Prysmian Group

Linking the sustainable future

First Quarter Financial Report at 31 March 2022

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	Stefano Sarubbi
Standing Statutory Auditors	Laura Gualtieri
	Roberto Ruggero Capone
Alternate Statutory Auditors	Stefano Rossetti
	Vieri Chimenti
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 for Listed Companies (January 2020 edition) approved by the Italian Corporate Governance Committee, comprising business associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. (the Italian Stock Exchange) and Assogestioni (Italian investment managers association).

[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 12 April 2022

[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 2022 on a voluntary basis and in continuity with its past reporting format, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in compliance with *IAS 34 – Interim Financial Reporting*, applying the same accounting standards and policies adopted to prepare the consolidated financial statements at 31 December 2021.

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

SIGNIFICANT EVENTS DURING THE PERIOD

Finance activities

Euro 135 million loan to finance R&D activities

On 3 February 2022, the Group announced that it had finalised a loan from the European Investment Bank (EIB) for Euro 135 million to support the 2021-2024 European R&D program of the Group, world leader in the energy and telecom cables industry.

The EIB loan is specifically intended to support projects to be developed at R&D centres in five European countries: France, the Netherlands, Spain, Germany and Italy.

New contracts and other information about contracts

HVDC submarine cable in the Middle East

On 14 January 2022, the Group announced that it had signed a Limited Notice to Proceed (LNTP) for the supply of power cables for a major HVDC submarine cable project in the Middle East, worth approximately Euro 220 million. The LNTP has been awarded to Prysmian by Samsung C&T through its EPC consortium with Jan De Nul Group. The new link, part of the strategic HVDC transmission system for the "Lightning Project" of Abu Dhabi National Oil Company (ADNOC) and Abu Dhabi National Energy Company PJSC (TAQA), will allow bulk power transmission between the Al Mirfa converter station in the Abu Dhabi hinterland and the station on the offshore island of Al Ghallan.

New submarine cable plant in USA and confirmation of award of Commonwealth Wind and Park Wind City projects

On 17 February 2022, the Group announced the finalisation of the contract to purchase the Brayton Point site in Massachusetts, subject to a number of conditions, including the securing of building permits for the new plant.

Prysmian's total investment planned in constructing the new plant will amount to around USD 200 million.

The finalisation of plans to establish a submarine cable manufacturing footprint in the United States also entails confirming the award of the Commonwealth Wind and Park Wind City Offshore wind farm cabling projects, worth a total of approximately USD 900 million, by Vineyard Wind, a joint venture between Avangrid Renewables and Copenhagen Infrastructure Partners (CIP). The Notice to Proceed has not yet been issued.

NeuConnect contract

On 2 March 2022, the Group announced that it had been awarded a turnkey contract worth approximately Euro 1.2 billion by NeuConnect Britain Limited and NeuConnect Deutschland GmbH for the design, manufacture, installation, testing and commissioning of a 725 km submarine interconnector that will directly link the German and UK electricity grids for the first time.

Completion of North Sea Link

On 16 March 2022, the Group announced that it had successfully completed the world's longest subsea electricity interconnector between the UK and Norway. The North Sea Link allows renewable energy to be transferred between the two countries for the first time, supporting them both in their journey towards net zero. In 2015, Statnett, Norway's transmission system operator, and the UK's National Grid awarded Prysmian Group a project worth Euro 550 million for Lots 2 and 3 of the North Sea Link, corresponding to approximately 950 km of HVDC submarine cables (1,400 MW, ± 525 kV), which have been manufactured at Prysmian's Arco Felice plant in Naples and installed in the North Sea along a 720 km route.

SEALink project

On 31 March 2022, the Group was awarded a contract by Alaska Power & Telephone Company (AP&T), worth around Euro 20 million, to supply, install and test two submarine fibre-optic cable links in south-east Alaska. The SEALink project, being undertaken by AP&T Wireless (APTW), a subsidiary of AP&T, will improve telecommunications in this area of the country by bringing broadband to rural areas that are currently without. The SEALink project will create an approximately 340 km-long submarine fibre-optic cable link from Alaska's capital in Juneau to Prince of Wales Island.

Other significant events

Ravin Cables Limited

In January 2010, Prysmian Group acquired a 51% interest in the Indian company Ravin Cables Limited ("Ravin"), 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 Ravin would be transferred to a Chief Executive Officer appointed by Prysmian. However, this failed to happen and, in breach of the agreements, Ravin's management remained in the hands of the Local Shareholders and their representatives. Consequently, having now lost control, Prysmian Group ceased to consolidate Ravin and its subsidiary Power Plus Cable Co. LLC. with effect from 1 April

2012. In February 2012, Prysmian was also 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 Ravin'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 Ravin'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 Ravin'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 Ravin is considered to have not yet been acquired.

Admission of the Group's seven Italian companies to the "Cooperative Compliance" program

On 3 January 2022, the Group announced that it had been admitted to the Cooperative Compliance program with the Italian Revenue Agency after the Group's seven Italian companies successfully passed the rigorous review of the adequacy of the Tax Control Framework for detecting, measuring, managing and controlling tax risk. Admission to the program, which applies from tax period 2020, will allow the Group to establish a relationship based on trust and transparency with the Italian tax authorities, aimed at the pre-emptive analysis of issues with the highest tax risk and an ever-increasing level of oversight of the most relevant tax issues.

Investigation by Germany's Federal Cartel Office (FCO)

On 18 January 2022, the Group announced that the German Federal Cartel Office (FCO) had carried out inspections at some of the Group's sites in Germany. The inspections were conducted as part of an investigation by the FCO into alleged coordination in setting the standard metal surcharges applied by the industry in Germany. Prysmian is co-operating with the FCO.

CONSOLIDATED FINANCIAL HIGHLIGHTS *

(Euro/million)

	3 months 2022	3 months 2021	% Change	2021
Sales	3,677	2,810	30.9%	12,736
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	277	207	34.0%	958
Adjusted EBITDA (1)	288	213	35.2%	976
EBITDA (2)	285	199	43.2%	927
Adjusted operating income (3)	201	135	48.9%	647
Operating income	209	123	69,9%	572
Profit/(loss) before taxes	184	110	67.3%	476
Net profit/(loss)	127	78	62.8%	310

(Euro/million)

	31.03.2022	31.03.2021	Change	2021
Net invested capital	6,205	5,584	621	5,295
Employee benefit obligations	444	511	(67)	446
Equity	3,381	2,748	633	3,089
of which attributable to non-controlling interests	171	171	-	174
Net financial debt	2,380	2,325	55	1,760

(Euro/million)

	31.03.2022	31.03.2021	% Change	2021
Net capital expenditure (4)	49	29	69.0%	275
Employees (at period-end)	30,381	29,398	3.3%	29,763
Earnings/(loss) per share				
- basic	0.48	0.29		1.17
- diluted	0.48	0.29		1.17

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

(2) EBITDA is defined as earnings/(loss) for the period, 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 business 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 flows from disposals of Assets held for sale and from disposals and additions of 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 2022	3 months 2021	% Change	2021
Sales	3,677	2,810	30.9%	12,736
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**277**	**207**	**34.0%**	**958**
% of sales	7.6%	7.4%		7.5%
Adjusted EBITDA	**288**	**213**	**35.2%**	**976**
% of sales	7.8%	7.6%		7.7%
EBITDA	**285**	**199**	**43.2%**	**927**
% of sales	7.8%	7.1%		7.3%
Fair value change in metal derivatives	26	10		13
Fair value stock options	(15)	(8)		(33)
Amortisation, depreciation, impairment and impairment reversal	(87)	(78)		(335)
Operating income	**209**	**123**	**69.9%**	**572**
% of sales	5.7%	4.4%		4.5%
Net finance income/(costs)	(25)	(13)		(96)
Profit/(loss) before taxes	**184**	**110**	**67.3%**	**476**
% of sales	5.0%	3.9%		3.7%
Taxes	(57)	(32)		(166)
Net profit/(loss)	**127**	**78**	**62.8%**	**310**
% of sales	3.4%	2.8%		2.4%
Attributable to:				
Owners of the parent	126	76		308
Non-controlling interests	1	2		2
Reconciliation of Operating Income/EBITDA to Adjusted Operating Income/Adjusted EBITDA				
Operating income (A)	**209**	**123**	**69.9%**	**572**
EBITDA (B)	**285**	**199**	**43.2%**	**927**
Adjustments:				
Business reorganisation	1	5		21
Non-recurring expenses/(income)	1	2		2
Other non-operating expenses/(income)	1	7		26
Total adjustments (C)	**3**	**14**		**49**
Fair value change in metal derivatives (D)	(26)	(10)		(13)
Fair value stock options (E)	15	8		33
Asset impairment and impairment reversal (F)	-	-		6
Adjusted operating income (A+C+D+E+F)	**201**	**135**	**48.9%**	**647**
Adjusted EBITDA (B+C)	**288**	**213**	**35.2%**	**976**

The Group's sales in the first three months of 2022 came to Euro 3,677 million, compared with Euro 2,810 million in the corresponding period of 2021, posting a positive change of Euro 867 million (+30.9%).

The main factors behind this change were:

- positive organic sales growth, accounting for an increase of Euro 383 million (+13.6%). Excluding the Projects segment, organic sales growth would have been +11.4%;
- favourable exchange rate effects, generating an increase of Euro 66 million (+2.4%);
- fluctuation in the price of metals (copper, aluminium and lead), generating a sales price increase of Euro 407 million (+14.5%);
- increase of Euro 11 million (+0.4%) due to the change in the scope of consolidation after acquiring control of Omnisens S.A. and Eksa SP.ZOO.

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

Projects	+31.6%;
Energy	+12.1%;
Telecom	+7.4%.

The first three months of 2022 delivered a solid set of results for the Group, with organic growth of +13.6% (+11.4% excluding the *Projects* segment). These results make the first quarter of 2022 the best ever and confirm the importance of having a well-balanced business portfolio with a global geographical presence.

The organic change described above is explained by the following main factors:

- an increase by the *Energy & Infrastructure* business with +14.7% organic growth in sales, with a positive trend in all the regions;
- an increase by the *Industrial & Network Components* business with +7.9% organic growth in sales, thanks to an excellent performance in OEM and Renewables;
- an increase by the *Telecom* segment with +7.4% organic growth in sales, driven by solid growth in the optical business.

The Group's Adjusted EBITDA (before net expenses for business reorganisation, net non-recurring expenses and other net non-operating expenses) came to Euro 288 million in the first three months of 2022, up Euro 75 million (+35.2%) on the corresponding 2021 figure of Euro 213 million. The Adjusted EBITDA margin on sales was 8.7% at constant 2021 metal prices, compared with 7.6% in the first quarter of last year. These results were achieved thanks to efficient operations, service level and active price management that more than offset inflation. More specifically, at the individual business level, *Energy* turned in an exceptionally strong performance, fuelled by Trade & Installers, Renewables and Telecom. In addition, the first quarter of 2022 benefited from a favourable exchange rate trend of Euro 15 million.

EBITDA is stated after net expenses for business reorganisation, net non-recurring expenses and other net non-operating expenses totalling Euro 3 million (Euro 14 million in the first three months of 2021).

Amortisation, depreciation and impairment amounted to Euro 87 million in the first three months of 2022, up from Euro 78 million in the same period last year.

The fair value change in metal derivatives was a positive Euro 26 million in the first three months of 2022 compared with a positive Euro 10 million in the same period of 2021.

A total of Euro 15 million in costs were recognised in the first three months of 2022 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 209 million, compared with Euro 123 million in the first three months of 2021, thus reporting an increase of Euro 86 million.

Net finance costs amounted to Euro 25 million in the first three months of 2022, up from Euro 13 million in the prior year equivalent period, which had included the recognition of Euro 16 million in positive effects in connection with the 2021 convertible bond issue.

Taxes came to Euro 57 million, representing an effective tax rate of around 31% (29% in the first three months of 2021).

Net profit for the first three months of 2022 was Euro 127 million (of which Euro 126 million attributable to the Group) compared with Euro 78 million in the same period of 2021 (of which Euro 76 million attributable to the Group).

Net financial debt stood at Euro 2,380 million at 31 March 2022, up Euro 55 million from Euro 2,325 million at 31 March 2021. In the past 12 months, the Group generated Euro 86 million in free cash flow, excluding Euro 24 million in outlays for business combinations and Euro 57 million in proceeds received under legal settlements with third parties. Cash flow has been heavily impacted over the last twelve months by higher prices of raw materials and by the necessity to manage inventory to face the supply chain difficulties. Despite this, net operating working capital represented 8.8% of annualised sales, slightly up from 8.0% at the end of the same period last year.

In the first three months of the year, the Group was awarded contracts worth some Euro 1.4 billion, foremost of which the Neuconnect interconnection project for Euro 1.2 billion and a submarine cable project in the Middle East for Euro 220 million.

REVIEW OF PROJECTS OPERATING SEGMENT

(Euro/million)

	3 months 2022	3 months 2021	% Change	2021
Sales	406	314	29.3%	1,594
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**32**	**29**	**8.5%**	**210**
% of sales	7.8%	9.3%		13.2%
Adjusted EBITDA	**32**	**29**	**8.5%**	**210**
% of sales	7.8%	9.3%		13.2%
Adjustments	(3)	(2)		(8)
EBITDA	**29**	**27**	**8.8%**	**202**
% of sales	7.2%	8.6%		12.7%
Amortisation and depreciation	(20)	(15)		(69)
Adjusted operating income	**12**	**14**	**-15.4%**	**141**
% of sales	3.0%	4.5%		8.8%

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 (XLPE) 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; extruded polymer insulated cables 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, hoses and all electrical, optical and signalling components for oil well management from seabed to offshore platform.

FINANCIAL PERFORMANCE

Sales to third parties by the *Projects* segment amounted to Euro 406 million in the first quarter of 2022, versus Euro 314 million in the same period of 2021, recording a positive change of Euro 92 million (+29.3%).

The factors behind this change were:

- organic sales growth, accounting for an increase of Euro 99 million (+31.6%);
- exchange rate trends, resulting in a decrease of Euro 10 million (-3.3%);
- metal price fluctuations, producing an increase of Euro 3 million (+1.0%).

The *Projects* segment's organic growth is largely explained by contracts in progress in the Submarine Power business, which recorded a higher level of activity in the quarter than in the same period last year when certain assets, mainly used for installation, were idle due to maintenance; the High Voltage Underground business also reported significant growth, particularly in France and China, while growth in the Submarine Telecom and Offshore Specialties businesses was more subdued.

The main Submarine Power projects on which work was performed during the period were: the Crete-Attica interconnector project in Greece, the Viking Link between Great Britain and Denmark, the two interconnection projects in Turkey, offshore wind projects in France, the United States and Germany (Dolwin5), plus contracts to supply export and inter-array cables for 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 2.1 billion, mainly consisting of the following contracts: the offshore wind contracts in France (Fecamp and Calvados), Germany (Dolwin5) and Great Britain (Sofia); the interconnector between Great Britain and Denmark (Viking Link); and the Crete-Attica link in Greece. In addition to these, there are the offshore contract in North America (Vineyard Wind), the interconnection contracts in Turkey and the lots of the new Thyrrenian Link and Saudi-Egypt contracts released by the respective customers.

The value of the Group's High Voltage order backlog is around Euro 1.9 billion, mostly consisting of German Corridor contracts which, including the Submarine Telecom and Offshore Specialties businesses, takes the total order backlog of the *Projects* segment to around Euro 4.2 billion.

Adjusted EBITDA for the first quarter of 2022 came to Euro 32 million, up from Euro 29 million in the same period of 2021. The *Projects* business reported a margin of 7.8, as compared to the 9,3% of the previous year. These margins were affected by installation activities and by the execution of specific projects in the Underground High Voltage business, by extra costs to be recovered later in the year and by one-off costs in the Submarine Telecom business that offset the positive margins in the Submarine business. The margins in the Projects segment are expected to recover significantly in the latter part of 2022.

REVIEW OF ENERGY OPERATING SEGMENT

(Euro/million)

	3 months 2022	3 months 2021	% Change	2021
Sales	2,839	2,114	34.3%	9,557
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**187**	**126**	**48.8%**	**542**
% of sales	6.6%	6.0%		5.7%
Adjusted EBITDA	**189**	**126**	**49.8%**	**546**
% of sales	6.7%	6.0%		5.7%
Adjustments	(1)	(9)		(46)
EBITDA	**188**	**117**	**60.6%**	**500**
% of sales	6.6%	5.5%		5.2%
Amortisation and depreciation	(47)	(44)		(184)
Adjusted operating income	**142**	**82**	**72.1%**	**362**
% of sales	5.0%	3.9%		3.8%

The *Energy* Operating Segment, encompassing businesses offering 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 2,839 million, versus Euro 2,114 million in the first quarter of 2021, posting a positive change of Euro 725 million (+34.3%), the main components of which were as follows:

- positive organic sales growth of Euro 256 million (+12.1%);
- increase of Euro 65 million (+3.1%) for positive exchange rate fluctuations;
- sales price increase of Euro 393 million (+18.6%) for metal price fluctuations;
- positive change of Euro 11 million (+0.5%) due to the acquisition of Eksa SP.ZOO, consolidated from 1 January 2022, and of Omnisens S.A., consolidated from 1 November 2021.

Adjusted EBITDA came to Euro 189 million, up Euro 63 million (+49.8%) from Euro 126 million in the first quarter of 2021, reflecting higher volumes, which returned to pre-pandemic levels, and an upswing in prices which offset the increased cost of key raw materials, energy and transport.
The *Energy* business reported a margin of 6.7%, which would have been 7.4% at constant 2021 metal prices (6.0% in the first quarter of 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 2022	3 months 2021	% Change	2021
Sales	1,941	1,400	38.6%	6,361
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**131**	**75**	**75.7%**	**353**
% of sales	6.8%	5.3%		5.5%
Adjusted EBITDA	**132**	**75**	**76.5%**	**356**
% of sales	6.8%	5.3%		5.6%
Adjusted operating income	**101**	**46**	**121.6%**	**233**
% of sales	5.2%	3.3%		3.7%

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.

FINANCIAL PERFORMANCE

Sales to third parties by the *Energy & Infrastructure* business amounted to Euro 1,941 million in the first quarter of 2022, compared with Euro 1,400 million in the first quarter of 2021, posting a positive change of Euro 541 million (+38.6%), the main components of which were as follows:

- positive organic sales growth of Euro 205 million (+14.7%);
- positive change of Euro 47 million (+3.3%) for exchange rate fluctuations;
- sales price increase of Euro 279 million (+19.9%) for metal price fluctuations;
- increase of Euro 10 million (+0.7%) due to the acquisition of Eksa SP. ZOO with effect from 1 January 2022.

The *Energy & Infrastructure* business's positive organic sales growth of +14.7% in the first quarter of 2022 was mainly due to the excellent performance of the Trade & Installers business. Trade & Installers enjoyed strong organic growth, albeit with geographical differences: vigorous growth in South and Central Europe contrasted with a recovery in North Europe, stability in the United Kingdom and a slight downturn in the Middle East. Growth was very robust in North America and in line with expectations in LATAM. In both regions, inflation, resulting from

difficulty in procuring raw materials and rising transport costs, was more than recouped thanks to judicious management of pricing policy, facilitated by solid demand. APAC recorded a good recovery, driven by Oceania. APAC recorded a good recovery, driven by Oceania.
These factors benefited the profitability of the Trade & Installers business, which grew considerably on the same period last year.

The Power Distribution business posted positive organic growth in every region. There was a slight improvement in profitability, due to recovery of cost increases and favourable product mix in the Middle East and North America. In Europe, persistently strong price pressure and difficulties in recovering key commodity price increases were partially offset by gains in industrial efficiency.
In the Overhead Lines business, volumes reported a year-on-year contraction in both North America and LATAM, putting pressure on profitability.

Given the factors described above, Adjusted EBITDA in the first quarter of 2022 came to Euro 132 million, versus Euro 75 million in the first quarter of 2021, reflecting an increase of Euro 57 million (+76.5%). The result included approximately Euro 8 million in positive exchange rate effects. The *Energy & Infrastructure* business reported a margin of 6.8%, which would have been 7.6% at constant 2021 metal prices (5.3% in the first quarter of 2021), that has been sustained by an excellent performance in T&I and a solid demand and price management activities.

INDUSTRIAL & NETWORK COMPONENTS

(Euro/million)

	3 months 2022	3 months 2021	% Change	2021
Sales	802	648	23.8%	2,838
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**54**	**49**	**10.5%**	**195**
% of sales	6.8%	7.6%		6.9%
Adjusted EBITDA	**55**	**49**	**10.5%**	**196**
% of sales	6.8%	7.6%		6.9%
Adjusted operating income	**40**	**35**	**9.6%**	**139**
% of sales	5.0%	5.4%		4.9%

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 fields of application for its cables are 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.

FINANCIAL PERFORMANCE

Sales to third parties by the *Industrial & Network Components* business area amounted to Euro 802 million in the first quarter of 2022, compared with Euro 648 million in the first quarter of 2021, recording a positive change of Euro 154 million (+23.8%), the main components of which were as follows:

- positive organic sales growth of Euro 51 million (+7.9%).
- positive change of Euro 17 million (+2.5%) for exchange rate fluctuations;
- sales price increase of Euro 85 million (+13.2%) for metal price fluctuations;
- positive change of Euro 1 million (+0.2%) due to the acquisition of Omnisens S.A..

Industrial & Network Components turned in a good performance in the first quarter of 2022, mainly thanks to the OEM and Renewables.

Specialties, OEM and Renewables all grew and recorded a healthy level of profit and positive organic growth in line with expectations, displaying good resilience to the global economic situation, particularly in Europe, LATAM and APAC.
Results were stable in the Marine, Cranes, Rolling Stock and Nuclear businesses.

The Elevator business had a stable performance, underpinned by North America, which made up for difficulties encountered on the Chinese market due to partial lockdowns and for problems linked to tight procurement markets for key components.

EHC, acquired in January 2021, has been fully integrated into the Group, allowing it to develop its product portfolio, including vertical transportation solutions for the Elevator business.

There was a slight downturn in the Automotive business, with a contraction in volumes in Germany, North America and Asia due to the tensions generated by the Russia-Ukraine conflict and delays in the production lines of some wire harness makers.

The Network Components business area remained stable at first-quarter 2021 levels despite facing strong price pressure, mainly thanks to the MV segment in Europe and America. The HV and EHV segment lagged slightly behind due to phasing of certain projects.

Given the factors described above, Adjusted EBITDA for the first quarter of 2022 came to Euro 55 million, up from Euro 49 million in the first quarter of 2021, reporting a positive change of Euro 6 million (+10.5%).
The *Industrial & Network Components* business reported a margin of 6.8%, which would have been 7.4% at constant 2021 metal prices, in line with the margin of 7.6% in the same period last year.

OTHER

(Euro/million)

	3 months 2022	**3 months 2021**	**2021**
Sales	96	66	358
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**2**	**2**	**(6)**
Adjusted EBITDA	**2**	**2**	**(6)**
Adjusted operating income	**1**	**1**	**(10)**

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 2022	**3 months 2021**	**% Change**	**2021**
Sales	432	382	13.2%	1,585
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**58**	**52**	**13.3%**	**206**
% of sales	13.6%	13.5%		13.0%
Adjusted EBITDA	**67**	**58**	**16.1%**	**220**
% of sales	15.6%	15.2%		13.9%
Adjustments	1	(2)		9
EBITDA	**68**	**56**	**20.9%**	**229**
% of sales	15.7%	14.7%		14.4%
Amortisation and depreciation	(20)	(19)		(76)
Adjusted operating income	**47**	**39**	**21.2%**	**144**
% of sales	10.9%	10.2%		9.1%

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.

FINANCIAL PERFORMANCE

Sales to third parties by the *Telecom* operating segment came to Euro 432 million in the first three months of 2022, compared with Euro 382 million in the same period of 2021.
The positive change of Euro 50 million (+13.2%) is explained by:

- organic sales growth of Euro 28 million (+7.4%);
- sales price increase of Euro 11 million (+2.9%) for metal price fluctuations;
- positive change of Euro 11 million (+2.9%) for exchange rate fluctuations.

First-quarter organic sales growth in 2022 was driven by continued expansion in the Optical business, especially in North America.

In Europe, volumes were steady with rising prices. Major European customers accepted an upward price revision justified by the rising cost of raw materials and energy.

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, particularly in Great Britain.
The Multimedia Solutions business recorded positive organic growth due to an upturn in North American market volumes.

Adjusted EBITDA for the first quarter of 2022 came to Euro 67 million, reporting an increase of Euro 9 million (+16.1%) from Euro 58 million in the same period of 2021. The *Telecom* business posted a margin of 15.6%, compared with a margin of 15.2% in the same period last year.

RESULTS BY GEOGRAPHICAL AREA

(Euro/million)

	Sales		Adjusted EBITDA	
	3 months 2022	3 months 2021	3 months 2022	3 months 2021
EMEA*	1,565	1,192	71	58
North America	1,151	868	142	87
Latin America	290	226	24	21
Asia Pacific	265	210	19	18
Total (excluding Projects)	**3,271**	**2,496**	**256**	**184**
Projects	406	314	32	29
Total	**3,677**	**2,810**	**288**	**213**

(*) 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.

Although the primary operating segments remain those by business, 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, excluding the *Projects* business whose geographical breakdown is unrepresentative. 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 such destination.

EMEA

The EMEA region's sales amounted to Euro 1,565 million in the first quarter of 2022, reflecting year-on-year organic growth of +14.1%. Adjusted EBITDA came to Euro 71 million (Euro 58 million in the first quarter of 2021), reporting a margin on sales of 4.5% which would have been 4.8% at constant 2021 metal prices (4.9% in the prior year equivalent period). The strong results are attributable to the Trade & Installers and Optical businesses. The OEM and Renewables businesses also performed very well, driving growth in the Industrial segment.

North America

The region's sales amounted to Euro 1,151 million, reporting year-on-year organic growth of +10.0%. Adjusted EBITDA amounted to Euro 142 million (Euro 87 million in the first quarter of 2021) and was impacted by Euro 11 million in favourable exchange rate trends. Adjusted EBITDA reported a margin on sales of 12.3%, which would have been 13.7% at constant 2021 metal prices (10.0% in the prior year equivalent period).

All business areas recorded a major improvement in results thanks to the the Group's position as market leader, with an excellent performance by Trade & Installers and Telecom.

LATAM

The LATAM region's sales amounted to Euro 290 million, reflecting organic growth of +5.3%. Adjusted EBITDA came to Euro 24 million (Euro 21 million in the first quarter of 2021), reporting a margin on sales of 8.3%, which would have been 9.4% at constant 2021 metal prices (9.6% in the prior year equivalent period). Solid growth in the Renewables business was partially offset by Telecom.

The improvement in Adjusted EBITDA was driven by Trade & Installers and Renewables.

APAC

The APAC region's sales amounted to Euro 265 million in the first quarter of 2022, reflecting organic growth of +8.6%. Adjusted EBITDA came to Euro 19 million (Euro 18 million in the first quarter of 2021), reporting a margin on sales of 7.4%, which would have been 8.1% at constant 2021 metal prices (8.5% in the prior year equivalent period).

The overall positive results were achieved thanks to a significant contribution by Telecom, despite lockdowns in China.

GROUP STATEMENT OF FINANCIAL POSITION

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(Euro/million)

	31.03.2022	31.03.2021	Change	31.12.2021
Net fixed assets	5,367	5,110	257	5,304
Net working capital	1,516	1,071	445	650
Provisions and net deferred taxes	(678)	(597)	(81)	(659)
Net invested capital	**6,205**	**5,584**	**621**	**5,295**
Employee benefit obligations	444	511	(67)	446
Total equity	3,381	2,748	633	3,089
of which attributable to non-controlling interests	171	171	-	174
Net financial debt	2,380	2,325	55	1,760
Total equity and sources of funds	**6,205**	**5,584**	**621**	**5,295**

NET FIXED ASSETS

(Euro/million)

	31.03.2022	31.03.2021	Change	31.12.2021
Property, plant and equipment	2,829	2,669	160	2,794
Intangible assets	2,150	2,101	49	2,137
Equity-accounted investments	375	326	49	360
Other investments at fair value through other comprehensive income	13	13	-	13
Assets and liabilities held for sale (*)	-	1	(1)	-
Net fixed assets	**5,367**	**5,110**	**257**	**5,304**

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

At 31 March 2022, net fixed assets amounted to Euro 5,367 million, compared with Euro 5,304 million at 31 December 2021, posting an increase of Euro 63 million mainly due to the combined effect of the following factors:

- Euro 49 million in net capital expenditure on property, plant and equipment and intangible assets;
- Euro 87 million in amortisation, depreciation and impairment for the period;
- Euro 18 million in increases for property, plant and equipment accounted for in accordance with IFRS 16;
- Euro 68 million in positive currency translation differences affecting property, plant and equipment and intangible assets;
- Euro 15 million for the net increase in equity-accounted investments.

NET WORKING CAPITAL

(Euro/million)

	31.03.2022	31.03.2021	Change	31.12.2021
Inventories	2,536	1,802	734	2,054
Trade receivables	2,204	1,755	449	1,622
Trade payables	(2,946)	(2,155)	(791)	(2,592)
Other receivables/(payables)	(507)	(502)	(5)	(608)
Net operating working capital	**1,287**	**900**	**387**	**476**
Derivatives	229	171	58	174
Net working capital	**1,516**	**1,071**	**445**	**650**

Net working capital of Euro 1,516 million at 31 March 2022 was Euro 445 million higher than the corresponding figure of Euro 1,071 million at 31 March 2021. Net operating working capital, which excludes the value of derivatives, amounted to Euro 1,287 million (8.8% of last-quarter annualised sales) at 31 March 2022, up Euro 387 million from Euro 900 million (8.0% of last-quarter annualised sales) at 31 March 2021. The last twelve months net working capital increase has been heavily impacted by higher prices of raw materials and by the necessity to manage inventory to face the supply chain difficulties.

NET FINANCIAL DEBT

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

(Euro/million)

	31.03.2022	31.03.2021	Change	31.12.2021
Long-term financial payables				
CDP Loans	175	174	1	175
EIB Loans	245	110	135	110
Non-convertible bond	-	749	(749)	-
Convertible Bond 2021	710	699	11	707
Term Loan	998	997	1	998
Unicredit Loan	200	200	-	200
Mediobanca Loan	100	100	-	100
Intesa Loan	150	150	-	150
Interest rate swaps	-	12	(12)	3
Lease liabilities	164	138	26	158
Other financial payables	8	11	(3)	8
Total long-term financial payables	**2,750**	**3,340**	**(590)**	**2,609**
Short-term financial payables				
Non-convertible bond	768	18	750	763
Convertible Bond 2017	-	246	(246)	250
Term Loan	3	3	-	1
Intesa Loan	1	1	-	-
Interest rate swaps	4	8	(4)	6
Forward currency contracts on financial transactions	7	-	7	3
Lease liabilities	54	51	3	53
Other financial payables	92	61	31	56
Total short-term financial payables	**929**	**388**	**541**	**1,132**
Total financial liabilities	**3,679**	**3,728**	**(49)**	**3,741**
Long-term financial receivables	4	2	2	3
Long-term bank fees	1	2	(1)	1
Financial assets at amortised cost	3	4	(1)	3
Non-current interest rate swaps	5	-	5	-
Short-term forward currency contracts on financial transactions	7	6	1	3
Short-term financial receivables	13	8	5	12
Short-term bank fees	2	2	-	2
Financial assets at fair value through profit or loss	231	215	16	244
Financial assets at fair value through other comprehensive income	11	11	-	11
Financial assets held for sale	-	1	(1)	-
Cash and cash equivalents	1,022	1,152	(130)	1,702
Total financial assets	**1,299**	**1,403**	**(104)**	**1,981**
Net financial debt	**2,380**	**2,325**	**55**	**1,760**

Net financial debt of Euro 2,380 million at 31 March 2022 has increased by Euro 620 million from Euro 1,760 million at 31 December 2021.

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 2022	3 months 2021	Change	12 months (from 1 April 2021 to 31 March 2022)	2021
Adjusted EBITDA	**288**	**213**	**75**	**1,051**	**976**
Adjustments	(3)	(14)	11	(38)	(49)
EBITDA	**285**	**199**	**86**	**1,013**	**927**
Changes in provisions (including employee benefit obligations) and other movements	(25)	(10)	(15)	4	19
Net gains on disposal of property, plant and equipment and intangible assets	-	-	-	(2)	(2)
Share of net profit/(loss) of equity-accounted companies	(11)	(6)	(5)	(32)	(27)
Net cash flow from operating activities (before changes in net working capital)	**249**	**183**	**66**	**983**	**917**
Changes in net working capital	(794)	(477)	(317)	(345)	(28)
Taxes paid	(25)	(10)	(15)	(135)	(120)
Dividends from equity-accounted companies	2	3	(1)	7	8
Net cash flow from operating activities	**(568)**	**(301)**	**(267)**	**510**	**777**
Cash flow from acquisitions and/or disposals	(4)	(73)	69	(24)	(93)
Net cash flow used in operating investing activities	(49)	(29)	(20)	(295)	(275)
Free cash flow (unlevered)	**(621)**	**(403)**	**(218)**	**191**	**409**
Net finance costs	(6)	(13)	7	(72)	(79)
Free cash flow (levered)	**(627)**	**(416)**	**(211)**	**119**	**330**
Dividend distribution	-	-	-	(134)	(134)
Capital contributions and other changes in equity	-	-	-	1	1
Net cash flow provided/(used) in the period	**(627)**	**(416)**	**(211)**	**(14)**	**197**
Opening net financial debt	**(1,760)**	**(1,986)**	**226**	**(2,325)**	**(1,986)**
Net cash flow provided/(used) in the period	(627)	(416)	(211)	(14)	197
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	(18)	(5)	(13)	(76)	(63)
Net financial debt of EHC	-	9	(9)	(1)	8
Other changes	25	37	(12)	36	48
Closing net financial debt	**(2,380)**	**(2,325)**	**(55)**	**(2,380)**	**(1,760)**

Net cash flow provided by operating activities (before changes in net working capital) amounted to Euro 249 million in the first quarter of 2022.

The increase in net working capital used Euro 794 million in cash flow. After Euro 25 million in tax payments and Euro 2 million in dividend receipts, operating activities in the first three months of 2022 therefore resulted in a net cash outflow of Euro 568 million.

Net operating capital expenditure used Euro 49 million in cash in the first three months of 2022, a large part of which relating to projects to increase and rationalise production capacity and to develop new products.

In addition, Euro 6 million in net finance costs were paid during the period.

In the past 12 months, the Group generated Euro 86 million in free cash flow, excluding Euro 24 million in outlays for business combinations and Euro 57 million in proceeds received under legal settlements with third parties. The net inflow of Euro 86 million was generated by:

a) Euro 950 million in net cash flow provided by operating activities before changes in net working capital;
b) Euro 345 million in cash flow absorbed by the increase in net working capital;
c) Euro 295 million in cash outflows for net capital expenditure;
d) Euro 135 million in tax payments;
e) Euro 72 million in payments of net finance costs;
f) Euro 24 million in cash flow absorbed by restructuring costs and other non-operating expenses;
g) Euro 7 million in dividends received 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. Such reclassified statements and performance indicators should not however be treated as substitutes 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 business 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 business 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;

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[1] Income and expense for business 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 optimise organisational structure;

[2] Non-recurring income and expense: these refer to income and expense related to unusual events that have not affected profit or loss in past periods and are not likely to 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.

• **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;

• **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 (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 interest rate and forex risk hedges of financial transactions classified in net financial debt
- Current tax payables

• **Net operating working capital:** net working capital, as defined above, net of derivatives not classified in net financial debt.

• **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 invested capital:** 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 2022

(Euro/million)

			31.03.2022	31.12.2021
		Note	As per financial statements	As per financial statements
Total net fixed assets	**A**		**5,367**	**5,304**
Inventories		4	2,536	2,054
Trade receivables		3	2,204	1,622
Trade payables		10	(2,946)	(2,592)
Other receivables		3	872	661
Other payables		10	(1,264)	(1,197)
Current tax payables			(95)	(54)
Derivatives		5	230	165
Items not included in net working capital:				
Financial receivables			17	15
Prepaid finance costs			3	3
Interest rate swaps			1	(9)
Total net working capital	**B**		**1,516**	**650**
Provisions for risks and charges		11	(646)	(653)
Deferred tax assets			180	182
Deferred tax liabilities			(212)	(188)
Total provisions	**C**		**(678)**	**(659)**
Net invested capital	**D=A+B+C**		**6,205**	**5,295**
Employee benefit obligations	**E**	12	**444**	**446**
Total equity	**F**		**3,381**	**3,089**
Borrowings from banks and other lenders		9	3,668	3,729
Financial assets at amortised cost			(3)	(3)
Financial assets at fair value through profit or loss		6	(231)	(244)
Financial assets at fair value through other comprehensive income			(11)	(11)
Cash and cash equivalents		7	(1,022)	(1,702)
Financial receivables			(17)	(15)
Prepaid finance costs			(3)	(3)
Interest rate derivatives			(1)	9
Net financial debt	**G**		**2,380**	**1,760**
Total equity and sources of funds	**H=E+F+G**		**6,205**	**5,295**

Reconciliation between the principal performance indicators and the Income Statement contained in the Consolidated Financial Statements and Explanatory Notes at 31 March 2022

(Euro/million)

		3 months 2022	3 months 2021
		As per income statement	As per income statement
Sales	A	3,677	2,810
Change in inventories of finished goods and work in progress		239	154
Other income		16	12
Raw materials, consumables and supplies		(2,736)	(2,042)
Personnel costs		(405)	(366)
Other expenses		(532)	(383)
Operating costs	**B**	**(3,418)**	**(2,625)**
Share of net profit/(loss) of equity-accounted companies	C	11	6
Fair value stock options	D	15	8
EBITDA	**E = A+B+C+D**	**285**	**199**
Other non-recurring expenses and revenues	F	(1)	(2)
Business reorganisation	G	(1)	(5)
Other non-operating expenses	I	(1)	(7)
Total adjustments to EBITDA	L = F+G+I	(3)	(14)
Adjusted EBITDA	**M = E-L**	**288**	**213**
Share of net profit/(loss) of equity-accounted companies	N	11	6
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**O = M-N**	**277**	**207**

(Euro/million)

		3 months 2022	3 months 2021
		As per income statement	As per income statement
Operating income	**A**	**209**	**123**
Other non-recurring expenses and revenues		(1)	(2)
Business reorganisation		(1)	(5)
Other non-operating expenses		(1)	(7)
Total adjustments to EBITDA	**B**	**(3)**	**(14)**
Fair value change in metal derivatives	C	26	10
Fair value stock options	D	(15)	(8)
Adjusted operating income	**E=A-B-C-D**	**201**	**135**

BUSINESS OUTLOOK

In 1Q 2022, global economy continued to grow sharply as in 2021, thanks to the easing of pandemic restrictions and to national plans in support of the development of infrastructure, energy transition and digitalisation projects. The strong recovery of economic activity was accompanied by considerable inflationary pressure, triggered mainly by the increase in energy and commodity prices and supply chains disruptions, exacerbated by the war in Ukraine. To mitigate rising inflation, several central banks began to pare back some monetary stimuli and to increase interest rates.

Global economic growth expectations for 2022, while remaining positive, have been revised downwards, primarily following the conflict in Ukraine and the related international tensions. After the 6.1% rebound in 2021, the global economy is expected to grow by 3.6% in 2022, according to the most recent estimates by the International Monetary Fund. This figure has been revised downwards by 0.8% compared to the January 2022 projections. In any event, there continues to be a high level of uncertainty regarding global macroeconomic performance, with risks of further downwards revisions of growth prospects, in view of a possible deterioration of the geopolitical crisis relating to Ukraine, the extension of the Shanghai lockdown, and a resurgence of the pandemic at the global level.

The results for 1Q 2022 further confirmed the Group’s focus on proactively and seamlessly serving its customers and efficiently managing its industrial footprint. This is borne out by the results of both the Energy segment, which achieved the highest performance of all time in the first quarter, and the Telecom segment, as well as by the awarding to the Projects business of new orders worth a total of Euro 1.4 billion, following the record amount of approximately Euro 4.8 billion awarded in 2021.

As a result, for the full year 2022 Prysmian Group expects a moderate demand growth in the construction and industrial cables businesses after last year’s excellent performance, with results also supported by the ability to implement pricing policies to contain inflation-driven cost pressures. In the high-voltage underground and submarine cables and systems business, the Group aims to confirm its leadership on the market, which is expected to show strong growth, driven by the development of offshore wind farms and interconnections to support the energy transition, as well as the start of a trend of significant market growth in the United States, where the Group has decided to expand its production capacity of submarine cables. For this segment, the Group expects results to be up on the previous year, with a more marked acceleration in the second half of 2022. In the Telecom segment, the Group expects volumes to grow in the optical business, amid a challenging competitive environment, especially in Europe.

Prysmian Group's long-term growth drivers are confirmed, mainly linked to the energy transition, the strengthening of telecommunications networks (digitalisation) and the electrification process. The Group can also leverage its broad business and geographical diversification, solid capital structure, efficient and flexible supply chain and lean organisation, all of which is enabling it to effectively seize growth opportunities.

In light of the above considerations, the Group confirms the guidance announced in March 2022. For FY 2022, the Group expects to achieve the upper range of the Adjusted EBITDA target, between Euro 1,010-1,080 million, greatly improving on the Euro 976 million reported in 2021. In addition, the Group expects to generate cash flows of approximately Euro 400 million ± 15% (FCF before acquisitions and disposals) for FY 2022.

These forecasts do not include any negative impacts resulting from a further deterioration of the geopolitical crisis relating to the military conflict in Ukraine and assume no significant changes in the development of the health situation. The forecasts also assume that global supply chains will remain under pressure in the coming months, but there will not be any further tensions and extreme dynamics in the prices of factors of production. Moreover, the forecasts assume that in the coming months market conditions will gradually normalise, particularly in the United States, where current inflation and pricing dynamics provide considerable profit opportunities. In addition, the forecasts are based on the Company's current business scope, assuming a EURO /USD exchange rate of 1.15, and do not include impacts on cash flows related to Antitrust issues.

FORESEEABLE RISKS IN 2022[4]

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 foreseeable risk factors are described below according to their nature.

STRATEGIC RISKS

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, assets and financial condition; consequently, as already mentioned in an earlier paragraph, the Group constantly monitors developments on the global geopolitical stage that could require it to revise existing business strategies and/or adopt mechanisms to safeguard its competitive position and performance.
The Russia-Ukraine war could have significant negative effects on economic activity and exacerbate problems in the supply chain, including by increasing the price of raw materials used by the Group. It is currently not possible to foresee the extent of the consequences of not only higher energy prices and inflation as a whole but also of trade restrictions and sanctions, as well as the backlashes to and duration of this conflict. In a worse scenario, this could have a significantly negative impact on the European economy.

[4] 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 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.

Moreover, high value-added businesses - such as high voltage underground and submarine cables - are seeing an escalation in competition both from existing operators and from new players, not necessarily from the industry but with leaner more flexible organisational models, and/or significant financial resources, with a potentially negative impact on both sales volumes and selling prices.

Although the existence of certain barriers to entry (such as those relating to ownership of technology, know-how and track record that are difficult to replicate) may limit the number of players able to compete effectively on a global scale in high value-added segments (such as high voltage underground cables, optical cables and, to a much lesser extent, submarine cables), Prysmian Group cannot rule out either the entry of new competitors into these market segments or an escalation of competition from existing players, with potential consequences for the Group's expected sales volumes and selling prices. The Group may be unable either to reduce its costs sufficiently to offset the reduction in demand and the increased pressure on prices, or to effectively limit the greater competition from both new entrants and existing players, which could have a material adverse effect on its economic and financial condition and/or results of operations.

In addition, the acceleration of technological innovation observed in recent years, with an increasingly widespread use of renewable energy and a shift towards digitalisation, also fostered by the Covid-19 pandemic, represents a further area of competition in the medium and long term.

The strategy of rationalising manufacturing footprint 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.

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 persistently difficult economic conditions, then reduce investments that would otherwise develop the market. Government incentives for alternative energy sources and for developing telecom networks also face cuts for the same reason.
In addition, current shortages of equipment, materials and labour in some sectors could hamper the production of goods, causing delays in contract execution and slowing the recovery in some sectors of the economy; these bottlenecks are expected to persist for some time. In periods of negative or no growth, Prysmian Group could experience a decrease in sales and net profit, which could have a significant adverse effect on its financial condition and results of operations.
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 reduced sales and lower margins.
In addition, the Group constantly monitors developments on the global geopolitical stage 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.

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

The global macroeconomic situation deteriorated over the course of 2020 following the spread of the Covid-19 pandemic.
In response to this health emergency, governments in most countries adopted containment measures, including travel bans, quarantines and other public emergency measures, with serious repercussions for economic activity and the entire production system. These restrictions on travel and freedom of movement continued in the second half of 2020 and early 2021 with restrictions due to the "second and third waves", and in autumn 2021 and early 2022 as a result of the "fourth wave". More recently, the emergence of the Omicron variant has threatened an intensification of the pandemic on a global scale and made uncertainty about its future evolution even greater. This "wave" (and any future "waves") has caused (and may continue to cause) fresh disruptions in the economies of those nations already impacted by Covid-19 and could lead to further negative impacts on the global economy in general. Potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. If the spread of Covid-19 persists for a significant period of time or if other restrictions are put in place, this could have further negative impacts on the global economy that will depend heavily on the duration and severity of the outbreak itself. Any persistent or aggravated adverse impact on the global economy could affect the Group's business, financial condition and/or results of operations. The program of extraordinary measures, swiftly deployed by the Group since the onset of the Covid-19 pandemic, is proving effective and has 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 strict 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.

Risks related to acquisitions and disposals

The Group reviews potential acquisition targets on an ongoing basis and whenever it acquires new companies, their integration may pose challenges, particularly if management information and accounting systems are substantially different from those used elsewhere in the Group. It is also possible that unforeseen problems may be encountered in one or more of the acquired entities.

In addition, the Group may have to incur additional debt on each occasion to finance acquisitions.

Prysmian Group may also dispose of some of its businesses through M&A transactions, themselves subject to uncertainty. Agreements entered into as part of disposal transactions typically provide for mutual obligations as well as representations and warranties and seller obligations to indemnify the buyer for any liabilities arising from the breach of such representations and warranties. In addition, such agreements typically contain conditions precedent that must be satisfied prior to completion, otherwise the buyer's termination rights may be triggered, and therefore there is no guarantee that transactions in progress but not yet completed will actually be completed within the expected timeframe.

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 collaboration 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, failure to comply with the financial and non-financial covenants contained in the Group's credit agreements could limit its ability to increase its net indebtedness, other factors 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 a situation, 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 2022, and six-monthly monitoring[5] of financial covenant compliance (fully satisfied at 31 December 2021), the Group is of the opinion that it has significantly mitigated this risk and that it is capable of raising sufficient financial resources at a competitive cost. A more detailed analysis of the risk in question, including a description of the Group's principal sources of finance, can be found in the Explanatory Notes to the Quarterly Consolidated Financial Statements.

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 deemed 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 "Financial Risk Management" section of the Explanatory Notes to the FY2021 Consolidated Financial Statements.

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

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). In order to hedge this risk, the Group uses Interest Rate Swaps (IRS), which transform the variable rate into a fixed rate, thus reducing the risk caused by interest rate volatility. IRS contracts make it possible to exchange on 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 "Financial Risk Management" section of the Explanatory Notes to the FY2021 Consolidated Financial Statements.

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 difficulty in finding coverage on the market.

It should be noted that credit risk was not particularly impacted during 2022 by the spread of the Covid-19 pandemic.

A more detailed analysis of the risk in question can be found in the "Financial Risk Management" section of the Explanatory Notes to the FY2021 Consolidated Financial Statements.

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.
At 31 March 2022, the Group's total financial resources and undrawn committed credit lines stood in excess of Euro 2 billion.
A more detailed analysis of the risk in question can nonetheless be found in the "Financial Risk Management" section of the Explanatory Notes to the FY2021 Consolidated Financial Statements.

Commodity price volatility risk

The Group's operating results could be affected by changes in the prices of commodities and strategic materials (such as copper, aluminium, lead, resins and polyethylene compounds as well as fuels and energy), which are subject to market volatility.
The main commodities purchased by the 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, aluminium and, although less significant, 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 "Financial Risk Management" section of the Explanatory Notes to the FY2021 Consolidated Financial Statements.

Risks associated with meeting pension plan obligations

Group companies have defined benefit pension plans in place throughout the world, into which they are required to pay specific contributions. Under these plans, the Group is obliged to provide a defined level of benefits to plan participants, and is therefore subject to the risk that the related assets are insufficient to cover the benefits. If a fund is in deficit, its managing trustee it will require Prysmian Group to fund the plan. In addition, the Group may be called upon to advance substantial contributions or provide further financial support to certain plans if their

creditworthiness declines or if beneficiaries withdraw en masse from the plans and require immediate coverage of their deficits. The Group has taken measures to mitigate its exposure to these risks, including by preventing new participants from joining funded plans and requiring ongoing contributions from the original beneficiaries, but there can be no assurance that these measures will be sufficient to mitigate the relevant risks. The costs of defined benefit pension plans are determined on the basis of a number of actuarial assumptions, including an expected long-term rate of return on assets and a discount rate. The use of these assumptions makes pension expense and cash contributions subject to volatility from year to year.
A more detailed analysis of this risk can be found in the note on "Employee benefit obligations" within the Explanatory Notes to the FY2021 Consolidated Financial Statements.

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 product liability legal actions in its countries of operation. 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 negative outcome could expose it to reputational damage, with potentially further adverse consequences for its results of operations and financial condition.

Risks associated with failure to meet contractual conditions in turnkey projects

Turnkey projects involve operational and management complexities that can affect delivery times, the quality of the cables produced, the costs estimated at the contractual stage and, consequently, the agreed consideration and any costs related to guarantees. The Group uses the percentage of completion method to account for such projects, whereby the margins recognised in its financial statements depend on a project's progress and its estimated margins at completion. Consequently, work in progress and margins on incomplete projects may not be recognised correctly if the revenues and costs of completion, including any contractual variations and cost overruns and penalties that might reduce expected margins, have not been estimated correctly. The percentage of completion method requires the Group to estimate the costs of project completion and involves making estimates based on factors that could change over time and therefore could have a significant impact on the recognition of revenues and margins.

Although the Group has policies and procedures designed to manage and monitor the implementation of each project, there can be no assurance that such problems will not arise. This could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Specifically, 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 if the Group (or its subcontractors and/or other third parties used by the Group in the execution of these projects) fails to comply with specific deadlines and quality standards.

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 Group has implemented a quality management process involving an extensive series of tests on cables and accessories before delivery and installation, as well as ad hoc insurance coverage, often through insurance syndicates, to mitigate exposure to risks starting 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 an assessment of completed and ongoing contracts, analysing the risks involved, including a potential domino effect on the order backlog. 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 plants in Pikkala (Finland) and Arco Felice (Italy) for the production of a particular type of cable and the cable-laying vessels owned by the Group (the "Giulio Verne" and the new "Leonardo da Vinci" in operation since 2021), some of whose technical capabilities are hard to find on the market. The loss of one of these assets due to unforeseen natural events (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.
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, make it possible to assess the adequacy of existing systems of protection and to decide any necessary remedial actions to mitigate the estimated residual risk. As at 31 March 2022, the Group's operating plants were sufficiently protected and there were no significant risk exposures. 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 that make it possible to activate, as quickly as possible, the countermeasures required to contain the impact following a catastrophic event and manage any resulting crisis;
- specific insurance schemes covering damage to assets and loss of associated contribution margin due to business interruption, so 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, atmospheric emissions and waste, including pollution prevention and minimisation of impacts on environmental factors (soil, subsoil, water resources, atmosphere).
As these regulations evolve, they are placing an ever-heavier compliance burden on businesses, often calling for the upgrading of technology (Best Available Techniques) and the relevant risk prevention systems, with associated related costs.
Despite the Group's risk management measures, there is no guarantee that certain environmental accidents will not occur in the normal course of business. This may result in criminal and/or civil penalties and, in some cases, safety violations. There are also costs associated with the Group's compliance with health, safety and environmental rules and regulations. The occurrence of environmental accidents or non-compliance with health, safety and environmental legislation may have a material adverse effect on the business, its financial condition and/or results of operations.
Given the Group's large number of production sites, 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 production site audits.

Cyber security risks

The growing prevalence 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 conducting its business. Exposure to potential cyberattacks could be due to several factors such as the necessary distribution of IT systems around the world, their obsolescence, their inadequate maintenance 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 particular, with regard to cyber risk, the Group has adopted a Cyber Security Program, which includes a governance structure, policies and procedures, training, Security Reports, technologies and processes for monitoring, analysing and containing incidents, Security Assessment for selected plants, periodic review of the Threat Model and in-depth analysis of the complex structural factors that form the framework of a modern Security system for the corporate community.
Given the increasing frequency of manufacturing cyberattacks and the growing introduction of IoT systems in Operations and probable acceleration of these technologies due to energy transition plans, the potential consequences under possible future scenarios (IEA - STEPS, APS, SDS and NZE) have been analysed and a secure redesign and segregation project for production plants is underway, starting from the most strategic ones.
A special Information Security Committee, consisting of the key figures involved in managing cyber risk, 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 losing key resources or not attracting qualified personnel

The Group is exposed to the risk of lack or loss of key resources in 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 staff grading based on correct job weighting with respect to responsibility, problem-solving ability and know-how, in line with company strategies, using a common, global organisational language;
- "Group Academy" to teach and develop Leadership skills (Management School), Technical skills (Professional School) and E-Learning (Digital school) within the Group, which, since 2021, have been complemented by "Local Schools", i.e. the set of training initiatives promoted by the Regions and inspired by the principle of continuous on-site training, often in the local language. Such initiatives are designed to meet local, contingent needs, linked to the challenges of existing roles or with a view to local growth of a more short-term nature;
- "Stem it", "Sell it", "Sum it" recruitment programs for professionals in the production, quality, purchasing, logistics, sales and finance functions. The "Stem it" program also contains a specific policy dedicated to attracting and retaining female technical specialists, in order to help make the Group increasingly gender-balanced;
- "People Performance Program" to manage career paths;
- "Talent Management Program" to accelerate development of our talents;
- "MyMentorship", an in-house mentoring program operating globally to support the growth of key people through an exchange of technical or leadership skills;
- "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;
- "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;
- "Internal Job Posting", already active since 2020 regionally but intended to go 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 uses numerous 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 to select and work with reliable suppliers of goods and services and, where possible, identify possible alternatives, thus avoiding 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.

Risks of dependence on key distributors and resellers for the non-exclusive sale of the Group's products

Distributors and resellers account for a significant portion of the Group's sales. These distributors and resellers are not contractually obliged to purchase the Group's products on an exclusive basis. Therefore, they may purchase competitor products or cease to purchase the Group's products at any time. The loss of one or more major distributor could have a material adverse effect on the Group's business, financial condition and/or results of operations.

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 applicable laws and regulations. Prysmian Group has put in place a series of organisational tools 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 attention, close 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 applicable laws 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 a global 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.

If the Group does not adequately comply with or successfully implement processes in response to these new regulatory requirements, and particularly in light of its large number of employees and the growing trend towards global data management (including cloud storage and the use of mobile devices), it could be at risk of individual claims for compensation for alleged mismanagement of personal data, imposition of sanctions by relevant authorities and reputational damage.

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

- Implementation of a data-based model, through mapping the personal data processed by company departments and keeping a record of processing activities;
- Definition of a governance model, designed 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;
    - policies and documents supporting the model (company policies, disclosure statements, internal appointments, clauses applicable to suppliers, etc.);
- Evaluation and adoption of adequate 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;
- 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;

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

In addition, the following activities have been undertaken to ensure data protection compliance:

- Verification of the adequacy of the procedures adopted by the Group to manage the green pass and related access controls by the employer;
- Review of the process for appointing System Administrators, periodically updating appointments and managing system logs;
- Coordination of the adoption of a privacy model in relation to the Group's legal entities in Chile and Brazil.

Monitoring and support have been provided to Prysmian's many European legal entities 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.

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 diverse 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) business 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).

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.

Prysmian Group has continued its monitoring activities and maintained its focus on compliance through a special anti-bribery compliance program inspired by the guidelines of ISO 37001:2016 "Anti-bribery Management Systems". This program is intended to provide greater control over the management of bribery risk and minimise the risk of incurring penalties as a result of corrupt offences by employees or third parties.
In 2021, the Group initiated the process of obtaining ISO 37001:2016 certification by updating its anti-bribery risk assessment, its "Anti-bribery Management Systems" as well as its Anti-bribery Policy in order to comply with ISO 37001. In addition, a specific anti-bribery unit was set up within the Compliance office.
ISO 37001 certification was obtained in December 2021 from an outside independent certifier.
The core of the ISO 37001 standard is the control of third parties (suppliers, intermediaries, agents and customers) through due diligence designed to reveal any critical issues or negative events that undermine the reputation of third parties with whom Prysmian Group deals.
In this regard, in 2019 the Group implemented a "Third Party Program", a new Group Policy aimed at preventing and managing the risk of bribery arising from relationships with third parties (such as distributor agents, and certain categories of supplier). 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.
In addition, 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. A new online platform was implemented in 2021 for reporting potential conflicts of interest, both inside and outside the business. In particular, all Prysmian Group employees were required to disclose all personal or financial relationships that could potentially lead to a conflict of interest.
In 2021, the Gifts and Entertainment Policy was also updated, establishing a series of rules to be complied with before making or receiving gifts or paying entertainment expenses and distinguishing between private companies and government agencies/public officials. In the same period, a new online platform was also implemented so that before making or receiving gifts or paying entertainment expenses, all Prysmian employees make appropriate disclosures and obtain the necessary approvals.
All compliance policies (Code of Ethics, Global Compliance, Helpline, Anti-Bribery, Gifts & Entertainment, Third Party Program, Antitrust, Antitrust EU, Conflict of Interest, Export Control) are published on the corporate intranet and are available in the official languages of the Prysmian Group.

Further details about the actions taken by the Group to prevent corrupt practices can be found in the specific section of the annual Sustainability Report.

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 making individuals more accountable for their professional duties under antitrust legislation.

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 178 million as at 31 March 2022. 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, trade tariffs and other changes in trade policy

Prysmian Group's activities also involve the shipment and transfer of finished products, semi-finished goods and raw materials between different countries, exposing the Group to risks related to changes in the tax, customs tariff and trade regimes of different political jurisdictions. In addition, many countries have rules on international trade and apply laws and regulations governing trade in products, software, technology and services, including financial transactions and intermediation.

For example, export control regimes, governed by the 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 specific 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.

Any of the above circumstances could have a material adverse effect on the business, financial condition and/or results of operations of Prysmian Group and could affect its ability to fulfil issuer obligations under its Bond issues.

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 which export compliance requirements are applicable. This classification allows the Group to understand where and to whom products can 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.

Risks related to changes in industry standards and legal requirements

Group companies are required to comply with specific federal, state, local and foreign legal and regulatory requirements, as well as certain industry standards. Changes in applicable laws and regulations may affect the growth of the markets in which the Group operates. Growth in the cable industry is partly due to legislation on energy and alternative and renewable energy sources, as well as to incentives for investing in utilities and infrastructure. It is not foreseeable whether, in the future, there will be changes and/or industry standards that are detrimental to the Group's business. Although the Group's business is managed to mitigate such risks, there can be no assurance that changes in applicable standards, laws and regulations will not result in significant costs, which could have a material adverse effect on the Group's business, financial condition and/or results of operations.

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 Information Statement (Sustainability Report 2021) and the TCFD Report 2021, in which further details can be found.

Risks related to climate change

Events related to climate change, including extreme weather events such as storms, floods, hailstorms, changes in summer and winter rainfall and increased temperatures, may also affect the Group's activities.

The Group's plants use water for industrial uses, mainly for certain cooling phases of their processes, although in relatively small quantities. Consequently, the Group is exposed to the potential risk of reduced water availability, which is affected by climate change. In addition, any rise in sea level could lead to an increased risk of coastal flooding as a result of adverse weather conditions in the locations where the Group's production facilities are located. Analysis of these physical risks has been extended to the Group's entire supply chain. On top of physical risks, climate change also entails a transition risk accompanying the energy market's evolution in the wake of the climate crisis. Firstly, the Group is exposed to the potential risk of inadequate support for technological innovation and the emergence of alternative or substitute technologies. This could mean a reduction in demand for products and services, which in turn would lead to a decrease in revenues. Secondly, new energy transition policies, and the consequent impact of increased market opportunities, are rapidly changing an already competitive scenario. The expansion or entry of new players may reduce or disrupt the Group's leadership, resulting in lost revenues or reduced margins.

The need to decarbonise our economy also translates into more complex market demands, increasing the likelihood that Prysmian's products contain patented third-party solutions. This could expose the business to risks associated with the management of third-party patents and possible costs arising from litigation.

In addition, there is a risk of a climate change-related increase in costs for the Group due to a potential rise in production costs caused by the wider application of emission laws and

regulations, both in the form of carbon taxes and emission trading schemes. Finally, although already mentioned, the energy transition is accelerating the digitisation of physical assets and increasing the risks and consequences related to cyber security. This could lead to higher adaptation and monitoring costs.
Any of these circumstances may have a material adverse effect on the Group's business, financial condition and/or results of operations.

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, 12 May 2022

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	31.03.2022	of which related parties	31.12.2021	of which related parties
Non-current assets					
Property, plant and equipment	1	2,829		2,794	
Goodwill	1	1,664		1,643	
Other intangible assets	1	486		494	
Equity-accounted investments	2	375	375	360	360
Other investments at fair value through other comprehensive income		13		13	
Financial assets at amortised cost		3		3	
Derivatives	5	135		105	
Deferred tax assets		180		182	
Other receivables	3	36		34	
Total non-current assets		**5,721**		**5,628**	
Current assets					
Inventories	4	2,536		2,054	
Trade receivables	3	2,204	-	1,622	-
Other receivables	3	836	4	627	3
Financial assets at fair value through profit or loss	6	231		244	
Derivatives	5	216		128	
Financial assets at fair value through other comprehensive income		11		11	
Cash and cash equivalents	7	1,022		1,702	
Total current assets		**7,056**		**6,388**	
Total assets		**12,777**		**12,016**	
Equity					
Share capital	8	27		27	
Reserves	8	3,057		2,580	
Group share of net profit/(loss)	8	126		308	
Equity attributable to the Group		**3,210**		**2,915**	
Equity attributable to non-controlling interests		171		174	
Total equity		**3,381**		**3,089**	
Non-current liabilities					
Borrowings from banks and other lenders	9	2,750		2,606	
Employee benefit obligations	12	444		446	
Provisions for risks and charges	11	53		46	
Deferred tax liabilities		212		188	
Derivatives	5	31		26	
Other payables	10	5		6	
Total non-current liabilities		**3,495**		**3,318**	
Current liabilities					
Borrowings from banks and other lenders	9	918		1,123	
Provisions for risks and charges	11	593	6	607	6
Derivatives	5	90		42	
Trade payables	10	2,946	3	2,592	5
Other payables	10	1,259	2	1,191	2
Current tax payables		95		54	
Total current liabilities		**5,901**		**5,609**	
Total liabilities		**9,396**		**8,927**	
Total equity and liabilities		**12,777**		**12,016**	

CONSOLIDATED INCOME STATEMENT

(Euro/million)

	Note	3 months 2022	of which related parties	3 months 2021	of which related parties
Sales		3,677	-	2,810	9
Change in inventories of finished goods and work in progress		239		154	
Other income		16	-	12	1
Total sales and income		**3,932**		**2,976**	
Raw materials, consumables and supplies		(2,736)	-	(2,042)	(1)
Fair value change in metal derivatives		26		10	
Personnel costs		(405)	(2)	(366)	(2)
Amortisation, depreciation, impairment and impairment reversals		(87)		(78)	
Other expenses		(532)	(2)	(383)	(1)
Share of net profit/(loss) of equity-accounted companies		11	11	6	6
Operating income	13	**209**		**123**	
Finance costs	14	(212)		(207)	
Finance income	14	187		194	
Profit/(loss) before taxes		**184**		**110**	
Taxes	15	(57)		(32)	
Net profit/(loss)		**127**		**78**	
Of which:					
Attributable to non-controlling interests		1		2	
Group share		**126**		**76**	
Basic earnings/(loss) per share (in Euro)	16	**0.48**		**0.29**	
Diluted earnings/(loss) per share (in Euro)	16	**0.48**		**0.29**	

OTHER COMPREHENSIVE INCOME

(Euro/million)

	Note	3 months 2022	3 months 2021
Net profit/(loss)		**127**	**78**
Other comprehensive income:			
A) Change in cash flow hedge reserve:	8	**31**	**50**
- Profit/(loss) for the period		46	68
- Taxes		(15)	(18)
B) Change in currency translation reserve	8	**115**	**151**
C) Actuarial gains/(losses) on employee benefits (*):		**1**	**-**
- Profit/(loss) for the period		2	-
- Taxes		(1)	-
Total other comprehensive income (A+B+C):		**147**	**201**
Total comprehensive income/(loss)		**274**	**279**
Of which:			
Attributable to non-controlling interests		-	9
Group share		**274**	**270**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Note 8)

(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**

(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 2021	**27**	**103**	**(309)**	**2,786**	**308**	**2,915**	**174**	**3,089**
Allocation of prior year net result	-	-	-	308	(308)	-	-	-
Fair value - stock options	-	-	-	15	-	15	-	15
Dividend distribution	-	-	-	-	-	-	(3)	(3)
Effect of hyperinflation	-	-	-	6	-	6	-	6
Total comprehensive income/(loss)	-	33	114	1	126	274	-	274
Balance at 31 March 2022	**27**	**136**	**(195)**	**3,116**	**126**	**3,210**	**171**	**3,381**

CONSOLIDATED STATEMENT OF CASH FLOWS (Note 23)

(Euro/million)

		3 months 2022	of which related parties	3 months 2021	of which related parties
	Profit/(loss) before taxes	184		110	
	Amortisation, depreciation and impairment	87		78	
	Share of net profit/(loss) of equity-accounted companies	(11)	(11)	(6)	(6)
	Dividends received from equity-accounted companies	2	2	3	3
	Share-based payments	15	15	8	
	Fair value change in metal derivatives	(26)		(10)	
	Net finance costs	25		13	
	Changes in inventories	(450)		(227)	
	Changes in trade receivables/payables	(220)	4	(178)	(4)
	Changes in other receivables/payables	(124)	(6)	(72)	(1)
	Change in employee benefit obligations	(4)		(4)	
	Change in provisions for risks and other movements	(21)		(6)	
	Net income taxes paid	(25)		(10)	
A.	**Cash flow from operating activities**	**(568)**		**(301)**	
	Cash flow from acquisitions and/or disposals	(4)		(67)	
	Investments in property, plant and equipment	(47)		(25)	
	Disposals of property, plant and equipment	1		1	
	Investments in intangible assets	(3)		(5)	
	Investments in financial assets at fair value through profit or loss	-		(200)	
	Disposals of financial assets at fair value through profit or loss	16		4	
	Disposals of financial assets at amortised cost	-		1	
B.	**Cash flow from investing activities**	**(37)**		**(291)**	
	Proceeds of new loans	135		844	
	Repayments of loans	(250)		(269)	
	Changes in other net financial receivables/payables	44		12	
	Finance costs paid	(9)		(206)	
	Finance income received	3		193	
C.	**Cash flow from financing activities**	**(77)**		**574**	
D.	**Exchange (losses) gains on cash and cash equivalents**	**2**		**8**	
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(680)**		**(10)**	
F.	**Cash and cash equivalents at the beginning of the period**	**1,702**		**1,163**	
G.	**Cash and cash equivalents at the end of the period (E+F)**	**1,022**		**1,153**	
	Cash and cash equivalents presented in consolidated statement of financial position	**1,022**		**1,152**	
	Cash and cash equivalents presented in assets held for sale	**-**		**1**	

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. Since 18 October 2021, the stock has been included in the MIB® ESG, the first "Environmental, Social and Governance" index dedicated to Italian blue chips, which features the most important listed issuers that demonstrate the implementation of ESG best practices.

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 12 May 2022 and is not subject to limited review by the independent auditors.

A.1 SIGNIFICANT EVENTS IN 2022

The review of significant events in the period can be found in the Directors' Report in the section entitled "Significant events during the period".

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 2021.

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.

The Group has prepared the present Quarterly Financial Report at 31 March 2022 on a voluntary basis and in continuity with its past reporting format, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in compliance with *IAS 34 – Interim Financial Reporting*, applying the same accounting standards and policies adopted to prepare the consolidated financial statements at 31 December 2021. 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 2021, 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.

Accounting standards, amendments and interpretations applied from 1 January 2022

The following is a list of new standards, interpretations and amendments whose application became mandatory from 1 January 2022 but which have not shown to have had a material impact on the consolidated financial statements at 31 March 2022:

- *Amendments to IFRS 3 Business Combinations;*
- *Amendments to IAS 16 Property, Plant and Equipment;*
- *Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets;*
- *Annual Improvements 2018-2020.*

Accounting standards, amendments and interpretations applied from financial years after 2022

The following is a list of new standards, interpretations and amendments, already endorsed from European Union, whose application became mandatory from financial years after 2022. From a preliminary assessment the aforementioned changes have not shown to have a material impact on the consolidated financial statements:

- *Amendements to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2: disclosure of financial accounting policies*
- *Amendements to IAS 8 Accounting policies, change in accounting estimates and errors;*
- *IFRS 17 Insurance Contracts.*

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 2022, compared with 31 December 2021, are listed below.

Mergers

Merged company	Survivor company	Nation	Date
General Cable Industries, Inc.	Prysmian Cables and Systems USA, LLC	United States	1 January 2022
EHC Brazil Ltda	Prysmian Cabos e Sistemas do Brasil S.A	Brazil	31 March 2022

Name changes

For a clearer understanding of the scope of consolidation, the following table shows the name changes that took place in the period:

Previous name	New name	Nation	Date
Eksa sp.z.o.o	Prysmian Poland sp. z o.o.	Poland	10 February 2022

Appendix A to these notes contains a list of the companies included in the scope of consolidation at 31 March 2022.

C. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to various types 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 the financial risks described in the Annual Financial Report at 31 December 2021, which should be consulted for a more detailed review.
With reference to the risks described in the Annual Financial Report at 31 December 2021, 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.

D. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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)

				31.03.2022
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value:				
Derivatives through profit or loss	-	106	-	106
Hedging derivatives	-	245	-	245
Financial assets at fair value through profit or loss	231	-	-	231
Financial assets at fair value through other comprehensive income	11	-	-	11
Other investments at fair value through other comprehensive income	-	-	13	13
Total assets	**242**	**351**	**13**	**606**
Liabilities				
Financial liabilities at fair value:				
Derivatives through profit or loss	-	53	-	53
Hedging derivatives	-	68	-	68
Total liabilities	**-**	**121**	**-**	**121**

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 231 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 2022 there have been no transfers of financial assets and liabilities between the different levels of the fair value hierarchy.

The valuation techniques can be articulated as follows:

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: Derivatives classified in this category include interest rate swaps, currency forwards and derivative contracts on metals and other commodities 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 currency forwards, it is determined using the forward exchange rate at the reporting date, appropriately discounted;
- for metal derivatives, 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.

E. BUSINESS COMBINATIONS

Omnisens S.A.

Prysmian Group acquired control of Omnisens S.A. on 11 November 2021. For accounting purposes, the acquisition date was backdated to 1 November 2021.
The total consideration for the acquisition was approximately Euro 18 million.

The fair value of the assets and liabilities of Ominsens S.A. has been determined on a provisional basis, since the acquisition accounting processes were still being finalised at the current reporting date.

As permitted by 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 at Euro 17 million.

Such goodwill is primarily justified by the future earnings expected from integrating the company into Prysmian Group, 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)

	Euro
Purchase price	18
Total cost of acquisition (A)	**18**
Fair value of net assets acquired (B)	1
Goodwill (A-B)	**17**

(Euro/million)

	Euro
Inventories	2
Trade and other receivables	5
Trade and other payables	(6)
Borrowings from banks and other lenders	(1)
Cash and cash equivalents	1
Net assets acquired (B)	**1**

Prysmian Poland sp.zo.o (previously Eksa Sp.z.o.o.)

On 31 December 2021 Prysmian Group completed the acquisition of Eksa Sp.z.o.o., 30% of whose capital it already owned.

The total consideration for the acquisition was approximately Euro 7 million.

The fair value of the assets and liabilities of Eksa Sp.z.o.o. has been determined on a provisional basis, since the acquisition accounting processes were still being finalised at the current reporting date.

As provided by IFRS 3, the fair value of the assets, liabilities and contingent liabilities will be finalised within twelve months of the acquisition date.

Since the purchase consideration is equal to the provisional fair value of the net assets acquired, no goodwill has been recognised.

The process of purchase price allocation is currently in progress, as permitted by the relevant accounting standard.

Details of the net assets acquired are as follows:

(Euro/million)

	Euro
Total cost of acquisition (A)	7
Assets already held (B)	3
Fair value of net assets acquired (C)	10
Goodwill/(Badwill) (A+B-C)	**-**
Debt for acquisition	3
Acquisition cash flow in the period	**(3)**

(Euro/million)

	Euro
Property, plant and equipment	1
Trade and other receivables	7
Borrowings from banks and other lenders	(1)
Cash and cash equivalents	3
Net assets acquired (C)	**10**

F. SEGMENT INFORMATION

The Group's operating segments are:

- *Energy*, whose smallest identifiable CGU are 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: encompassing the manufacture of 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 indirectly related costs.

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 such destination. 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.

F.1 OPERATING SEGMENTS

The following tables present information by operating segment:

(Euro/million)

							3 months 2022
	Projects	**Energy**				**Telecom**	**Group total**
		E&I	**Industrial & NWC**	**Other**	**Total Energy**		
Sales [(1)]	406	1,941	802	96	2,839	432	3,677
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**32**	**131**	**54**	**2**	**187**	**58**	**277**
% of sales	7.8%	6.8%	6.8%		6.6%	13.6%	7.6%
Adjusted EBITDA (A)	**32**	**132**	**55**	**2**	**189**	**67**	**288**
% of sales	7.8%	6.8%	6.8%		6.7%	15.6%	7.8%
Adjustments	(3)	(1)	-	-	(1)	1	(3)
EBITDA (B)	**29**	**131**	**55**	**2**	**188**	**68**	**285**
% of sales	7.2%	6.8%	6.8%		6.6%	15.7%	7.8%
Amortisation and depreciation (C)	(20)	(31)	(15)	(1)	(47)	(20)	(87)
Adjusted operating income (A+C)	**12**	**101**	**40**	**1**	**142**	**47**	**201**
% of sales	3.0%	5.2%	5.0%		5.0%	10.9%	5.5%
Fair value change in metal derivatives (D)							26
Fair value stock options (E)							(15)
Operating income (B+C+D+E)							**209**
% of sales							5.7%
Finance income							187
Finance costs							(212)
Taxes							(57)
Net profit/(loss)							**127**
% of sales							3.4%
Attributable to:							
Owners of the parent							126
Non-controlling interests							1

[(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)

	Projects	Energy				Telecom	Corporate	3 months 2021
		E&I	Industrial & NWC	Other	Total Energy			Group total
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)
Operating income (B+C+D+E)								**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.

F.2 GEOGRAPHICAL AREAS

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

(Euro/million)

	3 months 2022	3 months 2021
Sales	**3,677**	**2,810**
EMEA*	**1,903**	**1,463**
(of which Italy)	294	232
North America	**1,189**	**885**
Latin America	**300**	**233**
Asia Pacific	**285**	**229**

(*) 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	Goodwill	Other intangible assets
Balance at 31 December 2021	**2,794**	**1,643**	**494**
Movements in 2022:			
- Investments	47	-	3
- Increases for leases (IFRS 16)	18	-	-
- Disposals	(1)	-	-
- Depreciation and amortisation	(69)	-	(18)
- Currency translation differences	40	21	7
- Monetary revaluation for hyperinflation	2	-	-
- Other	(2)	-	-
Balance at 31 March 2022	**2,829**	**1,664**	**486**
Of which:			
- Historical cost	5,169	1,664	1,126
- Accumulated depreciation/amortisation and impairment	(2,340)	-	(640)
Net book value	**2,829**	**1,664**	**486**

(Euro/million)

	Property, plant and equipment	Goodwill	Other intangible assets
Balance at 31 December 2020	**2,648**	**1,508**	**489**
Movements in 2021:			
- Business combinations	8	55	1
- Investments	25	-	5
- Increases for leases (IFRS 16)	5	-	-
- Disposals	(1)	-	-
- Depreciation and amortisation	(62)	-	(16)
- Currency translation differences	46	44	15
- Monetary revaluation for hyperinflation	1	-	-
- Other	(1)	-	-
Balance at 31 March 2021	**2,669**	**1,607**	**494**
Of which:			
- Historical cost	4,716	1,627	1,064
- Accumulated depreciation/amortisation and impairment	(2,047)	(20)	(570)
Net book value	**2,669**	**1,607**	**494**

Investments in the first three months of 2022 amounted to Euro 50 million, of which Euro 47 million in Property, plant and equipment and Euro 3 million in Intangible assets.

This expenditure is analysed as follows:

- 60%, or Euro 30 million, for projects to increase and rationalise production capacity and develop new products;
- 16%, or Euro 8 million, for projects to improve industrial efficiency;
- 24%, or Euro 12 million, for IT implementation projects.

2. EQUITY-ACCOUNTED INVESTMENTS

Details are as follows:

(Euro/million)

	31.03.2022	31.12.2021
Investments in associates	375	360
Total equity-accounted investments	**375**	**360**

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 and Cable (Shanghai) Co. Ltd	China	42.80%
Kabeltrommel Gmbh & Co.K.G.	Germany	44.93%
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 main shareholders are: China Huaxin Post and Telecommunication Economy Development Center, 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 2022, the fair value of the investment in Yangtze Optical Fibre and Cable Joint Stock Limited Company was Euro 223 million (based on the share price quoted on the Hong Kong market), while its carrying amount was Euro 326 million, thus higher than fair value, identified by the aforementioned market price. However, taking into account specific analyses, this should not be treated as a lasting situation, also in view of the fact that the share price has enjoyed a substantial rebound since the third quarter of 2021. 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.

3. TRADE AND OTHER RECEIVABLES

Details are as follows:

(Euro/million)

			31.03.2022
	Non-current	**Current**	**Total**
Trade receivables	-	2,302	2,302
Allowance for doubtful accounts	-	(98)	(98)
Total trade receivables	**-**	**2,204**	**2,204**
Other receivables:			
Tax receivables	12	282	294
Financial receivables	4	13	17
Prepaid finance costs	1	2	3
Receivables from employees	1	2	3
Pension plan receivables	-	2	2
Construction contracts	-	340	340
Advances to suppliers	5	62	67
Other	13	133	146
Total other receivables	**36**	**836**	**872**
Total	**36**	**3,040**	**3,076**

(Euro/million)

			31.12.2021
	Non-current	**Current**	**Total**
Trade receivables	-	1,719	1,719
Allowance for doubtful accounts	-	(97)	(97)
Total trade receivables	-	**1,622**	**1,622**
Other receivables:			
Tax receivables	10	229	239
Financial receivables	3	12	15
Prepaid finance costs	1	2	3
Receivables from employees	1	3	4
Pension plan receivables	-	2	2
Construction contracts	-	247	247
Advances to suppliers	5	27	32
Other	14	105	119
Total other receivables	**34**	**627**	**661**
Total	**34**	**2,249**	**2,283**

4. INVENTORIES

Details are as follows:

(Euro/million)

	31.03.2022	31.12.2021
Raw materials	807	635
of which allowance for obsolete and slow-moving raw materials	*(64)*	*(63)*
Work in progress and semi-finished goods	622	483
of which allowance for obsolete and slow-moving work in progress and semi-finished goods	*(18)*	*(16)*
Finished goods (*)	1,107	936
of which allowance for obsolete and slow-moving finished goods	*(73)*	*(68)*
Total	**2,536**	**2,054**

(*) Finished goods also include those for resale.

5. DERIVATIVES

Details are as follows:

(Euro/million)

	31.03.2022	
	Asset	**Liability**
Interest rate derivatives (cash flow hedges)	5	-
Forward currency contracts on commercial transactions (cash flow hedges)	1	13
Metal derivatives (cash flow hedges)	121	18
Interest rate derivatives	-	-
Metal derivatives	8	-
Total non-current	**135**	**31**
Interest rate derivatives (cash flow hedges)	-	4
Forward currency contracts on commercial transactions (cash flow hedges)	3	15
Metal derivatives (cash flow hedges)	115	18
Forward currency contracts on commercial transactions	9	10
Forward currency contracts on financial transactions	7	7
Metal derivatives	82	36
Total current	**216**	**90**
Total	**351**	**121**

(Euro/million)

	31.12.2021	
	Asset	**Liability**
Interest rate derivatives (cash flow hedges)	-	3
Forward currency contracts on commercial transactions (cash flow hedges)	1	10
Metal derivatives (cash flow hedges)	102	13
Metal derivatives	2	-
Total non-current	**105**	**26**
Forward currency contracts on commercial transactions (cash flow hedges)	2	6
Interest rate derivatives (cash flow hedges)	-	6
Metal derivatives (cash flow hedges)	71	7
Forward currency contracts on commercial transactions	10	4
Forward currency contracts on financial transactions	3	3
Metal derivatives	42	16
Total current	**128**	**42**
Total	**233**	**68**

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 231 million (Euro 244 million at 31 December 2021), include Euro 200 million in money market funds in which the Parent Company has temporarily 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)

	31.03.2022	31.12.2021
Cash and cheques	1	1
Bank and postal deposits	1,021	1,701
Total	**1,022**	**1,702**

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 amounted to Euro 561 million at 31 March 2022, while at 31 December 2021 the figure was Euro 1,183 million.

8. SHARE CAPITAL AND RESERVES

Consolidated equity has recorded a positive change of Euro 292 million since 31 December 2021, mainly reflecting the net effect of:

- the net profit for the period of Euro 127 million;
- positive currency translation differences of Euro 115 million;
- a positive post-tax change of Euro 31 million in the fair value of derivatives designated as cash flow hedges;
- an increase of Euro 1 million in the reserves for actuarial gains and losses on employee benefits;
- a positive change of Euro 15 million in the share-based compensation reserve linked to stock option plans;
- an increase of Euro 6 million for the effects of hyperinflation;
- a decrease of Euro 3 million for dividends declared.

At 31 March 2022, 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 2020	**268,144,246**	**(4,759,433)**	**263,384,813**
Allotments and sales	-	106,565	106,565
Balance at 31 December 2021	**268,144,246**	**(4,652,868)**	**263,491,378**
Allotments and sales	-	-	-
Balance at 31 March 2022	**268,144,246**	**(4,652,868)**	**263,491,378**

There were no movements in treasury shares during the reporting period.

9. BORROWINGS FROM BANKS AND OTHER LENDERS

Details are as follows:

(Euro/million)

			31.03.2022
	Non-current	**Current**	**Total**
Borrowings from banks and other lenders	428	92	520
Term Loan	998	3	1,001
Unicredit Loan	200	-	200
Mediobanca Loan	100	-	100
Intesa Loan	150	1	151
Non-convertible bond	-	768	768
Convertible Bond 2021	710	-	710
Lease liabilities	164	54	218
Total	**2,750**	**918**	**3,668**

(Euro/million)

			31.12.2021
	Non-current	**Current**	**Total**
Borrowings from banks and other lenders	293	56	349
Term Loan	998	1	999
Unicredit Loan	200	-	200
Mediobanca Loan	100	-	100
Intesa Loan	150	-	150
Non-convertible bond	-	763	763
Convertible Bond 2021	707	-	707
Convertible Bond 2017	-	250	250
Lease liabilities	158	53	211
Total	**2,606**	**1,123**	**3,729**

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

(Euro/million)

	31.03.2022	31.12.2021
CDP Loans	175	175
EIB Loans	245	110
Term Loan	1,001	999
Unicredit Loan	200	200
Mediobanca Loan	100	100
Intesa Loan	151	150
Other borrowings	100	64
Borrowings from banks and other lenders	**1,972**	**1,798**
Non-convertible bond	768	763
Convertible Bond 2021	710	707
Convertible Bond 2017	-	250
Total	**3,450**	**3,518**

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 may be drawn down 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 2022, 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 on purchasing the "Leonardo Da Vinci" cable-laying vessel.
This loan, drawn down in full on 9 February 2021, is repayable in a lump sum 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 2022, the fair value of the CDP Loans approximates their related carrying amount.

EIB Loans
On 10 November 2017, Prysmian S.p.A. entered into a loan agreement with the European Investment Bank (EIB) for Euro 110 million to support the Group's R&D programs in Europe over the period 2017-2020. The loan was received on 29 November 2017 and is repayable in a lump sum 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.

On 3 February 2022, Prysmian S.p.A. has announced to have finalized an another loan agreement with the EIB for Euro 135 million to support the Group's R&D programs in Europe over the period 2021-2024. The loan was received on 28 January 2022 and is repayable in a lump sum at maturity on 29 January 2029. At 31 March 2022, the fair value of the EIB Loans approximates their 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 in a lump sum on the fifth anniversary of the acquisition closing date (6 June 2023).
The interest rates applied are indexed to 6M and 3M Euribor, depending on the company's choice.
The line was drawn down in full upon acquiring General Cable.
At 31 March 2022, 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, depending on the company's choice. At 31 March 2022, 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, depending on the company's choice. At 31 March 2022, the fair value of this 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. At 31 March 2022, the fair value of this loan approximates its carrying amount.

The fair value of 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 2022 and 31 December 2021:

(Euro/million)

			31.03.2022
	Total lines	**Drawn**	**Undrawn**
Revolving Credit Facility 2019	1,000	-	1,000
Term Loan	1,000	(1,000)	-
EIB Loans	245	(245)	-
Unicredit Loan	200	(200)	-
CDP Loans	175	(175)	-
Intesa Loan	150	(150)	-
Mediobanca Loan	100	(100)	-
Total	**2,870**	**(1,870)**	**1,000**

(Euro/million)

			31.12.2021
	Total lines	**Drawn**	**Undrawn**
Revolving Credit Facility 2019	1,000	-	1,000
Term Loan	1,000	(1,000)	-
Unicredit Loan	200	(200)	-
CDP Loans	175	(175)	-
EIB Loan	110	(110)	-
Intesa Loan	150	(150)	-
Mediobanca Loan	100	(100)	-
Total	**2,735**	**(1,735)**	**1,000**

Bonds

As at 31 March 2022, Prysmian Group had 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 2022, the non-convertible bond has a fair value of Euro 750 million. Fair value has been determined with reference to the quoted price in the relevant market (Level 1 of the fair value hierarchy). At the date of drawing up this report, this bond had been repaid in full.

Convertible Bond 2017

The Convertible Bond 2017, issued in January 2017 and partially redeemed in January 2021, matured in January 2022 and so has been repaid in full for an amount of Euro 250 million.

Convertible Bond 2021

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

The Bonds have a 5-year maturity and denomination of Euro 100,000 each and are zero coupon. The issue price was 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 on 26 January 2021.

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 serving the conversion of the convertible bond for a maximum nominal amount of Euro 1,864,025.50 by issuing up to 18,640,255 ordinary shares with a nominal value of Euro 0.10 each.

As provided for in the Bond regulations, the Group has the option to call all - but not just a part - of the Bonds at their principal amount from 12 February 2024, should the share price exceed 130% of the conversion price for at least 20 days within a period of 30 consecutive trading days.

On 14 June 2021, the Bond was admitted to listing on the multilateral trading facility of the Vienna Stock Exchange.

The following table summarises the values of the Convertible Bond 2021 as at 31 March 2022:

(Euro/million)	
Value of Convertible Bond 2021	768
Equity reserve for convertible bond	(49)
Change in conversion option fair value	(16)
Issue date net balance	**703**
Interest - non-monetary	11
Related costs	(4)
Balance at 31 March 2022	**710**

At 31 March 2022, the fair value of the Convertible Bond 2021 (equity component and debt component) is Euro 797 million and is directly observable on the market (Level 1 of the fair value hierarchy). The fair value is attributable to the debt component for Euro 695 million and to the equity component for Euro 102 million. 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).

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 2021	**175**	**110**	**957**	**763**	**999**	**450**	**275**	**3,729**
Currency translation differences	-	-	-	-	-	-	5	5
New funds	-	135	-	-	-	-	54	189
Repayments	-	-	(250)	-	-	-	(34)	(284)
Amortisation of bank and financial fees and other expenses	-	-	-	-	-	-	-	-
New agreements under IFRS 16	-	-	-	-	-	-	18	18
Interest and other movements	-	-	3	5	2	1	-	11
Balance at 31 March 2022	**175**	**245**	**710**	**768**	**1,001**	**451**	**318**	**3,668**

(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)
New agreements under 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**

NET FINANCIAL DEBT

(Euro/million)

	Note	31.03.2022	31.12.2021
CDP Loans	9	175	175
EIB Loans	9	245	110
Convertible Bond 2021	9	710	707
Term Loan	9	998	998
Unicredit Loan	9	200	200
Mediobanca Loan	9	100	100
Intesa Loan	9	150	150
Lease liabilities	9	164	158
Interest rate swaps	5	-	3
Other financial payables	9	8	8
Total long-term financial payables		**2,750**	**2,609**
Non-convertible bond	9	768	763
Convertible Bond 2017	9	-	250
Term Loan	9	3	1
Intesa Loan	9	1	-
Lease liabilities	9	54	53
Interest rate swaps	5	4	6
Forward currency contracts on financial transactions	5	7	3
Other financial payables	9	92	56
Total short-term financial payables		**929**	**1,132**
Total financial liabilities		**3,679**	**3,741**
Long-term financial receivables	3	4	3
Long-term bank fees	3	1	1
Financial assets at amortised cost		3	3
Non-current interest rate swaps	5	5	-
Forward currency contracts on financial transactions (current)	5	7	3
Short-term financial receivables	3	13	12
Short-term bank fees	3	2	2
Financial assets at fair value through profit or loss	6	231	244
Financial assets at fair value through other comprehensive income		11	11
Financial assets held for sale		-	-
Cash and cash equivalents	7	1,022	1,702
Total financial assets		**1,299**	**1,981**
Net financial debt		**2,380**	**1,760**

The following table presents a reconciliation of the Group's net financial debt to the amount reported in accordance with the requirements of CONSOB advice notice no. 5/21 of 29 April 2021 concerning compliance with the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 (reference ESMA32-382-1138):

(Euro/million)

	Note	31.03.2022	31.12.2021
Net financial debt - as reported above		**2,380**	**1,760**
Adjustments to exclude:			
Long-term financial receivables and other assets	3	7	6
Long-term bank fees	3	1	1
Hedging financial derivatives (assets)		5	-
Adjustments to include:			
Net non-hedging forward currency contracts on commercial transactions, excluding non-current assets	5	1	(6)
Net non-hedging metal derivatives, excluding non-current assets	5	(46)	(26)
Recalculated net financial debt		**2,348**	**1,735**

10. TRADE AND OTHER PAYABLES

Details are as follows:

(Euro/million)

			31.03.2022
	Non-current	**Current**	**Total**
Trade payables	-	2,946	2,946
Total trade payables	**-**	**2,946**	**2,946**
Other payables:			
Tax and social security payables	1	230	231
Advances from customers	-	539	539
Payables to employees	-	180	180
Accrued expenses	-	152	152
Other	4	158	162
Total other payables	**5**	**1,259**	**1,264**
Total	**5**	**4,205**	**4,210**

(Euro/million)

			31.12.2021
	Non-current	**Current**	**Total**
Trade payables	-	2,592	2,592
Total trade payables	**-**	**2,592**	**2,592**
Other payables:			
Tax and social security payables	1	204	205
Advances from customers	-	549	549
Payables to employees	-	149	149
Accrued expenses	-	130	130
Other	5	159	164
Total other payables	**6**	**1,191**	**1,197**
Total	**6**	**3,783**	**3,789**

Trade payables include around Euro 630 million (Euro 665 million at 31 December 2021) 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 453 million at 31 March 2022 and Euro 454 million at 31 December 2021. 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)

			31.03.2022 (*)
	Non-current	**Current**	**Total**
Restructuring costs	-	17	17
Legal, contractual and other risks	24	388	412
Environmental risks	6	90	96
Tax risks	23	98	121
Total	**53**	**593**	**646**

(*) Provisions for risks at 31 March 2022 include Euro 131 million for potential liabilities.

(Euro/million)

			31.12.2021 (*)
	Non-current	**Current**	**Total**
Restructuring costs	-	21	21
Legal, contractual and other risks	29	395	424
Environmental risks	5	92	97
Tax risks	12	99	111
Total	**46**	**607**	**653**

(*) Provisions for risks at 31 December 2021 include Euro 123 million for potential 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 2021	**21**	**424**	**97**	**111**	**653**
Increases	-	7	-	1	8
Uses	(3)	(9)	(1)	(2)	(15)
Releases	-	(13)	-	(2)	(15)
Currency translation differences	(1)	3	2	12	16
Other	-	-	(2)	1	(1)
Balance at 31 March 2022	**17**	**412**	**96**	**121**	**646**

The provision for contractual, legal and other risks amounts to Euro 412 million at 31 March 2022 (Euro 424 million at 31 December 2021). This provision mainly includes the provision for Euro 178 million related to antitrust investigations in progress and legal actions brought by third parties against Group companies as a result of and/or in connection with decisions adopted by the competent authorities, as described below. The rest of this provision relates to provisions related to and arising from business combinations and for risks associated with ongoing and completed contracts.

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. ("Prysmian CS"), had engaged in anti-competitive practices in the European market for high voltage submarine and underground power cables. The European Commission held Prysmian CS jointly liable with Pirelli & C. S.p.A. ("Pirelli") 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 CS jointly liable with Prysmian S.p.A. ("Prysmian") and The Goldman Sachs Group Inc. ("Goldman Sachs") 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, Prysmian CS, Pirelli and Goldman Sachs each filed a separate appeal against this decision with the General Court of the European Union, in first instance, and later with the Court of Justice of the European Union. In rulings handed down on 24 September 2020, 28 October 2020 and 27 January 2021 respectively, the Court of Justice definitively dismissed the appeals brought by Prysmian and Prysmian CS, Pirelli and Goldman Sachs, thus upholding the liability and fine envisaged under the European Commission's original decision. Further to the ruling dismissing the appeal by Prysmian and Prysmian CS, 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 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.

In a ruling handed down on 14 November 2019, the Court of Justice of the European Union also dismissed the appeal brought by General Cable, thus definitively confirming the fine previously levied against it by the European Commission in its April 2014 decision. As a result, the Group went ahead and paid a fine for Euro 2 million.

In November 2014 and October 2019 respectively, Pirelli filed two civil actions, recently combined, against Prysmian CS and Prysmian in the Court of Milan, seeking (i) to be held harmless from any claim brought by the European Commission in enforcement of its decision and for any expenses incidental to such enforcement; (ii) to be held harmless from any third-party claims for damages relating to the conduct forming the subject of the European

Commission's decision and (iii) to be compensated for the damages allegedly suffered and quantified as a result of Prysmian CS and Prysmian having requested, in certain pending legal actions, that Pirelli be held liable for the unlawful conduct found by the European Commission in the period from 1999 to 2005. As part of the same proceedings, Prysmian CS and Prysmian, in addition to requesting full dismissal of the claims brought by Pirelli, have filed symmetrical and opposing counterclaims to those of Pirelli in which they have requested (i) to be held harmless from any claim brought by the European Commission in enforcement of its decision and for any expenses incidental to such enforcement; (ii) to be held harmless from any third-party claims for damages relating to the conduct forming the subject of the European Commission's decision and (iii) to be compensated for damages suffered as a result of the legal actions brought by Pirelli. This action is currently pending.

In view of the circumstances described and the developments in the proceedings, the Directors, with the assistance of their legal advisors, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

Antitrust - Claims for damages resulting from the European Commission's 2014 decision
During the first few months of 2017, operators belonging to the Vattenfall Group filed claims in the High Court of London against a number of cable manufacturers, including companies in the Prysmian Group, to obtain compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned 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. This action is currently pending.

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 sanctioned 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. The proceedings are at a pre-trial stage.

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 a number of cable manufacturers, including companies in the Prysmian Group, on Pirelli and Goldman Sachs. 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 sanctioned 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. 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. The Prysmian Group companies concerned, together with the other third-party first-instance defendants, have entered an appearance in court contesting the plaintiff's claims. The appeal decision is pending.

In addition, on 4 April 2019, the Group learned that two further legal actions had been brought in the Court of London, respectively one by companies of Scottish and Southern Energy Group (SSE) and the other by Greater Gabbard Offshore Winds Limited and companies of Scottish and Southern Energy Group (SSE), both of which involving claims for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission. The first of these proceedings was concluded by a settlement agreement during the 2021, while the second is now at pre-trial stage.

In view of the circumstances described and the developments in the proceedings, the Directors, with the assistance of their legal advisors, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

Prysmian and Prysmian CS 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 and Prysmian CS, 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 sanctioned 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, but then filed a notice in March 2022, abandoning the action and thus ending the dispute.

Antitrust - Other investigations

In Brazil, the local antitrust authority initiated proceedings against a number of manufacturers of high voltage underground and submarine cables, including Prysmian, notified of such in 2011. On 15 April 2020, the CADE Tribunal issued the operative part of the decision under which it held Prysmian liable for the alleged 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). Using the provisions already set aside in previous years, the Group made these payments within the required timeframe. Prysmian Group has filed an appeal against the CADE ruling. The appeal decision is pending.

At the end of February 2016, the Spanish antitrust authority commenced proceedings to verify the existence of anti-competitive practices by local low voltage cable manufacturers and distributors, including the Group's local subsidiaries. On 24 November 2017, the local antitrust 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 antitrust authority in its investigations. The Spanish subsidiaries of General Cable have also appealed against the decision of the local antitrust authority; the appeal decision is still pending.

In view of the circumstances described and the developments in the proceedings, the Directors, with the assistance of their legal advisors, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

In addition, in January 2022, an investigation was initiated by the German antitrust authority (Federal Cartel Office) concerning alleged coordination in setting the standard metal surcharges applied by the industry in Germany. Further information can be found in "Significant events during the period". Given the high degree of uncertainty as to the timing and outcome of these ongoing investigations, the Directors currently feel unable to estimate the related risk.

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 sanctioned by the Spanish antitrust authority in its decision of 24 November 2017. The proceedings are 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 sanctioned by the Spanish antitrust authority in its decision of 24 November 2017. The proceedings are pending before the Court of Barcelona.

During March, April and May 2022, writs of summons were served on a number of cable manufacturers, including Prysmian Group's Spanish subsidiaries, under which separate claims were brought by third parties to obtain compensation for damages supposedly suffered as a result of the alleged anti-competitive practices sanctioned by the Spanish antitrust authority in its decision of 24 November 2017. The proceedings are pending before the Court of Barcelona.

In view of the circumstances described and the developments in the proceedings, the Directors, with the assistance of 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.

With reference to the above matters, certain Group companies have received a number of notices in which third parties have claimed compensation for damages, albeit not quantified, allegedly suffered as a result of Prysmian's alleged involvement in anti-competitive practices sanctioned by the European Commission and the antitrust authorities in Brazil and Spain.

Based on the information currently available, and believing it unlikely that these potential or unquantifiable liabilities will arise, the Directors have decided not to make any provision.

Despite the uncertainty of the outcome of the investigations and legal actions in progress, the amount of this provision, the substance of which explained above, is considered to represent the best estimate of the liability based on the information available to date and the developments in the proceedings described above.

12. EMPLOYEE BENEFIT OBLIGATIONS

Details are as follows:

(Euro/million)

	31.03.2022	31.12.2021
Pension plans	354	359
Italian statutory severance benefit	15	15
Medical benefit plans	32	31
Termination and other benefits	43	41
Total	**444**	**446**

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 following table shows the period average headcount and period-end closing headcount, calculated using the Full Time Equivalent method:

	3 months 2022	3 months 2021
Average number	30,189	28,879

	31.03.2022	31.12.2021
Closing number	30,381	29,763

13. OPERATING INCOME

Operating income is a profit of Euro 209 million in the first three months of 2022 (compared with a profit of Euro 123 million in the first three months of 2021) and is stated after the following adjustments:

(Euro/million)

	3 months 2022	3 months 2021
Business reorganisation [1]	(1)	(5)
Non-recurring (expenses)/income [2]	(1)	(2)
Other non-operating (expenses)/income [3]	(1)	(7)
Total adjustments	**(3)**	**(14)**

[1] Income and expense for business 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 optimise organisational structure;

[2] Non-recurring income and expense: these refer to income and expense related to unusual events that have not affected profit or loss in past periods and are not likely to 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 2022	3 months 2021
Interest on loans	4	4
Interest on non-convertible bond	5	5
Interest on Convertible Bond 2021 - non-monetary component	2	1
Interest on Convertible Bond 2017 - non-monetary component	-	2
Interest Rate Swaps	2	2
Interest on lease liabilities	1	1
Amortisation of bank and financial fees and other expenses	-	1
Employee benefit interest costs net of interest on plan assets	1	1
Other bank interest	1	1
Costs for undrawn credit lines	1	1
Sundry bank fees	6	5
Change in fair value of financial instruments through profit or loss	3	-
Non-recurring other finance costs	-	-
Other	2	1
Finance costs	**28**	**27**
Net losses on forward currency contracts	2	-
Losses on derivatives	**2**	**-**
Foreign currency exchange losses	182	180
Total finance costs	**212**	**207**

Finance income is detailed as follows:

(Euro/million)

	3 months 2022	3 months 2021
Interest income from banks and other financial institutions	2	1
Non-recurring finance income	-	16
Other finance income	1	-
Finance income	**3**	**17**
Net gains on forward currency contracts	-	14
Gains on derivatives	**-**	**14**
Foreign currency exchange gains	184	163
Total finance income	**187**	**194**

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 2022 is Euro 57 million, while the tax rate is approximately 31%.

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 are 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 and 2021 under the Long-Term Incentive Plan 2020-2022. Diluted earnings/(loss) per share have not however been impacted by the Convertible Bond 2021, whose conversion is currently out of the money or by the deferred shares and matching shares for 2022 and the performance bonus options under the Long-Term Incentive Plan 2020-2022, since the target results achieved up to 31 March 2022 have not yet triggered their allotment.

(Euro/million)

	3 months 2022	3 months 2021
Net profit/(loss) attributable to owners of the parent	126	76
Weighted average number of ordinary shares (thousands)	263,491	263,385
Basic earnings per share (in Euro)	**0.48**	**0.29**
Net profit/(loss) attributable to owners of the parent for purposes of diluted earnings per share	126	76
Weighted average number of ordinary shares (thousands)	263,491	263,385
Adjustments for:		
Dilution from incremental shares arising from exercise of stock options (thousands)	1,153	610
Weighted average number of ordinary shares to calculate diluted earnings per share (thousands)	264,644	263,995
Diluted earnings per share (in Euro)	**0.48**	**0.29**

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. Receivables factored but not yet paid by customers amounted to Euro 404 million at 31 March 2022 (Euro 295 million at 31 December 2021).

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 by 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 2022:

(Euro/million)

					31.03.2022
	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	375	-	**375**	375	100.0%
Trade receivables	-	-	**-**	2,204	0.0%
Other receivables	4	-	**4**	872	0.5%
Trade payables	3	-	**3**	2,946	0.1%
Other payables	-	2	**2**	1,264	0.2%
Provisions for risks and charges	-	6	**6**	646	0.9%

(Euro/million)

					31.12.2021
	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	360	-	**360**	360	100.0%
Trade receivables	-	-	**-**	1,622	0.0%
Other receivables	3	-	**3**	661	0.5%
Trade payables	5	-	**5**	2,592	0.2%
Other payables	-	2	**2**	1,197	0.2%
Provisions for risks and charges	-	6	**6**	653	0.9%

(Euro/million)

					3 months 2022
	Equity-accounted companies	**Compensation of directors, statutory auditors and key management personnel**	**Total related parties**	**Total reported amount**	**Related party % of total**
Sales	-	-	**-**	3,677	0.0%
Other income	-	-	**-**	16	0.0%
Raw materials. consumables and supplies	-	-	**-**	(2,736)	0.0%
Personnel costs	-	(2)	**(2)**	(405)	0.5%
Other expenses	(1)	(1)	**(2)**	(532)	0.4%
Share of net profit/(loss) of equity-accounted companies	11	-	**11**	11	100.0%

(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)	0.3%
Share of net profit/(loss) of equity-accounted companies	6	-	**6**	6	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 2022 (Euro 2 million in the first three months of 2021).

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 2022.

22. COMMITMENTS

Contractual commitments, already given to third parties at 31 March 2022 and not yet reflected in the financial statements, amount to Euro 173 million for Property, plant and equipment and Euro 3 million for Intangible assets.

As at 31 March 2022, there were no outstanding loans or guarantees by the Parent Company or its subsidiaries to any of the directors, senior managers or statutory auditors.

23. STATEMENT OF CASH FLOWS

The increase in net working capital used Euro 794 million in cash flow. After Euro 25 million in tax payments and Euro 2 million in dividend receipts, operating activities in the first three months of 2022 therefore resulted in a net cash outflow of Euro 568 million.
Net operating capital expenditure used Euro 49 million in cash in the first three months of 2022, a large part of which relating to projects to increase and rationalise production capacity and to develop new products. More details can be found in Note 1. Property, plant and equipment of these Explanatory Notes. In addition, Euro 6 million in net finance costs were paid during the period. Those include interest income received of Euro 2 million (Euro 1 million in the first three months of 2021) and interest expense paid of Euro 4 million (Euro 3 million in the first three months of 2021).

24. 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	
	31.03.2022	31.12.2021	3 months 2022	3 months 2021
Europe				
British Pound	0.846	0.840	0.836	0.874
Swiss Franc	1.027	1.033	1.036	1.091
Hungarian Forint	369.770	369.190	364.600	361.206
Norwegian Krone	9.711	9.989	9.925	10.258
Swedish Krona	10.337	10.250	10.481	10.120
Czech Koruna	24.375	24.858	24.653	26.070
Danish Krone	7.438	7.436	7.441	7.437
Romanian Leu	4.946	4.949	4.947	4.879
Turkish Lira	16.338	14.709	15.651	8.908
Polish Zloty	4.653	4.597	4.623	4.546
Russian Rouble	93.696	85.300	96.418	89.668
North America				
US Dollar	1.110	1.133	1.122	1.205
Canadian Dollar	1.390	1.439	1.421	1.526
South America				
Colombian Peso	4,167	4,599	4,390	4,286
Brazilian Real	5.259	6.320	5.864	6.607
Argentine Peso	123.232	116.341	119.582	106.812
Chilean Peso	875.810	964.350	907.568	872.410
Costa Rican Colón	730.879	727.107	721.666	737.115
Mexican Peso	22.090	23.144	22.992	24.527
Peruvian Sol	4.135	4.519	4.274	4.409
Oceania				
Australian Dollar	1.483	1.562	1.549	1.560
New Zealand Dollar	1.601	1.658	1.658	1.677
Africa				
CFA Franc	655.957	655.957	655.957	655.957
Angolan Kwanza	498.826	635.082	569.935	773.283
Tunisian Dinar	3.278	3.260	3.259	3.281
South African Rand	16.173	18.063	17.082	18.030
Asia				
Chinese Renminbi (Yuan)	7.040	7.195	7.121	7.808
United Arab Emirates Dirham	4.077	4.160	4.119	4.425
Bahraini Dinar	0.417	0.426	0.422	0.453
Hong Kong Dollar	8.692	8.833	8.755	9.347
Singapore Dollar	1.503	1.528	1.517	1.605
Indian Rupee	84.134	84.229	84.394	87.848
Indonesian Rupiah	15,947	16,100	16,088	17,086
Japanese Yen	135.170	130.380	130.464	127.806
Thai Baht	36.911	37.653	37.077	36.496
Philippine Peso	57.514	57.763	57.841	58.206
Omani Rial	0.427	0.436	0.431	0.463
Malaysian Ringgit	4.668	4.718	4.703	4.900
Qatari Riyal	4.041	4.123	4.083	4.386
Saudi Riyal	4.163	4.247	4.206	4.518

25. EVENTS AFTER THE REPORTING PERIOD

Approval of financial statements at 31 December 2021 and dividend distribution

On 12 April 2022, the shareholders' meeting of Prysmian S.p.A. approved the financial statements for 2021 and the distribution of a gross dividend of Euro 0.55 per share, for a total of some Euro 145 million. The dividend was paid out from 21 April 2022, with record date 20 April 2022 and ex-dividend date 19 April 2022.

Appointment of the Prysmian S.p.A. Board of Statutory Auditors

On 12 April 2022, the shareholders' meeting of Prysmian S.p.A. appointed the following new members of the Board of Statutory Auditors for the next three years:

- Stefano Sarubbi (Chairman of the Board of Statutory Auditors)
- Roberto Capone (Standing Auditor)
- Laura Gualtieri (Standing Auditor)
- Stefano Rossetti (Alternate Auditor)
- Vieri Chimenti (Alternate Auditor)

Authorisation to buy and dispose of treasury shares

On 12 April 2022, the shareholders' meeting of Prysmian S.p.A. granted the Board of Directors authorisation to buy back and dispose of treasury shares, concurrently revoking the previous authorisation under the shareholder resolution dated 28 April 2021. Under this authorisation it is possible to make one or more buybacks of shares such that, at any one time, the total holding of treasury shares does not exceed 10% of share capital.

New stock grant plan for employees other than managers already covered by individual incentive schemes

On 12 April 2022, the shareholders' meeting of Prysmian S.p.A. approved an equity-settled stock grant plan for employees of Prysmian S.p.A. and Prysmian Group companies, except for managers already covered by individual incentive schemes; the plan aims to foster wide participation in future value creation and to strengthen the level of employee engagement; the plan will be subject to consultation at local level with the relevant trade union representatives, where required.

Reduction in capital increase serving the long-term incentive plan (LTI)

On 12 April 2022, the shareholders' meeting of Prysmian S.p.A. adopted a resolution to reduce the capital increase serving the incentive plan for Prysmian Group employees approved by the shareholders on 28 April 2020, from a maximum nominal amount of Euro 1,100,000.00, corresponding to 11,000,000 new ordinary shares, to a maximum nominal amount of Euro

800,000.00, corresponding to 8,000,000 new ordinary shares, and to approve a bonus issue of shares to be reserved for Prysmian Group employees in execution of the stock grant plan approved above.

Delivery of cable for the fibre network of the future in Australia

On 11 May 2022, Prysmian group has announced it will work with Telstra to build a new state-of-the-art intercapital fibre network in Australia. The national fibre network project is a multi-year project which will see Telstra build a new "state-of-the-art inter-city dual fibre path" that adds up to 20,000 route km of new fibre optic terrestrial cable, boosting inter-capital capacity, as well as capacity for regional areas. Prysmian Group is Telstra's cable partner for this project. Prysmian and Telstra InfraCo undertook the development of a leading-edge optical cable system, leveraging on Prysmian's local R&D Lab. The Group invested to develop the next generation of high strength low loss optical cable, featuring a highly ruggedised design, made for direct ploughing enabling long distance deployment in harsh local conditions. The state-of-the-art cable design is combined with Prysmian's BendBright® G.657.A2 Low Loss fibre technology combining high performance with robustness.

Prysmian's cable has been developed to Australia's unique environmental conditions and will be designed and manufactured locally at Prysmian's factory on Sydney's Northern Beaches. Prysmian will support this project through local production of the optical cables in Dee Why, Sydney which will boost jobs and investment in local high-tech manufacturing, and the Group is investing to upgrade the plant's capacity and capability. The deployment includes up to 20,000 kms of dual high strength optical cables combined with upgrade of the network within the Metro cities.

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The managers responsible for preparing corporate accounting documents (Stefano Invernici and Alessandro Brunetti) hereby declare, pursuant to Article 154-bis, paragraph 2, of Italy's Consolidated Law on Financial Intermediation, that the accounting information contained in this quarterly financial report corresponds to the underlying documents, accounting books and records.

Milan, 12 May 2022

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	Wien	Euro	2.053.007,56	100,00%	Prysmian Cavi e Sistemi S.r.l.
Belgium					
Draka Belgium N.V.	Leuven	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	40.001.000,00	100,00%	Draka Holding B.V.
Estonia					
Prysmian Group Baltics AS	Keila	Euro	1.664.000,00	100,00%	Prysmian Group Finland OY
Finland					
Prysmian Group Finland OY	Kirkkonummi	Euro	100.000,00	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	129.026.210,00	100,00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Cables et Systèmes France S.A.S.	Sens	Euro	136.800.000,00	100,00%	Prysmian (French) Holdings S.A.S.
Draka Comteq France S.A.S.	Paron	Euro	246.554.316,00	100,00%	Draka France S.A.S.
Draka Fileca S.A.S.	Sainte Geneviève	Euro	5.439.700,00	100,00%	Draka France S.A.S.
Draka Paricable S.A.S.	Marne La Vallée	Euro	5.177.985,00	100,00%	Draka France S.A.S.
Draka France S.A.S.	Marne La Vallée	Euro	261.551.700,00	100,00%	Draka Holding B.V.
P.O.R. S.A.S.	Marne La Vallée	Euro	100.000,00	100,00%	Draka France S.A.S.
Silec Cable, S. A. S.	Montreau-Fault-Yonne	Euro	60.037.000,00	100,00%	Grupo General Cable Sistemas, S.L.
EHC France s.a.r.l.	Sainte Geneviève	Euro	310.717	100,00%	EHC Global Inc.
Germany					
Prysmian Kabel und Systeme GmbH	Berlin	Euro	15.000.000,00	93,75%	Draka Deutschland GmbH
				6,25%	Prysmian S.p.A.
Prysmian Unterstuetzungseinrichtung Lynen GmbH	Eschweiler	Deutsche Mark	50.000,00	100,00%	Prysmian Kabel und Systeme GmbH
Draka Comteq Berlin GmbH & Co. KG	Berlin	Deutsche Mark	46.000.000,00	50,10%	Prysmian Netherlands B.V.
		Euro	1,00	49,90%	Draka Deutschland GmbH
Draka Comteq Germany Verwaltungs GmbH	Koln	Euro	25.000,00	100,00%	Draka Comteq B.V.
Draka Comteq Germany GmbH & Co. KG	Koln	Euro	5.000.000,00	100,00%	Draka Comteq B.V.
Draka Deutschland Erste Beteiligungs GmbH	Wuppertal	Euro	25.000,00	100,00%	Draka Holding B.V.
Draka Deutschland GmbH	Wuppertal	Euro	25.000,00	90,00%	Draka Deutschland Erste Beteiligungs GmbH
				10,00%	Draka Deutschland Zweite Beteiligungs GmbH
Draka Deutschland Verwaltungs GmbH	Wuppertal	Deutsche Mark	50.000,00	100,00%	Prysmian Kabel und Systeme GmbH
Draka Deutschland Zweite Beteiligungs GmbH	Wuppertal	Euro	25.000,00	100,00%	Prysmian Netherlands B.V.
Draka Service GmbH	Norimberga	Euro	25.000,00	100,00%	Draka Deutschland GmbH
Höhn GmbH	Wuppertal	Deutsche Mark	1.000.000,00	100,00%	Draka Deutschland GmbH
Kaiser Kabel GmbH	Wuppertal	Deutsche Mark	9.000.000,00	100,00%	Draka Deutschland GmbH
NKF Holding (Deutschland) GmbH i.L	Wuppertal	Euro	25.000,00	100,00%	Prysmian Netherlands B.V.
Norddeutsche Seekabelwerke GmbH	Nordenham	Euro	50.025.000,00	100,00%	Grupo General Cable Sistemas, S.L.
EHC Germany GmbH	Baesweiler	Euro	25.200,00	100,00%	EHC Global Inc

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
U.K.					
Prysmian Cables & Systems Ltd.	Eastleigh	British Pound	113.901.120,00	100,00%	Prysmian UK Group Ltd.
Prysmian Construction Company Ltd.	Eastleigh	British Pound	1,00	100,00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd.	Eastleigh	British Pound	1,00	100,00%	Prysmian Cables & Systems Ltd.
Cable Makers Properties & Services Ltd.	Esher	British Pound	39,08	63,84%	Prysmian Cables & Systems Ltd.
				36,16%	Third Parties
Comergy Ltd.	Eastleigh	British Pound	1,00	100,00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Pension Scheme Trustee Ltd.	Eastleigh	British Pound	1,00	100,00%	Prysmian S.p.A.
Prysmian UK Group Ltd.	Eastleigh	British Pound	70.011.000,00	100,00%	Draka Holding B.V.
Draka Comteq UK Ltd.	Eastleigh	British Pound	14.000.002,00	100,00%	Prysmian UK Group Ltd.
Draka UK Ltd.	Eastleigh	British Pound	1,00	100,00%	Prysmian UK Group Ltd.
Prysmian PowerLink Services Ltd.	Eastleigh	British Pound	46.000.100,00	100,00%	Prysmian UK Group Ltd.
General Cable Holdings (UK) Limited	London	British Pound	1,00	100,00%	GK Technologies, Incorporated
General Cable Services Europe Limited	London	British Pound	1,00	100,00%	General Cable Holdings (UK) Limited
NSW Technology Limited	Aberdeen	British Pound	1,00	100,00%	Norddeutsche Seekabelwerke GmbH
Prysmian Telecom Cables and Systems UK Ltd.	Eastleigh	British Pound	1,00	100,00%	Prysmian Cables & Systems Ltd.
Escalator Handrail (UK) Ltd.	Eastleigh	British Pound	2,00	100,00%	EHC Global Inc.
Ireland					
Prysmian Re Company Designated Activity Company	Dublin	Euro	20.000.000,00	100,00%	Draka Holding B.V.
Italy					
Prysmian Cavi e Sistemi S.r.l.	Milan	Euro	50.000.000,00	100,00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Italia S.r.l.	Milan	Euro	77.143.249,00	100,00%	Prysmian S.p.A.
Prysmian Treasury S.r.l.	Milan	Euro	80.000.000,00	100,00%	Prysmian S.p.A.
Prysmian PowerLink S.r.l.	Milan	Euro	100.000.000,00	100,00%	Prysmian S.p.A.
Fibre Ottiche Sud - F.O.S. S.r.l.	Battipaglia	Euro	47.700.000,00	100,00%	Prysmian S.p.A.
Prysmian Electronics S.r.l.	Milan	Euro	10.000,00	100,00%	Prysmian Cavi e Sistemi S.r.l.
Norway					
Prysmian Group Norge AS	Drammen	Norwegian Krone	22.500.000,00	100,00%	Draka Holding B.V.
General Cable Nordic A/S	Drammen	Norwegian Krone	1.674.000,00	100,00%	Grupo General Cable Sistemas, S.L.
The Netherlands					
Draka Comteq B.V.	Amsterdam	Euro	1.000.000,00	100,00%	Draka Holding B.V.
Draka Comteq Fibre B.V.	Eindhoven	Euro	18.000,00	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	1,00	100,00%	Prysmian Netherlands Holding B.V.
Prysmian Netherlands Holding B.V.	Amsterdam	Euro	1,00	100,00%	Draka Holding B.V.
General Cable Holdings Netherlands C.V.	Amsterdam	Euro	159.319.137,00	95,50%	GK Technologies, Incorporated
				1,00%	GC Global Holdings, Inc.
				3,50%	Phelps Dodge National Cables Corporation
Poland					
Prysmian Poland sp. z o.o.	Sokolów	Polish Zloty	394.000,00	29,949%	Prysmian Cavi e Sistemi S.r.l.
				70,051%	Draka Holding B.V.
Legal name	**Office**	**Currency**	**Share Capital**	**% ownership**	**Direct parent company**
Portugal					
General Cable Investments, SGPS, Sociedade Unipessoal, S.A.	Funchal	Euro	8.500.020,00	100,00%	Draka Holding B.V.
General Cable Celcat, Energia e Telecomunicaçoes SA	Pero Pinheiro	Euro	13.500.000,00	100,00%	General Cable Investments, SGPS, Sociedade Unipessoal, S.A.
Czech Republic					
Draka Kabely, s.r.o.	Velké Meziříčí	Czech Koruna	255.000.000,00	100,00%	Draka Holding B.V.
Romania					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Leu rumeno	103.850.920,00	99,9995%	Draka Holding B.V.
				0,0005%	Prysmian Cavi e Sistemi S.r.l.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Russia					
Limited Liability Company Prysmian RUS	Rybinsk city	Russian Rouble	230.000.000,00	99,00%	Draka Holding B.V.
				1,00%	Prysmian Cavi e Sistemi S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Rybinsk city	Russian Rouble	90.312.000,00	100,00%	Limited Liability Company Prysmian RUS
Slovakia					
Prysmian Kablo s.r.o.	Bratislava	Euro	21.246.001,00	99,995%	Prysmian Cavi e Sistemi S.r.l.
				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	24.000.000,00	100,00%	Draka Holding B.V.
GC Latin America Holdings, S.L.	Abrera	Euro	151.042.030,00	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	22.116.018,70	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	100.100,00	100,00%	Draka Holding B.V.
Prysmian Group Sverige AB	Nässjö	Swedish Krona	100.000,00	100,00%	Prysmian Group North Europe AB
Switzerland					
Omnisens S.A.	Morges	Swiss Franc	11.811.719,00	100,00%	Draka Holding B.V.
Turkey					
Turk Prysmian Kablo Ve Sistemleri A.S.	Mudanya	Turkish new Lira	216.733.652,00	83,7464%	Draka Holding B.V.
				0,4614%	Turk Prysmian Kablo Ve Sistemleri A.S.
				15,7922%	Third Parties
EHC Turkey Asansör ve Yürüyen Merdiven Sanayi Limited Şirketi	Istanbul	Turkish new Lira	10.000,00	100,00%	EHC Global Inc.
Hungary					
Prysmian MKM Magyar Kabel Muvek Kft.	Budapest	Hungarian Forint	5.000.000.000,00	100,00%	Prysmian Cavi e Sistemi S.r.l.
North America					
Canada					
Prysmian Cables and Systems Canada Ltd.	New Brunswick	Canadian Dollar	1.000.000,00	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	135.003.586,00	100,00%	General Cable Canada Holdings LLC
EHC Global Inc.	Oshawa	Canadian Dollar	1.511.769,00	100,00%	Prysmian Cables and Systems Canada Ltd.
EHC Canada Inc.	Oshawa	Canadian Dollar	39.308,00	99,9997%	EHC Global Inc.
				0,0003%	Prysmian Cables and Systems Canada Ltd.
Elator Inc.	Oshawa	Canadian Dollar	100,00	100,00%	EHC Global Inc.
EHC Management Company Inc.	Oshawa	Canadian Dollar	1,00	100,00%	EHC Global Inc.
Dominican Repuplic					
General Cable Caribbean, S.R.L	Santa Domingo Oeste	Dominican Peso	2.100.000,00	99,995%	GK Technologies, Incorporated
				0,005%	Prysmian Cables and Systems USA, LLC
Trinidad and Tobago					
General Cable Trinidad Limited	Port of Spain	Trinidadian Dollar	100,00	100,00%	GK Technologies, Incorporated

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
U.S.A.					
Prysmian Cables and Systems (US) Inc.	Carson City	US Dollar	330.517.608,00	100,00%	Draka Holding B.V.
Prysmian Cables and Systems USA, LLC	Wilmington	US Dollar	10,00	100,00%	GK Technologies, Inc
Prysmian Construction Services Inc.	Wilmington	US Dollar	1.000,00	100,00%	Prysmian Cables and Systems USA, LLC
Draka Elevator Products, Inc.	Boston	US Dollar	1,00	100,00%	Prysmian Cables and Systems USA, LLC
Draka Transport USA, LLC	Boston	US Dollar	-	100,00%	Prysmian Cables and Systems USA, LLC
GC Global Holdings, Inc.	Wilmington	US Dollar	1.000,00	100,00%	General Cable Overseas Holdings, LLC
General Cable Canada Holdings LLC	Wilmington	US Dollar	-	100,00%	Prysmian Cables and Systems USA, LLC
General Cable Corporation	Wilmington	US Dollar	1,00	100,00%	Prysmian Cables and Systems (US) Inc.
General Cable Overseas Holdings, LLC	Wilmington	US Dollar	-	100,00%	GK Technologies, Incorporated
General Cable Technologies Corporation	Wilmington	US Dollar	1.000,00	100,00%	Prysmian Cables and Systems USA, LLC
Phelps Dodge Enfield Corporation	Wilmington	US Dollar	800.000,00	100,00%	Prysmian Cables and Systems USA, LLC
Phelps Dodge National Cables Corporation	Wilmington	US Dollar	10,00	100,00%	Prysmian Cables and Systems USA, LLC
GK Technologies, Incorporated	West Trenton	US Dollar	1.000,00	100,00%	General Cable Corporation
EHC USA Inc.	Oshawa	US Dollar	1,00	100,00%	EHC Global Inc.
Prysmian Group Speciality Cables, LLC	Wilmington	US Dollar		100,00%	Prysmian Cables and Systems USA, LLC
Central/South America					
Argentina					
Prysmian Energia Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	992.359.215,00	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%	Third Parties
Prysmian Consultora Conductores e Instalaciones SAIC	Buenos Aires	Argentine Peso	543.219.572,00	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	910.044.390,56	94,543%	Prysmian Cavi e Sistemi S.r.l.
				0,027%	Prysmian S.p.A.
				1,129%	Draka Holding B.V.
				4,301%	Draka Comteq B.V.
Draka Comteq Cabos Brasil S.A.	Santa Catarina	Brazilian Real	27.467.522,00	49,352%	Draka Comteq B.V.
				50,648%	Prysmian Cabos e Sistemas do Brasil S.A.
Omnisens do Brasil sercicos de solucoes de monitoracao em fibra otica Ltda	Rio de Janeiro	Brazilian Real	626.050,00	100,00%	Omnisens S.A.
Chile					
Prysmian Cables Chile SpA	Santiago	Chile Peso	1.900.000.000,00	100,00%	Prysmian Cabos e Sistemas do Brasil S.A.
Cobre Cerrillos S.A.	Cerrillos	US Dollar	74.574.400,00	99,80%	General Cable Holdings (Spain), S.L.
				0,20%	Third Parties
Colombia					
Productora de Cables Procables S.A.S.	Bogotà	Colombian Peso	1.902.964.285,00	99,96%	GC Latin America Holdings, S.L.
				0,04%	GK Technologies, Incorporated
Costa Rica					
Conducen, S.R.L.	Heredia	Costa Rican Colón	1.845.117.800,00	100,00%	GC Latin America Holdings, S.L.
Ecuador					
Cables Electricos Ecuatorianos C.A. CABLEC	Quito	US Dollar	243.957,00	67,14%	General Cable Holdings (Spain), S.L.
				32,86%	Third Parties
El Salvador					
Conducen Phelps Dodge Centroamerica-El Salvador, S.A. de C.V.	Antiguo Cuscatlan (La Libertad)	US Dollar	22.858,00	99,95%	Conducen, S.R.L.
				0,05%	Third Parties
Guatemala					
Proveedora de Cables y Alambres PDCA Guatemala, S.A.	Guatemala City	Guatemalan Quetzal	100.000,00	99,00%	Conducen, S.R.L.
				1,00%	Third Parties
Honduras					
Electroconductores de Honduras, S.A. de C.V.	Tegucigalpa	Honduran Lempira	27.600.000,00	59,39%	General Cable Holdings (Spain), S.L.
				40,61%	GC Latin America Holdings, S.L.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Mexico					
Draka Durango S. de R.L. de C.V.	Durango	Mexican Peso	163.471.787,00	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	57.036.501,00	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	173.050.500,00	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	1.329.621.471,00	80,41733609%	Prysmian Cables and Systems USA, LLC
				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	10.000,00	99,80%	GK Technologies, Incorporated
		Mexican Peso		0,20%	Prysmian Cables and Systems USA, LLC
PDIC Mexico, S.A. de C.V.	San Jose	Mexican Peso	50.000,00	99,998%	Conducen, S.R.L.
	San Jose	Mexican Peso		0,002%	Third Parties
Prestolite de Mexico, S.A. de C.V.	Sonora	Mexican Peso	50.000,00	99,80%	Prysmian Cables and Systems USA, LLC
		Mexican Peso		0,20%	GK Technologies, Incorporated
Servicios Latinoamericanos GC, S.A. de C.V.	Puebla	Mexican Peso	50.000,00	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	800.000,00	78,08%	Prysmian Cables and Systems USA, LLC
				21,92%	GC Latin America Holdings, S.L.
Alcap Comercial S.A.	Panama	US Dollar	10.000,00	100,00%	Conducen, S.R.L.
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%	Third Parties
Africa					
Angola					
General Cable Condel, Cabos de Energia e Telecomunicaçoes SA	Luanda	Kwanza angolano	20.000.000,00	99,80%	General Cable Celcat, Energia e Telecomunicaçoes SA
				0,20%	Third Parties
Ivory Coast					
SICABLE - Sociète Ivoirienne de Cables S.A.	Abidjan	CFA Franc	740.000.000,00	51,00%	Prysmian Cables et Systèmes France S.A.S.
				49,00%	Third Parties
South Africa					
General Cable Phoenix South Africa Pty. Ltd.	Illovo	South African Rand	1.000,00	100,00%	GK Technologies, Incorporated
National Cables (Pty) Ltd.	Illovo	South African Rand	101,00	69,30%	Phelps Dodge National Cables Corporation
				30,70%	General Cable Holdings Netherlands C.V.
Tunisia					
Auto Cables Tunisie S.A.	Grombalia	Tunisian Dinar	4.050.000,00	50,998%	Prysmian Cables et Systèmes France S.A.S.
				49,002%	Third Parties
Prysmian Cables and Systems Tunisia S.A.	Menzel Bouzelfa	Tunisian Dinar	1.850.000,00	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%	Third Parties

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Oceania					
Australia					
Prysmian Australia Pty Ltd.	Liverpool	Australian Dollar	56.485.736,00	100,00%	Prysmian Cavi e Sistemi S.r.l.
New Zeland					
Prysmian New Zealand Ltd.	Auckland	New Zeland Dollar	10.000,00	100,00%	Prysmian Australia Pty Ltd.
Asia					
Saudi Arabia					
Prysmian Powerlink Saudi LLC	Al Khoabar	Saudi Arabian Riyal	500.000,00	95,00%	Prysmian PowerLink S.r.l.
				5,00%	Third Parties

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
China					
Prysmian Tianjin Cables Co. Ltd.	Tianjin	US Dollar	36.790.000,00	67,00%	Prysmian (China) Investment Company Ltd.
				33,00%	Third Parties
Prysmian Cable (Shanghai) Co. Ltd.	Shanghai	US Dollar	5.000.000,00	100,00%	Prysmian (China) Investment Company Ltd.
Prysmian Wuxi Cable Co. Ltd.	Yixing (Jiangsu Province)	Chinese Renminbi (Yuan)	240.863.720,00	100,00%	Prysmian (China) Investment Company Ltd.
Prysmian Hong Kong Holding Ltd.	Hong Kong	Euro	72.000.000,00	100,00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian (China) Investment Company Ltd.	Beijing	Euro	74.152.961,00	100,00%	Prysmian Hong Kong Holding Ltd.
Nantong Haixun Draka Elevator Products Co. LTD	Nantong	US Dollar	2.400.000,00	75,00%	Draka Elevator Products, Inc.
				25,00%	Third Parties
Nantong Zhongyao Draka Elevator Products Co. LTD	Nantong	US Dollar	2.000.000,00	60,00%	Draka Elevator Products, Inc.
				40,00%	Third Parties
Suzhou Draka Cable Co. Ltd.	Suzhou	Chinese Renminbi (Yuan)	304.500.000,00	100,00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Prysmian Technology Jiangsu Co. Ltd.	Yixing	Chinese Renminbi (Yuan)	495.323.466,00	100,00%	Prysmian (China) Investment Company Ltd.
Prestolite Wire (Shanghai) Company, Ltd	Shanghai	US Dollar	300.000,00	100,00%	Prysmian Cables and Systems USA, LLC
EHC Escalator Handrail (Shanghai) Co. Ltd.	Shanghai	US Dollar	2.100.000,00	100,00%	EHC Global Inc.
EHC Engineered Polymer (Shanghai) Co. Ltd.	Shanghai	US Dollar	1.600.000,00	100,00%	EHC Global Inc.
EHC Lift Components (Shanghai) Co. Ltd.	Shanghai	US Dollar	200.000,00	100,00%	EHC Global Inc.
EHC Technology Development (Shanghai) Co. Ltd.	Shanghai	Chinese Renminbi (Yuan)	-	100,00%	EHC Escalator Handrail (Shanghai) Co. Ltd.
Philippines					
Draka Philippines Inc.	Cebu	Philippine Peso	253.652.000,00	99,9999975%	Draka Holding B.V.
				0,0000025%	Third Parties
India					
Associated Cables Pvt. Ltd.	Mumbai	Indian Rupee	61.261.900,00	100,00%	Oman Cables Industry (SAOG)
Jaguar Communication Consultancy Services Private Ltd.	Mumbai	Indian Rupee	122.268.218,00	99,99999%	Prysmian Cavi e Sistemi S.r.l.
				0,000001%	Prysmian S.p.A.
Indonesia					
PT.Prysmian Cables Indonesia	Cikampek	US Dollar	67.300.000,00	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	500.000,00	100,00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Draka (Malaysia) Sdn Bhd	Malacca	Malaysian Ringgit	8.000.002,00	100,00%	Cable Supply and Consulting Company Pte Ltd.
Oman					
Oman Cables Industry (SAOG)	Al Rusayl	Omani Riyal	8.970.000,00	51,17%	Draka Holding B.V.
				48,83%	Third Parties
Oman Aluminium Processing Industries (SPC)	Sohar	Omani Riyal	4.366.000,00	100,00%	Oman Cables Industry (SAOG)
Singapore					
Prysmian Cables Asia-Pacific Pte Ltd.	Singapore	Singapore Dollar	213.324.290,00	100,00%	Draka Holding B.V.
Prysmian Cable Systems Pte Ltd.	Singapore	Singapore Dollar	25.000,00	50,00%	Draka Holding B.V.
				50,00%	Prysmian Cables & Systems 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	1.500.000,00	100,00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Cable Supply and Consulting Company Private Limited	Singapore	Singapore Dollar	50.000,00	100,00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Draka NK Cables (Asia) Pte Ltd.	Singapore	Singapore Dollar	200.000,00	100,00%	Prysmian Group Finland OY
Thailand					
MCI-Draka Cable Co. Ltd.	Bangkok	Thai Baht	435.900.000,00	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%	Third Parties

Japan					
EHC Japan K.K.	Chiyoda-kuTokyo	Yen	4.000,00	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%	Third parties
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%	Third parties
Russia					
Elkat Ltd.	Moscow	Russian Rouble	10.000	40,00%	Prysmian Group Finland OY
				60,00%	Third parties
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%	Third parties
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.
Malaysia					
Power Cables Malaysia Sdn Bhd	Selangor Darul Eshan	Malaysian Ringgit	18.000.000	40,00%	Draka Holding B.V.
				60,00%	Third parties

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%	Third Parties
United Arab Emirates		
Power Plus Cable CO. LLC	49,00%	Ravin Cables Limited
	51,00%	Third Parties
Africa		
South Africa		
Pirelli Cables & Systems (Proprietary) Ltd.	100,00%	Prysmian Cavi e Sistemi S.r.l.