



**ready to go,
ALWAYS**

 **PRIMA
INDUSTRIE**
2021

**INTERIM FINANCIAL REPORT
SEPTEMBER 30, 2021**

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INDUSTRIE
2021

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SEPTEMBER 30, 2021**

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Parent Company Governance

chapter 1.

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 Petrignani
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.

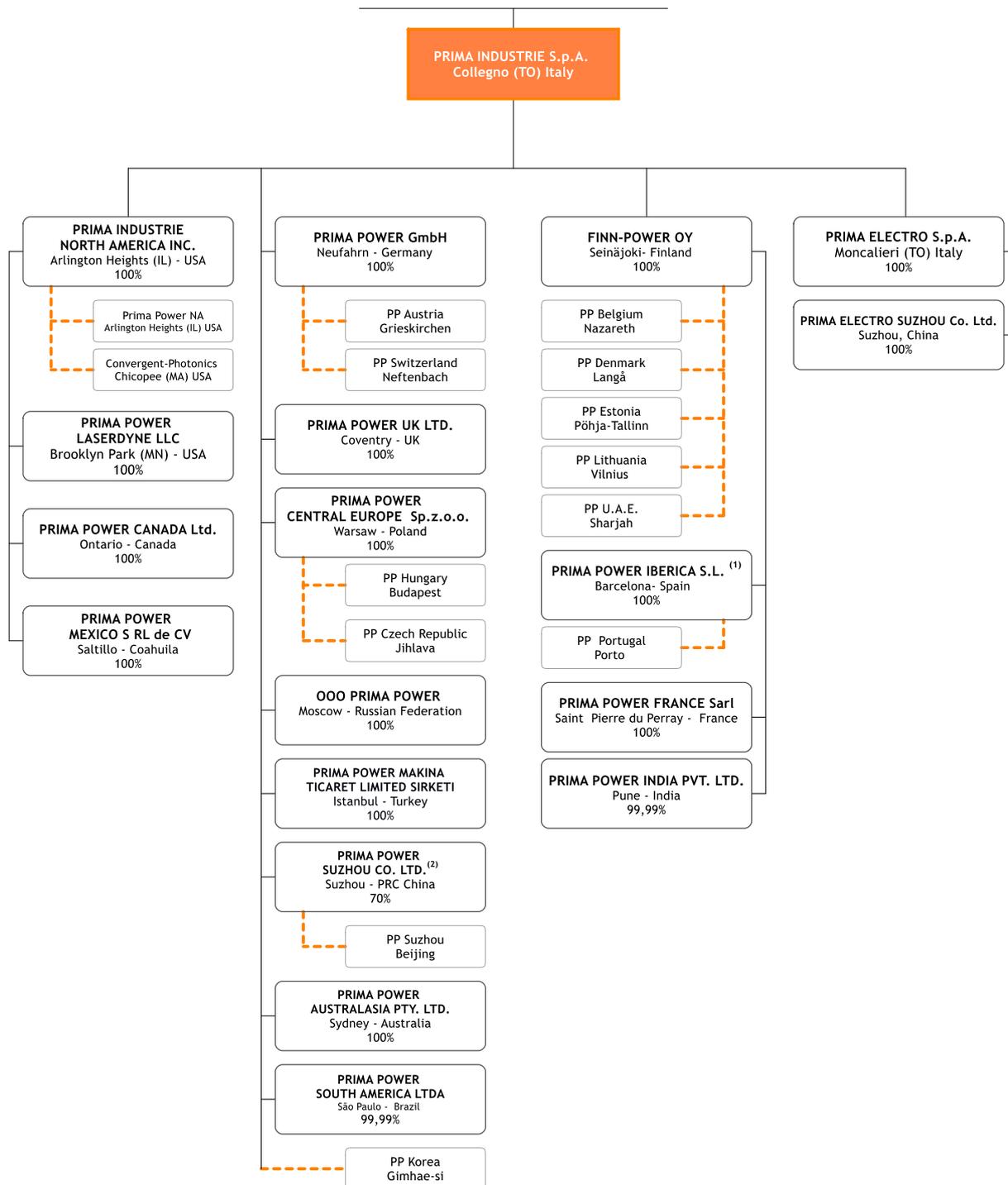
The Audit Company was appointed by the Stockholders' Meeting held on April 11, 2017 for the period 2017 - 2025

^(*) 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 September 30, 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 has been present on the market for over 40 years and boasts over 14,000 systems installed in more than 80 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.

These draft consolidated financial statements were approved by the Board of Directors on November 12, 2021.

chapter 4.

Introduction

CHAPTER 4. INTRODUCTION

This Interim Financial Report as at September 30, 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 November 12, 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 to the generation of revenues with the sale of goods and 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	Sep 30, 2021	Sep 30, 2020	Variations	%
ORDER INTAKE	345,339	220,379	124,960	56.7%
BACKLOG	187,891	127,771	60,120	47.1%
REVENUES	281,414	233,452	47,962	20.5%
EBITDA	20,891	14,896	5,995	40.2%
EBITDA %	7.4%	6.4%	1.0%	-
EBIT	6,205	(1,525)	7,730	-506.9%
EBIT %	2.2%	-0.7%	2.9%	-
NET RESULT	1,621	(4,385)	6,006	-137.0%
FCF	(8,130)	(13,984)	5,854	41.9%
NET FINANCIAL DEBT	(102,191)	(123,630)	21,439	17.3%
HEADCOUNT	1,757	1,761	(4)	-0.2%

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

Values in Euro thousand	Sep 30, 2021	Sep 30, 2020	Variations	%
REVENUES AT COSTANT EXCHANGE RATES	287,185	233,452	53,733	23.0%
EBITDA Adj	24,041	18,127	5,914	32.6%
EBITDA Adj %	8.5%	7.8%	0.7%	-
EBIT Adj	9,682	1,706	7,976	467.5%
EBIT Adj %	3.4%	0.7%	2.7%	-

(% 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 dimension, 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.

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 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.

ECONOMIC PERFORMANCE

Group turnover as at September 30, 2021 was equal to Euro 281,414 thousand, an increase of 20.5% compared to 2020. At constant exchange rates, consolidated turnover at September 30, 2021 would have been up 23.0% compared to September 30, 2020.

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

Values in Euro thousand

September 30, 2021	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	261,399	55,415	21.2%	19,568	7.5%	7,531	2.9%	2,534
PRIMA ELECTRO	36,316	4,872	13.4%	1,705	4.7%	(944)	-2.6%	(647)
ELIMINATIONS	(16,301)	(388)	-2.4%	(382)	-2.3%	(382)	-2.3%	(266)
GROUP	281,414	59,899	21.3%	20,891	7.4%	6,205	2.2%	1,621

(% calculated over the revenues)

Values in Euro thousand

September 30, 2020	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	217,886	44,182	20.3%	14,898	6.8%	2,381	1.1%	266
PRIMA ELECTRO	30,535	2,808	9.2%	156	0.5%	(3,747)	-12.3%	(2,436)
ELIMINATIONS	(14,969)	(104)	-0.7%	(158)	-1.1%	(159)	-1.1%	(2,215)
GROUP	233,452	46,886	20.1%	14,896	6.4%	(1,525)	-0.7%	(4,385)

(% calculated over the revenues)

Values in Euro thousand

VARIATIONS	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	43,513	11,233	25.8%	4,670	10.7%	5,150	11.8%	2,268
PRIMA ELECTRO	5,781	2,064	35.7%	1,549	26.8%	2,803	48.5%	1,789
ELIMINATIONS	(1,332)	(284)	-21.3%	(224)	-16.8%	(223)	-16.7%	1,949
GROUP	47,962	13,013	27.1%	5,995	12.5%	7,730	16.1%	6,006

(% calculated over the revenues)

The consolidated revenues are shown here below, split down on a geographic basis, as at September 30, 2021 compared with the corresponding period of the previous year:

REVENUES	September 30, 2021		September 30, 2020	
	Euro thousand	%	Euro thousand	%
SEMEA (*)	99,393	35.3	72,736	31.2
NORTH EUROPE	63,245	22.5	62,407	26.7
AMERICAS	70,958	25.2	70,445	30.2
APAC	47,818	17.0	27,864	11.9
TOTAL	281,414	100.0	233,452	100.0

(*) South Europe, Middle East & Africa

The above table shows that the Group turnover as at September 30, 2021 (compared with the corresponding period of the previous year) had a significant recovery in the SEMEA area (+36.6%) and the APAC area (+71.6%). The trend is stable in the AMERICAS (+0.7%), which is the area which was less affected by the crisis linked to Covid-19 in 2020, and in NORTHERN EUROPE (+1.3%).

The main destination countries in the SEMEA area were Italy (18.7% of consolidated revenues), Poland and Eastern Europe (6.2% of consolidated revenues) and Spain and Portugal (4.6% of consolidated revenues).

The main countries of destination in the NORTH EUROPE area were Finland and the Baltic countries (6.6% of consolidated revenues), the DACH countries (6.4% of consolidated revenues), Russia (3.7% of consolidated revenues) and Benelux (3.7% of consolidated revenues).

The share of revenues realized in the AMERICAS went from Euro 70,445 thousand to Euro 70,958 thousand, of which Euro 54,780 thousand were generated by the United States. At constant exchange rates, turnover in the region would have grown by 6.5%.

In the APAC region, revenues increased by 71.6% compared to 2020, from Euro 27,864 thousand to Euro 47,818 thousand. The increase is attributable to revenues in China, which grew from Euro 14,926 thousand (as at September 30, 2020) to Euro 31,139 thousand (as at September 30, 2021).

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

REVENUES	September 30, 2021		September 30, 2020	
	Euro thousand	%	Euro thousand	%
PRIMA POWER	261,399	92.9	217,886	93.3
PRIMA ELECTRO	36,316	12.9	30,535	13.1
Inter-sector revenues	(16,301)	(5.8)	(14,969)	(6.4)
TOTAL	281,414	100.0	233,452	100.0

The **cost of good sold** as at September 30, 2021 amounted to Euro 221,515 thousand, an increase of Euro 34,949 thousand compared to September 30, 2020 (Euro 186,566 thousand).

The Group **Gross Margin** as at September 30, 2021 amounted to Euro 59,899 thousand, an increase of Euro 13,013 thousand compared to Euro 46,886 thousand in 2020; the margin as a percentage of revenues is 21.3%, an increase compared with September 30, 2020 (20.1%).

The Group **EBITDA** as at September 30, 2021 stood at Euro 20,891 thousand, equal to 7.4% of revenues against Euro 14,896 thousand, equal to 6.4% of revenues as at September 30, 2020.

EBITDA was negatively affected by non-recurring costs of Euro 3,150 thousand (as at September 30, 2020 they were equal to Euro 3,231 thousand); therefore, **adjusted EBITDA⁽¹⁾** amounted to Euro 24,041 thousand (8.5% of revenues). In particular, in the third quarter of the year **adjusted EBITDA⁽¹⁾** amounted to Euro 10,098 thousand (equal to 10.4% on the quarterly turnover).

The Group **EBIT** as at September 30, 2021 is positive for Euro 6,205 thousand, equal to 2.2% of revenues against the negative Euro 1,525 thousand equal to -0.7% of previous year's revenues.

Moreover, this result is affected by:

- amortisation of intangible fixed assets totalling Euro 6,075 thousand (relating to development costs of Euro 4,126 thousand and to the trademark recognised in connection with the business combination of the FINN-POWER Group, amounting to Euro 1,431 thousand) and write-downs of Euro 61 thousand.
- depreciation of property, plant and equipment totalling Euro 8,283 thousand and write-downs of some non-current assets held for sale for Euro 266 thousand.

EBIT at September 30, 2021 is penalized by non-recurring costs equal to Euro 3,477 thousand; consequently, **adjusted EBIT⁽¹⁾** was at Euro 9,682 thousand (3.4% of revenues). In particular, in the third quarter of the year **adjusted EBIT⁽¹⁾** amounted to Euro 5,399 thousand (equal to 5.5% on the quarterly turnover).

The Group **EBT** at September 30, 2021 is positive for Euro 3,024 thousand against the negative Euro 5,487 thousand at September 30, 2020.

(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.

The Group EBT was impacted by net financial expenses (including gains and losses on exchange rates) for Euro 3,121 thousand (as at September 30, 2020 they were equal to Euro 3,877 thousand).

FINANCIAL RESULTS (€/000)	Sep 30, 2021	Sep 30, 2020
Bond expenses	(687)	(688)
Loans 2018 expenses	(731)	(973)
Derivatives expenses (CRS)	(454)	321
Derivatives expenses (IRS)	(220)	(243)
Lease expenses	(900)	(985)
Other financial expenses	(914)	(656)
Net financial expenses	(3,906)	(3,224)
Net exchange differences	785	(653)
TOTAL	(3,121)	(3,877)

The net result of investments accounted for using the equity method presented a loss of Euro 60 thousand and refers to the share of the result for the period of the associate 3D NT.

The Group **NET RESULT** as at September 30, 2021 showed a profit of Euro 1,621 thousand vs. the loss of Euro 4,385 thousand as at September 30, 2020; while the net result attributable to the parent company was a profit of Euro 1,494 thousand. In particular, the net result of the third quarter was positive by Euro 2,164 thousand.

FINANCIAL PERFORMANCE

Below is the Cash Flow of the PRIMA INDUSTRIE Group as at September 30, 2021, compared with the previous year.

<i>Values in Euro thousand</i>	Sep 30, 2021	Sep 30, 2020	Variations
Net Financial Indebtedness Opening	(96,274)	(107,343)	11,069
Cash from operating activities before TWC	19,809	11,234	8,575
Change in Trade Working Capital	(8,803)	(12,421)	3,618
Cash from operating activities	11,006	(1,187)	12,193
Investments in development costs	(1,785)	(4,614)	2,829
Other investments	(17,350)	(8,183)	9,167
Cash from investment activities	(19,135)	(12,797)	(6,338)
FREE CASH FLOW (FCF)	(8,129)	(13,984)	5,855
Treasury stock	(1,076)	-	(1,076)
Net financial result of investments	-	5	(5)
Net result of investments accounted for using the equity method	(60)	(90)	30
Cash from financing activities	(1,136)	(85)	(1,051)
Net exchange differences	3,348	(2,218)	5,566
CASH FLOW - TOTAL	(5,917)	(16,287)	10,370
Net Financial Indebtedness Closing	(102,191)	(123,630)	21,439

As at September 30, 2021, the Group's Net Financial Indebtedness⁽²⁾ was Euro 102,191 thousand, an improvement over the Euro 123,630 thousand as at September 30, 2020 and an increase on Euro 96,274 thousand at December 31, 2020.

Below is a breakdown of Group net financial indebtedness.

<i>Values expressed in Euro thousand</i>	Sep 30, 2021	Dec 31, 2020	Sep 30, 2020
NON CURRENT FINANCIAL ASSETS	(4,233)	(4,233)	(4,233)
CASH & CASH EQUIVALENTS	(54,111)	(62,999)	(47,246)
CURRENT FINANCIAL ASSETS	(453)	(423)	(181)
CURRENT FINANCIAL LIABILITIES	52,394	52,861	46,584
NON CURRENT FINANCIAL LIABILITIES	63,563	75,336	90,382
NET FINANCIAL DEBT (before leasing)	57,160	60,542	85,306
LEASING LIABILITIES	45,031	35,732	38,324
NET FINANCIAL DEBT	102,191	96,274	123,630

⁽²⁾ Reconciliation between Group Net Financial Indebtedness (used as a performance indicator) and the Financial Indebtedness required by ESMA Document 32-382-1138 of March 4, 2021 is provided in the Explanatory Notes.

BUSINESS PERFORMANCE

During the first nine months of 2021, the Group's acquisition of orders (including after-sales service) amounted to Euro 345.3 million, an increase of 56.7% compared to the Euro 220.4 million as at September 30, 2020 and 15.1% compared to September 30, 2019. The acquisition of orders of the PRIMA POWER sector amounted to Euro 321.7 million, while the PRIMA ELECTRO segment, considering the ones from customers outside the Group, amounted to Euro 23.6 million.

The consolidated order backlog (not including the after-sale service) as at September 30, 2021 amounted to Euro 187.9 million, up from Euro 127.8 million as at September 30, 2020. The backlog includes Euro 175.1 million relating to the PRIMA POWER sector and Euro 12.8 million relating to the PRIMA ELECTRO sector.

OUTLOOK OF OPERATIONS

Performance in the first nine months of the year showed a very positive picture in all the Group's areas and countries of reference. Despite the continuing international uncertainties over procurement, transport and raw material costs, the high order backlog at September 30, 2021 (rising to over Euro 200.0 million at October 31, 2021) allows the Group to confirm the prospects for further growth in revenues and margins in the latter part of the year.

EVENTS OCCURRING AFTER THE REFERENCE DATE OF THE FINANCIAL STATEMENT

No significant events occurred after the closing date of the interim financial statements and up to the date of approval of this Interim Financial Report.

ATYPICAL AND UNUSUAL TRANSACTIONS

Pursuant to CONSOB Bulletin of July 28, 2006 No. DEM/6064296, we wish to specify that in the examined period, the Group has not engaged in transactions defined as atypical or unusual in the Bulletin.

MANAGEMENT AND COORDINATION ACTIVITIES

Prima Industrie SpA is not subject to management and coordination by other companies or entities and decides which general or operative course of action to take in full independence.

OPT-OUT REGIME

The Board of Directors of PRIMA INDUSTRIE SpA resolved on November 12, 2012, in accordance with CONSOB Resolution No. 18079 of January 20, 2012, to subscribe to the opt-out regimen referred to in Article 70, paragraph 8 and Article 71, paragraph 1-bis of the Regulation, therefore choosing to avail itself of the right to waive the obligation of publishing documents describing its mergers, demergers, share capital increases by contributions in kind, purchases and transfers.

Consolidated
Financial Statements of
Prima Industrie Group
at September 30, 2021

Accounting Tables

chapter 6.

CHAPTER 6. CONSOLIDATED FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AT SEPTEMBER 30, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Values in thousand euro	September 30, 2021	December 31, 2020
Property, plant and equipment	73,818	64,281
Intangible assets	117,371	120,837
Investments accounted for using the equity method	334	394
Other investments	6,664	6,226
Non current financial assets	4,233	4,233
Deferred tax assets	16,442	17,656
NON CURRENT ASSETS	218,862	213,627
Inventories	139,074	118,689
Trade receivables	81,698	77,624
Other receivables	8,161	8,732
Current tax receivables	7,195	5,013
Derivatives	-	365
Financial assets	453	58
Cash and cash equivalents	54,111	62,999
CURRENT ASSETS	290,692	273,480
Assets held for sale	4,775	5,255
TOTAL ASSETS	514,329	492,362
Capital stock	26,208	26,208
Legal reserve	5,242	5,213
Other reserves	67,869	66,461
Currency translation reserve	2,634	(1,225)
Retained earnings	60,623	70,164
Net result	1,494	(7,201)
Stockholders' equity of the Group	164,070	159,620
Minority interest	3,180	2,844
STOCKHOLDERS' EQUITY	167,250	162,464
Interest-bearing loans and borrowings	102,347	105,318
Employee benefit liabilities	6,975	7,104
Deferred tax liabilities	2,509	4,759
Provisions	235	238
Derivatives	220	419
NON CURRENT LIABILITIES	112,286	117,838
Trade payables	81,072	69,390
Advance payments	43,993	40,019
Other payables	21,589	19,244
Interest-bearing loans and borrowings	58,314	58,192
Current tax payables	8,326	5,704
Provisions	21,392	19,511
Derivatives	107	-
CURRENT LIABILITIES	234,793	212,060
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	514,329	492,362

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	September 30, 2021	September 30, 2020(*)
Net revenues	281,414	233,452
Cost of goods sold	(221,515)	(186,566)
GROSS MARGIN	59,899	46,886
Research and Development costs	(16,871)	(14,690)
Sales and marketing expenses	(18,994)	(16,122)
General and administrative expenses	(17,829)	(17,599)
OPERATING PROFIT (EBIT)	6,205	(1,525)
Financial income	8,794	2,424
Financial expenses	(12,700)	(5,648)
Net exchange differences	785	(653)
Net result of investments accounted for using the equity method	(60)	(90)
Net result of other investments	-	5
RESULT BEFORE TAXES (EBT)	3,024	(5,487)
Taxes	(1,403)	1,102
NET RESULT	1,621	(4,385)
- <i>Attributable to Group shareholders</i>	1,494	(3,886)
- <i>Attributable to minority shareholders</i>	127	(499)
RESULT PER SHARE - BASIC (in euro)	0.14	(0.37)
RESULT PER SHARE - DILUTED (in euro)	0.14	(0.37)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Values in euro thousand</i>	September 30, 2021	September 30, 2020
NET RESULT (A)	1,621	(4,385)
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	227	123
Tax effect	(54)	(29)
Gains/(Losses) on exchange differences on translating foreign operations	4,068	(2,881)
Total other comprehensive gains/(losses) to be classified in the Income Statement, net of tax effects (C)	4,241	(2,787)
TOTAL COMPREHENSIVE INCOME (A) + (B) + (C)	5,862	(7,172)
- <i>Attributable to Group shareholders</i>	5,526	(6,621)
- <i>Attributable to minority shareholders</i>	336	(551)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

from January 1, 2020 to September 30, 2020

<i>Values in euro thousand</i>	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	-	-	-	-	-	-	-	2,164	-	6,882	(9,046)	-	-	-
Result of comprehensive Income	-	-	-	-	-	-	94	-	(2,829)	-	(3,886)	(6,621)	(551)	(7,172)
Balance as at 30/09/2020	26,208	57,507	(1,966)	5,213	(1,286)	13	(345)	16,892	1,174	65,836	(3,886)	165,360	2,581	167,941

from January 1, 2021 to September 30, 2021

<i>Values in euro thousand</i>	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	-	-	-	29	-	-	-	2,311	-	(9,541)	7,201	-	-	-
Treasury stock	-	-	(1,076)	-	-	-	-	-	-	-	-	(1,076)	-	(1,076)
Result of comprehensive Income	-	-	-	-	-	-	173	-	3,859	-	1,494	5,526	336	5,862
Balance as at 30/09/2021	26,208	57,507	(3,042)	5,242	(1,286)	-	(132)	14,822	2,634	60,623	1,494	164,070	3,180	167,250

CONSOLIDATED CASH FLOW STATEMENT

<i>Values in Euro thousand</i>	September 30, 2021	September 30, 2020(*)
Net result	1,621	(4,385)
Adjustments (sub-total)	9,938	2,532
Depreciation, impairment & write-off	14,685	16,421
Net change in deferred tax assets and liabilities	(1,036)	(1,281)
Change in employee benefits	(129)	82
Change in inventories	(20,385)	(7,539)
Change in trade receivables	(4,074)	14,522
Change in trade payables and advances	15,656	(19,404)
Net change in other receivables/payables and other assets/liabilities	5,161	(433)
Net result of investments accounted for using the equity method	60	90
Gain on disposal of shares in other investments	-	(54)
Write-off/Write-up Other Investments	-	49
Change in Other investments	-	79
Cash Flows from (used in) operating activities	11,559	(1,853)
Cash flow from investments		
Acquisition of tangible fixed assets (**)	(3,215)	(3,564)
Acquisition of intangible fixed assets	(594)	(188)
Capitalization of development costs	(1,785)	(4,614)
Net disposal of fixed assets (***)	222	424
Cash Flows from (used in) investing activities	(5,372)	(7,942)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	50	367
Increases in loans and borrowings (including bank overdrafts and Credit lines)	2,740	41,586
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(14,887)	(32,839)
Repayments in financial lease liabilities	(4,981)	(4,901)
Other variations in equity	(1,076)	-
Cash Flows from (used in) financing activities	(18,154)	4,213
Cash Flows from (used in) change of minority shareholders	-	-
Foreign exchange translation differences	3,079	(2,308)
Net change in cash and equivalents	(8,888)	(7,890)
Cash and equivalents beginning of period	62,999	55,136
Cash and equivalents end of period	54,111	47,246

Additional Information to the Consolidated Statement of Cash-Flow	September 30, 2021	September 30, 2020
<i>Values in euro thousand</i>		
Taxes paid	561	477
Interests paid	1,807	1,922

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

(**) Not included leases

(***) Included assets held for sale

Explanatory Notes
to the Consolidated
Financial Statements
at September 30, 2021

chapter 7.

CHAPTER 7. EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2021

ACCOUNTING TABLES FORM AND CONTENT

The condensed consolidated financial statements of PRIMA INDUSTRIE Group as at September 30, 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 consolidated financial statements have been prepared in summary form in accordance with IAS 34 "Interim Financial Reporting", and therefore do not include all the information required by the annual financial statements and should be read in conjunction with the annual financial statements prepared for the year ending December 31, 2020, to which reference should be made for further details.

The consolidated financial statements of the PRIMA INDUSTRIE Group are presented in euro, which is also the currency of the economies in which the Group mainly operates.

Foreign subsidiaries are included in the consolidated financial statements as at September 30, 2021 in accordance with the principles described in the Note "Accounting policies" of the consolidated financial statements as at December 31, 2020, to which reference should be made.

The balance sheet figures as at December 31, 2020 and the income statement and cash flow statement figures as at September 30, 2020 as well as the changes in shareholders' equity for the first nine months of 2020 have been presented for comparative purposes, as required by IAS 1.

The Group presents the income statement according to functional areas, otherwise referred to as "at cost of goods sold". 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.

The "costs of goods sold" includes costs relating to the functional areas that participated directly or indirectly to the generation of revenues with the sale of goods and 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 September 30, 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.

ONGOING CONCERN

The condensed consolidated financial statements as at September 30, 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 September 30, 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.

This Interim Financial Report was approved for publication by the Board of Directors on November 12, 2021.

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 segment 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 high-power laser sources for industrial applications, intended for the machines of the Group and third customers.

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 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.

<i>Values in euro thousand</i>	PRIMA POWER		PRIMA ELECTRO		ELIMINATION		PRIMA INDUSTRIE GROUP	
	Sep 30,2021	Sep 30,2020	Sep 30,2021	Sep 30,2020	Sep 30,2021	Sep 30,2020	Sep 30,2021	Sep 30,2020
Net revenues	261,399	217,886	36,316	30,535	(16,301)	(14,969)	281,414	233,452
Cost of goods sold	(205,984)	(173,704)	(31,444)	(27,727)	15,913	14,865	(221,515)	(186,566)
GROSS MARGIN	55,415	44,182	4,872	2,808	(388)	(104)	59,899	46,886
Research and Development costs	(13,693)	(11,021)	(3,177)	(3,669)	(1)	-	(16,871)	(14,690)
Sales and marketing expenses	(18,119)	(15,130)	(878)	(995)	3	3	(18,994)	(16,122)
General and administrative expenses	(16,072)	(15,650)	(1,761)	(1,891)	4	(58)	(17,829)	(17,599)
OPERATING PROFIT (EBIT)	7,531	2,381	(944)	(3,747)	(382)	(159)	6,205	(1,525)
Net financial expenses	(3,721)	(3,156)	(185)	(68)	-	-	(3,906)	(3,224)
Net exchange differences	808	(606)	(23)	(47)	-	-	785	(653)
Net result of investments accounted for using the equity method	(60)	(90)	-	-	-	-	(60)	(90)
Net result of other investments	-	2,154	-	(49)	-	(2,100)	-	5
RESULT BEFORE TAXES (EBT)	4,558	683	(1,152)	(3,911)	(382)	(2,259)	3,024	(5,487)
Taxes	(2,024)	(417)	505	1,475	116	44	(1,403)	1,102
NET RESULT	2,534	266	(647)	(2,436)	(266)	(2,215)	1,621	(4,385)
- Attributable to Group shareholders	2,407	765	(647)	(2,436)	(266)	(2,215)	1,494	(3,886)
- Attributable to minority shareholders	127	(499)	-	-	-	-	127	(499)

	PRIMA POWER		PRIMA ELECTRO		ELIMINATION		PRIMA INDUSTRIE GROUP	
<i>Values in euro thousand</i>	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020
Property, plant and equipment	61,054	52,075	12,764	12,206	-	-	73,818	64,281
Intangible assets	111,515	115,453	6,068	5,596	(212)	(212)	117,371	120,837
Investments accounted for using the equity method	334	394	-	-	-	-	334	394
Other investments	17,609	17,171	-	-	(10,945)	(10,945)	6,664	6,226
Non current financial assets	2,728	2,728	1,505	1,505	-	-	4,233	4,233
Deferred tax assets	11,912	12,256	4,096	5,083	434	317	16,442	17,656
NON CURRENT ASSETS	205,152	200,077	24,433	24,390	(10,723)	(10,840)	218,862	213,627
Inventories	114,401	97,557	26,174	22,247	(1,501)	(1,115)	139,074	118,689
Trade receivables	77,225	72,565	13,788	11,493	(9,315)	(6,434)	81,698	77,624
Other receivables	6,901	7,145	1,257	1,584	3	3	8,161	8,732
Current tax receivables	3,087	2,484	5,125	3,545	(1,017)	(1,016)	7,195	5,013
Derivatives	-	365	-	-	-	-	-	365
Financial assets	11,777	8,427	57	43	(11,381)	(8,412)	453	58
Cash and cash equivalents	51,762	61,894	2,349	1,105	-	-	54,111	62,999
CURRENT ASSETS	265,153	250,437	48,750	40,017	(23,211)	(16,974)	290,692	273,480
Assets held for sale	775	1,255	4,000	4,000	-	-	4,775	5,255
TOTAL ASSETS	471,080	451,769	77,183	68,407	(33,934)	(27,814)	514,329	492,362
STOCKHOLDERS' EQUITY	154,261	148,996	27,371	27,579	(14,382)	(14,111)	167,250	162,464
Interest-bearing loans and borrowings	88,131	95,133	18,475	15,454	(4,259)	(5,269)	102,347	105,318
Employee benefit liabilities	5,367	5,420	1,608	1,684	-	-	6,975	7,104
Deferred tax liabilities	1,609	3,865	900	894	-	-	2,509	4,759
Provisions	235	238	-	-	-	-	235	238
Derivatives	220	419	-	-	-	-	220	419
NON CURRENT LIABILITIES	95,562	105,075	20,983	18,032	(4,259)	(5,269)	112,286	117,838
Trade payables	75,238	63,889	15,140	11,925	(9,306)	(6,424)	81,072	69,390
Advance payments	43,598	39,557	83	150	312	312	43,993	40,019
Other payables	19,151	16,668	2,438	2,576	-	-	21,589	19,244
Interest-bearing loans and borrowings	53,220	52,152	10,115	7,083	(5,021)	(1,043)	58,314	58,192
Current tax payables	9,220	6,517	129	211	(1,023)	(1,024)	8,326	5,704
Provisions	20,723	18,915	924	851	(255)	(255)	21,392	19,511
Derivatives	107	-	-	-	-	-	107	-
CURRENT LIABILITIES	221,257	197,698	28,829	22,796	(15,293)	(8,434)	234,793	212,060
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	471,080	451,769	77,183	68,407	(33,934)	(27,814)	514,329	492,362

CONSOLIDATED FINANCIAL POSITION

Property, plant and equipment amounted to Euro 73,818 thousand as at September 30, 2021, an increase of Euro 9,537 thousand compared to December 31, 2020 mainly due to the completion of Prima Industrie SpA's production site in Collegno (Turin).

Intangible assets as at September 30, 2021 were equal to Euro 117,371 thousand and decreased by Euro 3,466 thousand compared with December 31, 2020.

The most significant item is represented by Goodwill, which on September 30, 2021 amounted to Euro 97,844 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 Cash Generating Units (CGU).

CASH GENERATING UNIT	BOOK VALUE GOODWILL	BOOK VALUE GOODWILL
	September 30, 2021	December 31, 2020
PRIMA POWER	97,691	97,598
PRIMA ELECTRO - BU Electronics	153	153
TOTAL	97,844	97,751

Goodwill (being an asset with an undefined life) is not amortised and is tested at least for impairment. As at December 31, 2020, the Group carried out impairment testing 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.

If specific events or circumstances (trigger events) occur that would suggest that goodwill may be impaired, an impairment test is also performed when interim financial statements are prepared.

The value of investments accounted for using the equity method refers to the shareholding in the company 3D NT held by PRIMA INDUSTRIE SpA (19.9%) and amounts to Euro 334 thousand. The negative change of Euro 60 thousand compared to the previous year refers to the share of the result for the period.

The value of Other Investments as at September 30, 2021 amounted to Euro 6,664 thousand with an increase of Euro 438 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).

Deferred tax assets amount to Euro 16,442 thousand, showing a decrease compared with the previous financial year of Euro 1,214 thousand.

Deferred taxes are recorded in the financial statements only if the conditions for their recovery exist. The assessment of the recoverability of prepaid tax assets takes account of expected profitability in future years. Deferred taxes on tax losses carried forward were entered recognised in relation to the likelihood of future taxable income against which they can be recovered. Considering the above, there were no elements that might change the previous assessments on the recoverability of deferred taxes.

The net value of inventories as at September 30, 2021 shows an increase equal to Euro 20,385 thousand compared with December 31, 2020, due to high expected volumes in the final part of the year.

The following table shows the composition of inventories as at September 30, 2021 and December 31, 2020.

INVENTORIES	September 30, 2021	December 31, 2020
Raw materials	52,822	41,056
Semi-finished goods	31,671	19,545
Finished goods	66,370	69,231
(Inventory provisions)	(11,789)	(11,143)
TOTAL	139,074	118,689

Net trade receivables as at September 30, 2021 amounted to Euro 81,698 thousand, an increase of Euro 4,074 thousand compared to December 31, 2020.

Other current receivables at September 30, 2021 were Euro 8,161 thousand and decreased from December 31, 2020 by Euro 571 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 7,195 thousand, an increase of Euro 2,182 thousand compared to December 31, 2020. Tax assets are represented by direct deferred tax assets of Euro 4,110 thousand (Euro 2,178 thousand at December 31, 2020), VAT credits of Euro 2,493 thousand (Euro 2,003 thousand as at December 31, 2020), R&D tax credits of Euro 455 thousand (Euro 683 thousand as at December 31, 2020), receivables for withholding taxes of Euro 61 thousand (Euro 51 thousand as at December 31, 2020) and other receivables for minor tax assets of Euro 76 thousand (Euro 98 thousand as at December 31, 2020).

As at September 30, 2021, the Group's financial indebtedness⁽³⁾ was negative by Euro 106,424 thousand, up Euro 5,917 thousand from December 31, 2020 (negative by Euro 100,507 thousand).

For a better understanding of the variation in indebtedness during the first nine months of 2021, reference is made to the consolidated cash flow statement of the period.

As required by ESMA Document 32-382-1138 of March 4, 2021 and as indicated in CONSOB note 5/21 of 29/04/2021, the table below shows financial indebtedness as at September 30, 2021 and December 31, 2020.

FINANCIAL INDEBTEDNESS		Sep 30, 2021	Dec 31, 2020	Variations
A	CASH	54,111	62,999	(8,888)
B	CASH EQUIVALENTS	-	-	-
C	OTHER CURRENT FINANCIAL ASSETS	453	423	30
D	LIQUIDITY (A+B+C)	54,564	63,422	(8,858)
E	CURRENT FINANCIAL DEBT	13,865	11,951	1,914
F	CURRENT PORTION OF NON-CURRENT FINANCIAL DEBT	44,556	46,241	(1,685)
G	CURRENT FINANCIAL INDEBTEDNESS (E+F)	58,421	58,192	229
H	NET CURRENT FINANCIAL INDEBTEDNESS (G-D)	3,857	(5,230)	9,087
I	NON-CURRENT FINANCIAL DEBT	77,683	80,887	(3,204)
J	DEBT INSTRUMENTS	24,884	24,850	34
K	NON-CURRENT TRADE AND OTHER PAYABLES	-	-	-
L	NON-CURRENT FINANCIAL INDEBTEDNESS (I+J+K)	102,567	105,737	(3,170)
M	TOTAL FINANCIAL INDEBTEDNESS (H+L)	106,424	100,507	5,917

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

	Sep 30, 2021	Dec 31, 2020
Financial Indebtedness required by doc. ESMA 32-382-1138	106,424	100,507
Term deposit Smilla	(4,233)	(4,233)
Net financial debt	102,191	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			Sep 30, 2021
			Issues	Exchange rate effect	Fair value	
Financial debts	102,238	(11,960)	-	-	-	90,278
Bond issued	25,540	(188)	-	-	-	25,352
Leasing	35,732	(4,981)	13,763	517	-	45,031
Derivatives	419	-	-	-	(92)	327
TOTAL	163,929	(17,129)	13,763	517	(92)	160,988

As at September 30, 2021, the value of non-current assets held for sale was Euro 4,775 thousand and referred to:

- an equity investment held by PRIMA ELECTRO SPA for Euro 4,000 thousand in the company OSAlcnc;
- a portion of the industrial plant located in Collegno in the province of Turin of the parent company PRIMA INDUSTRIE SpA for Euro 775 thousand.

⁽³⁾ Reconciliation between Group financial indebtedness required by ESMA document 32-382-1138 of March 4, 2021 and net financial indebtedness (used as a performance indicator) is provided in a specific table in these Explanatory Notes.

The change of Euro 480 thousand compared to the previous year refers for Euro 214 thousand to the sale of the last real estate unit located in the Mantova area and for Euro 266 thousand to the write-down of the industrial plant in Collegno.

Shareholders' equity was up compared to the previous year by Euro 4,786 thousand. For more details, see the table consolidated statement of changes on shareholders' equity.

The item Employees benefits liabilities is equal to Euro 6,975 thousand as at September 30, 2021, a decrease compared with December 31, 2020 of Euro 129 thousand.

Deferred tax liabilities are equal to Euro 2,509 thousand, a decrease of Euro 2,250 thousand compared with December 31, 2020.

Provisions for risks and charges are equal to Euro 21,627 thousand, an increase compared to December 31, 2020 of Euro 1,878 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 12,286 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 8,495 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 611 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 11,682 thousand compared to December 31, 2020.

The item Advance payments increased compared to December 31, 2020 and is equal to Euro 43,993 thousand.

Other payables increased compared to December 31, 2020 by Euro 2,345 thousand and include social security and welfare payables, payables due to employees, accruals and deferrals and other minor payables.

Current tax payables as at September 30, 2021 amounted to Euro 8,326 thousand, an increase of Euro 2,622 thousand compared to December 31, 2020.

CONSOLIDATED INCOME STATEMENT

As already mentioned previously, the Group presents the income statement by "functional area". In accordance with paragraph 104 of "IAS 1 - Presentation of Financial Statements", it is noted that personnel costs as at September 30, 2021 amounted to Euro 81,453 thousand, an increase compared to the previous year of Euro 11,595 thousand (Euro 69,858 thousand as at September 30, 2020).

Amortisation, depreciation and write-downs as at September 30, 2021 amounted to Euro 14,685 thousand (Euro 16,421 thousand as at September 30, 2020).

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 nine months of the year 2021 shows a net expense of Euro 3,121 thousand.

FINANCIAL RESULTS	Sep30, 2021	Sep30, 2020
Financial income	8,794	2,424
Financial expenses	(12,700)	(5,648)
Net financial expenses	(3,906)	(3,224)
Net exchange differences	785	(653)
Total Financial Results	(3,121)	(3,877)

The net result of investments accounted for using the equity method presented a loss of Euro 60 thousand and refers to the share of the result for the period of the associate 3D NT.

Taxes for the first nine months of 2021 showed a net negative balance of Euro 1,403 thousand. The balance of current and deferred taxation amounted to Euro 1,308 thousand and other taxes, including those related to previous years, amounted to Euro 95 thousand.

The calculation of the basic earnings per share at September 30, 2021, positive by Euro 0.14 (negative by Euro 0.37 at September 30, 2020) is calculated by dividing the profits attributable to the shareholders of the parent company by the average number of ordinary shares in circulation. Diluted earnings per share are equal to basic earnings per share as there are no dilutive transactions outstanding as at September 30, 2021.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The table below summarises Group non-recurring items in the first nine months of 2021 that have had a negative impact on the Income Statement for a total of Euro 3,477 thousand.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS (values expressed in Euro thousand)	Gross Margin	Research and Development costs	Sales and marketing expenses	General and administrative expenses	Total as at Sep 30, 2021	Total as at Sep 30, 2020	Variation between 2021 and 2020
COVID-19	(496)	-	(4)	(3)	(503)	(522)	19
COVID-19 - Government subsidy	20	-	2	44	66	-	66
Reorganization/Restructuring	(833)	(80)	(270)	(428)	(1,611)	(684)	(927)
Disputes tax/legal and customer penalties	(479)	-	-	(623)	(1,102)	(2,025)	923
Impairment of intangible fixed assets	-	-	-	(61)	(61)	-	(61)
Impairment of tangible fixed assets	(266)	-	-	-	(266)	-	(266)
EBIT	(2,054)	(80)	(272)	(1,071)	(3,477)	(3,231)	(246)
Write-down Caretek investment	-	-	-	-	-	(49)	49
Härmämedi OY gain	-	-	-	-	-	54	(54)
EBT	(2,054)	(80)	(272)	(1,071)	(3,477)	(3,226)	(251)

SUBSEQUENT EVENTS

No events occurred after the reporting date of the Interim Financial Report which, if not previously known, would have led to an adjustment of the recognised values.

Signature of the authorized governing body



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/Primero 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. Balikesir 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	€ 500.000	100%	Line-by-line method

ANNEX 2 -“NON-GAAP” PERFORMANCE INDICATORS

The Management of PRIMA INDUSTRIE SpA 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 “Amortisation”, “Write-downs and Impairment”. This ratio is also referred to as the “Gross Operating Margin”.

Adjusted EBITDA, EBIT and EBT 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. The reconciliation with financial indebtedness required by ESMA document 32-382-1138 of March 4, 2021 is provided in the Notes to the Consolidated Financial Statements.

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

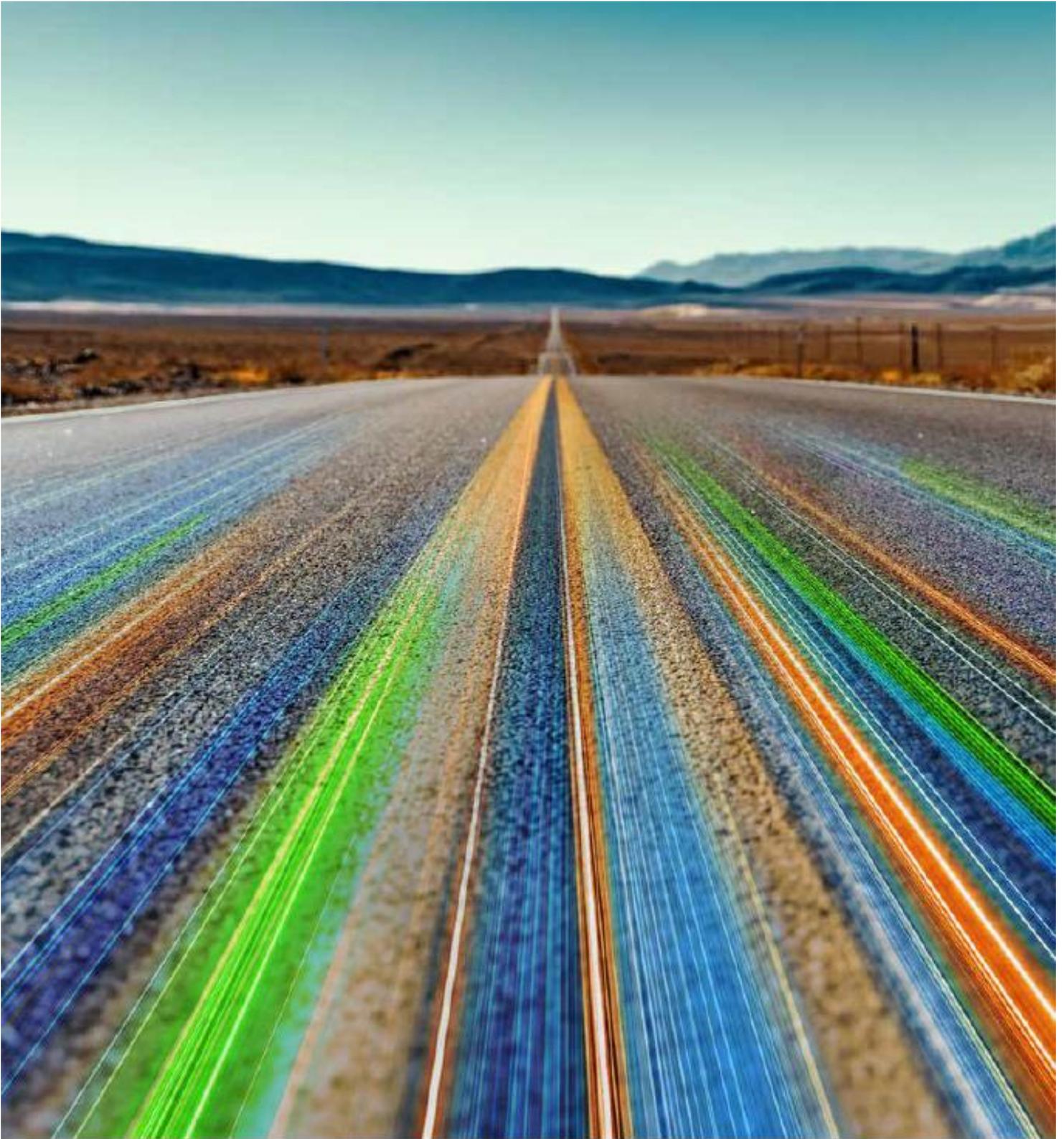
The exchange rates applied in converting the financial statements to a currency other than the Euro are, for the purpose of consolidation, the following:

CURRENCY	AVERAGE EXCHANGE RATE		SPOT EXCHANGE RATE	
	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Dec 31, 2020
US DOLLAR	1.1967	1.1241	1.1579	1.2271
CHINESE RENMINBI	7.7407	7.8614	7.4847	8.0225
RUSSIAN RUBLE	88.6011	79.8960	84.3391	91.4671
TURKISH LIRA	9.6980	7.5911	10.2981	9.1131
POLISH ZLOTY	4.5464	4.4226	4.6197	4.5597
POUND STERLING	0.8641	0.8845	0.8605	0.8990
BRAZILIAN REAL	6.3809	5.7072	6.2631	6.3735
INDIAN RUPEE	88.0773	83.4336	86.0766	89.6605
AUSTRALIAN DOLLAR	1.5767	1.6633	1.6095	1.5896
CANADIAN DOLLAR	1.4976	1.5212	1.4750	1.5633
MEXICAN PESO	24.0806	24.5148	23.7439	24.4160

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 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, Marco Pintauro, 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 September 30, 2021 corresponds to the documentary evidence and to the accounting books and records.



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