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

Buttrio (UD) – via Nazionale n. 41

Capitale sociale Euro 81.304.566 i.v.

Numero iscrizione al Registro Imprese di Pordenone-Udine, codice fiscale e P.IVA: 00167460302

www.danieli.com

COMUNICATO STAMPA

Al fine di garantire una maggior trasparenza informativa, si trasmette, in allegato al presente comunicato stampa, il documento “Lettera agli Stakeholders” tradotto in inglese, la cui versione italiana è già stata pubblicata in data 09 ottobre 2020 tramite il meccanismo di stoccaggio autorizzato SDIR & STORAGE (www.emarketstorage.com), nonché sul sito Internet della società www.danieli.it (Sezione Investors).

Si informa, infine, che sul sito Internet della Società www.danieli.com (Homepage e Sezione Investors) è disponibile anche un compendio delle attività che gli azionisti ordinari e di risparmio devono porre in essere per esercitare e comunicare il proprio voto al Rappresentante Designato in vista delle Assemblee convocate per il giorno 28 ottobre 2020 (Assemblea ordinaria e straordinaria degli azionisti alle ore 11.00 e Assemblea speciale degli azionisti di risparmio alle ore 14.00).

Buttrio, 12 ottobre 2020

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Buttrio (UD) – via Nazionale n. 41
Share capital Euro 81.304.566 i.v.

Registration number in Pordenone-Udine Business Register, tax code and VAT number: 00167460302

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PRESS RELEASE

In order to ensure better transparency, the English translation of the document "Letter to the Stakeholders" is sent as an attachment to this press release. The Italian version of the above-mentioned document has been already published on October 9, 2020 by means of the authorized SDIR & STORAGE (www.emarketstorage.com), as well as of the company's website www.danieli.it (Investors Section).

Finally, we inform you that on the Company's website www.danieli.com (Homepage and Investors Section) you can find the Guidelines for the activities that Ordinary and Savings Shareholders shall carry out to exercise and communicate their vote to the Designated Representative in view of the shareholders' meetings of October 28, 2020 (Extraordinary and Ordinary Shareholders' Meeting at 11.00 a.m. and Extraordinary Savings Shareholders' Meeting at 2 p.m.).

Buttrio, October 12, 2020

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LETTER TO STAKEHOLDERS

Dear Business Partners,

the financial year 2019/20 closes with a profit, even though with lower values compared to 2018/19, essentially due to non-repeatable events that weighed down the results for the year one-off:

- Revenue Euro 2.803,1 million¹
- EBITDA Euro 187,7 million
- Net income Euro 62,9 million
- Net cash Euro 903,2 million
- Order book Euro 2.936 million

MARKET FORECAST

The downward cycle in steel demand began in Quarter 4 of 2019 and then was exacerbated by the Covid-19 crisis, weighing down the results for 2020 more than anticipated.

A slight recovery is forecast for 2021, although still down by 3 to 5% compared to 2019.

The only exceptions are China, Vietnam and few other countries, which are expected to exceed their respective 2019 figures during 2021.

Consequently, the years 2020 and 2021 will still be below par on average; whereas, in our opinion, an excellent 2022 can be expected.

DANIELI PLANT MAKING

Fiscal year 2019/20 ended with EBITDA not significantly affected by the impact of the Covid-19 pandemic.

The most significant achievement, however, was the consolidation of innovative technologies that are important to confirm our position among the front runners in metals technologies, now and in the future.

Our main achievements include:

- Leadership in the supply of Endless Casting Rolling plants, for both long and flat products.
- The Danieli Digital Melter, which replaces the traditional EAF (electric arc furnace), has overcome the initial inertia typical of all innovative technologies and is increasingly

¹ The revenue includes the amount of Euro 129,7 million (classified in the financial statements as cost adjustment) for internal constructions relating to the new Quality Wire Rod Mill developed by the Parent Company in favor of ABS.

appreciated on the market. We can therefore expect its success to grow, in both new and existing electric meltshops.

- The MI.DA. (Danieli Minimill) has consolidated its success as confirmed by a contract for a Hybrid MI.DA. (H MI.DA) in the USA. Thanks to the Danieli Digital Melter, this plant will be the first to operate with alternative renewable energies (solar panels, wind, own energy production with gas, water, etc.).
- The Digi&Met project is advancing as foreseen.
- Moreover, the customers' satisfaction is excellent for the plants that are currently in production.

Here we will highlight the most important ones:

- Thin Slab Rolling - Hoa Phat (Vietnam).
- MI.DA. - Nucor (USA).
- High-speed wire rod mills – Ferriere Nord (Verona, Italy)
- Long-product rolling for special steels - Acciaierie Venete (Italy)
- Successful start-up of the latest Cold Rolling Complex supplied to Yildiz Demir Çelik in Turkey.
- Numerous MI.DA. type steelmaking and rolling plants supplied in China.

The order backlog is satisfactory not only in quantity but also for its high-tech content, notably:

- Top-quality rail production mill for Evraz (USA).
- MI.DA. S., CMC (USA), the first in the world to produce sections in endless mode, even indeed in hybrid mode.
- Contract concluded in September 2020 with OMK (Russia) for a direct reduction plant equipped with an endless charging system directly feeding the EAF. It is a notable example of sustainable steel production with 64% lower emissions than the best integrated complexes, and it will be the first "green steel" plant in Russia and the European region.
- High-tech plate mill for high-quality plates at Nucor (USA).

These are just some of the most significant orders we have now in progress.

ABS - Acciaierie Bertoli Safau (Italy) has suffered the effects of the market downturn, even though its results were primarily affected by the loss generated by the ESW Röhrenwerke GmbH pipe mill in Germany.

The initiative and management of the pipe mill proved far from good, so much so that it was decided to close the plant and absorb its costs. Although some residual charges will remain into fiscal year 2020/21, we have substantially stopped the draining of financial resources resulting from this investment.

It must be emphasized that, without the loss generated by the pipe mill, ABS would have recorded a profit, despite the market downturn, which demonstrates the company's competitiveness.

ABS has confirmed its position as one of the three European leaders in high-quality long products.

Investments in new plants have not been interrupted and by October or November 2020 the new wire rod mill (190 million Euro CapEx) will start producing high-quality steel wire rod thanks to the use of innovative thermomechanical processes.

This investment is the first of the "Vision 2.300" programme for ABS, which aims to increase its sales revenues by 50% and achieve the record of being the only meltshop to produce quality steels in a product range of dia. 5.5 mm to 500 mm at a single site, with consequent important savings in OpEx and logistics.

GROUP VISION

- ABS has set itself the goal of achieving 1,300 – 1,400 million Euro sales in the next two or three years, thereby accounting for an even more significant portion of Group turnover.
- Moreover, the parameters of competitiveness, productivity, added-value per person, product quality and customer service have been in general redefined for the whole Group, with a view to improving them.

The new parameters have been agreed upon with the management, and new targets and time frames have been set.

Fiscal year 2020/21 will still feel the effects of the downturn in steel consumption, affecting the order backlog not only of the steelmaking segment, but also of the plant-building segment. However, considering the volatility of the steel market, this can be considered as a routine event. What is most important is to gear up for the next upturn phase, in order to be ready to secure the new opportunities and added value it will bring.

- Investments in new plants and research continue according to plan.

The targets for FY 2020/2021 are:

- Revenue 2.900 – 3.100 million Euro
- EBITDA 210 – 220 million Euro
- Order backlog 3.100 – 3.300 million Euro

We also continue to invest in the design and supply of plants developed from "green steel" concepts (environmentally friendly steel production) as well as to improve safety in the workplace, with the pride of being – thanks to ABS – among the best in Europe regarding workplace safety. And the first results of these investments are already visible with the orders for the hybrid Minimills, the first ever in the world.

Danieli Academy continues to present an agenda that contributes to the professional growth and development of our employees and promotes teamwork and a positive culture.

The contributions directed at preserving the local cultural heritage also have been validated. A significant example is the structural repair work in progress for the Castle of Udine (Italy), one of the most cherished symbols of the Friuli region.

We conclude with thanks to the shareholders who allow to reinvest the majority of profits in the company.

This is perceived as an expression of trust and esteem by the shareholders towards the Danieli team which in turn undertakes to honor the Company to the best of its ability.

On behalf of the Board of Directors and the shareholders, thanks to the Danieli Group Team who with passion and professionalism is committed to achieve the agreed objectives for the continuous improvement of the company to honor the motto: "Danieli, the reliable and innovative partner to be a step ahead in CapEx and OpEx" for the satisfaction of all business partners.

Gianpietro Benedetti

Chairman

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