

## ÅRSREDOVISNING FÖR SUND BIRSTA AB

### FÖRVALTNINGSBERÄTTELSE

Styrelsen och verkställande direktören för Sund Birsta AB får härmed avge årsredovisning för verksamheten under räkenskapsåret 2021-07-01--2022-06-30. 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.

#### Verksamhet inom forskning och utveckling

Sund Birsta AB bedriver för närvarande ett antal utvecklingsprojekt varav en del är inom nya teknologiska områden. De totala utvecklingskostnaderna utgjorde 5,1% (2,1%) av nettoomsättningen för 2021/22.

#### Flerårsjämförelse

Räkenskapsår	2021/22	2020/21	2019/20	2018/19	2017/18
Nettoomsättning, tkr	406.005	456.877	422.008	409.146	380.850
Resultat efter finansiella poster, tkr	60.255	62.927	51.055	52.702	24.902
Balansomslutning, tkr	490.021	487.116	457.389	417.148	393.250
Nettomarginal, %	14,8	13,8	12,1	12,9	6,5
Soliditet, %	76,7	73,2	72,5	75,1	72,7
Årets kassaflöde, tkr	- 19.029	5.271	29.926	43.920	- 34.801
Antal anställda, st	81	74	74	77	73

#### Förväntad framtida utveckling

Sund Birsta AB redovisar för räkenskapsåret 2021/2022 förbättrad lönsamhet jämfört med tidigare år. För företagskoncernen Sund Birsta, inklusive dotterbolag, är årets finansiella resultat det bästa någonsin. Fortsatt höga stålpriser har både inneburit ökad produktion och investeringsvilja från företagets kunder. Satsningar inom service- och reservdelar med bland annat en ny serviceverkstad i Sundsvall och nya lokaler i det Florida baserade dotterbolaget Sund Birsta Inc. har tillsammans med satsningar inom försäljning lett till att eftermarknadsintäkterna ökat till cirka 50% av bolagets intäkter. Problem med logistik och komponentleveranser samt geopolitisk oro har resulterat i förseningar i en rad projekt vilket lett till att företagets intäkter begränsats något för innevarande år.

Företaget har under året fortsatt sitt utvecklingsarbete genom bland annat ett nytt stålbandhuvud, och att bolaget idag har en säljbar lösning för märkning av trådringar med robot.

Med utgångspunkt i en stor orderstock är vår förväntan att 2022/2023 blir ännu ett lönsamt år. Kostnadsökningar, komponentbrist samt situationen i de viktiga marknaderna Ukraina och Ryssland beräknas dock även under kommande år påverka företaget fortsatt negativt.

Företagets goda marknadsposition samt teknologiska ledarskap är betydelsefulla faktorer för att Sund Birsta AB skall kunna vidmakthålla sin ställning som den ledande leverantören inom sin nisch även de närmaste åren framöver.

#### Förändring utav eget kapital. tkr

	Aktie- kapital	Reserv- fond	Fritt eget kapital	Totalt
Belopp vid årets ingång	10.000	2.000	314.708	326.708
Utdelning			- 31.500	- 31.500
Årets resultat			80.286	80.286
<b>BELOPP VID ÅRETS UTGÅNG</b>	<b>10.000</b>	<b>2.000</b>	<b>363.494</b>	<b>375.494</b>

#### Vinstdisposition

Till årsstämman förfogande står följande vinstmedel:

Balanserade vinstmedel, kr	295.207.831
Årets vinst, kr	80.286.141
<b>Summa</b>	<b>375.493.972</b>

Styrelsen och VD föreslår att vinstmedlen disponeras på följande sätt:

till aktieägaren utdelas 800,00 per aktie, totalt, kr	80.000.000
i ny räkning överförs, kr	295.493.972
<b>Summa</b>	<b>375.493.972</b>

#### Styrelsens yttrande över den föreslagna utdelningen

Den föreslagna utdelningen till aktieägarna reducerar bolagets soliditet till 72 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).

**RESULTATRÄKNING**  
(Belopp i tkr)

	Not	2021-07-01 2022-06-30	2020-07-01 2021-06-30
<b>Rörelsens intäkter</b>			
Nettoomsättning	3	406.005	456.877
Förändring av pågående arbete för annans räkning		34.347	10.659
Övriga rörelseintäkter		530	808
<b>Summa rörelsens intäkter</b>		<b>440.882</b>	<b>468.344</b>
<b>Rörelsens kostnader</b>			
Varor och förnödenheter		- 222.659	- 259.465
Övriga externa kostnader	4	- 82.673	- 72.970
Personalkostnader	5	- 78.852	- 71.927
Avskrivningar av materiella anläggningstillgångar	9	- 1.381	- 1.084
<b>Summa rörelsens kostnader</b>		<b>-385.565</b>	<b>- 405.446</b>
<b>Rörelseresultat</b>	2	<b>55.317</b>	<b>62.898</b>
<b>Resultat från finansiella investeringar</b>			
Utdelning från dotterbolag	6	5.005	-
Ränteintäkter		-	32
Räntekostnader		- 67	- 3
<b>Resultat efter finansiella poster</b>		<b>60.255</b>	<b>62.927</b>
Bokslutsdispositioner	7	37.640	5.970
Skatt på årets resultat	8	- 17.609	- 14.857
<b>ÅRETS RESULTAT</b>		<b>80.286</b>	<b>54.040</b>

**BALANSRÄKNING**  
(Belopp i tkr)

TILLGÅNGAR	Not	2022-06-30	2021-06-30
<b>Anläggningstillgångar</b>			
<i>Materiella anläggningstillgångar</i>			
Inventarier	9	2.823	2.062
<i>Summa materiella anläggningstillgångar</i>		<b>2.823</b>	<b>2.062</b>
<i>Finansiella anläggningstillgångar</i>			
Aktier i koncernföretag	11	5.305	5.305
Övriga finansiella anläggningstillgångar		4.903	4.903
<i>Summa finansiella anläggningstillgångar</i>		<b>10.208</b>	<b>10.208</b>
<b>Omsättningstillgångar</b>			
<i>Varulager m m</i>			
Färdiga varor		103.206	75.957
Pågående arbete för annans räkning, netto	12	37.940	1.194
<i>Summa varulager m m</i>		<b>141.146</b>	<b>77.151</b>
<i>Kortfristiga fordringar</i>			
Kundfordringar		39.158	65.447
Fordringar hos koncernföretag	13	246.211	276.732
Övriga fordringar		10.943	11.310
Skattefordringar		559	82
Förutbetalda kostnader och upplupna intäkter	14	6.035	21.222
<i>Summa kortfristiga fordringar</i>		<b>302.906</b>	<b>374.793</b>
<b>Kassa och bank</b>		<b>32.938</b>	<b>22.902</b>
<b>SUMMA TILLGÅNGAR</b>		<b>490.021</b>	<b>487.116</b>

**BALANSRÄKNING**  
(Belopp i tkr)

EGET KAPITAL OCH SKULDER	Not	2022-06-30	2021-06-30
<b>Eget kapital</b>			
<i>Bundet eget kapital</i>			
Aktiekapital (100.000 aktier med kvotvärde 100 kr)		10.000	10.000
Reservfond		2.000	2.000
<i>Summa bundet eget kapital</i>		<b>12.000</b>	<b>12.000</b>
<i>Fritt eget kapital</i>			
Balanserad vinst		283.208	260.667
Årets resultat		80.286	54.040
<i>Summa fritt eget kapital</i>		<b>363.494</b>	<b>314.707</b>
<b>Summa eget kapital</b>		<b>375.494</b>	<b>326.707</b>
Obeskattade reserver	7	220	37.860
<b>Skulder</b>			
<i>Avsättningar</i>			
Avsatt till pensioner		4.903	4.903
Övriga avsättningar	15	500	404
<i>Summa avsättningar</i>		<b>5.403</b>	<b>5.307</b>
<i>Kortfristiga skulder</i>			
Förskott från kunder		4.666	3.527
Leverantörsskulder		47.774	33.739
Skulder till koncernföretag	13	4.594	3.458
Upplupna kostnader och förutbetalda intäkter	16	50.221	74.519
Övriga skulder		1.649	1.999
<i>Summa kortfristiga skulder</i>		<b>108.904</b>	<b>117.242</b>
<b>SUMMA EGET KAPITAL OCH SKULDER</b>		<b>490.021</b>	<b>487.116</b>

**KASSAFLÖDESANALYS**  
(Belopp i tkr)

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	Not	2021-07-01 2022-06-30	2020-07-01 2021-06-30
<b>DEN LÖPANDE VERKSAMHETEN</b>			
Resultat efter finansiella poster		60.255	62.927
Avskrivningar	9	1.381	1.084
Justering för poster som inte ingår i kassaflödet, m.m		96	- 215
Betald skatt		- 18.086	- 23.509
<b>Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital</b>		<b>43.646</b>	<b>40.287</b>
<i>Kassaflöde från förändringar av rörelsekapital</i>			
Ökning (-)/minskning (+) av varulager och pågående arbete		- 63.995	- 19.977
Ökning (-)/minskning (+) av kortfristiga fordringar		43.300	- 16.302
Ökning (+)/minskning (-) av kortfristiga skulder		- 8.338	26.058
<b>Kassaflöde från den löpande verksamheten</b>		<b>14.613</b>	<b>30.066</b>
<b>INVESTERINGSVERKSAMHETEN</b>			
Förvärv av materiella anläggningstillgångar	9	- 2.142	- 585
<b>Kassaflöde från investeringsverksamheten</b>		<b>- 2.142</b>	<b>- 585</b>
<b>FINANSIERINGSVERKSAMHETEN</b>			
Utbetald utdelning		- 31.500	- 24.210
<b>Kassaflöde från finansieringsverksamheten</b>		<b>- 31.500</b>	<b>- 24.210</b>
<b>ÅRETS KASSAFLÖDE</b>		<b>- 19.029</b>	<b>5.271</b>
Likvida medel (inkl. koncernkonton) vid räkenskapsårets ingång		237.194	231.923
<b>LIKVIDA MEDEL (inkl. koncernkonton) VID RÄKENSKAPSÅRETS UTGÅNG</b>		<b>218.165</b>	<b>237.194</b>

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## BOKSLUTSKOMMENTARER

### Redovisningsprinciper

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

### Intäktsredovisning

Kontrakterade pågående arbeten resultatavräknas vid leverans från bolagets sida. Bedömning sker av eventuella återstående kostnader inklusive garantikostnader, varefter motsvarande belopp reserveras som upplupna kostnader vid tidpunkten för resultatavräkning. Större och mer omfattande fastpris-projekt avräknas i takt med att de färdigställs förutsatt att de uppnått en viss färdigställandegrad och deras vinstmarginal kan beräknas med tillfredsställande säkerhet.

### Utvecklingskostnader

Kostnader för forskning och utveckling belastar rörelseresultatet löpande.

### Materiella anläggningstillgångar

Materiella anläggningstillgångar, bestående företrädesvis 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 uppbyggnadsgrad.

### 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 erhöles, eftersom återbetalningsskyldighet inte förutses inträffa.

### Kassaflödesanalys

Kassaflödesanalysen upprättas enligt sk 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.

### *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 har beaktat hur effekterna av covid-19 utbrottet påverkar bolagets framtida utveckling och risker som kan påverka den finansiella rapporteringen framåt. Vi bedömer i dagsläget att denna pandemi självklart påverkar bolaget negativt men på ett relativt sett begränsat sätt.

### *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.

NOTER - SAMTLIGA BELOPP I TKR, OM EJ ANNAT ANGES

<b>Not. 1 Ställda säkerheter</b>	<b>2022-06-30</b>	<b>2021-06-30</b>
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 5 (4) procent av inköpen och 23 (21) procent av försäljningen andra företag inom hela den företagsgrupp som bolaget tillhör.

**Not 3. Nettoomsättning i % per geografisk marknad**

	2021/22	2020/21	2019/20
EU	50%	21%	64%
Nordamerika	8%	18%	10%
Asien	17%	34%	14%
Övriga marknadsområden	25%	27%	10%
<b>Summa</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Not 4. Övriga externa kostnader**

Till Deloitte AB har ersättning bokförts om 225 (175), varav 225 (175) 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	2021/22	2021/22	2020/21	2020/21
	Antal Anställda	Varav Kvinnor	Antal Anställda	Varav Kvinnor
<b>TOTALT</b>	<b>81</b>	<b>9</b>	<b>74</b>	<b>8</b>

LÖNER OCH ANDRA ERSÄTTNINGAR	2021/22	2021/22	2020/21	2020/21
	Styrelse och VD	Övriga anställda	Styrelse och VD	Övriga anställda
<b>TOTALT</b>	<b>1.810</b>	<b>48.399</b>	<b>679</b>	<b>47.106</b>

LÖNER OCH ANDRA ERSÄTTNINGAR	2021/22	2021/22	2021/22	2020/21	2020/21	2020/21
	Löner och andra ersättningar	Sociala kostnader	Varav pensions- kostnader	Löner och andra ersättningar	Sociala kostnader	Varav pensions- kostnader
<b>TOTALT</b>	<b>50.209</b>	<b>25.691</b>	<b>8.039</b>	<b>47.785</b>	<b>23.614</b>	<b>6.926</b>

Av bolagets pensionskostnader 573 (280) VD. VD's anställningsavtal gäller med en ömsesidig uppsägningstid om 6 månader.

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Styrelseledamöter och ledande befattningshavare	2022-06-30	2022-06-30	2021-06-30	2021-06-30
	Antal	Varav män i %	Antal	Varav män i %
Styrelseledamöter	5	100%	5	100%
VD och andra ledande befattningshavare	8	100%	7	100%

#### Not 6. Resultat från finansiella investeringar

Utdelning om 5.005 avser erhållen utdelning från Sund Birsta Inc. Av räntekostnaderna 67 (3) härrör sig 0 (0) till ersättning till koncernföretag.

#### Not 7. Bokslutsdispositioner och obeskattade reserver

	2021/22	2020/21
<b>Bokslutsdispositioner</b>		
Förändring periodiseringsfond	37.700	- 6.000
Skillnad mellan bokförd avskrivning och avskrivning enligt plan	- 60	30
<b>Summa</b>	<b>37.640</b>	<b>- 5.970</b>
<b>Obeskattade reserver</b>		
Periodiseringsfond	-	37.700
Akkumulerade överavskrivningar	220	160
<b>Summa</b>	<b>220</b>	<b>37.860</b>

#### Not 8. Avstämning årets skattekostnad

	2021/22	2020/21
Reported result before	97.895	68.897
Skatt beräknad med skattesats 20,6%(2021/22) samt 21,4% (2020/21)	- 20.166	- 14.744
Skatteeffekt av ej avdragsgilla kostnader	- 61	- 2.176
Skatteeffekt av ej skattepliktiga intäkter	1.031	9
Skatteeffekt av ej bokförda kostnader	2.060	2.140
Skatteeffekt av schablonintäkt periodiseringsfond	- 39	- 47
Skatteeffekt av upplösning periodiseringsfond	- 466	- 39
Skatteeffekt av skattereduktion avseende inventarieinköp	32	-
<b>Årets redovisade skattekostnad</b>	<b>- 17.609</b>	<b>- 14.857</b>

**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:

	2021/22	2020/21
<b>Uppskjutna skatteskulder</b>		
Avseende obeskattade reserver	45	7.799

**Not 9. Materiella anläggningstillgångar**

Inventarier	2021/22	2020/21
Ingående anskaffningsvärden	12.128	11.543
Inköp	2.142	585
Försäljningar/utrangeringar	- 4.898	-
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>9.372</b>	<b>12.128</b>
Ingående avskrivningar	- 10.066	- 8.982
Årets avskrivningar	- 1.381	- 1.084
Försäljningar/utrangeringar	4.898	-
<b>Utgående ackumulerade avskrivningar</b>	<b>- 6.549</b>	<b>- 10.066</b>
<b>UTGÅENDE PLANENLIGT RESTVÄRDE</b>	<b>2.823</b>	<b>2.062</b>

**Not. 10 Leasingavtal - leasetagare**

Kostnadsförda leasingavgifter avseende operationella leasingavtal samt lokalhyror under periodens uppgår 3.975 (3.390). Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal inklusive lokalhyror uppgår till:

Att betala inom 1 år	4.725 (3.372)
Att betala inom 1-5 år	5.716 (2.389)
Att betala senare än 5 år	-

Företaget har ingått operationella leasingavtal avseende kontorsutrustning samt lokalhyror.

**Not 11. Aktier i koncernföretag**

	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	94.528	100	100(100)	5.175
Sund Birsta Inc.	-	Jacksonville, USA	74.464	100	100(100)	80
<b>Summa</b>			<b>169.108</b>			<b>5.305</b>

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 och Sund Birsta Inc. Sund Strap AB:s balansräkning innehåller endast en fordran på moderbolaget om 116 kkr. Detta belopp motsvarar även det egna kapitalet i dotterbolaget. 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.

**Not 12. Pågående arbete för annans räkning**

	2022-06-30	2021-06-30
Nedlagda kostnader	75.399	41.052
Fakturerade delbelopp	- 37.459	- 39.858
<b>Summa</b>	<b>37.940</b>	<b>1.194</b>

**Not 13. Fordringar/skulder hos koncernföretag**

	2022-06-30	2021-06-30
Koncernkonton	185.227	214.292
Övriga fordringar och skulder	56.390	58.982
<b>Summa</b>	<b>241.617</b>	<b>273.274</b>

**Not 14. Förutbetalda kostnader och upplupna intäkter**

	2022-06-30	2021-06-30
Återstående fakturering för resultatavräknade projekt	3.467	19.695
Övriga förutbetalda kostnader och upplupna intäkter	2.568	1.527
<b>Summa</b>	<b>6.035</b>	<b>21.222</b>

**Not 15. Övriga avsättningar**

	2022-06-30	2021-06-30
Garantiåtaganden	500	404

Not 16. Upplupna kostnader och förutbetalda intäkter

	2022-06-30	2021-06-30
Tillkommande kostnader i resultatavräknade projekt	13.656	30.299
Upplupna försäljningsprovisioner	8.444	7.467
Övriga upplupna kostnader och förutbetalda intäkter	28.121	36.753
<b>Summa</b>	<b>50.221</b>	<b>74.519</b>

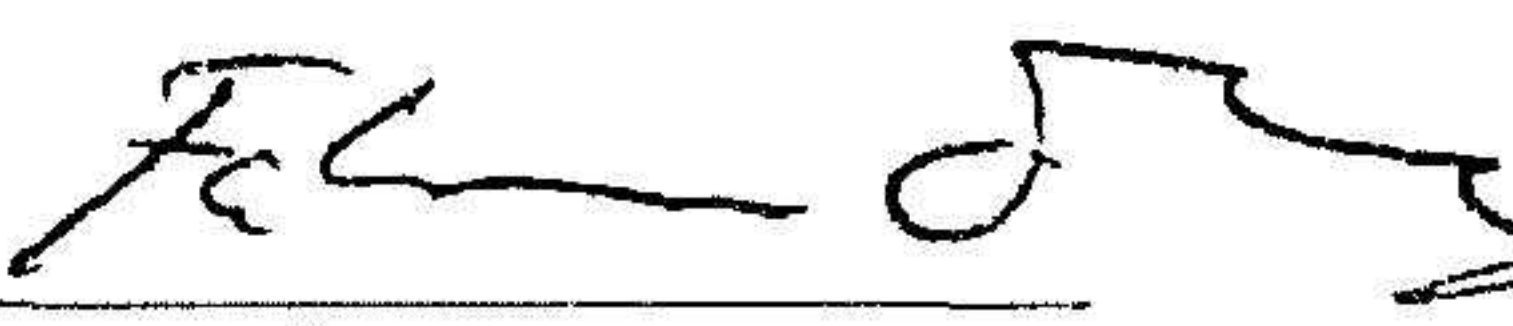
Not 17. Förslag till disposition av företagets vinst

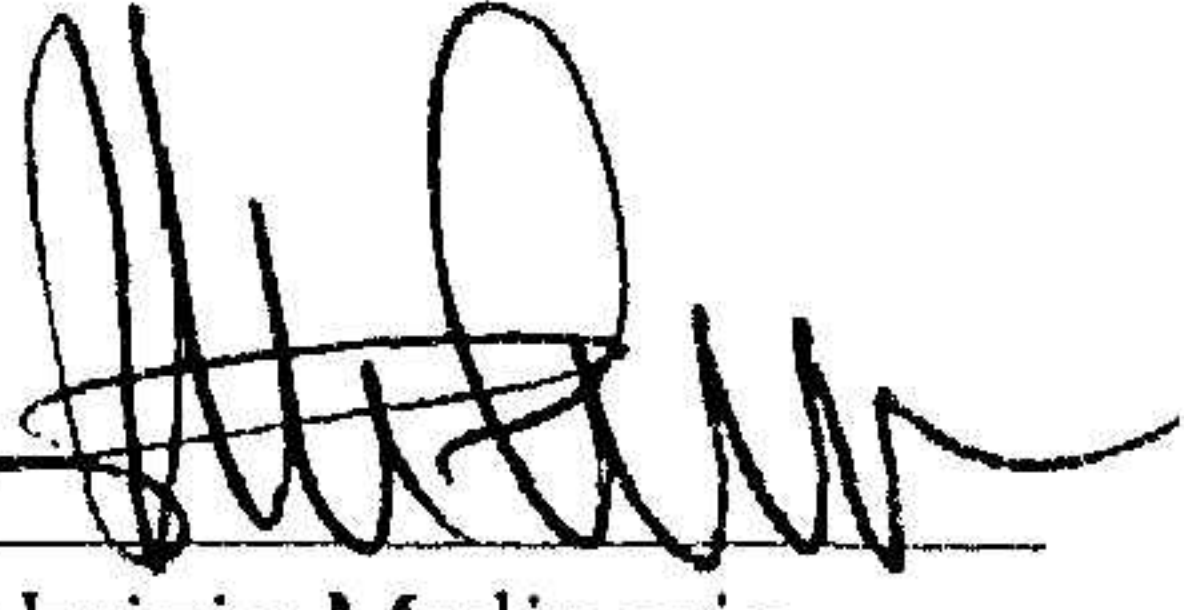
Styrelsen och VD föreslår att vinstmedlen disponeras på följande sätt:


till aktieägaren utdelas 800,00 per aktie, totalt, kr	80.000.000
i ny räkning överförs, kr	295.493.972
<b>Summa</b>	<b>375.493.972</b>

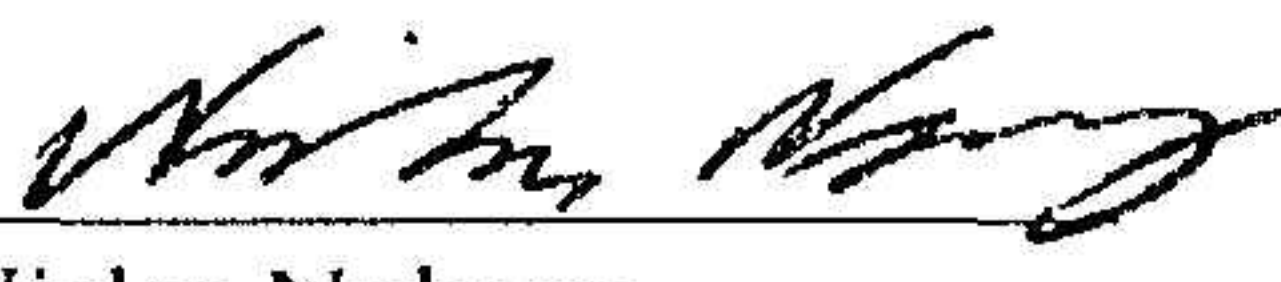
Sundsvall, 2022-10-24

  
Rolando Paolone  
Styrelseordförande

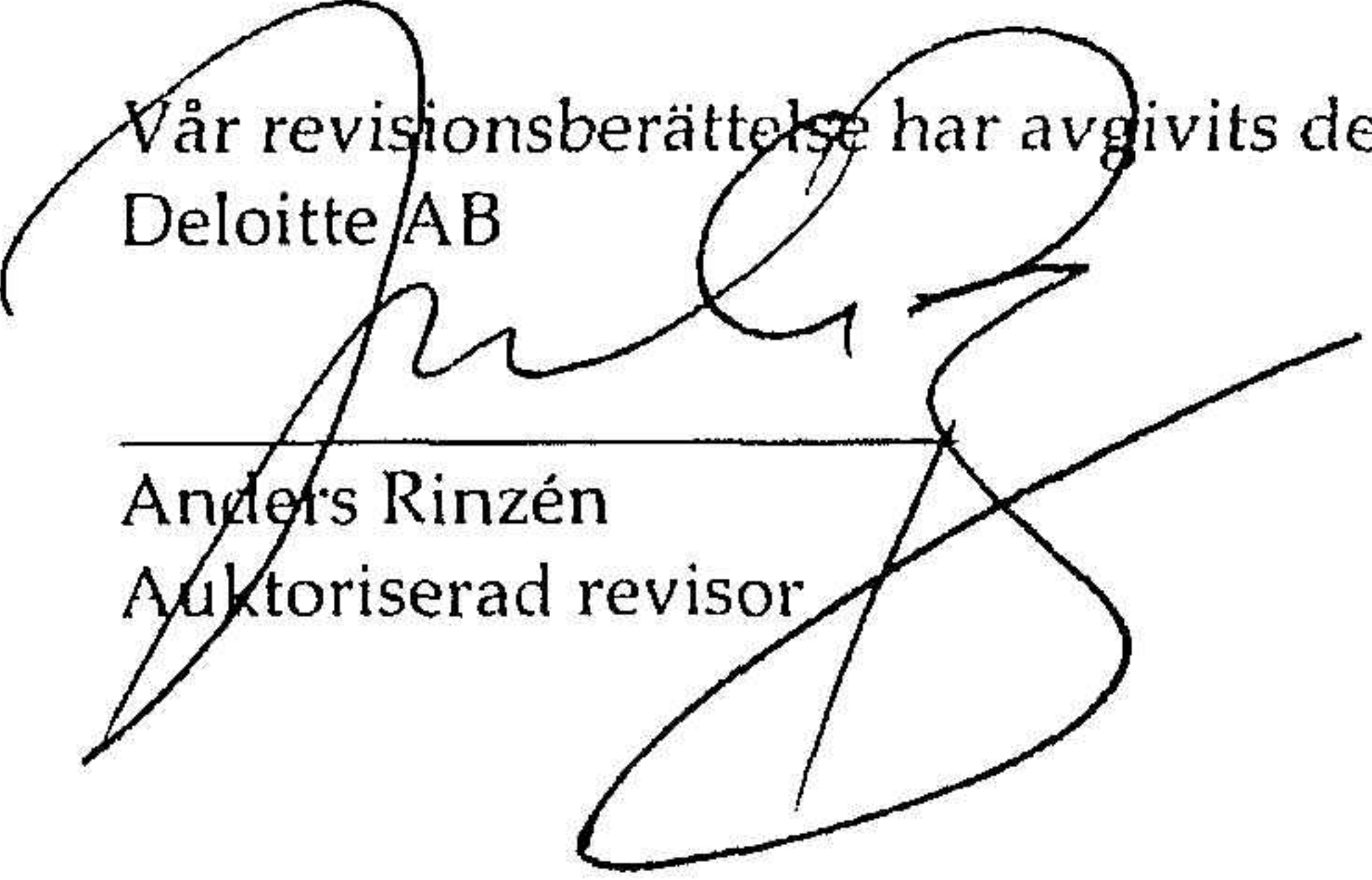
  
Fabian Öhlund  
Verkställande direktör

  
Fabrizio Mulinaris

  
Arne Olsson

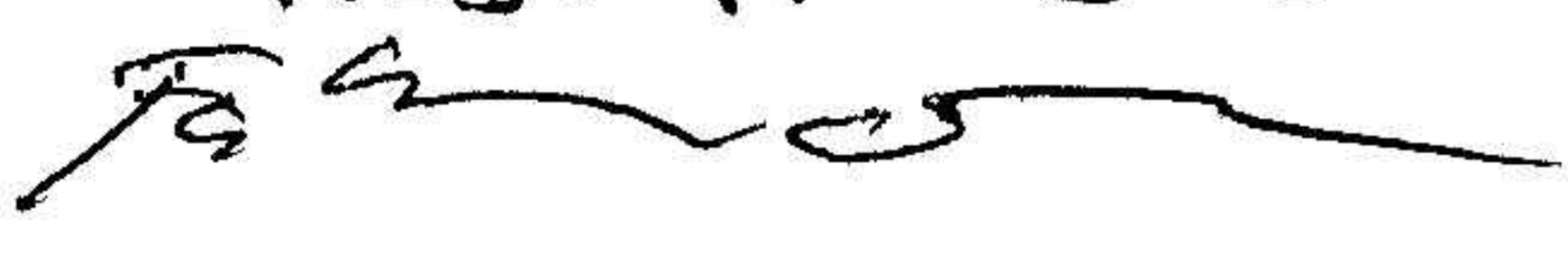
  
Niclas Nyberg  
Arbetstagarrepresentant

Vår revisionsberättelse har avgivits den 28 oktober 2022.  
Deloitte AB

  
Anders Rinzen  
Auktoriserad revisor

Undertecknad styrelseledamot i Sund Birsta AB intygar att  
resultaträkningen och balansräkningen har fastställts på  
årsstämma den 21 november 2022. Årsstämman beslutade  
godkänna styrelsens förslag till hur vinsten skall fördelas.  
Jag intygar också att innehållet i årsredovisningen och  
revisionsberättelsen stämmer överens med ovanstående.

Sundsvall 2022-11-20

  
Fabian Öhlund

## 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 2021-07-01 - 2022-06-30.

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 2022 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.

## 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 2021-07-01 - 2022-06-30 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 revisionsd i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SUND BIRSTA AB enligt god revisorsd 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 revisionsd 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 revisionsd 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 28 oktober 2022

Deloitte AB

Anders Rinzen  
Auktoriserad revisör

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

Annual report for the period July 01, 2021 to June 30, 2022

Jas intgrer hármez ~~at~~ dessa kópiar överensstämmer med  
originalen,  
Skrivet 2022-11-20



Anders Hellgren, 06/130145

## Annual report for the period July 01, 2021 to June 30, 2022

### Contents

Boards and officers .....	3
Mission statement .....	4
Danieli Group structure .....	6
Financial highlights of the Danieli Group .....	7
Key share data .....	8
<b>DIRECTORS' REPORT</b> .....	<b>10</b>
The steel market .....	10
The market for steel making plants .....	11
Danieli Group operations .....	12
Danieli Group structure .....	14
<i>Analysis of/commentary on the economic and financial position of the Danieli Group</i> .....	28
Highlights of the consolidated income statement as at June 30, 2022 and outlook .....	31
Summary of results by business segment .....	32
Revenues by geographical area .....	33
Highlights of the reclassified consolidated balance sheet as at June 30, 2022 .....	34
Analysis of the consolidated net financial position as at June 30, 2022 .....	34
Key consolidated financial ratios .....	35
Statement of changes in net financial position .....	36
Investments and research activities .....	37
<i>Analysis of/commentary on the economic and financial position of Danieli &amp; C. Officine Meccaniche S.p.A.</i> .....	37
Highlights of the income statement as at June 30, 2022 .....	37
Highlights of the reclassified balance sheet as at June 30, 2022 .....	39
Analysis of the net financial position as at June 30, 2022 .....	39
Key financial ratios .....	40
Management of business risks .....	41
Atypical and unusual transactions .....	45
Treasury shares .....	45
Secondary headquarters .....	45
Management and coordination .....	45
Statement pursuant to Art. 2.6.2 of the Italian Stock Exchange Regulations .....	46
Governance .....	46
Events occurring after the reporting period .....	47
Outlook .....	47
Reconciliation between Parent Company shareholders' equity and profit for the year and Group shareholders' equity and profit for the year .....	47
Proposals by the Board of Directors to the annual general meeting .....	48
Consolidated non-financial statement pursuant to Italian Legislative Decree no. 254/2016 .....	49
Independent Auditors' Report .....	114
<b>CONSOLIDATED FINANCIAL STATEMENTS</b> .....	<b>118</b>
Consolidated Financial Statements .....	119
Explanatory Notes .....	123
Supplementary schedules .....	173
Board certification of the consolidated financial statements .....	179
External auditors' report on the Group's consolidated financial statements .....	180
<b>SEPARATE FINANCIAL STATEMENTS</b> .....	<b>186</b>
Accounting schedules .....	187
Explanatory notes .....	191
Supplementary schedules .....	225
Board certification of the separate financial statements .....	240
Report of the Board of Statutory Auditors .....	241
External auditors' report on the Parent Company separate financial statements .....	250
Resolutions of the annual Shareholders' Meeting .....	256

## Boards and officers

Boards and officers as at September 27, 2022 were as follows:

<b>Board of Directors</b>	Gianpietro Benedetti (1) (3) (7)	Chair
	Camilla Benedetti (2) (7)	Deputy Chair
	Alessandro Brussi (2) (3) (7)	Deputy Chair
	Giacomo Mareschi Danieli (2) (3) (7)	Chief Executive Officer
	Rolando Paolone (2) (3) (7)	Chief Executive Officer
	Carla de Colle (5) (7)	Director
	Antonello Mordeglia (5) (7)	Director
	Chiara Mio (4) (7)	Director
	Cecilia Metra (4) (7)	Director
	Giulio Gallazzi (4) (7)	Director

### Board of Statutory Auditors

Davide Barbieri	Chair
Gaetano Terrin	Standing Auditor
Vincenza Bellettini	Standing Auditor
Alessandro Ardiani	Alternate Auditor
Alessandro Gambi	Alternate Auditor
Emanuela Rollino	Alternate Auditor

**Common representative of the savings shareholders** Edgardo Fattor

**Independent Auditors** Deloitte & Touche S.p.A. (6)

- (1) All powers of the Board of Directors except those that by law cannot be delegated, granted by Board of Directors' resolution of October 28, 2021
- (2) Powers granted by Board of Directors' resolution of October 28, 2021
- (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 annual Shareholders' Meeting on October 26, 2018
- (7) Appointed by the annual Shareholders' Meeting on October 28, 2021

## **Mission statement**

The Danieli group produces 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 is based on research, know-how and experience. In fact, Danieli not only supplies high-tech plants but also innovative ones with zero emissions, performing highly complex, specialised services of undisputed quality. Research, investment in advanced technologies, and the development of innovative 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:

- *"Innovation 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.

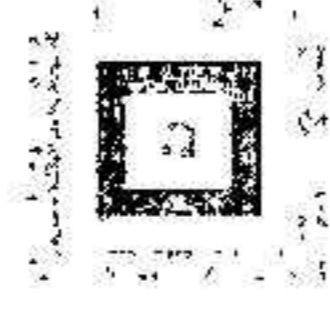
- *"Absolute Steel Quality"*, which summarises the constant commitment of the subsidiary Acciaierie Bertoli Safau S.p.A. to produce steel with a level of finish and customer service always in line with the most demanding expectations and for the most innovative and rigorous industrial applications. Acciaierie 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 very low emissions to guarantee full protection of the ecosystem in which it operates.

## > Mission



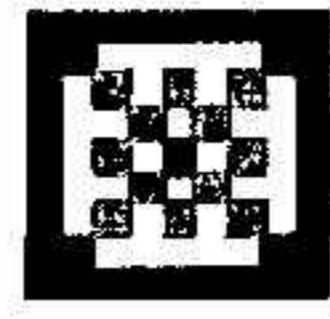
Danieli is a *full cycle provider* from raw materials to finished products in the metals industry.

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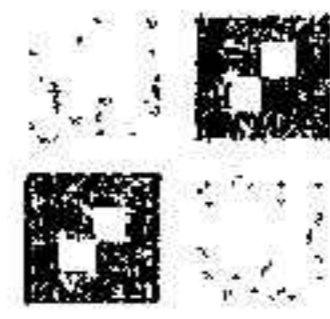
We are *multicultural sparkling team* with deep knowledge of our business.

---



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

---



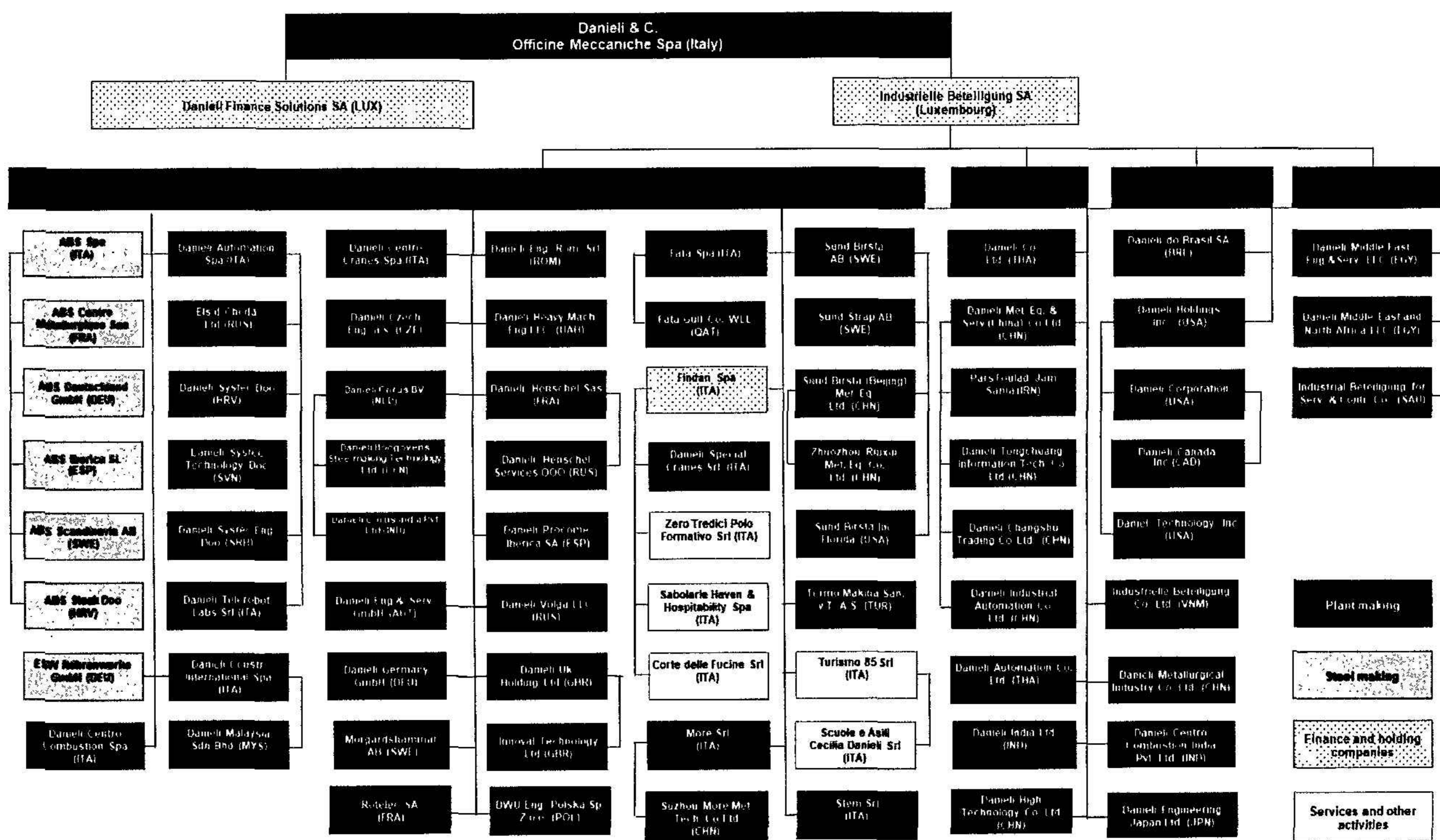
We turn *ideas into end-to-end solutions* of technological excellence to create added value for our customers and stakeholders.

---



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

**Danieli Group structure**  
(\*)



(\*) the diagram includes only line-by-line consolidated companies as at June 30, 2022

## Financial highlights of the Danieli Group

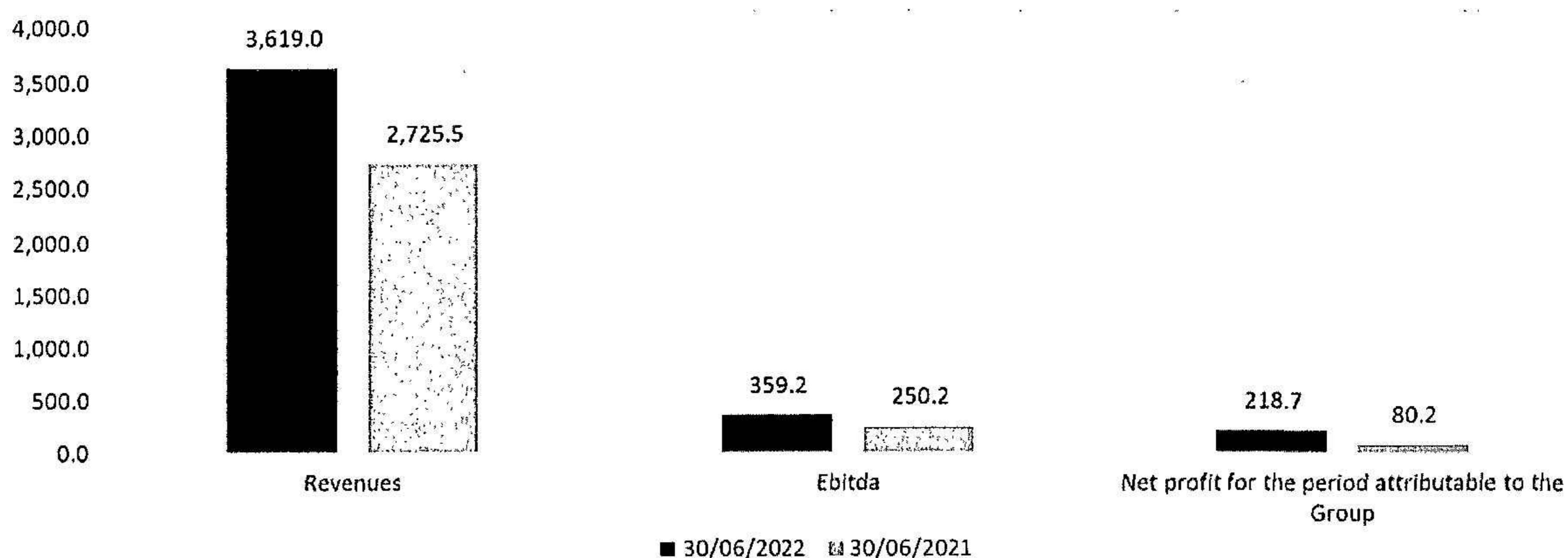
(millions of euro)	30/06/2022	30/06/2021	Variation
Revenues(*)	3,619.0	2,725.5	33%
Gross operating margin (Ebitda)**)	359.2	250.2	44%
Operating income	209.6	143.9	46%
Net profit from continued operations	227.6	98.0	132%
Net profit for the period attributable to the Group	218.7	80.2	173%

	30/06/2022	30/06/2021
Net invested capital	1,096.9	1,092.1
Investments in tangible and intangible assets	113.0	141.4
Total shareholders' equity	2,223.0	2,016.3
Positive net financial position	1,206.6	1,002.0
Ebitda/Revenues	9.9%	9.2%
Net profit for the period/Revenues	6.0%	2.9%
Number of employees at period end	9,095	8,668
Group order book	5,052	3,534
(of which Steel Making)	430	622

(\*) Revenues would amount to 3,637.0 million euro considering the value of internal constructions developed during the period of 18.0 million euro, which are classified in the financial statements as an adjustment to costs (60.8 million euro as at June 30, 2021).

(\*\*)The Gross Operating Margin (EBITDA) represents the operating profit as in the consolidated income statement, before depreciation, amortisation and write-downs of fixed asset and net write-downs of receivables.

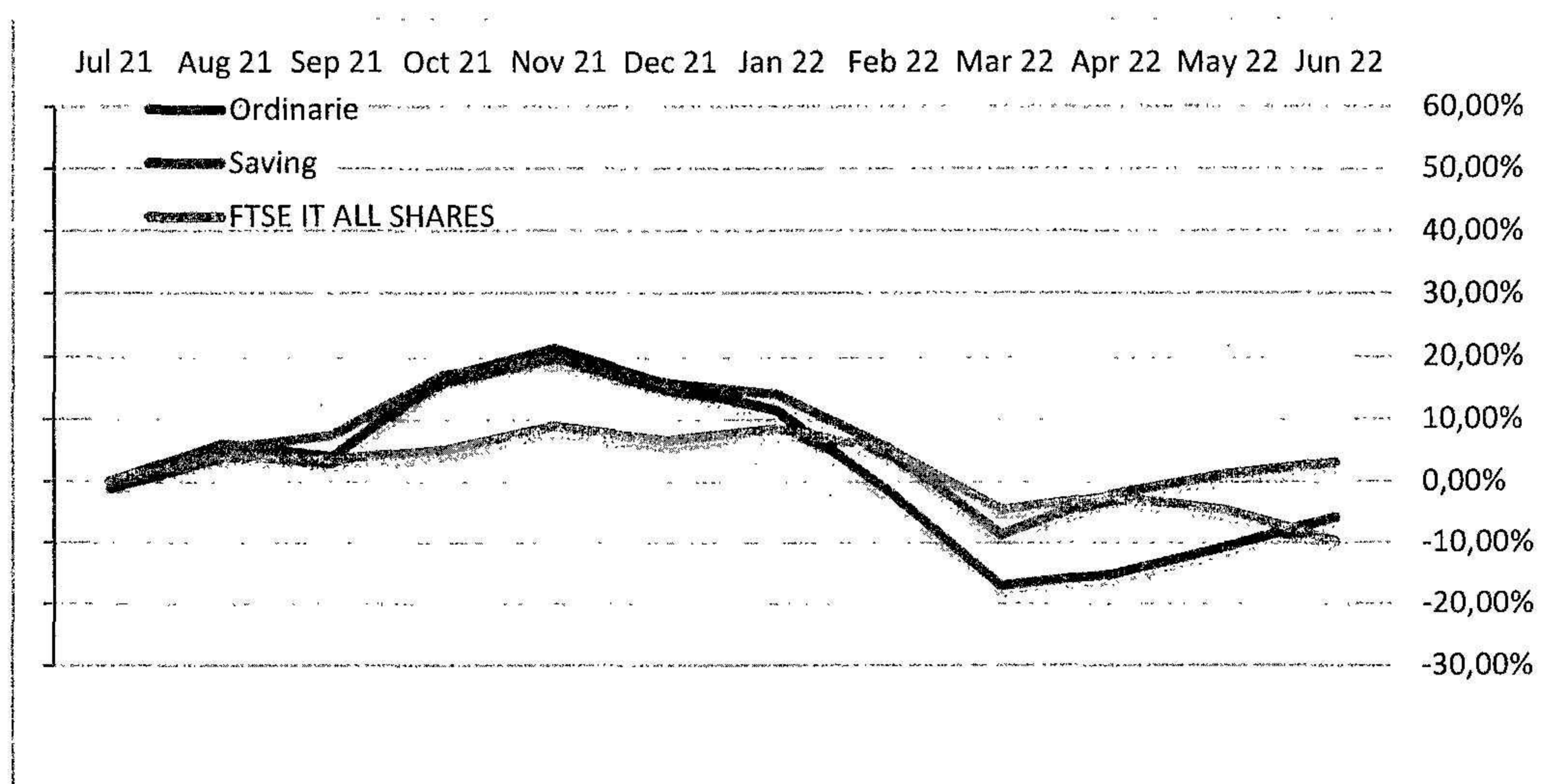


## Key share data

(millions of euro)	30/06/2022	30/06/2021
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	37,623,930	37,684,078
Average no. of saving shares outstanding	36,471,170	36,472,304
Basic earnings per share (euro):		
Ordinary shares	2.9416	1.0712
N.C. Saving shares	2.9623	1.0919
Shareholders' equity per share (euro)	30.0019	27.1905
Period-end price of ordinary shares (euro)	19.5000	22.2500
Period-end price of savings shares (euro)	13.4200	14.5400
Maximum trading price of ordinary shares in the period (euro)	29.7500	22.9500
Maximum trading price of savings shares in the period (euro)	19.0000	15.2800
Minimum trading price of ordinary shares in the period (euro)	17.5400	10.9400
Minimum trading price of savings shares in the period (euro)	12.2400	6.6500

	30/06/2022	30/06/2021
Total stock exchange capitalisation - ordinary shares (thousands of euro)	797,151	909,570
Total stock exchange capitalisation - savings shares (thousands of euro)	542,504	587,780
<b>Total</b>	<b>1,339,655</b>	<b>1,497,350</b>

Danieli ordinary shares and savings shares v. FTSE IT All-Shares for the period from July 2021 to June 2022



Group personnel	30/06/2022		30/06/2021	
	Plant making	Steel making	Plant making	Steel making
in Danieli & C. Officine Meccaniche S.p.A.	2,297		2,247	
Italian affiliates	853	1,291	848	1,240
Foreign Affiliates	4,452	202	4,145	188
<b>Total</b>	<b>7,602</b>	<b>1,493</b>	<b>7,240</b>	<b>1,428</b>
<b>Group total</b>	<b>9,095</b>		<b>8,668</b>	

## DIRECTORS' REPORT

The economic estimates of the International Monetary Fund show an overall growth forecast for 2022 at around 3.2%, positive but down compared to 2021, which was 6.1%, for the most part driven by the general relaunch of the economy associated with emerging from the COVID-19 pandemic. The growth forecasts for 2023 are projected to decrease to 2.9%, where growth will develop in two different blocks: the advanced economies, stable at 1.4%, and the emerging economies, up to 3.9%, as they emerge from the pandemic and internal consumption starts back up. The world economy still shows a positive trend for 2022, with the USA at 2.3% and the EU at 2.6%, while emerging markets will increase by 4.6%, with China positive at 3.3%. However, the European markets show increasing difficulties due to the energy crisis triggered by the sanctions imposed on Russia following the conflict with Ukraine and due to a general industrial slowdown linked to slowed production in the Chinese supply chain blocked by COVID-19 lockdowns. In 2023, the average growth rate forecast for developed countries will also be slowed down by high inflation in the United States due to the lack of balance between supply and demand and in the euro zone caused by the sharp hikes in energy bills. On the other hand, it will increase in emerging markets after the lockdowns in China and India and the completion of vaccinations scheduled to prevent further virus mutations and new waves of the pandemic over time. For the second half of 2022 and throughout 2023, growth periods are still forecast but with increasing difficulties unless government policies are actually implemented to offset energy prices and vaccination programmes to weaken the emergence of new COVID-19 variants. The main central banks raised the interest rates in order to limit the increase in inflation, which is expected to decrease to pre-pandemic levels by the end of 2024, though the general increases in food and energy supplies could lead the EU into a period of stagflation with an economic recession in 2023, accompanied by growing inflation.

In the EU, the growth forecasts for 2022/2023 were revised downward, though a positive boost is expected from the use of the Next Generation EU funds, while Asia is recovering growth thanks to the normalisation of production after the shutdowns caused by the pandemic and the USA is fighting high inflation with a structured programme of interest rate increases.

The EU, the USA and China are configuring their economic programmes to heavily reduce the use of fossil fuels and achieve, by 2050, the sustainable development goals indicated by the UN Global Compact and promoted at the recent COP26 climate conference.

The transition towards a decarbonised economy will require many multilateral actions and strong investment plans incentivised by the governments of the world's main economies and supranational financial organisations.

### The steel market

Worldwide steel production reached nearly 950 million tonnes in the first half of 2022 (as indicated by the World Steel Association), down by 5.5% compared to the same period of 2021, which reached approximately a total of 1,950 million tonnes in the 12 months of the calendar year.

Forecasts for the entire 2022 calendar year project an overall decrease of 5-7%, where only India shows growth in production while the rest of the Asian countries will show decreases along with advanced and emerging countries at around 5%.

The plant utilisation average coefficient compared to the maximum theoretical level remained stable between 80-85% following the closure in China of the most polluting plants and the launch in India of plants with more modern technologies.

The steel market will still be supported in the second half of 2022 with high and even profitable prices, though possible distortions or slowdowns are forecast especially in Europe due to the effects of the energy crisis triggered by the sanctions against Russia, which could even continue into 2023 (driving the costs of production factors and their CO<sub>2</sub> quotas to very high levels) in the absence of the necessary corrective interventions by European market authorities.

China maintained its leading role in the steel industry in the first half of 2022, covering around 55% of world production in the period and the country continued its transition from primary metallurgy (starting from iron ore) to secondary metallurgy (recycling metal scrap) while progressively increasing electric arc furnace (EAF) steel production and thus reducing direct CO<sub>2</sub> (Scope 1) emissions. The new target presented at the COP26 in Glasgow of zero emissions by 2060 will lead in the coming years to a significant change in the technologies used to produce liquid steel with huge investments expected to reduce the environmental impact of production. Even in Europe, greenhouse gas (GHG) emissions remain very important for steel producers, especially in terms of investments, costs for offsetting and sustainable production, which will most benefit the electric furnace producers with the least impact in terms of emissions compared to traditional production using a blast furnace.

All steel producers are increasingly committed to operating their plants in a sustainable manner by reducing energy consumption by tonne with increasingly more flexible, efficient and highly verticalised plants. These plants use continuous production solutions that minimise the use of coal in the production process by replacing it with gas and/or hydrogen in order to entirely decarbonise production within the next 20-30 years, limiting GHG emissions and making production towards the community and the environment socially sustainable.

Production quality with a high-quality finish together with an accurate customer service still remain the most important factors to obtain more remunerative prices from the market and greater continuity in the deliveries to serve customers who tend to reduce minimum stock volumes of warehouses and require more and more "on time" deliveries of customised products.

### **The market for steel making plants**

The maintenance of a constantly high steel consumption in the world and the interest in further developing production in some geographical areas with renewed development prospects and where it may be possible to produce in an innovative, sustainable and efficient manner using the energy factors present, maintain our customers' keen interest in investing in new plants, in addition to technologically upgrading and developing those already existing to increase flexibility and quality while increasing the use of renewable energy and lowering CO<sub>2</sub> emissions with a sustainable use of available resources.

In particular, demand is maintaining appreciable growth in the BRIC and North African countries for new generation, low-emission, large-scale integrated large plants whereas in the USA and EU for mid-sized flexible plants and modernisation of existing plants to enable the decarbonisation of production with higher quality and high finishes used in mechanical engineering, car making and infrastructure.

The production of low CO<sub>2</sub> green steel has now become central to all investments in the sector, which will require ample availability of electricity from renewable sources and the use of first gas and then hydrogen at competitive economic conditions to allow for a significant reduction in emissions in the production process of liquid steel.

Primary steel production makes up around 7-8% of global CO<sub>2</sub> production from fossil fuels (the steel sector is second only to energy generation) and its transformation in line with the COP26 agreements in Glasgow requires decarbonisation that initially improves the efficiency of blast furnaces before gradually replacing them with the use of new iron ore reduction technologies.

The anti-dumping policies now activated by all major steel producing countries and the planned customs barriers (CBAM) against steels produced with high CO<sub>2</sub> emissions have stimulated demand for new plants, which will lead to many investments in innovative plants already during 2022 and in the following years, also supported by government support promoted across the board by the main States to reduce the rise in the average global temperature.

The goal to limit average global temperature growth to no higher than 1.5°C therefore requires heavy investments in the steel sector to use new plants that significantly limit the use of coal in the production process. Danieli has the technological solutions to reduce emissions and is committed to achieving the sustainable development goals (SDGs) promoted by the UN Global Compact. We received validation for our environmental strategies from the Science-Based Targets initiative (SBTi) and our targets in the RACE TO ZERO from the Carbon Disclosure Project (CDP), achieving Leadership A- in Climate Action in 2022.

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:

- improving the productivity of the plants and with it the added value per capita;
- reducing GHG emissions per tonne produced by applying innovative and now established 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 and;
- 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), by integrating multiple stages of processing in the production process,

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 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.

### **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

##### *Seventeen production units and design centres:*

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 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	Turkey
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	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 Distinguon	Continuous casting for thins and conventional slabs	UK, Italy
Danieli Wean United	Rolling mills for flat products and strip processing lines	Italy, USA, Germany,
Danieli Kohler	Air blades for hot galvanisation plants	USA, Italy
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
Danieli Rotelec	Electromagnetic agitators and induction reheating systems	France, Italy
Danieli Breda	Extrusion and forging plants	Italy
Danieli Centro Combustion	Reheating systems	Italy
Danieli Olivotto Ferrè	Heat treatment furnaces	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 Telerobot Italy	Advance robotics	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.

The structural steels family includes high carbon steels, case-hardened, hardened and tempered, and surface hardened steels verticalised into many types of product, 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**

### **Danieli & C. Officine Meccaniche S.p.A. (Parent Company)**

The value of production developed during the financial year by the parent company amounted to 872.6 million euro (927.2 million euro in 2021) with EBITDA of 11.5 million euro (17.6 million euro in 2021).

The value of production for the period includes 18.0 million euro (in 2021, it was 60.8 million euro) for the progress of work as at June 30, 2022 towards Acciaierie Bertoli Safau S.p.A. (hereinafter also ABS) for the new liquid steel treatment furnace completed during the year. This plant is part of a series of investments initiated after completing the wire rod mill to increase ABS group production volumes to around 2 million tonnes for the Italian and European markets.

In this financial year, the company still achieved a significant turnover volume, with a good operating margin in relation to the orders developed, although not yet fully satisfactory due to some delays in launching innovative projects. The Parent Company has also increased the provisions made to the contingency reserve for several outstanding disputes and risks on problematic contracts, maintaining a prudent approach in view of the complexity of the disputes, although it is confident that a favourable solution will ultimately be found for Danieli. 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 various operating equipment with next-generation modern work centres.

Financial management for the period shows a very positive result, with an improvement in the company's net financial position, thanks to the effective ordinary management of the cash flow related to job orders in progress, without significant penalties in the financial year, albeit considering the additional charges for discounting financial receivables for which a deferred collection is expected beyond 12 months.

The accounting alignment of cash and items expressed in foreign currencies (mainly US dollars) was still significant during the year, generating a positive exchange rate effect due to the revaluation of the US dollar, which as at June 30, 2022, exchanged at 1.0387 against 1.1884 as at June 30, 2021.

Order acquisition for the year is in line with the upper part of the budget and already assures good production planning for next year, with operating income expected to improve also for the 2022/2023 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.

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***

#### ***Group Companies - Italy***

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

ABS ended the 2021/2022 financial year with production value of 1,642.6 million euro (889.9 million euro in 2020/2021), operating income of 124 million euro, and net profit of 105.7 million euro.

The fiscal year began with high demand for all industries supplied by ABS products. The initial low availability of steel due to lower production during COVID created fear of a lack of supply, which led to a strong increase in apparent demand. ABS also benefited from this increase. In the first three quarters of the year, its order book was at extremely high levels.

Danieli Procome will continue to operate as a technological centre for the development of additive products and to work to ensure customer satisfaction throughout the Iberian peninsula with the forecast of a positive result in the 2022/2023 financial year.

#### **Morgårdshammar AB (Sweden)**

The company's value of production was 85 million SEK, equal to 8.2 million euro (2021: 113.2 million SEK, equal to 11.1 million euro) and showed a loss of 2.9 million SEK, equal to 0.3 million euro (2021: profit of 11.2 million SEK, equal to 1.1 million euro).

During the current financial year, a close operational synergy began with the subsidiary Danieli Engineering & Services GmbH (Austria).

#### **Sund Birsta AB (Sweden)**

The company's value of production amounted to 473.1 million SEK, equal to 45.9 million euro (2021: 466.2 million SEK, or 45.6 million euro) and a net profit of 54.3 million SEK, equal to 5.3 million euro (2021: 47.6 million SEK, or 4.7 million euro).

The financial result of Sund Birsta was positive thanks to a growing quota of aftermarket activities with specialist services and remunerative margins. Despite the crisis in Russia and Ukraine and the negative effects due to logistics slowdowns caused by COVID-19 in Asia, there was considerable order acquisition. Nevertheless, revenues proved to be lower than expected due to delays in a number of ongoing projects.

The company managed to:

- increase the quota of sales linked to aftermarket to 50% of total revenues;
- finalise the development, production and inspection of a robot tag-marking system;
- develop a strap head for steel strapping tools from 19 mm;
- kit out a service workshop for internal assistance for machines and basic technology.

Sund Birsta AB recorded an order book worth 27.0 million euro as at June 30, 2022 (2021: 20.6 million euro), allowing for a positive start to the 2022/2023 fiscal year.

Indications in the first part of the new fiscal year are in line with current budget estimates.

#### **Rotelec SA (France)**

The financial year reported revenues of 14.7 million euro as at June 30, 2022 (2021 13.7 million euro), a net profit of 2.9 million euro (2021: 2.1 million euro), thanks to the new products developed in recent years and the ongoing renewal process.

The company continued its research activities for new products, using synergies within the Group, in particular with the Danieli Research Centre and Danieli Automation, and the optimisation of production processes.

Rotelec maintains its technological leadership in the global market of electromagnetic stirrers for conventional casting of long and flat products, but also enjoys the success of the DANIELI DUE concept to provide electromagnetic brakes for thin slab casters and induction heaters for hot rolled bars, allowing the company to improve its results in terms of sales and margins, with a positive forecast for the upcoming year.

#### **Gruppo Danieli Corus (Holland)**

Danieli Corus, based in IJmuiden in the Netherlands, consists of Danieli Corus BV and its subsidiaries in China and India.

By operating in the primary metallurgy industry, Danieli Corus offers the best solutions available for blast furnaces and oxygen converters for steel while creating the least possible CO<sub>2</sub> emissions associated with this technology. The financial year ended on June 30, 2022, with a consolidated turnover of 102.1 million euro and an operating profit of 9.8 million euro (after a turnover of 72.6 million euro and a profit of 18.3 million euro in the 2020-21 financial year).

Though the COVID-19 pandemic continued during the year, the impact on the performance of ongoing projects was limited compared to the previous year. Personnel from the local offices acquired additional skills for the finalising of plants, supported remotely by other company specialists.

The main aim for the new financial year is to complete one of the largest orders in the company's history, namely the two blast furnaces in Hazira, India. Based on the experience gained from the mini blast furnace

## Highlights of the consolidated income statement as at June 30, 2022 and outlook

(millions of euro)	30/06/2022	30/06/2021	Variation
<b>Revenues (*)</b>	<b>3,619.0</b>	<b>2,725.5</b>	<b>33%</b>
<b>Gross operating margin (Ebitda) (**)</b>	<b>359.2</b>	<b>250.2</b>	<b>44%</b>
% of revenues	9.9%	9.2%	
Depreciation, amortization and net write-downs of fixed assets and receivables	(149.6)	(106.3)	
<b>Operating income</b>	<b>209.6</b>	<b>143.9</b>	<b>46%</b>
% of revenues	5.8%	5.3%	
Financial Income and charges	84.6	(11.0)	
Income/(charges) arising from the valuation of equity investments in assoc. with the equity method	2	-	
<b>Profit before taxes</b>	<b>295.8</b>	<b>132.9</b>	<b>123%</b>
Income taxes	(68.1)	(34.9)	
<b>Net profit from continued operations</b>	<b>227.7</b>	<b>98.0</b>	<b>132%</b>
Profit and loss deriving from discontinued operations	(8.6)	(17.6)	
<b>Net profit for the period</b>	<b>219.1</b>	<b>80.4</b>	<b>173%</b>
% of revenues	6.1%	2.9%	
(Profit)/loss attributable to non-controlling interests	(0.4)	(0.1)	
<b>Net profit for the period attributable to the Group</b>	<b>218.7</b>	<b>80.2</b>	<b>173%</b>
% of revenues	6.0%	2.9%	

(\*) Including the amount reclassified in the consolidated financial statements of 18.0 million euro for supplies sold to the subsidiary ABS SpA, the value of revenues would be 3,637.0 million eur.

(\*\*) The Gross Operating Margin (EBITDA) represents the operating profit 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 level of revenues of the Group rose by 33% compared to the previous year with higher turnover in the Plant Making sector and the Steel Making sector, which shows higher production volumes compared to 2020/2021 thanks in part to the good performance of the ABS Sisak plants that supplied billets to the new QWR wire rod mill at ABS SpA in Pozzuolo del Friuli, increasing the company's rolling capacity towards a high-quality premium product, especially for the European market.

Group EBITDA as at June 30, 2022, was 359.2 million euro, an increase of approximately 44% on the previous year, and margins were substantial compared to the turnover for the period, to cover the very high research and development costs incurred in the period.

Revenues for the Plant Making segment are consistent with the forecasts at the beginning of the year and derive from the compliance with the construction programmes contractually agreed with the customers, with an EBITDA of 166.4 million euro, better than the result for the 2020/2021 period, nevertheless recording several provisions made in the period against disputes related to the start-up of some innovative plants and the suspension of several projects in Russia and Ukraine.

Revenues for the Steel Making sector were significantly higher than the budget at the start of the year and show good margins (EBITDA of 192.8 million euro) thanks to the contribution of the new rolling mills now fully operational and which could only be maintained or improved in the next year with coordinated government intervention to normalise the energy costs that have fluctuated violently since the start of the year (also as a result of the restrictions on the supply of Russian gas). These costs are not easily nor immediately reversible in the selling prices, especially if the maximum prices per MWh reached in summer 2022 were to continue.

The production sold during the financial year by the Steel Making segment (ABS Group) reached approximately 1.3 million tonnes (up from last year), with the aim of maintaining or further increasing these volumes in the next financial year by bringing the activities of ABS Sisak in Croatia and the new wire rod and sphere mills at ABS SpA to maximum efficiency.

ABS S.p.A. 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. Therefore, the 2021/2022 financial year showed an increased consolidated operating profitability (EBIT) compared to the previous year even with some penalties for one-off negative factors but without particular restrictions on production as suffered previously due to the COVID-19 pandemic.

The performances of both the Plant Making (engineering and plant construction) and Steel Making segments (special Steel production) and keeping the order book at good levels mean positive results for next year and an improvement compared to 2021/2022.

In the Plant Making segment, a better operating result is expected in 2022/2023 with higher volumes and a better margin included in the order portfolio with an equal distribution throughout the main product lines (steelworks, long products and flat products), homogeneously in all geographical areas affected by our projects, and an improved contribution to the Group's operating profitability from the Parent Company Danieli & C Officine Meccaniche S.p.A.

In the Steel Making sector, a stable 2022/2023 is expected in terms of production volume, with higher efficiency in the processes thanks to the start-up of the new sphere mill and full operation of ABS Sisak, though the energy variable could impact negatively on production volumes and margins.

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 higher average return both on investments in euro and on those denominated in foreign currencies (essentially in USD), with a positive effect on the income statement related to the alignment of the exchange rates to the exchange rates in force on June 30, 2022

Net financial income came to a negative 21.2 million euro (before exchange rate alignment) and includes the discounting charges calculated on financial receivables with the expectation of a long deferred payment while exchange rate management was positive for 105 million euro due to the strengthening of the US dollar against the euro as at June 30, 2022. Cash management was in any case handled prudently in the period, maintaining a high solvency profile while closing the year with a satisfactory net cash position, while the expectation for a gradual increase in the interest rates decided by the main central banks also led to predictions of a good financial result for 2022/2023 thanks to higher returns in the bond component of the portfolio.

Income taxes for the period amounted to 68.1 million euro (34.9 million euro in the previous year), essentially deriving from the application of ordinary taxation to the results of consolidated companies without the significant impact of other one-off items.

Net profit for the period attributable to the Group came to 218.7 million euro, more than double compared to 80.2 million euro as at June 30, 2021.

### **Summary of results by business segment**

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

<b>Revenues</b>			
(millions of euro)	30/06/2022	30/06/2021	Variation
<b>Plant making (*)</b>	1,940.8	1,788.7	9%
<b>Steel making</b>	1,678.2	936.8	79%
<b>Total</b>	<b>3,619.0</b>	<b>2,725.5</b>	<b>33%</b>

<b>Gross operating margin (Ebitda)</b>			
(millions of euro)	30/06/2022	30/06/2021	Variation
<b>Plant making</b>	166.4	153.2	9%
<b>Steel making</b>	192.8	97.0	99%
<b>Total</b>	<b>359.2</b>	<b>250.2</b>	<b>44%</b>

<b>Operating income</b>			
(millions of euro)	30/06/2022	30/06/2021	Variation
<b>Plant making</b>	93.0	100.7	-8%
<b>Steel making</b>	116.6	43.2	170%
<b>Total</b>	<b>209.6</b>	<b>143.9</b>	<b>46%</b>

<b>Net profit for the period attributable to the Group</b>			
(millions of euro)	30/06/2022	30/06/2021	Variation
<b>Plant making</b>	129.3	62.6	107%
<b>Steel making</b>	89.4	17.6	408%
<b>Total</b>	<b>218.7</b>	<b>80.2</b>	<b>173%</b>

(\*) Revenues would amount to 3,637.0 million euro for the Group and 1,958.8 million euro for the Plant Making segment, considering the value of internal constructions developed of 18 million euro related to the supplies sold to the subsidiary ABS SpA (classified as adjustment to costs).

## Revenues by geographical area

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

(millions of euro)	30/06/2022	%	30/06/2021	%	Variation
<b>Europe</b>	2,462.0	68%	1,635.3	60%	50.6%
<b>Middle East</b>	232.2	6%	282.8	10%	-17.9%
<b>Americas</b>	467.0	13%	436.3	16%	7.0%
<b>South East Asia</b>	457.9	13%	371.1	14%	23.4%
<b>Total</b>	<b>3,619.0</b>	<b>100%</b>	<b>2,725.5</b>	<b>100%</b>	<b>32.8%</b>

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 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 46% of the total value of this area as at June 30, 2022, and for 34% of the total value of this area as at June 30, 2021.

## Highlights of the reclassified consolidated balance sheet as at June 30, 2022

(millions of euro)	30/06/2022	30/06/2021
Investments	27.4	24.6
Net tangible and intangible fixed assets	1,013.8	993.7
Right of use	39.4	40.6
<b>Net fixed assets</b>	<b>1,080.6</b>	<b>1,058.9</b>
Working capital	16.3	33.2
<b>Net invested capital</b>	<b>1,096.9</b>	<b>1,092.1</b>
Group shareholders' equity	2,219.7	2,014.0
Non controlling interest in shareholders' equity	3.3	2.3
<b>Total shareholders' equity</b>	<b>2,223.0</b>	<b>2,016.3</b>
<b>Provisions for risks and employee benefits</b>	<b>80.4</b>	<b>77.7</b>
Current financial assets	(2,173.6)	(1,761.8)
Non-current financial assets	(0.2)	(0.2)
Current financial liabilities	813.9	415.1
Non-current financial liabilities	153.3	344.9
<b>Positive net financial position</b>	<b>(1,206.6)</b>	<b>(1,002.0)</b>
<b>Total sources of funds</b>	<b>1,096.8</b>	<b>1,092.0</b>

Net Invested Capital increased slightly compared to the previous year and Working Capital decreased, while the financial management of the period guaranteed adequate coverage of the investments completed 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.

## Analysis of the consolidated net financial position as at June 30, 2022

(millions of euro)	30/06/2022	30/06/2021	Variation
<b>Non-current financial assets</b>			
Other financial receivables	0.2	0.2	0.0
<b>Total</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>
<b>Current financial assets</b>			
Securities and other financial assets	657.5	688.9	(31.4)
Cash and cash equivalents	1,516.1	1,072.9	443.2
<b>Total</b>	<b>2,173.6</b>	<b>1,761.8</b>	<b>411.8</b>
<b>Non-current financial liabilities</b>			
Non-current financial liabilities	123.5	313.1	(189.6)
Lease liabilities non-current IFRS 16	29.8	31.8	(2.0)
<b>Total</b>	<b>153.3</b>	<b>344.9</b>	<b>(191.6)</b>
<b>Current financial liabilities</b>			
Bank debts and other financial liabilities	803.0	405.2	397.8
Lease liabilities current IFRS 16	10.9	9.9	1.0
<b>Total</b>	<b>813.9</b>	<b>415.1</b>	<b>398.8</b>
<b>Current net financial position</b>	<b>1,359.7</b>	<b>1,346.7</b>	<b>13.0</b>
<b>Non-current net financial position</b>	<b>(153.1)</b>	<b>(344.7)</b>	<b>191.6</b>
<b>Positive net financial position</b>	<b>1,206.6</b>	<b>1,002.0</b>	<b>204.6</b>

The net financial position remained strong, increasing nicely by 204.6 million euro compared to the value as at June 30, 2021

The net financial position was calculated by including, within "Bank debts and other financial liabilities", customer advance payments on job orders not yet in production, amounting to 400.6 million euro as at June 30, 2022 (174.8 million euro as at June 30, 2021). These amounts are still included as payables for construction contracts and customer advance payments in the consolidated balance sheet. As at June 30, 2022, liabilities, recognised during the year, were also included relating to deferred components of the price for an acquisition made in previous financial years for 11.6 million euro.

Customer advances on job orders in production, net of advances paid to suppliers, amounting to 843.9 million euro as at June 30, 2022, and 886.6 million euro as at June 30, 2021, are included in working capital as they are used to finance job orders in progress. The related amounts are always included as payables for construction contracts and customer advance payments in the consolidated balance sheet.

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 18 in the explanatory notes to the consolidated financial statements.

The net financial position therefore remained positive as at June 30 reaching the amount of 1,206.6 million euro. This amount is still important, affected partly by advances collected on current contracts and partly by a careful financial management of production on job orders, enabling the Group to finance the important investments in research and development in the Plant Making segment as well as those for the new QWR mill started up in the financial year in the Steel Making segment.

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	30/06/2022	30/06/2021
ROE	<u>Net profit for the period attributable to the Group</u> Group shareholders' equity	9.9%	4.0%
ROI	<u>Operating income</u> Net invested capital	19.1%	13.2%
	<u>Gross operating margin (Ebitda)</u> Total shareholders' equity	16.2%	12.4%
	<u>Gross operating margin (Ebitda)</u> Financial charges (*)	6.74	24.86
	<u>Gross operating margin (Ebitda)</u> Operating revenues	9.9%	9.2%
	<u>Gross financial indebtedness (**)</u> Gross operating margin (Ebitda)	1.46	2.17
ROS	<u>Operating income</u> Operating revenues	5.8%	5.3%
Financial charges over turnover	<u>Financial charges</u> Revenues	1.5%	0.4%

Capital ratios	Description	30/06/2022	30/06/2021
Debt to equity ratio	<u>Gross financial indebtedness</u> Total shareholders' equity	43.5%	37.7%
Financial independence	<u>Total shareholders' equity</u> Total Assets	36.1%	37.0%
Primary structural margin	<u>Total shareholders' equity</u> Non-current assets	171.1%	160.0%
Secondary structural margin	<u>Total shareholders' equity+Non Current Liabilities</u> Non-current assets	191.5%	195.5%
Current ratio	<u>Current assets</u> Current liabilities	132.4%	140.3%
Quick ratio	<u>Current assets -Inventories</u> Current liabilities	92.8%	90.8%

(\*) net of interests on discounting operations

(\*\*) excluding advances on job orders not yet in production and indebtedness in accordance with IFRS 16

Profit indicators	30/06/2022	30/06/2021
Revenues per employee (thousands of euro)	397.9	314.4

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 to cover disbursements on investments made, with a decrease in working capital by 34.0 million euro (an increase of 18.7 million euro in the previous year). The cash flow generated from operating activities amounted to 267.6 million euro (279.9 million in the previous period) and allowed the financial coverage of net operating investments of 69.6 million euro (177.9 million euro as at June 30, 2021). Hence, a final net cash increase, after financing operating investments, of 198.0 million euro (102.0 million euro as at June 30, 2021).

The total positive change in the net financial position, up by 204.6 million euro, in any case includes the outlay for the payment of dividends in November 2021, amounting to 13.4 million euro.

(millions of euro)	30/06/2022	30/06/2021
<b>Initial positive net financial position</b>	<b>1,002.0</b>	<b>903.2</b>
Profit before taxes	287.2	115.2
<b>Adjustment for the determination of cash flows from operations</b>		
Depreciation, amortisation and other non-monetary components	152.7	134.9
Losses/(gains) on disposal of property plant and equipment	(2.3)	(1.3)
Net financial charges/(income) for the period	(84.6)	11.0
<b>Gross cash flow from operations</b>	<b>353.0</b>	<b>259.8</b>
Net change in working capital	(34.0)	18.7
Collected (paid) interest and income taxes	(51.4)	1.4
<b>Cash flow generated /(absorbed) by operating activities</b>	<b>267.6</b>	<b>279.9</b>
Investments in tangible and intangible assets	(112.9)	(141.3)
Application of IFRS 16 - Right of use	(12.9)	(10.8)
Equity investments	(1.6)	(8.9)
Realised foreign exchange losses/(gains)	86.7	(32.2)
Disposals of tangible and intangible fixed assets	8.9	7.5
Changes in fair value of financial instruments measured at equity	(37.8)	7.8
<b>Cash flow generated/(absorbed) by investing activities</b>	<b>(69.6)</b>	<b>(177.9)</b>
<b>Free cash flow</b>	<b>198.0</b>	<b>102.0</b>
<b>Other changes in net financial position</b>		
dividends to parent company shareholders	(13.4)	(11.1)
Changes in balance sheet items due to exchange rate translation	20.0	7.9
<b>Total</b>	<b>6.6</b>	<b>(3.2)</b>
<b>Total change in net financial position in the period</b>	<b>204.6</b>	<b>98.8</b>
<b>Final positive net financial position</b>	<b>1,206.6</b>	<b>1,002.0</b>

### Investments and research activities

The main investments in tangible and intangible fixed assets in the period, totalling 113.6 million euro, were as follows:

- 71.4 million euro in the Steel Making segment are mainly related to the completion of the new liquid steel treatment furnace, the new sphere mill and the one for wire rods (QWR) 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;
- 42.2 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 25 million euro for direct and indirect research activities (almost entirely supported by the Plant Making segment for approximately 2% of the relevant turnover), with the management of a volume of innovative projects of approximately 150 million euro (approximately 8% of the turnover of the Plant Making segment).

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

#### Highlights of the income statement as at June 30, 2022

The reconciliation between shareholders' equity and profit for the year as at June 30, 2022 and June 30, 2021, as shown in the financial statements of the Parent Company and in the consolidated financial statements, can be summarised as follows:

(thousands of euro)	30/06/2022		30/06/2021	
	Total shareholders' equity	Net profit for the period	Total shareholders' equity	Net profit for the period
<b>Balances in the financial statements of Danielli &amp; C. S.p.A.</b>	<b>828,955</b>	<b>29,832</b>	<b>811,768</b>	<b>2,946</b>
Elimination of the carrying value of equity investments and of the shareholders' equity of investees	1,399,481		1,209,172	
Share in subsidiaries result		257,935		126,898
Intercompany dividends		(54,141)		(53,881)
Impact of the valuation with the equity method of equity investments not consolidated line-by-line	2,427	1,657	1,085	161
Elimination of the effect of intercompany transactions	(10,826)	(16,553)	(8,005)	4,065
<b>Group shareholders' equity</b>	<b>2,219,744</b>	<b>218,716</b>	<b>2,014,020</b>	<b>80,189</b>
Non controlling interest in shareholders' equity	3,252	378	2,326	143
<b>Total shareholders' equity</b>	<b>2,222,996</b>	<b>219,093</b>	<b>2,016,346</b>	<b>80,333</b>

### Proposals by the Board of Directors to the annual general meeting

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 Danielli & C. Officine Meccaniche S.p.A. for the financial year ended June 30, 2022, which we submit for your approval, show a profit of 29,832,034 euro.

Considering the net profit of the consolidated financial statements of the Danielli Group for the year ended June 30, 2022, which amounted to 218.7 million euro, we propose the payment of a dividend of:

- 0.2793 euro for the 37,623,930 ordinary shares;
- 0.3000 euro for the 36,471,170 savings shares.

The entire amount of the dividend is held in available reserves in the shareholders' equity of Danielli & C. Officine Meccaniche S.p.A. as at June 30, 2022 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)	37,623,930	0.2793	10,508,364
N.C. Saving shares(2)	36,471,170	0.3000	10,941,351
<b>Total</b>			<b>21,449,715</b>
<b>To extraordinary reserve</b>			<b>8,382,319</b>
<b>Distribution of net profit of the financial year</b>			<b>29,832,034</b>

(1) net of 3,255,603 ordinary treasury shares held on September 27, 2022

(2) net of 3,953,863 savings treasury shares held on September 27, 2022

Dividends to shareholders will be payable as from November 23, 2022 (distribution date November 21, 2022; record date November 22, 2022).

You are reminded that the ordinary Shareholders' Meeting has been convened for October 28, 2022, in single call.

**Consolidated Financial Statements**  
**Consolidated Balance Sheet**

(thousands of euro)

<b>ASSETS</b>	<b>Notes</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Property plant and equipment	1	972,588	955,785
Right of use	2	39,383	40,637
Intangible Assets	3	41,222	37,960
Equity investment in associates measured at equity	4	10,688	9,131
Other equity investments	4	16,697	15,484
Deferred tax assets	5	101,958	76,067
Other financial receivables		221	166
Trade and other receivables	6	116,589	125,259
<b>Non-current assets</b>		<b>1,299,346</b>	<b>1,260,489</b>
<b>Current assets</b>			
Contract Assets	7	638,143	883,773
Inventories	7	814,444	595,457
Trade receivables	8	1,110,042	843,588
Other Receivables	9	90,492	59,708
Current tax assets	10	36,558	46,680
Current financial assets	11	657,458	688,908
Cash and cash equivalents	12	1,516,077	1,072,869
<b>Currents assets</b>		<b>4,863,215</b>	<b>4,190,983</b>
<b>Total Assets</b>		<b>6,162,561</b>	<b>5,451,472</b>

(thousands of euro)

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>30/06/2022</b>	<b>30/06/2021</b>
<b>Shareholders' equity</b>			
Share capital		81,305	81,305
Treasury shares		(87,138)	(87,138)
Other reserves and profit carries forward, including profit for the year		2,225,577	2,019,853
<b>Group shareholders' equity</b>		<b>2,219,744</b>	<b>2,014,020</b>
Non controlling interest in shareholders' equity		3,252	2,326
<b>Total shareholders' equity</b>	13	<b>2,222,996</b>	<b>2,016,346</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	14	153,289	344,970
Deferred tax liabilities	5	31,727	17,469
Post employment benefits	15	23,569	27,349
Provisions for risks	16	56,828	50,394
Other non-current liabilities		181	8,349
<b>Total non-current liabilities</b>		<b>265,594</b>	<b>448,531</b>
<b>Current liabilities</b>			
Trade payables	17	1,330,284	1,075,954
Contract Liabilities and Advances from Customers	7/18	1,712,323	1,487,941
Other current liabilities	19	170,098	152,796
Current tax liabilities	20	48,007	29,609
Bank debts and other financial liabilities	21	413,259	240,295
<b>Total current liabilities</b>		<b>3,673,971</b>	<b>2,986,595</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,162,561</b>	<b>5,451,472</b>

## Consolidated Income Statement

(thousands of euro)	note	Financial year ended	
		30/06/2022	30/06/2021
Operating revenues		3,379,497	2,575,790
Other operating income		92,919	61,242
Changes in inventories	7	146,588	88,518
<b>Total revenues</b>	<b>23</b>	<b>3,619,004</b>	<b>2,725,550</b>
Purchase cost of raw materials and consumables	24	(1,875,573)	(1,409,948)
Personnel costs	25	(475,112)	(441,411)
Other operating costs	26	(909,134)	(623,992)
Depreciation, amortisation and write-downs	27	(149,621)	(106,321)
<b>Operating income</b>		<b>209,564</b>	<b>143,878</b>
Financial income	28	32,084	29,940
Financial charges	29	(53,284)	(10,113)
Gains/(losses) on foreign exchange transactions	30	105,846	(30,841)
Income/(charges) arising from the valuation of equity investments in assoc. with the equity method	31	1,579	(28)
<b>Profit before taxes</b>		<b>295,789</b>	<b>132,836</b>
Income taxes	32	(68,145)	(34,866)
<b>Net profit from continued operations</b>		<b>227,644</b>	<b>97,970</b>
Profit and loss deriving from discontinued operations	33	(8,552)	(17,637)
<b>Net profit for the period</b>		<b>219,092</b>	<b>80,333</b>
<b>(Profit)/loss attributable to non-controlling interests</b>		<b>(378)</b>	<b>(143)</b>
<b>Net profit for the period attributable to the Group</b>		<b>218,715</b>	<b>80,189</b>
 <b>Basic earnings per share (euro):</b>			
Ordinary shares	34	2.9416	1.0703
N.C. Saving shares	34	2.9576	1.0885

## Consolidated statement of comprehensive income

(thousands of euro)	Financial year ended		
	30/06/2022	30/06/2021	
<b>Net profit for the period</b>		<b>219,092</b>	<b>80,333</b>
<i>Components of comprehensive income subsequently reclassified in the result of the period</i>			
Foreign financial statements translation difference		36,021	(511)
Change in fair value reserves		(52,416)	10,771
Tax effect related to the other components of comprehensive income	13	14,624	(3,006)
		<b>(1,771)</b>	<b>7,254</b>
<i>Components of comprehensive income not subsequently reclassified in the result of the period</i>			
Actuarial gains/(losses) recognised in the statement of comprehensive income		2,674	5,769
Tax effect	13	(641)	(1,384)
		<b>2,033</b>	<b>4,384</b>
<b>Consolidated comprehensive income</b>		<b>219,354</b>	<b>91,971</b>
Attributable to:			
<b>Danieli Group</b>		<b>218,678</b>	<b>92,334</b>
<b>Non-controlling interests</b>		<b>676</b>	<b>(363)</b>
		<b>219,354</b>	<b>91,971</b>

## Consolidated Statement of Changes in Shareholders' Equity

(thousands of euro)	Share capital	Treasury shares	Share Premium reserve	Fair value reserve	Other reserves	Translation difference	Net profit (loss) of the period	Group shareholders' equity	Non controlling interest in shareholders' equity	Total shareholders' equity
<b>Shareholders' equity as at 30/06/2020</b>	<b>81,305</b>	<b>(82,936)</b>	<b>22,523</b>	<b>(7,210)</b>	<b>1,869,732</b>	<b>(8,596)</b>	<b>62,866</b>	<b>1,936,706</b>	<b>(76)</b>	<b>1,936,629</b>
<b>Operations with shareholders</b>										
Allocation of profit per shareholders' meeting of 28/10/2020										
to reserves	0	0	0	0	51,758	0	(51,758)	0	0	0
Change in treasury shares	0	(4,203)	0	0	0	0	0	(4,203)	0	(4,203)
dividends to parent company shareholders	0	0	0	0	0	0	(11,128)	(11,128)	0	(11,128)
dividends to third parties									(203)	(203)
Change in scope of consolidation	0	0	0	0	1,683	0	0	1,683	1,596	3,279
Acquisition of non-controlling interests	0	0	0	0	(673)	0	0	(673)	673	0
<b>Total operations with shareholders</b>	<b>0</b>	<b>(4,203)</b>	<b>0</b>	<b>0</b>	<b>52,768</b>	<b>0</b>	<b>(62,866)</b>	<b>(14,321)</b>	<b>2,066</b>	<b>(12,266)</b>
<b>Profit as at 30/06/2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,189</b>	<b>80,189</b>	<b>143</b>	<b>80,332</b>
<b>Other comprehensive income</b>										
Change in fair value reserves	0	0	0	7,765	0	0	0	7,765	0	7,765
Actuarial gains/(losses) from IAS 19	0	0	0	0	4,385	0	0	4,385	0	4,385
Foreign financial statements translation difference	0	0	0	0	0	(704)	0	(704)	193	(511)
<b>Comprehensive income (expenses) for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,765</b>	<b>4,385</b>	<b>(704)</b>	<b>80,189</b>	<b>91,635</b>	<b>336</b>	<b>91,971</b>
<b>Shareholders' equity as at 30/06/2021</b>	<b>81,305</b>	<b>(87,138)</b>	<b>22,523</b>	<b>565</b>	<b>1,925,885</b>	<b>(9,300)</b>	<b>80,189</b>	<b>2,014,020</b>	<b>2,326</b>	<b>2,016,346</b>
<b>Operations with shareholders</b>										
Allocation of profit per shareholders' meeting of 28/10/2021										
to reserves	0	0	0	0	66,838	0	(66,838)	0	0	0
Change in treasury shares	0	0	0	0	0	0	0	0	0	0
dividends to parent company shareholders	0	0	0	0	0	0	(13,350)	(13,350)	0	(13,350)
dividends to third parties	0	0	0	0	0	0	0	0	0	0
Change in scope of consolidation	0	0	0	0	646	0	0	646	0	646
Variation third parties capital	0	0	0	0	(250)	0	0	(250)	250	0
<b>Total operations with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,234</b>	<b>0</b>	<b>(80,188)</b>	<b>(12,954)</b>	<b>250</b>	<b>(12,704)</b>
<b>Profit as at 30/06/2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>218,715</b>	<b>218,715</b>	<b>378</b>	<b>219,093</b>
<b>Other comprehensive income</b>										
Change in fair value reserves	0	0	0	(37,792)	0	0	0	(37,792)	0	(37,792)
Actuarial gains/(losses) from IAS 19	0	0	0	0	2,032	0	0	2,032	0	2,032
Foreign financial statements translation difference	0	0	0	0	0	35,723	0	35,723	298	36,021
<b>Comprehensive income (expenses) for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(37,792)</b>	<b>2,032</b>	<b>35,723</b>	<b>218,715</b>	<b>218,678</b>	<b>676</b>	<b>219,364</b>
<b>Shareholders' equity as at 30/06/2022</b>	<b>81,305</b>	<b>(87,138)</b>	<b>22,523</b>	<b>(37,237)</b>	<b>1,995,151</b>	<b>26,423</b>	<b>218,716</b>	<b>2,219,744</b>	<b>3,252</b>	<b>2,222,996</b>

## Consolidated Statement of Cash Flows

(thousands of euro)	30/06/2022	30/06/2021
<b>Reconciliation of profit before taxes with net cash flows from op.activities</b>		
Profit before taxes	287,238	115,199
Net increase/(decrease) in prov.for risks&charges	6,434	29,348
Income/(charges) arising from the valuation of equity investments in assoc. with the equity meth	(1,579)	28
Depreciation, amortisation and write-downs	115,465	97,801
Losses/(gains) on disposal of property plant and equipment	(2,268)	(1,334)
Write-down/(Reversal) of impairment losses	34,156	8,521
Other non-monetary changes		1,333
Net change in employee sev. indemnity prov.	(1,747)	(2,161)
Foreign exchange losses/(gains) for the period	(105,846)	30,841
Financial income for the period	(32,084)	(29,940)
Financial charges for the period	53,285	10,113
<b>Total</b>	<b>353,054</b>	<b>259,749</b>
<b>Net change in working capital</b>		
(Increase)/decrease in inventories	26,644	(296,766)
(Increase)/decrease in trade and other receivables	(343,693)	92,054
Increase/(decrease) in trade and other payables	263,841	222,032
Unrealised foreign exchange losses/(gains)	19,184	1,384
<b>Total</b>	<b>(34,024)</b>	<b>18,704</b>
(Interest paid)	(20,520)	(9,106)
Interest received	32,137	30,804
Taxes paid in the period	(51,259)	(20,442)
<b>Cash flow generated /(absorbed) by operating activities</b>	<b>279,388</b>	<b>279,709</b>
<b>Investing activities</b>		
<b>Investments:</b>		
Property plant and equipment	(102,776)	(132,042)
Intangible Assets	(10,147)	(9,249)
Business combinations of the period and the previous financial year	0	0
Equity investments	(1,614)	(8,856)
(Purchase)/sale of treasury shares	0	(4,203)
Available for sale financial assets	(5,619)	(52,542)
Realised foreign exchange losses/(gains)	86,662	(32,224)
<b>Disposals:</b>		
Property plant and equipment	8,817	7,465
Intangible Assets	51	38
<b>Cash flow generated/(absorbed) by investing activities</b>	<b>(24,626)</b>	<b>(231,613)</b>
<b>Financing activities</b>		
Application of IFRS 16 - Financial loans	(12,013)	(12,094)
New loans payable	164,395	177,186
Increase/(decrease) in advances on job orders not yet in production	225,807	57,833
Repayment of loans payable	(200,925)	(188,048)
Short term derivative financial instrument	4,651	2,754
dividends to parent company shareholders	(13,350)	(11,128)
<b>Cash flow generated/(absorbed) by financing activities</b>	<b>168,565</b>	<b>26,503</b>
Changes in balance sheet items due to exchange rate translation	19,883	7,829
<b>Total cash flow</b>	<b>443,210</b>	<b>82,428</b>
<b>Opening cash and bank position</b>	<b>1,072,869</b>	<b>990,441</b>
<b>Closing cash and bank position</b>	<b>1,516,077</b>	<b>1,072,869</b>