



**ready to go,
ALWAYS**

 **PRIMA
INDUSTRIE**
2021

**INTERIM FINANCIAL REPORT
MARCH 31, 2021**

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2021

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MARCH 31, 2021

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chapter 1.

Parent Company Governance

CHAPTER 1. PARENT COMPANY GOVERNANCE

Board of Directors

EXECUTIVE CHAIRMAN	Gianfranco Carbonato ^(*)
DEPUTY EXECUTIVE CHAIRMAN	Domenico Peiretti ^(*)
MANAGING DIRECTOR	Ezio Giovanni Basso
INDEPENDENT DIRECTORS	Donatella Busso Francesca de Fraja Frangipane Paola Gatto Carlalberto Guglielminotti Giuliana Mattiazzo
OTHER DIRECTORS	Mario Mauri Michael R. Mansour Lisa Tan

Control and Risks Committee and Related Parties Committee

CHAIRMAN	Donatella Busso
MEMBERS	Francesca de Fraja Frangipane Paola Gatto

Remuneration Committee

CHAIRMAN	Francesca de Fraja Frangipane
MEMBERS	Mario Mauri Paola Gatto

Strategic Committee

EXECUTIVE CHAIRMAN	Domenico Peiretti
MEMBERS	Carlalberto Guglielminotti Giuliana Mattiazzo Michael R. Mansour Mario Mauri

Board of Statutory Auditors

CHAIRMAN	Franco Nada
AUDITORS	Maura Campra Roberto Petri gnani
DEPUTY AUDITORS	Roberto Coda Gaetana Laselva

Audit Company

PricewaterhouseCoopers S.p.A.

Expiry of Mandates

The Board of Directors shall remain in office until the approval of 2022 Financial Statements.

The Board of Statutory Auditors shall remain in office until the approval of 2021 Financial Statements.

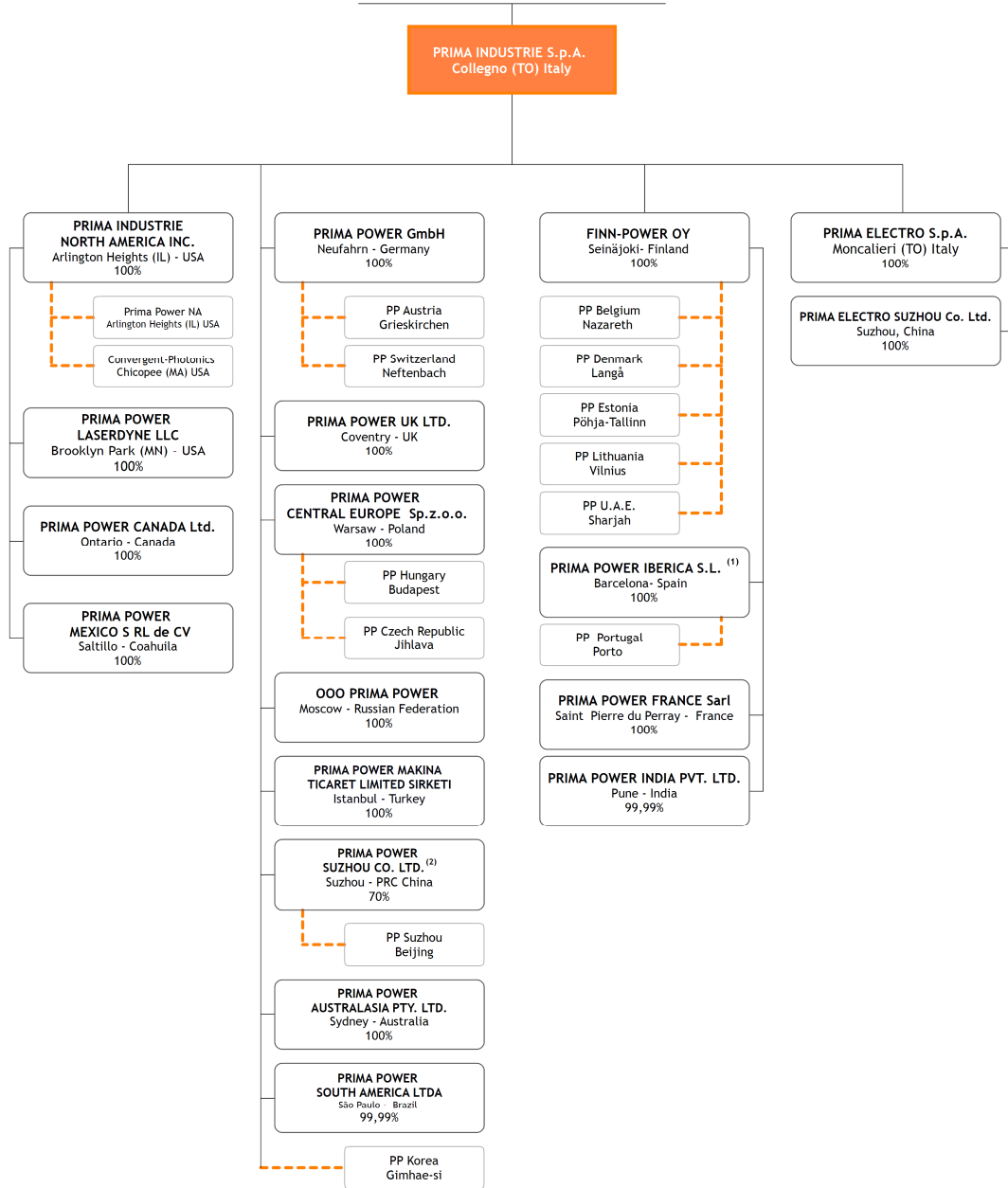
The Audit Company was appointed by the Stockholders' Meeting held on April 11, 2017 for the period 2017-2025.

^(*) The Executive Chairman and the Deputy Executive Chairman were also assigned the position of Managing Director

Prima Industrie Group Structure

chapter 2.

CHAPTER 2. PRIMA INDUSTRIE GROUP STRUCTURE



The statement on this page represents the corporate situation of PRIMA INDUSTRIE Group on March 31, 2021. Group business units are identified with dashed lines.

⁽¹⁾ - FINN-POWER OY holds 78% of PRIMA POWER IBERICA SL (the remaining 22% is held by PRIMA INDUSTRIE SpA).

⁽²⁾ - PRIMA INDUSTRIE SpA holds 70% of PRIMA POWER SUZHOU Co. Ltd. (the remaining 30% is held by third parties).

Prima Industrie Group Profile

chapter 3.

CHAPTER 3. PRIMA INDUSTRIE GROUP PROFILE

The PRIMA INDUSTRIE Group is a market leader in the development, manufacture and sale of laser systems for industrial applications and of machines to process sheet metal, besides in the fields of industrial electronics and laser sources.

The Parent Company PRIMA INDUSTRIE SpA, established in 1977 and listed in the Italian Stock Exchange since October 1999 (currently MTA - STAR segment), designs and manufactures high-power laser systems for cutting, welding and surface treatment of three-dimensional (3D) and flat (2D) components, panel bending and bending machines as well as turnkey solutions for the main Additive Manufacturing technologies: Powder Bed Fusion - PBF and Direct Metal Deposition - DMD.

The PRIMA INDUSTRIE Group is present on the market over 40 years and boasts over 13,000 machines installed in more than 70 Countries and its business is structured in the following three divisions:

- PRIMA POWER for laser machines and sheet metal processing;
- PRIMA ELECTRO for industrial electronics and laser technologies;
- PRIMA ADDITIVE for additive manufacturing systems for metal applications.

The **PRIMA POWER** division includes the design, manufacture and sale of:

- cutting, welding and punching machines for three-dimensional (3D) and two-dimensional (2D) metallic components;
- sheet metal processing machines that use mechanical tools (punchers, integrated punching and shearing systems, integrated punching and laser cutting systems, panel bending, bending machines and automated systems).

This division owns manufacturing plants in Italy (PRIMA INDUSTRIE SpA), in Finland (FINN-POWER OY), in the United States (PRIMA POWER LASERDYNE LLC), in China (PRIMA POWER SUZHOU Co. Ltd.) and has direct sales and customer service facilities in France, Switzerland, Spain, Germany, the United Kingdom, Belgium, Poland, Czech Republic, Lithuania, Hungary, Russia, Turkey, USA, Canada, Mexico, Brazil, China, India, South Korea, Australia and the United Arab Emirates.

The **PRIMA ELECTRO** Division includes the development, construction and sale of electronic power and control components, and hi-power laser sources for industrial applications, intended for the machines of the Group and third customers. The division has manufacturing plants in Italy (PRIMA ELECTRO SpA) and in the United States (PRIMA INDUSTRIE NORTH AMERICA Inc. - CONVERGENT-PHOTONICS), as well as sales facility in China.

The **PRIMA ADDITIVE** Division is dedicated to the design, production and marketing of turnkey solutions for the main technologies in the Additive Manufacturing field: Powder Bed Fusion - PBF and Direct Metal Deposition - DMD. The financial and equity data of PRIMA ADDITIVE are currently negligible and do not meet the thresholds set out in IFRS 8 for disclosure purposes and therefore this division's information is, currently, aggregated to the data for PRIMA POWER Division.

Over 40 years after its establishment, the mission of the PRIMA INDUSTRIE Group continues to be that of systematically expanding its range of products and services and to continue to grow as a global supplier of laser systems and sheet metal processing systems for industrial applications, including industrial electronics, markets that demand top-range technology and where growth rates are quite good, though in the presence of a cyclical context.

This Interim Financial Report was approved by the Board of Directors on May 11, 2021.

chapter 4.

Introduction

CHAPTER 4. INTRODUCTION

This Interim Financial Report as at March 31, 2021 of PRIMA INDUSTRIE Group was prepared in accordance with the provisions of article 154-ter, paragraphs 2, 3 and 4 of the Consolidated Law on Finance, as amended, as well as the Issuer Regulations issued by CONSOB; it has been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the *International Accounting Standards Board* ("IASB") endorsed by the European Union and by Italian legislation and regulations.

This Interim Financial Report was approved by the Board of Directors on May 11, 2021 and was published in accordance with the provisions of article 2.2.3 of Borsa Italiana SpA Regulations applicable to issuers listed in the STAR segment.

Quarterly data were not audited by the independent auditors.

It should be noted that, to improve disclosure of its financial results, the Group has presented the income statement according to functional area, rather than by expenditure type. The cost presentation is based on cost destination and is considered more representative than expenditure type. The form chosen conforms to internal *reporting* and business management procedures and is in line with international practice within the sector in which the Group operates.

"Cost of goods sold" includes costs relating to the functional areas that participated directly or indirectly in the generation of revenues with the sale of goods or services. It includes all costs for materials, processing and overheads directly attributable to production.

Group Interim Management Report

chapter 5.

CHAPTER 5. GROUP INTERIM MANAGEMENT REPORT

GROUP RESULTS SUMMARY

Values in Euro thousand	March 31, 2021	March 31, 2020	Variations	%
ORDER INTAKE	104,642	72,825	31,817	43.7%
BACKLOG	147,911	141,289	6,622	4.7%
REVENUES	82,300	75,051	7,249	9.7%
EBITDA	4,346	3,100	1,246	40.2%
EBITDA %	5.3%	4.1%	1.2%	-
EBIT	(547)	(2,544)	1,997	-78.5%
EBIT %	-0.7%	-3.4%	2.7%	-
NET RESULT	(1,548)	(3,524)	1,976	-56.1%
FCF	(5,569)	(26,491)	20,922	79.0%
NET FINANCIAL DEBT	(99,410)	(133,452)	34,042	25.5%
HEADCOUNT	1,734	1,770	(36)	-2.0%

(% calculated over the revenues, headcount expressed in units)

Values in Euro thousand	March 31, 2021	March 31, 2020	Variations	%
REVENUES AT COSTANT EXCHANGE RATES	85,438	75,051	10,387	13.8%
EBITDA Adj	5,662	3,783	1,879	49.7%
EBITDA Adj %	6.9%	5.0%	1.9%	-
EBIT Adj	830	(1,861)	2,691	-144.6%
EBIT Adj %	1.0%	-2.5%	3.5%	-

(% calculated over the revenues)

(Performance indicators adjusted, as shown in Annex 2 of this document, correspond to the same indicators net of non-recurring items)

SIGNIFICANT EVENTS OF THE PERIOD

APPROVAL OF THE 2021-2023 INDUSTRIAL PLAN

On March 2, 2021 the Board of Directors of PRIMA INDUSTRIE SpA approved the Group's Industrial Plan for the three-year period 2021-2023. The plan assumes a significant recovery of the reference markets starting from mid-2021 and the beginning of a new multi-year positive cycle in the following years. In particular, strong growth is expected in the Chinese market and in the APAC area in general, with the AMERICAS and EMEA improving at a slower pace. In order to achieve the challenging objectives set out in the plan, PRIMA INDUSTRIE will adopt a new organisational model that, in addition to central staff functions, will include four Business Units with a strong technological and regional focus, which will enable it to better focus its activities on the respective business areas. This entails a simplification of the structure and greater decentralisation of activities, which will be achieved through the development of local technical expertise and the introduction of digitalisation tools. The plan also envisages a strengthening of the Group's capital structure, thanks in part to the expected generation of cash, which will help finance the investment plan and make it possible to plan adequate remuneration for shareholders.

ECONOMIC PERFORMANCE

Group turnover as at March 31, 2021 was equal to Euro 82,300 thousand, an increase of 9.7% compared to 2020. It could have been slightly higher if not penalized by difficulties in shipments by sea (blank sailing) and in particular from the block of the Suez Canal which delayed the delivery of some machines to the APAC area.

Here below are the main economic indicators of the Group, compared with the corresponding period of the previous year.

Values in Euro thousand

March 31, 2021	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	75,927	16,477	21.7%	4,290	5.7%	244	0.3%	(902)
PRIMA ELECTRO	11,827	1,269	10.7%	62	0.5%	(786)	-6.6%	(643)
ELIMINATIONS	(5,454)	(36)	-0.7%	(6)	-0.1%	(5)	-0.1%	(3)
GROUP	82,300	17,710	21.5%	4,346	5.3%	(547)	-0.7%	(1,548)

(% calculated over the revenues)

Values in Euro thousand

March 31, 2020	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	69,356	14,646	21.1%	3,187	4.6%	(1,238)	-1.8%	(2,539)
PRIMA ELECTRO	11,668	1,340	11.5%	57	0.5%	(1,162)	-10.0%	(879)
ELIMINATIONS	(5,973)	(150)	-2.5%	(144)	-2.4%	(144)	-2.4%	(106)
GROUP	75,051	15,836	21.1%	3,100	4.1%	(2,544)	-3.4%	(3,524)

(% calculated over the revenues)

Values in Euro thousand

Variations	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	6,571	1,831	-27.9%	1,103	-16.8%	1,482	-22.6%	1,637
PRIMA ELECTRO	159	(71)	44.7%	5	-3.1%	376	-236.5%	236
ELIMINATIONS	519	114	-22.0%	138	-26.6%	139	-26.8%	103
GROUP	7,249	1,874	-25.9%	1,246	-17.2%	1,997	-27.5%	1,976

(% calculated over the revenues)

The consolidated revenues are shown here below, split down on a geographic basis, as of March 31, 2021 compared with the corresponding period of the previous year:

Revenues	March 31, 2021		March 31, 2020	
	Euro thousand	%	Euro thousand	%
SEMEA (*)	26,154	31.8	21,034	28.0
NORTH EUROPE	17,461	21.2	23,601	31.4
AMERICAS	24,657	30.0	24,269	32.3
APAC	14,028	17.0	6,147	8.3
TOTAL	82,300	100.0	75,051	100.0

(*) South Europe, Middle East & Africa

The above table shows that the Group turnover as of March 31, 2021 (compared with the corresponding period of the previous year) had a significant recovery in the SEMEA area (+24.3%) and the APAC area(+128.2%). The trend is stable in the AMERICAS (+1.6%), which is the area which was less affected by the crisis linked to Covid-19 in 2020, while at constant exchange rates the increase would have been by 10.7%. The turnover was instead down in the NORTH EUROPE area (-26.0%) which, on the contrary, in the first quarter of last year had not been hit by the pandemic yet.

The main destination countries in the SEMEA area were Italy (17.7% of consolidated revenues), Spain and Portugal (4.7% of consolidated revenues), Poland and Eastern Europe (5.1% of consolidated revenues).

The main countries of destination in the NORTH EUROPE area were Finland and the Baltic countries (7.2% of consolidated revenues), the DACH countries (5.5% of consolidated revenues), and Benelux (4.7% of consolidated revenues).

The share of revenues realized in the AMERICAS went from Euro 24,269 thousand to Euro 24,657 thousand, of which Euro 20,260 thousand were generated by the United States.

In the APAC area, revenues grew by 128.2% compared to 2020, passing from Euro 6,147 thousand to Euro 14,028 thousand. The increase is attributable to revenues in China, which grew from Euro 3,867 thousand (at March 31, 2020) to Euro 9,179 thousand (at March 31, 2021) and in South Korea, where revenues grew from Euro 753 thousand to Euro 2,500 thousand.

Below is a breakdown of revenues by segment gross of inter-sector transactions:

Revenues	March 31, 2021		March 31, 2020	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	75,927	92.3	69,356	92.4
PRIMA ELECTRO	11,827	14.4	11,668	15.5
Inter-sector revenues	(5,454)	(6.7)	(5,973)	(7.9)
TOTAL	82,300	100.0	75,051	100.0

The Group **Gross Margin** at March 31, 2021 amounted to Euro 17,710 thousand, an increase of Euro 1,874 thousand compared to Euro 15,836 thousand in 2020; the margin as a percentage of revenues is 21.5%, an increase compared with March 31, 2020 (21.1%).

The Group **EBITDA** as of March 31, 2021 is at Euro 4,346 thousand, equal to 5.3% of revenues against Euro 3,100 thousand, equal to 4.1% of revenues as of March 31, 2020.

EBITDA was negatively affected by non-recurring costs of Euro 1,316 thousand (at March 31, 2020 they were equal to Euro 683 thousand); therefore, **adjusted EBITDA** ⁽¹⁾ amounted to Euro 5,662 thousand (6.9% of revenues).

The Group **EBIT** as of March 31, 2021 was negative for Euro 547 thousand, equal to -0.7% of revenues against the negative Euro 2,544 thousand equal to -3.4% of previous year's revenues.

Moreover, this result is affected by:

- amortization of intangible fixed assets totalling Euro 2,082 thousand (relating to development costs of Euro 1,419 thousand and to the trademark recognised in connection with the business combination of the FINN-POWER Group, amounting to Euro 477 thousand) and writedowns of Euro 61 thousand.
- the depreciation of property, plant and equipment for Euro 2,750 thousand.

EBIT at March 31, 2021 is penalized by non-recurring costs equal to Euro 1,377 thousand; consequently, **adjusted EBIT**⁽¹⁾ was positive at Euro 830 thousand (1.0% of revenues).

The Group EBT at March 31, 2021 is negative for Euro 1,568 thousand against the negative Euro 4,116 thousand at March 31, 2020.

The Group EBT was impacted by net financial expenses (including gains and losses on exchange rates) for Euro 981 thousand (at March 31, 2020 they were equal to Euro 1,540 thousand).

Financial results (€/000)	March 31, 2021	March 31, 2020
Bond expenses	(226)	(229)
Loans 2018 expenses	(254)	(315)
Derivatives expenses (CRS)	(396)	(101)
Derivatives expenses (IRS)	(82)	(90)
Lease expenses	(297)	(340)
Other financial expenses	(340)	(290)
Net financial expenses	(1,595)	(1,365)
Net exchange differences	614	(175)
TOTAL	(981)	(1,540)

The net result of investments accounted for using the equity method presented a loss of Euro 40 thousand and refers to the share of the result for the period of the associate 3D NT.

The Group **NET RESULT** at March 31, 2021 is negative for Euro 1,548 thousand vs. the negative Euro 3,524 thousand at March 31, 2020, whilst the Parent Company reported a net loss of Euro 1,595 thousand.

(1) Note that, as illustrated in Annex 2 to this report, the **adjusted** performance indicators are the same indicators net of non-recurring items only. For more information about the non-recurring items, see the section in the Explanatory Notes to the Financial Report.

FINANCIAL PERFORMANCE

Below is the Cash Flow of the PRIMA INDUSTRIE Group as at March 31, 2021, compared with the previous year.

Values in Euro thousand	March 31, 2021	March 31, 2020(*)	Variations
Net Financial Indebtedness Opening	(96,274)	(107,343)	11,069
Cash from operating activities before TWC	3,465	(3,637)	7,102
Change in Trade Working Capital	(5,695)	(15,559)	9,864
Cash from operating activities	(2,230)	(19,196)	16,966
Investments in development costs	(707)	(1,190)	483
Other investments	(2,632)	(6,105)	3,473
Cash from investment activities	(3,339)	(7,295)	3,956
FREE CASH FLOW (FCF)	(5,569)	(26,491)	20,922
Net result of investments accounted for using the equity method	(40)	(32)	(8)
Cash from financing activities	(40)	(32)	(8)
Net exchange differences	2,473	414	2,059
CASH FLOW - TOTAL	(3,136)	(26,109)	22,973
Net Financial Indebtedness Closing	(99,410)	(133,452)	34,042

(*) For a better comprehension, the 2020 figures have been re-exposed

At March 31, 2021 the Group's **Net Financial Indebtedness**⁽²⁾ was equal to Euro 99,410 thousand, improving compared to Euro 133,452 thousand at March 31, 2020 and substantially stable compared to Euro 96,274 thousand as at December 31, 2020.

In addition to the cash amounting to approximately Euro 58 million, the Group has also available unused credit lines for more than Euro 48 million as of March 31, 2021.

Below is a breakdown of Group net financial indebtedness:

Values expressed in Euro thousand	March 31, 2021	December 31, 2020	March 31, 2020
NON CURRENT FINANCIAL ASSETS	(4,233)	(4,233)	(4,243)
CASH & CASH EQUIVALENTS	(58,350)	(62,999)	(32,161)
CURRENT FINANCIAL ASSETS	(328)	(423)	(473)
CURRENT FINANCIAL LIABILITIES	51,188	52,861	43,367
NON CURRENT FINANCIAL LIABILITIES	75,331	75,336	85,496
NET FINANCIAL DEBT (before leasing)	63,608	60,542	91,986
LEASING LIABILITIES	35,802	35,732	41,466
NET FINANCIAL DEBT	99,410	96,274	133,452

⁽²⁾ Reconciliation between Group **Net Financial Indebtedness** (used as a performance indicator) and net financial position required by CONSOB Communication no. DEM/6064293 of July 28, 2006 is provided in the Explanatory Notes.

BUSINESS PERFORMANCE

During the 1st Quarter 2021, the Group's order acquisition (including after-sales service) amounted to Euro 104.6 million, an increase of 43.7% compared to the Euro 72.8 million at March 31, 2020. The acquisition of orders of the PRIMA POWER sector amounted to Euro 97.4 million, while the PRIMA ELECTRO segment, considering the ones from customers outside the Group, amounted to Euro 7.2 million.

The consolidated order backlog (not including the after-sale service) at March 31, 2021 amounted to Euro 147.9 million, up from Euro 141.3 million at March 31, 2020. The backlog includes Euro 138.0 million relating to the PRIMA POWER sector and Euro 9.9 million relating to the PRIMA ELECTRO sector.

As at April 30, 2021 the order backlog amounted to Euro 163.4 million.

OUTLOOK OF OPERATIONS

After a 2020 marked by the crisis linked to the COVID-19 pandemic, which followed a period in which a slowdown in the sector had already become apparent, the Group's target markets are providing important signs of recovery. As is natural for capital goods, the recovery in turnover is not as rapid as the recovery in orders, but the significant backlog at the end of the first quarter (further increased at the end of April) makes it possible to confirm the expectation of a significant recovery in turnover and profitability during the year.

EVENTS OCCURRING AFTER THE REFERENCE DATE OF THE FINANCIAL STATEMENT

STOCK OPTION INCENTIVE PLAN

On April 20, 2021 the Board of Directors of PRIMA INDUSTRIE approved the 2021-2023 Stock Option incentive Plan based on the free-of-charge allocation, pursuant to article 114-bis of the Consolidated Law on Finance and 2349 of the Italian Civil Code, of Company shares. The Plan provides for the right of the beneficiaries, identified among the Group's directors and first level managers, to receive, free of charge, a maximum number of PRIMA INDUSTRIE shares that may actually be allocated in the years 2024 and 2025, to an extent related to the performance conditions achieved according to the pre-established criteria and parameters and the other conditions provided for in the Plan. These objectives include targets able to contribute to the company's strategy, to the pursuit of long-term interests and to their alignment with those of the shareholders; ESG objectives are also envisaged, i.e. linked to the sustainable growth of the company with particular reference to diversity and *customer satisfaction*, as well as the retention of beneficiaries.

PURCHASE AND DISPOSAL OF TREASURY SHARES

On April 20, 2021, the Board of Directors of PRIMA INDUSTRIE authorised, subject to revocation of the resolution passed on May 12, 2020, the purchase and disposal, on one or more occasions, for a period of eighteen months, of PRIMA INDUSTRIE SpA ordinary shares to the maximum extent of 150,000 shares, or for a maximum purchase price of Euro 5 million, authorising the disposal of treasury shares, on one or more occasions, without time limits, in the manner deemed most appropriate in the interests of the Company and in compliance applicable legislation.

Purchases will be carried out according to the procedures provided for in article 144-bis, paragraph 1, letter b) and paragraph 1-bis of the Issuer Regulations or to other procedures in compliance with the provisions applicable at the time of the transaction.

The purpose of the authorisation includes the possibility of assigning the shares to service stock option incentive plans for directors, employees and collaborators of the company or Group companies, or their use to service any free-of-charge assignments to shareholders, or to service extraordinary transactions or as an instrument to support market liquidity.

Consolidated Financial Statements of Prima Industrie Group at March 31, 2021

Accounting Tables

chapter 6.

CHAPTER 6. CONSOLIDATED FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AT MARCH 31, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Values in thousand euro</i>	March 31, 2021	December 31, 2020
Property, plant and equipment	64,619	64,281
Intangible assets	119,782	120,837
Investments accounted for using the equity method	354	394
Other investments	6,497	6,226
Non current financial assets	4,233	4,233
Deferred tax assets	18,725	17,656
NON CURRENT ASSETS	214,210	213,627
Inventories	132,113	118,689
Trade receivables	80,949	77,624
Other receivables	9,044	8,732
Current tax receivables	5,790	5,013
Derivatives	6	365
Financial assets	321	58
Cash and cash equivalents	58,350	62,999
CURRENT ASSETS	286,573	273,480
Assets held for sale	5,255	5,255
TOTAL ASSETS	506,038	492,362
Capital stock	26,208	26,208
Legal reserve	5,213	5,213
Other reserves	66,526	66,461
Currency translation reserve	1,587	(1,225)
Retained earnings	62,963	70,164
Net result	(1,595)	(7,201)
Stockholders' equity of the Group	160,902	159,620
Minority interest	3,019	2,844
STOCKHOLDERS' EQUITY	163,921	162,464
Interest-bearing loans and borrowings	104,992	105,318
Employee benefit liabilities	7,063	7,104
Deferred tax liabilities	4,749	4,759
Provisions	235	238
Derivatives	384	419
NON CURRENT LIABILITIES	117,423	117,838
Trade payables	74,520	69,390
Advance payments	45,943	40,019
Other payables	21,637	19,244
Interest-bearing loans and borrowings	56,885	58,192
Current tax payables	5,529	5,704
Provisions	20,121	19,511
Derivatives	59	-
CURRENT LIABILITIES	224,694	212,060
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	506,038	492,362

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	March 31, 2021	March 31, 2020(*)
Net revenues	82,300	75,051
Cost of goods sold	(64,590)	(59,215)
GROSS MARGIN	17,710	15,836
Research and Development costs	(5,606)	(5,519)
Sales and marketing expenses	(6,178)	(6,601)
General and administrative expenses	(6,473)	(6,260)
OPERATING PROFIT (EBIT)	(547)	(2,544)
Financial income	70	97
Financial expenses	(1,665)	(1,462)
Net exchange differences	614	(175)
Net result of investments accounted for using the equity method	(40)	(32)
RESULT BEFORE TAXES (EBT)	(1,568)	(4,116)
Taxes	20	592
NET RESULT	(1,548)	(3,524)
- Attributable to Group shareholders	(1,595)	(3,293)
- Attributable to minority shareholders	47	(231)
RESULT PER SHARE - BASIC (in euro)	(0.15)	(0.31)
RESULT PER SHARE - DILUTED (in euro)	(0.15)	(0.31)

(*) For a better comprehension, the 2020 figures have been re-exposed.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Values in euro thousand</i>	March 31, 2021	March 31, 2020
NET RESULT (A)	(1,548)	(3,524)
Gains/ (Losses) on actuarial defined benefit plans	-	-
Tax effect	-	-
Total other comprehensive gains/(losses) not to be classified in the Income Statement, net of tax effects (B)	-	-
Gains / (Losses) on cash flow hedges	85	(30)
Tax effect	(20)	7
Gains/ (Losses) on exchange differences on translating foreign operations	2,940	725
Total other comprehensive gains/(losses) to be classified in the Income Statement, net of tax effects (C)	3,005	702
TOTAL COMPREHENSIVE INCOME (A) + (B) + (C)	1,457	(2,822)
- <i>Attributable to Group shareholders</i>	1,282	(2,610)
- <i>Attributable to minority shareholders</i>	175	(212)

CONSOLIDATED STATEMENT OF CHANGES ON SHAREHOLDERS' EQUITY

from January 1, 2020 to March 31, 2020

Values in euro thousand	Capital stock	Additional paid-in capital	Treasury stock	Legal reserve	Capital increase - expenses	Stock grant reserve	Change in the FV of hedging derivatives	Other reserves	Currency translation reserve	Retained earnings	Net result	Stockholders' equity of the Group	Minority interest	STOCKHOLDERS' EQUITY
Balance as at 01/01/2020	26,208	57,507	(1,966)	5,213	(1,286)	13	(439)	14,728	4,003	58,954	9,046	171,981	3,132	175,113
Allocation of prior year net result	-	-	-	-	-	-	-	-	-	9,046	(9,046)	-	-	-
Result of comprehensive Income	-	-	-	-	-	-	(23)	-	706	-	(3,293)	(2,610)	(212)	(2,822)
Balance as at 31/03/2020	26,208	57,507	(1,966)	5,213	(1,286)	13	(462)	14,728	4,709	68,003	(3,293)	169,371	2,920	172,291

from January 1, 2021 to March 31, 2021

Values in euro thousand	Capital stock	Additional paid-in capital	Treasury stock	Legal reserve	Capital increase - expenses	Stock grant reserve	Change in the FV of hedging derivatives	Other reserves	Currency translation reserve	Retained earnings	Net result	Stockholders' equity of the Group	Minority interest	STOCKHOLDERS' EQUITY
Balance as at 01/01/2021	26,208	57,507	(1,966)	5,213	(1,286)	-	(305)	12,511	(1,225)	70,164	(7,201)	159,620	2,844	162,464
Allocation of prior year net result	-	-	-	-	-	-	-	-	-	(7,201)	7,201	-	-	-
Result of comprehensive Income	-	-	-	-	-	-	65	-	2,812	-	(1,595)	1,282	175	1,457
Balance as at 31/03/2021	26,208	57,507	(1,966)	5,213	(1,286)	-	(240)	12,511	1,587	62,963	(1,595)	160,902	3,019	163,921

CONSOLIDATED CASH FLOW STATEMENT

<i>Values in Euro thousand</i>	March 31, 2021	March 31, 2020 (*)
Net result	(1,548)	(3,524)
Adjustments (sub-total)	(173)	(15,855)
Depreciation, impairment & write-off	4,893	5,645
Net change in deferred tax assets and liabilities	(1,079)	(1,117)
Change in employee benefits	(41)	(13)
Change in inventories	(13,424)	(14,734)
Change in trade receivables	(3,325)	3,735
Change in trade payables and advances	11,054	(4,592)
Net change in other receivables/payables and other assets/liabilities	1,709	(4,811)
Net result of investments accounted for using the equity method	40	32
Cash Flows from (used in) operating activities	(1,721)	(19,379)
Cash flow from investments		
Acquisition of tangible fixed assets (**)	(1,094)	(1,900)
Acquisition of intangible fixed assets	(148)	(113)
Capitalization of development costs	(707)	(1,190)
Cash Flows from (used in) investing activities	(1,949)	(3,203)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	184	141
Increases in loans and borrowings (including bank overdrafts and Credit lines)	2,012	6,498
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(3,711)	(6,170)
Repayments in financial lease liabilities	(1,717)	(1,406)
Cash Flows from (used in) financing activities	(3,232)	(937)
Cash Flows from (used in) change of minority shareholders	-	-
Foreign exchange translation differences	2,253	544
Net change in cash and equivalents	(4,649)	(22,975)
Cash and equivalents beginning of period	62,999	55,136
Cash and equivalents end of period	58,350	32,161

Additional Information to the Consolidated Statement of Cash-Flow	March 31, 2021	March 31, 2020 (*)
<i>Values in euro thousand</i>		
Taxes paid	231	461
Interests paid	542	626

(*) For a better comprehension, the 2020 figures have been re-exposed

(**) Not included leases

Explanatory Notes
to the Consolidated
Financial Statements
at March 31, 2021

chapter 7.

CHAPTER 7. EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2021

ACCOUNTING TABLES FORM AND CONTENT

The condensed consolidated financial statements of PRIMA INDUSTRIE Group as at March 31, 2021 were drawn up on the assumption that the company is a going concern and in compliance with the IFRS international accounting standards, as well as with the laws and regulations in force in Italy.

The report includes the Consolidated Financial position, the Income Statement, the Comprehensive Income Statement, the Cash Flow Statement, the Changes in Shareholders' Equity and the Explanatory Notes.

The Group presents the income statement according to functional areas, otherwise referred to as "at cost of the sale". This cost analysis is based on cost destination and is considered more representative than expenditure type. The form chosen conforms to internal *reporting* and business management procedures and is in line with international practice within the sector in which the Group operates.

"Cost of goods sold" includes costs relating to the functional areas that participated directly or indirectly in the generation of revenues with the sale of goods or services. It includes all costs for materials, processing and overheads directly attributable to production.

DRAFTING PRINCIPLES AND CRITERIA

Accounting criteria and principles of consolidation

The accounting criteria and consolidation principles adopted for preparation of the condensed consolidated financial statements as at March 31, 2021 are consistent with those used for the annual consolidated financial statements as at December 31, 2020, to which reference should be made without prejudice to the new principles/interpretations adopted by the Group as from January 1, 2021, as well as the adjustments required by the nature of the interim reports.

On-going concern

The condensed consolidated financial statements as at March 31, 2021 were prepared on the basis of the going-concern principle, as it is reasonable to expect that PRIMA INDUSTRIE will continue its business in the foreseeable future.

Use of accounting estimates

The drawing up of an interim balance sheet requires the carrying out of estimates and assumptions which have effect on the values of revenues, costs, assets and liabilities of the balance sheet and on the information report relating to the potential assets and liabilities on the date of the interim balance sheet. If in the future, such estimates and assumptions which are based on the best evaluation by management, should differ through effective circumstances, they will be modified in an appropriate manner in the period in which the circumstance themselves vary. In particular, in the case of the condensed consolidated financial statements as at March 31, 2021, the income taxes for the period of the individual consolidated companies are determined on the basis of the best possible estimate in relation to the information available and a reasonable forecast of performance for the year up to the end of the tax period.

EXPLANATORY NOTES

The data shown in the explanatory note are expressed in Euro thousand.

SEGMENT REPORTING

In accordance with IFRS 8, and in line with the Group's management and control model, the Group's management has identified PRIMA POWER and PRIMA ELECTRO as the operating divisions that are subject to sector reports.

The PRIMA POWER Division includes the design, manufacture and sale of:

- laser machines to cut, weld and punch metallic components, three-dimensional (3D) and two-dimensional (2D), and
- sheet metal processing machines that use mechanical tools (punchers, integrated punching and shearing systems, integrated punching and laser cutting systems, panel bending, bending machines and automated systems).

The PRIMA ELECTRO Division includes the development, construction and sale of electronic power and control components, and hi-power laser sources for industrial applications, intended for the machines of the Group and third customers.

The PRIMA ADDITIVE Division, for turnkey solutions for the main technologies in the Additive Manufacturing field: Powder Bed Fusion and Direct Metal Deposition, as well as the related application support and services.

The financial and equity data of PRIMA ADDITIVE are currently negligible and do not meet the thresholds set out in IFRS 8 for disclosure purposes and therefore this division's information is, currently, aggregated to the data for PRIMA POWER Division.

The following tables show the financial information directly attributable to the two divisions PRIMA POWER and PRIMA ELECTRO, as described above

	Prima Power		Prima Electro		Elimination		Prima Industrie Group	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
<i>Values in euro thousand</i>								
Net revenues	75,927	69,356	11,827	11,668	(5,454)	(5,973)	82,300	75,051
Cost of goods sold	(59,450)	(54,710)	(10,558)	(10,328)	5,418	5,823	(64,590)	(59,215)
GROSS MARGIN	16,477	14,646	1,269	1,340	(36)	(150)	17,710	15,836
Research and Development costs	(4,546)	(4,103)	(1,082)	(1,416)	22	-	(5,606)	(5,519)
Sales and marketing expenses	(5,898)	(6,263)	(279)	(338)	(1)	-	(6,178)	(6,601)
General and administrative expenses	(5,789)	(5,518)	(694)	(748)	10	6	(6,473)	(6,260)
OPERATING PROFIT (EBIT)	244	(1,238)	(786)	(1,162)	(5)	(144)	(547)	(2,544)
Net financial expenses	(1,542)	(1,297)	(53)	(67)	-	(1)	(1,595)	(1,365)
Net exchange differences	566	(259)	48	84	-	-	614	(175)
Net result of investments accounted for using the equity method	(40)	(32)	-	-	-	-	(40)	(32)
RESULT BEFORE TAXES (EBT)	(772)	(2,826)	(791)	(1,145)	(5)	(145)	(1,568)	(4,116)
Taxes	(130)	287	148	266	2	39	20	592
NET RESULT	(902)	(2,539)	(643)	(879)	(3)	(106)	(1,548)	(3,524)
- Attributable to Group shareholders	(949)	(2,308)	(643)	(879)	(3)	(106)	(1,595)	(3,293)
- Attributable to minority shareholders	47	(231)	-	-	-	-	47	(231)

	Prima Power		Prima Electro		Elimination		Prima Industrie Group	
<i>Values in euro thousand</i>	Mar 31, 2021	Dec 31, 2020	Mar 31, 2021	Dec 31, 2020	Mar 31, 2021	Dec 31, 2020	Mar 31, 2021	Dec 31, 2020
Property, plant and equipment	51,365	52,075	13,254	12,206	-	-	64,619	64,281
Intangible assets	114,110	115,453	5,883	5,596	(211)	(212)	119,782	120,837
Investments accounted for using the equity method	354	394	-	-	-	-	354	394
Other investments	17,442	17,171	-	-	(10,945)	(10,945)	6,497	6,226
Non current financial assets	2,728	2,728	1,505	1,505	-	-	4,233	4,233
Deferred tax assets	13,085	12,256	5,320	5,083	320	317	18,725	17,656
NON CURRENT ASSETS	199,084	200,077	25,962	24,390	(10,836)	(10,840)	214,210	213,627
Inventories	110,331	97,557	22,906	22,247	(1,124)	(1,115)	(132,113)	118,689
Trade receivables	76,094	72,565	11,561	11,493	(6,706)	(6,434)	80,949	77,624
Other receivables	7,852	7,145	1,189	1,584	3	3	9,044	8,732
Current tax receivables	2,984	2,484	3,822	3,545	(1,016)	(1,016)	5,790	5,013
Derivatives	6	365	-	-	-	-	6	365
Financial assets	8,944	8,427	76	43	(8,699)	(8,412)	321	58
Cash and cash equivalents	57,058	61,894	1,292	1,105	-	-	58,350	62,999
CURRENT ASSETS	263,269	250,437	40,846	40,017	(17,542)	(16,974)	286,573	273,480
Assets held for sale	1,255	1,255	4,000	4,000	-	-	5,255	5,255
TOTAL ASSETS	463,608	451,769	70,808	68,407	(28,378)	(27,814)	506,038	492,362
STOCKHOLDERS' EQUITY	150,775	148,996	27,261	27,579	(14,115)	(14,111)	163,921	162,464
Interest-bearing loans and borrowings	92,033	95,133	17,982	15,454	(5,023)	(5,269)	104,992	105,318
Employee benefit liabilities	5,461	5,420	1,602	1,684	-	-	7,063	7,104
Deferred tax liabilities	3,846	3,865	902	894	1	-	4,749	4,759
Provisions	235	238	-	-	-	-	235	238
Derivatives	384	419	-	-	-	-	384	419
NON CURRENT LIABILITIES	101,959	105,075	20,486	18,032	(5,022)	(5,269)	117,423	117,838
Trade payables	68,445	63,889	12,772	11,925	(6,697)	(6,424)	74,520	69,390
Advance payments	45,529	39,557	101	150	313	312	45,943	40,019
Other payables	19,103	16,668	2,536	2,576	(2)	-	21,637	19,244
Interest-bearing loans and borrowings	51,792	52,152	6,669	7,083	(1,576)	(1,043)	56,885	58,192
Current tax payables	6,423	6,517	130	211	(1,024)	(1,024)	5,529	5,704
Provisions	19,523	18,915	853	851	(255)	(255)	20,121	19,511
Derivatives	59	-	-	-	-	-	59	-
CURRENT LIABILITIES	210,874	197,698	23,061	22,796	(9,241)	(8,434)	224,694	212,060
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	463,608	451,769	70,808	68,407	(28,378)	(27,814)	506,038	492,362

CONSOLIDATED FINANCIAL POSITION

Property, plant and equipment as at March 31, 2021, are equal to Euro 64,619 thousand, an increase of Euro 338 thousand compared with December 31, 2020.

Intangible assets as at March 31, 2021 are equal to Euro 119,782 thousand and decreased by Euro 1,055 thousand compared with December 31, 2020.

The most significant item is represented by Goodwill, which on March 31, 2021 amounts to Euro 97,823 thousand.

All goodwill recorded in the financial statements relates to the higher value paid compared to the fair value of the net assets acquired, at the date of acquisition.

The table below shows the book value of the goodwill allocated to each of the units generating financial flow.

CASH GENERATING UNIT	BOOK VALUE GOODWILL March 31, 2021	BOOK VALUE GOODWILL December 31, 2020
PRIMA POWER	97,670	97,598
PRIMA ELECTRO - BU Electronics	153	153
TOTAL	97,823	97,751

Goodwill (being an asset with an undefined life) is not subject to depreciation and is subject to verification at least annually of the reduction of value (*impairment test*). As at December 31, 2020, the Group carried out the impairment test on the value of the main goodwill for which reference should be made to the Consolidated Financial Statements as at December 31, 2020. With regard to the above-mentioned goodwill, since no impairment indicators emerged compared to the financial statements as at December 31, 2020, it was not deemed necessary to update the related impairment tests.

The value of investments accounted for using the equity method refers to the investment in 3D NT held by PRIMA INDUSTRIE SpA (19.9%) equal to Euro 354 thousand. The negative change of Euro 40 thousand compared with the previous year refers to the portion of net income for the period.

The value of Other Investments as at March 31, 2021 amounts to Euro 6,497 thousand with an increase of Euro 271 thousand compared to December 31, 2020; this increase refers to the positive exchange rate differences of the investment in Lead Laser (held by PRIMA POWER SUZHOU).

The deferred tax assets amount to Euro 18,725 thousand, showing an increase compared with the previous financial year of Euro 1,069 thousand.

The accounting statement of prepaid taxes has been carried out, only where suppositions of recoverability exist. The valuation on the recoverability of anticipated taxes takes into account the expected profits in future financial years. The anticipated taxes calculated on the losses carried forward have been recognized in the measure at which it is probable that a future taxable income against which they might be recovered. Considering the above, there were no elements that might change the previous assessments on the recoverability of deferred taxes.

The following table shows the composition of inventories at March 31, 2021 and December 31, 2020.

INVENTORIES	March 31, 2021	December 31, 2020
Raw materials	43,125	41,056
Semi-finished goods	28,029	19,545
Finished goods	72,454	69,231
(Inventory provisions)	(11,495)	(11,143)
TOTAL	132,113	118,689

The net value of inventories at March 31, 2021 shows an increase equal to Euro 13,424 thousand compared with December 31, 2020.

Net trade receivables at March 31, 2021 amounted to Euro 80,949 thousand, an increase of Euro 3,325 thousand compared to December 31, 2020.

Other current receivables at March 31, 2021 were Euro 9,044 thousand and increased from December 31, 2020 by Euro 312 thousand.

These receivables mainly refer to advance payments to suppliers, R&D grants due for receipt, accrued income and prepaid expenses and advances to employees.

Current tax receivables amounted to Euro 5,790 thousand, an increase of Euro 777 thousand compared to December 31, 2020. Tax assets are represented by VAT credits of Euro 2,409 thousand (Euro 2,003 thousand as at December 31, 2020), R&D tax credits of Euro 683 thousand (Euro 683 thousand as at December 31, 2020), direct deferred tax assets of Euro 2,466 thousand (Euro 2,178 thousand as at December 31, 2020), by other receivables for minor tax assets amounting to Euro 181 thousand (Euro 98 thousand as at December 31, 2020) and by receivables for withholding taxes amounting to Euro 51 thousand (Euro 51 thousand as at December 31, 2020).

The Group's net financial position ⁽³⁾ at March 31, 2021 was negative at Euro 103,643 thousand, an increase of Euro 3,136 thousand compared to December 31, 2020 (negative at Euro 100,507 thousand). For a better understanding of the variation in the net financial position achieved during the first three months of 2021, refer to the consolidated cash flow statement of the period.

As required by the Consob communication No. DEM/6064293 of July 28, 2006, the net financial position at March 31, 2021 and December 31, 2020 is shown in the following table, determined with the criteria indicated in the CESR (Committee of European Securities Regulators) Recommendations of February 2, 2005 "Recommendations for the uniform activation of the European Commission Regulation on Prospectuses" and referred to by Consob itself.

	NET FINANCIAL POSITION	March 31, 2021	December 31, 2020	Variations
A	CASH	58,350	62,999	(4,649)
B	OTHER CASH AND CASH EQUIVALENTS	-	-	-
C	SECURITIES HELD FOR TRADING	-	-	-
D	CASH ON HAND (A+B+C)	58,350	62,999	(4,649)
E	CURRENT FINANCIAL RECEIVABLES	328	423	(95)
F	CURRENT BANK DEBTS	2,928	2,862	66
G	CURRENT PART OF NON-CURRENT INDEBTEDNESS	45,115	46,241	(1,126)
H	BOND ISSUED	30	690	(660)
I	OTHER CURRENT FINANCIAL DEBTS	8,871	8,399	472
J	CURRENT FINANCIAL INDEBTEDNESS (F+G+H+I)	56,944	58,192	(1,248)
K	NET CURRENT FINANCIAL INDEBTEDNESS (J-D-E)	(1,734)	(5,230)	3,496
L	NON-CURRENT BANK DEBTS	33,644	33,660	(16)
M	BOND ISSUED	24,861	24,850	11
N	OTHER NON-CURRENT FINANCIAL DEBTS	46,872	47,227	(355)
O	NON-CURRENT FINANCIAL INDEBTEDNESS (L+M+N)	105,377	105,737	(360)
P	NET FINANCIAL POSITION (K+O)	103,643	100,507	3,136

⁽³⁾ Reconciliation between Group net financial position required by CONSOB Communication no. DEM/6064293 of July 28, 2006 and net financial debt (used as a performance indicator) is provided in a specific table in these Explanatory Notes.

Reconciliation with the Group's net indebtedness shown in the Management Report is as follows:

	March 31, 2021	December 31, 2020
Net financial position com. CONSOB n. DEM/6064293	103,643	100,507
Term deposit Smilla	(4,233)	(4,233)
Net financial indebtedness	99,410	96,274

As required by the amendment to IAS 7, the following table shows the changes in liabilities arising from loan activities, whether arising from changes in cash flows or changes not in cash.

Values in Euro thousand	Dec 31, 2020	Variations from cash flow	Variations not in cash			Mar 31, 2021
			Issues	Exchange rate effect	Fair value	
Financial debts	102,238	(1,050)	-	(3)	-	101,185
Bond issued	25,540	(649)	-	-	-	24,891
Leasing	35,732	(1,717)	1,390	397	-	35,802
Derivatives	419	-	-	-	24	443
TOTAL	163,929	(3,416)	1,390	394	24	162,321

At March 31, 2021, the value of non-current assets held for sale was Euro 5,255 thousand and referred to:

- an equity investment held by PRIMA ELECTRO SPA for Euro 4,000 thousand in the company OSAlcnc Srl;
- a portion of the industrial plant located in Collegno in the province of Turin of the parent company PRIMA INDUSTRIE SpA for Euro 1,041 thousand;
- some properties under construction owned by the parent company PRIMA INDUSTRIE SPA, located in the Mantua area, for Euro 214 thousand;

The shareholders' equity of the PRIMA INDUSTRIE Group increased compared to the end of the previous year by Euro 1,457 thousand. For more details, see the table consolidated statement of changes on shareholders' equity

The item Employees benefits liabilities is equal to Euro 7,063 thousand at March 31, 2021, a decrease compared with December 31, 2020 of Euro 41 thousand; this item includes:

- the Severance Indemnity (TFR) recognized by Italian companies for employees;
- a loyalty premium recognised by the parent company and by PRIMA ELECTRO SpA for their own employees;
- a pension fund recognized by PRIMA POWER GmbH and by PRIMA POWER France Sarl to their employees;
- a liability for employee benefits accounted for by PRIMA INDUSTRIE SpA relevant the South Korea branch office.

The Deferred Tax Liabilities are equal to Euro 4,749 thousand, a decrease of Euro 10 thousand compared with December 31, 2020.

Provisions for risks and charges are equal to Euro 20,356 thousand, an increase compared to December 31, 2020 of Euro 607 thousand; the non-current portion refers exclusively to the agent client indemnity provision and amounts in total to Euro 235 thousand.

Current provisions mainly relate to product warranties (equal to Euro 12,128 thousand) and to the best estimate of costs still to be incurred for the completion of certain activities ancillary to the sale of machinery already sold (equal to Euro 7,523 thousand). The warranty provision relates to the provisions for technical interventions on the Group's products and is considered appropriate in comparison to the warranty costs which have to be provided for.

The other provisions amounting to Euro 470 thousand refer to legal, fiscal procedures and other disputes; these provisions represent the best estimate by management of the liabilities which must be accounted for with regard to legal, fiscal proceedings occasioned during normal operational activity with regard to dealers, clients, suppliers or public authorities.

The value of trade payables increased by Euro 5,130 thousand compared to December 31, 2020.

The item Advance payments increased compared to December 31, 2020 and is equal to Euro 45,943 thousand.

Other payables increased compared to December 31, 2020 by Euro 2,393 thousand and include social security and welfare payables, payables due to employees, accruals and deferrals and other minor payables.

Current tax payables as at March 31, 2021 amounted to Euro 5,529 thousand, a decrease of Euro 175 thousand compared with December 31, 2020.

CONSOLIDATED INCOME STATEMENT

As already stated above, the Group presents the income statement by “function”. In accordance with paragraph 104 of “IAS 1 - Presentation of Financial Statements”, it is noted that personnel costs at March 31, 2021 amounted to Euro 27,332 thousand, an increase compared to the previous year of Euro 1,443 thousand (Euro 25,889 thousand as at March 31, 2020).

Amortisation, depreciation and write-downs at March 31, 2021 amounted to Euro 4,893 thousand (Euro 5,645 thousand at March 31, 2020).

The revenues from sales and services have been commented on Chapter 5 of this document “Group Interim Management Report” in the paragraph “Economic performance”.

The financial income and expenses in the first three months of the year 2021 shows a net expense of Euro 981 thousand.

FINANCIAL RESULTS	March 31, 2021	March 31, 2020
Financial income	70	97
Financial expenses	(1,665)	(1,462)
Net financial expenses	(1,595)	(1,365)
Net exchange differences	614	(175)
Total Financial Results	(981)	(1,540)

The net result of investments accounted for using the equity method presented a loss of Euro 40 thousand and refers to the share of the result for the period of the associate 3D NT.

Taxes in the first three months of 2021 result in a positive net balance of Euro 20 thousand. The balance of current and deferred taxes is positive by Euro 44 thousand, and other taxes including those relating to prior years, are equal to Euro -24 thousand.

The calculation of the result per share - basic at March 31, 2021, negative by Euro 0.15 (negative by Euro 0.31 at March 31, 2020) is calculated by dividing the profits attributable to the shareholders of the parent company by the weighted average number of ordinary shares in circulation.

Diluted earnings per share is equal to basic earnings per share as there are no dilutive transactions outstanding at March 31, 2021.

Significant non-recurring events and transactions

The table below summarises non-recurring items that have had a negative impact on the Income Statement during the first quarter of 2021 for a total of Euro 1,377 thousand.

Significant non-recurring events and transactions (values expressed in Euro thousand)	(values	Gross Margin	Sales and marketing expenses	General and administrative expenses	Total as at Mar 31, 2021	Total as at Mar 31, 2020	Variation between 2021 and 2020
COVID-19		(165)	(4)	(1)	(170)	(127)	(43)
COVID-19 - Government subsidy		12	2	22	36	-	36
Reorganization/Restructuring		-	(45)	(237)	(282)	(149)	(133)
Disputes tax/legal and customer penalties		(552)	-	(348)	(900)	(407)	(493)
Impairment of intangible fixed assets		-	-	(61)	(61)	-	(61)
EBIT		(705)	(47)	(625)	(1,377)	(683)	(694)

Annexes.

ANNEXES

ANNEX 1 - CONSOLIDATION AREA

PRIMA POWER	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
FINN POWER OY	Nuppiväylä 7, 60100 Seinäjoki, FINLAND	€ 30.000.000	100%	Line-by-line method
PRIMA POWER LASERDYNE LLC	7105, Northland Terrace North, Brooklyn Park, MN 55428, U.S.A.	USD 200.000	100%	Line-by-line method
PRIMA POWER SUZHOU Co. LTD.	459 Xingrui Road, Wujiang Ec. & Tech. Develop. Zone, Suzhou City Jiangsu Prov. CHINA	USD 15.850.000	70%	Line-by-line method
PRIMA INDUSTRIE NORTH AMERICA Inc. - PRIMA POWER NA	555W Algonquin Rd., Arlington Heights, IL 60005, U.S.A.	USD 10.000	100%	Line-by-line method
PRIMA POWER CANADA Ltd.	1500 Upper Middle Rd W Suite 313, Oakville Ontario , L6M 0C2, Canada	CAD 200	100%	Line-by-line method
PRIMA POWER MEXICO S DE RL DE CV	Campo Real, 121 FRACC. Valle Real, Saltillo, Coahuila C.P. 25198 MEXICO	USD 250	100%	Line-by-line method
PRIMA POWER GmbH	Am Gfild 9, 85375 Neufahrn, GERMANY	€ 500.000	100%	Line-by-line method
PRIMA POWER IBERICA S.L.	C/Primer de Mayo 13-15, 08908 L'Hospitalet de Llobregat, Barcelona, SPAIN	€ 6.440.000	100%	Line-by-line method
PRIMA POWER CENTRAL EUROPE Sp.z.o.o.	Ul. Holenderska 6 - 05 - 152 Czosnów Warsaw, POLAND	PLN 350.000	100%	Line-by-line method
OOO PRIMA POWER	Ordzhonikidze str., 11/A - 115419, Moscow - RUSSIAN FEDERATION	RUB 4.800.000	100%	Line-by-line method
PRIMA POWER FRANCE Sarl	Espace Green Parc , Route de Villepècle, 91280 St. Pierre du Perray, FRANCE	€ 960.015	100%	Line-by-line method
PRIMA POWER MAKINA TICARET LIMITED SIRKETI	Soğanlık Yeni Mah. Balıkesir Cad. Uprise Elite Teras Evler B2 A Dupleks Gül Blok Daire:4 Kartal - Istanbul, TURKEY	TRY 1.470.000	100%	Line-by-line method
PRIMA POWER UK LTD	Unit 1, Phoenix Park, Bayton Road, Coventry CV7 9QN, UNITED KINGDOM	GBP 1	100%	Line-by-line method
PRIMA POWER INDIA PVT. LTD.	Plot No A-54/55, H Block, MIDC, Pimpri, Pune - 411018, Maharashtra, INDIA	Rs. 7.000.000	99,99%	Line-by-line method
PRIMA POWER SOUTH AMERICA Ltda	Av Fuad Lutfalla, 1,182 - Freguesia do Ó - 02968-00, Sao Paulo BRAZIL	R\$ 7.698.699	99,99%	Line-by-line method
PRIMA POWER AUSTRALASIA Pty. LTD.	Suite 2, First Floor, 100 Queen street, PO Box 878, Campbelltown, NSW, 2560 AUSTRALIA	A\$ 1	100%	Line-by-line method

PRIMA ELECTRO	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
PRIMA ELECTRO S.p.A.	Strada Carignano 48/2, 10024 Moncalieri, (TO) ITALY	€ 15.000.000	100%	Line-by-line method
PRIMA INDUSTRIE NORTH AMERICA Inc. - CONVERGENT PHOTONICS	711 East Main Street, Chicopee, MA 01020, U.S.A.	USD 24.119.985	100%	Line-by-line method
PRIMA ELECTRO SUZHOU Co.Ltd.	459 Xingrui Road, Wujiang Ec. & Tech. Develop. Zone, Suzhou City Jiangsu Prov. CHINA	€ 400.000	100%	Line-by-line method

ANNEX 2 -“NON-GAAP” PERFORMANCE INDICATORS

The Management of PRIMA INDUSTRIE assesses the performance of the Group and its business segments using a number of non-IFRS indices. Below are described the components of each of these indices:

ORDERS: includes agreements entered into with customers during the reference period than can be considered part of the order books.

BACKLOG: this is the sum of orders from the previous period and current confirmed orders, net of revenues in the reference period.

EBIT: Operating Profit.

EBITDA: the Operating Profit, as shown in the income statement, gross of “Amortization”, “Write-downs and *Impairment*”. This index is also referred to as “Gross Operating Margin”.

Adjusted EBITDA, EBIT and EBT (hereinafter “Adj” for short) correspond to the same alternative performance indicators net of non-recurring items.

EBITDA Margin: calculated as the ratio between EBITDA and revenues.

FCF (Free Cash Flow): is the cash flow from operations that is available after the company has made the necessary reinvestment in new fixed assets; it is the sum of cash flow from operations and the cash flow from investments.

Workforce: is the number of employees on the books on the last day of the reference period.

Net financial indebtedness includes cash and cash equivalents, financial receivables (current and non-current), net of financial payables (current and non-current) and the fair value of derivatives. Reconciliation with the net financial position required by CONSOB Communication no. DEM/6064293 of 28 July 2006 is provided in the Notes to the Interim Financial Report.

Revenues at constant exchange rates are stated by applying the average exchange rates of the previous year to the revenues of the current year in the local currency.

ANNEX 3 - CURRENCY EXCHANGE RATE

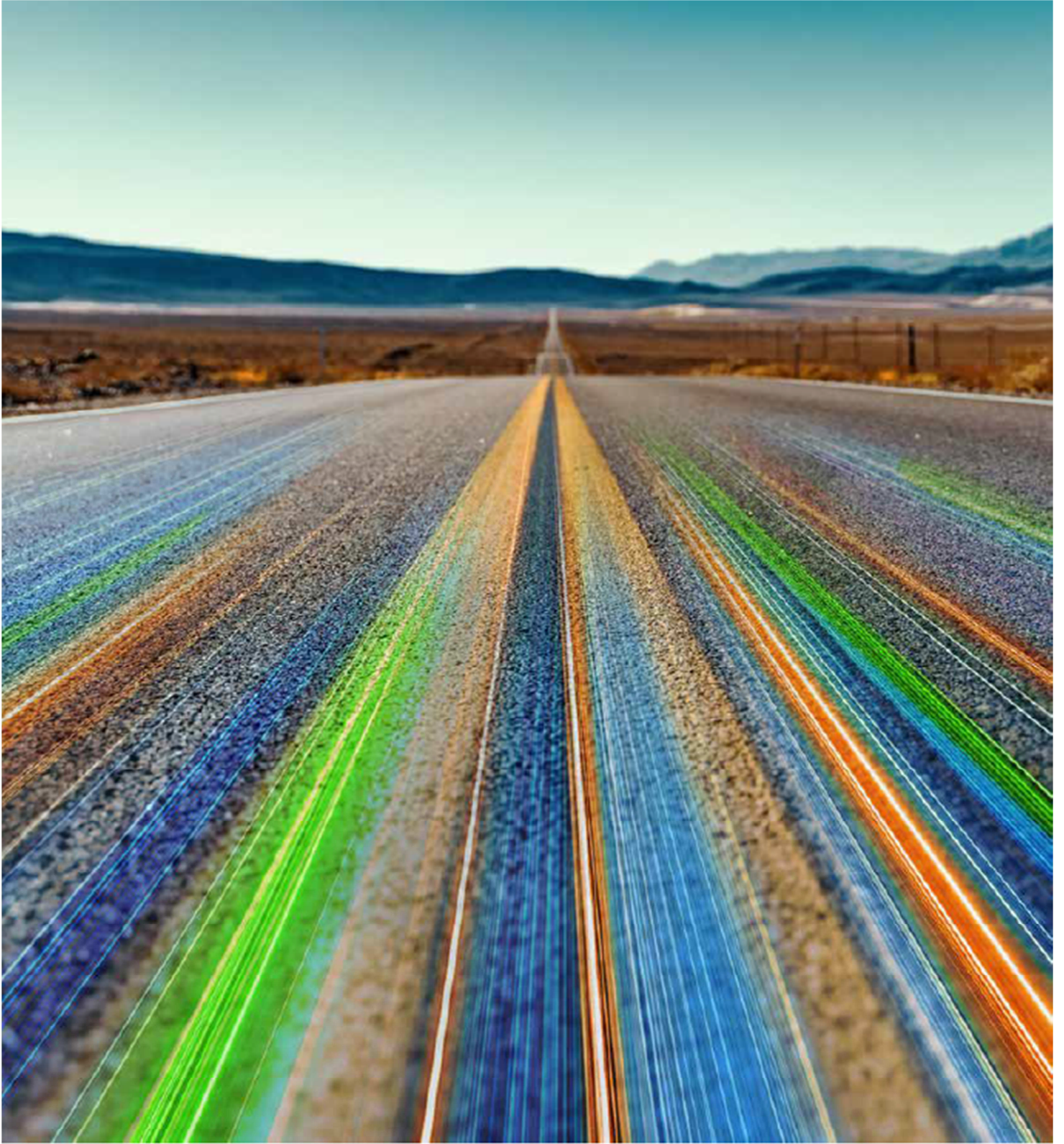
The exchange rates applied in converting the financial statements to a currency other than the Euro are, for the purpose of consolidation, the following:

CURRENCY	AVERAGE EXCHANGE RATE		SPOT EXCHANGE RATE	
	March 31, 2021	March 31, 2020	March 31, 2021	December 31, 2020
US DOLLAR	1.2056	1.1023	1.1725	1.2271
CHINESE RENMINBI	7.8110	7.6936	7.6812	8.0225
RUSSIAN RUBLE	89.7192	73.7020	88.3175	91.4671
TURKISH LIRA	8.9048	6.7391	9.7250	9.1131
POLISH ZLOTY	4.5431	4.3226	4.6508	4.5597
POUND STERLING	0.8747	0.8616	0.8521	0.8990
BRAZILIAN REAL	6.5928	4.9111	6.7409	6.3735
INDIAN RUPEE	87.9081	79.8511	85.8130	89.6605
AUSTRALIAN DOLLAR	1.5604	1.6778	1.5412	1.5896
CANADIAN DOLLAR	1.5273	1.4808	1.4782	1.5633
MEXICAN PESO	24.5164	22.0446	24.0506	24.4160

CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2021 DECLARATION

Declaration pursuant to article 154-bis, paragraph 2 of Part IV, Title III, Chapter II, Section V bis of Legislative Decree of February 24, 1998, no. 58: Consolidated Law on Financial Intermediation, pursuant to Articles 8 and 21 of the Law of February 6, 1996, No. 52.

The Financial Reporting Officer of the PRIMA INDUSTRIE Group, Davide Peiretti, hereby certifies, in compliance with the provisions of the second paragraph of article 154 bis, Part IV, Title III, Chapter II, Section V bis, of Legislative Decree no. 58 of February 24, 1998, that the accounting information contained in this Interim Report on Operations as at March 31, 2021 corresponds to the documentary evidence and to the accounting books and records.



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