

# Half-yearly financial report as of 30 June 2024

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## Corporate Bodies

### Board of Directors

Chairman	Mr	Filippo Casadio
Non-Executive Director	Mr	Francesco Gandolfi Colleoni
Non-Executive Director	Mr	Gianfranco Sepriano
Non-Executive Director	Ms	Francesca Pischedda
Non-Executive Director	Mr	Orfeo Dallago
Independent Director	Ms	Gigliola Di Chiara
Independent Director	Ms	Claudia Peri

### Board of Statutory Auditors

Chairman	Ms	Donatella Vitanza
Standing Statutory Auditor	Mr	Fabrizio Zappi
Standing Statutory Auditor	Mr	Giuseppe Di Rocco
Substitute Statutory Auditor	Mr	Federico Polini
Substitute Statutory Auditor	Ms	Debora Frezzini

### Independent Auditors

Deloitte & Touche S.p.A.

Components	Control and Risks Committee	Remuneration Committee	Related Parties Committee
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Ms Gigliola Di Chiara	■	■	■
Mr Gianfranco Sepriano	■	■	■
Ms Claudia Peri	■	■	■
Ms Francesca Pischedda			■

### Financial Reporting Officer

Ms Elena Casadio

### Internal Auditor

Mr Fabrizio Bianchimani

### Supervisory Board

Mr Francesco Bassi  
Mr Gabriele Fanti  
Mr Gianluca Piffanelli



## Interim Report on Operations

The consolidated financial statements of IRCE Group (hereinafter also the "Group") for the first half year of 2024 recorded a profit of € 4.84 million.

Consolidated turnover was € 208.41 million, down by 4.8% compared to the first six months of last year (€ 218.96 million); the reduction was mainly due to lower volumes, only partially offset by the increase in the price of copper (the average LME price in Euro, in the first half of 2024, was 4.5% higher than in the same period of 2023).

In the first half of the year, sales confirmed the weakness of market demand in both business lines. In the winding conductor sector, volumes were at the low levels of the last two quarters. In cables, the contraction in the traditional markets - construction and cabling - persisted but it was offset by orders in the infrastructure sector.

In this context, turnover without metal<sup>1</sup> decreased by 0.6%; the winding wires sector fell by 8.1% while the cable sectors recorded an increase by 21.9%.

In detail:

Consolidated turnover without metal <sup>1</sup> (€/million)	30 June 2024		30 June 2023		Change %
	Value	%	Value	%	
Winding wires	36.05	69.4%	39.23	75.0%	-8,1%
Cables	15.93	30.6%	13.07	25.0%	21,9%
<b>Total</b>	<b>51.98</b>	<b>100.0%</b>	<b>52.30</b>	<b>100.0%</b>	<b>-0,6%</b>

The following table shows the changes in results compared with those of the same period of last year, including the adjusted values of EBITDA and EBIT:

Consolidated income statement data (€/million)	30 June 2024 Value	30 June 2023 Value	Change Value
Turnover <sup>2</sup>	208.41	218.96	(10.55)
EBITDA <sup>3</sup>	12.41	11.39	1.02
EBIT	8.37	7.60	0.77
Net result before tax	7.99	6.51	1.48
Net result for the period	4.84	4.94	(0.10)
Adjusted EBITDA <sup>4</sup>	13.03	11.32	1.71
Adjusted EBIT <sup>4</sup>	8.99	7.53	1.46

<sup>1</sup> Turnover without metal corresponds to overall turnover after deducting the metal component.

<sup>2</sup> The item "Turnover" represents the "Revenues" reported in the income statement.

<sup>3</sup> EBITDA is a performance indicator the Group's Management uses to assess the operating performance of the company and is not an IFRS measure; IRCE S.p.A. calculates it by adding depreciation/amortisation, provisions and write-downs to EBIT.

<sup>4</sup> Adjusted EBITDA and EBIT are calculated as the sum of EBITDA and EBIT and the gains/losses on copper and electricity derivatives transactions if realized (€ +0.62 million in the first half 2024 and € -0.07 million in first half 2023). These are indicators that the Group's Management uses to monitor and assess its own operating performance and are not IFRS measures. Given that the composition of these measures is not regulated by the reference accounting standards, the criterion used by the Group may not be consistent with that adopted by others and is therefore not comparable.

Consolidated statement of financial position data (€/million)	30 June 2024 Value	31 December 2023 Value	Change Value
Net capital employed <sup>5</sup>	206.74	178.98	27.76
Shareholders' equity	152.33	153.33	(1.00)
Net financial position <sup>6</sup>	54.41	25.65	28.76

The net financial position as at 30 June 2024 amounted to € 54.41 million, up from € 25.65 million as of 31 December 2023, mainly due to the increase in operating working capital and the investment in the Czech Republic.

The decrease in shareholders' equity of € 1.00 million, in addition to the payment of the dividend, is due to the negative change in the translation reserve of € 4.19 million, caused by the devaluation of the Brazilian Real, which depreciated by almost 10% against the Euro since the beginning of the year.

### Investments

The Group's investments in H1 2024 amounted to € 15.2 million and mainly concerned the investment in the plant in the Czech Republic.

### Main Risks and Uncertainties

The Group's main risks and uncertainties, as well as the related risk management policies, are detailed below.

#### Market risk

The Group is strongly focused on the European market; the risk of contractions in demand or of worsening of the competitive scenario may impact the results. To address these risks, the Group's medium to long-term strategy provides for a geographic diversification in non-EU countries.

#### Risk associated with changes in financial and economic variables

- *Exchange rate risk*

The Group primarily uses the Euro as the reference currency for its sales transactions. It is exposed to exchange rate risks mainly in relation to its copper purchases, which it partly carries out in dollars; it may hedge such transactions using forward contracts. It is also exposed to foreign currency translation risks for its investments in Brazil, the UK, India, Switzerland, Poland, China, and the Czech Republic.

As for the foreign currency translation risk of subsidiaries, the Group believes this risk mainly concerns the investment in Brazil due to the high volatility of Brazilian Real, which affects the carrying amount of the investment.

As of June 30, 2024, the spot exchange rate of the Brazilian currency against the euro, equal to 5.88, depreciated by approximately 11% compared to December 31, 2023, equal to 5.31, resulting in a negative effect on the translation reserve.

<sup>5</sup> Net invested capital is the sum of net working capital, fixed assets, other receivables net of other payables, provisions for risks and charges and provisions for employee benefits.

<sup>6</sup> Net financial position is measured as the sum of short-term and long-term financial liabilities minus cash and current financial assets (see note n. 9 of consolidated financial statements). It should be noted that the method for measuring net financial position comply with the one defined by the Consob's notice no. 5/21 attention recall of 29 April 2021, which takes over the ESMA guideline of 4 March 2021.

- *Interest rate risk*

The Group financed itself in the medium/long term mainly by borrowing at a variable interest rate (connected to the Euribor), thus exposing itself to risk from a rise in interest rates. For the future, the Group will assess whether to make hedges on the basis of the terms and conditions offered by the market and the expectations of interest rate trends. Short-term lines of credit are always at variable rates.

- *Risk related to fluctuation in the price of copper*

The main raw material used by the Group is copper. The changes in its price can affect margins as well as financial requirements. In order to mitigate the potential impact of changes in the price of copper on margins, the Group implements a hedging policy using forward contracts on the positions generated by operating activities. However, given falling copper prices, the risk remains of having to measure the final inventories at the expected realisable value, should it be below the average weighted cost for the period, with a negative impact on the result.

It should be noted that the average price of copper in the first half of 2024 on the London Metal Exchange was 8.42 Euro/Kg, approximately 4.6 percent higher than that of the previous period, equal to 8.05 Euro/Kg, while the spot price as at 30 June 2024 was 8.86 Euro/kg, approximately 15.5 percent higher than the 7.67 Euro/Kg as of December 31, 2023. Finally the average price of copper in July was 8.45 Euro/kg, down compared to 30 June 2024.

- *Financial risks*

These are risks associated with financial resources.

- *Credit risk*

There are no significant concentrations of credit risk. The Group monitors this risk using adequate assessment and lending procedures with respect to each credit position. In addition, considering that the Group's main customers are established, industry-leading firms, there are no particular risks that could cause days sales outstanding or credit quality to deteriorate, also considering the Russia-Ukraine and Israel-Palestine wars. The Group also selectively implemented insurance hedges to limit the risk of insolvency.

- *Liquidity risk*

The financial situation and the credit lines available, together with the Group's high standing which makes it possible to acquire new loans quickly at competitive prices, are such as to rule out difficulties in fulfilling the obligations associated with the liabilities. It should be noted that the Parent Company has recently signed 3 separate ten-year floating rate loan agreements for a total amount of Euro 30 million, without financial covenants, to support the construction of the production plant and the investment in machinery in the Czech Republic.

#### Climate change risks

The Group has assessed the significant elements of climate change risk for its activities and its business. In particular, on one hand, it is expected that the sector it belongs to may be positively impacted by an increase in demand both in specific fields, such as home and industrial automation and automotive, as well as more generally by the need to boost electric grids; on the other, the strong demand for green raw materials (in particular, copper cathodes and electricity) could drive an increase in prices, potentially complicating its prompt and complete transfer to end users.

On the other hand, in relation to the acute physical risks associated with extreme weather events, it is believed that the presence of Recovery Plans, in which the procedures to be put in place to guarantee the continuity of supplies within the contractual timeframe are formalised, together with the stipulation of insurance policies with leading companies should contain the negative impacts of adverse climatic phenomena both in economic and business terms.

Ultimately, at present, although climate change may lead to an acceleration of investments as well as an increase in operating costs, it is believed that the expected growth in volumes represents a greater opportunity for the Group than risks.

#### Risks linked to the Russia-Ukraine and Middle-East conflicts

The IRCE Group does not currently have substantial risks from the conflicts between Russia and Ukraine and in the Middle East since it is not present in these countries and does not have customers or suppliers in them. Likewise, there do not seem to be significant risks either to the supply chain or to sales since transactions which include the transit of containers through the Suez Canal are limited.



### Cybersecurity Risks

The spread of technologies allowing to transfer and share sensitive information virtually gives rise to computer vulnerabilities that could affect the business of the Group.

Given the increasing frequency and breadth of cyber-attacks in recent times, IRCE identified potential issues inside and outside the company, and implemented a cybersecurity plan as well as a recovery procedure.

In the current context, given the ongoing Russia-Ukraine and Israel-Palestine conflicts, the Group also intensified monitoring and defensive activities in relation to possible malware attacks, adopting appropriate measures to mitigate risks.

### **Intragroup transactions and transactions with Related Parties**

The transactions between the Parent Company and the subsidiaries are of commercial and financial nature.

With regard to transactions with related parties, including intra-group transactions, it should be noted that they can be classified neither as atypical nor unusual, as they are part of the normal course of business of the Group's companies and have been carried out at arm's length.

Pursuant to paragraph 8 of Article 5 of the "Related Party Transactions Regulation" adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently integrated and last amended by resolution no. 21624 of 10 December 2020, it is hereby certified that in the first half of 2024 the Company has carried out "major transactions" with its subsidiary Irce S.r.o for a total of €13.1 million in order to support the construction of the new industrial plant in the Czech Republic.

### **Outlook**

Our forecast for 2024 assumed a gradual growth, expected to start by the end of the first half of the year; in light of the current slowdowns of market demand, especially in the winding conductor sector, a recovery is expected only in the last period of the year. It should be noted that for the cable sector, the current order book, which consists of multi-year orders, assures good levels of turnover.

Our medium-long term forecast remains unchanged, demand will record significant growth, driven by the ongoing energy transition.

As for the plant in the Czech Republic, production is expected to start in the first half of 2025. The construction of the China plant began in July with the target of starting production by 2025.

Imola, 13 September 2024

On behalf of the Board of Directors

The Chairman

Mr Filippo Casadio



## Consolidated statement of financial position

(Thousand of Euro)	Notes	2024 30 June	2023 31 December
<b>ASSETS</b>			
<b>Non current assets</b>			
Goodwill and other intangible assets		106	136
Property, plant and machinery	3	43,015	43,933
Equipments and other tangible assets	3	1,706	1,852
Assets under constructions and advances	3	25,376	13,385
Non current financial assets		7	5
Deferred tax assets		2,673	2,495
Other non current assets non financial		1,093	1,196
<b>NON CURRENT ASSETS</b>		<b>73,976</b>	<b>63,002</b>
<b>Current assets</b>			
Inventories	4	116,929	94,495
Trade receivables	5	73,939	67,157
Tax receivables		39	22
Other current assets	6	3,676	4,575
Current financial assets	7	405	373
Cash and cash equivalent	9	17,626	14,167
<b>CURRENT ASSETS</b>		<b>212,614</b>	<b>180,789</b>
<b>TOTAL ASSETS</b>		<b>286,590</b>	<b>243,791</b>



(Thousand of Euro)	Notes	2024 30 June	2023 31 December
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital		13,766	13,782
Reserves		134,031	131,641
Profit (loss) for the period		4,844	8,226
<b>Shareholders' equity attributable to shareholders of Parent company</b>		<b>152,641</b>	<b>153,649</b>
Shareholders equity attributable to Minority interests		(311)	(322)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>8</b>	<b>152,330</b>	<b>153,327</b>
<b>Non current liabilities</b>			
Non current financial liabilities	9	20,600	13,664
Deferred tax liabilities		210	286
Non current provisions for risks and charges	10	1,049	846
Non current provisions for post employment obligation	11	3,570	3,673
<b>NON CURRENT LIABILITIES</b>		<b>25,429</b>	<b>18,469</b>
<b>Current liabilities</b>			
Current financial liabilities	9	51,845	26,524
Trade payables	12	40,433	33,207
Current tax payables	13	5,310	1,496
<i>(of which related parties)</i>		3,809	1,169
Social security contributions		2,291	2,022
Other current liabilities	14	8,579	8,507
Current provisions for risks and charges	10	373	239
<b>CURRENT LIABILITIES</b>		<b>108,831</b>	<b>71,995</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>286,590</b>	<b>243,791</b>

## Consolidated income statement

(Thousand of Euro)	Notes	2024 30 June	2023 30 June
Sales revenues	15	208,407	218,956
Other revenues and income		672	663
<b>TOTALE REVENUES AND INCOME</b>		<b>209,079</b>	<b>219,619</b>
Raw materials and consumables	16	(170,773)	(181,049)
Change in inventories of work in progress and finished goods		11,455	8,817
Cost for services	17	(19,514)	(19,994)
Personnel costs	18	(16,868)	(15,456)
Amortization /depreciation/write off tangible and intangible assets	19	(3,834)	(3,545)
Provision and write downs	20	(200)	(243)
Other operating costs		(974)	(552)
<b>EBIT</b>		<b>8,371</b>	<b>7,597</b>
Financial income / (charges)	21	(382)	(1,087)
<b>RESULT BEFORE TAX</b>		<b>7,989</b>	<b>6,510</b>
Income taxes	22	(3,134)	(1,565)
<b>NET RESULT FOR THE PERIOD</b>		<b>4,855</b>	<b>4,945</b>
Net result attributable to non-controlling interests		11	1
<b>Net result attributable to shareholders of the Parent Company</b>		<b>4,844</b>	<b>4,944</b>
<b>EARNINGS/(LOSSES) PER SHARES</b>			
- basic EPS for the period attributable to shareholders of the parent company	23	0.1829	0.1864
- diluted EPS for the period attributable to shareholders of the parent company	23	0.1829	0.1864

## Consolidated statement of comprehensive income

(Thousand of Euro)	Notes	2024 30 June	2023 30 June
<b>Net result for the period</b>		<b>4,855</b>	<b>4,945</b>
Translation difference on financial statements of foreign companies	8	(4,193)	2,676
<b>Total items that will be reclassified to net result</b>		<b>(4,193)</b>	<b>2,676</b>
Actuarial gain / (losses) IAS 19		(12)	(123)
Tax effect		(2)	23
<b>Total IAS 19 reserve variance</b>	<b>8</b>	<b>(14)</b>	<b>(100)</b>
<b>Total items that will not be reclassified to net result</b>		<b>(14)</b>	<b>(100)</b>
<b>Total comprehensive income for the period</b>		<b>648</b>	<b>7,521</b>
Attributable to shareholders of Parent company		637	7,520
Attributable to Minority interest		11	1

## Consolidated statement of changes in equity

(Thousand of Euro)	Share capital	Other reserves			Retained earnings				Equity attributable to parent company shareholders'	Equity attributable to minority interest	Total shareholders' equity
		Share premium reserve	Other reserves	Legal reserve	las 19 reserve	Retained earnings	Translation reserve	Result for the period			
<b>Opening balance previous year</b>	<b>13,802</b>	<b>40,471</b>	<b>45,923</b>	<b>2,925</b>	<b>(424)</b>	<b>62,672</b>	<b>(29,483)</b>	<b>9,224</b>	<b>145,110</b>	<b>(325)</b>	<b>144,785</b>
Dividends	-	-	-	-	-	(1,592)	-	-	(1,592)	-	(1,592)
Sell / (purchase) own shares	(10)	(29)	-	-	-	-	-	-	(39)	-	(39)
Allocation of previous year net result	-	-	-	-	-	9,224	-	(9,224)	-	-	-
Other comprehensive income for the period	-	-	-	-	(100)	-	2,676	-	2,576	-	2,576
Net result for the period	-	-	-	-	-	-	-	4,944	4,944	1	4,945
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100)</b>	<b>-</b>	<b>2,676</b>	<b>4,944</b>	<b>7,519</b>	<b>1</b>	<b>7,521</b>
<b>Closing balance previous period</b>	<b>13,792</b>	<b>40,442</b>	<b>45,923</b>	<b>2,925</b>	<b>(524)</b>	<b>70,304</b>	<b>(26,807)</b>	<b>4,944</b>	<b>150,999</b>	<b>(324)</b>	<b>150,675</b>
<b>Opening balance current year</b>	<b>13,782</b>	<b>40,409</b>	<b>45,923</b>	<b>2,925</b>	<b>(730)</b>	<b>70,304</b>	<b>(27,190)</b>	<b>8,226</b>	<b>153,649</b>	<b>(322)</b>	<b>153,327</b>
Dividends	-	-	-	-	-	(1,588)	-	-	(1,588)	-	(1,588)
Sell / (purchase) own shares	(16)	(41)	-	-	-	-	-	-	(57)	-	(57)
Allocation of previous year net result	-	-	-	-	-	8,226	-	(8,226)	-	-	-
Other comprehensive income for the period	-	-	-	-	(14)	-	(4,193)	-	(4,207)	-	(4,207)
Net result for the period	-	-	-	-	-	-	-	4,844	4,844	11	4,855
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>(4,193)</b>	<b>4,844</b>	<b>637</b>	<b>11</b>	<b>648</b>
<b>Closing balance current period</b>	<b>13,766</b>	<b>40,368</b>	<b>45,923</b>	<b>2,925</b>	<b>(744)</b>	<b>76,942</b>	<b>(31,383)</b>	<b>4,844</b>	<b>152,641</b>	<b>(311)</b>	<b>152,330</b>

## Consolidated statement of cash flow

(Thousand of Euro)	Notes	2024 30 June	2023 30 June
<b>OPERATING ACTIVITIES</b>			
Result of the period (Group and Minorities)		4,855	4,945
<i>Adjustments for:</i>			
Depreciation / Amortization	19	3,834	3,545
Net change in deferred tax (assets) / liabilities	22	(253)	(336)
Capital (gains) / losses from disposal of fixed assets		(175)	(20)
Losses / (gains) on unrealised exchange rate differences	21	(301)	(287)
Provisions/write down (release/reversal)	20	200	633
Income taxes	22	3,387	1,901
Financial (income) / expenses	21	304	1,133
<b>Operating result before changes in working capital</b>		<b>11,851</b>	<b>11,514</b>
Income taxes paid		(416)	(1,406)
Financial charges paid		(1,523)	(2,412)
Financial income collected		1,753	1,278
Decrease / (Increase) in inventories		(24,363)	650
Change in trade receivables		(8,746)	(17,308)
Change in trade payables		7,702	3,758
Net changes in current other assets and liabilities		1,406	3,064
Net changes in current other assets and liabilities - related parties		1,133	605
Net changes in non current other assets and liabilities		(95)	1,069
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(11,298)</b>	<b>812</b>
<b>INVESTING ACTIVITIES</b>			
Investments in intangible assets		(38)	(76)
Investments in tangible assets	3	(15,168)	(5,036)
Disposals of tangible and intangible assets		194	28
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(15,012)</b>	<b>(5,084)</b>
<b>FINANCING ACTIVITIES</b>			
Repayments of loans		(3,075)	(3,132)
Obtainment of loans	9	10,000	-
Net changes of current financial liabilities		24,965	12,832
Net changes of current financial assets		(250)	(27)
Dividends paid to shareholders	8	(1,588)	(1,592)
Sell/(purchase) of own shares	8	(57)	(38)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>29,995</b>	<b>8,043</b>
<b>NET CASH FLOW FROM THE PERIOD</b>		<b>3,686</b>	<b>3,771</b>
<b>CASH BALANCE AT THE BEGINNING OF THE PERIOD</b>	<b>9</b>	<b>14,167</b>	<b>5,608</b>
Exchange rate differences		(227)	180
<b>NET CASH FLOW FROM THE PERIOD</b>		<b>3,686</b>	<b>3,771</b>
<b>CASH BALANCE AT THE END OF THE PERIOD</b>	<b>9</b>	<b>17,626</b>	<b>9,559</b>

## Notes to the Interim Report on Operations

### GENERAL INFORMATION

IRCE Group owns 9 manufacturing plants and is one of the major players in the European winding wire industry, as well as in the Italian electrical cable sector.

Italian plants are located in the towns of Imola (Bologna), Guglionesi (Campobasso) and Umbertide (Perugia) while foreign operations are carried out by Smit Draad Nijmegen BV in Nijmegen (NL), FD Sims Ltd in Blackburn (UK), Irce Ltda in Joinville (SC – Brazil), Stable Magnet Wire P. Ltd in Kochi (Kerala – India) and Isodra GmbH in Kierspe (D).

The distribution network consists of agents and the following trading subsidiaries: Isomet AG in Switzerland, DMG GmbH in Germany, Isolveco 2 S.R.L. in Italy, Irce S.L. in Spain, and Irce SP.ZO.O in Poland.

The consolidated scope of the Irce Group also includes the companies currently not operating for which it is expected to start operations in the coming years, respectively Irce Electromagnetic Wire (Jiangsu) Co. Ltd based in Haian (China), Irce s.r.o based in Ostrava (Czech Republic), Fine Wire P. Ltd. based in Kochi (Kerala – India)

### GENERAL DRAFTING CRITERIA

The Half-yearly financial report has been drawn up in compliance with the IAS 34 “Interim Financial Reporting” pursuant to the provisions for the condensed interim financial statements and with article 154 ter of TUF. This interim consolidated financial report doesn’t include all information requested by annual consolidated financial statements and should be read jointly with the 31 December 2023 consolidated financial statements.

The Half-yearly financial report is drafted in euro and all values reported in the notes are in thousands of Euro, unless specified otherwise. The formats used for the Half-yearly financial report have been prepared in accordance with the provisions of IAS 1. In particular:

- the statement of financial position was drafted by presenting current and non-current assets, and current and non-current liabilities, as separate classifications;
- the income statement was drafted by classifying the items by nature;
- the statement of cash flows was drafted, in accordance with IAS 7, by classifying cash flows during the period into operating, investing and financing activities. Cash flows from operating activities were presented using the “indirect method”.

The Directors have assessed the applicability of the going concern assumption in the preparation of the interim consolidated financial statements, concluding that this assumption is appropriate as there is no doubt about the company’s ability to continue as a going concern.

### ACCOUNTING PRINCIPLES

The accounting principles and criteria adopted for the preparation of the Half-yearly financial report as at 30 June 2024 are consistent with those used for the preparation of the financial statements as at 31 December 2023 to which reference should be made for further information, with the exception of the new standards which have come into force, and which have been endorsed and became effective from 1 January 2024, subsequently summarized.

## ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2024

Accounting standard, Amendment, Interpretation	Issued date	Endorsement date	Effective date
Amendments to IAS 1 Presentation of Financial Statements:			
- Classification of Liabilities as Current or Non-current	23/01/2020		
- Classification of Liabilities as Current or Non-current	15/07/2020	19/12/2023	01/01/2024
- Non-current Liabilities with Covenants	31/10/2022		
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	22/09/2022	20/11/2023	01/01/2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	25/05/2023	15/05/2024	01/01/2024

The adoption of these amendments did not have any significant impact on the Group consolidated financial statements.

## ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET ENDORSED BY THE EUROPIAN UNION

Accounting standard, Amendment, Interpretation	Issued date	Effective date
Amendments to IAS 21 The effect of Changes in Foreign Exchange Rates: Lack of Exchangeability	15/08/2023	01/01/2025
IFRS 18 Presentation and Disclosure in Financial Statements	09/04/2024	01/01/2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	09/05/2024	01/01/2027
Amendments to the classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	30/05/2024	01/01/2026

The Directors do not expect a material effect on the financial statements from the adoption of these standards, amendments and interpretations.

## USE OF ESTIMATES

The drafting of the condensed consolidated half-yearly financial statements pursuant to IFRSs requires to make estimates and assumptions which affect the amounts of the assets and liabilities recognised in the financial statements as well as the disclosure related to contingent assets and liabilities at the reporting date. The final results could differ from these estimates. Estimates are mainly used to assess the recoverability of fixed assets, recognise the provisions for bad debt, realisable value, inventory obsolescence, depreciation and amortisation, impairment of assets, employee benefits, and taxes. The estimates and assumptions are reviewed periodically and the effects of each change are reflected in the income statement.



## SCOPE OF CONSOLIDATION

The following table shows the list of companies included in the scope of consolidation as of 30 June 2024:

Company	% of investment	Registered office	Currency Capital	Share	Consolidation
Isomet AG	100%	Switzerland	CHF	1,000,000	line by line
Smit Draad Nijmegen BV	100%	Netherlands	EUR	1,165,761	line by line
FD Sims Ltd	100%	UK	GBP	15,000,000	line by line
Isolveco Srl in liquidation	75%	Italy	EUR	46,440	line by line
DMG GmbH	100%	Germany	EUR	255,646	line by line
Irce SL	100%	Spain	EUR	150,000	line by line
Irce Ltda	100%	Brazil	BRL	157,894,223	line by line
Isodra GmbH	100%	Germany	EUR	25,000	line by line
Stable Magnet Wire P.Ltd.	100%	India	INR	493,594,060	line by line
Irce SP.ZO.O	100%	Poland	PLN	200,000	line by line
Isolveco 2 Srl	100%	Italy	EUR	10,000	line by line
Irce Electromagnetic Wire (Jiangsu) Co. Ltd	100%	China	CNY	28,925,716	line by line
Irce s.r.o	100%	Czech Republic	CZK	5,700,000	line by line
Fine Wire P. Ltd	100%	India	INR	820,410	line by line

It should be noted that the Indian company Fine Wire P. Ltd is indirectly owned by IRCE through Stable Magnet Wire P.Ltd.

## EXCHANGE RATE

The exchange rates used to translate in Euro the figures of the subsidiaries as at 30 June 2024 as well as comparative periods were as follows:

Currency	Current period		Previous year		Previous period	
	Average	Spot	Average	Spot	Average	Spot
GBP	0.8546	0.8461	0.8699	0.8689	0.8766	0.8582
CHF	0.9614	0.9626	0.9717	0.9257	0.9856	0.9781
BRL	5.4937	5.8832	5.4019	5.3625	5.4834	5.2693
INR	89.9694	89.1780	89.3289	91.9631	88.8879	89.0507
CNY	7.7999	7.7674	7.6586	7.8454	7.4895	7.8901
PLN	4.3172	4.3089	4.5423	4.3386	4.6264	4.4384
CZK	25.0149	25.0250	24.0043	24.7240	23.6801	23.7420





## 1. SEGMENT REPORTING

IFRS 8 defines an operating segment as follows. An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- for which discrete financial information is available.

In accordance with IFRS 8, the companies of the Irce Group were grouped in the following 3 operating segments, considering their similar economic characteristics:

- Italy: Irce SpA, Isolveco 2 Srl and Isolveco Srl in liquidation;
- EU: Smit Draad Nijmegen BV, DMG GmbH, Irce S.L., Isodra GmbH, Irce SP. ZO.O. and Irce S.r.o.
- Non-EU: FD Sims Ltd, Irce Ltda, Isomet AG, Stable Magnet Wire Ltda, Irce Electromagnetic Wire (Jiangsu), Fine Wire P. Ltd,

Below is the income statement broken down by geographic operating segment, compared with the period 30 June 2023, as well as the balance sheet balances of intangible and tangible fixed assets, compared with 31 December 2023:

(Thousand of Euro)	Italy	UE	Extra UE	Consolidation entries	Irce Group
<b>Current period</b>					
Sales revenues	133,511	19,139	65,028	(9,272)	208,407
Ebitda	8,394	(280)	4,356	(65)	12,405
Ebit	5,591	(580)	3,425	(65)	8,371
Financial income/(charge)	-	-	-	-	(382)
Income taxes	-	-	-	-	(3,134)
Net result for the period	-	-	-	-	4,855
Intangible assets	95	-	11	-	106
Tangible assets	30,613	24,373	15,111	-	70,098
<b>Previous period</b>					
Sales revenues	143,039	23,527	63,540	(11,149)	218,956
Ebitda	7,680	793	2,855	58	11,385
Ebit	5,805	159	1,575	58	7,597
Financial income/(charge)	-	-	-	-	(1,087)
Income taxes	-	-	-	-	(1,565)
Net result for the period	-	-	-	-	4,945
Intangible assets	121	-	15	-	136
Tangible assets	32,559	11,741	14,870	-	59,170

## 2. DERIVATE INSTRUMENTS

The Group uses the following types of derivative instruments:

- Derivative instruments related to metal forward purchase and sale transactions with maturity after 30 June 2024. These transactions do not qualify as hedging instruments for the purposes of hedge.

Below is a summary of the metal derivative contracts outstanding as at 30 June 2024:

	Notional amount		Fair value at 30/06/2024		
	Assets (Ton)	Liabilities (Ton)	Current assets (€/000)	Current liabilities (€/000)	Net carrying amount (€/000)
Forward purchase and sale transactions on copper	310	610	154	(63)	91

- Derivative instruments related to currency forward purchase and sale transactions with maturity after 30 June 2024. These transactions do not qualify as hedging instruments for the purposes of cash flow hedge accounting.

Below is a summary of the currency derivative contracts outstanding as at 30 June 2024:

	Notional Value		Fair value al 30/06/2024		
	Assets (Thousand)	Liabilities (Thousand)	Current Assets (€/000)	Current Liabilities (€/000)	Net carrying amount (€/000)
Forward purchase and sale transactions on USD	6,900	600	32	(1)	31
Forward sale transactions on GBP		7,800		(315)	(315)



## COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 3. TANGIBLE ASSETS

The following table shows the breakdown and changes in tangible assets for the period closed as at 30 June 2024:

(Thousand of Euro)	Lands	Buildings	Plant and machinery	Equipments	Other tangible assets	Assets under construction and advances	Total
<b>Closing balance - previous period</b>	<b>14,698</b>	<b>11,742</b>	<b>17,493</b>	<b>1,334</b>	<b>517</b>	<b>13,385</b>	<b>59,170</b>
<b>Changes - current period</b>							
Purchase	-	224	1,373	196	59	13,482	15,333
Depreciation	(14)	(590)	(2,768)	(301)	(93)	-	(3,767)
Reclass	-	0	1,404	-	0	(1,404)	0
Disposals	-	(51)	(1,056)	(1)	(67)	-	(1,175)
Disposals - Depreciation fund	-	51	1,038	0	66	-	1,156
Exchange rate differences	(201)	(128)	(200)	3	(7)	(87)	(620)
<b>Closing balance- current period</b>	<b>14,483</b>	<b>11,248</b>	<b>17,284</b>	<b>1,231</b>	<b>475</b>	<b>25,376</b>	<b>70,097</b>

The Group's investments as at 30 June 2024 amounted to € 15,333 thousand, of which € 165 thousand related to rights of use, and mainly concerned the category "Assets under construction and advances" and, in particular, the investment in the production plant in the Czech Republic.

The item "Reclassification" mainly refers to investments made in previous years or in the current year, initially recorded in the category "Fixed assets under construction and advances" and allocated, once completed, to the specific categories to which they belong.

"Exchange rate differences" mainly refer to the Brazilian subsidiary following the devaluation of the Real against the Euro compared to December 31, 2023.

"Assets under constructions and advances", amounting to € 25.4 million, refer not only to the investment in the Czech Republic but also to the renewal of the Group's plant fleet, most of which will come into operation during the second half of 2024.

The Directors consider the medium/long-term outlook for the Group to be substantially confirmed, as reflected in the 2024-2028 plan used for the preparation of the impairment test at 31 December 2023. Therefore, also taking into account the Group's final results as at 30 June 2024 and the expected performance for the second half of the year, they believe that there are no indicators of impairment compared to the values recorded in the financial statements with reference to tangible and intangible assets and, consequently, have not deemed it necessary to update the impairment test as at 30 June 2024.

### 4. INVENTORIES

The inventories, detailed below, are not pledges nor used as collateral.

(Thousand of Euro)	2024 30 June	2023 31 December
Raw materials, ancillary and consumables - grsso value	46,427	34,757
Work in progress and semi-finished goods - gross value	21,252	16,667
Finished products and goods - gross value	55,868	49,937
Provision for write down of raw material	(4,253)	(4,162)
Provision for write down of finished products and goods	(2,365)	(2,704)
<b>Total inventories</b>	<b>116,929</b>	<b>94,495</b>

The change in the period is mainly attributable to a quantity effect, essentially attributable to higher volumes of metal in stock and, to a lesser extent, to the price effect.

The price of copper was substantially stable at the beginning of the year while starting from March an uptrend began until June. The average price of copper on the London Metal Exchange in the first half of 2024 was €8.42/kg (€8.05/kg in H1 2023), higher than that of 31 December 2023, which was €7.70/kg. However, it should be noted that starting from mid-July we are instead witnessing a progressive reduction in the price of copper to values below the average of the 1st half of 2024. On the basis of the above and taking into account the expected trends in the price of copper and the expectations regarding the time of realization of inventories in stock, the Group, as required by its policies and in line with IFRS, has written down the copper in stock to the estimated realisable value as it is lower than the weighted average cost of the first half of 2024.

The changes in the provision for write-down of inventories during the first half 2024 are as follows:

(Thousand of Euro)	Opening balance	Provision	Reversal	Utilization	Exchange rate differences	Closing balance
Provision for write down of raw material	(4,162)	(132)	-	32	9	(4,253)
Provision for write down of finished products	(2,704)	(147)	247	230	9	(2,365)
<b>Total</b>	<b>(6,866)</b>	<b>(279)</b>	<b>247</b>	<b>262</b>	<b>18</b>	<b>(6,618)</b>

The provision for write-downs of raw materials refers to the amount deemed necessary to cover the risks of obsolescence, mainly of packaging and maintenance material, whilst the provision for write-downs of finished products is set aside against slow-moving or non-moving finished products as well as to products that are no longer suitable for sale.

## 5. TRADE RECEIVABLES

The details of trade receivables are as follows:

(Thousand of Euro)	2024 30 June	2023 31 December
Current trade receivables - third parties	75,255	68,499
Current bad debt provision - third parties	(1,316)	(1,342)
<b>Total trade receivables</b>	<b>73,939</b>	<b>67,157</b>

The change in trade receivables is essentially attributable to the Group's higher turnover in Q2 2024 compared to Q4 2023.

It should be noted that trade receivables subject to non-recourse assignment not yet due as at 30 June 2024 amounted to € 20.6 million, approximately € 0.4 million lower than those assigned at 31 December 2023, equal to € 21.0 million

The breakdown of "Current trade receivables" by "Risk level" and "Due dates" is detailed below:

(Thousand of Euro)	2024 30 June	2023 31 December	Change
<b>Risk level</b>			
Minimum	56,394	54,207	2,187
Medium	15,868	11,178	4,690
Above average	1,779	1,922	(143)
High	1,214	1,192	22
<b>Total trade receivables</b>	<b>75,255</b>	<b>68,499</b>	<b>6,756</b>

(Thousand of Euro)	2024 30 June	2023 31 December	Change
<b>Due dates</b>			
Not yet due	44,156	44,780	(624)
0 - 30 days	27,891	21,359	6,532
30 - 60 days	1,483	604	879
60 - 90 days	268	279	(11)
90 - 120 days	170	78	92
> 120 days	1,287	1,398	(111)
<b>Total trade receivables</b>	<b>75,255</b>	<b>68,498</b>	<b>6,757</b>

It should be noted that Irce SpA and Smit Draad Nijmegen have a credit policy in place with a leading insurance company to cover the risk of insolvency.

The changes in the provision for doubtful accounts during the first half 2024 are as follows:

(Thousand of Euro)	Opening balance	Provision	Utilization	Exchange rate differences	Closing balance
Current bad debt provision - third parties	(1,342)	-	31	(5)	(1,316)

## 6. OTHER CURRENT ASSETS

Below is the item detailed:

(Thousand of Euro)	2024 30 June	2023 31 December
Accrued income and prepaid expenses	605	259
Social securities receivables	(2)	-
Other current assets	2,489	2,937
VAT receivables	584	1,379
<b>Total other current assets</b>	<b>3,676</b>	<b>4,575</b>

The increase in "Accrued income and deferred income" is mainly due to services invoiced by suppliers at the beginning of the year, pertaining to subsequent periods.

The change in "Other receivables" is essentially due to the Parent Company and refers in particular to the partial use of the Industry 4.0 tax credit recognised as at 31 December 2023.

The reduction in VAT credits is mainly attributable to the Brazilian subsidiary Irce Ltda.

## 7. CURRENT FINANCIAL ASSETS

Details of current financial assets are shown below:

(Thousand of Euro)	2024 30 June	2023 31 December
Mark to market gains derivatives on metal	91	87
Guarantees deposits	10	17
Mark to market financial assets	273	263
Mark to market gains derivatives exchange rate	31	6
<b>Total current financial assets</b>	<b>405</b>	<b>373</b>

The items "Mark to market gains derivatives on metal" and "Mark to market gains derivatives on exchange rate" refer to the fair value of forward contracts on copper and on currencies open at year-end of the parent Company IRCE S.p.A. For more detail see paragraph 2.

The item "Mark to market financial assets" includes the fair value of energy efficiency certificates (TEEs).



## 8. SHAREHOLDERS' EQUITY

"Shareholders' equity" amounted to € 152.3 million at 30 June 2024 (€ 153.3 million at 31 December 2023) and is detailed in the following table.

<b>(Thousand of Euro)</b>	<b>2024 30 June</b>	<b>2023 31 December</b>
Share capital	14,627	14,627
Own share capital	(860)	(845)
Share premium reserve	40,539	40,539
Revaluation reserve	22,328	22,328
Own share premium	(172)	(130)
Legal reserve	2,925	2,925
IAS 19 Reserve	(744)	(730)
Extraordinary reserve	57,715	53,496
Other reserve	23,595	23,595
Profit (losses) of previous years	19,227	16,808
Translation Reserve	(31,383)	(27,190)
Profit (loss) for the period	4,844	8,226
<b>Total shareholders' equity attributable to Parent company</b>	<b>152,641</b>	<b>153,649</b>
Shareholders' equity attributable to Minority interests	(311)	(322)
<b>Total shareholders' equity</b>	<b>152,330</b>	<b>153,327</b>

### Share capital

The following table shows the breakdown of the share capital.

<b>(Thousand of Euro)</b>	<b>2024 30 June</b>	<b>2023 31 December</b>
Subscribed share capital	14,627	14,627
Treasury share capital	(860)	(845)
<b>Total share capital</b>	<b>13,767</b>	<b>13,782</b>

The share capital is made up of 28,128,000 ordinary shares worth € 14,626,560.

Treasury share capital as of 30 June 2024 amounted to 1,654,413 corresponding to 5.88% of the share capital. The total number of outstanding shares is then 26,473,587.

The following table shows, in thousands, the movements of outstanding shares during the period:

<b>Outstanding shares</b>	<b>Thousand of shares</b>
<b>Balance as of 31.12.2023</b>	<b>26.504</b>
Share buyback	(30)
Sales of treasury shares	-
<b>Balance as of 30.06.24</b>	<b>26.474</b>

### IAS 19 Reserve

This reserve includes actuarial gains and losses accumulated as a result of the application of IAS 19 Revised. The change in the reserve, in thousand, is as follows:

Changes in IAS 19 Reserve	Thousand of Euro
<b>Balance as of 31.12.2023</b>	<b>(730)</b>
Actuarial valuation	(12)
Tax effect on actuarial valuation	(2)
<b>Balance as of 30.06.24</b>	<b>(744)</b>

It should be noted that the negative tax effect following a negative actuarial valuation is mainly attributable to different tax rates within the Group companies.

#### Extraordinary reserve

The extraordinary reserve mainly consists of the Parent Company's retained earnings net of dividends distributed, amounting to € 1,588 thousand in 2024.

#### Translation reserve

The negative change in the translation reserve, amounting to € 4.193 thousand, is mainly due to the depreciation of Brazilian Real against the Euro. As of June 30, 2024, the spot exchange rate of the Brazilian currency against the euro, equal to 5.88, depreciated by approximately 11% compared to that of December 31, 2023 of 5.31, resulting in a negative effect on the translation reserve.

### 9. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

Details of non-current and current financial liabilities are shown in the following tables:

(Thousand of Euro)	2024 30 June	2023 31 December
Non current Financial liabilities due to banks	20,388	13,498
Non current Financial liabilities - IFRS 16	212	166
<b>Total non current financial liabilities</b>	<b>20,600</b>	<b>13,664</b>

(Thousand of Euro)	2024 30 June	2023 31 December
Financial liabilities due to banks	45,286	20,397
Current Financial liabilities - IFRS 16	112	63
Mark to market losses derivatives exchange rate	315	-
Long term loans- current portion	6,131	6,064
<b>Total current financial liabilities</b>	<b>51,845</b>	<b>26,524</b>

The table below shows the breakdown of "Non-current financial liabilities due to banks" outstanding at the end of the period, highlighting, in particular, the type of rate and due date.

(Thousand of Euro)	Currency	Rate	Company	30.06.2024	31.12.2023	Due date
Banca di Imola	EUR	Floating	IRCE SpA	1,458	2,163	2026
Mediocredito	EUR	Floating	IRCE SpA	-	461	2025
Banco Popolare	EUR	Fixed	IRCE SpA	759	1,136	2026
Deutsche Bank	EUR	Floating	IRCE SpA	3,500	4,375	2027
BPER	EUR	Floating	IRCE SpA	4,166	4,445	2032
MPS	EUR	Floating	IRCE SpA	10,000	-	2034
Credit Suisse	EUR	Fixed	Isomet AG	175	270	2025
Banco Popolare	EUR	Fixed	Isomet AG	330	648	2026
<b>Total</b>				<b>20,388</b>	<b>13,498</b>	

The following table highlights the net financial position of Irce Group, determined on the basis of the scheme envisaged by Consob attention call no. 5/21 of 29 April 2021, which incorporates the ESMA guideline published on 4 March 2021:

(Thousand of Euro)	2024 30 June	2023 31 December
Cash and cash equivalents	17,626	14,167
Current financial assets	405	373
<b>Cash and cash equivalents</b>	<b>18,031</b>	<b>14,540</b>
Other current financial liabilities	(45,714)	(20,460)
Long term loans - current portion	(6,131)	(6,064)
<b>Current net financial position</b>	<b>(33,814)</b>	<b>(11,984)</b>
Non current financial liabilities third parties	(20,600)	(13,664)
<b>Net financial position</b>	<b>(54,414)</b>	<b>(25,648)</b>

The net financial position amounted to € 53.3 million at 30 June 2024 is higher than € 25.6 million compared to 31 December 2023 due to both the increase in net working capital, in particular inventories, and the investment in progress in the Czech Republic.

As of June 30, 2024, the IRCE Group has contractual commitments of some € 143 million relating to both the construction of 2 new industrial plant, in China and in the Czech Republic, and the purchase of plants, machinery and copper.

#### 10. PROVISIONS FOR RISKS AND CHARGES

Changes in provisions for non-current and current risks and charges as at 30 June 2024 are shown below:

(Thousand of Euro)	Opening	Provision	Utilisation	Exchange rate differences	Closing
Provision for severance payments to agents	112	-	-	-	112
Other provision for risks and charges	734	200	-	3	937
<b>Total non current provision for risk and charge</b>	<b>846</b>	<b>200</b>	-	<b>3</b>	<b>1,049</b>

(Thousand of Euro)	Opening	Provision	Utilization	Closing
Other provision for risks and charges - current	239	140	(6)	373
<b>Total current provision for risk and charges</b>	<b>239</b>	<b>140</b>	<b>(6)</b>	<b>373</b>

The items "Other provisions" refer to the Parent Company and its subsidiaries Smit Draad Nijmegen, FD Sims and Irce Ltda.

The provision for the period mainly refers to disputes with customers for possible delays in the delivery of material and claims for damages for alleged product defects.





### 11. PROVISION FOR EMPLOYEE DEFINED BENEFITS

The item refers to the Parent Company for € 2,689 thousand, € 711 thousand to Isomet, € 51 thousand to Stable Magnet Wire and € 119 thousand to Isolveco 2.

Changes in the Provision for Employee Defined Benefit in H1 2024 are shown below:

(Thousand of Euro)	Opening	Provision	Net equity effect	Utilization	Exchange rate differences	Closing
Provision for employee defined benefit - non current	3,673	168	12	(258)	(25)	3,570
<b>Total</b>	<b>3,673</b>	<b>168</b>	<b>12</b>	<b>(258)</b>	<b>(25)</b>	<b>3,570</b>

### 12. TRADE PAYABLES

(Thousand of Euro)	2024 30 June	2023 31 December
Trade payables	40,433	33,207
<b>Total trade payables</b>	<b>40,433</b>	<b>33,207</b>

The change in trade payables, mainly attributable to the Parent Company, is essentially due to the procurement cycle and the trend in payments for copper supplies.

### 13. TAX PAYABLES

(Thousand of Euro)	2024 30 June	2023 31 December
Tax payables due to Aequafin	3,809	1,169
Tax payables-current	1,501	327
<b>Total tax payables</b>	<b>5,310</b>	<b>1,496</b>

The "Tax payables vs Aequafin" show the net IRES balance of Irce toward its own parent company with which it has a tax consolidation contract in place, while the " Tax payables-current" show the net IRAP balance of Irce and the direct taxes of its subsidiaries.

### 14. OTHER CURRENT LIABILITIES

(Thousand of Euro)	2024 30 June	2023 31 December
Payables due to employees	4,110	3,281
Accrued expenses and deferred income	1,997	2,230
Other payables	578	853
VAT payables	1,307	1,577
Income taxes withheld on income from employees	587	566
<b>Total other current liabilities</b>	<b>8,579</b>	<b>8,507</b>



"Payables due to employees" include the liabilities for the thirteenth month's salary, for holiday accrued and not taken, and for production premiums. The increase in payable is mainly attributable to the Parent Company and in particular to the trend in the payable for deferred remuneration lower at the end of the year due to the payment of the thirteenth month's salary and to the greater use of holidays.

The change in "Accrued expenses and deferred" income is mainly attributable to the Parent Company and refers to the release, among other revenues and income, of plant grants relating to the 4.0 tax credit, consistently with the depreciation of tangible assets to which they refer.

## COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

### 15. REVENUES

The item refers to revenues from the sale of goods, net of returns, rebates and the return of packaging.

(Thousand of Euro)	2024 30 June	2023 30 June	Change
Sales revenues	208,407	218,956	(10,549)

Consolidated net sales were € 208.4 million, down 4.8% compared to € 219.0 million in the first half of 2023; reduction due to lower volumes sold partly offset by the increase in the price of copper (the average LME price in the first half of 2024 was 4.5% higher than that of the same period of 2023).

The following tables highlight revenues broken down by product and by geographical area of destination of finished products.

(Thousand of Euro)	Current period			Previous period		
	Winding wires	Cables	Total	Winding wires	Cables	Total
Revenues	166,834	41,573	208,407	177,486	41,470	218,956
% of total	80.1%	19.9%	100.0%	81.1%	18.9%	100.0%

(Thousand of Euro)	Current period				Previous period			
	Italy	UE	Extra UE	Total	Italy	UE	Extra UE	Total
Revenues	77,763	54,757	75,887	208,407	76,068	72,188	70,700	218,956
% of total	37.3%	26.3%	36.4%	100.0%	34.7%	33.0%	32.3%	100.0%

For further details, please refer to the Report on Operations.

### 16. RAW MATERIALS AND CONSUMABLES

Costs for raw material and consumables are detailed as follows:

(Thousand of Euro)	2024 30 June	2023 30 June	Change
Raw materials and consumables	(176,448)	(166,571)	(9,877)
Change in inventory of raw materials and consumables	12,908	(9,467)	22,375
Purchasing finished goods	(7,233)	(5,011)	(2,222)
<b>Total raw materials and consumables</b>	<b>(170,773)</b>	<b>(181,049)</b>	<b>10,276</b>

The item "Raw materials and consumables", amounting to € 176.4 million, includes the costs incurred for the purchase of raw materials, among which the most significant are copper and aluminium, insulating materials and packaging and maintenance materials. The change in the period compared to 30 June 2023 is due to the increase in the price of copper and, to a lesser extent, to the increase in volumes purchased.



## 17. COST FOR SERVICES

The "Costs per service" are detailed below:

(Thousand of Euro)	2024 30 June	2023 30 June	Change
External processing	(4,629)	(4,953)	324
Utility expenses	(6,770)	(7,099)	329
Maintenance	(1,198)	(1,310)	112
Transport of sales	(3,015)	(3,100)	85
Payable fees	(65)	(78)	13
Statutory auditors compensation	(35)	(35)	-
Other services	(3,634)	(3,275)	(359)
Operating leasing	(168)	(145)	(23)
<b>Total cost for services</b>	<b>(19,514)</b>	<b>(19,994)</b>	<b>480</b>

The reduction in "External processing", "Utility Expenses", "Maintenance" and Transport costs is linked to the lower quantities produced due to weak market demand.

The increase in Other services is mainly attributable to the Parent Company's greater use of technical consultancy.

## 18. PERSONNEL COSTS

Personnel costs are detailed as follows:

(Thousand of Euro)	2024 30 June	2023 30 June	Change
Salaries and wages	(11,485)	(10,745)	(740)
Social security charges	(2,634)	(2,510)	(124)
Pension costs	(913)	(913)	-
Other personnel costs	(1,836)	(1,288)	(548)
<b>Total personnel costs</b>	<b>(16,868)</b>	<b>(15,456)</b>	<b>(1,412)</b>

The increase in personnel costs is mainly attributable to both an increase in temporary workers and an increase in the number of hours worked per employee mainly following the increased product development activities.

The item "Other personnel costs" includes costs for temporary work, contract work, and the compensation of Directors.

The Group's average number of personnel for the period and the current number at the reporting date is shown below:

(Number of employees)	2023 30 June Closing	2024 30 June Closing	2024 30 June Average
Executives	25	26	28
Whitecollars	142	143	142
Bluecollars	443	443	443
<b>Total Employees</b>	<b>610</b>	<b>612</b>	<b>613</b>
Executives (temporary)	1	1	-
Whitecollars (temporary)	3	1	5
Bluecollars (temporary)	43	70	71
<b>Total Temporary workers</b>	<b>47</b>	<b>72</b>	<b>76</b>
<b>Total headcount</b>	<b>657</b>	<b>684</b>	<b>689</b>

The number of employees is calculated according to the Full-Time Equivalent method and includes both internal and external (temporary and contract) staff. Personnel is classified according to the type of employment contract.

## 19. AMORTIZATION/DEPRECIATION AND WRITE DOWNS OF TANGIBLE AND INTANGIBLE ASSETS

Here is the breakdown of depreciation/amortisation and write-off of tangible and intangible assets:

(Thousand of Euro)	2024 30 June	2023 30 June	Change
Amortization of intangible assets	(62)	(31)	(31)
Depreciation of tangible assets	(3,682)	(3,429)	(252)
Depreciation of tangible assets - IFRS 16	(85)	(85)	-
Write off intangible assets	(5)	-	(5)
<b>Total amortization/depreciation and write-down</b>	<b>(3,834)</b>	<b>(3,545)</b>	<b>(289)</b>

## 20. PROVISIONS AND WRITE-DOWNS

Provisions and write-downs are detailed as follows:

(Thousand of Euro)	2024 30 June	2023 30 June	Change
Bad debt provision	-	392	(392)
Receivables losses	-	(2)	2
Provision for risks	(200)	(633)	433
<b>Total provisions and write-downs</b>	<b>(200)</b>	<b>(243)</b>	<b>43</b>

In relation to the item "Provisions for risks", please refer to paragraph 10 "Provision for risks and charges".

## 21. FINANCIAL INCOME AND CHARGES

Financial income and charges are broken down as follows:

(Thousand of Euro)	2024 30 June	2023 30 June	Change
Financial income	1,753	1,278	475
Financial charges	(2,057)	(2,412)	355
Foreign exchanges	(78)	47	(125)
<b>Total financial income and charges</b>	<b>(382)</b>	<b>(1,087)</b>	<b>705</b>

The increase in "Financial income" compared to the previous period is essentially due to the realized income on forward copper transactions.

The reduction in "Financial charges" compared to 30 June 2023 is attributable both to the reduction in the Group's net debt compared to that of the same period of the previous year and to the reduction in market interest rates.

The item "Foreign exchange gains and losses" includes negative realised exchange differences of €379 thousand and unrealised positive exchange differences of €301 thousand.



## 22. INCOME TAXES

Below is the breakdown of income taxes:

(Thousand of Euro)	2024 30 June	2023 30 June	Change
Current taxes	(3,387)	(1,746)	(1,641)
Income taxes related to previous years	-	(155)	155
Deferred tax	253	336	(83)
<b>Total income tax</b>	<b>(3,134)</b>	<b>(1,565)</b>	<b>(1,569)</b>

Current taxes refer essentially to IRCE and the Brazilian subsidiary.

The increase in the tax rate compared to the previous period is due to the lower incidence of permanent decreases in income on pre-tax profit. In fact, it should be noted that in the first half of 2023 the Parent Company had benefited from the electricity subsidies granted to energy-intensive companies, which are not taxable for tax purposes.

## 23. EARNINGS PER SHARE

As required by IAS 33, here below are the disclosures on the data used to calculate basic and diluted earnings per share.

Basic and diluted earnings per share were equal, as there are no ordinary shares that could have a dilutive effect and no shares or warrants that could have a dilutive effect will be exercised.

	2024 30 June	2023 30 June
Result for the period (Thousand of Euro)	4,844	4,944
Average weighted number of ordinary shares outstanding	26,477,708	26,523,312
Basic earnings/(loss) per Share	0.1829	0.1864
Diluted earnings/(loss) per Share	0.1829	0.1864

## 24. RELATED PARTY DISCLOSURES

In accordance with the requirements of IAS 24, the remuneration received by the members of the Board of Directors of Irce SpA as at 30 June 2024 is as follows:

(Thousand of Euro)	Compensation for office head	Compensation for other tasks	Total
Directors	130	140	270

This table shows the compensation paid for any reason and in any form, excluding social security contributions.

In addition, it should be noted that Irce SpA has a tax payables vs the Parent company Aequafin SpA of € 3.8 million deriving from the National Tax Consolidation Agreement.

## 25. GUARANTEES

In relation to the guarantees provided, the parent company Irce SpA issued six sureties for a total of € 2.2 million in favour of a publicly owned company to guarantee the supply of electrical cables.

## 26. EVENTS AFTER THE REPORTING PERIOD

It should be noted that in July Irce S.p.A. signed 2 separate ten-year floating rate loan agreements with Banca di Imola S.p.A. and BPER Banca S.p.A. for a value of Euro 10 million each. These loans, together with the one disbursed in June by Banca Monte dei Paschi di Siena S.p.A. of Euro 10 million, are intended to finance the investment project in the Czech Republic for the construction of a new industrial plant and the purchase of plant and machinery functional to the production activity.

### Attachment 1

#### Certification of the condensed consolidated half-yearly financial statements pursuant to Article 154-bis, paragraph 5, of Italian Legislative Decree no. 58 of 24 February 1998:

We, the undersigned, Mr Filippo Casadio, Chairman, and Ms Elena Casadio, Manager responsible for preparing the corporate accounting documents of IRCE S.p.A., hereby certify, taking into account the provisions of Article 154-bis, paragraph 5, of Italian Legislative Decree No. 58 of 24 February 1998:

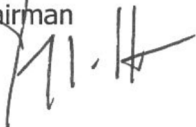
- the adequacy in relation to the company's characteristics, and
- the effective implementation of the administrative and accounting procedures used to prepare the IAS/IFRS half-yearly consolidated financial statements.

In addition, it is hereby certified that the IAS/IFRS half-yearly financial statements:

- a) are consistent with accounting books and records;
- b) are prepared in accordance with IAS/IFRSs and give a true and fair view of the financial position, financial performance and cash flows of the Issuer as well as of the group of companies included within the scope of consolidation; and
- c) that the interim report on operations contains a reliable analysis of the information pursuant to Article 154-ter, paragraph 4 of Italian Legislative Decree no. 58 of 24 February 1998.

Imola, 13 September 2024

Filippo Casadio  
Chairman



Elena Casadio  
Manager responsible for preparing the corporate accounting documents



## REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of  
Irce S.p.A.

### Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Irce S.p.A. and subsidiaries (the “Irce Group”), which comprise the statement of financial position as of June 30, 2024 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (“Consob”) for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the Irce Group as at June 30, 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Giovanni Fruci**  
Partner

Bologna, Italy  
September 13, 2024

*This independent auditor’s report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*