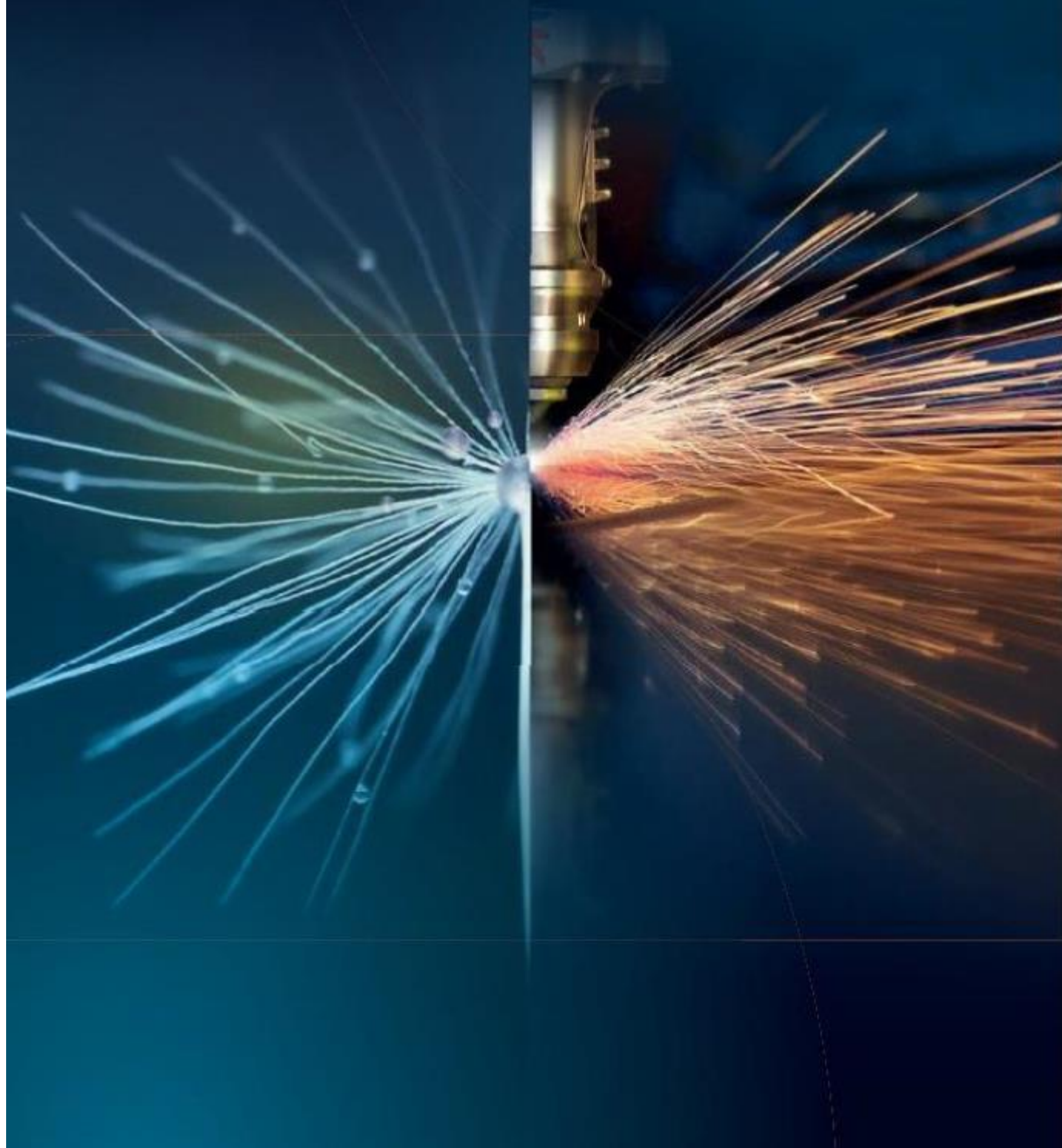




Interim Financial Report
March 31, 2022



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Chapter 1

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
INDEPEDENT 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

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

Board of Statutory Auditors

CHAIRMAN	Roberto Coda
AUDITORS	Fabio Avenale Margherita Spaini
DEPUTY AUDITORS	Maria Luisa Fassero Alessandro Sabolo

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 2024 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 Executive Deputy Chairman were also assigned the position of Chief Executive Officer

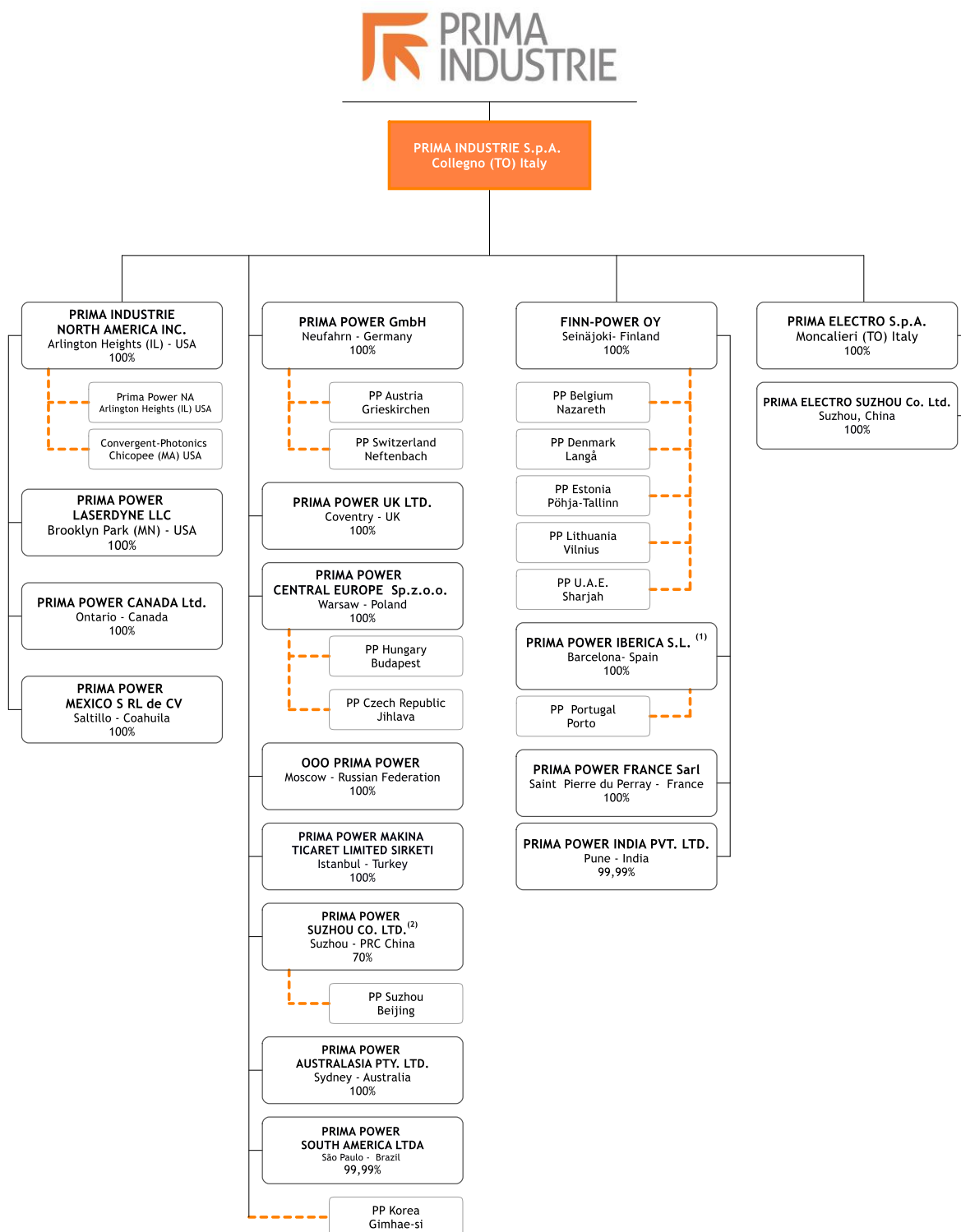


Chapter 2

PRIMA INDUSTRIE
GROUP STRUCTURE

CHAPTER 2

CHAPTER 2. PRIMA INDUSTRIE GROUP STRUCTURE



The statement on this page lays out the corporate situation of PRIMA INDUSTRIE Group as at March 31, 2022. 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).



Chapter 3

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, including 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 Euronext Star Milan), designs, manufactures and sells 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 technologies in the field of Additive Manufacturing: 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 into 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 high-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 a sales facility in China.

The **PRIMA ADDITIVE** Division is dedicated to the design, production and sale 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 the PRIMA POWER Division.

For over 40 years since 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 in which 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 May 12, 2022.



Chapter 4

INTRODUCTION

CHAPTER 4

CHAPTER 4. INTRODUCTION

This Interim Financial Report as at March 31, 2022 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 12, 2022 and was published in accordance with the provisions of Article 2.2.3 of Borsa Italiana SpA Regulations applicable to issuers listed in the Euronext Star Milan 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.



Chapter 5

GROUP INTERIM
MANAGEMENT REPORT

CHAPTER 5

CHAPTER 5. GROUP INTERIM MANAGEMENT REPORT

GROUP RESULTS SUMMARY

Values in Euro thousand	March 31, 2022	March 31, 2021	Variations	%
ORDER INTAKE	130,576	104,642	25,934	24.8%
BACKLOG	253,514	147,911	105,603	71.4%
REVENUES	93,322	82,300	11,022	13.4%
EBITDA	5,686	4,346	1,340	30.8%
EBITDA %	6.1%	5.3%	0.8%	-
EBIT	1,150	(547)	1,697	310.2%
EBIT %	1.2%	-0.7%	1.9%	-
NET RESULT	22	(1,548)	1,570	101.4%
FCF	(7,524)	(5,569)	(1,955)	-35.1%
NET FINANCIAL DEBT	(75,192)	(99,410)	24,218	24.4%
HEADCOUNT	1,767	1,734	33	1.9%

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

Values in Euro thousand	March 31, 2022	March 31, 2021	Variations	%
REVENUES AT COSTANT EXCHANGE RATES	92,507	82,300	10,207	12.4%
EBITDA Adj	6,204	5,662	542	9.6%
EBITDA Adj %	6.6%	6.9%	-0.3%	-
EBIT Adj	1,668	830	838	101.0%
EBIT Adj %	1.8%	1.0%	0.8%	-

(% 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

HACKER ATTACK

In February 2022, the PRIMA INDUSTRIE Group was the subject of a hacker attack which mainly affected the Finnish office. Following this event, all the necessary activities were carried out to restore the Group's normal operations.

SPIN-OFF OF THE PRIMA ADDITIVE BUSINESS UNIT

On March 14, 2022, the Board of Directors of PRIMA INDUSTRIE resolved to subscribe, through the contribution of the PRIMA ADDITIVE Business Unit, to the capital increase to be resolved by the associated company 3D-NT SRL. In light of this, PRIMA INDUSTRIE SpA will take control of this company with the aim of concentrating all the resources dedicated to Additive Manufacturing technology in a single company and managing it more efficiently creating greater value.

RUSSIA-UKRAINE CRISIS

As is well known, in February 2022 the tensions between Russia and Ukraine broke out into a war, resulting in a situation that effectively interrupted the normal development of business activities. The PRIMA INDUSTRIE Group is present in Russia with a machinery and after-sales branch located in Moscow, whose turnover marginally affects consolidated turnover (at December 31, 2021, 3.8% of consolidated revenues is achieved in this area). Given the constantly evolving scenario, the Group closely monitors developments in the situation and its implications for the business. There are currently no indications of significant economic and financial consequences for the Group.

ECONOMIC PERFORMANCE

Group turnover as at March 31, 2022 was equal to Euro 93,322 thousand, an increase of 13.4% compared to 2021. At constant exchange rates, consolidated turnover at March 31, 2022 would have been up 12.4% compared to March 31, 2021. Revenue for the quarter was affected by approximately Euro 9.5 million in slippages due to the delay in delivery of some components.

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, 2022	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	85,319	18,946	22.2%	4,864	5.7%	1,325	1.6%	159
PRIMA ELECTRO	13,852	1,827	13.2%	549	4.0%	(450)	-3.2%	(334)
ELIMINATIONS	(5,849)	238	4.1%	273	4.7%	275	4.7%	197
GROUP	93,322	21,011	22.5%	5,686	6.1%	1,150	1.2%	22

(% calculated over the revenues)

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

VARIATIONS	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	9,392	2,469	26.3%	574	6.1%	1,081	11.5%	1,061
PRIMA ELECTRO	2,025	558	27.6%	487	24.0%	336	16.6%	309
ELIMINATIONS	(395)	274	69.4%	279	70.6%	280	70.9%	200
GROUP	11,022	3,301	29.9%	1,340	12.2%	1,697	15.4%	1,570

(% calculated over the revenues)

The consolidated revenues are shown here below, split down on a geographic basis, as at March 31, 2022 compared with the corresponding period of the previous year:

REVENUES	March 31, 2022		March 31, 2021	
	Euro thousand	%	Euro thousand	%
SEMEA (*)	29,503	31.6	26,154	31.8
NORTH EUROPE	22,685	24.3	17,461	21.2
AMERICAS	19,311	20.7	24,657	30.0
APAC	21,823	23.4	14,028	17.0
TOTAL	93,322	100.0	82,300	100.0

(*) South Europe, Middle East & Africa

The above table shows that the Group turnover as at March 31, 2022 (compared with the corresponding period of the previous year) had a significant recovery in the SEMEA area (+12.8%), in NORTH EUROPE (+29.9%) and the APAC area (+55.6%). The trend is down in the AMERICAS (-21.7%).

The main destination countries in the SEMEA area were Italy (14.7% of consolidated revenues), Poland and Eastern Europe (7.7% of consolidated revenues) and Spain and Portugal (3.0% of consolidated revenues).

The main countries of destination in the NORTH EUROPE area were Finland and the Baltic countries (11.0% of consolidated revenues), the DACH countries (6.3% of consolidated revenues), and Benelux (5.0% of consolidated revenues).

The share of revenues realised in the AMERICAS went from Euro 24,657 thousand to Euro 19,311 thousand, of which Euro 13,306 thousand were generated by the United States. With reference to this area, in the face of the reduction in turnover, partly attributable to the aerospace, market there was a significant growth in the acquisition of new orders in the quarter.

In the APAC region, revenues increased by 55.6% compared to 2021, going from Euro 14,028 thousand to Euro 21,823 thousand. The increase is attributable to revenues in Australia & New Zealand (equal to Euro 3,053 thousand), in South Korea (equal to Euro 4,781 thousand) and in China, which grew from Euro 9,179 thousand (as at March 31, 2021) to Euro 10,349 thousand (at March 31, 2022).

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

REVENUES	March 31, 2022		March 31, 2021	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
PRIMA POWER	85,319	91.4	75,927	92.3
PRIMA ELECTRO	13,852	14.8	11,827	14.4
Inter-sector revenues	(5,849)	(6.2)	(5,454)	(6.7)
TOTAL	93,322	100.0	82,300	100.0

The Group **Gross Margin** as at March 31, 2022 amounted to Euro 21,011 thousand, an increase of Euro 3,301 thousand from the figure of Euro 17,710 thousand in 2021; the margin as a percentage of revenues is 22.5%, an increase compared with March 31, 2021 (21.5%).

The Group **EBITDA** as at March 31, 2022 stood at Euro 5,686 thousand, equal to 6.1% of revenues against Euro 4,346 thousand, equal to 5.3% of revenues as at March 31, 2021.

EBITDA was negatively affected by non-recurring costs of Euro 518 thousand (as at March 31, 2021 they were equal to Euro 1,316 thousand); therefore, **adjusted EBITDA** ⁽¹⁾ amounted to Euro 6,204 thousand (6.6% of revenues).

The Group **EBIT** as of March 31, 2022 amounted to Euro 1,150 thousand, equal to 1.2% of revenues against the figure of negative Euro 547 thousand equal to -0.7% of the previous year's revenues.

Moreover, this result is affected by:

- amortisation of intangible fixed assets totalling Euro 1,790 thousand (relating to development costs of Euro 1,128 thousand and to the trademark recognised in connection with the business combination of the FINN-POWER Group, amounting to Euro 485 thousand).
- the depreciation of property, plant and equipment for Euro 2,747 thousand.

EBIT at March 31, 2022 is penalised by non-recurring costs equal to Euro 518 thousand; consequently, **adjusted EBIT**⁽¹⁾ was at Euro 1,668 thousand (1.8% of revenues).

The Group **EBT** on March 31, 2022 is positive for Euro 210 thousand against the negative Euro 1,568 thousand at March 31, 2021.

The Group EBT was impacted by net financial expenses (including gains and losses on exchange rates) for Euro 910 thousand (as of March 31, 2021 they were equal to Euro 981 thousand).

FINANCIAL RESULTS (€/000)	Mar 31, 2022	Mar 31, 2021
Bond expenses	(227)	(226)
Main Bank Loans expenses	(218)	(254)
Derivatives expenses (CRS)	(161)	(396)
Derivatives expenses (IRS)	(117)	(82)
Lease expenses	(248)	(297)
Other financial expenses	(220)	(340)
Net financial expenses	(1,191)	(1,595)
Net exchange differences	281	614
TOTAL	(910)	(981)

The Group **NET RESULT** as of March 31, 2022 showed a profit of Euro 22 thousand vs. the loss of Euro 1,548 thousand as at March 31, 2021; the Parent Company reported a net loss of Euro 37 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

The change in net financial indebtedness in terms of flows of the PRIMA INDUSTRIE Group at March 31, 2022 is shown below, compared with the previous year.

<i>Values in Euro thousand</i>	Mar 31, 2022	Mar 31, 2021	Variations
Net Financial Indebtedness Opening	(68,421)	(96,274)	27,853
Cash from operating activities before TWC	3,066	3,465	(399)
Change in Trade Working Capital	(9,388)	(5,695)	(3,693)
Cash from operating activities	(6,322)	(2,230)	(4,092)
Investments in development costs	(419)	(707)	288
Other investments	(783)	(2,632)	1,849
Cash from investment activities	(1,202)	(3,339)	2,137
FREE CASH FLOW (FCF)	(7,524)	(5,569)	(1,955)
Treasury stock	(291)	-	(291)
Net result of investments accounted for using the equity method	(30)	(40)	10
Cash from financing activities	(321)	(40)	(281)
Net exchange differences	1,074	2,473	(1,399)
CASH FLOW - TOTAL	(6,771)	(3,136)	(3,635)
Net Financial Indebtedness Closing	(75,192)	(99,410)	24,218

At March 31, 2022 the **Group's Net Financial Indebtedness** ⁽²⁾ was equal to Euro 75,192 thousand, increasing compared to December 31, 2021 (equal to Euro 68,421 thousand).

Below is a breakdown of Group net financial indebtedness.

<i>Values expressed in Euro thousand</i>	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
NON CURRENT FINANCIAL ASSETS	(4,701)	(4,233)	(4,233)
CASH & CASH EQUIVALENTS	(68,185)	(67,267)	(58,350)
CURRENT FINANCIAL ASSETS	(301)	(372)	(328)
CURRENT FINANCIAL LIABILITIES	31,735	39,886	51,188
NON CURRENT FINANCIAL LIABILITIES	74,820	57,575	75,331
NET FINANCIAL DEBT (before leasing)	33,368	25,589	63,608
LEASING LIABILITIES	41,824	42,832	35,802
NET FINANCIAL DEBT	75,192	68,421	99,410

⁽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 1st quarter of 2022, the Group's acquisition of orders (including after-sales service) amounted to Euro 130.6 million, an increase of 24.8% compared to Euro 104.6 million as at March 31, 2021 and 79.3% compared to March 31, 2020. The acquisition of orders of the PRIMA POWER sector amounted to Euro 122.8 million, while the PRIMA ELECTRO segment, considering the ones from customers outside the Group, amounted to Euro 7.8 million.

The consolidated order backlog (not including the after-sale service) as at March 31, 2022 amounted to Euro 253.5 million, up from Euro 147.9 million as at March 31, 2021. The backlog includes Euro 237.2 million relating to the PRIMA POWER sector and Euro 16.3 million relating to the PRIMA ELECTRO sector.

OUTLOOK OF OPERATIONS

Despite the challenging international context (war in Ukraine, raw materials and components market) and a seasonality that historically does not favour the first quarter of the year, the Group is continuing to generate satisfactory results, both in terms of commercial performance and with reference to the recovery of profitability. In particular, the substantial order book allows us to face the year just started positively.

EVENTS OCCURRING AFTER THE REFERENCE DATE OF THE FINANCIAL STATEMENT

APPOINTMENT OF THE NEW BOARD OF STATUTORY AUDITORS

On April 28, 2022 the shareholders' meeting of PRIMA INDUSTRIE SpA appointed the new Board of Statutory Auditors, which is composed of Roberto Coda, Chairman (elected from list 2 presented by the shareholders dP-cube Srl and World Leader Limited), Fabio Avenale and Margherita Spainì (elected from list 1 presented by the shareholder Erste International SA); Alternate auditors were appointed Maria Luisa Fassero (taken from List 1) and Alessandro Sabolo (taken from List 2).

The Board will remain in office for the financial years 2022, 2023 and 2024.

SPIN-OFF OF THE PRIMA ADDITIVE BUSINESS UNIT

On April 1, 2022, the spin-off of the Business Unit active in the field of additive manufacturing technologies was completed, and the transfer of the same to the company 3D New Technologies Srl (3D-NT). The transaction took place through the subscription in kind by Prima Industrie of the reserved capital increase carried out by the company 3D-NT which then resolved to change the company name to Prima Additive Srl. Through this transaction Prima Industrie acquires a stake in Prima Additive Srl equal to 50.01%. Prima Additive Srl will also maintain close industrial collaboration relationships with the PRIMA INDUSTRIE Group.

The purpose of the transaction is to make synergistic the activity of the two units object of the operation to accelerate the process of development and marketing of products and the growth plans of the new company that will operate in a market with great development prospects.

The transaction is also linked to a larger project that could include the entry into that company of new investors to contribute to the business development plans.



Chapter 6

CONSOLIDATED FINANCIAL STATEMENTS
PRIMA INDUSTRIE GROUP
MARCH 31, 2022

Accounting Tables

CHAPTER 6

CHAPTER 6. CONSOLIDATED FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AS AT MARCH 31, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Values in thousand euro	March 31, 2022	December 31, 2021
Property, plant and equipment	70,305	71,854
Intangible assets	115,900	116,624
Investments accounted for using the equity method	364	394
Other investments	7,076	6,927
Non current financial assets	4,233	4,233
Derivatives	468	-
Deferred tax assets	16,917	18,823
NON CURRENT ASSETS	215,263	218,855
Inventories	158,121	134,859
Trade receivables	80,965	91,164
Other receivables	8,784	6,972
Current tax receivables	10,235	9,286
Financial assets	301	372
Cash and cash equivalents	68,185	67,267
CURRENT ASSETS	326,591	309,920
Assets held for sale	4,000	4,775
TOTAL ASSETS	545,854	533,550
Capital stock	26,208	26,208
Legal reserve	5,242	5,242
Other reserves	68,626	68,161
Currency translation reserve	5,401	4,274
Retained earnings	68,421	60,623
Net result	(37)	7,798
Stockholders' equity of the Group	173,861	172,306
Minority interest	3,546	3,412
STOCKHOLDERS' EQUITY	177,407	175,718
Interest-bearing loans and borrowings	110,537	94,259
Employee benefit liabilities	6,666	6,728
Deferred tax liabilities	2,613	4,678
Provisions	244	244
Derivatives	23	140
NON CURRENT LIABILITIES	120,083	106,049
Trade payables	96,052	98,239
Advance payments	58,312	52,450
Other payables	25,715	24,226
Interest-bearing loans and borrowings	37,755	45,849
Current tax payables	7,469	8,712
Provisions	22,997	22,262
Derivatives	64	45
CURRENT LIABILITIES	248,364	251,783
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	545,854	533,550

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	March 31, 2022	March 31, 2021
Net revenues	93,322	82,300
Cost of goods sold	(72,311)	(64,590)
GROSS MARGIN	21,011	17,710
Research and Development costs	(5,818)	(5,606)
Sales and marketing expenses	(6,705)	(6,178)
General and administrative expenses	(7,338)	(6,473)
OPERATING PROFIT (EBIT)	1,150	(547)
Financial income	94	70
Financial expenses	(1,285)	(1,665)
Net exchange differences	281	614
Net result of investments accounted for using the equity method	(30)	(40)
RESULT BEFORE TAXES (EBT)	210	(1,568)
Taxes	(188)	20
NET RESULT	22	(1,548)
- Attributable to Group shareholders	(37)	(1,595)
- Attributable to minority shareholders	59	47
RESULT PER SHARE - BASIC (in euro)	-	(0.15)
RESULT PER SHARE - DILUTED (in euro)	-	(0.15)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Values in euro thousand</i>	March 31, 2022	March 31, 2021
NET RESULT (A)	22	(1,548)
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	577	85
Tax effect	(125)	(20)
Gains/ (Losses) on exchange differences on translating foreign operations	1,202	2,940
Total other comprehensive gains/(losses) to be classified in the Income Statement, net of tax effects (C)	1,654	3,005
TOTAL COMPREHENSIVE INCOME (A) + (B) + (C)	1,676	1,457
- Attributable to Group shareholders	1,542	1,282
- Attributable to minority shareholders	134	175

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

from January 1, 2022 to March 31, 2022

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 01/01/2022	26,208	57,507	(3,042)	5,242	(1,286)	223	(98)	14,857	4,274	60,623	7,798	172,306	3,412	175,718
Allocation of prior year net result	-	-	-	-	-	-	-	-	-	7,798	(7,798)	-	-	-
Treasury stock	-	-	(291)	-	-	-	-	-	-	-	-	(291)	-	(291)
Stock grant plan	-	-	-	-	-	304	-	-	-	-	-	304	-	304
Result of comprehensive Income	-	-	-	-	-	-	452	-	1,127	-	(37)	1,542	134	1,676
Balance as at 31/03/2022	26,208	57,507	(3,333)	5,242	(1,286)	527	354	14,857	5,401	68,421	(37)	173,861	3,546	177,407

CONSOLIDATED CASH FLOW STATEMENT

<i>Values in Euro thousand</i>	March 31, 2022	March 31, 2021
Net result	22	(1,548)
Adjustments (sub-total)	(6,544)	(173)
Depreciation, impairment & write-off	4,537	4,893
Stock Grants reserve	304	-
Net change in deferred tax assets and liabilities	(159)	(1,079)
Change in employee benefits	(62)	(41)
Change in inventories	(23,262)	(13,424)
Change in trade receivables	10,199	(3,325)
Change in trade payables and advances	3,675	11,054
Net change in other receivables/payables and other assets/liabilities	(1,806)	1,709
Net result of investments accounted for using the equity method	30	40
Cash Flows from (used in) operating activities	(6,522)	(1,721)
Cash flow from investments		
Acquisition of tangible fixed assets (*)	(566)	(1,094)
Acquisition of intangible fixed assets	(533)	(148)
Capitalization of development costs	(419)	(707)
Net disposal of fixed assets (**)	891	-
Cash Flows from (used in) investing activities	(627)	(1,949)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	(43)	184
Increases in loans and borrowings (including bank overdrafts and Credit lines)	30,042	2,012
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(20,856)	(3,711)
Repayments in financial lease liabilities	(1,683)	(1,717)
Treasury stock reserve	(291)	-
Cash Flows from (used in) financing activities	7,169	(3,232)
Cash Flows from (used in) change of minority shareholders	-	-
Foreign exchange translation differences	898	2,253
Net change in cash and equivalents	918	(4,649)
Cash and equivalents beginning of period	67,267	62,999
Cash and equivalents end of period	68,185	58,350

Additional Information to the Consolidated Statement of Cash-Flow	Mar 31, 2022	Mar 31, 2021
<i>Values in euro thousand</i>		
Taxes paid	599	231
Interests paid	483	542

(*) Not included leases

(**) Included assets held for sale



Chapter 7

EXPLANATORY NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022

CHAPTER 7

CHAPTER 7. EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2022

ACCOUNTING TABLES FORM AND CONTENT

The condensed consolidated financial statements of PRIMA INDUSTRIE Group as at March 31, 2022 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, 2021, 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 condensed consolidated financial statements as at March 31, 2022 in accordance with the principles described in the Note "Accounting policies" of the consolidated financial statements as at December 31, 2021, to which reference should be made.

The balance sheet figures as at December 31, 2021 and the income statement and cash flow statement figures as at March 31, 2021 as well as the changes in shareholders' equity for the first three months of 2021 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.

"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.

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, 2022 are consistent with those used for the annual consolidated financial statements as at December 31, 2021, to which reference should be made without prejudice to the new principles/interpretations adopted by the Group as from January 1, 2022, as well as the adjustments required by the nature of the interim reports.

ONGOING CONCERN

The condensed consolidated financial statements as at March 31, 2022 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, 2022, 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 May 12, 2022.

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 sale 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 the 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	
<i>Values in euro thousand</i>	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
Net revenues	85,319	75,927	13,852	11,827	(5,849)	(5,454)	93,322	82,300
Cost of goods sold	(66,373)	(59,450)	(12,025)	(10,558)	6,087	5,418	(72,311)	(64,590)
GROSS MARGIN	18,946	16,477	1,827	1,269	238	(36)	21,011	17,710
Research and Development costs	(4,623)	(4,546)	(1,247)	(1,082)	52	22	(5,818)	(5,606)
Sales and marketing expenses	(6,392)	(5,898)	(313)	(279)	-	(1)	(6,705)	(6,178)
General and administrative expenses	(6,606)	(5,789)	(717)	(694)	(15)	10	(7,338)	(6,473)
OPERATING PROFIT (EBIT)	1,325	244	(450)	(786)	275	(5)	1,150	(547)
Net financial expenses	(1,144)	(1,542)	(46)	(53)	(1)	-	(1,191)	(1,595)
Net exchange differences	353	566	(72)	48	-	-	281	614
Net result of investments accounted for using the equity method	(30)	(40)	-	-	-	-	(30)	(40)
RESULT BEFORE TAXES (EBT)	504	(772)	(568)	(791)	274	(5)	210	(1,568)
Taxes	(345)	(130)	234	148	(77)	2	(188)	20
NET RESULT	159	(902)	(334)	(643)	197	(3)	22	(1,548)
- Attributable to Group shareholders	100	(949)	(334)	(643)	197	(3)	(37)	(1,595)
- Attributable to minority shareholders	59	47	-	-	-	-	59	47

	PRIMA POWER		PRIMA ELECTRO		ELIMINATION		PRIMA INDUSTRIE GROUP	
<i>Values in euro thousand</i>	Mar 31, 2022	Dec 31, 2021	Mar 31, 2022	Dec 31, 2021	Mar 31, 2022	Dec 31, 2021	Mar 31, 2022	Dec 31, 2021
Property, plant and equipment	59,177	60,295	11,128	11,559	-	-	70,305	71,854
Intangible assets	109,818	110,538	6,293	6,298	(211)	(212)	115,900	116,624
Investments accounted for using the equity method	364	394	-	-	-	-	364	394
Other investments	18,020	17,872	-	-	(10,944)	(10,945)	7,076	6,927
Non current financial assets	2,728	2,728	1,505	1,505	-	-	4,233	4,233
Derivatives	468	-	-	-	-	-	468	-
Deferred tax assets	13,340	15,184	3,299	3,284	278	355	16,917	18,823
NON CURRENT ASSETS	203,915	207,011	22,225	22,646	(10,877)	(10,802)	215,263	218,855
Inventories	129,979	109,525	29,102	26,567	(960)	(1,233)	158,121	134,859
Trade receivables	74,122	86,190	16,751	13,238	(9,908)	(8,264)	80,965	91,164
Other receivables	7,999	6,274	782	700	3	(2)	8,784	6,972
Current tax receivables	5,394	4,013	6,646	7,078	(1,805)	(1,805)	10,235	9,286
Financial assets	16,184	13,280	8	24	(15,891)	(12,932)	301	372
Cash and cash equivalents	66,133	65,290	2,052	1,965	-	12	68,185	67,267
CURRENT ASSETS	299,811	284,572	55,341	49,572	(28,561)	(24,224)	326,591	309,920
Assets held for sale	-	775	4,000	4,000	-	-	4,000	4,775
TOTAL ASSETS	503,726	492,358	81,566	76,218	(39,438)	(35,026)	545,854	533,550
STOCKHOLDERS' EQUITY	164,348	162,647	24,953	25,162	(11,894)	(12,091)	177,407	175,718
Interest-bearing loans and borrowings	93,896	80,774	28,902	18,919	(12,261)	(5,434)	110,537	94,259
Employee benefit liabilities	5,142	5,149	1,524	1,580	-	(1)	6,666	6,728
Deferred tax liabilities	1,797	3,867	817	812	(1)	(1)	2,613	4,678
Provisions	244	244	-	-	-	-	244	244
Derivatives	23	140	-	-	-	-	23	140
NON CURRENT LIABILITIES	101,102	90,174	31,243	21,311	(12,262)	(5,436)	120,083	106,049
Trade payables	90,126	91,386	15,822	15,127	(9,896)	(8,274)	96,052	98,239
Advance payments	57,964	52,103	36	35	312	312	58,312	52,450
Other payables	23,107	21,622	2,608	2,607	-	(3)	25,715	24,226
Interest-bearing loans and borrowings	35,660	42,581	5,725	10,734	(3,630)	(7,466)	37,755	45,849
Current tax payables	9,154	10,269	128	256	(1,813)	(1,813)	7,469	8,712
Provisions	22,201	21,531	1,051	986	(255)	(255)	22,997	22,262
Derivatives	64	45	-	-	-	-	64	45
CURRENT LIABILITIES	238,276	239,537	25,370	29,745	(15,282)	(17,499)	248,364	251,783
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	503,726	492,358	81,566	76,218	(39,438)	(35,026)	545,854	533,550

CONSOLIDATED FINANCIAL POSITION

Property, plant and equipment as at March 31, 2022 were equal to Euro 70,305 thousand, a decrease of Euro 1,549 thousand compared with December 31, 2021.

Intangible assets as at March 31, 2022 were equal to Euro 115,900 thousand and decreased by Euro 724 thousand compared with December 31, 2021.

The most significant item is represented by Goodwill, which on March 31, 2022 amounted to Euro 97,914 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 March 31, 2022	BOOK VALUE GOODWILL December 31, 2021
PRIMA POWER	97,761	97,727
PRIMA ELECTRO - BU Electronics	153	153
TOTAL	97,914	97,880

Goodwill (being an asset with an undefined life) is not amortised and is tested at least for impairment. As at December 31, 2021, 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, 2021. With regard to the above-mentioned goodwill, since no impairment indicators emerged compared to the financial statements as at December 31, 2021, 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 364 thousand. The negative change of Euro 30 thousand compared to 2021 refers to the share of the result for the period.

The value of Other Investments as at March 31, 2022 amounted to Euro 7,076 thousand with an increase of Euro 149 thousand compared to December 31, 2021; 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 16,917 thousand, showing a decrease compared with the previous financial year of Euro 1,906 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 following table shows the composition of inventories as at March 31, 2022 and December 31, 2021.

INVENTORIES	Mar 31, 2022	Dec 31, 2021
Raw materials	65,221	55,964
Semi-finished goods	43,559	29,966
Finished goods	60,417	60,063
(Inventory provisions)	(11,076)	(11,134)
TOTAL	158,121	134,859

The net value of inventories as at March 31, 2022 shows an increase equal to Euro 23,262 thousand compared with December 31, 2021, due to high expected volumes in the subsequent quarters of 2022.

Net trade receivables at March 31, 2022 amounted to Euro 80,965 thousand, a decrease of Euro 10,199 thousand compared to December 31, 2021.

Other current receivables as of March 31, 2022 were Euro 8,784 thousand and increased from December 31, 2021 by Euro 1,812 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 10,235 thousand, an increase of Euro 949 thousand compared to December 31, 2021. Tax assets are represented by direct deferred tax assets of Euro 4,292 thousand

(Euro 4,183 thousand at December 31, 2021), VAT credits of Euro 4,657 thousand (Euro 2,826 thousand as at December 31, 2021), R&D tax credits of Euro 952 thousand (Euro 753 thousand as at December 31, 2021), receivables for withholding taxes of Euro 61 thousand (Euro 61 thousand as at December 31, 2021) and other receivables for minor tax assets of Euro 273 thousand (Euro 1,463 thousand as at December 31, 2021).

As at March 31, 2022, the Group's financial indebtedness was negative by Euro 79,893 thousand, up by Euro 7,329 thousand compared to December 31, 2021 (negative by Euro 72,654 thousand).

For a better understanding of the variation in indebtedness during the first quarter of 2022, 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 April 29, 2021, the table below shows financial indebtedness as at March 31, 2022 and December 31, 2021.

FINANCIAL INDEBTEDNESS		Mar 31, 2022	Dec 31, 2021	Variations
A	CASH	68,185	67,267	918
B	CASH EQUIVALENTS	-	-	-
C	OTHER CURRENT FINANCIAL ASSETS	301	372	(71)
D	LIQUIDITY (A+B+C)	68,486	67,639	847
E	CURRENT FINANCIAL DEBT	10,843	11,481	(638)
F	CURRENT PORTION OF NON-CURRENT FINANCIAL DEBT	26,976	34,412	(7,436)
G	CURRENT FINANCIAL INDEBTEDNESS (E+F)	37,819	45,893	(8,074)
H	NET CURRENT FINANCIAL INDEBTEDNESS (G-D)	(30,667)	(21,746)	(8,921)
I	NON-CURRENT FINANCIAL DEBT	85,653	69,504	16,149
J	DEBT INSTRUMENTS	24,907	24,896	11
K	NON-CURRENT TRADE AND OTHER PAYABLES	-	-	-
L	NON-CURRENT FINANCIAL INDEBTEDNESS (I+J+K)	110,560	94,400	16,160
M	TOTAL FINANCIAL INDEBTEDNESS (H+L)	79,893	72,654	7,239

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

	Mar 31, 2022	Dec 31, 2021
Financial Indebtedness required by doc. ESMA 32-382-1138	79,893	72,654
Term deposit Smilla	(4,233)	(4,233)
Derivatives	(468)	-
Net financial debt	75,192	68,421

During the first quarter of 2022, the two bank loans BPM and INTESA signed by Prima Industrie SpA in 2018 were renegotiated; the new conditions provide for BPM a deadline of June 30, 2027 instead of June 30, 2023 and for INTESA a deadline of December 31, 2025 instead of September 30, 2023.

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, 2021	Variations from cash flow	Variations not in cash			Mar 31, 2022
			Issues	Exchange rate effect	Fair value	
Financial debts	71,692	9,834	-	7	-	81,533
Bond issued	25,584	(649)	-	-	-	24,935
Leasing	42,832	(1,683)	575	100	-	41,824
Derivatives	185	-	-	-	(98)	87
TOTAL	140,293	7,502	575	107	(98)	148,379

At March 31, 2022 the value of non-current assets held for sale is equal to Euro 4,000 thousand and refers to a stake held by PRIMA ELECTRO SpA in the company OSAlcnc Srl.

The change of Euro 775 thousand compared to 2021 refers to the sale of a portion of the industrial plant located in Collegno in the province of Turin of the parent company PRIMA INDUSTRIE SpA. This property was sold in February 2022.

Shareholders' equity was up compared to the previous year by Euro 1,689 thousand.

For more details, see the table consolidated statement of changes on shareholders' equity.

The item Employees benefits liabilities is equal to Euro 6,666 thousand as at March 31, 2022, a decrease compared with December 31, 2021 of Euro 62 thousand.

Deferred tax liabilities are equal to Euro 2,613 thousand, a decrease of Euro 2,065 thousand compared with December 31, 2021.

Provisions for risks and charges are equal to Euro 23,241 thousand, an increase compared to December 31, 2021 of Euro 735 thousand; the non-current portion refers exclusively to the agent client indemnity provision and amounts in total to Euro 244 thousand.

Current provisions mainly relate to product warranties (equal to Euro 13,874 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 8,767 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 356 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 decreased by Euro 2,187 thousand compared to December 31, 2021.

The item Advance payments from customers increased compared to December 31, 2021 and is equal to Euro 58,312 thousand; it has to be noted that this item contains both the advance payments on orders relating to machines which have not yet been delivered, as well as those generated by the application of the IFRS 15 accounting principle relating to machines already delivered, but not yet accepted by the end client and therefore not recognised as revenue.

The item Other payables increased compared to December 31, 2021 by Euro 1,489 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, 2022 amounted to Euro 7,469 thousand, a decrease of Euro 1,243 thousand compared with December 31, 2021.

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 March 31, 2022 amounted to Euro 29,416 thousand, an increase compared to the previous year of Euro 2,084 thousand (Euro 27,332 thousand as at March 31, 2021).

Amortisation, depreciation and write-downs as at March 31, 2022 amounted to Euro 4,537 thousand (Euro 4,893 thousand as at March 31, 2021).

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

Financial income and expenses in the first three months of 2022 shows a net expense of Euro 910 thousand.

FINANCIAL RESULTS	Mar 31, 2022	Mar 31, 2021
Financial income	94	70
Financial expenses	(1,285)	(1,665)
Net financial expenses	(1,191)	(1,595)
Net exchange differences	281	614
Total Financial Results	(910)	(981)

The net result of investments accounted for using the equity method presented a loss of Euro 30 thousand and refers to the share of the result for the period of the associate 3D NT.

Taxes for the first three months of 2022 showed a net negative balance of Euro 188 thousand. The balance of current and deferred taxation amounted to Euro 4 thousand and other taxes, including those related to previous years, amounted to Euro -184 thousand.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The table below summarises non-recurring items carried out by the Group that have had a negative impact on the Income Statement during the first quarter of 2022 for a total of Euro 518 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 Mar 31, 2022	Total as at Mar 31, 2021	Variation between 2022 and 2021
COVID-19	-	-	-	-	-	(170)	170
COVID-19 - Government subsidy	-	-	-	-	-	36	(36)
Reorganization/Restructuring	(29)	-	(64)	(38)	(131)	(282)	151
Disputes tax/legal and customer penalties	-	-	-	(1)	(1)	(900)	899
IT consultancies	-	(14)	-	(381)	(395)	-	(395)
Other items	-	-	-	9	9	-	9
Impairment of intangible fixed assets	-	-	-	-	-	(61)	61
EBIT	(29)	(14)	(64)	(411)	(518)	(1,377)	859
EBT	(29)	(14)	(64)	(411)	(518)	(1,377)	859

A long-exposure photograph of light trails, likely from a firework or a light painting session, against a dark blue night sky. The light trails are numerous, thin, and radiate from the left side towards the right, creating a sense of motion and energy. The colors of the trails range from bright yellow to orange and red.

Annexes

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. Develp. 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	€ 985.470	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. Develp. 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/Depreciation”, “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	
	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Dec 31, 2021
US DOLLAR	1.1225	1.2056	1.1101	1.1326
CHINESE RENMINBI	7.1265	7.8110	7.0403	7.1947
RUSSIAN RUBLE	98.5524	89.7192	90.2600	85.3004
TURKISH LIRA	15.6553	8.9048	16.2823	15.2335
POLISH ZLOTY	4.6177	4.5431	4.6531	4.5969
POUND STERLING	0.8364	0.8747	0.8460	0.8403
BRAZILIAN REAL	5.8820	6.5928	5.3009	6.3101
INDIAN RUPEE	84.4173	87.9081	84.1340	84.2292
AUSTRALIAN DOLLAR	1.5514	1.5604	1.4829	1.5615
CANADIAN DOLLAR	1.4218	1.5273	1.3896	1.4393
MEXICAN PESO	23.0058	24.5164	22.0903	23.1438

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

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 March 31, 2022 corresponds to the documentary evidence and to the accounting books and records.

