

Interim Report on Operations as of 30 September 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 nine months of 2024 recorded a profit of € 7.11 million.

Consolidated turnover was € 306.04 million, down 1.7% compared to € 311.31 million in the first nine months of 2023; reduction mainly due to lower volumes sold, only partially offset by the increase in the price of copper (the average LME price in Euro in the first nine months of 2024 was 6.0% higher than in the same period of 2023).

In the first nine months of 2024 market demand remains weak with a consequent overall decline in sales in both business lines. In the winding wires sector volumes sold are low and are at the levels of recent quarters. In cables the contraction continued in the traditional markets, construction and cabling, with a worsening of sales in the third quarter.

In this context, turnover without metal¹ decreased by 1.7%; the winding wires sector fell by 5.3% while the cable sectors recorded an increase by 8.2%.

In detail:

Consolidated turnover without metal (€/million)	30 September 2024		30 September 2023		Change %
	Value	%	Value	%	
Winding wires	53.31	70.3%	55.25	73.0%	(5.3%)
Cables	22.08	29.7%	20.41	27.0%	8.2%
Total	74.39	100.0%	75.66	100.0%	(1.7%)

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 September 2024 Value	30 September 2023 Value	Change Value
Turnover ²	306.04	311.31	(5.27)
EBITDA ³	18.64	15.64	3.00
EBIT	12.75	10.53	2.22
Net result before tax	11.95	9.66	2.29
Net result for the period	7.11	6.55	0.56
Adjusted EBITDA ⁴	19.34	15.91	3.43
Adjusted EBIT ⁴	13.45	10.80	2.65

Consolidated statement of financial position data (€/million)	30 September 2024 Value	31 December 2023 Value	Change Value
Net capital employed ⁵	203.23	178.98	24.25
Shareholders' equity	152.88	153.33	(0.45)
Net financial position ⁶	50.35	25.65	24.70

¹ Turnover without metal corresponds to overall turnover after deducting the metal component.

² The item "Turnover" represents the "Sales revenues" reported in the income statement.

³ 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.

⁴ 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 (€ +0.70 million in first nine months 2024 and € +0.27 million in first nine months 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.

⁵ 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.

⁶ 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.

The net financial position as at 30 September 2024 amounted to € 50.35 million, up from € 25.65 million as at 31 December 2023, mainly due to the investments made in the period, amounting to € 25.90 million, which largely relate to the project in the Czech Republic.

The decrease in shareholders' equity of € 0.45 million compared to 31 December 2023 is attributable, in addition to the payment of the dividend of € 1.59 million, to the negative change in the translation reserve of € 5.91 million caused by the devaluation of the Brazilian Real which in these nine months depreciated by approximately 12% against the Euro, only partially offset by the result for the period.

In the light of current weakness of the economy, we expect the slowdown of demand in our markets to continue in the fourth quarter, particularly in the winding wire sector. Cables' current orders book contains multi-years contracts, which will limit the effect of lower sales in the traditional markets. Despite this difficult context, in 2024, we expect to achieve results in line with 2023.

Our medium-long term forecast of a significant growth in demand in our sector remains unchanged, mainly linked to the ongoing energy transition.

Our medium-long term forecast of a significant growth in demand in both business sectors remain unchanged, mainly linked to the ongoing energy transition.

As for the company in the Czech Republic, it is expected to start production in the first half of 2025. In addition, construction of the plant in China began in July, in which production is expected to start by the end of 2025.

Imola, 14 November 2024

On behalf of the Board of Directors

The Chairman

Mr Filippo Casadio



Consolidated statement of financial position

(Thousand of Euro)	Notes	2024 30 September	2023 31 December
ASSETS			
Non current assets			
Goodwill and other intangible assets		82	136
Property, plant and machinery	3	41,947	43,933
Equipments and other tangible assets	3	1,792	1,852
Assets under constructions and advances	3	35,092	13,385
Non current financial assets		7	5
Deferred tax assets		2,606	2,495
Other non current assets non financial	4	785	1,196
NON CURRENT ASSETS		82,311	63,002
Current assets			
Inventories	5	107,631	94,495
Trade receivables	6	71,959	67,157
Tax receivables		108	22
Other current assets	7	4,720	4,575
Current financial assets	8	284	373
Cash and cash equivalent		14,639	14,167
CURRENT ASSETS		199,341	180,789
TOTAL ASSETS		281,652	243,791



(Thousand of Euro)	Notes	2024 30 September	2023 31 December
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		13,764	13,782
Reserves		132,311	131,641
Profit (loss) for the period		7,109	8,226
Shareholders' equity attributable to shareholders of Parent company		153,184	153,649
Shareholders equity attributable to Minority interests		(309)	(322)
TOTAL SHAREHOLDERS' EQUITY	9	152,875	153,327
Non current liabilities			
Non current financial liabilities	10	39,281	13,664
Deferred tax liabilities		212	286
Non current provisions for risks and charges	11	1,150	846
Non current provisions for post employment obligation		3,523	3,673
NON CURRENT LIABILITIES		44,166	18,469
Current liabilities			
Current financial liabilities	10	25,996	26,524
Trade payables	12	44,947	33,207
Current tax payables	13	2,575	1,496
<i>(of which related parties)</i>		1,671	1,169
Social security contributions	14	1,681	2,022
Other current liabilities	15	9,047	8,507
Current provisions for risks and charges	11	365	239
CURRENT LIABILITIES		84,611	71,995
SHAREHOLDERS' EQUITY AND LIABILITIES		281,652	243,791

Consolidated income statement

(Thousand of Euro)	Notes	2024 30 September	2023 30 September
Sales revenues	16	306,043	311,311
Other revenues and income		1,213	1,016
TOTALE REVENUES AND INCOME		307,256	312,327
Raw materials and consumables	17	(242,827)	(241,716)
Change in inventories of work in progress and finished goods		7,586	(3,814)
Cost for services	18	(27,898)	(28,079)
Personnel costs	19	(24,261)	(22,239)
Amortization /depreciation/write off tangible and intangible assets	20	(5,573)	(5,147)
Provision and write downs	21	(311)	45
Other operating costs		(1,219)	(844)
EBIT		12,753	10,533
Financial income / (charges)	22	(808)	(873)
RESULT BEFORE TAX		11,945	9,660
Income taxes	23	(4,823)	(3,106)
NET RESULT FOR THE PERIOD		7,122	6,554
Net result attributable to non-controlling interests		13	2
Net result attributable to shareholders of the Parent Company		7,109	6,552
EARNINGS/(LOSSES) PER SHARES			
- basic EPS for the period attributable to shareholders of the parent company	24	0.2690	0.2472
- diluted EPS for the period attributable to shareholders of the parent company	24	0.2690	0.2472

Consolidated statement of comprehensive income

(Thousand of Euro)	Notes	2024 30 September	2023 30 September
Net result for the period		7,122	6,554
Translation difference on financial statements of foreign companies	9	(5,905)	2,262
Total items that will be reclassified to net result		(5,905)	2,262
Actuarial gain / (losses) IAS 19		(14)	(123)
Tax effect		-	22
Total IAS 19 reserve variance	9	(14)	(101)
Total items that will not be reclassified to net result		(14)	(101)
Total comprehensive income for the period		1,204	8,715
Attributable to shareholders of Parent company		1,191	8,713
Attributable to Minority interest		13	2

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	Ias 19 reserve	Retained earnings	Translation reserve	Result for the period			
Opening balance previous year	13,802	40,471	45,923	2,925	(424)	62,672	(29,483)	9,224	145,110	(325)	144,785
Dividends	-	-	-	-	-	(1,592)	-	-	(1,592)	-	(1,592)
Sell / (purchase) own shares	(20)	(62)	-	-	-	-	-	-	(82)	-	(82)
Allocation of previous year net result	-	-	-	-	-	9,224	-	(9,224)	-	-	-
Other comprehensive income for the period	-	-	-	-	(101)	-	2,262	-	2,161	-	2,161
Net result for the period	-	-	-	-	-	-	-	6,552	6,552	2	6,554
Total comprehensive income for the period	-	-	-	-	(101)	-	2,262	6,552	8,713	2	8,715
Closing balance previous period	13,782	40,409	45,923	2,925	(525)	70,304	(27,221)	6,552	152,149	(324)	151,825
Opening balance current year	13,782	40,409	45,923	2,925	(730)	70,304	(27,190)	8,226	153,649	(322)	153,327
Dividends	-	-	-	-	-	(1,588)	-	-	(1,588)	-	(1,588)
Sell / (purchase) own shares	(18)	(49)	-	-	-	-	-	-	(67)	-	(67)
Allocation of previous year net result	-	-	-	-	-	8,226	-	(8,226)	-	-	-
Other comprehensive income for the period	-	-	-	-	(14)	-	(5,905)	-	(5,919)	-	(5,919)
Net result for the period	-	-	-	-	-	-	-	7,109	7,109	13	7,122
Total comprehensive income for the period	-	-	-	-	(14)	-	(5,905)	7,109	1,191	13	1,204
Closing balance current period	13,764	40,360	45,923	2,925	(744)	76,941	(33,094)	7,109	153,184	(309)	152,875

Consolidated statement of cash flow

(Thousand of Euro)	Notes	2024 30 September	2023 30 September
OPERATING ACTIVITIES			
Result of the period (Group and Minorities)		7,122	6,554
<i>Adjustments for:</i>			
Depreciation / Amortization	20	5,573	5,147
Net change in deferred tax (assets) / liabilities	23	(195)	(10)
Capital (gains) / losses from disposal of fixed assets		(210)	(88)
Losses / (gains) on unrealised exchange rate differences	22	(323)	(191)
Provisions/write down (release/reversal)	21	309	633
Income taxes	23	5,017	3,116
Financial (income) / expenses	22	1,032	1,232
Operating result before changes in working capital		18,325	16,393
Income taxes paid		(1,440)	591
Financial charges paid		(2,735)	(3,449)
Financial income collected		2,365	2,217
Decrease / (Increase) in inventories		(15,278)	19,328
Change in trade receivables		(7,642)	(12,086)
Change in trade payables		12,597	400
Net changes in current other assets and liabilities		(183)	(839)
Net changes in current other assets and liabilities - related parties		(1,958)	1,465
Net changes in non current other assets and liabilities		136	1,533
CASH FLOW FROM OPERATING ACTIVITIES		4,187	25,553
INVESTING ACTIVITIES			
Investments in intangible assets		(52)	(76)
Investments in tangible assets	3	(25,842)	(9,056)
Disposals of tangible and intangible assets		239	108
CASH FLOW FROM INVESTING ACTIVITIES		(25,655)	(9,024)
FINANCING ACTIVITIES			
Repayments of loans		(4,408)	(4,917)
Obtainment of loans	10	30,000	-
Net changes of current financial liabilities		(1,023)	(5,925)
Net changes of current financial assets		(260)	(256)
Dividends paid to shareholders		(1,588)	(1,592)
Sell/(purchase) of own shares	9	(67)	(82)
CASH FLOW FROM FINANCING ACTIVITIES		22,654	(12,772)
NET CASH FLOW FROM THE PERIOD		1,186	3,757
CASH BALANCE AT THE BEGINNING OF THE PERIOD	11	14,167	5,608
Exchange rate differences		(714)	106
NET CASH FLOW FROM THE PERIOD		1,186	3,757
CASH BALANCE AT THE END OF THE PERIOD	11	14,639	9,471

Notes to the Interim Report on Operations

GENERAL INFORMATION

The Interim Report on Operations of Irce SpA and its subsidiaries (hereafter referred to as “IRCE Group” or “Group”) as of 30 September 2024 was approved by the Board of Directors of Irce SpA (hereafter also referred to as the “Company” or the “Parent Company”) on 14 November 2024.

IRCE Group owns 8 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 following 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 Interim report on operations have 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 interim report on operations is drafted in euro and all values reported in the notes are in thousands of Euro, unless specified otherwise. The formats used for the consolidated financial statements 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 Interim Report on operations as at 30 September 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.

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 September 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
Isoveco 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
Isoveco 2 Srl	100%	Italy	EUR	10,000	line by line
Irce Electromagnetic Wire (Jiangsu) Co. Ltd	100%	China	CNY	32,098,356	line by line
Irce s.r.o	100%	Czech Republic	CZK	752,550,000	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 SpA through Stable Magnet Wire P.Ltd.



EXCHANGE RATE

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

Currency	Current period		Previous year		Previous period	
	Average	Spot	Average	Spot	Average	Spot
GBP	0.8514	0.8355	0.8699	0.8689	0.8710	0.8644
CHF	0.9580	0.9435	0.9717	0.9257	0.9776	0.9670
BRL	5.6948	6.0864	5.4019	5.3625	5.4264	5.3325
INR	90.9091	93.4579	89.3289	91.9631	89.2470	87.9757
CNY	7.8247	7.8555	7.6586	7.8454	7.6211	7.7340
PLN	4.3066	4.2808	4.5423	4.3386	4.5844	4.6283
CZK	25.0627	25.1889	24.0043	24.7240	23.8290	24.3390



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, Fine Wire P. Ltd, Irce Electromagnetic Wire (Jiangsu),

Below is the income statement broken down by geographic operating segment, compared with the period 30 September 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
Current period					
Sales revenues	190,986	28,691	99,002	(12,636)	306,043
Ebitda	14,270	(538)	4,869	15	18,616
Ebit	10,249	(1,011)	3,500	15	12,753
Financial income/(charge)	-	-	-	-	(808)
Income taxes	-	-	-	-	(4,822)
Net result for the period	-	-	-	-	7,122
Intangible assets	73	-	10	-	82
Tangible assets	30,104	32,606	16,122	-	78,831
Previous period					
Sales revenues	201,586	32,389	92,891	(15,555)	311,311
Ebitda	13,474	724	1,390	48	15,635
Ebit	10,909	(87)	(336)	48	10,533
Financial income/(charge)	-	-	-	-	(873)
Income taxes	-	-	-	-	(3,106)
Net result for the period	-	-	-	-	6,554
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 September 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 September 2024:

	Notional amount		Fair value at 30/09/2024		
	Assets (Ton)	Liabilities (Ton)	Current assets (€/000)	Current liabilities (€/000)	Net carrying amount (€/000)
Forward purchase and sale transactions on copper	525	475	244	(243)	1

- Derivative instruments related to currency forward purchase and sale transactions with maturity after 30 September 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 September 2024:

	Notional Value		Fair value al 30/09/2024		
	Assets (Thousand)	Liabilities (Thousand)	Current Assets (€/000)	Current Liabilities (€/000)	Net carrying amount (€/000)
Forward sale transactions on GBP		7,800		(471)	(471)
Forward purchase transactions on USD		13,140		(244)	(244)



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 September 2024:

(Thousand of Euro)	Lands	Buildings	Plant and machinery	Equipments	Other tangible assets	Assets under construction and advances	Total
Closing balance - previous period	14,698	11,742	17,493	1,336	516	13,385	59,170
Changes - current period							
Purchase	-	251	1,427	424	138	23,795	26,035
Depreciation	(21)	(886)	(3,938)	(464)	(138)	-	(5,447)
Reclass	-	11	1,800	(2)	0	(1,809)	0
Write off	-	-	-	-	-	(22)	(22)
Disposals	-	(51)	(1,547)	(25)	(129)	-	(1,752)
Disposals - Depreciation fund	-	51	1,530	25	118	-	1,724
Exchange rate differences	(229)	(135)	(249)	5	(12)	(257)	(877)
Closing balance- current period	14,448	10,983	16,516	1,299	493	35,092	78,831

The Group's investments as of 30 September 2024 amounted to € 26.0 million, of which € 0.2 million related to rights of use, and mainly concerned for € 23.8 million the category "Assets under construction and advances".

The item "Reclass" 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 concern the Brazilian subsidiary following the devaluation of the Real against the Euro compared to December 31, 2023.

"Assets under constructions and advances", amounting to € 35.1 million, refer not only to the construction of the production plant and the purchase of machinery in the Czech Republic, but also to the start of the investment project in the People's Republic of China and the renewal of the Parent Company's plants fleet.

4. OTHER NON FINANCIAL NON CURRENT ASSETS

(Thousand of Euro)	2023 31 December	2022 31 December
Non-current financial assets	785	1,196
Total investments and non-current financial assets	785	1,196

The balance refers to the ICMS tax credits of the Brazilian subsidiary accrued during the purchase of certain raw materials. The change in the period is due to the offsetting of ICMS tax payables accrued on sales.



5. INVENTORIES

Inventories are broken down as follows:

(Thousand of Euro)	2024 30 September	2023 31 December
Raw materials, ancillary and consumables - grsso value	40,885	34,757
Work in progress and semi-finished goods - gross value	19,121	16,667
Finished products and goods - gross value	54,341	49,937
Provision for write down of raw material	(4,163)	(4,162)
Provision for write down of finished products and goods	(2,553)	(2,704)
Total inventories	107,631	94,495

The change in the period compared to 31 December 2023 is mainly attributable to a quantity effect, essentially due to the higher volumes of metal in stock and, to a lesser extent, to the price effect.

The price of copper, after having had an upward trend at the beginning of 2024 until mid-June, had a decline while a phase of growth began in September that continued in October.

In detail, the average price of copper on the London Metal Exchange was €8.41/kg as of September 30, 2024 (€7.93/kg as of the first nine months of 2023) while the punctual price as of September 30, 2024 was €8.83/kg, 15 percent higher than that of December 31, 2023, equal to €7.70/kg.

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

(Thousand of Euro)	Opening balance	Provision	Utilization	Exchange rate differences	Closing balance
Provision for write down of raw material	(4,162)	(45)	32	12	(4,163)
Provision for write down of finished products	(2,704)	(102)	239	14	(2,553)
Total	(6,866)	(147)	271	26	(6,716)

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 and goods is set aside against slow-moving or non-moving finished products as well as to products that are no longer suitable for sale.

6. TRADE RECEIVABLES

The details of trade receivables are as follows:

(Thousand of Euro)	2024 30 September	2023 31 December
Current trade receivables - third parties	73,277	68,499
Current bad debt provision - third parties	(1,318)	(1,342)
Total trade receivables	71,959	67,157

The change in trade receivables is essentially attributable to the Group's higher turnover in Q3 2024 compared to Q4 2023, partly offset by higher non-recourse disposals not yet due as of September 30, 2024 compared to those as of December 31, 2023.

In particular, trade receivables which were sold without recourse and were not yet due as of 30 September 2024 amounted to € 22.6 million, some € 1.5 million higher than those at December 31, 2023, equal to € 21.0 million.



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

(Thousand of Euro)	2024 30 September	2023 31 December	Change
Due dates			
Not yet due	46,960	44,780	2,180
0 - 30 days	21,718	21,359	359
30 - 60 days	2,067	604	1,463
60 - 90 days	716	279	437
90 - 120 days	273	78	195
> 120 days	1,543	1,399	144
Total trade receivables	73,277	68,499	4,778

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 nine months 2024 are as follows:

(Thousand of Euro)	Opening balance	Provision	Utilization	Exchange rate differences	Closing balance
Current bad debt provision	(1,342)	(5)	35	(6)	(1,318)

7. OTHER CURRENT ASSETS

Below is the item detailed:

(Thousand of Euro)	2024 30 September	2023 31 December
Accrued income and prepaid expenses	430	259
Other current assets	3,424	2,937
VAT receivables	866	1,379
Total other current assets	4,720	4,575

The change in "Other receivables" is essentially due to the Parent Company and refers in particular to the increase in the Industry 4.0 tax credit following the interconnection in 2024 of part of the investments made in 2022 and 2023.

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

8. CURRENT FINANCIAL ASSETS

(Thousand of Euro)	2024 30 September	2023 31 December
Mark to market gains derivatives on metal	1	87
Guarantees deposits	10	17
Mark to market financial assets	273	263
Mark to market gains derivatives exchange rate	-	6
Total current financial assets	284	373

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 the end of the period, signed by the Parent Company. For more detail see paragraph 2.

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



9. SHAREHOLDERS' EQUITY

The item "Shareholders' equity" amounts to € 152.9 million as of 30 September 2024 (€ 153.3 million as of 31 December 2023) and is detailed in the following table.

(Thousand of Euro)	2024 30 September	2023 31 December
Share capital	14,627	14,627
Own share capital	(863)	(845)
Share premium reserve	40,539	40,539
Revaluation reserve	22,328	22,328
Own share premium	(179)	(130)
Legal reserve	2,925	2,925
IAS 19 Reserve	(744)	(730)
Extraordinary reserve	57,714	53,496
Other reserve	23,595	23,595
Profit (losses) of previous years	19,227	16,808
Translation Reserve	(33,094)	(27,190)
Profit (loss) for the period	7,109	8,226
Total shareholders' equity attributable to Parent company	153,184	153,649
Shareholders' equity attributable to Minority interests	(309)	(322)
Total shareholders' equity	152,875	153,327

Share capital

The following table shows the breakdown of the share capital.

(Thousand of Euro)	2024 30 September	2023 31 December
Subscribed share capital	14,627	14,627
Treasury share capital	(863)	(845)
Total share capital	13,764	13,782

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

Treasury share capital as of 30 September 2024 amounted to 1,659,701 corresponding to 5.90% of the share capital. The total number of outstanding shares is then 26,468,299.

Extraordinary reserve

The extraordinary reserve mainly consists of the Parent Company's retained earnings net of dividends distributed, amounting to € 1.6 million in 2024.

Translation reserve

The negative change in the translation reserve, amounting to € 5.9 million, is mainly due to the depreciation of the Brazilian Real against the Euro.

10. FINANCIAL LIABILITIES

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

(Thousand of Euro)	2024 30 September	2023 31 December
Non current Financial liabilities due to banks	39,064	13,498
Non current Financial liabilities - IFRS 16	217	166
Total non current financial liabilities	39,281	13,664

(Thousand of Euro)	2024 30 September	2023 31 December
Current Financial liabilities due to banks	18,832	20,397
Current Financial liabilities - IFRS 16	97	63
Mark to market losses derivatives exchange rate	715	-
Long term loans- current portion	6,352	6,064
Total current financial liabilities	25,996	26,524

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	31/09/2024	31/12/2023	Due date
Banca di Imola	EUR	Floating	IRCE SpA	1,101	2,163	2026
Banca di Imola	EUR	Floating	IRCE SpA	10,000	-	2034
Mediocredito	EUR	Floating	IRCE SpA	-	461	2025
Banco Popolare	EUR	Fixed	IRCE SpA	570	1,136	2026
Deutsche Bank	EUR	Floating	IRCE SpA	3,063	4,375	2027
BPER	EUR	Floating	IRCE SpA	4,028	4,445	2032
BPER	EUR	Floating	IRCE SpA	10,000	-	2034
MPS	EUR	Floating	IRCE SpA	10,000	-	2034
Credit Suisse	EUR	Fixed	Isomet AG	131	270	2025
Banco Popolare	EUR	Fixed	Isomet AG	170	648	2026
Total				39,063	13,498	

During 2024, the Parent Company obtained ten-year floating-rate loans for a total amount of Euro 30 million, respectively from Banca di Imola, BPER Banca and Banca Monte dei Paschi di Siena to finance the investment project in the Czech Republic. These loan agreements are 70 per cent guaranteed by SACE, have no financial covenants, provide for a pre-amortisation period of 24 months, and repayment will take place in quarterly instalments with a constant principal amount.

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 September	2023 31 December
Cash and cash equivalents	14,639	14,167
Current financial assets	284	373
Cash and cash equivalents	14,923	14,540
Other current financial liabilities	(20,305)	(20,460)
Long term loans - current portion	(5,691)	(6,064)
Current net financial position	(11,073)	(11,984)
Non current financial liabilities third parties	(39,281)	(13,664)
Net financial position	(50,354)	(25,648)

The net financial position amounted to € 50.4 million at 30 September 2024, higher than that of 31 December 2023 of € 25.6 million due to both the investment in progress in the Czech Republic and the increase in net working capital, mainly due to the increase in closing inventories.

As of September 30, 2024, the IRCE Group has contractual commitments in place for some € 83 million relating to both the construction of two new industrial plants in China and in the Czech Republic, as well as the purchase of plants, machinery and copper.



11. PROVISION RISKS AND CHARGES

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

(Thousand of Euro)	Opening	Provision	Utilization	Exchange rate differences	Closing
Provision for severance payments to agents	112	-	-	-	112
Other provision for risks and charges	734	300	-	4	1,038
Total non-current provision for risk and charges	846	300	-	4	1,150

(Thousand of Euro)	Opening	Provision	Utilization	Closing
Other provision for risks and charges - current	239	126	-	365
Total current provision for risk and charges	239	126	-	465

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.

12. TRADE PAYABLES

(Thousand of Euro)	2024 30 September	2023 31 December
Trade payables	44,947	33,207
Total trade payables	44,947	33,207

The change in trade payables, mainly attributable to the Parent Company, is essentially due to the dynamics of the metal supply cycle as well as the lengthening of payment times with some suppliers.

13. TAX PAYABLES

(Thousand of Euro)	2024 30 September	2023 31 December
Tax payables due to Aequafin	1,671	1,169
Tax payables	904	328
Total tax payables	2,575	1,496

"Tax payables due to Aequafin" shows the net balance for Italian corporation tax (IRES) of the Parent Company regarding to its own parent with which there is a tax consolidation agreement while "Tax payables" shows the net balance of the Italian regional manufacturing tax (IRAP) of the Parent Company and the direct taxes of the subsidiaries.

**14. SOCIAL SECURITY CONTRIBUTIONS**

(Thousand of Euro)	2024 30 September	2023 31 December
Social security contributions	1,681	2,022
Total Social security contributions	1,681	2,022

The item includes payables to INPS and INAIL, as well as contributions allocated to deferred remuneration. The change in the period, attributable to the Parent Company, is due to the fact that the social security contributions relating to the thirteenth month and the Inail advance payment were paid at the beginning of 2024.

15. OTHER CURRENT LIABILITIES

(Thousand of Euro)	2024 30 September	2023 31 December
Payables due to employees	3,558	3,281
Accrued expenses and deferred income	3,338	2,230
Other payables	591	853
VAT payables	1,314	1,577
Income taxes withheld on income from employees	246	566
Total other current liabilities	9,047	8,507

"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 debt is mainly attributable to the Parent Company and in particular to the trend in the payable for deferred salaries, which was lower at the end of the year due to the payment of the thirteenth month's salary and the greater use of holidays.

The change in the item "Accrued expenses and deferred income" is attributable to the deferral of plant grants relating to the Industry 4.0 tax credit following the interconnection during 2024 of part of the investments made in 2022 and 2023; the balance of this item will be released in the income statement in the coming months in line with the depreciation plan of the capital goods to which they refer.

COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

16. 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 September	2023 30 September	Change
Sales revenues	306,043	311,311	(5,268)

Consolidated net sales were € 306.0 million, down 1.7% compared to € 311.3 million at 30 September 2023; reduction mainly due to lower volumes sold partly offset by the increase in the price of copper (the average LME price for the first nine months of 2024 was 6.0% 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	245,194	60,849	306,043	251,697	59,613	311,311
% of total	80.1%	19.9%	100.0%	80.9%	19.1%	100.0%

(Thousand of Euro)	Current period				Previous period			
	Italy	UE	Extra UE	Total	Italy	UE	Extra UE	Total
Revenues	110,623	79,776	115,644	306,043	109,636	98,661	103,014	311,311
% of total	36.1%	26.1%	37.8%	100.0%	35.2%	31.7%	33.1%	100.0%

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

17. RAW MATERIALS AND CONSUMABLES

Costs for raw material and consumables are detailed as follows:

(Thousand of Euro)	2024 30 September	2023 30 September	Change
Raw materials and consumables	(240,251)	(219,305)	(20,946)
Change in inventory of raw materials and consumables	7,692	(15,514)	23,206
Purchasing finished goods	(10,268)	(6,897)	(3,371)
Total raw materials and consumables	(242,827)	(241,716)	(1,111)

The item "Raw materials and consumables", amounting to € 240.3 million, includes the costs incurred for the purchase of raw materials, the most significant of which are copper and aluminium, insulating materials, packaging and maintenance materials.

The change in the period compared to 30 September 2023, due to the Parent Company and the Brazilian subsidiary, is mainly attributable to an increase in volumes purchased and, to a lesser extent, to the increase in the average price of copper.



18. COST FOR SERVICES

The "Costs per service" are detailed below:

(Thousand of Euro)	2024 30 September	2023 30 September	Change
External processing	(6,251)	(6,635)	384
Utility expenses	(9,462)	(9,830)	368
Maintenance	(1,926)	(2,053)	127
Transport	(4,429)	(4,474)	45
Payable fees	(92)	(101)	9
Statutory auditors compensation	(52)	(52)	-
Other services	(5,433)	(4,695)	(738)
Operating leasing	(253)	(239)	(14)
Total cost for services	(27,898)	(28,079)	181

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

The increase in "Other services" is mainly attributable to the greater use of consultancy by the Parent Company, as well as to the increase in research and development costs.

19. PERSONNEL COSTS

Personnel costs are detailed as follows:

(Thousand of Euro)	2024 30 September	2023 30 September	Change
Salaries and wages	(16,486)	(15,361)	(1,125)
Social security charges	(3,784)	(3,590)	(194)
Pension costs	(1,355)	(1,343)	(13)
Other personnel costs	(2,636)	(1,945)	(691)
Total personnel costs	(24,261)	(22,239)	(2,022)

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

The increase in personnel costs is attributable to both Irce SpA and the Group's main production companies, and is linked in particular to the increase in the number of hours worked by both employees and temporary workers.

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 September Closing	2024 30 September Closing	2024 30 September Average
Executives	26	26	27
Whitecollars	112	120	118
Bluecollars	467	482	483
Total Employees	605	628	628
Executives (temporary)	1	1	-
Whitecollars (temporary)	3	1	1
Bluecollars (temporary)	51	53	59
Total Temporary workers	55	55	60
Total headcount	660	683	688



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.

20. AMORTIZATION/DEPRECIATION AND WRITE DOWNS

Here is the breakdown of depreciation/amortisation:

(Thousand of Euro)	2024 30 September	2023 30 September	Change
Amortization of intangible assets	(99)	(47)	(52)
Depreciation of tangible assets	(5,318)	(4,972)	(346)
Depreciation of tangible assets - IFRS 16	(129)	(128)	(1)
Write off intangible assets	(5)	-	(5)
Write off tangible assets	(22)	-	(22)
Total amortization/depreciation and write-down	(5,573)	(5,147)	(426)

21. PROVISIONS AND WRITE-DOWNS

Provisions and write-downs are detailed as follows:

(Thousand of Euro)	2024 30 September	2023 30 September	Change
Bad debt provision	(5)	681	(686)
Receivables losses	(3)	(2)	-
Provision for risks	(303)	(633)	330
Total provisions and write-downs	(311)	45	(356)

In relation to the change "Provision for risks", reference should be made to paragraph 11 "Provision for Risks and charges".

22. FINANCIAL INCOME AND CHARGES

Financial income and charges are broken down as follows:

(Thousand of Euro)	2024 30 September	2023 30 September	Change
Financial income	2,365	2,217	148
Financial charges	(3,397)	(3,449)	52
Foreign exchanges	224	359	(135)
Total financial income and charges	(808)	(873)	65

It should be noted that "Financial income" includes the net effect of forward purchases and sales on copper for a total of € 704 thousand (€ 269 thousand as at 30 September 2023).

As of September 30, 2024, "Foreign exchanges" include net unrealized exchange gains of some € 323 thousand, while as of September 30, 2023 the net exchange differences were negative for € 192 thousand.



23. INCOME TAXES

Below is the breakdown of income taxes:

(Thousand of Euro)	2024 30 September	2023 30 September	Change
Current taxes	(5,017)	(2,862)	(2,155)
Income taxes related to previous years	0	(254)	254
Deferred tax assets / (liabilities)	194	10	184
Total income tax	(4,823)	(3,106)	(717)

Current taxes mainly refer to IRCE and the Brazilian subsidiary.

The increase in the tax rate compared to the previous period, which rose from 32% to 40%, is mainly due to the lower incidence of permanent decreases in income on pre-tax profit.

In fact, it should be noted that in 2023 the Parent Company had benefited from the electricity subsidies granted to energy-intensive companies, which are not taxable for tax purposes.

24. 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 September	2023 30 September
Result for the period (Thousand of Euro)	7,122	6,552
Average weighted number of ordinary shares outstanding	26,474,385	26,503,587
Basic earnings/(loss) per Share	0.2690	0.2472
Diluted earnings/(loss) per Share	0.2690	0.2472

25. 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 September 2024 is as follows:

(Thousand of Euro)	Compensation for office head	Compensation for other tasks	Total
Directors	195	210	405

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 € 1.7 million deriving from the National Tax Consolidation Agreement.

26. GUARANTEES

In relation to the guarantees provided, the parent company Irce SpA issued seven sureties for a total of € 2.5 million in favour of a publicly owned company to guarantee the supply of electrical cables.

27. EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have occurred from 30 September 2024 to the date of preparation of these financial statements.



Certification of the Financial Reporting Officer

The Financial Reporting Officer in charge of preparing the accounting and corporate documents, Ms. Elena Casadio, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the information contained in this Interim Report on Operations corresponds to the document results, books and accounting records.

Imola, 14 November 2024

Filippo Casadio
Chairman

Elena Casadio
Manager responsible for preparing the corporate accounting documents