statements involves making accounting estimates based on complex and/or subjective opinions, estimates based on past experience and assumptions considered to be reasonable and realistic on the basis of information known at the time of the estimate. The use of accounting estimates influences the carrying value of assets and liabilities, and information on potential assets and liabilities at the date of the financial statements, as well as the amount of income and costs for the period. Actual results may differ due to the uncertainty of the assumptions and the conditions on which the estimates are based. The following accounting estimates used in drawing up the consolidated financial statements are considered to be significant because they involve significant recourse to subjective judgements, assumptions and estimates regarding matters that are by nature uncertain. Changes in the conditions on which opinions and assumptions are based can have a significant effect on the subsequent results.
In particular, the estimates made for measuring job orders accounted for using the percentage of completion method are more significant in the preparation of the consolidated financial statements due to their undoubted complexity and relevance.

Assets and Liabilities from Contracts
Orders managed by the Danieli Group refer mostly to plants for the steel industry and for those of non-ferrous metals. They can be for very significant amounts and are sometimes concluded with counterparties in countries subject to political instability. These projects with duration exceeding one year are always characterised by a highly technological and often highly innovative level and include performance guarantees upon the final delivery of the plants, which contribute to making the estimates related to the measurement of assets and liabilities relating to job orders extending over several years particularly complex.
The estimate process used by the companies of the Group envisages the preparation for each job order of a well-structured and rigorous identification and management process of all the cost items required for its completion, broken down in detail for the different types of activities and/or services (grouped by project affinity). This process is aimed at quantifying and monitoring throughout the life of the project all the activities to be carried out for the various stages of production with the relative costs and revenues and the overall margin, by also identifying the gradual stage of completion related to the timely development of each single order. These estimates take into account any additional fee if agreed contractually or if their receipt is considered probable and the amount can be reliably estimated, whereas any additional costs compared to those initially estimated and any penalties are measured in the estimate of the value of the assets and liabilities from contracts by using all the information available to the company's management at the time of preparation of the financial statements. Assumptions and estimates are reviewed periodically, and their effects are reflected in the income statement.
If it is expected that completion of a job order will result in a loss at operating margin level, also deriving from the estimate of any future charges relating to the completion of the job order, this is recognised in full in the financial year in which it becomes reasonably predictable and recognised in a specific provision. In particular, funds totalling 111 million euro (99 million euro as at June 30, 2024) were determined for the Group's job orders in progress of the company as at June 30, 2025, which include the estimate of any other related charges that appear probable on the basis of a careful measurement of the overall stage of the job orders, including the recoverability of their related assets, at the end of the reporting period.
The measurement of job orders relating to contracts denominated in currencies (mainly USD) other than the functional currency envisages that the portion exceeding the advances invoiced at the end of the reporting period be translated at the exchange rate at the end of the reporting period, helping to determine the total job order contractual revenue.
Group policy relative to exchange risk requires contracts whose incoming and outgoing cash flows are significantly affected by exchange rate fluctuations to be monitored to determine the best hedging policy,

20251215082239

which may envisage the management of foreign currency purchases in order to obtain a natural hedging effect or the use of derivative contracts. Due to the intrinsic difficulty in preparing a meticulous planning of incoming cash flows to order, derivative contracts on exchange rates used in the period (and in the previous one) do not have the characteristics to qualify for hedging from an accounting point of view (known as hedge accounting). Consequently, the measurement of job orders is also affected by the change in the EUR/USD exchange rate occurred in the period. However, for similar reasons, the effects of exchange rate fluctuations are recorded in the income statement in the section dedicated to financial management, and therefore they do not contribute to the representation of the operating income in that statement.

Provisions for risks
The Danieli Group makes accruals mainly in connection with employee benefits, legal and tax disputes and measurement of the job orders. Estimates for these accruals are the result of a complex process involving the subjective opinions of Company management that vary over time in relation to the information available.

Write-downs
Property, plant and equipment and intangible assets are written down in value when events or changed circumstances indicate that the amount recognised in the financial statements is not recoverable. The write-down is calculated by comparing the carrying value with the related recoverable amount, represented by the greater of fair value net of disposal costs and value in use, which is calculated by discounting to present value the expected cash flows deriving from use of the asset, net of disposal costs. Expected cash flows are quantified in light of the information available when the estimate is made, on the basis of subjective opinions on the trend of future variables — such as prices and the consequent revenues, costs, growth in demand and production profiles — and discounted to present value using a rate that takes into account the risk inherent in the asset in question.

Payables for business combinations
Payables for business combinations are essentially based on an estimate of the contingent consideration due for each acquisition, which is initially made at fair value on the basis of the information available at the time of the transaction. That estimate may be revised to reflect either additional information obtained by the Group after the acquisition date concerning facts and circumstances in effect as of that date, or events occurring after the acquisition date, relating to the achievement of earnings objectives, the realisable value of assets or the generation of liabilities or the absence of certain conditions precedent to which the recognition of potential assets were linked.

Deferred tax assets
Deferred tax assets are recognised on the basis of expected profit in future years. The estimation of future profits for the purpose of recognising deferred tax assets depends on factors that can change over time and significantly impact their measurement.
The Group recognised assets for tax losses amounting to 46.6 million euro, to the extent to which it is highly likely that there will be such a taxed income as to allow use of the benefit related to the carrying forward of the aforementioned losses. The Group also has prior tax losses amounting to 306.5 million euro, relating to subsidiaries, which cannot be used to offset the taxable income in other members of the Group. Since the aforesaid subsidiaries do not have temporary taxable differences that could support the recognition of assets for prepaid taxes connected to such losses, the Group prudentially deemed that the conditions are not met for the recognition of the related deferred tax assets, whose total amount would be approximately 66.0 million euro.

Estimate of fair value
The fair value of financial instruments listed on public markets is determined with reference to bid prices at the end of the reporting period.
The fair value of financial instruments not listed on public markets is calculated using financial measurement techniques. Specifically:
- the fair value of interest rate swaps is calculated by discounting future cash flows based on interest rate curves;
- the fair value of currency purchase/sale contracts with optional content is calculated by discounting the differentials between contractual forward exchange rates and market forward exchange rates at the

2025121508240

end of the reporting period on the basis of the expected forward rates and taking account of the optional components if inherent in certain types of contract.

Management of financial risks

The main financial risks identified, monitored and managed by the Danieli Group are the following:
- market risk, arising from exposure to fluctuations in interest rates and exchange rates between the euro and other currencies in which Group companies operate;
- credit and country risk, concerning the possibility of default by a counterparty;
- liquidity risk, which could arise from a lack of financial resources to meet short-term financial commitments.

Management of financial risks is based on centrally issued guidelines designed to standardise and coordinate Group policies.
Concerning industrial risks, see the section "Management of business risks" in the Directors' Report.

Market risk associated with fluctuations in exchange rates and interest rates

Market risk concerns the possibility that changes in interest rates and exchange rates between the euro and other currencies in which the Group operates could negatively affect the value of assets or liabilities or the amount of cash flows.

Exchange rate risk
Group policy relative to exchange risk requires contracts whose incoming and outgoing cash flows are significantly affected by exchange rate fluctuations to be monitored to determine the best hedging policy, which may include use of derivative contracts or the management of foreign currency purchases in order to obtain a natural hedging effect.
Exposure to fluctuations in exchange rates can have the following impacts:
- income risk from the different valuation of costs and income expressed in foreign currencies at different periods of time;
- transaction risk from the conversion of trade and/or financial receivables and payables expressed in foreign currencies;
- translation risk from the conversion of the assets and liabilities of consolidated companies that prepare their financial statements in non-euro currencies.

Risk management by the Group's finance department addresses both income and transaction risks, whereas translation risks are not monitored.
Exposure to exchange rate risk is closely correlated with future cash flows from the gradual completion of contracts, taking account of contractual advances received, and with the payment of purchases in currencies other than the euro. The effects of such transactions are reflected in revenues and the valuation of current inventory, as well as in purchase cost.
The planning, coordination and management of these activities, and the measurement of exchange rate derivative instruments at fair value, are supervised by the Group's finance department that monitors the correct correlation between derivative instruments and underlying cash flows, systematically basing these on market prices and ensuring proper accounting in compliance with international accounting standards.
In the year ended June 30, 2025, the Group made reasoned use of derivative instruments to cover exchange rate risk on receivables and financial assets denominated in currencies. This also reflects the mix of job orders in progress and those in the order backlog, comprised of contracts with prices expressed in US dollars for which a substantial portion of direct costs are expressed in currencies closely linked to the US dollar, thus allowing a natural hedging.
The foreign exchange loss reported in the income statement for the year is entirely related to the performance of the US dollar against the euro, which entailed a passive alignment of receivables and of foreign currency funds of the Group at the end of the financial year net of recoveries implemented with hedging operations.
Regarding all significant financial assets and liabilities in foreign currencies, a sensitivity analysis was conducted at the end of the year to determine the impact on the income statement and on shareholders' equity in the event of a hypothetical 5% or 10% increase or decrease in the EUR/USD exchange rate compared to exchange rates as at June 30, 2025, without considering the change in fair value of derivative

20251215082241

contracts but only their effectiveness compared to the new exchange rate. This analysis also did not consider the impact of exchange rate fluctuations on the measurement of job orders (as these are not financial assets according to IAS 32).
The following table summarises the adverse effects on shareholders' equity and on the income statement, before the tax effect, deriving from a possible strengthening of the euro and the positive effects should the US currency strengthen:

(in thousands of euro)

	-10%	-5%	5%	10%
Foreign exchange gain/(loss) deriving from a fluctuation in the Euro/USD exchange rate	(79,034)	(41,399)	45,756	96,597
Total	**(79,034)**	**(41,399)**	**45,756**	**96,597**

Interest rate risk
For the Danieli Group, the risk associated with interest rate fluctuations essentially concerns variable-rate, long-term loans for which no interest rate swaps (IRS) have been negotiated.
Several derivatives (IRS) have been activated to partially hedge the fluctuation in the euro rates on long-term investments. These instruments, despite being intended for hedging, do not meet all the requirements of the accounting standards in order to be accounted for as hedging derivatives.
A sensitivity analysis has been conducted to measure the profit and loss impact that could arise from a hypothetical increase or decrease by 50 or 100 bp in interest rates. This increase or decrease in interest rates would entail higher or lower financial income and charges before the tax effect as reported below:

	-100BP	-50BP	+50BP	+100BP
(in thousands of euro)				
(Lower)/Higher financial income	(2,933)	(1,466)	1,466	2,933
Lower/(Higher) financial charges	557	279	(279)	(557)
Total	**(2,376)**	**(1,188)**	**1,188**	**2,376**

Credit and country risk

Credit risk is the Danieli Group's exposure to potential losses arising from the failure of counterparties to meet their obligations; this activity is monitored continuously by both the Group's financial and executive management teams as part of routine business operations, starting from the contract negotiation stage for the construction of plants for the Plant making sector and from the review of the supply request for the Steel making sector.
Note also that the Danieli Group carries out most of its activities in foreign countries and continuously evaluates political, social and financial risks in the areas in which it does business.
Exposure to counterparty credit risk is minimised by using insurance coverage to protect against the insolvency of customers or the countries in which they operate.
In the current year, there have been no significant cases of counterparty default, except for certain receivables from Russian customers (due to the restrictions arising from the conflict in Ukraine, and with which the Group's European entities no longer operate), and credit risk is not significantly concentrated by area and/or customer, except for receivables from an important Egyptian customer with which a repayment plan was agreed during the year ended as at June 30, 2024, with which an agreed repayment plan was established in the previous year. Therefore, this agreement redefined the payment terms of all receivables due from the Ezz Group, which has current heavy investments in new plants, also subject to ongoing negotiations with the Danieli Group. The customer has recently presented positive financial data, continuing with the consolidation of its activities using plants with good economic/financial results, again developing a positive cash generation that can be used for new investments and for a progressive reduction in the exposure to Danieli.
Adjustment to the EU sanctions against certain Russian customers brought some projects that began prior to February 2022 to a halt and put a stop to many projects, consequently now entirely excluded from the value of the order backlog due to the impossibility to complete them in the upcoming financial years.

Liquidity risk

The high value of the available financial resources of the Danieli Group makes this risk very limited. Liquidity is managed prudently, favouring low risk investments with certain convertibility to cash.
By maintaining this level of cash along with ample unutilised credit lines, the Group can meet the new technological challenges of building plants with high innovative content, by independently covering all extraordinary expenses that may arise from technical difficulties during their start-up.

20251215082442

Management of capital

Capital includes ordinary shares, savings shares and equity attributable to the shareholders of the parent company. The primary objective of Group capital management is to obtain a strong credit rating and healthy financial ratios, to support operating activities and maximise shareholder value.
The Group manages and makes adjustments to its capital structure, based on changes in general economic conditions. To maintain or adapt the capital structure, the company can adjust dividend payments to shareholders, return capital to shareholders or issue new shares, convert preference shares and buy and sell treasury shares.
The Group monitors capital by following the indebtedness ratio, which compares the amount of net indebtedness with total capital plus net indebtedness. For this purpose, net indebtedness includes interest on loans and borrowing and cash and cash equivalents.

(millions of euro)	**30/06/2025**	**30/06/2024**
Gross financial indebtedness	961.3	1,047.5
Financial assets	(2,932.7)	(2,755.2)
Net financial position	(1,971.4)	(1,707.7)
Shareholders' equity	2,758.8	2,627.2
Capital and net indebtedness	787.4	919.5
Indebtedness ratio with third parties	**n.a**	**n.a**

Classes of financial instruments and hierarchical levels of measurement at fair value

The following table shows the classes of financial instruments held by the Group:

20251215082243

30/06/2025

(thousands of euro)	Notes	Financial assets at fair value recognised through profit or loss: Initial recognition	Financial assets at fair value recognised through profit or loss: According to IFRS9	Financial assets measured at amortised costs	Financial assets at fair value recognised through comprehensive income	Equity Instruments (Initial recognition)	Total
Financial assets							
Other financial receivables		645					645
Other non current receivables	6			169,836			169,836
Trade receivables and other current receivables	8/9			1,476,210			1,476,210
Current financial assets	11	154,541			500,493		655,034
Total Financial assets		**155,186**	**-**	**1,646,046**	**500,493**	**-**	**2,301,725**

30/06/2025

(thousands of euro)	Notes	Financial liabilities at fair value recognised through profit or loss: Initial recognition	Financial liabilities at fair value recognised through profit or loss: According to IFRS9	Financial liabilities measured at amortised costs	Financial liabilities measured at amortised costs	Total
Financial liabilities						
Bank debts and other financial liabilities	14/21	693			599,340	600.033
Trade payables and contract liabilities	17/18				4,084,520	4.084.520
Other current liabilities	19				233,479	233.479
Total Financial liabilities		**693**	**-**		**4,917,339**	**- 4,918,032**

20251213083244

30/06/2024

(thousands of euro)	Notes	Financial assets at fair value recognised through profit or loss: Initial recognition	Financial assets at fair value recognised through profit or loss: According to IFRS9	Financial assets measured at amortised costs	Financial assets at fair value recognised through comprehensive income	Equity Instruments (Initial recognition)	Total
Financial assets							
Other financial receivables		187					187
Other non current receivables	6			235,598			235,598
Trade receivables and other current receivables	8/9			1,233,149			1,233,149
Current financial assets	11	126,801			482,121		608,922
Total Financial assets		**126,988**	**-**	**1,468,747**	**482,121**	**-**	**2,077,856**

30/06/2024

(thousands of euro)	Notes	Financial liabilities at fair value recognised through profit or loss: Initial recognition	Financial liabilities at fair value recognised through profit or loss: According to IFRS9	Financial liabilities measured at amortised costs	Financial liabilities measured at amortised costs	Total
Financial liabilities						
Bank debts and other financial liabilities	14/21	512			605,055	605.567
Trade payables and contract liabilities	17/18				3,820,803	3.820.803
Other current liabilities	19				226,459	226.459
Total Financial liabilities		**512**	**-**		**4,652,317**	**- 4,652,829**

Among these financial instruments, the Group measured at fair value through OCI current financial assets, as detailed in note 11) Current financial assets, and derivative contracts, whose essential aspects are summarised below. For the other financial instruments, the carrying value represents a reasonable approximation of fair value.

20251215082245

		30/06/2025		30/06/2024	
	Value of input	Nominal value	Fair value in euro	Nominal value	Fair value in euro
Forward sale with positive mark to market	USD	-	-	450	1
Forward sale with negative mark to market	USD	-	-	1,320	(10)
Forward sale with negative mark to market	EUR	-	-	15,000	-
Total forward sales			**-**		**(9)**
Forward purchase with positive mark to market	USD	4,007	249	21,085	3,779
Forward purchase with negative mark to market	THB	-	-	595,457	(2)
Forward purchase with negative mark to market	USD	15,768	(693)	1,450	-
Total forward purchases			**(444)**		**3,777**
Accumulator with positive mark to market (sale)	USD	568,361	16,024	325,000	366
Accumulator with negative mark to market (sale)	USD	-	-	50,000	-
Total outright forwards (sales)		**568,361**	**16,024**	**375,000**	**366**
Interest Rate Swap negative mark to market	EUR	-	-	40,000	(500)
Interest rate swap positive fair value	EUR	80,000	2,867	40,000	895
Total IRS		**80,000**	**2,867**	**80,000**	**395**
Total financial instruments recorded as assets			**19,140**		**5,041**
Total financial instruments recorded as liabilities			**(693)**		**(512)**

"Other financial receivables" and "Current financial assets" measured as at fair value at June 30, 2025, are classified in the hierarchical fair value measurement Level 1 (prices in active markets). The "derivative financial instruments" pertain to the hierarchical level number 2 (measurement techniques based on data observable on active markets). "Other financial liabilities" fall entirely under hierarchical level number 2.
The notional value indicated for instruments with a barrier indicates the maximum residual amount provided for in the contract signed, which allows for the accumulation of forward sales on a daily basis with periodic monthly settlement.

Business combinations

During the year, there were no acquisitions of companies within the scope of line-by-line consolidation. However, two Italian companies were established, D.I.L. S.p.A. and Shinagawa Danieli Advanced Materials S.p.A., which, being newly formed, did not entail the need for allocations of higher price paid compared to the net assets acquired.

20231215082246

INFORMATION ON THE BALANCE SHEET

NON-CURRENT ASSETS

1) Property, plant and equipment

The net value of 1,033,164 thousand euro as at June 30, 2025, increased by 25,491 thousand euro compared to 1,007,673 thousand euro as at June 30, 2024, due to the combined effect of depreciation, write-downs and exchange rate, which offset the investments in the financial year, as shown below.
Property and plant as at June 30, 2025, were not encumbered by mortgages or liens as guarantees for loans obtained.

20251215082247

(thousands of euro)	Land	Industrial buildings Light constructions	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets in progress	Total
Historical cost	72,763	646,807	1,484,937	130,331	122,153	98,500	2,555,491
Accumulated depreciation		(292,449)	(1,088,243)	(100,509)	(100,996)	-	(1,582,197)
Balance at June, 30 2023	**72,763**	**354,358**	**396,694**	**29,822**	**21,157**	**98,500**	**973,294**
Changes during the period							
Increase	4,818	9,382	54,856	15,293	7,043	53,163	144,555
Changes in scope of consolidation	83	615	1,405	736	367	73	3,279
Exchange impact and other changes	(3,724)	(7,391)	6,787	932	(332)	2,166	(1,562)
Transfers and disposals	-	(319)	(11,719)	(736)	(506)	-	(13,280)
Write-down	-	-	(13)	(5)	(295)	(185)	(498)
Depreciation	-	(17,659)	(62,181)	(11,499)	(6,776)	-	(98,115)
Historical cost	73,940	644,598	1,523,810	144,956	127,135	153,717	2,668,156
Accumulated depreciation	-	(305,612)	(1,137,981)	(110,413)	(106,477)	-	(1,660,483)
Balance at June, 30 2024	**73,940**	**338,986**	**385,829**	**34,543**	**20,658**	**153,717**	**1,007,673**
Changes during the period							
Increase	4,748	20,795	25,270	8,597	8,565	100,600	168,575
Changes in scope of consolidation	-	-	-	-	-	-	-
Exchange impact and other changes	1,424	7,937	26,294	1,241	10,166	(74,547)	(27,485)
Transfers and disposals	(35)	(1,302)	(4,992)	(463)	(8,261)	-	(15,053)
Write-down	(86)	(330)	(10,663)	(71)	-	-	(11,150)
Depreciation	-	(18,594)	(51,572)	(13,197)	(6,033)	-	(89,396)
Historical cost	79,991	671,508	1,549,801	151,809	126,374	179,770	2,759,253
Accumulated depreciation	-	(324,016)	(1,179,635)	(121,159)	(101,279)	-	(1,726,089)
Balance at June, 30 2025	**79,991**	**347,492**	**370,166**	**30,650**	**25,095**	**179,770**	**1,033,164**

2025121508248

The amount of the depreciations allocated to the income statement was 89,396 thousand euro, recognised on the basis of rates deemed representative of the estimated useful life of the assets, taking into account, for some specific plants of the Steel Making segment, the actual production capacity used in the period relative to the normal total production capacity expected for each year of useful life of the plants.
"Other tangible assets" include 6,971 thousand euro for transport vehicles, 4,633 thousand euro for furniture and fittings, 7,230 thousand euro for electronic machines and 6,262 thousand euro for other items.
The uncertainties arising from the current macroeconomic and sector context and the negative trend in the economic results of previous years have made it appropriate to verify the existence of impairment losses on the fixed assets of ABS Sisak, as a result of which a write-down of 11,150 thousand Euros was made, with reference to certain fixed assets relating to the Group's production plant in Croatia in order to adjust the net book value to that of the Group deemed recoverable.

The main investments in the period concerned new plants used by the subsidiaries Acciaierie Bertoli Safau S.p.A. and ABS Sisak Doo in the Steel Making segment, to improve production capacity and ensure appropriate environmental management at all stages of production, as well as the completion of some buildings and plants in Italy and at workshops in the Far East in the Plant Making segment.
Assets under development at the end of the financial year stood at 179,770 thousand euro (153,717 thousand euro as at June 30, 2024) and mainly refer to current investments in the steel making sector for the development and improvement of production capacity. The increase in current investments is mainly associated with new investments largely attributable to the subsidiary ABS.

20251215082249

2) Right of use

The item in question amounted to 37,185 thousand euro as at June 30, 2025 (35,125 as at June 30, 2024) and referred to the right of use (ROU) recognised as a result of application of IFRS 16, net of the depreciation charge calculated for the period. Changes as at June 30, 2025, are shown below:

(thousands of euro)

	Industrial buildings in leasing	Machines and installation in leasing	Industrial and commercial equipment in leasing	Other asset in leasing	Total
Historical cost	46,327	15,789	2,925	12,670	77,711
Accumulated depreciation	(22,330)	(9,775)	(1,670)	(8,811)	(42,586)
Balance at June, 30 2024	**23,997**	**6,014**	**1,255**	**3,859**	**35,125**
Changes during the period					
Increase	12,348	217	811	4,476	17,852
Changes in scope of consolidation	-	-	-	-	-
Exchange impact and other changes	(402)	-	88	2,893	2,579
Transfers and disposals	(1,403)	-	(76)	(3,096)	(4,575)
Write-down	-	-	-	-	-
Depreciation ROU benefit to employees	(271)	-	-	(376)	(647)
Depreciation	(7,941)	(1,877)	(1,042)	(2,289)	(13,149)
Historical cost	**53,880**	**15,849**	**3,657**	**13,582**	**86,968**
Accumulated depreciation	**(27,552)**	**(11,495)**	**(2,621)**	**(8,115)**	**(49,783)**
Balance at June, 30 2025	**26,328**	**4,354**	**1,036**	**5,467**	**37,185**

3) Intangible assets

The balance of 54,123 thousand euro as at June 30, 2025 is higher than the 50,495 thousand euro as at June 30, 2024, mainly due to higher investments made in the year compared to amortisation charged as represented below:

(thousands of euro)

	Goodwill	Intellectual property rights	Concessions, licences and trademarks	Other intangible assets	Asset under development and advances	Total
Historical cost	25,351	25,462	124,823	94,232	6,147	276,015
Write-downs	(20,814)	-	(12)	(20,438)	-	(41,264)
Accumulated amortisation	-	(24,915)	(104,641)	(60,352)	-	(189,908)
Balance at June, 30 2023	**4,537**	**547**	**20,170**	**13,442**	**6,147**	**44,843**
Changes during the period						
Increase	-	1,494	9,288	163	6,127	17,072
Changes in scope of consolidation	2,123	-	140	452	60	2,775
Exchange impact and other changes	27	(16)	2,598	866	(2,136)	1,339
Transfers and disposals	-	-	(387)	(122)	(39)	(548)
Write-down	-	-	-	-	-	-
Amortisation	-	(1,281)	(9,053)	(4,652)	-	(14,986)
Historical cost	27,501	26,922	136,093	95,087	10,159	295,762
Write-downs	(20,814)	-	(12)	(20,438)	-	(41,264)
Accumulated amortisation	-	(26,178)	(113,325)	(64,500)	-	(204,003)
Balance at June, 30 2024	**6,687**	**744**	**22,756**	**10,149**	**10,159**	**50,495**
Changes during the period						
Increase	-	1,274	4,413	829	13,139	19,655
Changes in scope of consolidation	-	-	-	-	-	-
Exchange impact and other changes	(152)	61	1,715	390	(1,155)	859
Transfers and disposals	-	-	(853)	(763)	-	(1,616)
Write-down	-	-	-	-	-	-
Amortisation	-	(1,335)	(9,610)	(4,325)	-	(15,270)
Historical cost	27,349	28,318	140,639	93,017	22,143	311,466
Write-downs	(20,814)	-	(12)	(20,438)	-	(41,264)
Accumulated amortisation	-	(27,574)	(122,206)	(66,299)	-	(216,079)
Balance at June, 30 2025	**6,535**	**744**	**18,421**	**6,280**	**22,143**	**54,123**

2025121508250

20251215082531

"Goodwill" in the financial statements as at June 30, 2025, includes the higher amounts paid for the acquisitions that took place in previous years, and in particular for the acquisition of Innoval Technology Ltd. (1.8 million euro) and Fata Group (2.8 million euro). These goodwill amounts were allocated to CGUs identified in the same acquired companies, all belonging to the Plant Making sector. The impairment test, in accordance with IAS 36 - Impairment of Assets, was carried out comparing the recoverable value of the goodwill attributed to the individual CGUs with the related carrying value as at June 30, 2025. The recoverable value utilised was the value in use, since it was deemed reasonably higher than fair value, after selling costs.
The valuation was carried out using a method based on the discounting of expected cash flows (DCF). Cash flows were derived from budgets approved by the competent bodies in relation to the specific CGUs. The models were prepared with an explicit period of 5 financial years and a terminal value for the unspecified period.
The main parameters used to calculate the discount rate (WACC) were the following:

Risk free	Market Premium	Beta unlevered	Risk premium	Cost of debt	WACC
1.63%	5.50%	0.96	0,00%	4.02%	7.03%

With regard to the risk-free rate, the average rate of return for the past 12 months compared to the starting date of the reference period of the plan data (June 30, 2024) of ten-year Italian Government bonds was used.
"Concessions, licences and trademarks" consist mainly of the costs of acquiring licences and of developing management software and programmes used in Group company activities.
"Other intangible assets" mainly includes the higher values allocated to the order book (19.1 million euro) and know-how (11.4 million euro) as part of acquisitions in the past and in the current financial year, in addition to other expenses recognised by Group companies.
Assets under development mainly refer to costs incurred by some Group companies up to June 30, 2025 on investment projects for management software programmes not yet completed, and which will be completed over the coming financial years. These projects are deemed strategically significant, and Group Management intends to see them through completion.
The consolidated financial statements do not include any intangible assets with indefinite useful lives, with the exception of goodwill.

Impairment of property, plant and equipment and intangible assets

As at June 30, 2025, with the exception of the information reported in the section commenting on changes in tangible fixed assets, there were no indications that property, plant and equipment and intangible assets might be impaired, other than that already reported in the previous sections. In accordance with IAS 36, no impairment test was carried out in addition to those described above.

4) Equity investments

(thousands of euro)	30/06/2025	30/06/2024
Equity investment in associates measured at equity	9,905	10,600
Other equity investments	21,617	15,717
Total	**31,522**	**26,317**

Changes in the various items are shown in attachment II-C, where equity investments in companies measured at equity are also shown.
The increase in the item "Other equity investments" is mainly due to the acquisition of part of the shares of Newcleo S.A. and Meranti Green Steel Pte. Ltd. for approximately 3 million euro and 1.4 million euro respectively.

The essential figures of the financial statements of subsidiaries, including the aggregate value of current and non-current assets and liabilities, revenues and costs of production, financial income and charges, income taxes, the net profit or loss for the period and the number of employees are shown in Attachment III-C.

2025121508252

5) Deferred tax assets and liabilities

These include the provisions for benefits and liabilities respectively related to losses that can be carried forward by Group companies, and temporary differences between assets and liabilities entered in the balance sheet and their corresponding values for tax purposes.
The amounts of deferred tax assets and deferred tax liabilities for which recovery is expected within or beyond the next financial year are as follows:

(thousands of euro)	30/06/2025	30/06/2024
Deferred tax assets	143,193	137,300
Deferred tax liabilities	20,954	23,281
Net position	**122,239**	**114,019**

Deferred tax assets
The composition of deferred tax assets and their changes in the years ended June 30, 2025, and June 30, 2024, were as follows:

(thousands of euro)		Changes with impact on			
	30/06/2024	Income Statement	Statement of comprehensive income (cash flow and fair value reserve)	Other changes	**30/06/2025**
Taxed provision	49,944	2,867	-	908	53,719
Recoveries of unrealised exchange differences	60	(60)	-	-	-
Tax losses	41,573	4,039	-	1,001	46,613
Other adjustments	45,453	12,955	-	(15,871)	42,537
Employee benefits	270	185	12	(143)	324
Measurement at fair value	-	-	-	-	-
Total	**137,300**	**19,986**	**12**	**(14,105)**	**143,193**

20251215082553

(thousands of euro)		Changes with impact on			
	30/06/2023	Income Statement	Statement of comprehensive income (cash flow and fair value reserve)	Other changes	**30/06/2024**
Taxed provision	45,026	17,100	-	(12,182)	49,944
Recoveries of unrealised exchange differences	-	60	-	-	60
Tax losses	24,050	9,563	(8)	7,968	41,573
Other adjustments	40,324	3,243	-	1,886	45,453
Employee benefits	113	5	(5)	157	270
Measurement at fair value	-	-	-	-	-
Total	**109,513**	**29,971**	**(13)**	**(2,171)**	**137,300**

Deferred tax assets are recognised in the tax losses for which future use is reasonably expected. On the contrary, deferred tax assets were not recorded with reference to tax losses for which it is not expected at the moment that they will be recovered through future taxable income for a total amount of 66.0 million euro (73.6 million euro as at June 30, 2024). That amount refers to tax losses of approximately 306.5 million euro (343.9 million euro as at June 30, 2024) realised by certain Group companies this year and in previous years).

"Other adjustments" mainly refer to temporary differences deriving from the adjustment of the value of revenues of some foreign branches to the IFRS standards used by the Group, as described in the explanatory notes.

Deferred tax liabilities

The breakdown of deferred tax liabilities and their changes in the years ended June 30, 2025, and June 30, 2024, were as follows:

(thousands of euro)		Changes with impact on			
	30/06/2024	Income Statement	Statement of comprehensive income (cash flow and fair value reserve)	Other changes	**30/06/2025**
Net tangible and intangible fixed assets	1,331	2,284	-	(839)	2,776
Measurement at fair value	(2)	-	-	2	-
Change in scope of consolidation	4,249	179	-	(176)	4,252
Deferred tax on jobs	17,703	3,234	-	(7,011)	13,926
Total	**23,281**	**12,197**	**-**	**(8,024)**	**20,954**

20251215083254

(thousands of euro)		Changes with impact on			
	30/06/2023	Income Statement	Statement of comprehensive income (cash flow and fair value reserve)	Other changes	**30/06/2024**
Net tangible and intangible fixed assets	271	834	-	226	1,331
Measurement at fair value	(2)	-	-	-	(2)
Change in scope of consolidation	2,718	1,509	-	22	4,249
Deferred tax on jobs	24,819	1,255	2	(8,373)	17,703
Total	**27,806**	**3,598**	**2**	**(8,125)**	**23,281**

"Other deferred tax liabilities" mainly refer to temporary differences deriving from the adjustment of the value of revenues of some foreign branches to the IFRS standards used by the Group, as described in the explanatory notes.

6) Trade and other receivables

(thousands of euro)	**30/06/2025**	**30/06/2024**
Trade receivables from customers e other receivables	169,742	165,152
Non-current receivables from Tax authorities	94	70,446
Total	**169,836**	**235,598**

Trade receivables mostly include non-current receivables based on the terms of sale negotiated for the supply of complex plants with long start-up times due to their technical characteristics.
Where no interest income is foreseen in relation to the deferral, the item is discounted based on the expected collection date.
As of June 30, 2025, there are no longer any non-current receivables from the Tax Authorities, as the tax credit receivables existing at the balance sheet date are entirely classified as current receivables
Receivables are broken down below by date of expected collectability at the end of this and the previous year:

(thousands of euro)	**30/06/2025**		
Deadlines	**Trade receivables from customers e other receivables**	**Non-current receivables from Tax authorities**	**Total**
2026/2027	102,434	88	102,522
2027/2028	55,652	6	55,658
2028/2029	8,145	-	8,145
2029/2030 and beyond	3,511	-	3,511
Total	**169,742**	**94**	**169,836**

20251215082555

(thousands of euro)	30/06/2024		
Deadlines	**Trade receivables from customers e other receivables**	**Non-current receivables from Tax authorities**	**Total**
2025/2026	99,437	26,864	126,301
2026/2027	42,197	43,582	85,779
2027/2028	19,997	-	19,997
2028/2029 and beyond	3,521	-	3,521
Total	**165,152**	**70,446**	**235,598**

CURRENT ASSETS

7) Assets from Contracts and Inventories

The balance of 1,862,337 thousand euro as at June 30, 2025, was 58,136 thousand euro lower than the amount of 1,920,473 thousand euro as at June 30, 2024.

(thousands of euro)	30/06/2025	30/06/2024
Raw materials & supplies	206,827	256,097
Write downs	(9,585)	(11,388)
Raw materials, consumables and supplies	**197,242**	**244,709**
Work in progress and semi-finished products	**301,720**	**353,552**
Assets from contracts in progress valued using the cost-to-cost method vs. third parties	291,226	2,070,970
Invoicing on job orders in progress with third parties	856,667	(1,064,818)
Write-down provision on job orders in progress for third parties	(110,975)	(98,798)
Contract assets	**1,036,918**	**907,354**
Finished products	**151,049**	**167,392**
Advances	**175,408**	**247,466**
Total	**1,862,337**	**1,920,473**

The write-down provision on raw materials is prudently determined against slow-moving goods in the inventory.

The write-down provision on assets from contracts includes the estimates of any future charges related to their completion or for issues related to the recoverability of the costs of the job order.

20251215082256

If the resulting balances, for each individual job order, from the sum between work progress and amounts invoiced, are negative, they have been reclassified to "Liabilities from contracts and customer advances" in current liabilities (see also note 18).

They are broken down as follows:

(thousands of euro)	30/06/2025	30/06/2024
Assets from contracts in progress valued using the cost-to-cost method vs. third parties	6,403,152	4,439,856
Invoices issued third parties	(7,438,978)	(5,082,435)
Total Liabilities from Contracts	**(1,035,826)**	**(642,579)**

Liabilities from contracts and customer advances, totalling 1,035,826 thousand euro as at June 30, 2025 and 642,579 thousand euro as at June 30, 2024, also include amounts paid by third-party customers prior to the start or at the beginning of works and related to assets from contracts. These advance payments, intended to be reabsorbed in proportion to the invoices issued as job order progresses, are broken down in note 18).
The amounts collected from customers for inactive contracts included in this item are included in the net financial position configuration since they are of financial nature.

8) Trade receivables

The balance of 1,310,759 thousand euro as at June 30, 2025 was 242,483 thousand euro higher than the amount of 1,068,276 thousand euro as at June 30, 2024.
There are no significant concentrations of counterparty credit risk.
Receivables were factored without recourse in the financial year by the Group companies for around 35 million euro.
Trade receivables are shown net of the provision for doubtful accounts in the amount of 124,649 thousand euro as at June 30, 2025.

(thousands of euro)	30/06/2025	30/06/2024
Customers	1,265,786	1,006,250
Collection order and bills	154,841	184,153
Provision for doubtful accounts	(124,649)	(131,754)
Total trade receivables from third parties	**1,295,978**	**1,058,649**
Trade receivables from Group companies	14,781	9,627
Total trade receivables	**1,310,759**	**1,068,276**

Trade receivables from Group companies are due from associates not consolidated on a full line-by-line basis.
Changes in the "Provisions for doubtful accounts" are shown below:

20251215082557

(thousands of euro)	30/06/2025	30/06/2024
Opening balance	**131,754**	**123,120**
Provision	45,403	24,114
Release of unused provisions	(22,656)	(40)
Utilisation and other changes for the period	(29,852)	(15,440)
Closing balance	**124,649**	**131,754**

Regarding the provision for doubtful accounts, the risk of loss on receivables has often a component of technical risk (arising from design changes and/or delays in execution) as well as counterparty risk and country risk. Credit risk and the appropriateness of this provision should therefore be viewed together with the write-down provision for assets from contracts described in note 7).
The Group determines the expected amount of credit risks by estimating losses based on historical experience related to past due customer considering both current and future economic conditions. As a result, the credit risk profile is updated according to the past due brackets in relation to the collection terms provided for in existing contracts.

9) Other receivables

These amounted to 165,451 thousand euro as at June 30, 2025, showing an increase of 578 thousand euro compared to the balance of 164,873 thousand euro as at June 30, 2024, and comprising:

(thousands of euro)	30/06/2025	30/06/2024
ST accrued income	1,324	4,027
ST Prepaid expense	18,422	15,217
Due from social security institutions	2,885	1,507
Foreign tax receivables	1,978	915
Travel expenses advances to employees, consultants and sites	1,472	2,765
Deposits to third parties	1,225	3,008
Indirect tax receivables	93,929	84,169
Other Receivables	44,216	53,265
Total	**165,451**	**164,873**

As for the breakdown of the item "Other receivables", which totalled 44.2 million euro, it includes, among others, 7,245 thousand euro relating to an insurance settlement to be collected from ABS and 36,698 thousand euro set aside by ABS for grants to be received in support of "energy-intensive" companies.
Receivables for indirect taxes mainly included VAT receivables, for part of which repayment was requested. The change compared to the balance as at June 30, 2024 reflects the higher receivable accrued in the year by certain Italian companies of the Group.

10) Current tax assets

This item is made up as follows:

20251215082558

(thousands of euro)	30/06/2025	30/06/2024
Foreign tax receivables	2,932	9,036
Direct tax receivables	56,313	39,266
Other current tax receivables	76,000	43,916
Total	**135,245**	**92,218**

Direct tax receivables as at June 30, 2025, originated mainly from excess advance payments during the year and in previous years, net of the provision for current taxes. This also includes portions of tax credits for tax bonuses purchased and deemed reasonably offsettable in the upcoming financial year.
Receivables for foreign taxes include the receivables of some foreign Group companies, which are expected to be repaid in the near future.

11) Current financial assets

These amounted to 655,034 thousand euro as at June 30, 2025, an increase of 46,112 thousand euro compared with the balance of 608,922 thousand euro as at June 30, 2024. In addition to the portfolio of securities carried by the subsidiary Danieli Finance Solutions S.A. and recorded at market value among available for sale financial assets, they include certain financial receivables and derivative financial assets existing at year-end.

They can be broken down as follows:

(thousands of euro)		30/06/2025		30/06/2024
Bonds in euro par value of 396,088 at variable rates between 0.125% and 5.75% maturing before 2033 (*)		387,246		372,229
Bonds in usd par value 126,340 at variable rates between 0.850% and 5.717% maruting before 2031 (*)	Usd 126,340	108,503	Usd 111,173	103,852
Other securities in different currencies		(0)		1,860
Accrued income on securities and *other current financial assets*		4,981		4,180
Financial Receivables ST		107,961		90,370
Accrued interest on bank deposits and other financial receivables		27,203		31,390
Derivative financial instruments		19,140		5,041
Total		**655,034**		**608,922**

(*) descriptions refer to the portfolio as at June 30, 2025

The portfolio does not include any bonds issued by central or local governments or government entities.
Regarding the effects of the measurement of securities, as at June 30, 2025, the change in the fair value reserve, net of the tax impact, was positive 13,524 thousand euro, after the tax effect.
The item "Other securities and accrued interest on securities" includes other securities in currencies other than Euro and USD and some financial products issued by leading insurance companies.
The "Other financial receivables" comprise time deposits and receivables with banks and financial institutions, with maturity over three months (but lower than twelve months).

20251215082559

The characteristics and fair value of derivative financial instruments as at June 30, 2025 and 2024, are detailed in the section "Classes of financial instruments and hierarchical levels of measurement at fair value".
Forward sales and purchases in currency are financial instruments to hedge mainly US dollar exchange rate risks and occasionally other currency risks (euro for Group foreign companies).
If these instruments qualify as cash flow hedges and meet the effectiveness tests set up by the Group, the gains and losses deriving from their fair value measurement at year-end are recognised in shareholders' equity in the Cash Flow reserve.
As at June 30, 2025, as well as at the end of the previous financial year, the derivative financial instruments implemented by the Group did not meet the hedging requirements of IFRS 9, and so changes in fair value were attributable directly to the income statement.

12) Cash and cash equivalents

(thousands of euro)	30/06/2025	30/06/2024
Cash and cash equivalents	2,277,481	2,146,081
Total	**2,277,481**	**2,146,081**

The balance of 2,277,481 thousand euro as at June 30, 2025, increased by 131,400 thousand euro compared to the amount of 2,146,081 thousand euro as at June 30, 2024, and included cash in hand of 712 thousand euro and short-term bank deposits of 2,276,769 thousand euro.
Part of this liquidity will be used in the coming year to finance new research programmes, as well as to complete the new investments started in the Steel making segment, while providing these companies with enough working capital to support the substantial production volumes currently being achieved.
See the statement of cash flows for further details on change in cash and cash equivalents.

2025121308260

SHAREHOLDERS' EQUITY

13) Shareholders' equity

Total shareholders' equity at June 30, 2025 amounted to 2,760,469 thousand euro, an increase of 131,649 thousand euro compared with 2,628,820 thousand euro at June 30, 2024. Changes in the various components are summarised in the "Consolidated statement of changes in shareholders' equity". Those components are as follows:

13.1) Share capital

Share capital is fully paid in and amounted to 81,305 thousand euro as at June 30, 2025, (81,304,566 shares with a par value of 1 euro each, comprised of 40,879,533 ordinary shares and 40,425,033 savings shares).

13.2) Treasury shares

The value of treasury shares amounted to 131,672 thousand euro as at June 30, 2025. The portfolio was made up of 4,177,167 ordinary shares and 4,873,221 savings shares, with a unit par value of 1 euro each and a total par value of 9,050 thousand euro (10.22% of the share capital). During the year, 843,975 ordinary shares and 919,358 savings shares were purchased for a total value of 42.8 million euro.

13.3) Other reserves

Other reserves consist of:

Share premium account

As at June 30, 2025, this amounts to 22,523 thousand euro (unchanged compared to June 30, 2024) and concerns the share premiums paid on the exercise of warrants associated with the conversion of bonds from the bond loans that matured in November 1999 and on July 1, 2003, and the gains/losses realised from the sale of treasury shares.

Fair value reserve

As at June 30, 2025, the fair value reserve had a negative balance of 8,356 thousand euro (21,880 thousand euro as at June 30, 2024) and it included the changes arising from the fair value measurement of available-for-sale financial assets.

Other reserves

As follows:

(thousands of euro)	30/06/2025	30/06/2024
Revaluation reserve	7,634	7,634
Legal reserve	18,576	18,576
Other Parent company reserves	760,210	760,210
Reserve of first-time adoption of IFRS 9	(9,389)	(9,389)
Undistributed profits and impact of consolidation adjustments	1,880,956	1,663,671
Total	**2,657,987**	**2,440,702**

2025121508261

The Legal Reserve amounts to 18,576 thousand euro as at June 30, 2025, unchanged since June 30, 2024: its amount exceeds the requirement stated in art. 2430 of the Civil Code, so a further allocation of the net profit for the year is no longer mandatory.

13.4) Translation difference reserve

At June 30, 2025, this reserve had a negative balance of 83,072 thousand euro (47,330 thousand euro at June 30, 2024). The change was due to the positive exchange impacts from translation of the financial statements of foreign companies prepared in the local currency, mainly the Russian rouble, the Chinese Renminbi, the US dollar and the Indian Rupee.

13.5) *Group's net profit*

This amounted to 220,055 thousand euro as at June 30, 2025 (240,812 thousand euro as at June 30, 2024).

13.6) Dividends

Dividends paid in the last two financial years and relating to profits earned in the financial years ended June 30, 2024, and June 30, 2023, were as follows:

	Dividends paid at			
	30/06/2025		**30/06/2024**	
(thousands of euro)	euro per share		euro per share	
Ordinary shares	0.3100	11,631	0.3100	11,639
N.C. Saving shares	0.3307	12,051	0.3307	12,061
Total dividends paid		**23,682**		**23,700**

13.7) Shareholders' equity of non-controlling interests

Non-controlling interests in shareholders' equity amounted to a positive 1,699 thousand euro (1,599 thousand euro as at June 30, 2024). The change of 100 thousand euro is the combined result of the positive effect of 115 thousand euro related to the translation difference and the effect of negative 98 thousand euro linked to the loss attributable to minority interests, only partially offset by the change in the scope of consolidation for 83 thousand euro.

NON-CURRENT LIABILITIES

14) Loans

Financial payables, which amounted to 545,658 thousand euro as at June 30, 2025, included financial payables recorded in accordance with IFRS 16 of 24.1 million euro and 521.6 million euro consisting of the medium/long-term portion of loans arranged with banks and other institutional lenders, which, compared to 511,138 thousand euro as at June 30, 2024, show an upward change of 34,520 thousand euro during the year.
There are contractual covenants on some Group loans, shown in detail in attachment IV-C, which also indicates the breakdown by current/non-current portion and the characteristics of each loan.
Based on the results of the financial statements for the year ended June 30, 2025, the economic and equity parameters set out in the loan agreements have been complied with.

20251213082262

The maturity dates of the non-current portions of financial payables were as follows:

(thousands of euro)	30/06/2025	30/06/2024
2025/2026	-	27,634
2026/2027	42,561	38,263
2027/2028	74,103	58,612
2028/2029	103,836	84,778
2029/2030 and beyond	325,158	301,851
Total	**545,658**	**511,138**

The breakdown of the Group's net financial position as at June 30, 2025 compared to the previous financial year, was as follows:

(thousands of euro)	30/06/2025	30/06/2024	Variation
Non-current financial assets			
Other financial receivables	0.2	0.2	(0.0)
Total	**0.2**	**0.2**	**(0.0)**
Current financial assets			
Securities and other financial assets	655.0	608.9	46.1
Cash and cash equivalents	2,277.5	2,146.1	131.4
Total	**2,932.5**	**2,755.0**	**177.5**
Non-current financial liabilities			
Non-current financial liabilities	521.6	487.9	33.7
Lease liabilities non-current IFRS 16	24.1	23.3	0.8
Total	**545.7**	**511.2**	**34.5**
Current financial liabilities			
Bank debts and other financial liabilities	402.1	524.0	(121.9)
Lease liabilities current IFRS 16	13.5	12.3	1.2
Total	**415.6**	**536.3**	**(120.7)**
Current net financial position	**2,516.9**	**2,218.7**	**298.2**
Non-current net financial position	**(545.5)**	**(511.1)**	**(34.5)**
Positive net financial position	**1,971.4**	**1,707.7**	**263.6**

"Bank debts and other financial liabilities" as at June 30, 2025 included 361,226 thousand euro (441,848 thousand euro as at June 30, 2024 for advances received from customers on job orders not yet in force. These amounts are still included as liabilities for contracts and customer advance payments in the balance sheet. As at June 30, 2025 liabilities, recognised during previous years, were also included relating to deferred components of the price for an acquisition made in previous financial years for 5.75 million euro.

20251215082263

The remaining advances from customers, still recognised under liabilities from contracts and customer advance payments and amounting to 1,457,921 thousand euro as at June 30, 2025 and 1,291,360 thousand euro as at June 30, 2024 respectively, were instead included in working capital as they are used to finance job orders in progress, together with advances to suppliers.

The balance subject to so-called Reverse Factoring arrangements with leading operators, on the other hand, is still classified among trade payables for an amount of approximately 96 million euro as at June 30, 2025, with different maturities but less than 12 months (99.8 million euro as at June 30, 2024).
These liabilities maintain their original nature as trade payables in consideration of the fact that there are no financial charges borne by the Group, they do not fall within the financial credit lines used by the Group and the terms of payment follow the normal conditions of supply for the types of business in which the Group is active.
Lastly, the calculation of the net financial position includes the net fair value of derivative contracts as well as the present value of the remaining amount due for the purchase of equity investments. In particular, the fair value of derivative contracts as at June 30, 2025 mounted to an overall net positive 18,447 thousand euro (a negative 4,529 thousand euro as at June 30, 2024.
The diagram shown above includes all the components envisaged for the calculation of the net financial position as indicated in CONSOB communication no. 5-21 of April 29, 2021, which refers to ESMA guideline 32-382-1138. The item trade payables and other non-current liabilities envisaged by the aforesaid guideline, which is a significant component of implicit or explicit financing, is included in the column "Bank debts and other financial liabilities" as outlined above. For commentary on the reverse factor, refer to Note 17.

15) Post-employment benefits

The balance of 26,851 thousand euro increased by 922 thousand euro compared to 25,929 thousand euro as at June 30, 2024.
Changes were as follows:

(thousands of euro)	30/06/2025	30/06/2024
Opening balance	**25,929**	**22,984**
Cost relating to employee compensation with defined benefits	483	165
Benefits paid	(1,636)	(2,012)
Actuarial (gains)/losses recognized in the statement of comprehensive income	176	(170)
Other accruals for employee benefits	1,899	4,962
Closing balance	**26,851**	**25,929**

The cost relating to employee compensation with defined benefits was recognised in the income statement among financial expenses, whilst payments to complementary pension funds and other accruals to pension funds from the Group's foreign companies were recognised among personnel costs, as indicated in Note 25).

20251215082264

The main actuarial assumptions used were the following:

	30/06/2025	30/06/2024
Discount rate	3.21%	3.49%
Rate of increase in management salaries	1.00%	1.00%
Rate of increase in wages and salaries	1.00%	1.00%
Turnover rate	5.00%	5.00%

The sensitivity analysis of the main evaluation parameters is as follows:

Turnover rate +1%	Turnover rate -1%	Inflation rate +0,25%	Inflation rate -0,25%	Discount rate +0,25%	Discount rate -0,25%
20.0	19.9	20.2	19.8	19.7	20.3

16) Provisions for risks

Totalling 68,946 thousand euro as at June 30, 2025, this item decreased by 18,496 thousand euro compared to the balance of 87,442 thousand euro as at June 30, 2024, as a result of the following changes:

(thousands of euro)	30/06/2025	30/06/2024
Opening balance	**87,442**	**82,209**
Provision	26,166	25,308
Release of unused provisions	(2,085)	(13,287)
Utilisations and other changes	(42,577)	(6,788)
Closing balance	**68,946**	**87,442**

The provision for risks includes the provision for the entire expected loss at operating margin level of several job orders including the estimate of any future charges related to their completion as well as to the possible recognition of contractual penalties and/or expenses to be paid against disputes.
Utilisations and other changes refer mainly to the partial utilisation and reclassification to Inventories of the provision previously allocated in relation to a dispute with an Asian customer that was closed with an agreement between the parties that, among other things, provided for the purchase of material and equipment by the Parent Company from the customer.
Estimates for these accruals and the amount of the provisions resulting at the end of the period are the result of a detailed assessment by the Company management which takes into account the information available on various elements, by their nature uncertain, that influence the estimate, historical experience and assumptions considered reasonable. Because of the uncertainty that characterises the assumptions and conditions on which the estimates are based, the outcomes of the situations for which these estimates and assumptions have been used may differ from those reported in the financial statements and may *therefore give rise to impacts on the results of operations in subsequent periods.*

20251215108265

CURRENT LIABILITIES

17) Trade payables

Trade payables, totalling 1,229,547 thousand euro as at June 30, 2025, decreased by 215,470 thousand euro from 1,445,017 thousand euro as at June 30, 2024, and mainly comprise due to suppliers; the change in the item is related to the characteristics and financial conditions negotiated with suppliers in purchase orders.
Trade payables include positions subject to Reverse Factoring with leading national operators for an amount of approximately 96 million euro as at June 30, 2025 (99.8 million euro as at June 30, 2024). As of June 30, 2025, approximately 80% of the value is attributable to the Steel Making sector.
These liabilities maintain their original nature as trade payables in consideration of the fact that there are no financial charges borne by the Group, they do not fall within the financial credit lines used by the Group and the terms of payment follow the normal conditions of supply for the types of business in which the Group is active. Indeed, only 12% of the debt subject to Reverse Factoring has an additional deferral period exceeding 30 days.
There are no significant concentrations of payables on one or a small number of suppliers.

18) Liabilities from contracts and customer advances

Liabilities from contracts and customer advances amounted to 2,854,973 thousand euro and 2,375,787 thousand euro as at June 30, 2025 and June 30, 2024 respectively, and are made up as follows:

(thousands of euro)	30/06/2025	30/06/2024
ST Advances from customers	1,457,921	1,291,360
Contract liabilities	1,035,826	642,579
Customer guarantee deposits	361,226	441,848
Total	**2,854,973**	**2,375,787**

"Current customer advance payments" represent amounts paid by customers prior to the start of work under job orders in progress. These will be reabsorbed in proportion to the invoices issued as work progresses.

"Payables from contracts" represent the higher amount invoiced to customers for contracts with respect to the state of completion. The change in this item correlates with production carried out and with the invoicing terms of job orders in progress.
"Customer guarantee deposits" of 361,226 thousand euro, concerns advances received from customers on job orders not yet in production, included as current financial liabilities in the net financial position (441,848 thousand euro as at June 30, 2024).
The change in this item relates to the volume of orders acquired, their contractual terms of payment and actual operations of the contracts.

19) Other current liabilities

Other current liabilities amounted to 233.479 thousand euro as at June 30, 2025 (226,790 thousand euro as at June 30, 2024) and they are mainly comprised of:

20251215082266

(thousands of euro)	30/06/2025	30/06/2024
Due to employees	79,865	78,007
Indirect tax payables	1,756	2,307
Withholding tax due	8,717	10,084
Other commercial accruals	51,613	41,038
Guarantee deposits	478	1,049
Due to social security institutions	19,296	19,473
Due to company boards and committees	193	411
Deferred income	15,686	17,979
Other ST liabilities	55,875	56,442
Total	**233,479**	**226,790**

Other current liabilities include the ABS debt to the credit insurance company for settlements received on positions not yet closed in the amount of 1.7 million euro. It also includes the sum related to some advances received from ABS for grants for European projects financed for a total amount of 1.3 million euro and the debt accrued for the calendar year 2024 for CO_2 quotas to be purchased for a total amount of 4.3 million euro under the Kyoto Protocol regulating greenhouse gas emissions.
The balance of the item "Other deferred income" includes the following contributions received by ABS over the years, including 2,989 thousand euro related to Decree Law no. 91 of June 24, 2014 for the investment aimed at the construction of the "Rotoforgia" plant (3,768 thousand euro as at June 30, 2024), 3,576 thousand euro relating to the "Industry 4.0" investment grant pursuant to Law no. 160/2019 and the "Sustainable Growth Fund - Agreement on Smart Factory Innovation" pursuant to Ministerial Decree March 05, 2018 for the construction of the new wire rod production plant (3,720 thousand euro as at June 30, 2024). The item also includes 2,626 thousand euro thanks to the "Industry 4.0" grant as per Article 1, paragraphs 1051 to 1063 of Law no. 178/2020 obtained by ABS for the new degassing and refining plant (3,118 thousand euro as at June 30, 2024), 3,098 thousand euro related to the "Industry 4.0" grant as per Law no. 178/2020, Art. 1, paragraph 1057 and/or 1057-bis for the investment in the new plant for the production of ABS milling sphere (3,170 thousand euro as at June 30, 2024) and 198 thousand euro thanks to the "Industry 4.0" grant referred to in Law no. 178/2020, Article 1, paragraphs 1051 to 1063 for the development of scrap recognition software (234 thousand euro as at June 30, 2024).

20) Current tax liabilities

These amount to 80,655 thousand euro and include accruals for current taxes on the estimated profits of Group companies. The increase of 6,735 thousand euro, compared to the balance of 73,920 thousand euro as at June 30, 2024, was due to the higher taxable income for the 2025 financial year in certain Group companies and the amount of the advance tax payments made during the financial year, based on the tax charge for the previous year.

21) Bank debts and other financial liabilities

These refer to the current portion of non-current borrowing and loans, to bank advances and overdrafts on bank current accounts, the short-term portion of financial payables recognised in accordance with IFRS 16, to derivative financial instruments and to payables for business combinations. At 30 June 2025 they amounted to 54,375 thousand euro, compared with 94,428 thousand euro at 30 June 2024.

2025121508267

(thousands of euro)	30/06/2025	30/06/2024
Bank advances and current account overdrafts	119	103
Other ST bank loans	22,446	45,872
Current portion of long-term loans	4,078	15,902
Accruals on financial payables	7,798	8,215
Lease liabilities current IFRS 16	13,456	12,254
ST Loans	**47,897**	**82,346**
Payables for business combinations	**5,785**	**11,570**
Short term derivative financial instrument	**693**	**512**
Total	**54,375**	**94,428**

The item "Payables for business combinations" includes a portion of a liability related to the consideration not yet paid for the acquisition of a subsidiary, which was partially reduced during the year as a result of management's assessment that the collectability of this liability had changed.

Concerning derivative financial instruments, see the comments in note 11) Current financial assets.

22) Guarantees and commitments

These show commitments and guarantees given by the Group to third parties and consist of the following:

(thousands of euro)	30/06/2025	30/06/2024
Bank guarantees and liens to third parties	4,124,648	3,950,823
Total	**4,124,648**	**3,950,823**

Guarantees given by some banks to third parties on behalf of Group companies mainly refer to guarantees related to the carrying out of some job orders. Guarantees in foreign currencies are entered at the year-end spot exchange rates.

INFORMATION ON THE INCOME STATEMENT

23) Revenues

Revenues are broken down as follows:

(thousands of euro)	30/06/2025	30/06/2024
Revenues from sales and services	4,147,419	4,218,920
Changes in inventories	(70,013)	24,792
Other operating income	122,561	106,058
Total revenues	**4,199,967**	**4,349,770**

The Group's revenues fell by 3% compared to the previous year, with higher turnover in the Plant Making sector and lower turnover in the Steel Making sector, which shows lower production volumes and average selling prices compared to 2023/2024, while maintaining a partial but satisfactory saturation of the plants.

Please refer to note 35 Information by business segment and geographical area for more details on the breakdown of revenues by business.
Other revenues and income include, for the Steel Making segment, revenues from Energy Efficiency Certificates (TEE) accrued thanks to energy efficiency projects on several phases of the production process and certified by the supervisory body, in the amount of 381 thousand euro, down from 542 thousand euro in the previous year.
In addition, 29,546 thousand euro was recognised as aid for companies operating in sectors most at risk of carbon leakage (fund for the energy transition in the industrial sector).
Also note the income arising from the remuneration of the service of electric power interruptibility that ABS granted to the national grid operator for a total 13,613 thousand euro through the ABSOLUTE Consortium and other ABS revenues from contracts for the management of interruptibility services for electricity and methane for a total of 5,276 thousand euro.
There are no significant concentrations of revenues from the same counterparties that exceed 10% of the Group's total revenues.

24) Purchase costs of raw materials and consumables

The purchase costs of raw materials and consumables net of changes in inventories amounted to 2,125,278 thousand euro as at June 30, 2025 (2,325,509 thousand euro as at June 30, 2024, with a decrease of 200,231 thousand euro in the year) and are directly related to the composition and types of job orders and to product sales included under "Revenues".

25) Personnel costs

Personnel costs of 578,381 thousand euro as at June 30, 2025 are broken down as follows:

	30/06/2025		30/06/2024	
(thousands of euro)	Managers and staff	Blue collars	Managers and staff	Blue collars
Wages and salaries	337,098	89,490	329.239	85.199
Social security contributions	86,546	26,811	85.773	25.749
Employee Termination Indemnity	15,265	5,186	14.514	4.295
Other personnel costs	15,949	2,036	17.347	2.180
Total	**578,381**		**564,296**	

20251215082269

The average number of personnel in the Group during the last two financial years was as follows:

Group personnel	30/06/2025	30/06/2024
Executives	212	197
White collars / Managers	6,898	6,881
Blue collars	3,114	3,305
Total	**10,224**	**10,383**

Changes in "Personnel costs" relate to changes in remuneration and to the number of employees.

26) Other operating costs

(thousands of euro)	30/06/2025	30/06/2024
Cost for services	964,894	965,860
Use of third parties assets	29,693	26,703
Provisions	26,166	25,308
Other costs	37,754	50,899
Total	**1,058,507**	**1,068,770**

These amounted to 1,058,507 thousand euro as at June 30, 2025 (1,068,770 thousand euro as at June 30, 2024) and consisted of:

26.1) Cost of services

Cost of services included in "Other operating costs" amounted to 964,894 thousand euro as at June 30, 2025 (965,860 thousand euro as at June 30, 2024, with a decrease of 966 thousand euro) and are made up as follows:

20251215082710

(thousands of euro)	30/06/2025	30/06/2024
Outsourcing	314,042	304,647
Energy and motive power	123,688	138,449
Utilities	46,201	48,937
Plant management, repairs and mantenance	30,010	31,887
Travel and living expenses	47,296	47,293
Commissions and premiums	13,171	18,610
Despatch, transportations and porterage	236,477	231,439
Insurances	15,320	15,484
Legal and administrative consultancy	67,714	50,794
Cleaning and security expenses	8,197	8,058
Bank services	5,382	8,009
Postal and communication costs	3,548	3,428
Advertising and promotion expenses	2,105	2,219
Other services	51,743	56,606
Total	**964,894**	**965,860**

"Other services" include emoluments to the Board of Statutory Auditors, amounting to 700 thousand euro (800 thousand euro as at June 30, 2024).
The increase in costs for legal and administrative consulting is mainly due to the legal costs associated with significant international legal and arbitration proceedings during the year.
The fees due to the independent auditors and entities in its network for auditing and other services rendered in the financial year, included among other cost of services and totalling 1,320 thousand euro (1,038 thousand euro as at June 30, 2024), are indicated in detail in Attachment VI-C.

26.2) Cost for use of third-party assets

These amount to 29,693 thousand euro as at June 30, 2025 with an increase of 2,990 thousand euro compared to the balance of 26,703 thousand euro as at June 30, 2024 and refer mainly to the rental of property, electronic equipment and civil and industrial motor vehicles that do not fall under the scope of application of IFRS 16.
According to IFRS 16, depreciation charges on the Right to Use recorded under non-current assets are recognised in depreciations or in personnel costs in case of fringe benefit leases to employees and interest expense on lease liabilities in financial charges.

26.3) Accruals

The balance of 26,166 thousand euro as at June 30, 2025 (25,308 as at June 30, 2024) reflects the adjustment of provisions for risks to bring them in line with reasonably expected liabilities, which mainly concern pending disputes.

26.4) Other operating costs

These amounted to 37,754 thousand euro as at June 30, 2025 with an decrease of 13,145 thousand euro compared to the balance of 50,899 thousand euro as at June 30, 2024 and include:

20251215085271

(thousands of euro)	30/06/2025	30/06/2024
Loss on disposal of tangible assets	2,105	1,275
Sundry taxes	8,688	7,995
Other charges	56	1,248
Contributions	2,393	2,623
Other operating costs	13,900	25,651
Extraordinary expense	10,612	12,107
Total	**37,754**	**50,899**

The amount of extraordinary expenses, down on the previous financial year, included penalties incurred for the late start of some job orders in progress, net of the use of provisions previously allocated in view of the related risk.

27) Depreciation, amortisation and write-downs

In detail:

(thousands of euro)	30/06/2025	30/06/2024
Depreciation of property, plant and equipment	89,396	98,115
Amortisation of intangible assets	15,270	14,986
Depreciation of right of use	13,149	10,859
Total depreciation and amortisation	**117,815**	**123,960**
Write downs (reval.) of receivables and other current assets	5,779	22,337
Write downs (reval.) of other property, plant and equipment	11,150	-
Write-downs	**16,929**	**22,337**
Total	**134,744**	**146,297**

The depreciation/amortisation of property, plant and equipment and intangible assets and the commentary on the write-down of tangible assets are explains in Notes 1 and 3 above, providing information on the balance sheet.
For commentary on the write-down of receivables, refer to Note 8.

28) Financial income

This amounted to 127,453 thousand euro as at June 30, 2025, and consisted mainly of:

2025121508272

(thousands of euro)	30/06/2025	30/06/2024
Income from securities	17,231	15,314
Options and similar income	12,987	4,256
Income from investments	1,619	2,008
Interest income on bank deposits	76,149	69,691
Interest from customers	856	713
Other financial income	18,611	21,486
Total	**127,453**	**113,468**

The total amount of financial income increased compared to June 30, 2024 thanks to higher remuneration of deposits included in cash and cash equivalents.
Other financial income also includes income arising from changes in the liability relating to the unpaid consideration for the acquisition of a subsidiary described in Note 21.
Income on options and similar items includes 10.8 million euro of income from derivative financial instruments closed in the period by Danieli Finance Solutions SA.

29) Financial charges

These consisted of:

(thousands of euro)	30/06/2025	30/06/2024
Interest on loans and debts with banks and lessors	24,521	23,276
Interest on discount operations	155	116
Charges for discounting of receivables	-	-
Other financial charges	11,807	17,097
Total	**36,483**	**40,489**

Interest on loans and bank debts and lessors decreased as a result of the decrease in interest rates. This item also includes the interest expense for leases amounting to 1,411 thousand euro following the application of IFRS 16 (612 thousand euro as at June 30, 2024).

30) Gains (losses) on foreign exchange transactions

(thousands of euro)	30/06/2025	30/06/2024
Exchange gains	206,823	93,127
Exchange losses	(293,459)	(79,899)
Total	**(86,636)**	**13,228**

The exchange loss is mostly related to the depreciation of the US dollar against the euro. The income statement item also includes the exchange gain deriving from the derivative contracts activated on rates (mainly outright forward (sales)), as well as the effects of their measurement at fair value at the end of the

2025121508273

period. The exchange loss relating to the adjustment on items of a financial nature is equal to around 92,282 thousand euro, while the exchange gain on items of an operating nature is equal to around 5,646 thousand euro.
As a result of the fact that the accounting standards do not provide for a specific income statement classification of the profit and loss arising from transactions in foreign currency, the Group has opted to represent them in full in this item of the financial statements.

31) Income/(charges) arising from the valuation of equity investments in associates with the equity method

Net charges arising from the valuation of companies not consolidated using the equity method amounted to 635 thousand euro as at June 30, 2025 (net income of 501 thousand euro as at June 30, 2024).

(thousands of euro)	30/06/2025	30/06/2024
Financial income from associates	650	878
Financial costs to associates	(15)	(377)
Income/(charges) arising from the valuation of equity investments in assoc. with the equity method	**635**	**501**

32) Income taxes

Income taxes amounted to 87,841 thousand euro and cover an estimate of current and deferred tax assets and liabilities commensurate with the results of Group companies for the period. They are broken down as follows:

(thousands of euro)	30/06/2025	30/06/2024
Income taxes	95,630	103,382
Deferred tax assets	(19,986)	(29,971)
Deferred tax liabilities	12,197	(3,598)
Total	**87,841**	**69,813**

The Italian tax rates for IRES (corporate tax) and IRAP (regional tax) applied by the Parent Company and Italian Group companies on the estimated taxable income for the year were 24% and 3.9% (or other applicable regional rate) for current and deferred tax assets and liabilities, respectively.
Taxes for other countries in which the Group operates were calculated according to the current rates in those countries.
The reconciliation between the theoretical tax charge and the amount actually shown in the income statement, without considering the positive effects of income taxes from previous years, is provided in attachment V-C.
The effective average income tax rate indicated in the aforesaid attachment essentially reflects the tax charge estimated on the basis of individual companies' results.

Deferred tax assets are only recognised on the temporary differences to the extent that it is probable that the related tax benefit will be achieved through future tax bases on the basis of management's forecasts.
The Group has not recognised deferred tax assets in relation to tax losses and other temporary differences due to the uncertainty around their future use for an overall amount of 533,093 thousand euro, divided as follows by country:

20251215082274

Country	Losses and other components	Unallocated prepaid taxes
Saudi Arabia	64,127	12,825
China	1,829	457
Croatia	35,630	6,413
Egypt	2,085	469
France	6,777	1,694
Germany	73,452	24,216
Iran	402	80
Italy	7,758	1,862
Luxembourg	330,540	82,437
Poland	233	44
Sweden	9,166	1,888
Thailand	235	31
Turkey	859	215
Total	**533,093**	**132,631**

33) IFRS 5 ESW

On November 26, 2019, the Danieli Group, by decision of the Board of Directors of the sub-holding Industrielle Beteiligung S.A., resolved to close the production activities of the subsidiary ESW Rohrenwerke Gmbh. The decision was taken following the serious losses suffered by the company and the difficulties encountered in acquiring new production orders, the delays accumulated following the restructuring of the production structure and the difficult macroeconomic context of the steel industry.

The programme to close and secure the activities of the German subsidiary ESW was completed and pursuant to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the company's result and cash flows as at June 30, 2025 were represented separately as discontinued operations for financial year 2023/2024. The result for the year is negative.

2025121508275

Net result from discontinued operations

(thousands of euro)	Financial year ended 30/06/2025	30/06/2024
Revenues	156	137
Personnel costs	(1)	(193)
Other operating costs	(356)	(421)
Depreciation, amortisation and write-downs	-	2,575
Operating income	**(201)**	**2,098**
Financial Income and charges	(31)	(16)
Profit before taxes	**(232)**	**2,082**
Income taxes	4	264
Profit and loss deriving from discontinued operations	**(228)**	**2,346**

Cash flows generated/absorbed by discontinued operations

(thousands of euro)	Financial year ended 30/06/2025	30/06/2024
Cash flow generated /(absorbed) by operating activities	(494)	(997)
Cash flow generated/(absorbed) by investing activities	-	-
Cash flow generated/(absorbed) by financing activities	400	400
Total cash flow	(94)	(597)
Opening cash and bank position	110	487
Closing cash and bank position	16	110

34) Earnings per share

Earnings per share as at June 30, 2025 and 2024, were calculated on the basis of profit attributable to the Group and are shown separately for savings shares and ordinary shares.

Basic and diluted earnings per share
Basic earnings per share is calculated by dividing net profit for the year, attributable to ordinary and savings shareholders, by the weighted average number of both ordinary and savings shares outstanding during the financial year, net of weighted treasury shares. Profit attributable to savings shares is increased, compared to that of ordinary shares, by 2.07% of the shares' par value.

The weighted average number of shares and attributable net profit by category of shares are indicated below:

20251215082276

(thousands of euro)	30/06/2025 Ordinary shares	30/06/2025 N.C. Saving shares	30/06/2024 Ordinary shares	30/06/2024 N.C. Saving shares
Issued shares at the start of the period	40,880	40,425	40,880	40,425
Shares outstanding at the start of the period	37,546	36,471	37,546	36,471
Treasury shares (purchased)/sold in the period	(844)	(919)	-	
Total shares outstanding at the period end	**36,702**	**35,552**	**37,546**	**36,471**
Weighted average of shares outstanding	**36,702**	**35,552**	**37,546**	**36,471**
Net profit attributable to Parent company shareholders (in thousands of euro)	**111,405**	**108,650**	**121,772**	**119,040**

(thousands of euro)	30/06/2025 Ordinary shares	30/06/2025 N.C. Saving shares	30/06/2024 Ordinary shares	30/06/2024 N.C. Saving shares
Profit reserved for holders of saving shares (euro 0.0207 per share)	-	736	-	755
Residual profit divided among all shares	111,405	107,914	121,772	118,285
Total	**111,405**	**108,650**	**121,772**	**119,040**
Basic earnings per share (euro)	**3.0354**	**3.0561**	**3.2432**	**3.2639**

No account has been taken of diluted profit per share since, as at June 30, 2025 (and as at June 30, 2024) there were no financial instruments with a dilutive effect on the profit attributable to shares outstanding.

35) Information by business segment and geographical area

In accordance with IFRS 8, the segment reporting schedules are provided below.
The Steel Making segment comprises the production and sale of special steels.
The Plant Making segment concerns the production and sale of plant for the iron and steel industry and also includes the operations of the subsidiary Danieli Finance Solutions S.A.
The effects related to the closure of ESW's operations, in accordance with IFRS 5, are shown separately as arising from discontinued operations.
Profit and loss and balance sheet data are shown below, subdivided by activity segment, aggregating the financial statements prepared by companies belonging to the two specific segments.

20251215082773

(thousands of euro)

30/06/2025	Discontinued operations	Steel making	Plant making	Inter-segment derecognition	Consolidated
Revenues from the core business		1,083,558	3,122,723		4,206,281
less inter-segment revenues				(6,314)	(6,314)
Revenues from third parties	**-**	**1,083,558**	**3,122,723**	**(6,314)**	**4,199,967**
Gross operating margin (Ebitda)		**53,703**	**384,098**		**437,801**
Depreciation, amortisation and write-downs		(71,526)	(63,218)		(134,744)
Operating income		**(17,823)**	**320,880**		**303,057**
Financial Income and charges		(10,233)	15,202		4,969
Profit before taxes		**(28,056)**	**336,082**		**308,026**
Income taxes		(1,963)	(85,878)		(87,841)
Net profit from continued operations		(30,019)	250,204		220,185
Profit and loss deriving from discontinued operations	(228)	-	-		(228)
Net profit for the period	**(228)**	**(30,019)**	**250,204**		**219,957**
Segment assets		1,535,000	6,363,742	(22,767)	7,875,975
(of which increases in property, plant and equipmentand and intangibles)		111,768	76,462		188,230
Segment liabilities		778,968	4,359,305	(22,767)	5,115,506
Shareholders' equity					2,760,469
Total segment liabilities and net equity					7,875,975
Net financial position	**(204,529)**	**2,250,948**		**(75,000)**	**1,971,418**

20251215082736

(thousands of euro) 30/06/2024	Discontinued operations	Steel making	Plant making	Inter-segment derecognition	Consolidated
Revenues from the core business		1,316,144	3,038,399		4,354,543
less inter-segment revenues				(4,773)	(4,773)
Revenues from third parties		**1,316,144**	**3,038,399**	**(4,773)**	**4,349,770**
Gross operating margin (Ebitda)		**75,515**	**315,680**		**391,195**
Depreciation, amortisation and write-downs		(70,726)	(99,685)		(170,411)
Operating income		**4,789**	**215,995**		**220,784**
Financial Income and charges		(10,958)	97,666		86,708
Profit before taxes		**(6,169)**	**313,661**		**307,492**
Income taxes		2,961	(72,774)		(69,813)
Net profit from continued operations		(3,208)	240,887		**237,679**
Profit and loss deriving from discontinued operations	2,346	-	-		**2,346**
Net profit for the period	**2,346**	**(3,208)**	**240,887**		**240,025**
Segment assets		1,612,239	5,894,889	(13,353)	7,493,775
(of which increases in property, plant and equipmentand and intangibles)		88,110	87,656		175,766
Segment liabilities		825,946	4,052,362	(13,353)	4,864,955
Shareholders' equity					2,628,820
Total segment liabilities and net equity					7,493,775
Net financial position		(182,682)	1,890,457		1,707,775

The allocation of Group consolidated revenues by geographical area is as follows:

(thousands of euro)	30/06/2025	%	30/06/2024	%	Variation
Europe	1,810,142	43%	1,527,956	35%	18%
Middle East	286,496	7%	208,506	5%	37%
Americas	1,167,171	28%	1,293,910	30%	-10%
Southeast Asia	936,159	22%	1,319,397	30%	-29%
Total	**4,199,967**	**100%**	**4,349,770**	**100%**	**-3%**

In the Plant Making segment, the geographical distribution of revenues is based primarily on the volume of shipments made, as well as progress with equipment construction operations both at our factories and in terms of on-site installation and start-up throughout the world.
As for Steel Making, 91% of revenues were concentrated in Europe as at June 30, 2025 (30% as at June 30, 2024).

20251215086279

The breakdown of property, plant and equipment and intangible assets (without considering the right of use underlying the application of IFRS 16) by geographical area is as follows:

(thousands of euro)	30/06/2025	%	30/06/2024	%	Variation
Europe	927,324	85%	886,913	84%	5%
Middle East	1,488	0%	2,300	0%	-35%
Americas	22,660	2%	27,514	3%	-18%
South East Asia	135,815	12%	141,441	13%	-4%
Total	**1,087,287**	**100%**	**1,058,168**	**100%**	**3%**

36) Related party transactions

Transactions carried out by Danieli & C. Officine Meccaniche S.p.A. and other companies in the scope of consolidation with related parties essentially concerned the provision of services and the trading of goods. They form part of standard operations and are at arm's length, i.e. at the conditions that would apply between two independent parties.
Related party transactions can be summarised as follows:

(thousands of euro)	30/06/2025		30/06/2024	
Company	**Receivables**	**Payables**	**Receivables**	**Payables**
Inter-Rail S.p.A - Udine	-	5,109	1,200	6,104
Absolute Scarl - Pozzuolo del Friuli (UD)	4,379	3	4,862	15
Total	**4,379**	**5,112**	**6,062**	**6,119**

(thousands of euro)	30/06/2025		30/06/2024	
Company	**Revenues**	**Costs**	**Revenues**	**Costs**
Inter-Rail S.p.A - Udine	1,329	24,853	-	27,071
Absolute Scarl - Pozzuolo del Friuli (UD)	13,613	34	13,202	15
Total	**14,942**	**24,887**	**13,202**	**27,086**

The aforementioned companies qualify as related parties as they are owned by the Group, and transactions with these entities, which are of a purely commercial nature, fall within normal operations and are conducted under standard market conditions.
The following is reported with regard to the fees of directors, statutory auditors and general managers of Danieli & C. Officine Meccaniche S.p.A., recorded by the Company and its subsidiaries:

(thousands of euro)	30/06/2025	30/06/2024
Fixed fees	2,759	2,624
Variable fees	99	233
Benefits in kind	46	55
Total	**2,904**	**2,912**

20251215085280

37) Disclosures pursuant to art. 114 of Italian Legislative Decree 58/1998

Pursuant to Italian Legislative Decree and CONSOB letter 6064293 of July 28, 2006, the disclosures concerning related party transactions, significant events, non-recurring and/or atypical and unusual transactions and the net financial position are presented in the corresponding sections of these notes.

38) Disclosure of public funds pursuant to Italian Law 124/2017

Grants and contributions received in the period from July 01, 2024 to June 30, 2025, from public administrations, from companies controlled by them and from publicly-owned companies, as required by the annual law for the market and competition (Italian Law 124/2017, art. 1, paragraphs 125-129), are shown below:

Identification data of the disbursing subject	Amount of the economic benefit received (euro)	Description of the type of benefit
Revenue Agency	917,209	Tax credit for investments in new Industry 4.0 capital goods and Tax credit Disclosure of borrowings [text block] for the purchase of new capital goods destined for production facilities located in the territory of the Italian State (Italian Law 160/2019 – Italian Law 178/2020) pertaining to the financial year
Friuli-Venezia Giulia Region	140,710	Advances PR FESR 2021-2027 (2022 call for applications) – ECOTWINDUE Project – Grant
University of Udine	31,604	Calls for applications iNEST, NRRP – M4C2 – Investment 1.5, NextGenerationEU – SOFTMod Project – Cascading grant
European Commission	20,075	European call for proposals RFCS – "Safe H-DRI" Project – Grant
Formazienda (national interprofessional joint fund for continuing education)	271,867	Contribution for employee training
MISE	607,422	Aid for research, development and innovation | Industrial research: AIM
European Commission – HORIZONE	146,134	Grants for research, development and innovation | Digital, Industry and Space, specifically targeting raw material preparation for clean steel production – HORIZON PURESCRAP
European Commission – RFCS	143,810	Grants for research, development and innovation | Research and innovation in the steel and coal sector – RFCS: ENERMIND

20251215082831

Revenue Agency	250,000	Training 4.0 tax credit
SMACT Competence Center – NRRP funds provided by MIMIT	132,500	State aid under "de minimis" rule for consultancy on technological innovation, networking and awareness raising – subsidies pursuant to Art. 2.3 of Decree dated March 10, 2023 of the Ministry of Enterprises and Made in Italy, Official Gazette no. 98 of April 27, 2023 and subsequent requirements | SMACT: DIP 2.0
Revenue Agency	85,388	Tax credit for investments in research and development, ecological transition, technological innovation 4.0 and other innovative activities – Italian Law 160/2019 and Italian Law 178/2020
Ecosystem iNEST – EU-funded NRRP funds, NEXTGENERATIONEU	23,399	Grants for research, development and innovation | Green and digital transition for advanced manufacturing – iNEST: INDOMATE
Gestore dei Mercati Energetici S.p.A.	171,213	Proceeds from selling energy efficiency credits (SOTTRI 1, SOTTRI2 and Crefin4 project)
Gestore dei Mercati Energetici S.p.A.	44,845	Proceeds from selling energy efficiency credits (LED LUNA project)
Gestore dei Mercati Energetici S.p.A.	7,569	Proceeds from selling energy efficiency credits (RECUPERO CALORE project)
Gestore dei Mercati Energetici S.p.A.	110,553	Proceeds from selling energy efficiency credits (REATTORI DANARC project and Crefin4)
Gestore dei Mercati Energetici S.p.A.	184,378	Proceeds from selling energy efficiency credits (SIVIERE DANARC ladle project and SOTTRI2)
Gestore dei Mercati Energetici S.p.A.	96,267	Proceeds from selling energy efficiency credits (Crefin3 project)
Acquirente Unico S.p.A.	5,546,294	Fund for the energy transition in the industrial sector

2025123150828282

39) Events occurring after the reporting period

Company operations continued with no further significant events occurring since June 30, 2025, with a world steel market that is still receptive and without significant negative factors.
Alignment of currency items to the exchange rate prevailing on September 26, 2025, would have resulted in a negligible change in unrealised exchange differences for the year compared to the figure recorded considering the exchange rate as at June 30, 2025.
Except for what has already been discussed, no other events occurred after June 30, 2025, which could have had an impact on the economic, equity and financial position as shown in the balance sheet, the income statement and statement of comprehensive income at said date or required further adjustments or additional notes to the consolidated financial statements and to the separate financial statements.

2025 12 5083283

ATTACHMENT No. I - C

Companies included in the scope of consolidation

Italian companies

no.	Investee company	% as at 30/06/2025	dir.	ind.	through	%	Share capital (thousands) Currency	Amount
1	Acciaierie Bertoli Safau S.p.A. - Via Buttrio 28 - 33050 - Pozzuolo (UD)	100,00		x x	Industrielle Beteiligung SA Findan S.p.A.	99.919 0 081	euro	290.000
2	Corte delle Fucine S.r.l. - Via Nazionale 41 - 33042 - Buttrio (UD)	100,00		x	Findan S.p.A.	100,00	euro	100
3	Danieli Automation S.p.A. - Via B. Stringher 4, 33042 - Buttrio (UD)	100,00		x x	Industrielle Beteiligung SA Findan S.p.A.	99,95 0.05	euro	10.000
4	Danieli Centro Combustion S.p.A. - Via G. Galilei 40 - 20092 - Cinisello Balsamo (MI)	100,00		x x	Industrielle Beteiligung SA Findan S.p.A.	99.8 0.2	euro	2.500
5	Danieli Centro Cranes S.p.A. in liquidazione - Via Gardesana 22 - 25086 - Rezzato (BS)	100,00		x x	Industrielle Beteiligung SA Findan S.p.A.	75.00 25.00	euro	120
6	Danieli Construction International S.p.A. - Via Nazionale 41 - 33042 - Buttrio (UD)	100,00		x x	Industrielle Beteiligung SA Findan S.p.A.	99,999 0.001	euro	6.000
7	Danieli Special Cranes S.r.l. in liquidazione - Via dell'Industria 6 - 34072 - Gradisca d'Is. (GO)	100,00		x	Findan S.p.A.	100,00	euro	2.700
8	Fata S.p.A. - Strada Statale n. 24 Km 12 - 10044 - Pianezza (TO)	100,00		x	Industrielle Beteiligung SA	100,00	euro	5.000
9	Findan S.p.A. - Via Dante 56 - 33040 - Pradamano (UD)	100,00		x x	Industrielle Beteiligung SA Danieli Constr. Intern. S.p.A.	99.96 0.04	euro	2.500
10	More S.r.l. - Via Santa Lucia 7 - 33013 - Gemona del Friuli (UD)	100,00		x x	Industrielle Beteiligung SA Findan S.p.A.	79.17 20 83	euro	240
11	Sabolario Haven & Hospitability S.p A. - Via Nazionale 41 - 33042 - Buttrio (UD)	100,00		x	Findan S.p.A.	100,00	euro	2.100
12	Scuole e Asili Cecilia Danieli S.r.l. - Via Nazionale 41 - 33042 - Buttrio (UD)	100,00		x x	Turismo 85 S.r.l. Findan S.p.A.	99,00 1.00	euro	6.500
13	DSR Slider Engineering S.p.A. - Via Buttrio SN - 33050 - Pozzuolo del Friuli (UD)	100,00		x	Industrielle Beteiligung SA	100,00	euro	1.000
14	Stem S.r.l. in liquidazione - Via G.Galilei 7 - 21052 - Busto Arsizio (VA)	100,00		x x	Industrielle Beteiligung SA Findan S.p.A.	99,00 1.00	euro	265
15	Turismo 85 S.r.l. - Via Nazionale 8/C - 33042 - Buttrio (UD)	100,00		x x	Industrielle Beteiligung SA Findan S.p.A.	99,00 1.00	euro	10
16	Zerotredici Educational Hub S.r.l. - Via Nazionale 41 - 33042 Buttrio (UD)	100,00		x	Findan S.p.A.	100,00	euro	100
17	Rott-Ferr S.r.l. - Via Grado 142 - 33100 - Udine (UD)	100,00		x	Acciaierie Bertoli Safau S.p.A	100,00	euro	500
18	D.I.L. S.p.A. - Via Nazionale 41 - 33042 - Buttrio (UD)	57,00	x	x	Industrielle Beteiligung SA Danieli & C. Officine Meccaniche S.p.A.	54,00 3,00	euro	50
19	Shinagawa Danieli Advanced Materials - Via Nazionale 41 - 33042 - Buttrio (UD)	100,00		x	Industrielle Beteiligung SA	100,00	euro	100
20	Telefriuli S.p.A. - Via Nazionale 120 - 33010 - Tavagnacco (UD)	95,00		x	Findan S.p.A.	95,00	euro	227
21	Editoriale Il Friuli S.r.l. - Via Nazionale 120 - 33010 - Tavagnacco (UD)	95,00		x	Telefriuli S.p.A.	100,00	euro	100
22	Euronews S.r.l - Via Nazionale 120 - 33010 - Tavagnacco (UD)	95,00		x	Telefriuli S.p.A.	100,00	euro	15
23	ABS Sfere S.r.l. - Via Buttrio 28 - 33050 - Pozzuolo del Friuli (UD)	65,00		x	Acciaierie Bertoli Safau S.p.A	65,00	euro	500

Foreign companies

no.	Investee company	% as at 30/06/2025	dir.	ind.	through	%	Share capital (thousands) Currency	Amount
24	ABS Centre Métallurgique Sas - Metz (FRA)	100,00		x	Acc. Bertoli Safau S.p.A.	100,00	euro	5.000
25	ABS Deutschland GmbH - Ratinger (DEU)	100,00		x	Acc. Bertoli Safau S.p.A.	100,00	euro	25
26	Acciaierie Bertoli Safau Iberica SL - Bilbao (ESP)	100,00		x	Acc. Bertoli Safau S.p.A.	100,00	euro	3
27	Acciaierie Bertoli Safau Scandinavia AB - Örebro(SWE)	100,00		x	Acc. Bertoli Safau S.p.A.	100,00	sek	50
28	Acciaierie Bertoli Safau Sisak Doo - Sisak (HRV)	100,00		x	Acc. Bertoli Safau S.p.A.	100,00	euro	60.341
29	Danieli Automation Co. Ltd. - Rayong (THA)	100,00		x	Industrielle Beteiligung SA	100,00	thb	82.000
30	Danieli Finance Solutions SA - Luxembourg (LUX)	100,00	x	x	Danieli & C. Officine Meccaniche S.p.A. Danieli Automation S.p.A.	83.83 16,17	euro	400.000
31	Danieli Canada Inc. - Toronto (CAD)	100,00		x	Danieli Corporation	100,00	cad	7.922
32	Danieli Centro Combustion India Pvt. Ltd. - Pune (IND)	100,00		x	Industrielle Beteiligung SA	100,00	inr	24.000
33	Danieli Changsu Trading Co. Ltd - Changshu (CHN)	100,00		x	Dan. Met. Equip. & Serv.(China)	100,00	cny	1.000
34	Danieli Co. Ltd - Rayong (THA)	100,00		x	Industrielle Beteiligung SA	100,00	thb	1.099.492
35	Danieli Corporation - Cranberry Twp (USA)	100,00		x	Danieli Holdings Inc.	100,00	usd	1
36	Danieli Corus BV - Ijmuiden (NLD)	100,00		x	Industrielle Beteiligung SA	100,00	euro	136
37	Danieli Corus India (Pvt) Ltd. - New Delhi (IND)	100,00		x x	Danieli Corus BV Industrielle Beteiligung S.A.	99,95 0,05	inr	875
38	Danieli do Brasil LTDA - Diadema (BRA)	100,00		x	Industrielle Beteiligung SA	100,00	brl	10.556
39	Danieli Engineering & Services GmbH - Völkermarkt (AUT)	100,00		x	Industrielle Beteiligung SA	100,00	euro	4.000
40	Danieli Engineering Japan Co. Ltd. - Yokohama (JPN)	100,00		x	Industrielle Beteiligung SA	100,00	jpy	40.000
41	Danieli Engineering Rom Srl - Cluj Napoca (ROU)	100,00		x	Industrielle Beteiligung SA	100,00	ron	10
42	Danieli Germany GmbH - Duisburg (DEU)	100,00		x	Industrielle Beteiligung SA	100,00	euro	10.000
43	Danieli Heavy Machinery Engineering LLC- Dnipro (UKR)	100,00		x	Industrielle Beteiligung SA	100,00	uah	177.882
44	Danieli Henschel SAS - Méry (FRA)	100,00		x	Industrielle Beteiligung SA	100,00	euro	192
45	Danieli Henschel Service OOO - Moscow in liquidazione (RUS)	100,00		x	Danieli Henschel SAS	100,00	rub	50
46	Danieli High Technology (Changshu) Co., Ltd (CHN)	100,00		x	Industrielle Beteiligung SA	100,00	cny	11.710
47	Danieli Holdings Inc. - Wilmington, Delaware (USA)	100,00		x	Industrielle Beteiligung SA	100,00	usd	1
48	Danieli Hoogovens Steel Making Technology Ltd. - Shanghai (CHN)	100,00		x	Danieli Corus BV	100,00	cny	3.627
49	Danieli India Ltd. - Kolkata (IND)	100,00		x	Industrielle Beteiligung SA	100,00	inr	6.250.868

2023121308284

50	Danieli Industrial Automation (Suzhou) Co., Ltd (CHN)	100,00	x	Dan. Mot. Equip. & Serv.(China)	100,00	cny	50.000
51	Danieli Malaysia Sdn. Bhd. - Prai (MYS)	100,00	x	Danieli Constr. International S.p.A.	100,00	myr	500
52	Danieli Metall. Equip. & Service (China) Co Ltd.Changshu (CHN)	100,00	x	Industrielle Beteiligung SA	100,00	cny	280.111
53	Danieli Metallurgical Industry (China) Co., Ltd - Beijing (CHN)	100,00	x	Industrielle Beteiligung SA	100,00	cny	20.000
54	Danieli Systec doo - Labin (HRV)	100,00	x	Danieli Automation S.p.A.	100,00	euro	100
55	Danieli Systec Engineering Doo - Smederevo (SRB)	100,00	x	Danieli Automation S.p.A.	100,00	rsd	51
56	Danieli Systec Technology Doo - Nova Gorica (SLV)	100,00	x	Danieli Automation S.p.A.	100,00	euro	38
57	Danieli UK Holding Ltd. - Rotherham (GBR)	100,00	x	Industrielle Beteiligung SA	100,00	gbp	12.489
58	Danieli Volga LLC - Dzerdzhinsk (RUS)	100,00	x	Industrielle Beteiligung SA	100,00	rub	305.384
59	DWU Engineering Polska SP.z.o.o.- Wroclaw (POL)	100,00	x	Industrielle Beteiligung SA	100,00	pln	900
60	Elsid Cheda Ltd. - Moscow (RUS)	100,00	x	Danieli Automation S.p.A.	100,00	rub	10
61	ESW Röhrenwerke GmbH - Eschweiler (DEU)	100,00	x	Industrielle Beteiligung SA	100,00	euro	25
62	Industrial Beteiligung for Serv. & Contracting Co. LLC - Al Khobar (SAU)	100,00	x x	Industrielle Beteiligung SA Findan S.p.A.	99,00 1,00	sar	500
63	Industrielle Beteiligung Company Ltd. - HoChiMinh City (VNM)	100,00	x	Industrielle Beteiligung SA	100,00	vnd	80.183.393
64	Industrielle Beteiligung S.A. - Luxembourg (LUX)	100,00	x	Danieli & C. Off. Mecc. S.p.A.	100,00	euro	328.700
65	Innoval Technology Ltd - Rotherham (GBR)	100,00	x	Danieli UK Holding Ltd.	100,00	gbp	1
66	Morgårdshammar AB - Smedjebacken (SWE)	100,00	x	Industrielle Beteiligung SA	100,00	sek	25.000
67	Pars Foulad Jam Sanat Heavy Metallurgical Equipment Co. PJS - Eshtehard (IRN)	100,00	x	Danieli Metall. Equip. & Service	100,00	irr	521.344.600
68	Sund Birsta (Beijing) Metallurgical Equipment Co. Ltd. - Beijing (CHN)	100,00	x	Sund Birsta AB	100,00	cny	5.000
69	Sund Birsta AB - Sundsvall (SWE)	100,00	x	Industrielle Beteiligung SA	100,00	sek	10.000
70	Sund Birsta Inc. - Plantation, Florida (USA)	100,00	x	Sund Birsta AB	100,00	usd	10
71	Sund Strap AB - Sundsvall (SWE)	100,00	x	Sund Birsta AB	100,00	sek	100
72	Suzhou More Metallurgy Technology Co., Ltd - Changshu (CHN)	100,00	x	More S.r.l.	100,00	cny	3.663
73	Termo Makina Sanayi Ve Tic. AS - Duzce (TUR)	100,00	x	Industrielle Beteiligung SA	100,00	try	154.714
74	Danieli Taranis LLC - Chelsea, Alabama (USA)	100,00	x	Danieli Holdings Inc.	100,00	usd	1
75	More North America Corp. - Kennesaw, Georgia (USA)	100,00	x	More S.r.l.	100,00	usd	80
76	Danieli Czech Engineering AS - Praha (CZE)	100,00	x	Industrielle Beteiligung S.A.	100,00	czk	3.000
77	Danieli Project Gmbh - Duisburg (DE)	100,00	x	Danieli Germany GmbH	100,00	euro	2.019
78	Danieli Metallurgy Germany Gmbh - Dusseldorf (DE)	100,00	x	Danieli Germany GmbH	100,00	euro	25
79	Sund Birsta India PrivateLtd (IND)	100,00	x	Sund Strap AB	100,00	inr	100
80	Danieli Davy Distington Limited (GBR)	100,00	x	Danieli UK Holding Ltd.	100,00	gbp	0
81	Danieli Lynxs Shredder Services Ltd (GBR)	100,00	x	Danieli UK Holding Ltd	100,00	gbp	0
82	Danieli Lynxs Services Ltd (GBR)	100,00	x	Danieli UK Holding Ltd.	100,00	gbp	0
83	Danieli Lynxs Ltd (GBR)	100,00	x	Danieli UK Holding Ltd.	100,00	gbp	0
84	Danieli Procome Iberica SA - Sondica (ESP)	99,99	x	Industrielle Beteiligung SA	99,99	euro	108
85	Rotelec SA - St Quentin Fallavier (FRA)	99,99	x	Industrielle Beteiligung SA	99,99	euro	600
86	Danieli Middle East for Eng. Services LLC - Cairo (EGY)	99,80	x	Industrielle Beteiligung SA	99,80	egp	50
87	Danieli Middle East and North Africa LLC - Cairo (EGY)	99,80	x	Industrielle Beteiligung SA	99,80	egp	50
88	Danieli Corus Refractory Solutions (Pvt) Ltd. (IND)	60,00	x	Danieli Corus India (Pvt) Ltd.	60,00	inr	100.000
89	Danieli Inteligent Technoligies (Beijing) Co., Ltd (CHN)	51,00	x x	Danieli Metall. Equip. & Service Danieli Automation S.p.A.	49,00 2,00	cny	25.000
90	Zhuozhou Rubin Metallurgy Equipment Co., Ltd - Zhuozhou (CHN)	51,00	x	Sund Birsta (Beijing) Metallurgical Equipment Co. Ltd.	51,00	cny	5.000
91	Fata Gulf Co. WLL - Doha (QAT)	49,00	x	Fata S.p.A.	49,00	qar	200

2025215588235

ATTACHMENT No. II - C

Summary of equity investments

(thousands of euro)	Financial year-end date or date of interim report	Interest held %	Value as at 30/06/2024	Increases from acquisitions	Revaluations	Write-downs	Changes to
Associates							
Inter-Rail S.p.A. - Udine (UD)	31/12/2024	50,00	6.079		665		
Absolute Scarl - Pozzuolo del Friuli (UD)	31/12/2024	33,33	25				
Ghadir Energy Fata Company PJS - Tehran (Iran)	22/09/2024	40,00	(4)				
Nord Est Multimedia S.p.A. (TV)	31/12/2024	13,51	4.500				
Total investments in associates			**10.600**	**-**	**665**	**-**	
Other equity investments							
Metal Interconnettor S.c.p.A. - Milano	31/12/2024	3,795	8.087		1.619		
HBIS Shisteel		0,369	7.236				
Newcleo S.A. (CHE)	31/12/2024	0,223	-	3.000			
Meranti Green Steel Pte. Ltd. (SG)	31/12/2024	0,105	-	1.394			
Other minors			394				
Total investments in other companies			**15.717**	**4.394**	**1.619**	**-**	
Total equity investments			**26.317**	**4.394**	**2.284**	**-**	

2023123508286

ATTACHMENT No. III - C

Schedule summarising the key data from the approved financial statements of associates

(thousands of euro)	Original currency	Last approved fin. statement	Non-current assets	Currents assets	shai
Inter-Rail S.p.A. - Udine	EURO	31/12/2024	4.921	14.827	
Absolute Scarl - Pozzuolo del Friuli (UD)	EURO	31/12/2024	-	7.914	
Ghadir Energy Fata Company PJS - Tehran (Iran)	IRR	22/09/2024	-	427.000.000	(7.79:

(thousands of euro)	Original currency	Value of production	Costs of production	Financial Income and charges	Inc
Inter-Rail S.p.A. - Udine	EURO	56.005	(53.983)	92	
Absolute Scarl - Pozzuolo del Friuli (UD)	EURO	20.130	(20.132)	2	
Ghadir Energy Fata Company PJS - Tehran (Iran)	IRR	724.000.000	(4.158.000.000)	299.000.000	

2025121308287

ATTACHMENT No. IV - C

LOANS

(thousands of euro)	Original amounts	Current portions due by 30/06/2026	Current portions due after 30/06/2026	Total
Payables to banks for loans				
Banca Nazionale del Lavoro S.p.A. **Annual fixed rate 2.871%** Last instalment by December 2029 Covenant = NFP/EBITDA - lower than 3.5 (as of 31/12/2026) beyond 3.0; no conseguences - higher than 3.5 (as of 31/12/2026) beyond higher than 3.0; right of recession for the bank Net equity / Financial debt > 1.75 EBITDA / Financial cherges > 5.00 Net cash > 400,000,000	50.000	-	50.000	50.000
- Loan Intesa Sanpaolo S.p.A. Annual floating rate 2.737% Last instalment by June 2027 Covenant 1 = Safety KPI Covenant 2 = ton CO2eq/ton of crude steel - if both targets are met: reduction of 5 bps per year of the initial margin - if only 1 target is met: no redutcion in the initial margin - if no target in met: 5 bps increase per year in the initial margin Covenant 3 = NFP/EBITDA - lower than or equal to 3.5: no conseguences - higher than 3.5: right of recession for the bank	50.000	16.667	16.667	33.334
- Cassa Depositi e Prestiti Annual floating rate 4.262% Last instalment by August 2033 Covenant 1 = Icons. Gross financial indebtness (IFC)/EBITDA - if grater than 3.5 in the period 31.12.2023-31.12.2026 - if higher than 3 in the period over 31.12.2026 *Covenant 2 = EBITDA/OF* -if lower than 5 Covenant 3 = avaiable cash not lower then euro 400 mio/00 Covenant 4 = PN/IFC - if lower than 1.75 recession from the contract	200.000	-	200.000	200.000
- ZAGREBACKA BANKA D.D. - HBOR Loan (Annual fixed rate 1.95% last instalment by June 2032, in euro)	4.900	277	1.664	1.941
- ZAGREBACKA BANKA D.D. - HBOR Loan (Annual fixed rate 1.95% last instalment by August 2025, in euro)	4.900	4.899	-	4.899
- Unicredit S.p.A. Loan (Annual fixed rate 0.8% last instalment by January 2027, in euro)	750	152	89	241
- BEI Loan (Annual floating rate 4.591% Last instalment by June 2035, in euro) (Covenants: NFP cons. < 400 mio euro; Ebitda/cons. financial charges > 5; shareholders equity cons./cons. gross financial indebtness > 1.75; cons. financial indebtness/Ebitda < 3.5 as of 31/12/2026 included, beyond 31/12/2026 > 3x	153.000	-	153.000	153.000
- BEI Loan (Annual floating rate 4.734% Last instalment by December 2035, in euro) *(Covenants: NFP cons. not < 400 mio euro; cons. operative gross margin/cons.* financial charges > 5x; cons. shareholders equity/cons. gross financial indebtness > 1.75x; cons. gross financial indebtness/cons. operative gross margin not > 3.5x as of 31/12/2026 included, beyond 31/12/2026 excluded not > 3x	100.000	-	100.000	100.000
Total	**563.550**	**21.995**	**521.420**	**543.415**
Other loans			**155**	**155**
	563.550	**21.995**	**521.575**	**543.570**
Short-term payables to banks		**12.447**		**12.447**
Financial payables IFRS 16		**13.456**	**24.083**	**37.540**
GRAND TOTAL	**563.550**	**47.898**	**545.658**	**593.556**

2025121508236

ATTACHMENT No. V - C

Reconciliation between the tax charge (IRES) in the financial statements and the theoretical tax charge

(thousands of euro)		As 30/06/2025 Taxable income	Rate	Tax	Taxable in
Profit before taxes		**307.799**			**309**
Theoretical income tax charge			24%	73.872	
Accrued but not allocated deferred tax assets	30/06/2025			1.840	
Use of past year tax losses not allocated in provisions	31/12/2024			(4.880)	
Different tax rates applied by group companies	31/12/2024			(20.889)	
Permanent changes and other effects	22/09/2024			2.838	
Total changes				**(21.091)**	
Effective income taxes				52.781	
Effective IRES rate				**17,1%**	
Effective IRAP				5.495	
Higher/(lower) taxes allocated in previous years				(271)	
Total taxes recognised in the financial statements				**87.841**	

20251215082289

ATTACHMENT No. VI - C

Schedule summarising fees due to the independent external audit company and to other member firms of its net the financial year

(thousands of euro)

Type of services	Entity providing the service	Receiver of service
Accounting audit	(i) Indipendent Autidor of the Parent Company	(i) Parent Company
Other auditing services	(i) Indipendent Autidor of the Parent Company	(i) Parent Company
Total services rendered to the Parent Company		
Accounting audit	(i) Indipendent Autidor of the Parent Company	(ii) Subsidiary companies
Other auditing services	(i) Indipendent Autidor of the Parent Company	(ii) Subsidiary companies
Accounting audit	(ii)Other member firms part of the same network of	(ii) Subsidiary companies
Other services	(ii)Other member firms part of the same network of	(ii) Subsidiary companies
Total services rendered to Subsidiary Companies		
Total		

Services for external audit include the fees for the legal audit of the Group Companies

20251215082900

Declaration pursuant to Art. 154 bis c.5 of the Consolidated Law on Finance (TUF) (as per Art. 81-*ter* of Consob Regulation 11971 of May 14, 1999, and subsequent amendments and additions)

1. The undersigned Alessandro Brussi, Chairman of the Board of Directors and officer in charge of preparing the accounting documents of Danieli & C. Officine Meccaniche S.p.A., hereby certify, also taking into account the provisions of Art.154-*bis*, paragraphs 3 and 4 of Legislative Decree 58 dated February 24, 1998:

- the adequacy of the company's characteristics and

- the actual application of the administrative and accounting procedures in preparing the consolidated financial statements, during the period from July 1, 2024, to June 30, 2025.

The adequacy assessment of the administrative and accounting procedures for the preparation of the consolidated financial statements for the year ended June 30, 2025, is based on a model formulated by Danieli & C. Officine Meccaniche S.p.A. in keeping with the CoSO framework, and also takes into account the document *"internal control over financial reporting – Guidance for Smaller Public Companies*", both drawn up by the Committee of Sponsoring Organizations of the Treadway Commission, that constitute a generally accepted international reference framework.

2. We also declare that the consolidated financial statements for the year ended June 30, 2025,

a) have been drawn up in accordance with the applicable international accounting standards recognized within the European Community, pursuant to EC regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002;

b) match the accounting records and entries;

c) represent a true and fair view of the balance sheet, income statement and financial situation of the issuer and of all the companies included in the consolidation.

3. The directors' report includes a reliable analysis of the performance and operating result and of the situation of the issuer and of all the companies in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

September 26, 2025

The Chairman of the Board of Directors
Alessandro Brussi
Signed

The Officer in charge of drawing up the corporate accounting documents
Alessandro Brussi
Signed

Deloitte.

Deloitte & Touche S.p.A.
Viale Giovanni Paolo II, 3/7
33100 Udine
Italia

Tel: +39 0432 1487711
Fax: +39 0432 1487712
www.deloitte.it

2025121508291

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Danieli & C. Officine Meccaniche S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Danieli & C. Officine Meccaniche S.p.A. and its subsidiaries (together the "Group" or "Danieli Group"), which comprise consolidated balance sheet as at June 30, 2025, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Danieli Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent with respect to the parent company Danieli & C. Officine Meccaniche S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

20251213508292

Evaluation of Contract Assets and Liabilities

Description of the key audit matter	The consolidated financial statements of Danieli Group as of June 30, 2025 include Contracts Assets for Euro 1,036.9 million and Contracts Liabilities for Euro 1,035.8 million. Construction contracts are evaluated based on the percentage of completion, estimating the progress of works with the input method. The evaluation of Contract Assets and Liabilities under this methodology requires the estimate of total revenues, total costs and costs to complete for each project. Those estimates are periodically updated and request significant and complex assumptions from Management, that could be influenced by various factors such as: • Management's capability to develop reasonable estimates at the beginning of the projects and at subsequent updates, • multi-annual duration of the projects, • projects' technological complexity and degree of innovation, • warranties issued by the Group on the plants' performances, • possible critical geopolitical context in the countries in which the customers operate. Taking into consideration the relevance of Contract Assets and Liabilities and the complexity of assumptions used in the evaluation of those captions and in particular in the estimates about costs to complete the projects, we deemed the evaluation of Contract Assets and Liabilities to be a key audit matter for the Group's financial statements at June 30, 2025. Disclosures related to Contract Assets and Liabilities are included in notes 7 and 18 of the Group's consolidated financial statements as well as in the description of Accounting Standards used by the Group and in the paragraph "Accounting Estimates - Contract Assets and Liabilities".

Audit procedures performed	The audit procedures addressing this key audit matter included, among others:
	• understanding of criteria and procedures adopted by Management in determining the percentage of completion of the projects;
	• comprehension of relevant internal controls pertaining to both initial estimates and subsequent periodical updates on total revenues, total costs and costs to complete the projects;
	• analysis, on a sample basis, of reasonableness of the aforementioned estimates through:
	  ○ analysis of contracts signed with counterparties,
	  ○ tests on projects costs incurred,
	  ○ inquiries with project managers, controllers and/or head of business lines;

2025121508293

- retrospective analysis on results of previous estimates related to Contract Assets and Liabilities;
- analysis, on a sample basis, on updates of Management's estimates related to total revenues and costs of projects;
- critical discussion with head of legal department of the Group and, if relevant, obtaining information from external legal counsels on lawsuits related to projects;
- examination of appropriateness of disclosure included in the explanatory notes of the separate financial statements and its compliance with applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the consolidated financial statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit.

2025121508294

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

2025121308295

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Danieli & C. Officine Meccaniche S.p.A. appointed us on October 26, 2018 as auditors of the Company for the years from June 30, 2020 to June 30, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Danieli & C. Officine Meccaniche S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at June 30, 2025, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at June 30, 2025 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the explanatory notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

20251215082956

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Danieli & C. Officine Meccaniche S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Danieli Group as at June 30, 2025, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the consolidated financial statements;

- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;

- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are consistent with the consolidated financial statements of Danieli Group as at June 30, 2025.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

2025121508297

Our opinion on the compliance with the law does not extend to the section of the report on operations related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Udine, Italy
October 6, 2025

As disclosed by the Directors, the accompanying consolidated financial statements of Danieli & C. Officine Meccaniche S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

20251215082298

DANIELI & C. OFFICINE MECCANICHE S.p.A.

STATUTORY FINANCIAL STATEMENTS

AS AT JUNE 30, 2025

20251215082599

Accounting schedules

Balance Sheet

(euro) ASSETS	Notes	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Non-current assets					
Property plant and equipment	1	68,152,998		64,123,473	
Right of use	2	5,728,950		6,728,089	
Intangible Assets	3	26,459,061		20,851,542	
Equity investment in associates measured at equity and others	4	1,170,861,346		1,170,849,346	
Deferred tax assets	5	32,103,322		38,547,555	
Non-current financial assets	6	75,000,000	75,000,000	75,000,000	75,000,000
Trade and other receivables	7	169,084,619	81,194,734	166,367,291	-
Non-current assets		**1,547,390,296**		**1,542,467,296**	
Current assets					
Contract assets	8	168,018,079	47,286,245	313,515,276	188,409,236
Inventories	8	229,834,517	69,716,589	233,744,241	73,552,016
Trade receivables	9	546,415,713	248,279,158	566,365,990	305,513,157
Other Receivables	10	26,025,069		22,101,842	
Current tax assets	11	78,626,144	6,739,331	57,786,590	2,083,648
Current financial assets	12	36,095,455	5,051,259	39,373,194	19,675,913
Cash and cash equivalents	13	901,894,308	-	729,991,475	-
Currents assets		**1,986,909,285**		**1,962,878,608**	
Total Assets		**3,534,299,581**		**3,505,345,904**	

20251215083300

(euro) LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Shareholders' equity					
Share capital		81,304,566		81,304,566	
Treasury shares		(131,672,440)		(88,911,863)	
Other reserves and profit carries forward, including profit for the year		929,666,276		898,227,106	
Total shareholders' equity	14	**879,298,402**		**890,619,809**	
Non-current liabilities					
Non-current bank debts	15	258,479,252	-	259,382,430	-
Deferred tax liabilities	5	53,236		3,139,824	
Post employment benefits	16	9,482,546		9,789,059	
Provisions for risks	17	16,571,659		52,073,659	
Non-current liabilities		**284,586,693**		**324,384,972**	
Current liabilities					
Trade payables	18	953,469,457	640,977,475	806,557,867	470,014,605
Contract Liabilities and Advances from Customers	8/19	1,089,883,077	290,245,906	1,091,771,467	401,157,987
Other current liabilities	20	84,588,536		62,141,527	
Current tax liabilities	21	32,159,791	9,267,765	32,059,570	596,758
Bank debts and other financial liabilities	22	210,313,625	209,853,326	297,810,692	296,816,612
Total current liabilities		**2,370,414,486**		**2,290,341,123**	
Total liabilities and shareholders' equity		**3,534,299,581**		**3,505,345,904**	

20251215083031

Income Statement

(euro)	Notes	Financial year ended 30/06/2025	of which with related parties	30/06/2024	of which with related parties
Operating revenues		1,469,940,950	544,401,039	1,345,043,078	451,002,907
Other operating income		38,591,772	28,243,284	42,854,208	34,781,124
Changes in inventories	8	35,595,514	-	(9,071,245)	-
Total revenues	24	**1,544,128,236**	**572,644,323**	**1,378,826,041**	**485,784,031**
Purchase cost of raw materials and consumables	25	(958,937,686)	(436,428,362)	(805,790,874)	(318,555,713)
Personnel costs	26	(182,944,634)		(181,176,216)	
Other operating costs	27	(259,820,220)	(68,363,044)	(312,005,424)	(62,407,677)
Depreciation, amortisation and write-downs	28	(7,490,215)		(33,731,542)	
Operating income		**134,935,481**		**46,121,985**	
Financial income	29	48,312,854	3,920,240	51,408,849	5,457,423
Financial charges	30	(24,005,960)	(9,180,663)	(23,488,186)	(12,342,517)
Gains/(losses) on foreign exchange transactions	31	(73,845,932)		14,769,478	
Profit before taxes		**85,396,443**		**88,812,126**	
Income taxes	32	(30,202,772)		(21,751,373)	
Net profit for the period		**55,193,671**		**67,060,753**	

Statement of comprehensive income

(euro)	Notes	Financial year ended 30/06/2025	Financial year ended 30/06/2024
Net profit for the period		**55,193,671**	**67,060,753**
Components of comprehensive income not subsequently reclassified in the result of the period			
Actuarialprofit/(losses) recognised in other comprehensive income, net of tax effect		**(73,345)**	**87,201**
Total comprehensive income		**55,120,326**	**67,147,954**

20251215083302

Statement of changes in shareholders' equity

(thousands of euro)	Share capital	Treasury shares	Share Premium reserve	Other reserves	Net profit (loss) of the period	Total shareholders' equity
Shareholders' equity as at 30/06/2023	**81,305**	**(88,912)**	**22,523**	**791,048**	**41,207**	**847,171**
Operations with shareholders						
Allocation of profit per shareholders' meeting of 27/10/23						
to reserves	-	-	-	17,506	(17,506)	-
dividends to parent company shareholders	-	-	-	-	(23,700)	(23,700)
Unclaimed dividends	-	-	-	-	-	-
Change in treasury shares	-	-	-	-	-	-
Total operations with shareholders	**-**	**-**	**-**	**17,506**	**(41,206)**	**(23,700)**
Profit as at 30/06/2024	-	-	-	-	67,061	67,061
Other compehensive income						
Actuarial gains/(losses) from IAS 19	-	-	-	87	-	87
Comprehensive income (expenses) for the period	**-**	**-**	**-**	**87**	**67,061**	**67,148**
Shareholders' equity as at 30/06/2024	**81,305**	**(88,912)**	**22,523**	**808,641**	**67,062**	**890,619**
Operations with shareholders						
Allocation of profit per shareholders' meeting of 25/10/24						
to reserves	-	-	-	43,380	(43,380)	-
dividends to parent company shareholders	-	-	-	-	(23,682)	(23,682)
Unclaimed dividends	-	-	-	-	-	-
Change in treasury shares	-	(42,760)	-	-	-	(42,760)
Total operations with shareholders	**-**	**(42,760)**	**-**	**43,380**	**(67,062)**	**(66,442)**
Profit as at 30/06/2025	-	-	-	-	55,194	55,194
Other compehensive income						
Actuarial gains/(losses) from IAS 19	-	-	-	(73)	-	(73)
Comprehensive income (expenses) for the period	**-**	**-**	**-**	**(73)**	**55,194**	**55,121**
Shareholders' equity as at 30/06/2025	**81,305**	**(131,672)**	**22,523**	**851,948**	**55,194**	**879,298**

Statement of Cash Flows

(thousands of euro)	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Reconciliation of profit before taxes with net cash flows from op. activities				
Profit before taxes	85,397		88,812	
Net increase/(decrease) in prov.for risks&charges	(35,502)		7,468	
Depreciation, amortisation and write-downs	18,626		18,163	
Losses/(gains) on disposal of property plant and equipment	(220)		(438)	
Write-down/(Reversal) of impairment losses	(11,136)		15,568	
Net change in employee sev. indemnity prov.	(379)		(690)	
Foreign exchange losses/(gains) for the period	73,846		(14,769)	
Financial income for the period	(48,313)	(3,920)	(51,409)	(5,457)
Financial charges for the period	24,006	9,181	23,488	12,343
Total	**106,325**		**86,193**	
Net change in working capital				
Decrease/(Increase) of Inventories of, raw materials, finished prod. and goods, and advances	(16,090)	3,835	(26,894)	(30,234)
Decrease/(Increase) in inventories of contract work in progress	165,497	141,123	(83,444)	(94,882)
(Increase)/decrease in trade and other receivables	22,430	(32,572)	(125,736)	(72,729)
Increase/(decrease) in trade and other payables	169,813	170,963	109,940	90,531
Increase/(Decrease) in current advances	13,579	(110,912)	139,300	200,216
Unrealised foreign exchange losses/(gains)	16,729		(1,333)	
Total	**371,958**		**11,833**	
(Interest paid)	(24,173)	(9,181)	(23,243)	(12,343)
Interest received	50,329	3,920	35,793	5,457
Taxes paid in the period	(47,584)		(44,414)	
Cash flow generated /(absorbed) by operating activities	**456,855**		**66,162**	
Investing activities				
Investments:				
Property plant and equipment	(15,299)		(9,267)	
Intangible Assets	(12,421)		(13,127)	
Dividends collected	-	-	-	
Equity investments	(12)		-	
Available for sale financial assets	-		-	
(Purchase)/sale of treasury shares	(42,760)		-	
Realised foreign exchange losses/(gains)	(90,575)		16,102	
Disposals:				
Property plant and equipment	220		1,359	
Intangible Assets	-		-	
Cash flow generated/(absorbed) by investing activities	**(160,847)**		**(4,933)**	
Financing activities				
Financial assets	12,156	14,625	(11,606)	4,010
Application of IFRS 16 - Financial loans	(1,270)		(1,520)	
New loans payable	-	-	100,000	-
Increase/(decrease) in advances on job orders not yet in production	(15,467)		48,542	
Repayment of loans payable	(86,963)	(86,963)	(21,809)	(21,810)
Short term derivative financial instrument	(8,879)		250	
Dividends (paid)/received	(23,682)		(23,700)	
Cash flow generated/(absorbed) by financing activities	**(124,105)**		**90,157**	
Total cash flow	**171,903**		**151,386**	
Opening cash and bank position	**729,991**		**578,605**	
Closing cash and bank position	**901,894**		**729,991**	

2025 21508303

Explanatory notes

Introduction

The draft financial statements for the year ended June 30, 2025, comprise the balance sheet, income statement, statement of comprehensive income, statement of cash flows, statement of changes in shareholders' equity and explanatory notes.
Amounts included in the balance sheet, income statement and statement of comprehensive income are presented in euro, amounts included in the statement of cash flows, statement of changes in shareholders' equity and the explanatory notes, unless otherwise indicated, are rounded to the nearest thousand euro.
In addition, with reference to Consob Resolution no. 15519 of July 27, 2006, pertaining to the financial statements of companies issuing financial instruments listed on Italian regulated markets, significant transactions with related parties were included in dedicated columns of the balance sheet, of the income statement and of the statement of cash flows, without compromising the overall legibility of the statements.
Danieli & C. Officine Meccaniche S.p.A. is a joint stock company, listed on the Borsa Italiana (Italian stock exchange), operating in the design, construction and sale of plants for the iron and steel industry. Its registered office is at Via Nazionale 41, Buttrio (Udine – Italy).
As at June 30, 2025, the share capital consisted of 40,879,533 ordinary shares and 40,425,033 savings shares. The ordinary shares are held by:

	Shares representing the share capital
Sind International S.r.l. - Milan	68.22%
Treasury shares	10.22%
Market	21.56%

The separate financial statements of Danieli & C. Officine Meccaniche S.p.A. have been externally audited by Deloitte & Touche S.p.A.
The draft financial statements were approved on September 26, 2025, by the Board of Directors, which authorised their publication in the September 26 2025, press release containing the main elements of these financial statements.

Statement of compliance with IFRS accounting standards

The financial statements for the year ended June 30, 2025 have been prepared in compliance with the IFRS issued by the International Accounting Standards Board and endorsed by the European Commission, in accordance with the procedure per Art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002, in force at the date of the financial statements, together with recommendations set out in the Regulations for Issuing Companies as approved by CONSOB (the Italian stock market regulator).
The term "IFRS Accounting Standards" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).
The financial statements have been prepared on a going concern basis and on the historical cost principle, except for derivative financial instruments (as at June 30, 2025) that have been recorded at fair value and job orders extending over several years that are included on the basis of the percentage of completion method.
From the various options permitted by IAS 1, the company has chosen, in the balance sheet, to show current and non-current assets and liabilities separately on the basis of the expectation that they will be realised/settled as part of the company's normal operating cycle within twelve months after the end of the reporting period, and to provide an analysis of costs on the basis of their nature in the income statement.
The statement of cash flows has been drawn up using the indirect method.

20251215083305

SUMMARY OF ACCOUNTING STANDARDS

The accounting standards used to prepare the separate financial statements for the year ended June 30, 2025, are the same as those followed the previous year ended June 30, 2024. The Company did not arrange for the early adoption of any other standard or amendment published but still not in force.

Improvements and amendments to accounting standards applied as from July 1, 2024

The following accounting standards, amendments and interpretations of the IFRS Accounting Principles were applied by the company for the first time from July 1, 2024:

On January 23, 2020, the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on October 31, 2022 it published "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These amendments aim to clarify how to classify debts and other short or long-term liabilities. Furthermore, the amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments did not have any effect on the company's financial statements.

On September 22, 2022 the IASB published an amendment entitled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires that the seller-lessee measure the lease liability arising from a sale and leaseback transaction so as not to recognise a gain or loss that refers to the retained right of use. The adoption of this amendment did not have any effect on the company's financial statements.
On May 25, 2023, the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional information about reverse factoring arrangements that enables users of financial statements to assess how supplier finance arrangements might influence the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The adoption of these amendments did not have any effect on the company's financial statements.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet compulsorily applicable and not adopted early by the company as at June 30, 2025

On August 15, 2023, the IASB published an amendment entitled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a methodology to be applied consistently in order to verify whether a currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the explanatory notes. The change will apply from the next financial year, but early application is permitted. The directors do not expect a material effect on the company's financial statements from the adoption of this amendment.

Accounting standards and interpretations issued by the IASB but not yet approved by the European Commission

On May 30, 2024, the IASB published the "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The document clarifies a number of problematic aspects that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:

- Clarify the classification of financial assets with variable returns linked to environmental, social and governance (ESG) objectives and the criteria to be used for the SPPI test assessment;
- Determine that the settlement date of liabilities using electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specific conditions.

With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated at FVOCI.

The amendments will apply as of the financial statements for financial years beginning on or after January 1, 2026. The directors do not expect a material effect on the company's financial statements from the adoption of this amendment.

On July 18, 2024 the IASB published a document named "Annual Improvements Volume 11". The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The amended standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and related guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendments will apply as of the financial statements for financial years beginning on or after January 1, 2026, but earlier application is permitted. The directors do not expect a material effect on the company's financial statements from the adoption of these amendments.

- On December 18, 2024, the IASB published an amendment entitled "Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7". The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). On the basis of these agreements, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
- a clarification regarding the application of the "own use" requirements to this type of contract;
- the criteria for allowing such contracts to be accounted for as hedging instruments; and,
- new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The amendment will apply as of the financial statements for financial years beginning on or after January 1, 2026, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the company's financial statements.

On April 9, 2024, the IASB published a new standard IFRS 18 Presentation and Disclosure in Financial Statements to replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements, with particular reference to the statement of profit or loss. In particular, the new standard requires that entities:

- Classify income and expenses into three new categories (operating category, investing category and financing section), in addition to the income taxes and discontinued operations categories already present in the statement of profit or loss;
- Present two new subtotals, operating profit or loss and profit or loss before financing and income taxes (i.e. EBIT).
- The new standard also:
- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces a number of changes to the format of the statement of cash flows, including the requirement to use the operating profit or loss as the starting point for the presentation of the statement of cash flows prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will enter into force as of the financial statements for financial years beginning on or after January 1, 2027, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the company's financial statements.

Property, plant and equipment

Property, plant and equipment are recognised in the balance sheet at cost of purchase or internal production, including directly attributable ancillary expenses, net of accumulated depreciation. Where there is a present obligation and where significant, cost is increased by the present value of the estimated cost of dismantling and removing the asset.

Borrowing costs directly attributable to the purchase, construction or production of an asset that requires significant time before the asset is available for use (a qualifying asset pursuant to IAS 23 – Borrowing costs)

2025121508306

20251215083307

are capitalised, as part of the cost of such asset, and amortised over the useful life of the class of asset to which they refer.
Plant and machinery may include parts with different useful lives. Depreciation is calculated over the useful life of each individual part; in the event of replacement, the new parts are capitalised to the extent that they meet the criteria for recognition as assets, and the carrying value of the parts replaced is derecognised. The residual value and useful lives of the assets are reviewed at least every year-end. Regardless of existing depreciation, whenever impairment is determined on the basis of IAS 36, the asset is written down accordingly; the write-down is reversed in subsequent years, net of depreciation, if the reasons cease to apply. Ordinary maintenance costs are expensed in full in the income statement, while maintenance costs that increase the value of assets are allocated to the relative assets and depreciated over their residual useful lives.
Depreciation charged to the income statement has been calculated on a systematic and straight-line basis, at rates considered to be representative of the estimated useful economic and technical life of the assets. The principal annual depreciation rates applied are the following:

Buildings and light constructions	3 - 10%
Plant and machinery	from 10 to 15%
Furnaces and large automated plants	from 15 to 15.5%
Equipment	25%
Motor vehicles, wheeled internal transport and cars	20 - 25%
Furniture and office machinery	12 - 20%

Land, free of construction or annexed to buildings, is not depreciated since it has an unlimited useful life.

Intangible assets

Intangible assets are recognised at purchase or production cost, including directly attributable ancillary expenses.
The cost of an internally generated intangible asset includes only those expenses that can be directly attributed to the asset as from the date on which the criteria for recognition of that asset are met.
After initial recognition, intangible assets are recorded at cost, net of accumulated amortisation and any impairment losses calculated as set out in IAS 36.
Research costs relating to production activities are fully expensed the year they are incurred.
Intangible assets are subject to amortisation unless they have indefinite useful lives. Amortisation is charged systematically over the useful life of the asset in accordance with estimated future economic use. The residual value at the end of the useful life is assumed to be zero unless there is a commitment by third parties to buy the asset at the end of its useful life or if there is an active market for the asset. The Directors review the estimated useful lives of intangible assets every financial year-end.
The main annual amortisation rates applied are in the following ranges:

Intellectual property rights	from 6.67% to 20%
Licences and trademarks	10%
Other intangible assets	from 20 to 33%

Right of use

Rights of use are measured according to the provisions of IFRS 16.
IFRS 16 establishes how to recognise, measure, present and disclose information about leases in the financial statements. The standard defines a lease as a contract or part of a contract that conveys a right to use the asset for a period of time in exchange for consideration. The following model is established by the new standard for lessees: at the start date of the contract, the lessee will recognise a liability for the lease payments (i.e. a lease liability) and a right-of-use asset of the underlying asset for the duration of the contract (i.e. the right to use the asset). Lessees will have to separately account for interest expense on the lease liability and the depreciation of the right-of-use of the asset.

2025121503308

The company made use of the practical expedients available for the transition to IFRS 16 in order not to redetermine when a contract is or contains a lease. Therefore, the definition of a lease in compliance with IAS 17 and IFRIC 4 will continue to be applied to the lease contracts signed or amended before its first application.
The change in the definition of a lease mainly refers to the criterion of control ("right of use"). According to IFRS 16, a contract contains a lease if the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The company applies the definition of lease and the related provisions under IFRS 16 for all lease contracts signed or amended after July 1, 2019.
The lessees will also have to remeasure the lease liability if certain events occur (for example: a change in the terms and conditions of the lease contract, changes in future lease payments resulting from a change in an index or a rate used to determine those payments).
Contract terms are established contractually and, in the event of contractual clauses that allow for its early termination or extension or renewal, an analysis is carried out for each contract on the likelihood of such clauses being exercised. The company used its own experience to determine the terms of the leases containing extension or termination options.
The incremental borrowing rate was calculated for each contract using the spreads commonly applied to the company for its loans with similar conditions and terms to those of the leases with the addition of the normal variable rates on the basis of lease term, currency and geographical area (e.g. EURIBOR, USD LIBOR, EURIRS).
For disclosure purposes, the company made use of the exemptions granted by IFRS 16 section C5 letters a and b.
The company made use of these exemptions in two circumstances, allowed by the standard: lease contracts in which the underlying asset is of modest value (IFRS 16:5(b), e.g. personal computers, printers) and short-term lease contracts (e.g. contracts with expiry date within 12 months – IFRS 16:5(a)). The value of the cost for use of third-party assets relating to these exemptions is equal to around 700 thousand euro.
For these exemptions, neither the financial liability of the lease nor the related right of use were recognised, but the rent was recognised in the income statement, as was done in the past, among operating costs.
The right of use is amortised systematically at the lower of the lease term and the residual useful life of the underlying asset. If the lease contract transfers the ownership of the related asset or the cost of the right of use reflects the company's desire to exercise the option to purchase, the related right of use is amortised over the useful life of the asset in question. Amortisation begins from the start of the lease.
The liability arising from the lease is not stated in a separate item but among current and non-current borrowings.
After initial recognition, by applying the amortised cost method for measuring the liability arising from the lease, the carrying value of this liability is increased by the interest on it (using the effective interest method) and decreased to take account of the payments made as a result of the lease contract.
The company redetermines the balance of the liability arising from the lease (and implements an adjustment of the corresponding value of the right of use) if:

- the lease term changes or there is a change in the measurement of exercising the option right during the financial year;
- the value of the lease payments changes following changes to the indicators or rates or the amount of the guarantees for the expected residual value changes;
- a lease contract has been amended and the amendment does not fall under the cases for the recognition of a separate contract.

Investments in subsidiaries

The companies over which the company exercises control as a result either of owning the majority of the shares with the right to vote or of exercising a dominant influence, demonstrated by the power to determine, even indirectly, the financial and operating policies of these companies and to obtain the related benefits, irrespective of shareholding relationships, are subsidiaries. The existence of potential voting rights that can be exercised at the date of the financial statements are considered for the purpose of determining control.
Investments in subsidiaries are measured at purchase or subscription cost, including ancillary costs, from which any principal repayments are deducted, subsequently adjusted for impairment losses determined using the same methods indicated previously for tangible assets. In particular, if events are identified that could indicate that the carrying amount of the investments cannot be recovered, they are written down until their realisable value is reflected, represented by the net selling price or the value in use, whichever is greater. When defining the value in use, the expected future cash flows are discounted using a discount rate that

2025121508309

reflects the current market estimate referring to the cost of money compared to the time and the specific risks of the investee company.
The risk arising from any losses exceeding shareholders' equity is recognised in a specific reserve where the company is required to fulfil legal or implicit obligations towards the investee company or in any case to cover its losses.
The original value of the investment is reversed in subsequent financial years if the reasons for the write-down cease to exist. Write-downs and any reversals are posted to the income statement, under income and expenses on equity investments.

Other equity investments

Other equity investments in which the ownership percentage is less than 20%, or 10% if listed, or over which the company exercises no significant influence are measured at cost. They continue to be carried at cost even when this exceeds the amount determined by the equity method, provided that earnings prospects or implicit capital gains make it likely that the higher value will be recovered.

Financial receivables and assets

At initial recognition, financial assets are classified, where appropriate, on the basis of the subsequent methods of measurement, i.e. at amortised cost, at fair value through other comprehensive income, and at fair value through profit and loss.
The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on the business model used by the company to manage them. With the exception of trade receivables that do not contain a significant financial component or for which the company has applied a practical expedient, the company initially measures a financial asset at its fair value plus transaction costs in the case of a financial asset not at FVPL. Trade receivables that do not contain a significant financial component or for which the company has applied a practical expedient are measured at the price of the transaction determined according to IFRS 15.
For a financial asset to be classified and measured at amortised cost or at FVOCI, it must generate cash flows that depend solely on the principal and the interest of the principal amount to be repaid (Solely Payments of Principal and Interest (SPPI)). This measurement is indicated as an SPPI test.

Treasury shares

Treasury shares that are repurchased are deducted from shareholders' equity on the basis of the purchase price. The purchase, sale, issue and cancellation of equity instruments in the company share capital do not have any impact on gain or loss in the income statement. Voting rights associated with treasury shares are cancelled, as is the right to receive dividends.

Inventories and Assets and Liabilities from Contracts

Inventories of raw and ancillary materials and consumables are recognised at the lower of purchase cost (including ancillary expenses), determined using the weighted average cost method, and estimated realisable value as determined from market trends at the end of the period.
"Finished and semi-finished products are valued at the weighted average purchase or production cost; any negative difference between cost and the corresponding market value at the end of the period is accrued to a specific product write-down reserve, which directly reduces the closing value of inventories."

Work in progress is valued at the production cost related to the year of manufacture, based on the stage of completion achieved.

Assets and liabilities from contracts are related to construction contracts (or "job orders") for more than one year are recorded using the state of advancement (or percentage of completion), under which revenues (and consequently the margin) are recognised on the basis of production progress, determined by the company on the basis of the costs already incurred to complete the job order in proportion to the total, including using updated final costs. For construction contracts where the invoicing carried out exceeds the costs incurred plus the identified margins, the net value is stated in current liabilities – *liabilities from contracts and customer advances*.

20251215083310

The value is determined based on estimated revenues and costs over the full life of the projects, for which the measurement is influenced, by nature, by significant subjective components. The assumptions on which the measurements are based are updated periodically. The economic effects of the revised estimates are recorded in the year in which the updates are made.
The valuation of job orders includes additional fees, compared with those agreed contractually, if their receipt is considered more than probable and the amount can be reliably estimated.
With the exception of trade receivables that do not contain a significant loan component or for which the company has applied a practical expedient, the company initially values a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.
Job orders with prices denominated in a currency different from the functional one and exceeding the advances received are affected by the closing exchange rate for the period in question, which contributes to determining the total contractual revenue of the order, to which to apply the state of advancement percentage.

Cash and cash equivalents

Cash and cash equivalents are kept to meet short-term cash commitments; the latter are highly liquid and easily convertible to cash for a known amount. Their value is subject to an irrelevant risk of fluctuation, with the exception of those in foreign currencies, which are subject to exchange rate risk.

Post-employment benefits

Employee severance indemnity (*trattamento di fine rapporto*, or TFR) falls within the scope of IAS 19 (employee benefits), since it is similar to defined benefit plans. The amount recognised in the financial statements is subject to an actuarial valuation according to the method of projected unit credit, using an interest rate for the discounting that reflects the market return of securities of leading companies with a maturity in line with the one expected for the obligation.

Provisions for risks and charges

Provisions are recognised by the company when there is a current obligation arising from past events, it is probable that economic resources will be required to settle it and the amount of the obligation can be reasonably estimated. The amount recognised is the best estimate of the expense required to completely extinguish the present obligation.
Restructuring costs are recognised if the company has a detailed restructuring plan that it has communicated to the interested parties.
For contracts whose execution involves inevitable costs that exceed the presumed economic benefits of the agreements ("Onerous Contracts"), the present contractual obligation is recorded on the same basis as a standard provision.

Financial liabilities

Company financial liabilities include trade payables, other liabilities, bank debts and loans.

Trade payables, customer advance payments and other liabilities
Trade payables, advance payments received from customers and other current and non-current liabilities are recognised initially at nominal value, which represents fair value at the reference date. After initial recognition, these financial liabilities are measured at amortised cost, using the original effective interest rate method.

Loans
Initially, all loans are entered at the fair value of the amount received, net of transaction costs incurred to obtain the loan. After initial recognition, loans are measured at amortised cost using the effective interest rate method.
Loans are classified within current liabilities unless the company has an unconditional right to defer payment for at least 12 months after the date of the financial statements.
Financial liabilities are derecognised when they are extinguished, and the company has transferred all risks and charges related to the instrument.

20251215083111

Derivative financial instruments

The company uses derivative financial instruments such as forward sales/purchases of foreign currency, including synthetic ones with accumulation of forward purchases/sales, outrights with barrier, interest rate swaps.

Derivative instruments are classified as hedging instruments in accordance with IFRS 9 when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedging, checked initially and periodically, is high.

Transactions that meet all the qualifying criteria for hedge accounting are recognised as follows:

Fair value hedging

The change in the fair value of hedging derivatives is recognised in profit or loss under other costs. The change in the fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying value of the hedged item and is also recognised in profit or loss under other costs.

Cash flow hedge

With regard to fair value hedges relating to items recognised at amortised cost, any adjustment to the carrying value is amortised in profit or loss over the remaining life of the hedge using the effective interest rate (EIR) method. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

Changes in the fair value of derivatives that do not meet the conditions to be classified as hedging instruments in accordance with IFRS 9 are recognised in the income statement.

Revenues, interest and dividends

Revenues from construction contracts - job orders are recognised on the basis of the agreed considerations in proportion to the stage of completion of the work, determined using the percentage of completion method ("Performance obligations satisfied over time") measured on the basis of the costs already incurred for a specific project out of the total estimated costs for a specific project (input method). This method of recognition and the contracts with customer on which it is based comply with the requirements of IFRS 15.
This is illustrated in greater detail in the section on Inventories and Assets and Liabilities from Contracts.
Revenues from sales and services are recognised in accordance with the provisions of IFRS 15 and of the transfer of control over the goods sold or services rendered and the fulfilment of the "Performance obligation" envisaged by the contractual agreements with the counterparties ("Performance obligations satisfied at a point in time").
Revenues for partially provided services are recognised for the amount of the consideration earned, provided it is possible to reliably determine the stage of completion and there is no significant uncertainty about the amount or existence of the income and relative costs; otherwise they are recognised up to the amount of the recoverable costs incurred.
Revenues are booked net of returns, discounts, allowances and rebates, as well as of directly associated taxes on sales (value added tax).
For all financial instruments valued at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is entered using the effective interest rate (EIR), which is the rate that discounts estimated future payments and receipts over the expected life of the financial instrument.
Dividends are recognised the year in which they are resolved and the right to their collection arises.

Costs

Costs are recognised when they relate to goods and services sold or consumed in the financial year or by systematic allocation or when a useful future life can no longer be determined.
Operating lease instalments are allocated to the income statement over the life of the contract.
Personnel costs include the amount of earnings paid, accruals for pension funds and holidays due but not taken and social security costs, in application of the labour contracts and current legislation.
Costs for the acquisition of new knowledge or discoveries; for research into alternative products or processes, new technologies or models; for design and construction of prototypes or, in any case, for other scientific

2025121503312

research or technological development activities are normally treated as research costs and charged to the income statement the year they are incurred.
Development costs incurred relative to a given project are recorded as intangible assets when the company can demonstrate:

i) the technical feasibility of completing the project to make it available for use or sale;
ii) its intention to complete the asset;
iii) its ability to use it or sell it;
iv) the way in which the asset will generate future economic benefits;
v) the existence of available resources to complete the asset; and
vi) the ability to reliably evaluate the cost attributable to the asset during its development.

Borrowing costs directly attributable to the purchase, construction or production of an asset that requires significant time before the asset is available for use (a qualifying asset pursuant to IAS 23 – Borrowing costs) are capitalised as part of the cost of such asset. All other financial charges are recognised as costs the year they are incurred.

Income taxes

Current taxes are recognised for the value expected to be paid to the tax authority, in accordance with the provisions and rates in force at the closing date of the financial statements. In particular, 24.0% for IRES (corporate tax) and 3.9% for IRAP (regional tax) was applied, with an exception for the value of production attributable to the Friuli-Venezia Giulia Region, to which a reduced IRAP of 2.98% was applied for so-called "virtuous undertakings" (Regional Law no.2 of January 18, 2006).
Current taxes related to items not reported in the income statement are taken directly to equity or to the statement of comprehensive income, consistently with the recognition of the item to which they refer.
As a consolidating company, the company joined the National Tax Consolidation, which makes it possible to determine IRES on a tax base corresponding to the algebraic sum of the positive and negative tax bases of the individual member companies. In addition to the Parent Company, the following companies adopted the consolidation regime: Danieli Automation S.p.A., Danieli Special Cranes S.r.l., Turismo 85 S.r.l., Stem S.r.l., Danieli Centro Cranes S.p.A., Danieli Construction International S.p.A., Corte delle Fucine S.r.l., Sabolarie Haven & Hospitability S.p.A., Scuole e Asili Cecilia Danieli S.r.l., Zerotredici Educational Hub S.r.l. And Fata S.p.A. (included in the scope of tax consolidation as of January 1, 2025). The economic relations, in addition to the responsibilities and mutual obligations, between the parent company and the aforesaid subsidiaries are defined in the "Danieli Group Regulations on Participation in the National Consolidation Tax Regime". In particular, based on this agreement, the tax losses realised during the tax consolidation procedure are remunerated within the limits of the effective use by the Tax Consolidation.
Deferred tax assets are recorded for all temporary differences to the extent that it is probable that taxable income will be achieved against which the deductible temporary difference can be used. The same principle applies to recording deferred tax assets for any usable tax losses.
The carrying value of deferred tax assets is reviewed at the reporting date and, if necessary, reduced to the extent that it is no longer probable that sufficient taxable income will be generated to permit recovery of all or part of the asset. Such reductions are reversed in the event that the conditions for which they were made no longer apply.
Deferred tax liabilities are calculated using the "liability method" on all temporary differences existing at the reporting date between the value of assets and liabilities for tax purposes and the value reported in the balance sheet, save for specific exceptions.
Deferred tax assets and liabilities are calculated based on the values expected to be recovered from the tax authorities with the rates expected to be applicable during the financial year in which the asset will be realised or the liability extinguished, using tax rates (24% and 3.9% for IRAP or other applicable rate according to regional legislation).

Use of estimates

Preparation of the financial statements involves making accounting estimates based on complex and/or subjective opinions, estimates based on past experience and assumptions considered to be reasonable and realistic on the basis of information known at the time of the estimate. The use of accounting estimates influences the carrying value of assets and liabilities, and information on potential assets and liabilities at the date of the financial statements, as well as the amount of income and costs for the period. Actual results may differ due to the uncertainty of the assumptions and the conditions on which the estimates are based.
The following accounting estimates used in drawing up the separate financial statements are considered to be significant because they involve significant recourse to subjective opinions, assumptions and estimates

20251215083513

regarding matters that are, by nature, uncertain. Changes in the conditions on which opinions and assumptions are based can have a significant effect on the subsequent results.
In particular, the estimates made for measuring job orders accounted for using the percentage of completion method are more significant in the preparation of the separate financial statements due to their undoubted complexity and relevance.

Assets and Liabilities from Contracts
Orders managed by the company refer mostly to plants for the steel industry and for those of non-ferrous metals. They can be for very significant amounts and are sometimes concluded with counterparties in countries subject to political instability. These projects with duration exceeding one year are always characterised by a highly technological and often highly innovative level and include performance guarantees upon the final delivery of the plants, which contribute to making the estimates related to the measurement of assets and liabilities relating to job orders extending over several years particularly complex.
The estimate process used by the company envisages the preparation for each job order of a well-structured and rigorous identification and management process of all the cost items required for its completion, broken down in detail for the different types of activities and/or services (grouped by project affinity). This process is aimed at quantifying and monitoring throughout the life of the project all the activities to be carried out for the various stages of production with the relative costs and revenues and the overall margin, by also identifying the gradual stage of completion related to the timely development of each single order. These estimates take into account any additional fee if agreed contractually or if their receipt is considered probable and the amount can be reliably estimated, whereas any additional costs compared to those initially estimated and any penalties are measured in the estimate of the assets and liabilities from contracts by using all the information available to the company's management at the time of preparation of the financial statements. Assumptions and estimates are reviewed periodically, and their effects are reflected in the income statement.
If it is expected that completion of a job order will result in a loss at operating margin level, also deriving from the estimate of any future charges relating to the completion of the job order, this is recognised in full in the financial year in which it becomes reasonably predictable and recognised in a specific provision. In particular, funds totalling 20.3 million euro (17.8 million euro as at June 30, 2024) were determined for the company's job orders in progress of the company as at June 30, 2025, which include the estimate of any other related charges that appear probable on the basis of a careful measurement of the overall stage of the job orders, including the recoverability of their related assets, at the end of the reporting period.
The measurement of assets from contracts denominated in currencies (mainly USD) other than the functional currency (euro for the company) envisages that the portion exceeding the advances invoiced at the end of the reporting period be translated at the exchange rate at the end of the reporting period, helping to determine the total job order contractual revenue.
Company policy relative to exchange risk requires contracts whose incoming and outgoing cash flows are significantly affected by exchange rate fluctuations to be monitored to determine the best hedging policy, which may envisage the management of foreign currency purchases in order to obtain a natural hedging effect or the use of derivative contracts. Due to the intrinsic difficulty in preparing a meticulous planning of incoming cash flows to order, derivative contracts on exchange rates used in the period (and in the previous one) do not have the characteristics to qualify for hedging from an accounting point of view (known as hedge accounting). Consequently, the measurement of job orders is also affected by the change in the EUR/USD exchange rate occurred in the period.

Provisions for risks
The company makes accruals mainly in connection with legal and tax disputes and measurement of the job orders. Estimates for these accruals are the result of a complex process involving the subjective opinions of Company management that vary over time in relation to the information available.

Write-downs
Property, plant and equipment and intangible assets are written down in value when events or changed circumstances indicate that the amount recognised in the financial statements is not recoverable. The write-down is calculated by comparing the carrying value with the related recoverable amount, represented by the greater of fair value net of disposal costs and value in use, which is calculated by discounting to present value the expected cash flows deriving from use of the asset, net of disposal costs. Expected cash flows are quantified in light of the information available when the estimate is made, on the basis of subjective opinions on the trend of future variables — such as prices, costs, growth in demand and production profiles — and discounted to present value using a rate that takes into account the risk inherent in the asset in question.

20251215083314

Deferred tax assets
Deferred tax assets are recognised on the basis of expected profit in future years. The estimation of future profits for the purpose of recognising deferred tax assets depends on factors that can change over time and significantly impact their measurement. Note that the company did not recognise assets for tax losses in the financial year ended June 30, 2025.

Estimate of fair value
The fair value of financial instruments listed on public markets is determined with reference to bid prices at the end of the reporting period.
The fair value of financial instruments not listed on public markets is calculated using financial measurement techniques. Specifically:
- the fair value of Interest Rate Swaps (IRS) is calculated by discounting future cash flows based on interest rate curves;
- the fair value of currency purchase/sale contracts with optional content is calculated by discounting the differentials between contractual forward exchange rates and market forward exchange rates at the end of the reporting period on the basis of the expected forward rates and taking account of the optional components if inherent in certain types of contract.

Management of business risks and financial risks

The company provides continuous management of business risks for all corporate functions by actively monitoring them in accordance with risk management methodology and principles in order to identify, reduce, and eliminate risks and thereby safeguard shareholders' rights.

Risks related to the general state of the economy

The earnings and finances of the company are solid, balanced and diversified by segments and product lines, albeit still with the potential to be affected by the various macro-economic situations of the markets it serves around the world. During the financial year ended as at June 30, 2025 the financial markets were characterised by unstable interest rates, which generated an unfavourable EUR/USD exchange rate at June 30, 2025 with a negative impact compared to June 30, 2024. The global economy has overcome various challenges and significant changes where inflation has fortunately shown signs of slowdown in many advanced economies; as a matter of fact, in both the United States and Europe, overall inflation has fallen considerably from the peaks of 2022, nearing the target of 2%. The ongoing geopolitical crises continued and will continue to impact the global economy negatively, contributing to uncertainty and volatility on the markets, but the policy to lower interest rates undertaken by the main central banks could lead to an improvement in the macro-economic forecasts, with greater access to credit by businesses and a higher propensity for medium/long-term investments.

Risk related to market conditions

This risk consists of the possibility that there may be no demand from the market for Danieli products, either for technological reasons or because of financial problems. With reference to the former, we believe that the company's constant focus on research and development to propose solutions to customers to operate with production efficiency is one of our major strengths. Group Management continuously monitors these aspects so as to safeguard our leadership position.

Risks associated with commodity prices, the cancellation of job orders and relations with suppliers

The company operates in the engineering and plant making business, is certified to ISO 14001, and carries out a continuous process of identifying, managing, and mitigating the price risk that might have an economic impact on its business, issuing subcontracting orders that fix the prices of strategic components by nature and in cases of long lead times.
Company results can be significantly influenced by fluctuations in commodity prices, insofar as they affect the cost of completing job orders. Management follows an ongoing process for the identification, management and mitigation of price risk.
The company is active in several markets around the world; operating mainly to order, for each individual contract it sets up a policy for the management of the price volatility of subcontracts, negotiating orders with deliveries exceeding six to eight months as soon as job orders become effective.

The management of each individual project is always structured to align the "expenditure curve" with the "receipts curve", so as to limit financial imbalances in the event of a job order being cancelled; in addition, for unusual projects in terms of type or geographical area, suitable insurance or financial coverage is taken out to protect customer solvency.

Market risk associated with fluctuations in exchange rates and interest rates

Market risk concerns the possibility that changes in interest rates and exchange rates between the euro and other currencies in which the company operates could negatively affect the value of assets or liabilities or the amount of cash flows.

Exchange rate risk

Company policy relative to exchange risk requires contracts whose incoming and outgoing cash flows are significantly affected by exchange rate fluctuations to be monitored to determine the best hedging policy, which may envisage the management of foreign currency purchases in order to obtain a natural hedging effect, or the use of derivative contracts.

Exposure to fluctuations in exchange rates can have the following impacts:

- income risk from the different valuation of costs and income expressed in foreign currencies at different periods of time;
- transaction risk from the conversion of trade and/or financial receivables and payables expressed in foreign currencies.

Exposure to exchange rate risk is closely correlated with future cash flows from the gradual completion of contracts, taking account of contractual advances received, and with the payment of purchases in currencies other than the euro. The effects of such transactions are reflected in revenues and the valuation of current inventory, as well as in purchase cost.

The planning, coordination and management of these activities, and the measurement of exchange rate derivative instruments at fair value, are carried out by the company's finance department that monitors the correct correlation between derivative instruments and underlying cash flows, systematically basing these on market prices and ensuring proper accounting in compliance with international accounting standards.

The foreign exchange loss reported in the income statement for the period is mostly related to the performance of the US dollar against the euro, which entailed a write-down of foreign currency funds of the company as at June 30, 2025.

Regarding all significant financial assets and liabilities in foreign currencies, a sensitivity analysis was carried out to determine the impact on the income statement and on shareholders' equity in the event of a hypothetical 5% or 10% increase or decrease in the Euro/USD exchange rate compared with exchange rates as at June 30, 2025. This analysis did not consider the impact of exchange rate fluctuations on the measurement of job orders (as these are not financial assets according to IAS 32).

The following table summarises the adverse effects on shareholders' equity and on the income statement, before the tax effect, deriving from a possible strengthening of the euro and the positive effects should the US currency strengthen:

(in thousands of euro)	**-10%**	**-5%**	**5%**	**10%**
Foreign exchange gain/(loss) deriving from a fluctuation in the Euro/USD exchange rate	(61,309)	(32,114)	35,495	74,934
Total	**(61,309)**	**(32,114)**	**35,495**	**74,934**

Interest rate risk

For the company, the risk associated with interest rate fluctuations essentially concerns floating-rate, long-term loans for which no interest rate swaps have been signed.

A sensitivity analysis has been conducted to measure the profit and loss impact that could arise from a hypothetical increase or decrease by 50 or 100 bp in interest rates. This increase or decrease in interest rates would entail higher or lower financial income and charges before the tax effect as reported below:

(in thousands of euro)	**-100BP**	**-50BP**	**+50BP**	**+100BP**
(Lower)/Higher financial income	(938)	(469)	469	938
Lower/(Higher) financial charges	388	194	(194)	(388)
Total	**(550)**	**(275)**	**275**	**550**

2025121508316

Credit and country risk

Credit risk is the company' exposure to potential losses arising from the failure of counterparties to meet their obligations; this activity is monitored continuously by the Group's financial and executive management teams as part of routine business operations starting from the contract negotiation stage for the construction of plants.
With reference to country risk, the company carries out most of its activities in foreign countries and continuously evaluates political, social and financial risks in the areas in which it does business.
Exposure to counterparty credit risk is minimised by using insurance coverage to protect against the insolvency of customers or the countries in which they operate.
In the current year, there have been no significant cases of counterparty default, except for certain receivables from Russian customers (due to the restrictions arising from the conflict in Ukraine, and with which the Company and the Group's European entities no longer operate), and credit risk is not significantly concentrated by area and/or customer, except for receivables from the important Egyptian customer of Ezz Group with which a repayment plan was agreed during the previous year.
The changes in this item are described in note 7).

Adjustment to the EU sanctions against certain Russian customers brought some projects that began prior to February 2022 to a halt and put a stop to many projects, consequently now entirely excluded from the value of the order backlog due to the impossibility to complete them in the upcoming financial years.

Liquidity risk

The company enjoys financial equilibrium by funding its plant making activities essentially with advance payments from customers. Liquidity, bolstered by access to partially utilised credit lines, is managed prudently by investing most temporary cash surpluses in short-term instruments.

Management of capital

Capital includes ordinary shares, savings shares and equity attributable to the shareholders of the parent company.
The primary objective of capital management is to obtain a strong credit rating and healthy financial ratios in order to support operating activities and maximise shareholder value.
The company manages and makes adjustments to its capital structure based on changes in general economic conditions. To maintain or adapt the capital structure, the company can adjust dividend payments to shareholders, return capital to shareholders or issue new shares, convert preference shares and buy and sell treasury shares.
There were no changes to the objectives, policies or processes during the financial years ended June 30, 2025, and June 30, 2024, or capital transactions during the two periods, except for the distribution of dividends and the acquisition of treasury shares (in the context of shareholders' meeting authorisations according to the applicable legislation).
The company monitors capital by following the indebtedness ratio, which compares the amount of net indebtedness with total capital plus net indebtedness. The company includes interest on loans and borrowing and cash and cash equivalents, also with regard to companies of the Group, in net indebtedness.

(millions of euro)	30/06/2025	30/06/2024
Gross financial indebtedness	544.3	648.1
Financial assets	(938.0)	(769.4)
Net financial position	(393.7)	(121.3)
Shareholders' equity	879.3	890.6
Capital and net indebtedness	485.6	769.3
Indebtedness ratio with third parties	**n.a**	**n.a.**

20251215083317

Risks associated with environmental policy

The company's activities are subject to many national and international environmental protection laws and regulations.
In the segment in which the company operates, developments in environmental policy should be seen as an opportunity rather than a risk: with the enactment of more stringent rules and regulations (in addition to energy restraints in steel production, applying concepts like SuSteel and GreenSteel), the company can explore new favourable markets for its internally developed technologies and for its innovative plants.

Risks associated with human resources, safety, management and taxation

As at June 30, 2025, the company had 2,375 employees (2,426 as at June 30, 2024).
The human resource department has worked to manage normal turnover (with an improvement in education level and a decrease in average employee age), but also to optimise personnel for the company's new international needs.
Measures have been taken to reduce accident risks by implementing plant management policies in line with the best industrial practices, and by turning to the insurance market to make sure our units are well protected against third-party liability even in the event construction is halted and/or as part of the responsibility of directors towards shareholders/creditors.
Action has also been taken to train and motivate executive managers to ensure efficiency and continuity of operations, in the context of a difficult market caused by general reduction in consumption.

Classes of financial instruments and hierarchical levels of measurement at fair value

The following table shows the classes of financial instrument held by the company.

20251215083318

30/06/2025

(thousands of euro)	Notes	Financial assets at fair value recognised through profit or loss: Initial recognition	Financial assets at fair value recognised through profit or loss: According to IFRS9	Financial assets measured at amortised costs	Financial assets at fair value recognised through comprehensive income	Equity Instruments (Initial recognition)	Total
Financial assets							
Non-current financial assets	6	75,000					75,000
Other non current receivables	7			169,085			169,085
Trade receivables and other current receivables	9/10			572,441			572,441
Current financial assets	12	36,095					36,095
Total Financial assets		**111,095**	**-**	**741,526**	**-**	**-**	**852,621**

30/06/2025

(thousands of euro)	Notes	Financial liabilities at fair value recognised through profit or loss: Initial recognition	Financial liabilities at fair value recognised through profit or loss: According to IFRS9	Financial liabilities measured at amortised costs	Total
Financial liabilities					
Bank debts and other financial liabilities	15/22	-		468,793	468,793
Trade payables and liabilities from contracts	18/19			2,043,353	2,043,353
Others current liabilities	20			84,589	84,589
Total Financial liabilities		**-**	**-**	**2,596,735**	**- 2,596,735**

20251215083319

30/06/2024

(thousands of euro)	Notes	Financial assets at fair value recognised through profit or loss: Initial recognition	Financial assets at fair value recognised through profit or loss: According to IFRS9	Financial assets measured at amortised costs	Financial assets at fair value recognised through comprehensive income	Equity Instruments (Initial recognition)	Total
Financial assets							
Non-current financial assets	6	75,000					75,000
Other non current receivables	7			166,367			166,367
Trade receivables and other current receivables	9/10			588,468			588,468
Current financial assets	12	39,373					39,373
Total Financial assets		**114,373**	**-**	**754,835**	**-**	**-**	**869,208**

30/06/2024

(thousands of euro)	Notes	Financial liabilities at fair value recognised through profit or loss: Initial recognition	Financial liabilities at fair value recognised through profit or loss: According to IFRS9	Financial liabilities measured at amortised costs	Total
Financial liabilities					
Bank debts and other financial liabilities	15/22	-		557,193	557,193
Trade payables and liabilities from contracts	18/19			1,898,329	1,898,329
Others current liabilities	20			62,142	62,142
Total Financial liabilities		**-**	**-**	**2,517,664**	**- 2,517,664**

Among these financial instruments, the company measured at fair value through OCI current financial assets, as detailed in note 12) Current financial assets, and derivative contracts, whose essential aspects are summarised below. For the other financial instruments, the carrying value represents a reasonable approximation of fair value.

20251215083320

INFORMATION ON THE BALANCE SHEET

NON-CURRENT ASSETS

1) Property, plant and equipment

The net value of 68,153 thousand euro as at June 30, 2025, increased by 4,030 thousand euro compared to 64,123 thousand euro as at June 30, 2024, due to higher investments made in the financial year compared to depreciations charged for the year.

(thousands of euro)	Land	Industrial buildings Light constructions	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Asset under construction	Total
Historical cost	**3,220**	**82,511**	**181,254**	**31,717**	**41,630**	**656**	**340,988**
Accumulated depreciation	**-**	**(53,067)**	**(154,580)**	**(29,338)**	**(37,450)**	**-**	**(274,435)**
Balance at June, 30 2023	**3,220**	**29,444**	**26,674**	**2,379**	**4,180**	**656**	**66,553**
Changes during the period							
Increase	-	2,083	2,800	1,172	1,007	1,562	8,624
Transfers and disposals	(673)	(60)	(101)	(19)	(9)	-	(862)
Depreciation	-	(1,950)	(5,618)	(1,186)	(1,438)	-	(10,192)
Historical cost	**2,547**	**84,528**	**174,771**	**32,585**	**42,544**	**2,218**	**339,193**
Accumulated depreciation	**-**	**(55,013)**	**(151,016)**	**(30,237)**	**(38,804)**	**-**	**(275,070)**
Balance at June, 30 2024	**2,547**	**29,515**	**23,755**	**2,348**	**3,740**	**2,218**	**64,123**
Changes during the period							
Increase	-	1,386	8,053	1,478	588	2,934	14,439
Transfers and disposals	-	-	-	-	-	-	-
Ammortamenti	-	(1,731)	(6,143)	(1,209)	(1,326)	-	(10,409)
Historical cost	**2,547**	**85,914**	**178,305**	**33,981**	**38,259**	**5,152**	**344,157**
Accumulated depreciation	**-**	**(56,744)**	**(152,640)**	**(31,364)**	**(35,256)**	**-**	**(276,004)**
Balance at June, 30 2025	**2,547**	**29,170**	**25,665**	**2,617**	**3,003**	**5,152**	**68,153**

Depreciations charged to the income statement amounted to 10,409 thousand euro, calculated at rates considered to be representative of the estimated useful life of the assets.
The main investments in the financial year concerned new plants, models and electronic machines included in the general company plan for the technological updating of plants.
No write-downs were charged to the value of property, plant and equipment in current and previous financial years.

20251215083321

2) Right of use

This amounted to 5,729 thousand euro as at June 30, 2025 (6,728 as at June 30, 2024) and referred to the right of use (ROU) underlying the application of IFRS 16 net of the depreciation charge calculated for the period. Changes as at June 30, 2025, are shown below:

	Industrial buildings in leasing	Plant and machinery in leasing	Industrial and commercial equipment in leasing	Other tangible assets in leasing	Total
Historical cost	9,009	35	208	2,384	11,635
Accumulated depreciation	(3,522)	(23)	(112)	(1,251)	(4,908)
Balance at June, 30 2024	**5,487**	**12**	**96**	**1,133**	**6,728**
Changes during the period					
Increase	60	-	-	179	239
Transfers and disposals	-	-	-	-	-
Other movements	547	-	-	74	621
Depreciation ROU benefit to employees	(219)	-	-	(236)	(455)
Depreciation	(1,146)	(7)	(68)	(183)	(1,404)
Historical cost	9,069	35	208	2,563	11,875
Accumulated depreciation	(4,340)	(30)	(180)	(1,596)	(6,146)
Balance at June, 30 2025	**4,729**	**5**	**28**	**967**	**5,729**

3) Intangible assets

The balance of 26,459 thousand euro as at June 30, 2025 is higher than the total of 20,851 thousand euro as at June 30, 2024, mainly due to higher investments in the period compared to amortisation charged as represented below:

2025121508322

(thousands of euro)	Intellectual property rights	Concessions, licences and trademarks	Other intangible assets	Asset under development and advances	Total
Historical cost	**26,520**	**92,463**	**2**	**2,898**	**121,883**
Accumulated amortisation	**(25,266)**	**(82,286)**	**(2)**	**-**	**(107,555)**
Balance at June, 30 2023	**1,254**	**10,177**	**-**	**2,898**	**14,328**
Changes during the period					
Increase	1,460	7,184	-	4,484	13,128
Transfers and disposals	-	-	-	-	-
Amortisation	(1,266)	(5,338)	-	-	(6,604)
Historical cost	**27,980**	**99,646**	**2**	**7,382**	**135,010**
Accumulated amortisation	**(26,532)**	**(87,625)**	**(2)**	**-**	**(114,159)**
Balance at June, 30 2024	**1,448**	**12,021**	**-**	**7,382**	**20,851**
Changes during the period					
Increase	1,260	3,495	-	7,666	12,421
Transfers and disposals	-	-	-	-	-
Amortisation	(1,316)	(5,497)	-	-	(6,813)
Historical cost	**29,241**	**103,141**	**2**	**15,048**	**147,432**
Accumulated amortisation	**(27,849)**	**(93,122)**	**(2)**	**-**	**(120,973)**
Balance at June, 30 2025	**1,392**	**10,019**	**-**	**15,048**	**26,459**

"Intellectual property rights" include the cost of purchasing and finalising new patents for process solutions, machinery and equipment.
"Concessions, licences and trademarks" consist mainly of the costs of acquiring licences and of developing management software and programs used in the company's operations.
Assets under development refer to some investment projects for management software programmes not yet completed, and which will be completed over the coming financial years. These projects are deemed strategically significant, and Management intends to see them through completion.
The balance sheet does not include any intangible assets with indefinite useful lives.

Impairment of property, plant and equipment and intangible assets

As at June 30, 2025, there were no indications that property, plant and equipment and intangible assets might be impaired. In accordance with the provisions of IAS 36, considering that all intangible assets have a definite useful life and as such are subject to amortisation, no impairment test was carried out.

20251215083323

4) Equity investments

(thousands of euro)	30/06/2025	30/06/2024
Investment in subsidiaries	1,170,810	1,170,798
Other equity investments	51	51
Total	**1,170,861**	**1,170,849**

The list of investments and changes in the various items are shown in attachment I.
There were no significant changes with respect to the balance as at June 30, 2024.
Considering the performance of Danieli & C. Officine Meccaniche S.p.A.'s indirect subsidiaries through Industrielle Beteiligung SA and the absence of specific indications that they may be impaired, and given that as at June 30, 2025, the carrying value of the investment in Industrielle Beteiligung SA was lower than the corresponding shares of the net equity of its subsidiaries, the directors have found it unnecessary to conduct further analysis demonstrating the recoverability of the value of equity investments.
Comparison between the value recognised in the financial statements of equity investments and the corresponding proportion of shareholders' equity is shown in Attachment III for both direct and indirect investments. As mentioned, the comparison shows the higher value of the shareholders' equity stake compared to the value recognised in the financial statements of indirect investments, except for a few situations specifically shown in the attachment, for which the higher carrying value compared to the shareholders' equity is justified by the value attributable to specific assets and liabilities identified during the acquisition or seems to refer to temporary situations.
The increase in the value of investments in subsidiaries relates to the establishment of D.I.L. S.p.A., an Italian newco with the aim of developing investments in new steel hubs in the Mediterranean region.
Key data from the financial statements of Group companies as at June 30, 2025, is provided in attachment II.

5) Deferred tax assets and liabilities

Deferred tax effects are calculated on temporary differences between carrying values and values reported for tax purposes.
The amounts of deferred tax assets and deferred tax liabilities are as follows:

(thousands of euro)	30/06/2025	30/06/2024
Deferred tax assets	32,103	38,548
Deferred tax liabilities	53	3,140
Net position	**32,050**	**35,408**

The attachment to the explanatory notes no. VIII shows the initial and final composition, the impact on income statement and shareholders' equity and the reclassifications of the asset and liability items related to deferred tax assets and liabilities, respectively.

6) Non-current financial assets

These amounted to 75,000 thousand euro and refer entirely to the loan disbursed to the indirect subsidiary Acciaierie Bertoli Safau S.p.A. (ABS S.p.A.).

7) Trade and other receivables

Trade and other receivables amounted to 169,085 thousand euro as at June 30, 2025 (166,367 thousand euro as at June 30, 2024) and are broken down as follows:

20251215083324

(thousands of euro)	30/06/2025	30/06/2024
Trade receivables from customers	70,436	55,457
Other receivables	98,649	110,910
Total	**169,085**	**166,367**

Non-current trade receivables from customers related to terms of sale negotiated for the supply of complex plants with long start-up times.

Receivables are broken down below by maturity at the end of this and the previous year:

(thousands of euro)	30/06/2025		
Deadlines	**Trade receivables from customers**	**Other receivables**	**Total**
2026/2027	13,275	78,988	92,263
2027/2028	47,659	18,318	65,977
2028/2029	7,255	955	8,210
2029/2030 and beyond	2,247	388	2,635
Total	**70,436**	**98,649**	**169,085**

(thousands of euro)	30/06/2024		
Deadlines	**Trade receivables from customers**	**Other receivables**	**Total**
2025/2026	35,448	55,260	90,708
2026/2027	4,724	48,649	53,373
2027/2028	15,285	4,535	19,820
2028/2029 and beyond	-	2,466	2,466
Total	**55,457**	**110,910**	**166,367**

CURRENT ASSETS

8) Inventories and assets from contracts

The balance of 397,853 thousand euro as at June 30, 2025, was 149,406 thousand euro lower than the amount of 547,259 thousand euro as at June 30, 2024.

20251215083325

(thousands of euro)	30/06/2025	30/06/2024
Raw materials, consumables and supplies	20,115	24,068
Work in progress and semi-finished products	88,578	52,982
Contract assets	168,018	313,515
Advances to Group companies	69,717	73,552
Advances to suppliers	51,425	83,142
Total	**397,853**	**547,259**

The balance of 168,018 thousand euro for assets from contracts can be broken down as follows:

(thousands of euro)	30/06/2025	30/06/2024
Jobs evaluated as cost-to-cost method vs. third parties	302,490	712,528
Invoicing on job orders in progress with third parties	(161,471)	(569,635)
Write-down provision on job orders in progress for third parties	(20,287)	(17,786)
Contract assets	**120,732**	**125,106**
Jobs in progress Group companies	108,348	364,887
Less invoicing on WIP Group companies	(61,062)	(176,478)
Contract assets with Group parties	**47,286**	**188,409**
Total	**168,018**	**313,515**

The write-down provision on job orders in progress includes the estimate of any future charges related to their completion or for issues related to the recoverability of the costs of the job order.
If the resulting balances, for each individual job order, from the sum between work progress and amounts invoiced, are negative, they have been reclassified to "Liabilities from contracts and customer advances" in current liabilities (see also note 19).
They are broken down as follows:

(thousands of euro)	30/06/2025	30/06/2024
Jobs evaluated as cost-to-cost method vs. third parties	2,617,594	2,390,708
Invoices issued third parties	(2,955,709)	(2,617,548)
Liabilities from contracts	**(338,115)**	**(226,839)**
Jobs in progress Group companies (negative)	1,545,148	954,014
Less invoicing on WIP Group companies	(1,710,338)	(1,037,251)
Contract liabilities with Group parties	**(165,190)**	**(83,237)**
Total	**(503,305)**	**(310,076)**

Liabilities from contracts and customer advances refer to amounts paid by third-party customers and by Group companies prior to the start or at the beginning of works and are related to job orders in progress. These advance payments, intended to be reabsorbed in proportion to the invoices issued as job order progresses, are broken down in note 18).

20251215083326

The increase recorded during the period is due to advance billings exceeding the progress of the orders.

9) Trade receivables

The balance of 546,416 thousand euro as at June 30, 2025 was 19,950 thousand euro lower than the amount of 566,366 thousand euro as at June 30, 2024.
There are no significant concentrations of counterparty credit risk.
Trade receivables are recognised net of the provision for doubtful accounts that came to 20,061 thousand euro as at June 30, 2025 (52,021 thousand euro as at June 30, 2024).

(thousands of euro)	30/06/2025	30/06/2024
Customers	316,402	312,682
Collection order and bills	1,796	192
Provision for doubtful accounts	(20,061)	(52,021)
Total trade receivables from third parties	**298,137**	**260,853**
Trade receivables from Group companies	248,279	305,513
Total trade receivables	**546,416**	**566,366**

Trade receivables from Group companies are detailed in attachment IX.
In the financial year, trade receivables were not factored without recourse as at June 30, 2024.
Changes in the provisions for doubtful accounts were as follows:

(thousands of euro)	30/06/2025	30/06/2024
Opening balance	**52,021**	**49,288**
Provision	9,850	15,568
Funds release and other movements	(41,810)	(12,835)
Closing balance	**20,061**	**52,021**

Regarding the provision for doubtful accounts, the risk of loss on receivables is often a combination of technical risk (arising from design changes and/or delays in execution), customer risk and country risk. Credit risk and the appropriateness of this provision should therefore be viewed together with the write-down provision for assets from contracts described in note 8).
The company determines the amount of expected credit losses through the use of a matrix of provisions, estimated on the basis of the historical experience of losses on receivables based on the past due of creditors, adjusted to reflect current conditions and estimates of future economic conditions. As a result, the credit risk profile (including technical risk as explained above) is presented according to the past due brackets according to the provision matrix based on reasonable expectations of collection.

20251213083327

10) Other receivables

These amounted to 26,025 thousand euro as at June 30, 2025, showing a decrease of 3,923 thousand euro compared to the balance of 22,102 thousand euro as at June 30, 2024, and comprising:

(thousands of euro)	30/06/2025	30/06/2024
Prepaid SACE fees	299	328
ST Prepaid expense	10,708	9,212
Due from social security institutions	1,207	1,155
Foreign tax receivables	194	456
Travel expenses advances to employees, consultants and sites	355	408
Indirect tax receivables	10,433	7,366
Other Receivables	2,829	3,177
Total	**26,025**	**22,102**

11) Current tax assets

This item is made up as follows:

(thousands of euro)	30/06/2025	30/06/2024
Foreign tax receivables	-	3,174
Direct tax receivables	31,592	19,519
Other current tax receivables	47,034	35,094
Total	**78,626**	**57,787**

Direct tax receivables as at June 30, 2025 include the IRES and IRAP advances paid for the year, alongside the receivables carried forward from the previous period, net of the provision for current taxes. Receivables for taxes paid abroad are deemed recoverable on the basis of the Italian and/or foreign regulations of reference. "Other short-term tax receivables" mainly includes the portion of tax credits due for tax bonuses purchased and deemed reasonably offsettable in the upcoming financial year.

12) Current financial assets

(thousands of euro)	30/06/2025	30/06/2024
Financial Receivables ST	9,536	19,676
Accrued interest	17,314	19,331
Derivative financial instruments	9,245	366
Total	**36,095**	**39,373**

These totalled 36,095 thousand euro as at June 30, 2025, with a decrease of 3,278 thousand euro compared to the balance of 39,373 thousand euro as at June 30, 2024 and refer for 5,051 thousand euro to intra-group financing operations regulated through an intercompany current account at market rates and conditions, for 17,314 thousand euro to accruals and deferrals on financial transactions.

20251215083328

13) Cash and cash equivalents

The balance of 901,894 thousand euro as at June 30, 2025, increased by 171,903 thousand euro compared to the amount of 729,991 thousand euro as at June 30, 2024, and included cash in hand of 370 thousand euro and short-term bank deposits of 901,524 thousand euro.
The company's cash remained stable, allowing it to manage on its own a possible extraordinary expenditure connected with the start-up of innovative plants and with the financing of defined research programmes.
See the statement of cash flows for further details.

SHAREHOLDERS' EQUITY

14) Shareholders' equity

Shareholders' equity at June 30, 2025 amounted to 879,298 thousand euro, a decrease of 11,322 thousand euro compared to 890,620 thousand euro at 30 June 2024, due to the purchase of treasury shares and dividend distributions partially offset by the profit for the year.
Dividends paid in the last two financial years related to the results achieved in the financial years ended June 30, 2024 and June 30, 2023, in accordance with Art. 7 of the Articles of Association, were as follows:

	Dividends paid at			
	30/06/2025		**30/06/2024**	
(thousands of euro)	euro per share		euro per share	
Ordinary shares	0.3100	11,631	0.3100	11,639
N.C. Saving shares	0.3307	12,051	0.3307	12,061
Total dividends paid		**23,682**		**23,700**

Changes in shareholders' equity items are summarised in the "Statement of changes in shareholders' equity".

14.1) Share capital

Share capital is fully paid in and amounted to 81,305 thousand euro as at June 30, 2025, 81,304,566 shares with a par value of 1 euro each, comprised of 40,879,533 ordinary shares and 40,425,033 savings shares.

14.2) Treasury shares

The value of treasury shares in the portfolio amounted to 131,672 thousand euro as at June 30, 2025. The portfolio was made up of 4,177,167 ordinary shares and 4,873,221 savings shares, with a unit par value of 1 euro each and a total par value of 9,051 thousand euro (10.22% of the share capital).
During the year, on the basis of the authorising shareholders' resolution, the company purchased 843,975 ordinary shares and 919,358 savings shares for a total value of 42.8 million euro.

14.3) Share premium account

As at June 30, 2025, this amounted to 22,523 thousand euro (unchanged from June 30, 2024) and concerns the share premiums paid on the exercise of warrants associated with the conversion of the bonds that matured in November 1999 and on July 1, 2003, and the gains/losses realised from the sale of treasury shares.

14.4) Other reserves

These totalled 833,374 thousand euro as at June 30, 2025, and increased by 43,305 thousand euro compared to 790,069 thousand euro as at June 30, 2024. They are comprised as follows:

20251215083330

(thousands of euro)	30/06/2025	30/06/2024
Extraordinary reserve	819,319	775,940
IAS 19 actuarial gains/(losses) reserve	(2,606)	(2,532)
Revaluation reserve	7,634	7,634
Merger surplus	11,036	11,036
Effect of adoption of IFRS9 at 01.07.2018	(2,009)	(2,009)
Total	**833,374**	**790,069**

The table in attachment IV shows the situation of reserves and capital funds indicating their origin, availability and utilisation in previous years. In the attached table, the items of shareholders' equity are also broken down according to the tax system applicable in case of distribution.

The remaining reserves consist of:

Extraordinary reserves
Extraordinary reserves totalled 819,319 thousand euro and increased by a total of 43,379 thousand euro compared to the balance of 775,940 thousand euro as at June 30, 2024 following the allocation of the profit for financial year 2023/2024 and the distribution of dividends for 23,682 thousand euro as resolved by the Shareholders' Meeting on October 25, 2024.

Gains (losses) from IAS 19
They comprise the recognition in the comprehensive income of the actuarial gains and losses deriving from application of IAS 19 (Employee benefits).

Revaluation reserves
Totalling 7,634 thousand euro (unchanged since June 30, 2024), these represent revaluations of assets carried out in accordance with the law.

Merger surplus
This amounted to 11,036 thousand euro as at June 30, 2025, unchanged since June 30, 2024.

14.5) Legal reserve
The legal reserve totalled 18,576 thousand euro as at June 30, 2025 and is unchanged since the value as at June 30, 2024. The amount of the legal reserve as at June 30, 2025 exceeded the requirement stated in Art. 2430 of the Italian Civil Code, so a further allocation of the net profit for the year was no longer mandatory.

14.6) Profit (loss) for the year

This amounted to a positive balance of 55,194 thousand euro as at June 30, 2025 (a positive balance of 67,061 thousand euro as at June 30, 2024).

2025121508331

NON-CURRENT LIABILITIES

15) Loans

Non-current financial liabilities, which amounted to 258,479 thousand euro as at June 30, 2025 (259,382 thousand euro as at June 30, 2024, with a decrease of 903 thousand euro), consisted of the medium and long-term portions of the loan arranged with the European Investment Bank and the non-current portion of the financial liabilities recognised in accordance with IFRS 16 for 5,479 thousand euro.
A detailed list of debts and interest rates and their breakdown by current/non-current portion is provided in attachment V.
There continue to be contractual covenants on loans. Based on the results of the financial statements for the year ended June 30, 2025, the economic and equity parameters set out in the loan agreements have been complied with.

The maturity dates of the non-current portions of financial payables were as follows:

(thousands of euro)	30/06/2025	30/06/2024
2025/2026	-	5,986
2026/2027	5,479	17,396
2027/2028	28,111	28,111
2028/2029	56,222	207,889
2029/2030 and beyond	168,667	-
Total	**258,479**	**259,382**

The breakdown of the company's net financial position as at June 30, 2025, is shown below, which includes financial payables and receivables with Group companies, compared to the previous financial year, is set below:

(thousands of euro)	30/06/2025	30/06/2024	Variation
Current financial assets			
Securities and other financial assets	36,095	39,373	(3,278)
Cash and cash equivalents	901,894	729,991	171,903
Total	**937,989**	**769,364**	**168,625**
Non-current financial liabilities			
Non-current financial liabilities	253,000	253,000	-
Lease liabilities non-current IFRS 16	5,479	6,382	(903)
Total	**258,479**	**259,382**	**(903)**
Current financial liabilities			
Bank debts and other financial liabilities	285,650	388,248	(102,598)
Lease liabilities current IFRS 16	107	474	(367)
Total	**285,757**	**388,722**	**(102,965)**
Current net financial position	**652,232**	**380,642**	**271,590**
Non-current net financial position	**(258,479)**	**(259,382)**	**903**
Net financial position (*)	**393,753**	**121,260**	**272,493**

(*) The net financial position would amount to approximately 468 million euro considering the value of the non-current loan for 75 million euro disbursed in favour of the subsidiary ABS SpA.

The net financial position includes, as "Bank debts and other financial liabilities", customer advance payments on job orders not yet in production amounting to 75,444 thousand euro (90,911 thousand euro as at June 30, 2024). These amounts are still included as liabilities from contracts and customer advance payments in the balance sheet.
The remaining advances from customers and from companies of the Group, still recognised under liabilities from contracts and customer advance payments and amounting to 511,135 thousand euro as at June 30, 2025, and 690,784 thousand euro as at June 30, 2024, respectively, were instead included in working capital as they are used to finance job orders in progress, together with advances to suppliers.
The diagram shown above includes all the components envisaged for the calculation of the net financial position as indicated in CONSOB communication no. 5-21 of April 29, 2021, which refers to ESMA guideline 32-382-1138. As stated by the aforementioned guideline, trade payables and other non-current liabilities that present a significant component of implicit or explicit financing, are included in the item "Bank debts and other financial liabilities", as outlined above.
The balance subject to so-called Reverse Factoring arrangements with leading national operators, on the other hand, is still classified among trade payables for an amount of approximately 0.4 million euro as at June 30, 2025, with different maturities but less than 12 months (1.3 million euro as at June 30, 2024).
These liabilities maintain their original nature as trade payables in consideration of the fact that there are no financial charges borne by the company, they do not fall within the financial credit lines used by the company and the terms of payment follow the normal conditions of supply for the types of business in which the company is active.
Note that the net financial position of the Parent Company stated in accordance with ESMA guideline 32-382-1138 does not include non-current financial receivables for 75 million euro from the subsidiary ABS SpA.
Part of the loan disbursed to the company by the European Investment Bank was indeed allocated to the subsidiary ABS S.p.A. through the aforementioned intra-group financing since it was intended for the financing of its significant CAPEX, as described in the Directors' Report.

16) Post-employment benefits

The balance of 9,483 thousand euro decreased by 306 thousand euro compared to 9,789 thousand euro as at June 30, 2024.
Changes were as follows:

(thousands of euro)	30/06/2025	30/06/2024
Opening balance	**9,789**	**10,567**
Benefits paid	(732)	(1,032)
Actuarial (gains)/losses recognized in the statement of comprehensive income	97	(115)
Other accruals for employee benefits	329	369
Closing balance	**9,483**	**9,789**

The cost relating to employee compensation with defined benefits was recognised in the income statement among financial charges, whilst payments to complementary pension funds were recognised among personnel costs, as indicated in Note 26). As shown in the table, actuarial losses and gains are recorded in the statement of comprehensive income, among those items that will not be reclassified subsequently to the result for the year.
The main actuarial assumptions used were the following:

20251215083332

2025121508333

	30/06/2025	30/06/2024
Discount rate	3.21%	3.49%
Rate of increase in management salaries	1.0%	1.0%
Rate of increase in wages and salaries	1.0%	1.0%
Turnover rate	5.0%	5.0%

The sensitivity analysis of the main evaluation parameters is as follows:

(in thousands of euro)

Turnover rate +1%	Turnover rate -1%	Inflation rate +0,25%	Inflation rate -0,25%	Discount rate +0,25%	Discount rate -0,25%
9.5	9.5	9.6	9.4	9.3	9.6

17) Provisions for risks

Totalling 16,572 thousand euro as at June 30, 2025, this item decreased compared to the balance of 52,074 thousand euro as at June 30, 2024, as shown in the following changes:

(thousands of euro)	30/06/2025	30/06/2024
Opening balance	**52,074**	**44,605**
Provision e release	(37,102)	7,500
Utilisations and other changes	1,600	(31)
Closing balance	**16,572**	**52,074**

Provisions for risks are set up to cover costs and expenses that may arise from the settlement of positions whose outcome, at June 30, 2025, was still uncertain.
The provision for risks includes the provision for the entire expected loss at operating margin level of a job order including the estimate of any future charges related to its completion as well as to the possible recognition of contractual penalties and/or expenses to be paid against disputes.
Estimates for these accruals and the amount of the provisions resulting at the end of the period are the result of a detailed assessment by the Company management which takes into account the information available on various elements, by their nature uncertain, that influence the estimate, historical experience and assumptions considered reasonable. Because of the uncertainty that characterises the assumptions and conditions on which the estimates are based, the outcomes of the situations for which these estimates and assumptions have been used may differ from those reported in the financial statements and may therefore give rise to impacts on the results of operations in subsequent periods.

CURRENT LIABILITIES

18) Trade payables

Trade payables are broken down as follows:

(thousands of euro)	30/06/2025	30/06/2024
ST payables to suppliers	312,492	336,543
Payables to group companies	640,977	470,015
Total	**953,469**	**806,558**

20251215083334

Amounts due to suppliers decreased by 24,051 thousand euro compared to the balance as at June 30, 2024. At the end of the current year, payables in foreign currencies totalled 35,8 million euro, of which 37,4 million USD equivalent to 33,5 million euro, at the exchange rate at the end of the previous financial year. There are no significant concentrations of payables on one or a small number of suppliers. Trade payables also include positions subject matter of Reverse Factoring with leading national operators for an amount of approximately 0.4 million euro as at June 30, 2025, with different maturities but less than 12 months (1.3 million euro as at 30 June 2024).
Trade payables subject to Reverse Factoring maintain their original nature as trade payables in consideration of the fact that there are no financial charges borne by the Company, they do not fall within the financial credit lines used by the Company and the terms of payment follow the normal conditions of supply for the types of business in which the Company is active.
On average, with the same type of supplier, the repayment times of debt positions subject to reverse factoring are similar to or slightly longer (by about 60 days) than those of debts settled directly by the company.
Payables to Group companies, which increased by 170,962 thousand euro compared to the value as at June 30, 2024, are broken down in attachment IX.

19) Liabilities from contracts and customer advances

Liabilities from contracts and customer advance payments, totalling 1,089,883 thousand euro as at June 30, 2025, decreased by 1,888 thousand euro from 1,091,771 thousand euro as at June 30, 2024, and comprise:

(thousands of euro)	30/06/2025	30/06/2024
ST Advances from customers	386,078	372,863
Advances from Group Companies	125,056	317,921
Liabilities from contracts	338,115	226,839
Liabilities from contracts vs. Group Companies	165,190	83,237
Other advances on job orders not yet in production	75,444	90,911
Total	**1,089,883**	**1,091,771**

"Current customer advance payments" and "Group company advance payments" represent amounts paid by customers prior to the start or at the beginning of works and related job orders in progress. These are reabsorbed in proportion to the invoices issued as job order progresses. The change in this item relates to the volume of orders acquired and job orders in progress.
"Other advances on job orders not yet in production" (75,444 as at June 30, 2025) include amounts paid by some customers as guarantee deposits relating to job orders, not yet in force, included in the net financial position (90,911 thousand euro as at June 30, 2024).
"Liabilities from contracts and customer advance payments" and "Liabilities from contracts to Group companies" include the negative net value resulting, for each individual job order, from the algebraic sum between work progress made and amounts invoiced in advance. The items are shown in more detail in Note 8.
Advance payments and trade payables to Group companies are detailed in attachment IX.

20) Other current liabilities

Other current liabilities amounted to 84,589 thousand euro as at June 30, 2025 (62,142 thousand euro as at June 30, 2024) and they are mainly comprised of:

20251215083335

(thousands of euro)	30/06/2025	30/06/2024
Due to employees	35,423	35,205
Withholding tax due	4,343	4,915
Guarantee deposits	89	689
Due to supplementary pension funds	922	861
Due to social security institutions	7,460	7,176
Due to company boards and committees	30	245
Other ST liabilities	36,322	13,051
Total	**84,589**	**62,142**

Amounts due to employees consist mainly of the payable for holidays earned but not taken at the end of the year.
"Payables for guaranteed deposits" include amounts paid by some customers as guaranteed deposits relating to job orders.
The item 'other current liabilities' includes €25,298 thousand for other taxes.

21) Current tax liabilities

As at June 30, 2025 the payable for current taxes includes provisions set aside for current taxes on the economic results of the company, taking into account the effects of National Tax Consolidation.

22) Bank debts and other financial liabilities

These referred to the current portion of non-current borrowing and loans, bank current account overdrafts, the short-term portion of financial payables recognised in accordance with IFRS 16 and intra-group financing operations, at market rates and conditions, through an intercompany current account, and to existing derivative financial instruments. As at June 30, 2025, the liability item totalled 210,313 thousand euro, compared to 297,811 thousand euro as at June 30, 2024.

(thousands of euro)	30/06/2025	30/06/2024
ST Bank financial Loan	-	-
ST Loans from subsidiaries	209,853	296,817
Accruals on financial payables	353	520
Lease liabilities current IFRS 16	107	474
Total	**210,313**	**297,811**

23) Guarantees and commitments

These show commitments and guarantees given by the company to third parties and were made up as follows:

(thousands of euro)	30/06/2025	30/06/2024
Bank guarantees and liens to third parties	2,554,953	2,444,745
Bank guarantees and liens to third parties on behalf of Group companies	137,429	195,586
Total	**2,692,382**	**2,640,331**

Guarantees given by banks to third parties on the company's behalf consist mainly of guarantees linked to the carrying out of various job orders. Items in foreign currencies are entered at the year-end exchange rates.
At June 30, 2025, guarantees from third parties in the company's favour amounted to 104,228 thousand euro.

2025121508336

20251215083337

INFORMATION ON THE INCOME STATEMENT

24) Revenues

Revenues are broken down as follows:

(thousands of euro)	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Revenues from sales and services	1,449,941	544,401	1,345,043	451,003
Changes in finished products and construction contracts	55,596	-	(9,071)	-
Other operating income	38,591	28,243	42,854	34,781
Total revenues	**1,544,128**	**572,644**	**1,378,826**	**485,784**

The different composition between revenues from sales and changes in assets and liabilities from contracts depends on how much progress has been made on job orders in progress and to what extent they have been completed.
Revenues from Group companies are detailed in attachment IX.
There are no significant concentrations of revenues from the same extra-Group counterparties that exceed 10% of the company's total revenues.

25) Purchase costs of raw materials and consumables

(thousands of euro)	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Purchase of raw materials	24,258	-	33,800	-
Purchase of finished products	934,330	436,428	771,547	318,556
Other purchases	350	-	444	-
Purchase cost of raw materials and consumables	**958,938**	**436,428**	**805,791**	**318,556**

Purchase costs of raw materials and consumables, of finished products and goods, net of the respective changes in inventories, are directly related to the composition and type of job orders included under "Revenues".

26) Personnel costs

Personnel costs are broken down as follows:

(thousands of euro)	30/06/2025 Managers and staff	30/06/2025 Blue collars	30/06/2024 Managers and staff	30/06/2024 Blue collars
Wages and salaries	113,658	19,190	111.820	19.552
Social security contributions	31,260	6,201	30.515	6.299
Employee Termination Indemnity	7,386	1,347	7.294	1.301
Other personnel costs	3,667	236	4.213	182
Personnel costs	**182,945**		**181,176**	

2025121508336

The average number of personnel during the last two financial years was as follows:

	30/06/2025	30/06/2024
Executives	84	90
White collars / Managers	1,869	1,852
Blue collars	462	503
Total	**2,415**	**2,445**

Changes in "Personnel costs" relate to the size of the organisation and the natural trend in earnings.

27) Other operating costs

These amounted to 259,820 thousand euro as at June 30, 2025 (312,005 thousand euro as at June 30, 2024) and consisted of:

	30/06/2025		30/06/2024	
(thousands of euro)		of which with related parties		of which with related parties
Cost for services	271,558	67,733	267,423	60,550
Use of third parties assets	14,917	539	13,076	535
Provisions	(37,102)		7,500	
Other operating costs	10,447	90	24,006	1,322
Total Other costs	**259,820**	**68,362**	**312,005**	**62,407**

Provisions were negative due to the release and utilisation of a large provision for risks allocated in previous years in connection with a dispute with an Asian customer that was settled in the current year.

27.1) Cost of services

Cost of services included in "Other operating costs" amounted to 271,558 thousand euro as at June 30, 2025, and 267,423 thousand as at June 30, 2024, thus increasing by 4,135 thousand euro. They are made up as follows:

20251215083339

(thousands of euro)	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Outsourcing	138,366	67,733	123,531	60,550
Energy and motive power	2,843		3,363	
Utilities	2,274		2,473	
Plant management, repairs and mantenance	5,298		5,420	
Travel and living expenses	15,976		16,529	
Commissions and premiums	782		1,969	
Despatch, transportations and porterage	51,320		69,474	
Insurances	4,234		4,086	
Legal and administrative consultancy	39,919		25,540	
Cleaning and security expenses	1,008		947	
Bank services	3,212		4,795	
Postal and communication costs	1,807		1,471	
Advertising and promotion expenses	865		921	
Other services	3,654		6,904	
Total Cost for services	**271,558**	**67,733**	**267,423**	**60,550**

Outsourcing to Group companies is detailed in attachment IX, under operating costs.
"Other cost of services" include emoluments to the Board of Statutory Auditors, amounting to 148 thousand euro (149 thousand euro as at June 30, 2024).
The increase in costs for legal and administrative consulting is mainly due to the legal costs associated with significant international legal and arbitration proceedings during the year.

27.2) Cost for use of third party assets

These totalled 14,917 thousand euro as at June 30, 2025, and increased by 1,841 thousand euro compared to 13,076 thousand euro as at June 30, 2024. They refer mainly to the rental of electronic equipment, civil and industrial motor vehicles and software which do not fall under the scope of application of IFRS 16.

(thousands of euro)	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Use of third parties assets	**14,917**	**539**	**13,076**	**535**

27.3) Other operating costs

These amounted to 10,447 thousand euro as at June 30, 2025, compared to 24,006 thousand euro as at June 30, 2024, with a decrease of 13,559 thousand euro and includes:

(thousands of euro)	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Loss on disposal of tangible assets	-		90	
Sundry taxes	1,233		934	
Other charges	27		13	
Contributions	1,759		2,042	
Other operating costs	3,839	90	15,015	1,322
Extraordinary expense	3,589		5,912	
Total Other operating costs	**10,447**	**90**	**24,006**	**1,322**

28) Depreciation, amortisation and write-downs

In detail:

(thousands of euro)	30/06/2025	30/06/2024
Depreciation of property, plant and equipment	10,409	10,191
Depreciation of right of use	1,404	1,368
Amortisation of intangible assets	6,813	6,604
Total depreciation and amortisation	**18,626**	**18,163**
Write-down/(Reversal) of impairment losses	(11,136)	15,568
Write-downs	**(11,136)**	**15,568**
Total write-downs, depreciation and amortisation	**7,490**	**33,731**

29) Financial income

This amounted to 48,313 thousand euro as at June 30, 2025, and consisted mainly of:

(thousands of euro)	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Interest income on bank deposits	40,408		31,209	
Interest from customers	616		497	
Other financial income	7,289	3,920	19,703	5,457
Total	**48,313**	**3,920**	**51,409**	**5,457**

The decrease in "Other financial income" derives from the decrease in interest income accrued on the intercompany current accounts held with the subsidiaries and from the income associated with the tax credits purchased during the previous and current financial year.

20251215083411

30) Financial charges

These consisted of:

(thousands of euro)	30/06/2025	of which with related parties	30/06/2024	of which with related parties
Interest on loans and debts with banks and lessors	19,600	9,181	22,755	12,343
Other financial charges	4,406		733	
Total	**24,006**	**9,181**	**23,488**	**12,343**

Note that interest expense for leases amounting to 62 thousand euro are also included.
Financial charges on the employee severance indemnity related to the recognition as a result of the application of the amendments to IAS 19 - Employee Benefits are also included.

31) Gains (losses) on foreign exchange transactions

(thousands of euro)	30/06/2025	30/06/2024
Exchange gains	83,270	39,999
Exchange losses	(157,116)	(25,230)
Total	**(73,846)**	**14,769**

This item reflects both exchange differences realised in the period and the effects of translating items in foreign currencies at year-end spot exchange rates.
The overall negative result is mainly linked to the performance of the exchange rate of the US dollar against the euro. The exchange loss relating to the adjustment on items of a financial nature is negative 72,703 thousand euro, while the exchange gain on items of an operating nature is negative 1,143 thousand euro.
As a result of the fact that the accounting standards do not provide for a specific income statement classification of the profit and loss arising from transactions in foreign currency, the company has opted to represent them in full in this item of the financial statements.

32) Income taxes

These amounted to 30,203 thousand euro and were broken down as follows:

(thousands of euro)	30/06/2025	30/06/2024
Income taxes	9,500	2,500
(Income)/charges from tax consolidation	17,500	21,035
Prior year income taxes	(178)	8,768
Deferred tax assets	3,026	(11,446)
Deferred tax liabilities	355	894
Total	**30,203**	**21,751**

They include the estimate of current and deferred taxes commensurate with results for the year.
"Income/charges from tax consolidation" includes the benefits and charges deriving from the fact that the company opted for the national tax consolidation.

20251215083342

The tax rates applied for the purposes of calculating current and deferred taxes are 24.00% for IRES (corporate tax) and 3.9% for IRAP (regional tax), with the exception of the value of production for the year attributable to the Friuli-Venezia Giulia Region, to which a reduced IRAP of 2.98% was applied for so-called "virtuous undertakings" (Regional Law no.2 of January 18, 2006).
There are no other deferred tax assets to be recognised in the financial statements relating to temporary differences between carrying values and values for tax purposes or related to previous years' losses.
The reconciliation between the theoretical tax charge and that actually shown in the income statement is provided in attachment VIII.

33) Related party transactions

Transactions carried out by Danieli & C. Officine Meccaniche S.p.A. with related parties basically concerned the supply of services, the trading of goods, and the contracting and use of financial resources with other companies in which shares are held directly or indirectly; they form part of standard operations and are governed by normal market conditions, equivalent to those that would apply between two independent parties.

The following is reported with regard to the fees of directors, statutory auditors and general managers of Danieli & C. Officine Meccaniche S.p.A.:

(thousands of euro)	30/06/2025	30/06/2024
Fixed fees	2,759	2,624
Variable fees	99	233
Benefits in kind	46	55
Total	**2,904**	**2,912**

34) Disclosure of public funds pursuant to Italian Law 124/2017

Grants and contributions received in the period from July 1, 2024, to June 30, 2025, from public administrations, from companies controlled by them and from publicly-owned companies, as required by the annual law for the market and competition (Italian Law 124/2017, art. 1, paragraphs 125 – 129), are shown below:

Identification data of the disbursing subject	Amount of the economic benefit received (euro)	Description of the type of benefit
Revenue Agency	917,209	Tax credit for investments in new Industry 4.0 capital goods and Tax credit for the purchase of new capital goods destined for production facilities located in the territory of the Italian State (Italian Law 160/2019 - Italian Law 178/2020) pertaining to financial year
Friuli-Venezia Giulia Region	140,710	Advances PR FESR 2021-2027 (2022 call for applications) – ECOTWINDUE Project – Grant
University of Udine	31,604	Calls for applications iNEST, NRRP – M4C2 – Investment 1.5, NextGenerationEU – SOFTMod Project – Cascading grant
European Commission	20,075	European call for proposals RFCS – "Safe H-DRI" Project – Grant

Formazienda (national interprofessional joint fund for continuing education)	271,867	Contribution for employee training

2025121508343

Disclosures pursuant to art. 114 of Italian Legislative Decree 58/1998

Pursuant to Legislative Decree and Consob letter 6064293 of July 28, 2006, the disclosures concerning related party transactions, significant, non-recurring and/or atypical and unusual events and transactions, and the net financial position were presented in these Explanatory notes, in the corresponding sections of these notes and in some attachments to the financial statements.

Events occurring after the reporting period

Operations continued with no significant events occurring since June 30, 2025.

There are no other significant unknown factors for the year ahead, barring unforeseeable events beyond the control Danieli & C., S.p.A.
Alignment of currency items to the exchange rate prevailing on September 26, 2025, would not have resulted in a significant change in unrealised exchange differences for the year compared to the figure recorded considering the exchange rate as at June 30, 2025.
Except for what has already been discussed, no other events occurred after June 30, 2025, which could have had an impact on the economic, equity and financial position as shown in the balance sheet, the income statement and statement of comprehensive income at said date or required further adjustments or additional notes to the consolidated financial statements and to the separate financial statements.

20251213083344

ATTACHMENT No. I

Schedule of equity investments

Italian companies

(thousands of euro)	Balance as at 30/06/2023	Purchases and subscriptions	Sales or decreases	Write-down	Balance as at 30/06/2024	Purchases and subscriptions	Sales or decreases	Write-down
Direct subsidiaries and other equity investments								
Danieli Finance Solutions SA Luxembourg (LUX)	667,705				667,705			
Industrielle Beteiligung SA Luxembourg (LUX)	502,945				502,945			
D.I.L. S.p.A. - Buttrio (UD)	-				-	12		
Dana Petro Foulad Pasargad Co. Esfahan (IRN)	148				148			
Other equity investments	51	-			51			
Total	**1,170,849**	**-**	**-**	**-**	**1,170,849**	**12**	**-**	**-**

2025121503345

ATTACHMENT No. II

Schedule summarising the key data from the financial statements approved by the administrative bodies of the subsidiaries

Balance Sheet

(thousands of euro)

Consolidated Companies	Original currency	Last approved fin. statement	Non-current assets	Currents assets	Total shareholders' equity	Non-current liabilities	Current liabilities
ABS Centre Métallurgique SaS - Metz (FRA)	EURO	30/06/2025	2,622	4,133	6,155	-	600
ABS Deutschland GmbH - Ratinger (DEU)	EURO	30/06/2025	8	191	72	-	126
ABS Sfere S r.l. - Pozzuolo (UD)	EURO	30/06/2025	46	6,896	353	-	6,589
Acciaierie Bertoli Safau Iberica SL - Bilbao (ESP)	EURO	30/06/2025	16	92	84	-	23
Acciaierie Bertoli Safau S.p.A. - Pozzuolo (UD)	EURO	30/06/2025	755,252	777,825	764,653	350,883	417,562
ABS Steel Nordic AB - Örebro (SWE)	SEK	30/06/2025	-	2,073	1,059	-	1,013
Acciaierie Bertoli Safau Sisak Doo - Sisak (HRV)	EURO	30/06/2025	65,104	20,594	32,676	26,664	26,357
Corte delle Fucine S.r.l. - Buttrio (UD)	EURO	30/06/2025	141	2,241	1,079	174	1,129
D.I.L. S.p.A. - Buttrio (UD)	EURO	30/06/2025	6	401	389	-	18
Danieli Automation S.p.A. - Buttrio (UD)	EURO	30/06/2025	174,586	384,920	187,748	14,859	356,899
Danieli Automation Co. Ltd. - Rayong (THA)	THB	30/06/2025	18,475	242,898	106,872	7,058	147,443
Danieli Finance Solutions S.A. - Luxembourg (LUX)	EURO	30/06/2025	532	1,176,075	1,153,494	2,104	21,009
Danieli Canada Inc. - Toronto (CAD)	CAN	30/06/2025	17	3,493	1,779	-	1,731
Danieli Centro Combustion India Pvt. Ltd. - Pune (IND)	INR	30/06/2025	68,072	1,903,589	846,042	224,623	901,096
Danieli Centro Combustion S.p.A. - Cinisello Balsamo (MI)	EURO	30/06/2025	3,086	122,149	26,860	5,019	93,358
Danieli Centro Cranes S.p.A. in liquidazione - Rezzato (BS)	EURO	30/06/2025	23	5,833	5,547	95	214
Danieli Changsu Trading Co. Ltd - Changshu (CHN)	CNY	30/06/2025	-	84,066	18,313	-	65,753
Danieli Co. Ltd. - Rayong (THA)	THB	30/06/2025	1,893,415	23,851,616	7,215,477	595,041	17,934,513
Danieli Construction International S.p.A. - Buttrio (UD)	EURO	30/06/2025	5,261	52,942	35,205	6,076	16,923
Danieli Corporation - Wilmington, Delaware (USA)	USD	30/06/2025	102,731	454,927	37,880	16,053	503,725
Danieli Corus BV - Ijmuiden (NLD)	EURO	30/06/2025	5,350	81,279	48,167	1,250	37,212
Danieli Corus India (Pvt) Ltd. - New Delhi (IND)	INR	30/06/2025	157,522	3,341,447	1,375,933	-	2,123,037
Danieli Corus Refractory Solutions (pvt.) Ltd. - Cuttack (IND)	INR	30/06/2025	301,665	140,193	70,033	275	371,550
Danieli Hoogovens Steel Making Technology Ltd. - Shanghai (CHN)	CNY	30/06/2025	31	124,224	48,543	-	75,712
Danieli Czech Engineering AS - Praha (CZE)	CZK	30/06/2025	4,807	43,410	36,977	10,000	1,240
Danieli Do Brasil LTDA - Diadema (BRA)	BRL	30/06/2025	28,658	174,738	123,309	1,030	79,057
Danieli Engineering & Services GmbH - Völkermarkt (AUT)	EURO	30/06/2025	7,370	101,006	77,945	-	30,432
Danieli Engineering Japan Co. Ltd. - Yokohama (JPN)	JPY	30/06/2025	241,627	7,215,258	208,126	-	7,248,759
Danieli Engineering Rom Srl - Cluj Napoca (ROU)	RON	30/06/2025	1,125	7,957	7,563	217	1,302
Danieli Germany Gmbh - Duisburg (DEU)	EURO	30/06/2025	15,724	344,697	26,629	15,092	318,700
Danieli Heavy Machinery Eng. LLC - Dnepropetrovsk (UKR)	UAH	30/06/2025	6,419	217,069	195,568	19,984	7,936
Danieli Henschel SAS - Méry (FRA)	EURO	30/06/2025	1	684	(112)	-	797
Danieli Henschel Service OOO in liquidazione - Moscow (RUS)	RUB	30/06/2025	1,358	8,367	(17,970)	-	27,716
Danieli High Technology (Changshu) Co., Ltd - Changshu (CHN)	CNY	30/06/2025	57	85,715	67,003	3,106	15,663
Danieli Holdings Inc. - Wilmington, Delaware (USA)	USD	30/06/2025	70,190	276	62,466	-	8,000
Danieli Industrial Automation (Suzhou) Co., Ltd - Suzhou (CHN)	CNY	30/06/2025	7,451	214,991	137,120	4,105	81,217
Danieli India Ltd. - Kolkata (IND)	INR	30/06/2025	4,681,190	11,242,621	7,310,819	37,762	8,575,231
Danieli Lynxs Shredder Services Ltd (GBR)	GBP	30/06/2025	-	-	-	-	-
Danieli Lynxs Services Ltd (GBR)	GBP	30/06/2025	-	-	-	-	-
Danieli Lynxs Ltd (GBR)	GBP	30/06/2025	-	-	-	-	-
Danieli Malaysia Sdn Bhd - Kuala Lumpur (MYS)	MYR	30/06/2025	-	2,130	1,542	-	589
Danieli Metall. Equip. & Service (China) Co Ltd.Changshu (CHN)	CNY	30/06/2025	905,744	8,112,974	2,296,278	(8,322)	6,730,761
Danieli Metallurgical Industry (China) Co., Ltd - Beijing (CHN)	CNY	30/06/2025	261	17,877	18,138	-	-
Danieli Metallurgy Germany - Dusseldorf (DEU)	EURO	30/06/2025	-	24	23	-	1
Danieli Middle East and North Africa LLC - Cairo (EGY)	EGP	30/06/2025	82	19,200	14,148	-	5,134
Danieli Middle East for Eng. Services (LMTD) - Cairo (EGY)	EGP	30/06/2025	322	3,369	(121,529)	-	125,221
Danieli Procome Iberica SA - Dondika (ESP)	EURO	30/06/2025	1,008	13,399	12,760	151	1,497
Danieli Project - Duisburg (DEU)	EURO	30/06/2025	-	122,247	2,040	-	120,207
Danieli Special Cranes S.r.l. in liquidazione - Gradisca d'Is. (GO)	EURO	30/06/2025	662	2,209	2,748	-	123
Danieli Systec Technology Doo - Nova Gorica (SLV)	EURO	30/06/2025	303	1,193	1,399	-	98
Danieli Systec Engineering Doo - Smederevo (SRB)	RSD	30/06/2025	13,244	333,903	273,988	-	73,158
Danieli Systec Doo - Labin (HRV)	EURO	30/06/2025	2,814	13,878	11,268	13	5,411
Danieli Tararis LLC - Chelsea (USA)	USD	30/06/2025	168	44,026	11,873	-	32,321
Danieli Intelligent Technologies (Beijing) Co Ltd - Beijing (CHN)	CNY	30/06/2025	(0)	17,843	7,222	-	10,620
Danieli UK Holding Ltd. - Rotherham (GBR)	GBP	30/06/2025	13,141	28,563	14,807	279	26,609
Danieli Volga LLC - Dzerdzhinsk (RUS)	RUB	30/06/2025	1,262,998	9,872,330	1,239,072	151,948	9,694,307
DWU Engineering Polska - Wroclaw (POL)	PLZ	30/06/2025	297	4,652	3,215	536	1,196
Editoriale Il Friuli Srl - Tavagnacco (UD)	EURO	30/06/2025	148	350	101	250	148
Elsid Cheda Ltd. - Moscow (RUS)	RUB	30/06/2025	63	249,009	226,389	-	22,684
ESW Röhrenwerke GmbH - Eschweiler (DEU)	EURO	30/06/2025	2,962	26	2,039	55	895
Euronews Srl - Udine (UD)	EURO	30/06/2025	10	684	93	133	468
Fata Gulf Co. WLL - Doha (QAT)	QAR	30/06/2025	18	1,080	324	-	773
Fata S.p.A. - Pianezza (TO)	EURO	30/06/2025	46,954	181,205	(13,538)	715	240,983
Findan S.p.A. - Pradamano (UD)	EURO	30/06/2025	66,610	11,014	67,519	10,000	106
Industrial Beteiligung Serv. & Contracting Co. LLC - Al Khobar (SAU)	SAR	30/06/2025	216	14,711	3,109	129	11,689
Industrielle Beteiligung Company Ltd - HoChiMinh City (VNM)	VND	30/06/2025	101,074,009	219,251,795	224,659,435	-	95,666,369
Industrielle Beteiligung S.A. - Luxembourg (LUX)	EURO	30/06/2025	878,233	36,518	908,944	-	5,807
Innoval Technology Ltd - Rotherham (GBR)	GBP	30/06/2025	319	887	464	-	742
Sabelaria Haven & Hospitability S.p.A. Buttrio (UD)	EURO	30/06/2025	49,358	3,488	47,309	-	5,537
More S.r.l. - Gemona del Friuli (UD)	EURO	30/06/2025	7,548	36,551	34,834	2,276	6,989
More North America Corp. - Kennesaw, Georgia (USA)	USD	30/06/2025	6	6,864	4,406	-	2,464
Morgårdshammar AB - Smedjebacken (SWE)	SEK	30/06/2025	2,036	106,397	104,011	-	4,422
Pars Foulad Jam Sama Heavy Metallurgical Equipment Co. PJS - Eshtehard (IRN)	IRR	30/06/2025	1,152,590,145	17,092,598,335	(254,979,364)	160,165,051	18,340,002,792
Rotelec SA - St. Quentin (FRA)	EURO	30/06/2025	745	20,804	16,620	143	4,787
Rotti-Fer S.r.l. - Pavia di Udine (UD)	EURO	30/06/2025	6,919	10,614	10,212	562	6,760
Zhuozhou Ruixin Metallurgy Equipment Co., Ltd - Zhuozhou (CHN)	CNY	30/06/2025	1,397	23,304	22,155	2,250	296
Scuole e Asili Cecilia Danieli S.r.l. - Buttrio (UD)	EURO	30/06/2025	5,701	1,784	7,288	-	197
DSR Sider Engineering Group S p.A. - Pozzuolo del Friuli (UD)	EURO	30/06/2025	2,287	40,496	11,267	2,746	28,771
Shinagawa Danieli Advanced Materials S p.A - Buttrio (UD)	EURO	n.a.	-	-	-	-	-
Siwn S.r.l. in liquidazione - Magnago (MI)	EURO	30/06/2025	110	1,256	1,341	-	25
Sund Birsta AB - Sundsvall (SWE)	SEK	30/06/2025	7,322	528,034	434,951	5,888	94,517
Sund Birsta Beijing Metallurgical Equipment Co. Ltd. - Beijing (CHN)	CNY	30/06/2025	3,012	90,443	68,828	-	24,627
Sund Birsta Inc. - Jacksonville, Florida (USA)	USD	30/06/2025	496	12,039	10,895	-	1,640
Sund Birsta India Provate ltd - Pune (IND)	INR	30/06/2025	1,274	37,159	(8,437)	-	46,870
Sund Strap AB - Sundsvall (SWE)	SEK	30/06/2025	-	116	116	-	-
Suzhou More Metallurgy Technology Co., Ltd - Changshu (CHN)	CNY	30/06/2025	159	25,946	13,656	340	12,109
Telefriuli S.p.A - Udine (UD)	EURO	30/06/2025	340	664	42	443	519
Termo Makina Sanayi Ve Tic. AS - Duzce (TUR)	TRY	30/06/2025	199,584	255,795	274,480	-	180,899
Turismo 85 S.r.l. - Buttrio (UD)	EURO	30/06/2025	562	6,231	1,783	766	4,245
Zerotredici Educational Hub S.r.l. - Buttrio (UD)	EURO	30/06/2025	2	476	155	56	268

2023215083345

ATTACHMENT No. II

Schedule summarising the key data from the financial statements approved by the administrative bodies of the subsidiaries

Income Statement

(thousands of euro)

Consolidated Companies	Value of production	Costs of production	Financial Income and charges	Income taxes	Net profit (loss) of the period	Number of employees
ABS Centre Métallurgique SaS - Metz (FRA)	4,302	(3,537)	-	(84)	681	26
ABS Deutschland GmbH - Ratinger (DEU)	701	(667)	(0)	(14)	20	3
ABS Sfere S.r.l. - Pozzuolo (UD)	12,149	(12,233)	(34)	28	(90)	1
Acciaierie Bertoli Safau Iberica SL - Bilbao (ESP)	292	(282)	-	(4)	7	2
Acciaierie Bertoli Safau S.p.A. - Pozzuolo (UD)	1,069,880	(1,093,053)	(7,061)	661	(29,573)	1,249
ABS Steel Nordic AB - Örebro (SWE)	4,153	(3,956)	0	(55)	143	2
Acciaierie Bertoli Safau Sisak Doo - Sisak (HRV)	34,071	(52,637)	(1,917)	(1,815)	(22,299)	149
Corte delle Fucine S.r.l. - Buttrio (UD)	4,330	(5,642)	(2)	308	(1,005)	53
D.I.L. S.p.A. - Buttrio (UD)	-	(11)	0	-	(11)	-
Danieli Automation S.p.A. - Buttrio (UD)	294,785	(265,958)	581	(6,722)	22,686	501
Danieli Automation Co, Ltd. - Rayong (THA)	212,816	(203,697)	5,610	(1,175)	13,554	29
Danieli Finance Solutions S.A. - Luxembourg (LUX)	7	(1,584)	27,343	(9,233)	16,533	5
Danieli Canada Inc. - Toronto (CAD)	4,472	(4,246)	(0)	(9)	216	1
Danieli Centro Combustion India Pvt. Ltd. - Pune (IND)	1,007,840	(631,345)	75,332	(184,645)	267,181	61
Danieli Centro Combustion S.p.A. - Cinisello Balsamo (MI)	62,313	(56,108)	1,559	(2,135)	5,629	111
Danieli Centro Cranes S.p.A. in liquidazione - Rezzato (BS)	0	(64)	169	-	105	-
Danieli Changsu Trading Co. Ltd - Changshu (CHN)	57,903	(55,089)	5,823	(4,487)	4,150	2
Danieli Co. Ltd. - Rayong (THA)	10,760,775	(8,313,130)	113,018	(486,290)	2,074,373	975
Danieli Construction International S.p.A. - Buttrio (UD)	26,585	(23,237)	863	(101)	4,110	45
Danieli Corporation - Wilmington, Delaware (USA)	736,166	(723,898)	2,166	(5,596)	8,838	204
Danieli Corus BV - Ijmuiden (NLD)	87,123	(87,219)	1,919	960	2,782	130
Danieli Corus India (Pvt) Ltd. - New Delhi (IND)	6,123,858	(5,376,663)	(16,668)	(183,874)	546,653	161
Danieli Corus Refractory Solutions (pvt.) Ltd. - Cuttack (IND)	192,120	(182,048)	(22,968)	3,246	(9,649)	6
Danieli Hoogovens Steel Making Technology Ltd. - Shanghai (CHN)	159,102	(141,541)	8,618	(6,545)	19,634	11
Danieli Czech Engineering AS - Praha (CZE)	10,969	(17,743)	(122)	(851)	(7,747)	6
Danieli Do Brasil LTDA - Diadema (BRA)	223,391	(158,107)	2,809	(17,726)	50,366	37
Danieli Engineering & Services GmbH - Völkermarkt (AUT)	127,595	(88,169)	(1,700)	(8,673)	29,053	81
Danieli Engineering Japan Co. Ltd. - Yokohama (JPN)	5,035,312	(4,912,185)	(37,082)	(22,725)	63,321	20
Danieli Engineering Rom Srl - Cluj Napoca (ROU)	8,829	(8,246)	139	(17)	705	34
Danieli Germany Gmbh - Duisburg (DEU)	203,733	(185,849)	(197)	(5,094)	12,593	66
Danieli Heavy Machinery Eng. LLC - Dnepropetrovsk (UKR)	43,202	(43,711)	23,267	(4,096)	18,662	50
Danieli Henschel SAS - Méry (FRA)	337	(41)	-	-	296	-
Danieli Henschel Service OOO in liquidazione - Moscow (RUS)	-	-	-	-	-	-
Danieli High Technology (Changshu) Co., Ltd - Changshu (CHN)	9,262	(3,484)	3,146	(2,333)	6,581	-
Danieli Holdings Inc. - Wilmington, Delaware (USA)	-	-	4	1,580	1,584	-
Danieli Industrial Automation (Suzhou) Co., Ltd - Suzhou (CHN)	175,475	(136,624)	2,080	(10,265)	30,666	90
Danieli India Ltd. - Kolkata (IND)	13,142,152	(12,547,097)	89,098	(177,362)	506,791	616
Danieli Malaysia Sdn Bhd - Kuala Lumpur (MYS)	2	(88)	-	-	(86)	-
Danieli Metall. Equip. & Service (China) Co Ltd.Changshu (CHN)	3,147,651	(2,752,750)	197,248	(80,065)	512,084	975
Danieli Metallurgical Industry (China) Co., Ltd - Beijing (CHN)	50	(968)	19	(52)	(952)	-
Danieli Metallurgy Germany - Dusseldorf (DEU)	-	(1)	-	-	(1)	-
Danieli Middle East and North Africa LLC - Cairo (EGY)	44,582	(35,524)	(985)	(2,027)	6,045	10
Danieli Middle East for Eng. Services (LMTD) - Cairo (EGY)	-	(290)	(17,122)	-	(17,412)	-
Danieli Lynxs Shredder Services Ltd (GBR)	-	-	-	-	-	-
Danieli Lynxs Services Ltd (GBR)	-	-	-	-	-	-
Danieli Lynxs Ltd (GBR)	-	-	-	-	-	-
Danieli Procome Iberica SA - Dondika (ESP)	3,571	(2,911)	266	(221)	705	15
Danieli Project - Duisburg (DEU)	-	(3)	42	(11)	28	-
Danieli Special Cranes S.r.l. in liquidazione - Gradisca d'Is. (GO)	-	(14)	61	(2)	45	-
Danieli Systec Technology Doo - Nova Gorica (SLV)	995	(984)	-	(1)	10	17
Danieli Systec Engineering Doo - Smederevo (SRB)	660,077	(660,966)	(6,979)	(2,098)	(9,966)	82
Danieli Systec Doo - Labin (HRV)	29,678	(28,711)	(34)	(187)	746	289
Danieli Taranis LLC - Chelsea (USA)	58,727	(53,128)	(9)	-	5,590	87
Danieli Intelligent Technoligies (Beijing) Co.Ltd - Beijing (CHN)	10,424	(12,859)	(29)	-	(2,464)	1
Danieli UK Holding Ltd. - Rotherham (GBR)	30,814	(29,717)	646	(620)	1,123	54
Danieli Volga LLC - Dzerdzhinsk (RUS)	7,548,450	(8,032,394)	226,399	(137,730)	(395,275)	221
DWU Engineering Polska - Wroclaw (POL)	18,131	(18,667)	(79)	-	(615)	87
Editoriale Il Friuli Srl - Tavagnacco (UD)	590	(596)	(0)	0	(5)	5
Elsid Cheda Ltd. - Moscow (RUS)	147,718	(96,517)	1,317	(10,506)	42,012	25
ESW Röhrenwerke GmbH - Eschweiler (DEU)	-	-	-	-	(228)	-
Euronews Srl - Udine (UD)	2,180	(2,142)	(2)	(3)	34	1
Fata Gulf Co. WLL - Doha (QAT)	2,353	(2,313)	(4)	(45)	(9)	1
Fata S.p.A. - Pianezza (TO)	151,620	(256,752)	(813)	26,541	(79,426)	118
Findan S.p.A. - Pradamano (UD)	497	(1,394)	97	10	(789)	-
Industrial Beteiligung Serv. & Contracting Co. LLC - Al Khobar (SAU)	13,705	(13,368)	(13)	-	325	8
Industrielle Beteiligung Company Ltd. - HoChiMinh City (VNM)	336,302,011	(311,793,072)	14,117,512	(7,900,634)	30,725,816	250
Industrielle Beteiligung S.A. - Luxembourg (LUX)	-	(499)	80,109	(4,001)	75,609	1
Innoval Technology Ltd.- Rotherham (GBR)	1,821	(2,312)	(8)	(3)	(501)	14
Sabolarie Haven & Hospitability S.p.A. Buttrio (UD)	1,054	(1,542)	173	66	(239)	-
More S.r.l. - Gemona del Friuli (UD)	28,858	(22,419)	103	(1,798)	4,744	99
More North America Corp. - Kennesaw, Georgia (USA)	9,390	(7,995)	1	(293)	1,103	2
Morgårdshammar AB - Smedjebacken (SWE)	34,569	(32,605)	234	-	2,198	17
Pars Foulad Jam Sama Heavy Metallurgical Equipment Co. PJS - Eshtehard (IRN)	7,617,721,444	(7,385,925,808)	(334,546,159)	-	(102,750,523)	68
Rotelec SA - St. Quentin (FRA)	15,039	(10,565)	155	(1,150)	3,480	34
Rott-Ferr S.r.l. - Pavia di Udine (UD)	39,738	(39,027)	13	(52)	673	27
Zhuozhou Ruixin Metallurgy Equipment Co., Ltd - Zhuozhou (CHN)	9,703	(7,984)	80	(90)	1,709	25
Scuole e Asili Cecilia Danieli S.r.l. - Buttrio (UD)	506	(477)	27	(14)	42	-
DSR Sider Engineering Group S.p.A. - Pozzuolo del Friuli (UD)	42,656	(38,088)	(91)	(1,198)	3,278	130
Shinagawa Danieli Advanced Materials S.p.A - Buttrio (UD)	-	-	-	-	-	-
Stem S.r.l. in liquidazione - Magnago (MI)	0	(30)	30	-	0	-
Sund Birsta AB - Sundsvall (SWE)	313,433	(281,501)	49,141	(7,284)	73,789	82
Sund Birsta Beijing Metallurgical Equipment Co. Ltd. - Beijing (CHN)	19,907	(19,498)	(496)	(395)	(482)	25
Sund Birsta Inc. - Jacksonville, Florida (USA)	9,389	(6,168)	335	(814)	2,742	10
Sund Birsta India Provate ltd - Pune (IND)	26,451	(31,462)	(3,527)	-	(8,537)	4
Sund Strap AB - Sundsvall (SWE)	-	-	-	-	-	-
Suzhou More Metallurgy Technology Co., Ltd - Changshu (CHN)	24,070	(20,417)	(325)	(599)	2,730	5
Telefriuli S.p.A - Udine (UD)	2,690	(2,420)	(12)	(166)	93	25
Termo Makina Sanayi Ve Tic. AS - Duzce (TUR)	276,037	(266,383)	(11,565)	-	(1,912)	24
Turismo 85 S.r.l. - Buttrio (UD)	9,896	(9,544)	(6)	(111)	235	41
Zerotredici Educational Hub S.r.l. - Buttrio (UD)	1,226	(1,238)	7	(19)	(25)	28

2025121508347

ATTACHMENT No. III

Schedule summarising investments in subsidiary and associated companies

(thousands of euro)	Financial year-end date	Interest held %	(A) Shareholders' equity	(B) Cost value as at 30/06/2025	(C) = (A-B) Difference	Notes
Subsidiary companies						
Direct						
Danieli Finance Solutions S.A. - Luxembourg (LUX)	30.06	100.00	1,153,494	824,303	329,191	
Industrielle Beteiligung S.A. - Luxembourg (LUX)	30.06	100.00	908,944	502,945	405,999	
Indirette						
ABS Centre Métallurgique SaS - Metz (FRA)	30.06	100.00	6,155	5,000	1,155	
ABS Deutschland GmbH - Ratinger (DEU)	30.06	100.00	72	225	(153)	2)
Acciaierie Bertoli Safau Iberica SL - Bilbao (ESP)	30.06	100.00	84	42	42	
Acciaierie Bertoli Safau S.p.A. - Pozzuolo (UD)	30.06	100.00	764,653	348,989	415,664	
Acciaierie Bertoli Safau Scandinavia AB - Örebro (SWE)	30.06	100.00	95	6	89	
Acciaierie Bertoli Safau Sisak Doo - Sisak (HRV)	30.06	100.00	32,676	73,033	(40,357)	2)
Corte delle Fucine S.r.l. - Buttrio (UD)	30.06	100.00	1,079	1,099	(19)	2)
Danieli Automation S.p.A. - Buttrio (UD)	30.06	100.00	187,748	12,664	175,084	
Danieli Automation Co. Ltd. - Rayong (THA)	30.06	100.00	2,803	1,112	1,691	
Danieli Canada Inc. - Toronto (CAD)	30.06	100.00	1,110	1,066	44	2)
Danieli Centro Combustion India Pvt. Ltd. - Pune (IND)	31.03	100.00	8,413	366	8,047	
Danieli Centro Combustion S.p.A. - Cinisello Balsamo (MI)	30.06	100.00	26,860	3,292	23,568	
Danieli Centro Cranes S.p.A. in liquidazione - Rezzato (BS)	30.06	100.00	5,547	1,303	4,244	
Danieli Changsu Trading Co. Ltd - Changshu (CHN)	31.12	100.00	2,181	127	2,054	
Danieli Co. Ltd. - Rayong (THA)	30.06	100.00	189,258	29,918	159,341	
Danieli Construction International S.p.A. - Buttrio (UD)	30.06	100.00	35,205	24,769	10,436	
Danieli Corporation - Wilmington, Delaware (USA)	30.06	100.00	32,320	50,619	(18,299)	2)
Danieli Corus BV - Ijmuiden (NLD)	30.06	100.00	48,167	32,200	15,967	
Danieli Corus India (Pvt) Ltd. - New Delhi (IND)	30.06	100.00	13,683	9,529	4,153	
Danieli Hoogovens Steel Making Technology Ltd. - Shanghai (CHN)	30.06	100.00	5,781	4,833	948	
Danieli Czech Engineering AS - Praha (CZE)	30.06	100.00	1,494	116	1,378	
Danieli Do Brasil LTDA - Diadema (BRA)	31.12	100.00	19,152	2,486	16,666	
Danieli Engineering & Services GmbH - Völkermarkt (AUT)	30.06	100.00	77,945	4,000	73,945	
Danieli Engineering Japan Co. Ltd. - Yokohama (JPN)	30.06	100.00	1,230	(1,399)	2,629	
Danieli Engineering Rom Srl - Cluj Napoca (ROU)	30.06	100.00	1,489	5	1,484	
Danieli Germany Gmbh - Duisburg (DEU)	30.06	100.00	26,629	2,915	23,714	
Danieli Heavy Machinery Eng. LLC - Dnepropetrovsk (UKR)	30.06	100.00	3,992	3,280	713	
Danieli Henschel SAS - Méry (FRA)	31.12	100.00	(112)	792	(904)	
Danieli Henschel Service OOO in liquidazione - Moscow (RUS)	31.12	100.00	(195)	2	(197)	2)
Danieli High Technology (Changshu) Co., Ltd - Changshu (CHN)	31.12	100.00	7,979	1,500	6,479	
Danieli Holdings Inc. - Wilmington, Delaware (USA)	30.06	100.00	53,298	16,026	37,273	
Danieli India Ltd. - Kolkata (IND)	31.03	100.00	72,701	62,225	10,476	
Danieli Industrial Automation (Suzhou) Co., Ltd - Suzhou (CHN)	31.12	100.00	16,330	6,431	9,899	
Danieli Lynxs Shredder Services Ltd (GBR)	30.06	100.00	-	-	-	
Danieli Lynxs Services Ltd (GBR)	30.06	100.00	-	-	-	
Danieli Lynxs Ltd (GBR)	30.06	100.00	-	-	-	
Danieli Malaysia Sdn Bhd - Kuala Lumpur (MYS)	31.12	100.00	312	111	201	
Danieli Metall. Equip. & Service (China) Co Ltd.Changshu (CHN)	31.12	100.00	273,464	30,000	243,464	
Danieli Metallurgical Industry (China) Co., Ltd - Beijing (CHN)	31.12	100.00	2,160	2,584	(424)	
Danieli Metallurgy Germany - Dusseldorf (DEU)	30.06	100.00	23	25	(2)	
Danieli Project - Duisburg (DEU)	30.06	100.00	2,040	2,019	21	
Danieli Special Cranes S.r.l. in liquidazione - Gradisca d'Is. (GO)	30.06	100.00	2,748	2,645	102	
Danieli Systec Doo - Labin (HRV)	30.06	100.00	11,268	12	11,256	
Danieli Systec Technology Doo - Nova Gorica (SLV)	30.06	100.00	1,398	13	1,385	
Danieli Systec Engineering Doo - Smederevo (SRB)	30.06	100.00	2,338	0	2,338	
Danieli Taranis LLC - Chelsea (USA)	30.06	100.00	10,131	13,472	(3,341)	3)
Danieli Intelligent Technoligies (Beijing) Co.Ltd - Beijing (CHN)	30.06	100.00	860	1,640	(779)	
Danieli UK Holding Ltd. - Rotherham (GBR)	30.06	100.00	17,308	11,635	5,673	
Danieli Volga LLC - Dzerdzhinsk (RUS)	30.06	100.00	13,428	20,137	(6,709)	2)
D.S.R. Sider Engineering Group S.p.A. - Pozzuolo del Friuli (UD)	31.12	100.00	11,267	8,000	3,267	
DWU Engineering Polska - Wroclaw (POL)	30.06	100.00	758	182	576	
Editoriale Il Friuli Srl - Tavagnacco (UD)	31.12	100.00	101	100	1	
Elsid Cheda Ltd. - Moscow (RUS)	30.06	100.00	2,453	79	2,375	
ESW Röhrenwerke GmbH - Eschweiler (DEU)	30.06	100.00	2,039	8,633	(6,595)	3)
Euronews Srl - Udine (UD)	31.12	100.00	93	45	48	
Fata S.p.A. - Pianezza (TO)	31.12	100.00	(13,538)	71,167	(84,706)	3)
Findan S.p.A. - Pradamano (UD)	30.06	100.00	67,519	70,769	(3,250)	
Industrial Beteiligung Serv. & Contracting Co. LLC - Al Khobar (SAU)	30.06	100.00	707	650	57	
Industrielle Beteiligung Company Ltd. - HoChiMinh City (VNM)	30.06	100.00	7,346	2,514	4,832	

2023121500334

Innoval Technology Ltd.- Rotherham (GBR)	30.06	100.00	542	4,066	(3,524)	3)
Sabolarie Haven & Hospitability S.p.A. Buttrio (UD)	30.06	100.00	47,309	47,500	(191)	
More S.r.l. - Gemona del Friuli (UD)	30.06	100.00	34,834	3,346	31,488	
More North America Corp. - Kennesaw, Georgia (USA)	30.06	100.00	3,759	900	2,859	
Morgårdshammar AB - Smedjebacken (SWE)	30.06	100.00	9,331	6,953	2,379	
Pars Foulad Jam Sama Heavy Metallurgical Equipment Co. PJS - Eshtehard (IRN)	30.06	100.00	(319)	27,473	(27,791)	2)
Scuole e Asili Cecilia Danieli S.r.l. - Buttrio (UD)	30.06	100.00	7,288	500	6,788	
Suzhou More Metallurgy Technology Co., Ltd - Changshu (CHN)	31.12	100.00	1,626	424	1,202	
Stem S.r.l. in liquidazione - Magnago (MI)	30.06	100.00	1,341	1,344	(3)	2)
Sund Birsta AB - Sundsvall (SWE)	30.06	100.00	39,021	3,217	35,804	
Sund Birsta Beijing Metallurgical Equipment Co. Ltd. - Beijing (CHN)	30.06	100.00	8,197	456	7,741	
Sund Birsta Inc. - Jacksonville, Florida (USA)	30.06	100.00	9,296	7	9,289	
Sund Birsta India Provate ltd - Pune (IND)	30.06	100.00	(84)	0	(84)	
Sund Strap AB - Sundsvall (SWE)	30.06	100.00	10	4	6	
Termo Makina Sanayi Ve Tic. AS - Duzce (TUR)	30.06	100.00	5,894	1,337	4,557	2)
Turismo 85 S.r.l. - Buttrio (UD)	30.06	100.00	1,783	57	1,726	
Zerotredici Educational Hub S.r.l. - Buttrio (UD)	30.06	100.00	155	100	55	
Shinagawa Danieli Advanced Materials S.p.A - Buttrio (UD)	31.12	100.00	100	100	-	
Danieli Procome Iberica SA - Dondika (ESP)	30.06	99.99	12,760	218	12,541	
Rott-Ferr S.r.l. - Pavia di Udine (UD)	31.12	100.00	10,212	8,534	1,678	
Rotelec SA - St. Quentin (FRA)	30.06	99.99	16,620	341	16,279	
Danieli Middle East and North Africa LLC - Cairo (EGY)	30.06	99.80	243	3	240	
Danieli Middle East for Eng. Services (LMTD) - Cairo (EGY)	31.12	99.80	(2,084)	(3,029)	945	
Telefriuli S.p.A - Udine (UD)	31.12	95.00	42	1,048	(1,006)	
Danieli Corus Refractory Solutions (pvt.) Ltd. - Cuttack (IND)	30.06	80.00	696	286	410	
ABS Sfere S.r.l. - Pozzuolo (UD)	30.06	65.00	353	29	325	
D.I.L. S.p.A. - Via Nazionale 41 - 33042 - Buttrio (UD)	30.06	57.00	389	325	64	
Zhuozhou Ruixin Metallurgy Equipment Co., Ltd - Zhuozhou (CHN)	30.06	51.00	2,638	323	2,315	
Fata Gulf Co. WLL - Doha (QAT)	31.12	49.00	76	20	56	
Associates						
Indirect						
Inter-Rail S.p.A. - Udine	31.12	50.00	5,623	6,078	(455)	
Others						
Indirect						
Metal Interconnettor S.c.p.A. - Milano	31.12	3.80	4,302	8,087	(3,785)	
Total higher value					**1,954,143**	

Key to letters:

1) Proportion attributable at the date of the last approved financial statement or interim position prepared for the purposes of the consolidated financial statements, converted at the financial year-end exchange rate.

2) Non-permanent losses because their relate to temporary situations; there are wellfounded reasons to believe that this situations will not continue, as shown in company budgets.

3) Differences on companies acquired in previous years recognised, at the consolidation level, in goodwill when not specifically attributed to specific assets and liabilities.

20251215083349

ATTACHMENT No. IV

Tax regime of capital and reserves (Italian Presidential Decree No. 917 of December 22, 1986)

(thousands of euro)	Total	*Reserves or other funds* which, in the event of distribution, form part of the taxable income of the company	*Reserves or other funds* which, in the event of distribution, do not form part of the taxable income of the shareholders	Profit reserves or other funds	
Share capital	22,492			22,492	
Legal reserve (1)	58,813	750	15,122	42,941	
Total Share capital	**81,305**	**750**	**15,122**	**65,433**	
Legal reserve	18,576			18,576	B
Share premium account	22,397		22,397		A B
Treasury shares at cost	(131,673)			(131,673)	
Extraordinary reserve	815,024			815,024	A B C
Merger difference	11,036			11,036	A B C
Revaluation reserve per law no. 72/1983	2,825	2,825			A B C
Revaluation reserve per law no. 413/1991	4,809	4,809			A B C
VAT allowances on investments Laws no. 526/82 and no. 130/83	126	126			A B C
Research grant law no. 46/1982	4,639	4,264		375	A B C
Non-opted rights reserve	124		124		A B C
IAS transition impact	(469)			(469)	
Actuarial reserves from IAS 19	(2,606)			(2,606)	
Reserve of first time adoption of IFRS 9	(2,009)			(2,009)	
Total reserves	**742,799**	**12,024**	**22,521**	**708,254**	
Profit (loss) of the period	**55,194**				
Grand total	**879,298**	**12,774**	**37,643**	**773,687**	

Key: A: for capital increase; B: to cover losses; C: for distribution to shareholders
(1) - Scrip issues in previous financial years made by use of the Legal Rserve

2025123508350

ATTACHMENT No. V

LOANS

(thousands of euro)	Original amounts	Current portions due by 30/06/2026	Current portions due after 30/06/2026	Total
Payables to banks for loans				
- BEI Loan (Annual floating rate 4.591% last instalment by June 2035, in euro) (Covenants: NFP cons. not < 400 mio euro; cons. operative gross margin/cons. financial charges > 5x; cons. shareholders equity/cons. gross financial indebtness > 1.75x; cons. gross financial indebtness/cons. operative gross margin not > 3.5x as of 31/12/2026 included, beyond 31/12/2026 excluded not > 3x	153,000	-	153,000	153,000
- BEI Loan (Annual floating rate 4.734% last instalment by June 2035, in euro) (Covenants: NFP cons. not < 400 mio euro; cons. operative gross margin/cons. financial charges > 5x; cons. shareholders equity/cons. gross financial indebtness > 1.75x; cons. gross financial indebtness/cons. operative gross margin not > 3.5x as of 31/12/2026 included, beyond 31/12/2026 excluded not > 3x	100,000	-	100,000	100,000
Total	**253,000**	**-**	**253,000**	**253,000**
Other loans			-	-
	253,000	**-**	**253,000**	**253,000**
Short-term payables to banks		**210,207**		**210,207**
Financial payables IFRS 16		**107**	**5,479**	**5,586**
GRAND TOTAL	**253,000**	**210,314**	**258,479**	**468,793**

2025121508331

ATTACHMENT No. VI

Equity investments higher than 10% in unlisted companies as at 30/06/2025

Italian companies

no.	Investee company	% as at 30/06/2025	dir.	ind.	through	%	Share capital (thousands) Currency	Amount
1	Acciaierie Bertoli Safau S.p.A. - Via Buttrio 28 - 33050 Pozzuolo (UD)	100.00		x	Industrielle Beteiligung S.A.	99.919	EUR	290,000
				x	Findan S.p.A	0.081		
2	Corte delle Fucine S.r.l. - Via Nazionale 41 - 33042 Buttrio (UD)	100.00		x	Findan S.p.A.	100.00	EUR	100
3	Danieli Automation S.p.A. - Via B. Stringher 4, 33042 Buttrio (UD)	100.00		x	Industrielle Beteiligung S.A.	99.95	EUR	10,000
				x	Findan S.p.A.	0.05		
4	Danieli Centro Combustion S.p.A. - Via G. Galilei 40 - 20092 Cinisello Balsamo (MI)	100.00		x	Industrielle Beteiligung S.A.	99.80	EUR	2,500
				x	Findan S.p.A.	0.20		
5	Danieli Centro Cranes S.p.A. in liquidazione - Via Gardesana 22 - 25086 Rezzato (BS)	100.00		x	Industrielle Beteiligung S.A.	75.00	EUR	120
				x	Findan S.p.A.	25.00		
6	Danieli Construction International S.p.A. - Via Nazionale 41 - 33042 Buttrio (UD)	100.00		x	Industrielle Beteiligung S.A.	99.999	EUR	6,000
				x	Findan S.p.A.	0.001		
7	Danieli Special Cranes S.r.l. in liquidazione - Via dell'Industria 6 - 34072 Gradisca d'Is. (GO)	100.00		x	Findan S.p.A.	100.00	EUR	2,700
8	Fata S.p.A. - Strada Statale n. 24 Km 12 10044 Pianezza (TO)	100.00		x	Industrielle Beteiligung S.A.	100.00	EUR	5,000
9	Findan S.p.A. - Via Dante 56 - 33040 Pradamano (UD)	100.00		x	Industrielle Beteiligung S.A.	99.96	EUR	2,500
				x	Danieli Constr. Intern. S.p.A.	0.04		
10	More S.r.l. - Via Santa Lucia 7 - 33013 Gemona del Friuli (UD)	100.00		x	Industrielle Beteiligung S.A.	79.16	EUR	240
				x	Findan S.p.A.	20.84		
11	Sabolarie Haven & Hospitability S p A. - Via Nazionale 41 - 33042 Buttrio (UD)	100.00		x	Findan S.p.A	100.00	EUR	2,100
12	D.S.R. Sider Engineering Group S.p.A. - Pozzuolo del Friuli (UD)	100.00		x	Industrielle Beteiligung S.A.	100.00	EUR	1,000
13	Scuole e Asili Cecilia Danieli S.r.l. - Via Nazionale 41 - 33042 Buttrio (UD)	100.00		x	Turismo S.r.l.	99.000	EUR	6,500
				x	Findan S.p.A.	1.0000		
14	Stem S.r.l. in liquidazione - Via G. Galilei 7 - 21052 Busto Arsizio (VA)	100.00		x	Industrielle Beteiligung S.A.	99.00	EUR	265
				x	Findan S.p.A.	1.00		
15	Turismo 85 S.r.l. - Via Nazionale 71 - 33042 Buttrio (UD))	100.00		x	Industrielle Beteiligung S.A.	99.00	EUR	10
				x	Findan S.p.A.	1.00		
16	Shinagawa Danieli Advanced Materials S.p.A - Via Nazionale 41 - 33042 - Buttrio (UD)	100.00		x	Industrielle Beteiligung S.A.	100.00	EUR	100
17	Zerotredici Educational Hub S.r.l. - Via Nazionale 41 - 33042 Buttrio (UD)	100.00		x	Findan S.p.A.	100.00	EUR	100
18	Editoriale il Friuli S.r.l. - via Nazionale 120 - 33010 Tavagnacco (UD)	95.00		x	Telefriuli S.p.A.	100.00	EUR	100
19	Euronews S.r.l. - via Nazionale 120 - 33010 Tavagnacco (UD)	95.00		x	Editoriale il Friuli S.r.l.	100.00	EUR	15
20	Telefriuli S.p.A. - via Nazionale 120 - 33010 Tavagnacco (UD)	95.00		x	Findan S.p.A	95.00	EUR	227
21	Roti-Ferr Srl - Via Grado 142 , 33100 Udine (UD)	100.00		x	Acc. Bertoli Safau S.p.A.	100.00	EUR	500
22	ABS Sfere S.r.l. - Via Buttrio 28 - 33050 - Pozzuolo del Friuli (UD)	65.00		x	Acc. Bertoli Safau S.p.A.	65.00	EUR	500
23	D.I.L. S.p.A. - Via Nazionale 41 - 33042 - Buttrio (UD)	57.00	x	x	Danieli & C. Off. Mecc. S.p.A.	3.00	EUR	50
					Industrielle Beteiligung S.A.	54.00		
24	Absolute Scarl - via Buttrio 28 - 33050 Pozzuolo del Friuli (UD)	50.00		x	Acc. Bertoli Safau S.p.A.	50.00	EUR	50
25	Inter-Rail S.p.A. - via Carducci 44 - 33100 Udine	50.00		x	Acc. Bertoli Safau S.p.A.	50.00	EUR	120
26	In-Rail S.p.A. - via M. Boccanegra 15 - 16126 Genova	18 47		x	Inter-Rail S.p.A.	36.93	EUR	1,850

Foreign companies

no.	Investee company	% as at 30/06/2025	dir.	ind.	through	%	Share capital (thousands) Currency	Amount
27	ABS Centre Métallurgique Sas - Metz (FRA)	100.00		x	Acc. Bertoli Safau S.p.A.	100.00	EUR	5,000
28	ABS Deutschland GmbH - Ratinger (DEU)	100.00		x	Acc. Bertoli Safau S.p.A.	100.00	EUR	25
29	Acciaierie Bertoli Safau Iberica SL - Bilbao (ESP)	100 00		x	Acc. Bertoli Safau S.p.A.	100.00	EUR	3
30	Acciaierie Bertoli Safau Scandinavia AB - Örebro(SWE)	100.00		x	Acc. Bertoli Safau S.p.A.	100.00	SEK	50
31	Acciaierie Bertoli Safau Sisak Doo - Sisak (HRV)	100.00		x	Acc. Bertoli Safau S.p.A.	100.00	EUR	60,341
32	Danieli Automation Co. Ltd. - Rayong (THA)	100.00		x	Industrielle Beteiligung S.A.	100.00	THB	82,000
33	Danieli Finance Solutions SA - Luxembourg (LUX)	100.00	x	x	Danieli & C. Off. Mecc. S.p.A.	83.83	EUR	400,000
34					Danieli Automation S.p.A.	16.17		
34	Danieli Canada Inc. - Toronto (CAD)	100.00		x	Danieli Corporation	100.00	CAD	7,922
35	Danieli Centro Combustion India Pvt. Ltd. - Pune (IND)	100.00		x	Industrielle Beteiligung S.A.	100.00	INR	24,000
36	Danieli Changsu Trading Co. Ltd - Changshu (CHN)	100.00		x	Danieli Metall. Equip. & Service (China) Co Ltd.	100.00	CNY	1,000
37	Danieli Co. Ltd. - Rayong (THA)	100.00		x	Industrielle Beteiligung S.A.	100.00	THB	1,099,492
38	Danieli Corporation - Cranberry Twp PA (USA)	100.00		x	Danieli Holdings Inc.	100.00	USD	1
39	Danieli Corus BV - Ijmuiden (NLD)	100.00		x	Industrielle Beteiligung S A.	100.00	EUR	136
40	Danieli Corus India (Pvt) Ltd. - New Delhi (IND)	100.00		x	Danieli Corus BV	99.95	INR	875
41				x	Industrielle Beteiligung S.A.	0.05		
41	Danieli do Brasil LTDA - Diadema (BRA)	100.00		x	Industrielle Beteiligung S.A.	100.00	BRL	10,558
42	Danieli Engineering & Services GmbH - Völkermarkt (AUT)	100.00		x	Industrielle Beteiligung S.A.	100.00	EUR	4,000
43	Danieli Engineering Japan Co. Ltd. - Yokohama (JPN)	100.00		x	Industrielle Beteiligung S.A.	100.00	JPY	40,000
44	Danieli Czech Engineering AS - Praha (CZE)	100.00		x	Industrielle Beteiligung S.A.	100.00	CZK	3,000
45	Danieli Engineering Rom Srl - Cluj Napoca (ROU)	100.00		x	Industrielle Beteiligung S.A.	100.00	RON	10
46	Danieli Germany GmbH - Duisburg (DEU)	100.00		x	Industrielle Beteiligung S.A.	100.00	EUR	10,000
47	Danieli Heavy Machinery Engineering LLC- Dnipro (UKR)	100.00		x	Industrielle Beteiligung S.A.	100.00	UAH	177,882
48	Danieli Henschel SAS - Méry (FRA)	100.00		x	Industrielle Beteiligung S.A.	100.00	EUR	192
49	Danieli Henschel Service LLC - Moscow in liquidazione (RUS)	100.00		x	Danieli Henschel SAS	100.00	RUB	50

2023125083352

50	Danieli High Technology (Changshu) Co., Ltd	100.00	x	Industrielle Beteiligung S A.	100.00	CNY	11,710
51	Danieli Holdings Inc. - Wilmington, Delaware (USA)	100.00	x	Industrielle Beteiligung S.A.	100.00	USD	1
52	Danieli Hoogovens Steel Making Technology Ltd. - Shanghai (CHN)	100.00	x	Danieli Corus BV	100.00	CNY	3,627
53	Danieli India Ltd. - Kolkata (IND)	100.00	x	Industrielle Beteiligung S.A.	100.00	INR	6,250,888
54	Danieli Industrial Automation (Suzhou) Co., Ltd	100.00	x	Danieli Metall. Equip. & Service (China) Co Ltd.	100.00	CNY	50,000
55	Danieli Lynxs Shredder Services Ltd (GBR)	100.00	x	Danieli UK Holding Ltd.	100.00	GBP	100
56	Danieli Lynxs Services Ltd (GBR)	100.00	x	Danieli UK Holding Ltd.	100.00	GBP	100
57	Danieli Lynxs Ltd (GBR)	100.00	x	Danieli UK Holding Ltd.	100.00	GBP	100
58	Danieli Malaysia Sdn. Bhd. - Perai (MYS)	100.00	x	Danieli Constr. International S.p.A.	100.00	MYR	500
59	Danieli Metall. Equip. & Service (China) Co Ltd.Changshu (CHN)	100.00	x	Industrielle Beteiligung S.A.	100.00	CNY	280,111
60	Danieli Metallurgical Industry (China) Co., Ltd - Beijing (CHN)	100.00	x	Industrielle Beteiligung S.A.	100.00	CNY	20,000
61	Danieli Metallurgy Germany GmbH - Dusseldorf (DEU)	100.00	x	Danieli Germany GmbH	100.00	CNY	25
62	Danieli Project GmbH - Duisburg (DEU)	100.00	x	Danieli Germany GmbH	100.00	EUR	2,019
63	Danieli Systec doo - Labin (HRV)	100 00	x	Danieli Automation S.p.A.	100.00	EUR	99
64	Danieli Systec Engineering Doo - Smederevo (SRB)	100.00	x	Danieli Automation S.p.A.	100.00	RSD	51
65	Danieli Systec Technology Doo - Nova Gorica (SLV)	100.00	x	Danieli Automation S.p.A.	100.00	EUR	38
66	Danieli Taranis LLC - Chelsea, Alabama (USA)	100.00	x	Danieli Holdings Inc.	100.00	USD	1
67	Danieli UK Holding Ltd. - Rotherham (GBR)	100.00	x	Industrielle Beteiligung S.A.	100.00	GBP	12,489
68	Danieli Volga LLC - Dzerdzhinsk (RUS)	100.00	x	Industrielle Beteiligung S.A.	100.00	RUB	305,383
69	DWU Engineering Polska SP.z.o.o.- Wroclaw (POL)	100.00	x	Industrielle Beteiligung S A.	100.00	PLN	900
70	Elsid Cheda Ltd. - Moscow (RUS)	100.00	x	Danieli Automation S.p.A.	100.00	RUB	10
71	ESW Röhrenwerke GmbH - Eschweiler (DEU)	100.00	x	Industrielle Beteiligung S.A.	100.00	EUR	25
72	Industrial Beteiligung for Serv. & Contracting Co. LLC - Al Khobar (SAU)	100.00	x	Industrielle Beteiligung S.A.	99.00	SAR	500
73			x	Findan S.p.A.	1.00		
73	Industrielle Beteiligung Company Ltd. - HoChiMinh City (VNM)	100.00	x	Industrielle Beteiligung S.A.	100.00	VND	80,183,393
74	Industrielle Beteiligung S.A. - Luxembourg (LUX)	100.00	x	Danieli & C. Off. Mecc. S.p.A.	100.00	EUR	328,700
75	Innoval Technology Ltd.- Rotherham (GBR)	100.00	x	Danieli UK Holding Ltd.	100.00	GBP	1
76	More North America Corp. - Kennesaw, Georgia (USA)	100.00	x	More S.r.l.	100.00	USD	80
77	Morgårdshammar AB - Smedjebacken (SWE)	100.00	x	Industrielle Beteiligung S.A.	100.00	SEK	25,000
78	Pars Foulad Jam Sama Heavy Metallurgical Equipment Co. PJS - Eshtehard (IRN)	100.00	x	Danieli Metall. Equip. & Service (China) Co Ltd.	100.00	IRR	521,344,600
79	Sund Birsta (Beijing) Metallurgical Equipment Co. Ltd. - Beijing (CHN)	100.00	x	Sund Birsta AB	100.00	CNY	5,000
80	Sund Birsta AB - Sundsvall (SWE)	100.00	x	Industrielle Beteiligung S.A.	100.00	SEK	10,000
81	Sund Birsta Inc. - Plantation, Florida (USA)	100.00	x	Sund Birsta AB	100.00	USD	10
82	Sund Birsta India Private ltd - Pune (IND)	100.00	x	Sund Birsta AB	100.00	USD	100
83	Sund Strap AB - Sundsvall (SWE)	100 00	x	Sund Birsta AB	100.00	SEK	100
84	Suzhou More Metallurgy Technology Co., Ltd - Changshu (CHN)	100.00	x	More S.r.l.	100.00	CNY	3,662
85	Termo Makina Sanayi Ve Tic. AS - Duzce (TUR)	100.00	x	Industrielle Beteiligung S.A.	100.00	TRY	154,714
86	Danieli Procome Iberica SA - Sondica (ESP)	99.99	x	Industrielle Beteiligung S.A.	99.99	EUR	108
87	Rotelec SA - St Quentin Fallavier (FRA)	99.99	x	Industrielle Beteiligung S A.	99.99	EUR	600
88	Danieli Middle East for Eng. Services LLC - Cairo (EGY)	99.80	x	Industrielle Beteiligung S.A.	99.80	EGP	50
89	Danieli Middle East and North Africa LLC - Cairo (EGY)	99.80	x	Industrielle Beteiligung S.A.	99.80	EGP	50
90	Danieli Corus Refractory Solutions (pvt.) Ltd. (IND)	80.00	x	Danieli Corus India (Pvt) Ltd.	80.00	EGP	100,000
91	Danieli Intelligent Technolgies (Beijing) Co.Ltd - Beijing (CHN)	51.00	x	Danieli Metall. Equip. & Service (China) Co Ltd.	49.00	CNY	25,000
92			x	Danieli Automation S.p.A.	2.00		
92	International Engineering Dana Petro Foulad Passargad (PJSCO) - Esfahan (IRAN)	51.00	x	Danieli & C. Off. Mecc. S.p.A.	51.00	IRR	3,500,000
93	Zhuozhou Ruixin Metallurgy Equipment Co., Ltd - Zhuozhou (CHN)	51.00	x	Sund Birsta (Beijing) Metallurgical Equipment Co. Ltd.	51.00	CNY	5,000
94	Fata Gulf Co. WLL - Doha (QAT)	49.00	x	Fata S.p.A.	49.00	QAR	200
95	Ghadir Energy Fata Company (IRAN)	40.00	x	Fata S.p.A.	40.00	IRR	7,000,000

2025123030353

ATTACHMENT No. VII

Reconciliation between the tax charge (IRES) in the financial statements and the theoretical tax charge

	As 30/06/2025			As
(thousands of euro)	Taxable income	Rate	Tax	Taxable income
Profit before taxes (A)	85,396			88,812
Theoretical income tax charge/(benefit) of(A)		24%	20,495	
Taxable income (B) (B)	72,917			101,822
Effective tax rate of (B)		24%	17,500	
Effective tax rate & on (A)			-	
Use of past year tax losses (80%)			-	
Use of past years ACE	-		-	(5,994)
Current Ires (Italian income tax)	**72,917**		**17,500**	**95,828**
(Deductable) and taxable in next fiscal years temporary changes and tax rate change effect	11,974	24% / 3,9%	3,381	(42,341)
Entry of tax benefit on past year losses due to the partecipation to the National Tax Consolidation (*)	72,917	24%	17,500	95,828
Rettifiche imposte correnti anni precedenti			(178)	
Other tax changes and IRAP			9,500	
Total taxes recognised in the financial statements			**30,203**	

(*) The company joined the National Tax Consolidation with some Group companies.

2025121508334

ATTACHMENT No. VIII

Information on deferred tax assets and liabilities and consequent effects

(thousands of euro)

Deferred tax assets	30/06/2024						30/06/2025	
	IRES	IRAP	Taxable income	Deferred tax assets	Income Statement	Shareholders/ Equity	IRES	IRAP
Taxed provision	24.00%	3.90%	65,587	18,299	2,790		24.00%	3.90%
Taxed provision	24.00%		25,090	6,022	(1,572)		24.00%	
Tax losses that may be carried forward	24.00%		-	-			24.00%	
Reserve for doubtful debts	24.00%		59,029	14,167	3,316		24.00%	
IAS adjustments	24.00%		478	133	-		24.00%	3.90%
Other tax changes	24% / 27,9%		249	60	6,850		24.00%	
Discounting of employee sev. indemnity	24.00%		(616)	(148)	46	(28)	24.00%	
Total Deferred tax assets			**149,817**	**38,533**	**11,430**	**(28)**		

Deferred tax liabilities	30/06/2024						30/06/2025	
	IRES	IRAP	Taxable income	Deferred tax liabilities	Income Statement	Shareholders/ Equity	IRES	IRAP
Change in constructions contracts	24.00%	3.90%	-	-			24.00%	3.90%
Discounting of employee sev. indemnity	24.00%		-	-			24.00%	
Recovery of unrealised exchange gains	24.00%		13,083	3,140	(895)		24.00%	
Total Deferred tax liabilities			**13,083**	**3,140**	**(895)**			

2025215086355

ATTACHMENT No. IX

Summary of balance sheet and income statement relations with subsidiary and associated companies

(thousands of euro)	Inventories e Advances	Trade receivables e Other Receivables	Financial receivables	Advances received	Trade payables e other payables	Financial payables
Subsidiary companies e Associates						
Indirect, residing in Italy						
Acciaierie Bertoli Safau S.p.A. - Pozzuolo (UD)	(39,090)	43,755	75,000	2,452	158	-
ABS Sfere S.r.l. - Pozzuolo (UD)	-	-	-	-	-	-
Corte delle Fucine S.r.l. - Buttrio (UD)	-	2	-	-	428	457
Danieli Automation S.p.A. - Buttrio (UD)	52,619	20,797	-	34,852	106,034	8,165
Danieli Centro Combustion S.p.A. - Cinisello Balsamo (MI)	6,963	1,314	-	205	19,529	46,668
Danieli Centro Cranes S.p.A. in liquidazione - Bedizzole (BS)	-	10	-	-	72	5,480
Danieli Construction International S.p.A. - Buttrio (UD)	-	1,750	-	-	348	43,292
Danieli Special Cranes S.r.l. in liquidazione - Gradisca d'Is. (GO)	-	3	-	-	12	1,968
Editoriale Il Friuli Srl - Tavagnacco (UD)	-	6	-	-	-	-
Euronews Srl - Udine (UD)	-	14	-	-	-	-
Fata S.p.A. - 10044 Pianezza (TO)	(8)	652	3,896	-	8,855	-
Findan S.p.A. - Pradamano (UD)	-	0	-	-	265	10,630
More S.r.l. - Gemona del Friuli (UD)	701	10	-	-	4,698	11,000
Rott-Ferr S.r.l. - Pavia di Udine (UD)	-	40	-	-	0	-
Sabolarie Haven & Hospitability S.p.A. - Buttrio (UD)	-	22	1,117	-	68	-
Scuole e Asili Cecilia Danieli S.r.l. - Buttrio (UD)	-	12	-	-	311	870
Stem S.r.l. in liquidazione - Busto Arsizio (VA)	-	1	-	-	6	965
Telefriuli S.p.A. - Udine (UD)	-	13	-	-	-	-
Turismo 85 S.r.l. - Buttrio (UD)	-	476	36	-	255	-
Zerotredici Educational Hub S.r.l. - Buttrio (UD)	-	36	-	-	36	199
Shinagawa Danieli Advanced Materials - Buttrio (UD)	-	-	-	-	-	-
D.I.L. S.p.A. - Buttrio (UD)	-	-	-	-	-	-
D.S.R. Sider Engineering Group S.p.A. - Pozzuolo del Friuli (UD)	2,118	222	-	-	6,320	-
Total companies residing in Italy	**23,303**	**69,135**	**80,049**	**37,509**	**147,397**	**129,714**
Direct, not residing in Italy						
Danieli Finance Solutions SA - Luxembourg (LUX)	-	45	-	-	-	-
Industrielle Beteiligung S.A. - Luxembourg (LUX)	-	7	-	-	-	-
Indirect, not residing in Italy						
ABS Centre Métallurgique Sas - Metz (FRA)	-	-	-	-	33	-
ABS Deutschland GmbH - Ratinger (DEU)	-	-	-	-	-	-
Acciaierie Bertoli Safau Iberica SL - Bilbao (ESP)	-	-	-	-	-	-
ABS Steel Nordic AB - Örebro (SWE)	-	-	-	-	-	-
Acciaierie Bertoli Safau Sisak Doo - Sisak (HRV)	-	-	-	-	-	-
Danieli Automation Co. Ltd. - Rayong (THA)	-	4	-	-	-	-
Danieli Canada Inc. - Toronto (CAD)	-	207	-	-	-	-
Danieli Centro Combustion India Pvt. Ltd. - Pune (IND)	(0)	384	-	-	5,753	-
Danieli Changsu Trading Co. Ltd - Changshu (CHN)	1,436	27	-	-	896	-
Danieli Co. Ltd. - Rayong (THA)	4,478	5,351	-	1,731	198,890	-
Danieli Corporation - Cranberry Twp (USA)	(43,754)	140,695	-	63,267	7,338	-
Danieli Corus BV - Ijmuiden (NLD)	-	1,537	-	-	68	-
Danieli Corus India (Pvt) Ltd. - New Delhi (IND)	-	63	-	-	-	-
Danieli Corus Refractory Solutions (pvt.) Ltd. (IND)	-	-	-	-	-	-
Danieli Czech Engineering AS - Praha (CZE)	(164)	3	-	-	75	558
Danieli do Brasil LTDA - Diadema (BRA)	-	1,352	-	-	709	-
Danieli Engineering & Services GmbH - Völkermarkt (AUT)	-	2,591	-	-	3,402	20,289
Danieli Engineering Japan Co. Ltd. - Yokohama (JPN)	2	1,310	-	8,204	38	-
Danieli Engineering Rom Srl - Cluj Napoca (ROU)	-	27	-	-	206	-
Danieli Germany GmbH - Duisburg (DEU)	(48,334)	63,580	-	10,060	2,791	15,450
Danieli Heavy Machinery Engineering LLC- Dnipro (UKR)	-	67	-	-	200	-
Danieli Henschel SAS - Méry (FRA)	-	318	-	-	-	-
Danieli Henschel Service LLC - Moscow in liquidazione (RUS)	-	-	-	-	-	-
Danieli High Technology (Changshu) Co., Ltd	(2)	-	-	-	4	-
Danieli Holdings Inc. - Wilmington, Delaware (USA)	-	-	-	-	-	-
Danieli Hoogovens Steel Making Technology Ltd. - Shanghai (CHN)	-	-	-	-	-	-
Danieli India Ltd. - Kolkata (IND)	6,055	5,369	-	-	17,128	-
Danieli Industrial Automation (Suzhou) Co., Ltd	-	31	-	-	100	-
Danieli Lynxs Shredder Services Ltd (GBR)	-	-	-	-	-	-
Danieli Lynxs Services Ltd (GBR)	-	-	-	-	-	-

Danieli Lynxs Ltd (GBR)	-	-	-	-	-	-
Danieli Malaysia Sdn. Bhd. - Perai (MYS)	-	110	-	-	-	-
Danieli Metall. Equip. & Service (China) Co Ltd.Changshu (CHN)	2,692	32,978	-	-	233,524	-
Danieli Metallurgical Industry (China) Co., Ltd - Beijing (CHN)	-	-	-	-	-	-
Danieli Metallurgy Germany - Dusseldorf (DEU)	-	-	-	-	-	-
Danieli Project - Duisburg (DEU)	-	2	-	-	-	-
Danieli Systec doo - Labin (HRV)	130	349	-	-	2,488	-
Danieli Systec Engineering Doo - Smederevo (SRB)	-	136	-	-	714	-
Danieli Systec Technology Doo - Nova Gorica (SLV)	-	15	-	-	80	-
Danieli UK Holding Ltd. - Rotherham (GBR)	2,167	2,512	-	-	624	2,591
Danieli Volga LLC - Dzerdzhinsk (RUS)	3,651	7,956	-	4,286	14,364	-
DWU Engineering Polska SP.z.o.o.- Wroclaw (POL)	-	93	-	-	551	23
Elsid Cheda Ltd. - Moscow (RUS)	-	6	-	-	-	-
ESW Röhrenwerke GmbH - Eschweiler (DEU)	-	-	-	-	-	-
Industrial Beteiligung for Serv. & Contracting Co. LLC - Al Khobar (SAU)	-	106	-	-	313	-
Industrielle Beteiligung Company Ltd. - HoChiMinh City (VNM)	-	1,377	-	-	2,508	-
Innoval Technology Ltd.- Rotherham (GBR)	-	22	-	-	0	-
More North America Corp. - Kennesaw, Georgia (USA)	-	-	-	-	-	-
Morgårdshammar AB - Smedjebacken (SWE)	-	18	-	-	85	5,682
Pars Foulad Jam Sama Heavy Metallurgical Equipment Co. PJS - Eshtehard (IRN)	-	3,310	2	-	1,741	189
Sund Birsta (Beijing) Metallurgical Equipment Co. Ltd. - Beijing (CHN)	-	-	-	-	-	-
Sund Birsta AB - Sundsvall (SWE)	617	45	-	-	3,620	20,462
Sund Birsta Inc. - Plantation, Florida (USA)	-	-	-	-	-	-
Sund Birsta India Provate ltd - Pune (IND)	-	-	-	-	-	-
Sund Strap AB - Sundsvall (SWE)	-	-	-	-	-	-
Suzhou More Metallurgy Technology Co., Ltd - Changshu (CHN)	-	-	-	-	-	-
Termo Makina Sanayi Ve Tic. AS - Duzce (TUR)	988	786	-	-	398	-
Danieli Procome Iberica SA - Sondica (ESP)	635	23	-	-	2,968	8,668
Rotelec SA - St Quentin Fallavier (FRA)	(2,081)	15	-	-	1,325	6,227
Danieli Middle East for Eng. Services LLC - Cairo (EGY)	-	1,277	-	-	-	-
Danieli Middle East and North Africa LLC - Cairo (EGY)	-	52	-	-	251	-
Danieli Intelligent Technoligies (Beijing) Co.Ltd - Beijing (CHN)	-	-	-	-	-	-
Zhuozhou Ruixin Metallurgy Equipment Co., Ltd - Zhuozhou (CHN)	-	-	-	-	-	-
Fata Gulf Co. WLL - Doha (QAT)	-	-	-	-	-	-
Danieli Taranis LLC. - Chelsea (USA)	(7)	53	-	-	65	-
Total companies not residing in Italy	**(71,491)**	**274,207**	**2**	**87,547**	**503,248**	**80,139**
Total	**(48,188)**	**343,342**	**80,051**	**125,056**	**650,644**	**209,853**

2023123083356

2025121508357

ATTACHMENT No. IX continued

Summary of balance sheet and income statement relations with subsidiary and associated companies

(thousands of euro)	Revenues	Operating costs	Financial income	Financial charges
Subsidiary companies e Associates				
Indirect, residing in Italy				
Acciaierie Bertoli Safau S.p.A. - Pozzuolo (UD)	1,791	189	3,223	-
ABS Sfere S.r.l. - Pozzuolo (UD)	-	-	-	-
Corte delle Fucine S.r.l. - Buttrio (UD)	2	805	4	5
Danieli Automation S.p.A. - Buttrio (UD)	33,878	124,267	292	47
Danieli Centro Combustion S.p.A. - Cinisello Balsamo (MI)	822	11,023	-	1,747
Danieli Centro Cranes S.p.A. in liquidazione - Bedizzole (BS)	10	-	-	169
Danieli Construction International S.p.A. - Buttrio (UD)	1,483	1,492	-	1,295
Danieli Special Cranes S.r.l. in liquidazione - Gradisca d'Is. (GO)	1	-	-	61
Editoriale Il Friuli Srl - Tavagnacco (UD)	1	-	-	-
Euronews Srl - Udine (UD)	1	-	-	-
Fata S.p.A. - 10044 Pianezza (TO)	544	24	312	1
Findan S.p.A. - Pradamano (UD)	17	475	-	1,282
More S.r.l. - Gemona del Friuli (UD)	67	6,920	-	286
Rott-Ferr S.r.l. - Pavia di Udine (UD)	590	1	-	-
Sabolarie Haven & Hospitability S.p.A. - Buttrio (UD)	26	-	4	177
Scuole e Asili Cecilia Danieli S.r.l. - Buttrio (UD)	-	480	-	27
Stem S.r.l. in liquidazione - Busto Arsizio (VA)	0	-	-	30
Telefriuli SpA - Udine (UD)	2	-	12	-
Turismo 85 S.r.l. - Buttrio (UD)	476	-	0	0
Zerotredici Educational Hub S.r.l. - Buttrio (UD)	37	-	-	8
Shinagawa Danieli Advanced Materials - Buttrio (UD)	-	-	-	-
D.I.L. S.p.A. - Buttrio (UD)	-	-	-	-
D.S.R. Sider Engineering Group S.p.A. - Pozzuolo del Friuli (UD)	644	9,697	-	-
Total companies residing in Italy	**40,392**	**155,374**	**3,847**	**5,136**
Direct, not residing in Italy				
Danieli Finance Solutions SA - Luxembourg (LUX)	15	-	-	1,812
Industrielle Beteiligung S.A. - Luxembourg (LUX)	2	-	-	-
Indirect, not residing in Italy				
ABS Centre Métallurgique Sas - Metz (FRA)	5	136	-	-
ABS Deutschland GmbH - Ratinger (DEU)	-	-	-	-
Acciaierie Bertoli Safau Iberica SL - Bilbao (ESP)	-	-	-	-
ABS Steel Nordic AB - Örebro (SWE)	-	-	-	-
Acciaierie Bertoli Safau Sisak Doo - Sisak (HRV)	21	0	-	-
Danieli Automation Co. Ltd. - Rayong (THA)	13	-	-	-
Danieli Canada Inc. - Toronto (CAD)	95	-	-	-
Danieli Centro Combustion India Pvt. Ltd. - Pune (IND)	263	7,238	-	-
Danieli Changsu Trading Co. Ltd - Changshu (CHN)	17	2,277	-	-
Danieli Co. Ltd. - Rayong (THA)	8,920	134,395	-	-
Danieli Corporation - Cranberry Twp (USA)	390,420	11,854	-	-
Danieli Corus BV - Ijmuiden (NLD)	2,027	91	-	-
Danieli Corus India (Pvt) Ltd. - New Delhi (IND)	63	-	-	-
Danieli Corus Refractory Solutions (pvt.) Ltd. (IND)	-	-	-	-
Danieli Czech Engineering AS - Praha (CZE)	423	247	-	19
Danieli do Brasil LTDA - Diadema (BRA)	2,617	1,530	-	-
Danieli Engineering & Services GmbH - Völkermarkt (AUT)	8,713	3,951	-	456
Danieli Engineering Japan Co. Ltd. - Yokohama (JPN)	1,315	31	-	-

20251215083358

Danieli Engineering Rom Srl - Cluj Napoca (ROU)	64	932	-	-
Danieli Germany GmbH - Duisburg (DEU)	91,635	4,909	-	725
Danieli Heavy Machinery Engineering LLC- Dnipro (UKR)	89	777	-	-
Danieli Henschel SAS - Méry (FRA)	3	-	-	-
Danieli Henschel Service LLC - Moscow in liquidazione (RUS)	-	-	-	-
Danieli High Technology (Changshu) Co., Ltd	(0)	-	-	-
Danieli Holdings Inc. - Wilmington, Delaware (USA)	-	-	-	-
Danieli Hoogovens Steel Making Technology Ltd. - Shanghai (CHN)	-	-	-	-
Danieli India Ltd. - Kolkata (IND)	4,498	35,316	-	-
Danieli Industrial Automation (Suzhou) Co., Ltd	100	648	-	-
Danieli Lynxs Shredder Services Ltd (GBR)	-	-	-	-
Danieli Lynxs Services Ltd (GBR)	-	-	-	-
Danieli Lynxs Ltd (GBR)	-	-	-	-
Danieli Malaysia Sdn. Bhd. - Perai (MYS)	-	-	-	-
Danieli Metall. Equip. & Service (China) Co Ltd.Changshu (CHN)	13,798	99,339	-	-
Danieli Metallurgical Industry (China) Co., Ltd - Beijing (CHN)	-	-	-	-
Danieli Metallurgy Germany - Dusseldorf (DEU)	-	-	-	-
Danieli Project - Duisburg (DEU)	2	-	-	-
Danieli Systec doo - Labin (HRV)	252	6,587	-	-
Danieli Systec Engineering Doo - Smederevo (SRB)	91	2,245	-	-
Danieli Systec Technology Doo - Nova Gorica (SLV)	15	218	-	-
Danieli UK Holding Ltd. - Rotherham (GBR)	3,517	4,646	66	2
Danieli Volga LLC - Dzerdzhinsk (RUS)	190	40	-	-
DWU Engineering Polska SP.z.o.o.- Wroclaw (POL)	187	3,363	7	0
Elsid Cheda Ltd. - Moscow (RUS)	6	-	-	-
ESW Röhrenwerke GmbH - Eschweiler (DEU)	-	-	-	-
Industrial Beteiligung for Serv. & Contracting Co. LLC - Al Khobar (SAU)	360	900	-	-
Industrielle Beteiligung Company Ltd. - HoChiMinh City (VNM)	757	6,299	-	-
Innoval Technology Ltd.- Rotherham (GBR)	32	18	-	-
More North America Corp. - Kennesaw, Georgia (USA)	2	-	-	-
Morgårdshammar AB - Smedjebacken (SWE)	85	54	-	176
Pars Foulad Jam Sama Heavy Metallurgical Equipment Co. PJS - Eshtehard (IRN)	1	247	-	-
Sund Birsta (Beijing) Metallurgical Equipment Co. Ltd. - Beijing (CHN)	-	-	-	-
Sund Birsta AB - Sundsvall (SWE)	71	10,568	-	426
Sund Birsta Inc. - Plantation, Florida (USA)	2	-	-	-
Sund Birsta India Provate ltd - Pune (IND)	-	-	-	-
Sund Strap AB - Sundsvall (SWE)	-	-	-	-
Suzhou More Metallurgy Technology Co., Ltd - Changshu (CHN)	2	-	-	-
Termo Makina Sanayi Ve Tic. AS - Duzce (TUR)	472	3,188	-	-
Danieli Procome Iberica SA - Sondica (ESP)	60	2,288	-	268
Rotelec SA - St Quentin Fallavier (FRA)	36	4,029	-	160
Danieli Middle East for Eng. Services LLC - Cairo (EGY)	-	-	-	-
Danieli Middle East and North Africa LLC - Cairo (EGY)	2	790	-	-
Danieli Intelligent Technoligies (Beijing) Co.Ltd - Beijing (CHN)	-	-	-	-
Zhuozhou Ruixin Metallurgy Equipment Co., Ltd - Zhuozhou (CHN)	-	-	-	-
Fata Gulf Co. WLL - Doha (QAT)	1	-	-	-
Danieli Taranis LLC. - Chelsea (USA)	999	265	-	-
Total companies not residing in Italy	**532,252**	**349,418**	**73**	**4,045**
Total	**572,644**	**504,791**	**3,920**	**9,181**

20251215083359

Declaration pursuant to Art. 154 bis c.5 of the Consolidated Law on Finance (TUF) (as per Art. 81-*ter* of Consob Regulation 11971 of May 14, 1999, and subsequent amendments and additions)

1. The undersigned Alessandro Brussi, Chairman of the Board of Directors and officer in charge of preparing the accounting documents of Danieli & C. Officine Meccaniche S.p.A., hereby certify, also taking into account the provisions of Art.154-*bis*, paragraphs 3 and 4 of Legislative Decree 58 dated February 24, 1998:

- the adequacy of the company's characteristics and

- the actual application of the administrative and accounting procedures in preparing the financial statements, during the period from July 1, 2024, to June 30, 2025.

The adequacy assessment of the administrative and accounting procedures for the preparation of the financial statements for the year ended June 30, 2025, is based on a model formulated by Danieli & C. Officine Meccaniche S.p.A. in keeping with the CoSO framework, and also takes into account the document *"internal control over financial reporting – Guidance for Smaller Public Companies"*, both drawn up by the Committee of Sponsoring Organizations of the Treadway Commission, that constitute a generally accepted international reference framework.

2. We also declare that the financial statements for the year ended June 30, 2025,

a) have been drawn up in accordance with the applicable international accounting standards recognized within the European Community, pursuant to EC regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002;

b) match the accounting records and entries;

c) represent a true and fair view of the issuer's balance sheet, income statement and financial situation.

3. The directors' report includes a reliable analysis of the performance and operating result together with a description of the principal risks and uncertainties to which the company is exposed.

September 26, 2025

The Chairman of the Board of Directors

Alessandro Brussi
Signed

The Officer in charge of drawing up the corporate accounting documents
Alessandro Brussi
Signed

20251215083360

DANIELI & C. OFFICINE MECCANICHE S.p.A.

Registered offices at VIA NAZIONALE, N. 41 - 33042 BUTTRIO (UD)
Fully paid-up share capital of euro 81,304,566.00
Number of registration with the Register of Companies of Udine and tax number:
00167460302

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS PURSUANT TO ART. 153 OF LEGISLATIVE DECREE N. 58/98 AND ART. 2429, C. 2 OF THE CIVIL CODE

To the shareholders of

DANIELI & C. OFFICINE MECCANICHE S.P.A.

Dear Shareholders,

In this report, drawn up in accordance with Art. 153 of Legislative Decree 58/98 and Art. 2429 of the Civil Code, the Board of Statutory Auditors of Danieli & C. Officine Meccaniche S.p.A. made up of Barbieri Davide, President, Vincenza Bellettini and Gaetano Terrin, Standing Auditors, intends to inform you of the supervisory and control activities that were carried out in fulfillment of our duties during the year ended June 30, 2025.

LEGAL, REGULATORY AND ETHICS SOURCES

During the fiscal year ended June 30, 2025, the Board of Statutory Auditors monitored, pursuant to Article 149 of Legislative Decree 58/98, compliance with the law and the bylaws, adherence to principles of proper management, the adequacy of the organizational structure, the financial (and non-financial) reporting process, the internal control and risk management system, and the Company's administrative-accounting system, including its reliability in accurately representing management events. It also monitored the adequacy of the instructions issued by the Company to its subsidiaries and the practical implementation of corporate governance rules. Furthermore, acting as the internal control and audit committee pursuant to Article 19 of Legislative Decree 39/2010, it oversaw the statutory audit of the annual and consolidated financial statements and verified the independence of the audit firm Deloitte & Touche S.p.A.

The statutory audit engagement and the engagement for the assurance of compliance of the consolidated statement containing non-financial information prepared pursuant to Legislative Decree 254/2016 (the "Non-Financial Statement" or "NFS") were assigned to Deloitte & Touche S.p.A. (hereinafter the "Audit Firm") by the Shareholders' Meeting on October 26, 2018, for a term of nine fiscal years (06/30/2020–06/30/2028). In accordance with Legislative Decree 125/2024, the engagement granted to Deloitte regarding the NFS remains valid for the purpose of providing assurance on the Consolidated Sustainability Reporting.

This report has been prepared in compliance with the Rules of Conduct for Boards of Statutory Auditors of listed companies issued by the National Council of Chartered Accountants and Accounting Experts in April 2015 and updated in December 2023, as well as the guidelines provided by Consob in Communication DEM/1025564 of April 6, 2001, as amended and supplemented by Communications DEM/3021582 of April 4, 2003, and DEM/6031329 of April 7, 2006.

2025121508361

ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors scheduled its activities based on the reference regulatory framework, performing the controls considered to be the most opportune given the Company's business and size.

The Board performed the following activities:

- periodical meetings with the heads of the various company departments, alternating between in□person and virtual meetings;

- participation in company board meetings, alternating between in-person and virtual meetings, particularly the meetings of the Board of Directors, the Executive Committee and the annual shareholders' meeting;

- periodical exchange of information with the auditing company in accordance with regulations;

- exchange of information with the Boards of Statutory Auditors of the principal subsidiaries;

- acquisition of significant information and assessment of the results of Supervisory Committee operations as per Legislative Decree 231/2001;

We attended all four meetings of the Board of Directors and the meeting of the Executive Committee held during the 2023/2024 tax year, obtaining, in compliance with Art. 2381, paragraph 5 of the Civil Code and the corporate by-laws, prompt, adequate information concerning the general performance of operations and how they are expected to evolve, as well as information on major transactions in terms of size and characteristics carried out by the Company. In particular, the decision-making process of the Board of Directors appeared to follow the fundamental principle of acting in an informed manner.

During the reporting period, the Board of Statutory Auditors carried out its activities by holding 12 collegial meetings, all duly recorded in the minutes, and periodically meeting with the boards of statutory auditors of the main subsidiaries.

The meetings alternated between virtual (audio and videoconferences) and in-person meetings held at the headquarters of Danieli & C. Officine Meccaniche S.p.A..

At least every six months, the Board of Statutory Auditors met with the representatives of the Company tasked with performing the statutory audit.

The Board of Statutory Auditors requested and obtained comparisons and periodical reports from the members of the Board of Directors, the Auditing Company, Individuals involved in the Internal Control and Risk Management System, the Head of Internal Audit and Compliance, the Head of Management Control and the Supervisory Committee.

The Board of Statutory Auditors, acting as the Internal Control and Audit Committee pursuant to Article 19, paragraph 1, of Legislative Decree 39/2010, monitored:
(i) the financial reporting process and the Consolidated Sustainability Reporting;
(ii) the effectiveness of internal control, internal audit, and risk management systems;
(iii) the statutory audit of the annual and consolidated financial statements and the assurance activity regarding the compliance of the Consolidated Sustainability Reporting;
(iv) the independence of the Audit Firm, particularly with regard to the provision of non-audit services to the Company subject to statutory audit.

20251215083362

The Board of Statutory Auditors also examined the company's accounting and other documentation provided by the heads of the various departments.

Based on the information acquired in the course of its supervisory activity, the Board of Statutory Auditors did not encounter any omissions and/or reprehensible actions and/or irregularities or Annual Report Danieli 277 otherwise significant facts that should be reported to the monitoring bodies or mentioned in this report; the Board of Statutory Auditors also declares that it did not receive any complaints according to Art. 2408 of the Civil Code, or petitions.

ADOPTION OF SUITABLE MEASURES REGARDING THE RUSSIA-UKRAINE AND ISRAEL-PALESTINA CONFLICTS

The Board constantly monitored the effects and impact of the Russia-Ukraine conflict on the performance of the Company and its business, and on its balance sheet, income statement and

financial situation, through an exchange of information with company representatives, with Internal Audit function and with the Auditing Company.

The Board also pays attention to compliance with the regulations introduced by the EU concerning restrictions on the import and export of goods and services to Russia.

The Board has verified that the Company pays constant attention to these issues, as well as to the potential effects related to the development of the conflict, including as a result of energy price trends and inflation.

The Company does not feel that the Group is exposed to significant risk deriving from its business activities in the Russian and Ukrainian markets and has adopted adequate measures to monitor and assess risks, in accordance with the regulations issued by the EU on this matter.

About the conflict in the Middle East between Israel and Palestine, which arose at the beginning of October 2023, the Board is monitoring the implications for the Group. At present, the Company believes that the Group is not exposed to risks arising from its activities in these markets, having also adopted appropriate measures for risk monitoring and assessment.

SUPERVISORY ACTIVITY

Monitoring compliance with the law and the bylaws

The Board notes that internal and external information flows have been implemented by the Company through coordination among the parties involved, in compliance with the law and the bylaws, as identified in the Corporate Governance and Ownership Structure Report prepared by the Board of Directors pursuant to Article 123-bis of Legislative Decree 58/98.

The Board also declares that:

- the Group register of people with access to Insider Information is managed according to a specific procedure approved by the Board of Directors on 07/03/2017 and subsequently revised on 28/10/2019 and May 14th, 2024;
- the reporting requirements deriving from Internal Dealing regulations are managed according to a specific Internal Dealing Procedure approved by the Board of Directors in 2003 and subsequently completely revised on May 14th, 2024;
- information and privacy protection systems according to the provisions of EU regulation 679/2016 (GDPR) and the subsequent Legislative Decree 101/2018 are managed by an organizational model adopted by resolution of the Board of Directors on May 10, 2018;

2025121508363

- cyber risks are managed according to specific group policies;
- related-party transactions are regulated by a specific procedure last approved by resolution of the Board of Directors on November 11, 2010, and subsequently revised on May 14, 2021, November 11, 2021 and finally on May 14, 2024;
- the Company has a 'Whistleblowing' Procedure, updated in accordance with the recent provisions of Legislative Decree No. 24 of 10 March 2023; this Policy was adopted by the Board of Directors on March 10, 2022 and subsequently amended on May 17, 2023.

Based on the information gathered during its supervisory duties, the Board of Statutory Auditors acknowledges that each Company board or department duly fulfilled its reporting obligations as required by law.

Based on the information acquired, we note that neither the Company nor its boards violated any laws or bylaws, nor were any complaints submitted by the shareholders.

Monitoring compliance with the principles of good administration

Based on the information acquired through its supervisory activity, especially information provided by the Board of Directors at least on a quarterly basis, regarding the activities and the major economic, financial and equity transactions carried out by the Company or its subsidiaries, as well as information found in consulted company documentation, the Board of Statutory Auditors declares that it is not aware of: – any transactions that do not comply with the principles of good administration; – any deliberated and implemented transactions that are not in compliance with the law and/or the bylaws; – any transactions that are not in the Company's interest; – any transactions that run counter to the resolutions of the shareholders or that could jeopardize the company's assets; – any transactions that could represent a potential conflict of interest. The Board of Statutory Auditors also states that it was properly informed by the directors concerning the status of pending legal actions and disputes and the consequences that could still affect the company and its subsidiaries; this matter is adequately covered in the explanatory note. We obtained information and monitored, within the scope of our responsibilities, compliance with the fundamental criterion of healthy and prudent management of the Company and with the principle of diligence in general, all based on our participation in the meetings of the Board of Directors and the Executive Committee, on the documentation and information promptly received from the various management boards concerning Group transactions. The information we obtained allowed us to ascertain that the deliberated and implemented actions are in compliance with the law and bylaws and are not manifestly imprudent or risky. The CEOs acted within the limits of their powers. The Board of Directors received adequate reports from the CEOs concerning the management of the Company and its subsidiaries. The Board of Directors followed the fundamental rule of acting in an informed manner.

Monitoring the adequacy of the organizational structure

The Board of Statutory Auditors monitored the adequacy of the organizational structure by gathering information from the organizational function managers and through periodical discussions with the auditing company.

The Board of Statutory Auditors does not have any particular observations to make concerning the Company's organizational structure, which, as regards structure, procedures, duties and

2025121508364

responsibilities, currently appears to be suited to the size of the Company as well as to the nature of and procedures through which the corporate purpose is pursued.

The Board of directors is made up of nine members, specifying that on May 14, 2024 the Board of directors resolved, following the death of Ing. Gianpietro Benedetti, to appoint Dr. Alessandro Brussi as Chairman of the Board of directors (until the Shareholders' Meeting called to approve the Financial Statements as of June 30th, 2024), without providing for any change in remuneration.

The Board of Directors comprises three independent directors, whose requirements of independence were ascertained by the Company as per Art. 147-ter, paragraph 4 of Legislative Decree 58/98. Regarding this matter, the Board of Statutory Auditors confirms that the Company has complied with the laws and regulations.

The Board of Directors has conferred powers on its members.

For operating reasons, the Board of Directors has also set up an Executive Committee made up of four members tasked with deliberating on all corporate matters and affairs, especially those that require urgent decision-making.

The Executive Committee was vested with all the powers of the Board of Directors with the exception of those that cannot be conferred in accordance with the civil code and the bylaws.

The Board of Statutory Auditors is made up of three standing members and three alternate members.

The Board of Statutory Auditors also checked that the requirements set forth in Art. 2397 of the civil code were in place during its period in office (as per the report on results submitted on June 7, 2024), and that there were no reasons for forfeiture, ineligibility and incompatibility as per Articles 2382 and 2399 of the civil code and Art. 148, paragraph 3 of Legislative Decree 58/98. The members of the Board of Statutory Auditors have complied with the limit on the number of positions a person can hold Annual Report Danieli 279 as per Art.148-bis of Legislative Decree 58/98 and Articles 144-duodecies and subsequent articles of the Issuers' Regulation.

Pursuant to Art. 2364 of the Civil Code, the statutory audit of the financial statements and the consolidated annual report as well as the limited audit of the six-monthly report have been assigned to the auditing company Deloitte & Touche S.p.A., which will hold this position until the approval of the financial statements for the year ending June 30, 2028.

Monitoring the adequacy of the internal control system and risk management systems

The Board of Statutory Auditors acknowledges that the Company has determined the type and level of risk that is compatible with the strategic goals of the Company; this was illustrated in the financial report for the year ended June 30, 2024, regarding which the Board does not have any observations or comments to make.
The individuals, boards and departments involved in the Internal Control and Risk Management System are:
– the Board of Directors;
– the Board of Statutory Auditors;
– the Supervisory Committee;
– the Internal Audit and Compliance Department;
– the Officer in charge of drawing up the corporate accounting documents;

2025121503365

– the Risk and Sustainability Committee;
The Board of Statutory Auditors states that during the fiscal year in question, it:
– monitored the activities of the Internal Control Officers;
– met periodically with the individuals involved in the Internal Control and risk management system;
– examined the company documents;
– analyzed the results of the work done by the auditing company;
– verified the results of the work done by the Supervisory Committee.
Throughout the year, the Board of Statutory Auditors received from the Supervisory Committee all the information needed to verify aspects concerning the autonomy, independence and professionalism needed to perform its assigned tasks.
The Board of Statutory Auditors then obtained from the Supervisory Committee information regarding the Organization and Management Model adopted by the Company in accordance with Legislative Decree 231/2001, as well as its actual operation and implementation.
Based on the checks that were done, the Board of Statutory Auditors noted a continuous, consistent strengthening of the internal control system and its adaptation to regulatory developments and changes.
Based on the information acquired through its supervisory activity, the coordination mechanism among individuals involved in the internal control and risk management system makes it possible for the boards who have these responsibilities to share information, and based on this information, there are no evident inadequacies in the internal control system.

MONITORING THE ADEQUACY OF THE ADMINISTRATIVE AND ACCOUNTING SYSTEM AND THE STATUTORY AUDIT

Monitoring the administrative and accounting system

The Board of Statutory Auditors monitored the adequacy of the administrative-accounting system in accurately representing management events through direct observations, information obtained from the heads of the respective functions, the review of corporate documents, and the analysis of the results of the work performed by the Audit Firm.

We inform you that Danieli & C. Officine Meccaniche S.p.A. has implemented an integrated administrative-accounting risk management system, serving as a valid support for financial reporting and for assessing compliance with adopted processes and procedures (whose adequacy is thus verified); all in application of Law 252/2005 and as provided under Article 19, paragraph 1, letter C) of Legislative Decree 39/2010.

The Board of Statutory Auditors does not highlight any deficiencies that could compromise the judgment of adequacy and effective application of administrative and accounting procedures.

The Audit Firm's representatives, during periodic meetings with the Board of Statutory Auditors, did not report any critical issues that could compromise the internal control system related to administrative and accounting procedures.

Monitoring the statutory audit

The Board of Statutory Auditors monitored the statutory audit of the annual and consolidated financial statements and the independence of the Audit Firm, with particular attention to any non-audit services provided, about which the Board was promptly informed.

During the 2024/2025 fiscal year, the Audit Firm carried out the activities for the Group as shown in the following table:

2025121508366

	TOTAL	D&C	Other Italian subsidiaries	Foreign subsidiaries
D&C S.p.A. legal Audit	€ 537,430	€ 254,255	€ 283,175	€ 0
D&C S.p.A. no legal audit	€ 73,969	€ 35,000	€ 38,969	€ 0
D&C S.p.A. CSRD D&C	€ 160,000	€ 160,000	€ 0	€ 0
Other Deloitte € Audit	€ 533,526	€ 0	€ 0	€ 533,526
Other Deloitte € no Audit	€ 14,668	€ 0	€ 0	€ 14,668
	€ 1,319,593			

The Board of Statutory Auditors, in its role as the Internal Control and Audit Committee, fulfilled the duties required by Article 19, paragraph 1, letter e) of Legislative Decree 39/2010 as amended by Legislative Decree 135/2016 and by Article 5, paragraph 4 of Regulation (EU) 537/2014 regarding the prior approval of the aforementioned engagements, verifying their compatibility with current regulations and, specifically, with the provisions of Article 17 of Legislative Decree 39/2010—as amended by Legislative Decree 135/2016—as well as with the prohibitions set forth in Article 5 of Regulation (EU) 537/2014 referenced therein.

In particular, it should be noted that the fees for other services provided by Deloitte & Touche S.p.A. during the 2024/2025 fiscal year amount to €160,000.00 for the limited review of the Consolidated Sustainability Reporting.

With regard to the request to adjust the fees payable to Deloitte & Touche S.p.A. for the activities carried out in connection with the Consolidated Sustainability Reporting, submitted on May 5, 2025, the Board of Statutory Auditors acknowledged that Article 18 of Legislative Decree 125/2024 provides, on a transitional basis, for the possibility that assurance engagements on the Non-Financial Statement (NFS), assigned under the previous regulations, remain valid until the agreed expiration date, also for the purpose of providing assurance on the compliance of the Consolidated Sustainability Reporting.

The Company, therefore, taking advantage of this option and after sharing this approach with the Board of Statutory Auditors, updated the fees payable to the Audit Firm, which had already been engaged for the assurance of the NFS for the fiscal years 2020–2028 by the Shareholders' Meeting held on October 26, 2018.

In addition, the Board has:

• Verified and monitored the independence of the Audit Firm, in accordance with Articles 10, 10-bis, 10-ter, 10-quater, and 17 of Legislative Decree 39/2010 and Article 6 of Regulation (EU) 537/2014, ensuring compliance with applicable legal provisions and confirming that the engagements for non-audit services assigned to the firm did not appear to pose potential risks to the auditor's independence.

• received written confirmation that the Audit Firm, during the period from July 1, 2024 to the date of issuance of the statement, did not identify any situations that could compromise its independence pursuant to the combined provisions of Articles 6(2)(a) of Regulation (EU) No.

537/2014, 10 and 17 of Legislative Decree No. 39/2010, as well as Articles 4 and 5 of Regulation (EU) No. 537/2014.

Observations on the financial statements of the Parent Company and the Group

The Board of Statutory Auditors has received, within the legal deadlines, the draft consolidated financial statements of the Group and the draft separate financial statements as of June 30, 2025, together with the management report prepared by the Board of Directors.

Since this Board is not entrusted with the analytical review of the substance of the financial statements, the Board of Statutory Auditors has monitored compliance with the procedural rules relating to the preparation and presentation of the draft separate and consolidated financial statements as of June 30, 2025, and states that it has no particular remarks to report.

The financial statements have been prepared in accordance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board ("IASB") and adopted by the European Commission.

With regard specifically to the separate financial statements as of June 30, 2025, the Board of Statutory Auditors has verified compliance with the legal provisions governing their preparation and presentation, through the controls carried out and taking into account the information provided by the Audit Firm, within the limits of the Board's responsibilities pursuant to Article 149 of Legislative Decree No. 58/98.

The Board of Statutory Auditors has also verified that the financial statements are consistent with the facts and information of which it became aware in the performance of its duties and has no comments in this regard.

The Board of Statutory Auditors has no particular remarks on the management report, which appears to have been prepared in compliance with the legal requirements.

The Board of Statutory Auditors acknowledges that the management report includes the directors' assessment of 'business risks,' in accordance with the provisions of Legislative Decree No. 32/2007 implementing EU Directive 51/2003/EC.

The separate and consolidated financial statements have been prepared in compliance with the provisions of Delegated Regulation (EU) 2019/815 (the 'Delegated Regulation') regarding the preparation of financial reporting in the European Single Electronic Format (ESEF).

In this respect, on October 6, 2025, the Audit Firm issued an unqualified opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation, confirming that they were prepared in XHTML format and tagged in all material respects, as well as on the separate financial statements, which were likewise prepared in XHTML format.

In this regard, the Audit Firm specified that certain information contained in the notes to the consolidated financial statements, when extracted from the XHTML format into an XBRL instance, may not be reproduced identically to the corresponding information displayed in the consolidated financial statements in XHTML format due to certain technical limitations. The audit firm Deloitte & Touche S.p.A. issued, on October 6, 2025:

• the reports pursuant to Article 14 of Legislative Decree No. 39/2010 and Article 10 of Regulation (EU) No. 537/2014 for the separate and consolidated financial statements of Danieli & C. Officine

20251215083367

2025121508368

Meccaniche S.p.A. as of June 30, 2025, expressing an unqualified opinion with no emphasis of matter. In particular, through these reports, the Audit Firm confirmed that the separate and consolidated financial statements provide a true and fair view of the Company's and the Group's financial position as of June 30, 2025, as well as of the results of operations and cash flows for the year then ended, in accordance with IFRS and the measures issued pursuant to Article 9 of Legislative Decree No. 38/2005, and that the management report and certain specific information contained in the Corporate Governance and Ownership Structure Report, as referred to in Article 123-bis, paragraph 4, of Legislative Decree No. 58/98, which are the responsibility of the Directors, are consistent with the Company's separate financial statements and the Group's consolidated financial statements as of June 30, 2025 and comply with legal requirements. The Audit Firm also issued, as further detailed below, the report on the limited review of the Consolidated Sustainability Report pursuant to Article 14-bis of Legislative Decree No. 39/2010.

• the additional report pursuant to Article 11 of Regulation (EU) No. 537/2014 on the results of the statutory audit, which does not reveal any significant difficulties encountered during the audit, nor any material deficiencies concerning the internal control system for financial reporting and/or the consolidated accounting system.

ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS REGARDING THE CONSOLIDATED SUSTAINABILITY REPORTING

The Board of Statutory Auditors has reviewed the consolidated sustainability reporting prepared by the Company in accordance with the provisions of Legislative Decree No. 125/2024 (the 'Consolidated Sustainability Reporting'), implementing Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive; 'CSRD'), and in compliance with Delegated Regulation (EU) 2023/2772 containing the first twelve sector-agnostic standards (European Sustainability Reporting Standards; 'ESRS') and Regulation (EU) 2020/852 (the so-called 'Taxonomy Regulation'), as supplemented by subsequent delegated regulations, and submitted for approval by the Board of Directors on September 26, 2025.

It should be noted that the aforementioned legislation repealed Legislative Decree No. 254/2016, which previously governed the Non-Financial Statement that the Company had prepared up to the last financial year.

The Consolidated Sustainability Reporting, with the aim of ensuring an understanding of the Group's activities, its performance, its results, and the impact generated, includes data from the Company and its fully consolidated subsidiaries (while those consolidated in the financial statements using the 'equity method' have been included, where applicable, in the reporting of information relating to the value chain).

The Consolidated Sustainability Reporting has been prepared in accordance with the principle of double materiality, pursuant to Delegated Regulation (EU) 2023/2772, which enabled the identification of impacts, risks, and opportunities relevant to the Company and the Group. In this context, the reporting provides structured and detailed evidence of the policies, strategies, actions undertaken, objectives defined, and governance measures adopted in relation to the material aspects identified through the double materiality analysis, ensuring transparency and clarity of sustainability information in accordance with the applicable ESRS. It should also be noted that the information contained in the Consolidated Sustainability Reporting reflects the double materiality process, which allowed the identification of impacts, risks, and opportunities relevant to the Company and the Group.

2025121508369

From the activities carried out by the Board, including participation in the meetings of the Risk and Sustainability Committee, regarding the process of preparing the Consolidated Sustainability Reporting, the internal control systems adequate for this purpose during the 2024/2025 financial year, and the Consolidated Sustainability Reporting itself, no issues or critical elements worthy of mention have emerged.

In particular, the Board of Statutory Auditors met with the heads of the relevant Company functions and the representatives of the Audit Firm for appropriate discussions on the Consolidated Sustainability Reporting and, finally, acknowledged the Audit Firm's report pursuant to Article 14-bis of Legislative Decree No. 39/2010, issued on October 6, 2025, which indicates the absence of elements that would suggest that:

(i) the Group's Consolidated Sustainability Reporting for the financial year ended June 30, 2025 has not been prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive 2013/34/EU (European Sustainability Reporting Standards; 'ESRS');

(ii) the information contained in the 'European Taxonomy' section of the Consolidated Sustainability Reporting has not been prepared, in all material respects, in compliance with Article 8 of the Taxonomy Regulation.

The Board of Statutory Auditors also acknowledges the decision taken by the Board of Directors, in line with current best practices, to appoint the same Officer responsible for the preparation of the Company's accounting and corporate documents as the Officer responsible for issuing the certification that the Consolidated Sustainability Reporting has been prepared in compliance with the ESRS reporting standards and Article 8 of the Taxonomy Regulation.

Implementation of Corporate Governance Rules

The Board of Statutory Auditors acknowledges that Danieli & C. Officine Meccaniche S.p.A. does not adhere to the Self-Regulatory Code established by the Committee for Corporate Governance of listed companies and has provided a justification for this. The Board Of Statutory Auditors also notes that the annual report on corporate governance was drawn up pursuant to Art. 123-bis of Legislative Decree 58/98, according to the instructions found in the Rules for Markets Organized and Managed by Borsa Italiana S.p.A..

Monitoring relations with subsidiaries and transactions with related parties

The Board of Statutory Auditors acknowledges that the periodical inspections and controls to which the company was subjected did not reveal any atypical and/or unusual transactions with third parties, related parties or among group companies.

The Board has no comments to make concerning the adequacy of the instructions given to the subsidiary companies pursuant to Art. 114, paragraph 2 of Legislative Decree 58/98;

Finally, the Board of Statutory Auditors points out that on November 12, 2010, the Company adopted the procedure for related-party transactions, which was last amended by the Board of Directors on May 14, 2024.

2025121508370

Opinions, Proposals and Observations issued during the year in accordance with the law

The Board declares that during the 2024/2025 tax year, it issued 5 preliminary opinion concerning the conferral of mandates for services other than auditing, in addition to a favorable opinion regarding the fees paid to the members of the Board of Directors.

Role of the Internal Control and Auditing Committee

According to Art.19 of Legislative Decree 39/2010, as amended by Legislative Decree 135/2016, which transposes EU Directive 201/56/UE and EU regulation 537/2014, the Board of Statutory Auditors also acts as Internal Control and Auditing Committee (CCIRC) and therefore performed the required supervisory activities of the statutory audits for the annual report and the consolidated report, confirming their compliance with current regulations.

The Board of Statutory Auditors periodically met with the auditing company Deloitte & Touche S.p.A., also pursuant to Art. 150, paragraph 3 of TUF, for the purpose of exchanging information. During these meetings, the Auditing Company did not mention any actions or facts considered to be reprehensible or irregularities requiring specific warnings pursuant to Art. 155, paragraph 2 of TUF.

Self-assessment of the Board of Statutory Auditors

The Board of Statutory Auditors performed an assessment of its composition, size and operation, the results of which were submitted to the Board of Directors.

In reference to the requirements and skills of people and boards, it particularly emerged that:

– all the standing auditors, in addition to possessing the requirements of good standing and professionalism and not being in a situation of incompatibility under current regulations, also possess the requirements of independence;

– the Board of Statutory Auditors guarantees the gender and generational diversity of its members;

– each standing auditor has a good level of knowledge and experience in several fields;

– the overall competencies of the Board of Statutory Auditors are adequate.

OBSERVATIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements as of June 30, 2025, were communicated to us within the required timeframe, together with schedules, attachments, and the Management Report.

The audit firm Deloitte & Touche S.p.A. is responsible for verifying the consistency of the consolidated financial statements with the accounting records and their compliance with applicable regulations; in its specific report, issued on October 6, 2025, it states that the Consolidated Financial Statements of the Danieli Group as of June 30, 2025, comply with the International Financial Reporting Standards adopted by the European Union and that the items in the Consolidated Statement of Financial Position and Income Statement correspond to the information provided by the companies included in the consolidation.

Within the scope of the duties assigned by law to the Board of Statutory Auditors, and considering the behavioral principles recommended by the National Council of Chartered Accountants and Accounting Experts, we have analyzed the form and content of the financial statements, which

20251215083711

appear to have been prepared in accordance with the criteria set out in the Notes; the most significant issues and the economic trends concerning the main subsidiaries have been the focus of our attention.

The information and data contained in the Directors' Report on consolidated management also appear consistent with the consolidated financial statements; it adequately illustrates the Group's performance during the year and represents the economic, financial, and equity position of the companies included in the consolidation scope; the consolidation criteria and accounting principles applied, as well as the extent of the consolidation area, are clearly indicated in the Notes.

We therefore state that the preparation of the consolidated financial statements can reasonably be considered correct and, overall, compliant with the applicable regulations.

CONCLUSIONS

The Board of Statutory Auditors, also considering the results of the work performed by the company tasked with the statutory audit, which can be found in the auditing report for the separate and consolidated financial statements, has no observations to make pursuant to Art. 153 of Legislative Decree 58/98 concerning the separate and consolidated financial statements and associated explanatory notes and directors' report.

The Board of Statutory Auditors has not encountered any impediments to your approval of the as-presented financial statements for the year ended June 30, 2025, and to the adoption of the draft resolutions that were submitted.

Udine, October 6, 2025,

Board of Statutory Auditors

President of the Board of Statutory Auditors	Davide Barbieri	(signed)
Standing auditor	Gaetano Terrin	(signed)
Standing auditor	Vincenza Bellettini	(signed)

2025121508372

Deloitte.

Deloitte & Touche S.p.A.
Viale Giovanni Paolo II, 3/7
33100 Udine
Italia

Tel: +39 0432 1487711
Fax: +39 0432 1487712
www.deloitte.it

20251215083373

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Danieli & C. Officine Meccaniche S.p.A.

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Danieli & C. Officine Meccaniche S.p.A. (the "Company"), which comprise balance sheet as at June 30, 2025, income statement, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent with respect to the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

2025121508374

Evaluation of Contract Assets and Liabilities

Description of the key audit matter	The separate financial statements of Danieli & C. Officine Meccaniche S.p.A. as of June 30, 2025 include Contracts Assets for Euro 168.0 million and Contracts Liabilities for Euro 503.3 million. Contract Assets and Liabilities are evaluated based on the percentage of completion, estimating the progress of works with the input method. The evaluation of Contract Assets and Liabilities under this methodology requires the estimate of total revenues, total costs and costs to complete for each project. Those estimates are periodically updated and request significant and complex assumptions from Management, that could be influenced by various factors such as: • Management's capability to develop reasonable estimates at the beginning of the projects and at subsequent updates, • multi-annual duration of the projects, • projects' technological complexity and degree of innovation, • warranties issued by the Company on the plants' performances, • possible critical geopolitical context in the countries in which the customers operate. Taking into consideration the relevance of Contract Assets and Liabilities and the complexity of assumptions used in the evaluation of those captions and in particular in the estimates about costs to complete the projects, we deemed the evaluation of Contract Assets and Liabilities to be a key audit matter for the Company's separate financial statements at June 30, 2025. Disclosures related to Contract Assets and Liabilities are included in notes 8 and 19 of the separate financial statements as well as in the description of Accounting Standards used by the Company and in the paragraph "Accounting Estimates - Contract Assets and Liabilities".

Audit procedures performed	The audit procedures addressing this key audit matter included, among others:
	
	• understanding of criteria and procedures adopted by Management in determining the percentage of completion of the projects;
	• comprehension of relevant internal controls pertaining to both initial estimates and subsequent periodical updates on total revenues, total costs and costs to complete the projects;
	• analysis, on a sample basis, of reasonableness of the aforementioned estimates through:
	  ○ analysis of contracts signed with counterparties,
	  ○ tests on projects costs incurred,
	  ○ inquiries with project managers, controllers and/or head of business lines;

2025121508375

- retrospective analysis on results of previous estimates related to Contract Assets and Liabilities;
- analysis, on a sample basis, of updates of Management's estimates related to total revenues and costs of projects;
- critical discussion with head of legal department of the Company and, if relevant, obtaining information from external legal counsels on lawsuits related to projects;
- examination of appropriateness of disclosure included in the explanatory notes of the separate financial statements and its compliance with applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

2025121508376

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Danieli & C. Officine Meccaniche S.p.A. appointed us on October 26, 2018 as auditors of the Company for the years from June 30, 2020 to June 30, 2028.

2025121508377

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Danieli & C. Officine Meccaniche S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the separate financial statements as at June 30, 2025, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the separate financial statements as at June 30, 2025 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of the Company are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Danieli & C. Officine Meccaniche S.p.A. as at June 30, 2025, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the separate financial statements;

- express an opinion on the compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;

2025121508378

- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure indicated in art. 123-bis, paragraph 4, of Legislative Decree 58/98 are consistent with the separate financial statements of Danieli & C. Officine Meccaniche S.p.A. as of June 30, 2025.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 sub-paragraphs e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section of the report on operations related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Udine, Italy
October 6, 2025

As disclosed by the Directors, the accompanying separate financial statements of Danieli & C. Officine Meccaniche S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.