E-MARKET SDIR CERTIFIED

First Quarter Report

at 31 March

Prysmian Group

Linking the future

Disclaimer

This document contains forward-looking statements, specifically in the sections entitled "Events after the reporting period" and "Business outlook", that relate to future events and the operating, economic and financial results of Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may differ materially from those reflected in forward-looking statements due to multiple factors.

Directors' Report

Consolidated Financial Statements and Explanatory Notes

Directors' Report

DIRECTORS AND AUDITORS

Board of Directors (4)	
Chairman	Claudio De Conto (*) (2)
Chief Executive Officer	Valerio Battista
Directors	Francesco Gori (**)(1)
	Maria Letizia Mariani (**)(3)
	Jaska Marianne de Bakker (**)(1)
	Massimo Battaini
	Tarak Mehta (**)(1)
	Pier Francesco Facchini
	Ines Kolmsee (**)(3)
	Annalisa Stupenengo (**)(2)
	Paolo Amato (**)(2)
	Mimi Kung (**)(3)

Board of Statutory Auditors (5)	
Chairman	Pellegrino Libroia
Standing Statutory Auditors	Laura Gualtieri
	Paolo Francesco Lazzati
Alternative Statutory Auditors	Michele Milano
	Claudia Mezzabotta
Independent Auditors (6)	EY S.p.A.

(*) Independent director as per Italian Legislative Decree 58/1998

(**) Independent director as per Italian Legislative Decree 58/1998 and Italy's Corporate Governance Code issued by Borsa Italiana S.p.A.

(1) Members of the Control and Risks Committee

(2) Members of the Remuneration and Nominations Committee

(3) Members of the Sustainability Committee

(4) Appointed by the Shareholders' Meeting on 28 April 2021

(5) Appointed by the Shareholders' Meeting on 5 June 2019

(6) Appointed by the Shareholders' Meeting on 16 April 2015

Preface

Further to Legislative Decree 25/2016, which came into force on 18 March 2016 and has eliminated the requirement for quarterly reporting, Prysmian Group has prepared the present Quarterly Financial Report at 31 March 2021 on a voluntary basis and in continuity with its past reporting format.

The present Quarterly Financial Report is not subject to limited review by the auditors.

SIGNIFICANT EVENTS DURING THE PERIOD

Prysmian Group completes the acquisition of EHC Global

On 8 January 2021, the Group announced it had completed the acquisition of EHC Global, a leading manufacturer of strategic components and integrated solutions for the vertical transportation industry. Established in 1977, EHC Global is a manufacturer and supplier of escalator handrails, rollers, elevator belts, strategic components and integrated solutions for the vertical transportation industry. EHC Global also offers a comprehensive range of technical and installation services for escalators and moving walkways.

The acquisition of EHC Global is in line with Prysmian Group's strategy to develop and strengthen its value-added businesses. EHC Global is a complementary add-on to the Draka Elevator business, broadening its product portfolio to include a wide range of escalator products and services.

Following the acquisition, the Group has consolidated EHC Global with effect from 1 January 2021 as more fully explained in the section on "Business Combinations" within the Explanatory Notes to which reference should be made.

Placement of a Euro 750 million equity-linked bond

On 26 January 2021, the Group announced the successful placement (the "Placement") of an equity-linked bond (the "Bonds") for an amount of Euro 750 million.

The Bonds, with a 5-year maturity from 2 February 2021 and minimum denomination of Euro 100,000 each, are zero coupon. The issue price is Euro 102.50, representing a yield to maturity of minus 0.49% per annum. The initial price for the conversion of the Bonds into the Company's ordinary shares is Euro 40.2355, representing a 47.50% premium on the weighted average price by volume of Prysmian ordinary shares on the Milan Stock Exchange between the start and end of the book-building process.

The Shareholders' Meeting held on 28 April 2021 authorised the convertibility of the equity-linked bond and approved the proposal for a share capital increase pursuant to art. 2420-bis, par. 2, of the Italian Civil Code, in one or more tranches, with the exclusion of pre-emptive rights under art. 2441, par. 5, of the Italian Civil Code, serving the conversion of the convertible bond for a maximum nominal amount of Euro 1,864,025.50 through the issue of up to 18,640,255 ordinary shares with nominal value Euro 0.10 each.

The Group has the option to redeem all - but not only some - of the Bonds at their principal amount from 12 February 2024, should the value of the new and/or existing ordinary shares exceed 130% of the conversion price for a specified period of time.

Repurchase of the 2017 Bonds

On 26 January 2021, the Group announced a partial repurchase of the Company's outstanding Euro 500 million zero-coupon equity-linked bonds due in 2022 and issued on 17 January 2017 (the "2017 Bonds").

The total principal of the 2017 Bonds which the Company agreed to repurchase on 2 February was equal to Euro 250,000,000 representing 50% of the 2017 Bonds initially issued, at a repurchase price ("Repurchase Price") of Euro 104,250 for each 2017 Bond of face value Euro 100,000.

CDP Loan

On 28 January 2021, a new loan for Euro 75 million over 4.5 years was agreed with Cassa Depositi e Prestiti S.p.A. (CDP), for the purpose of financing part of the Group's expenditure to purchase the "Leonardo Da Vinci" cable-laying vessel.

This loan was drawn down in its entirety on 9 February 2021, with a bullet repayment envisaged at maturity on 28 July 2025.

Interest Rate Swaps (IRS) to hedge the CDP Loan

On 4 February 2021, Prysmian S.p.A. negotiated two IRSs, effective from 9 February 2021, to hedge the new Euro 75 million loan.

New organisational structure

On 3 February 2021, the Group announced that it had adopted a new organisational structure, in line with international best practices, with the aim of reinforcing its focus on the strategic opportunities offered by the global transition to low-carbon energy and digitalisation-based economies.

The introduction of this new structure marks the successful completion of the integration with General Cable, which has significantly enlarged the Group and broadened its geographical diversification.

Under the leadership of the CEO, the new organisation will pivot around the following key roles:

- Chief Operating Officer
- Business Divisions
- Group Functions

Under the new organisation, the CEO will further intensify the Group's focus on its organic and non-organic growth strategy, as well as on accelerating major innovation projects. The two global megatrends of transition to low-carbon energy and development of telecommunications networks to support digitalisation are among the major growth opportunities on which the Group will be focusing to ensure sustainable growth. In order to leverage the Group's wide geographic presence and customer proximity, while delivering business synergies at the same time, the new role of Chief Operating Officer (COO) will oversee the Group's operational strategy and performance and results of the Regions, in conjunction with the Group's three Business Divisions. The Business Divisions, which report directly to the CEO, are focused on the strategic development of their different segments, with P&L responsibility for the global Business Units, in conjunction with the COO. In addition, they drive key decisions on product technology, production allocation and the most important projects. The Group Functions, reporting directly to the CEO, guide the governance and harmonisation of the main corporate processes, providing operational support to all Group entities. With the aim of strengthening the focus on ESG objectives, a Group Chief Sustainability Officer and a Chief Innovation Officer have been appointed.

Construction of new fibre-optic Telecom link in Brazil

On 24 February 2021, the Group announced that it will supply 770 km of MINISUB submarine optical fibre telecom cables to link the city of Macapá to Santarém and Alenquer, located in the north of the Amazon region, as part of the Norte Conectado project awarded by RNP, Rede Nacional de Ensino and Pesquisa, a Brazilian internet provider. The MINISUB solution is one of the most widely used technologies in the world. The cables will be produced at Prysmian's state-of-the-art manufacturing facility in Nordenham (Germany) and will be delivered in the second half of 2021.

Finalisation of contract worth over Euro 200 million with RWE for Sofia offshore wind farm

On 29 March 2021, the Group announced the finalisation of a contract with RWE Renewables, one of the world's largest offshore wind farm developers, for the construction of a turnkey high voltage submarine and onshore cable system worth over Euro 200 million for the 1.4 gigawatt (GW) Sofia offshore wind farm. The Group had already announced a preferred bidder agreement in November 2020.

Prysmian Group will be responsible for the design, supply, installation and commissioning of an HVDC symmetrical single-core cable system that will connect the wind farm's offshore substation to the onshore converter station in Teesside. The project requires over 440 km of ±320 kV XLPE-insulated submarine cables and 15 km of ±320 kV P-Laser-insulated underground cables.

Offshore installation operations will be carried out using the Leonardo da Vinci, Prysmian's new state-of-the-art cable-laying vessel, the most high performance ship on the market offering enhanced versatility in project implementation. Project commissioning is expected towards the end of 2026.

Other significant events

Ravin Cables Limited

In January 2010, Prysmian Group acquired a 51% interest in the Indian company Ravin Cables Limited (the "Company"), with the remaining 49% held by other shareholders directly or indirectly associated with the Karia family (the "Local Shareholders"). Under the agreements signed with the Local Shareholders, after a limited transition period, management of the Company would be transferred to a Chief Executive Officer appointed by Prysmian. However, this failed to occur and, in breach of the agreements, the Company's management remained in the hands of the Local Shareholders and their representatives. Consequently, having now lost control, Prysmian Group ceased to consolidate the Company and its subsidiary Power Plus Cable Co. LLC. with effect from 1 April 2012. In February 2012, Prysmian was thus forced to initiate arbitration proceedings before the London Court of International Arbitration (LCIA), requesting that the Local Shareholders be declared in breach of contract and ordered to sell the shares representing 49% of the Company's share capital to Prysmian. In a ruling handed down in April 2017, the LCIA upheld Prysmian's claims and ordered the Local Shareholders to sell the shares representing 49% of the Company's share capital to Prysmian. However, the Local Shareholders did not voluntarily enforce the arbitration award and so Prysmian had to initiate proceedings in the Indian courts in order to have the arbitration award recognised in India. Having gone through two levels of the court system, these proceedings were finally concluded on 13 February 2020 with the pronouncement of a ruling by the Indian Supreme Court under which the latter definitively declared the arbitration award enforceable in India. In view of the continuing failure of the Local Shareholders to comply voluntarily, Prysmian has requested the Mumbai court to enforce the arbitration award so as to purchase the shares representing 49% of the Company's share capital as soon as possible. This case is currently still pending, slowed down by the ongoing Covid-19 emergency that has also affected India, and so control of the company is considered to have not yet been acquired.

CONSOLIDATED FINANCIAL HIGHLIGHTS*

(Euro/million)

	3 months 2021	3 months 2020	% change	2020
Sales	2,810	2,587	8.6%	10,016
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	207	196	5.6%	822
Adjusted EBITDA (1)	213	197	8.1%	840
EBITDA (2)	199	183	8.7%	781
Adjusted operating income (3)	135	117	15.4%	515
Operating income	123	58		353
Profit/(loss) before taxes	110	31		252
Net profit/(loss)	78	20		174

(Euro/million)

	31.03.2021	31.03.2020	Change	2020
Net capital employed	5,584	5,643	(59)	4,915
Employee benefit obligations	511	487	24	506
Equity	2,748	2,550	198	2,423
of which attributable to non-controlling interests	171	180	(9)	164
Net financial debt	2,325	2,606	(281)	1,986

(Euro/million)

	31.03.2021	31.03.2020	% change	2020
Net capital expenditure (4)	29	52	-44.2%	244
Employees (at period-end)	29,398	28,654	2.6%	28,321
Earnings/(loss) per share				
- basic	0.29	0.09		0.68
- diluted	0.29	0.09		0.68

(1) Adjusted EBITDA is defined as EBITDA before income and expense for company reorganisation, non-recurring items and other non-operating income and expense.

(2) EBITDA is defined as earnings/(loss) for the year, before the fair value change in metal derivatives and in other fair value items, amortisation, depreciation and impairment, finance costs and income, dividends from other companies and taxes.

(3) Adjusted operating income is defined as operating income before income and expense for company reorganisation, non-recurring items and other non-operating income and expense, and before the fair value change in metal derivatives and in other fair value items.

(4) Net capital expenditure reflects cash inflow from disposals of Assets held for sale and outflow for additions to Property, plant and equipment and Intangible assets not acquired under specific financing arrangements, meaning that additions of leased assets are excluded.

(*) All percentages contained in this report have been calculated with reference to amounts expressed in thousands of Euro.

GROUP PERFORMANCE AND RESULTS

(Euro/million)

	3 months 2021	3 months 2020	% change	2020
Sales	2,810	2,587	8.6%	10,016
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**207**	**196**	**5.6%**	**822**
% of sales	7.4%	7.6%		8.2%
Adjusted EBITDA	**213**	**197**	**8.1%**	**840**
% of sales	7.6%	7.6%		8.4%
EBITDA	**199**	**183**	**8.7%**	**781**
% of sales	7.1%	7.1%		7.8%
Fair value change in metal derivatives	10	(36)		(4)
Fair value stock options	(8)	(9)		(31)
Amortisation, depreciation, impairment and impairment reversal	(78)	(80)		(393)
Operating income	**123**	**58**		**353**
% of sales	4.4%	2.2%		3.5%
Net finance income/(costs)	(13)	(27)		(101)
Profit/(loss) before taxes	**110**	**31**		**252**
% of sales	3.9%	1.2%		2.5%
Taxes	(32)	(11)		(78)
Net profit/(loss)	**78**	**20**		**174**
% of sales	2.8%	0.8%		1.7%
Attributable to:				
Owners of the parent	76	23		178
Non-controlling interests	2	(3)		(4)
Reconciliation of Operating Income/EBITDA to Adjusted Operating Income/Adjusted EBITDA				
Operating income (A)	**123**	**58**		**353**
EBITDA (B)	**199**	**183**	**8.7%**	**781**
Adjustments:				
Company reorganisation	5	6		32
Non-recurring expenses/(income)	2	-		9
Other non-operating expenses/(income)	7	8		18
Total adjustments (C)	**14**	**14**		**59**
Fair value change in metal derivatives (D)	(10)	36		4
Fair value stock options (E)	8	9		31
Assets impairment and impairment reversal (F)	-	-		68
Adjusted operating income (A+C+D+E+F)	**135**	**117**	**15.4%**	**515**
Adjusted EBITDA (B+C)	**213**	**197**	**8.1%**	**840**

The Group's sales in the first three months of 2021 came to Euro 2,810 million, compared with Euro 2,587 million in the corresponding period of 2020, posting a positive change of Euro 223 million (+8.6%).

The main factors behind this change were:

- positive organic sales growth, accounting for an increase of Euro 77 million (+3.0%). Excluding the *Projects* segment, organic sales growth would have been +4.6%;
- unfavourable exchange rate movements, resulting in a decrease of Euro 158 million (-6.2%);
- fluctuation in the price of metals (copper, aluminium and lead), generating a sales price increase of Euro 287 million (+11.1%);

- increase of Euro 17 million (+0.7%) due to a change in the scope of consolidation after acquiring control of EHC Global, as already discussed in the earlier section "Significant events in the period".

Organic sales growth by the three operating segments was as follows:

Projects	-7.9%;
Energy	+3.4%;
Telecom	+11.4%.

The year 2021 has started very well for the Group, with organic growth of +3% and +4.6% if the *Projects* segment is excluded. The *Energy* segment is recovering strongly, mainly thanks to the T&I, O&M and Renewables businesses. The *Telecom* segment (especially the optical cables business) has reported a recovery in sales volumes.

The organic change described above is due to the following main factors:

- a significant increase by the *Telecom* segment of +11.4%;
- an increase by the *Energy & Infrastructure* business of +3.5%;
- an increase by the *Industrial & Network Components* business of +3.5%.

The Group's Adjusted EBITDA (before net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses) came to Euro 213 million in the first three months of 2021, up Euro 16 million (+8.1%) on the corresponding 2020 figure of Euro 197 million. Adjusted EBITDA improved despite adverse exchange rate trends, producing a negative impact of Euro 14 million, and the less favourable state of work in progress in the *Projects* segment than in the previous year. This improvement was possible thanks to the Group's resilience in defending its margins, to the priority given to protecting people and to its commitment to supporting its customers. The *Energy* segment exceeded its pre-Covid-19 levels, despite the increase in the cost of raw materials. The Telecom segment is also recovering.

EBITDA is stated after net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses, totalling Euro 14 million (Euro 14 million in the first three months of 2020). These adjustments mainly consist of Euro 7 million in non-operating expenses and income and Euro 5 million in reorganisation costs.

Amortisation, depreciation and impairment amounted to Euro 78 million in the first quarter of 2021, reporting a decrease from Euro 80 million in the same period last year.

The fair value change in metal derivatives was a positive Euro 10 million in the first three months of 2021 compared with a negative Euro 36 million in the same period of 2020.
After adopting hedge accounting for most of its metal derivatives, which has been affected by price increases for copper, aluminium and lead, the Group has recognised a positive pre-tax amount of Euro 64 million in the cash flow hedge reserve for metals.

A total of Euro 8 million in costs were recognised in the first quarter of 2021 to account for the effects of the long-term incentive plan and employee share purchase scheme.

Reflecting the effects described above, the Group's operating income came to Euro 123 million, compared with Euro 58 million in the previous year, thus reporting an increase of Euro 65 million.

Net finance costs amounted to Euro 13 million in the first quarter of 2021, down on the prior year figure of Euro 27 million. The decrease is primarily due to the recognition of Euro 16 million in income for the fair value change in the conversion option of the Convertible Bond 2021, as described more fully in the Explanatory Notes.

Taxes came to Euro 32 million, representing an effective tax rate of around 29% (36% in the first three months of 2020).

Net profit for the first quarter of 2021 was Euro 78 million, of which Euro 76 million attributable to the Group, compared with Euro 20 million in the same period of 2020, of which Euro 23 million attributable to the Group.

The Group has continued to reduce its net financial debt, which stood at Euro 2,325 million at 31 March 2021, down Euro 281 million from Euro 2,606 million at 31 March 2020. This reduction was achieved thanks to the significant level of cash generated in the last 12 months of Euro 553 million, before Euro 112 million in disbursements for antitrust litigation.

In the first three months of the year, the Group completed the Crete-Peloponnese interconnection project, finalised a contract with RWE worth over Euro 200 million for the Sofia offshore wind farm, and completed the first Sirocco Extreme installation in Germany.

REVIEW OF PROJECTS OPERATING SEGMENT

(Euro/million)

	3 months 2021	3 months 2020	% change	2020
Sales	314	347	-9.7%	1,438
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**29**	**36**	**-18.8%**	**186**
% of sales	9.3%	10.4%		13.0%
Adjusted EBITDA	**29**	**36**	**-18.8%**	**186**
% of sales	9.3%	10.4%		13.0%
Adjustments	(2)	(1)		(13)
EBITDA	**27**	**35**	**-23.9%**	**173**
% of sales	8.6%	10.2%		12.1%
Amortisation and depreciation	(15)	(14)		(64)
Adjusted operating income	**14**	**22**	**-37.4%**	**122**
% of sales	4.5%	6.3%		8.5%

The *Projects* Operating Segment incorporates the high-tech businesses of High Voltage underground, Submarine Power, Submarine Telecom, and Offshore Specialties, whose focus is projects and their execution, as well as product customisation.

The Group engineers, produces and installs high and extra high voltage cables for electricity transmission both from power plants and within transmission and primary distribution grids. These highly specialised, tech-driven products include cables insulated with oil or fluid-impregnated paper for voltages up to 1100 kV and extruded polymer insulated cables for voltages up to 600 kV. These are complemented by laying and post-laying services, grid monitoring and preventive maintenance services, power line repair and maintenance services, as well as emergency services, including intervention in the event of damage.

In addition, Prysmian Group engineers, produces and installs "end-to-end" submarine cable solutions for power transmission and distribution. The products offered include cables with different types of insulation: cables insulated with layers of oil or fluid-impregnated paper for AC and DC transmission up to 700 kV; cables insulated with extruded polymer for AC transmission up to 400 kV and DC transmission up to 600 kV. The Group uses specific technological solutions for power transmission and distribution in underwater environments, which satisfy the strictest international standards.

With the acquisition of General Cable, Prysmian Group has re-entered the Submarine Telecom cables business, specialised in the production and installation of data transmission cables.

The Offshore Specialties business incorporates a wide range of products for the oil industry, including umbilical cables, flexible pipes and all electrical, optical and signalling components for oil well management from seabed to offshore platform.

MARKET OVERVIEW

Market demand for Submarine Power cables in the first three months of 2021 confirmed the signs of recovery emerging in the second half of 2020: several bids are now at an advanced stage of the tendering process, with their award expected in the next few months. The market is expected to grow strongly over the medium term, especially the Offshore Wind and Interconnections segments, fostered by the continuous reduction in electricity generation costs. Market demand remained stable for Submarine Telecom cables.

In the High Voltage underground business, the HVAC market was largely stable in Europe, with mixed trends between the different countries, while reporting growth in North America but persistently soft demand in Southeast Asia, exacerbated by the impact of Covid-19.
In the HVDC market, typically for interconnectors, following the award of major contracts in Germany in 2020, as a result of which Prysmian Group has secured contracts worth approximately Euro 1.8 billion, no contracts are expected to be awarded in Europe in 2021, while the tendering process is reaching its final stages for a number of major projects in North America.

The Offshore Specialties business continued to experience declining prices and volumes.

FINANCIAL PERFORMANCE
Sales to third parties by the *Projects* segment amounted to Euro 314 million in the first three months of 2021, versus Euro 347 million in the same period of 2020, recording a negative change of Euro 33 million (-9.7%).
The factors behind this change were:

- negative organic sales growth, accounting for a decrease of Euro 27 million (-7.9%);
- exchange rate trends, resulting in a decrease of Euro 8 million (-2.4%);
- metal price fluctuations, producing an increase of Euro 2 million (+0.6%).

The *Projects* segment's negative organic growth is largely explained by the different mix of contracts in progress in the Submarine Power business, with its installation assets recording a lower level of utilisation in the quarter. The Submarine Telecom and Offshore Specialties businesses both recorded reasonable growth due to the effect of project phasing.

The main Submarine Power projects on which work was performed during the period were: the Crete-Peloponnese and Crete-Attica interconnector projects in Greece, the Viking Link between the UK and Denmark, the offshore wind projects in France and Germany (Dolwin5), plus contracts to supply cables for connecting offshore wind farms.
Sales in the period were the result of cable manufacturing activities by the Group's industrial facilities (Pikkala in Finland, Arco Felice in Italy, Drammen in Norway and Nordenham in Germany) and installation services, performed with the assistance of both its own assets and third-party equipment.
The value of the Group's Submarine Power order backlog stands at around Euro 1.8 billion, mainly consisting of the following contracts: the offshore wind contracts in France (St. Nazaire, Fecamp and Calvados) and Germany (Dolwin5); the interconnector between the UK and

Denmark (Viking Link); the link between Scotland and the NNG offshore wind farm and the Crete-Attica link in Greece. The Group has also finalised a contract with RWE worth over Euro 200 million for the Sofia offshore wind farm.
The value of the Group's High Voltage order backlog is confirmed at a value of close to Euro 2 billion.
The Group's overall order backlog therefore has a value of Euro 3.8 billion.

First-quarter Adjusted EBITDA came to Euro 29 million, down from the prior year figure of Euro 36 million; the main source of contraction was the negative mix of contracts in progress in the Submarine Power business, which also had to contend with underutilised production capacity.

REVIEW OF ENERGY OPERATING SEGMENT

(Euro/million)

	3 months 2021	3 months 2020	% change	2020
Sales	2,114	1,888	12.0%	7,207
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**126**	**113**	**11.3%**	**436**
% of sales	6.0%	6.0%		6.1%
Adjusted EBITDA	**126**	**113**	**11.3%**	**440**
% of sales	6.0%	6.0%		6.1%
Adjustments	(9)	(11)		(45)
EBITDA	**117**	**102**	**15.2%**	**395**
% of sales	5.5%	5.4%		5.5%
Amortisation and depreciation	(44)	(48)		(185)
Adjusted operating income	**82**	**65**	**25.3%**	**255**
% of sales	3.9%	3.5%		3.5%

The *Energy* Operating Segment, incorporating those businesses able to offer a complete and innovative product portfolio to a variety of industries, is organised around the business areas of *Energy & Infrastructure* (comprising Trade & Installers, Power Distribution and Overhead Transmission Lines) and *Industrial & Network Components* (comprising Oil & Gas, Downhole Technology, Specialties & OEM, Elevators, Automotive and Network Components).

Sales to third parties by the *Energy* segment came to Euro 2,114 million in the first quarter of 2021, compared with Euro 1,888 million in the corresponding period of 2020, posting a positive change of Euro 226 million (+12.0%), the main components of which are as follows:

- positive organic sales growth of Euro 64 million (+3.4%);
- decrease of Euro 132 million (-7.0%) for adverse exchange rate fluctuations;
- sales price increase of Euro 277 million (+14.7%) for metal price fluctuations;
- positive change of Euro 17 million (+0.9%) due to acquisition of EHC, consolidated with effect from 1 January 2021.

Adjusted EBITDA came to Euro 126 million in the first quarter of 2021, up Euro 13 million (+11.3%) from Euro 113 million in the same period of 2020, reflecting not only increased volumes and efficiencies that recouped the negative effects of the Covid-19 pandemic reported in the first quarter of 2020, but also the contribution of Euro 2 million from the acquisition of EHC, consolidated with effect from 1 January 2021.

The following paragraphs describe market trends and financial performance in each of the *Energy* operating segment's business areas.

ENERGY & INFRASTRUCTURE

(Euro/million)

	3 months 2021	3 months 2020	% change	2020
Sales	1,400	1,239	13.0%	4,735
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**75**	**68**	**9.7%**	**272**
% of sales	5.3%	5.5%		5.8%
Adjusted EBITDA	**75**	**68**	**9.7%**	**275**
% of sales	5.3%	5.5%		5.8%
Adjusted operating income	**46**	**37**	**22.5%**	**152**
% of sales	3.3%	3.0%		3.2%

Prysmian produces high and medium voltage cable systems to connect industrial and/or civilian buildings to primary distribution grids and low voltage cables and systems for power distribution and the wiring of buildings. All the products offered comply with international standards regarding insulation, fire resistance, smoke emissions and halogen levels. The low voltage product portfolio includes rigid and flexible cables for distributing power to and within residential and commercial buildings. The Group concentrates product development and innovation activities on high performance cables, such as Fire-Resistant and Low Smoke zero Halogen cables, capable of guaranteeing specific safety standards. The product range has been lately expanded to satisfy the demand for cables serving infrastructure such as airports, ports and railway stations, by customers as diverse as international distributors, buying syndicates, installers and wholesalers.

MARKET OVERVIEW

The product markets have distinct geographical characteristics (despite international product standards) both in terms of customer and supplier fragmentation and the range of items produced and sold.

During the first quarter of 2021, demand in most countries of the European Trade & Installers business showed signs of recovery in line with market trends, more so in Central Eastern Europe and North Europe than in the UK, South Europe and the Middle East.

In LATAM, there was a significant recovery in demand, confirming the healthy trend already recorded at the end of 2020. In North America, the Trade & Installers market reported a slight year-on-year downturn, mainly due to difficulties in procuring raw materials and transport.

APAC returned to pre-Covid-19 levels, driven mainly by China.

As for Power Distribution, the market trend was in line with the same quarters in the previous two financial years: stable in Europe and recovering in the Middle East. North America held steady, partly due to the recovery in the Onshore Wind market, which benefited from the Production Tax Credit (PTC), a tax incentive based on electricity generated. Following the pandemic, the deadline for installations was extended until the end of the year, without increasing the amount of incentives.

The principal European countries have experienced a general stagnation in energy consumption in recent years, in turn adversely affecting demand by the major utilities. Operating in a recessionary economic environment, the latter have either remained cautious, given the impossibility of forecasting future growth, or have concentrated on business restructuring to improve efficiency and contain supply-side costs. This situation has exacerbated the competitive dynamics in terms of price and mix, leaving an extremely challenging environment almost everywhere. During the first quarter of 2021, the Power Distribution business segment saw European demand remain at the same level as the previous year, with marginal growth in South Europe and the UK and a slight contraction in North Europe and Germany.
Demand recovered in the Middle East, having been heavily penalised in the previous period by the effects of Covid-19, while remaining stable in LATAM and APAC.
As for Overhead Transmission Lines, this business saw volumes increase in North America year-on-year while remaining stable in LATAM, in line with market expectations.

FINANCIAL PERFORMANCE

Sales to third parties by the *Energy & Infrastructure* business amounted to Euro 1,400 million in the first quarter of 2021, compared with Euro 1,239 million in the corresponding quarter of 2020, posting a positive change of Euro 161 million (+13.0%), the main components of which are as follows:

- positive organic sales growth of Euro 43 million (+3.5%);
- negative change of Euro 83 million (-6.7%) for exchange rate fluctuations;
- sales price increase of Euro 201 million (+16.2%) for metal price fluctuations.

The *Energy & Infrastructure* business recorded positive organic sales growth of +3.5% in the first quarter of 2021. Trade & Installers enjoyed strong organic growth, albeit with geographical differences, especially in South Europe, Central Eastern Europe and North Europe, with a recovery in the UK but a slight decline in the Middle East. Strong recovery in LATAM contrasted with a downturn in North America as a result of difficulties in procuring raw materials and transport. APAC, the first region to be affected by the Covid-19 pandemic in the same period last year, recorded a good recovery, particularly in China. Overall profitability of the Trade & Installers business improved on 2020, mainly due to recovery of volumes and efficiencies that offset the higher cost of most raw materials.

The Power Distribution business had negative organic growth, reflecting mixed performances by region: positive in EMEA and LATAM, stable in APAC and negative in North America. There was

a slight decrease in profitability, generated by a combination of negative exchange rate trends and the product mix in North America. In North America, the trend for the Power Distribution business normalised after the strong tax incentive-driven growth in previous periods. There was persistently strong price pressure in Europe.
The Overhead Lines business enjoyed strong positive organic growth especially in North America, while remaining stable in LATAM.

Given the factors described above, Adjusted EBITDA in the first quarter of 2021 came to Euro 75 million, compared with Euro 68 million in the same period of 2020, reflecting an increase of Euro 7 million (+9.7%).

INDUSTRIAL & NETWORK COMPONENTS

(Euro/million)

	3 months 2021	3 months 2020	% change	2020
Sales	648	598	8.3%	2,252
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**49**	**45**	**10.4%**	**165**
% of sales	7.6%	7.5%		7.3%
Adjusted EBITDA	**49**	**45**	**10.4%**	**166**
% of sales	7.6%	7.5%		7.4%
Adjusted operating income	**35**	**29**	**21.2%**	**109**
% of sales	5.4%	4.8%		4.8%

The extensive range of cables developed specially for certain industries is characterised by the highly specific nature of the solutions offered. In the transport market, Prysmian cables are used in the construction of ships and trains, and in the automotive and aerospace industries; in the infrastructure market, the principal applications for its cables are found in railways, docks and airports. The product range also includes cables for the mining industry, for elevators and for applications in the renewable energy field (solar and wind power), cables for military use and for nuclear power stations, able to withstand the highest radiation environments.

Prysmian also offers a wide range of products and systems for the petrochemicals sector covering every need both onshore and offshore: low and medium voltage power cables, instrumentation and control cables as well as Downhole Technology (DHT) solutions, with cables encased in steel pipes to control and power monitoring systems within extraction wells.

Lastly, the Group produces accessories and network components, as well as sophisticated control systems; for example, joints and terminations for low, medium, high and extra high voltage cables and submarine systems to connect cables with one another and/or connect them with other network devices, suitable for industrial, construction and infrastructure applications and for use within power transmission and distribution networks.

MARKET OVERVIEW

Markets for Industrial cables displayed good resilience with some understandable disparities within the various business lines and between the different geographical areas. Some market segments are growing and recovering thanks to a strong existing order backlog and customer investment programs. Certain applications for the OEM sector have performed well: Railway, Nuclear, Marine, Water and Electromedical. The Mining business has recovered thanks to renewed MRO demand in Europe and the call-off of certain projects already in the order backlog in South America. Stable results for the Crane business nonetheless compare with a healthy first-quarter performance in 2020 resulting from orders accumulated in the fourth quarter of 2019. Water lost momentum, especially in North America, and Nuclear was affected by the positive phasing of projects that had benefited North America in 2020.
The Rolling stock segment also saw lower volumes due not only to the postponement of CRRC call-offs in China under a multi-year program announced in 2020 but also to delays in full-swing resumption of some customer platforms in Europe. The Renewables business enjoyed positive demand for both Solar and Wind products: in Central Eastern Europe especially for Wind and in APAC, MEAT and North America also for Solar.
However, both segments saw an increase in competitive pressure due to higher raw material and logistics costs, which affected unit margins and more than offset the healthy trend in volumes.

In the O&G segment, demand is still being affected by the aftermath of the Covid-19 pandemic. During the first quarter of the year, volumes continued to slow in the Middle East, offset by recovery in the APAC region. The pace of order intake had slowed in the final quarters of 2020 with the spread of the pandemic and postponement of further investment decisions by major oil company customers.

The Elevator market showed a certain stability thanks to the good performance of the North American market and the recovery of the Chinese market, the first country to be affected by Covid-19 in the previous year. It should be noted that the EHC Global Group operating in the elevator business has been consolidated as from 1 January 2021, making a Euro 2 million contribution to the Group's EBITDA.

The Automotive segment's first-quarter volumes in 2021 were in line with those in the same period of the previous year, maintaining the positive trend reported in the final quarter of 2020. The LATAM and APAC regions nonetheless displayed continuing tension on volumes. Despite strong growth in the market for electric cars and good performance in the premium market, the latter region reported a sharp downturn at the mid and low end of the market. The tendency for cable manufacturers to intercept the market upstream continued.

The Network Components market in the first quarter of 2021 displayed a recovery in demand, especially in the HV and EHV segments, and resilience in the MV segment, reflecting the effects of the recovery from Covid-19 pandemic in South Europe and APAC, while remaining stable in the rest of the world.

FINANCIAL PERFORMANCE

Sales to third parties by the *Industrial & Network Components* business area amounted to Euro 648 million in the first quarter of 2021, compared with Euro 598 million in the corresponding period of 2020, recording a positive change of Euro 50 million (+8.3%), the main components of which were as follows:

- positive organic sales growth of Euro 21 million (+3.5%).
- negative change of Euro 44 million (-7.3%) for exchange rate fluctuations;
- sales price increase of Euro 56 million (+9.3%) for metal price fluctuations;
- positive change of Euro 17 million (+2.8%) following the acquisition of EHC, consolidated with effect from 1 January 2021.

The principal business lines of *Industrial & Network Components* performed better in the first quarter of 2021 than in the same period of 2020, except for Oil & Gas, DHT and Aviation which were still affected by the aftermath of the Covid-19 pandemic.

The Oil & Gas business saw business volumes deteriorate steadily in the EMEA region due to project phasing, while remaining depressed in North America. Asia Pacific as a whole displayed a positive level of activity. The business's overall margins degenerated due to the downturn in activity and parallel increase in competitive pressure.

Specialties, OEM and Renewables recorded a healthy level of profit in line with expectations, displaying good resilience to the global economic situation, particularly thanks to the contribution of Central Eastern and North Europe, North America and the Railway, Infrastructure, Mining, Wind and Solar businesses.
This positive performance was partially tempered by worse results for the Rolling Stock, Cranes and Nuclear businesses due to project phasing and delays in the call-off of orders already in the backlog.

The profitability of the Elevator business, which performed well in North America, was in line with expectations.
The acquisition of the EHC group was completed in January 2021, enabling the Group to integrate vertical transportation solutions into the product portfolio of its Elevator business.

The Automotive business reported a recovery in volumes everywhere, commencing from the final quarter of 2020.

The Network Components business regained its pre-Covid-19 levels, driven above all by the HV and EHV segment in South Europe. The MV market was stable, with strong pressure on prices.
Given the factors described above, Adjusted EBITDA for the first quarter of 2021 came to Euro 49 million, up from Euro 45 million in the same period last year, reporting a positive change of Euro 4 million (+10.4%).

OTHER

(Euro/million)

	3 months 2021	3 months 2020	2020
Sales	66	51	220
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**2**	**-**	**(1)**
Adjusted EBITDA	**2**	**-**	**(1)**
Adjusted operating income	**1**	**(1)**	**(6)**

This business area encompasses occasional sales by Prysmian Group operating units of intermediate goods, raw materials or other products forming part of the production process. These sales are normally linked to local business situations, do not generate high margins and can vary in size from period to period.

REVIEW OF TELECOM OPERATING SEGMENT

(Euro/million)

	3 months 2021	3 months 2020	% change	2020
Sales	382	352	8.7%	1.371
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**52**	**47**	**9.0%**	**200**
% of sales	13.5%	13.5%		14.6%
Adjusted EBITDA	**58**	**48**	**21.0%**	**214**
% of sales	15.2%	13.6%		15.6%
Adjustments	(2)	(1)		8
EBITDA	**56**	**47**	**19.5%**	**222**
% of sales	14.7%	13.4%		16.2%
Amortisation and depreciation	(19)	(18)		(76)
Adjusted operating income	**39**	**30**	**31.9%**	**138**
% of sales	10.2%	8.5%		10.1%

As partner to leading telecom operators worldwide, Prysmian Group produces and manufactures a wide range of cable systems and connectivity products used in telecommunication networks. The product portfolio includes optical fibre, optical cables, connectivity components and accessories and copper cables.

MARKET OVERVIEW

The global fibre optic cable market started to recover during the first quarter of 2021.

In Europe, market growth has been driven by the plans set out in the Digital Agenda for Europe 2025, which envisages the provision of three levels of minimum service depending on the type of user. In particular, government offices and institutions like schools and hospitals are intended to benefit from a bandwidth of at least 1 Gb/s. Similarly, the entire residential population will be connected with 100 Mb/s, while all urban areas and transport corridors should have broadband mobile coverage with 5G technology. In Europe, the network architectures used vary according to choices made by each individual country.

FTTH networks are the preference in France, Spain, Portugal and the Nordics, while G.Fast is the norm in Germany and Britain; although these systems use the last few metres of the existing copper network, huge volumes of optical cables are nonetheless required to upgrade the distribution networks. In other places like Italy, the two technologies coexist.

North America has confirmed the upward trend already observed in the final quarter of last year. In South America, a region when fibre penetration rates are still low, there has been a slight growth in the optical cables market, driven by resumed investment by major telecom operators.

The copper cable market is experiencing a slowdown linked to product maturity. The downturn in demand, already evident in recent years, has been confirmed but without showing any acceleration.

Given the high demand for internet access, the major operators have opted to renew their networks using optical fibre, rather than perform extensive maintenance work or upgrade existing networks. It is still worth retaining a presence in this segment since the gradual decommissioning of assets by competitor cable manufacturers nonetheless offers attractive opportunities.

The MMS cable market has recovered, particularly in Germany, France, China and North America. In South America, a gradual recovery is underway after commencing in the final quarter of last year.

FINANCIAL PERFORMANCE

Sales to third parties by the Telecom operating segment came to Euro 382 million in the first three months of 2021, compared with Euro 352 million in the same period of 2020.
The positive change of Euro 30 million (+8.7%) is explained by:

- organic sales growth of Euro 40 million (+11.4%);
- sales price increase of Euro 8 million (+2.3%) for metal price fluctuations;
  negative change of Euro 18 million (-5.0%) for exchange rate fluctuations.

Organic sales growth in the first quarter of 2021 was mainly due to a recovery in demand for optical fibre cables and special cables, particularly in South Europe and North America.

In Europe, first-quarter volumes were up on the same period last year. The policy of "destocking" adopted by the main European operators during 2020 has given way to a gradual recovery in volumes.

In South America, volumes grew in line with the positive market trend.

Globally, copper cables continued their steady decline with the retirement of traditional networks in favour of new-generation ones.

The high value-added business of optical connectivity accessories continued to perform well, prompted by the development of new FTTx (last-mile broadband) networks.

The Multimedia Solutions business recorded positive organic growth, in line with the market trend.

The return on investments in relocating some cable manufacturing sources to Eastern Europe also made a substantial contribution to the segment's overall results.

Adjusted EBITDA for the first quarter of 2021 came to Euro 58 million, reporting an increase of Euro 10 million (+21.0%) from Euro 48 million in the same period of 2020. This increase was mainly attributable to the positive results of the Group described above, benefiting from operational efficiencies even if partially offset by persistent price pressure, and to those of the associate Yangtze Optical Fibre and Cable Joint Stock Limited Company in China with its positive contribution of some Euro 6 million.

RESULTS BY GEOGRAPHICAL AREA

(Euro/million)

	Sales		Adjusted EBITDA	
	3 months 2021	**3 months 2020**	**3 months 2021**	**3 months 2020**
EMEA*	1,192	1,070	58	52
North America	868	840	87	95
Latin America	226	172	21	13
Asia Pacific	210	158	18	1
Total (excluding Projects)	**2,496**	**2,240**	**184**	**161**
Projects	314	347	29	36
Total	**2,810**	**2,587**	**213**	**197**

(*) EMEA = Europe, Middle East and Africa

As stated in the Explanatory Notes to this Quarterly Financial Report, the Group's operating segments are: *Energy*, *Projects* and *Telecom,* reflecting the structure used in the periodic reports prepared to review business performance. The primary performance indicator used in these reports, presented by macro type of business (*Energy*, *Projects* and *Telecom*), is Adjusted EBITDA, defined as earnings (loss) for the period before non-recurring items, the fair value change in metal price derivatives and in other fair value items, amortisation, depreciation and impairment, finance costs and income and taxes.

In order to provide users of the financial statements with information that is more consistent with the Group's greater geographical diversification following the General Cable acquisition, Sales and Adjusted EBITDA have been reported above by geographical area, even though the primary operating segments remain those by business, excluding the Projects business whose geographical articulation does not appear to be representative. For this purpose, sales of goods and services are analysed geographically on the basis of the location of the registered office of the company that issues the invoices, regardless of the geographic destination of the products sold. This type of presentation does not produce significantly different results from analysing sales of goods and services by destination of the products sold.

EMEA

Sales in the EMEA area amounted to Euro 1,192 million in the first quarter of 2021, with a +3.9% organic change. Adjusted EBITDA was Euro 58 million (compared to Euro 52 million in Q1 2020). The ratio of Adjusted EBITDA to sales was 4.9%, stable compared to the same period of 2020. The Energy segment continued to improve steadily.

North America

Sales in this area amounted to Euro 868 million, with a -0.9% organic change compared to the first quarter of 2020. Adjusted EBITDA was Euro 87 million, (compared to Euro 95 million in Q1 2020). The ratio of Adjusted EBITDA to sales was 10.0% compared to 11.3% in Q1 2020. The results were stable and, in line with expectations, the Power Distribution business also stabilised after the recent significant growth. The optical cable business showed a solid uptrend.

LATAM

Sales of the LatAm area totalled Euro 226 million, with a +27.9% organic change. Adjusted EBITDA was Euro 21 million (compared to Euro 13 million in Q1 2020). The ratio of Adjusted EBITDA to sales was 9.6% compared to 8.0% in Q1 2020. The solid performance was mainly driven by the construction sector and the Telecom business.

APAC

Sales in the Asia Pacific area amounted to Euro 210 million in the first quarter of 2021, with a +14.1% organic change. Adjusted EBITDA was Euro 18 million (compared to Euro 1 million in Q1 2020). The ratio of Adjusted EBITDA to sales was 8.5% compared to 0.4% in Q1 2020. This area fully recovered from the negative Covid-19 impacts that affected the same period of the previous year.

GROUP STATEMENT OF FINANCIAL POSITION

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(Euro/million)

	31.03.2021	31.03.2020	Change	31.12.2020
Net fixed assets	5,110	5,258	(148)	4,971
Net working capital	1,071	1,122	(51)	523
Provisions and net deferred taxes	(597)	(737)	140	(579)
Net capital employed	**5,584**	**5,643**	**(59)**	**4,915**
Employee benefit obligations	511	487	24	506
Total equity	2,748	2,550	198	2,423
of which attributable to non-controlling interests	171	180	(9)	164
Net financial debt	2,325	2,606	(281)	1,986
Total equity and sources of funds	**5,584**	**5,643**	**(59)**	**4,915**

NET FIXED ASSETS

(Euro/million)

	31.03.2021	31.03.2020	Change	31.12.2020
Property, plant and equipment	2,669	2,747	(78)	2,648
Intangible assets	2,101	2,169	(68)	1,997
Equity-accounted investments	326	313	13	312
Other investments at fair value through other comprehensive income	13	13	-	13
Assets and liabilities held for sale (*)	1	16	(15)	1
Net fixed assets	**5,110**	**5,258**	**(148)**	**4,971**

(*) Excluding the value of financial assets and liabilities held for sale.

At 31 March 2021, net fixed assets amounted to Euro 5,110 million, compared with Euro 4,971 million at 31 December 2020, posting an increase of Euro 139 million mainly due to the combined effect of the following factors:

- Euro 29 million in net capital expenditure on property, plant and equipment and intangible assets;
- Euro 78 million in depreciation and amortisation charges for the period;
- Euro 5 million in increases for property, plant and equipment accounted for in accordance with IFRS 16;
- Euro 105 million in positive currency translation differences affecting property, plant and equipment and intangible assets;
- Euro 14 million for the net increase in equity-accounted investments, mainly comprising a positive Euro 6 million for the share of net profit/(loss) of equity-accounted companies, less Euro 3 million in dividend receipts plus Euro 11 million in positive currency translation differences;
- Euro 64 million in additions to property, plant and equipment and intangible assets following the acquisition of EHC, consolidated with effect from 1 January 2021.

NET WORKING CAPITAL

(Euro/million)

	31.03.2021	31.03.2020	Change	31.12.2020
Inventories	1,802	1,658	144	1,531
Trade receivables	1,755	1,572	183	1,374
Trade payables	(2,155)	(1,961)	(194)	(1,958)
Other receivables/(payables)	(502)	(86)	(416)	(515)
Net operating working capital	**900**	**1,183**	**(283)**	**432**
Derivatives	171	(61)	232	91
Net working capital	**1,071**	**1,122**	**(51)**	**523**

Net working capital of Euro 1,071 million at 31 March 2021 was Euro 548 million higher than the corresponding figure of Euro 523 million at 31 December 2020. Net operating working capital, which excludes the value of derivatives, amounted to Euro 900 million (8.0% of latest-quarter annualised sales) at 31 March 2021, up Euro 468 million from Euro 432 million (4.3% of sales) at 31 December 2020, reflecting the following factors:

- an increase in working capital employed in multi-year Submarine projects, reflecting their stage of completion;
- an increase in working capital due to a decrease in without-recourse factoring of trade receivables;
- an increase due to the effects of currency differences and metal prices.

NET FINANCIAL DEBT

The following table provides a detailed breakdown of net financial debt:

(Euro/million)

	31.03.2021	31.03.2020	Change	31.12.2020
Long-term financial payables				
CDP Loans	174	100	74	100
EIB Loans	110	110	-	110
Non-convertible bond	749	748	1	748
Convertible Bond 2021	699	-	699	-
Convertible Bond 2017	-	480	(480)	489
Term Loan	997	995	2	996
Unicredit Loan	200	199	1	200
Mediobanca Loan	100	100	-	100
Intesa Loan	150	149	1	150
Derivatives	12	16	(4)	12
Lease liabilities	138	124	14	143
Other financial payables	11	11	-	9
Total long-term financial payables	**3,340**	**3,032**	**308**	**3,057**
Short-term financial payables				
CDP Loans	-	100	(100)	1
EIB Loans	-	17	(17)	8
Non-convertible bond	18	18	-	14
Convertible Bond 2017	246	-	246	-
Term Loan	3	4	(1)	1
Unicredit Loan	1	1	-	-
Intesa Loan	1	1	-	-
Derivatives	8	7	1	16
Lease liabilities	51	41	10	52
Other financial payables	60	65	(5)	51
Total short-term financial payables	**388**	**254**	**134**	**143**
Total financial liabilities	**3,728**	**3,286**	**442**	**3,200**
Long-term financial receivables	2	3	(1)	2
Long-term bank fees	2	3	(1)	3
Financial assets at amortised cost	4	5	(1)	4
Short-term derivatives	6	6	-	4
Short-term financial receivables	8	2	6	4
Short-term bank fees	2	2	-	2
Financial assets at fair value through profit or loss	215	16	199	20
Financial assets at fair value through other comprehensive income	11	11	-	11
Financial assets held for sale	1	1	-	1
Cash and cash equivalents	1,152	631	521	1,163
Total financial assets	**1,403**	**680**	**723**	**1,214**
Net financial debt	**2,325**	**2,606**	**(281)**	**1,986**

Net financial debt of Euro 2,325 million at 31 March 2021 has increased by Euro 339 million from Euro 1,986 million at 31 December 2020.

As regards the principal factors behind the change in net financial debt, reference should be made to the next section containing the "Statement of cash flows".

STATEMENT OF CASH FLOWS

(Euro/million)

	3 months 2021	3 months 2020	Change	12 months (from 1 April 2020 to 31 March 2021)	2020
EBITDA	**199**	**183**	**16**	**797**	**781**
Changes in provisions (including employee benefit obligations) and other movements	(10)	(44)	34	(129)	(163)
(Gains)/losses on disposal of property, plant and equipment and intangible assets	-	-	-	(20)	(20)
Share of net profit/(loss) of equity-accounted companies	(6)	(1)	(5)	(23)	(18)
Net cash flow from operating activities (before changes in net working capital)	**183**	**138**	**45**	**625**	**580**
Changes in net working capital	(477)	(473)	(4)	255	259
Taxes paid	(10)	(15)	5	(137)	(142)
Dividends from investments in equity-accounted companies	3	2	1	9	8
Net cash flow from operating activities	**(301)**	**(348)**	**47**	**752**	**705**
Cash flow from acquisitions and/or disposals	(73)	-	(73)	(78)	(5)
Net cash flow used in operating investing activities	(29)	(52)	23	(221)	(244)
Free cash flow (unlevered)	**(403)**	**(400)**	**(3)**	**453**	**456**
Net finance costs	(13)	(9)	(4)	(90)	(86)
Free cash flow (levered)	**(416)**	**(409)**	**(7)**	**363**	**370**
Dividend distribution	-	-	-	(70)	(70)
Capital contributions and other changes in equity	-	-	-	1	1
Net cash flow provided/(used) in the period	**(416)**	**(409)**	**(7)**	**294**	**301**
Opening net financial debt	**(1,986)**	**(2,140)**	**154**	**(2,606)**	**(2,140)**
Net cash flow provided/(used) in the period	(416)	(409)	(7)	294	301
Equity component of Convertible Bond 2021	49		49	49	
Partial redemption of Convertible Bond 2017	(13)		(13)	(13)	
Increase in net financial debt for IFRS 16	(5)	-	(5)	(84)	(79)
Net financial debt of EHC	9		9	9	
Other changes	37	(57)	94	26	(68)
Closing net financial debt	**(2,325)**	**(2,606)**	**281**	**(2,325)**	**(1,986)**

Net cash flow provided by operating activities (before changes in net working capital) amounted to Euro 183 million in the first quarter of 2021.

The increase in net working capital used Euro 477 million in cash flow. After Euro 10 million in tax payments and Euro 3 million in dividend receipts, operating activities in the first three months of 2021 therefore provided a net cash inflow of Euro 301 million.

Net operating capital expenditure used Euro 29 million in cash in the first three months of 2021, a large part of which relating to projects to increase and rationalise production capacity and to develop new products.

In addition, Euro 13 million in net finance costs were paid during the period.

In the past 12 months, the Group has generated a free cash flow of Euro 441 million excluding that for acquisitions and disposals (Euro 553 million excluding disbursements of Euro 112 million for Antitrust disputes). The positive cash flow of Euro 553 million has been generated by:

a) Euro 813 million in net cash flow provided by operating activities before changes in net working capital;

b) Euro 255 million in cash flow provided by the decrease in net working capital;
c) Euro 76 million in cash flow absorbed by restructuring costs and other non-operating expenses;
d) Euro 221 million in cash outflows for net capital expenditure;
e) Euro 90 million in payments of net finance costs;
f) Euro 137 million in tax payments;
g) Euro 9 million in dividend receipts from associates.

ALTERNATIVE PERFORMANCE INDICATORS

In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified statements and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these statements and indicators should not be treated as a substitute for the accepted ones required by IFRS.

In this regard, on 3 December 2015, Consob adopted the ESMA guidelines in Italy with publication of "ESMA Guidelines/2015/1415" which supersede the "CESR Recommendation 2005 (CESR/05-178b)". The alternative performance measures have therefore been revised in light of these guidelines.

The alternative indicators used for reviewing the income statement include:

• **Adjusted operating income**: operating income before income and expense for company reorganisation[1], before non-recurring items[2], as presented in the consolidated income statement, before other non-operating income and expense[3] and before the fair value change in metal derivatives and in other fair value items. The purpose of this indicator is to present the Group's operating profitability without the effects of events considered to be outside its recurring operations;

• **EBITDA**: operating income before the fair value change in metal price derivatives and in other fair value items and before amortisation, depreciation and impairment. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;

• **Adjusted EBITDA**: EBITDA as defined above calculated before income and expense for company reorganisation, before non-recurring items, as presented in the consolidated income statement, and before other non-operating income and expense. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items, without the effects of events considered to be outside the Group's recurring operations;

• **Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies**: Adjusted EBITDA as defined above calculated before the share of net profit/(loss) of equity-accounted companies;

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[1] Income and expense for company reorganisation: these refer to income and expense that arise as a result of the closure of production facilities and/or as a result of projects to enhance the organisational structure's efficiency;

[2] Non-recurring income and expense: these refer to income and expense related to unusual events that have not affected the income statement in past periods and that will probably not affect the results in future periods;

[3] Other non-operating income and expense: these refer to income and expense that management considers should not be taken into account when measuring business performance.

• **Organic growth**: growth in sales calculated net of changes in the scope of consolidation, changes in metal prices and exchange rate effects.

The alternative indicators used for reviewing the reclassified statement of financial position include:

• **Net fixed assets:** sum of the following items contained in the statement of financial position:

- Intangible assets
- Property, plant and equipment
- Equity-accounted investments
- Other investments at fair value through other comprehensive income
- Assets held for sale involving Land and Buildings (excluding financial assets and liabilities held for sale)

• **Net working capital:** sum of the following items contained in the statement of financial position:

- Inventories
- Trade receivables
- Trade payables
- Other non-current receivables and payables, net of long-term financial receivables classified in net financial debt
- Other current receivables and payables, net of short-term financial receivables classified in net financial debt
- Derivatives net of financial instruments for hedging interest rate and currency risks relating to financial transactions, classified in net financial debt
- Current tax payables
- Assets and liabilities held for sale involving current assets and liabilities

• **Net operating working capital:** sum of the following items contained in the statement of financial position:

- Inventories
- Trade receivables
- Trade payables
- Other non-current receivables and payables, net of long-term financial receivables classified in net financial debt
- Other current receivables and payables, net of short-term financial receivables classified in net financial debt

- Current tax payables

• **Provisions and net deferred taxes:** sum of the following items contained in the statement of financial position:

- Provisions for risks and charges – current portion
- Provisions for risks and charges – non-current portion
- Provisions for deferred tax liabilities
- Deferred tax assets

• **Net capital employed:** sum of Net fixed assets, Net working capital and Provisions.

• **Employee benefit obligations** and **Total equity:** these indicators correspond to Employee benefit obligations and Total equity reported in the statement of financial position.

• **Net financial debt:** sum of the following items:

- Borrowings from banks and other lenders – non-current portion
- Borrowings from banks and other lenders – current portion
- Derivatives on financial transactions recorded as Non-current derivatives and classified under Long-term financial receivables
- Derivatives on financial transactions recorded as Current derivatives and classified under Short-term financial receivables
- Derivatives on financial transactions recorded as Non-current derivatives and classified under Long-term financial payables
- Derivatives on financial transactions recorded as Current derivatives and classified under Short-term financial payables
- Medium/long-term financial receivables recorded in Other non-current receivables
- Loan arrangement fees recorded in Other non-current receivables
- Short-term financial receivables recorded in Other current receivables
- Loan arrangement fees recorded in Other current receivables
- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Cash and cash equivalents

Reconciliation between the Reclassified Statement of Financial Position presented in the Directors' Report and the Statement of Financial Position contained in the Consolidated Financial Statements and Explanatory Notes at 31 March 2021

(Euro/million)

		Note	31.03.2021 As per financial statements	31.12.2020 As per financial statements
Total net fixed assets	**A**		**5,110**	**4,971**
Inventories		4	1,802	1,531
Trade receivables		3	1,755	1,374
Trade payables		10	(2,155)	(1,958)
Other receivables		3	568	522
Other payables		10	(1,002)	(1,001)
Current tax payables			(54)	(25)
Derivatives		5	157	67
Items not included in net working capital:				
Financial receivables			10	6
Prepaid finance costs			4	5
Interest rate swaps			(12)	(19)
Forward currency contracts on financial transactions			63	(5)
Total net working capital	**B**		**1,006**	**523**
Provisions for risks and charges		11	(583)	(591)
Deferred tax assets			196	207
Deferred tax liabilities			(210)	(195)
Total provisions	**C**		**(597)**	**(579)**
Net capital employed	**D=A+B+C**		**5,519**	**4,915**
Employee benefit obligations	**E**	12	**511**	**506**
Total equity	**F**		**2,748**	**2,423**
Borrowings from banks and other lenders		9	3,708	3,172
Financial assets at amortised cost			(4)	(4)
Financial assets at fair value through other comprehensive income			(215)	(20)
Financial assets at fair value through profit or loss		6	(11)	(11)
Financial assets held for sale			(1)	(1)
Cash and cash equivalents		7	(1,152)	(1,163)
Financial receivables			(10)	(6)
Prepaid finance costs			(4)	(5)
Interest rate derivatives			12	19
Forward currency contracts on financial transactions			(63)	5
Net financial debt	**G**		**2,260**	**1,986**
Total equity and sources of funds	**H=E+F+G**		**5,519**	**4,915**

Reconciliation between the principal income statement indicators and the Income Statement contained in the Consolidated Financial Statements and Explanatory Notes at 31 March 2021

(Euro/million)

		3 months 2021	3 months 2020
		As per income statement	**As per income statement**
Sales	**A**	2,810	2,587
Change in inventories of finished goods and work in progress		154	86
Other income		12	13
Raw materials, consumables and goods		(2,042)	(1,708)
Personnel costs		(366)	(376)
Other expenses		(383)	(429)
Operating costs	**B**	**(2,625)**	**(2,414)**
Share of net profit/(loss) of equity-accounted companies	**C**	6	1
Fair value stock options	**D**	8	9
EBITDA	**E = A+B+C+D**	**199**	**183**
Other non-recurring expenses and revenues	**F**	(2)	-
Company reorganisation	**G**	(5)	(6)
Other non-operating expenses	**I**	(7)	(8)
Total adjustments to EBITDA	**L = F+G+I**	(14)	(14)
Adjusted EBITDA	**M = E-L**	**213**	**197**
Share of net profit/(loss) of equity-accounted companies	**N**	6	1
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**O = M-N**	**207**	**196**

(Euro/million)

		3 months 2021	3 months 2020
		As per income statement	**As per income statement**
Operating income	**A**	**123**	**58**
Other non-recurring expenses and revenues		(2)	-
Company reorganisation		(5)	(6)
Other non-operating expenses		(7)	(8)
Total adjustments to EBITDA	**B**	**(14)**	**(14)**
Fair value change in metal derivatives	**C**	10	(36)
Fair value stock options	**D**	(8)	(9)
Adjusted operating income	**G=A-B-C-D**	**135**	**117**

BUSINESS OUTLOOK

The year 2020 was characterised by the spread of the Covid-19 pandemic, which had unprecedented negative effects on the global macroeconomic scenario. Economic activity was slowed considerably by the containment measures taken by most countries to combat the spread of the virus, including restrictions on movement, quarantines and other public emergency measures, with severe repercussions on the entire economy. In response to this scenario, many countries prepared national plans to relaunch their economies in support of infrastructure and digitalisation projects.

According to the most recent estimates by the International Monetary Fund, the global economy is expected to grow by 6.0% in 2021 after contracting by 3.3% in the previous year. These estimates represent an improvement compared to October, when the decline was expected to amount to 4.4% in 2020, followed by expansion of 5.2% in 2021. This improvement reflects the faster-than-expected growth in the second half of the previous year for most countries following the easing of restrictions. In addition, the stronger forecasts also reflect expectations of positive effects on growth due to the execution of the vaccination plan currently underway in many countries.

At the geographical level, the United States — with estimated growth of 6.4% — are expected to return to the levels of activity seen at the end of 2019 as early as this year, whereas in the Eurozone and the United Kingdom this recovery is expected to occur in the following year. The Chinese economy — the only major economy to close 2020 on a positive note (+2.3%) — is expected to pick up pace, with estimated growth of 8.4% in 2021.

In 2020, the extraordinary impacts of the Covid-19 pandemic also had an effect on the Prysmian Group’s results, above all in businesses relating to the construction sector (Trade & Installers) and characterised by significant installation activities. The gradual recovery of business, accompanied by timely cost management, an extremely flexible supply chain and a highly-focused level of customer service, enabled management to protect the Group’s performance and limit the impact of the pandemic on the Group’s margins.

These positive trends were consolidated in early 2021, with the Energy business exceeding pre-pandemic levels in terms of both volumes and results and with Telecom volumes up considerably at the global level, although there remains a high level of uncertainty, exacerbated by the effects of the pandemic on the availability and prices of raw materials.

Within this macroeconomic scenario, Prysmian Group expects that in 2021 demand in the construction and industrial cable businesses will recover compared to the previous year. In the submarine systems and cables business, the Group is committed to confirming its leadership in a market that is expected to grow, in 2021 and in subsequent years, thanks to the development of the offshore wind farms and interconnections required for fostering renewable energy in support of the energy transition. With regard to this segment, the Group expects an improvement compared to the previous year’s results, with a more marked growth starting in 2022, when also the German Corridors projects will reach a more advanced stage of execution. In the Telecom segment, the Group forecasts an increase in volumes of the optical cable business in North America and Europe and a persisting price pressure, particularly in Europe. According to estimates, this could generate a decrease in margins, despite the action plan implemented to contain cost and improve production efficiency.

Prysmian Group continues to pursue long-term growth drivers mainly relating to the energy transition to renewable sources, the upgrade of telecommunications networks (digitalisation) and the electrification process. The Group may also rely on broad diversification by business and geographical area, a solid financial structure, an efficient, flexible supply chain and a lean organisation — all factors enabling the Group to face the emergency with confidence.

In light of the foregoing considerations, the Group confirms, with increased confidence, the guidance announced in March 2021 calling for an Adjusted EBITDA within a range of Euro 870-Euro 940 million in 2021. In addition, the Group expects to generate cash flows of approximately Euro 300 million ± 20% (FCF before acquisitions and disposals) in 2021. These projections are based on the absence of significant changes in the evolution of the health emergency and of possible further discontinuities and slowdowns in the global economic activities. In addition, these forecasts are based on the Company’s current business scope and do not include antitrust-related impacts on cash flow. In 2021 as well, the translation effect resulting from the conversion of the subsidiaries’ results into the reporting currency used in the consolidated accounts is expected to generate a negative impact on the Group’s operating income of approximately Euro 20-25 million. The (expected) cumulative amount of the negative impact of exchange rates in the two-year period 2020-2021 is estimated at around Euro 55 million.

FORESEEABLE RISKS IN 2021[1]

Prysmian Group is exposed in the normal conduct of its business to a number of financial and non-financial risk factors which, if they should occur, could also have a material impact on its results of operations and financial condition. The Group has always acted to maximise value for its shareholders by putting in place all necessary measures to prevent or mitigate the risks inherent in the Group's business, which is why it adopts specific procedures to manage the risk factors that could influence its business results. Given operating performance in the first three months of the year and the specific macroeconomic context, the principal risk factors currently foreseeable for subsequent quarters of 2021 are described below according to their nature.

STRATEGIC RISKS

Risks associated with the competitive environment

Many of the products offered by Prysmian Group, primarily in the Trade & Installers and Power Distribution businesses, are made in conformity with specific industrial standards and so are interchangeable with those offered by major competitors. Price is therefore a key factor in customer choice of supplier. The entry into mature markets (e.g. Europe) of non-traditional competitors, meaning small to medium manufacturing companies with low production costs, and the need to saturate production capacity, together with the possible occurrence of a contraction in market demand, translate into strong competitive pressure on prices, with possible consequences for the Group's expected margins.

In addition, high value-added segments - like High Voltage underground cables, Optical Cables and Submarine cables - are seeing an escalation in competition from both existing operators and new market entrants with leaner more flexible organisation models, with potentially negative impacts on both sales volumes and selling prices. With particular reference to the Submarine cables business, the high barriers to entry, linked to difficult-to-replicate ownership of technology, know-how and track record, are driving large market players to compete not so much on the product as on the related services.

The strategy of rationalising production facilities currently in progress, the consequent optimisation of cost structure, the policy of geographical diversification and, last but not least, the ongoing pursuit of innovative technological solutions, all help the Group to address the potential effects arising from the competitive environment.

[1] The risks described in this section are those that, at the date of the present document, the Group believes, if they were to occur, could have a material adverse near-term impact on its business, financial condition, earnings and future prospects.

Risks associated with changes in macroeconomic conditions and demand

Factors such as trends in GDP and interest rates, the ease of getting credit, the cost of raw materials, and the general level of energy consumption, significantly affect the energy demand of countries which, in the face of persistent economic difficulties, then reduce investments that would otherwise develop the market. Government incentives for alternative energy sources and for developing telecom networks also face reduction for the same reason. Prysmian Group's transmission business (high voltage submarine cables) and Power Distribution and Telecom businesses, all highly concentrated in the European market, are being affected by shifting contractions of demand within this market, caused by the region's prolonged economic downturn.

To counter this risk, the Group is pursuing, on the one hand, a policy of geographical diversification in non-European countries and, on the other, a strategy to reduce costs by rationalising its manufacturing footprint around the world in order to mitigate possible negative effects on the Group's performance in terms of lower sales and shrinking margins.

In addition, the Group constantly monitors developments in the global geopolitical environment which, as a result - for example - of the introduction of specific industrial policies by individual countries, could require it to revise existing business strategies and/or adopt mechanisms to safeguard the Group's competitive position.

Key customer dependence risks

The many and diverse types of customers (power transmission and telecom systems operators, distributors, installers, etc.) and their distribution across an equally wide number of different countries mitigate customer dependence risk at a group level.

Risk of instability in the Group's countries of operation

Prysmian Group operates and has production facilities and/or companies in Asia, Latin America, the Middle East, Africa and Eastern Europe. The Group's operations in these countries are exposed to different risks linked to local regulatory and legal systems, the imposition of tariffs or taxes, exchange rate volatility, and political and economic instability affecting the ability of business and financial partners to meet their obligations.

Significant changes in the macroeconomic, political, tax or legislative environment of such countries could have an adverse impact on the Group's business, results of operations and financial condition; consequently, as already mentioned in an earlier paragraph, the Group constantly monitors developments in the global geopolitical environment which could require it to revise existing business strategies and/or adopt mechanisms to safeguard its competitive position.

Risk of market contraction or softer demand due to Covid-19

The global macroeconomic situation deteriorated over the course of 2020 due to the spread of the Covid-19 pandemic.

In response to this health emergency, governments in most countries have adopted containment measures, including travel bans, quarantines and other public emergency measures, with serious repercussions for economic activity and the entire production system. The program of extraordinary measures, swiftly deployed by the Group since the onset of the Covid-19 pandemic, has proved effective and put people first. Accordingly, in order to preserve the permanent employment of its resources, steps have been taken to safeguard the health of employees, including through the ongoing performance of tests and provision of hygiene materials and personal protective equipment. The Group has also implemented a series of measures intended to mitigate risks arising from the Covid-19 pandemic with the purpose of defending its cash generating capability, through rigorous working capital management and effective cost monitoring designed to reduce both fixed and variable expenditure. A much more rigorous investment policy has also been adopted, while preserving a strategic allocation of resources.

The situation caused by the Covid-19 pandemic is expected to improve in the coming months, mainly thanks to the roll-out of vaccinations. However, it is not possible to rule out the risk of recurrent impacts on demand or the economy as a whole in the course of 2021.

FINANCIAL RISKS

Prysmian Group's risk management strategy focuses on the unpredictability of markets and aims to minimise the potentially negative impact on the Group's financial performance. Some types of risk are mitigated by using financial instruments (including derivatives).

Financial risk management is centralised with the Group Finance department which identifies, assesses and hedges financial risks in close cooperation with the Group's operating companies.

The Group Finance, Administration and Control department provides guidelines on risk management, with particular attention to exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative instruments, and on how to invest excess liquidity. Such financial instruments are used solely to hedge risks and not for speculative purposes.

Risks associated with availability of financial resources and their cost

The volatility of the international banking and financial system could be a potential risk factor in terms of obtaining finance and its associated cost. In addition, non-compliance with the financial and non-financial covenants contained in the Group's credit agreements could restrict its ability to increase its net indebtedness, other conditions remaining equal. In fact, should it fail to satisfy one of these covenants, this would trigger a default event which, unless resolved under the terms of the respective agreements, could lead to their termination and/or early repayment of any credit drawn down. In such an eventuality, the Group might be unable to repay the amounts demanded early, in turn giving rise to a liquidity risk.

Given the current amount of financial resources and undrawn committed credit lines, totalling in excess of Euro 2 billion at 31 March 2021, and six-monthly monitoring[1] of financial covenant compliance (fully satisfied at 31 December 2020), the Group is of the opinion that this risk is significantly mitigated and that it is capable of raising sufficient financial resources at a competitive cost.

Exchange rate volatility

Prysmian Group operates internationally and is therefore exposed to exchange rate risk on the currencies of the different countries in which it operates. Exchange rate risk occurs when future transactions or assets and liabilities recognised in the statement of financial position are denominated in a currency other than the functional currency of the company which undertakes the transaction.

To manage exchange rate risk arising from future trade transactions and from the recognition of foreign currency assets and liabilities, most Prysmian Group companies use forward contracts arranged by Group Treasury, which manages the various positions in each currency. However, since Prysmian prepares its consolidated financial statements in Euro, fluctuations in the exchange rates used to translate the financial statements of subsidiaries, originally expressed in a foreign currency, could affect the Group's results of operations and financial condition. Exchange rate volatility is monitored both locally and centrally, by the Group Finance department, also using specific indicators designed to intercept potential risk situations which, when thought to exceed the defined tolerance limits, will trigger immediate mitigating actions.

A more detailed analysis of the risk in question can be found in the 2020 Annual Financial Report.

Interest rate volatility

Changes in interest rates affect the market value of Prysmian Group's financial assets and liabilities as well as its net finance costs. The interest rate risk to which the Group is exposed is mainly on long-term financial liabilities, carrying both fixed and variable rates. Fixed rate debt exposes the Group to a fair value risk. The Group does not operate any particular hedging policies in relation to the risk arising from such contracts since it considers this risk to be immaterial. Variable rate debt exposes the Group to a rate volatility risk (cash flow risk). The Group is able to use interest rate swaps (IRS) to hedge this risk, which transform variable rates into fixed ones, thus reducing the rate volatility risk. IRS contracts make it possible to exchange on

[1] The financial covenants are measured at the half-year reporting date of 30 June and at the full-year reporting date of 31 December.

specified dates the difference between contracted fixed rates and the variable rate calculated with reference to the loan's notional value. A potential rise in interest rates, from the record lows reached in recent years, could represent a risk factor in coming quarters.
A more detailed analysis of the risk in question can be found in the 2020 Annual Financial Report.

Credit risk

Credit risk is represented by Prysmian Group's exposure to potential losses arising from the failure of business or financial partners to discharge their obligations. This risk is monitored centrally by the Group Finance department, while customer-related credit risk is managed operationally by the individual subsidiaries. The Group does not have any excessive concentrations of credit risk, but given the economic and social difficulties faced by some countries in which it operates, the exposure could undergo a deterioration that would require closer monitoring. Accordingly, the Group has procedures in place to ensure that its business partners are of proven reliability and that its financial partners have high credit ratings. In addition, in mitigation of credit risk, the Group has a global trade credit insurance program covering almost all its operating companies; this is managed centrally by the Risk Management department, which monitors, with the assistance of the Group's Credit Management function, the level of exposure to risk and intervenes when tolerance limits are exceeded due to possible difficulty in finding coverage on the market.
A more detailed analysis of the risk in question can be found in the 2020 Annual Financial Report.

Liquidity risk

Liquidity risk indicates the sufficiency of an entity's financial resources to meet its obligations to business or financial partners on the agreed due dates.
With regard to Prysmian Group's working capital cash requirements, these increase significantly during the first half of the year when it commences production in anticipation of order intake, with a consequent temporary increase in net financial debt.
Prudent management of liquidity risk involves the maintenance of adequate levels of cash, cash equivalents and short-term securities, the availability of sufficient committed credit lines, and timely renegotiation of loans before their maturity. Given the dynamic nature of the business in which Prysmian Group operates, the Group Finance department prefers flexible forms of funding in the form of committed credit lines.
As at 31 March 2021, the Group's total financial resources and undrawn committed credit lines are in excess of Euro 2 billion.
A more detailed analysis of the risk in question can be found in the 2020 Annual Financial Report.

Commodity price volatility risk

The main commodities purchased by Prysmian Group are copper, aluminium and lead, accounting for more than 50% of the total raw materials used to manufacture its products. The Group neutralises the impact of possible variations in the price of copper and aluminium and, although less significant, of lead through hedging activities and automatic sales price adjustment mechanisms. Hedging activities are based on sales contracts or sales forecasts, which if not met, could expose the Group to the risk of price volatility in the underlying assets.
A dedicated team within the Group Purchasing department monitors and coordinates centrally those sales transactions requiring the purchase of metals and the related hedging activities carried out by each subsidiary, ensuring that the level of exposure to risk is kept within defined tolerance limits.
A more detailed analysis of the risk in question can be found in the 2020 Annual Financial Report.

OPERATIONAL RISKS

Liability for product quality/defects

Possible defects in the design and manufacture of Prysmian Group's products could give rise to civil or criminal liability towards its customers or third parties. Therefore, the Group, like other companies in the industry, is exposed to the risk of legal action for product liability in the countries where it operates. In line with the practice followed by many industry operators, the Group has taken out insurance which it considers provides adequate protection against the risks arising from such liability. Should such insurance coverage prove insufficient, the Group's results of operations and financial condition could be adversely affected.
In addition, the Group's involvement in this kind of legal action and any resulting liability could expose it to reputational damage, with potential further adverse consequences for its results of operations and financial condition.

Risks associated with non-compliance with the contractual terms of turnkey projects

Projects for high/medium voltage submarine or underground power cables are characterised by contractual forms entailing a "turnkey" or end-to-end type of project management that therefore demands compliance with deadlines and quality standards, guaranteed by penalties calculated as an agreed percentage of the contract value and that can even result in contract termination. The application of such penalties, the obligation to pay damages as well as indirect effects on the supply chain in the event of late delivery or manufacturing problems, could significantly affect project performance and hence the Group's margins. Possible damage to market reputation cannot be ruled out.

Given the complexity of "turnkey" projects, Prysmian has implemented a quality management process involving a wide range of tests on cables and accessories before delivery and installation, as well as specific ad hoc insurance coverage, often through insurance syndicates, able to mitigate exposure to risks running from the manufacturing stage through to delivery.
In addition, the ERM assessments for this particular risk have led the Risk Management department, with the support of the Sales department, to implement a systematic process of Project Risk Assessment for all "turnkey" projects, involving the assignment of a Project Risk Manager, right from the bidding stage, with the aim of identifying, assessing and monitoring over time the Group's exposure to specific risks and of foreseeing the necessary mitigation actions. The decision to present a bid proposal to a customer will therefore also depend on the results of risk assessment.
Management periodically carries out risk assessment for completed and ongoing contracts and analyses the risks involved. The Group has set aside specific provisions for such risks that represent the best estimate of the related liabilities based on available information.

Business interruption risk due to dependence on key assets

The submarine cables business is heavily dependent on certain key assets, such as the Arco Felice plant in Italy for the production of a particular type of cable and one of the cable-laying vessels owned by the Group (the "Giulio Verne"), some of whose technical capabilities are hard to find on the market. The loss of one of these assets due to unforeseen natural disasters (e.g. earthquakes, storms, etc.) or other incidents (e.g. fire, terrorist attacks, etc.) and the consequent prolonged business interruption could have a critical economic impact on the Group's performance.
Work began in 2018 on building the "Leonardo da Vinci", a new cable-laying vessel with a best-in-class specification. The new vessel will enter into service in the second quarter of 2021, as a result of which the risk of dependence on the "Giulio Verne" will be significantly reduced.
Prysmian addresses asset dependency risk by having:

- a systematic Loss Prevention program, managed centrally by the Risk Management department, which, through periodic on-site inspections, allows the adequacy of existing systems of protection to be assessed and any necessary remedial actions decided to mitigate the estimated residual risk. As at 31 December 2020, the Group's operating plants were sufficiently protected and there were no significant exposures to risk. All the plants have been classified as "Excellent Highly Protected Rated (HPR)", "Good HPR" or "Good not HPR", in accordance with the methodology defined by internationally recognised best practices in the field of Risk Engineering & Loss Prevention;
- specific disaster recovery & business continuity plans which allow appropriate countermeasures to be activated as soon as possible in order to minimise the impact of a catastrophic event and to manage any consequent crisis;

- specific insurance schemes covering damage to assets and loss of associated contribution margin due to business interruption, such as to minimise the financial impact of this risk on cash flow.

Environmental risks

The Group's production activities are subject to specific environmental regulations, amongst which those concerning the management of raw materials, energy resources and hazardous substances, water discharges, air emissions and waste, including pollution prevention and minimisation of impacts on environmental factors (soil, subsoil, water resources, atmosphere).
The evolution of such regulations is towards an ever stricter compliance burden on businesses, often implying adaption of technologies (Best Available Techniques) and risk prevention systems, with the associated costs.
Considering the Group's large number of plants, the probability of an accident, with consequences not only for the environment but also for the continuity of production, cannot be ignored or the resulting economic and reputational impact, which could be significant.
In order to prevent and mitigate environmental risks, the Group has adopted an ISO14000 certified environmental management system at most of its production sites.
Environmental issues are managed centrally by the HQ Health Safety & Environment (HSE) department which, by coordinating local HSE departments, is responsible for adopting systems to ensure strict compliance with legislation in accordance with best practice, for collecting and analysing environmental data via a centralised platform, for monitoring risk exposure using specific indicators, for organising specific training activities and carrying out audits at production sites.

Cyber security risks

The growing spread of web-based technologies and business models allowing the transfer and sharing of sensitive information through virtual spaces (i.e. social media, cloud computing, etc.) carries computing vulnerability risks which Prysmian Group cannot ignore in the conduct of its business. Exposure to potential cyberattacks could be due to several factors such as the necessary distribution of IT systems around the world, and the possession of high value-added information such as patents, technology innovation projects, as well as financial projections and strategic plans not yet disclosed to the market, unauthorised access to which could damage a company's results, financial situation and image. In partnership with the Risk Management department, the Group's IT Security function periodically performs specific assessments to identify any vulnerabilities in IT systems locally and centrally that could compromise business continuity.
Furthermore, since 2016 Prysmian Group has started to implement a structured and integrated process for managing cyber security risks which, under the leadership of the Group IT Security

function, in partnership with the Risk Management department, aims to strengthen the Group's IT systems and platforms and introduce robust mechanisms to prevent and control any cyberattacks. A clear Information Security strategy has been defined in this regard setting out the governance structure adopted by the Group and the guidelines for managing cyber risk within IT architectures and business processes. A special Information Security Committee, consisting of the key figures involved in managing cyber risk[1], has been appointed with the mission of defining the strategic and operational Cyber Security objectives, of coordinating the main initiatives undertaken, and of examining and approving policies, operating procedures and instructions. The Committee is convened on a periodic basis (twice a year) and in any case upon the occurrence of any significant events or crises. Lastly, specific e-learning training sessions have been provided to all the Group's IT staff with the aim of raising their awareness of this issue.

Risk of lack or loss of key resources

The Group is exposed to the risk of lack or loss of key resources with strategic operational roles. Such persons can be identified by their managerial responsibilities and/or specific know-how, necessary for the implementation of corporate strategies, and are hard to replace quickly.

In order to ensure business continuity in line with its strategic objectives, the Group has established the following:

- "Job Band Program" to define the classification of personnel through a due job weighting with respect to responsibility, problem solving and know-how, in line with company strategies, using a common, global organisational language;
- "Group Academy" to train and develop the following skills within the Group: Leadership (Management School), Technical (Professional School) and E-Learning (Digital School);
- "Make it", "Sell it", "Sum it" recruitment programs for professionals in the production, quality, procurement, logistics, sales and finance functions;
- "People Performance Program" to manage career paths;
- "Talent Management Program" to accelerate development of our talents;
- "Long-Term Incentive Program" to motivate and retain the Group's key managers;
- "Graduate Program" aimed at attracting and recruiting talented, high-potential personnel to ensure successful future staff replacements internally;

[1] The following sit, as permanent members, on the Information Security Committee: the Chief Operating Officer, the Vicepresident HR&Organization, the Chief Security Officer, the Chief Information Officer, the Chief Risk Officer, the Chief Audit & Compliance Officer and the Group's IT Security Manager.

- "Non-compete agreements" formalised for those employees who possess technical process and product innovation know-how representing strategic value added for the business in its particular competitive sector.

Finally, Internal Job Posting was launched at a regional level in 2020, with the aim of making it global at a later date, to facilitate the development of people's cross-functional skills and continue to build a global corporate culture.

Key supplier dependence risks

In carrying out its operations, Prysmian Group relies on many suppliers of goods and services, some of which are important suppliers of raw materials like, for example, certain metals (copper, aluminium and lead) and some polymer compounds, especially in the high voltage and submarine cables business.

Dependence on key suppliers obviously constitutes a risk in the event of delivery problems, quality issues or price rises, and, in the case of certain raw material suppliers, Prysmian is potentially exposed to their industrial risk (fire, explosion, flood, etc.).

With the objective of preventing and mitigating these risks, the Group has a well-established qualification system for selecting and working with reliable suppliers of goods and services and, where possible, identifying possible alternatives to therefore avoid single-source situations.

The mitigation strategy is therefore based on partnerships with a number of key suppliers aimed at reducing the Group's exposure to supply shortages, on close monitoring of their performance and on projects and investments in R&D to develop alternative technical solutions.

LEGAL AND COMPLIANCE RISKS

Risks of non-compliance with Code of Ethics, Policies and Procedures

Non-compliance risk generically represents the possibility of incurring legal or administrative sanctions, material financial losses or reputational damage as a result of violations of prevailing laws and regulations. Prysmian Group deploys a series of organisational procedures designed to define the principles of legality, transparency, fairness and honesty through which it operates. In particular, since its inception, the Group has adopted a Code of Ethics, a document which contains the ethical standards and the behavioural guidelines that all those engaged in activities on behalf of Prysmian or its subsidiaries (including managers, officers, employees, agents, representatives, contractors, suppliers and consultants) are required to observe. Through its Internal Audit & Compliance department, the Group undertakes to constantly monitor compliance with and effective application of these rules, not tolerating any kind of violation.

However, despite this ongoing endeavour, strict vigilance and periodic information campaigns, it is not possible to rule out future episodes of misconduct in breach of policies, procedures or the Code of Ethics, and hence of current legislation and regulations, by persons carrying out activities on Prysmian's behalf, which could result in legal sanctions, fines or reputational damage, even on a material scale.

Risks of non-compliance with Data Protection (Privacy) legislation

In today's increasingly globalised business environment, with a proliferation of channels and ways to access information, as well as growth in the volume and types of data managed, Prysmian is addressing the various data management issues, ranging from compliance with recent legislation to defence against potential threats to confidentiality, integrity and availability of information.

Accordingly, it is fundamental to have an overall vision when managing sensitive information, not only with respect to regulatory compliance but also with respect to security and business priorities.

Furthermore, Europe's General Data Protection Regulation (GDPR), which came into force in May 2018, has now become one of the main reference points for a renewed commitment to data protection, particularly personal data.

The personal data protection program adopted by Prysmian is based on the following key elements, involving the entire corporate structure:

o Implementation of a data-based model, through mapping the personal data processed by company departments and keeping a record of processing activities;

o Definition of a governance model, intended to comply with the requirements of the GDPR and other emerging data protection regulations, featuring:

an organisational structure under which the Data Protection Officer (DPO) serves in an advisory and monitoring capacity where personal data management is concerned, with the duties and related responsibilities delegated to those materially engaged in data processing activities;

o A set of policies and documents supporting the model (company policies, disclosure statements, internal appointments, clauses applicable to suppliers, etc.);

o Evaluation and adoption of appropriate technical and organisational measures to ensure a level of security appropriate to the risk, also with the help of new tools such as Data Protection Impact Assessment introduced by the GDPR;

o Definition of communication and training material specifically for those parties identified within the data protection organisational model, so that all the parties involved are aware of the revised regulatory requirements and take steps to fulfil them;

o Review of video surveillance systems, with particular reference to the new European guidelines and the regulations applicable in Italy.

Monitoring and support have been provided to Prysmian's many European legal entities, including the most recent ones acquired from General Cable, in applying the model to ensure its consistent application and the establishment of an internationally shared corporate culture in this regard.

The activities to comply with the recent European legislation are capitalised on as much as possible in the compliance activities required by other national regulations, including the "*Ley General de Proteccion de Datos*", now applicable in Brazil and inspired by the same principles.

Risks of non-compliance with anti-bribery legislation

In recent years, legislators and regulators have devoted much attention to the fight against bribery and corruption, with a growing tendency to extend responsibility to legal entities as well as to natural persons. With growing internationalisation, organisations more and more often find themselves operating in contexts exposed to the risk of bribery and having to comply with a variety of relevant legislation, such as Italian Legislative Decree 231/2001, Italy's Anti-bribery Law (Law 190/2012), the Foreign Corrupt Practices Act, the UK Bribery Act etc., all with a common objective: to fight and repress corruption.

The Group's business model, with a global presence in over 50 countries and a multitude of product applications, brings it into constant contact with numerous third parties (suppliers, intermediaries, agents and customers). In particular, the management of large international projects in the Energy (submarine and high voltage) and Oil & Gas businesses involves having business relationships, often through local commercial agents and public officials, in countries at potential risk of corruption (as per the Corruption Perception Index[1]).

Prysmian Group has therefore implemented a series of actions designed to manage bribery and corruption on a preventive basis; foremost amongst these is the adoption of an Anti-Bribery Policy which prohibits the bribery of both public officials and private individuals and requires employees to abide by it and to observe and comply with all anti-bribery legislation in the countries in which they are employed or active, if this is more restrictive. In addition, specific e-learning activities (training and testing) for all Group personnel are periodically conducted to raise awareness about compliance with this legislation.

In 2019, carrying on from the previous year, Prysmian Group continued the activities defined in its Anti-Bribery Compliance Program, inspired by the ISO 37001 guidelines for Anti-bribery management systems, published on 15 October 2016, and intended to strengthen its monitoring of and focus on compliance issues. This program, in addition to providing greater control over the management of bribery risk, also aims to minimise the risk of punishment if crimes of corruption are committed by employees or third parties. The core of the ISO 37001 standard is the control of third parties (suppliers, intermediaries, agents and customers) through a due

[1] The Corruption Perception Index (CPI) is an indicator published annually by Transparency International, used to measure the perception of public sector corruption in various countries around the world.

diligence system designed to reveal any critical issues or negative events that undermine the reputation of third parties with whom Prysmian Group deals.
In this regard, it is noted that in 2019 the Group implemented a "Third Party Program", a new Group Policy aimed at preventing and managing the risk of corruption arising from relationships with third parties (such as distributor agents, and certain categories of suppliers). In particular, prior to establishing any business relationship with third parties, it is mandatory to perform - through a dedicated online platform - due diligence checks on the third party. As a result, each third party receives a risk rating (high, medium, low) and is consequently submitted to an approval process, differing according to the level of risk. This program, introduced in 2019, continued to run.
Following the acquisition of General Cable, Prysmian Group's Anti-Bribery Compliance Program has been updated and expanded to include the additional activities in this area envisaged by the General Cable Compliance Program.
In addition, during 2019, General Cable and Prysmian's compliance policies were revised, updated and merged in order to have single documents valid for the entire Group.
With specific reference to the Anti-Bribery Compliance Program, during 2020 the related Policy was revised, along with the Policy on Gifts and Entertainment Expenses.
Lastly, in line with the Group's ongoing commitment to ensure that the financial and personal interests of its employees and consultants do not conflict with the ability to perform their duties in a professional, ethical and transparent manner, a new Conflict of Interest policy was issued in 2019.
In accordance with this policy, in 2020 all employees and consultants were required to disclose all potential conflicts of interest, which were then duly analysed and evaluated. With the assistance of the Human Resources department, the necessary corrective actions were then taken to mitigate or eliminate any potential conflicts.

Risks of non-compliance with antitrust law

Competition rules on restrictive agreements and abuse of dominant position now play a central role in governing business activities in all sectors of economic life. Its extensive international presence in more than 50 countries means the Group is subject to antitrust law in Europe and every other country in the world in which it operates, each with more or less strict rules on the civil, administrative and criminal liability of parties that violate the applicable legislation. In the last decade, local Antitrust Authorities have paid increasing attention to commercial activities by market players, also involving a tendency for international collaboration between authorities themselves. Prysmian aspires to operate on the market in compliance with the competition rules. In keeping with the priorities identified by the ERM process, the Board of Directors has adopted an Antitrust Code of Conduct that all Group employees, Directors and managers are required to know and abide by in the conduct of their duties and in their dealings with third parties.

Like with other Policies, following the acquisition of General Cable, the Antitrust Code of Conduct has also been updated in order to have a single document, valid for the entire Prysmian Group and designed to provide an overview of the problems associated with applying antitrust law and the consequent standards of conduct to follow.

More detailed documents on the antitrust regulations in force in the European Union, North America, China and Australia have also been adopted.

The Antitrust Code of Conduct is an integral part of the training program and is intended to provide an overview of the issues concerning application of EU and Italian competition law on collusive practices and abuse of dominant positions, within which specific situations are assessed on a case-by-case basis. These activities represent a further step in establishing an "antitrust culture" within the Group by promoting knowledge and raising the accountability of individuals for their professional duties under antitrust legislation. Training in this area continued to be pursued in 2020. In particular, due to the Covid-19 emergency, classroom lessons were replaced by specific online training delivered via the Microsoft Skype/Teams platforms for certain functions, including Sales, Finance and Procurement. In addition, e-learning modules are available on the company intranet to support and raise awareness of and attention to this issue on an ongoing basis.

With regard to the antitrust investigations still in progress, details of which can be found in the note on Provisions for risks and charges in the Explanatory Notes to the Consolidated Financial Statements, the Group has a specific provision for risks and charges amounting to approximately Euro 122 million as at 31 March 2021. Despite the uncertainty of the outcome of the investigations and legal actions in progress, the amount of this provision is considered to represent the best estimate of the liability based on the information available at the date of the current report.

Risks arising from export restrictions

Many countries regulate international trade transactions and enforce laws and regulations governing trade in products, software, technology and services, including financial transactions and brokering.

Export control regimes, governed by laws of the United States, the EU (article 215 of the Treaty on the Functioning of the EU) and the United Nations (Chapter VII of the UN Charter), identify the parties (natural or legal persons) to whom the application of targeted restrictions (e.g. arms embargoes, travel bans, financial or diplomatic sanctions, etc.) is mandatory.

Failure to comply may result in the imposition of fines and criminal and/or civil penalties, including imprisonment.

In order to prevent and mitigate this risk, Prysmian Group has adopted a policy to manage and control its exports that involves among other things:

- Monitoring of countries and parties subject to restrictions, as well as the level of restrictions in force;
- Due Diligence on restricted persons, in order to avoid transactions with prohibited parties, including screening of Prysmian Group employees and visitors;
- Product classification to determine the applicable export compliance regulations. Classification allows the Group to understand where and to whom products may be exported and whether a licence or other permit is required;
- Basic training for all employees on export controls and specific training for staff in functions responsible for international trade transactions and export controls;
- Requirement for an end-user declaration certifying that the buyer or end-user of goods/technology complies with applicable export regulations.

PLANNING AND REPORTING RISKS

Planning and reporting risks are related to the adverse effects that irrelevant, untimely or incorrect information might have on the Group's strategic, operational and financial decisions. At present, in view of the reliability and effectiveness of internal procedures for reporting and planning, the Group does not consider these risks to be relevant.

In addition, the risks related to climate change are reproduced below from the Consolidated Non-Financial Statement (Sustainability Report 2020), in which further details can be found.

Risks related to climate change

Risks related to the availability of water

Prysmian's plants primarily consume water for industrial purposes, in particular for certain cooling phases of their processes.

Prysmian has analysed water stress, defined as the ratio of demand for water to the amount available, assuming a time horizon until 2040 and a scenario of high CO2 emissions, to assess the geographical location of the Group's plants exposed to the risk of reduced water availability. Most of the plants for which a potential risk was identified adopt production processes that involve water recirculation designed to reduce consumption. Risk mitigation measures also include further improvement in the water recirculation percentage and/or the opportunity to install new recirculation systems to optimise water consumption, where necessary or cost effective, thus resulting in a low exposure to risk.

Risks associated with rising sea levels, involving potential damage to production facilities

The Group has been monitoring the risk of climate change since 2017 and, in particular of rising sea levels, with the aim of assessing potential impacts on its production facilities.

The results confirm that in the time horizon considered, extending to 2080, in a scenario of high CO2 emissions, no direct impacts on the Group's production facilities are expected. It should be noted, however, that the rise in sea level could change with an increased exposure to the risk of coastal flooding in the wake of severe weather conditions; this scenario, nonetheless, applies to a very limited number of production facilities and will be monitored to anticipate developments and introduce additional systems of control where necessary.

Risks related to greater severity of extreme weather events, involving potential damage to production facilities

The Group constantly monitors the exposure of its production sites to weather events like storms, floods, hailstorms, etc. and has also assessed its exposure with a time horizon running to 2035, in a scenario of high CO2 emissions; this assessment has confirmed a low overall exposure to risks arising from changes in summer and winter rainfall and from rising temperatures, with the exception of a very small number of facilities in areas with a maximum expected temperature rise of +1.5°. A sensitivity analysis carried out for the period 2020-2035, assuming an additional increase in the severity and frequency of extreme weather events, also based on weather events that have impacted the Group's assets in the last 20 years, has confirmed a low exposure.

Risk of increased production costs due to increased prices for greenhouse gas emissions (Carbon Tax or Emission Trading Scheme)

This risk relates to a potential increase in production costs due to a wider application of laws and regulations on GHG emissions, both in the form of taxes (carbon tax) and as an emissions market (Emission Trading Scheme). In order to mitigate the consequences, the Group constantly monitors the evolution of laws and regulations on GHG emissions around the world, especially in countries where it has production sites, and has drawn up a strategic plan with quantitative targets for the reduction of GHG emissions, monitored using specific indicators.

In addition, in 2020 the Group initiated a process to set medium- and long-term targets for the reduction of Scope 1 and 2 emissions and to quantify and manage Scope 3 emissions. These targets will be set on a scientific basis in accordance with the Science-Based Target Initiative and taking into account expected temperature rise scenarios.

Risk of non-compliance with environmental regulations and those concerning energy efficiency and management of greenhouse gas emissions, including more stringent reporting requirements

Prysmian conducts its business in compliance with national and international environmental norms and regulations, paying particular attention to the risk of failure to comply or to comply swiftly with changes in regulations that may occur in its business context. In particular, the Group has analysed the potential risk of non-compliance with any changes in local legislation transposing the Energy Efficiency Directive 2012/27/EU (EED) on end-use energy efficiency. In order to manage this risk, several measures have been deployed, including Energy Audit Plans at plants, energy efficiency projects, specific training sessions, and adoption of specific indicators to monitor risk exposure and take prompt action to reduce the risk below the tolerance thresholds.
In addition, in 2020 the Group initiated a process to set medium- and long-term targets for the reduction of Scope 1 and 2 emissions and to quantify and manage Scope 3 emissions. These targets will be set on a scientific basis in accordance with the Science-Based Target Initiative and taking into account expected temperature rise scenarios.

RELATED PARTY TRANSACTIONS

Related party transactions do not qualify as either atypical or unusual but form part of the normal course of business by Group companies. Such transactions take place under market terms and conditions, according to the type of goods and services provided.

Information about related party transactions, including that required by the Consob Communication dated 28 July 2006, is presented in Note 20 of the Explanatory Notes.

Milan, 13 May 2021

ON BEHALF OF THE BOARD OF DIRECTORS

THE CHAIRMAN
Claudio De Conto

Consolidated financial statements and explanatory notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro/million)

	Note	31.03.2021	of which related parties	31.12.2020	of which related parties
Non-current assets					
Property, plant and equipment	1	2,669		2,648	
Goodwill	1	1,607		1,508	
Other intangible assets	1	494		489	
Equity-accounted investments	2	326	326	312	312
Other investments at fair value through other comprehensive income		13		13	
Financial assets at amortised cost		4		4	
Derivatives	5	77		44	
Deferred tax assets		196		207	
Other receivables	3	28		30	
Total non-current assets		**5,414**		**5,255**	
Current assets					
Inventories	4	1,802		1,531	
Trade receivables	3	1,755	7	1,374	3
Other receivables	3	540	3	492	3
Financial assets at fair value through profit or loss	6	215		20	
Derivatives	5	130		82	
Financial assets at fair value through other comprehensive income		11		11	
Cash and cash equivalents	7	1,152		1,163	
Total current assets		**5,605**		**4,673**	
Assets held for sale		2		2	
Total assets		**11,021**		**9,930**	
Equity					
Share capital	8	27		27	
Reserves	8	2,474		2,054	
Group share of net profit/(loss)	8	76		178	
Equity attributable to the Group		**2,577**		**2,259**	
Equity attributable to non-controlling interests		171		164	
Total equity		**2,748**		**2,423**	
Non-current liabilities					
Borrowings from banks and other lenders	9	3,328		3,045	
Employee benefit obligations	12	511		506	
Provisions for risks and charges	11	36		39	
Deferred tax liabilities		210		195	
Derivatives	5	14		13	
Other payables	10	6		6	
Total non-current liabilities		**4,105**		**3,804**	
Current liabilities					
Borrowings from banks and other lenders	9	380		127	
Provisions for risks and charges	11	547	9	552	9
Derivatives	5	36		46	
Trade payables	10	2,155	2	1,958	2
Other payables	10	996	4	995	5
Current tax payables		54		25	
Total current liabilities		**4,168**		**3,703**	
Liabilities held for sale		-		-	
Total liabilities		**8,273**		7,507	
Total equity and liabilities		**11,021**		**9,930**	

CONSOLIDATED INCOME STATEMENT

(Euro/million)

	Note	3 months 2021	of which related parties	3 months 2020	of which related parties
Sales		2,810	9	2,587	4
Change in inventories of finished goods and work in progress		154		86	
Other income		12	1	13	1
Total sales and income		**2,976**		**2,686**	
Raw materials, consumables and supplies		(2,042)	(1)	(1,708)	(4)
Fair value change in metal derivatives		10		(36)	
Personnel costs		(366)	(2)	(376)	(2)
Amortisation, depreciation, impairment and impairment reversals		(78)		(80)	
Other expenses		(383)	(1)	(429)	(1)
Share of net profit/(loss) of equity-accounted companies		6	6	1	1
Operating income	13	**123**		**58**	
Finance costs	14	(207)		(181)	
Finance income	14	194		154	
Profit/(loss) before taxes		**110**		**31**	
Taxes	15	(32)		(11)	
Net profit/(loss)		**78**		**20**	
Of which:					
Attributable to non-controlling interests		2		(3)	
Group share		**76**		**23**	
Basic earnings/(loss) per share (in Euro)	16	**0.29**		**0.09**	
Diluted earnings/(loss) per share (in Euro)	16	**0.29**		**0.09**	

OTHER COMPREHENSIVE INCOME

(Euro/million)

	3 months 2021	3 months 2020
Net profit/(loss)	**78**	**20**
Other comprehensive income:		
A) Change in cash flow hedge reserve:	**50**	**(35)**
- Profit/(loss) for the period	68	(44)
- Taxes	(18)	9
B) Change in currency translation reserve	**151**	**(47)**
C) Actuarial gains/(losses) on employee benefits (*):	**-**	**3**
- Profit/(loss) for the period	-	-
- Taxes	-	3
Total other comprehensive income (A+B+C):	**201**	**(79)**
Total comprehensive income/(loss)	**279**	**(59)**
Of which:		
Attributable to non-controlling interests	9	(3)
Group share	**270**	**(56)**

(*) Components of comprehensive income that will not be reclassified to profit or loss in subsequent periods.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Euro/million)

	Share capital	Cash flow hedge reserve	Currency translation reserve	Other reserves	Group share of net profit/(loss)	Equity attributable to the Group	Equity attributable to non-controlling interests	Total
Balance at 31 December 2019	**27**	**(14)**	**(249)**	**2,359**	**292**	**2,415**	**187**	**2,602**
Allocation of prior year net result	-	-	-	292	(292)	-	-	-
Fair value - stock options	-	-	-	9	-	9	-	9
Dividend distribution	-	-	-	-	-	-	(4)	(4)
Effect of hyperinflation	-	-	-	2	-	2	-	2
Total comprehensive income/(loss)	-	(32)	(50)	3	23	(56)	(3)	(59)
Balance at 31 March 2020	**27**	**(46)**	**(299)**	**2,665**	**23**	**2,370**	**180**	**2,550**

(Euro/million)

	Share capital	Cash flow hedge reserve	Currency translation reserve	Other reserves	Group share of net profit/(loss)	Equity attributable to the Group	Equity attributable to non-controlling interests	Total
Balance at 31 December 2020	**27**	**40**	**(590)**	**2,604**	**178**	**2,259**	**164**	**2,423**
Allocation of prior year net result	-	-	-	178	(178)	-	-	-
Fair value - stock options	-	-	-	8	-	8	-	8
Dividend distribution	-	-	-	-	-	-	(2)	(2)
Issue of Convertible Bond 2021	-	-	-	49		49	-	49
Partial redemption of Convertible Bond 2017	-	-	-	(13)		(13)	-	(13)
Effect of hyperinflation	-	-	-	4	-	4	-	4
Total comprehensive income/(loss)	-	49	145	-	76	270	9	279
Balance at 31 March 2021	**27**	**89**	**(445)**	**2,830**	**76**	**2,577**	**171**	**2,748**

CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/million)

		3 months 2021	of which related parties	3 months 2020	of which related parties
	Profit/(loss) before taxes	110		31	
	Amortisation, depreciation and impairment	78		80	
	Share of net profit/(loss) of equity-accounted companies	(6)	(6)	(1)	(1)
	Dividends received from equity-accounted companies	3	3	2	2
	Share-based payments	8		9	
	Fair value change in metal derivatives	(10)		36	
	Net finance costs	13		27	
	Changes in inventories	(227)		(168)	
	Changes in trade receivables/payables	(178)	(4)	(186)	(2)
	Changes in other receivables/payables	(72)	(1)	(119)	-
	Change in employee benefit obligations	(4)		(3)	
	Change in provisions for risks and other movements	(6)		(41)	
	Net income taxes paid	(10)		(15)	
A.	**Cash flow from operating activities**	**(301)**		**(348)**	
	Cash flow from acquisitions and/or disposals	(67)		-	
	Investments in property, plant and equipment	(25)		(48)	
	Disposals of property, plant and equipment	1		-	
	Investments in intangible assets	(5)		(4)	
	Investments in financial assets at fair value through profit or loss	(200)		-	
	Disposals of financial assets at fair value through profit or loss	4		7	
	Disposals of financial assets at amortised cost	1		-	
B.	**Cash flow from investing activities**	**(291)**		**(45)**	
	Proceeds of new loans	844		-	
	Repayments of loans	(269)		(8)	
	Changes in other net financial receivables/payables	12		(17)	
	Finance costs paid (1)	(206)		(136)	
	Finance income received (2)	193		127	
C.	**Cash flow from financing activities**	**574**		**(34)**	
D.	**Exchange (losses) gains on cash and cash equivalents**	**8**		**(12)**	
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(10)**		**(439)**	
F.	**Cash and cash equivalents at the beginning of the period**	**1,163**		**1,070**	
G.	**Cash and cash equivalents at the end of the period (E+F)**	**1,153**		**631**	
	Cash and cash equivalents presented in consolidated statement of financial position	**1,152**		**631**	
	Cash and cash equivalents presented in assets held for sale	**1**		**-**	

(1) Finance costs paid of Euro 206 million include interest payments of Euro 3 million in first 3 months 2021 (Euro 3 million in first 3 months 2020).

(2) Finance income received of Euro 193 million includes interest income of Euro 1 million in first 3 months 2021 (Euro 1 million in first 3 months 2020).

EXPLANATORY NOTES

A. GENERAL INFORMATION

Prysmian S.p.A. ("the Company") is a company incorporated and domiciled in Italy and organised under the laws of the Republic of Italy. The Company has its registered office in Via Chiese 6, Milan (Italy).

Prysmian S.p.A. was floated on the Italian Stock Exchange on 3 May 2007 and since September 2007 has been included in the FTSE MIB index, comprising the top 40 Italian companies by capitalisation and stock liquidity.

The Company and its subsidiaries (together "the Group" or "Prysmian Group") produce cables and systems and related accessories for the energy and telecommunications industries, and distribute and sell them around the globe.

The present Quarterly Financial Report was approved by the Board of Directors of Prysmian S.p.A. on 13 May 2021 and is not subject to limited review by the auditors.

A.1 SIGNIFICANT EVENTS IN 2021

Prysmian Group completes the acquisition of EHC Global

On 8 January 2021, the Group announced it had completed the acquisition of EHC Global, a leading manufacturer of strategic components and integrated solutions for the vertical transportation industry. Established in 1977, EHC Global is a manufacturer and supplier of escalator handrails, rollers, elevator belts, strategic components and integrated solutions for the vertical transportation industry. EHC Global also offers a comprehensive range of technical and installation services for escalators and moving walkways.

The acquisition of EHC Global is in line with Prysmian Group's strategy to develop and strengthen its value-added businesses. EHC Global is a complementary add-on to the Draka Elevator business, broadening its product portfolio to include a wide range of escalator products and services.

Following the acquisition, the Group has consolidated EHC Global with effect from 1 January 2021 as more fully explained in the section on "Business Combinations" to which reference should be made.

Placement of a Euro 750 million equity-linked bond

On 26 January 2021, the Group announced the successful placement (the "Placement") of an equity-linked bond (the "Bonds") for an amount of Euro 750 million.

The Bonds, with a 5-year maturity from 2 February 2021 and minimum denomination of Euro 100,000 each, are zero coupon. The issue price is Euro 102.50, representing a yield to maturity of minus 0.49% per annum. The initial price for the conversion of the Bonds into the Company's ordinary shares is Euro 40.2355, representing a 47.50% premium on the weighted average price by volume of Prysmian ordinary shares on the Milan Stock Exchange between the start and end of the book-building process.

The Shareholders' Meeting held on 28 April 2021 authorised the convertibility of the equity-linked bond and approved the proposal for a share capital increase pursuant to art. 2420-bis, par. 2, of the Italian Civil Code, in one or more tranches, with the exclusion of pre-emptive rights under art. 2441, par. 5, of the Italian Civil Code, serving the conversion of the convertible bond for a maximum nominal amount of Euro 1,864,025.50 through the issue of up to 18,640,255 ordinary shares with nominal value Euro 0.10 each.

The Group has the option to redeem all - but not only some - of the Bonds at their principal amount from 12 February 2024, should the value of the new and/or existing ordinary shares exceed 130% of the conversion price for a specified period of time.

Repurchase of the 2017 Bonds

On 26 January 2021, the Group announced a partial repurchase of the Company's outstanding Euro 500 million zero-coupon equity-linked bonds due in 2022 and issued on 17 January 2017 (the "2017 Bonds").

The total principal of the 2017 Bonds which the Company agreed to repurchase on 2 February was equal to Euro 250,000,000 representing 50% of the 2017 Bonds initially issued, at a repurchase price ("Repurchase Price") of Euro 104,250 for each 2017 Bond of face value Euro 100,000.

CDP Loan

On 28 January 2021, a new loan for Euro 75 million over 4.5 years was agreed with Cassa Depositi e Prestiti S.p.A. (CDP), for the purpose of financing part of the Group's expenditure to purchase the "Leonardo Da Vinci" cable-laying vessel.

This loan was drawn down in its entirety on 9 February 2021, with a bullet repayment envisaged at maturity on 28 July 2025.

Interest Rate Swaps (IRS) to hedge the CDP Loan

On 4 February 2021, Prysmian S.p.A. negotiated two IRSs, effective from 9 February 2021, to hedge the new Euro 75 million loan.

New organisational structure

On 3 February 2021, the Group announced that it had adopted a new organisational structure, in line with international best practices, with the aim of reinforcing its focus on the strategic

opportunities offered by the global transition to low-carbon energy and digitalisation-based economies.
The introduction of this new structure marks the successful completion of the integration with General Cable, which has significantly enlarged the Group and broadened its geographical diversification.
Under the leadership of the CEO, the new organisation will pivot around the following key roles:
- Chief Operating Officer
- Business Divisions
- Group Functions

Under the new organisation, the CEO will further intensify the Group's focus on its organic and non-organic growth strategy, as well as on accelerating major innovation projects. The two global megatrends of transition to low-carbon energy and development of telecommunications networks to support digitalisation are among the major growth opportunities on which the Group will be focusing to ensure sustainable growth. In order to leverage the Group's wide geographic presence and customer proximity, while delivering business synergies at the same time, the new role of Chief Operating Officer (COO) will oversee the Group's operational strategy and performance and results of the Regions, in conjunction with the Group's three Business Divisions. The Business Divisions, which report directly to the CEO, are focused on the strategic development of their different segments, with P&L responsibility for the global Business Units, in conjunction with the COO. In addition, they drive key decisions on product technology, production allocation and the most important projects. The Group Functions, reporting directly to the CEO, guide the governance and harmonisation of the main corporate processes, providing operational support to all Group entities. With the aim of strengthening the focus on ESG objectives, a Group Chief Sustainability Officer and a Chief Innovation Officer have been appointed.

Construction of new fibre-optic Telecom link in Brazil

On 24 February 2021, the Group announced that it will supply 770 km of MINISUB submarine optical fibre telecom cables to link the city of Macapá to Santarém and Alenquer, located in the north of the Amazon region, as part of the Norte Conectado project awarded by RNP, Rede Nacional de Ensino and Pesquisa, a Brazilian internet provider. The MINISUB solution is one of the most widely used technologies in the world. The cables will be produced at Prysmian's state-of-the-art manufacturing facility in Nordenham (Germany) and will be delivered in the second half of 2021.

Finalisation of contract worth over Euro 200 million with RWE for Sofia offshore wind farm

On 29 March 2021, the Group announced the finalisation of a contract with RWE Renewables, one of the world's largest offshore wind farm developers, for the construction of a turnkey high voltage submarine and onshore cable system worth over Euro 200 million for the 1.4 gigawatt (GW) Sofia offshore wind farm. The Group had already announced a preferred bidder agreement in November 2020.

Prysmian Group will be responsible for the design, supply, installation and commissioning of an HVDC symmetrical single-core cable system that will connect the wind farm's offshore substation to the onshore converter station in Teesside. The project requires over 440 km of ±320 kV XLPE-insulated submarine cables and 15 km of ±320 kV P-Laser-insulated underground cables.

Offshore installation operations will be carried out using the Leonardo da Vinci, Prysmian's new state-of-the-art cable-laying vessel, the most high performance ship on the market offering enhanced versatility in project implementation. Project commissioning is expected towards the end of 2026.

Other significant events

Ravin Cables Limited

In January 2010, Prysmian Group acquired a 51% interest in the Indian company Ravin Cables Limited (the "Company"), with the remaining 49% held by other shareholders directly or indirectly associated with the Karia family (the "Local Shareholders"). Under the agreements signed with the Local Shareholders, after a limited transition period, management of the Company would be transferred to a Chief Executive Officer appointed by Prysmian. However, this failed to occur and, in breach of the agreements, the Company's management remained in the hands of the Local Shareholders and their representatives. Consequently, having now lost control, Prysmian Group ceased to consolidate the Company and its subsidiary Power Plus Cable Co. LLC. with effect from 1 April 2012. In February 2012, Prysmian was thus forced to initiate arbitration proceedings before the London Court of International Arbitration (LCIA), requesting that the Local Shareholders be declared in breach of contract and ordered to sell the shares representing 49% of the Company's share capital to Prysmian. In a ruling handed down in April 2017, the LCIA upheld Prysmian's claims and ordered the Local Shareholders to sell the shares representing 49% of the Company's share capital to Prysmian. However, the Local Shareholders did not voluntarily enforce the arbitration award and so Prysmian had to initiate proceedings in the Indian courts in order to have the arbitration award recognised in India. Having gone through two levels of the court system, these proceedings were finally concluded on 13 February 2020 with the pronouncement of a ruling by the Indian Supreme Court under which the latter definitively declared the arbitration award enforceable in India. In view of the continuing failure of the Local Shareholders to comply voluntarily, Prysmian has requested the Mumbai court to enforce the arbitration award so as to purchase the shares representing 49% of the Company's share capital as soon as possible. This case is currently still pending, slowed down by the ongoing Covid-19 emergency that has also affected India, and so control of the company is considered to have not yet been acquired.

B. FORM AND CONTENT

The present Quarterly Financial Report has been prepared on a going concern basis, since the Directors have assessed that there are no financial, operating or other kind of indicators that might provide evidence of the Group's inability to meet its obligations in the foreseeable future and particularly in the next 12 months.
The information contained in these Explanatory Notes must be read in conjunction with the Directors' Report, an integral part of the Quarterly Financial Report, and the annual IFRS Consolidated Financial Statements at 31 December 2020.

All the amounts shown in the Group's financial statements are expressed in millions of Euro, unless otherwise stated.

B.1 FINANCIAL STATEMENTS AND DISCLOSURES

The Group has elected to present its income statement according to the nature of expenses, whereas assets and liabilities in the statement of financial position are classified as current or non-current. The statement of cash flows has been prepared using the indirect method.
Further to Legislative Decree 25/2016, which came into force on 18 March 2016 and has eliminated the requirement for quarterly reporting, the Group has prepared the present Quarterly Financial Report at 31 March 2021 on a voluntary basis and in continuity with its past reporting format.
When preparing the Quarterly Financial Report, management has made judgements, estimates and assumptions that affect the value of revenues, costs, assets and liabilities and the disclosures relating to contingent assets and liabilities at the reporting date. As estimates, these may differ from the actual results attained in the future. Certain valuation processes, particularly more complex ones, such as the determination of any fixed asset impairment, are only fully carried out during the preparation of the year-end consolidated financial statements when all the necessary information is available.

B.2 ACCOUNTING STANDARDS

Accounting standards used to prepare the Quarterly Financial Report

The basis of consolidation, the methods used to translate financial statements into the presentation currency, the accounting standards, estimates and policies adopted are the same as those used for the consolidated financial statements at 31 December 2020, to which reference should be made for more details, except for income taxes, which are recognised using the best estimate of the Group's weighted average tax rate expected for the full year.

B.3 CHANGES IN THE SCOPE OF CONSOLIDATION

The Group's scope of consolidation includes the financial statements of Prysmian S.p.A. (the Parent Company) and the companies over which it exercises direct or indirect control, which are consolidated from the date when control is obtained until the date when such control ceases.

The changes in the scope of consolidation at 31 March 2021, compared with 31 December 2020, are listed below.

Acquisitions

Acquired companies	Nation	Date
EHC Brazil Ltda.	Brazil	8 January 2021
EHC Global Inc.	Canada	8 January 2021
EHC Canada Inc.	Canada	8 January 2021
Elator Inc.	Canada	8 January 2021
EHC Management Company Inc.	Canada	8 January 2021
EHC Escalator Handrail (Shanghai) Co. Ltd.	China	8 January 2021
EHC Engineered Polymer (Shanghai) Co. Ltd.	China	8 January 2021
EHC Lift Components (Shanghai) Co. Ltd.	China	8 January 2021
EHC Technology Development (Shanghai) Co. Ltd.	China	8 January 2021
EHC France s.a.r.l.	France	8 January 2021
EHC Germany GmbH	Germany	8 January 2021
EHC Japan K.K.	Japan	8 January 2021
Escalator Handrail (UK) Ltd.	United Kingdom	8 January 2021
EHC Spain and Portugal, S.L.	Spain	8 January 2021
EHC USA Inc.	United States	8 January 2021
EHC Turkey Asansör ve Yürüyen Merdiven Sanayi Limited Şirketi	Turkey	8 January 2021

Liquidations

Liquidated companies	Nation	Date
Draka UK Group Ltd.	United Kingdom	23 March 2021

Name changes

For the sake of better understanding the scope of consolidation, the name changes occurring in the period are as follows:

Name	New name	Nation	Date
Eurelectric Tunisie S.A.	Prysmian Cables and Systems Tunisia S.A.	Tunisia	22 March 2021

Appendix A to these notes contains a list of the companies included in the scope of consolidation at 31 March 2021.

C. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to various forms of risk: market risk (including exchange rate, interest rate and price risks), credit risk and liquidity risk.

The current Quarterly Financial Report does not contain all the information about financial risks presented in the Annual Financial Report at 31 December 2020, which should be consulted for a more detailed analysis.

With reference to the risks described in the Annual Financial Report at 31 December 2020, there have been no material changes in the types of risks to which the Group is exposed or in its policies for managing such risks.

(a) Fair value measurement

IFRS 13 requires assets and liabilities recognised in the statement of financial position at fair value to be classified according to a hierarchy that reflects the significance of the inputs used in measuring fair value.

Financial instruments are classified according to the following fair value measurement hierarchy:

Level 1: Fair value is determined with reference to quoted prices (unadjusted) in active markets for identical financial instruments;

Level 2: Fair value is determined using valuation techniques where the input is based on observable market data;

Level 3: Fair value is determined using valuation techniques where the input is not based on observable market data.

(Euro/million)

				31.03.2021
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value:				
Derivatives through profit or loss	-	49	-	49
Hedging derivatives	-	158	-	158
Financial assets at amortised cost	-	4	-	4
Financial assets at fair value through profit or loss	215	-	-	215
Financial assets at fair value through other comprehensive income	11	-	-	11
Other investments at fair value through other comprehensive income			13	13
Total assets	**226**	**211**	**13**	**450**
Liabilities				
Financial liabilities at fair value:				
Derivatives through profit or loss	-	15	-	15
Hedging derivatives	-	35	-	35
Total liabilities	**-**	**50**	**-**	**50**

Financial assets classified in fair value Level 3 have reported no significant movements in the period.

Given the short-term nature of trade receivables and trade payables, their carrying amounts, net of any allowances for impairment, are treated as a good approximation of fair value.

Financial assets at fair value through profit or loss, classified in fair value Level 1 and amounting to Euro 215 million, include Euro 200 million in money market funds in which the Parent Company has invested its liquidity, with the remainder referring to funds in which the Brazilian and Argentine subsidiaries have temporarily invested their liquidity.

Financial assets at fair value through other comprehensive income of Euro 11 million, classified in fair value Level 1, refer to Italian government securities.

During the first three months of 2021 there were no transfers of financial assets and liabilities between the different levels of the fair value hierarchy.

(b) Valuation techniques

Level 1: The fair value of financial instruments quoted in an active market is based on market price at the reporting date. The market price used for derivatives is the bid price, while for financial liabilities the ask price is used.

Level 2: Derivative financial instruments classified in this category include interest rate swaps, forward currency contracts and metal derivative contracts that are not quoted in active markets. Fair value is determined as follows:

- for interest rate swaps, it is calculated on the basis of the present value of forecast future cash flows;
- for forward currency contracts, it is determined using the forward exchange rate at the reporting date, appropriately discounted;
- for metal derivative contracts, it is determined using the prices of such metals at the reporting date, appropriately discounted.

Level 3: The fair value of instruments not quoted in an active market is primarily determined using valuation techniques based on estimated discounted cash flows.

D. BUSINESS COMBINATIONS

Prysmian Group acquired control of EHC Global on 8 January 2021. For accounting purposes, the acquisition date has been backdated to 1 January 2021.

The total consideration for the acquisition is approximately Euro 88 million.
The 2020 costs expensed to profit or loss as "non-operating expenses" directly related to the acquisition amounted to approximately Euro 1 million, gross of the tax effect.

The assets and liabilities of EHC Global have been determined on a provisional basis, since the acquisition accounting processes were still being finalised at the current reporting date.
In compliance with IFRS 3, the fair value of the assets, liabilities and contingent liabilities will be finalised within twelve months of the acquisition date.
The excess of the purchase consideration over the provisional fair value of net assets acquired has been recognised as goodwill, quantified as Euro 55 million.
Such goodwill is primarily justified by the future earnings expected from integrating the two groups, including the benefits of run-rate synergies. The process of purchase price allocation is currently in progress, as permitted by the relevant accounting standard.
Details of the net assets acquired and goodwill are as follows:

(Euro/million)

Purchase price	88
Total cost of acquisition (A)	**88**
Fair value of net assets acquired (B)	33
Goodwill (A-B)	**55**
Financial outlay paid in previous year	7
Financial outlay for acquisition	73
Cash and cash equivalents held by acquiree	(6)
Acquisition cash flow	**67**
Liabilities for acquisition	8

(Euro/million)

Property, plant and equipment	8
Intangible assets	1
Financial assets	6
Inventories	9
Trade and other receivables	17
Trade and other payables	(10)
Borrowings from banks and other lenders	(3)
Employee benefit obligations and other provisions	(1)
Cash and cash equivalents	6
Net assets acquired (B)	**33**

During the first three months of 2021, EHC Global accounted for Euro 17 million of Prysmian Group's total sales of goods and services, and contributed Euro 1 million to the consolidated result for the period.

E. SEGMENT INFORMATION

The Group's operating segments are:

- *Energy*, whose smallest identifiable CGU is given by Regions/Countries depending on the specific organisation;
- *Projects,* whose smallest identifiable CGUs are the High Voltage, Submarine Power, Submarine Telecom and Offshore Specialties businesses;
- *Telecom*, whose smallest CGU is the operating segment itself.

Segment information is structured in the same way as the report periodically prepared for the purpose of reviewing business performance. This report presents operating performance by macro type of business (*Energy*, *Projects* and Telecom) and the results of operating segments primarily on the basis of Adjusted EBITDA, defined as earnings (loss) for the period before non-recurring items, the fair value change in metal price derivatives and in other fair value items, amortisation, depreciation and impairment, finance costs and income and taxes.

This report also provides information about the statement of financial position for the Group as a whole but not by operating segment.

In order to provide users of the financial statements with clearer information, certain economic data is also reported by sales channels and business areas within the individual operating segments:

A) *Projects* operating segment: encompassing the following high-tech and high value-added businesses whose focus is on projects and their execution, as well as on product customisation: High Voltage, Submarine Power, Submarine Telecom and Offshore Specialties.

B) *Energy* operating segment: encompassing the businesses offering a complete and innovative product portfolio designed to meet the various and many needs of the market, namely:

- Energy & Infrastructure (E&I): this includes Trade and Installers, Power Distribution and Overhead lines;
- Industrial & Network Components: this comprises Specialties and OEM, Elevators, Automotive, Network Components, core Oil & Gas and DHT;
- Other: occasional sales of residual products.

C) *Telecom* operating segment: producing cable systems and connectivity products used in telecommunication networks. This segment is organised in the following lines of business: optical fibre, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) and copper cables.

All Corporate fixed costs are allocated to the *Projects, Energy* and *Telecom* operating segments.

Revenues and costs are allocated to each operating segment by identifying all revenues and costs directly attributable to that segment and by allocating indirect costs on the basis of Corporate resources (personnel, space used, etc.) absorbed by the operating segments.

Group operating activities are organised and managed separately according to the nature of the products and services provided: each segment offers different products and services to different markets. Sales of goods and services are analysed geographically on the basis of the location of the registered office of the company that issues the invoices, regardless of the geographic destination of the products sold. This type of presentation does not produce significantly different results from analysing sales of goods and services by destination of the products sold. All transfer prices are set using the same conditions applied to other transactions between Group companies and are generally determined by applying a mark-up to production costs.
Assets and liabilities by operating segment are not included in the data reviewed by management and so, as permitted by IFRS 8, this information is not presented in the current report.

E.1 OPERATING SEGMENTS

The following tables present information by operating segment:

(Euro/million)

								3 months 2021
	Projects	**Energy**				**Telecom**	**Corporate**	**Group total**
		E&I	**Industrial & NWC**	**Other**	**Total Energy**			
Sales [1]	314	1,400	648	66	2,114	382	-	2,810
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**29**	**75**	**49**	**2**	**126**	**52**	-	**207**
% of sales	9.3%	5.3%	7.6%		6.0%	13.5%		7.4%
Adjusted EBITDA (A)	**29**	**75**	**49**	**2**	**126**	**58**	-	**213**
% of sales	9.3%	5.3%	7.6%		6.0%	15.2%		7.6%
Adjustments	(2)	(6)	(2)	(1)	(9)	(2)	(1)	(14)
EBITDA (B)	**27**	**69**	**47**	**1**	**117**	**56**	**(1)**	**199**
% of sales	8.6%	4.9%	7.3%		5.5%	14.7%		7.1%
Amortisation and depreciation (C)	(15)	(29)	(14)	(1)	(44)	(19)	**-**	(78)
Adjusted operating income (A+C)	**14**	**46**	**35**	**1**	**82**	**39**	**-**	**135**
% of sales	4.5%	3.3%	5.4%		3.9%	10.2%		4.8%
Fair value change in metal derivatives (D)								10
Fair value stock options (E)								(8)
Asset (impairment) and impairment reversal (F)								-
Operating income (B+C+D+E+F)								**123**
% of sales								4.4%
Finance income								194
Finance costs								(207)
Taxes								(32)
Net profit/(loss)								**78**
% of sales								2.8%
Attributable to:								
Owners of the parent								76
Non-controlling interests								2

[1] Sales of the operating segments and business areas are reported net of intercompany transactions and net of transactions between operating segments, consistent with the presentation adopted in the regularly reviewed reports.

(Euro/million)

								3 months 2020
	Projects	Energy				Telecom	Corporate	Group total
		E&I	Industrial & NWC	Other	Total Energy			
Sales [1]	347	1,239	598	51	1,888	352	-	2,587
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**36**	**68**	**45**	**-**	**113**	**47**	-	**196**
% of sales	10.4%	5.5%	7.5%		6.0%	13.5%		7.6%
Adjusted EBITDA (A)	**36**	**68**	**45**	**-**	**113**	**48**	-	**197**
% of sales	10.4%	5.5%	7.5%		6.0%	13.6%		7.6%
Adjustments	(1)	(9)	(2)	-	(11)	(1)	(1)	(14)
EBITDA (B)	**35**	**59**	**43**	**-**	**102**	**47**	**(1)**	**183**
% of sales	10.2%	4.7%	7.2%		5.4%	13.4%		7.1%
Amortisation and depreciation (C)	(14)	(31)	(16)	(1)	(48)	(18)	**-**	(80)
Adjusted operating income (A+C)	**22**	**37**	**29**	**(1)**	**65**	**30**	**-**	**117**
% of sales	6.3%	3.0%	4.8%		3.5%	8.5%		4.5%
Fair value change in metal derivatives (D)								(36)
Fair value stock options (E)								(9)
Asset (impairment) and impairment reversal (F)								-
Operating income (B+C+D+E+F)								**58**
% of sales								2.2%
Finance income								154
Finance costs								(181)
Taxes								(11)
Net profit/(loss)								**20**
% of sales								0.8%
Attributable to:								
Owners of the parent								23
Non-controlling interests								(3)

[1] Sales of the operating segments and business areas are reported net of intercompany transactions and net of transactions between operating segments, consistent with the presentation adopted in the regularly reviewed reports.

E.2 GEOGRAPHICAL AREAS

The following table presents sales of goods and services by geographical area:

(Euro/million)

	3 months 2021	3 months 2020
Sales	**2,810**	**2,587**
EMEA*	**1,463**	**1,375**
(of which Italy)	232	256
North America	**885**	**864**
Latin America	**233**	**180**
Asia Pacific	**229**	**168**

(*) EMEA = Europe, Middle East and Africa

1. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Details of these line items and related movements are as follows:

(Euro/million)

	Property, plant and equipment	Intangible assets	*of which Goodwill*
Balance at 31 December 2020	**2,648**	**1,997**	***1,508***
Movements in 2021:			
- Business combinations	8	56	*55*
- Investments	25	5	-
- Increases for leases (IFRS 16)	5	-	-
- Disposals	(1)		
- Depreciation and amortisation	(62)	(16)	-
- Currency translation differences	46	59	*44*
- Monetary revaluation for hyperinflation	1	-	-
- Other	(1)	-	-
Balance at 31 March 2021	**2,669**	**2,101**	***1,607***
Of which:			
- Historical cost	4,716	2,691	*1,627*
- Accumulated depreciation/amortisation and impairment	(2,047)	(590)	*(20)*
Net book value	**2,669**	**2,101**	***1,607***

(Euro/million)

	Property, plant and equipment	Intangible assets	*of which Goodwill*
Balance at 31 December 2019	**2,804**	**2,154**	***1,590***
Movements in 2020:			
- Investments	38	4	-
- Depreciation and amortisation	(62)	(18)	-
- Currency translation differences	(39)	29	*22*
- Monetary revaluation for hyperinflation	1	-	-
- Other	5	-	-
Balance at 31 March 2020	**2,747**	**2,169**	***1,612***
Of which:			
- Historical cost	4,487	2,691	*1,632*
- Accumulated depreciation/amortisation and impairment	(1,740)	(522)	*(20)*
Net book value	**2,747**	**2,169**	***1,612***

Investments in the first three months of 2021 amount to Euro 30 million, of which Euro 25 million in Property, plant and equipment and Euro 5 million in Intangible assets.

This expenditure is analysed as follows:

- 59%, or Euro 18 million, for projects to increase and rationalise production capacity and develop new products;
- 7%, or Euro 2 million, for projects to improve industrial efficiency;
- 34%, or Euro 10 million, for IT implementation projects and structural work.

As for investments in Intangible assets, the figure refers entirely to IT development and implementation projects.

Right-of-use assets under IFRS 16 - Leases

The following table summarises the effects of IFRS 16 on the statement of financial position at 31 March 2021:

(Euro/million)

	31.03.2021	IFRS 16 effects	31.03.2021 with IFRS 16
Non-current assets			
Property, plant and equipment	2,493	176	2,669
Total assets	**2,493**	**176**	**2,669**
Non-current liabilities			
Borrowings from banks and other lenders	3,198	130	3,328
Current liabilities			
Borrowings from banks and other lenders	330	50	380
Total liabilities	**3,528**	**180**	**3,708**

Since the effects of deferred tax assets and liabilities (duly offset) are not material, they have not been reported in the previous table.

The following table reports movements during 2021 in right-of-use assets recognised in Property, plant and equipment in accordance with IFRS 16:

(Euro/million)

	Right-of-use assets IFRS 16
Balance at 31 December 2020	**180**
Movements in 2021:	
- Investments (Divestments), net	5
- Depreciation	(13)
- Currency translation differences and other movements	4
Balance at 31 March 2021	**176**
Of which:	
- Historical cost	270
- Accumulated depreciation and impairment	(94)
Net book value	**176**

2. EQUITY-ACCOUNTED INVESTMENTS

Details are as follows:

(Euro/million)

	31.03.2021	31.12.2020
Investments in associates	326	312
Total equity-accounted investments	**326**	**312**

Investments in associates

Information about the main investments in associates:

Company name	Registered office	% owned
Yangtze Optical Fibre and Cable Joint Stock Limited Company	China	23.73%
Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd	China	42.80%
Kabeltrommel Gmbh & Co.K.G.	Germany	43.18%
Power Cables Malaysia Sdn Bhd	Malaysia	40.00%
Elkat Ltd.	Russia	40.00%

Yangtze Optical Fibre and Cable Joint Stock Limited Company is a Chinese company formed in 1988 whose shareholders are: China Huaxin Post and Telecommunication Technologies Co. Lt.d., HKSCC Nominees Limited, Wuhan Yangtze Communications Industry Group Company Ltd. and Prysmian Group. The company is one of the industry's most important manufacturers of optical fibre and cables. Its products and solutions are sold in more than 50 countries, including the United States, Japan, the Middle East and Africa.

The company was listed on the Main Board of the Hong Kong Stock Exchange in December 2014 and in July 2018 it was also listed on the Shanghai Stock Exchange.

At 31 March 2021, the fair value of the investment in Yangtze Optical Fibre and Cable Joint Stock Limited Company was Euro 202 million (based on the price quoted on the Hong Kong market), while its carrying amount was Euro 306 million (inclusive of Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd.), thus higher than fair value. However, this should not be treated as a lasting situation, also in light of the fact that it is only since the third quarter of 2020 that carrying amount has exceeded market value. This difference, moreover, is to be viewed as dependent on the current crisis triggered by the spread of the Covid-19 pandemic. This situation will continue to be monitored over the coming months.

Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd, formed in 2002 and based in Shanghai (China), is an associate company, 25% of whose share capital is held by Prysmian Group and 75% by Yangtze Optical Fibre and Cable Joint Stock Limited Company. The company specialises in the manufacture and sale of optical fibre and cables, offering a wide range of optical fibre cables and accessories, services and FTTx solutions.

Kabeltrommel Gmbh & Co. K.G. is a German company that heads a consortium for the production, procurement, management and sale of disposable and reusable cable carrying devices (drums). The services offered by the company include both the sale of cable drums, and the complete management of logistics services such as drum shipping, handling and subsequent retrieval. The company operates primarily in the German market.

Power Cables Malaysia Sdn Bhd is based in Malaysia. The company, a leader in the local market, manufactures and sells power cables and conductors.

Elkat Ltd. is based in Russia and manufactures and sells copper conductors; it is the only company certified by the LME to test copper cathodes for the local market.

The change in Investments in associates during the period is not significant, with the Group's share of profit or loss of associates having offset the dividends collected from them.

3. TRADE AND OTHER RECEIVABLES

Details are as follows:

(Euro/million)

			31.03.2021
	Non-current	**Current**	**Total**
Trade receivables	1	1,849	1,850
Allowance for doubtful accounts	(1)	(94)	(95)
Total trade receivables	**-**	**1,755**	**1,755**
Other receivables:			
Tax receivables	10	237	247
Financial receivables	2	8	10
Prepaid finance costs	2	2	4
Receivables from employees	1	-	1
Pension plan receivables	-	3	3
Construction contracts	-	175	175
Advances to suppliers	4	27	31
Other	9	88	97
Total other receivables	**28**	**540**	**568**
Total	**28**	**2,295**	**2,323**

(Euro/million)

			31.12.2020
	Non-current	**Current**	**Total**
Trade receivables	1	1,468	1,469
Allowance for doubtful accounts	(1)	(94)	(95)
Total trade receivables	-	**1,374**	**1,374**
Other receivables:			
Tax receivables	6	228	234
Financial receivables	2	4	6
Prepaid finance costs	3	2	5
Receivables from employees	1	4	5
Pension plan receivables	-	3	3
Construction contracts	-	162	162
Advances to suppliers	4	21	25
Other	14	68	82
Total other receivables	**30**	**492**	**522**
Total	**30**	**1,866**	**1,896**

4. INVENTORIES

Details are as follows:

(Euro/million)

	31.03.2021	31.12.2020
Raw materials	508	432
of which allowance for obsolete and slow-moving raw materials	(58)	(52)
Work in progress and semi-finished goods	468	370
of which allowance for obsolete and slow-moving work in progress and semi-finished goods	(17)	(16)
Finished goods (*)	826	729
of which allowance for obsolete and slow-moving finished goods	*(78)*	*(79)*
Total	**1,802**	**1,531**

(*) Finished goods also include goods for resale.

5.DERIVATIVES

Details are as follows:

(Euro/million)

	31.03.2021	
	Asset	**Liability**
Non-current		
Interest rate derivatives (cash flow hedges)	-	12
Forward currency contracts on commercial transactions (cash flow hedges)	1	1
Metal derivatives (cash flow hedges)	73	1
Total hedging derivatives	**74**	**14**
Forward currency contracts on commercial transactions	1	-
Metal derivatives	2	-
Total other derivatives	**3**	**-**
Total non-current	**77**	**14**
Current		
Interest rate derivatives (cash flow hedges)	-	5
Forward currency contracts on commercial transactions (cash flow hedges)	5	6
Metal derivatives (cash flow hedges)	79	10
Total hedging derivatives	**84**	**21**
Forward currency contracts on commercial transactions	8	7
Forward currency contracts on financial transactions	6	3
Metal derivatives	32	5
Total other derivatives	**46**	**15**
Total current	**130**	**36**
Total	**207**	**50**

(Euro/million)

	31.12.2020	
	Asset	**Liability**
Non-current		
Interest rate derivatives (cash flow hedges)	-	12
Forward currency contracts on financial transactions (cash flow hedges)	2	-
Metal derivatives (cash flow hedges)	40	-
Total hedging derivatives	**42**	**12**
Metal derivatives	2	1
Total other derivatives	**2**	**1**
Total non-current	**44**	**13**
Current		
Interest rate derivatives (cash flow hedges)	-	7
Forward currency contracts on commercial transactions (cash flow hedges)	6	3
Metal derivatives (cash flow hedges)	40	6
Total hedging derivatives	**46**	**16**
Forward currency contracts on commercial transactions	4	10
Forward currency contracts on financial transactions	4	9
Metal derivatives	28	11
Total other derivatives	**36**	**30**
Total current	**82**	**46**
Total	**126**	**59**

Interest rate derivatives designated as cash flow hedges refer to:

- interest rate swaps, for an overall notional value of Euro 1,000 million, with the objective of hedging variable rate interest flows for the period 2018-2023 on financing contracted by the Group to acquire General Cable;

- interest rate swaps for an overall notional value of Euro 110 million, with the objective of hedging variable rate interest flows over the period 2018-2024;
- interest rate swaps for an overall notional value of Euro 100 million, with the objective of hedging variable rate interest flows over the period 2020-2024;
- interest rate swaps for an overall notional value of Euro 75 million, with the objective of hedging variable rate interest flows over the period 2021-2025.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss, amounting to Euro 215 million (Euro 20 million at 31 December 2020), include Euro 200 million in money market funds in which the Parent Company has invested its liquidity, with the remainder referring to funds in which the Brazilian and Argentine subsidiaries have temporarily invested their liquidity.

7. CASH AND CASH EQUIVALENTS

Details are as follows:

(Euro/million)

	31.03.2021	31.12.2020
Cash and cheques	1	1
Bank and postal deposits	1,151	1,162
Total	**1,152**	**1,163**

Cash and cash equivalents, deposited with major financial institutions, are managed centrally through the Group's treasury company and in its various operating units.

Cash and cash equivalents managed by the Group's treasury company amount to Euro 730 million at 31 March 2021, while at 31 December 2020 the figure was Euro 797 million.

8. SHARE CAPITAL AND RESERVES

Consolidated equity has recorded a positive change of Euro 325 million since 31 December 2020, mainly reflecting the net effect of:

- positive currency translation differences of Euro 151 million;
- the positive post-tax change of Euro 50 million in the fair value of derivatives designated as cash flow hedges;
- recognition of an equity component of Euro 49 million upon issuing a convertible bond;
- the negative impact on equity of Euro 13 million after partially redeeming the Convertible Bond;
- a positive change of Euro 8 million in the share-based compensation reserve linked to stock option plans;
- the net profit for the period of Euro 78 million;
- an increase of Euro 4 million for the effects of hyperinflation;
- a decrease of Euro 2 million for dividends declared.

At 31 March 2021, the share capital of Prysmian S.p.A. comprises 268,144,246 shares, each of nominal value Euro 0.10 for a total of Euro 26,814,424.60.

Movements in the ordinary shares and treasury shares of Prysmian S.p.A. are reported in the following table:

	Ordinary shares	Treasury shares	Total
Balance at 31 December 2019	**268,144,246**	**(4,891,162)**	**263,253,084**
Allotments and sales [1]	-	131,729	131,729
Balance at 31 December 2020	**268,144,246**	**(4,759,433)**	**263,384,813**
Allotments and sales	-	-	-
Balance at 31 March 2021	**268,144,246**	**(4,759,433)**	**263,384,813**

[1] Allotment and/or sale of treasury shares under the YES Group employee share purchase plan (131,729 shares).

Treasury shares

The following table reports movements in treasury shares during the period:

	Number of shares	Total nominal value (in Euro)	% of share capital	Average unit value (in Euro)	Total carrying value (in Euro)
Balance at 31 December 2019	**4,891,162**	**489,117**	**1.82%**	**20.33**	**99,440,992**
- Allotments and sales	(131,729)	(13,173)	-	19.92	(2,624,042)
Balance at 31 December 2020	**4,759,433**	**475,944**	**1.77%**	**20.34**	**96,816,950**
- Allotments and sales	-	-	-	-	-
Balance at 31 March 2021	**4,759,433**	**475,944**	**1.77%**	**20.34**	**96,816,950**

9. BORROWINGS FROM BANKS AND OTHER LENDERS

Details are as follows:

(Euro/million)

			31.03.2021
	Non-current	**Current**	**Total**
Borrowings from banks and other lenders	295	60	355
Term Loan	997	3	1,000
Unicredit Loan	200	1	201
Mediobanca Loan	100	-	100
Intesa Loan	150	1	151
Non-convertible bond	749	18	767
Convertible Bond 2021	699	-	699
Convertible Bond 2017	-	246	246
Lease liabilities	138	51	189
Total	**3,328**	**380**	**3,708**

(Euro/million)

			31.12.2020
	Non-current	**Current**	**Total**
Borrowings from banks and other lenders	219	60	279
Term Loan	996	1	997
Unicredit Loan	200	-	200
Mediobanca Loan	100	-	100
Intesa Loan	150	-	150
Non-convertible bond	748	14	762
Convertible Bond 2021	-	-	-
Convertible Bond 2017	489	-	489
Lease liabilities	143	52	195
Total	**3,045**	**127**	**3,172**

Borrowings from banks and other lenders and Bonds are analysed as follows:

(Euro/million)

	31.03.2021	31.12.2020
CDP Loans	174	100
EIB Loans	110	118
Term Loan	1,000	997
Unicredit Loan	201	200
Mediobanca Loan	100	100
Intesa Loan	151	150
Other borrowings	71	61
Borrowings from banks and other lenders	**1,807**	**1,726**
Non-convertible bond	767	762
Convertible Bond 2021	699	-
Convertible Bond 2017	246	489
Total	**3,519**	**2,977**

The Group's principal credit agreements in place at the reporting date are as follows:

Revolving Credit Facility 2019

On 3 April 2019, the Group renewed a Euro 1,000 million five-year revolving credit facility with a syndicate of leading Italian and international banks. The funds are available for business and working capital needs, including the refinancing of existing facilities. The Revolving Credit Facility

2019 can also be used for the issue of guarantees. At 31 March 2021, this facility was not being used.

CDP Loans

On 28 October 2019, the Group entered into an agreement with Cassa Depositi e Prestiti S.p.A. (CDP) for a Euro 100 million long-term loan for 4 years and 6 months from the date of signing, with a bullet repayment at maturity. The purpose of this loan is to finance part of the Group's capital expenditure and expenditure on research, development and innovation in Italy and Europe. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 100 million, with the objective of hedging variable rate interest flows over the period 2020-2024.

On 28 January 2021, a second loan was agreed with CDP for Euro 75 million for a term of 4 years and 6 months, for the purpose of financing part of the Group's expenditure to purchase the "Leonardo Da Vinci" cable-laying vessel.

This loan was drawn down in its entirety on 9 February 2021, with a bullet repayment envisaged at maturity on 28 July 2025. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 75 million, with the objective of hedging variable rate interest flows over the period 2021-2025.

At 31 March 2021, the fair value of the CDP Loans approximates their related carrying amount.

EIB Loans

On 18 December 2013, Prysmian S.p.A. entered into a first loan agreement with the European Investment Bank (EIB) for Euro 100 million, to fund the Group's research & development (R&D) programmes in Europe over the period 2013-2016.

The EIB Loan was particularly intended to support projects developed in the Group's R&D centres in six countries (France, Great Britain, the Netherlands, Spain, Germany and Italy) and represented about 50% of the Prysmian Group's investment expenditure in Europe during the period concerned.

The EIB Loan, received on 5 February 2014, is repayable in 12 equal half-yearly instalments commencing 5 August 2015 and ending 5 February 2021. This loan has therefore been repaid in full as at 31 March 2021.

On 10 November 2017, Prysmian S.p.A. entered into a second loan agreement with the EIB for Euro 110 million to support the Group's R&D programmes in Europe over the period 2017-2020. The loan was received on 29 November 2017 and involves a bullet repayment at maturity on 29 November 2024. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 110 million, with the objective of hedging variable rate interest flows over the period 2018-2024.

At 31 March 2021, the fair value of the EIB Loan approximates its related carrying amount.

Term Loan

The Term Loan was drawn down by the Group in June 2018 for the purpose of having the necessary financial resources to pay the General Cable purchase consideration, to refinance the existing debt of General Cable and its subsidiaries and to finance acquisition-related fees, commissions, costs and expenses. The Term Loan is for Euro 1 billion and is repayable on the fifth anniversary of the acquisition closing date (6 June 2023).

The interest rates applied are indexed to 6M and 3M Euribor, as the company so chooses. The line was drawn down in full upon acquiring General Cable.

At 31 March 2021, the fair value of the Term Loan approximates its carrying amount.

Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 1,000 million, with the objective of hedging variable rate interest flows.

Unicredit Loan

On 15 November 2018, Prysmian S.p.A. entered into an agreement with Unicredit for a long-term cash loan for a maximum amount of Euro 200 million for 5 years from the date of signing. The loan was drawn down in full on 16 November 2018 and is repayable in a lump sum at maturity. The interest rate applied is indexed to 6M and 3M Euribor, as the company so chooses. At 31 March 2021, the fair value of this loan approximates its carrying amount.

Mediobanca Loan

On 20 February 2019, the Group entered into an agreement with Mediobanca for a Euro 100 million long-term loan for 5 years from the date of signing. The loan was drawn down in full on 22 February 2019 and is repayable in a lump sum at maturity. The interest rate applied is indexed to 6M and 3M Euribor, as the company so chooses. The fair value of the loan approximates its carrying amount.

Intesa Loan

On 11 October 2019, the Group entered into an agreement with Intesa Sanpaolo for a Euro 150 million long-term loan for 5 years from the date of signing. The loan was drawn down in full on 18 October 2019 and is repayable in a lump sum at maturity. The fair value of the loan approximates its carrying amount.

The fair value of the loans has been determined using valuation techniques that refer to observable market data (Level 2 of the fair value hierarchy).

The following table summarises the committed lines available to the Group at 31 March 2021 and 31 December 2020:

(Euro/million)

			31.03.2021
	Total lines	**Drawn**	**Undrawn**
Revolving Credit Facility 2019	1,000	-	1,000
Term Loan	1,000	(1,000)	-
CDP Loans	175	(175)	-
Unicredit Loan	200	(200)	-
Intesa Loan	150	(150)	-
EIB Loan	110	(110)	-
Mediobanca Loan	100	(100)	-
Total	**2,735**	**(1,735)**	**1,000**

(Euro/million)

			31.12.2020
	Total lines	**Drawn**	**Undrawn**
Revolving Credit Facility 2019	1,000	-	1,000
Term Loan	1,000	(1,000)	-
CDP Loans	100	(100)	-
Unicredit Loan	200	(200)	-
Intesa Loan	150	(150)	-
EIB Loans	118	(118)	-
Mediobanca Loan	100	(100)	-
Total	**2,668**	**(1,668)**	**1,000**

Bonds

As at 31 March 2021, Prysmian Group has the bond issues in place described in the following paragraphs.

Non-convertible bond issued in 2015

On 30 March 2015, Prysmian S.p.A. completed the placement with institutional investors of an unrated bond, on the Eurobond market, for a total nominal value of Euro 750 million. The bond, with an issue price of Euro 99.002, has a 7-year maturity and pays a fixed annual coupon of 2.50%. The individual bonds, maturing on 11 April 2022, have minimum denominations of Euro 100,000, plus integral multiples of Euro 1,000.

The bond settlement date was 9 April 2015. The bond was admitted to the Luxembourg Stock Exchange, where it is traded on the related regulated market.

At 31 March 2021, the non-convertible bond has a fair value of Euro 767 million. Fair value has been determined with reference to the quoted price in the relevant market (Level 1 of the fair value hierarchy).

Convertible Bond 2017

On 12 January 2017, the Board of Directors approved the placement of an equity-linked bond, known as "Prysmian S.p.A. Euro 500 million Zero Coupon Equity Linked Bonds due 2022" maturing 17 January 2022 and reserved for institutional investors. The bond settlement date was 17 January 2017.

At the meeting held on 12 April 2017, the Company's shareholders authorised:

- the convertibility of the Equity-Linked Bond;
- the proposal to increase share capital for cash, in single or multiple issues with the exclusion of pre-emptive rights, by a maximum nominal amount of Euro 1,457,942.70, by issuing, in single or multiple instalments, up to 14,579,427 ordinary shares of the Company, with the same characteristics as its other outstanding ordinary shares, exclusively and irrevocably to serve the Bond's conversion.

The conversion price of the bonds of Euro 34.2949 was set by applying a 41.25% premium to the weighted average price of the Company's ordinary shares recorded on the Milan Stock Exchange between the start and end of the book-building process during the morning of 12 January 2017. The bond matures in 2022.

In addition there is an option to call all (but not just a part) of the outstanding bonds at their principal amount from 1 February 2020, should the value of the shares exceed 130% of the conversion price for a specified period of time.

On 30 May 2017, the Bond was admitted to trading on the Third Market (a multilateral trading facility or MTF) on the Vienna Stock Exchange.

The accounting treatment for the five-year Convertible Bond 2017 has resulted in the recognition of an equity component of Euro 48 million and a debt component of Euro 452 million, determined at the bond issue date.

On 26 January 2021, the Group announced a partial buyback of bonds included in its Euro 500 million zero-coupon equity-linked issue.

The total principal of the 2017 Bonds which the Company repurchased was equal to Euro 250,000,000 representing 50% of the 2017 Bonds initially issued, at a repurchase price ("Repurchase Price") of Euro 104,250 per Euro 100,000 face value of the 2017 Bonds.

The buyback of 50% of the five-year Convertible Bond 2017 involved an outlay of Euro 261 million, against a reduction of Euro 245 million in financial debt and of Euro 13 million in equity and recognition of a Euro 2 million negative component in profit or loss.

The values of the Convertible Bond 2017 at 31 March 2021 are summarised in the following table:

(Euro/million)	
Issue value of convertible bond	500
Equity reserve for convertible bond	(48)
Issue date net balance	**452**
Interest - non-monetary	42
Redemption of 50% of convertible bond	(261)
Change in equity upon redemption	13
Balance at 31 March 2021	**246**

At 31 March 2021, the fair value of the Convertible Bond 2017 (equity component and debt component) is Euro 252 million, almost all of which attributable to the debt component. In the absence of trading on the relevant market, the fair value of the bond's debt and equity components has been determined using valuation techniques that refer to observable market data (Level 2 of the fair value hierarchy).

General Cable bond

This convertible bond, originating from the acquisition of General Cable, was issued on 18 December 2009 for an amount of USD 429.5 million; it allowed bondholders the option, in the event of an acquisition, to request repayment of the nominal value plus a premium. The Bond was almost fully redeemed in the two months following the acquisition, with the remaining debt at 31 March 2021 standing at USD 0.4 million.

Convertible Bond 2021

On 26 January 2021, the Group announced the successful placement (the "Placement") of an equity-linked bond (the "Bonds") for an amount of Euro 750 million.

The Bonds, with a 5-year maturity from 2 February 2021 and minimum denomination of Euro 100,000 each, are zero coupon. The issue price is Euro 102.50, representing a yield to maturity of minus 0.49% per annum. The initial price for the conversion of the Bonds into the Company's ordinary shares is Euro 40.2355, representing a 47.50% premium on the weighted average price by volume of Prysmian ordinary shares on the Milan Stock Exchange between the start and end of the book-building process.

The Group will have the option to redeem all - but not only some - of the Bonds at their principal amount from 12 February 2024, should the value of the new and/or existing ordinary shares exceed 130% of the conversion price for a specified period of time.

On the issue date of 2 February 2021, an increase in cash and cash equivalents was recorded for a total of Euro 768 million, against a corresponding increase in financial debt, of which Euro 703 million for the bond's debt component and Euro 65 million for the conversion option.

The change in the conversion option's fair value of Euro 16 million has been recognised in profit and loss.

Other borrowings from banks and other lenders and Lease liabilities

The following tables report movements in Borrowings from banks and other lenders:

(Euro/million)

	CDP Loans	EIB Loans	Conv. Bonds	Non-conv. Bond	Term Loan	Unicredit, Mediobanca and Intesa Loans	Other borrowings/ Lease liabilities	Total
Balance at 31 December 2020	**100**	**118**	**489**	**762**	**997**	**450**	**256**	**3,172**
Business combinations	-	-	-	-	-	-	3	3
Currency translation differences	-	-	-	-	-	-	2	2
New funds	75	-	703	-	-	-	30	808
Repayments	-	(8)	(245)	-	-	-	(36)	(289)
Amortisation of bank and financial fees and other expenses	(1)	-	(4)	-	1	-	-	(4)
IFRS 16	-	-	-	-	-	-	5	5
Interest and other movements	-	-	2	5	2	2	-	11
Balance at 31 March 2021	**174**	**110**	**945**	**767**	**1,000**	**452**	**260**	**3,708**

(Euro/million)

	CDP Loans	EIB Loans	Conv. Bonds	Non-conv. Bond	Term Loan	Unicredit, Mediobanca and Intesa Loans	Other borrowings/ Lease liabilities	Total
Balance at 31 December 2019	**200**	**135**	**478**	**760**	**996**	**448**	**227**	**3,244**
Currency translation differences	-	-	-	-	-	-	1	1
New funds	-	-	-	-	-	-	39	39
Repayments	-	(8)	-	-	-	-	(26)	(34)
Interest and other movements	-	-	2	6	3	2	-	13
Balance at 31 March 2020	**200**	**127**	**480**	**766**	**999**	**450**	**241**	**3,263**

NET FINANCIAL DEBT

(Euro/million)

	Note	31.03.2021	31.12.2020
CDP Loans	9	174	100
EIB Loans	9	110	110
Non-convertible bond	9	749	748
Convertible Bond 2021	9	699	-
Convertible Bond 2017	9	-	489
Term Loan	9	997	996
Unicredit Loan	9	200	200
Mediobanca Loan	9	100	100
Intesa Loan	9	150	150
Lease liabilities	9	138	143
Interest rate swaps	5	12	12
Other financial payables	9	11	9
Total long-term financial payables		**3,340**	**3,057**
EIB Loans	9	-	8
Non-convertible bond	9	18	14
Convertible Bond 2017	9	246	-
Term Loan	9	3	1
Unicredit Loan	9	1	-
Intesa Loan	9	1	-
Lease liabilities	9	51	52
Interest rate swaps	5	5	7
Forward currency contracts on financial transactions	5	3	9
Other financial payables	9	60	52
Total short-term financial payables		**388**	**143**
Total financial liabilities		**3,728**	**3,200**
Long-term financial receivables	3	2	2
Long-term bank fees	3	2	3
Financial assets at amortised cost		4	4
Forward currency contracts on financial transactions (current)	5	6	4
Short-term financial receivables	3	8	4
Short-term bank fees	3	2	2
Financial assets at fair value through profit or loss	6	215	20
Financial assets at fair value through other comprehensive income		11	11
Financial assets held for sale	-	1	1
Cash and cash equivalents	7	1,152	1,163
Total financial assets		**1,403**	**1,214**
Net financial debt		**2,325**	**1,986**

The following table presents a reconciliation of the Group's net financial debt to the amount that must be reported in compliance with Consob notice n.5/21 of 29 April 2021 with regard of "Guidelines on disclosure requirements pursuant to the Prospectus Regulation" published by ESMA on 4 March 2021 with the document "ESAM32-383-1138":

(Euro/million)

	Note	31.03.2021	31.12.2020
Net financial debt - as reported above		**2,325**	**1,986**
Long-term financial receivables and other assets	3	6	6
Long-term bank fees	3	2	3
Financial derivatives assets non current	5	-	2
Recalculated net financial debt		**2,333**	**1,997**

10. TRADE AND OTHER PAYABLES

Details are as follows:

(Euro/million)

			31.03.2021
	Non-current	**Current**	**Total**
Trade payables	-	2,155	2,155
Total trade payables	**-**	**2,155**	**2,155**
Other payables:			
Tax and social security payables	1	209	210
Advances from customers	-	358	358
Payables to employees	1	155	156
Accrued expenses	-	113	113
Other	4	161	165
Total other payables	**6**	**996**	**1,002**
Total	**6**	**3,151**	**3,157**

(Euro/million)

			31.12.2020
	Non-current	**Current**	**Total**
Trade payables	-	1,958	1,958
Total trade payables	**-**	**1,958**	**1,958**
Other payables:			
Tax and social security payables	1	218	219
Advances from customers	-	408	408
Payables to employees	1	134	135
Accrued expenses	-	105	105
Other	4	130	134
Total other payables	**6**	**995**	**1,001**
Total	**6**	**2,953**	**2,959**

Trade payables include around Euro 176 million (Euro 340 million at 31 December 2020) for the supply of strategic metals (copper, aluminium and lead), whose payment terms are longer than normal for this type of transaction.

Advances from customers include the liability for construction contracts, amounting to Euro 338 million at 31 March 2021 and Euro 368 million at 31 December 2020. This liability represents the excess of amounts invoiced over costs incurred plus accumulated profits (or losses), recognised using the percentage of completion method.

11. PROVISIONS FOR RISKS AND CHARGES

Details are as follows:

(Euro/million)

			31.03.2021 (*)
	Non-current	Current	Total
Restructuring costs	-	29	29
Legal, contractual and other risks	23	340	363
Environmental risks	5	95	100
Tax risks	8	83	91
Total	**36**	**547**	**583**

(*) Provisions for risks at 31 March 2021 include Euro 124 million for contingent liabilities.

(Euro/million)

			31.12.2020 (*)
	Non-current	Current	Total
Restructuring costs	-	31	31
Legal, contractual and other risks	22	349	371
Environmental risks	5	92	97
Tax risks	12	80	92
Total	**39**	**552**	**591**

(*) Provisions for risks at 31 December 2020 include Euro 124 million for contingent liabilities.

The following table presents the movements in these provisions during the reporting period:

(Euro/million)

	Restructuring costs	Legal, contractual and other risks	Environ–mental risks	Tax risks	Total
Balance at 31 December 2020	**31**	**371**	**97**	**92**	**591**
Business combinations	-	1	-	-	1
Increases	1	6	-	-	7
Uses	(3)	(5)	-	(1)	(9)
Releases	-	(4)	-	-	(4)
Currency translation differences	-	3	3		6
Other	-	(9)	-	-	(9)
Balance at 31 March 2021	**29**	**363**	**100**	**91**	**583**

The provision for contractual, legal and other risks amounts to Euro 363 million at 31 March 2021 (Euro 371 million at 31 December 2020). This provision mainly includes provisions related to and arising from business combinations, provisions for risks on ongoing and completed contracts and the provision for Antitrust investigations, details of which now follow.

Antitrust - European Commission proceedings in the high voltage underground and submarine cables business

The European Commission started an investigation in late January 2009 into several European and Asian electrical cable manufacturers to verify the existence of alleged anti-competitive practices in the high voltage underground and submarine cables markets.

On 2 April 2014, the European Commission adopted a decision under which it found that, between 18 February 1999 and 28 January 2009, the world's largest cable producers, including

Prysmian Cavi e Sistemi S.r.l., had engaged in anti-competitive practices in the European market for high voltage submarine and underground power cables. The European Commission held Prysmian Cavi e Sistemi S.r.l. jointly liable with Pirelli & C. S.p.A. for the alleged infringement in the period 18 February 1999 - 28 July 2005, ordering them to pay a fine of Euro 67.3 million, and it held Prysmian Cavi e Sistemi S.r.l. jointly liable with Prysmian S.p.A. and The Goldman Sachs Group Inc. for the alleged infringement in the period 29 July 2005 - 28 January 2009, ordering them to pay a fine of Euro 37.3 million. Prysmian filed an appeal against this decision with the General Court of the European Union along with an application to intervene in the appeals respectively lodged by Pirelli & C. S.p.A. and The Goldman Sachs Group Inc. against the same decision. Both Pirelli & C. S.p.A. and The Goldman Sachs Group Inc. in turn submitted applications to intervene in the appeal brought by Prysmian against the European Commission's decision. The applications to intervene presented by Prysmian, Pirelli and The Goldman Sachs Group Inc. were accepted by the General Court of the European Union. Prysmian did not incur any financial outlay as a result of this decision having elected, pending the outcome of the appeals, to provide bank guarantees as security against payment of 50% of the fine imposed by the European Commission (amounting to approximately Euro 52 million) for the alleged infringement in both periods. As far as Prysmian is aware, Pirelli & C. S.p.A. also provided the European Commission with a bank guarantee for 50% of the value of the fine imposed for the alleged infringement in the period 18 February 1999 - 28 July 2005.

On 12 July 2018, the General Court of the European Union handed down its rulings on the appeals lodged by the Prysmian Group, including General Cable. These rulings dismissed the appeals and confirmed the previously imposed fines. Prysmian Group, including General Cable, disagreeing with the conclusions reached by the General Court of the European Union, presented an appeal to the Court of Justice of the European Union. The appeal filed by Prysmian was heard on 23 October 2019. In a ruling handed down on 14 November 2019, the Court of Justice of the European Union dismissed General Cable's appeal, thus conclusively confirming the fine previously imposed by the European Commission. As a result, the Group went ahead and paid a fine for Euro 2 million.

In rulings handed down on 24 September 2020, 28 October 2020 and 27 January 2021 respectively, the Court of Justice dismissed the appeals brought by Prysmian, Pirelli & C. S.p.A. and The Goldman Sachs Group Inc., thus upholding the liability and fine envisaged under the European Commission's original decision. Further to the ruling dismissing Prysmian's appeal, the European Commission requested Prysmian Group to pay the sum of approximately Euro 20 million, corresponding to half of the fine for the period from 29 July 2005 to 28 January 2009. Following the ruling dismissing the Pirelli appeal, the European Commission requested the Prysmian Group to pay the sum of approximately Euro 37 million, corresponding to half of the fine for the period from 18 February 1999 to 28 July 2005. Using the provisions already set aside in previous years, the Group made these payments within the required timeframe.

Pirelli & C. S.p.A. has brought a civil action against Prysmian Cavi e Sistemi S.r.l. in the Milan Courts, seeking to be held harmless for all claims made by the European Commission in implementation of its decision and for any expenses related to such implementation. Prysmian Cavi e Sistemi S.r.l. started legal proceedings in February 2015, requesting that the claims brought by Pirelli & C. S.p.A. be dismissed in their entirety and that it should be Pirelli & C. S.p.A. which holds harmless Prysmian Cavi e Sistemi S.r.l., with reference to the alleged infringement in the period 18 February 1999 - 28 July 2005, for all claims made by the European Commission in implementation of its decision and for any expenses related to such implementation. The proceedings were then stayed by order of the court concerned in April 2015, pending the outcome of the appeals made against the European Commission's decision by both Prysmian and Pirelli in the European Courts. Pirelli challenged this decision before the Court of Cassation, Italy's highest court of appeal, which confirmed the stay of execution ordered by the Milan Courts. Following the conclusion of the appeal proceedings before the European Court of Justice, Pirelli has resumed the legal action brought in the Court of Milan. This action has been recently combined with that brought by Pirelli & C. S.p.A. in October 2019, also before the Court of Milan, and which is discussed in the following paragraph on *"Antitrust - Claims for damages resulting from the European Commission's 2014 decision".*

Antitrust - Other proceedings in the high voltage underground and submarine cables business in jurisdictions other than the European Union

In Brazil, the local antitrust authority started an investigation into several manufacturers of high voltage underground and submarine cables, amongst whom Prysmian, notified of this investigation in 2011. Prysmian's preliminary defence was rejected by the local competition authority in a statement issued in February 2015. On 3 January 2019, the authority informed Prysmian that the pre-trial phase had been completed, in response to which Prysmian submitted its brief on 18 January 2019. On 11 February 2019, as a result of its investigation the general superintendence of the Brazilian antitrust authority (Administrative Council for Economic Defense – "CADE") published a statement of objections (Technical Note) in the Brazilian Federal Official Gazette.

On 15 April 2020, the CADE Tribunal issued the operative part of the decision under which it held Prysmian liable for the contested infringement in the period from February 2001 to March 2004 and ordered it to pay a fine of BRL 10.2 million (approximately Euro 1.8 million). Prysmian Group has filed an appeal against the CADE ruling.

Antitrust - Claims for damages resulting from the European Commission's 2014 decision

During 2015, National Grid and Scottish Power, two British operators, filed claims in the High Court of London against certain cable manufacturers, including Prysmian Group companies, to obtain compensation for damages purportedly suffered as a result of the alleged anti-competitive practices fined by the European Commission in the decision adopted in April 2014. On 29 July 2020, an agreement was finalised between Prysmian Group and Scottish Power to settle the dispute out of court. On 10 November 2020, an agreement was also finalised between Prysmian Group and National Grid to settle the dispute out of court. The pending legal actions have therefore been abandoned and will no longer be pursued. In both cases, the provisions set aside by the Group were sufficient to cover the amounts negotiated in settlement.

During the first few months of 2017, in addition to those mentioned in the preceding paragraph, other operators belonging to the Vattenfall Group filed claims in the High Court of London against certain cable manufacturers, including companies in the Prysmian Group, to obtain compensation for damages purportedly suffered as a result of the alleged anti-competitive practices fined by the European Commission.
During the month of June 2020, the Prysmian companies concerned presented their defence as well as serving a summons on another party to whom the EU decision was addressed.

On 2 April 2019, a writ of summons was served, on behalf of Terna S.p.A., on Pirelli, Nexans and companies in the Prysmian Group, demanding compensation for damages purportedly suffered as a result of the alleged anti-competitive practices fined by the European Commission in its April 2014 decision. This action has been brought before the Court of Milan. On 24 October 2019, the Prysmian Group companies concerned responded by presenting their preliminary defence. By an order dated 3 February 2020, the Court upheld the points raised by the defendants, giving Terna until 11 May 2020 to complete its writ of summons and scheduling a hearing for 20 October 2020. Terna duly completed its summons, which was filed within the required deadline.

In addition, on 4 April 2019, the Group learned that the following legal actions had been brought in the Court of London, both of which involving claims for damages purportedly suffered as a result of the alleged anti-competitive practices fined by the European Commission:

- action by Scottish and Southern Energy (SSE) Group companies against certain Prysmian Group companies involving a series of onshore and submarine projects. On 5 September 2019, a writ of summons was served in which the plaintiffs substantiated and quantified their claim for damages. On 5 November 2019, the Prysmian Group companies concerned responded by presenting their preliminary defence.
- action by Greater Gabbard Offshore Winds Limited and SSE companies against certain Group companies. On 5 September 2019, a writ of summons was served in which the plaintiffs substantiated and quantified their claim for damages. On 5 November 2019, the Prysmian Group companies concerned responded by presenting their preliminary defence.

On 23 April 2020, the initial hearing was held for both the above proceedings, which are being dealt with jointly and are now in the pre-trial phase.

On 2 April 2019, a writ of summons was served, on behalf of Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, on certain cable manufacturers, including companies in the Prysmian Group, on Pirelli & C. S.p.A. and The Goldman Sachs Group Inc. This action, brought in the Court of Amsterdam, once again involved a claim for compensation for damages purportedly suffered as a result of the alleged anti-competitive practices fined by the European Commission. On 18 December 2019, the Prysmian Group companies concerned presented their preliminary defence, the hearing of which took place on 8 September 2020, at the end of which the judge reserved passing judgement. On 25 November 2020, the Court of Amsterdam handed down a ruling under which it upheld the submissions made and declined jurisdiction over defendants not based in the Netherlands, thus excluding them from the proceedings. On 19 February 2021, the plaintiffs announced that they had filed an appeal against this ruling.

In view of the circumstances described, the Directors, also assisted by their legal advisors, have recognised a level of provisions deemed appropriate to cover the potential liabilities related to the matters in question.

Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l. were summoned by Nexans France SAS and Nexans SA to appear before the Court of Dortmund (Germany) in notifications dated 24 and 25 May 2018 respectively. The plaintiffs have asked the Court concerned to ascertain the existence of joint and several liability between Prysmian S.p.a. and Prysmian Cavi e Sistemi S.r.l., on the one hand, and Nexans France SAS and Nexans SA, on the other, for any damages suffered by third parties in Germany as a result of the alleged cartel in the market for high voltage underground and submarine power cables condemned in the European Commission's decision. The Court concerned issued a stay of execution dated 3 June 2019 pending the outcome of the appeal against the European Commission's decision brought before the European Courts by both Prysmian and Nexans. Following the conclusion of the appeal proceedings pending before the European Court of Justice, Nexans has resumed the previously stayed legal action.

On 2 April 2019, certain Group companies received a letter sent on behalf of Tennet TSO BV claiming compensation for damages purportedly suffered as a result of the alleged anti-competitive practices fined by the European Commission. However, the letter does not include any quantification of the damages and explicitly states that its purpose, among others, is to avoid expiry of the statute of limitations.

Even though a negative outcome is considered likely, the Directors have been unable to estimate the amount to provide against this and the other actions listed above because the plaintiffs have not quantified their claims.

Lastly, Prysmian Cavi e Sistemi S.r.l. and Prysmian S.p.A. were served with a writ of summons on 24 October 2019 from Pirelli & C. S.p.A. in which the latter seeks to be released from any third-party claim for damages relating to the practices forming the subject of the European Commission's decision and to be compensated for the damages allegedly incurred and quantified, which it has suffered through Prysmian having sought, in certain pending proceedings, to attribute liability to Pirelli for the illegal practices determined by the European Commission in the period from 1999 to 2005. In November 2020, the Group companies filed an action requesting that the claims brought by Pirelli & C. S.p.A. be rejected in their entirety and that it be Pirelli & C. S.p.A. which should hold the Group companies harmless from any third-party claim for damages relating to the practices forming the subject of the European Commission's decision. This action has been recently combined with that brought by Pirelli & C. S.p.A. in November 2014, also before the Court of Milan, and which is discussed in the earlier paragraph on *"Antitrust - European Commission proceedings in the high voltage underground and submarine cables business".*
Based on the information currently available, and believing this potential liability unlikely to crystallise, the Directors are of the opinion not to make any provision.

Antitrust - Other claims for damages

On 22 March 2019, National Grid communicated that it had brought a new action in the High Court of London against certain Group companies in which it claims compensation for damages purportedly suffered through alleged anti-competitive practices employed over a period running from the 1970s until 1997. On 10 November 2020, the parties reached an agreement under which the dispute was settled out of court. The pending legal action has therefore been abandoned and will no longer be pursued.

Antitrust - Other investigations

At the end of February 2016, the Spanish antitrust authorities initiated proceedings to verify the existence of anti-competitive practices by local low voltage cable manufacturers and distributors, including the Group's local subsidiaries. The Spanish competition authority then sent a statement of objections to some of the Group's local subsidiaries in January 2017.
On 24 November 2017, the local competition authority notified the Group's Spanish subsidiaries of a decision under which they were held liable for the alleged infringements in the period from June 2002 to June 2015 and were jointly and severally ordered to pay a fine of Euro 15.6 million.

The Group's Spanish subsidiaries have appealed against this decision. The appeal decision is still pending.
The decision of 24 November 2017 also held the Spanish subsidiaries of General Cable liable for breach of local antitrust law. However, they have obtained immunity from paying the related fine (quantified at about Euro 12.6 million) having filed for leniency and collaborated with the local competition authority in its investigations. The Spanish subsidiaries of General Cable have also appealed against the decision of the local competition authority; the appeal decision is still pending.

As at the date of writing the present report, the Chilean Antitrust Authority is conducting an investigation into the Chilean subsidiary Colada Continua Chilena S.A..

In view of the circumstances described, the Directors, also assisted by their legal advisors and in consistency with the accounting policies, have adjusted the related provisions for risks to a level deemed appropriate to cover the potential liabilities for the matters in question.

Antitrust - Claims for damages ensuing from other investigations
In February 2020, a writ of summons was served on a number of cable manufacturers, including Prysmian Group's Spanish subsidiaries, under which companies belonging to the Iberdrola Group have claimed compensation for damages supposedly suffered as a result of the alleged anti-competitive practices condemned by the Spanish competition authority in its decision of 24 November 2017. The case is pending before the Court of Barcelona.

In July 2020, a writ of summons was served on a number of cable manufacturers, including Prysmian Group's Spanish subsidiaries, under which companies belonging to the Endesa Group have claimed compensation for damages supposedly suffered as a result of the alleged anti-competitive practices condemned by the Spanish competition authority in its decision of 24 November 2017. The case is pending before the Court of Barcelona.

Based on the information currently available, and believing these potential liabilities unlikely to crystallise, the Directors are of the opinion not to make any provision.

As at 31 March 2021, the provision for the above Antitrust matters amounts to approximately Euro 122 million.
Despite the uncertainty of the outcome of the investigations and legal actions in progress, the amount of this provision is considered to represent the best estimate of the liability based on the information now available.

Warranty provisions

Provisions for legal, contractual and other risks include those for warranties against completed projects, among which the most significant is the warranty provision for the Western Link contract. In light of the agreement reached with the customer in January 2021, which revised the terms of the original contract and helped reduce the Group's risk exposure in this regard, potential liabilities arising from events that could occur during the warranty period are considered to be adequately covered by the provisions already set aside.

12. EMPLOYEE BENEFIT OBLIGATIONS

Details are as follows:

(Euro/million)

	31.03.2021	31.12.2020
Pension plans	423	419
Italian statutory severance benefit	15	15
Medical benefit plans	31	30
Termination and other benefits	42	42
Total	**511**	**506**

Movements in employee benefit obligations have had an overall impact of Euro 4 million on the period's income statement, of which Euro 3 million classified in Personnel costs and Euro 1 million in Finance costs.

The period average headcount and period-end closing headcount are shown below:

	3 months 2021	3 months 2020
Average number	28,879	28,640
	31.03.2021	**31.12.2020**
Closing number	29,398	28,321

13. OPERATING INCOME

Operating income is a profit of Euro 123 million in the first three months of 2021 (compared with a profit of Euro 58 million in the first three months of 2020) and is stated after the following adjustments:

(Euro/million)

	3 months 2021	3 months 2020
Company reorganisation [(1)]	(5)	(6)
Non-recurring (expenses)/income [(2)]	(2)	-
Other non-operating (expenses)/income [(3)]	(7)	(8)
Total adjustments	**(14)**	**(14)**

[(1)] Income and expense for company reorganisation: these refer to income and expense that arise as a result of the closure of production facilities and/or as a result of projects to enhance the organisational structure's efficiency;

[(2)] Non-recurring income and expense: these refer to income and expense related to unusual events that have not affected the income statement in past periods and that will probably not affect the results in future periods;

[(3)] Other non-operating income and expense: these refer to income and expense that management considers should not be taken into account when measuring business performance.

14. FINANCE COSTS AND INCOME

Finance costs are detailed as follows:

(Euro/million)

	3 months 2021	3 months 2020
Interest on loans	4	4
Interest on non-convertible bond	5	5
Interest on Convertible Bond 2021 - non-monetary component	1	-
Interest on Convertible Bond 2017 - non-monetary component	2	2
Finance costs for partial redemption of convertible bond 2017	2	-
Interest Rate Swaps	2	2
Interest on lease liabilities	1	1
Amortisation of bank and financial fees and other expenses	1	1
Employee benefit interest costs net of interest on plan assets	1	2
Other bank interest	1	1
Costs for undrawn credit lines	1	1
Sundry bank fees	5	6
Non-recurring other finance costs	-	1
Other	1	2
Finance costs	**27**	**28**
Foreign currency exchange losses	180	153
Total finance costs	**207**	**181**

Finance income is detailed as follows:

(Euro/million)

	3 months 2021	3 months 2020
Interest income from banks and other financial institutions	1	1
Non-recurring finance income	16	-
Other finance income	-	1
Finance income	**17**	**2**
Net gains on forward currency contracts	14	10
Gains on derivatives	**14**	**10**
Foreign currency exchange gains	163	142
Total finance income	**194**	**154**

Non-recurring finance income of Euro 16 million refers to the change in fair value of the option to convert the Convertible Bond 2021.

15. TAXES

Taxes have been estimated on the basis of the expected average tax rate for the full year. The tax charge for the first three months of 2021 is Euro 32 million, while the tax rate is approximately 29%.

16. EARNINGS/(LOSS) PER SHARE

Both basic and diluted earnings (loss) per share have been calculated by dividing the net result for the period attributable to owners of the parent by the average number of the Company's outstanding shares.

Diluted earnings/(loss) per share have been affected by the options under the employee stock ownership plan (YES Plan) as well as by the deferred shares and matching shares that have vested for 2020 under the Long-Term Incentive Plan 2020-2022. Diluted earnings/(loss) per share have not however been impacted by the Convertible Bond 2017 or the Convertible Bond 2021, whose conversion is currently out of the money or by the deferred shares and matching shares for 2021 and 2022 and the performance bonus options under the Long-Term Incentive Plan 2020-2022, since the target results achieved at 31 March 2021 have not yet triggered their allotment.

(Euro/million)

	3 months 2021	3 months 2020
Net profit/(loss) attributable to owners of the parent	76	23
Weighted average number of ordinary shares (thousands)	263,385	263,253
Basic earnings per share (in Euro)	**0.29**	**0.09**
Net profit/(loss) attributable to owners of the parent for purposes of diluted earnings per share	76	23
Weighted average number of ordinary shares (thousands)	263,385	263,253
Adjustments for:		
Dilution from incremental shares arising from exercise of stock options (thousands)	610	41
Weighted average number of ordinary shares to calculate diluted earnings per share (thousands)	263,995	263,294
Diluted earnings per share (in Euro)	**0.29**	**0.09**

17. CONTINGENT LIABILITIES

As a global operator, the Group is exposed to legal risks primarily, by way of example, in the areas of product liability and environmental, antitrust and tax rules and regulations. The outcome of legal disputes and proceedings currently in progress cannot be predicted with certainty. An adverse outcome in one or more of these proceedings could result in the payment of costs that are not covered, or not fully covered, by insurance, which would therefore have a direct effect on the Group's financial position and results.

18. RECEIVABLES FACTORING

The Group has factored some of its trade receivables on a without-recourse basis. The amount of receivables factored but not yet paid by customers was Euro 262 million at 31 March 2021 (Euro 256 million at 31 December 2020).

19. SEASONALITY

The Group's business features a certain degree of seasonality in its revenues, which are usually higher in the second and third quarters. This is due to the fact that utilities projects in the northern hemisphere are mostly concentrated in the warmer months of the year. The Group's level of debt is generally higher in the period May-September, with funds being absorbed by the growth in working capital.

20. RELATED PARTY TRANSACTIONS

Transactions between Prysmian S.p.A. and its subsidiaries with associates mainly refer to:

- trade relations involving purchases and sales of raw materials and finished goods;
- services (technical, organisational and general) provided by head office for the benefit of Group companies;
- recharge of royalties for the use of trademarks, patents and technological know-how by Group companies.

All the above transactions form part of the Group's continuing operations.

The following tables provide a summary of related party transactions in the three months ended 31 March 2021:

(Euro/million)

					31.03.2021
	Equity-accounted companies	**Compensation of directors, statutory auditors and key management personnel**	**Total related parties**	**Total reported amount**	**Related party % of total**
Equity-accounted investments	326	-	**326**	326	100.0%
Trade receivables	7	-	**7**	1,755	0.4%
Other receivables	3	-	**3**	568	0.5%
Trade payables	2	-	**2**	2,155	0.1%
Other payables	2	2	**4**	1,002	0.4%
Provisions for risks and charges	-	9	**9**	583	1.5%

(Euro/million)

					31.12.2020
	Equity-accounted companies	**Compensation of directors, statutory auditors and key management personnel**	**Total related parties**	**Total reported amount**	**Related party % of total**
Equity-accounted investments	312	-	**312**	312	100.0%
Trade receivables	3	-	**3**	1,374	0.2%
Other receivables	3	-	**3**	522	0.6%
Trade payables	2	-	**2**	1,958	0.1%
Other payables	-	5	**5**	1,001	0.5%
Provisions for risks and charges	-	9	**9**	591	1.5%

(Euro/million)

					3 months 2021
	Equity-accounted companies	**Compensation of directors, statutory auditors and key management personnel**	**Total related parties**	**Total reported amount**	**Related party % of total**
Sales	9	-	**9**	2,810	0.3%
Other income	1	-	**1**	12	8.3%
Raw materials. consumables and supplies	(1)	-	**(1)**	(2,042)	0.0%
Personnel costs	-	(2)	**(2)**	(366)	0.5%
Other expenses	(1)	-	**(1)**	(383)	0.4%
Share of net profit/(loss) of equity-accounted companies	6	-	**6**	6	100.0%

(Euro/million)

					3 months 2020
	Equity-accounted companies	**Compensation of directors, statutory auditors and key management personnel**	**Total related parties**	**Total reported amount**	**Related party % of total**
Sales	4	-	**4**	2,587	0.2%
Other income	1	-	**1**	13	7.7%
Raw materials. consumables and supplies	(4)	-	**(4)**	(1,708)	0.2%
Personnel costs	-	(2)	**(2)**	(376)	0.5%
Other expenses	(1)	-	**(1)**	(429)	0.3%
Share of net profit/(loss) of equity-accounted companies	1	-	**1**	1	100.0%

Transactions with associates

Trade and other payables refer to goods and services provided in the ordinary course of the Group's business. Trade and other receivables refer to transactions carried out in the ordinary course of the Group's business.

Compensation of Directors, Statutory Auditors and Key Management Personnel

The compensation of the Directors, Statutory Auditors and Key Management Personnel totals Euro 2 million at 31 March 2021 (Euro 3 million in the first three months of 2020).

21. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions were carried out during the first three months of 2021.

22. COMMITMENTS

Contractual commitments, already given to third parties at 31 March 2021 and not yet reflected in the financial statements, amount to Euro 150 million for Property, plant and equipment and Euro 3 million for Intangible assets.

As at 31 March 2021, there are no outstanding loans or guarantees by the Parent Company or its subsidiaries to any of the directors, senior managers or statutory auditors.

23. EXCHANGE RATES

The main exchange rates used to translate financial statements in foreign currencies for consolidation purposes are reported below:

		Closing rates at		Period average rates
	31.03.2021	31.12.2020	3 months 2021	3 months 2020
Europe				
British Pound	0.852	0.899	0.874	0.862
Swiss Franc	1.107	1.080	1.091	1.067
Hungarian Forint	363.270	363.890	361.206	339.137
Norwegian Krone	9.996	10.470	10.258	10.465
Swedish Krona	10.238	10.034	10.120	10.669
Czech Koruna	26.143	26.242	26.070	25.631
Danish Krone	7.437	7.441	7.437	7.472
Romanian Leu	4.922	4.868	4.879	4.797
Turkish Lira	9.792	9.024	8.908	6.733
Polish Zloty	4.651	4.560	4.546	4.324
Russian Rouble	88.318	91.467	89.668	73.821
North America				
US Dollar	1.173	1.227	1.205	1.103
Canadian Dollar	1.478	1.563	1.526	1.482
South America	-	-	-	-
Colombian Peso	4,372	4,202	4,286	3,894
Brazilian Real	6.680	6.377	6.607	4.924
Argentine Peso	107.870	103.260	106.812	67.729
Chilean Peso	854.900	872.520	872.410	885.226
Costa Rican Colón	719.270	750.556	737.115	628.136
Mexican Peso	24.051	24.416	24.527	22.092
Peruvian Sol	4.421	4.443	4.409	3.748
Oceania	-	-	-	-
Australian Dollar	1.541	1.590	1.560	1.679
New Zealand Dollar	1.677	1.698	1.677	1.739
Africa	-	-	-	-
CFA Franc	655.957	655.957	655.957	655.957
Angolan Kwanza	735.323	800.345	773.283	546.194
Tunisian Dinar	3.278	3.294	3.281	3.129
Asia				
Chinese Renminbi (Yuan)	7.681	8.023	7.808	7.696
United Arab Emirates Dirham	4.306	4.507	4.425	4.049
Hong Kong Dollar	9.115	9.514	9.347	8.569
Singapore Dollar	1.577	1.622	1.605	1.528
Indian Rupee	85.813	89.661	87.848	79.910
Indonesian Rupiah	17,031	17,241	17,086	15,728
Japanese Yen	129.910	126.490	127.806	120.097
Thai Baht	36.658	36.727	36.496	34.502
Philippine Peso	56.901	59.125	58.206	56.108
Omani Rial	0.451	0.472	0.463	0.424
Malaysian Ringgit	4.862	4.934	4.900	4.609
Qatari Riyal	4.268	4.467	4.386	4.013
Saudi Riyal	4.397	4.602	4.518	4.134

24. EVENTS AFTER THE REPORTING PERIOD

Successful completion of the first ever submarine interconnection between the island of Crete and mainland Greece

On 1 April 2021, the Group and Independent Power Transmission Operator (IPTO) announced the completion of the submarine interconnection between the island of Crete and mainland Greece (Peloponnese region), a record-breaking project in many respects, including in terms of length, depth and innovative HVAC cable technology. Prysmian Group has designed, supplied, and installed an HVAC cable system involving 135 km of 150 kV tri-core XLPE insulated double-armoured cables. This is a record-breaking project because Prysmian Group has installed its innovative cable technology, based on a synthetic armour 30% lighter than steel, at a maximum depth of approximately 1,000 metres for the very first time. The project, worth a total of Euro 125 million, was awarded to the Group in 2018 by IPTO, operator of the electricity grid transmission system in Greece. The first interconnection between Crete and mainland Greece is expected to become operational in the next few months, ensuring reliable, cost-effective and sustainable power transmission.

Approval of the Annual Financial Statements at 31 December 2020, distribution of dividends and appointment of the Prysmian S.p.A. Board of Directors

On 28 April 2021, the shareholders of Prysmian S.p.A. approved the financial statements for 2020 and the distribution of a gross dividend of Euro 0.50 per share, for a total of some Euro 132 million. The dividend will be paid out from 26 May 2021, with record date 25 May 2021 and ex-dividend date 24 May 2021. The same Shareholders' Meeting also appointed the new members of the Prysmian S.p.A. Board of Directors.

Authorisation to buy back and dispose of treasury share

On 28 April 2021, the shareholders of Prysmian S.p.A. authorised the Board of Directors to buy back and dispose of treasury shares. This authorisation provides the opportunity to buy back, on one or more occasions, a maximum number of shares whose total must not exceed, at any one time, 10% of share capital. Purchases may not exceed the amount of retained earnings and unrestricted reserves reported in the most recently approved annual financial statements. The authorisation to buy back treasury shares will last for 18 months commencing from the date of the Shareholders' Meeting, while the authorisation to dispose of treasury shares has no time limit. The authorisation to purchase and dispose of treasury shares is required in order to enable the Group:

- to have a portfolio of treasury shares (a so-called "stock of shares") that can be used in any extraordinary transactions (e.g. mergers, demergers, spin-offs, acquisition of equity investments) and to implement the remuneration policies approved by the Company's shareholders and applied to Prysmian Group;

- to use the treasury shares purchased to service the exercise of rights arising from convertible debt instruments or instruments exchangeable with financial instruments issued by the Company, its subsidiaries or third parties (e.g. in takeovers bids and/or stock swaps);
- to use the treasury shares to satisfy share-based incentive plans or share ownership plans reserved for Prysmian Group directors and/or employees;
- to manage the Company's capital effectively, by creating an investment opportunity, including for its available liquidity.

Treasury shares may be bought back and disposed of in accordance with applicable laws and regulations:
(i) at a minimum price no more than 10% below the stock's official price reported in the trading session on the day before carrying out each individual transaction;
(ii) at a maximum price no more than 10% above the stock's official price reported in the trading session on the day before carrying out each individual transaction.

Your Employee Shares (YES) Plan

On 28 April 2021, the shareholders of Prysmian S.p.A. approved the extension of the share ownership plan for Prysmian Group employees, previously approved by the shareholders' resolution dated 13 April 2016.
The Plan provides the opportunity to purchase Prysmian's ordinary shares on preferential terms, with a maximum discount of 25% on the stock price, given in the form of treasury shares. The shares purchased will be subject to a retention period, during which they cannot be sold. The extension has added new purchase windows in the years 2022, 2023 and 2024.
Beneficiaries of the Plan also include the executive directors of Prysmian S.p.A. as well as key management personnel, for whom the discount will be 1%.

Authorisation of the convertibility of the Equity-linked Bond 2021

The Shareholders' Meeting held on 28 April 2021 authorised the convertibility of the Euro 750 million equity-linked bond, approved by the Board of Directors on 26 January 2021 and reserved for institutional investors.
The same meeting also approved the proposal for a share capital increase pursuant to art. 2420-bis, par. 2, of the Italian Civil Code, in one or more tranches, with the exclusion of pre-emptive rights under art. 2441, par. 5, of the Italian Civil Code, serving the conversion of the aforementioned convertible bond for a maximum nominal amount of Euro 1,864,025.50 by issuing up to 18,640,255 of the Company's ordinary shares with a nominal value of Euro 0.10 each, and thus amending art. 6 of its By-laws accordingly.

Climate Change

With the intention of further accelerating its pursuit of sustainability, the Group has decided to adopt the UN Global Compact. Prysmian has launched an ambitious climate change strategy by adopting Science-Based targets to reduce its CO2 emissions, in line with the COP 21 Paris Agreement, and by supporting the Business Ambition for 1.5°C campaign.

The target of zero net emissions is expected to be achieved between 2035 and 2040 for emissions generated by the Group's operations (Scope 1 and 2) and by 2050 for emissions generated by its value chain (Scope 3).

"ECO CABLE": the cable industry's first certifiable green product label in support of energy transition

On 4 May 2021, the Group announced the launch of its ECO CABLE label, the first proprietary label in the cable industry to help utilities and distributors make their supply chains and value propositions even greener.

The ECO CABLE label can be easily compared and combined with other sustainability certification protocols like the EPD (Environmental Product Declaration) and the EU Ecolabel (the environmental label of excellence for products and services that meet high environmental standards throughout their life cycle). Award of the ECO CABLE label is based on an automatic calculation system developed specifically for cable products, which applies recognised and measurable criteria from EU Ecolabel Regulation 66/2010, and in line with the main regulatory frameworks and requirements: Carbon Footprint, Absence of Substances of Very High Concern, Recyclability/Circularity, Recycling input rate, Environmental benefits and Cable transmission efficiency.

Prysmian Group has committed to apply the ECO CABLE rating system to 20% of all its products by 2022,in line with the Group's Sustainability Scorecard goals. ECO CABLE labelled products for the Energy business will be available in Italy starting from early May and will be available in the third quarter in France, Spain, Germany and by year end in the Nordics region. ECO CABLE is just one of the steps being taken by Prysmian Group in its race to net-zero CO2 emissions thanks to its capabilities in innovation and is part of a broader project to adopt a fully automated design-to-sustainability approach that will enable the Group to carry out Carbon Footprint assessments for 85% of all cable product families by 2022. Among the main innovative initiatives guiding the Group on its path towards sustainability are: Alesea, the IoT solution for smarter and simpler cable inventory management, enabling our partners to improve their performance in terms of operational efficiency and sustainability; P-Laser, the 100% recyclable and eco-sustainable cable used in HVDC applications for low-carbon projects; and PRY-CAM, a revolutionary solution for monitoring the operation and efficiency of electrical systems.

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Milan, 13 May 2021

ON BEHALF OF THE BOARD OF DIRECTORS

THE CHAIRMAN

Claudio De Conto

SCOPE OF CONSOLIDATION – APPENDIX A

The following companies have been consolidated line-by-line:

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Europe					
Austria					
Prysmian OEKW GmbH	Vienna	Euro	2,053,007.56	100.00%	Prysmian Cavi e Sistemi S.r.l.
Belgium					
Draka Belgium N.V.	Antwerpen	Euro	61,973.38	98.52%	Draka Holding B.V.
				1.48%	Draka Kabel B.V.
Denmark					
Prysmian Group Denmark A/S	Albertslund	Danish Krone	40,001,000	100.00%	Draka Holding B.V.
Estonia					
Prysmian Group Baltics AS	Keila	Euro	1,664,000	100.00%	Prysmian Group Finland OY
Finland					
Prysmian Group Finland OY	Kirkkonummi	Euro	100,000	77.7972%	Prysmian Cavi e Sistemi S.r.l.
				19.9301%	Draka Holding B.V.
				2.2727%	Draka Comteq B.V.
France					
Prysmian (French) Holdings S.A.S.	Paron	Euro	129,026,210	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Cables et Systèmes France S.A.S.	Sens	Euro	136,800,000	100.00%	Prysmian (French) Holdings S.A.S.
Draka Comteq France S.A.S.	Paron	Euro	246,554,316	100.00%	Draka France S.A.S.
Draka Fileca S.A.S.	Sainte Geneviève	Euro	5,439,700	100.00%	Draka France S.A.S.
Draka Paricable S.A.S.	Marne La Vallée	Euro	5,177,985	100.00%	Draka France S.A.S.
Draka France S.A.S.	Marne La Vallée	Euro	261,551,700	100.00%	Draka Holding B.V.
P.O.R. S.A.S.	Marne La Vallée	Euro	100,000	100.00%	Draka France S.A.S.
Silec Cable, S. A. S.	Montreau-Fault-Yonne	Euro	60,037,000	100.00%	Grupo General Cable Sistemas, S.L.
EHC France s.a.r.l.	Les Mesnil Aubry	Euro	310.717	100.00%	EHC Global Inc.
Germany					
Prysmian Kabel und Systeme GmbH	Berlin	Euro	15,000,000	93.75%	Draka Deutschland GmbH
				6.25%	Prysmian S.p.A.
Prysmian Unterstuetzungseinrichtung Lynen GmbH	Eschweiler	Deutsche Mark	50,000	100.00%	Prysmian Kabel und Systeme GmbH
Draka Comteq Berlin GmbH & Co. KG	Berlin	Deutsche Mark	46,000,000	50.10%	Prysmian Netherlands B.V.
		Euro	1	49.90%	Draka Deutschland GmbH
Draka Comteq Germany Verwaltungs GmbH	Koln	Euro	25,000	100.00%	Draka Comteq B.V.
Draka Comteq Germany GmbH & Co. KG	Koln	Euro	5,000,000	100.00%	Draka Comteq B.V.
Draka Deutschland Erste Beteiligungs GmbH	Wuppertal	Euro	25,000	100.00%	Draka Holding B.V.
Draka Deutschland GmbH	Wuppertal	Euro	25,000	90.00%	Draka Deutschland Erste Beteiligungs GmbH
				10.00%	Draka Deutschland Zweite Beteiligungs GmbH
Draka Deutschland Verwaltungs GmbH	Wuppertal	Deutsche Mark	50,000	100.00%	Prysmian Kabel und Systeme GmbH
Draka Deutschland Zweite Beteiligungs GmbH	Wuppertal	Euro	25,000	100.00%	Prysmian Netherlands B.V.
Draka Service GmbH	Norimberga	Euro	25,000	100.00%	Draka Deutschland GmbH
Höhn GmbH	Wuppertal	Deutsche Mark	1,000,000	100.00%	Draka Deutschland GmbH
Kaiser Kabel GmbH	Wuppertal	Deutsche Mark	9,000,000	100.00%	Draka Deutschland GmbH
NKF Holding (Deutschland) GmbH i.L	Wuppertal	Euro	25,000	100.00%	Prysmian Netherlands B.V.
Norddeutsche Seekabelwerke GmbH	Nordenham	Euro	50,025,000	100.00%	Grupo General Cable Sistemas, S.L.
EHC Germany GmbH	Baesweiler	Euro	25,200	100.00%	EHC Global Inc

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
U.K.					
Prysmian Cables & Systems Ltd.	Eastleigh	British Pound	113,901,120	100.00%	Prysmian UK Group Ltd.
Prysmian Construction Company Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Cable Makers Properties & Services Ltd.	Esher	British Pound	39.08	75.00%	Prysmian Cables & Systems Ltd.
				25.00%	Terzi
Comergy Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Pension Scheme Trustee Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian S.p.A.
Prysmian UK Group Ltd.	Eastleigh	British Pound	70,011,000	100.00%	Draka Holding B.V.
Draka Comteq UK Ltd.	Eastleigh	British Pound	14,000,002	100.00%	Prysmian UK Group Ltd.
Draka UK Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian UK Group Ltd.
Prysmian PowerLink Services Ltd.	Eastleigh	British Pound	46,000,100	100.00%	Prysmian UK Group Ltd.
General Cable Holdings (UK) Limited	London	British Pound	24,891,054	100.00%	GK Technologies, Incorporated
General Cable Services Europe Limited	London	British Pound	1,178,495	100.00%	General Cable Holdings (UK) Limited
NSW Technology Limited	Aberdeen	British Pound	1	100.00%	Norddeutsche Seekabelwerke GmbH
Prysmian Telecom Cables and Systems UK Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Escalator Handrail (UK) Ltd.	Eastleigh	British Pound	2	100.00%	EHC Global Inc.
Ireland					
Prysmian Re Company Designated Activity Company	Dublin	Euro	20,000,000	100.00%	Draka Holding B.V.
Italy					
Prysmian Cavi e Sistemi S.r.l.	Milan	Euro	50,000,000	100.00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Italia S.r.l.	Milan	Euro	77,143,249	100.00%	Prysmian S.p.A.
Prysmian Treasury S.r.l.	Milan	Euro	80,000,000	100.00%	Prysmian S.p.A.
Prysmian PowerLink S.r.l.	Milan	Euro	100,000,000	100.00%	Prysmian S.p.A.
Fibre Ottiche Sud - F.O.S. S.r.l.	Battipaglia	Euro	47,700,000	100.00%	Prysmian S.p.A.
Prysmian Electronics S.r.l.	Milan	Euro	10,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
General Cable Italia S.r.l. in liquidazione	Milan	Euro	10,000	100.00%	Grupo General Cable Sistemas, S.L.
Norway					
Prysmian Group Norge AS	Drammen	Norwegian Krone	22,500,000	100.00%	Draka Holding B.V.
General Cable Nordic A/S	Drammen	Norwegian Krone	1,674,000	100.00%	Grupo General Cable Sistemas, S.L.
The Netherlands					
Draka Comteq B.V.	Amsterdam	Euro	1,000,000	100.00%	Draka Holding B.V.
Draka Comteq Fibre B.V.	Eindhoven	Euro	18,000	100.00%	Prysmian Netherlands Holding B.V.
Draka Holding B.V.	Amsterdam	Euro	52,229,320.50	100.000%	Prysmian S.p.A.
Draka Kabel B.V.	Amsterdam	Euro	2,277,976.68	100.00%	Prysmian Netherlands B.V.
Donne Draad B.V.	Nieuw Bergen	Euro	28,134.37	100.00%	Prysmian Netherlands B.V.
NKF Vastgoed I B.V.	Delft	Euro	18,151.21	99.00%	Draka Holding B.V.
				1.00%	Prysmian Netherlands B.V.
NKF Vastgoed III B.V.	Delft	Euro	18,151.21	99.00%	Draka Deutschland GmbH
				1.00%	Prysmian Netherlands B.V.
Prysmian Netherlands B.V.	Delft	Euro	1	100.00%	Prysmian Netherlands Holding B.V.
Prysmian Netherlands Holding B.V.	Amsterdam	Euro	1	100.00%	Draka Holding B.V.
General Cable Holdings Netherlands C.V.	Amsterdam	Euro	159,319,137	95.50%	GK Technologies, Incorporated
				1.00%	GC Global Holdings, Inc.
				3.50%	Phelps Dodge National Cables Corporation
Portugal					
General Cable Investments, SGPS, Sociedade Unipessoal, S.A.	Funchal	Euro	8,500,020	100.00%	GK Technologies, Incorporated
General Cable Celcat, Energia e Telecomunicaçoes SA	Pero Pinheiro	Euro	13,500,000	100.00%	General Cable Investments, SGPS, Sociedade Unipessoal, S.A.
Czech Republic					
Draka Kabely, s.r.o.	Velké Meziříčí	Czech Koruna	255,000,000	100.00%	Draka Holding B.V.
Romania					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Leu rumeno	103,850,920	99.9995%	Draka Holding B.V.
				0.0005%	Prysmian Cavi e Sistemi S.r.l.
Russia					
Limited Liability Company Prysmian RUS	Rybinsk city	Russian Rouble	230,000,000	99.00%	Draka Holding B.V.
				1.00%	Prysmian Cavi e Sistemi S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Rybinsk city	Russian Rouble	90,312,000	100.00%	Limited Liability Company Prysmian RUS
Slovakia					
Prysmian Kablo s.r.o.	Bratislava	Euro	21,246,001	99.995%	Prysmian Cavi e Sistemi S.r.l.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
				0.005%	Prysmian S.p.A.
Spain					
Prysmian Cables Spain, S.A. (Sociedad Unipersonal)	Vilanova I la Geltrù	Euro	58,178,234.22	100.00%	Draka Holding, S.L.
Draka Holding, S.L. (Sociedad Unipersonal)	Santa Perpetua de Mogoda	Euro	24,000,000	100.00%	Draka Holding B.V.
GC Latin America Holdings, S.L.	Abrera	Euro	151,042,030	100%	General Cable Holdings (Spain), S.L.
General Cable Holdings (Spain), S.L.	Abrera	Euro	138,304,698.48	99.349%	GK Technologies, Incorporated
				0.6510%	General Cable Overseas Holdings, LLC
Grupo General Cable Sistemas, S.L.	Abrera	Euro	22,116,018.7	100.00%	Draka Holding B.V.
EHC Spain and Portugal, S.L.	Sevilla	Euro	3,897,315.20	100.000%	EHC Global Inc.
Sweden					
Prysmian Group North Europe AB	Nässjö	Swedish Krona	100,100	100.00%	Draka Holding B.V.
Prysmian Group Sverige AB	Nässjö	Swedish Krona	100,000	100.00%	Prysmian Group North Europe AB
Turkey					
Turk Prysmian Kablo Ve Sistemleri A.S.	Mudanya	Turkish new Lira	216,733,652	83.7464%	Draka Holding B.V.
				0,4614%	Turk Prysmian Kablo Ve Sistemleri A.S.
				15.7922%	Terzi
EHC Turkey Asansör ve Yürüyen Merdiven Sanayi Limited Şirketi	Istanbul	Turkish new Lira	10,000	100.00%	EHC Global Inc.
Hungary					
Prysmian MKM Magyar Kabel Muvek Kft.	Budapest	Hungarian Forint	5,000,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
North America					
Canada					
Prysmian Cables and Systems Canada Ltd.	New Brunswick	Canadian Dollar	1,000,000	100.00%	Draka Holding B.V.
Draka Elevator Products Incorporated	New Brunswick	Canadian Dollar	n/a	100.00%	Prysmian Cables and Systems USA, LLC
General Cable Company Ltd.	Halifax	Canadian Dollar	126,552,215	100.00%	General Cable Canada Holdings LLC
EHC Global Inc.	Oshawa	Canadian Dollar	1,511,769	100.00%	Prysmian Cables and Systems Canada Ltd.
EHC Canada Inc.	Oshawa	Canadian Dollar	39,308	99.9997%	EHC Global Inc.
				0.0003%	Prysmian Cables and Systems Canada Ltd.
Elator Inc.	Oshawa	Canadian Dollar	100	100.00%	EHC Global Inc.
EHC Management Company Inc.	Oshawa	Canadian Dollar	1	100.00%	EHC Global Inc.
Cayman Island					
YA Holdings, Ltd.	George Town	US Dollar	50,000	100.00%	General Cable Company Ltd.
Dominican Repuplic					
General Cable Caribbean, S.R.L	Santa Domingo Oeste	Dominican Peso	2,100,000	99.995%	GK Technologies, Incorporated
				0.005%	Diversified Contractors, Inc.
Trinidad and Tobago					
General Cable Trinidad Limited	Port of Spain	Trinidadian Dollar	100	100.00%	GK Technologies, Incorporated
U.S.A.					
Prysmian Cables and Systems (US) Inc.	Carson City	US Dollar	330,517,608	100.00%	Draka Holding B.V.
Prysmian Cables and Systems USA, LLC	Wilmington	US Dollar	10	100.00%	Prysmian Cables and Systems (US) Inc.
Prysmian Construction Services Inc.	Wilmington	US Dollar	1,000	100.00%	Prysmian Cables and Systems USA, LLC
Draka Elevator Products, Inc.	Boston	US Dollar	1	100.00%	Prysmian Cables and Systems USA, LLC
Draka Transport USA, LLC	Boston	US Dollar	0	100.00%	Prysmian Cables and Systems USA, LLC
Diversified Contractors, Inc.	Wilmington	US Dollar	1,000	100.00%	General Cable Industries, Inc.
GC Global Holdings, Inc.	Wilmington	US Dollar	1,000	100.00%	General Cable Overseas Holdings, LLC
General Cable Canada Holdings LLC	Wilmington	US Dollar	0	100.00%	General Cable Industries, Inc.
General Cable Corporation	Wilmington	US Dollar	1	100.00%	Prysmian Cables and Systems (US) Inc.
General Cable Industries LLC	Wilmington	US Dollar	0	100.00%	General Cable Industries, Inc.
General Cable Industries, Inc.	Wilmington	US Dollar	10	100.00%	GK Technologies, Incorporated
General Cable Overseas Holdings, LLC	Wilmington	US Dollar	0	100.00%	GK Technologies, Incorporated
General Cable Technologies Corporation	Wilmington	US Dollar	1,000	100.00%	General Cable Industries, Inc.
Phelps Dodge Enfield Corporation	Wilmington	US Dollar	800,000	100.00%	General Cable Industries, Inc.
Phelps Dodge National Cables Corporation	Wilmington	US Dollar	10	100.00%	General Cable Industries, Inc.
GK Technologies, Incorporated	West Trenton	US Dollar	1,000	100.00%	General Cable Corporation
EHC USA Inc.	Oshawa	US Dollar	1	100.00%	EHC Global Inc.
Central/South America					
Argentina					

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Prysmian Energia Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	992,359,215	40.01%	Prysmian Consultora Conductores e Instalaciones SAIC
				59.74%	Draka Holding B.V.
				0.11%	Prysmian Cabos e Sistemas do Brasil S.A.
				0.13%	Terzi
Prysmian Consultora Conductores e Instalaciones SAIC	Buenos Aires	Argentine Peso	543,219,572	95.00%	Draka Holding B.V.
				5.00%	Prysmian Cavi e Sistemi S.r.l.
Brazil					
Prysmian Cabos e Sistemas do Brasil S.A.	Sorocaba	Brazilian Real	547,630,605	91.844%	Prysmian Cavi e Sistemi S.r.l.
				0.040%	Prysmian S.p.A.
				1.687%	Draka Holding B.V.
				6.428%	Draka Comteq B.V.
Draka Comteq Cabos Brasil S.A.	Santa Catarina	Brazilian Real	27,467,522	49.352%	Draka Comteq B.V.
				50.648%	Prysmian Cabos e Sistemas do Brasil S.A.
General Cable Brasil Indústria e Comércio de Condutores Elétricos Ltda	Poços de Caldas	Brazilian Real	536,087,471	100.00%	Prysmian Cavi e Sistemi S.r.l.
EHC Brazil Ltda.	Cambé (Estado do Paranà)	Brazilian Real	864,183	98.90%	EHC Global Inc.
				1.10%	EHC Canada Inc.
Chile					
Prysmian Cables Chile SpA	Santiago	Chile Peso	1,900,000,000	100.00%	Prysmian Cabos e Sistemas do Brasil S.A.
Cobre Cerrillos S.A.	Cerrillos	US Dollar	74,574,400	99.80%	General Cable Holdings (Spain), S.L.
				0.20%	Terzi
Colombia					
Productora de Cables Procables S.A.S.	Bogotà	Colombian Peso	1,902,964,285	99.96%	GC Latin America Holdings, S.L.
				0.04%	GK Technologies, Incorporated
Costa Rica					
Conducen, S.R.L.	Heredia	Costa Rican Colón	1,845,117,800	73.52%	GC Latin America Holdings, SL
				26.48%	Cahosa S.A.
Ecuador					
Cables Electricos Ecuatorianos C.A. CABLEC	Quito	US Dollar	243,957	67.14%	General Cable Holdings (Spain), S.L.
				32.86%	Terzi
El Salvador					
Conducen Phelps Dodge Centroamerica-El Salvador, S.A. de C.V.	Antiguo Cuscatlan (La Libertad)	US Dollar	22,858	99.95%	Conducen, S.R.L.
				0.05%	Terzi
Guatemala					
Proveedora de Cables y Alambres PDCA Guatemala, S.A.	Guatemala City	Guatemalan Quetzal	100,000	99.00%	Conducen, S.R.L.
				1.00%	Terzi
Honduras					
Electroconductores de Honduras, S.A. de C.V.	Tegucigalpa	Honduran Lempira	27,600,000	59.39%	General Cable Holdings (Spain), S.L.
				40.61%	Cahosa S.A.
Mexico					
Draka Durango S. de R.L. de C.V.	Durango	Mexican Peso	163,471,787	99.996%	Draka Mexico Holdings S.A. de C.V.
				0.004%	Draka Holding B.V.
Draka Mexico Holdings S.A. de C.V.	Durango	Mexican Peso	57,036,501	99.999998%	Draka Holding B.V.
				0.000002%	Draka Comteq B.V.
NK Mexico Holdings S.A. de C.V.	Città del Messico	Mexican Peso	n/a	100.00%	Prysmian Group Finland OY
Prysmian Cables y Sistemas de Mexico S. de R. L. de C. V.	Durango	Mexican Peso	173,050,500	99.9983%	Draka Holding B.V.
				0.0017%	Draka Mexico Holdings S.A. de C.V.
General Cable de Mexico, S.A de C.V.	Tetla	Mexican Peso	1,329,621,471	80.41733609%	General Cable Industries, Inc.
				19.58266361%	Conducen, S.R.L.
				0.00000015%	General Cable Technologies Corporation
				0.00000015%	GK Technologies, Incorporated
General de Cable de Mexico del Norte, S.A. de C.V.	Piedras Negras	Mexican Peso	10,000	99.80%	GK Technologies, Incorporated
		Mexican Peso		0.20%	General Cable Industries, Inc.
PDIC Mexico, S.A. de C.V.	San Jose	Mexican Peso	50,000	99.998%	Conducen, S.R.L.
	San Jose	Mexican Peso		0.002%	Terzi
Prestolite de Mexico, S.A. de C.V.	Sonora	Mexican Peso	50,000	99.80%	General Cable Industries, Inc.
		Mexican Peso		0.20%	GK Technologies, Incorporated
Servicios Latinoamericanos GC, S.A. de C.V.	Puebla	Mexican Peso	50,000	99.998%	General Cable de Mexico, S.A de C.V.
				0.002%	General Cable Technologies Corporation
Panama					
Alambres y Cables de Panama, S.A.	Panama	US Dollar	800,000	78.08%	General Cable Industries, Inc.
				21.92%	Cahosa S.A.
Alcap Comercial S.A.	Panama	US Dollar	10,000	100.00%	Conducen, S.R.L.
Cahosa S.A.	Panama	US Dollar	n/a	100.00%	GK Technologies, Incorporated

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Perù					
General Cable Peru S.A.C.	Santiago de Surco(Lima)	Nuevo sol peruviano	90,327,867.50	99.99999%	GC Latin America Holdings, S.L.
				0.00001%	Terzi
Africa					
Angola					
General Cable Condel, Cabos de Energia e Telecomunicaçoes SA	Luanda	Kwanza angolano	20,000,000	99.80%	General Cable Celcat, Energia e Telecomunicaçoes SA
				0.20%	Terzi
Ivory Coast					
SICABLE - Sociète Ivoirienne de Cables S.A.	Abidjan	CFA Franc	740,000,000	51.00%	Prysmian Cables et Systèmes France S.A.S.
				49.00%	Terzi
South Africa					
General Cable Phoenix South Africa Pty. Ltd.	Illovo	South African Rand	1,000	100.00%	GK Technologies, Incorporated
National Cables (Pty) Ltd.	Illovo	South African Rand	101	69.30%	Phelps Dodge National Cables Corporation
				30.70%	General Cable Holdings Netherlands C.V.
Tunisia					
Auto Cables Tunisie S.A.	Grombalia	Tunisian Dinar	4,050,000	50.998%	Prysmian Cables et Systèmes France S.A.S.
				49.002%	Terzi
Prysmian Cables and Systems Tunisia S.A.	Menzel Bouzelfa	Tunisian Dinar	1,850,000	99.97%	Prysmian Cables et Systèmes France S.A.S.
				0.005%	Prysmian (French) Holdings S.A.S.
				0.005%	Prysmian Cavi e Sistemi S.r.l.
				0.02%	Terzi
Oceania					
Australia					
Prysmian Australia Pty Ltd.	Liverpool	Australian Dollar	56,485,736	100.00%	Prysmian Cavi e Sistemi S.r.l.
New Zeland					
Prysmian New Zealand Ltd.	Auckland	New Zeland Dollar	10,000	100.00%	Prysmian Australia Pty Ltd.
Asia					
Saudi Arabia					
Prysmian Powerlink Saudi LLC	Al Khoabar	Saudi Arabian Riyal	500,000	95.00%	Prysmian PowerLink S.r.l.
				5.00%	Terzi
China					
Prysmian Tianjin Cables Co. Ltd.	Tianjin	US Dollar	36,790,000	67.00%	Prysmian (China) Investment Company Ltd.
				33.00%	Terzi
Prysmian Cable (Shanghai) Co. Ltd.	Shanghai	US Dollar	5,000,000	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Wuxi Cable Co. Ltd.	Yixing (Jiangsu Province)	US Dollar	29,941,250	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Hong Kong Holding Ltd.	Hong Kong	Euro	72,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian (China) Investment Company Ltd.	Pechino	Euro	72,003,061	100.00%	Prysmian Hong Kong Holding Ltd.
Nantong Haixun Draka Elevator Products Co. LTD	Nantong	US Dollar	2,400,000	75.00%	Draka Elevator Products, Inc.
				25.00%	Terzi
Nantong Zhongyao Draka Elevator Products Co. LTD	Nantong	US Dollar	2,000,000	60.00%	Draka Elevator Products, Inc.
				40.00%	Terzi
Shanghai Guang Ye Optical Fibre Cable Co. Ltd.	Shanghai	US Dollar	15,580,000	55.00%	Draka Comteq Germany GmbH & Co. KG
				45.00%	Terzi
Suzhou Draka Cable Co. Ltd.	Suzhou	Chinese Renminbi (Yuan)	304,500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Prysmian Technology Jiangsu Co. Ltd.	Yixing	Euro	51,150,100	100.00%	Prysmian (China) Investment Company Ltd.
Prestolite Wire (Shanghai) Company, Ltd	Shanghai	US Dollar	300,000	100.00%	General Cable Industries, Inc.
EHC Escalator Handrail (Shanghai) Co. Ltd.	Shanghai	US Dollar	2,100,000	100.00%	EHC Global Inc.
EHC Engineered Polymer (Shanghai) Co. Ltd.	Shanghai	US Dollar	1,600,000	100.00%	EHC Global Inc.
EHC Lift Components (Shanghai) Co. Ltd.	Shanghai	US Dollar	200,000	100.00%	EHC Global Inc.
EHC Technology Development (Shanghai) Co. Ltd.	Shanghai	Chinese Renminbi (Yuan)	0	100.00%	EHC Escalator Handrail (Shanghai) Co. Ltd.
Philippines					
Draka Philippines Inc.	Cebu	Philippine Peso	253,652,000	99.9999975%	Draka Holding B.V.
				0.0000025%	Terzi
India					
Associated Cables Pvt. Ltd.	Mumbai	Indian Rupee	61,261,900	100.00%	Oman Cables Industry (SAOG)
Jaguar Communication Consultancy Services Private Ltd.	Mumbai	Indian Rupee	122,268,218	99.99999%	Prysmian Cavi e Sistemi S.r.l.
				0,000001%	Prysmian S.p.A.
Indonesia					
PT.Prysmian Cables Indonesia	Cikampek	US Dollar	67,300,000	99.48%	Draka Holding B.V.
				0.52%	Prysmian Cavi e Sistemi S.r.l.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Malaysia					
Sindutch Cable Manufacturer Sdn Bhd	Malacca	Malaysian Ringgit	500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Draka Marketing and Services Sdn Bhd	Malacca	Malaysian Ringgit	500,000	100.00%	Cable Supply and Consulting Company Pte Ltd.
Draka (Malaysia) Sdn Bhd	Malacca	Malaysian Ringgit	8,000,002	100.00%	Cable Supply and Consulting Company Pte Ltd.
Oman					
Oman Cables Industry (SAOG)	Al Rusayl	Omani Riyal	8,970,000	51.17%	Draka Holding B.V.
				48.83%	Terzi
Oman Aluminium Processing Industries (SPC)	Sohar	Omani Riyal	4,366,000	100.00%	Oman Cables Industry (SAOG)
Singapore					
Prysmian Cables Asia-Pacific Pte Ltd.	Singapore	Singapore Dollar	213,324,290	100.00%	Draka Holding B.V.
Prysmian Cable Systems Pte Ltd.	Singapore	Singapore Dollar	25,000	50.00%	Draka Holding B.V.
				50.00%	Prysmian Cables & Systems Ltd.
Draka Offshore Asia Pacific Pte Ltd.	Singapore	Singapore Dollar	51,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Draka Cableteq Asia Pacific Holding Pte Ltd.	Singapore	Singapore Dollar	28,630,503.70	100.00%	Draka Holding B.V.
Singapore Cables Manufacturers Pte Ltd.	Singapore	Singapore Dollar	1,500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Cable Supply and Consulting Company Private Limited	Singapore	Singapore Dollar	50,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Draka Comteq Singapore Pte Ltd.	Singapore	Singapore Dollar	500,000	100.00%	Draka Comteq B.V.
Draka NK Cables (Asia) Pte Ltd.	Singapore	Singapore Dollar	200,000	100.00%	Prysmian Group Finland OY
Thailand					
MCI-Draka Cable Co. Ltd.	Bangkok	Thai Baht	435,900,000	70.250172%	Draka Cableteq Asia Pacific Holding Pte Ltd.
				0.000023%	Draka (Malaysia) Sdn Bhd
				0.000023%	Sindutch Cable Manufacturer Sdn Bhd
				0.000023%	Singapore Cables Manufacturers Pte Ltd.
				29.749759%	Terzi
General Cable Asia Pacific & Middle East Co., Ltd.	Bangkok	Thai Baht	30,000,000	100.00%	GK Technologies, Incorporated
Japan					
EHC Japan K.K.	Chiyoda-kuTokyo	Yen	4,000	100.00%	EHC Global Inc.

The following companies have been accounted for using the equity method:

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Europe					
Germany					
Kabeltrommel GmbH & Co.KG	Troisdorf	Euro	10,225,837.65	43.18%	Prysmian Kabel und Systeme GmbH
				1.75%	Norddeutsche Seekabelwerke GmbH
				55.07%	Third parties
Kabeltrommel GmbH	Troisdorf	Deutsche Mark	51,000	41.18%	Prysmian Kabel und Systeme GmbH
				5.82%	Norddeutsche Seekabelwerke GmbH
				53.00%	Terzi
Nostag GmbH & Co. KG	Oldenburg	Euro	540,000	33.00%	Norddeutsche Seekabelwerke GmbH
				67.00%	Third parties
U.K.					
Rodco Ltd.	Woking	British Pound	5,000,000	40.00%	Prysmian Cables & Systems Ltd.
				60.00%	Terzi
Poland					
Eksa Sp.z.o.o	Sokolów	Polish Zloty	394,000	29.949%	Prysmian Cavi e Sistemi S.r.l.
				70.051%	Terzi
Russia					
Elkat Ltd.	Mosca	Russian Rouble	10,000	40.00%	Prysmian Group Finland OY
				60.00%	Terzi
Central/South America					
Chile					
Colada Continua Chilena S.A.	Quilicura (Santiago)	Chile Peso	100	41.00%	Cobre Cerrillos S.A.
				59.00%	Third parties
Asia					
China					
Yangtze Optical Fibre and Cable Joint Stock Limited Co.	Wuhan	Chinese Renminbi (Yuan)	757,905,108	23.73%	Draka Comteq B.V.
				76.27%	Terzi
Yangtze Optical Fibre and Cable (Shanghai) Co. Ltd.	Shanghai	Chinese Renminbi (Yuan)	100,300,000	75.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
				25.00%	Draka Comteq B.V.
Japan					
Precision Fiber Optics Ltd.	Chiba	Japanese Yen	138,000,000	50.00%	Draka Comteq Fibre B.V.
				50.00%	Terzi
Cayman Island					
Phelps Dodge Yantai China Holdings, Inc.	George Town	US Dollar	99	66.67%	YA Holdings, Ltd.
				33.33%	Terzi
Malaysia					
Power Cables Malaysia Sdn Bhd	Selangor Darul Eshan	Malaysian Ringgit	18,000,000	40.00%	Draka Holding B.V.
				60.00%	Terzi

List of unconsolidated other investments at fair value through other comprehensive income:

Legal name	% ownership	Direct parent company
India		
Ravin Cables Limited	51.00%	Prysmian Cavi e Sistemi S.r.l.
	49.00%	Terzi
United Arab Emirates		
Power Plus Cable CO. LLC	49.00%	Ravin Cables Limited
	51.00%	Terzi
Africa		
South Africa		
Pirelli Cables & Systems (Proprietary) Ltd.	100.00%	Prysmian Cavi e Sistemi S.r.l.

Prysmian Group

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