

# Third Quarter Financial Report at 30 September 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 diverge even significantly from those announced in forward-looking statements due to a variety of factors.*



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# Directors' Report

## DIRECTORS AND AUDITORS

### Board of Directors <sup>(4)</sup>

<b>Chairman</b>	Claudio De Conto (*) (2)
<b>Chief Executive Officer</b>	Valerio Battista
<b>Directors</b>	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 <sup>(5)</sup>

<b>Chairman</b>	Stefano Sarubbi
<b>Standing Statutory Auditors</b>	Laura Gualtieri Roberto Ruggero Capone
<b>Alternate Statutory Auditors</b>	Stefano Rossetti Vieri Chimenti

### Independent Auditors <sup>(6)</sup>

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)

<sup>(1)</sup> Members of the Control and Risks Committee

<sup>(2)</sup> Members of the Remuneration and Nominations Committee

<sup>(3)</sup> Members of the Sustainability Committee

<sup>(4)</sup> Appointed by the Shareholders' Meeting on 28 April 2021

<sup>(5)</sup> Appointed by the Shareholders' Meeting on 12 April 2022

<sup>(6)</sup> 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 eliminated the requirement for quarterly reporting, Prysmian Group has prepared the present Quarterly Financial Report at 30 September 2022 on a voluntary basis and in continuity with its past reporting format in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in accordance with *IAS 34 – Interim Financial Reporting*, applying the same accounting standards and policies adopted to draw up 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 Euro 135 million loan from the European Investment Bank (EIB) to support the Group's R&D program in Europe in the period through to 2024 as the world's leading company 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: Italy, France, Germany, Spain and the Netherlands.

#### ***Euro 1.2 billion Sustainability-Linked Term Loan***

On 7 July 2022, the Group entered into a medium-term Sustainability-Linked loan for Euro 1.2 billion with a syndicate of leading Italian and international banks. The loan was drawn down in full on 14 July 2022 and primarily used to refinance the Euro 1 billion medium-term Term Loan obtained in 2018.

With the aim of strengthening its financial structure and the integration of ESG factors into the Group's strategy, Prysmian Group has chosen to include important environmental and social KPIs among the parameters determining the terms of the loan. In fact, the Sustainability-Linked Term Loan is also linked to the decarbonisation targets already set by the Group (annual GHG emissions from 2022 to 2026), to the ratio of female white-collar and executive hires to total Group hires, and to sustainability audits performed in the supply chain.

The interest rates applied are indexed to 1M, 3M and 6M Euribor, depending on the company's choice.

Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 1,200 million, with the objective of hedging variable rate interest flows. These contracts were entered into in 2 tranches: the first in mid-June 2022 for a total of Euro 400 million and the second at the beginning of July for a total of Euro 800 million, at the same time as which the interest rate swap contracts entered into to hedge the 2018 term loan for a total notional value of Euro 1,000 million were terminated.

### 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, worth approximately Euro 220 million, for a major HVDC

submarine cable project in the Middle East. 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 plans to invest around USD 200 million in building the new plant.

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. On 29 July 2022, the Group announced that it would be moving ahead with the start of work later this year after receiving notification from NeuConnect that it had obtained Financial Closing for the project. This is one of the first interconnectors funded by project financing, confirming that major energy infrastructure projects are able to attract financial investors.

### ***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 (1400MW,  $\pm$  525kV), 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.

***Prysmian Group to supply the cable for Australia's fibre network of the future***

On 11 May 2022, Prysmian Group announced that it will work with Telstra to develop a state-of-the-art fibre network that will link up Australia's major cities. As part of the multi-year Australian fibre network project, Telstra will build a state-of-the-art dual fibre cable system that will link the country's cities with up to 20,000 km of new optical fibre land cable, increasing transmission capacity both between cities and regionally. Prysmian Group is partnering with Telstra to supply the cables for this project. Prysmian and Telstra InfraCo have initiated intensive research and development at Prysmian's local R&D lab to design, develop and implement one of the most innovative fibre and cable technologies. The Group has recently developed the next generation of high-strength low-loss optical cables, featuring an ultra-rugged design suitable for direct ploughing under extreme conditions and allowing installation over long distances. The state-of-the-art low-loss cable design using Prysmian's BendBright® G.657.A2 fibre combines high performance with resilience. The Prysmian cables have been developed specifically for Australia's unique environmental conditions and will be engineered and manufactured locally at Prysmian's Northern Beaches plant in Sydney. In fact, Prysmian will support this project by manufacturing the optical cables locally in Dee Why (Sydney), boosting employment and investment in the area's high-tech manufacturing sector. The Group is also investing in upgrading capacity and production at the plant. The first phase of the project will see the installation of 20,000 km of high-resilience dual optical fibre cables, as well as an upgrading of the metropolitan area network.

***SuedOstLink project in Germany***

On 24 June 2022, the Group announced that German transmission system operator TenneT TSO GmbH had awarded Prysmian a contract worth approximately Euro 700 million to develop the second 2GW system to extend the SuedOstLink with 546 km of 525kV HVDC underground cable. The Group has already been awarded contracts to develop the SuedOstLink, SuedLink and A-North HVDC projects in Germany, worth more than Euro 1.5 billion and currently under execution.

Prysmian will supply and install an underground cable system to transport renewable energy from wind farms located in northern and eastern Germany to cities and high-consumption industrial areas in the country's south. SuedOstLink consists of two 2GW projects, V5 and V5a, which together will supply southern Germany/Bavaria with 4GW of power. The first 20 km of approximately 550 km of cables for the 270 km route of SuedOstLink (V5) was completed and delivered in early 2022.

The HVDC P-Laser cable to be used for the project has been developed by Prysmian Group and will be manufactured at the Gron plant in France, where investments are underway in a second production line. The network components will be produced in Livorno (Italy), while the optical fibre cables will be manufactured in Slatina (Romania). The P-Laser cable solution offers a power transmission capacity of more than 2GW on a single system, as well as boasting the first 100% recyclable, environmentally sustainable, high-performance insulation using HPTE (High Performance Thermoplastic Elastomer), which reduces CO2 emissions during production by 30%. Delivery of the cables for V5a is scheduled to start in 2025, with the project due to go into operation in 2030. The V5a extension runs parallel to the SuedOstLink V5 corridor.

Prysmian is already the leading cable supplier to energy utilities in Germany, with approximately 1,900 employees, 6 manufacturing plants in Nordenham, Schwerin, Berlin, Neustadt bei Coburg, Nuremberg and Wuppertal and 4 R&D centres. To support execution of the German HVDC projects, Prysmian has opened three new regional offices in Bayreuth, Würzburg and Wuppertal and formed a multicultural project development and management team with over 200 employees.

***Contracts worth Euro 250 million to develop two new submarine power interconnections between two Canary Islands and between the Spanish mainland and Ceuta in North Africa***

On 18 July 2022, the Group was awarded two contracts worth approximately Euro 250 million by Red Eléctrica (Red Eléctrica de España, S.A.U.) for the development of two projects: a submarine power interconnection between the islands of Tenerife and La Gomera, and another submarine power interconnection between the Spanish mainland and Ceuta, a Spanish city on the north coast of Africa.

Prysmian will install and commission a 66kV HVAC double-circuit three-core submarine power cable with EPR insulation and synthetic wire armouring, to connect Tenerife and La Gomera at a world record depth for a 66kV three-core cable of nearly 1,150 metres, as well as a 132kV HVAC double-circuit three-core submarine power cable with XLPE insulation and synthetic wire armouring to connect the Spanish mainland and Ceuta across the Strait of Gibraltar at a maximum depth of 900 metres. The two systems will have a 90 km submarine section, while the double link between the Spanish mainland and Ceuta will also require 11 km of onshore cables.

### ***Contracts from Amprion worth over Euro 800 million to cable two mega offshore wind farms in Germany***

On 15 September 2022, the Group announced that it had been awarded two major contracts worth a total of more than Euro 800 million by Amprion Offshore GmbH, a subsidiary of German transmission system operator Amprion. Prysmian will be responsible for the design, supply, installation and commissioning of land and submarine cables for two systems connecting the electricity grid to DolWin4 and BorWin4, two offshore wind farms in the German North Sea, which will transmit combined total power of 1.8GW. Prysmian will supply approximately 1,000 km of HVDC  $\pm 320$ kV single-core XLPE-insulated copper cables. Prysmian will install the submarine cables using several state-of-the-art vessels, ensuring the lowest possible environmental impact. Both projects are scheduled for delivery and commissioning by 2028.

### **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 then obliged 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 in progress and so control of the company 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.

***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.

In this regard, the Prysmian S.p.A. shareholders' meeting adopted a resolution to reduce the capital increase servicing the incentive plan for Prysmian Group employees approved by 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, allocating 3,000,000 new ordinary shares to service the new stock grant plan for employees other than managers already covered by individual incentive schemes.

### ***New investments in optical cable manufacturing at the Jackson plant in USA***

On 16 May 2022, the Group announced it was investing another USD 30 million on top of the USD 85 million already announced a few months ago to increase optical fibre cable manufacturing capacity and capability at its North American plants. The Group intends to make its global product innovations more widely available on the US market, by optimising the footprint of local telecom plants and enabling the optical fibre cable business lines to become more industrially efficient.

Building on a long tradition in manufacturing optical fibre and cable for a wide range of applications, this investment will increase the Group's production capacity for loose tube, ribbon and drop cables, optimising its telecom industrial footprint in the United States and confirming its longstanding position as a global leader in developing technology for new, reliable and efficient broadband networks, and providing telecom network operators with new and valuable capabilities and solutions.

### ***Sirocco Hybrid cables named as a "Lightwave Innovation Reviews High Score Recipient"***

On 8 June 2022, the Group announced that it was among the winners of the "2022 Lightwave Innovation Reviews" in the "Carrier Fiber, Cable, Enclosures, and Accessories" category for its Sirocco Hybrid power and optical fibre cables designed for blown applications.

Increased digitalisation means continued growth in data volumes, although existing ducts often lack sufficient space: using optical cables that can be installed in this limited space can reduce the amount of civil works, higher costs and malfunctions. The spread of 5G and IoT is also driving the need for remote devices and antennas. This presents an additional challenge for network operators, as devices in remote locations need to be connected to both power cables and fibre optics. Prysmian has recently developed Sirocco Hybrid, an extremely compact blown optical fibre and copper cable for rapid installation in microducts.

With a diameter of 7.7 mm, this cable can be installed by blowing into 10 mm inner-diameter microducts. By benefiting from existing infrastructure and low installation costs without the need for digging, Sirocco Hybrid features six copper cores with a 1 mm<sup>2</sup> cross-section, and up to 36 BendBrightXS (ITU-T G.657.A2) optical fibres. The cable can be blown up to 1 km at high speed. The "Lightwave Innovation Reviews" program has been developed to pay tribute to the top products and services in the optical networking industry, selected by a panel of experts drawn from a wide range of service providers, technology developers, industry analysis firms and the media. The judges evaluate the product on the basis of its originality, innovation and positive impact on the customer, applying cost-efficiency criteria, among others.

### ***Sustainability Week***

On 17 June 2022, the Group announced the launch of "Sustainability Week", a new stakeholder engagement event running from 20 to 24 June 2022. Top management from the Milan headquarters, business units and regional offices around the world discussed the progress made on the sustainability strategy and the impact on the Group's activities, its innovation-focused DNA and cutting-edge technologies. The event was an opportunity not only to highlight how the development of a trans-European electricity grid plays a strategic role both in the process of decarbonisation and transition to renewable sources and in boosting European and global energy independence, but also to get feedback from customers, investors, suppliers, analysts, associations and universities through online events with special guests including industry leaders and investors.

The event, entitled "We are what we do. Sustainability is not an act, but a habit", stems from the conviction that grid interconnections are essential for the energy transition and energy independence of Europe and the entire planet. In order to meet the global challenges of the coming decades and create value for all stakeholders, it is therefore necessary to integrate sustainability, as a driver of technological innovation, into the core business and daily operations. By developing modern decarbonised grids and cutting-edge solutions and products to support the energy transition and generate positive social impact, Prysmian's proactive approach in this regard will therefore be fundamental in making the Group's commitment even more effective, also by paying greater attention to the opinion of local communities in the regions where it operates.

Sustainability Week, however, did not stop there: the different countries also had the opportunity to share experiences relating to People, Culture and Social Sustainability, by discussing the various objectives set by the Group in terms of diversity, equality and inclusion (DE&I), digital inclusion, community empowerment and employee engagement and upskilling. Drawing on the past experience of Prysmian Group's Sustainability Day, the event had a new expanded format featuring five events (compared with three in 2021) led by executives at the Group's Milan headquarters, as well as about two local events per region each day, for a total of 22 events in Europe, North America, Latin America, the Middle East, China, and Oceania-South East Asia. These local events focused on regional CEOs and Sustainability Ambassadors, engaging local leadership and stakeholders in their own language in order to promote local engagement. A Sustainability Stakeholder Survey was conducted during the event to update the Prysmian Group's Materiality Matrix.

### ***President Joe Biden visits the new US high-tech renewable energy hub***

On 21 July 2022, the Group welcomed US President Joe Biden on a visit to the Brayton Point site (Massachusetts), which will be home to its new submarine power cables manufacturing facility. As part of its plan to support the development of offshore wind power in the United States, Prysmian Group is committed to transforming the site of the former Somerset coal-fired power station into a high-tech hub for the energy transition process. The Brayton Point facility will manufacture innovative inter-array and export submarine cables of up to 275kV AC and 525kV DC, needed to connect offshore wind farms to mainland power grids. The plant will also have an R&D facility with a high-voltage testing lab, which will be the first of its kind in the United States.

### ***Prysmian Group confirms its excellent score in Dow Jones Sustainability Assessment***

On 26 September 2022, the Group announced that it has confirmed last year's excellent score in the Electrical Components & Equipment category of the S&P Global Corporate Sustainability Assessment, following the 2022 annual review.

Prysmian maintained its top scores (100 points) in Innovation Management, Environmental Reporting and Social Reporting, reaffirming the focus and attention dedicated to these areas. For Prysmian Group, sustainability is a driver of growth and innovation, integrated into the priorities of decarbonisation, circular economy, product development and digitalisation projects.

## CONSOLIDATED FINANCIAL HIGHLIGHTS\*

(Euro/million)

	9 months 2022	9 months 2021	% Change	2021
<b>Sales</b>	12,089	9,294	30.1%	12,736
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	1,095	712	53.8%	958
<b>Adjusted EBITDA <sup>(1)</sup></b>	1,131	725	56.0%	976
<b>EBITDA <sup>(2)</sup></b>	1,071	700	53.0%	927
<b>Adjusted operating income <sup>(3)</sup></b>	859	483	77.8%	647
<b>Operating income</b>	684	448	52.7%	572
<b>Profit/(loss) before taxes</b>	618	379	63.1%	476
<b>Net profit/(loss)</b>	435	257	69.3%	310

(Euro/million)

	30.09.2022	30.09.2021	Change	2021
<b>Net invested capital</b>	6,718	6,038	680	5,295
<b>Employee benefit obligations</b>	361	484	(123)	446
<b>Equity</b>	3,985	2,891	1,094	3,089
<b>of which attributable to non-controlling interests</b>	197	171	26	174
<b>Net financial debt</b>	2,372	2,663	(291)	1,760

(Euro/million)

	30.09.2022	30.09.2021	% Change	2021
<b>Net capital expenditure <sup>(4)</sup></b>	200	165	21.2%	275
<b>Employees (at period-end)</b>	30,819	30,096	2.4%	29,763
<b>Earnings/(loss) per share</b>				
- basic	1.64	0.97		1.17
- diluted	1.63	0.97		1.17

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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)

	9 months 2022	9 months 2021	% Change	2021
<b>Sales</b>	12,089	9,294	30.1%	12,736
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>1,095</b>	<b>712</b>	<b>53.8%</b>	<b>958</b>
% of sales	9.1%	7.7%		7.5%
<b>Adjusted EBITDA</b>	<b>1,131</b>	<b>725</b>	<b>56.0%</b>	<b>976</b>
% of sales	9.4%	7.8%		7.7%
<b>EBITDA</b>	<b>1,071</b>	<b>700</b>	<b>53.0%</b>	<b>927</b>
% of sales	8.9%	7.5%		7.3%
Fair value change in metal derivatives	(48)	22		13
Fair value stock options	(64)	(26)		(33)
Amortisation, depreciation, impairment and impairment reversal	(275)	(248)		(335)
<b>Operating income</b>	<b>684</b>	<b>448</b>	<b>52.7%</b>	<b>572</b>
% of sales	5.7%	4.8%		4.5%
Net finance income/(costs)	(66)	(69)		(96)
<b>Profit/(loss) before taxes</b>	<b>618</b>	<b>379</b>	<b>63.1%</b>	<b>476</b>
% of sales	5.1%	4.1%		3.7%
Taxes	(183)	(122)		(166)
<b>Net profit/(loss)</b>	<b>435</b>	<b>257</b>	<b>69.3%</b>	<b>310</b>
% of sales	3.6%	2.8%		2.4%
Attributable to:				
Owners of the parent	431	255		308
Non-controlling interests	4	2		2
<b>Reconciliation of Operating Income/EBITDA to Adjusted Operating Income/Adjusted EBITDA</b>				
<b>Operating income (A)</b>	<b>684</b>	<b>448</b>	<b>52.7%</b>	<b>572</b>
<b>EBITDA (B)</b>	<b>1,071</b>	<b>700</b>	<b>53.0%</b>	<b>927</b>
<b>Adjustments:</b>				
Business reorganisation	7	13		21
Non-recurring expenses/(income)	20	1		2
Other non-operating expenses/(income)	33	11		26
<b>Total adjustments (C)</b>	<b>60</b>	<b>25</b>		<b>49</b>
Fair value change in metal derivatives (D)	48	(22)		(13)
Fair value stock options (E)	64	26		33
Asset impairment and impairment reversal (F)	3	6		6
<b>Adjusted operating income (A+C+D+E+F)</b>	<b>859</b>	<b>483</b>	<b>77.8%</b>	<b>647</b>
<b>Adjusted EBITDA (B+C)</b>	<b>1,131</b>	<b>725</b>	<b>56.0%</b>	<b>976</b>

The Group's sales in the first nine months of 2022 came to Euro 12,089 million, compared with Euro 9,294 million in the corresponding period of 2021, posting a positive change of Euro 2,795 million (+30.1%).

The main factors behind this change were:

- positive organic sales growth, accounting for an increase of Euro 1,393 million (+15.0%). Excluding the *Projects* segment, organic sales growth would have been +13.2%;
- favourable exchange rate effects, generating an increase of Euro 656 million (+7.1%);
- fluctuation in the price of metals (copper, aluminium and lead), generating a sales price increase of Euro 696 million (+7.5%);
- increase of Euro 50 million (+0.5%) due to the change in the scope of consolidation after acquiring control of Omnisens S.A. and Eksa Sp.z.o.o..

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

<i>Projects</i>	+29.0%;
<i>Energy</i>	+13.9%;
<i>Telecom</i>	+9.2%.

The first nine months of 2022 delivered an impressive set of results for the Group, with organic growth of +15.0% (+13.2% excluding the *Projects* segment). The third quarter, like the second, also confirmed a strong performance, becoming the best ever with an Adjusted EBITDA of Euro 432 million thanks to the contribution of all businesses. This achievement was driven by exposure to secular trends, customers service and efficient and flexible operations.

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

- an increase by the *Projects* segment with +29.0% organic growth in sales led by the Submarine business;
- an increase by the *Energy* segment, driven by E&I which recorded +16.1% organic growth in sales, with a particularly positive trend in Power Distribution, and an increase by the Industrial & Network Components business with +10.3% organic growth in sales, thanks to an excellent performance in OEM and Renewables;
- an increase by the *Telecom* segment with +9.2% organic growth in sales, with double-digit growth in the optical (18.2%) and MMS businesses.

The Group's Adjusted EBITDA (before net expenses for business reorganisation, net non-recurring expenses and other net non-operating expenses) came to Euro 1,131 million in the first nine months of 2022, up Euro 406 million (+56.0%) on the corresponding 2021 figure of Euro 725 million. The Adjusted EBITDA margin on sales was 9.4% (10.4% in Q3 2022 alone) but would have been 9.8% with metal prices at the same level as in 2021 (7.8% in the first nine months of 2021).

At the individual business level, a strong performance by *Energy*, led by E&I, OEM and Renewables, was accompanied by a solid *Telecom* performance, driven by North America. Furthermore, as expected, there was an improvement in the *Projects* segment which achieved Adjusted EBITDA of Euro 62 million in Q3 2022 alone (Euro 48 million in Q3 2021).

EBITDA is stated after net expenses for business reorganisation, net non-recurring expenses and other net non-operating expenses totalling Euro 60 million (Euro 25 million in the first nine months of 2021).

Amortisation, depreciation and impairment amounted to Euro 275 million in the first nine months of 2022, up from Euro 248 million in the same period last year.

The fair value change in metal derivatives was a negative Euro 48 million in the first nine months of 2022 compared with a positive Euro 22 million in the same period of 2021.

A total of Euro 64 million in costs were recognised in the first nine 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 684 million, compared with Euro 448 million in the first nine months of 2021, thus reporting an increase of Euro 236 million.

Net finance costs amounted to Euro 66 million in the first nine months of 2022, slightly down from Euro 69 million in the prior year equivalent period.

Taxes of Euro 183 million represented an effective tax rate of around 29.6% (32% in the first nine months of 2021).

Net profit for the first nine months of 2022 was Euro 435 million (of which Euro 431 million attributable to the Group) compared with Euro 257 million in the same period of 2021 (of which Euro 255 million attributable to the Group).

Net financial debt stood at Euro 2,372 million at 30 September 2022, down Euro 291 million from Euro 2,663 million at 30 September 2021. In the past 12 months, the Group generated Euro 344 million in free cash flow, excluding Euro 19 million in outlays for business combinations and Euro 19 million net cash inflow related to previous antitrust disputes.

With reference to the most significant contract awards in the Projects segment, in the first nine months of the year the Group secured contracts worth Euro 3.2 billion, foremost of which the Neuconnect interconnection project for Euro 1.2 billion, a submarine cable project in the Middle East for Euro 220 million, an extension of the SuedOstLink project for Euro 700 million, the construction of two submarine interconnections in Spain for Euro 250 million and the Dolwin4 and Borwin4 projects, worth a total of Euro 800 million, for the cabling of two mega offshore wind farms in Germany.

Furthermore, the Group announced that the first 525 kV HVDC extruded submarine cable system was successfully tested. The new technology allows doubling transmission capacity up to more than 2.5 GW for more efficient and cost-effective power transmission.

## REVIEW OF PROJECTS OPERATING SEGMENT

(Euro/million)

	9 months 2022	9 months 2021	% Change	2021
Sales	1,438	1,071	34.3%	1,594
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>149</b>	<b>123</b>	<b>20.7%</b>	<b>210</b>
% of sales	10.4%	11.5%		13.2%
<b>Adjusted EBITDA</b>	<b>149</b>	<b>124</b>	<b>20.7%</b>	<b>210</b>
% of sales	10.4%	11.5%		13.2%
Adjustments	(28)	(1)		(8)
<b>EBITDA</b>	<b>121</b>	<b>123</b>	<b>-1.6%</b>	<b>202</b>
% of sales	8.4%	11.5%		12.7%
Amortisation and depreciation	(62)	(52)		(69)
<b>Adjusted operating income</b>	<b>87</b>	<b>72</b>	<b>20.6%</b>	<b>141</b>
% of sales	6.1%	6.7%		8.8%

The *Projects* Operating Segment incorporates the high-tech businesses of High Voltage Underground, Submarine Power and Telecom, and Offshore Specialties.

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 1100kV and extruded polymer (XLPE) insulated cables for voltages up to 600kV. 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 700kV; extruded polymer insulated cables for AC transmission up to 400kV and DC transmission up to 600kV. 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 1,438 million in the first nine months of 2022, versus Euro 1,071 million in the same period of 2021, recording a positive change of Euro 367 million (+34.3%).

The factors behind this change were:

- organic sales growth, accounting for an increase of Euro 310 million (+29.0%);
- exchange rate trends, resulting in an increase of Euro 34 million (+3.2%);
- metal price fluctuations, producing an increase of Euro 23 million (+2.1%).

The *Projects* segment's organic growth is largely attributable to Submarine Power contracts in progress, which recorded a higher level of nine-month activity than in the same period last year, taking asset saturation to a very high level for both manufacturing and laying and installation assets.

The High Voltage Underground business also reported significant growth, particularly in France, China, North Europe and LATAM, thanks to the growing contribution of cable manufacturing for the German Corridors.

The Submarine Telecom business saw no significant change in business volumes, while the Offshore Specialties business showed signs of growth.

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 and the United States, plus contracts to supply just 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 4.2 billion, mainly consisting of:

- offshore wind contracts Great Britain (Sofia), the offshore contract in North America (Vineyard Wind), the DolWin4 and BorWin4 contracts for two systems that connect the electricity grid to offshore wind farms in the German North Sea;
- the interconnector between Great Britain and Denmark (Viking Link), the Crete-Attica link in Greece, the interconnection contracts in Turkey and the Middle East, the lots of the new Thyrrenian Link and Saudi-Egypt contracts, the NeuConnect contract for a 725 km onshore and submarine interconnector to link the German and UK electricity grids directly for the first time.

The Group's High Voltage order backlog is worth around Euro 2.3 billion, mostly consisting of German Corridor contracts.

Including the Submarine Telecom and Offshore Specialties businesses, the total order backlog of the *Projects* segment is worth some Euro 6.8 billion.

Adjusted EBITDA for the first nine months of 2022 came to Euro 149 million, up from Euro 124 million in the same period of 2021. The lower margin is attributable to several factors, including

the execution of a different project mix in the Underground High Voltage and Submarine businesses, the cost of non-recurring events in the Submarine Telecom business, as well as the rising price of metals, which has a major impact on sales by reducing the margin.

In the third quarter of the year, however, *Projects* recorded double-digit margins (of 12.0%).

## REVIEW OF ENERGY OPERATING SEGMENT

(Euro/million)

	9 months 2022	9 months 2021	% Change	2021
Sales	9,246	7,019	31.7%	9,557
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>757</b>	<b>422</b>	<b>79.5%</b>	<b>542</b>
% of sales	8.2%	6.0%		5.7%
<b>Adjusted EBITDA</b>	<b>761</b>	<b>423</b>	<b>79.8%</b>	<b>546</b>
% of sales	8.2%	6.0%		5.7%
Adjustments	(28)	(27)		(46)
<b>EBITDA</b>	<b>733</b>	<b>396</b>	<b>85.4%</b>	<b>500</b>
% of sales	7.9%	5.6%		5.2%
Amortisation and depreciation	(150)	(134)		(184)
<b>Adjusted operating income</b>	<b>611</b>	<b>289</b>	<b>111.8%</b>	<b>362</b>
% of sales	6.6%	4.1%		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 9,246 million, versus Euro 7,019 million in the first nine months of 2021, posting a positive change of Euro 2,227 million (+31.7%), the main components of which were as follows:

- positive organic sales growth of Euro 972 million (+13.9%);
- increase of Euro 547 million (+7.7%) for positive exchange rate fluctuations;
- sales price increase of Euro 658 million (+9.4%) for metal price fluctuations;
- positive change of Euro 50 million (+0.7%) due to the acquisition of Eksa Sp.z.o.o., consolidated from 1 January 2022, and of Omnisens S.A., consolidated from 1 November 2021.

Adjusted EBITDA came to Euro 761 million, up from Euro 423 million in the first nine months of 2021, reporting a positive change of Euro 338 million (+79.8%), of which Euro 68 million attributable to exchange rates, and a major gain on pre-pandemic levels due to a recovery in prices that made up for the rise in costs of the main raw materials, energy and transport, even though volumes remained stable.

The *Energy* segment reported a margin of 8.2%, which would have been 8.8% at constant 2021 metal prices, compared with a margin of 6.0% in the same period last year.

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

## ENERGY & INFRASTRUCTURE

(Euro/million)

	9 months 2022	9 months 2021	% Change	2021
Sales	6,308	4,708	34.0%	6,361
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>553</b>	<b>268</b>	<b>106.8%</b>	<b>353</b>
% of sales	8.8%	5.7%		5.5%
<b>Adjusted EBITDA</b>	<b>556</b>	<b>269</b>	<b>107.1%</b>	<b>356</b>
% of sales	8.8%	5.7%		5.6%
<b>Adjusted operating income</b>	<b>458</b>	<b>180</b>	<b>156.2%</b>	<b>233</b>
% of sales	7.3%	3.8%		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 by customers as diverse as international distributors, buying syndicates, installers and wholesalers for cables serving infrastructure such as airports, ports and railway stations.

## FINANCIAL PERFORMANCE

Sales to third parties by the *Energy & Infrastructure* business amounted to Euro 6,308 million in the first nine months of 2022, compared with Euro 4,708 million in the first nine months period of 2021, posting a positive change of Euro 1,600 million (+34.0%), the main components of which were as follows:

- positive organic sales growth of Euro 758 million (+16.1%);
- positive change of Euro 342 million (+7.3%) for exchange rate fluctuations;
- sales price increase of Euro 456 million (+9.7%) for metal price fluctuations;
- increase of Euro 44 million (+0.9%) due to the acquisition of Eksa Sp.z.o.o. with effect from 1 January 2022.

The *Energy & Infrastructure* business's positive organic sales growth of +16.1% in the first nine months of 2022 was mainly due to the excellent performance of Trade & Installers, also supported by energy transition and decarbonisation drivers such as the expansion and strengthening of electricity grids, generation from renewable sources, the development of



clouding and the development of the non-residential construction market. In addition, there was double-digit growth in the Power Distribution business in all regions.

Trade & Installers enjoyed positive organic growth, albeit with geographical differences: good in South Europe, recovering in North Europe, stable in Central Europe and the Middle East and slightly down in the United Kingdom. Growth was robust in North America and in line with expectations in LATAM. The situation in APAC was stable.

These factors significantly boosted the profitability of the Trade & Installers business compared with the same period last year.

The Power Distribution business posted very strong organic growth in every region. There was an improvement in profitability, due to the recovery of rising costs through higher sales prices and a favourable product mix in the Middle East, North America and LATAM. 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, despite which a good level of profitability was achieved.

Given the factors described above, Adjusted EBITDA in the first nine months of 2022 came to Euro 556 million, versus Euro 269 million in the first nine months of 2021, reflecting an increase of Euro 287 million (+107.1%), of which Euro 50 million attributable to exchange rate effects. The *Energy & Infrastructure* business reported a margin of 8.8%, which would have been 9.4% at constant 2021 metal prices (5.7% in the first nine months of 2021), underpinned by the excellent performance of both the Trade & Installers and Power Distribution businesses, which reported steady year-on-year growth in the first three quarters of the current financial year.

## INDUSTRIAL & NETWORK COMPONENTS

(Euro/million)

	9 months 2022	9 months 2021	% Change	2021
Sales	2,630	2,074	26.8%	2,838
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>203</b>	<b>150</b>	<b>35.5%</b>	<b>195</b>
% of sales	7.7%	7.2%		6.9%
<b>Adjusted EBITDA</b>	<b>204</b>	<b>150</b>	<b>35.7%</b>	<b>196</b>
% of sales	7.8%	7.2%		6.9%
<b>Adjusted operating income</b>	<b>155</b>	<b>108</b>	<b>43.1%</b>	<b>139</b>
% of sales	5.9%	5.2%		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 main fields of application for its cables are railways, ports and airports. The product range also includes cables for the mining industry, for elevators and for the renewable energy industry (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 industry 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 inside 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 2,630 million in the first nine months of 2022, compared with Euro 2,074 million in the first nine months of 2021, recording a positive change of Euro 556 million (+26.8%), the main components of which were as follows:

- positive organic sales growth of Euro 214 million (+10.3%);
- positive change of Euro 188 million (+9.1%) for exchange rate fluctuations;
- sales price increase of Euro 148 million (+7.1%) for metal price fluctuations;
- positive change of Euro 6 million (+0.3%) due to the acquisition of Omnisens S.A..

*Industrial & Network Components* turned in a positive performance in the first nine months of 2022, thanks to strong growth by the OEM and Renewables businesses.

Specialties, OEM and Renewables all recorded growth in both volumes and profitability, with strong organic growth in line with forecast market trends and displaying good resilience to the global economic situation, particularly in Europe, LATAM and APAC.

The Elevator business enjoyed a positive performance during the period in all regions, making up for the difficulties experienced in China caused by partial Covid-19 lockdowns that had blighted the first half of the year.

There was a slight downturn in organic growth by the Automotive business, with a contraction in volumes in North America and Asia.

The Network Components business area remained stable at nine-month 2021 levels despite facing strong price pressure, mainly thanks to the MV segment in Europe and America. The HV and EHV businesses were in line with the previous year, also thanks to a recovery in the phasing of certain projects in APAC.

Given the factors described above, Adjusted EBITDA in the first nine months of 2022 came to Euro 204 million, up from Euro 150 million in the first nine months of 2021, reflecting an increase of Euro 54 million (+35.7%), of which Euro 18 million attributable to exchange rate effects.

The *Industrial & Network Components* business reported a margin of 7.8%, which would have been 8.1% at constant 2021 metal prices, up from 7.2% in the same period last year.

## OTHER

(Euro/million)

	9 months 2022	9 months 2021	2021
Sales	308	237	358
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>1</b>	<b>4</b>	<b>(6)</b>
<b>Adjusted EBITDA</b>	<b>1</b>	<b>4</b>	<b>(6)</b>
<b>Adjusted operating income</b>	<b>(2)</b>	<b>1</b>	<b>(10)</b>

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 revenues are normally linked to local business situations, do not generate margins or have limited profitability and can vary in size from period to period.

## REVIEW OF TELECOM OPERATING SEGMENT

(Euro/million)

	9 months 2022	9 months 2021	% Change	2021
Sales	1,405	1,204	16.7%	1,585
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>189</b>	<b>167</b>	<b>13.5%</b>	<b>206</b>
% of sales	13.5%	13.9%		13.0%
<b>Adjusted EBITDA</b>	<b>221</b>	<b>178</b>	<b>23.7%</b>	<b>220</b>
% of sales	15.7%	14.8%		13.9%
Adjustments	(4)	6		9
<b>EBITDA</b>	<b>217</b>	<b>184</b>	<b>17.8%</b>	<b>229</b>
% of sales	15.4%	15.3%		14.4%
Amortisation and depreciation	(60)	(56)		(76)
<b>Adjusted operating income</b>	<b>161</b>	<b>122</b>	<b>32.2%</b>	<b>144</b>
% of sales	11.5%	10.1%		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 1,405 million in the first nine months of 2022, compared with Euro 1,204 million in the same period of 2021.

The positive change of Euro 201 million (+16.7%) is explained by:

- organic sales growth of Euro 111 million (+9.2%);
- sales price increase of Euro 15 million (+1.3%) for metal price fluctuations;
- positive change of Euro 75 million (+6.2%) for exchange rate fluctuations.

Nine-month organic sales growth in 2022 was driven by continued expansion of the optical business, particularly in North America, which reported rising volumes and prices.

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.

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 nine months of 2022 came to Euro 221 million, reporting an increase of Euro 43 million (+23.7%) from Euro 178 million in the same period of 2021. The adjusted EBITDA increase benefited by good results achieved by YOFC joint venture. The *Telecom* business posted a margin of 15.7% (14.8% in the first nine months of 2021).

## RESULTS BY GEOGRAPHICAL AREA

(Euro/million)

	Sales		Adjusted EBITDA	
	9 months 2022	9 months 2021	9 months 2022	9 months 2021
EMEA*	4,914	3,933	268	226
North America	3,898	2,775	551	248
Latin America	978	771	95	73
Asia Pacific	861	744	68	54
<b>Total (excluding Projects)</b>	<b>10,651</b>	<b>8,223</b>	<b>982</b>	<b>601</b>
Projects	1,438	1,071	149	124
<b>Total</b>	<b>12,089</b>	<b>9,294</b>	<b>1,131</b>	<b>725</b>

(\*) 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 4,914 million in the first nine months of 2022, reflecting year-on-year organic growth of +11.2%. Adjusted EBITDA came to Euro 268 million (Euro 226 million in the first nine months of 2021), reporting a margin on sales of 5.4%, which would have been 5.8% at constant 2021 metal prices (5.7% in the prior year equivalent period). The solid results are attributable to the Energy & Infrastructure, OEM and Renewables businesses, as well as strong growth by the Telecom segment in the third quarter of 2022.

### *North America*

The region's sales amounted to Euro 3,898 million, reporting +19.9% organic growth on the first nine months of 2021. Adjusted EBITDA amounted to Euro 551 million (Euro 248 million in the first nine months of 2021), reporting a margin on sales of 14.1%, which would have been 14.7% at constant 2021 metal prices (8.9% in the prior year equivalent period). All the main business areas recorded excellent results thanks to the Group's position as market leader.

### *LATAM*

The LATAM region's sales amounted to Euro 978 million, reflecting organic growth of +10.7%. Adjusted EBITDA came to Euro 95 million (Euro 73 million in the first nine months of 2021), reporting a margin on sales of 9.8%, which would have been 10.0% at constant 2021 metal prices (9.4% in the prior year equivalent period). Growth was primarily driven by the Renewables business which, together with Energy & Infrastructure, accounted for the improvement in Adjusted EBITDA.

### *APAC*

The APAC region's sales amounted to Euro 861 million in the first nine months of 2022, reflecting organic growth of +1.2%. Adjusted EBITDA came to Euro 68 million (Euro 54 million in the first nine months of 2021), reporting a margin on sales of 7.9%, which would have been 8.3% at constant 2021 metal prices (7.3% in the prior year equivalent period). Growth was supported by the joint venture YOFC recovery.

# GROUP STATEMENT OF FINANCIAL POSITION

## RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(Euro/million)

	30.09.2022	30.09.2021	Change	31.12.2021*
Net fixed assets	5,698	5,160	538	5,307
Net working capital	1,683	1,443	240	650
Provisions and net deferred taxes	(663)	(565)	(98)	(662)
<b>Net invested capital</b>	<b>6,718</b>	<b>6,038</b>	<b>680</b>	<b>5,295</b>
Employee benefit obligations	361	484	(123)	446
Total equity	3,985	2,891	1,094	3,089
of which attributable to non-controlling interests	197	171	26	174
Net financial debt	2,372	2,663	(291)	1,760
<b>Total equity and sources of funds</b>	<b>6,718</b>	<b>6,038</b>	<b>680</b>	<b>5,295</b>

(\*) The previously published comparative figures have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o. More details can be found in the Explanatory Notes: Section C. Restatement of comparative figures.

## NET FIXED ASSETS

(Euro/million)

	30.09.2022	30.09.2021	Change	31.12.2021*
Property, plant and equipment	2,982	2,708	274	2,794
Intangible assets	2,300	2,096	204	2,140
Equity-accounted investments	403	343	60	360
Other investments at fair value through other comprehensive income	13	13	-	13
<b>Net fixed assets</b>	<b>5,698</b>	<b>5,160</b>	<b>538</b>	<b>5,307</b>

(\*) The previously published comparative figures have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o. More details can be found in the Explanatory Notes: Section C. Restatement of comparative figures.

At 30 September 2022, net fixed assets amounted to Euro 5,698 million, compared with Euro 5,307 million at 31 December 2021, posting an increase of Euro 391 million mainly due to the combined effect of the following factors:

- Euro 200 million in net capital expenditure on property, plant and equipment and intangible assets;
- Euro 275 million in amortisation, depreciation and impairment for the period;
- Euro 43 million in increases for property, plant and equipment accounted for in accordance with IFRS 16;
- Euro 359 million in positive currency translation differences affecting property, plant and equipment and intangible assets;
- Euro 43 million for the net increase in equity-accounted investments;
- Euro 20 million for monetary revaluations due to hyperinflation.



## NET WORKING CAPITAL

(Euro/million)

	30.09.2022	30.09.2021	Change	31.12.2021
Inventories	2,507	2,124	383	2,054
Trade receivables	2,557	1,970	587	1,622
Trade payables	(2,542)	(2,346)	(196)	(2,592)
Other receivables/(payables)	(719)	(461)	(258)	(608)
<b>Net operating working capital</b>	<b>1,803</b>	<b>1,287</b>	<b>516</b>	<b>476</b>
Derivatives	(120)	156	(276)	174
<b>Net working capital</b>	<b>1,683</b>	<b>1,443</b>	<b>240</b>	<b>650</b>

Net working capital of Euro 1,683 million at 30 September 2022 was Euro 240 million higher than the corresponding figure of Euro 1,443 million at 30 September 2021. Net operating working capital, which excludes the value of derivatives, amounted to Euro 1,803 million (10.9% of last-quarter annualised sales) at 30 September 2022, up Euro 516 million from Euro 1,287 million (9.9% of last-quarter annualised sales) at 30 September 2021. The increase in net working capital over the past twelve months has been severely impacted by the increase in raw material prices and exchange rate movements.

## NET FINANCIAL DEBT

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

(Euro/million)

	30.09.2022	30.09.2021	Change	31.12.2021
<b>Long-term financial payables</b>				
CDP Loans	175	174	1	175
EIB Loans	245	110	135	110
Convertible Bond 2021	714	704	10	707
Sustainability-Linked Term Loan 2022	1,191	-	1,191	-
Term Loan	-	997	(997)	998
Unicredit Loan	200	200	-	200
Mediobanca Loan	100	100	-	100
Intesa Loan	150	150	-	150
Lease liabilities	166	139	27	158
Interest rate swaps	-	5	(5)	3
Other financial payables	10	11	(1)	8
<b>Total long-term financial payables</b>	<b>2,951</b>	<b>2,590</b>	<b>361</b>	<b>2,609</b>
<b>Short-term financial payables</b>				
Non-convertible bond	-	757	(757)	763
Convertible Bond 2017	-	249	(249)	250
Sustainability-Linked Term Loan 2022	3	-	3	-
Term Loan	-	3	(3)	1
Unicredit Loan	1	-	1	-
Intesa Loan	1	1	-	-
Lease liabilities	57	52	5	53
Interest rate swaps	-	11	(11)	6
Forward currency contracts on financial transactions	6	-	6	3
Other financial payables	123	51	72	56
<b>Total short-term financial payables</b>	<b>191</b>	<b>1,124</b>	<b>(933)</b>	<b>1,132</b>
<b>Total financial liabilities</b>	<b>3,142</b>	<b>3,714</b>	<b>(572)</b>	<b>3,741</b>
Long-term financial receivables	4	3	1	3
Long-term bank fees	1	2	(1)	1
Financial assets at amortised cost	3	3	-	3
Non-current interest rate swaps	52	-	52	-
Current interest rate swaps	3	-	3	-
Current forward currency contracts on financial transactions	21	10	11	3
Short-term financial receivables	9	10	(1)	12
Short-term bank fees	2	2	-	2
Financial assets at fair value through profit or loss	225	217	8	244
Financial assets at fair value through other comprehensive income	11	11	-	11
Financial assets held for sale	-	2	(2)	-
Cash and cash equivalents	439	791	(352)	1,702
<b>Total financial assets</b>	<b>770</b>	<b>1,051</b>	<b>(281)</b>	<b>1,981</b>
<b>Net financial debt</b>	<b>2,372</b>	<b>2,663</b>	<b>(291)</b>	<b>1,760</b>

Net financial debt of Euro 2,372 million at 30 September 2022 has decreased by Euro 291 million since 30 September 2021 and by Euro 612 million since 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)

	9 months 2022	9 months 2021	Change	12 months (from 1 October 2021 to 30 September 2022)	2021
<b>Adjusted EBITDA</b>	<b>1,131</b>	<b>725</b>	<b>406</b>	<b>1,382</b>	<b>976</b>
Adjustments	(60)	(25)	(35)	(84)	(49)
<b>EBITDA</b>	<b>1,071</b>	<b>700</b>	<b>371</b>	<b>1,298</b>	<b>927</b>
Changes in provisions (including employee benefit obligations) and other movements	(50)	(54)	4	23	19
Net gains on disposal of fixed assets	(1)	(2)	1	(1)	(2)
Share of net profit/(loss) of equity-accounted companies	(37)	(21)	(16)	(43)	(27)
<b>Net cash flow from operating activities (before changes in net working capital)</b>	<b>983</b>	<b>623</b>	<b>360</b>	<b>1,277</b>	<b>917</b>
Changes in net working capital	(1,158)	(844)	(314)	(342)	(28)
Taxes paid	(150)	(78)	(72)	(192)	(120)
Dividends from equity-accounted companies	9	8	1	9	8
<b>Net cash flow from operating activities</b>	<b>(316)</b>	<b>(291)</b>	<b>(25)</b>	<b>752</b>	<b>777</b>
Cash flow from acquisitions and/or disposals	(7)	(81)	74	(19)	(93)
Net cash flow used in operating investing activities	(200)	(165)	(35)	(310)	(275)
<b>Free cash flow (unlevered)</b>	<b>(523)</b>	<b>(537)</b>	<b>14</b>	<b>423</b>	<b>409</b>
Net finance costs	(61)	(61)	-	(79)	(79)
<b>Free cash flow (levered)</b>	<b>(584)</b>	<b>(598)</b>	<b>14</b>	<b>344</b>	<b>330</b>
Dividend distribution	(145)	(129)	(16)	(150)	(134)
Capital contributions and other changes in equity	-	-	-	1	1
<b>Net cash flow provided/(used) in the period</b>	<b>(729)</b>	<b>(727)</b>	<b>(2)</b>	<b>195</b>	<b>197</b>
<b>Opening net financial debt</b>	<b>(1,760)</b>	<b>(1,986)</b>	<b>226</b>	<b>(2,663)</b>	<b>(1,986)</b>
Net cash flow provided/(used) in the period	(729)	(727)	(2)	195	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	(43)	(33)	(10)	(73)	(63)
Net financial debt from acquisitions and disposals	-	9	(9)	(1)	8
Other changes	160	38	122	170	48
<b>Closing net financial debt</b>	<b>(2,372)</b>	<b>(2,663)</b>	<b>291</b>	<b>(2,372)</b>	<b>(1,760)</b>

Net cash flow provided by operating activities (before changes in net working capital) amounted to Euro 983 million in the first nine months of 2022.

The increase in net working capital used Euro 1,158 million in cash flow. After Euro 150 million in tax payments and Euro 9 million in dividend receipts, operating activities in the first nine months of 2022 therefore resulted in a net cash outflow of Euro 316 million.

Net operating capital expenditure used Euro 200 million in cash in the first nine 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 61 million in net finance costs were paid during the period.

In the past 12 months, the Group generated Euro 344 million in free cash flow, excluding Euro 19 million in outlays for business combinations and Euro 19 million net cash inflow related to previous antitrust disputes. The net inflow of Euro 344 million was generated by:

- a) Euro 1,269 million in net cash flow provided by operating activities before changes in net working capital;
- b) Euro 342 million in cash flow absorbed by the increase in net working capital;
- c) Euro 310 million in cash outflows for net capital expenditure;
- d) Euro 192 million in tax payments;
- e) Euro 79 million in payments of net finance costs;
- f) Euro 11 million in cash flow absorbed by restructuring costs;
- g) Euro 9 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<sup>1</sup>, before non-recurring items<sup>2</sup>, as presented in the consolidated income statement, before other non-operating income and expense<sup>3</sup> 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;
- **Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies:** Adjusted EBITDA as defined above calculated before the share of net profit/(loss) of equity-accounted companies;

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<sup>1</sup> 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;

<sup>2</sup> 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;

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

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

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

- **Net fixed assets:** sum of the following items contained in the statement of financial position:
  - Intangible assets
  - Property, plant and equipment
  - Equity-accounted investments
  - Other investments at fair value through other comprehensive income
  - Assets held for sale (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 30 September 2022**

(Euro/million)

		30.09.2022	31.12.2021*
	Note	As per financial statements	As per financial statements
<b>Total net fixed assets</b>	<b>A</b>	<b>5,698</b>	<b>5,307</b>
Inventories	4	2,507	2,054
Trade receivables	3	2,557	1,622
Trade payables	10	(2,542)	(2,592)
Other receivables	3	1,012	661
Other payables	10	(1,607)	(1,197)
Current tax payables		(108)	(54)
Derivatives	5	(50)	165
<i>Items not included in net working capital:</i>			
Financial receivables		13	15
Prepaid finance costs		3	3
Interest rate swaps		55	(9)
Forward currency contracts on financial transactions		15	-
<b>Total net working capital</b>	<b>B</b>	<b>1,683</b>	<b>650</b>
Provisions for risks and charges	11	(658)	(654)
Deferred tax assets		141	182
Deferred tax liabilities		(146)	(190)
<b>Total provisions</b>	<b>C</b>	<b>(663)</b>	<b>(662)</b>
<b>Net invested capital</b>	<b>D=A+B+C</b>	<b>6,718</b>	<b>5,295</b>
<b>Employee benefit obligations</b>	<b>E</b>	<b>361</b>	<b>446</b>
<b>Total equity</b>	<b>F</b>	<b>3,985</b>	<b>3,089</b>
Borrowings from banks and other lenders	9	3,136	3,729
Financial assets at amortised cost		(3)	(3)
Financial assets at fair value through profit or loss	6	(225)	(244)
Financial assets at fair value through other comprehensive income		(11)	(11)
Cash and cash equivalents	7	(439)	(1,702)
Financial receivables		(13)	(15)
Prepaid finance costs		(3)	(3)
Interest rate derivatives		(55)	9
Forward currency contracts on financial transactions		(15)	-
<b>Net financial debt</b>	<b>G</b>	<b>2,372</b>	<b>1,760</b>
<b>Total equity and sources of funds</b>	<b>H=E+F+G</b>	<b>6,718</b>	<b>5,295</b>

(\*) The previously published comparative figures have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o. More details can be found in the Explanatory Notes: Section C. Restatement of comparative figures.



**Reconciliation between the principal income statement indicators and the Income Statement contained in the Consolidated Financial Statements and Explanatory Notes at 30 September 2022**

(Euro/million)

		9 months 2022	9 months 2021
		As per income statement	As per income statement
Sales	<b>A</b>	12,089	9,294
Change in inventories of finished goods and work in progress		85	263
Other income		50	50
Raw materials, consumables and supplies		(8,204)	(6,630)
Personnel costs		(1,283)	(1,111)
Other expenses		(1,767)	(1,213)
<b>Operating costs</b>	<b>B</b>	<b>(11,119)</b>	<b>(8,641)</b>
Share of net profit/(loss) of equity-accounted companies	<b>C</b>	37	21
Fair value stock options	<b>D</b>	64	26
<b>EBITDA</b>	<b>E=A+B+C+D</b>	<b>1,071</b>	<b>700</b>
Other non-recurring expenses and revenues	<b>F</b>	(20)	(1)
Business reorganisation	<b>G</b>	(7)	(13)
Other non-operating expenses	<b>H</b>	(33)	(11)
Total adjustments to EBITDA	<b>I = F+G+H</b>	(60)	(25)
<b>Adjusted EBITDA</b>	<b>L = E-I</b>	<b>1,131</b>	<b>725</b>
Share of net profit/(loss) of equity-accounted companies	<b>M</b>	36	13
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>N = L-M</b>	<b>1,095</b>	<b>712</b>

(Euro/million)

		9 months 2022	9 months 2021
		As per income statement	As per income statement
<b>Operating income</b>	<b>A</b>	<b>684</b>	<b>448</b>
Other non-recurring expenses and revenues		(20)	(1)
Business reorganisation		(7)	(13)
Other non-operating expenses		(33)	(11)
<b>Total adjustments to EBITDA</b>	<b>B</b>	<b>(60)</b>	<b>(25)</b>
Fair value change in metal derivatives	<b>C</b>	(48)	22
Fair value stock options	<b>D</b>	(64)	(26)
Non-recurring impairment and releases	<b>E</b>	(3)	(6)
<b>Adjusted operating income</b>	<b>F=A-B-C-D-E</b>	<b>859</b>	<b>483</b>

## BUSINESS OUTLOOK

In the first nine months of 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 chain disruptions, exacerbated by the war in Ukraine. To mitigate rising inflation, the main 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 6.0% rebound in 2021, the global economy is expected to grow by 3.2% in 2022, according to the most recent estimates issued in October by the International Monetary Fund. 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, a resurgence of the pandemic at the global level and a demand slowdown due to rising interest rates.

Prysmian Group's 9M 2022 results once again confirm the Group's exposure to medium/long-term growth drivers and its focus on proactively and seamlessly serving its customers, also by leveraging its efficient and geographically widespread industrial footprint. This approach is supported by the excellent results achieved by the Energy segment, which hit a record level in 9M 2022, by the Telecom business' solid performance and the expected ongoing improvement of the Projects business, with Euro 3.2 billion orders awarded YTD and a total order backlog of approximately Euro 6.85 billion (an all-time high), with visibility of a further Euro 4.1 billion expected to be converted in backlog by 2024.

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 the 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 grow sharply, driven by the development of offshore wind farms and interconnections to support the energy transition, as well as the start of a significant market uptrend in the United States, where the Group has decided to expand its production capacity and has already obtained the first construction permits for the new submarine cable plant at Brayton Point (Massachusetts). For this segment, the Group expects results to be up on the previous year, with a more marked

acceleration in the Q4 2022. In the Telecom segment, volumes growth is expected in the optical business, mainly thanks to the North American market, where the Group is strengthening its commitment to meeting the country's growing demand for broadband optical fibre connectivity.

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 and in addition to the solid performance achieved in 9M 2022, the Group has further revised its guidance for the FY 2022 upwards. For FY 2022, the Group expects an Adjusted EBITDA in the range of Euro 1,425-1,475 million, up from the Euro 1,300-1,400 million range announced in July.

Moreover, the Group has upgraded the cash generation target as it now expects to generate cash flows of Euro 450 – 500 million. The target announced in July foresaw a FCF in the range of Euro 400-460 million.

These forecasts assume no material changes in both the geopolitical crisis relating to the military conflict in Ukraine and 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. In addition, the forecasts are based on the Company's current business scope, assuming an annual average EUR/USD exchange rate of 1.05, and do not include impacts on cash flows related to Antitrust issues.

## FORESEEABLE RISKS IN 2022<sup>1</sup>

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 nine 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 mentioned in a later 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 raising the price of raw materials used by the Group. It is currently not possible to foresee the extent of the consequences not only of higher energy prices and inflation as a whole but also of trade restrictions and sanctions, as well as the backlashes to this conflict and its duration. In a worse scenario, this could have a significantly negative impact on the European economy.

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<sup>1</sup> 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 its 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 in response to the "second and third waves", and in autumn 2021 and early 2022 in response to 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 (like for example the recent lockdowns in China) 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 1 billion at 30 September 2022, and six-monthly monitoring<sup>5</sup> of financial covenant compliance (fully satisfied at 30 June 2022), 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.

### **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.

### **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.

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<sup>5</sup> The financial covenants are measured at the half-year reporting date of 30 June and at the full-year reporting date of 31 December.



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 be a risk factor in the next quarter.

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 has not been particularly impacted during 2022 by the spread of the Covid-19 pandemic nor by the Russian-Ukrainian conflict.

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 30 September 2022, the Group's total financial resources and undrawn committed credit lines stood in excess of Euro 1 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 of warranties. 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 assesses 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, makes 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 30 September 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 series 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 distributors 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 audit 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 153 million as at 30 September 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 purposes, 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, 10 November 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	30.09.2022	of which related parties	31.12.2021*	of which related parties
<b>Non-current assets</b>					
Property, plant and equipment	1	2,982		2,794	
Goodwill	1	1,788		1,635	
Other intangible assets	1	512		505	
Equity-accounted investments	2	403	403	360	360
Other investments at fair value through other comprehensive income		13		13	
Financial assets at amortised cost		3		3	
Derivatives	5	144		105	
Deferred tax assets		141		182	
Other receivables	3	32		34	
<b>Total non-current assets</b>		<b>6,018</b>		<b>5,631</b>	
<b>Current assets</b>					
Inventories	4	2,507		2,054	
Trade receivables	3	2,557	3	1,622	-
Other receivables	3	980	2	627	3
Financial assets at fair value through profit or loss	6	225		244	
Derivatives	5	101		128	
Financial assets at fair value through other comprehensive income		11		11	
Cash and cash equivalents	7	439		1,702	
<b>Total current assets</b>		<b>6,820</b>		<b>6,388</b>	
<b>Total assets</b>		<b>12,838</b>		<b>12,019</b>	
<b>Equity</b>					
Share capital	8	27		27	
Reserves	8	3,330		2,580	
Group share of net profit/(loss)	8	431		308	
<b>Equity attributable to the Group</b>		<b>3,788</b>		<b>2,915</b>	
Equity attributable to non-controlling interests		197		174	
<b>Total equity</b>		<b>3,985</b>		<b>3,089</b>	
<b>Non-current liabilities</b>					
Borrowings from banks and other lenders	9	2,951		2,606	
Employee benefit obligations	12	361		446	
Provisions for risks and charges	11	55		46	
Deferred tax liabilities		146		190	
Derivatives	5	121		26	
Other payables	10	5		6	
<b>Total non-current liabilities</b>		<b>3,639</b>		<b>3,320</b>	
<b>Current liabilities</b>					
Borrowings from banks and other lenders	9	185		1,123	
Provisions for risks and charges	11	603	6	608	6
Derivatives	5	174		42	
Trade payables	10	2,542	17	2,592	5
Other payables	10	1,602	1	1,191	2
Current tax payables		108		54	
<b>Total current liabilities</b>		<b>5,214</b>		<b>5,610</b>	
<b>Total liabilities</b>		<b>8,853</b>		<b>8,930</b>	
<b>Total equity and liabilities</b>		<b>12,838</b>		<b>12,019</b>	

(\*) The previously published comparative Consolidated Financial Statements have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o. More details can be found in Section C. Restatement of comparative figures.

## CONSOLIDATED INCOME STATEMENT

(Euro/million)

	Note	9 months 2022	of which related parties	9 months 2021	of which related parties
Sales		12,089	-	9,294	27
Change in inventories of finished goods and work in progress		85		263	
Other income		50	6	50	4
<b>Total sales and income</b>		<b>12,224</b>		<b>9,607</b>	
Raw materials, consumables and supplies		(8,204)	-	(6,630)	(2)
Fair value change in metal derivatives		(48)		22	
Personnel costs		(1,283)	(9)	(1,111)	(7)
Amortisation, depreciation, impairment and impairment reversals		(275)		(248)	
Other expenses		(1,767)	(6)	(1,213)	(5)
Share of net profit/(loss) of equity-accounted companies		37	37	21	21
<b>Operating income</b>	13	<b>684</b>		<b>448</b>	
Finance costs	14	(921)		(511)	
Finance income	14	855		442	
<b>Profit/(loss) before taxes</b>		<b>618</b>		<b>379</b>	
Taxes	15	(183)		(122)	
<b>Net profit/(loss)</b>		<b>435</b>		<b>257</b>	
Of which:					
Attributable to non-controlling interests		4		2	
<b>Group share</b>		<b>431</b>		<b>255</b>	
<b>Basic earnings/(loss) per share (in Euro)</b>	16	<b>1.64</b>		<b>0.97</b>	
<b>Diluted earnings/(loss) per share (in Euro)</b>	16	<b>1.63</b>		<b>0.97</b>	

## OTHER COMPREHENSIVE INCOME

(Euro/million)

	Note	9 months 2022	9 months 2021
<b>Net profit/(loss)</b>		<b>435</b>	<b>257</b>
Other comprehensive income:			
<b>A) Change in cash flow hedge reserve:</b>	8	<b>(120)</b>	<b>45</b>
- Profit/(loss) for the period		(158)	61
- Taxes		38	(16)
<b>B) Change in currency translation reserve</b>	8	<b>566</b>	<b>204</b>
<b>C) Actuarial gains/(losses) on employee benefits (*):</b>		<b>61</b>	<b>23</b>
- Profit/(loss) for the period		84	23
- Taxes		(23)	-
<b>Total other comprehensive income (A+B+C):</b>		<b>507</b>	<b>272</b>
<b>Total comprehensive income/(loss)</b>		<b>942</b>	<b>529</b>
Of which:			
Attributable to non-controlling interests		24	9
<b>Group share</b>		<b>918</b>	<b>520</b>

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

## CONSOLIDATED INCOME STATEMENT - 3RD QUARTER

(Euro/million)

	3rd quarter 2022	3rd quarter 2021
Sales	4,140	3,260
Change in inventories of finished goods and work in progress	(107)	63
Other income	17	18
<b>Total sales and income</b>	<b>4,050</b>	<b>3,341</b>
Raw materials, consumables and supplies	(2,620)	(2,316)
Fair value change in metal derivatives	(21)	6
Personnel costs	(447)	(365)
Amortisation, depreciation, impairment and impairment reversals	(96)	(84)
Other expenses	(626)	(424)
Share of net profit/(loss) of equity-accounted companies	21	12
<b>Operating income</b>	<b>261</b>	<b>170</b>
Finance costs	(389)	(141)
Finance income	378	112
<b>Profit/(loss) before taxes</b>	<b>250</b>	<b>141</b>
Taxes	(76)	(48)
<b>Net profit/(loss)</b>	<b>174</b>	<b>93</b>
Of which:		
Attributable to non-controlling interests	2	-
<b>Group share</b>	<b>172</b>	<b>93</b>

## OTHER COMPREHENSIVE INCOME QUARTER - 3RD QUARTER

(Euro/million)

	3rd quarter 2022	3rd quarter 2021
<b>Net profit/(loss)</b>	<b>174</b>	<b>93</b>
Other comprehensive income:		
<b>A) Change in cash flow hedge reserve:</b>	<b>(1)</b>	<b>(24)</b>
- Profit/(loss) for the period	2	(31)
- Taxes	(3)	7
<b>B) Change in currency translation reserve</b>	<b>216</b>	<b>71</b>
<b>Total other comprehensive income (A+B):</b>	<b>215</b>	<b>47</b>
<b>Total comprehensive income/(loss)</b>	<b>389</b>	<b>140</b>
Of which:		
Attributable to non-controlling interests	14	3
<b>Group share</b>	<b>375</b>	<b>137</b>

## 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
<b>Balance at 31 December 2020</b>	<b>27</b>	<b>40</b>	<b>(590)</b>	<b>2,604</b>	<b>178</b>	<b>2,259</b>	<b>164</b>	<b>2,423</b>
Allocation of prior year net result	-	-	-	178	(178)	-	-	-
Fair value - stock options	-	-	-	26	-	26	-	26
Dividend distribution	-	-	-	(132)	-	(132)	(2)	(134)
Issue of Convertible Bond 2021	-	-	-	49	-	49	-	49
Partial redemption of Convertible Bond 2017	-	-	-	(13)	-	(13)	-	(13)
Effect of hyperinflation	-	-	-	11	-	11	-	11
Total comprehensive income/(loss)	-	46	196	23	255	520	9	529
<b>Balance at 30 September 2021</b>	<b>27</b>	<b>86</b>	<b>(394)</b>	<b>2,746</b>	<b>255</b>	<b>2,720</b>	<b>171</b>	<b>2,891</b>

(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
<b>Balance at 31 December 2021</b>	<b>27</b>	<b>103</b>	<b>(309)</b>	<b>2,786</b>	<b>308</b>	<b>2,915</b>	<b>174</b>	<b>3,089</b>
Allocation of prior year net result	-	-	-	308	(308)	-	-	-
Fair value - stock options	-	-	-	64	-	64	-	64
Dividend distribution	-	-	-	(145)	-	(145)	(3)	(148)
Effect of hyperinflation	-	-	-	36	-	36	2	38
Total comprehensive income/(loss)	-	(116)	542	61	431	918	24	942
<b>Balance at 30 September 2022</b>	<b>27</b>	<b>(13)</b>	<b>233</b>	<b>3,110</b>	<b>431</b>	<b>3,788</b>	<b>197</b>	<b>3,985</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (Note 24)

(Euro/million)

	9 months 2022	of which related parties	9 months 2021	of which related parties
Profit/(loss) before taxes	618		379	
Amortisation, depreciation and impairment	275		248	
Net gains on disposal of fixed assets	(1)		(2)	
Share of net profit/(loss) of equity-accounted companies	(37)	(37)	(21)	(21)
Dividends received from equity-accounted companies	9	9	8	8
Share-based payments	64	3	26	2
Fair value change in metal derivatives	48		(22)	
Net finance costs	66		69	
Changes in inventories	(312)		(526)	
Changes in trade receivables/payables	(943)	9	(207)	(1)
Changes in other receivables/payables	97	-	(111)	(4)
Change in employee benefit obligations	(12)		(10)	
Change in provisions for risks and other movements	(38)		(44)	
Net income taxes paid	(150)		(78)	
<b>A. Cash flow from operating activities</b>	<b>(316)</b>		<b>(291)</b>	
Cash flow from acquisitions and/or disposals	(7)		(75)	
Investments in property, plant and equipment	(189)		(157)	
Disposals of property, plant and equipment	2		7	
Investments in intangible assets	(13)		(15)	
Investments in financial assets at fair value through profit or loss	(6)		(200)	
Disposals of financial assets at fair value through profit or loss	21		4	
Disposals of financial assets at amortised cost	-		2	
<b>B. Cash flow from investing activities</b>	<b>(192)</b>		<b>(434)</b>	
Dividend distribution	(145)		(129)	
Proceeds of new loans	1,335		844	
Repayments of loans	(2,000)		(269)	
Changes in other net financial receivables/payables	84		(39)	
Finance costs paid	(70)		(82)	
Finance income received	9		21	
<b>C. Cash flow from financing activities</b>	<b>(787)</b>		<b>346</b>	
<b>D. Exchange (losses) gains on cash and cash equivalents</b>	<b>32</b>		<b>9</b>	
<b>E. Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>(1,263)</b>		<b>(370)</b>	
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>1,702</b>		<b>1,163</b>	
<b>G. Cash and cash equivalents at the end of the period (E+F)</b>	<b>439</b>		<b>793</b>	
<b>Cash and cash equivalents presented in consolidated statement of financial position</b>	<b>439</b>		<b>791</b>	
<b>Cash and cash equivalents presented in assets held for sale</b>	<b>-</b>		<b>2</b>	

## 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 power and telecom cables and systems and related accessories, 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 10 November 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.

Prysmian Group has prepared the present Quarterly Financial Report at 30 September 2022 on a voluntary basis and in continuity with its past reporting format. When preparing the Quarterly Financial Report, management has made judgements, estimates and assumptions that affect the value of revenues, costs, assets and liabilities and the disclosures relating to contingent assets and liabilities at the reporting date. As estimates, these may differ from the actual results attained in the future. Certain valuation processes, particularly more complex ones, such as the determination of any fixed asset impairment, are only conducted completely at the time of drawing up the year-end consolidated financial statements when all the necessary information is available.

With reference to the impact of the Russian-Ukrainian conflict, reference should be made to the comments in the Half-Year Financial Report 2022 insofar as there has been no change in the circumstances and assessments made therein.

### **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 full-year expected weighted average tax rate, and except for the application of *IAS 29 - Financial Reporting in Hyperinflationary Economies* to the subsidiaries in Turkey, as better described below.

### **Impacts of applying IAS 29 - Financial Reporting in Hyperinflationary Economies**

The Group controls companies based in Turkey, for which, after a long period of monitoring the country's inflation rates, a consensus was reached that the country qualified to be treated as hyperinflationary economic environment, as defined by international accounting standards, as from the first half of 2022. In fact, a steep devaluation of the local currency and escalating inflation were both observed. Based on these parameters and taking into account the guidance of the accounting standard, *IAS 29 - Financial Reporting in Hyperinflationary Economies* has been applied to the Turkish subsidiaries as from 1 April 2022. It is recalled that this standard has been applied to the subsidiary in Argentina since 1 July 2018. Furthermore, inflation in Argentina accelerated even more in the first nine months of 2022, causing cumulative consumer price inflation to reach 283% over the last 3 years.

The Group's consolidated results at 30 September 2022 also include the effects of applying the aforementioned accounting standard to its Turkish subsidiaries, effective 1 April 2022, with the country's cumulative price inflation having reached 145% over the last 3 years.

In accordance with IAS 29, the restatement of financial statements as a whole requires the application of certain procedures as well as judgement.

With reference to the income statement, income and expenses have been restated by applying the change in the general price index. The income statement thus restated has been translated into Euro at the closing rate on 30 September 2022 instead of at the average rate for the reporting period. The effects of applying the standard for the Turkish subsidiaries have added Euro 9 million to net sales with no impact on net profit.

With reference to the statement of financial position, monetary items have not been restated because they are already expressed in terms of the monetary unit current at the end of the reporting period; non-monetary assets and liabilities have been revalued from the date the assets and liabilities were originally recorded through until the reporting date. This has resulted in the recognition of an overall expense of Euro 5 million, reported in the income statement under net Finance income (costs), while the effects of the standard's first-time application on 1 April 2022 have been recorded directly in equity for an amount of Euro 8 million.

### **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, further to assessment, have been found not to have had a material impact on the consolidated financial statements at 30 September 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 applicable to annual reporting periods after 2022

The following is a list of new standards, interpretations and amendments, already approved by the European Union for mandatory application to annual reporting periods after 2022, and which, based on preliminary assessments, will not have a material impact on the consolidated financial statements:

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: disclosure of financial accounting policies;*
- *Amendments to IAS 8 Accounting policies, changes 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 30 September 2022, compared with 31 December 2021, are listed below.

### Liquidations

Liquidated companies	Nation	Date
EHC Japan K.K	Japan	1 June 2022
General Cable Holdings Netherlands C.V.	Netherlands	4 August 2022
NSW Technology Ltd	United Kingdom	9 August 2022
Prestolite Wire (Shanghai) Company Ltd.	China	22 August 2022
Prysmian Cable Systems Pte Ltd	Singapore	4 July 2022
Tasfiye Halinde EHC Turkey Asansör ve Yürüyen Merdiven Sanayi Limited Şirketi	Turkey	15 September 2022

### Mergers

Merged companies	Survivor companies	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
EHC Turkey Asansör ve Yürüyen Merdiven Sanayi Limited Şirketi	Tasfiye Halinde EHC Turkey Asansör ve Yürüyen Merdiven Sanayi Limited Şirketi	Turkey	13 June 2022
Draka Service GmbH	Prysmian Projects Germany GmbH	Germany	8 September 2022

Appendix A to these notes contains a list of the companies included in the scope of consolidation at 30 September 2022.

### C. RESTATEMENT OF COMPARATIVE FIGURES

Some of the previously published figures in the consolidated financial statements at 31 December 2021, presented in the current report for comparative purposes, have been amended.

#### **Purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o.**

After acquiring control of Omnisens S.A., on 11 November 2021, and Eksa Sp.z.o.o., on 31 December 2021, the fair values of the assets acquired, liabilities assumed and contingent liabilities were determined at 31 December 2021 on a provisional basis, in accordance with *IFRS 3 - Business Combinations*, insofar as the related valuation processes were still in progress.

These valuations, subject to revision within twelve months of the acquisition date, as permitted by *IFRS 3 - Business Combinations*, have resulted in the restatement of the Consolidated Financial Statements at 31 December 2021.

Details of these amendments are presented in the following restated statement of financial position at 31 December 2021. The finalisation of the purchase price allocation processes for Omnisens S.A. and Eksa Sp.z.o.o. has not entailed the need to restate the consolidated income statement.

(Euro/million)

	31.12.2021 published	Effect of Omnisens S.A. and Eksa price allocation	31.12.2021 restated
<b>Non-current assets</b>			
Property, plant and equipment	2,794		2,794
Goodwill	1,643	(8)	1,635
Other intangible assets	494	11	505
Equity-accounted investments	360		360
Other investments at fair value through other comprehensive income	13		13
Financial assets at amortised cost	3		3
Derivatives	105		105
Deferred tax assets	182	-	182
Other receivables	34		34
<b>Total non-current assets</b>	<b>5,628</b>	<b>3</b>	<b>5,631</b>
<b>Current assets</b>			
Inventories	2,054		2,054
Trade receivables	1,622		1,622
Other receivables	627		627
Financial assets at fair value through profit or loss	244		244
Derivatives	128		128
Financial assets at fair value through other comprehensive income	11		11
Cash and cash equivalents	1,702		1,702
<b>Total current assets</b>	<b>6,388</b>	<b>-</b>	<b>6,388</b>
<b>Total assets</b>	<b>12,016</b>	<b>3</b>	<b>12,019</b>
<b>Equity</b>			
Share capital	27		27
Reserves	2,580		2,580
Group share of net profit/(loss)	308		308
<b>Equity attributable to the Group</b>	<b>2,915</b>	<b>-</b>	<b>2,915</b>
Equity attributable to non-controlling interests	174		174
<b>Total equity</b>	<b>3,089</b>	<b>-</b>	<b>3,089</b>
<b>Non-current liabilities</b>			
Borrowings from banks and other lenders	2,606		2,606
Employee benefit obligations	446		446
Provisions for risks and charges	46		46
Deferred tax liabilities	188	2	190
Derivatives	26		26
Other payables	6		6
<b>Total non-current liabilities</b>	<b>3,318</b>	<b>2</b>	<b>3,320</b>
<b>Current liabilities</b>			
Borrowings from banks and other lenders	1,123		1,123
Provisions for risks and charges	607	1	608
Derivatives	42		42
Trade payables	2,592		2,592
Other payables	1,191		1,191
Current tax payables	54		54
<b>Total current liabilities</b>	<b>5,609</b>	<b>1</b>	<b>5,610</b>
<b>Total liabilities</b>	<b>8,927</b>	<b>3</b>	<b>8,930</b>
<b>Total equity and liabilities</b>	<b>12,016</b>	<b>3</b>	<b>12,019</b>

## D. 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.

## E. 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)

				<b>30.09.2022</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
<i>Financial assets at fair value:</i>				
Derivatives through profit or loss	-	66	-	66
Hedging derivatives	-	179	-	179
Financial assets at fair value through profit or loss	225	-	-	225
Financial assets at fair value through other comprehensive income	11	-	-	11
Other investments at fair value through other comprehensive income	-	-	13	13
<b>Total assets</b>	<b>236</b>	<b>245</b>	<b>13</b>	<b>494</b>
<b>Liabilities</b>				
<i>Financial liabilities at fair value:</i>				
Derivatives through profit or loss	-	97	-	97
Hedging derivatives	-	198	-	198
<b>Total liabilities</b>	<b>-</b>	<b>295</b>	<b>-</b>	<b>295</b>

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 225 million, include Euro 192 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 nine months of 2022 there were no transfers of financial assets and liabilities between the different levels of the fair value hierarchy.

The valuation techniques are described below:

**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.

## F. 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 Euro 18 million.

In compliance with IFRS 3, the fair value of the assets, liabilities and contingent liabilities has been finalised within twelve months of the acquisition date.

The excess of the purchase consideration over the fair value of net assets acquired has been recognised as goodwill, quantified as Euro 8 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.

Details of the net assets acquired and goodwill are as follows:

(Euro/million)

	Euro
Purchase price	18
<b>Total cost of acquisition (A)</b>	<b>18</b>
Fair value of net assets acquired (B)	10
<b>Goodwill (A-B)</b>	<b>8</b>

(Euro/million)

	Euro
Intangible assets	11
Deferred tax liabilities	(2)
Inventories	2
Trade and other receivables	5
Trade and other payables	(6)
Borrowings from banks and other lenders	(1)
Cash and cash equivalents	1
<b>Net assets acquired (B)</b>	<b>10</b>

**Prysmian Poland sp.zo.o (formerly 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 Euro 7 million.

In compliance with IFRS 3, the fair value of the assets, liabilities and contingent liabilities has been finalised within twelve months of the acquisition date.

The excess of the purchase consideration over the fair value of net assets acquired has been recognised as goodwill, quantified as Euro 1 million.

Details of the net assets acquired are as follows:

(Euro/million)

	<b>Euro</b>
Total cost of acquisition (A)	7
Assets already held (B)	3
Fair value of net assets acquired (C)	9
<b>Goodwill/(Badwill) (A+B-C)</b>	<b>1</b>

(Euro/million)

	<b>Euro</b>
Property, plant and equipment	1
Trade and other receivables	7
Borrowings from banks and other lenders	(1)
Cash and cash equivalents	3
Provisions for risks and charges	(1)
<b>Net assets acquired (C)</b>	<b>9</b>

## G. 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 financial information 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. 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 on 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.

## G.1 OPERATING SEGMENTS

The following tables present information by operating segment:

(Euro/million)

							9 months 2022
	Projects	Energy			Telecom	Group total	
		E&I	Industrial & NWC	Other			Total Energy
Sales <sup>(1)</sup>	1,438	6,308	2,630	308	9,246	1,405	12,089
<b>Adjusted EBITDA before share of net profit/(loss) of equity- accounted companies</b>	<b>149</b>	<b>553</b>	<b>203</b>	<b>1</b>	<b>757</b>	<b>189</b>	<b>1,095</b>
% of sales	10.4%	8.8%	7.7%		8.2%	13.5%	9.1%
<b>Adjusted EBITDA (A)</b>	<b>149</b>	<b>556</b>	<b>204</b>	<b>1</b>	<b>761</b>	<b>221</b>	<b>1,131</b>
% of sales	10.4%	8.8%	7.8%		8.2%	15.7%	9.4%
Adjustments	(28)	(19)	(8)	(1)	(28)	(4)	(60)
<b>EBITDA (B)</b>	<b>121</b>	<b>537</b>	<b>196</b>	<b>0</b>	<b>733</b>	<b>217</b>	<b>1,071</b>
% of sales	8.4%	8.5%	7.4%		7.9%	15.4%	8.9%
Amortisation and depreciation (C)	(62)	(98)	(49)	(3)	(150)	(60)	(272)
<b>Adjusted operating income (A+C)</b>	<b>87</b>	<b>458</b>	<b>155</b>	<b>(2)</b>	<b>611</b>	<b>161</b>	<b>859</b>
% of sales	6.1%	7.3%	5.9%		6.6%	11.5%	7.1%
Fair value change in metal derivatives (D)							(48)
Fair value stock options (E)							(64)
Asset (impairment) and impairment reversal (F)							(3)
<b>Operating income (B+C+D+E+F)</b>							<b>684</b>
% of sales							5.7%
Finance income							855
Finance costs							(921)
Taxes							(183)
<b>Net profit/(loss)</b>							<b>435</b>
% of sales							3.6%
Attributable to:							
Owners of the parent							431
Non-controlling interests							4

<sup>(1)</sup> 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)

							<b>9 months 2021</b>	
	<b>Projects</b>	<b>Energy</b>			<b>Telecom</b>	<b>Corporate</b>	<b>Group total</b>	
		<b>E&amp;I</b>	<b>Industrial &amp; NWC</b>	<b>Other</b>	<b>Total Energy</b>			
Sales <sup>(1)</sup>	1,071	4,708	2,074	237	7,019	1,204	-	9,294
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>123</b>	<b>268</b>	<b>150</b>	<b>4</b>	<b>422</b>	<b>167</b>	<b>-</b>	<b>712</b>
% of sales	11.5%	5.7%	7.2%		6.0%	13.9%		7.7%
<b>Adjusted EBITDA (A)</b>	<b>124</b>	<b>269</b>	<b>150</b>	<b>4</b>	<b>423</b>	<b>178</b>	<b>-</b>	<b>725</b>
% of sales	11.5%	5.7%	7.2%		6.0%	14.8%		7.8%
Adjustments	(1)	(17)	(7)	(3)	(27)	6	(3)	(25)
<b>EBITDA (B)</b>	<b>123</b>	<b>252</b>	<b>143</b>	<b>1</b>	<b>396</b>	<b>184</b>	<b>(3)</b>	<b>700</b>
% of sales	11.5%	5.3%	6.9%		5.6%	15.3%		7.5%
Amortisation and depreciation (C)	(52)	(89)	(42)	(3)	(134)	(56)	-	(242)
<b>Adjusted operating income (A+C)</b>	<b>72</b>	<b>180</b>	<b>108</b>	<b>1</b>	<b>289</b>	<b>122</b>	<b>-</b>	<b>483</b>
% of sales	6.7%	3.8%	5.2%		4.1%	10.1%		5.2%
Fair value change in metal derivatives (D)								22
Fair value stock options (E)								(26)
Asset (impairment) and impairment reversal (F)								(6)
<b>Operating income (B+C+D+E+F)</b>								<b>448</b>
% of sales								4.8%
Finance income								442
Finance costs								(511)
Taxes								(122)
<b>Net profit/(loss)</b>								<b>257</b>
% of sales								2.8%
Attributable to:								
Owners of the parent								255
Non-controlling interests								2

<sup>(1)</sup> 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.

## G.2 GEOGRAPHICAL AREAS

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

(Euro/million)

	9 months 2022	9 months 2021
<b>Sales</b>	<b>12,089</b>	<b>9,294</b>
<b>EMEA*</b> (of which Italy)	<b>6,057</b> 1,051	<b>4,861</b> 836
<b>North America</b>	<b>4,076</b>	<b>2,830</b>
<b>Latin America</b>	<b>1,024</b>	<b>800</b>
<b>Asia Pacific</b>	<b>932</b>	<b>803</b>

(\*) 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
<b>Balance at 31 December 2021 (*)</b>	<b>2,794</b>	<b>1,635</b>	<b>505</b>
<b>Movements in 2022:</b>			
- Investments	189	-	13
- Increases for leases (IFRS 16)	43	-	-
- Disposals	(1)	-	-
- Depreciation and amortisation	(214)	-	(58)
- Impairment	(3)	-	-
- Currency translation differences	155	153	51
- Monetary revaluation for hyperinflation	20	-	-
- Other	(1)	-	1
<b>Balance at 30 September 2022</b>	<b>2,982</b>	<b>1,788</b>	<b>512</b>
<b>Of which:</b>			
- Historical cost	5,514	1,788	1,211
- Accumulated depreciation/amortisation and impairment	(2,532)	-	(699)
<b>Net book value</b>	<b>2,982</b>	<b>1,788</b>	<b>512</b>

(\*) The previously published comparative Consolidated Financial Statements have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o. More details can be found in Section C. Restatement of comparative figures.

(Euro/million)

	Property, plant and equipment	Goodwill	Other intangible assets
<b>Balance at 31 December 2020</b>	<b>2,648</b>	<b>1,508</b>	<b>489</b>
<b>Movements in 2021:</b>			
- Business combinations	10	40	19
- Investments	157	-	15
- Increases for leases (IFRS 16)	33	-	-
- Disposals	(5)	-	-
- Depreciation and amortisation	(192)	-	(50)
- Impairment	(3)	-	-
- Currency translation differences	58	55	20
- Monetary revaluation for hyperinflation	2	-	-
<b>Balance at 30 September 2021</b>	<b>2,708</b>	<b>1,603</b>	<b>493</b>
<b>Of which:</b>			
- Historical cost	4,879	1,623	1,097
- Accumulated depreciation/amortisation and impairment	(2,171)	(20)	(604)
<b>Net book value</b>	<b>2,708</b>	<b>1,603</b>	<b>493</b>

Investments in the first nine months of 2022 amounted to Euro 202 million, of which Euro 189 million in Property, plant and equipment and Euro 13 million in Intangible assets.

This expenditure is analysed as follows:

- 62%, or Euro 126 million, for projects to increase and rationalise production capacity and develop new products;
- 31%, or Euro 63 million, for projects to improve industrial efficiency;
- 6%, or Euro 13 million, for IT implementation projects.

## 2. EQUITY-ACCOUNTED INVESTMENTS

Details are as follows:

(Euro/million)

	30.09.2022	31.12.2021
Investments in associates	403	360
<b>Total equity-accounted investments</b>	<b>403</b>	<b>360</b>

### 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 30 September 2022, the fair value of the investment in Yangtze Optical Fibre and Cable Joint Stock Limited Company was Euro 419 million (based on the price quoted on the Hong Kong market), while its carrying amount was Euro 346 million.

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. No deterioration in the company's performance has been recorded as a result of the Russian-Ukrainian conflict.

### 3. TRADE AND OTHER RECEIVABLES

Details are as follows:

(Euro/million)

			30.09.2022
	Non-current	Current	Total
Trade receivables	-	2,659	2,659
Allowance for doubtful accounts	-	(102)	(102)
<b>Total trade receivables</b>	<b>-</b>	<b>2,557</b>	<b>2,557</b>
<b>Other receivables:</b>			
Tax receivables	12	294	306
Financial receivables	4	9	13
Prepaid finance costs	1	2	3
Receivables from employees	1	5	6
Pension plan receivables	-	2	2
Construction contracts	-	477	477
Advances to suppliers	5	42	47
Other	9	149	158
<b>Total other receivables</b>	<b>32</b>	<b>980</b>	<b>1,012</b>
<b>Total</b>	<b>32</b>	<b>3,537</b>	<b>3,569</b>

(Euro/million)

			31.12.2021
	Non-current	Current	Total
Trade receivables	-	1,719	1,719
Allowance for doubtful accounts	-	(97)	(97)
<b>Total trade receivables</b>	<b>-</b>	<b>1,622</b>	<b>1,622</b>
<b>Other receivables:</b>			
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
<b>Total other receivables</b>	<b>34</b>	<b>627</b>	<b>661</b>
<b>Total</b>	<b>34</b>	<b>2,249</b>	<b>2,283</b>

### 4. INVENTORIES

Details are as follows:

(Euro/million)

	30.09.2022	31.12.2021
Raw materials	846	635
<i>of which allowance for obsolete and slow-moving raw materials</i>	(75)	(63)
Work in progress and semi-finished goods	604	483
<i>of which allowance for obsolete and slow-moving work in progress and semi-finished goods</i>	(23)	(16)
Finished goods (*)	1,057	936
<i>of which allowance for obsolete and slow-moving finished goods</i>	(85)	(68)
<b>Total</b>	<b>2,507</b>	<b>2,054</b>

(\*) Finished goods also include goods for resale.



## 5. DERIVATIVES

Details are as follows:

(Euro/million)

	<b>30.09.2022</b>	
	<b>Asset</b>	<b>Liability</b>
Interest rate derivatives (cash flow hedges)	52	-
Forward currency contracts on commercial transactions (cash flow hedges)	43	75
Metal derivatives (cash flow hedges)	49	39
Metal derivatives	-	7
<b>Total non-current</b>	<b>144</b>	<b>121</b>
Interest rate derivatives (cash flow hedges)	3	-
Forward currency contracts on commercial transactions (cash flow hedges)	4	51
Metal derivatives (cash flow hedges)	28	33
Forward currency contracts on commercial transactions	10	17
Forward currency contracts on financial transactions	21	6
Metal derivatives	35	67
<b>Total current</b>	<b>101</b>	<b>174</b>
<b>Total</b>	<b>245</b>	<b>295</b>

(Euro/million)

	<b>31.12.2021</b>	
	<b>Asset</b>	<b>Liability</b>
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	-
<b>Total non-current</b>	<b>105</b>	<b>26</b>
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
<b>Total current</b>	<b>128</b>	<b>42</b>
<b>Total</b>	<b>233</b>	<b>68</b>

Interest rate derivatives designated as cash flow hedges refer to:

- interest rate swaps for an overall notional value of Euro 110 million, arranged 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, arranged 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, arranged with the objective of hedging variable rate interest flows over the period 2021-2025;
- interest rate swaps for an overall notional value totalling Euro 600 million, arranged with the objective of hedging variable rate interest flows over the period 2022-2027;
- interest rate swaps for an overall notional value of Euro 300 million, arranged with the objective of hedging variable rate interest flows over the period 2022-2025;

- interest rate swaps for an overall notional value of Euro 300 million, arranged with the objective of hedging variable rate interest flows over the period 2022-2026.

## 6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss, amounting to Euro 225 million (Euro 244 million at 31 December 2021), include Euro 192 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)

	30.09.2022	31.12.2021
Cash and cheques	2	1
Bank and postal deposits	437	1,701
<b>Total</b>	<b>439</b>	<b>1,702</b>

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

Cash and cash equivalents managed by the Group's treasury company amounted to Euro 82 million at 30 September 2022, while at 31 December 2021 the figure was Euro 1,183 million.

## 8. EQUITY

Consolidated equity has recorded a positive change of Euro 896 million since 31 December 2021, mainly reflecting the net effect of:

- the net profit for the period of Euro 435 million;
- positive currency translation differences of Euro 566 million;
- a negative post-tax change of Euro 120 million in the fair value of derivatives designated as cash flow hedges;
- an increase of Euro 61 million in the reserves for actuarial gains and losses on employee benefits;
- a positive change of Euro 64 million in the share-based compensation reserve linked to stock option plans;
- an increase of Euro 38 million for the effects of hyperinflation;
- a decrease of Euro 148 million for dividends declared.

At 30 September 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
<b>Balance at 31 December 2020</b>	<b>268,144,246</b>	<b>(4,759,433)</b>	<b>263,384,813</b>
Allotments and sales*	-	106,565	106,565
<b>Balance at 31 December 2021</b>	<b>268,144,246</b>	<b>(4,652,868)</b>	<b>263,491,378</b>
Allotments and sales**	-	3,356	3,356
<b>Balance at 30 September 2022</b>	<b>268,144,246</b>	<b>(4,649,512)</b>	<b>263,494,734</b>

\* Allotment and/or sale of treasury shares under the YES Group employee share purchase plan (106,565 shares).

\*\* Allotment and/or sale of treasury shares under the YES Group employee share purchase plan (3,356 shares).

### Treasury shares

The following table shows movements in treasury shares during the reporting period:

	Number of shares	Total nominal value (in Euro)	% of share capital	Average unit value (in Euro)	Total carrying value (in Euro)
<b>Balance at 31 December 2020</b>	<b>4,759,433</b>	<b>475,944</b>	<b>1.77%</b>	<b>20.34</b>	<b>96,816,950</b>
- Allotments and sales	(106,565)	(10,657)	-	19.92	(2,122,775)
<b>Balance at 31 December 2021</b>	<b>4,652,868</b>	<b>465,288</b>	<b>1.74%</b>	<b>20.35</b>	<b>94,694,175</b>
- Allotments and sales	(3,356)	(336)	-	19.92	(66,852)
<b>Balance at 30 September 2022</b>	<b>4,649,512</b>	<b>464,952</b>	<b>1.73%</b>	<b>20.35</b>	<b>94,627,323</b>

## 9. BORROWINGS FROM BANKS AND OTHER LENDERS

Details are as follows:

(Euro/million)

	<b>30.09.2022</b>		
	<b>Non-current</b>	<b>Current</b>	<b>Total</b>
Borrowings from banks and other lenders	430	123	553
Sustainability-Linked Term Loan	1,191	3	1,194
Unicredit Loan	200	1	201
Mediobanca Loan	100	-	100
Intesa Loan	150	1	151
Convertible Bond 2021	714	-	714
Lease liabilities	166	57	223
<b>Total</b>	<b>2,951</b>	<b>185</b>	<b>3,136</b>

(Euro/million)

	<b>31.12.2021</b>		
	<b>Non-current</b>	<b>Current</b>	<b>Total</b>
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
<b>Total</b>	<b>2,606</b>	<b>1,123</b>	<b>3,729</b>

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

(Euro/million)

	<b>30.09.2022</b>	<b>31.12.2021</b>
CDP Loans	175	175
EIB Loans	245	110
Sustainability-Linked Term Loan	1,194	-
Term Loan	-	999
Unicredit Loan	201	200
Mediobanca Loan	100	100
Intesa Loan	151	150
Other borrowings	133	64
<b>Borrowings from banks and other lenders</b>	<b>2,199</b>	<b>1,798</b>
Non-convertible bond	-	763
Convertible Bond 2021	714	707
Convertible Bond 2017	-	250
<b>Total</b>	<b>2,913</b>	<b>3,518</b>

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 30 September 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 with 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 30 September 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, the Group announced that it had finalised a loan from the European Investment Bank (EIB) for Euro 135 million to support its European R&D program in the energy and telecom cable systems sector over the period 2021-2024.

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.

The loan was received on 28 January 2022 and is repayable in a lump sum at maturity on 29 January 2029.

At 30 September 2022, the fair value of the EIB Loans approximates its related carrying amount..

### *Term Loan*

The Term Loan, issued in June 2018 and used by the Group 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, was repaid on 14 July 2022 in the amount of Euro 1,000 million.

### *Sustainability-Linked Term Loan*

On 7 July 2022, the Group entered into a medium-term Sustainability-Linked loan for Euro 1,200 million with a syndicate of leading Italian and international banks. The loan was drawn down in full on 14 July 2022 and primarily used to refinance the Euro 1 billion medium-term Term Loan obtained in 2018.

With the aim of strengthening its financial structure and the integration of ESG factors into the Group's strategy, Prysmian Group has chosen to include important environmental and social KPIs among the parameters determining the terms of the loan. In fact, the Sustainability-Linked Term Loan is also linked to the decarbonisation targets already set by the Group (annual GHG emissions from 2022 to 2026), to the ratio of female white-collar and executive hires to total Group hires, and to sustainability audits performed in the supply chain.

At 30 September 2022, the fair value of the Sustainability-Linked Term Loan approximated its carrying amount.

### *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 30 September 2022, the fair value of this loan approximated 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 30 September 2022, the fair value of this loan approximated 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 30 September 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 tables summarise the committed lines available to the Group at 30 September 2022 and 31 December 2021:

(Euro/million)

			<b>30.09.2022</b>
	<b>Total lines</b>	<b>Drawn</b>	<b>Undrawn</b>
Revolving Credit Facility 2019	1,000		1,000
Sustainability-Linked Term Loan	1,200	(1,200)	-
EIB Loans	245	(245)	-
Unicredit Loan	200	(200)	-
CDP Loans	175	(175)	-
Intesa Loan	150	(150)	-
Mediobanca Loan	100	(100)	-
<b>Total</b>	<b>3,070</b>	<b>(2,070)</b>	<b>1,000</b>

(Euro/million)

			<b>31.12.2021</b>
	<b>Total lines</b>	<b>Drawn</b>	<b>Undrawn</b>
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)	-
<b>Total</b>	<b>2,735</b>	<b>(1,735)</b>	<b>1,000</b>

## Bonds

As at 30 September 2022, Prysmian Group had the bond issues in place described in the following paragraphs.

### *Non-convertible bond issued in 2015*

The Non-Convertible Bond 2015, issued in March 2015, reached maturity in April 2022 and so has been fully repaid in the amount of Euro 750 million.

### *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 fully repaid in the 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 30 September 2022:

(Euro/million)

Value of Convertible Bond 2021	768
Equity reserve for convertible bond	(49)
Change in conversion option fair value	(16)
<b>Issue date net balance</b>	<b>703</b>
Interest - non-monetary	15
Related costs	(4)
<b>Balance at 30 September 2022</b>	<b>714</b>

At 30 September 2022, the fair value of the Convertible Bond 2021 (equity component and debt component) was Euro 711 million, of which Euro 658 million attributable to the debt component and Euro 53 million to the equity component. In the absence of trading on the relevant market, the fair value of the bond's debt and equity components has been determined using valuation techniques that refer to observable market data (Level 2 of the fair value hierarchy).



## 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
<b>Balance at 31 December 2021</b>	<b>175</b>	<b>110</b>	<b>957</b>	<b>763</b>	<b>999</b>	<b>450</b>	<b>275</b>	<b>3,729</b>
Currency translation differences	-	-	-	-	-	-	13	13
New funds	-	135	-	-	1,200	-	89	1,424
Repayments	-	-	(250)	(763)	(1,000)	-	(64)	(2,077)
Amortisation of bank and financial fees and other expenses	-	-	-	-	(8)	-	-	(8)
New IFRS 16 leases	-	-	-	-	-	-	43	43
Interest and other movements	-	-	7	-	3	2	-	12
<b>Balance at 30 September 2022</b>	<b>175</b>	<b>245</b>	<b>714</b>	<b>-</b>	<b>1,194</b>	<b>452</b>	<b>356</b>	<b>3,136</b>

(Euro/million)

	CDP Loans	EIB Loans	Conv. Bonds	Non- conv. Bond	Term Loan	Unicredit, Mediobanca and Intesa Loans	Other borrowings/ Lease liabilities	Total
<b>Balance at 31 December 2020</b>	<b>100</b>	<b>118</b>	<b>489</b>	<b>762</b>	<b>997</b>	<b>450</b>	<b>256</b>	<b>3,172</b>
Business combinations	-	-	-	-	-	-	3	3
Currency translation differences	-	-	-	-	-	-	6	6
New funds	75	-	703	-	-	-	23	801
Repayments	-	(8)	(245)	-	-	-	(68)	(321)
Amortisation of bank and financial fees and other expenses	(1)	-	(4)	1	1	-	-	(3)
New IFRS 16 leases	-	-	-	-	-	-	33	33
Interest and other movements	-	-	10	(6)	2	1	-	7
<b>Balance at 30 September 2021</b>	<b>174</b>	<b>110</b>	<b>953</b>	<b>757</b>	<b>1,000</b>	<b>451</b>	<b>253</b>	<b>3,698</b>

## NET FINANCIAL DEBT

(Euro/million)

	Note	30.09.2022	31.12.2021
CDP Loans	9	175	175
EIB Loans	9	245	110
Convertible Bond 2021	9	714	707
Sustainability-Linked Term Loan 2022	9	1,191	-
Term Loan	9	-	998
Unicredit Loan	9	200	200
Mediobanca Loan	9	100	100
Intesa Loan	9	150	150
Lease liabilities	9	166	158
Interest rate swaps	5	-	3
Other financial payables	9	10	8
<b>Total long-term financial payables</b>		<b>2,951</b>	<b>2,609</b>
Non-convertible bond	9	-	763
Convertible Bond 2017	9	-	250
Sustainability-Linked Term Loan 2022	9	3	-
Term Loan	9	-	1
Unicredit Loan	9	1	-
Intesa Loan	9	1	-
Lease liabilities	9	57	53
Interest rate swaps	5	-	6
Forward currency contracts on financial transactions	5	6	3
Other financial payables	9	123	56
<b>Total short-term financial payables</b>		<b>191</b>	<b>1,132</b>
<b>Total financial liabilities</b>		<b>3,142</b>	<b>3,741</b>
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	52	-
Current interest rate swaps	5	3	-
Forward currency contracts on financial transactions (current)	5	21	3
Short-term financial receivables	3	9	12
Short-term bank fees	3	2	2
Financial assets at fair value through profit or loss	6	225	244
Financial assets at fair value through other comprehensive income		11	11
Cash and cash equivalents	7	439	1,702
<b>Total financial assets</b>		<b>770</b>	<b>1,981</b>
<b>Net financial debt</b>		<b>2,372</b>	<b>1,760</b>

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	30.09.2022	31.12.2021
<b>Net financial debt - as reported above</b>		<b>2,372</b>	<b>1,760</b>
<b>Adjustments to exclude:</b>			
Long-term financial receivables and other assets	3	7	6
Long-term bank fees	3	1	1
Cash flow derivatives (assets)		55	-
<b>Adjustments to include:</b>			
Net non-hedging forward currency contracts on commercial transactions, excluding non-current assets	5	7	(6)
Net non-hedging metal derivatives, excluding non-current assets	5	39	(26)
<b>Recalculated net financial debt</b>		<b>2,481</b>	<b>1,735</b>

## 10. TRADE AND OTHER PAYABLES

Details are as follows:

(Euro/million)

			30.09.2022
	Non-current	Current	Total
Trade payables	-	2,542	2,542
<b>Total trade payables</b>	<b>-</b>	<b>2,542</b>	<b>2,542</b>
<b>Other payables:</b>			
Tax and social security payables	1	258	259
Advances from customers	-	856	856
Payables to employees	-	195	195
Accrued expenses	-	115	115
Other	4	178	182
<b>Total other payables</b>	<b>5</b>	<b>1,602</b>	<b>1,607</b>
<b>Total</b>	<b>5</b>	<b>4,144</b>	<b>4,149</b>

(Euro/million)

			31.12.2021
	Non-current	Current	Total
Trade payables	-	2,592	2,592
<b>Total trade payables</b>	<b>-</b>	<b>2,592</b>	<b>2,592</b>
<b>Other payables:</b>			
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
<b>Total other payables</b>	<b>6</b>	<b>1,191</b>	<b>1,197</b>
<b>Total</b>	<b>6</b>	<b>3,783</b>	<b>3,789</b>

Trade payables include around Euro 483 million (Euro 665 million at 31 December 2021) for the supply of strategic metals (copper, aluminium and lead), for which a payment extension of more than 60 days has been obtained.

Advances from customers include the liability for construction contracts, amounting to Euro 790 million at 30 September 2022 (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)

	30.09.2022 (*)		
	Non-current	Current	Total
Restructuring costs	-	18	18
Legal, contractual and other risks	28	371	399
Environmental risks	5	98	103
Tax risks	22	116	138
<b>Total</b>	<b>55</b>	<b>603</b>	<b>658</b>

(\*) Provisions for risks at 30 September 2022 include Euro 131 million for potential liabilities recorded in application of IFRS 3 - Business Combinations.

(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	100	112
<b>Total</b>	<b>46</b>	<b>608</b>	<b>654</b>

(\*) The previously published comparative Consolidated Financial Statements have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o. More details can be found in Section C. Restatement of comparative figures.

(\*\*) Provisions for risks at 31 December 2021 include Euro 123 million for potential liabilities recorded in application of IFRS 3 - Business Combinations.

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

(Euro/million)

	Restructuring costs	Legal, contractual and other risks	Environmental risks	Tax risks	Total
<b>Balance at 31 December 2021(*)</b>	<b>21</b>	<b>424</b>	<b>97</b>	<b>112</b>	<b>654</b>
Increases	3	52	-	9	64
Uses	(6)	(66)	(2)	(2)	(76)
Releases	-	(18)	-	(6)	(24)
Currency translation differences	-	4	10	17	31
Other	-	3	(2)	8	9
<b>Balance at 30 September 2022</b>	<b>18</b>	<b>399</b>	<b>103</b>	<b>138</b>	<b>658</b>

(\*) The previously published comparative Consolidated Financial Statements have been revised after finalising the purchase price allocation of Omnisens S.A. and Eksa Sp.z.o.o. More details can be found in Section C. Restatement of comparative figures.

The provision for contractual, legal and other risks amounts to Euro 399 million at 30 September 2022 (Euro 424 million at 31 December 2021). This provision mainly includes the provision for Euro 153 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 refers 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, the Group made these payments within the required timeframe during previous reporting periods.

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 during a previous reporting period.

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. In 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. In July 2022, an agreement was reached for an out-of-court settlement of Vattenfall's claims against the Group companies. However, the legal proceedings brought by the Group companies against the other party to whom the EU decision was addressed are continuing.

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 September 2022, the Group was informed that companies in the RWE Group had brought an action against Prysmian SpA and Prysmian Cavi e Sistemi Srl involving a claim for compensation for damages supposedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission in its April 2014 decision.

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, on 4 April 2019, the Group learned that another two legal actions had been brought in the Court of London, one by Scottish and Southern Energy (SSE) group companies and the other by Greater Gabbard Offshore Winds Limited and SSE group companies, both of which involving claims for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission. Both proceedings have been concluded through settlements agreed between the parties during 2021 for the first action and in June 2022 for the second action.

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 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 the Directors' Report in the section entitled "Significant events during the period".



During June 2022, the competition authorities of the Czech Republic and Slovakia conducted inspections at the offices of the Group's local subsidiaries with regard to alleged anti-competitive practices in setting metal surcharges.

Subsequently, in August 2022, the competition authority of the Czech Republic announced the opening of an investigation into this matter involving, among others, the Group's local subsidiary. 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, May and October 2022, other third-party lawsuits were filed against certain cable manufacturers, including the Group's Spanish subsidiaries, to obtain compensation for damages supposedly suffered as a result of the alleged anti-competitive conduct 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 maintaining a consistent accounting policy, 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, supposedly 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 the provision set aside, 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)

	30.09.2022	31.12.2021
Pension plans	267	359
Italian statutory severance benefit	16	15
Medical benefit plans	36	31
Termination and other benefits	42	41
<b>Total</b>	<b>361</b>	<b>446</b>

Movements in employee benefit obligations have had an overall impact of Euro 12 million on the period's income statement, of which Euro 8 million classified in Personnel costs and Euro 4 million in Finance costs.

Employee benefit obligations have decreased as a result of higher discount rates used in actuarial valuations.

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

	9 months 2022	9 months 2021
Average number	30,558	29,501
	<b>30.09.2022</b>	<b>31.12.2021</b>
Closing number	30,819	29,763

### 13. OPERATING INCOME

Operating income is a profit of Euro 684 million in the first nine months of 2022 (compared with a profit of Euro 448 million in the first nine months of 2021) and is stated after the following adjustments:

(Euro/million)

	9 months 2022	9 months 2021
Business reorganisation <sup>(1)</sup>	(7)	(13)
Non-recurring (expense)/income <sup>(2)</sup>	(20)	(1)
Other non-operating (expense)/income <sup>(3)</sup>	(33)	(11)
<b>Total adjustments</b>	<b>(60)</b>	<b>(25)</b>

<sup>(1)</sup> 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;

<sup>(2)</sup> 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;

<sup>(3)</sup> 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)

	9 months 2022	9 months 2021
Interest on loans	14	13
Interest on non-convertible bond	5	14
Interest on Convertible Bond 2021 - non-monetary component	7	6
Interest on Convertible Bond 2017 - non-monetary component	-	4
Interest Rate Swaps	7	5
Interest on lease liabilities	4	4
Amortisation of bank and financial fees and other expenses	6	5
Employee benefit interest costs net of interest on plan assets	4	3
Other bank interest	5	2
Costs for undrawn credit lines	2	3
Sundry bank fees	14	12
Change in fair value of financial instruments through profit or loss	8	-
Non-recurring other finance costs	-	2
Other	4	6
<b>Finance costs</b>	<b>80</b>	<b>79</b>
Foreign currency exchange losses	841	432
<b>Total finance costs</b>	<b>921</b>	<b>511</b>

Finance income is detailed as follows:

(Euro/million)

	9 months 2022	9 months 2021
Interest income from banks and other financial institutions	7	4
Non-recurring finance income	-	16
Other finance income	3	1
<b>Finance income</b>	<b>10</b>	<b>21</b>
Net gains on forward currency contracts	40	17
<b>Gains on derivatives</b>	<b>40</b>	<b>17</b>
Foreign currency exchange gains	805	404
<b>Total finance income</b>	<b>855</b>	<b>442</b>

## 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 nine months of 2022 is Euro 183 million, while the tax rate is approximately 29.6%.

## 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 these can only be awarded after approval of the 2022 financial statements by the shareholders' meeting.

(Euro/million)

	9 months 2022	9 months 2021
Net profit/(loss) attributable to owners of the parent	431	255
Weighted average number of ordinary shares (thousands)	263,493	263,389
<b>Basic earnings per share (in Euro)</b>	<b>1.64</b>	<b>0.97</b>
Net profit/(loss) attributable to owners of the parent for purposes of diluted earnings per share	431	255
Weighted average number of ordinary shares (thousands)	263,493	263,389
<b>Adjustments for:</b>		
Dilution from incremental shares arising from exercise of stock options (thousands)	1,429	663
Weighted average number of ordinary shares to calculate diluted earnings per share (thousands)	264,922	264,052
<b>Diluted earnings per share (in Euro)</b>	<b>1.63</b>	<b>0.97</b>

## 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 225 million at 30 September 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 transactions with other related parties in the nine months ended 30 September 2022:

(Euro/million)

				<b>30.09.2022</b>	
	<b>Equity- accounted companies</b>	<b>Compensation of directors, statutory auditors and key management personnel</b>	<b>Total related parties</b>	<b>Total reported amount</b>	<b>Related party % of total</b>
Equity-accounted investments	403	-	<b>403</b>	403	100.0%
Trade receivables	3	-	<b>3</b>	2,557	0.1%
Other receivables	2	-	<b>2</b>	1,012	0.2%
Trade payables	17	-	<b>17</b>	2,542	0.7%
Other payables	-	1	<b>1</b>	1,607	0.1%
Provisions for risks and charges	-	6	<b>6</b>	658	0.9%

(Euro/million)

				<b>31.12.2021</b>	
	<b>Equity- accounted companies</b>	<b>Compensation of directors, statutory auditors and key management personnel</b>	<b>Total related parties</b>	<b>Total reported amount</b>	<b>Related party % of total</b>
Equity-accounted investments	360	-	<b>360</b>	360	100.0%
Trade receivables	-	-	<b>-</b>	1,622	0.0%
Other receivables	3	-	<b>3</b>	661	0.5%
Trade payables	5	-	<b>5</b>	2,592	0.2%
Other payables	-	2	<b>2</b>	1,197	0.2%
Provisions for risks and charges	-	6	<b>6</b>	654	0.9%

(Euro/million)

				<b>9 months 2022</b>	
	<b>Equity- accounted companies</b>	<b>Compensation of directors, statutory auditors and key management personnel</b>	<b>Total related parties</b>	<b>Total reported amount</b>	<b>Related party % of total</b>
Sales	-	-	-	12,089	0.0%
Other income	6	-	<b>6</b>	50	12.0%
Raw materials, consumables and supplies	-	-	-	(8,204)	0.0%
Personnel costs	-	(9)	<b>(9)</b>	(1,283)	0.3%
Other expenses	(5)	(1)	<b>(6)</b>	(1,767)	0.3%
Share of net profit/(loss) of equity-accounted companies	37	-	<b>37</b>	37	100.0%

(Euro/million)

				<b>9 months 2021</b>	
	<b>Equity- accounted companies</b>	<b>Compensation of directors, statutory auditors and key management personnel</b>	<b>Total related parties</b>	<b>Total reported amount</b>	<b>Related party % of total</b>
Sales	27	-	<b>27</b>	9,294	0.3%
Other income	4	-	<b>4</b>	50	8.0%
Raw materials, consumables and supplies	(2)	-	<b>(2)</b>	(6,630)	0.0%
Personnel costs	-	(7)	<b>(7)</b>	(1,111)	0.6%
Other expenses	(4)	(1)	<b>(5)</b>	(1,213)	0.4%
Share of net profit/(loss) of equity-accounted companies	21	-	<b>21</b>	21	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 9 million at 30 September 2022 (Euro 7 million in the first nine 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 nine months of 2022.

## 22. COMMITMENTS

Contractual commitments, already given to third parties at 30 September 2022 and not yet reflected in the financial statements, amount to Euro 292 million for Property, plant and equipment and Euro 3 million for Intangible assets.

As at 30 September 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. 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.

## 24. STATEMENT OF CASH FLOWS

The increase in net working capital used Euro 1,158 million in cash flow. After Euro 150 million in tax payments and Euro 9 million in dividend receipts, operating activities in the first nine months of 2022 resulted in a net cash outflow of Euro 316 million. Net operating capital expenditure used Euro 200 million in cash in the first nine months of 2022, a large part of which relating to projects to increase and rationalise production capacity. More details can be found in Note 1. Property, plant and equipment and Intangible assets of these Explanatory Notes. Finance costs paid, net of finance income received, came to Euro 61 million, inclusive of interest income received of Euro 7 million (Euro 4 million in the first nine months of 2021) and interest expense paid of Euro 42 million (Euro 42 million in the first nine months of 2021). During the reporting period, the Group repaid its Term Loan in the amount of Euro 1,000 million and took out a medium-term Sustainability-Linked Loan for Euro 1,200 million.

## 25. 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
	30.09.2022	31.12.2021	9 months 2022	9 months 2021
<b>Europe</b>				
British Pound	0.883	0.840	0.847	0.864
Swiss Franc	0.956	1.033	1.012	1.090
Hungarian Forint	422.180	369.190	384.807	356.502
Norwegian Krone	10.584	9.989	10.007	10.228
Swedish Krona	10.899	10.250	10.527	10.153
Czech Koruna	24.549	24.858	24.625	25.732
Danish Krone	7.437	7.436	7.440	7.437
Romanian Leu	4.949	4.949	4.935	4.912
Turkish Lira	17.956	14.709	16.855	9.696
Polish Zloty	4.848	4.597	4.672	4.547
Russian Rouble	55.406	85.300	75.562	88.534
<b>North America</b>				
US Dollar	0.975	1.133	1.064	1.196
Canadian Dollar	1.340	1.439	1.364	1.497
<b>South America</b>				
Colombian Peso	4,416	4,599	4,327	4,426
Brazilian Real	5.270	6.320	5.464	6.378
Argentine Peso	143.608	116.341	128.102	111.750
Chilean Peso	939.730	964.350	912.834	882.537
Costa Rican Colón	612.945	727.107	700.510	737.782
Mexican Peso	19.639	23.144	21.554	24.077
Peruvian Sol	3.875	4.519	4.059	4.586
<b>Oceania</b>				
Australian Dollar	1.508	1.562	1.504	1.577
New Zealand Dollar	1.718	1.658	1.647	1.682
<b>Africa</b>				
CFA Franc	655.957	655.957	655.957	655.957
Angolan Kwanza	421.013	635.082	483.699	768.121
Tunisian Dinar	3.179	3.260	3.241	3.295
South African Rand	17.535	18.063	16.952	17.423
<b>Asia</b>				
Chinese Renminbi (Yuan)	6.937	7.195	7.019	7.738
United Arab Emirates Dirham	3.580	4.160	3.908	4.393
Bahraini Dinar	0.367	0.426	0.400	0.450
Hong Kong Dollar	7.652	8.833	8.333	9.291
Singapore Dollar	1.400	1.528	1.463	1.602
Indian Rupee	79.425	84.229	82.298	88.042
Indonesian Rupiah	14,863	16,100	15,539	17,132
Japanese Yen	141.010	130.380	135.968	129.832
Thai Baht	36.823	37.653	36.787	37.726
Philippine Peso	57.276	57.763	56.943	58.501
Omani Rial	0.375	0.436	0.409	0.460
Malaysian Ringgit	4.520	4.718	4.616	4.941
Qatari Riyal	3.548	4.123	3.873	4.354
Saudi Riyal	3.656	4.247	3.990	4.486



## 26. EVENTS AFTER THE REPORTING PERIOD

### ***Prysmian to provide power grids asset management services to French operator RTE***

Prysmian Group has been awarded a contract by France's transmission system operator Réseau de Transport d'Électricité (RTE) to provide inspection, maintenance and repair services for the submarine export power cable links connecting the three offshore wind farms near the French coast of Normandy that will be linked to the mainland using Prysmian cables. The agreement will last 15 years. The contract will cover the three HVAC (High Voltage Alternating Current) 220 kV three-core submarine cables with XLPE insulation and single-wire armoring of the Fécamp (2x18km offshore), Calvados (2x16km offshore) and St. Nazaire (2x34km offshore) wind farms.

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Milan, 10 November 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
<b>Europe</b>					
<b>Austria</b>					
Prysmian OEKW GmbH	Wien	Euro	2,053,008	100.00%	Prysmian Cavi e Sistemi S.r.l.
<b>Belgium</b>					
Draka Belgium N.V.	Leuven	Euro	61,973	98.52%	Draka Holding B.V.
				1.48%	Draka Kabel B.V.
<b>Denmark</b>					
Prysmian Group Denmark A/S	Albertslund	Danish Krone	40,001,000	100.00%	Draka Holding B.V.
<b>Estonia</b>					
Prysmian Group Baltics AS	Keila	Euro	1,664,000	100.00%	Prysmian Group Finland OY
<b>Finland</b>					
Prysmian Group Finland OY	Kirkkonummi	Euro	100,000	77.7972%	Prysmian Cavi e Sistemi S.r.l.
				19.9301%	Draka Holding B.V.
				2.2727%	Draka Comteq B.V.
<b>France</b>					
Prysmian (French) Holdings S.A.S.	Paron	Euro	129,026,210	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Cables et Systèmes France S.A.S.	Sens	Euro	136,800,000	100.00%	Prysmian (French) Holdings S.A.S.
Draka Comteq France S.A.S.	Paron	Euro	246,554,316	100.00%	Draka France S.A.S.
Draka Fileca S.A.S.	Sainte Geneviève	Euro	5,439,700	100.00%	Draka France S.A.S.
Draka Paricable S.A.S.	Marne La Vallée	Euro	5,177,985	100.00%	Draka France S.A.S.
Draka France S.A.S.	Marne La Vallée	Euro	261,551,700	100.00%	Draka Holding B.V.
P.O.R. S.A.S.	Marne La Vallée	Euro	100,000	100.00%	Draka France S.A.S.
Silec Cable, S. A. S.	Montreau-Fault-Yonne	Euro	60,037,000	100.00%	Grupo General Cable Sistemas, S.L.
EHC France s.a.r.l.	Sainte Geneviève	Euro	310,717	100.00%	EHC Global Inc.
<b>Germany</b>					
Prysmian Kabel und Systeme GmbH	Berlin	Euro	15,000,000	93.75%	Draka Deutschland GmbH
				6.25%	Prysmian S.p.A.
Prysmian Unterstuetzungseinrichtung Lynen GmbH	Eschweiler	Deutsche Mark	50,000	100.00%	Prysmian Kabel und Systeme GmbH
Draka Comteq Berlin GmbH & Co. KG	Berlin	Deutsche Mark	46,000,000	50.10%	Prysmian Netherlands B.V.
		Euro	1	49.90%	Draka Deutschland GmbH
Draka Comteq Germany Verwaltungs GmbH	Köln	Euro	25,000	100.00%	Draka Comteq B.V.
Draka Comteq Germany GmbH & Co. KG	Köln	Euro	5,000,000	100.00%	Draka Comteq B.V.
Draka Deutschland Erste Beteiligungs GmbH	Wuppertal	Euro	25,000	100.00%	Draka Holding B.V.
Draka Deutschland GmbH	Wuppertal	Euro	25,000	90.00%	Draka Deutschland Erste Beteiligungs GmbH
				10.00%	Draka Deutschland Zweite Beteiligungs GmbH
Draka Deutschland Verwaltungs GmbH	Wuppertal	Deutsche Mark	50,000	100.00%	Prysmian Kabel und Systeme GmbH
Draka Deutschland Zweite Beteiligungs GmbH	Wuppertal	Euro	25,000	100.00%	Prysmian Netherlands B.V.
Prysmian Projects Germany GmbH	Nordenham	Euro	25,000	100.00%	Draka Deutschland GmbH
Höhn GmbH	Wuppertal	Deutsche Mark	1,000,000	100.00%	Draka Deutschland GmbH
Kaiser Kabel GmbH	Wuppertal	Deutsche Mark	9,000,000	100.00%	Draka Deutschland GmbH
NKF Holding (Deutschland) GmbH i.L	Wuppertal	Euro	25,000	100.00%	Prysmian Netherlands B.V.
Norddeutsche Seekabelwerke GmbH	Nordenham	Euro	50,025,000	100.00%	Grupo General Cable Sistemas, S.L.
EHC Germany GmbH	Baesweiler	Euro	25,200	100.00%	EHC Global Inc

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<b>U.K.</b>					
Prysmian Cables & Systems Ltd.	Eastleigh	British Pound	113,901,120	100.00%	Prysmian UK Group Ltd.
Prysmian Construction Company Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Cable Makers Properties & Services Ltd.	Esher	British Pound	39	63.84%	Prysmian Cables & Systems Ltd.
				36.16%	Third Parties
Comerqy Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Pension Scheme Trustee Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian S.p.A.
Prysmian UK Group Ltd.	Eastleigh	British Pound	70,011,000	100.00%	Draka Holding B.V.
Draka Comteq UK Ltd.	Eastleigh	British Pound	14,000,002	100.00%	Prysmian UK Group Ltd.
Draka UK Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian UK Group Ltd.
Prysmian PowerLink Services Ltd.	Eastleigh	British Pound	46,000,100	100.00%	Prysmian UK Group Ltd.
General Cable Holdings (UK) Limited	Eastleigh	British Pound	1	100.00%	GK Technologies, Incorporated
General Cable Services Europe Limited	Eastleigh	British Pound	1	100.00%	General Cable Holdings (UK) Limited
Prysmian Telecom Cables and Systems UK Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Escalator Handrail (UK) Ltd.	Eastleigh	British Pound	2	100.00%	EHC Global Inc.
<b>Ireland</b>					
Prysmian Re Company Designated Activity Company	Dublin	Euro	20,000,000	100.00%	Draka Holding B.V.
<b>Italy</b>					
Prysmian Cavi e Sistemi S.r.l.	Milan	Euro	50,000,000	100.00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Italia S.r.l.	Milan	Euro	77,143,249	100.00%	Prysmian S.p.A.
Prysmian Treasury S.r.l.	Milan	Euro	80,000,000	100.00%	Prysmian S.p.A.
Prysmian PowerLink S.r.l.	Milan	Euro	100,000,000	100.00%	Prysmian S.p.A.
Fibre Ottiche Sud - F.O.S. S.r.l.	Baltipaglia	Euro	47,700,000	100.00%	Prysmian S.p.A.
Prysmian Electronics S.r.l.	Milan	Euro	10,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
<b>Norway</b>					
Prysmian Group Norge AS	Drammen	Norwegian Krone	22,500,000	100.00%	Draka Holding B.V.
General Cable Nordic A/S	Drammen	Norwegian Krone	1,674,000	100.00%	Prysmian Group Norge AS
<b>The Netherlands</b>					
Draka Comteq B.V.	Amsterdam	Euro	1,000,000	100.00%	Draka Holding B.V.
Draka Comteq Fibre B.V.	Eindhoven	Euro	18,000	100.00%	Prysmian Netherlands Holding B.V.
Draka Holding B.V.	Amsterdam	Euro	52,229,321	100.000%	Prysmian S.p.A.
Draka Kabel B.V.	Amsterdam	Euro	2,277,977	100.00%	Prysmian Netherlands B.V.
Donne Draad B.V.	Nieuw Bergen	Euro	28,134	100.00%	Prysmian Netherlands B.V.
NKF Vastgoed I B.V.	Delft	Euro	18,151	99.00%	Draka Holding B.V.
				1.00%	Prysmian Netherlands B.V.
NKF Vastgoed III B.V.	Delft	Euro	18,151	99.00%	Draka Deutschland GmbH
				1.00%	Prysmian Netherlands B.V.
Prysmian Netherlands B.V.	Delft	Euro	1	100.00%	Prysmian Netherlands Holding B.V.
Prysmian Netherlands Holding B.V.	Amsterdam	Euro	1	100.00%	Draka Holding B.V.
<b>Poland</b>					
Prysmian Poland sp. z o.o.	Sokolów	Polish Zloty	394,000	29.949%	Prysmian Cavi e Sistemi S.r.l.
				70.051%	Draka Holding B.V.
<b>Portugal</b>					
General Cable Investments, SGPS, Sociedade Unipessoal, S.A.	Funchal	Euro	8,500,020	100.00%	Draka Holding B.V.
General Cable Celcat, Energia e Telecomunicações SA	Pero Pinheiro	Euro	13,500,000	100.00%	General Cable Investments, SGPS, Sociedade Unipessoal, S.A.
<b>Czech Republic</b>					
Draka Kabely, s.r.o.	Velké Meziříčí	Czech Koruna	255,000,000	100.00%	Draka Holding B.V.
<b>Romania</b>					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Leu rumeno	203,850,920	99.9998%	Draka Holding B.V.
				0.0002%	Prysmian Cavi e Sistemi S.r.l.

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<b>Russia</b>					
Limited Liability Company Pysmian RUS	Rybinsk city	Russian Rouble	230,000,000	99.00%	Draka Holding B.V.
				1.00%	Pysmian Cavi e Sistemi S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Rybinsk city	Russian Rouble	90,312,000	100.00%	Limited Liability Company Pysmian RUS
<b>Slovakia</b>					
Pysmian Kablo s.r.o.	Bratislava	Euro	21,246,001	99.995%	Pysmian Cavi e Sistemi S.r.l.
				0.005%	Pysmian S.p.A.
<b>Spain</b>					
Pysmian Cables Spain, S.A. (Sociedad Unipersonal)	Vilanova I la Geltrú	Euro	58,178,234	100.00%	Draka Holding, S.L.
Draka Holding, S.L. (Sociedad Unipersonal)	Santa Perpetua de Mogoda	Euro	24,000,000	100.00%	Draka Holding B.V.
GC Latin America Holdings, S.L.	Abrera	Euro	151,042,030	100%	General Cable Holdings (Spain), S.L.
General Cable Holdings (Spain), S.L.	Abrera	Euro	138,304,698	99.349%	GK Technologies, Incorporated
				0.6510%	General Cable Overseas Holdings, LLC
Grupo General Cable Sistemas, S.L.	Abrera	Euro	22,116,019	100.00%	Draka Holding B.V.
EHC Spain and Portugal, S.L.	Sevilla	Euro	3,897,315	100.000%	EHC Global Inc.
<b>Sweden</b>					
Pysmian Group North Europe AB	Nässjö	Swedish Krona	100,100	100.00%	Draka Holding B.V.
Pysmian Group Sverige AB	Nässjö	Swedish Krona	100,000	100.00%	Pysmian Group North Europe AB
<b>Switzerland</b>					
Omnisens S.A.	Morges	Swiss Franc	11,811,719	100.00%	Draka Holding B.V.
<b>Turkey</b>					
Turk Pysmian Kablo Ve Sistemleri A.S.	Mudanya	Turkish new Lira	216,733,652	83.7464%	Draka Holding B.V.
				0.4614%	Turk Pysmian Kablo Ve Sistemleri A.S.
				15.7922%	Third Parties
<b>Hungary</b>					
Pysmian MKM Magyar Kabel Muvek Kft.	Budapest	Hungarian Forint	5,000,000,000	100.00%	Pysmian Cavi e Sistemi S.r.l.
<b>North America</b>					
<b>Canada</b>					
Pysmian Cables and Systems Canada Ltd.	New Brunswick	Canadian Dollar	1,000,000	100.00%	Draka Holding B.V.
Draka Elevator Products Incorporated	New Brunswick	Canadian Dollar	n/a	100.00%	Pysmian Cables and Systems USA, LLC
General Cable Company Ltd.	Halifax	Canadian Dollar	295,768	100.00%	General Cable Canada Holdings LLC
EHC Global Inc.	Oshawa	Canadian Dollar	1,511,769	100.00%	Pysmian Cables and Systems Canada Ltd.
EHC Canada Inc.	Oshawa	Canadian Dollar	39,308	99.9997%	EHC Global Inc.
				0.0003%	Pysmian Cables and Systems Canada Ltd.
Eiator Inc.	Oshawa	Canadian Dollar	100	100.00%	EHC Global Inc.
EHC Management Company Inc.	Oshawa	Canadian Dollar	1	100.00%	EHC Global Inc.
<b>Dominican Republic</b>					
General Cable Caribbean, S.R.L.	Santa Domingo Oeste	Dominican Peso	2,100,000	99.995%	GK Technologies, Incorporated
				0.005%	Pysmian Cables and Systems USA, LLC
<b>Trinidad and Tobago</b>					
General Cable Trinidad Limited	Port of Spain	Trinidadian Dollar	100	100.00%	GK Technologies, Incorporated

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<b>U.S.A.</b>					
Prysmian Cables and Systems (US) Inc.	Carson City	US Dollar	330,517,608	100.00%	Draka Holding B.V.
Prysmian Cables and Systems USA, LLC	Wilmington	US Dollar	10	100.00%	GK Technologies, Inc
Prysmian Construction Services Inc.	Wilmington	US Dollar	1,000	100.00%	Prysmian Cables and Systems USA, LLC
Draka Elevator Products, Inc.	Boston	US Dollar	1	100.00%	Prysmian Cables and Systems USA, LLC
Draka Transport USA, LLC	Boston	US Dollar	-	100.00%	Prysmian Cables and Systems USA, LLC
GC Global Holdings, Inc.	Wilmington	US Dollar	1,000	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	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	100.00%	Prysmian Cables and Systems USA, LLC
Phelps Dodge Enfield Corporation	Wilmington	US Dollar	800,000	100.00%	Prysmian Cables and Systems USA, LLC
Phelps Dodge National Cables Corporation	Wilmington	US Dollar	10	100.00%	Prysmian Cables and Systems USA, LLC
GK Technologies, Incorporated	West Trenton	US Dollar	1,000	100.00%	General Cable Corporation
EHC USA Inc.	Oshawa	US Dollar	1	100.00%	EHC Global Inc.
Prysmian Group Speciality Cables, LLC	Wilmington	US Dollar	-	100.00%	Prysmian Cables and Systems USA, LLC
<b>Central/South America</b>					
<b>Argentina</b>					
Prysmian Energia Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	992,359,215	40.01%	Prysmian Consultora Conductores e Instalaciones SAIC
				59.74%	Draka Holding B.V.
				0.11%	Prysmian Cabos e Sistemas do Brasil S.A.
				0.13%	Third Parties
Prysmian Consultora Conductores e Instalaciones SAIC	Buenos Aires	Argentine Peso	543,219,572	95.00%	Draka Holding B.V.
				5.00%	Prysmian Cavi e Sistemi S.r.l.
<b>Brazil</b>					
Prysmian Cabos e Sistemas do Brasil S.A.	Sorocaba	Brazilian Real	910,044,391	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	49.352%	Draka Comteq B.V.
				50.648%	Prysmian Cabos e Sistemas do Brasil S.A.
Omnisens do Brasil servicos de solucoes de monitoracao em fibra optica Ltda	Rio de Janeiro	Brazilian Real	626,050	100.00%	Omnisens S.A.
<b>Chile</b>					
Prysmian Cables Chile SpA	Santiago	Chile Peso	1,900,000,000	100.00%	Prysmian Cabos e Sistemas do Brasil S.A.
Cobre Cerrillos S.A.	Cerrillos	US Dollar	74,574,400	99.80%	General Cable Holdings (Spain), S.L.
				0.20%	Third Parties
<b>Colombia</b>					
Productora de Cables Procables S.A.S.	Bogotá	Colombian Peso	1,902,964,285	99.96%	GC Latin America Holdings, S.L.
				0.04%	GK Technologies, Incorporated
<b>Costa Rica</b>					
Conducen, S.R.L.	Heredia	Costa Rican Colón	1,845,117,800	100.00%	GC Latin America Holdings, S.L.
<b>Ecuador</b>					
Cables Electricos Ecuatorianos C.A. CABLEC	Quito	US Dollar	243,957	67.14%	General Cable Holdings (Spain), S.L.
				32.86%	Third Parties
<b>El Salvador</b>					
Conducen Phelps Dodge Centroamerica-El Salvador, S.A. de C.V.	Antiguo Cuscatlan (La Libertad)	US Dollar	22,858	99.95%	Conducen, S.R.L.
				0.05%	Third Parties
<b>Guatemala</b>					
Proveedora de Cables y Alambres PDCA Guatemala, S.A.	Guatemala City	Guatemalan Quetzal	100,000	99.00%	Conducen, S.R.L.
				1.00%	Third Parties
<b>Honduras</b>					
Electroconductores de Honduras, S.A. de C.V.	Tegucigalpa	Honduran Lempira	27,600,000	59.39%	General Cable Holdings (Spain), S.L.
				40.61%	GC Latin America Holdings, S.L.

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<b>Mexico</b>					
Draka Durango S. de R.L. de C.V.	Durango	Mexican Peso	163,471,787	99.996%	Draka Mexico Holdings S.A. de C.V.
				0.004%	Draka Holding B.V.
Draka Mexico Holdings S.A. de C.V.	Durango	Mexican Peso	57,036,501	99.999998%	Draka Holding B.V.
				0.000002%	Draka Comteq B.V.
NK Mexico Holdings S.A. de C.V.	Città del Messico	Mexican Peso	n/a	100.00%	Prysmian Group Finland OY
Prysmian Cables y Sistemas de Mexico S. de R. L. de C. V.	Durango	Mexican Peso	173,050,500	99.9983%	Draka Holding B.V.
				0.0017%	Draka Mexico Holdings S.A. de C.V.
General Cable de Mexico, S.A de C.V.	Tetla	Mexican Peso	1,329,621,471	80.41733609%	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	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	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	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	99.998%	General Cable de Mexico, S.A de C.V.
				0.002%	General Cable Technologies Corporation
<b>Panama</b>					
Alambres y Cables de Panama, S.A.	Panama	US Dollar	800,000	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	100.00%	Conducen, S.R.L.
<b>Perù</b>					
General Cable Peru S.A.C.	Santiago de Surco(Lima)	Nuevo sol peruviiano	90,327,868	99.99999%	GC Latin America Holdings, S.L.
				0.00001%	Third Parties
<b>Africa</b>					
<b>Angola</b>					
General Cable Condel, Cabos de Energia e Telecomunicações SA	Luanda	Kwanza angolano	20,000,000	99.80%	General Cable Celcat, Energia e Telecomunicações SA
				0.20%	Third Parties
<b>Ivory Coast</b>					
SICABLE - Société Ivoirienne de Cables S.A.	Abidjan	CFA Franc	740,000,000	51.00%	Prysmian Cables et Systèmes France S.A.S.
				49.00%	Third Parties
<b>South Africa</b>					
General Cable Phoenix South Africa Pty. Ltd.	Illovo	South African Rand	1,000	100.00%	GK Technologies, Incorporated
National Cables (Pty) Ltd.	Illovo	South African Rand	101	100.00%	Phelps Dodge National Cables Corporation
<b>Tunisia</b>					
Auto Cables Tunisie S.A.	Grombalia	Tunisian Dinar	4,050,000	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	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
<b>Oceania</b>					
<b>Australia</b>					
Prysmian Australia Pty Ltd.	Liverpool	Australian Dollar	56,485,736	100.00%	Prysmian Cavi e Sistemi S.r.l.
<b>New Zealand</b>					
Prysmian New Zealand Ltd.	Auckland	New Zealand Dollar	10,000	100.00%	Prysmian Australia Pty Ltd.
<b>Asia</b>					
<b>Saudi Arabia</b>					
Prysmian Powerlink Saudi LLC	Al Khoabar	Saudi Arabian Riyal	500,000	95.00%	Prysmian PowerLink S.r.l.
				5.00%	Third Parties

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<b>China</b>					
Prysmian Tianjin Cables Co. Ltd.	Tianjin	US Dollar	36,790,000	67.00%	Prysmian (China) Investment Company Ltd.
				33.00%	Third Parties
Prysmian Cable (Shanghai) Co. Ltd.	Shanghai	Chinese Renminbi (Yuan)	34,867,510	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Wuxi Cable Co. Ltd.	Yixing (Jiangsu Province)	Chinese Renminbi (Yuan)	240,863,720	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Hong Kong Holding Ltd.	Hong Kong	Euro	72,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian (China) Investment Company Ltd.	Beijing	Euro	74,152,961	100.00%	Prysmian Hong Kong Holding Ltd.
Nantong Haixun Draka Elevator Products Co. LTD	Nantong	US Dollar	2,400,000	75.00%	Draka Elevator Products, Inc.
				25.00%	Third Parties
Nantong Zhongyao Draka Elevator Products Co. LTD	Nantong	US Dollar	2,000,000	60.00%	Draka Elevator Products, Inc.
				40.00%	Third Parties
Suzhou Draka Cable Co. Ltd.	Suzhou	Chinese Renminbi (Yuan)	304,500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Prysmian Technology Jiangsu Co. Ltd.	Yixing	Chinese Renminbi (Yuan)	495,323,466	100.00%	Prysmian (China) Investment Company Ltd.
EHC Escalator Handrail (Shanghai) Co. Ltd.	Shanghai	US Dollar	2,100,000	100.00%	EHC Global Inc.
EHC Engineered Polymer (Shanghai) Co. Ltd.	Shanghai	US Dollar	1,600,000	100.00%	EHC Global Inc.
EHC Lift Components (Shanghai) Co. Ltd.	Shanghai	US Dollar	200,000	100.00%	EHC Global Inc.
EHC Technology Development (Shanghai) Co. Ltd.	Shanghai	Chinese Renminbi (Yuan)	-	100.00%	EHC Escalator Handrail (Shanghai) Co. Ltd.
<b>Philippines</b>					
Draka Philippines Inc.	Cebu	Philippine Peso	253,652,000	99.9999975%	Draka Holding B.V.
				0.0000025%	Third Parties
<b>India</b>					
Associated Cables Pvt. Ltd.	Mumbai	Indian Rupee	183,785,700	99.999946%	Oman Cables Industry (SAOG)
				0.000054%	Third Parties
Jaguar Communication Consultancy Services Private Ltd.	Mumbai	Indian Rupee	122,268,218	99.99999%	Prysmian Cavi e Sistemi S.r.l.
				0.000001%	Prysmian S.p.A.
<b>Indonesia</b>					
PT.Prysmian Cables Indonesia	Cikampek	US Dollar	67,300,000	99.48%	Draka Holding B.V.
				0.52%	Prysmian Cavi e Sistemi S.r.l.
<b>Malaysia</b>					
Sindutch Cable Manufacturer Sdn Bhd	Malacca	Malaysian Ringgit	500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Draka (Malaysia) Sdn Bhd	Malacca	Malaysian Ringgit	8,000,002	100.00%	Cable Supply and Consulting Company Pte Ltd.
<b>Oman</b>					
Oman Cables Industry (SAOG)	Al Rusayl	Omani Riyal	8,970,000	51.17%	Draka Holding B.V.
				48.83%	Third Parties
Oman Aluminium Processing Industries (SPC)	Sohar	Omani Riyal	4,366,000	100.00%	Oman Cables Industry (SAOG)
<b>Singapore</b>					
Prysmian Cables Asia-Pacific Pte Ltd.	Singapore	Singapore Dollar	174,324,290	100.00%	Draka Holding B.V.
Draka Cableteq Asia Pacific Holding Pte Ltd.	Singapore	Singapore Dollar	28,630,504	100.00%	Draka Holding B.V.
Singapore Cables Manufacturers Pte Ltd.	Singapore	Singapore Dollar	1,500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Cable Supply and Consulting Company Private Limited	Singapore	Singapore Dollar	50,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd.
Draka NK Cables (Asia) Pte Ltd.	Singapore	Singapore Dollar	200,000	100.00%	Prysmian Group Finland OY
<b>Thailand</b>					
MCI-Draka Cable Co. Ltd.	Bangkok	Thai Baht	435,900,000	70.250172%	Draka Cableteq Asia Pacific Holding Pte Ltd.
				0.000023%	Draka (Malaysia) Sdn Bhd
				0.000023%	Sindutch Cable Manufacturer Sdn Bhd
				0.000023%	Singapore Cables Manufacturers Pte Ltd.
				29.749759%	Third Parties

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

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
<b>Europe</b>					
<b>Germany</b>					
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
<b>U.K.</b>					
Rodco Ltd.	Woking	British Pound	5	40.00%	Prysmian Cables & Systems Ltd.
				60.00%	Third parties
<b>Russia</b>					
Eikat Ltd.	Moscow	Russian Rouble	10,000	40.00%	Prysmian Group Finland OY
				60.00%	Third parties
<b>Central/South America</b>					
<b>Chile</b>					
Colada Continua Chilena S.A.	Quilicura (Santiago)	Chile Peso	100	41.00%	Cobre Cerrillos S.A.
				59.00%	Third parties
<b>Asia</b>					
<b>China</b>					
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.
<b>Malaysia</b>					
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:

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

