INFORMATION DOCUMENT

prepared pursuant to art. 71 of the implementing rules of Italian Legislative Decree No. 58 of 24 February 1998, concerning the regulation of issuers, adopted by CONSOB under resolution 11971 of 14 May 1999 (as amended)

regarding the acquisition of 100% of the share capital of Encore Wire Corporation

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FOREWORD

This Information document (the Information document) has been prepared by Prysmian S.p.A. (the Company or the Issuer) pursuant to art. 71 of the implementing rules of Italian Legislative Decree No. 58 of 24 February 1998, concerning the regulation of Issuers, adopted by CONSOB under resolution 11971 of 14 May 1999, as amended (the Issuer Regulation) and schedule 3 of Annex 3B, in order to provide comprehensive disclosure about the acquisition (the Acquisition) by Prysmian of the entire share capital of Encore Wire Corporation (Encore Wire or EW).

The Acquisition, consummated on 2 July 2024 through the merger of Applause Merger Sub Inc (a company incorporated under the laws of the State of Delaware and all of whose share capital was indirectly owned by the Company) with and into Encore Wire, is described in detail in Sections 2 and 3 below.

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This document contains forward-looking statements that reflect management's current views regarding future events. Forward-looking statements are generally identified by expressions such as "it is possible", "should be", "it is expected", "it is anticipated", "it is estimated", "it is believed", "it is intended", "it is projected", "target", or by the negative use of these expressions or other variations of these expressions, or by the use of similar terminology. Such forward-looking statements include, but are not limited to, all information other than historical facts, including, without limitation, that regarding the Issuer's future financial position and operating results, business strategy, plans, targets and future developments in the markets in which group companies operate or intend to operate.

In view of such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Issuer's ability to achieve the forecast results depends on many factors beyond management's control. Actual results may differ materially from (including in a negative sense) those predicted or implied by the forecast data. Such forward-looking statements involve risks and uncertainties that could have a material impact on expected results and are based on underlying assumptions.

The forward-looking statements contained in this document are based on information available as at the date of this Information document. No undertaking is given to disseminate any updates or revisions to any forward-looking statements as a result of new information, future events or otherwise, except to comply with applicable laws.

SUMMARY OF PRO FORMA FIGURES AND INDICATORS PER SHARE AT 31 DECEMBER 2023

The tables below show highlights from Prysmian's published consolidated income statement and statement of financial position as well as the related indicators per share for the year ended 31 December 2023 compared with the corresponding pro forma figures for the new combined group.

The following financial highlights have been taken from the Pro Forma Consolidated Financial Information contained in Chapter 5 of this Information document and should be read in conjunction with the description of the assumptions and criteria used in preparing such Pro Forma Consolidated Financial Information and other information contained therein.

Consolidated statement of financial position

(Euro/million)	Prysmian consolidated statement of financial position	Prysmian pro forma consolidated statement of financial position
	(A)	(F)
Total non-current assets	6,079	9,663
Total current assets	7,235	7,143
Assets held for sale	9	9
Total assets	**13,323**	**16,815**
Total equity	3,972	3,961
Total non-current liabilities	3,201	6,164
Total current liabilities	6,150	6,690
Total equity and liabilities	**13,323**	**16,815**

Consolidated income statement

(Euro/million)	Prysmian consolidated income statement	Prysmian pro forma consolidated income statement
	(A)	(F)
Sales	15,354	17,729
Operating income	860	1,275
Profit before taxes	764	1,054
Net profit	**547**	**778**

Indicators per share

	Prysmian	Prysmian pro forma
	(A)	(F)
Equity attributable to the Group	13.9	13.8
Group share of net profit	1.9	2.8

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KEY DEFINITIONS

The following is a list of definitions used in the Information document, in addition to those contained in the body of the document. Whenever the context so requires, the singular form of the definitions includes the plural form and vice versa.

Acquisition	The transaction to acquire the entire share capital of Encore Wire Corporation by the Company, consummated on 2 July 2024 through the merger of Applause Merger Sub Inc (a company incorporated in the State of Delaware and all of whose share capital is indirectly held by the Company) with and into Encore Wire Corporation.
Shareholders' Meeting	The meeting of the Issuer's shareholders.
2023 Consolidated Financial Statements	The consolidated financial statements of the Issuer for the year ended 31 December 2023 prepared in accordance with IFRS and approved by the Issuer's Board of Directors on 28 February 2024.
2021, 2022 and 2023 Encore Wire Financial Statements	The Financial Statements for the years ended 31 December 2023, 2022 and 2021, prepared in accordance with US GAAP, approved by the Board of Directors of Encore Wire Corporation, and included in the Annual Report 2023 presented in Form 10-K pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
Closing	The consummation of the Acquisition on 2 July 2024, the effective date of the Acquisition.
Italian Civil Code	Royal Decree No. 262 of 16 March 1942, in force at the Information document Date.
Board of Directors	The Issuer's Board of Directors
CONSOB	The *Commissione Nazionale per le Società e la Borsa*, based in Via G.B. Martini 3, Rome, is Italy's securities regulator.
Information document Date	The date of publishing the present Information document.
Information document	The present Information document.
Issuer or the **Company**	Prysmian S.p.A., a company based in Via Chiese 6, Milan, Italy, with tax code and Milan Register of Companies number 04866320965.
Encore Wire or **Encore Wire Corporation**	Encore Wire Corporation, a company incorporated under the laws of the state of Delaware, based in McKinney, Texas (USA), whose stock, prior to consummating the Acquisition, was listed on the NASDAQ.

Prysmian or **Prysmian Group** or **Legacy Prysmian Group**	The group consisting of the Issuer and the companies under its direct and indirect control pursuant to Art. 93 of TUF.
NASDAQ	National Association of Securities Dealers Automated Quotation.
EY LLP	Ernst & Young LLP, based in One Manhattan West, 395 9th Avenue, New York 10001, USA.
Issuer Regulation	The regulation adopted by CONSOB under resolution 11971 of 14 May 1999, in force at the Information document Date.
EY or **Independent Auditors**	EY S.p.A., based in Via Meravigli 12, Milan, Italy.
TUF	*Testo Unico della Finanza*, Italy's Consolidated Law on Finance enacted in Legislative Decree No. 58 of 24 February 1998, in force at the Information document Date.
USD or **$**	US dollar.

CAUTIONARY NOTICES

The potential risk factors that are a specific consequence of the Acquisition discussed in this Information document will now be summarised.

Additional risks and uncertain events, which are currently not foreseeable or are considered unlikely at the moment, could likewise affect the Issuer's business, economic and financial conditions and prospects.

For a more complete analysis of the risk factors underlying the Acquisition, the observations set out below should be read in conjunction with the other information included in the Information document, the Annual Financial Report 2023 and the Interim Management Statement at 31 March 2024, available on the Issuer's website www.prysmian.com.

1.1. Risks related to the Acquisition

On 14 April 2024, the Issuer, Applause Merger Sub Inc, a company incorporated under the law of Delaware (USA) and whose share capital is indirectly and wholly owned by the Issuer, Prysmian Cables and Systems USA LLC, a indirectly wholly owned subsidiary of the Issuer, and Encore Wire entered into an agreement ("Agreement and Plan of Merger") under which, upon fulfilment of the conditions precedent on which the Agreement's closing depended, the Company would, at the Acquisition closing date, obtain, indirectly, 100% of the share capital of Encore Wire, a company incorporated under US law whose shares, prior to completion of the Acquisition, were listed on the NASDAQ.

Encore Wire Corporation is a Delaware corporation incorporated in 1989 and a leading US player in the development, design, manufacture, marketing and distribution of copper and aluminium wire and cables.

The Acquisition was consummated through the merger of Applause Merger Sub Inc with and into Encore Wire Corporation, which became effective on 2 July 2024. Encore Wire shares outstanding on the closing date of the merger have been cancelled and, under the transaction, the respective shareholders have received consideration of USD 290.00 per share (equating to approximately Euro 271.13 as at 2 July 2024).

After closing the transaction, the shares of Encore Wire Corporation were delisted from the NASDAQ on 2 July 2024.

Further information about the Acquisition can be found in Sections 2 and 3 of the Information document.

The following risk factors have been identified in connection with the Acquisition and related integration process.

(i) Risks related to the integration of Encore Wire and to its results

The Acquisition has taken place in a particularly positive general context in terms of both the business performance of Prysmian and Encore Wire and the trend in their respective share prices. However, the sector in which both companies operate is now mature, with the competitive scenario likely to put growing pressure on prices.

As part of a strategy of growth and geographic diversification by expanding the available product range particularly in North America, the Acquisition also pursues the goal of defending core business profitability, including by realising the projected synergies. The integration of Encore Wire will also let the Prysmian Group redefine its industrial presence, allowing it to improve its manufacturing processes by redefining (and relocating) production activities and capacity and to achieve efficiencies within its logistics structure on both cost and customer service fronts.

The achievement of the benefits and synergies expected from the Acquisition will depend, among other things, on the ability to efficiently integrate Encore Wire and to achieve potential synergies and economies of scale by preserving the current customer portfolio, maintaining sales volumes, creating an integrated organisation, rationalising production capacity and successfully integrating information systems. Moreover, successful integration of Encore Wire will also depend on management's ability not only to reshape the organisation so that it can support successful integration of the current structures, but also to harmonise the way in which sales forces access the market and to eliminate/minimise any management differences.

A failure or partial success of the business combination could limit the chances of achieving the expected synergies and, in some cases, lead to a rigidification of industrial processes with a consequent worsening of the competitive position on the market. As at the current date, the Issuer has not developed a business plan on a combined basis. However, an integration plan is being developed to define the actions underpinning the achievement of synergies and industrial integration.

Based on a preliminary analysis, Prysmian's operating segments are not expected to undergo any particular changes as a result of the Encore Wire Acquisition. In terms of operating segments, Encore Wire operates mainly in the Electrification segment.

If Encore Wire is not integrated efficiently and in the planned time frame, the goal of defending against contracting margins may not be achieved, with particular reference to the Electrification business, or may be achieved only partially. Furthermore, failure to achieve the expected synergies, an unexpected increase in the costs required to facilitate Encore Wire's integration into Prysmian, as well as any deviation of Encore Wire's future results from those expected (in terms of both costs and revenues) could have negative effects on Prysmian's future prospects, financial position, results of operations and cash flows.

Some of the specific risks associated with the Encore Wire integration process are discussed below.

(1) Risks related to key personnel and rationalisation of resources

In the context of an acquisition and merger process, the human resources variable constitutes one of the most complex and unpredictable factors to be managed in the process of integrating the industrial concerns involved. Indeed, this variable not only represents an important asset of the industrial concern being acquired, but can also significantly influence the successful outcome of the transaction.

In fact, a merger and acquisition can profoundly change the structures, processes, policies and cultures of one or all of the companies involved, triggering reactions and uncertainties about the future that, if not optimally managed, can have a negative impact on the productivity of resources, leading to conflicts and resistance or, in the worst case scenario, resignations by managers performing roles and functions in the Prysmian Group, in a situation in which they find themselves having to manage a more complex workforce consisting of a larger number of resources. This risk is even more significant where Encore Wire's key people are concerned, about whose sphere of activities Prysmian's management has a necessarily more limited level of knowledge.

Although the Company has adopted incentive systems intended to retain key people, there is no certainty that the relationship with one or more of these key people will not be severed for one reason or another and, if so, there is therefore no guarantee that the Company will manage to replace them in a timely manner with equally qualified individuals who are able to ensure the same operational and professional contribution in the short term and pursue the same operating strategies.

There is therefore a risk that the difficulty of adequately managing the process of integrating personnel and rationalising resources could have a negative impact on Prysmian's operations, and financial position and results.

In addition, the priority of the management team overseeing the combined business will be to reorganise structures and processes in the most effective and efficient manner, seizing wherever possible every opportunity for saving costs through any economies of scale.

(2) Risks related to the harmonisation of group policies

Following the Acquisition, the policies applied by the Issuer will also have to be extended to Encore Wire.

With particular reference to the policies for managing strategic metals such as copper and aluminium and the hedging of the related price risk, and for managing exchange rate risk, trade credit risk and inventory obsolescence risk, it cannot be ruled out that any delays in implementing the processes to harmonise group policies may in the future have an adverse effect on Prysmian's prospects, financial position, results of operations and cash flows.

(3) Risks related to the integration of information systems

The activities of the companies in the Legacy Prysmian Group have been managed using a range of services and information systems that support all business transactions (e.g. customer order management, production and distribution of goods and services, procurement management and control, support for accounting and reporting, human capital management) in a controlled and consistent fashion.

The success of the Acquisition will also depend on Prysmian's ability to integrate with Encore Wire's information systems, an area that could present risks in terms of security and business continuity.

In fact, security issues might arise from the need to incorporate - within the Prysmian IT system - Encore Wire's manufacturing facilities, sales offices, data networks and other elements, which might be less secure than those adopted by Prysmian, for example in terms of data network segregation or the security settings of devices that connect to the web or third parties. In addition, problems of business continuity and business efficiency could arise from the need to standardise and harmonise systems to allow more effective operational integration. If not effectively planned, scheduled and executed, this change could result in errors and delays in the management of customer orders, poor sales visibility, errors in the planning and management of production and inventories, incorrect accounting records, with the consequent need for subsequent corrections and/or reconciliations.

Although the Issuer intends to adopt procedures to integrate Encore Wire's information system as quickly and efficiently as possible into the existing system applied to companies in the Legacy Prysmian Group, using well-established change management and risk mitigation methods for computerisation and automation projects, as at the Information document Date it is not possible to provide assurance that this integration will take place without impacting business operations and that any delays in this process might have a negative impact on Prysmian's prospects, financial position, results of operations and cash flows.

(ii) Risks related to the structure of the Acquisition

The Acquisition of Encore Wire Corporation has taken place on the basis of an agreement between the Issuer, Applause Merger Sub Inc and Encore Wire Corporation under which Encore Wire Corporation has made representations and warranties that were binding only up until the time of closing the Acquisition. Therefore, if any contingent liabilities should arise in relation to Encore Wire Corporation, for example in relation to tax matters, environmental matters, contracts, lawsuits or arbitration proceedings, the Issuer will have no means of seeking indemnity from the other party, with potentially material adverse effects on Prysmian's prospects, financial position, results of operations and cash flows.

As part of the Acquisition Agreement, the Company has given certain undertakings that will remain even after the Closing and consummation of the Acquisition. Prysmian has undertaken, for a period of six years following completion of the merger of Applause Merger Sub Inc with and into Encore Wire Corporation, to indemnify and hold harmless, to the fullest extent permitted by applicable law, all current and former directors and officers of Encore Wire Corporation, as well as any person who, at the request of Encore Wire Corporation, acted as a director, officer, employee, trustee or fiduciary of other companies, entities or joint ventures, with respect to all costs, expenses, legal rulings, penalties, losses, claims, damages or liability incurred by such persons in relation to any claims, legal actions, proceedings or investigations (whether civil, criminal or administrative) arising out of activities performed for Encore Wire Corporation prior to the merger's effective date (including those related to the Acquisition and other activities contemplated by the Acquisition Agreement). In this regard, the Company has also undertaken that the surviving Encore Wire Corporation would enter into, by the merger's effective date, and pay the relevant premium, insurance policies aimed at extending, for a period of at least six years from the merger's effective date, Encore Wire's current policies of directors' and officers' fiduciary liability insurance, on terms and conditions at least as favourable for the insured persons as those provided under Encore Wire's current policies (and contemplating in any event that such an undertaking could not entail paying more than 300% of the aggregate annual premium previously paid by Encore Wire).

1.2. Risks related to debt

As a result of the Acquisition, Prysmian has a significant level of debt. In particular, Prysmian's net finance costs of Euro 96 million in the year ended 31 December 2023 would be Euro 221 million on a pro forma basis for the same period (taking into account the effect of Acquisition financing). In previous years, net finance costs amounted to Euro 110 million in 2022 and Euro 96 million in 2021.

In addition, Prysmian may have to refinance part of this debt at the relevant maturity dates and is exposed to the risk that failure to fulfil the obligations and undertakings contained in the relevant credit agreements may result, among other things, in termination of such loans. In this regard, it should be noted that the Acquisition-related borrowings and the existing loans are basically *pari passu* and carry the same financial covenants. In addition, they are not secured by any collateral.

The following table shows the trend in Prysmian's gross financial debt at 31 December 2023 and 2022.

(Euro/million)	31-Dec-2023 Pro Forma	31-Dec-2023 Prysmian	31-Dec-2022 Prysmian
CDP Loans	297	297	176
EIB Loans	248	248	246
Convertible Bond 2021	728	728	718
Sustainability-Linked Term Loan 2022	1,218	1,218	1,197
Unicredit Loan	-	-	200
Mediobanca Loan	100	100	100
Intesa Sanpaolo Loan	151	151	151
Loans for Encore Wire Acquisition	3,381	-	-
Other borrowings	363	363	286
Gross financial debt	**6,486**	**3,105**	**3,074**

The value of pro forma gross financial debt at 31 December 2023 of Euro 6,486 million represents an increase from the corresponding value of Euro 3,105 million reported by the Issuer on the same date.

This difference reflects the receipt of Euro 3,381 million in new loans to finance the Acquisition.

The main cash flows related to the Acquisition are summarised below:

- Euro 4,341 million in consideration paid to the shareholders of Encore Wire;
- Euro 196 million in disbursements for stock option plans and/or other bonuses;
- Euro 69 million to pay transactions costs;
- Euro 3,381 million in new loans to finance the Acquisition, net of related costs;
- Euro 14 million in costs to unwind forex hedges arranged through zero-cost collars;

- Euro 507 million in utilisation of Encore Wire cash.

The following table presents the effects of the pro forma adjustments on Prysmian's net financial debt at 31 December 2023.

(Euro/million)	**Prysmian**	**Prysmian pro forma**
CDP Loans	297	297
EIB Loans	248	248
Convertible Bond 2021	728	728
Sustainability-Linked Term Loan 2022	1,218	1,218
Mediobanca Loan	100	100
Intesa Sanpaolo Loan	151	151
EW Acquisition Loans	-	3,381
Other borrowings	363	363
Gross financial debt	**3,105**	**6,486**
Financial receivables	25	25
Loan arrangement costs	6	6
Financial assets at amortised cost	3	3
Financial assets at fair value through profit or loss	85	85
Financial assets at fair value through other comprehensive income	24	24
Other assets	33	33
Cash and cash equivalents	1,741	1,009
Net financial debt	**1,188**	**5,301**
Long-term financial receivables	6	6
Long-term loan arrangement costs	4	4
Cash flow hedging derivatives (assets)	31	31
Net non-hedging forex derivatives on commercial transactions, excluding non-current assets	1	1
Net non-hedging metal derivatives, excluding non-current assets	2	2
Net Financial Debt as per ESMA 32-382-1138	**1,232**	**5,345**

Further information about Prysmian's pro forma net financial debt at 31 December 2023 can be found in Section 5 of the Information document.

The following is a brief description of the main credit agreements and bonds that comprise Prysmian's financial debt as at the Information document Date.

<u>Credit agreements</u>

Prysmian's principal credit agreements in place at the Information document Date are as follows:

Acquisition Credit Agreement

On 21 June 2024, Prysmian S.p.A., in its capacity as the borrower, and a syndicate of banks (the "Lending Banks") entered into a credit agreement, governed by Italian law (the "Credit Agreement"), under which credit of up to a maximum aggregate amount of Euro 3.4 billion (the "Borrowings") was made available to the company, for the purpose of financially supporting not only the payment of part of the acquisition price of Encore Wire Corporation, including through the provision of funding to Applause Merger Sub Inc., a wholly-owned subsidiary of Prysmian S.p.A. and purchaser of Encore Wire Corporation, but also the payment of the credit agreement transaction costs.

In particular, the Borrowings are divided into short and medium-term credit facilities (the "Loans"), as follows:

- Term Loan: a medium-long term credit facility, for a maximum aggregate amount of Euro 1,000,000,000, available to the Company in EUR or USD, whose maturity date coincides with the 5th (fifth) anniversary of the Acquisition closing date;

- Bridge Loan A: a bridge credit facility, for a maximum aggregate amount of Euro 450,000,000, available to the Company in EUR or USD, whose maturity date coincides with the 10th (tenth) day after the Acquisition closing date:
- Bridge Loan B: a bridge credit facility, for a maximum aggregate amount of Euro 925,000,000, available to the Company in EUR or USD, whose maturity date coincides with:
    i. the date falling 18 (eighteen) months and 2 (two) days after the Acquisition closing date (the "Initial Maturity Date"); or, if the Company has exercised, with at least 30 (thirty) days' notice prior to the Bridge Loan Maturity Date, the option to extend the maturity date;
    ii. the date falling 2 (two) years and 2 (two) days after the Acquisition closing date (the "Long Stop Date");
- Bridge Loan C1: a bridge credit facility, for a maximum aggregate amount of Euro 512,500,000, available to the Company in EUR or USD, whose maturity date coincides with the Initial Maturity Date or the Long Stop Date;
- Bridge Loan C2: a bridge-to-cash flow credit facility for a maximum aggregate amount of Euro 512,500,000, available to the Company in EUR or USD, whose maturity date coincides with the Initial Maturity Date or the Long Stop Date (all the short-term credit facilities are hereinafter collectively referred to as the "Bridge Loans”).

The amount of the above loans disbursed on 2 July 2024, the Closing date, was as follows:

- Term Loan USD 1,069,600,000;
- Bridge Loan A USD 481,320,000;
- Bridge Loan B EUR 925,000,000;
- Bridge Loan C1 EUR 512,500,000:
- Bridge Loan C2 USD 548,170,000.

Bridge Loan A was repaid in full on 10 July 2024 and so as at the date of this document, it has been extinguished.

More details about the Acquisition Credit Agreement can be found in section 2.1.3 "Sources of Finance".

Revolving Credit Facility 2023

A Revolving Credit Facility was agreed on 20 June 2023. The Euro 1,000 million facility may be drawn down for business and working capital needs, including the refinancing of existing facilities, and to issue guarantees. It has a five-year term, with an option to extend to six and seven years. As at the date of this document, the option to extend to the sixth year has already been exercised. In addition, with the aim of making ESG factors an even more integral part of group strategy, Prysmian Group has elected to include important environmental and social KPIs among the parameters determining the terms of credit. The revolving credit facility is in fact sustainability-linked, being tied to the decarbonisation targets already set by the Group (annual GHG emissions from 2023 to 2030), to the ratio of female white-collar and executive hires to total Group hires, and to the number of sustainability audits performed in the supply chain, as better explained in the subsequent paragraph on the Sustainability-Linked Term Loan. The achievement or otherwise of these indicators entails a positive or negative adjustment of the annual spread. As at 31 December 2023, this facility was not being used.

CDP Loans

On 28 January 2021, a loan was agreed with CDP for Euro 75 million with a term of 4 years and 6 months, for the purpose of financing part of the Group's cost of purchasing the "Leonardo Da Vinci" cable-laying vessel. This loan, drawn down in full on 9 February 2021, is repayable in a lump sum at maturity on 28 July 2025. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 75 million, with the objective of hedging variable rate interest flows over the period 2021-2025.

On 6 March 2023, another long-term 6-year loan with CDP was announced for Euro 120 million, for the purpose of supporting R&D programs in Europe (specifically in Italy, France, Germany, Spain and the Netherlands). The loan, received on 15 February 2023, is repayable in a lump sum at maturity on 15 February 2029.

EIB Loans

On 10 November 2017, Prysmian S.p.A. entered into a loan agreement with the European Investment Bank (EIB) for Euro 110 million to support the Group's R&D programs in Europe over the period 2017-2020. The loan was received on 29 November 2017 and is repayable in a lump sum at maturity on 29 November 2024. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 110 million, with the objective of hedging variable rate interest flows over the period 2018-2024.

On 3 February 2022, the Group announced that it had finalised a loan from the EIB for Euro 135 million to support its European R&D program in the energy and telecom cable systems sector over the period 2021-2024. This loan is specifically intended to support projects to be developed at R&D centres in five European countries: Italy, France, Germany, Spain and the Netherlands. The loan, received on 28 January 2022, is repayable in a lump sum at maturity on 29 January 2029.

Sustainability-Linked Term Loan

On 7 July 2022, the Group entered into a medium-term 5-year Sustainability-Linked loan for Euro 1,200 million with a syndicate of leading Italian and international banks. This loan was drawn down in full on 14 July 2022 and primarily used to refinance the Euro 1 billion term loan obtained in 2018, which was thus repaid early on the same date. Interest rate swaps have been arranged in respect of this loan, for an overall notional value of Euro 1,200 million, with the objective of hedging variable rate interest flows.

With the aim of strengthening its financial structure and making ESG factors an integral part of its strategy, Prysmian Group has elected to include important environmental and social KPIs among the parameters determining the terms of the loan.

In fact, the Sustainability-Linked Term Loan requires annual compliance with ESG indicators. The indicators to be met for 2023 were as follows:

- Scope 1 and Scope 2 CO2 emissions, calculated using the market-based method, less than or equal to 654 ktCO2eq);
- Performance of at least 34 sustainability audits of its suppliers;
- 41.1% or more of the Group's total white-collar hires must be women.

The achievement or otherwise of these indicators entails a positive or negative adjustment of the annual spread.

Intesa Sanpaolo Loan

On 11 October 2019, the Group entered into an agreement with Intesa Sanpaolo for a Euro 150 million long-term loan for 5 years from the date of signing. The loan was drawn down in full on 18 October 2019 and is repayable in a lump sum at maturity.

(1) Financial covenants

The financial covenants consist of (a) the ratio between Adjusted EBITDA and Net Financial Expenses (as defined in the relevant agreements). This covenant does not apply to the Revolving Credit Facility 2023 and the Acquisition Credit Agreement as long as Prysmian S.p.A. maintains a long-term "Investment Grade" credit rating); and b) the ratio between Net Financial Debt and

Adjusted EBITDA (as defined in the relevant agreements).

The following definitions are used for the purposes of computing the financial covenants:

- **Net Financial Debt** means net financial debt as reported in the reclassified statement of financial position included in Prysmian's consolidated financial statements, net of lease liabilities;
- **Adjusted EBITDA** means Adjusted EBITDA as reported in the reclassified income statement included in Prysmian's consolidated financial statements, excluding: taxes and duties included in the calculation of EBITDA; pension plan costs relating to past service, any actuarial gains or losses, any gains or losses due to pension plan termination or restructuring; dividends paid to non-controlling interests in group entities and including dividends received from investees classified as other financial assets;
- **Net Financial Expenses** mean net finance costs as reported in Prysmian's consolidated income statement, excluding: non-cash interest and charges that have been capitalised, deferred or are payable in kind; any charges or provisions made in relation to pension plans; any gain or loss on forex and interest rate derivatives; dividends received from investees classified as other financial assets.

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

ADJ EBITDA / Net Financial Expenses not less than:	**Net Financial Debt / ADJ EBITDA not more than:**
4.00x	3.00x

The covenant in (b) can be increased to 3.50x further to acquisitions on 3 occasions, including non-consecutive ones.

The above financial ratios reported by Prysmian Group at 31 December 2023 (and therefore relating to the Legacy Prysmian Group) were 26.90x and 0.56x respectively, with a wide margin over the contractual requirements.

As a result of the Acquisition, the value of these ratios will differ from those reported at 31 December 2023, with a greater risk, therefore, of a potential failure to meet the parameters in question if Prysmian's main economic and financial performance indicators were to experience a sudden and significant deterioration.

The following tables show Prysmian's covenants at 31 December 2023 calculated on a pro forma basis, reflecting the effects of the Acquisition and its financing.

The values shown below do not take into account the calculation methods envisaged in the credit agreements, which involve adjustments that normally have the effect of improving the level of the covenants.

(Euro/million)	**31 December 2023 Pro Forma**
ADJ EBITDA	2,093
Net Financial Expenses	221
ADJ EBITDA/Net Financial Expenses	**9.5**

(Euro/million)	**31 December 2023 Pro Forma**
Net Financial Debt	5,301
ADJ EBITDA	2,093
ADJ EBITDA/Net Financial Debt	**2.5**

Further details about pro forma financial information can be found in Chapter 5 of the Information document.

(2) Non-financial covenants

The above credit agreements also require compliance with a number of non-financial covenants, defined in line with market practice applying to transactions of a similar nature and size.

These covenants involve restrictions on the grant of secured guarantees to third parties and on amendments to the Company's by-laws.

The main events of default are as follows:

- default on loan repayment obligations;
- breach of financial covenants;
- breach of some of the non-financial covenants;
- declaration of bankruptcy by some of the Group's main companies or their involvement in other insolvency proceedings;
- issuance of particularly significant court orders;
- occurrence of events that may adversely and materially affect the business, the assets or the financial conditions of the Group.

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

The above non-financial conditions are understood to be contractually applicable to the entire Prysmian Group, emerging from the Acquisition.

It should be noted that completion of the Acquisition has not entailed any breach of the contractual commitments provided for in these credit agreements and, therefore, has not required any waiver or renunciation by the lenders.

Moreover, in the event that the Company is unable, in the future, to comply with the above financial and non-financial covenants, the Prysmian Group may not be able to make early repayment of the amounts demanded, in turn generating a liquidity risk, with consequent negative effects on Prysmian's prospects, financial position, results of operations and cash flows.

In the same circumstances and in the event of particularly unfavourable business or financial market dynamics, there is also a risk that the Issuer's ability to distribute dividends to its shareholders may be reduced.

Considering the amount of cash and cash equivalents and undrawn committed credit lines, amounting to approximately Euro 900 million as at the Information document Date, it is believed that the Prysmian Group has the ability to mitigate this risk and to raise sufficient financial resources at a competitive cost.

Lastly, it should be noted that all of the above-mentioned credit agreements and bonds contain cross-default clauses that provide for the early repayment of all amounts still due (for principal and interest) following failure to pay financial liabilities for amounts exceeding Euro 75 million. Therefore, if the Issuer fails to honour its obligations to pay financial liabilities for amounts exceeding Euro 75 million, the application of the cross-default clause could have an adverse effect on Prysmian's prospects, financial position, results of operations and cash flows.

Bonds

As at the Information document Date, the Issuer had the following bond in place:

Convertible Bond 2021

On 26 January 2021, the Group announced the successful placement of an equity-linked bond (the "Bonds") for the sum of Euro 750 million.
The Bonds have a 5-year maturity and denomination of Euro 100,000 each and are zero coupon. The issue price was Euro 102.50, representing a yield to maturity of minus 0.49% per annum. The initial price for the conversion of the Bonds into the Company's ordinary shares is Euro 40.2355, representing a 47.50% premium on the weighted average price by volume of Prysmian ordinary shares on the Milan Stock Exchange between the start and end of the book-building process on 26 January 2021.

The shareholders' meeting held on 28 April 2021 authorised the convertibility of the equity-linked bond and approved the proposal for a share capital increase serving the conversion of the convertible bond for a maximum nominal amount of Euro 1,864,025.50 by issuing up to 18,640,255 ordinary shares with a nominal value of Euro 0.10 each.

On 14 June 2021, the Bond was admitted to listing on the multilateral trading facility of the Vienna Stock Exchange.

As provided for in the Bond regulations, the Group has the option to call all - but not just a part - of the Bonds at their principal amount from 12 February 2024, should the share price exceed 130% of the conversion price for at least 20 days within a period of 30 consecutive trading days. This option was exercised on 10 June 2024, meaning that, as at the date of this document, the convertible bond 2021 has been almost entirely converted.

2. INFORMATION ABOUT THE ACQUISITION

2.1. Brief description of the terms and conditions of the transaction

On 14 April 2024, the Issuer, Applause Merger Sub Inc, Prysmian Cables and Systems USA LLC and Encore Wire Corporation entered into an "Agreement and Plan of Merger" (the Acquisition Agreement) governing the terms and conditions of the merger of Applause Merger Sub Inc with and into Encore Wire Corporation (intended to be the merging and surviving corporation from the merger), pursuant to and in accordance with the laws of Delaware, USA (Delaware General Corporation Law).

2.1.1. About Encore Wire

Encore Wire is a leading global player in the development, design, manufacture, marketing and distribution of copper and aluminium wire and cables.

The Acquisition target is a single company, Encore Wire Corporation, based in McKinney, Texas.

2.1.2. Conduct, terms and conditions of the transaction and related forms and timing of payment

The signing of the Acquisition Agreement was preceded by the performance of due diligence using public information and material provided by Encore Wire.

The Issuer based its calculations for establishing the value of Encore Wire on valuation approaches consistent with national and international standards, as well as on Encore Wire's growth and development prospects.

The main approaches used for the purposes of this exercise were:

- the Discounted Cash Flow method;
- analysis of market multiples (for comparable listed companies);
- analysis of multiples reported in acquisitions of comparable companies;
- analysis of premiums, on market prices, paid in transactions of former listed companies deemed comparable.

Also analysed was the value of the implied premium on the target's average price in the: 15 days, 1 month, 3 months and 6 months before the transaction was announced.

Discounted Cash Flow represents an analytical approach belonging to the family of financial valuation methods. This method makes it possible to incorporate the economic and financial projections of the company being valued and to capture the specific medium to long-term growth prospects regardless of stock market sentiment, but taking into account the company's development plan and the growth prospects of the market in which it operates and its ability to generate cash.

The market multiples method is based on analysing the stock market prices of a sample of companies comparable to the company being valued; under this approach, a series of ratios ("multiples" or "multipliers") are calculated, for a sample of selected comparable companies, between the stock market value and certain selected significant parameters (*e.g.,* EV/Adj. EBITDA).

The comparable transactions multiples method is based on analysing prices, and thus multiples, accepted by acquiring companies for target companies, of a sample of change-of-control transactions comparable to the current one.

In the case of listed companies, it is recommended practice to take undisturbed market prices as the relevant information for estimating the economic value of the company under valuation, using stock market capitalisations calculated on the basis of quotations recorded over time periods deemed significant. As part of the analysis using valuation approaches not inclusive of a control premium, account may also be taken of premiums on the market prices themselves, reported in selected comparable previous transactions involving a change of control as a result of a takeover bid.

The merger agreement was subject to fulfilment of certain conditions precedent, which included: (i) approval of the transaction by Encore Wire's shareholders; (ii) approval or clearance by the relevant antitrust authority in the United States of America; and (iii) the fulfilment at Closing of the other conditions customary for this type of transaction (such as the absence of any law or order prohibiting the Acquisition, the accuracy of the representations and warranties given by the parties in the Acquisition Agreement, and the performance by each party of their respective undertakings given in the agreement).

In a special meeting held on 26 June 2024, Encore Wire's shareholders approved the Issuer's acquisition of 100% of Encore Wire shares for consideration of USD 290.00 per share (equating to approximately Euro 271.13 as at 2 July 2024). Represented at the meeting was 83.51% of the share capital entitled to vote, of which 99.64% voted in favour of the Acquisition.

The Acquisition Agreement - structured using the reverse triangular cash merger format normally adopted for the acquisition of companies based in the state of Delaware (USA) and listed on the NASDAQ - also provided that:

- all the shares of Applause Merger Sub Inc (merged corporation) outstanding on the merger's effective date, wholly owned by Prysmian, would be converted into shares of post-merger Encore Wire;

- all the shares in Encore Wire (merging corporation) outstanding on the closing date of the merger with Applause Merger Sub Inc would be cancelled and converted into a right of their respective holders to receive consideration of USD 290.00 per share (without interest) (equating to approximately Euro 271.13 as at 2 July 2024), except for (a) the Encore Wire shares held by Prysmian, Applause Merger Sub Inc or any other wholly owned direct or indirect subsidiary of the Company (unless held on account of third parties) as well as (b) the Encore Wire shares for which, under the merger proposal, the right of appraisal under Delaware law had been exercised (the fate of the Encore Wire shares referred to in (a) and (b) is described in (iii), (iv) and (v) below);

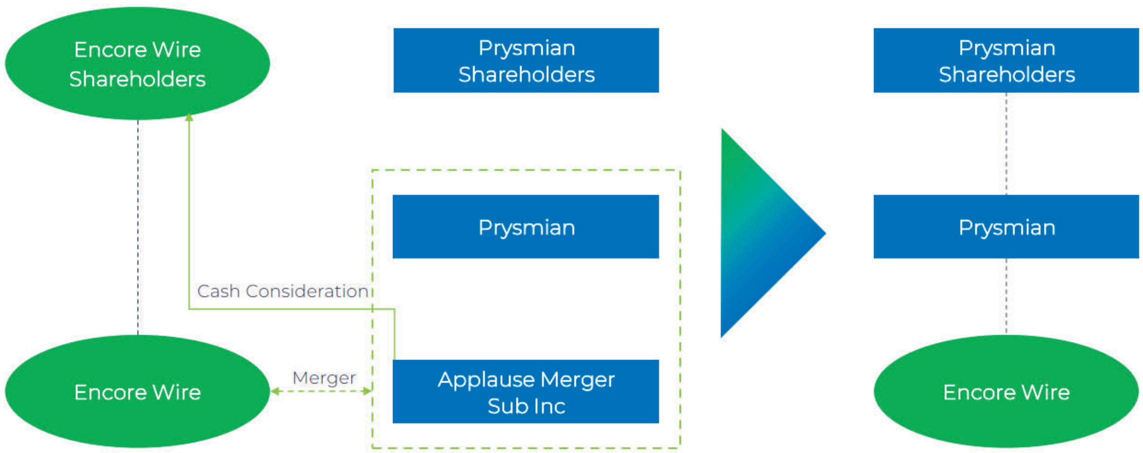
- the Encore Wire shares held by wholly owned direct or indirect subsidiaries of the Company (other than Applause Merger Sub Inc) would be converted into shares of post-merger Encore Wire, such that these companies would retain the same percentage of capital in post-merger Encore Wire as previously held in pre-merger Encore Wire, taking into account the conversion of Applause Merger Sub Inc shares into Encore Wire shares, as in (i) above;

- the Encore Wire shares held by the Company, Applause Merger Sub Inc or Encore Wire would be cancelled or cease to exist without payment of any consideration;

- the Encore Wire shares for which the right of appraisal under Delaware law was validly exercised (and not waived), would be entitled to receive consideration (potentially differing from that under the Acquisition Agreement) determined in accordance with the applicable provisions of the Delaware General Corporation Law.

With reference to the aforementioned right of appraisal under Delaware law: (i) this could be exercised by Encore Wire shareholders who had not voted in favour of the merger (in the special meeting of the Encore Wire shareholders called for this purpose) and who had expressly requested in writing, prior to said meeting, to have their shares settled on the basis of a fair value appraisal (instead of at the value envisaged by the Acquisition Agreement of USD 290.00 per share - equating to approximately Euro 271.13 as at 2 July 2024; (ii) the fair value would be determined by the Delaware Court of Chancery (in an amount that could be lower, equal to, or higher than the amount envisaged under the Acquisition). However, it should be noted that no shareholder exercised the right of appraisal.

The structure of the Acquisition is presented in a simplified, graphic format below:



The transaction gives Encore Wire an enterprise value, inclusive of its net financial position, of approximately USD 4,101 million (approximately Euro 3,834 million as at 2 July 2024).

Consummation of the Acquisition was subject to the satisfaction of certain customary closing conditions, including: (i) approval of the transaction by the shareholders of Encore Wire Corporation; (ii) approval or clearance by the relevant antitrust authorities in the United States of America; and (iii) the fulfilment at Closing of the other conditions customary for this type of transaction (such as the absence of any law or order prohibiting the Acquisition, the accuracy of the representations and warranties given by the parties in the Acquisition Agreement, and the performance by each party of their respective undertakings given in the agreement).

All of these conditions were satisfied and the transaction's Closing was consummated on 2 July 2024.

The merger of Applause Merger Sub Inc into Encore Wire Corporation became effective under Delaware law on 2 July 2024. Following consummation of the transaction, the shares of Encore Wire were delisted from the NASDAQ on 2 July 2024.

As a result of consummating the merger of Applause Merger Sub Inc with and into Encore Wire Corporation, the Company has ended up indirectly holding 100% of the share capital of Encore Wire post-merger with Applause Merger Sub Inc.

Under the Acquisition Agreement, Encore Wire Corporation has provided the Company with representations and warranties customary for this type of transaction. However, under the terms of the Acquisition Agreement, these representations and warranties were effective only until the Closing and the completion of the transaction - their accuracy and truthfulness up to the date of the Closing being a condition for completion of the Acquisition - but did not survive such completion. Therefore, should any contingent liabilities relating to Encore Wire and its subsidiaries arise in the near future, for example, in relation to tax matters, environmental matters, contracts, or litigation, the Company will have no means of seeking indemnity from the other party.

Also under Acquisition Agreement, the Company has given certain undertakings that will continue even after the Closing and the consummation of the Acquisition. In particular, Prysmian has undertaken, for a period of six years following completion of the merger of Applause Merger Sub Inc with and into Encore Wire Corporation, to indemnify and hold harmless, to the fullest extent permitted by applicable law, all current and former directors and officers of Encore Wire Corporation, as well as any person who, at the request of Encore Wire Corporation, acted as a director, officer, employee, trustee or fiduciary of other companies, entities or joint ventures, with respect to all costs, expenses, legal rulings, penalties, losses, claims, damages or liability incurred by such persons in relation to any claims, legal actions, proceedings or investigations (whether civil, criminal or administrative) arising out of activities performed for Encore Wire Corporation prior to the merger's effective date (including those related to the Acquisition and other activities contemplated by the Acquisition Agreement). In this regard, the Company has also undertaken that the surviving Encore Wire Corporation would enter into, by the merger's effective date, and pay the relevant premium, insurance policies aimed at extending, for a period of at least six years from merger's effective date, Encore Wire's current policies of directors' and officers' fiduciary liability insurance, on terms and conditions at least as favourable for the insured persons as those provided under Encore Wire's current policies (and contemplating in any event that such an undertaking could not entail paying more than 300% of the aggregate annual premium previously paid by Encore Wire).

2.1.3. Sources of finance

Prysmian S.p.A. has financed payment of the Acquisition consideration through a combination of (i) its own available liquidity, including from the drawdown of existing credit facilities, for a total of approximately Euro 1.1 billion; and (ii) new credit facilities for a total of Euro 3.4 billion payable in EUR and USD.

With specific reference to the latter, on 21 June 2024, the Company, in its capacity as the borrower, and a syndicate of banks (the "Lending Banks") entered into a credit agreement, governed by Italian law (the "Credit Agreement"), under which credit of up to a maximum aggregate amount of Euro 3.4 billion (the "Borrowings") was made available to the Company, for the purpose of financially supporting not only the payment of part of the Acquisition price of Encore Wire Corporation, including through the provision of funding to Applause Merger Sub Inc., a wholly-owned subsidiary of Prysmian S.p.A. and purchaser of Encore Wire Corporation, but also the payment of the credit agreement transaction costs.

In particular, the Borrowings are divided into short and medium-term credit facilities (the "Loans"), as follows:

- Term Loan: a medium-long term credit facility, for a maximum aggregate amount of Euro 1,000,000,000, available to the Company in EUR or USD, whose maturity date coincides with the 5th (fifth) anniversary of the Acquisition closing date;

- Bridge Loan A: a bridge credit facility, for a maximum aggregate amount of Euro 450,000,000, available to the Company in EUR or USD, whose maturity date coincides with the 10th (tenth) day after the Acquisition closing date;

- Bridge Loan B: a bridge credit facility, for a maximum aggregate amount of Euro 925,000,000, available to the Company in EUR or USD, whose maturity date coincides with:
  (i) the date falling 18 (eighteen) months and 2 (two) days after the Acquisition closing date (the "Initial Maturity Date"); or, if the Company has exercised, with at least 30 (thirty) days' notice prior to the Bridge Loan Maturity Date, the option to extend the maturity date,
  (ii) the date falling 2 (two) years and 2 (two) days after the Acquisition closing date (the "Long Stop Date");

- Bridge Loan C1: a bridge credit facility, for a maximum aggregate amount of Euro 512,500,000, available to the Company in EUR or USD, whose maturity date coincides with the Initial Maturity Date or the Long Stop Date as for Bridge Loan B;

- Bridge Loan C2: a bridge-to-cash flow credit facility for a maximum aggregate amount of Euro 512,500,000, available to the Company in EUR or USD, whose maturity date coincides with the Initial Maturity Date or the Long Stop Date as for Bridge Loan B (all the short-term credit facilities are hereinafter collectively referred to as the "Bridge Loans").

The amount of the above loans disbursed on 2 July 2024, the Closing date, was as follows:

- Term Loan USD 1,069,600,000;
- Bridge Loan A USD 481,320,000;
- Bridge Loan B EUR 925,000,000;
- Bridge Loan C1 EUR 512,500,000:
- Bridge Loan C2 USD 548,170,000.

Bridge Loan A was repaid in full on 10 July 2024 and so as at the date of this document, it has been extinguished.

Interest

The Credit Agreement provides for the payment of interest, on the loans, at a variable interest rate - indexed to Term SOFR (3M or 6M) for disbursements in USD, and to Euribor (3M or 6M) for disbursements in EUR - with application of an average initial margin of between 0.65% and 0.95% per annum.

Interest will accrue six-monthly in arrears on the Term Loan and quarterly in arrears on the Bridge Loans.

In line with recent market practice, (i) the above interest rate indexation parameters (i.e. 6M and 3M Term SOFR/EURIBOR) cannot have negative values since the Credit Agreement provides for a zero floor and (ii) it also provides for customary replacement benchmarks in the event that any of the aforementioned interest rate indexation parameters fail to be quoted.

Restrictions and undertakings

The Credit Agreement requires the Company to make certain representations and warranties, and to assume obligations – in each case on its own behalf and sometimes for other group companies (assuming the Acquisition is consummated) and/or with reference to its "Material Subsidiaries" (meaning every subsidiary whose EBITDA or turnover is equal to or greater than 5% of the group's consolidated EBITDA or turnover – that are customary for transactions of similar size and nature and also take into account Prysmian S.p.A.'s status as a listed company with an investment grade credit rating.

Among the main obligations is the Company's undertaking to ensure compliance, at a consolidated group level, with the following financial covenants:

- the ratio of consolidated EBITDA to consolidated Net Financial Expenses shall not be less than 4x, although compliance with this covenant will not apply if the Company is assigned a rating equal to or greater than BBB-/Baa3 by a leading rating agency (i.e. an investment grade credit rating);
- the ratio of consolidated Net Financial Debt to consolidated EBITDA shall not exceed 3x, although, subject to the Company's prior notification to the Lending Banks sent before submitting the relevant compliance certificate attesting to the value of this covenant, this value may be raised to 3.50x for a maximum of three consecutive or non-consecutive times in the event of completing acquisitions.

Compliance with the above covenants will be verified on a six-monthly basis, at each calculation date of 30 June and 31 December of each year, on the basis of the half-yearly and annual consolidated financial statements, commencing from the calculation date of 31 December 2024. The agreement also includes a deemed cure mechanism that allows the Company to remedy any breaches of these financial covenants up to a maximum of four (4) non-consecutive times by allocating any non-recurring equity contributions received from its shareholders or subordinated to the Lending Banks' credit claims concerning the Borrowings, to early repayment of the Borrowings in an amount such that if the relevant financial covenant were recalculated as a result of this equity contribution cure, it would not be breached at the time of recalculation.

In addition to compliance with these financial covenants, the Credit Agreement provides for other general obligations including:

- a pari passu clause under which payment obligations arising from the Credit Agreement will not be subordinated to any other unsubordinated and unsecured obligations;
- a negative pledge, including by the Material Subsidiaries, not to grant secured guarantees and/or liens as collateral against its debt, except for those granted in the ordinary course of the Group's business and in the event of the exceptions defined in the Credit Agreement;
- an undertaking not to engage in any disposition of Group assets or property that may result in a material change in the Group's principal business or that may adversely affect the Lending Banks' credit positions;
- an undertaking not to carry out extraordinary transactions except within the limits of compliance with the financial covenants and without prejudice to the ability to implement the required transactions to complete the Acquisition;
- an undertaking not to change, in a fundamental way, the Group's core business, as pursued at the date of entering into the Credit Agreement;
- an undertaking not to grant guarantees and/or loans to third parties outside the Group's ordinary business, i.e., if of an "extraordinary" nature, for no more than 2.5% of the Group's total consolidated assets.

In addition, the Credit Agreement envisages a number of scenarios of mandatory early repayment of the Borrowings, including:

- full early repayment of the Borrowings, if requested by a majority of the Lending Banks, in the event of a change of control, i.e., one or more parties (acting in concert) acquire an interest representing more than 50% of the Company's voting share capital or has the right to decide the majority of the members of the board of directors;
- partial repayment of the Borrowings, just the Bridge Loans except for Bridge Loan A, in an amount at least equal to the proceeds (net of costs, taxes and expenses) received by the Company or any Group company as a result of capital markets transactions and/or the raising of additional financial debt, in any case for amounts exceeding Euro 500 million.

The Credit Agreement also envisages a number of circumstances ("Events of Default") the occurrence of which and failure to remedy within the Credit Agreement's terms, allows the Lending Banks to demand full repayment of the Borrowings, by exercising the remedies provided by the Italian Civil Code, namely in art. 1453 (termination of contract for non-performance), art. 1454 (notice to perform) and art. 1456 (express termination clause). Such Events of Default may involve, as the case may be, the Company and/or a Material Subsidiary and/or a company in the Group headed by the Company, and are defined on the basis of the market standard for similar transactions, also taking into account the Company's status. The main Events of Default include, but are not limited to:

- non-compliance with payment obligations arising under the Credit Agreement;
- non-compliance with the financial covenants;
- non-compliance with the undertakings given under the Credit Agreement and/or the additional financial documentation, or the inaccuracy of the representations and warranties set forth in the Credit Agreement, without prejudice to the possibility of remedy under the terms of the Credit Agreement itself;
- cross-default with respect to payment obligations of the Company and/or Group companies for an aggregate value equal to or greater than Euro 75 million, without prejudice to certain exceptions to the relevant event, which are customary for transactions of a similar nature and amount;
- the commencement of bankruptcy proceedings against the Company and/or a Material Subsidiary or the commencement of executive proceedings, seizures, foreclosures, protests and similar procedures against assets with an aggregate value of more than Euro 75 million.

2.2. Reasons for and purpose of the transaction

2.2.1. Reasons for the transaction with particular regard to the Issuer's business objectives

The Acquisition of Encore Wire is based on solid strategic reasons and represents a unique opportunity to create value for stakeholders. Through this Acquisition, Prysmian will strengthen its position in North America, further enhancing its geographic and business mix and heightening its exposure to long-term trends.

As indicated above, the Acquisition of Encore Wire will allow Prysmian to consolidate its position in the business of power cables for industrial applications and the construction market and to diversify its geographic presence even more by further increasing its presence in North America. Encore Wire's diversified product portfolio and low cost of production allow it to play a key role in the transition to a more sustainable and reliable model of energy infrastructure.

Encore Wire is highly complementary to Prysmian's strategy and, in particular, the Acquisition will enable it to:

- increase its exposure to long-term growth drivers;
- enhance its exposure to the North American market;
- leverage Encore Wire's operational efficiency and best-in-class level of customer service;
- broaden the product portfolio to better meet the needs of North American customers.

Thanks to the complementary nature of Encore Wire's products and its unique business model based on a single production site, vertically integrated both upstream and downstream, as well as the possibility of sharing the best practices and processes developed by the two companies independently, it is believed that the new group will be able to generate significant synergies and make the most of the opportunities offered by the market.

The achievement of the benefits and synergies expected from the Acquisition will depend, among other things, on the ability to integrate Encore Wire efficiently and to achieve potential synergies, through preservation of the current customer portfolio, maintenance of sales volumes, and successful integration of production capacity and information systems. Cost synergies could also be achieved by streamlining research and development and production processes, as well as by benefiting from economies of scale in the procurement of raw materials, other materials and services.

In the fiscal year ending 31 December 2023, the new combined Prysmian-Encore Wire group would have generated pro forma revenue of over Euro 17.7 billion and pro forma Adjusted EBITDA of about Euro 2.1 billion, with a margin of 11.9%. The new group will benefit from its stronger geographic presence in North America by capitalising on:

- the possibility of expanding the current commercial offering both geographically and with new products, strengthening the range of services currently offered and increasing cross-selling opportunities;
- Encore Wire's operational efficiency and its single-campus business model with a vertically integrated supply chain;
- the integration of managerial skills and best practices developed independently by the two businesses.

2.2.2. Details of the Issuer's plans for Encore Wire

Prysmian believes that the new group can continue to further cement its role as one of the leading players in the energy and telecommunications cables and systems industry. In particular:

- it will widen its product offering by acquiring a significant geographic presence in North America. With particular reference to the North American market, the acquisition of Encore Wire will broaden the product portfolio for industrial applications and the construction market;

- it will widen the commercial offering with new products and services. The new group will be in a position to offer an even more comprehensive product offering to a broader customer base;

- improved logistics (resulting from the stronger geographic presence) will enable the new group to achieve an improvement in the quality of services provided.

The integration of Encore Wire will also allow Prysmian to benefit from Encore Wire's fully integrated supply chain. In addition, as Encore Wire is a lean organisation with a single manufacturing site, there are no plans to rationalise production capacity.

In general, Prysmian will seek to take full advantage of every opportunity to improve penetration of the various markets and to ensure adequate utilisation of the individual production sites; production strategies will take into account the performance of the various production sites as well as their ability to serve customer demands while meeting market standards.

As at the Information document Date, no business plans have been developed on a combined basis for the legacy Prysmian Group and Encore Wire, nor any plans for corporate reorganisation between the two groups. However, an integration plan is being developed to define the actions underpinning the achievement of synergies and industrial integration.

2.3. Relations with Encore Wire

2.3.1. Significant relations by the Issuer, directly or indirectly through subsidiaries, with Encore Wire and existing at the time of the transaction

At the Closing date, the Issuer did not have, either directly or indirectly through subsidiaries, any significant relations with Encore Wire.

2.3.2. Significant relations or agreements between the Issuer, the Issuer's subsidiaries, managers and members of the Issuer's board of directors and Encore Wire

With the exception of the relations and agreements instrumental to the Acquisition (as described in this Information document), there are no significant relations or agreements between the Issuer (or its subsidiaries, managers and members of its board of directors) and Encore Wire.

2.4. Publicly available documents

Copies of the following documents are publicly available at the Issuer's registered office located in Via Chiese 6, Milan - during office hours and on working days - and in electronic format on the Issuer's website (www.prysmian.com):

- Issuer's by-laws;

- Prysmian's annual reports and separate and consolidated financial statements at 31 December 2023, accompanied by the independent auditors' report;

- Prysmian's annual reports and separate and consolidated financial statements at 31 December 2022, accompanied by the independent auditors' report;

- Prysmian's annual reports and separate and consolidated financial statements at 31 December 2021, accompanied by the independent auditors' report.

The annual reports (10-K Form) of Encore Wire Corporation for the years ended 31 December 2023, 2022 and 2021 and the reconciliation of EBITDA with net income are publicly available on the Encore Wire website (www.encorewire.com).

3. SIGNIFICANT EFFECTS OF THE TRANSACTION

3.1 Significant effects of the transaction on the key factors influencing and characterising the Issuer's business as well as on the type of business conducted by the Issuer

The combination of the two industrial groups Prysmian and Encore Wire will enable the Issuer to strengthen its position in North America, further enhancing its geographic and business mix and heightening its exposure to long-term trends.

The development strategy for this transaction is as described in section 2.2 above. The areas from which the most significant synergies are expected, as well as the results expected from the new industrial combination, are outlined below.

The new industrial combination is expected to generate approximately Euro 140 million in pre-tax run-rate synergies within four years of consummating the transaction. These synergies are expected to be generated primarily from:

- the possibility of expanding the current commercial offering both geographically and with new products, strengthening the range of services currently offered and increasing cross-selling opportunities;
- savings in the purchase of raw materials and other products and services, as a result of aligning the terms and conditions of the different Prysmian and Encore Wire suppliers;
- Encore Wire's efficient business model, with its fully integrated supply chain, particularly with regard to the production of plastic material and copper rod;
- optimisation of industrial production, aimed at improving plant efficiency and reorganising the various production lines.

In addition to the above factors, the new industrial combination will reap other benefits (not included in the estimated Euro 140 million), by realising greater economies of scale, by sharing know-how in production and research and development, and by mutually introducing the best solutions and processes with the respective customers and in the respective facilities.

Lastly, the integration of Prysmian and Encore Wire is expected to produce an improvement in net working capital management policies through the sharing of best practices that will enhance the Group's cash management.

Prysmian has already demonstrated its ability to integrate and develop acquired businesses and plants through continuous investment. Previous acquisitions and business integrations conducted by Prysmian, such as the recent integration of General Cable's business starting in 2018 or the business of Draka Holding N.V, commencing in 2011, are important examples of how the assets acquired have been developed and enhanced (like, for example, in the case of the Sedalia (Missouri) centre of excellence for the manufacture of aluminium cables for the construction market, the Du Quoin (Illinois) plant for the manufacture of renewable energy cables and the Marshall (Texas) plant for the manufacture of medium voltage cables).

Prysmian does not expect any major break-up or divestiture where Encore Wire is concerned, and believes that the integration can be successfully accomplished taking into account the cultures and strengths of both companies.

The transaction will therefore allow Prysmian to better face the continuously changing market, presenting itself as a new player with:

(i) better coverage of the North American region;

(ii) a complementary business and product portfolio;

(iii) a broader customer base, with potential cross-selling opportunities;

(iv) a leadership position in research and development, crucial for successfully addressing the ongoing need for innovation; and

(v) the financial strength to invest in organic and external growth opportunities globally.

Overall, post-integration Prysmian is expected to reach a broader customer base, to further improve its level of customer service and to be more cost competitive, thanks not only to the significant synergies realisable after completing the Encore Wire acquisition, but also to supply chain optimisation.

3.2 Implications of the transaction for strategies concerning commercial and financial relations and provision of centralised services between group companies

The implications of the transaction for Prysmian's strategies are described in sections 2.2.1 and 2.2.2 of this Information document.

4. ECONOMIC AND FINANCIAL INFORMATION ABOUT ENCORE WIRE

This section presents financial information about Encore Wire. This information, as specified in the following paragraphs, has been taken from documents published by Encore Wire, which have not been approved by any of Prysmian's corporate bodies. Prysmian, therefore, assumes no responsibility for the completeness and truthfulness of the figures and information pertaining to Encore Wire contained in the present Section 4.

4.1 Financial statements of Encore Wire

4.1.1 Balance Sheets at 31 December 2023 and 2022, Statements of Income and Statements of Cash Flows for the years ended 31 December 2023, 2022 and 2021

Presented below are the Encore Wire balance sheets at 31 December 2023 and 2022, its statements of income and statements of cash flows for the years ended 31 December 2023, 2022 and 2021. The figures, prepared in USD, in accordance with US GAAP, have been taken from the *Form 10-K Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended 31 December 2023*, filed by Encore Wire with the U.S. Securities and Exchange Commission.

Encore Wire's financial information (originally presented and published in US dollars, or "USD") has been translated into Euro using the exchange rates shown below:

Period-end exchange rates			
	At 31-Dec-2023	At 31-Dec-2022	At 31-Dec-2021
US dollar (USD)	1.11	1.07	1.13

Average exchange rates for fiscal year			
	2023	2022	2021
US dollar (USD)	1.08	1.05	1.18

Encore Wire's financial information should be read in conjunction with the published financial statements which include the notes thereto forming an integral part thereof.

Balance Sheets at 31 December 2023 and 2022

	USD/million		Euro/million	
	2023	2022	2023	2022
Assets				
Current assets				
Cash and cash equivalents	561	731	507	685
Accounts receivable, net of allowance of $2,455 and $3,800	475	499	430	468
Inventories, net	164	153	148	144
Income taxes receivable	5	15	4	14
Prepaid expenses and other	6	4	6	4
Total current assets	**1,211**	**1,402**	**1,095**	**1,315**
Non-current assets				
Property, plant and equipment, net	757	617	685	578
Other assets	-	-	-	-
Total assets	**1,968**	**2,018**	**1,780**	**1,893**
Liabilities and Stockholders' Equity				
Current liabilities				
Trade accounts payable	81	63	73	59
Accrued liabilities	80	81	72	76
Total current liabilities	**160**	**144**	**145**	**135**
Non-current liabilities				
Deferred income taxes and other	60	56	54	52
Total non current liabilities	**60**	**56**	**54**	**52**
Capital stock	-	-	-	-
Additional paid-in capital	106	84	96	79
Treasury stock	(867)	(403)	(785)	(377)
Retained earnings	2,509	2,137	2,270	2,004
Total stockholders' equity	**1,748**	**1,818**	**1,581**	**1,706**
Total liabilities and stockholders' equity	**1,968**	**2,018**	**1,780**	**1,893**

Statements of Income for the years ended 31 December 2023, 2022 and 2021

	USD/million			Euro/million		
	2023	2022	2021	2023	2022	2021
Net sales	2,568	3,018	2,593	2,375	2,866	2,192
Cost of goods sold	1,912	1,905	1,725	1,768	1,809	1,458
Gross profit	**656**	**1,112**	**868**	**607**	**1,057**	**734**
Selling, general and administrative expenses	205	197	169	189	187	143
Operating income	**451**	**915**	**699**	**418**	**870**	**591**
Net interest and other income	33	10	-	31	9	-
Income before income taxes	**485**	**925**	**699**	**449**	**879**	**591**
Provision for income taxes	112	207	158	104	197	134
Net income	**372**	**718**	**541**	**345**	**682**	**457**
Earnings per ordinary share – basic by unit	22.07	37.47	26.49	20.41	35.58	22.40
Earnings per ordinary share – diluted by unit	21.62	36.91	26.22	20.00	35.05	22.17
Weighted average ordinary shares outstanding – basic	16.87	19.16	20.44	15.60	18.19	17.28
Weighted average ordinary shares outstanding – diluted	17.22	19.45	20.65	15.93	18.47	17.46
Dividend per share	0.08	0.08	0.08	0.07	0.08	0.07

Statements of Cash Flows for the years ended 31 December 2023, 2022 and 2021

	USD/million			Euro/million		
	2023	2022	2021	2023	2022	2021
Operating activities:						
Net income	372	718	541	344	682	458
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation and amortisation	32	26	23	30	25	20
Deferred income taxes	4	20	2	4	19	2
Stock-based compensation attributable to equity awards	21	11	4	20	10	3
Other	4	2	6	4	2	5
Change in operating assets and liabilities:						
(increase) decrease in accounts receivable	22	(8)	(217)	20	(7)	(183)
(increase) decrease in inventories	(10)	(52)	(8)	(10)	(50)	(7)
(increase) decrease in other assets	(2)	(1)	-	(2)	(1)	-
(increase) decrease in trade accounts payable and accrued liabilities	1	(12)	67	1	(11)	57
(increase) decrease in current income taxes receivable / payable	10	(14)	-	10	(13)	-
Net cash provided by operating activities	**455**	**689**	**418**	**421**	**656**	**355**
Investing activities						
Purchases of property, plant and equipment	(165)	(148)	(118)	(152)	(141)	(100)
Proceeds from sale of assets	-	-	-	-	-	-
Net cash used in investing activities	**(165)**	**(148)**	**(118)**	**(152)**	**(141)**	**(100)**
Financing activities						
Deferred financing fees	-	-	(1)	-	-	-
Purchase of treasury stock	(460)	(248)	(43)	(426)	(235)	(37)
Proceeds from issuance of common stock, net	1	-	1	1	-	1
Dividends paid	(1)	(2)	(2)	(1)	(1)	(1)
Net cash used in financing activities	**(461)**	**(249)**	**(44)**	**(426)**	**(236)**	**(37)**
Net increase (decrease) in cash and cash equivalents	(170)	292	256	(157)	279	218
Cash and cash equivalents at beginning of period	731	439	183	676	417	155
Cash and cash equivalents at end of period	**561**	**731**	**439**	**519**	**696**	**373**

4.1.2 General information

Encore Wire Corporation is a Delaware corporation, incorporated in 1989, with its principal executive office and manufacturing plants located in Texas.
The company manufactures a broad range of electrical wire and cables, used to distribute power from the transmission grid to the wall outlet or switch.
Encore's diversified product portfolio and low cost of production positions it exceptionally well to play a key role in the transition to a more sustainable and reliable energy infrastructure. Encore Wire's products are made at a single site in Texas.
The company sells its products through manufacturers' representatives to wholesale electrical distributors servicing the residential, commercial, and industrial sectors.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The following critical accounting policies affect the more significant estimates and assumptions used in preparing the financial statements.

Inventories are stated at the lower of cost, using the LIFO method, or market. As permitted by U.S. generally accepted accounting principles, Encore Wire maintains its inventory costs and cost of goods sold on a first-in, first-out (FIFO) basis and makes a monthly adjustment to adjust total inventory and cost of goods sold from FIFO to LIFO. Encore Wire applies the lower of cost or market (LCM) test by comparing the LIFO cost of its raw materials, work-in-process and finished goods inventories to estimated market values, which are based primarily upon the most recent quoted market price of copper and other raw materials and finished wire prices at the end of each reporting period.
Encore Wire performs an LCM calculation quarterly. At 31 December 2023, no LCM adjustment was required. However, decreases in copper and other material prices could necessitate establishing an LCM reserve in future periods. Additionally, future reductions in the quantity of inventory on hand of copper or other raw materials that are carried at costs different from the cost of copper and other raw materials in the period in which the reduction occurs to be included in costs of goods sold for that period at the different price.
Revenue from the sale of Encore Wire's products is recognised when goods are shipped to the customer, title and risk of loss are transferred, pricing is fixed or determinable, and collection is reasonably assured. A provision for payment discounts and customer rebates is estimated based upon historical experience and other relevant factors and is recorded within the same period that the revenue is recognised.
Accounts receivable represent amounts due from customers, primarily wholesale electrical distributors, related to the sale of Encore Wire's products. Such receivables are uncollateralised and are generally due from customers located throughout the United States. Encore Wire has two customers, each of whom slightly exceeds 10% of its total sales. Encore Wire has provided an allowance for credit losses on customer receivables based upon estimates of those customers' inability to make required payments. Such allowance is established and adjusted based upon the makeup of the current receivable portfolio, past bad debt experience, and current market conditions. If the financial condition of customers was to deteriorate and impair their ability to make payments to Encore Wire, additional allowances for losses might be required in future periods.

4.1.3. Notes to the balance sheet

Comments on the most significant items in Encore Wire's balance sheet are presented below.

Cash and cash equivalents

Cash and cash equivalents amount to:

	USD/million		Euro/million	
	2023	2022	2023	2022
Cash and cheques	-	-	-	-
Bank and post office accounts	561	731	507	685
Total	**561**	**731**	**507**	**685**

The following table summarises Encore Wire's cash flow activities:

	USD/million			Euro/million		
	2023	2022	2021	2023	2022	2021
Net cash provided by operating activities	455	689	418	421	656	355
Net cash used in investing activities	(165)	(148)	(118)	(152)	(141)	(100)
Net cash used in financing activities	(461)	(249)	(44)	(426)	(236)	(37)
Increase (Decrease) in cash and cash equivalents	**(170)**	**292**	**256**	**(157)**	**279**	**218**
Annual dividends paid	1,38	1,55	1,63	1,27	1,47	1,38

Encore Wire maintains a substantial inventory of finished products to satisfy customers' prompt delivery requirements. As is customary in the industry, the company provides payment terms to most of its customers that exceed terms that it receives from its suppliers. In general, the company's standard payment terms result in the collection of a significant majority of net sales within approximately 75 days of the date of the invoice. Therefore, the company's liquidity needs have generally consisted of working capital necessary to finance receivables and inventory. Capital expenditures have historically been necessary to expand and update the production capacity of the company's manufacturing operations. The company has historically satisfied its liquidity and capital expenditure needs with cash generated from operations and borrowings under its various debt arrangements. Encore Wire has sufficient liquidity to guarantee business continuity beyond the short-term outlook.

At 31 December 2023 and 2022, the company had no debt outstanding.

Net cash provided by operations decreased USD 234 million (Euro 216 million) to USD 455 million (Euro 421 million) in 2023 compared to USD 689 million (Euro 656 million) in 2022 and USD 418 million (Euro 355 million) in 2021.
The decrease in cash provided by operations of USD 234 million (Euro 216 million) in 2023 versus 2022 was due to several factors. Net income decreased to USD 372 million (Euro 344 million) in 2023 from USD 718 million (Euro 682 million) in 2022. Accounts receivable decreased USD 22 million (Euro 20 million) in 2023 compared to increasing USD 8 million (Euro 7 million) in 2022, resulting in a positive impact to cash flow of USD 30 million (Euro 28 million). Inventory, net increased USD 10 million (Euro 10 million) in 2023 compared to increasing USD 52 million (Euro 50 million) in 2022, producing a positive impact to cash flow of USD 42 million (Euro 39 million). Trade accounts payable and accrued liabilities positively impacted cash by USD 1 million (Euro 1 million) in 2023 versus negatively impacting cash by USD 12 million (Euro 11 million) in 2022, a positive swing of USD 13 million (Euro 12 million).
Net cash provided by operations increased USD 271 million (Euro 257 million) to USD 689 million (Euro 656 million) in 2022 compared to USD 418 million (Euro 355 million) in 2021. The increase in cash provided by operations of USD 271 million (Euro 257 million) in 2022 versus 2021 was due to several factors. Net income increased to USD 718 million (Euro 682 million) in 2022 from USD 541 million (Euro 458 million) in 2021. Accounts receivable increased USD 8 million (Euro 7 million) in 2022 compared to increasing USD 217 million (Euro 183 million) in 2021, resulting in a positive impact to cash flow of USD 209 million (Euro 198 million). Inventory, net increased USD 52 million (Euro 50 million) in 2022 compared to increasing USD 8 million (Euro 7 million) in 2021, producing a negative impact to cash flow of USD 44 million (Euro 42 million). Trade accounts payable and accrued liabilities negatively impacted cash by USD 12 million (Euro 11 million) in 2022 versus favourably impacting cash by USD 67 million (Euro 57 million) in 2021, a negative swing of USD 79 million (Euro 75 million).

Net cash used in investing activities was USD 165 million (Euro 152 million) in 2023 versus USD 148 million (Euro 141 million) in 2022 and USD 118 million (Euro 100 million) in 2021. In 2023, capital expenditures were used primarily for the purchase and installation of machinery and equipment. The construction of the new cross-link polyethylene (XLPE) compounding facility, which deepens vertical integration related to wire and cable insulation, was completed in 2023. In 2022 and 2021, capital expenditures were used primarily for repurposing the vacated distribution centre, the construction of a new service centre, and the purchase and installation of machinery and equipment.

The net cash used by financing activities of USD 461 million (Euro 426 million) in 2023 consisted primarily of USD 460 million (Euro 426 million) used to purchase company stock and dividend payments of USD 1 million (Euro 1 million), partially offset by USD 1 million (Euro 1 million) proceeds from issuance of company stock related to employees exercising stock options.
The net cash used by financing activities of USD 249 million (Euro 236 million) in 2022 consisted primarily of USD 248 million (Euro 235 million) used to purchase company stock and dividend payments of USD 2 million (Euro 1 million), partially offset by USD 0.2 million (Euro 0.2 million) proceeds from issuance of Encore Wire stock related to employees exercising stock options.
The net cash used by financing activities of USD 44 million (Euro 37 million) in 2021 consisted primarily of USD 43 million (Euro 37 million) used to purchase company stock and dividend payments of USD 2 million (Euro 1 million), partially offset by USD 1 million (Euro 1 million) proceeds from issuance of Encore Wire stock related to employees exercising stock options.

Inventories

The inventories of Encore Wire are measured using the LIFO method. Inventories are stated at the lower of cost and net realisable value. Details of inventories are as follows:

	USD/million		Euro/million	
	2023	2022	2023	2022
Raw materials	65	70	58	65
Work-in-process	56	43	51	40
Finished goods	139	139	126	130
Total	**260**	**251**	**235**	**235**
Adjust to LIFO cost	(96)	(98)	(87)	(92)
Total	**164**	**153**	**148**	**144**

The quantity of total copper inventory on hand in 2023 was consistent with the quantity of total copper inventory on hand in 2022. The other materials category, which includes a large number of raw materials, had quantity and price changes that included increases and decreases in various other materials. This resulted in a last-in, first-out (LIFO) method adjustment decreasing cost of sales by USD 1.8 million (Euro 1.7 million) in 2023. The LIFO method is utilised because it is considered to result in a better matching of costs and revenues.
The quantity of total copper inventory on hand increased in 2022, compared to 2021. The other materials category had quantity changes that included increases and decreases in various other materials. This resulted in a LIFO method adjustment decreasing cost of sales by USD 19 million (Euro 18 million) in 2022.
Based on copper and other raw material prices, there were no lower of cost or market (LCM) adjustments necessary in the periods presented above.

There were no liquidations of inventories that had a material impact on Encore Wire's results of operations for any period presented.

Property, plant and equipment

Property, plant and equipment is recorded at cost. Depreciation is recorded on a straight-line method over the estimated useful lives of the respective assets as follows:

- buildings and improvements, 3 to 45 years;
- machinery and equipment, 2 to 20 years;

- and furniture and fixtures, 5 to 20 years.

Accelerated cost recovery methods are used for tax purposes. Repairs and maintenance costs are expensed as incurred. Encore Wire reviews the estimated useful lives of its fixed assets on an ongoing basis. This review indicated that the actual lives of its buildings were longer than the estimated useful lives used for depreciation purposes in Encore Wire's financial statements. As a result, effective 1 September 2023, Encore Wire changed some of its estimates of the useful lives of its buildings to better reflect the estimated periods during which these assets will remain in service. The estimated useful lives of some of the buildings that previously averaged 35 years were increased to an average of 45 years. The effect of this change in estimate was not material to the financial statements.

	USD/million		Euro/million	
	2023	**2022**	**2023**	**2022**
Land and land improvements	90	85	82	80
Construction-in-progress	164	126	148	118
Buildings and improvements	314	233	284	218
Machinery and equipment	478	438	433	411
Other	17	15	16	14
Total	**1.063**	**897**	**963**	**841**
Accumulated depreciation	(306)	(281)	(277)	(263)
Total	**757**	**617**	**686**	**578**

Depreciation expense for the years ended 31 December 2023, 2022 and 2021 was USD 32 million (Euro 30 million), USD 26 million (Euro 25 million) and USD 23 million (Euro 20 million), respectively.

Accrued liabilities

Accrued liabilities consist of the following at 31 December:

	USD/million		Euro/million	
	2023	**2022**	**2023**	**2022**
Sales rebates payable	39	41	35	38
Stock appreciation rights liability	22	20	20	19
Property taxes payable	6	5	5	5
Accrued salaries	7	8	6	7
Other accrued liabilities	6	7	5	7
Total	**80**	**81**	**71**	**76**

Debt

At 31 December 2023 and 2022, the Company had no debt outstanding.

On 9 February 2021, the Company terminated its previous credit agreement and entered into a new Credit Agreement (the "2021 Credit Agreement") with two banks, Bank of America, N.A., as administrative agent and letter of credit issuer, and Wells Fargo Bank, National Association, as syndication agent. The 2021 Credit Agreement extends through 9 February 2026 and provides for maximum borrowings of USD 200 million. At the company's request and subject to certain conditions, the commitments under the 2021 Credit Agreement may be increased by a maximum of up to USD 100 million as long as existing or new lenders agree to provide such additional commitments.

The 2021 Credit Agreement contains provisions to replace LIBOR with a replacement rate. On 20 October 2022, Encore Wire entered into the First Amendment to the 2021 Credit Agreement (the "Amended 2021 Credit Agreement") which replaced LIBOR with BSBY as permitted under the agreement. Borrowings under the line of credit bear interest, at Encore Wire's option, at either (1) BSBY plus a margin that varies from 1.000% to 1.875% depending upon the Leverage Ratio (as defined in the 2021 Credit Agreement), or (2) the base rate (which is the highest of the federal funds rate plus 0.5%, the prime rate, or BSBY plus 1.0%) plus 0% to 0.375% (depending upon the

leverage ratio). A commitment fee ranging from 0.20% to 0.325% (depending upon the leverage ratio) is payable on the unused line of credit. At 31 December 2023, there were no borrowings outstanding under the Amended 2021 Credit Agreement, and letters of credit outstanding in the amount of USD 0.3 million left USD 199.7 million of credit available. Obligations under the Amended 2021 Credit Agreement are the only contractual borrowing obligations or commercial borrowing commitments of the company. Obligations under the Amended 2021 Credit Agreement are unsecured and contain customary covenants and events of default. Encore Wire was in compliance with the covenants at 31 December 2023.
The 2021 Credit Agreement was extinguished on the date of closing the Acquisition.
Encore Wire paid interest totalling USD 0.4 million in 2023, 2022 and 2021, respectively, none of which was capitalised.

Income taxes

Income taxes are provided for based on the liability method, resulting in deferred income tax assets and liabilities arising due to temporary differences.
Temporary differences are differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. The effect on deferred income tax assets and liabilities of a change in tax rates is recognised in income in the period the change in rate is enacted.
The Inflation Reduction Act ("IRA") was enacted on 16 August 2022. The IRA includes provisions imposing a 1% excise tax on share repurchases that occur after 31 December 2022, and introduces a 15% corporate alternative minimum tax on "adjusted financial statement income" of certain large corporations (generally, corporations reporting at least USD 1 billion of average adjusted pre-tax net income in their consolidated financial statements).
Based on application of currently available guidance, Encore Wire does not expect the IRA to have a material adverse impact to its financial statements.
The provision for income tax expense is summarised as follows for the years ended 31 December:

	USD/million			Euro/million		
	2023	2022	2021	2023	2022	2021
Current:						
Federal	100	175	143	93	166	121
State	7	12	12	7	12	11
Deferred:						
Federal	4	20	2	4	19	2
State	-	-	-	-	-	-
Total	**112**	**207**	**158**	**104**	**197**	**134**

The differences between the provision for income taxes and income taxes computed using the federal income tax rate are as follows for the years ended 31 December:

	USD/million			Euro/million		
	2023	2022	2021	2023	2022	2021
Amount computed using the statutory rate	102	194	147	94	185	124
State income taxes, net of federal tax benefit	6	10	10	6	9	9
162(m) disallowance	6	3	1	5	3	1
Other	(1)	-	-	(1)	-	-
Total	**112**	**207**	**158**	**104**	**197**	**134**

The tax effect of each type of temporary difference giving rise to the net deferred tax liability at 31 December is as follows:

	USD/million		Euro/million	
	2023	2022	2023	2022
Depreciation	(66)	(60)	(59)	(57)
Inventory	(2)	(2)	(2)	(2)
Allowance for credit losses	1	1	-	1
Uniform capitalisation rules	1	1	1	1
Stock-based compensation	6	5	6	4
Other	-	1	-	1
Total	**(60)**	**(56)**	**(55)**	**(52)**

Encore Wire's inventory costing method for federal income tax purposes differs from the method allowed by US GAAP. Both methods of inventory costing result in the same recovery of inventory. However, the timing of the recovery varies. At 31 December 2023, tax inventory exceeds book inventory, which created a deferred tax liability of USD 2.5 million (Euro 2.3 million).
Encore Wire made income tax payments of USD 98 million (Euro 90 million) in 2023, USD 202 million (Euro 192 million) in 2022 and USD 156 million (Euro 132 million) in 2021.
Encore Wire's federal income tax returns for the years subsequent to 31 December 2019 remain subject to examination. The company's income tax returns in major state income tax jurisdictions remain subject to examination for various periods subsequent to 31 December 2018.
Encore Wire has no reserves for uncertain tax positions at 31 December 2023 and 2022. Interest and penalties resulting from audits by tax authorities have been immaterial and are included in the provision for income taxes in the statements of income.

Stock-based compensation

Compensation cost for all stock-based compensation expected to vest is measured at fair value on the date of grant and recognised over the related service period. The fair value of stock awards is determined based on the number of shares granted and the quoted price of Encore Wire's common stock, and the fair value of stock options and stock appreciation rights is estimated on the date of grant using the Black-Scholes model. Such value is recognised as expense over the service period on a straight-line basis. Actual forfeitures are recorded as a cumulative adjustment in the period they occur.

Total stock-based compensation expense by type of award was as follows for the years ended 31 December:

	USD/million			Euro/million		
	2023	2022	2021	2023	2022	2021
Restricted Stock Units	21	9	2	19	9	2
Stock grants	1	1	-	1	1	-
Stock options	-	-	-	-	-	-
Stock appreciation rights ("SAR")	23	7	22	22	7	19
Restricted Stock Awards	1	1	1	1	1	1
Total	**46**	**18**	**25**	**43**	**18**	**22**

4.1.4. Notes to the statement of income

The following table presents certain items of income and expense as a percentage of net sales for the periods indicated.

	2023	2022	2021
Net sales	100.0%	100.0%	100.0%
Cost of goods sold:			
Copper	52.2%	44.0%	46.7%
Other raw materials	12.5%	12.0%	10.5%
Depreciation	1.2%	0.8%	0.8%
Labour and overhead	8.7%	6.9%	6.6%
LIFO adjustment	(0.1)%	(0.6)%	1.9%
Total cost of goods sold	74.5%	63.1%	66.5%
Gross profit	25.5%	36.9%	33.5%
Selling, general and administrative expenses	7.9%	6.5%	6.5%
Operating income	17.6%	30.4%	27.0%
Net interest and other income	1.3%	0.3%	-
Income before income taxes	18.9%	30.7%	27.0%
Provision for income taxes	4.4%	6.9%	6.1%
Net income	14.5%	23.8%	20.9%

The following discussions and analyses relate to factors that have affected the operating results of Encore Wire for the years ended 31 December 2023, 2022 and 2021.

Net sales for the twelve months ended 31 December 2023 were USD 2,568 million (Euro 2,375 million) compared to USD 3,018 million (Euro 2,866 million) during the same period in 2022 and USD 2,593 million (Euro 2,192 million) in 2021. The 14.9% decrease in net sales dollars in 2023 versus 2022 was primarily the result of a 12.3% decrease in copper wire sales, driven by a 17.8% decrease in the average selling price of copper wire compared to 2022, partially offset by a 6.7% increase in the weight of copper wire shipped. Additionally, aluminium net sales represented 12.9% of net sales for 2023 compared to 15.4% in 2022. The 16.4% increase in net sales dollars in 2022 versus 2021 was primarily the result of a 7.4% increase in copper wire sales, driven by a 7.9% increase in the weight of copper wire shipped, partially offset by a 0.5% decrease in the average selling price of copper wire due to moderate decreases in copper commodity prices in the trailing six months of 2022.

Cost of goods sold was USD 1,912 million (Euro 1,768 million), or 74.5% of net sales, in 2023 versus USD 1,905 million (Euro 1,809 million), or 63.1% of net sales in 2022 and USD 1,725 million (Euro 1,458 million), or 66.5% of net sales in 2021.

Gross profit decreased to USD 656 million (Euro 607 million), or 25.5% of net sales in 2023, compared to USD 1,112 million (Euro 1,057 million), or 36.9% of net sales, in 2022 and USD 868 million (Euro 734 million), or 33.5% of net sales, in 2021. Gross profit percentage for 2023 was 25.5% compared to 36.9% in 2022 and 33.5% in 2021. The average selling price of wire per copper pound sold decreased 17.8% in 2023 versus 2022, while the average cost of copper per pound purchased decreased 3.7%. The overall increase in total volumes shipped, offset by an anticipated decrease in the average selling price during 2023, resulted in the decreased gross profit margin for the full year 2023 when compared to 2022. The average selling price of wire per copper pound sold decreased 0.5% in 2022 versus 2021, while the average cost of copper per pound purchased decreased 2.7%

Net income for 2023 was USD 372 million (Euro 344 million) versus USD 718 million (Euro 682 million) in 2022 and USD 541 million (Euro 457 million) in 2021. Fully diluted net earnings per common share were USD 21.62 (Euro 20) in 2023 versus USD 36.91 (Euro 35.05) in 2022 and USD 26.22 (Euro 22.17) in 2021.

Selling expenses, which are made up of freight and sales commissions, were USD 115 million (Euro 107 million) in 2023, USD 134 million (Euro 127 million) in 2022 and USD 110 million (Euro 93 million) in 2021. Freight costs decreased in 2023 as a result of a decrease in overall freight rates compared to 2022. In 2022, freight costs increased as a result of increased sales volumes and an increase in overall freight rates, as compared to 2021. Commission costs decreased commensurate with the sales dollar decrease. As a percentage of net sales, selling expenses were 4.5% in 2023, 4.4% in 2022, and 4.2% in 2021. General and administrative expenses were USD 91 million (Euro 84 million) in 2023, USD 64 million (Euro 60 million) in 2022 and USD 58 million (Euro 49 million) in 2021. As a percentage of net sales, general and administrative expenses were 3.5% in 2023 versus 2.1% in 2022 and 2.2% in 2021. Accounts receivable write-offs were USD 45 thousand (Euro 42 thousand) in 2023 and zero in 2022 and 2021. Encore Wire decreased the reserve for credit losses in 2023 by USD 1.3 million (Euro 1.2 million), did not record a reserve for credit losses in 2022, and increased the reserve by USD 1.5 million (Euro 1.3 million) in 2021.

Net interest and other income was USD 33 million (Euro 31 million) in 2023, USD 10 million (Euro 9 million) in 2022 and USD 0.2 million (Euro 0.2 million) in 2021. Both the increase in 2023 and 2022 reflect the economic impact of the pandemic and its effect on interest rates.
The effective tax rate was 23.2% in 2023, 22.4% in 2022 and 22.6% in 2021. The differences between the provisions for income taxes and the income taxes computed using the federal income tax statutory rate are primarily due to state taxes and non-deductible expenses.
Encore Wire's net income was USD 372 million (Euro 344 million) in 2023, USD 718 million (Euro 682 million) in 2022 and USD 541 million (Euro 457 million) in 2021.

4.2 Audit by independent registered public accounting firm

Encore Wire's financial statements at 31 December 2023 and 2022, and for the years ended 31 December 2023, 2022, and 2021, which include the above-mentioned statements, were audited by registered public accounting firm Ernst & Young LLP, which issued its audit report for the years ended 31 December 2023, 2022, and 2021 on 16 February 2024, containing a clean audit opinion. The audit report is available on the Encore Wire website (www.encorewire.com).

5. ECONOMIC AND FINANCIAL INFORMATION ABOUT THE ISSUER

5.1 Pro forma statement of financial position and income statement

This section presents the Issuer's pro forma consolidated statement of financial position and income statement at 31 December 2023 (the Pro forma Consolidated Financial Information).

The Pro Forma Consolidated Financial Information have been prepared for disclosure purposes in accordance with ESMA Guidelines on Disclosure Requirements under the Prospectus Regulation (ESMA 32-382-1138), in order to retrospectively reflect in the Issuer's historical data the effects of the Company's acquisition of the entire share capital of Encore Wire Corporation, consummated on 2 July 2024 by merging Applause Merger Sub Inc with and into Encore Wire Corporation (the Acquisition) and of its financing, including through new loans for which Prysmian has already entered into the relevant agreements with the lending banks (cumulatively with the Acquisition, the "Transaction").

The Pro Forma Consolidated Financial Information at 31 December 2023 has been prepared on the basis of:

- Prysmian's 2023 Consolidated Financial Statements, approved by the Board of Directors on 28 February 2024, prepared in accordance with IFRS and audited by the Independent Auditors, who issued their report on 15 March 2024;
- Encore Wire's Financial Statements for the years ended 31 December 2023, 2022 and 2021, prepared in accordance with US GAAP and approved by the Board of Directors of Encore Wire Corporation (the 2023, 2022 and 2021 Encore Wire Financial Statements), included in Form 10-K containing the Annual Report 2023 pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. The 2023, 2022 and 2021 Encore Wire Financial Statements have been audited by Ernst & Young LLP who issued their report on 16 February 2024.

The Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and has been obtained by making appropriate pro forma adjustments to the above historical data to backdate the significant effects of the Transaction, as if it had occurred, in the case of the effects on the statement of financial position, at 31 December 2023, and in the case of the effects on the income statement, as of 1 January 2023.

For the purposes of correctly interpreting the information provided by the pro forma consolidated data, it is necessary to bear in mind that:

(i) being representations based on assumptions, if the Transaction had actually been carried out on the reporting dates used to prepare the pro forma figures, instead of the actual date, the historical figures would not necessarily have been the same as the pro forma ones;
(ii) the pro forma adjustments represent the most significant direct effects of the Transaction on the statement of financial position and the income statement;
(iii) the pro forma figures do not reflect prospective figures and are not intended to represent in any way a forecast of the Issuer's future financial and economic situation;
(iv) in view of the different purposes of the consolidated pro forma figures with respect to the historical ones and, in view of the different methods of calculating the pro forma adjustments made to the Issuer's consolidated financial statements, the consolidated pro forma statement of financial position and consolidated statement of income must be examined and interpreted separately, without seeking accounting relationships between them.

The accounting policies adopted to prepare the pro forma adjustments and draw up the Pro forma Consolidated Financial Information are consistent with those applied by the Issuer in the 2023 Consolidated Financial Statements, to which reference should be made.

The Pro Forma Consolidated Financial Information is presented in a multi-column format in order to highlight the transactions involving pro forma adjustments. The Issuer's Pro Forma Consolidated Financial Information includes:

- the Issuer's historical consolidated figures (column A);
- Encore Wire's historical figures translated into Euro and reclassified in accordance with the Issuer's reporting formats (column B);
- the effects on Encore Wire's historical figures of adopting IFRS accounting standards consistent with those applied by Prysmian, based on preliminary analyses completed at the date of preparing the Pro Forma Consolidated Financial Information (column C);
- the effects of the Acquisition (column D);
- the effects of financing the Acquisition, including through new loans (column E);
- the pro forma consolidated figures of the Issuer (column F).

Lastly, in accordance with Annex 20 of the Delegated Regulation (EU) 2019/980, all adjustments reflected in the pro forma consolidated figures are considered to have a permanent effect.

Key assumptions for preparing the Pro Forma Consolidated Financial Information

The Pro forma Consolidated Financial Information has been prepared making the following other key assumptions:

<u>Business combination: Application of IFRS 3 – Business Combinations</u>

The Pro Forma Consolidated Financial Information has been prepared on the basis of the following facts governed by the Merger Agreement:

- Number of shares subject to acquisition: 16,010,683;
- Unit price of USD 290.00 per share.

The total consideration for the Acquisition has therefore been determined to be USD 4,643 million, equivalent to Euro 4,341 million at the EUR/USD exchange rate actually applied to the disbursement of this amount in foreign currency (1.0696 EUR/USD). In addition, it should be noted that Encore Wire had USD 561 million in cash at 31 December 2023.

In order to mitigate the associated forex risk, the Issuer has entered into a number of derivative contracts that, combined, constitute a zero cost collar, for a notional value of USD 4,200 million (Euro 3,927 million based on the EUR/USD exchange rate actually applied to the disbursement of this amount in foreign currency (1.0696 EUR/USD). The purpose of these derivative instruments is to limit the forex fluctuations possibly affecting these values to a range of between 1.0675 EUR/USD and 1.0816 EUR/USD.

As stated earlier, the Acquisition involves the Issuer taking control of Encore Wire and will be recognised in the Issuer's consolidated financial statements in accordance with IFRS 3, as follows:

- all identifiable assets acquired and identifiable liabilities assumed by the Issuer through the Acquisition, with the exception of certain items specified by the relevant accounting standard, will be measured at their fair value at the date of obtaining control;
- goodwill will be determined as the difference between (i) the sum of the consideration transferred to obtain control; and (ii) the fair value of the assets acquired and liabilities assumed through the Acquisition.

In accordance with the ESMA Guidelines on Disclosure Requirements under the Prospectus Regulation (ESMA 32-382-1138) and Annex 20 of the Delegated Regulation (EU) 2019/980, for the purpose of preparing the Pro Forma Consolidated Financial Information, the value of assets and liabilities in Encore Wire's statement of financial position at 31 December 2023 has been taken into consideration. Due to the limited period of time between the date of the Acquisition and the date of preparing the Information document, there is not yet sufficient information to allow for a detailed estimate of the fair value of Encore Wire's assets and liabilities, which have therefore been reflected in the Pro Forma Consolidated Financial Information at their historical carrying amounts translated into Euro and reclassified on a consistent basis with the Issuer's presentation criteria.

For the purpose of preparing the consolidated financial statements in periods subsequent to the Acquisition, the Issuer will ensure that the process of measuring the identifiable assets acquired and liabilities assumed is completed within the prescribed timeframe, in accordance with paragraph 45 of IFRS 3, which requires the acquirer to complete this process within a reasonable time to obtain the information necessary to identify and measure the following at the acquisition date:

- the identifiable assets acquired and liabilities assumed;
- the consideration transferred for the acquiree;
- the resulting goodwill or gain on a bargain purchase.

During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information about facts and circumstances that existed at the acquisition date that, if known, would have affected the measurement of the amounts recognised at that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed at the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities at that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed at the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

For the purposes of preparing the Pro Forma Consolidated Financial Information presented herein, due to the reasons stated above, "Goodwill" includes the difference between the actual or provisionally estimated amounts of the above balances and Encore Wire's equity reported at 31 December 2023 determined in accordance with IFRS (reduced or increased for the effect of certain adjustments primarily to reflect certain costs related to the Acquisition and personnel that Encore Wire is expected to incur prior to the Acquisition closing date).

The amount of the consolidation difference to allocate, represented herein for pro forma purposes, may therefore differ, even significantly, from the final amount recognised for the fair value of the identifiable assets acquired and liabilities assumed. Future income statements will also reflect the effects of such allocations not included in the pro forma consolidated income statement.

Lastly, the final values will be determined using exchange rates in effect at the date of obtaining control, which may differ from those used for the purpose of preparing the pro forma adjustments to the statement of financial position.

<u>New loans and interest rates</u>

In connection with the Acquisition, the Issuer has contracted new loans as indicated below:

1. Long Term Loan for USD 1,070 million with a 5-year term.
2. Bridge Loan – Tranche A for USD 481 million, which will mature on the tenth day after completing the Acquisition. This loan was repaid in full on 10 July 2024.
3. Bridge Loan – Tranche B for Euro 925 million, with a term of eighteen months and two days from the Acquisition date, or, in the event of exercising the extension option, two years and two days from the Acquisition date.
4. Bridge Loan – Tranche C1 for Euro 513 million, with a term of eighteen months and two days from the Acquisition date, or, in the event of exercising the extension option, two years and two days from the Acquisition date.
5. Bridge Loan – Tranche C2 for USD 548 million, with a term of eighteen months and two days from the Acquisition date, or, in the event of exercising the extension option, two years and two days from the Acquisition date.

Interest rate swaps with an overall notional value of USD 1,344 million have been arranged against the Long Term Loan for USD 1,070 million and Bridge Loan C for USD 548 million, with the objective of hedging variable rate interest flows.

Taking the above into account, interest rates between 4.3% and 5.9% have been assumed for the purpose of preparing the Pro Forma Consolidated Financial Information.

With reference to the portion of the consideration for the Acquisition financed through cash and cash equivalents, no pro-forma adjustment has been made to the item financial income as it has been deemed not measurable with a reasonable degree of objective determination also due to the ordinary fluctuations in cash and cash equivalents present during the year.

Transaction costs

The costs of arranging the loans taken out by the Issuer have been estimated at Euro 19 million.

Tax effects

The tax effects on the individual pro forma adjustments have been recognised on the basis of the applicable tax rate. s

Given the complexity of the subject matter and since the Issuer considers that the pro forma information includes the best available estimate of these tax effects, there is a risk that the actual impact of taxes may differ, even materially, from those presented in the Consolidated Pro Forma Financial Information included in the Information document.

Pro Forma Consolidated Financial Information at 31 December 2023

Pro Forma Consolidated Statement of Financial Position at 31 December 2023

(Euro/million)			Pro forma adjustments			
	Prysmian consolidated statement of financial position	**Encore Wire reclassified statement of financial position**	**US GAAP - IFRS adjustments**	**Acquisition**	**Acquisition Financing**	**Prysmian pro forma consolidated statement of financial position**
	(A)	**(B)**	**(C)**	**(D)**	**(E)**	**(F)**
Non-current assets						
Property, plant and equipment	3,401	685	-	-	-	4,086
Goodwill	1,660	-	-	2,899	-	4,559
Other intangible assets	411	-	-	-	-	411
Equity-accounted investments	218	-	-	-	-	218
Other investments at fair value through other comprehensive income	10	-	-	-	-	10
Financial assets at amortised cost	3	-	-	-	-	3
Derivatives	41	-	-	-	-	41
Deferred tax assets	299	-	-	-	-	299
Other receivables	36	-	-	-	-	36
Total non-current assets	**6,079**	**685**	**-**	**2,899**	**-**	**9,663**
Current assets						
Inventories	2,264	148	87	-	-	2,499
Trade receivables	1,987	395	-	-	-	2,382
Other receivables	1,054	10	-	-	-	1,064
Financial assets at fair value through profit or loss	85	-	-	-	-	85
Derivatives	80	-	-	-	-	80
Financial assets at fair value through other comprehensive income	24	-	-	-	-	24
Cash and cash equivalents	1,741	507	-	(4,620)	3,381	1,009
Total current assets	**7,235**	**1,060**	**87**	**(4,620)**	**3,381**	**7,143**
Assets held for sale	9	-	-	-	-	9
Total assets	**13,323**	**1,745**	**87**	**(1,721)**	**3,381**	**16,815**
Equity						
Share capital	28	-	-	-	-	28
Reserves	3,224	1,237	65	(1,657)	-	2,869
Group share of net profit	529	344	-	-	-	873
Equity attributable to the Group	**3,781**	**1,581**	**65**	**(1,657)**	**-**	**3,770**
Equity attributable to non-controlling interests	191	-	-	-	-	191
Total equity	**3,972**	**1,581**	**65**	**(1,657)**	**-**	**3,961**
Non-current liabilities						-
Borrowings from banks and other lenders	2,488	-	-	-	2,931	5,419
Employee benefit obligations	333	-	-	-	-	333
Provisions for risks and charges	58	-	-	-	-	58
Deferred tax liabilities	222	54	22	(44)	-	254
Derivatives	47	-	-	-	-	47
Other payables	53	-	-	-	-	53
Total non-current liabilities	**3,201**	**54**	**22**	**(44)**	**2,931**	**6,164**
Current liabilities						**-**
Borrowings from banks and other lenders	608	-	-	-	450	1,058
Provisions for risks and charges	753	-	-	-	-	753
Derivatives	57	-	-	-	-	57
Trade payables	2,199	71	-	-	-	2,270
Other payables	2,469	39	-	(20)	-	2,488
Current tax payables	64	-	-	-	-	64
Total current liabilities	**6,150**	**110**	**-**	**(20)**	**450**	**6,690**
Total liabilities	**9,351**	**164**	**22**	**(64)**	**3,381**	**12,854**
Total equity and liabilities	**13,323**	**1,745**	**87**	**(1,721)**	**3,381**	**16,815**

Pro Forma Consolidated Income Statement for the year ended 31 December 2023

(Euro/million)	Prysmian consolidated income statement	Encore Wire reclassified income statement	Pro forma adjustments: US GAAP - IFRS adjustments	Pro forma adjustments: Acquisition	Pro forma adjustments: Acquisition Financing	Prysmian pro forma consolidated income statement
	(A)	(B)	(C)	(D)	(E)	(F)
Sales	15,354	2,375	-	-	-	17,729
Change in inventories of finished goods and work in progress	52	13	(2)	-	-	63
Other income	70	-	-	-	-	70
Total sales and income	**15,476**	**2,388**	**(2)**	**-**	**-**	**17,862**
Raw materials, consumables and supplies	(9,705)	(1,542)	-	-	-	(11,247)
Fair value change in metal derivatives	6	-	-	-	-	6
Personnel costs	(1,804)	(202)	-	-	-	(2,006)
Amortisation, depreciation, impairment and impairment reversals	(574)	(30)	-	-	-	(604)
Other expenses	(2,572)	(197)	-	-	-	(2,769)
Share of net profit/(loss) of equity-accounted companies	33	-	-	-	-	33
Operating income	**860**	**417**	**(2)**	**-**	**-**	**1,275**
Finance costs	(1,093)	-	-	-	(155)	(1,249)
Finance income	997	31	-	-	-	1,028
Profit/(loss) before taxes	**764**	**448**	**(2)**	**-**	**(155)**	**1,054**
Taxes	(217)	(104)	-	-	44	(276)
Net profit	**547**	**344**	**(2)**	**-**	**(111)**	**778**
Net profit attributable to non-controlling interests	*(18)*	-	-	-	-	*(18)*
Net profit attributable to the Group	*529*	*344*	*(2)*	-	*(111)*	*760*

Notes to the Pro Forma Consolidated Financial Information at 31 December 2023

Column A – Prysmian Consolidated Figures

This column reports the Issuer's historical financial information taken from the 2023 Consolidated Financial Statements.

Column B – Encore Wire Reclassified Consolidated US GAAP Figures

This column reports Encore Wire's historical financial information taken from the 2023, 2022 and 2021 Encore Wire Financial Statements translated into Euro and reclassified in accordance with the formats used by the Issuer.

In particular, the schedules included below report:

- Encore Wire's US GAAP income statement and balance sheet at 31 December 2023, presented in millions of USD, as reported in the 2023, 2022 and 2021 Encore Wire Financial Statements, reclassified on a preliminary basis, using currently available information and aggregating their contents in a manner consistent with Prysmian's reporting formats;
- Encore Wire's US GAAP balance sheet at 31 December 2023, translated at a EUR/USD exchange rate of 1.105 (the year-end rate at 31 December 2023 used to prepare Prysmian's consolidated statement of financial position), and its income statement translated at an average rate of 1.081 EUR/USD (average rate for 2023 used to prepare Prysmian's consolidated income statement for 2023).

Translation of Encore Wire's reclassified US GAAP statement of financial position:

	(USD/million)	(Euro/million)
Non-current assets		
Property, plant and equipment	757	685
Total non-current assets	**757**	**685**
Current assets		
Inventories	164	148
Trade receivables	436	395
Other receivables	11	10
Cash and cash equivalents	561	507
Total current assets	**1,171**	**1,060**
Total assets	**1,929**	**1,745**
Equity		
Share capital	0	-
Reserves	1,367	1,237
Group share of net profit	381	344
Equity attributable to the Group	**1,748**	**1,581**
Total equity	**1,748**	**1,581**
Non-current liabilities		
Deferred tax liabilities	60	54
Total non-current liabilities	**60**	**54**
Current liabilities		
Borrowings from banks and other lenders	0	-
Trade payables	78	71
Other payables	43	39
Total current liabilities	**121**	**110**
Total liabilities	**181**	**164**
Total equity and liabilities	**1,929**	**1,745**

Translation of Encore Wire's reclassified US GAAP income statement:

	(USD/million)	(Euro/million)
Sales	2,568	2,375
Change in inventories of finished goods and work in progress	14	13
Total sales and income	**2,581**	**2,387**
Raw materials, consumables and supplies	(1,667)	(1,542)
Personnel costs	(218)	(202)
Amortisation, depreciation, impairment and impairment reversals	(32)	(30)
Other expenses	(213)	(197)
Operating income	**451**	**417**
Finance income	34	31
Profit/(loss) before taxes	**485**	**448**
Taxes	(112)	(104)
Net profit	**372**	**344**

The reclassification of Encore Wire's historical US GAAP financial information is the result of a preliminary analysis. Completion of this analysis could identify differences, even material ones, with respect to the reclassification in accordance with the Issuer's formats.

Column C – US GAAP - IFRS adjustments

This column includes preliminary adjustments made to reconcile information prepared in accordance with US GAAP to IFRS, based on information available at the date of preparing the Consolidated Pro Forma Financial Information.

In particular, this column includes the following effects on assets and liabilities:

- "Inventories": the column reports an increase of Euro 87 million as a result of switching from a LIFO inventory accounting policy to the FIFO one adopted by the Issuer;
- "Deferred tax liabilities": the column reports an increase of Euro 22 million to reflect the latent tax effects of the above adjustment.

The column relating to the income statement includes the following effects:

- "Change in inventories of finished goods and work in progress": the column reports a decrease of Euro 2 million as a result of switching from a LIFO inventory accounting policy to the FIFO one adopted by the Issuer.

All the adjustments reflected in this column of the pro forma income statement will have a permanent effect.

With reference to Encore Wire's historical US GAAP financial information, the preliminary analysis has not identified any other material differences between US GAAP and IFRS. Once this analysis is completed, other US GAAP-IFRS differences, even material ones, may be identified.

Column D – Acquisition

The adjustment reported in the statement of financial position refers to the effects arising from the consolidation of Encore Wire, in accordance with the "Key assumptions for preparing the Pro Forma Consolidated Financial Information", resulting in the preliminary measurement of "Goodwill", representing the estimated difference between the acquisition price and the book value of assets and liabilities following their measurement at fair value.

The Goodwill adjustment has been calculated as follows:

	(USD/million)	(Euro/million)
Number of shares being acquired	16,010,683	
Unit price (in USD)	290	
Fair value of consideration payable to Encore Wire shareholders	**4,643**	**4,341**
Collar unwinding costs	14	14
Total consideration (A)	**4,657**	**4,355**
Encore Wire book equity at 31 December 2023 (US GAAP)	1,748	1,581
Adjustments to Encore Wire book equity:		
US GAAP - IFRS adjustments	73	65
Transaction costs, net of tax effect	(49)	(44)
Costs of stock option plans, other share-based payments and other bonuses, net of tax effect	(183)	(146)
Value of net assets acquired (B)	**1,589**	**1,456**
Difference to allocate (A-B)		**2,899**

The fair value of the consideration paid to Encore Wire's shareholders reflects the fair value of the consideration paid for 100% of Encore Wire's ordinary share capital; being a cash outlay, it has been identified in the amount of USD 290.00 for each share acquired.

The value of the net assets acquired and liabilities assumed, which, as specified in the "Key assumptions for preparing the Pro Forma Consolidated Financial Information", has been preliminarily identified as the value of Encore Wire's equity reported at 31 December 2023 (Euro 1,581 million), adjusted for:

1. US GAAP - IFRS adjustments (Euro 65 million), described in more detail in the note on "Column C - US GAAP - IFRS adjustments";
2. the best estimate of transaction costs (e.g., success fees payable to the investment banks involved in the sale process, other legal advice costs) that will be incurred by Encore Wire prior to the Acquisition closing date, amounting to Euro 53 million, stated gross of a Euro 9 million tax effect;
3. costs related to stock-option plans, other share-based payments as well as other cash payments to employees and/or management to be incurred by Encore Wire prior to the Acquisition closing date, amounting to Euro 176 million, stated gross of a Euro 30 million tax effect.

The process of measuring the assets acquired and liabilities assumed, discussed in the "Key assumptions for preparing the Consolidated Pro Forma Financial Information", had not been completed as at the Information document Date, pending the availability of objectively measurable information, in particular with regard to finite-life property, plant and equipment and intangible assets, and so no pro forma adjustments have been shown.

Based on all these considerations, the column under review reports the following effects on the statement of financial position:

- "Goodwill": the column reports the recognition of a difference to allocate of Euro 2,899 million, determined in the preceding calculation and corresponding to the excess of the fair value of the consideration transferred to the Encore Wire shareholders over the value of the net assets acquired/assumed;

- "Cash and cash equivalents": the column reports a decrease of Euro 4,620 million attributable to: (i) Euro 4,341 million for the price payable by Prysmian to the selling shareholders of Encore Wire; (ii) an outlay of Euro 14 million in costs to unwind the collar; (iii) Euro 196 million in disbursements related to stock option plans, other share-based payments and other cash payments to employees and/or management to be incurred by Encore Wire prior to the Acquisition closing date; (iv) Euro 53 million in disbursements for Acquisition-related costs to be incurred by Encore Wire prior to the Acquisition closing date; (v) Euro 16 million in disbursements for Acquisition-related costs to be incurred by the Issuer;
- "Deferred tax liabilities": the column reports the recognition of Euro 44 million in positive tax effects of which: i) Euro 9 million in positive tax effects relating to transaction costs to be incurred by Encore Wire prior to the Acquisition closing date; ii) Euro 5 million in positive tax effects pertaining to Acquisition-related transaction costs to be incurred by the Issuer; iii) Euro 30 million in positive tax effects relating to costs for stock option plans, share-based payments and other bonuses;
- "Accrued liabilities": the column reports a decrease of Euro 20 million attributable to the payment of incentives to employees, including management;
- "Equity": the column reports a decrease of Euro 1,657 million representing the combined effect of all the adjustments listed above.

Column E – Acquisition Financing

The column reports the effects of financing the Acquisition through the loans presented in the table below, showing the impact on the individual line items involved:

(Euro/million)	**Impact on Cash and cash equivalents**	**Impact on Borrowings from banks and other lenders**	**Impact on Finance costs**	**Impact on Taxes**
Long Term Loan	1,000	1,000	(52)	15
Bridge Loan A	450	450	-	-
Bridge Loan B	925	925	(42)	12
Bridge Loan C1	513	513	(24)	7
Bridge Loan C2	513	513	(30)	9
Total new loans	**3,400**	**3,400**	**(148)**	**42**
Loan arrangement costs	(19)	(19)	(7)	2
Net effect	**3,381**	**3,381**	**(155)**	**44**

The overall adjustment of Euro 3,381 million to financial liabilities is split between non-current liabilities (Euro 2,931 million) and current liabilities (Euro 450 million).
The finance costs of the new debt have been determined on the basis of the interest rates set out in the respective credit agreements and include the sum of Euro 7 million attributable to the portion of their arrangement costs accruing in the period.
The tax effect has been determined using the Issuer's tax rate.

All the adjustments reflected in this column of the pro forma income statement will have a permanent effect.

Column F – Pro Forma Figures

This column reports the sum of the effects shown in the preceding columns.

Certain alternative performance indicators are presented on a pro forma basis below:

- EBITDA of 1,950 million , defined as operating income before the fair value change in metal price derivatives and in other fair value items involving share-based payments and before amortisation, depreciation and impairment
- Adjusted EBITDA of Euro 2,093 million, defined as EBITDA, as defined above, calculated before income and expense for business reorganisation, before non-recurring items and other non-operating income and expense

(Euro/million)	Prysmian	Prysmian pro forma
Net profit	**547**	**778**
Taxes	217	276
Profit before taxes	**764**	**1,054**
Net finance costs	96	221
Amortisation and depreciation	574	604
FV change in metal derivatives	(6)	(6)
FV share-based payment	57	77
EBITDA	**1,485**	**1,950**
Personnel costs relating to business reorganisations	48	48
Non-recurring expenses/(income)	9	9
Other non-operating expenses	86	86
ADJ EBITDA	**1,628**	**2,093**

- Net Financial Debt of Euro 5,301 million

(Euro/million)	Prysmian	Prysmian pro forma
Financial assets at amortised cost	(3)	(3)
Derivatives	(41)	(41)
Derivatives not included in net financial debt	30	30
Other receivables	(36)	(36)
Other receivables not included in net financial debt	29	29
Total non-current financial assets	**(21)**	**(21)**
Other receivables	(1,054)	(1,064)
Other receivables not included in net financial debt	1,030	1,040
Financial assets at fair value through profit or loss	(85)	(85)
Financial assets at fair value through other comprehensive income	(24)	(24)
Derivatives	(80)	(80)
Derivatives not included in net financial debt	58	58
Cash and cash equivalents	(1,741)	(1,009)
Total current financial assets	**(1,896)**	**(1,164)**
Total assets included in net financial debt	**(1,917)**	**(1,185)**
Borrowings from banks and other lenders	2,488	5,419
Total non-current liabilities included in net financial debt	**2,488**	**5,419**
Borrowings from banks and other lenders	608	1,058
Derivatives	57	57
Derivatives not included in net financial debt	(48)	(48)
Total current liabilities included in net financial debt	**617**	**1,067**
Net Financial Debt	**1,188**	**5,301**
Long-term financial receivables	6	6
Long-term loan arrangement costs	4	4
Cash flow hedging derivatives (assets)	31	31
Net non-hedging forex derivatives on commercial transactions, excluding non-current assets	1	1
Net non-hedging metal derivatives, excluding non-current assets	2	2
Net Financial Debt as per ESMA 32-382-1138	**1,232**	**5,345**

Net financial debt: is calculated as the sum of the following items:

- Borrowings from banks and other lenders – non-current portion
- Borrowings from banks and other lenders – current portion
- Derivatives on financial transactions recorded as non-current Derivative assets
- Derivatives on financial transactions recorded as current Derivative assets
- Derivatives on financial transactions recorded as non-current Derivative liabilities
- Derivatives on financial transactions recorded as current Derivative liabilities
- Medium/long-term financial receivables recorded in Other non-current receivables
- Loan arrangement fees recorded in Other non-current receivables
- Short-term financial receivables recorded in Other current receivables
- Loan arrangement fees recorded in Other current receivables
- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Cash and cash equivalents

5.2 Pro Forma Indicators per Share

The following indicators per share are shown below on a historical basis and a pro forma one (the Pro forma indicators per share):

	Prysmian	Prysmian pro forma
	(A)	(F)
Financial information (Euro/million)		
Equity attributable to the Group	3,781	3,770
Group share of net profit	529	760
Number of shares (thousands)		
Outstanding at end of period	272,805	272,805
Weighted average shares outstanding	272,679	272,679
Weighted average shares outstanding for diluted earnings per share	291,388	291,388
Results per share (Euro)		
Equity attributable to the Group	13.9	13.8
Group share of net profit	1.9	2.8
Diluted group share of net profit	1.84	2.61

Earnings per share have been calculated on the basis of the net profit for the year attributable to Prysmian's shareholders. The inclusion of the positive economic result of the acquired group and the effects of the pro forma adjustments described above have resulted in higher earnings per share.

5.3 Independent Auditors' Report on the pro forma economic and financial information

The Independent Auditors' Report on the examination of the Pro Forma Consolidated Financial Information at 31 December 2023 can be found in Appendix 1 to the Information document.

6. OUTLOOK FOR THE ISSUER AND THE GROUP

6.1 General information on the Issuer's business performance since the end of the financial year to which the latest published financial statements refer

Prysmian, meaning the legacy Group not including Encore Wire, is exposed to favourable market developments thanks to four global mega-trends:

1. Energy transition: in order to reduce CO2 emissions and tackle climate change, renewable energy is expected to grow significantly over the next few years, estimated to account for 70% of the world's electricity generation by 2050, more than double today's 30%;
2. Electrification: population growth, rising electricity consumption and the proliferation of highly energy-intensive telecommunications infrastructure are just some of the drivers leading to a 30% increase in electricity consumption by 2030;
3. Power grid upgrades: to support the energy transition, annual investments in power grids are expected to triple by 2050. Massive investments in upgrading grids will be needed to make them capable of handling increased energy demand, the related peaks, bi-directional energy flows and intermittent and dispersed renewable energy production;
4. Digital transformation: a 2.5-fold growth in fibre-connected sites and towers is expected by 2030. An exponential growth in the consumption of data is therefore expected in the coming years, enabled by the increased quality and quantity of the infrastructure that carries it. The development of technologies and the speed of data exchange are driving new innovative solutions (2x IoT devices by 2030) and a continuous reduction in costs, which will require faster and more accessible connectivity. To support this transition, USD 330 billion in data centre investments are planned between 2022 and 2030.

Each of these trends shows strong convergence and interdependence between energy and digitalisation. One only has to think of the case of Data Centres, or 5G towers, where suppliers, distribution channels, customers and value chains all intersect. Prysmian is therefore well positioned to seize all these market opportunities.

After its excellent results in 2023, Prysmian has reported a solid start to 2024. The first-quarter results showed excellent profitability, driven by the strong performance of the Power Grid and Transmission segments, with the quarter-end order backlog standing at more than Euro 18 billion.

Adjusted EBITDA came to Euro 412 million (Euro 427 million in 1Q23), with margins improving to 11.2% from 10.7% in 1Q23. The Transmission segment posted a solid improvement with its Adj. EBITDA climbing 15% to Euro 62 million thanks to strong project execution and better project margins. The Power Grid segment delivered an excellent performance, with Adj. EBITDA jumping to Euro 115 million (+57%) including a major improvement in margins to 13.5% (8.6% in 1Q23). In the Electrification segment, Adj. EBITDA amounted to Euro 203 million versus Euro 233 million in 1Q23. The improvement in Specialties (Adj. EBITDA margin of 11.1% vs 9.8% in 1Q23) was offset by Industrial & Construction, where price normalisation in North America continued at a slower-than-expected pace. A sharp market decline, especially in the US, negatively impacted Digital Solutions, as expected, with Adj. EBITDA dropping to Euro 32 million (Euro 67 million in 1Q23), including a smaller contribution from YOFC of Euro 3 million (Euro 7 million in 1Q23).

EBITDA amounted to Euro 393 million (Euro 398 million in 1Q23), including Euro 19 million in net expenses for company reorganisations, non-recurring expenses and other non-operating expenses (Euro 29 million in 1Q23).

Net profit increased to Euro 190 million (Euro 187 million in 1Q23). Net profit attributable to owners of the parent amounted to Euro 185 million (Euro 182 million in 1Q23).

Free Cash Flow LTM increased to Euro 827 million, up 42.3% from Euro 581 million in March 2023.

Net financial debt fell sharply to Euro 1,693 million at the end of March 2024 (Euro 2,074 million at the end of March 2023), driven by strong cash flow generation.

6.2 Information concerning guidance on current year results

The cable industry is increasingly strategic due to long-term market drivers that require resilient, high-performance, sustainable, and innovative cable systems: growth in renewable energy generation, growth in electricity demand, power grid upgrades, and significant growth in data consumption.

Updated guidance for the Prysmian Group including Encore Wire is not yet available at the date of this Information document.

As previously communicated, for FY 2024, Prysmian, meaning the legacy Group not including Encore Wire, expects to achieve results at the upper end of the following ranges:

- Adj. EBITDA in the range of Euro 1,575-1,675 million;
- free cash flow (before acquisitions and disposals) in the range of Euro 675-775 million;
- Scope 1&2 GHG emissions reduction of 36% and Scope 3 reduction of 13% vs 2019.

These targets assume no material changes in the geopolitical crisis relating to the conflicts in Ukraine and Israel, and also exclude extreme dynamics in the prices of production factors or significant supply chain disruptions. These forecasts are based on the Company's current business structure, assuming a EUR/USD exchange rate of 1.08, and do not include impacts on cash flows related to antitrust matters.

Building a better working world

EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Independent Auditor's report on the examination of Pro Forma Financial Information
(Translation from the original Italian text)

> The Commission Delegated Regulation (EU) 2019/980, adopted by CONSOB in Italy under Regulation n. 11971, requires, for the preparation of the information memorandum (the "Information Document") in connection with the listing of Italian companies that, when pro forma financial information are presented, the Information Document contain "a report prepared by the independent auditors stating that in their opinion the pro formal financial information has been properly compiled on the basis stated and that basis is consistent with the accounting policies of the Italian listed company". CONSOB in Italy requires that the independent auditors' report be prepared in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board.
>
> Accordingly, a report on the examination of the pro forma financial information was issued by the independent auditors of Prysmian S.p.A., in connection with the preparation of the Information Document by Prysmian S.p.A. pursuant to the Regulation adopted by CONSOB with Resolution no. 11971/99, as amended, for the acquisition of the whole share capital of Encore Wire Corporation, for the sole purpose of the above-mentioned Italian regulation. Such report forms part of the Information Document for the Transaction.
>
> The following is the English language translation of the original Italian independent auditors' report on the examination of the consolidated pro forma financial information of Prysmian S.p.A. under the above-mentioned Italian regulation, in connection with the transaction, and cannot be used, in whole or in part, for any other purposes.

To the Board of Directors of
Prysmian S.p.A.

Report on the Compilation of Pro Forma Financial Information Included in an Information Document

We have completed our assurance engagement to report on the compilation of pro forma financial information of Prysmian S.p.A. (the "**Company**", and with its subsidiaries, the "**Group**"). The pro forma consolidated financial information consists of the pro forma consolidated statement of the financial position as of December 31, 2023, the pro forma consolidated income statement for the year ended December 31, 2023, and related notes (the "**Pro Forma Consolidated Financial Information**") as set out in section 5 of the information document (the "**Information Document**") of the Company pursuant article 71 of issuers regulation adopted by Consob with Resolution no. 11971/99, as amended, (the "**Issuers Regulation**") for the acquisition of the whole share capital of Encore Wire Corporation. Directors of Prysmian S.p.A. have compiled the pro forma financial information as requested by the Annex 3B schedule 3 of the Issuers Regulation and on the basis of the applicable criteria set forth in the Commission Delegated Regulation (EU) 2019/980 and described in explanatory notes (the "**Applicable Criteria**").

The Pro Forma Consolidated Financial Information has been compiled by Company's Directors to retroactively illustrate the impact of the acquisition of the whole share capital of Encore Wire Corporation completed on July 2, 2024 though the merger of the its subsidiary into in Encore Wire Corporation (the "**Acquisition**") and the new financing required to perform the Acquisition (cumulatively with the Acquisition, the "**Transaction**"), on the Group's consolidated financial position and consolidated financial performance for the year December 31, 2023 as if the Transaction had taken place at December 31, 2023 with reference to the consolidated financial position and at January 1, 2023 with reference to the economic effects.

EY S.p.A.
Sede Legale: Via Meravigli, 12 – 20123 Milano
Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 2.900.000,00 i.v.
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As part of this process, historical financial information about the Group's consolidated financial position as of December 31, 2023, and consolidated financial performance per the year ended December 31, 2023 has been extracted from:

- the Group's consolidated financial statements at December 31, 2023, prepared in accordance with the International Financial Reporting Standards adopted by the European Union, which we have audited and we issued our audit report thereto on March 15, 2024;
- the financial statements of Encore Wire Corporation at December 31, 2023, 2022, and 2021, prepared in accordance with US GAAP, audited by Ernst & Young LLP, which issued its audit report on February 16, 2024.

Directors' Responsibility for the Pro Forma Consolidated Financial Information

Directors of Prysmian S.p.A. are responsible for compiling the pro forma financial information on the basis of the Applicable Criteria described in explanatory note and of the consistency of the Applicable Criteria with the accounting principles adopted by the Group.

Independence of the independent auditor and Quality Management

We have complied with the independence and other ethical requirement of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 (ISQM Italy 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditors' Responsibilities

Our responsibility is to express an opinion, as required by Annex 3B of Issuers Regulation, about whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, by Company's Directors on the basis of the Applicable Criteria, and such Applicable Criteria are consistent with the accounting principles adopted by the Group.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Consolidated Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether Company's Directors have compiled, in all material respects, the Pro Forma Consolidated Financial Information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Financial Information.

The purpose of pro forma financial information included in an information document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction on the historical financial information would have been as presented in the Pro Forma Consolidated Financial Information.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Company's Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria and the Applicable Criteria are consistent with the accounting principles adopted by the Group.

Milan, July 12, 2024

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

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

Appendix 2

Statement by Prysmian's financial reporting officers, pursuant to art. 154-*bis*, par. 2 of Italian Legislative Decree 58/1998

Subject: Accounting information contained in the Information document relating to the Acquisition of Encore Wire Corporation by Prysmian S.p.A.

Financial reporting officers Stefano Invernici and Alessandro Brunetti certify, pursuant to art. 154-*bis*, par. 2, of Italian Legislative Decree 58 of 24 February 1998, that the accounting information relating to Prysmian S.p.A. contained in the Information document referred to above corresponds to the underlying documents and accounting books and records of the same Prysmian S.p.A.

Milan, 12 July 2024

Alessandro Brunetti

Stefano Invernici