Prysmian Group

HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2023

Linking the sustainable future

Disclaimer

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

Directors' Report

Consolidated Financial Statements and Explanatory Notes

Directors' Report

DIRECTORS AND AUDITORS

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

Board of Statutory Auditors (5)	
Chairman	Stefano Sarubbi
Standing Statutory Auditors	Laura Gualtieri
	Roberto Capone
Alternate Statutory Auditors	Stefano Rossetti
	Vieri Chimenti
Independent Auditors (6)	EY S.p.A.

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

(**) Independent Director as per Italian Legislative Decree 58/1998 and Italy's Corporate Governance Code for Listed Companies (January 2020 edition) approved by the Italian Corporate Governance Committee, comprising business associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. (the Italian Stock Exchange) and Assogestioni (Italian investment managers association)

(1) Members of the Control and Risks Committee

(2) Members of the Remuneration and Nominations Committee

(3) Members of the Sustainability Committee

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

(5) Appointed by the Shareholders' Meeting on 12 April 2022

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

Preface

The present Half-Year Financial Report at 30 June 2023 has been drawn up and prepared:

- in compliance with art. 154-ter of Italian Legislative Decree 58/1998 and subsequent amendments and with the Issuer Regulations published by Consob (Italy's securities regulator);
- 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 principles and policies adopted to prepare the consolidated financial statements at 31 December 2022.

The Half-Year Financial Report has undergone a limited assurance audit by the independent auditors.

SIGNIFICANT EVENTS DURING THE PERIOD

Finance activities

CDP lends Euro 120 million for innovation and digitalisation

On 6 March 2023, Prysmian Group announced that it had obtained a new loan of Euro 120 million from Cassa Depositi e Prestiti (CDP) to support R&D focused on deploying innovative technologies and to help consolidate the business's digitalisation processes, while cutting emissions to facilitate the energy transition.

Prysmian's R&D programs are also in step with the Paris Agreements, the European Green Deal and Horizon Europe directives for the promotion of clean, renewable energy by developing cable systems that ensure the interconnection of integrated renewable energy systems.

S&P Global Ratings awards Prysmian SpA an investment grade rating

On 6 June 2023, the Group announced that it has been assigned an investment grade rating by S&P Global Ratings. Prysmian SpA received a BBB- long-term issuer credit rating with a stable outlook.

Revolving Credit Facility 2023

On 20 June 2023, Prysmian Group renewed a Euro 1,000 million long-term sustainability-linked revolving credit facility with a syndicate of leading Italian and international banks.

This important five-year credit facility, with a 6- and 7-year extension option, will help further improve the Group's financial structure by lengthening the average maturity of its debt, while retaining the flexibility offered by such an instrument. The credit facility carries optimum terms, also in light of the investment-grade credit rating recently awarded to Prysmian by Standard & Poor's.

In addition, with the aim of strengthening 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 credit. The renewed revolving credit facility is in fact Sustainability-Linked, being tied to the decarbonisation targets already set by the Group (annual GHG emissions from 2023 to 2030), to the ratio of female white-collar and executive hires to total Group hires, and to the number of sustainability audits performed in the supply chain.

New contracts and other information about contracts

Prysmian Group successfully completes laying of the Ibiza-Formentera submarine cable interconnection

On 31 January 2023, the Group announced that it had successfully completed laying and burial of the cables for the submarine power interconnection between Ibiza and Formentera.

Prysmian Group partners with National Grid to upgrade UK electricity grid

On 6 February 2023, the Group announced that National Grid Electricity Distribution had awarded the Group's UK subsidiary a minimum three-year framework agreement for the supply of medium voltage cables.

Prysmian Group launches Prysolar, its most innovative cable solution for solar power generation

On 20 February 2023, the Group announced that it would showcase its full range of technologies at Genera 2023, the International Energy and Environment Fair held in Madrid from 21-23 February 2023. With the release of Prysmian Prysolar, the Group now has the most comprehensive and geographically extensive product capability to serve every customer in every continent.

TenneT awards Prysmian offshore windfarm connection projects in the Netherlands worth Euro 1.8 billion

On 3 March 2023, the Group was awarded two contracts worth a total of approximately Euro 1.8 billion by Dutch transmission system operator TenneT for two power grid connection projects (Ijmuiden Ver Alpha and Nederwiek 1), which will connect two future offshore wind farms located in the Dutch North Sea to the province of Zeeland, in the south west of the Netherlands.

The first connection is scheduled to be delivered in 2029 and the second in 2030. Each cable system consists of two single-core 525 kV HVDC cables (with XLPE insulation for the submarine section and P-Laser insulation for the onshore section), a single-core metal return cable and a single-core optical cable. The submarine cables will be manufactured at Prysmian Group's centres of excellence in Pikkala (Finland) and Arco Felice (Italy), while the onshore cables will be produced in Gron (France).

Inelfe awards Prysmian Group a contract worth more than Euro 800 million for a new power interconnection between France and Spain

On 5 May 2023, the Group was awarded a contract worth more than Euro 800 million for a new power transmission interconnection between France and Spain. The connection will be built for INELFE, a 50:50 joint venture between Spanish grid operator Red Eléctrica and French grid operator Réseau de Transport d'Électricité (RTE). The project is one of the European Commission's Projects of Common Interest as it boosts the reliability of power supply, enables further integration of renewable energy into electricity grids and contributes to creating a more efficient system. The EPCI contract for Cable Link 2 of the Biscay Gulf Project involves a total of about 400 km of submarine and land cables with an overall capacity of 1 GW. The submarine section will link the Basque coast (Spain) to the Médoc coast (France).

HVDC cable connections in UK: Eastern Green Link 2 (EGL2) and Eastern Green Link 1 (EGL1)

On 23 May 2023, the Group received notification from SSEN Transmission and National Grid Electricity Transmission plc that it had been selected as the sole preferred bidder for the Eastern Green Link 2 (EGL2) cable connection.

Eastern Green Link 2 is an HVDC submarine and land cable link of approximately 500 km, planned to run from Peterhead in Scotland to Drax in the north of England. With 2 GW power transmission capacity, this link will be one of the first cable systems in the UK to use 525 kV technology with extruded XLPE insulation.

On 29 June 2023, the Group announced that it had reached another important milestone with Eastern Green Link 2 Limited, under which an agreement was made to pay Euro 180 million to ensure the continued availability of Prysmian Group's capacity for the construction of EGL2 during the remaining period of negotiations aimed at finalising the contract on a timely basis.

On 25 May 2023, the Group received notification from SSEN Transmission and National Grid Electricity Transmission plc that it had been selected as the sole preferred bidder for the Eastern Green Link 1 (EGL1) cable connection.

Eastern Green Link 1 is an HVDC submarine and land cable link of approximately 200 km (requiring about 400 km of cable), planned to run from Torness in Scotland to Hawthorn Pit in the north of England. With 2GW power transmission capacity, this link will be the first cable system in the UK to use 525 kV technology with extruded XLPE insulation. In addition, a 5 km long 400 kV HVAC cable system (requiring approximately 30 km of cable) will connect the converter station and grid substation at the end of the Scottish section.

On 5 July 2023, the Group announced that it had reached another important milestone with SP Transmission plc and National Grid Electricity Transmission plc, two of the British electricity grid's owners, under which an agreement was made to make an initial payment of Euro 85 million and to ensure the continued availability of Prysmian Group's capacity for the construction of EGL1 during the remaining period of negotiations aimed at finalising the contract on a timely basis within the year.

EGL2 and EGL1 are part of a series of system upgrades needed to increase the capacity of the UK's existing transmission grid and support the growth of renewable energy flows generated in the north of the country to centres that require it in the south. These connections will therefore support the goal of having 50 GW of offshore wind power by 2030 and achieving a Net Zero economy by 2050.

Other significant events

Prysmian Group launches the Global Sustainability Academy

On 10 January 2023, the Group announced the launch of the Global Sustainability Academy. The initiative aims to spread the culture of sustainability within the entire corporate population worldwide and further strengthen the Group's commitment to the implementation of its Climate & Social Ambitions, with reference to parameters related to employee engagement and up-skilling.

Prysmian Group unveils the cable industry's first eco-certified optical cables

On 17 March 2023, the Group announced the launch of the first green-certified optical cables under its ECO CABLE label, the first patented label of its kind in the cable industry. The Group presented its ECO CABLE labelled product range at the FTTH Conference 2023 in Madrid. All of the Group's telecom cables have been assessed, with around 30% of them now rated as ECO CABLE compliant. Distribution of ECO CABLE certified Telecom products began in Europe in May, with the rest to follow later this year. The Group aims with this initiative to strengthen its sustainability strategy and active role as a promoter of sustainable development, as well as to accelerate its race towards net-zero CO_2 emissions.

Approval of financial statements at 31 December 2022 and dividend distribution

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved the financial statements for 2022 and the distribution of a gross dividend of Euro 0.60 per share, for a total of some Euro 158 million. The dividend was paid out from 26 April 2023, with record date 25 April 2023 and ex-div date 24 April 2023.

Authorisation to buy and dispose of treasury shares

On 19 April 2023, 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 12 April 2022.
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 long-term incentive plan (2023-2025)

On 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved a long-term incentive plan (2023-2025) that will involve approximately 1,100 recipients among management and other key Prysmian Group resources, including Prysmian S.p.A.'s Executive Directors and Key Management Personnel. The Plan involves the grant of new-issue ordinary shares obtained from a bonus issue funded by profits or retained earnings in accordance with art. 2349 of the Italian Civil Code, or a combination of new-issue shares and treasury shares. By means of this plan, Prysmian intends to strengthen the Company's and management's commitment to creating sustainable value over time for all stakeholders, including by involving a wide range of key people in over 40 countries who play an important role in the Group's sustainable success. The plan spans a three-year period and provides for the award of shares upon achievement of economic and financial performance conditions, Total Shareholders Return and ESG targets. The plan also allows 50% of the annual bonus, where due, for the years 2023, 2024, 2025 to be deferred in the form of shares. The annual bonus is also linked to the achievement of ESG targets, as well as to economic-financial targets. The deferral of the annual bonus also entails an additional award of "matching" shares which, in the case of the Group's some 50 top managers, is also dependent on the achievement of ESG targets by 2025. The plan has the following objectives:

- to motivate participants to achieve long-term results geared towards sustainable value creation over time;
- to align the interests of management with those of shareholders through the use of share-based incentive instruments;
- to foster stable management ownership of the Company's share capital;
- to ensure the long-term sustainability of the Group's annual performance, strengthening staff engagement and retention, including through the mechanism of deferring part of the annual bonus in shares.

The shareholders of Prysmian S.p.A. also authorised a bonus share capital increase to be reserved for Prysmian Group employees in execution of the plan. This capital increase may reach a maximum nominal amount of Euro 950,000 through apportionment, pursuant to art. 2349 of the Italian Civil Code, of a corresponding amount from profits or retained earnings, with the issue of no more than 9,500,000 ordinary shares of nominal value Euro 0.10 each.

Prysmian launches ECOSLIM™, the small-diameter optical fibre system using up to 90% recycled plastic

On 25 May 2023, the Group announced the global launch of its Ecoslim™ sustainable telecommunications system, which uses Sirocco HD and Sirocco Extreme optical cables, available with up to 864 optical fibres. Sirocco HD cables are made with 50% less plastic and are up to 25% smaller in diameter, in line with the Group's commitment to increase the recycled content of its cables.

Massimo Battaini candidate for next Group CEO with effect from the 2024 AGM

On 26 May 2023, the Board of Directors of Prysmian S.p.A. designated Massimo Battaini - a current Director and Group Chief Operating Officer ("COO") - as the next candidate for the position of Chief Executive Officer ("CEO") of Prysmian Group, in line with the Group Succession Plan, having been informed by current CEO Valerio Battista of his decision not to carry on as CEO for the next three-year mandate (2024-2027). Massimo Battaini will be presented as CEO designate on the slate submitted by the outgoing Board of Directors for its upcoming renewal at the 2024 AGM, when Valerio Battista will step down.

Prysmian Group to create a power transmission cable technology hub in Finland to support grid upgrades for global energy transition

On 1 June 2023, the Group announced the commencement of a new investment of approximately Euro 120 million in its strategic plant in Pikkala, Finland. The investment, which comes on top of the Euro 100 million already earmarked in 2022, aims to increase production capacity for 525 kV HVDC submarine cables, thus supporting growing market demand driven by the need to develop and upgrade power transmission grids for the energy transition.

The new vertical continuous vulcanisation (VCV) lines will more than double Pikkala's current production capacity of 525 kV extruded submarine cables and 400 kV AC cables by 2026.

Prysmian's leadership team invests in the Company's shares, to hold more than 2% of share capital

On 6 June 2023, the Group announced that, as of 5 June 2023, Prysmian S.p.A.'s CEO Valerio Battista, as well as other top managers and beneficiaries of the three-year incentive plan "LTI Grow 2020-2022" approved by the AGM on 28 April 2020, had started to sell part of the Prysmian ordinary shares granted to them under the Grow Plan. These sales took place in accordance with the sell-to-cover mechanism - and, therefore, through transactions on the market - for the sole purpose of meeting the tax liabilities arising from their award, as provided for under the Grow Plan. In particular as regards the Chief Executive Officer, the sale concerned part of the 325,743 shares awarded to him. Prysmian Group's leadership team, consisting of Chief Executive Officer Valerio Battista, Chief Operating Officer Massimo Battaini, Chief Financial Officer Pier Francesco Facchini and other senior managers, informed the Company that they had agreed to the Chief Executive Officer's proposal to invest in the Company's shares a minimum of 30% of their net incentive, calculated on the portion paid in cash, based on the achievement of the MBO plan's performance targets for the year 2022. At the end of the sell-to-cover period envisaged in the Grow Plan, the leadership team will own more than 2% of Prysmian's share capital.

Change in share capital

On 6 June 2023, the Group announced the new composition of Prysmian S.p.A.'s share capital as a result of implementing the resolutions for a bonus issue adopted by the Company's Extraordinary General Meeting on 12 April 2022 to service the share-based plans approved by the shareholders' meetings of 28 April 2020 and 12 April 2022, reserved for employees and executive directors of the Company and of Prysmian Group companies.

More specifically, the following shares were issued:

- on 29 May 2023, 292,511 ordinary shares,
- on 5 June 2023, 8,000,000 ordinary shares.

Science Based Target initiative approves the Group's new Near-Term and Net-Zero GHG emission reduction targets

On the occasion of its Sustainability Week 2023, the Group announced that its ambitious new emission reduction targets had been approved by the Science Based Target initiative (SBTi). New elements include a revision of the near-term targets and approval of the net-zero one:

- -47% Scope 1 and 2 emissions (upgrade from the previous 2021 target of -46%) and -28% Scope 3 emissions (upgrade from the previous 2021 target of -21%), by 2030;
- -90% (Scope 1 and 2) by 2035 and -90% (Scope 3) by 2050 throughout the value chain.

The Sustainability Week 2023 event was an opportunity to emphasise how the Group looks at sustainability as its business driver, by pursuing a strategic vision based on the highest standards of environmental responsibility in its production processes, and strengthening its commitment to safeguarding the environment and managing relations with the local communities in which it operates, as well as the inclusion and development of its people.

CONSOLIDATED FINANCIAL HIGHLIGHTS*

(Euro/million)

	1st half 2023	1st half 2022	% Change	2022
Sales	8,003	7,949	0.7%	16,067
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	863	683	26.4%	1,442
Adjusted EBITDA (1)	878	699	25.6%	1,488
EBITDA (2)	828	665	24.5%	1,387
Adjusted operating income (3)	702	521	34.7%	1,119
Operating income	636	423	50.4%	849
Profit/(loss) before taxes	582	368	58.2%	739
Net profit/(loss)	413	261	58.2%	509

(Euro/million)

	30.06.2023	30.06.2022	Change	31.12.2022
Net invested capital	6,283	6,247	36	5,517
Employee benefit obligations	321	361	(40)	329
Equity	3,897	3,556	341	3,771
of which attributable to non-controlling interests	181	183	(2)	186
Net financial debt	2,065	2,330	(265)	1,417

(Euro/million)

	30.06.2023	30.06.2022	% Change	31.12.2022
Net capital expenditure (4)	164	118	39.0%	452
Employees (at period-end)	30,880	30,862	0.1%	30,185
Earnings/(loss) per share				
- basic	1.49	0.98		1.91
- diluted	1.49	0.98		1.90

In terms of ESG performance, Prysmian continues to create value for sharing with stakeholders. The following table summarises the indicators that are also included in the short- and long-term incentive systems and that can be reported on an interim basis:

	1st half 2023	1st half 2022	% Change	2022
tCO_2 emissions - Scope 1 and Scope 2 Market Based (5)	309,048	342,541	-9.8%	665,104
Recycled content in PE sheaths and copper (6)	12.6%	n.a.	-	10.0%
Percentage of female executives (job grade ≥ 20) (7)	18.2%	14.6%	-	15.7%
Percentage of white-collar women hired with permanent contracts (8)	41.6%	45.1%	-	44.9%

Prysmian Group has received the approval of its new and ambitious near-term and net-zero CO_2 emission reduction targets from the Science Based Target initiative (SBTi). The new targets have been defined also following the updating of the 2019 baseline, which was re-calculated and went from 870 to 920 kt of CO_2. The calculation of the new baseline includes the Group's 108 plants, its whole fleet and the district heating system.

(1) Adjusted EBITDA is defined as EBITDA before income and expense for business reorganisation, non-recurring items and other non-operating income and expense.
(2) EBITDA is defined as earnings/(loss) for the period, before the fair value change in metal derivatives and in other fair value items, amortisation, depreciation and impairment, finance costs and income, dividends from other companies and taxes.
(3) Adjusted operating income is defined as operating income before income and expense for business reorganisation, non-recurring items and other non-operating income and expense, and before the fair value change in metal derivatives and in other fair value items.
(4) Net capital expenditure reflects cash flows from disposals of Assets held for sale and from disposals and additions of Property, plant and equipment and Intangible assets not acquired under specific financing arrangements, meaning that additions of leased assets are excluded.
(5) Scope 1 emissions are defined as the organisation's direct emissions, being those generated by resources under its direct control. Reported Scope 1 emissions derive from combustion processes (using natural gas, LPG, petrol, diesel, fuel oil, marine diesel), leaks of refrigerant gases (HFC, PFC) and SF6 gas leakage. Scope 2 emissions are those indirect emissions of the organisation that derive from its direct consumption excluding generation activities. These include purchased electricity, district heating and steam. With regard to Scope 2 emissions, Market-based is a method of quantification based on the CO_2 emissions of the energy suppliers from which the organisation purchases an electricity bundle under a contract.
Emissions in the first half of the year are reported by adding an estimate for the months/plants not available to the amount of emissions recorded in the period. Estimated electricity consumption was calculated by applying the intensity factor (electricity consumption based on production volumes) for the first few months of 2023 to the production volumes for those months of 2023 for which energy consumption figures were not yet available.
(6) Recycled content in PE sheaths and copper: percentage weight of recycled content in certain purchased materials. The indicator covers 1) copper purchased at Group level, excluding occasional suppliers and semi-finished products 2) polyethylene used for sheaths, excluding those applications for which customers do not allow the use of recycled materials. The comparative figure for the first six months of 2022 is not available as interim data collection for this new KPI started in 2023.
(7) Percentage of female executives (job grade >= 20): proportion of women in executive positions (job grade 20 and above) out of the total number of managerial employees. The KPI shows the Group's ability to develop people internally to take on leadership roles and to recruit them from the market, as well as its ability to retain those talents.
(8) Percentage of white-collar women hired with permanent contracts: share of white-collar women hired with permanent contract compared to the total employees hired with permanent contact. The index includes all white-collar workers hired from external (including global recruiting programs and projects) and all change of contracts from agency/temporary to permanent.

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

GROUP PERFORMANCE AND RESULTS

(Euro/million)

	1st half 2023	1st half 2022	% Change	2022
Sales	8,003	7,949	0.7%	16,067
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**863**	**683**	**26.4%**	**1,442**
% of sales	10.8%	8.6%		9.0%
Adjusted EBITDA	**878**	**699**	**25.6%**	**1,488**
% of sales	11.0%	8.8%		9.3%
EBITDA	**828**	**665**	**24.5%**	**1,387**
% of sales	10.3%	8.4%		8.6%
Fair value change in metal derivatives	3	(27)		(31)
Fair value stock options	(17)	(36)		(104)
Amortisation, depreciation, impairment and impairment reversal	(178)	(179)		(403)
Operating income	**636**	**423**	**50.4%**	**849**
% of sales	7.9%	5.3%		5.3%
Net finance income/(costs)	(54)	(55)		(110)
Profit/(loss) before taxes	**582**	**368**	**58.2%**	**739**
% of sales	7.3%	4.6%		4.6%
Taxes	(169)	(107)		(230)
Net profit/(loss)	**413**	**261**	**58.2%**	**509**
% of sales	5.2%	3.3%		3.2%
Attributable to:				
Owners of the parent	405	259		504
Non-controlling interests	8	2		5
Reconciliation of Operating Income/EBITDA to Adjusted Operating Income/Adjusted EBITDA				
Operating income (A)	**636**	**423**	**50.4%**	**849**
EBITDA (B)	**828**	**665**	**24.5%**	**1,387**
Adjustments:				
Business reorganisation	9	5		11
Non-recurring expenses/(income)	3	12		47
Other non-operating expenses/(income)	38	17		43
Total adjustments (C)	**50**	**34**		**101**
Fair value change in metal derivatives (D)	(3)	27		31
Fair value stock options (E)	17	36		104
Asset impairment and impairment reversal (F)	2	1		34
Adjusted operating income (A+C+D+E+F)	**702**	**521**	**34.7%**	**1,119**
Adjusted EBITDA (B+C)	**878**	**699**	**25.6%**	**1,488**

The first six months of 2023 reported strong results thanks to a well-balanced business portfolio. Sales reached Euro 8,003 million, with organic growth of +4.8%. The Group's Adjusted EBITDA came to Euro 878 million, representing a margin on sales of 11.0%. These dynamics enabled the Group to generate a net operating cash inflow of Euro 567 million in the last 12 months[1].

The increase in sales can be broken down into the following main factors:

- positive organic sales growth, accounting for an increase of Euro 378 million (+4.8%);
- unfavourable exchange rate and other effects, resulting in a decrease of Euro 21 million (-0.3%);

[1] excluding Euro 132 million in proceeds from selling part of the shares awarded to employees under the LTI plan 2020-2022 in order to meet their tax obligations. Net cash flow from operating activities also excludes Euro 3 million in outlays for business combinations and Euro 45 million in outlays related to antitrust matters.

- fluctuation in the price of metals (copper, aluminium and lead), generating a sales price reduction of Euro 303 million (-3.8%).

The Group's Adjusted EBITDA (before net expenses for business reorganisation, net non-recurring expenses and other net non-operating expenses) came to Euro 878 million in the first six months of 2023, up Euro 179 million (+25.6%) on the corresponding 2022 figure of Euro 699 million. The Adjusted EBITDA margin on sales was 11.0% (8.8% in the first six months of 2022).

EBITDA is stated after net expenses for business reorganisation, net non-recurring expenses and other net non-operating expenses totalling Euro 50 million (Euro 34 million in the first six months of 2022).

Amortisation, depreciation and impairment amounted to Euro 178 million in the first six months of 2023 (Euro 179 million in the first six months of 2022).

The fair value change in metal derivatives was a positive Euro 3 million in the first six months of 2023 compared with a negative Euro 27 million in the same period of 2022.

A total of Euro 17 million in costs were recognised in the first six months of 2023 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 636 million, compared with Euro 423 million in the first six months of 2022, thus reporting an increase of Euro 213 million.

Net finance costs amounted to Euro 54 million in the first six months of 2023, slightly down from Euro 55 million in the prior year equivalent period.

Taxes of Euro 169 million represented an effective tax rate of 29%, in line with the first six months of 2022.

Net profit for the first six months of 2023 was Euro 413 million (of which Euro 405 million attributable to the Group) compared with Euro 261 million in the same period of 2022 (of which Euro 259 million attributable to the Group).

Net financial debt stood at Euro 2,065 million at 30 June 2023, down Euro 265 million from 30 June 2022, confirming the significant reduction in net debt.

REVIEW OF PROJECTS OPERATING SEGMENT

(Euro/million)

	1st half 2023	1st half 2022	% Change	2022
Sales	1,177	922	27.7%	2,161
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**129**	**87**	**49.2%**	**243**
% of sales	11.0%	9.4%		11.2%
Adjusted EBITDA	**129**	**87**	**49.2%**	**243**
% of sales	11.0%	9.4%		11.2%
Adjustments	(8)	(18)		(41)
EBITDA	**121**	**69**	**75.7%**	**202**
% of sales	10.3%	7.5%		9.3%
Amortisation and depreciation	(42)	(41)		(86)
Adjusted operating income	**87**	**46**	**91.7%**	**157**
% of sales	7.4%	5.0%		7.3%

Sales to third parties by the Projects segment reached Euro 1,177 million in the first six months of 2023, versus Euro 922 million in the first six months of 2022, recording a positive change of Euro 255 million (+27.7%).

The factors behind this change were:

- organic sales growth, accounting for an increase of Euro 217 million (+23.5%);
- exchange rate and other effects, resulting in an increase of Euro 8 million (+0.9%);
- metal price fluctuations, producing an increase of Euro 30 million (+3.3%).

The Projects segment's organic growth is attributable to ongoing Submarine Power contracts, which recorded a higher level of activity than in the same period last year, as well as to inflationary factors.

The main Submarine Power projects on which work was performed during the period were:

- the NeuConnect interconnector, the Thyrrenian Link, ADNOC, and the Viking Link between Great Britain and Denmark;
- offshore wind projects in the United States;
- inter-array projects in France and Germany.

Sales in the period were the result of cable manufacturing activities by the Group's industrial facilities (Pikkala in Finland, Arco Felice in Italy and Nordenham in Germany) and installation activities as part of project execution, performed with the assistance of both its own assets and third-party equipment.

The Submarine Telecom business saw no significant change in business volumes, while the Offshore Specialties business reported strong growth.

Adjusted EBITDA for the first six months of 2023 came to Euro 129 million, up from Euro 87 million in the first half of 2022.

The Projects segment recorded a double-digit margin of 11.0% in the first half of the year, exceeding the figure of 9.4% reported in the same period last year.

The Projects segment is key for energy transition processes, since, as a solution provider, it offers its customers a whole range of solutions for the implementation of renewable energy production and distribution projects. In this regard, the Project segment aims to intercept the demand for technical solutions to support renewable energy production, expected to grow until 2050.

As evidence of this megatrend, the value of the Group's Submarine Power order backlog increased by Euro 2.5 billion during the period to a record level of Euro 6.4 billion, mainly consisting of:

- offshore contracts in North America, the DolWin4 and BorWin4 contracts for two systems that connect the electricity grid to offshore wind farms in the German North Sea, and the recently awarded Ijmuiden Ver contract;
- the Biscay Bay connection, the Crete-Attica link, contracts in the Middle East, lots of the new Thyrrenian Link and Saudi-Egypt contracts, and the NeuConnect contract for a submarine and land interconnector between the German and UK electricity grids.

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 9 billion.

REVIEW OF ENERGY OPERATING SEGMENT

(Euro/million)

	1st half 2023	1st half 2022	% Change	2022
Sales	5,969	6,116	-2.4%	12,033
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**620**	**471**	**31.6%**	**968**
% of sales	10.4%	7.7%		8.0%
Adjusted EBITDA	**622**	**474**	**31.1%**	**974**
% of sales	10.4%	7.8%		8.1%
Adjustments	(37)	(15)		(52)
EBITDA	**585**	**459**	**27.4%**	**922**
% of sales	9.8%	7.5%		7.7%
Amortisation and depreciation	(99)	(97)		(203)
Adjusted operating income	**523**	**377**	**38.5%**	**771**
% of sales	8.8%	6.2%		6.4%

Sales to third parties by the Energy segment came to Euro 5,969 million, versus Euro 6,116 million in the first half of 2023, posting a negative change of Euro 147 million (-2.4%), the main components of which were as follows:

- positive organic sales growth of Euro 208 million (+3.4%);
- decrease of Euro 25 million (-0.4%) for adverse exchange rate fluctuations;
- sales price decrease of Euro 330 million (-5.4%) for metal price fluctuations.

Adjusted EBITDA came to Euro 622 million, up from Euro 474 million in the first six months of 2022, reflecting an increase of Euro 148 million (+31.1%), including a negative exchange rate impact of Euro 1 million; this sharp increase on the corresponding six months in 2022 is primarily thanks to maintenance of a level of sales prices that benefited from an easing in the cost of the main raw materials, energy and transport, even as volumes have shrunk. The Energy segment continued to perform strongly in the second quarter, thanks to the positive trend in electrification, which sees the development of electricity as the main source of power.

The Energy segment reported a margin of 10.4 %, compared with 7.8% in the corresponding prior year reporting period.

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

ENERGY & INFRASTRUCTURE

(Euro/million)

	1st half 2023	1st half 2022	% Change	2022
Sales	4,080	4,194	-2.7%	8,196
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**445**	**342**	**30.0%**	**731**
% of sales	10.9%	8.2%		8.9%
Adjusted EBITDA	**446**	**344**	**29.4%**	**736**
% of sales	10.9%	8.2%		9.0%
Adjusted operating income	**379**	**281**	**34.9%**	**603**
% of sales	9.3%	6.7%		7.4%

Sales to third parties by the Energy & Infrastructure business amounted to Euro 4,080 million in the first half of 2023, compared with Euro 4,194 million in the corresponding period of 2022, posting a negative change of Euro 114 million (-2.7%), the main components of which were as follows:

- positive organic sales growth of Euro 118 million (+2.8%);
- negative change of Euro 22 million (-0.5%) for exchange rate fluctuations;
- sales price decrease of Euro 210 million (-5.0%) for metal price fluctuations.

Energy & Infrastructure recorded positive organic sales growth of +2.8% in the first half of 2023. This included an excellent performance by Power Distribution and Overhead Lines, which benefited from investments by TSOs in grid hardening and expansion. Trade & Installers reported signs of normalisation in the North American market.

Given the factors described above, Adjusted EBITDA for the first half of 2023 came to Euro 446 million, versus Euro 344 million in the same period of 2022, reflecting an increase of Euro 102 million (+29.4%). The Energy & Infrastructure business reported a margin of 10.9%, compared with 8.2% in the same period last year.

INDUSTRIAL & NETWORK COMPONENTS

(Euro/million)

	1st half 2023	1st half 2022	% Change	2022
Sales	1,729	1,714	0.9%	3,442
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**181**	**129**	**40.9%**	**251**
% of sales	10.5%	7.5%		7.3%
Adjusted EBITDA	**182**	**130**	**40.5%**	**252**
% of sales	10.5%	7.6%		7.3%
Adjusted operating income	**152**	**98**	**54.8%**	**186**
% of sales	8.8%	5.7%		5.4%

Sales to third parties by the Industrial & Network Components business area amounted to Euro 1,729 million in the first half of 2023, compared with Euro 1,714 million in the same period of 2022, recording a positive change of Euro 15 million (+0.9%), the main components of which were as follows:

- positive organic sales growth of Euro 90 million (+5.3%);
- negative change of Euro 3 million (-0.2%) for exchange rate fluctuations;
- sales price decrease of Euro 72 million (-4.2%) for metal price fluctuations.

Industrial & Network Components turned in a positive performance in the first half of 2023, thanks to overall improvement by all its businesses, especially OEM and Renewables, which are in fact the most profitable.

Renewables enjoyed very robust growth in Europe and APAC, while the OEM business performed well in the mining, cranes and water sectors.

The first-half results of the Elevator business in 2023 were in line with the previous year, although slightly down in North America.

The Automotive business saw a slight recovery in organic growth.

The Network Components business performed better than in the first half of 2022 despite strong price pressure, also thanks to year-on-year growth in projects to the benefit of HV and EHV products.

Given the factors described above, Adjusted EBITDA in the first six months of 2023 came to Euro 182 million, up from Euro 130 million in the same period of 2022, reflecting an increase of Euro 52 million (+40.5%) and negative exchange rate effects of Euro 1 million.

The Industrial & Network Components business reported a margin of 10.5%, having improved from 7.6% in the same period last year.

OTHER

(Euro/million)

	1st half 2023	1st half 2022	2022
Sales	160	208	395
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**(6)**	**-**	**(14)**
Adjusted EBITDA	**(6)**	**-**	**(14)**
Adjusted operating income	**(8)**	**(2)**	**(18)**

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

REVIEW OF TELECOM OPERATING SEGMENT

(Euro/million)

	1st half 2023	1st half 2022	% Change	2022
Sales	857	911	-6.0%	1,873
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**114**	**125**	**-9.4%**	**231**
% of sales	13.2%	13.7%		12.3%
Adjusted EBITDA	**127**	**138**	**-7.8%**	**271**
% of sales	14.8%	15.1%		14.5%
Adjustments	(5)	(1)		(8)
EBITDA	**122**	**137**	**-10.9%**	**263**
% of sales	14.3%	15.0%		14.0%
Amortisation and depreciation	(35)	(40)		(80)
Adjusted operating income	**92**	**98**	**-6.6%**	**191**
% of sales	10.7%	10.8%		10.2%

Sales by the Telecom operating segment came to Euro 857 million in the first six months of 2023, versus Euro 911 million in the first half of 2022.
The negative change of Euro 54 million (-6.0%) is explained by:

- negative organic sales growth of Euro 47 million (-5.2%);
- sales price decrease of Euro 3 million (-0.4%) for metal price fluctuations;
- negative change of Euro 4 million (-0.4%) for exchange rate fluctuations.

Negative organic sales growth in the first six months of 2023 was due to temporary downturn in the multimedia solutions business and the continued decline in the copper cables business. In contrast, the optical cable business showed slight growth thanks to the European market, offsetting a momentary slowdown in the North American market.

The market for the multimedia solutions business is slowing down due to overstocking in our customers' warehouses, both in Europe and America. In addition, in America there has been a concomitant contraction in the construction of office buildings, the demand for which has declined following the mass introduction of remote working.

Globally, copper cables continued their steady decline as traditional networks were retired in favour of new-generation ones.

The high value-added business of optical connectivity accessories, linked to the development of new FTTx (last mile broadband) networks, also recorded a temporary slowdown, mainly in Great Britain.

Adjusted EBITDA for the first six months of 2023 came to Euro 127 million, reporting a decrease of Euro 11 million (-7.8%) from Euro 138 million in the same period of 2022.
Despite softer volumes, the Telecom segment posted a margin of 14.8%, in line with the first six months of 2022, when it was 15.1%.

RESULTS BY GEOGRAPHICAL AREA

(Euro/million)

	Sales		Adjusted EBITDA	
	1st half 2023	1st half 2022	1st half 2023	1st half 2022
EMEA*	3,276	3,318	240	183
North America	2,407	2,527	406	335
Latin America	636	636	63	62
Asia Pacific	507	546	40	32
Total (excluding Projects)	**6,826**	**7,027**	**749**	**612**
Projects	1,177	922	129	87
Total	**8,003**	**7,949**	**878**	**699**

(*) EMEA = Europe, Middle East and Africa

As stated in the Explanatory Notes to this Half-Year 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 also more consistent with the Group's geographical diversification, 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.

EMEA

The EMEA region's sales amounted to Euro 3,276 million in the first six months of 2023, reflecting year-on-year organic growth of +5.5%. Adjusted EBITDA came to Euro 240 million (Euro 183 million in the first half of 2022), reporting a margin on sales of 7.3% (5.5% in the prior year equivalent period). The results are attributable to a solid improvement in all the businesses, particularly OEM, Renewables and Power Distribution.

North America

The North America region's sales amounted to Euro 2,407 million in the first six months of 2023, reflecting year-on-year negative organic growth of -0.6%. Adjusted EBITDA came to Euro 406 million (Euro 335 million in the first half of 2022), reporting a margin on sales of 16.9% (13.2% in the prior year equivalent period). The results in North America are explained by an improvement in Power Distribution and Overhead Lines as a result of grid expansion and hardening, as partially offset by the Telecom business and the ongoing normalisation in the Trade & Installers business.

LATAM

The LATAM region's sales amounted to Euro 636 million in the first six months of 2023, reflecting year-on-year negative organic growth of -0.1%. Adjusted EBITDA came to Euro 63 million (Euro 62 million in the first half of 2022), reporting a margin on sales of 9.9% (9.8% in the prior year equivalent period). The results reflect growth in Renewables and Trade & Installers, as offset by Telecom.

APAC

The APAC region's sales amounted to Euro 507 million in the first six months of 2023, reflecting year-on-year negative organic growth of -0.8%. Adjusted EBITDA came to Euro 40 million (Euro 32 million in the first half of 2022), reporting a margin on sales of 7.8% (5.9% in the prior year equivalent period). The results were driven by Industrial & Network Components.

GROUP STATEMENT OF FINANCIAL POSITION

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(Euro/million)

	30.06.2023	30.06.2022*	Change	31.12.2022
Net fixed assets	5,609	5,524	85	5,583
Net working capital	1,362	1,374	(12)	614
Provisions and net deferred taxes	(688)	(651)	(37)	(680)
Net invested capital	**6,283**	**6,247**	**36**	**5,517**
Employee benefit obligations	321	361	(40)	329
Total equity	3,897	3,556	341	3,771
of which attributable to non-controlling interests	181	183	(2)	186
Net financial debt	2,065	2,330	(265)	1,417
Total equity and sources of funds	**6,283**	**6,247**	**36**	**5,517**

(*) As stated in the Integrated Annual Report 2022, 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.

NET FIXED ASSETS

(Euro/million)

	30.06.2023	30.06.2022*	Change	31.12.2022
Property, plant and equipment	3,112	2,899	213	3,020
Intangible assets	2,112	2,228	(116)	2,164
Equity-accounted investments	363	384	(21)	387
Other investments at fair value through other comprehensive income	12	13	(1)	12
Assets held for sale (**)	10	-	10	-
Net fixed assets	**5,609**	**5,524**	**85**	**5,583**

(*) As stated in the Integrated Annual Report 2022, 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.

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

At 30 June 2023, net fixed assets amounted to Euro 5,609 million, compared with Euro 5,583 million at 31 December 2022, posting an increase of Euro 26 million mainly due to the combined effect of the following factors:

- Euro 164 million in net capital expenditure on property, plant and equipment and intangible assets;
- Euro 178 million in amortisation, depreciation and impairment for the period;
- Euro 95 million in increases for property, plant and equipment accounted for in accordance with IFRS 16;
- Euro 40 million in negative currency translation differences affecting the value of property, plant and equipment and intangible assets;
- Euro 9 million for monetary revaluations due to hyperinflation.

NET WORKING CAPITAL

(Euro/million)

	30.06.2023	30.06.2022	Change	31.12.2022
Inventories	2,543	2,636	(93)	2,241
Trade receivables	2,583	2,392	191	1,942
Trade payables	(2,518)	(3,165)	647	(2,718)
Other receivables/(payables)	(1,191)	(434)	(757)	(856)
Net operating working capital	**1,417**	**1,429**	**(12)**	**609**
Derivatives	(55)	(55)	-	5
Net working capital	**1,362**	**1,374**	**(12)**	**614**

Net working capital of Euro 1,362 million at 30 June 2023 was Euro 12 million lower than the corresponding figure of Euro 1,374 million at 30 June 2022. Net operating working capital, which excludes the value of derivatives, amounted to Euro 1,417 million at 30 June 2023, down Euro 12 million from Euro 1,429 million at 30 June 2022, with the ratio to annualised last-quarter sales at 8.8% (8.4% in the same period last year).

NET FINANCIAL DEBT

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

(Euro/million)

	30.06.2023	30.06.2022	Change	31.12.2022
Long-term financial payables				
CDP Loans	194	175	19	175
EIB Loans	245	245	-	245
Convertible Bond 2021	722	712	10	718
Sustainability-Linked Term Loan 2022	1,192	-	1,192	1,191
Term Loan	-	-	-	-
Unicredit Loan	-	200	(200)	-
Mediobanca Loan	-	100	(100)	100
Intesa Loan	150	150	-	150
Lease liabilities	220	158	62	156
Interest rate swaps	-	4	(4)	-
Other financial payables	10	9	1	9
Total long-term financial payables	**2,733**	**1,753**	**980**	**2,744**
Short-term financial payables				
CDP Loans	103	-	103	1
EIB Loans	2	-	2	1
Non-convertible bond	-	-	-	-
Sustainability-Linked Term Loan 2022	18	-	18	6
Term Loan	-	1,000	(1,000)	-
Unicredit Loan	201	-	201	200
Mediobanca Loan	100	-	100	-
Intesa Loan	1	-	1	1
Lease liabilities	61	54	7	58
Interest rate swaps	-	6	(6)	-
Forward currency contracts on financial transactions	3	4	(1)	7
Other financial payables	54	221	(167)	56
Total short-term financial payables	**543**	**1,285**	**(742)**	**330**
Total financial liabilities	**3,276**	**3,038**	**238**	**3,074**
Long-term financial receivables	3	4	(1)	3
Long-term bank fees	4	1	3	-
Financial assets at amortised cost	3	3	-	3
Non-current interest rate swaps	49	8	41	59
Current interest rate swaps	23	2	21	13
Current forward currency contracts on financial transactions	9	8	1	3
Short-term financial receivables	14	17	(3)	8
Short-term bank fees	2	2	-	2
Financial assets at fair value through profit or loss	266	225	41	270
Financial assets at fair value through other comprehensive income	11	11	-	11
Cash and cash equivalents	827	427	400	1,285
Total financial assets	**1,211**	**708**	**503**	**1,657**
Net financial debt	**2,065**	**2,330**	**(265)**	**1,417**

STATEMENT OF CASH FLOWS

(Euro/million)

	1st half 2023	1st half 2022	Change	12 months (from 1 July 2022 to 30 June 2023)	2022
EBITDA	**828**	**665**	**163**	**1,550**	**1,387**
Changes in provisions (including employee benefit obligations) and other movements	18	(21)	39	54	15
Net gains on disposal of fixed assets	-	(1)	1	-	(1)
Share of net profit/(loss) of equity-accounted companies	(15)	(16)	1	(46)	(47)
Net cash flow from operating activities (before changes in net working capital)	**831**	**627**	**204**	**1,558**	**1,354**
Changes in net working capital	(774)	(851)	77	(28)	(105)
Taxes paid	(193)	(87)	(106)	(327)	(221)
Dividends from equity-accounted companies	2	2	-	10	10
Net cash flow from operating activities	**(134)**	**(309)**	**175**	**1,213**	**1,038**
Cash flow from acquisitions and/or disposals	-	(4)	4	(3)	(7)
Net cash flow used in operating investing activities	(164)	(118)	(46)	(498)	(452)
Free cash flow (unlevered)	**(298)**	**(431)**	**133**	**712**	**579**
Net finance costs	(32)	(42)	10	(61)	(71)
Free cash flow (levered)	**(330)**	**(473)**	**143**	**651**	**508**
Dividend distribution	(162)	(143)	(19)	(167)	(148)
Net cash flow provided/(used) in the period	**(492)**	**(616)**	**124**	**484**	**360**
Opening net financial debt	**(1,417)**	**(1,760)**	**343**	**(2,330)**	**(1,760)**
Net cash flow provided/(used) in the period	(492)	(616)	124	484	360
Increase in net financial debt for IFRS 16	(95)	(23)	(72)	(130)	(58)
Other changes	(61)	69	(130)	(89)	41
Closing net financial debt	**(2,065)**	**(2,330)**	**265**	**(2,065)**	**(1,417)**

In the past 12 months, the Group generated Euro 567 million in free cash flow (levered), excluding Euro 132 million in proceeds from selling part of the shares awarded to employees under the LTI plan 2020-2022 in order to meet their tax obligations. Net cash flow from operating activities also excludes Euro 3 million in outlays for business combinations and Euro 45 million in outlays related to antitrust matters.

The net inflow of Euro 567 million was generated by:

a) Euro 1,603 million in net cash flow provided by operating activities before changes in net working capital;
b) Euro 160 million in cash flow absorbed by the increase in net working capital;
c) Euro 498 million in cash outflows for net capital expenditure;
d) Euro 327 million in tax payments;
e) Euro 61 million in payments of net finance costs;
f) Euro 10 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[2], before non-recurring items[3], as presented in the consolidated income statement, before other non-operating income and expense[4] and before the fair value change in metal derivatives and in other fair value items. The purpose of this indicator is to present the Group's operating profitability without the effects of events considered to be outside its recurring operations;

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

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

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[2] 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;

[3] 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;

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

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

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

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

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

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

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

- Inventories
- Trade receivables
- Trade payables
- Other non-current receivables and payables, net of long-term financial receivables classified in net financial debt
- Other current receivables and payables, net of short-term financial receivables classified in net financial debt
- Derivatives, net of interest rate and forex risk hedges of financial transactions classified in net financial debt
- Current tax payables
- Current assets and current liabilities held for sale

• **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 June 2023

(Euro/million)

			30.06.2023	31.12.2022
		Note	**As per financial statements**	**As per financial statements**
Total net fixed assets	**A**		**5,609**	**5,583**
Inventories		4	2,543	2,241
Trade receivables		3	2,583	1,942
Trade payables		11	(2,518)	(2,718)
Other receivables		3	1,187	1,012
Other payables		11	(2,258)	(1,722)
Current tax payables			(97)	(133)
Derivatives		5	23	73
Items not included in net working capital:				
Financial receivables			17	11
Prepaid finance costs			6	2
Interest rate swaps			72	72
Forward currency contracts on financial transactions			6	(4)
Total net working capital	**B**		**1,362**	**614**
Provisions for risks and charges		12	(726)	(696)
Deferred tax assets			237	203
Deferred tax liabilities			(199)	(187)
Total provisions	**C**		**(688)**	**(680)**
Net invested capital	**D=A+B+C**		**6,283**	**5,517**
Employee benefit obligations	**E**	13	**321**	**329**
Total equity	**F**		**3,897**	**3,771**
Borrowings from banks and other lenders		10	3,273	3,067
Financial assets at amortised cost			(3)	(3)
Financial assets at fair value through profit or loss		6	(266)	(270)
Financial assets at fair value through other comprehensive income		6	(11)	(11)
Cash and cash equivalents		7	(827)	(1,285)
Financial receivables			(17)	(11)
Prepaid finance costs			(6)	(2)
Interest rate derivatives			(72)	(72)
Forward currency contracts on financial transactions			(6)	4
Net financial debt	**G**		**2,065**	**1,417**
Total equity and sources of funds	**H=E+F+G**		**6,283**	**5,517**

Reconciliation between the principal income statement indicators and the Income Statement contained in the Consolidated Financial Statements and Explanatory Notes at 30 June 2023

(Euro/million)

		1st half 2023	1st half 2022
		As per income statement	**As per income statement**
Sales	**A**	8,003	7,949
Change in inventories of finished goods and work in progress		132	192
Other income		34	33
Raw materials, consumables and supplies		(5,217)	(5,584)
Personnel costs		(878)	(836)
Other expenses		(1,278)	(1,141)
Operating costs	**B**	**(7,207)**	**(7,336)**
Share of net profit/(loss) of equity-accounted companies	**C**	15	16
Fair value stock options	**D**	17	36
EBITDA	**E=A+B+C+D**	**828**	**665**
Other non-recurring expenses and revenues	**F**	(3)	(12)
Business reorganisation	**G**	(9)	(5)
Other non-operating expenses	**H**	(38)	(17)
Total adjustments to EBITDA	**I = F+G+H**	(50)	(34)
Adjusted EBITDA	**L = E-I**	**878**	**699**
Share of net profit/(loss) of equity-accounted companies	**M**	15	16
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**N = L-M**	**863**	**683**

(Euro/million)

		1st half 2023	1st half 2022
		As per income statement	**As per income statement**
Operating income	**A**	**636**	**423**
Other non-recurring expenses and revenues		(3)	(12)
Business reorganisation		(9)	(5)
Other non-operating expenses		(38)	(17)
Total adjustments to EBITDA	**B**	**(50)**	**(34)**
Fair value change in metal derivatives	**C**	3	(27)
Fair value stock options	**D**	(17)	(36)
Non-recurring impairment and releases	**E**	(2)	(1)
Adjusted operating income	**F=A-B-C-D-E**	**702**	**521**

BUSINESS OUTLOOK

After the rebound that followed the Covid-19 pandemic, global economy is now facing a phase of volatility and great uncertainty. Inflation has reached its peak for several decades, mainly due to the hikes in energy and commodity prices, and supply chain bottlenecks.
At the same time, the ongoing war in Ukraine and a slower-than-expected improvement in supply chains continued to impact the world economic outlook. Global economic growth forecasts continued to remain positive, despite being revised downwards compared to year-start. After a 3.4% growth in 2022, the global economy is expected to grow by 2.8% in 2023 and by 3% in 2024, according to the estimates by the International Monetary Fund in April.

Prysmian Group’s results for 1H 2023 further confirmed the value generated by a broad and balanced portfolio, in both business and geographical terms, as well as the Group’s focus on proactively and seamlessly serving its customers, leveraging an efficient and widespread industrial footprint. This was confirmed by the Energy segment’s excellent results, also driven by the businesses exposed to grid hardening (Power Distribution and Overhead Lines), which is a long-term growth driver. Worth of mention is also the ongoing improvement of the Projects business, both in terms of growth and new orders and of profitability. In the first seven months of the year, new orders amounted to approximately €5.4 billion, including also the EGL1 and EGL2 projects, for which the Group finalised agreements worth €265 million to assure its production capacity.

As a result, for FY 2023 Prysmian Group expects growing results in the Energy segment, with a slowdown in the sectors linked to the construction market following last year’s excellent performance. Businesses linked to grid hardening, renewables and industrial applications are expected to grow. In the high-voltage underground and submarine cables and systems business, the Group, through its selective approach, aims to confirm its leadership on a market that is expected to grow, driven by the development of the offshore wind farms and interconnections in support of the energy transition. Thanks to the level achieved by its order book, which exceeded €9 billion, the Group can fully exploit the potential of both its actual and new planned assets, such as the submarine cable plant in Brayton Point, Massachusetts, the increased production capacity in Europe and the new cable-laying vessel Monna Lisa that will join the Leonardo Da Vinci. For the Projects segment, the Group expects results to grow in 2023 compared to the previous year, thanks to the level of its order book, a solid execution, a better mix of the projects under execution, and the full use of the submarine cable business’s capacity. In addition, demand in the Telecom segment is affected by a temporary slowdown in the US market, with growth drivers that remain solid in the medium/long term thanks to digitalisation.

The 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, a solid capital structure that further benefits from the investment grade rating recently received, an efficient and flexible supply chain and lean organisation, all of which is enabling it to effectively seize growth opportunities.

Given the above considerations and in addition to the solid 1H 2023 performance, the Group decided to revise its FY 2023 guidance upwards compared to that announced in March. For FY 2023, the Group expects an Adjusted EBITDA in the range of €1,575-1,675 million, sharply up compared to both the €1,375-1,525 million range previously announced and the €1,488 million reported for 2022.

Moreover, the Group also decided to upgrade the cash generation target as it now expects a cash flow generation of €550-650 million (FCF before acquisitions and disposals) for FY 2023, compared to the €450-550 million range previously announced.

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 linked to the previous pandemic, in addition to excluding extreme dynamics in the prices of production factors or significant supply chain disruptions. The forecasts are based on the Company's current business scope, assuming a EUR/USD exchange rate of 1.10, and do not include antitrust-related impacts on cash flows.

FORESEEABLE RISKS FOR 2023

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 six months of the year and the specific macroeconomic context, these risks do not appear to differ from those described in the Integrated Annual Report 2022 to which, therefore, express reference should be made.

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, 27 July 2023

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	30.06.2023	of which related parties	31.12.2022	of which related parties
Non-current assets					
Property, plant and equipment	1	3,112		3,020	
Goodwill	1	1,674		1,691	
Other intangible assets	1	438		473	
Equity-accounted investments	2	363	363	387	387
Other investments at fair value through other comprehensive income		12		12	
Financial assets at amortised cost		3		3	
Derivatives	5	95		135	
Deferred tax assets		237		203	
Other receivables	3	31		34	
Total non-current assets		**5,965**		**5,958**	
Current assets					
Inventories	4	2,543		2,241	
Trade receivables	3	2,583	-	1,942	-
Other receivables	3	1,156	12	978	3
Financial assets at fair value through profit or loss	6	266		270	
Derivatives	5	90		71	
Financial assets at fair value through other comprehensive income		11		11	
Cash and cash equivalents	7	827		1,285	
Total current assets		**7,476**		**6,798**	
Assets held for sale	8	10		-	
Total assets		**13,451**		**12,756**	
Equity					
Share capital	9	28		27	
Reserves	9	3,283		3,054	
Group share of net profit/(loss)	9	405		504	
Equity attributable to the Group		**3,716**		**3,585**	
Equity attributable to non-controlling interests		181		186	
Total equity		**3,897**		**3,771**	
Non-current liabilities					
Borrowings from banks and other lenders	10	2,733		2,744	
Employee benefit obligations	13	321		329	
Provisions for risks and charges	12	46		31	
Deferred tax liabilities		199		187	
Derivatives	5	73		61	
Other payables	11	52		28	
Total non-current liabilities		**3,424**		**3,380**	
Current liabilities					
Borrowings from banks and other lenders	10	540		323	
Provisions for risks and charges	12	680	8	665	8
Derivatives	5	89		72	
Trade payables	11	2,518	14	2,718	17
Other payables	11	2,206	1	1,694	2
Current tax payables		97		133	
Total current liabilities		**6,130**		**5,605**	
Total liabilities		**9,554**		**8,985**	
Total equity and liabilities		**13,451**		**12,756**	

CONSOLIDATED INCOME STATEMENT

(Euro/million)

	Note	1st half 2023	of which related parties	1st half 2022	of which related parties
Sales		8,003	-	7,949	-
Change in inventories of finished goods and work in progress		132		192	
Other income		34	2	33	2
Total sales and income		**8,169**		**8,174**	
Raw materials, consumables and supplies		(5,217)	-	(5,584)	-
Fair value change in metal derivatives		3		(27)	
Personnel costs		(878)	(4)	(836)	(4)
Amortisation, depreciation, impairment and impairment reversals		(178)		(179)	
Other expenses		(1,278)	(4)	(1,141)	(4)
Share of net profit/(loss) of equity-accounted companies		15	15	16	16
Operating income		**636**		**423**	
Finance costs	14	(786)		(532)	
Finance income	14	732		477	
Profit/(loss) before taxes		**582**		**368**	
Taxes	15	(169)		(107)	
Net profit/(loss)		**413**		**261**	
Of which:					
Attributable to non-controlling interests		8		2	
Group share		**405**		**259**	
Basic earnings/(loss) per share (in Euro)	16	**1.49**		**0.98**	
Diluted earnings/(loss) per share (in Euro)	16	**1.49**		**0.98**	

OTHER COMPREHENSIVE INCOME

(Euro/million)

	Note	1st half 2023	1st half 2022
Net profit/(loss)		**413**	**261**
Other comprehensive income:			
A) Change in cash flow hedge reserve:	9	**(51)**	**(119)**
- Profit/(loss) for the period		(66)	(160)
- Taxes		15	41
B) Other changes relating to cash flow hedges:	9	**4**	-
- Profit/(loss) for the period		5	-
- Taxes		(1)	-
C) Change in currency translation reserve	9	**(117)**	**350**
D) Actuarial gains/(losses) on employee benefits (*):		**2**	**61**
- Profit/(loss) for the period		3	84
- Taxes		(1)	(23)
Total other comprehensive income (A+B+C+D):		**(162)**	**292**
Total comprehensive income/(loss)		**251**	**553**
Of which:			
Attributable to non-controlling interests		1	10
Group share		**250**	**543**

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

CONSOLIDATED INCOME STATEMENT-2ND QUARTER*

(Euro/million)

	2nd quarter 2023	2nd quarter 2022
Sales	4,011	4,272
Change in inventories of finished goods and work in progress	(34)	(47)
Other income	21	17
Total sales and income	**3,998**	**4,242**
Raw materials, consumables and supplies	(2,530)	(2,848)
Fair value change in metal derivatives	6	(53)
Personnel costs	(438)	(431)
Amortisation, depreciation, impairment and impairment reversals	(88)	(92)
Other expenses	(613)	(609)
Share of net profit/(loss) of equity-accounted companies	7	5
Operating income	**342**	**214**
Finance costs	1,163	(320)
Finance income	(1,194)	290
Profit/(loss) before taxes	**311**	**184**
Taxes	(85)	(50)
Net profit/(loss)	**226**	**134**
Of which:		
Attributable to non-controlling interests	3	1
Group share	**223**	**133**

OTHER COMPREHENSIVE INCOME - 2ND QUARTER*

(Euro/million)

	2nd quarter 2023	2nd quarter 2022
Net profit/(loss)	**226**	**134**
Other comprehensive income:		
A) Change in cash flow hedge reserve:	**(81)**	**(150)**
- Profit/(loss) for the period	(107)	(206)
- Taxes	26	56
B) Other changes relating to cash flow hedges:	**16**	**-**
- Profit/(loss) for the period	21	-
- Taxes	(5)	-
C) Change in currency translation reserve	**(26)**	**235**
D) Actuarial gains/(losses) on employee benefits (**):	**2**	**60**
- Profit/(loss) for the period	3	82
- Taxes	(1)	(22)
Total other comprehensive income (A+B+C+D):	**(89)**	**145**
Total comprehensive income/(loss)	**137**	**279**
Of which:		
Attributable to non-controlling interests	1	10
Group share	**136**	**269**

(*) The figures for Q2 2023 and Q2 2022 have not been the subject of limited assurance audit.
(**) Components of comprehensive income that will not be reclassified to profit or loss in subsequent periods.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Note 9)

(Euro/million)

	Share capital	Cash flow hedge reserve	Currency translation reserve	Other reserves	Group share of net profit/(loss)	Equity attributable to the Group	Equity attributable to non-controlling interests	Total
Balance at 31 December 2021	**27**	**103**	**(309)**	**2,786**	**308**	**2,915**	**174**	**3,089**
Allocation of prior year net result	-	-	-	308	(308)	-	-	-
Fair value - stock options	-	-	-	36	-	36	-	36
Dividend distribution	-	-	-	(145)	-	(145)	(3)	(148)
Effect of hyperinflation	-	-	-	24	-	24	2	26
Total comprehensive income/(loss)	-	(115)	338	61	259	543	10	553
Balance at 30 June 2022	**27**	**(12)**	**29**	**3,070**	**259**	**3,373**	**183**	**3,556**

(Euro/million)

	Share capital	Cash flow hedge reserve	Currency translation reserve	Other reserves	Group share of net profit/(loss)	Equity attributable to the Group	Equity attributable to non-controlling interests	Total
Balance at 31 December 2022	**27**	**70**	**(174)**	**3,158**	**504**	**3,585**	**186**	**3,771**
Allocation of prior year net result	-	-	-	504	(504)	-	-	-
Capital increase	1	-	-	-	-	1	-	1
Fair value - stock options	-	-	-	17	-	17	-	17
Dividend distribution	-	-	-	(158)	-	(158)	(7)	(165)
Effect of hyperinflation	-	-	-	21	-	21	1	22
Total comprehensive income/(loss)	-	(40)	(112)	(3)	405	250	1	251
Balance at 30 June 2023	**28**	**30**	**(286)**	**3,539**	**405**	**3,716**	**181**	**3,897**

CONSOLIDATED STATEMENT OF CASH FLOWS (Note 24)

(Euro/million)

		1st half 2023	of which related parties	1st half 2022	of which related parties
	Profit/(loss) before taxes	582		368	
	Amortisation, depreciation and impairment	178		179	
	Net gains on disposal of fixed assets	-		(1)	
	Share of net profit/(loss) of equity-accounted companies	(15)	(15)	(16)	(16)
	Dividends received from equity-accounted companies	2	2	2	2
	Share-based payments	17	-	36	2
	Fair value change in metal derivatives	(3)		27	
	Net finance costs	54		55	
	Changes in inventories	(317)		(478)	
	Changes in trade receivables/payables	(830)	(3)	(178)	9
	Changes in other receivables/payables	374	(10)	(195)	(10)
	Change in receivables/payables for derivatives	(1)		-	
	Change in employee benefit obligations	(10)		(9)	
	Change in provisions for risks	28		(12)	
	Net income taxes paid	(193)		(87)	
A.	**Cash flow from operating activities**	**(134)**		**(309)**	
	Cash flow from acquisitions and/or disposals	-		(4)	
	Investments in property, plant and equipment	(158)		(112)	
	Disposals of property, plant and equipment	-		3	
	Investments in intangible assets	(6)		(8)	
	Investments in financial assets at fair value through profit or loss	(2)		(3)	
	Disposals of financial assets at fair value through profit or loss	4		20	
B.	**Cash flow from investing activities**	**(162)**		**(104)**	
	Dividend distribution	(162)		(143)	
	Proceeds of new loans	120		135	
	Repayments of loans	-		(1,000)	
	Changes in other net financial receivables/payables	(65)		167	
	Finance costs paid	(55)		(46)	
	Finance income received	23		4	
C.	**Cash flow from financing activities**	**(139)**		**(883)**	
D.	**Exchange (losses) gains on cash and cash equivalents**	**(23)**		**21**	
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(458)**		**(1,275)**	
F.	**Cash and cash equivalents at the beginning of the period**	**1,285**		**1,702**	
G.	**Cash and cash equivalents at the end of the period (E+F)**	**827**		**427**	

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 Half-Year Financial Report was approved by the Board of Directors of Prysmian S.p.A. on 27 July 2023 and has undergone a limited assurance audit by the independent auditors. Please note that the comparative figures at 31 December 2022 were the subject of full statutory audit.

A.1 SIGNIFICANT EVENTS IN THE FIRST HALF OF 2023

Significant events in the period are reviewed in the Directors' Report in the section entitled "SIGNIFICANT EVENTS DURING THE PERIOD".

B. FORM AND CONTENT

The Consolidated Financial Statements included in the present Half-Year Financial Report have 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 Half-Year Financial Report, and the annual IFRS Consolidated Financial Statements at 31 December 2022.

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 Half-Year Financial Report at 30 June 2023 in accordance with art. 154-ter of Legislative Decree 58/1998 and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in compliance with *IAS 34 – Interim Financial Reporting*, applying the same accounting standards and policies adopted to prepare the consolidated financial statements at 31 December 2022.

When preparing the Half-Year 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.

No evidence of impairment has been identified during the first half of 2023, having considered both external and internal sources. Market capitalisation at 30 June 2023 was in excess of Euro 10 billion, thus significantly above the book value of equity. It should be noted that the Group has not identified any significant direct economic or financial consequences from the ongoing conflict between Russia and Ukraine, as more fully described in the Integrated Annual Report 2022.

B.2 ACCOUNTING PRINCIPLES

Accounting principles used to prepare the Half-Year Financial Report

The basis of consolidation, the methods used to translate financial statements into the presentation currency, the accounting principles, estimates and policies adopted are the same as those used for the consolidated financial statements at 31 December 2022, 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. In addition, the Group extended the application of cash flow hedge accounting to derivatives contracted from 1 January 2023 intended to hedge the risk of fluctuations in gas, electricity and lead prices.
Like in the 2022 consolidated financial statements, the Indian company Ravin Cables Limited is not under the Group's control for the reasons described in more detail below.

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 forced to initiate arbitration proceedings before the London Court of International Arbitration (LCIA), requesting that the Local Shareholders be declared in breach of contract and ordered to sell the shares representing 49% of Ravin's share capital to Prysmian. In a ruling handed down in April 2017, the LCIA upheld Prysmian's claims and ordered the Local Shareholders to sell the shares representing 49% of Ravin's share capital to Prysmian. However, the Local Shareholders did not voluntarily enforce the arbitration award and so Prysmian had to initiate proceedings in the Indian courts in order to have the arbitration award recognised in India. Having gone through two levels of the court system, these proceedings were finally concluded on 13 February 2020 with the pronouncement of a ruling by the Indian Supreme Court under which the latter definitively declared the arbitration award enforceable in India. In view of the continuing failure of the Local Shareholders to comply voluntarily, Prysmian has requested the Mumbai court to enforce the arbitration award so as to purchase the shares representing 49% of Ravin's share capital as soon as possible. This case is currently still in progress and so control of the company is considered to have not yet been acquired.

Accounting standards, amendments and interpretations applied from 1 January 2023

The following is a list of new standards, interpretations and amendments whose application became mandatory from 1 January 2023 but which, upon evaluation, have been found not to have had a material impact on the consolidated financial statements at 30 June 2023:

- *Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9;*
- *Amendments to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;*
- *Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;*
- *Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.*

There are no accounting standards, amendments and interpretations to report that are applicable to annual reporting periods after 2023 and that have already completed the endorsement process by the European Union.

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 June 2023, compared with 31 December 2022, are reported below.

Name changes

Previous name	New name	Nation	Date
Draka Kabely, s.r.o.	Prysmian Kabely, s.r.o.	Czech Republic	1 May 2023

Liquidations

Liquidated companies	Nation	Date
General Cable Holdings (UK) Ltd	United Kingdom	16 April 2023
General Cable Services Europe Ltd.	United Kingdom	16 April 2023
Pirelli Cables & Systems (Proprietary) Limited	South Africa	13 April 2023

Mergers

Merged company	Survivor company	Nation	Date
Elator INC	EHC Canada Inc.	Canada	1 January 2023
EHC Management Company	EHC Canada Inc.	Canada	1 January 2023

Appendix A to these notes contains a list of the companies included in the scope of consolidation at 30 June 2023.

C. FINANCIAL RISK MANAGEMENT

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

The current Half-Year Financial Report does not contain all the information about the financial risks described in the Integrated Annual Report at 31 December 2022, which should be consulted for a more detailed review.

With reference to the risks described in the Integrated Annual Report at 31 December 2022, there have been no material changes in the types of risks to which the Group is exposed or in its policies for managing such risks.

D. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

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

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

(Euro/million)

				30.06.2023
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value:				
Derivatives at FVPL	-	30	-	30
CFH derivatives	-	155	-	155
Financial assets at FVPL	266	-	-	266
Financial assets at FVOCI	11	-	-	11
Other investments at FVOCI	-	-	12	12
Total assets	**277**	**185**	**12**	**474**
Liabilities				
Financial liabilities at fair value:				
Derivatives at FVPL	-	36	-	36
CFH derivatives	-	126	-	126
Total liabilities	**-**	**162**	**-**	**162**

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 266 million, include Euro 196 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 bonds.
During the first six months of 2023 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.

E. SEGMENT INFORMATION

The Group's operating segments are:

- *Energy*, whose smallest identifiable CGUs 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 is also reported for the sales channels and business areas included 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 Downhole technologies (DHT);
- Other: occasional sales of residual products.

During the period the Russian subsidiary moved within the Energy segment from the second-tier Nordics CGU to the second-tier MEART CGU. This change had no impact at Group level.

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.

E.1 OPERATING SEGMENTS

The following tables present information by operating segment:

(Euro/million)

							1st half 2023
	Projects	**Energy**				**Telecom**	**Group total**
		E&I	**Industrial & NWC**	**Other**	**Total Energy**		
Sales [1]	1,177	4,080	1,729	160	5,969	857	8,003
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**129**	**445**	**181**	**(6)**	**620**	**114**	**863**
% of sales	11.0%	10.9%	10.5%		10.4%	13.2%	10.8%
Adjusted EBITDA (A)	**129**	**446**	**182**	**(6)**	**622**	**127**	**878**
% of sales	11.0%	10.9%	10.5%		10.4%	14.8%	11.0%
Adjustments	(8)	(23)	(13)	(1)	(37)	(5)	(50)
EBITDA (B)	**121**	**423**	**169**	**(7)**	**585**	**122**	**828**
% of sales	10.3%	10.3%	9.8%		9.8%	14.3%	10.3%
Amortisation and depreciation (C)	(42)	(67)	(30)	(2)	(99)	(35)	(176)
Adjusted operating income (A+C)	**87**	**379**	**152**	**(8)**	**523**	**92**	**702**
% of sales	7.4%	9.3%	8.8%		8.8%	10.7%	8.8%
Fair value change in metal derivatives (D)							3
Fair value stock options (E)							(17)
Asset (impairment) and impairment reversal (F)							(2)
Operating income (B+C+D+E+F)							**636**
% of sales							7.9%
Finance income							732
Finance costs							(786)
Taxes							(169)
Net profit/(loss)							**413**
% of sales							5.2%
Attributable to:							
Owners of the parent							405
Non-controlling interests							8

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

(Euro/million)

							1st half 2022
	Projects	**Energy**				**Telecom**	**Group total**
		E&I	**Industrial & NWC**	**Other**	**Total Energy**		
Sales [1]	922	4,194	1,714	208	6,116	911	7,949
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**87**	**342**	**129**	**-**	**471**	**125**	**683**
% of sales	9.4%	8.2%	7.5%		7.7%	13.7%	8.6%
Adjusted EBITDA (A)	**87**	**344**	**130**	**-**	**474**	**138**	**699**
% of sales	9.4%	8.2%	7.6%		7.8%	15.1%	8.8%
Adjustments	(18)	(9)	(5)	(1)	(15)	(1)	(34)
EBITDA (B)	**69**	**335**	**125**	**(1)**	**459**	**137**	**665**
% of sales	7.5%	8.0%	7.3%		7.5%	15.0%	8.4%
Amortisation and depreciation (C)	(41)	(63)	(32)	(2)	(97)	(40)	(178)
Adjusted operating income (A+C)	**46**	**281**	**98**	**(2)**	**377**	**98**	**521**
% of sales	5.0%	6.7%	5.7%		6.2%	10.8%	6.6%
Fair value change in metal derivatives (D)							(27)
Fair value stock options (E)							(36)
Asset (impairment) and impairment reversal (F)							(1)
Operating income (B+C+D+E+F)							**423**
% of sales							5.3%
Finance income							477
Finance costs							(532)
Taxes							(107)
Net profit/(loss)							**261**
% of sales							3.3%
Attributable to:							
Owners of the parent							259
Non-controlling interests							2

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

E.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)

	1st half 2023	1st half 2022
Sales	**8,003**	**7,949**
EMEA*	**4,227**	**4,065**
(of which Italy)	986	682
North America	**2,542**	**2,628**
Latin America	**696**	**656**
Asia Pacific	**538**	**600**

(*) EMEA = Europe, Middle East and Africa

1. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

(Euro/million)

	Property, plant and equipment	Goodwill	Other intangible assets
Balance at 31 December 2022	**3,020**	**1,691**	**473**
Movements in 2023:			
- Investments	158	-	6
- Increases for leases (IFRS 16)	95	-	-
- Depreciation and amortisation	(138)	-	(38)
- Impairment	(2)	-	-
- Currency translation differences	(20)	(17)	(3)
- Reclassification (to)/from Assets held for sale	(10)	-	-
- Monetary revaluation for hyperinflation	9	-	-
Balance at 30 June 2023	**3,112**	**1,674**	**438**
Of which:			
- Historical cost	5,859	1,674	1,196
- Accumulated depreciation/amortisation and impairment	(2,747)	-	(758)
Net book value	**3,112**	**1,674**	**438**

(Euro/million)

	Property, plant and equipment	Goodwill	Other intangible assets
Balance at 31 December 2021 (*)	**2,794**	**1,635**	**505**
Movements in 2022:			
- Investments	112	-	8
- Increases for leases (IFRS 16)	23	-	-
- Disposals	(2)	-	-
- Depreciation and amortisation	(141)	-	(37)
- Impairment	(1)	-	-
- Currency translation differences	99	88	29
- Monetary revaluation for hyperinflation	15	-	-
Balance at 30 June 2022 (*)	**2,899**	**1,723**	**505**
Of which:			
- Historical cost	5,341	1,723	1,184
- Accumulated depreciation/amortisation and impairment	(2,442)	-	(679)
Net book value	**2,899**	**1,723**	**505**

(*) As stated in the Integrated Annual Report 2022, 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.

Investments in the first half of 2023 amounted to Euro 164 million, of which Euro 158 million in Property, plant and equipment and Euro 6 million in Intangible assets.

This expenditure is analysed as follows:

- 74%, or Euro 121 million, for projects to increase and rationalise production capacity and develop new products;
- 20%, or Euro 33 million, for projects to improve industrial efficiency;
- 6%, or Euro 10 million, for IT implementation projects.

2. EQUITY-ACCOUNTED INVESTMENTS

Details are as follows:

(Euro/million)

	30.06.2023	31.12.2022
Investments in associates	363	387
Total equity-accounted investments	**363**	**387**

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 was also listed on the Shanghai Stock Exchange.

At 30 June 2023, the fair value of the investment in Yangtze Optical Fibre and Cable Joint Stock Limited Company was Euro 251 million (based on the price quoted on the Hong Kong market), while its carrying amount was Euro 315 million, thus higher than fair value. However, this should not be treated as a lasting state of affairs, having emerged only since May this year. This situation will continue to be monitored over the coming months.

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

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

Power Cables Malaysia Sdn Bhd, a company based in Malaysia, manufactures and sells power cables and conductors, with its prime specialism high voltage products.

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. There have been no signs of deterioration in the company's performance as a result of the Russian-Ukrainian conflict.

3. TRADE AND OTHER RECEIVABLES

Details are as follows:

(Euro/million)

			30.06.2023
	Non-current	**Current**	**Total**
Trade receivables	-	2,685	2,685
Allowance for doubtful accounts	-	(102)	(102)
Total trade receivables	**-**	**2,583**	**2,583**
Other receivables:			
Tax receivables	9	299	308
Financial receivables	3	14	17
Prepaid finance costs	4	2	6
Receivables from employees	1	13	14
Pension plan receivables	-	3	3
Construction contracts	-	618	618
Advances to suppliers	6	72	78
Other	8	135	143
Total other receivables	**31**	**1,156**	**1,187**
Total	**31**	**3,739**	**3,770**

(Euro/million)

			31.12.2022
	Non-current	**Current**	**Total**
Trade receivables	-	2,039	2,039
Allowance for doubtful accounts	-	(97)	(97)
Total trade receivables	-	**1,942**	**1,942**
Other receivables:			
Tax receivables	12	278	290
Financial receivables	3	8	11
Prepaid finance costs	-	2	2
Receivables from employees	1	3	4
Pension plan receivables	-	2	2
Construction contracts	-	503	503
Advances to suppliers	5	44	49
Other	13	138	151
Total other receivables	**34**	**978**	**1,012**
Total	**34**	**2,920**	**2,954**

4. INVENTORIES

Details are as follows:

(Euro/million)

	30.06.2023	31.12.2022
Raw materials	894	780
of which allowance for obsolete and slow-moving raw materials	*(96)*	*(84)*
Work in progress and semi-finished goods	612	526
of which allowance for obsolete and slow-moving work in progress and semi-finished goods	*(26)*	*(21)*
Finished goods (*)	1,037	935
of which allowance for obsolete and slow-moving finished goods	*(111)*	*(90)*
Total	**2,543**	**2,241**

(*) Finished goods also include those for resale.

5. DERIVATIVES

Details are as follows:

(Euro/million)

	30.06.2023	
	Asset	Liability
Interest rate derivatives (CFH)	49	-
Forward currency contracts on commercial transactions (CFH)	16	15
Metal derivatives (CFH)	30	58
Total non-current	**95**	**73**
Interest rate derivatives (CFH)	23	-
Forward currency contracts on commercial transactions (CFH)	3	22
Metal derivatives (CFH)	34	31
Forward currency contracts on commercial transactions	17	14
Forward currency contracts on financial transactions	9	3
Metal derivatives	4	19
Total current	**90**	**89**
Total	**185**	**162**

(Euro/million)

	31.12.2022	
	Asset	Liability
Interest rate derivatives (CFH)	59	-
Forward currency contracts on commercial transactions (CFH)	21	31
Metal derivatives (CFH)	52	29
Metal derivatives	3	1
Total non-current	**135**	**61**
Forward currency contracts on commercial transactions (CFH)	13	-
Interest rate derivatives (CFH)	7	22
Metal derivatives (CFH)	44	31
Forward currency contracts on commercial transactions	4	8
Forward currency contracts on financial transactions	3	7
Metal derivatives	-	4
Total current	**71**	**72**
Total	**206**	**133**

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss, amounting to Euro 266 million (Euro 270 million at 31 December 2022), include Euro 196 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)

	30.06.2023	31.12.2022
Cash and cheques	4	4
Bank and postal deposits	823	1,281
Total	**827**	**1,285**

Cash and cash equivalents, deposited with major financial institutions, are managed centrally 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 430 million at 30 June 2023, while at 31 December 2022 the figure was Euro 838 million.

8. ASSETS HELD FOR SALE

Assets held for sale, amounting to Euro 10 million at 30 June 2023, mainly refer to a building owned by a foreign subsidiary for which a preliminary sale agreement has been reached.
Assets held for sale are classified in Level 3 of the fair value hierarchy.

9. EQUITY

Consolidated equity has recorded an increase of Euro 126 million since 31 December 2022, mainly reflecting the net effect of:

- the net profit for the period of Euro 413 million;
- negative currency translation differences of Euro 117 million;
- a negative post-tax change of Euro 51 million in the fair value of derivatives designated as cash flow hedges and a positive post-tax change of Euro 4 million for hedging costs;
- a positive change of Euro 17 million in the share-based compensation reserve linked to stock option plans;
- an increase of Euro 2 million in the reserves for actuarial gains and losses on employee benefits;
- an increase of Euro 22 million for the effects of hyperinflation;
- a decrease of Euro 165 million for dividends declared;
- a capital increase, amounting to Euro 1 million.

At 30 June 2023, the share capital of Prysmian S.p.A. consisted of 276,436,757 shares, each of nominal value Euro 0.10 for a total of Euro 27,643,675.70.

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

	Ordinary shares	**Treasury shares**	**Total**
Balance at 31 December 2021	**268,144,246**	**(4,652,868)**	**263,491,378**
Allotments and sales*	-	40,837	40,837
Balance at 31 December 2022	**268,144,246**	**(4,612,031)**	**263,532,215**
Capital increase (1)	8,292,511		8,292,511
Allotments and sales**	-	747,112	747,112
Balance at 30 June 2023	**276,436,757**	**(3,864,919)**	**272,571,838**

(1) Issue of new shares serving the long-term incentive plan for Group employees (8,000,000 shares) and the BE IN plan (292,511 shares).
* Allotment and/or sale of treasury shares under the YES Group employee share purchase plan.
** Allotment and/or sale of treasury shares under Group employee share purchase plans.

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)**
Balance at 31 December 2021	**4,652,868**	**465,288**	**1.74%**	**20**	**94,694,176**
- Allotments and sales	(40,837)	(4,084)	-	20	(813,473)
Balance at 31 December 2022	**4,612,031**	**461,204**	**1.72%**	**20**	**93,880,703**
- Allotments and sales	(747,112)	(74,711)	-	20	(15,211,200)
Balance at 30 June 2023	**3,864,919**	**386,493**	**1.40%**	**20**	**78,669,503**

10. BORROWINGS FROM BANKS AND OTHER LENDERS

Details are as follows:

(Euro/million)

			30.06.2023
	Non-current	**Current**	**Total**
Borrowings from banks and other lenders	449	159	608
Sustainability-Linked Term Loan	1,192	18	1,210
Unicredit Loan	-	201	201
Mediobanca Loan	-	100	100
Intesa Loan	150	1	151
Convertible Bond 2021	722	-	722
Lease liabilities	220	61	281
Total	**2,733**	**540**	**3,273**

(Euro/million)

			31.12.2022
	Non-current	**Current**	**Total**
Borrowings from banks and other lenders	429	58	487
Sustainability-Linked Term Loan	1,191	6	1,197
Unicredit Loan	-	200	200
Mediobanca Loan	100	-	100
Intesa Loan	150	1	151
Convertible Bond 2021	718	-	718
Lease liabilities	156	58	214
Total	**2,744**	**323**	**3,067**

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

(Euro/million)

	30.06.2023	31.12.2022
CDP Loans	297	176
EIB Loans	247	246
Sustainability-Linked Term Loan	1,210	1,197
Unicredit Loan	201	200
Mediobanca Loan	100	100
Intesa Loan	151	151
Other borrowings	64	65
Borrowings from banks and other lenders	**2,270**	**2,135**
Convertible Bond 2021	722	718
Total	**2,992**	**2,853**

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

Revolving Credit Facility 2019 and 2023

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. This line was extinguished on 20 June 2023 at the same time as agreeing the new Revolving Credit Facility 2023. The new facility may be drawn down for business and working capital needs, including the refinancing of existing facilities, and to issue guarantees. It has a five-year term, with an option to extend to six and seven years.

In addition, with the aim of strengthening 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 credit. The renewed revolving credit facility is in fact Sustainability-Linked, being tied to the decarbonisation targets already set by the Group (annual GHG emissions from 2023 to 2030), to the ratio of female white-collar and executive hires to total Group hires, and to the number of sustainability audits performed in the supply chain.
At 30 June 2023, 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.
On 6 March 2023, another loan with CDP was announced for Euro 120 million with a 6-year term, for the purpose of supporting the Group's R&D programs in Italy and Europe (specifically in France, Germany, Spain and the Netherlands).
The loan was received on 15 February 2023 and is repayable in a lump sum at maturity on 15 February 2029.
At 30 June 2023, the fair value of the CDP Loans approximated their 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 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. This 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. The loan was received on 28 January 2022 and is repayable in a lump sum at maturity on 29 January 2029.
At 30 June 2023, the fair value of the EIB Loans approximated their carrying amount.

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 term loan obtained in 2018, which was thus repaid early on the same date. With the aim of strengthening its financial structure and integrating 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.
At 30 June 2023, 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 3M and 6M Euribor, as chosen by the company.
At 30 June 2023, 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 3M and 6M Euribor, as chosen by the company. At 30 June 2023, 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 June 2023, the fair value of this loan approximated its carrying amount.

The fair value of loans has been determined using valuation techniques that refer to observable market data (Level 2 of the fair value hierarchy).
The following table summarises the committed lines available to the Group at 30 June 2023 and 31 December 2022, shown at their nominal value:

(Euro/million)

			30.06.2023
	Total lines	Drawn	Undrawn
Revolving Credit Facility 2023	1,000	-	1,000
Sustainability-Linked Term Loan	1,200	(1,200)	-
CDP Loans	295	(295)	-
EIB Loans	245	(245)	-
Unicredit Loan	200	(200)	-
Intesa Loan	150	(150)	-
Mediobanca Loan	100	(100)	-
Total	**3,190**	**(2,190)**	**1,000**

(Euro/million)

			31.12.2022
	Total lines	Drawn	Undrawn
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)	-
Total	**3,070**	**(2,070)**	**1,000**

Bonds

As at 30 June 2023, Prysmian Group had the following bond issue in place:

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 June 2023:

(Euro/million)	
Value of Convertible Bond 2021	768
Equity reserve for convertible bond	(49)
Change in conversion option fair value	(16)
Issue date net balance	**703**
Interest - non-monetary	21
Related costs	(2)
Balance at 30 June 2023	**722**

At 30 June 2023, the fair value of the Convertible Bond 2021 (equity component and debt component) was Euro 807 million, of which Euro 661 million attributable to the debt component and Euro 146 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).

Information about financial covenants can be found in Note 25 Financial Covenants.

Borrowings from banks and other lenders and Lease liabilities

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

(Euro/million)

	CDP Loans	EIB Loans	Conv. Bonds	Sustainability Term Loan	Unicredit, Mediobanca and Intesa Loans	Other borrowings/ Lease liabilities	Total
Balance at 31 December 2022	**176**	**246**	**718**	**1,197**	**451**	**279**	**3,067**
Currency translation differences	-	-	-	-	-	(9)	(9)
New funds	120	-	-	-	-	62	182
Repayments	-	-	-	-	-	(82)	(82)
Amortisation of bank and financial fees and other expenses	(1)	-	-	1	-	(1)	(1)
New IFRS 16 leases	-	-	-	-	-	95	95
Interest and other movements	2	1	4	12	1	1	21
Balance at 30 June 2023	**297**	**247**	**722**	**1,210**	**452**	**345**	**3,273**

(Euro/million)

	CDP Loans	EIB Loans	Conv. Bonds	Non-conv. Bond	Term Loan	Unicredit, Mediobanca and Intesa Loans	Other borrowings/ Lease liabilities	Total
Balance at 31 December 2021	**175**	**110**	**957**	**763**	**999**	**450**	**275**	**3,729**
Currency translation differences	-	-	-	-	-	-	8	8
New funds	-	135	-	-	-	-	179	314
Repayments	-	-	(250)	(763)	-	-	(43)	(1,056)
Amortisation of bank and financial fees and other expenses	-	-	-	-	2	-	-	2
New IFRS 16 leases	-	-	-	-	-	-	23	23
Interest and other movements	-	-	5		(1)	-	-	4
Balance at 30 June 2022	**175**	**245**	**712**	**-**	**1,000**	**450**	**442**	**3,024**

NET FINANCIAL DEBT

(Euro/million)

	Note	30.06.2023	31.12.2022
CDP Loans	10	194	175
EIB Loans	10	245	245
Convertible Bond 2021	10	722	718
Sustainability-Linked Term Loan 2022	10	1,192	1,191
Mediobanca Loan	10	-	100
Intesa Loan	10	150	150
Lease liabilities	10	220	156
Other financial payables	10	10	9
Total long-term financial payables		**2,733**	**2,744**
CDP Loans	10	103	1
EIB Loans	10	2	1
Sustainability-Linked Term Loan 2022	10	18	6
Unicredit Loan	10	201	200
Mediobanca Loan	10	100	-
Intesa Loan	10	1	1
Lease liabilities	10	61	58
Forward currency contracts on financial transactions	5	3	7
Other financial payables	10	54	56
Total short-term financial payables		**543**	**330**
Total financial liabilities		**3,276**	**3,074**
Long-term financial receivables	3	3	3
Long-term bank fees	3	4	-
Financial assets at amortised cost		3	3
Non-current interest rate swaps	5	49	59
Current interest rate swaps	5	23	13
Forward currency contracts on financial transactions (current)	5	9	3
Short-term financial receivables	3	14	8
Short-term bank fees	3	2	2
Financial assets at FVPL	6	266	270
Financial assets at FVOCI		11	11
Cash and cash equivalents	7	827	1,285
Total financial assets		**1,211**	**1,657**
Net financial debt		**2,065**	**1,417**

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	30.06.2023	31.12.2022
Net financial debt - as reported above		**2,065**	**1,417**
Adjustments to exclude:			
Long-term financial receivables and other assets	3	6	6
Long-term bank fees	3	4	-
Cash flow derivatives (assets)		72	72
Adjustments to include:			
Net non-hedging forward currency contracts on commercial transactions, excluding non-current assets	5	(3)	4
Net non-hedging metal derivatives, excluding non-current assets	5	15	5
Recalculated net financial debt		**2,159**	**1,504**

11. TRADE AND OTHER PAYABLES

Details are as follows:

(Euro/million)

			30.06.2023
	Non-current	**Current**	**Total**
Trade payables	-	2,518	2,518
Total trade payables	**-**	**2,518**	**2,518**
Other payables:			
Tax and social security payables	1	297	298
Advances from customers	28	1,280	1,308
Payables to employees	-	190	190
Accrued expenses	-	91	91
Other	23	348	371
Total other payables	**52**	**2,206**	**2,258**
Total	**52**	**4,724**	**4,776**

(Euro/million)

			31.12.2022
	Non-current	**Current**	**Total**
Trade payables	-	2,718	2,718
Total trade payables	**-**	**2,718**	**2,718**
Other payables:			
Tax and social security payables	1	257	258
Advances from customers	19	952	971
Payables to employees	-	188	188
Accrued expenses	-	111	111
Other	8	186	194
Total other payables	**28**	**1,694**	**1,722**
Total	**28**	**4,412**	**4,440**

Advances from customers include the liability for construction contracts, amounting to Euro 1,178 million at 30 June 2023 (Euro 825 million at 31 December 2022). This liability represents the excess of amounts invoiced over costs incurred plus accumulated profits (or losses), recognised using the percentage of completion method.

12. PROVISIONS FOR RISKS AND CHARGES

Details are as follows:

(Euro/million)

			30.06.2023 (*)
	Non-current	**Current**	**Total**
Restructuring costs	1	23	24
Legal, contractual and other risks	22	461	483
Environmental risks	15	88	103
Tax risks	8	108	116
Total	**46**	**680**	**726**

(*) Provisions for risks at 30 June 2023 include Euro 120 million for potential liabilities recorded in application of *IFRS 3 - Business Combinations*.

(Euro/million)

			31.12.2022 (*)
	Non-current	**Current**	**Total**
Restructuring costs	-	18	18
Legal, contractual and other risks	26	450	476
Environmental risks	5	90	95
Tax risks	-	107	107
Total	**31**	**665**	**696**

(*) Provisions for risks at 31 December 2022 include Euro 125 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**	**Environ–mental risks**	**Tax risks**	**Total**
Balance at 31 December 2022	**18**	**476**	**95**	**107**	**696**
Increases	8	52	10	5	75
Uses	(2)	(14)	(2)	(3)	(21)
Releases	-	(26)	-	(2)	(28)
Currency translation differences	-	(2)	-	5	3
Other	-	(3)	-	4	1
Balance at 30 June 2023	**24**	**483**	**103**	**116**	**726**

The provision for contractual, legal and other risks amounts to Euro 483 million at 30 June 2023 (Euro 476 million at 31 December 2022). This provision mainly includes the provision for Euro 180 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 and in line with 31 December 2022. 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

By way of introduction, it will be recalled that 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. This investigation was concluded with the decision adopted by the European Commission, also upheld by the European courts, which found Prysmian Cavi e Sistemi S.r.l. jointly liable with Pirelli & C. S.p.A. for the alleged infringement in the period from 18 February 1999 to 28 July 2005, and Prysmian Cavi e Sistemi S.r.l. jointly liable with Prysmian S.p.A. and The Goldman Sachs Group Inc. for the alleged infringement in the period from 29 July 2005 to 28 January 2009. Following the conclusion of this case, the Group paid the European Commission amount due within the prescribed term using provisions already set aside in previous years.

Also in the case of General Cable, the European courts confirmed the contents of the European Commission's decision of April 2014, thus definitively upholding the fine levied against it under this decision. As a result, the Group went ahead and paid a fine for Euro 2 million.

In November 2014 and October 2019 respectively, Pirelli filed two civil actions, recently combined, against Prysmian CS and Prysmian in the Court of Milan, seeking (i) to be held harmless from any claim brought by the European Commission in enforcement of its decision and for any expenses incidental to such enforcement; (ii) to be held harmless from any third-party claims for damages relating to the conduct forming the subject of the European Commission's decision and (iii) to be compensated for the damages allegedly suffered and quantified as a result of Prysmian CS and Prysmian having requested, in certain pending legal actions, that Pirelli be held liable for the unlawful conduct found by the European Commission in the period from 1999 to 2005. As part of the same proceedings, Prysmian CS and Prysmian, in addition to requesting full dismissal of the claims brought by Pirelli, have filed symmetrical and opposing counterclaims to those of Pirelli in which they have requested (i) to be held harmless from any claim brought by the European Commission in enforcement of its decision and for any expenses incidental to such enforcement; (ii) to be held harmless from any third-party claims for damages relating to the conduct forming the subject of the European Commission's decision and (iii) to be compensated for damages suffered as a result of the legal actions brought by Pirelli. This action is currently pending.

In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel, 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. On 25 April 2023, the Amsterdam Court of Appeal handed down a ruling under which it decided to submit to the European Court of Justice a number of questions on the interpretation of European law, which it considers instrumental to its decision. The case has therefore been stayed pending the European Court of Justice's response.

In September 2022, the Group was informed that companies in the RWE Group had brought an action in the British courts against Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l. 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 June 2023, an agreement was reached for an out-of-court settlement, therefore putting an end to this lawsuit.

Furthermore, in February 2023, the Group received notification of an application by British consumer representatives requesting authorisation from the competent local court to initiate proceedings against a number of cable manufacturers, including Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.l., and which also involved 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, assisted also by legal counsel, have recognised what they consider to be an adequate level of provisions to cover the potential liabilities related to the matters in question.

In June 2023, a writ of summons, sent on behalf of Saudi Electricity Company, was received by a number of cable manufacturers, including companies in the Prysmian Group. This action, brought before the Court of Cologne, once again involves a claim for compensation for damages purportedly suffered as a result of the alleged anti-competitive practices sanctioned by the European Commission.

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

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 by the required deadline. 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 lodged an appeal against this decision.

The appeal was partially upheld by the local court, which ruled on 19 May 2023 that the time period used by the authority to calculate the fine should be reduced, with consequent revision of the fine itself. This ruling is, however, still appealable. 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 also appealed against the decision of the local antitrust authority. The appeals have recently been rejected in rulings dated 19 May and 1 June 2023 respectively. General Cable's Spanish subsidiaries have appealed these rulings.

In view of the circumstances described and the developments in the proceedings, the Directors, assisted also by legal counsel, 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.

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 and March 2023, the competition authorities of the Czech Republic and Slovakia respectively announced the opening of an investigation into this matter involving, among others, the Group's local subsidiaries.

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 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, assisted also by legal counsel 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 involvement in the 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.

13. EMPLOYEE BENEFIT OBLIGATIONS

Details are as follows:

(Euro/million)

	30.06.2023	31.12.2022
Pension plans	250	262
Italian statutory severance benefit	15	12
Medical benefit plans	18	20
Termination and other benefits	38	35
Total	**321**	**329**

Movements in employee benefit obligations have had an overall impact of Euro 10 million on the period's income statement, of which Euro 4 million classified in Personnel costs and Euro 6 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:

	1st half 2023	1st half 2022
Average number	30,819	30,429
	30.06.2023	**31.12.2022**
Closing number	30,880	30,525

14. FINANCE COSTS AND INCOME

Finance costs are detailed as follows:

(Euro/million)

	1st half 2023	1st half 2022
Interest on loans	35	8
Interest on non-convertible bond	-	5
Interest on Convertible Bond 2021 - non-monetary component	5	5
Interest Rate Swaps	-	4
Interest on lease liabilities	4	3
Amortisation of bank and financial fees and other expenses	4	4
Employee benefit interest costs net of interest on plan assets	6	3
Other bank interest	4	3
Costs for undrawn credit lines	1	2
Sundry bank fees	12	9
Change in fair value of financial instruments through profit or loss	-	6
Other	3	-
Finance costs	**74**	**52**
Foreign currency exchange losses	712	480
Total finance costs	**786**	**532**

Finance income is detailed as follows:

(Euro/million)

	1st half 2023	1st half 2022
Interest income from banks and other financial institutions	16	4
Interest Rate Swaps	8	-
Non-recurring finance income	2	-
Change in fair value of financial instruments through profit or loss	3	-
Other finance income	1	3
Finance income	**30**	**7**
Net gains on forward currency contracts	18	6
Gains on derivatives	**18**	**6**
Foreign currency exchange gains	684	464
Total finance income	**732**	**477**

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 six months of 2023 is Euro 169 million, while the tax rate is approximately 29%, in line with the first six months of 2022.

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 share purchase plan (YES Plan). However, they are not affected by the Convertible Bond 2021, whose conversion is currently out of the money.

(Euro/million)

	1st half 2023	1st half 2022
Net profit/(loss) attributable to owners of the parent	405	259
Weighted average number of ordinary shares (thousands)	272,026	263,492
Basic earnings per share (in Euro)	**1.49**	**0.98**
Net profit/(loss) attributable to owners of the parent for purposes of diluted earnings per share	405	259
Weighted average number of ordinary shares (thousands)	272,026	263,492
Adjustments for:		
Dilution from incremental shares arising from exercise of stock options (thousands)	85	1,274
Weighted average number of ordinary shares to calculate diluted earnings per share (thousands)	272,111	264,767
Diluted earnings per share (in Euro)	**1.49**	**0.98**

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. As at 30 June 2023, contingent liabilities for which the Group has not recognised any provision for risks and charges, on the grounds that an outflow of resources is considered unlikely, but for which reliable estimates are available, amount to approximately Euro 58 million and mainly refer to legal and tax issues.

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 223 million at 30 June 2023 (Euro 295 million at 31 December 2022).

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 six months ended 30 June 2023:

(Euro/million)

					30.06.2023
	Equity-accounted companies	Compensation of directors, statutory auditors and key management personnel	Total related parties	Total reported amount	Related party % of total
Equity-accounted investments	363	-	**363**	363	100.0%
Trade receivables	-	-	**-**	2,583	0.0%
Other receivables	12	-	**12**	1,187	1.0%
Trade payables	14	-	**14**	2,518	0.6%
Other payables	-	1	**1**	2,258	0.0%
Provisions for risks and charges	-	8	**8**	726	1.1%

(Euro/million)

					31.12.2022
	Equity-accounted companies	Compensation of directors, statutory auditors and key management personnel	Total related parties	Total reported amount	Related party % of total
Equity-accounted investments	387	-	**387**	387	100.0%
Trade receivables	-	-	**-**	1,942	0.0%
Other receivables	3	-	**3**	1,012	0.3%
Trade payables	17	-	**17**	2,718	0.6%
Other payables	-	2	**2**	1,722	0.1%
Provisions for risks and charges	-	8	**8**	696	1.1%

(Euro/million)

					1st half 2023
	Equity-accounted companies	Compensation of directors, statutory auditors and key management personnel	Total related parties	Total reported amount	Related party % of total
Sales	-	-	**-**	8,003	0.0%
Other income	2	-	**2**	34	5.9%
Raw materials, consumables and supplies	-	-	**-**	(5,217)	0.0%
Personnel costs	-	(4)	**(4)**	(878)	0.5%
Other expenses	(3)	(1)	**(4)**	(1,278)	0.3%
Share of net profit/(loss) of equity-accounted companies	15	-	**15**	15	100.0%

(Euro/million)

					1st half 2022
	Equity-accounted companies	Compensation of directors, statutory auditors and key management personnel	Total related parties	Total reported amount	Related party % of total
Sales	-	-	**-**	7,949	0.0%
Other income	2	-	**2**	33	6.1%
Raw materials, consumables and supplies	-	-	**-**	(5,584)	0.0%
Personnel costs	-	(4)	**(4)**	(836)	0.5%
Other expenses	(3)	(1)	**(4)**	(1,141)	0.4%
Share of net profit/(loss) of equity-accounted companies	16	-	**16**	16	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 1 million at 30 June 2023 (Euro 4 million in the first six months of 2022).

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 six months of 2023.

22. COMMITMENTS

Contractual commitments, already given to third parties at 30 June 2023 and not yet reflected in the financial statements, amount to Euro 495 million for Property, plant and equipment and Euro 3 million for Intangible assets.
As at 30 June 2023, 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 19 April 2023, the shareholders' meeting of Prysmian S.p.A. approved the financial statements for 2022 and the distribution of a gross dividend of Euro 0.60 per share, for a total of some Euro 158 million. The dividend was paid out from 26 April 2023, with record date 25 April 2023 and ex-div date 24 April 2023.

24. STATEMENT OF CASH FLOWS

The increase in net working capital used Euro 774 million in cash flow. After Euro 193 million in tax payments and Euro 2 million in dividend receipts, operating activities in the first six months of 2023 resulted in a net cash outflow of Euro 134 million. Net operating capital expenditure used Euro 164 million in cash in the first six months of 2023, 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 32 million. During the reporting period, the Group took out a medium-term CDP loan worth Euro 120 million.

25. FINANCIAL COVENANTS

The principal credit agreements in place at 30 June 2023, details of which are presented in Note 10. Borrowings from banks and other lenders, require the Group to comply with a series of covenants on a consolidated basis.

The main covenants, classified by type, are listed below:

a) Financial covenants

• Ratio between EBITDA and Net finance costs (as defined in the relevant agreements). This covenant does not apply to the Revolving Credit Facility 2023 as long as Prysmian S.p.A. maintains an "Investment Grade" long-term credit rating.

• Ratio between Net Financial Debt and EBITDA (as defined in the relevant agreements).

The covenants contained in the relevant credit agreements are as follows:

	EBITDA/Net finance costs(1) not less than:	Net financial debt/ EBITDA(1) not more than:
	4.00x	3.00x

(1) The ratios are calculated on the basis of the definitions contained in the relevant credit agreements. The Net Financial Debt-EBITDA ratio can go as high as 3.5 following extraordinary transactions like acquisitions, no more than three times, including on non-consecutive occasions.

b) Non-financial covenants

A number of non-financial covenants have been established in line with market practice applying to transactions of a similar nature and size. These covenants involve restrictions on the grant of secured guarantees to third parties and on amendments to the Company's by-laws. Compliance with these indicators entails a benefit in terms of lower finance costs, while non-compliance would result in higher finance costs.

Default events

The main default events are as follows:

• default on loan repayment obligations;

• breach of financial covenants;

• breach of some of the non-financial covenants;

• declaration of bankruptcy by Group companies or their involvement in other insolvency proceedings;

• issuing of particularly significant court orders;

• occurrence of events that may adversely and significantly affect the business, the assets or the financial conditions of the Group.

Should a default event occur, the lenders are entitled to demand full or partial repayment of the amounts lent and not yet repaid, together with interest and any other amount due. No collateral security is required.

Actual financial ratios reported at period end, calculated at a consolidated level for the Prysmian Group, are as follows:

	30 June 2023	31 December 2022
EBITDA / Net finance costs (1) (2)	28.65x	27.26x
Net financial debt / EBITDA (1)	1.10x	0.83x

(1) The ratios are calculated on the basis of the definitions contained in the relevant credit agreements.

(2) This covenant does not apply to the Revolving Credit Facility 2023.

The above financial ratios comply with both covenants contained in the relevant credit agreements and there are no instances of non-compliance with the financial and non-financial covenants indicated above.

26. 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	
	30.06.2023	**31.12.2022**	**1st half 2023**	**1st half 2022**
Europe				
British Pound	0.858	0.887	0.876	0.842
Swiss Franc	0.979	0.985	0.986	1.032
Hungarian Forint	371.930	400.870	380.848	375.129
Norwegian Krone	11.704	10.514	11.320	9.982
Swedish Krona	11.806	11.122	11.333	10.480
Czech Koruna	23.742	24.116	23.687	24.648
Danish Krone	7.447	7.437	7.446	7.440
Romanian Leu	4.964	4.950	4.934	4.946
Turkish Lira	28.205	19.971	21.466	16.232
Polish Zloty	4.439	4.681	4.624	4.635
Russian Rouble	95.105	75.655	83.221	83.550
North America				
US Dollar	1.087	1.067	1.081	1.093
Canadian Dollar	1.442	1.444	1.457	1.390
South America				
Colombian Peso	4,546	5,172	4,960	4,282
Brazilian Real	5.237	5.565	5.485	5.554
Argentine Peso	278.930	188.959	229.007	122.695
Chilean Peso	872.590	913.820	871.111	902.666
Costa Rican Colón	591.230	631.449	595.238	718.941
Mexican Peso	18.561	20.856	19.646	22.165
Peruvian Sol	3.948	4.046	4.061	4.132
Oceania				
Australian Dollar	1.640	1.569	1.599	1.520
New Zealand Dollar	1.786	1.680	1.732	1.649
Africa				
CFA Franc	655.957	655.957	655.957	655.957
Angolan Kwanza	899.725	541.198	591.086	510.008
Tunisian Dinar	3.358	3.322	3.339	3.256
South African Rand	20.579	18.099	19.679	16.848
Asia				
Chinese Renminbi (Yuan)	7.898	7.358	7.489	7.082
United Arab Emirates Dirham	3.991	3.917	3.969	4.015
Bahraini Dinar	0.409	0.401	0.406	0.411
Hong Kong Dollar	8.516	8.316	8.471	8.556
Singapore Dollar	1.473	1.430	1.444	1.492
Indian Rupee	89.207	88.171	88.844	83.318
Indonesian Rupiah	16,385	16,520	16,275	15,799
Japanese Yen	157.160	140.660	145.760	134.307
Thai Baht	38.482	36.835	36.956	36.855
Philippine Peso	60.082	59.320	59.701	56.998
Omani Rial	0.418	0.410	0.416	0.420
Malaysian Ringgit	5.072	4.698	4.819	4.669
Qatari Riyal	3.955	3.882	3.934	3.980
Saudi Riyal	4.075	4.000	4.052	4.100

27. EVENTS AFTER THE REPORTING PERIOD

Prysmian Group to develop a new submarine power cable link for the Hornsea 3 offshore wind farm in the UK

On 3 July 2023, Prysmian Group was awarded a new contract by Ørsted Wind Power A/S to supply inter-array submarine cables for the Hornsea 3 offshore wind farm, located 160 km off the Yorkshire coast in the UK. Once completed, the wind farm will be able to supply clean, renewable electricity to over 3 million homes. Cable delivery is scheduled in 2026.

Plan to close Berlin-Koepenick plant in Germany

On 10 July 2023, German company Draka Comteq Berlin GmbH & CO.KG announced its intention to initiate a process of informing and consulting employees about a collective redundancy procedure for the entire workforce of the Koepenick plant in Germany, affecting 82 employees.

The Koepenick plant manufactures signalling cables for the railway industry, an activity which could be transferred to the Neustadt plant.

Industrial activities are due to cease by the end of the year, resulting in the plant's closure. The local works council and the trade union will discuss how to find a balance of interests and a plan to minimise the social impact, for example by offering employees the possibility of transferring to other German plants or a redundancy incentive for those who decide to leave the Group.

Major Service Level Agreement signed with TenneT for the maintenance of submarine cables to help ensure stable supply of clean energy to German and Dutch households

On 12 July 2023, the Group signed a Service Level Agreement (SLA) with German-Dutch transmission system operator TenneT. The agreement provides for the provision of nearshore and offshore inspection, maintenance and repair services for TenneT's HVAC and HVDC submarine power cables in the North Sea. The services under the agreement will be provided in partnership with N-Sea, a Dutch integrated subsea solutions provider specialised in survey, IMR & construction, subsea cable repair & installation, and UXO identification & disposal.

This new agreement, which will apply to all cable links already in operation, will last for three years and has the option of being extended. It will cover approximately 4,000 km of TenneT's submarine cable systems located in the German and Dutch North Sea.

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Milan, 27 July 2023

ON BEHALF OF THE BOARD OF DIRECTORS
THE CHAIRMAN
Claudio De Conto

SCOPE OF CONSOLIDATION – APPENDIX A

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

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

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
U.K.					
Prysmian Cables & Systems Ltd.	Eastleigh	British Pound	113,901,120	100.00%	Prysmian UK Group Ltd.
Prysmian Construction Company Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Cable Makers Properties & Services Ltd.	Esher	British Pound	39	63.84%	Prysmian Cables & Systems Ltd.
				36.16%	Third Parties
Comergy Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Pension Scheme Trustee Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian S.p.A.
Prysmian UK Group Ltd.	Eastleigh	British Pound	70,011,000	100.00%	Draka Holding B.V.
Draka Comteq UK Ltd.	Eastleigh	British Pound	14,000,002	100.00%	Prysmian UK Group Ltd.
Draka UK Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian UK Group Ltd.
Prysmian PowerLink Services Ltd.	Eastleigh	British Pound	46,000,100	100.00%	Prysmian UK Group Ltd.
Escalator Handrail (UK) Ltd.	Eastleigh	British Pound	2	100.00%	EHC Global Inc.
Ireland					
Prysmian Re Company Designated Activity Company	Dublin	Euro	20,000,000	100.00%	Prysmian Servizi S.p.A.
Italy					
Prysmian Cavi e Sistemi S.r.l.	Milan	Euro	50,000,000	100.00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Italia S.r.l.	Milan	Euro	77,143,249	100.00%	Prysmian S.p.A.
Prysmian Treasury S.r.l.	Milan	Euro	80,000,000	100.00%	Prysmian S.p.A.
Prysmian PowerLink S.r.l.	Milan	Euro	100,000,000	100.00%	Prysmian S.p.A.
Fibre Ottiche Sud - F.O.S. S.r.l.	Battipaglia	Euro	47,700,000	100.00%	Prysmian S.p.A.
Electronic and Optical Sensing Solutions S.r.l.	Milan	Euro	5,000,000	100.00%	Prysmian S.p.A.
Prysmian Servizi S.p.A.	Milan	Euro	3,000,000	100.00%	Prysmian S.p.A.
Norway					
Prysmian Group Norge AS	Drammen	Norwegian Krone	22,500,000	100.00%	Draka Holding B.V.
The Netherlands					
Draka Comteq B.V.	Amsterdam	Euro	1,000,000	100.00%	Draka Holding B.V.
Draka Comteq Fibre B.V.	Eindhoven	Euro	18,000	100.00%	Prysmian Netherlands Holding B.V.
Draka Holding B.V.	Amsterdam	Euro	52,229,321	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.
Poland					
Prysmian Poland sp. z o.o.	Sokolów	Polish Zloty	394,000	100.000%	Draka Holding B.V.
Portugal					
General Cable Investments, SGPS, Sociedade Unipessoal, S.A.	Funchal	Euro	8,500,020	100.00%	Draka Holding B.V.
General Cable Celcat, Energia e Telecomunicaçoes SA	Pero Pinheiro	Euro	13,500,000	100.00%	General Cable Investments, SGPS, Sociedade Unipessoal, S.A.
Czech Republic					
Prysmian Kabely, s.r.o.	Velké Meziříčí	Czech Koruna	255,000,000	100.00%	Draka Holding B.V.
Romania					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Leu rumeno	203,850,920	99.9998%	Draka Holding B.V.
				0.0002%	Prysmian Cavi e Sistemi S.r.l.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Russia					
Limited Liability Company Prysmian RUS	Rybinsk city	Russian Rouble	230,000,000	99.00%	Draka Holding B.V.
				1.00%	Prysmian Cavi e Sistemi S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Rybinsk city	Russian Rouble	90,312,000	100.00%	Limited Liability Company Prysmian RUS
Slovakia					
Prysmian Kablo s.r.o.	Bratislava	Euro	21,246,001	99.995%	Prysmian Cavi e Sistemi S.r.l.
				0.005%	Prysmian S.p.A.
Spain					
Prysmian Cables Spain, S.A. (Sociedad Unipersonal)	Vilanova I la Geltrù	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.
Sweden					
Prysmian Group Sverige AB	Nässjö	Swedish Krona	100,000	100.00%	Draka Holding B.V.
Switzerland					
Omnisens S.A.	Morges	Swiss Franc	11,811,719	100.00%	Electronic and Optical Sensing Solutions S.r.l.
Turkey					
Turk Prysmian Kablo Ve Sistemleri A.S.	Mudanya	Turkish new Lira	216,733,652	83.7464%	Draka Holding B.V.
				0,4614%	Turk Prysmian Kablo Ve Sistemleri A.S.
				15.7922%	Third Parties
Hungary					
Prysmian MKM Magyar Kabel Muvek Kft.	Budapest	Hungarian Forint	5,000,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
North America					
Canada					
Prysmian Cables and Systems Canada Ltd.	New Brunswick	Canadian Dollar	1,000,000	100.00%	Draka Holding B.V.
Draka Elevator Products Incorporated	New Brunswick	Canadian Dollar	n/a	100.00%	Prysmian Cables and Systems USA, LLC
General Cable Company Ltd.	Halifax	Canadian Dollar	295,768	100.00%	Prysmian Cables and Systems USA, LLC
EHC Global Inc.	Oshawa	Canadian Dollar	1,511,769	100.00%	Prysmian Cables and Systems Canada Ltd.
EHC Canada Inc.	Oshawa	Canadian Dollar	39,409	100.00%	EHC Global Inc.
Dominican Repuplic					
General Cable Caribbean, S.R.L	Santa Domingo Oeste	Dominican Peso	2,100,000	99.995%	GK Technologies, Incorporated
				0.005%	Prysmian Cables and Systems USA, LLC
Trinidad and Tobago					
General Cable Trinidad Limited	Port of Spain	Trinidadian Dollar	100	100.00%	GK Technologies, Incorporated

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
U.S.A.					
Prysmian Cables and Systems (US) Inc.	Carson City	US Dollar	330,517,608	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
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	New York	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
Prysmian Projects North America, LLC	Wilmington	US Dollar		100.00%	Prysmian Cables and Systems USA, LLC
Central/South America					
Argentina					
Prysmian Energia Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	992,359,215	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.
Brazil					
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 sercicos de solucoes de monitoracao em fibra otica Ltda	Rio de Janeiro	Brazilian Real	626,050	100.00%	Omnisens S.A.
Chile					
Cobre Cerrillos S.A.	Cerrillos	US Dollar	74,574,400	99.80%	General Cable Holdings (Spain), S.L.
				0.20%	Third Parties
Colombia					
Productora de Cables Procables S.A.S.	Bogotà	Colombian Peso	1,902,964,285	99.96%	GC Latin America Holdings, S.L.
				0.04%	GK Technologies, Incorporated
Costa Rica					
Conducen, S.R.L.	Heredia	Costa Rican Colón	1,845,117,800	100.00%	GC Latin America Holdings, S.L.
Ecuador					
Cables Electricos Ecuatorianos C.A. CABLEC	Quito	US Dollar	243,957	67.14%	General Cable Holdings (Spain), S.L.
				32.86%	Third Parties
Guatemala					
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
Honduras					
Electroconductores de Honduras, S.A. de C.V.	Tegucigalpa	Honduran Lempira	27,600,000	59.39%	General Cable Holdings (Spain), S.L.
				40.61%	GC Latin America Holdings, S.L.

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Mexico					
Draka Durango S. de R.L. de C.V.	Durango	Mexican Peso	163,471,787	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
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
Panama					
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.
Perù					
General Cable Peru S.A.C.	Santiago de Surco (Lima)	Nuevo sol peruviano	90,327,868	99.99999%	GC Latin America Holdings, S.L.
				0.00001%	Third Parties
Africa					
Angola					
General Cable Condel, Cabos de Energia e Telecomunicaçoes SA	Luanda	Kwanza angolano	20,000,000	99.80%	General Cable Celcat, Energia e Telecomunicaçoes SA
				0.20%	Third Parties
Ivory Coast					
SICABLE - Sociète Ivoirienne de Cables S.A.	Abidjan	CFA Franc	740,000,000	51.00%	Prysmian Cables et Systèmes France S.A.S.
				49.00%	Third Parties
South Africa					
National Cables (Pty) Ltd.	Illovo	South African Rand	101	100.00%	Phelps Dodge National Cables Corporation
Tunisia					
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
Oceania					
Australia					
Prysmian Australia Pty Ltd.	Liverpool	Australian Dollar	56,485,736	100.00%	Prysmian Cavi e Sistemi S.r.l.
New Zeland					
Prysmian New Zealand Ltd.	Auckland	New Zeland Dollar	10,000	100.00%	Prysmian Australia Pty Ltd.
Asia					
Saudi Arabia					
Prysmian Powerlink Saudi LLC	Al Khoabar	Saudi Arabian Riyal	500,000	95.00%	Prysmian PowerLink S.r.l.
				5.00%	Third Parties

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
China					
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.
Philippines					
Draka Philippines Inc.	Cebu	Philippine Peso	253,652,000	99.9999975%	Draka Holding B.V.
				0.0000025%	Third Parties
India					
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	157,388,218	99.99999%	Prysmian Cavi e Sistemi S.r.l.
				0,000001%	Prysmian S.p.A.
Indonesia					
PT.Prysmian Cables Indonesia	Cikampek	US Dollar	67,300,000	99.48%	Draka Holding B.V.
				0.52%	Prysmian Cavi e Sistemi S.r.l.
Malaysia					
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.
Oman					
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)
Singapore					
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
Thailand					
MCI-Draka Cable Co. Ltd.	Bangkok	Thai Baht	435,900,000	70.250172%	Draka Cableteq Asia Pacific Holding Pte Ltd.
				0.000023%	Draka (Malaysia) Sdn Bhd
				0.000023%	Sindutch Cable Manufacturer Sdn Bhd
				0.000023%	Singapore Cables Manufacturers Pte Ltd.
				29.749759%	Third Parties

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

Legal name	Office	Currency	Share Capital	% ownership	Direct parent company
Europe					
Germany					
Kabeltrommel GmbH & Co.KG	Troisdorf	Euro	10,225,837.65	43.18%	Prysmian Kabel und Systeme GmbH
				1.75%	Norddeutsche Seekabelwerke GmbH
				55.07%	Third parties
Kabeltrommel GmbH	Troisdorf	Deutsche Mark	51,000	41.18%	Prysmian Kabel und Systeme GmbH
				5.82%	Norddeutsche Seekabelwerke GmbH
				53.00%	Third parties
Nostag GmbH & Co. KG	Oldenburg	Euro	540,000	33.00%	Norddeutsche Seekabelwerke GmbH
				67.00%	Third parties
U.K.					
Rodco Ltd.	Woking	British Pound	5	40.00%	Prysmian Cables & Systems Ltd.
				60.00%	Third parties
Russia					
Elkat Ltd.	Moscow	Russian Rouble	10,000	40.00%	Prysmian Group Finland OY
				60.00%	Third parties
Central/South America					
Chile					
Colada Continua Chilena S.A.	Quilicura (Santiago)	Chile Peso	100	41.00%	Cobre Cerrillos S.A.
				59.00%	Third parties
Asia					
China					
Yangtze Optical Fibre and Cable Joint Stock Limited Co.	Wuhan	Chinese Renminbi (Yuan)	757,905,108	23.73%	Draka Comteq B.V.
				76.27%	Third parties
Yangtze Optical Fibre and Cable (Shanghai) Co. Ltd.	Shanghai	Chinese Renminbi (Yuan)	100,300,000	75.00%	Yangtze Optical Fibre and Cable Joint Stock Limited Co.
				25.00%	Draka Comteq B.V.
Malaysia					
Power Cables Malaysia Sdn Bhd	Selangor Darul Eshan	Malaysian Ringgit	18,000,000	40.00%	Draka Holding B.V.
				60.00%	Third parties

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

Legal name	% ownership	Direct parent company
India		
Ravin Cables Limited	51.00%	Prysmian Cavi e Sistemi S.r.l.
	49.00%	Third Parties
United Arab Emirates		
Power Plus Cable CO. LLC	49.00%	Ravin Cables Limited
	51.00%	Third Parties

CERTIFICATION OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION 11971 DATED 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

1. The undersigned Valerio Battista, as Chief Executive Officer, and Stefano Invernici and Alessandro Brunetti, as managers responsible for preparing the financial reports of Prysmian S.p.A., certify, also taking account of the provisions of paragraphs 3 and 4, art. 1-bis of Italian Legislative Decree 58 dated 24 February 1998, that during the first half of 2023 the accounting and administrative processes for preparing the half-year condensed consolidated financial statements:

- have been adequate in relation to the business's characteristics and

- have been effectively applied.

2. The adequacy of the accounting and administrative processes for preparing the half-year condensed consolidated financial statements at 30 June 2023 has been evaluated on the basis of a procedure established by Prysmian in compliance with the internal control framework published by the Committee of Sponsoring Organizations of the Treadway Commission, which represents the generally accepted standard model internationally.

It is nonetheless reported that:

- during the first half of 2023, some of the Prysmian Group's companies were involved in the information system changeover project. The process of fine-tuning the new system's operating and accounting functions is still in progress for some of them; in any case, the system of controls in place ensures uniformity with the Group's system of procedures and controls.

3. It is also certified that:

3.1 The half-year condensed consolidated financial statements at 30 June 2023:

a) have been prepared in accordance with applicable international accounting standards recognised by the European Union under Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;

b) correspond to the underlying accounting records and books of account;
c) are able to provide a true and fair view of the issuer's statement of financial position and results of operations and of the group of companies included in the consolidation.

3.2 The interim directors' report contains a fair review of important events that took place in the first six months of the year and their impact on the half-year condensed consolidated financial statements, together with a description of the main risks and uncertainties in the remaining six months of the year. The financial report at 30 June 2023 also contains a fair review of the disclosures about significant related party transactions.

Milan, 27 July 2023

Chief Executive Officer *Managers responsible for preparing company financial reports*
Valerio Battista **Stefano Invernici** **Alessandro Brunetti**

Audit Report

Prysmian S.p.A.

Interim condensed consolidated financial statements as of 30 June 2023

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Prysmian S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the income statement, the other comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes of Prysmian S.p.A. and its subsidiaries (the “Prysmian Group”) as of 30 June 2023. The Directors of Prysmian S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Prysmian Group as of 30 June 2023 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 28 July 2023

EY S.p.A.
Signed by: Massimo Meloni, Auditor

This report has been translated into the English language solely for the convenience of international readers

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