

## EXTRAORDINARY PART

### Item 9 on the Agenda

#### Explanatory Report of the Board of Directors

#### Concerning the Mandatory Conversion of Savings Shares into Ordinary Shares. Amendment of Articles 6, 7 and 24 of the Company Charter. Related and Consequent Resolutions.

Dear Shareholders,

you have been called to the Extraordinary Shareholders' Meeting of Danieli & C. S.p.A. (hereinafter the "**Company**" or "**Danieli**") – pursuant to article 146, par. 1, lett. b), of Legislative Decree 58/1998 (hereinafter the "**TUF**") – to approve the proposal concerning the mandatory conversion of savings shares into ordinary shares (hereinafter the "**Resolution**"). We also propose to approve the consequential amendments to the Company Charter and the pertinent and consequent resolutions.

This report has been prepared in order to explain the reasons for the proposed resolutions concerning this item on the agenda, in accordance with article 125-ter of the TUF and the provisions of Article 72 and Annex 3A of the Consob Issuers' Regulation approved by Consob resolution n. 11971 of May 14, 1999 (hereinafter the "**Issuers' Regulation**").

#### I. Grounds for the Proposal

The proposal submitted to your approval provides for the mandatory conversion of all the issued and outstanding savings shares of Danieli into ordinary shares (hereinafter the "**Mandatory Conversion**"), as a transaction aimed at rationalizing and simplifying the structure of the Company's share capital. The Mandatory Conversion also will bring:

- greater governance transparency as a result of the adoption of only one category of shares with the same rights and the same price, and consequently fully aligning the interests of all shareholders;
- increase in the ordinary market capitalization with consequent greater weight on the indexes and portfolio of institutional investors;
- reduction in corporate formalities and in the costs connected to the existence of different categories of shares;
- an increase in the share liquidity for both the existing ordinary shareholders and the savings shareholders post-Mandatory Conversion.

In addition, holders of savings shares will benefit from the conversion ratio represented, for each savings share, by n. 0.65 Danieli ordinary shares (hereinafter the "**Conversion Ratio**") and by the payment of an extraordinary dividend equal to Euro 1.20 for each share (hereinafter the "**Extraordinary Dividend**" and together with the "Conversion Ratio", hereinafter the "**Economic Terms**") which will be recognized to all those who will become ordinary shareholders as a result of Mandatory Conversion, subject to the effective execution

of the Mandatory Conversion. The Conversion Ratio includes an implicit premium equivalent to 7.69 % of the price of savings shares on the same day of September 23, 2020. For more information concerning the Conversion Ratio, the historical averages of conversion ratios and the implicit premium, please refer to the following paragraph VIII.

The saving shareholders will also benefit from the distribution of the Extraordinary Dividend (subject to the effectiveness of the Conversion) with a total benefit equal to 18.23%-compared to the price of the savings share as at 23 September 2020 - taking into account the above premium relating to the Conversion Ratio.

The current ordinary shareholders will benefit from the Mandatory Conversion (i) from the non-assignment of the portion of profits to the savings shares up to 5.16% of the nominal value of the savings shares; (ii) from the non-recognition of the dividend increase equal to Euro 0.0207 for each shaving share (approximately equal to Euro 0.8 million per year, for the total savings shares currently issued by the Company); (iii) the reduction in the total number of shares issued by the Company (given the Conversion Ratio of no. 0.65 ordinary shares per saving share), which results in an increase in the share of profit attributable to the current ordinary shareholders; and (iv) from the payment of the Extraordinary Dividend.

It should also be noted that the proposal for the Mandatory Conversion is accompanied by the proposal concerning the introduction into the Company Charter of the “increased voting rights”, i.e. the possibility – as a consequence of the uninterrupted holding of ordinary shares for 24 months – of being entitled to two votes per ordinary share, instead of only one vote, as a way of rewarding long-term investments in the Company’s share capital. The Mandatory Conversion therefore allows the holders of savings shares to benefit – once the conversion has taken place – also from what mentioned above.

Considering that the proposal under consideration, if approved by both the extraordinary meeting of the ordinary shareholders and the special meeting of the savings shareholders (hereinafter the “**Special Meeting**”), will legitimate the savings shareholders who did not approve the resolution to exercise the right of withdrawal pursuant to article 2437, par. 1, lett. g) of the Italian civil code (hereinafter the “**Right of Withdrawal**”), the execution of the Mandatory Conversion is subject to the condition that the overall liquidation value of the shares for which the Right of Withdrawal will be exercised does not exceed the amount of Euro 20.000.000,00 (hereinafter the “**Condition**”). Such Condition is unilateral due to the fact that has been imposed in the exclusive interest of the Company and of the shareholders to ensure that the transaction is not excessively costly for Danieli, considering that, according to the law, the shares for which the Right of Withdrawal is exercised – unless they are purchased under the option by other shareholders or on the market – must be purchased by the Company. The Company can waiver to such condition, since the fact that is a unilateral condition.

## **II. Description of the rights or privileges attached to the Danieli savings shares**

As of the date of this report, the share capital of Danieli amounts to Euro 81,304,566, made up of 81,304,566 shares with a face value of 1 Euro each, divided into 40,879,533 ordinary shares and 40,425,033 savings shares.

According to the provisions of the Company Charter currently in force, savings shares do not confer voting rights in general shareholders’ meetings.

According to the Charter, savings shares are preference shares with regard to profit sharing and capital repayment, namely:

- 1) on net profits resulting from the duly approved financial statements, after deduction of the legal reserve portion, savings shares will be first of all allocated a proportion up to 5.16% of the nominal value of said shares;
- 2) after the allocation of said preferred dividend to the legal reserve and to the savings shares, subject to the shareholders' meeting payout resolution, residual profits are distributed among all the shares, in such a way that savings shares are paid a total dividend higher than ordinary shares to an extent equal to 2.07% of the shares nominal value; should a dividend lower than 5.16% be allocated to savings shares in a financial year, the difference will be computed increased by 5.16% than the preferred dividend in the two subsequent financial years;
- 3) the reduction of the share capital for losses will not involve the reduction of the nominal value of savings shares, unless for that part of loss which exceeds the total nominal value of the other shares; also, the provisions of art. 145 paragraph 5 of the TUF will apply.
- 4) in the event of an increase in the share capital, holders of savings shares will have option right on newly issued savings shares and failing these - or for the difference - on ordinary shares;
- 5) in case of reserve distribution, savings shares have the same rights as ordinary shares;
- 6) in the event of the company being wound up, savings shares have pre-emption on the share capital repayment;
- 7) should saving shares or ordinary shares be excluded from negotiations, savings shares will keep their own rights and features.

### **III. Advantages and Disadvantages of the Mandatory Conversion**

As a result of the Mandatory Conversion:

- (a) on the effective date of the Mandatory Conversion, the holders of Danieli savings shares will lose their economic rights, privileges and the protections provided for this category of shares by the law, the applicable regulations and the Charter. In any case, the savings shareholders who have not exercised the Right of Withdrawal will receive ordinary shares of the Company and will therefore acquire voting rights in any Meeting of Danieli (in ordinary and extraordinary session), even in the form of increased voting rights, provided the related conditions are fulfilled (assuming that the proposal under item 10 on the agenda is approved by the Extraordinary Shareholders' Meeting), and will acquire all the rights and protections related to ordinary shares, also benefiting, among other things, from the liquidity on the market.
- (b) On the effective date of the Mandatory Conversion, the voting rights of ordinary shareholders will be diluted in proportion to the number of ordinary shares issued in the context of the Mandatory Conversion. The ordinary shares issued before said date will represent approximately 60,87 % of the Company's share capital post-Mandatory Conversion, while the total amount of the ordinary shares issued to service the Mandatory Conversion will be equal to 39,13% of the Company's share capital post-Mandatory Conversion. Ordinary shareholders will benefit from the elimination of the

privileges connected to savings shares. Shareholders on the whole will benefit from the simplification of the share capital structure and from the increased liquidity of the Danieli shares.

Considering that, concurrently with the proposal for the Mandatory Conversion, also the proposal to eliminate the nominal value of shares is submitted to the approval of the Shareholders during their Extraordinary Meeting, in order to simplify capital transactions, as well as the circumstance that the Mandatory Conversion will be performed after the nominal value elimination has become effective, the Mandatory Conversion will not involve an increase in the share capital of Danieli, which will therefore remain unchanged. On the contrary, the total number of existing shares following the Mandatory Conversion will decrease by the issue of new ordinary shares to service the Mandatory Conversion.

**IV. Quantity of savings shares held by the controlling shareholder pursuant to Article 93 of the TUF**

As of the date of this report, the shareholder Sind International S.r.l. holds n. 27.461.013 ordinary shares, equivalent to 33.78 % of the total share capital and 67.18% of the share capital represented by ordinary shares.

**V. Intention of the controlling shareholder to do trading on savings shares**

As of the date of this report, the shareholder Sind International S.r.l. has not declared its intention to do trading on savings shares.

**VI. Possible undertakings to convert made by savings shareholders, with particular reference to the controlling shareholder**

Since this is a Mandatory Conversion, all savings shares will be automatically converted into ordinary shares.

For the sake of completeness, we point out that as of the date of publication of this report: (i) the shareholder Sind International S.r.l. has not stated its voting intention in relation to the proposed Mandatory Conversion; (ii) on the basis of the information available to the Company and of the information available on the Consob internet site concerning shareholders' agreements, no shareholder has made any commitment to vote in favor of the proposed resolution referring to the Mandatory Obligation.

**VII. Dividends paid in the last five years to savings shareholders**

The following table shows the dividends distributed by Danieli to the savings shareholders, starting from the financial year 2015 (expressed in Euro per Share).

Dividend per savings share	2015	2016	2017	2018	2019
	0.1207	0.1207	1.1207	0.1207	0.1707

It is hereby specified that the ordinary shares issued to service the Mandatory Conversion will have regular dividend rights as from the date of execution of the same Mandatory Conversion.

**VIII. Conversion ratio and criteria for determining the same**

### Preliminary remarks

The Board of Directors resolved to propose the Mandatory Conversion on the basis of the Economic Terms, which include the Conversion Ratio- represented, by n. 0.65 Danieli ordinary shares for each savings share- and by the Extraordinary Dividend equal to Euro 1.20 for each share, which is recognized to all those who will become ordinary shareholders as a result of Mandatory Conversion, subject to the effective execution of the Mandatory Conversion.

The Economic Terms were determined by the Board of Directors on the basis of various considerations and is supported also by the opinion of an independent advisor. In particular, the following criteria has been taken into account in order to define the Economic Terms:

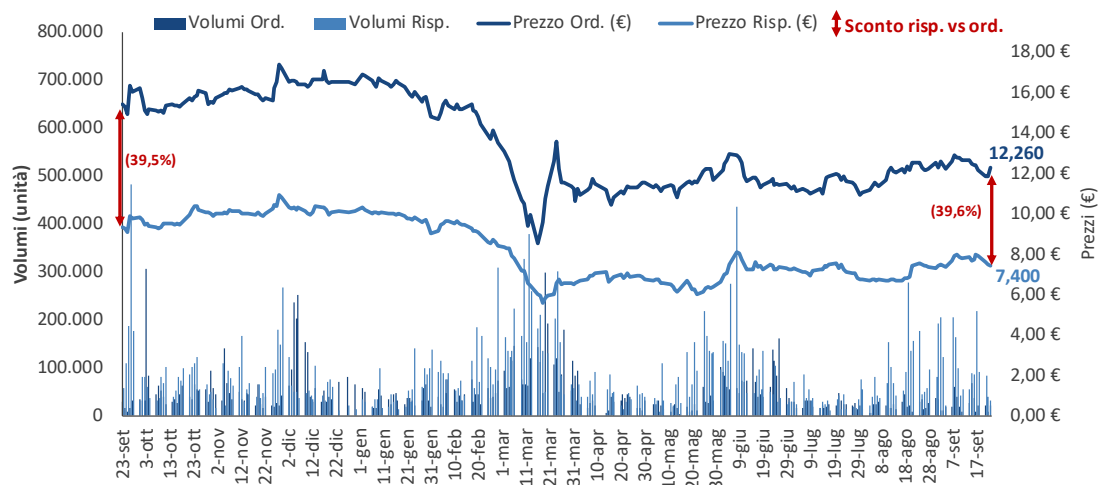
- (a) the reasons underlying the proposed Mandatory Conversion;
- (b) the administrative and property rights associated to savings shares compared to those associated to ordinary shares;
- (c) the evolution of the market prices of savings shares in respect to the market prices of ordinary shares over different periods of time;
- (d) a deep analysis in order to consider the current value *in perpetuity* of future expected flows linked to the increased-dividend by savings shares;
- (e) the conversion ratio and the implicit bonus recorded in similar transactions in the Italian market over the last ten years.

In its considerations on the Economic Terms, the Board of Directors used as the last reference date the market prices of ordinary and savings shares recorded on the trading day closed on September 23, 2020 i.e. the day before the announcement of the conversion proposal to the market.

More details are provided below with respect to the above-mentioned points taken into account for the purposes of determining the Economic Terms.

### Performance of Danieli's ordinary and savings shares market

The chart here below shows the share-price trend of each share category in the last 12 months -from 23 September 2019.



The table here below shows the share-price trend for each share category with reference to September 23, 2020 and to some historical averages.

Table- Share-price trend: final closing shares price VS historical averages.

	Ordinary shares price(€)	Saving shares price (€)	Ratio of the market value of savings shares to ordinary shares
September 23, 2020	12,26	7,40	0,60
Last month average	12,39	7,61	0,61
Last 3 months average	11,86	7,24	0,61
Last 6 months average	11,73	7,03	0,60

*Analysis of former comparable transactions.*

Is it possible to identify 10 mandatory transaction of saving/preference shares into ordinary shares which have been realized by Italian Companies over the last 10 years- starting from 2010. Such mandatory conversions have been realized by Italian companies with ordinary and saving or preference shares, admitted for trading on the regulated markets of Italian stock exchange.

The analysis of the former relevant transactions shows that the implied bonus offered in the Conversion Ratio offered are in line with the premium-range registered in the former similar historical cases in Italy.

### *Fundamental analysis.*

The analysis compares the present value *in perpetuity* of the extra-dividend attributed to the saving shares (as per statutory forecast) which is equal to approximately Euro 0.326 per share (assuming a discount rate appropriate to the risk profile of the aforementioned dividend flows) with the premium offered to savings shareholders in the context of the Conversion.

As a result, an intrinsic "extra value" offered to savings shareholders under the onversion was identified.

### **IX. Modalities for the exercise of the Mandatory Conversion**

The Mandatory Conversion will take place through Monte Titoli S.p.A., which will give instructions to the intermediaries participating in the centralized management system with which the savings shares are deposited. All the operations necessary for the completion of the Mandatory Conversion must be carried out by the aforementioned intermediaries and by Monte Titoli S.p.A..

Except for possible tax charges imposed on the transaction and depending on the nature of the recipient, the Mandatory Conversion will be made without any charges to be borne by the shareholders. The conversion is neutral for tax purposes and does not give rise to fiscally relevant capital gains or capital losses. The ordinary shares received as a result of the conversion maintain the same value recognized for tax purposes as the savings shares subject to the conversion.

Intermediaries holding accounts with each holder of savings shares will allocate to each holder a number of ordinary shares resulting from the Conversion Ratio.

For the purposes of managing the remaining ordinary shares deriving from the Conversion Ratio of the Mandatory Conversion, the Company will specifically appoint an authorized intermediary.

The effective date of the Mandatory Conversion will be agreed with Borsa Italiana S.p.A. and made public by means of a press release and through publication on the Company's internet site, and in general in accordance with the applicable law. With the same communication, the Company will disclose details on the procedures for the allotment of ordinary shares and the management of any remnants resulting from the Conversion Ratio.

On the same date, the savings shares will be withdrawn from listing on the Italian Electronic Stock Market (MTA) organized and managed by Borsa Italiana S.p.A., and the ordinary shares resulting from the Mandatory Conversion will be admitted to trading on the market on an equal footing with the other outstanding ordinary shares (subject to the prior publication of listing particulars for admission to official listings in accordance with the applicable law).

### **X. Conditions for the effectiveness of the Mandatory Conversion**

The Mandatory Conversion must be approved both by the Extraordinary Meeting of the ordinary shareholders of Danieli and by the Special Meeting.

Moreover, considering that - if the Mandatory Conversion is approved by both above-

mentioned shareholders' Meetings - the savings shareholders who did not approve the resolution during the Special Meeting will be entitled to exercise the Right of Withdrawal; the execution of the Mandatory Conversion is subject to the condition that the overall liquidation value of the shares for which the Right of Withdrawal is exercised does not exceed the amount of Euro 20.000.000,00 without prejudice to the Company's right to waive the Condition.

The Right of Withdrawal can be exercised within 15 calendar days following the registration in the Company Registry of the approval of the Mandatory Conversion by the Saving Shareholders Meeting. Consequently, the fulfilment of the Condition will be assessed taking into account the time actually required for the receipt of the notices of withdrawal (indicatively, in the third and fourth weeks following the date of the Saving Shareholders Meeting); the outcome of the above-mentioned assessment – i.e. the fulfilment or not of the Condition – will be communicated to the public by means of a press release issued in accordance with the applicable law.

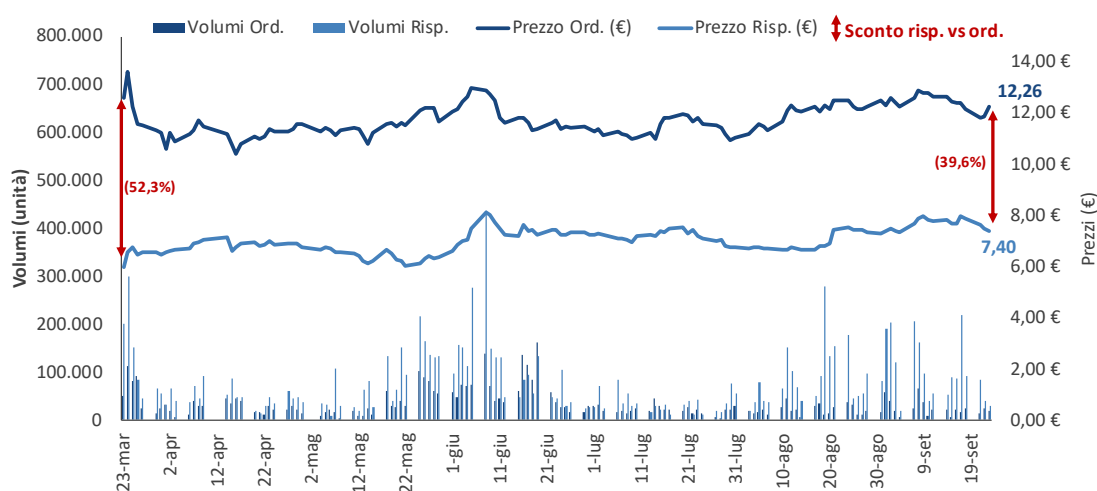
### XI. Number of savings shares to be converted

All savings shares (equal to n. 40.425.033) will be converted into ordinary shares with the same characteristics as the ordinary shares existing on the effective date of the Mandatory Conversion.

On the basis of the Conversion Ratio described above, the total number of ordinary shares to service the Mandatory Conversion will be equal to 26.276.271.

### XII. Trend in the prices of savings shares in the last six months

The following diagram shows the prices of savings shares in the period from March 23 and September 23, 2020 (i.e. the day before the announcement of the proposed Mandatory Conversion to the market).



### XIII. Mandatory Conversion Incentives



The Company's Board of Directors resolved to propose a conversion of the Company's savings shares into ordinary shares on the basis of a Conversion Ratio represented, for each savings share, by n. 0.65 Danieli ordinary shares.

It should also be noted that the proposal for the Mandatory Conversion is accompanied by the proposals related to the distribution of an extraordinary dividend equal to Euro 1.20 for each ordinary share and the introduction in the Company Charter of the "increased voting rights" which the holders of savings shares can benefit from after the execution of the conversion.

Based on the Economic Terms above mentioned, the Mandatory Conversion is characterized by an implicit bonus equal to 7.69% in the Conversion Ratio, compared with the market price of the saving shares as on September 23, 2020; the Mandatory Conversion is also characterized by an overall bonus for saving shareholders equal to 18.23%- also considering the Extraordinary Dividend. Reference is made to paragraph VIII above, related to the criteria for defying the conversion ratio and the implicit bonus.

In any case, it is noteworthy to say that any possible market conditions existing at the time of the execution of the conversion, might also have an impact on, or exclude the existence of, an implicit bonus in the conversion ratio.

#### **XIV. Effects of the Mandatory Conversion on stock option plans concerning savings shares**

At the date of this report, there are no stock option plans in place with underlying savings shares. Therefore, this section is not applicable.

#### **XV. Composition of the Company's share capital before and after the Mandatory Conversion**

As of the date of this report, the share capital of Danieli amounts to Euro 81,304,566, made up of 81,304,566 shares with a face value of 1 Euro each, divided into 40,879,533 ordinary shares and 40,425,033 savings shares.

Following the Mandatory Conversion, the share capital of the Company will be composed of n. 67.155.804 ordinary shares with no par value, assuming the approval of the proposal as per item 8 on the agenda.

#### **XVI. Significant changes in ownership structure as a result of the Mandatory Conversion**

The following table shows the effects that the Mandatory Conversion would have on the share capital of Danieli, including the significant holdings communicated pursuant to article 120 of the TUF (according to the data available to the public as of the date of September 23, 2020), highlighting in particular the dilution for holdings in ordinary shares.

	% voting rights before the Mandatory conversion	% voting rights after the Mandatory conversion
Sind International S.p.A.	72,42%	44,56%

Floating capital	27,58%	55,44%
Overall	100,00%	100,00%

### **XVII. Main allocations that the Company intends to assign to the net revenue of the Mandatory Conversion**

The Mandatory Conversion does not provide for the payment of any balance in favor of the Company. Therefore, there will be no revenue in favor of the Company following the Mandatory Conversion.

### **XVIII. Right of withdrawal**

As the resolution which approves the Mandatory Conversion entails a change in the Company Charter concerning the voting and participation rights of the holders of savings shares, the latter, should they not approve the related resolution of the Special Meeting, will be entitled to exercise the Right of Withdrawal pursuant to article 2437, first paragraph, letter (g), of the Italian civil code as shown below.

In accordance with article 127-*bis*, paragraph 2, of the TUF, any person on whose behalf savings shares are registered after the record date indicated in article 83-*sexies*, paragraph 2, of the TUF (*i.e.* November 23, 2017), and prior to opening of the Special Meeting, will be considered as not having approved the resolution for the purpose of exercising the Right of Withdrawal.

As indicated, the execution of the Mandatory Conversion is subject to the condition that the overall liquidation value of the shares for which the Right of Withdrawal will be exercised does not exceed the amount of Euro20.000.000,00.

#### Liquidation value

The liquidation value of each savings share was calculated in accordance with article 2437-*ter* of the Italian Civil Code and established by the Board of Directors at Euro 7,0401 (equivalent to the arithmetic average of the closing stock market prices of savings shares in the six months prior to the date of publication of the notice of call of the Extraordinary Shareholders' Meeting). The Company Charter does not provide for any exceptions to the above-mentioned legal criteria.

#### Procedures for exercising the Right of Withdrawal

The terms and conditions for exercising the Right of Withdrawal and the liquidation of the shares for which the Right of Withdrawal has been exercised are briefly illustrated below.

Pursuant to Article 2437-bis of the Italian civil code, the entities entitled to exercise the Right of Withdrawal may exercise this right, for all or part of the savings shares held, by registered letter (hereinafter the "**Declaration of Withdrawal**") which must be sent to the registered office of the Company within 15 calendar days from the date of registration of the resolution that approves the Mandatory Conversion in the Companies' Register. Such registration will be communicated to the public in accordance with the terms and conditions provided for by the applicable legislation (including its publication on the Italian daily newspaper ["*ItaliaOggi*"]

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The Declaration of Withdrawal must contain the following information:

- the personal data, tax code, domicile (and, where possible, a telephone number and email address) of the shareholder who withdraws, for communications relating to the Right of Withdrawal;
- the number of savings shares for which the Right of Withdrawal is exercised;
- the details of the current account (including details of the IBAN) of the withdrawing shareholder, to which the liquidation value of the savings shares for which the Right of Withdrawal will be exercised must be credited;
- an indication of the intermediary with which the account, where the shares for which the Right of Withdrawal is exercised are registered, is opened, together with the details of the aforesaid account;
- a statement that the shares are not pledged or otherwise encumbered.

Without prejudice to what is indicated above, it is recalled that, pursuant to Article 43 of the Consob-Bank of Italy Regulation of August 13, 2018 (hereinafter the "**Consob-Bank of Italy Regulation**"), the legitimacy to exercise the right of withdrawal pursuant to Article 2437 of the Italian civil code is certified by a communication from the intermediary to the issuer. The savings shareholders who intend to exercise their Right of Withdrawal are therefore required to request the intermediary, authorized to keep accounts in accordance with the law, to send the aforementioned communication to the Company, pursuant to Article 41 of the Consob-Bank of Italy Regulation.

Such communication must state what follows:

- the uninterrupted ownership, by the withdrawing shareholder, of the savings shares in relation to which the Right of Withdrawal has been exercised, starting from the date of the Special Meeting which approved the Mandatory Conversion until the date on which this right is exercised, taking into account the requirements established by Article 127-bis, paragraph 2, of the TUF;
- the absence of a pledge or other constraint on the savings shares in relation to which the Right of Withdrawal has been exercised; otherwise, the withdrawing shareholder must send the Company, as a condition for the admissibility of the Declaration of Withdrawal, a specific declaration made by the pledgee or by the entity having other constraints on the savings shares, with which such entity gives its irrevocable consent to carry out the liquidation of the savings shares in relation to which the Right of Withdrawal has been exercised, in accordance with the instructions given by the withdrawing shareholder.

As provided for by Article 2437-bis of the Italian civil code and by the applicable regulations, the shares object of the communication pursuant to Article 43 of the Consob-Bank of Italy Regulation (and therefore the savings shares for which the Right of Withdrawal has been exercised by the entitled entity) are made unavailable by the intermediary, and therefore cannot be the subject of acts of disposition, until their liquidation.

In the event that one or more shareholders exercise their Right of Withdrawal, the liquidation procedure will be conducted in accordance with the provisions of Article 2437-*quater* of the Italian civil code, as explained below.

Article 2437-*quater* of the Italian civil code provides that:

- (i) the Directors of the Company will offer the shares of the withdrawing shareholders under the option to the other shareholders; the option rights can be exercised within a period of time of at least 30 days from the date on which the notice of rights issue is filed with the Register of Companies; the shareholders who exercise their rights of option will also have pre-emptive rights to the purchase of the shares for which options are not taken up, provided a request is made at the time of exercise; in the event that some of the shares in relation to which the Right of Withdrawal has been exercised are not purchased by the Company’s shareholders, the aforementioned shares can be offered by the Company’s Directors to the market;
- (ii) the event that some of the shares in relation to which the Right of Withdrawal has been exercised are not purchased on conclusion of the procedure under item (i), the Company must acquire the aforementioned shares by using the available reserves, also departing from the quantitative limits established by paragraph 3 of article 2357 of the Italian civil code.

The information concerning the terms and conditions for the exercise of the Right of Withdrawal which cannot be defined before the date of the Shareholders’ Meeting, including the date of the effective registration of the resolution with the Register of Companies, will be made public by the Company – together with the detailed indication of the arrangements for the exercise of the right – in accordance with the terms and procedures established by the law (including its publication on the daily newspaper [*“ItaliaOggi”*]).

Also the terms and conditions for the liquidation procedure (including the number of savings shares in relation to which the Right of Withdrawal was exercised, the option and pre-emption offer as well as the offer to the market) will be communicated in accordance with the terms and procedures established by the law (including their publication on the daily newspaper [*“ItaliaOggi”*]).

**XIX. Amendments to the Company Charter**

The Mandatory Conversion requires the amendment of Articles 6, 7 and 24 of the Company Charter of Danieli. The table below shows the proposed changes, assuming that the proposed resolution concerning item 7 on the agenda about the renewal of the of the authorizations to the Board of Directors to increase the share capital and to issue bonds and cornering item 8 related to the elimination of the nominal value of the shares. It should be noted that, if also the proposed resolution as per item 10 on the agenda concerning the increased voting rights is approved, Article 7 will be amended as well, according to what indicated in the aforementioned proposal.

Current Text	Proposed amendments
SECTION III SHARE CAPITAL - SHARES -	SECTION III SHARE CAPITAL - SHARES -

DEBENTURES	DEBENTURES
<p>ART.6) The share capital amounts to euro 81,304,566 (eighty-one million three hundred four thousand five hundred and sixty six) divided into 81,304,566 (eighty-one million three hundred four thousand five hundred and sixty six) shares of 1 (one) euro each, namely 40,879,533 ordinary shares and 40,425,033 non-convertible savings shares.</p> <p>By resolution of the Shareholders' Meeting on October 28, 2014, the following powers were also granted to the Board of Directors:</p> <p>a) authority to increase the share capital, in one or more operations, in accordance with art. 2443 of the Italian Civil Code, within a maximum period of five years from the resolution, by a maximum total amount of € 100,000,000 (one hundred million), through issue of ordinary and/or non-convertible savings shares, to be issued free to those with the right and/or offered with a payment option, defining in such case, on each occasion, the category of shares being issued, their characteristics, the issue price of the shares, date of issue, any contribution to costs, any allocation of the increase in share capital to service conversion of debentures issued, with the power to reserve, within the limits of the law, part of the issued shares for directors and employees of the Company and/or its subsidiaries;</p> <p>b) the right to issue, in accordance with art. 2420 ter of the Italian Civil Code, in one or more operations, within a maximum period of five years from the resolution, by a maximum total amount of € 150,000,000 (one hundred and fifty million), debentures, including convertible debentures and/or with rights (warrants) to subscribe to and purchase, in euro and/or foreign currencies, where permitted, on each occasion, within legal limits and with the</p>	<p>ART.6) The share capital amounts to Euro 81,304,566 (eighty-one million three hundred four thousand five hundred and sixty six) <b>divided into 67.155.804</b> <del>81,304,566 (eighty-one million three hundred four thousand five hundred and sixty six)</del> ordinary shares with no par value of 1 (one) euro each, namely <del>40,879,533 ordinary shares and 40,425,033 non-convertible savings shares.</del></p> <p><b>By resolution of the Shareholders' Meeting on October 28, 2020, the following powers were also granted to the Board of Directors:</b></p> <p><b>a) authority to increase the share capital, in one or more operations, in accordance with art. 2443 of the Italian Civil Code, within a maximum period of five years from the resolution, by a maximum total amount of € 100,000,000 (one hundred million), through issue of shares, to be issued free to those with the right and/or offered with a payment option, defining in such case, on each occasion, the category of shares being issued, their characteristics, the issue price of the shares, date of issue, any contribution to costs, any allocation of the increase in share capital to service conversion of debentures issued, with the power to reserve, within the limits of the law, part of the issued shares for directors and employees of the Company and/or its subsidiaries;</b></p> <p><b>b) the right to issue, in accordance with art. 2420 ter of the Italian Civil Code, in one or more operations, within a maximum period of five years from the resolution, by a maximum total amount of € 150,000,000 (one hundred and fifty million), debentures, including convertible debentures and/or with</b></p>

<p>necessary increases in share capital to service the loans.</p>	<p><b>rights (warrants) to subscribe to and purchase, in euro and/or foreign currencies, where permitted, on each occasion, within legal limits and with the necessary increases in share capital to service the loans.</b></p> <p><del>By resolution of the Shareholders' Meeting on October 28, 2014, the following powers were also granted to the Board of Directors:</del></p> <p><del>a) authority to increase the share capital, in one or more operations, in accordance with art. 2443 of the Italian Civil Code, within a maximum period of five years from the resolution, by a maximum total amount of € 100,000,000 (one hundred million), through issue of ordinary and/or non convertible savings shares, to be issued free to those with the right and/or offered with a payment option, defining in such case, on each occasion, the category of shares being issued, their characteristics, the issue price of the shares, date of issue, any contribution to costs, any allocation of the increase in share capital to service conversion of debentures issued, with the power to reserve, within the limits of the law, part of the issued shares for directors and employees of the Company and/or its subsidiaries;</del></p> <p><del>b) the right to issue, in accordance with art. 2420 ter of the Italian Civil Code, in one or more operations, within a maximum period of five years from the resolution, by a maximum total amount of € 150,000,000 (one hundred and fifty million), debentures, including convertible debentures and/or with rights (warrants) to subscribe to and purchase, in euro and/or foreign currencies, where permitted, on each occasion, within legal limits and with the necessary increases in share capital to service the loans.</del></p>
<p>ART. 7) - Ordinary shares are registered</p>	<p>ART. 7) - Ordinary shares are registered and</p>

<p>and are indivisible. Each ordinary share has the right to one vote.</p> <p>Savings shares are bearer shares - subject to other Mandatory provision of the law - and carry no votes in either the ordinary and extraordinary meetings.</p> <p>That part of the share capital represented by savings shares will not be considered for the purposes of the composition of the shareholders' meeting and of the validity of resolutions nor for calculating the percentages in Art. 2393, fourth and fifth paragraphs, of the Italian Civil Code.</p> <p>Savings shares have preference in distribution of profits and reimbursement of capital, namely:</p> <ol style="list-style-type: none"> <li>1) of the net profits in the duly approved financial statements, less that part going to the legal reserves, the savings shares shall receive a dividend up to 5.16% of the nominal value of said shares;</li> <li>2) the profits remaining after the allocation to the reserve fund and to the savings shares of the said preferred dividend, which the shareholders' meeting has voted to distribute, are shared among all shares in such a way that the savings shares receive an overall increased dividend versus the dividend on ordinary shares equal to 2.07% of the nominal value of the shares; in the event that during a financial year the savings shares receive a dividend smaller than 5.16% of their nominal value, the difference will be added to the amount of the 5.16% preferred dividend in the two following financial years;</li> <li>3) the reduction of share capital for losses does not involve any reduction of the nominal value of savings shares except for that part of the loss which exceeds the overall nominal value of the other shares; also the provisions of para. 5, art. 145 of Legislative decree No. 58 of February 24,</li> </ol>	<p>are indivisible. Each ordinary share has the right to one vote.</p> <p><del>Savings shares are bearer shares - subject to other mandatory provision of the law - and carry no votes in either the ordinary and extraordinary meetings.</del></p> <p><del>That part of the share capital represented by savings shares will not be considered for the purposes of the composition of the shareholders' meeting and of the validity of resolutions nor for calculating the percentages in Art. 2393, fourth and fifth paragraphs, of the Italian Civil Code.</del></p> <p><del>Savings shares have preference in distribution of profits and reimbursement of capital, namely:</del></p> <ol style="list-style-type: none"> <li><del>1) of the net profits in the duly approved financial statements, less that part going to the legal reserves, the savings shares shall receive a dividend up to 5.16% of the nominal value of said shares;</del></li> <li><del>2) the profits remaining after the allocation to the reserve fund and to the savings shares of the said preferred dividend, which the shareholders' meeting has voted to distribute, are shared among all shares in such a way that the savings shares receive an overall increased dividend versus the dividend on ordinary shares equal to 2.07% of the nominal value of the shares; in the event that during a financial year the savings shares receive a dividend smaller than 5.16% of their nominal value, the difference will be added to the amount of the 5.16% preferred dividend in the two following financial years;</del></li> <li><del>3) the reduction of share capital for losses does not involve any reduction of the nominal value of savings shares except for that part of the loss which exceeds the overall nominal value of the</del></li> </ol>
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<p>1998 shall be applied;</p> <p>4) in the event of an increase in share capital, the holders of savings shares are entitled to an option on new issue savings shares and, failing that, or for any shortfall, on ordinary shares;</p> <p>5) in the event of distribution of reserves, savings shares and ordinary shares have the same rights;</p> <p>6) upon the winding-up of the Company, the savings shares have priority in reimbursement of the share capital.</p> <p>In order to ensure that the common representative of the holders of savings shares is kept suitably informed on operations that could influence the trend in quoted share values, he will be provided, through the legal representatives, with information in connection with the above-mentioned matters.</p> <p>7) If the savings or the ordinary shares are excluded from the negotiations, the savings shares maintain their rights and characteristics.</p>	<p><del>other shares; also the provisions of para. 5, art. 145 of Legislative decree No. 58 of February 24, 1998 shall be applied;</del></p> <p><del>4) in the event of an increase in share capital, the holders of savings shares are entitled to an option on new issue savings shares and, failing that, or for any shortfall, on ordinary shares;</del></p> <p><del>5) in the event of distribution of reserves, savings shares and ordinary shares have the same rights;</del></p> <p><del>6) upon the winding-up of the Company, the savings shares have priority in reimbursement of the share capital.</del></p> <p><del>In order to ensure that the common representative of the holders of savings shares is kept suitably informed on operations that could influence the trend in quoted share values, he will be provided, through the legal representatives, with information in connection with the above-mentioned matters.</del></p> <p><del>7) If the savings or the ordinary shares are excluded from the negotiations, the savings shares maintain their rights and characteristics.</del></p>
<p style="text-align: center;">SECTION VII FINANCIAL STATEMENTS AND PROFITS</p> <p><i>(omissis)</i></p> <p>ART. 24) - The net profits shown in the duly approved financial statements, minus 5% to be allocated to the legal reserve until this has reached at least one-fifth of the share capital, will be allocated to the savings shares until 5.16% of the nominal value of shares is reached.</p> <p>The residual profits, distribution of which is resolved by the shareholders' meeting, are allocated between all shares in such a</p>	<p style="text-align: center;">SECTION VII FINANCIAL STATEMENTS AND PROFITS</p> <p><i>(omissis)</i></p> <p>ART. 24) - The net profits shown in the duly approved financial statements, <del>minus 5% to be allocated to the legal reserve until this has reached at least one-fifth of the share capital, will be allocated to the savings shares until 5.16% of the nominal value of shares is reached.</del> <b>are allocated as follows:</b> . will be allocated to the savings shares until 5.16% of the nominal value of shares is reached.</p>



<p>way that the savings shares receive a higher overall dividend, compared with that for ordinary shares, equivalent to 2.07% of nominal share value.</p> <p>The same criteria will be applied to interim dividends which may be resolved, complying with the requirements of the law.</p> <p>Profits due but not cashed in within the terms of the law will become statute-barred and used to increase the extraordinary reserve.</p>	<p>a) 5% of the legal reserve until this has reached the at least one-fifth of the share capital;</p> <p>b) the profit remaining and of which the assembly deliberates distribution on a proposal from the Board of Directors of ordinary shares in respect of dividend;</p> <p>c) the shareholders Meeting shall resolve upon the on the allocation of undistributed profits</p> <p><del>The residual profits, distribution of which is resolved by the shareholders' meeting, are allocated between all shares in such a way that the savings shares receive a higher overall dividend, compared with that for ordinary shares, equivalent to 2.07% of nominal share value.</del></p> <p><del>The same criteria will be applied to interim dividends which may be resolved, complying with the requirements of the law.</del></p> <p>Profits due but not cashed in within the terms of the law will become statute-barred and used to increase the extraordinary reserve.</p>
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### Making available to the public

This report is available to the public in accordance with the law at the website of the Company, [www.danieli.com](http://www.danieli.com), and on the authorized storage system "SDIR&Storage" at the address [www.emarketstorage.com](http://www.emarketstorage.com), as well as at the registered office of the Company and on the website of the market management company Borsa Italiana S.p.A. at the address [www.borsaitaliana.it](http://www.borsaitaliana.it).

### Resolution Proposal

Now, therefore, the Board of Directors submits the following proposal for its approval: *"The Extraordinary Shareholders' Meeting of Danieli & C. S.p.A., having examined the explanatory report prepared by the Board of Directors pursuant to Article 72 and in compliance with Annex 3A of the Regulation adopted by CONSOB Resolution no. 11971 of 14 May 1999, and the proposal contained therein,*

*resolves*

1) *to approve and implement the Mandatory conversion of existing savings shares into ordinary shares of the Company with regular dividend rights and having the same characteristics as the ordinary shares existing at the date of the transaction, with a conversion ratio, for each savings share, equal to n. 0.65 ordinary shares, attributing newly issued ordinary shares, it being understood that the execution of the conversion is subject to: (i) the approval of the aforementioned Mandatory conversion by the competent special meeting of savings shareholders pursuant to article 146, paragraph 1, letter b) of Legislative Decree n. 58 of February 24, 1998; (ii) the circumstance that the overall liquidation value of the shares for which the right of withdrawal is exercised, pursuant to Article 2437, paragraph 1, letter g), of the Italian civil code, by the savings shareholders who did not approve the mandatory conversion during the special meeting does not exceed the amount of Euro20.000.000;*

2) *to amend, in the event that the resolution approving the conversion as per item 1 above takes effect and is implemented, and assuming that the proposed resolution as per item 7 and 8 on the agenda is approved, Articles 6, 7 and 24 of the Company Charter currently in force, as follows:*

*ART.6) The share capital amounts to Euro 81.304.566 (eighty-one million three hundred four thousand five hundred and sixty-six), divided into n. 67.155.804 ordinary shares with no par value.*

*By resolution of the Shareholders' Meeting on October 28, 2020, the following powers were also granted to the Board of Directors:*

*a) authority to increase the share capital, in one or more operations, in accordance with art. 2443 of the Italian Civil Code, within a maximum period of five years from the resolution, by a maximum total amount of € 100,000,000 (one hundred million), through issue of shares, to be issued free to those with the right and/or offered with a payment option, defining in such case, on each occasion, the category of shares being issued, their characteristics, the issue price of the shares, date of issue, any contribution to costs, any allocation of the increase in share capital to service conversion of debentures issued, with the power to reserve, within the limits of the law, part of the issued shares for directors and employees of the Company and/or its subsidiaries;*

*b) the right to issue, in accordance with art. 2420 ter of the Italian Civil Code, in one or more operations, within a maximum period of five years from the resolution, by a maximum total amount of € 150,000,000 (one hundred and fifty million), debentures, including convertible debentures and/or with rights (warrants) to subscribe to and purchase, in euro and/or foreign currencies, where permitted, on each occasion, within legal limits and with the necessary increases in share capital to service the loans.*

*ART. 7) - Ordinary shares are registered and are indivisible. Each ordinary share has the right to one vote.*

*ART. 24) - The net profits shown in the duly approved financial statements are allocated as follows:*

- a) 5% of the legal reserve until this has reached the at least one-fifth of the share capital;*
- b) the profit remaining and of which the assembly deliberates distribution on a proposal from the Board of Directors of ordinary shares in respect of dividend;*
- c) the shareholders Meeting shall resolve upon the on the allocation of undistributed profits;*

*Profits due but not cashed in within the terms of the law will become statute-barred and used to increase the extraordinary reserve.*

3) *to confer powers and mandate to the Chairman of the Board of Directors and the CEO, individually and with the faculty to sub-delegate, to carry out all the actions deemed necessary or appropriate for the full implementation of the aforementioned resolutions including, but not limited to: (i) define the further terms and conditions for the Mandatory Conversion, including, among other things, the effective date of the conversion,*

*by agreeing on it with Borsa Italiana S.p.A.; (ii) define the terms and conditions of the procedure related to the exercise of the right of withdrawal to which the savings shares are entitled pursuant to article 2437, paragraph 1, letter g), of the Italian civil code; (iii) complete the liquidation procedure of the savings shares for which the right of withdrawal is exercised, even by purchasing, if necessary, such shares by using the available reserves; (iv) complete any other formality in order to obtain the necessary authorizations for the aforementioned resolutions and, in general, any other authorization for the full implementation of the resolutions, together with any other necessary powers, with no exception and/or exclusion, including the power to make amendments or additions to the resolutions (without making substantial changes to the contents of the resolutions themselves) as deemed necessary and/or appropriate for filing them with the Register of Companies or for the implementation of laws and regulations, as well as to proceed to the filing and registration with the Register of Companies of the approved amendments to the Company Charter.*

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**STRICTLY PRIVATE AND CONFIDENTIAL**

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

Via Nazionale 41

33042 – Buttrio (UD)

To the attention of the Board of Directors

Milan, September 24, 2020

**RE: Fairness opinion on the economic terms of the conversion offered in relation to the proposed mandatory conversion of Danieli & C. Officine Meccaniche S.p.A. savings shares into Danieli & C. Officine Meccaniche S.p.A. ordinary shares**

Dear Directors of the Board,

On July 3, 2020, Danieli & C. Officine Meccaniche S.p.A. (hereinafter “**Danieli**” or the “**Company**”) appointed Equita SIM S.p.A. (“**Equita**”) as the financial advisor for the proposed mandatory conversion of Danieli savings shares into ordinary shares of the Company (“**Transaction**” or “**Conversion**”). With reference to the activities listed in the letter of engagement signed by the parties (“the **Engagement**”), the Company has asked Equita to issue a fairness opinion in the interest and for the exclusive benefit of Danieli’s Board of Directors, concerning the fairness - from a financial stand point - of the economic terms defined for the Conversion (hereinafter the “**Opinion**”).

Danieli ordinary and savings shareholders are called to their respective meetings on 28 October 2020 to deliberate on the principal economic terms of the Transaction, among other things.

The Danieli savings shareholders who do not take part in the approval of the Conversion will earn the right to withdraw as per art. 2437-ter of the civil code, and the Conversion is subject to the condition that the liquidation value of the shares for which the right to withdraw can be exercised by savings shareholders cannot exceed a total of Euro 20 million, notwithstanding the company’s right to waive it.

This Opinion aims only to express an opinion for the sole benefit of the Company’s Board of Directors, regarding the fairness from a financial stand point of the economic terms of the Transaction. This Opinion does not aim to analyze the merits of the proposed Transaction

and of the effects and prospects that could derive therefrom for the Company, nor is it meant to be a recommendation as to the possibility of approving or performing the Transaction.

### **Documentation Used**

Equita used the following documentation to prepare this Opinion:

- drafts of the Board of Directors' explanatory report on the Transaction;
- analysis of previous transactions regarding the conversion of savings shares and/or preferred shares into ordinary shares of Italian companies holding shares that are traded on markets regulated by the Italian Stock Exchange *Borsa Italiana S.p.A.* (hereinafter "**Borsa Italiana**").

For the purposes of this Opinion, Equita also used documents, data and information available to the public and particularly market information (market prices, volumes traded by brokers, etc.) gathered through *Bloomberg* and *Factset*, regarding Danieli and the previous transactions concerning the conversion of savings and/or preferred shares into ordinary listed shares.

In preparing this Opinion, Equita fully relied on the truthfulness, fairness, accuracy and completeness of all the documentation and all the information mentioned above, without having it verified independently. Equita did not perform any independent verification, inquiry or assessment of this documentation and information and did not perform any accounting, financial, fiscal, legal or commercial audits or did not generally carry out any administrative and/or autonomous and/or independent verifications and/or technical expert assessments in connection with the Transaction. Furthermore, with the exception of the above, Equita did not supply, obtain or examine any expert opinion - including but not limited to - legal, accounting, actuarial, environmental, IT or fiscal opinions - and, consequently, the Opinion does not take into account the possible implications of these aspects to which these types of expert opinions could refer.

### **Limits and Restrictions on the Analyses**

The considerations contained in this Opinion refer to existing market, regulatory and economic conditions that can be evaluated until 23 September 2020.

The assessments expressed in this Opinion are based on all the indications and analyses contained therein, and therefore no part of the Opinion can be considered or in any event used separately from the Opinion in its entirety.

The methodological considerations and the considerations expressed in this Opinion cannot in any case be considered as possible indicators of the market price or value, either current or forecast, of Danieli's ordinary and/or savings shares.

### **Description of the Proposed Transaction**

Danieli's share capital is Euro 81,304,566, divided into 81,304,566 shares having a par value of 1 euro each, specifically made up of 40,879,533 ordinary shares and 40,425,033 savings shares.

Based on the provisions of the current Company Bylaw, savings shares do not grant voting rights at the general shareholders' meetings.

In accordance with the Company Bylaw, savings shares are preferred stocks as regards profit distribution and capital repayment, namely:

- I. on the net profit resulting from the regularly approved financial statements, after deducting the sum earmarked for the legal reserve, first of all the savings shares are assigned an amount up to 5.16% of their nominal value;
- II. the profit remaining after the allocation of said preferred dividend to the reserve fund and to the savings shares, and whose distribution was decided by the shareholders, is divided among all the shares so that the savings shares receive a total dividend that is 2.07% greater than that of the ordinary shares, in terms of their nominal value; if during a fiscal year a dividend of less than 5.16% of share nominal value is assigned to the savings shares, the difference is calculated as a 5.16% increase of the preferred dividend amount in the two following years;
- III. the reduction of share capital due to losses does not entail a reduction in the nominal value of savings shares, except for the part of the loss that exceeds the total nominal value of the other shares; the provisions of art. 145, paragraph 5 of the Consolidated Law on Finance are also applicable;
- IV. if share capital is increased, the holders of savings shares have the right of first refusal on the newly issued savings shares, and failing that - or to make up for the difference - on ordinary shares;
- V. in the case of distribution of reserves, savings shares have the same rights as ordinary shares;
- VI. if the company is terminated, savings shares have priority as regards the repayment of share capital;
- VII. If savings or ordinary shares cannot be traded, savings shares maintain their rights and features.

The proposed Transaction involves the conversion of savings shares into ordinary shares in accordance with the following economics terms ( the "**Economic Terms**"):

- n. 0.65 ordinary share per savings share held (The "**Conversion Rate**");
- payment of an extraordinary dividend of Euro 1.20 per share to all holders of post-conversion ordinary shares (including those resulting from the Conversion), subject to the effectiveness of the Conversion (the "**Extraordinary Dividend**").

Newly issued ordinary shares assigned to savings shareholders will have the same features as the outstanding ordinary shares. Savings shareholders who do not take part in approving the Conversion will earn the right of withdrawal pursuant to art. 2437-*ter* of the civil code, which can be exercised at a value equal to the arithmetic average of the closing prices of the savings shares on the stock market in the six months preceding the publication of the convocation notice for the special meeting of savings shareholders.

The Conversion is subject to the condition that the liquidation value of the shares for which the right to withdraw can be exercised by savings shareholders cannot exceed a total of Euro 20 million, notwithstanding the company's right to waive it.

### **Analysis of the benefits offered to savings shareholders**

The Conversion Ratio proposed for the Transaction entails the following premiums for savings shareholders ( the "**Implied Premiums**"):

- 7.69% with respect to the date preceding the announcement of the Transaction;
- 5.89% with respect to the month preceding the announcement of the Transaction;
- 6.43% with respect to the three months preceding the announcement of the Transaction;
- 8.38% with respect to the six months preceding the announcement of the Transaction.

Considering the Extraordinary Dividend (subordinated to the effectiveness of the Conversion) and also considering the Implied Premiums mentioned above, the Economic Terms imply total benefits for holders of savings shares (the "**Total Benefits**") equal to:

- 18.23% compared to the date before the announcement of the Conversion;
- 16.15% compared to the month before the announcement of the Conversion;
- 17.20% compared to the three months before the announcement of the Conversion;
- 19.47% compared to the six months before the announcement of the Conversion.

Please note that all Implied Premiums and Total Benefits are calculated as of 23 September 2020.

## Valuation Methods

### Analysis of implied premiums offered in previous similar conversion transactions in Italy

In order to evaluate the premium offered to Danieli savings shareholders, it is possible to refer to the premiums paid to holders of savings and/or preferred shares in previous conversions of savings and/or preferred shares into ordinary shares.

In the last 10 years, starting from 2010, n. 10 mandatory conversions of savings and/or preferred shares into ordinary shares were carried out by Italian companies holding ordinary and savings shares or preferred shares traded on markets regulated by Borsa Italiana.

The analysis of the precedent relevant transactions, shows that the premiums offered in the Danieli Conversion stay within the ranges of those expressed in recent similar precedents in Italy.

### Fundamental Analysis

The analysis compares the present value in perpetuity of the additional dividend assigned to the savings shares (as per the Company Bylaws) which amounts to about Euro 0.326 (assuming a discount rate that is appropriate for the risk profile of the above-mentioned dividend flows), with the premium offered to the savings shareholders under the Conversion.

Based on this analysis, an intrinsic "extra value" was identified for savings shareholders as part of the Conversion.

## Additional considerations on the Transaction

The conversion of savings shares into ordinary shares would entail the following:

- elimination of the incremental dividend of Euro 0.0207 per savings share for savings shareholders, amounting to about Euro 0.8 million per year for all the savings shares currently issued by the Company;
- a reduction in the total number of shares issued by the Company at a conversion ratio of n. 0.65 ordinary shares for each savings share held; this reduction in the total number of shares issued by the Company would also entail an increased of the earning per share for ordinary shareholders;
- payment of an extraordinary dividend of Euro 1.20 per share to all the ordinary shareholders post-conversion;
- greater transparency in governance due to a single category of shares with the same rights and the same price, and therefore full alignment of interests among all shareholders;
- increased market capitalization of ordinary shares and consequently greater weight on indexes and portfolios of institutional investors;
- optimization of capital structure and reduction of corporate obligations and costs connected with the existence of various categories of shares;



- increased stock liquidity for both current ordinary shareholders and post-conversion savings shareholders.

## Conclusions

This Opinion is given solely in the interest and for the benefit of Danieli's Board of Directors in connection with the Transaction, and no other person can rely on the Opinion, nor can the Opinion be used for other purposes. Equita has not made any considerations regarding the decisions of Danieli's shareholders to approve or not to approve the Transaction, decisions that result solely from the judgement of individual holders of ordinary and savings shares.

Considering:

- the Implied Premiums in the Conversion Ratio;
- the benefits deriving from the payment of the Extraordinary Dividend, subject to the effectiveness of the Transaction;
- the implied valuation in the Economic Terms of the savings shares; greater than the sum between the current price of the savings share and the net present value in perpetuity of the incremental dividend for the savings shareholder provided by the Company Bylaw;
- the general merits of the Conversion;

based on the above, today Equita considers the Economic Terms of the proposed Conversion fair from a financial stand point.

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