

Interim Report on Operations as of 31 March 2025



SMART SOLUTIONS IN WINDING WIRE
SMART SOLUTIONS IN WINDING WIRE

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Corporate Bodies

Board of Directors

Chairman	Mr	Filippo Casadio
Executive Director	Mr	Francesco Gandolfi Colleoni
Executive Director	Ms	Elena Casadio
Non-Executive Director	Mr	Gianfranco Sepriano
Non-Executive Director	Ms	Francesca Pischedda
Non-Executive Director	Mr	Orfeo Dallago
Independent Director	Ms	Marianna Fabbri
Independent Director	Ms	Carlotta Armuzzi

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
Ms Marianna Fabbri	■	■	■
Ms Carlotta Armuzzi	■	■	■
Mr Orfeo Dallago	■		
Mr Gianfranco Sepriano		■	
Ms Francesca Pischedda			■

Financial Reporting Officer

Mr Massimiliano Bacchini

Internal Auditor

Mr Fabrizio Bianchimani

Supervisory Board

Mr Francesco Bassi
Mr Gabriele Fanti
Mr Gianluca Piffanelli

Interim Report on Operations

In the first quarter 2025, IRCE Group (hereinafter also the "Group") recorded a profit of € 1.95 million.

Consolidated turnover was € 102.71 million, up by 2.6% compared to € 100.12 million in the first quarter of 2024; the increase is due to a higher price of copper (the average LME price in Euros in the first quarter of 2025 was 14.2% higher than in the same period of 2024), while sales volumes decreased.

During the first quarter of 2025, although market demand remained weak, with volumes sold in line with those of the fourth quarter of last year. The difficult moment of the winding wire end markets continues (automotive, white goods appliances and electromechanical/electronic equipment), while cables suffer the complex situation of their traditional markets, construction and cabling.

In this context, turnover without metal¹ decreased by 8.6%; the winding wires sector fell by 4.7% and the cable by 17.6%.

In detail:

Consolidated turnover without metal (€/million)	31 March 2025 Value	%	31 March 2024 Value	%	Change %
Winding wires	16.96	72.8%	17.80	69.8%	(4.7%)
Cables	6.34	27.2%	7.69	30.2%	(17.6%)
Total	23.30	100.0%	25.49	100.0%	(8.6%)

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)	31 March 2025 Value	31 March 2024 Value	Change Value
Turnover ²	102.71	100.12	2.59
EBITDA ³	5.28	5.11	0.17
EBIT	3.54	3.61	(0.07)
Net result before tax	3.06	3.48	(0.42)
Net result for the period	1.95	2.25	(0.30)
Adjusted EBITDA ⁴	5.75	5.44	0.31
Adjusted EBIT ⁴	4.01	3.94	0.07

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

² The item "Turnover" represents the "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 (€ +0.47 million in first quarter 2025 and € +0.33 million in first quarter 2024). 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)	31 March 2025 Value	31 December 2024 Value	Change Value
Net capital employed ⁵	220.45	197.13	23.32
Shareholders' equity	153.68	150.62	3.06
Net financial position ⁶	66.77	46.51	20.26

The net financial position as at 31 March 2025 amounted to € 66.77 million, up from € 46.51 million as at 31 December 2024; the increase is mainly due to the growth in working capital and, to a lesser extent, to the investments made in the period, equal to € 6.98 million, which mostly concerned the projects in the Czech Republic and the People's Republic of China.

Shareholders' equity increased by € 3.06 million compared to 31 December 2024 thanks to the profit of the period (€ 1.95 million) and to the positive change in the translation reserve for € 1.13 million, generated by the recovery of the Brazilian Real which in the first quarter of 2025 appreciated by approximately 3% against the Euro.

In this context of economic uncertainty and geopolitical instability, demand is expected to recover only in the second half of 2025. However, our medium-long term forecast of significant growth in both business lines, mainly linked to the ongoing energy transition, remains unchanged.

The Group's investment projects continue, in particular in Czech Republic the construction of the plant was completed at the end of February 2025 and production is expected to start within the first half of the year, while in China the construction of the plant will be completed at the end of the year with production starting in the first months of 2026.

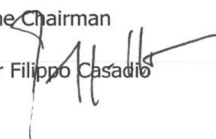
To update what was communicated in the 2024 Financial Statements Note, we inform that the production activity of the Dutch subsidiary Smit Draad ended in April and that all the employment contracts will terminate by the end of July of this year.

Imola, 15 May 2025.

On behalf of the Board of Directors

The Chairman

Mr Filippo Casadio



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.

Consolidated statement of financial position

(Thousand of Euro)	Notes	2025 31 March	2024 31 December
ASSETS			
Non current assets			
Goodwill and other intangible assets		53	50
Property, plant and machinery	3	43,979	43,064
Equipments and other tangible assets	3	1,539	1,731
Assets under constructions and advances	3	46,332	41,609
Non current financial assets		6	7
Deferred tax assets		2,486	2,502
NON CURRENT ASSETS		94,395	88,963
Current assets			
Inventories	4	114,607	94,345
Trade receivables	5	68,538	54,083
Tax receivables		108	114
Other current assets	6	3,940	5,316
Current financial assets	7	383	412
Cash and cash equivalent		11,290	13,859
CURRENT ASSETS		198,866	168,129
TOTAL ASSETS		293,261	257,092

(Thousand of Euro)	Notes	2025 31 March	2024 31 December
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		13,751	13,756
Reserves		138,282	130,268
Profit (loss) for the period		1,953	6,900
Shareholders' equity attributable to shareholders of Parent company		153,986	150,924
Shareholders equity attributable to Minority interests		(308)	(308)
TOTAL SHAREHOLDERS' EQUITY	8	153,679	150,616
Non current liabilities			
Non current financial liabilities	9	41,867	38,023
Deferred tax liabilities		264	280
Non current provisions for risks and charges	10	556	558
Non current provisions for post employment obligation		3,638	3,685
NON CURRENT LIABILITIES		46,325	42,546
Current liabilities			
Current financial liabilities	9	36,571	22,757
Trade payables	11	40,614	26,010
Current tax payables	12	1,873	1,277
<i>(of which related parties)</i>		1,244	644
Social security contributions	13	1,366	2,013
Other current liabilities	14	9,103	8,513
Current provisions for risks and charges	10	3,730	3,360
CURRENT LIABILITIES		93,257	63,930
SHAREHOLDERS' EQUITY AND LIABILITIES		293,261	257,092

Consolidated income statement

(Thousand of Euro)	Notes	2025 31 March	2024 31 March
Sales revenues	15	102,714	100,117
Other revenues and income	16	666	364
TOTALE REVENUES AND INCOME		103,380	100,481
Raw materials and consumables	17	(86,868)	(81,929)
Change in inventories of work in progress and finished goods		8,815	5,120
Cost for services	18	(11,103)	(9,760)
Personnel costs	19	(8,593)	(8,372)
Amortization /depreciation/write off tangible and intangible assets	20	(1,731)	(1,707)
Provision and write downs		-	200
Other operating costs		(356)	(426)
EBIT		3,544	3,607
Financial income / (charges)	21	(481)	(127)
RESULT BEFORE TAX		3,063	3,480
Income taxes	22	(1,110)	(1,223)
NET RESULT FOR THE PERIOD		1,953	2,257
Net result attributable to non-controlling interests		-	12
Net result attributable to shareholders of the Parent Company		1,953	2,245
EARNINGS/(LOSSES) PER SHARES			
- basic EPS for the period attributable to shareholders of the parent company	23	0.0738	0.0847
- diluted EPS for the period attributable to shareholders of the parent company	23	0.0738	0.0847

Consolidated statement of comprehensive income

(Thousand of Euro)	Notes	2025 31 March	2024 31 March
Net result for the period		1,953	2,257
Translation difference on financial statements of foreign companies	8	1,130	(638)
Total items that will be reclassified to net result		1,130	(638)
Actuarial gain / (losses) IAS 19		(2)	(8)
Tax effect		-	-
Total IAS 19 reserve variance	8	(2)	(8)
Total items that will not be reclassified to net result		(2)	(8)
Total comprehensive income for the period		3,081	1,611
Attributable to shareholders of Parent company		3,081	1,599
Attributable to Minority interest		-	12

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	13,782	40,409	45,923	2,925	(730)	70,304	(27,190)	8,226	153,649	(322)	153,327
Sell / (purchase) own shares	(16)	(41)	-	-	-	-	-	-	(56)	-	(56)
Allocation of previous year net result	-	-	-	-	-	8,226	-	(8,226)	-	-	-
Other comprehensive income for the period	-	-	-	-	(8)	-	(638)	-	(646)	-	(646)
Net result for the period	-	-	-	-	-	-	-	2,245	2,245	12	2,257
Total comprehensive income for the period	-	-	-	-	(8)	-	(638)	2,245	1,600	12	1,611
Closing balance previous period	13,766	40,368	45,923	2,925	(738)	78,530	(27,828)	2,245	155,192	(310)	154,882
Opening balance current year	13,756	40,337	45,923	2,925	(891)	76,941	(34,967)	6,900	150,924	(308)	150,616
Sell / (purchase) own shares	(5)	(14)	-	-	-	-	-	-	(18)	-	(18)
Allocation of previous year net result	-	-	-	-	-	6,900	-	(6,900)	-	-	-
Other comprehensive income for the period	-	-	-	-	(2)	-	1,130	-	1,128	-	1,128
Net result for the period	-	-	-	-	-	-	-	1,953	1,953	(0)	1,953
Total comprehensive income for the period	-	-	-	-	(2)	-	1,130	1,953	3,081	(0)	3,081
Closing balance current period	13,751	40,323	45,923	2,925	(893)	83,841	(33,837)	1,953	153,986	(308)	153,679

Consolidated statement of cash flow

(Thousand of Euro)	Notes	2025 31 March	2024 31 March
OPERATING ACTIVITIES			
Result of the period (Group and Minorities)		1,953	2,257
<i>Adjustments for:</i>			
Depreciation / Amortization	20	1,731	1,707
Net change in deferred tax (assets) / liabilities	22	10	114
Capital (gains) / losses from disposal of fixed assets		(16)	(48)
Losses / (gains) on unrealised exchange rate differences		(171)	(212)
Income taxes	22	1,100	1,109
Financial (income) / expenses		134	(116)
Operating result before changes in working capital		4,741	4,811
Income taxes paid		(517)	(7)
Financial charges paid	21	(1,215)	(803)
Financial income collected	21	1,081	919
Decrease / (Increase) in inventories		(19,875)	(15,195)
Change in trade receivables		(14,047)	(9,644)
Change in trade payables		14,563	9,482
Net changes in current other assets and liabilities		1,982	(665)
Net changes in current other assets and liabilities - related parties		-	1,631
Net changes in non current other assets and liabilities		(37)	25
CASH FLOW FROM OPERATING ACTIVITIES		(13,324)	(9,445)
INVESTING ACTIVITIES			
Investments in intangible assets		(22)	(25)
Investments in tangible assets	3	(6,961)	(5,163)
Disposals of tangible and intangible assets		102	53
CASH FLOW FROM INVESTING ACTIVITIES		(6,881)	(5,135)
FINANCING ACTIVITIES			
Repayments of loans	9	(1,136)	(1,804)
Obtainment of loans	9	5,000	-
Net changes of current financial liabilities		13,721	11,338
Net changes of current financial assets		19	(357)
Other effects on shareholders' equity		-	-
Sell/(purchase) of own shares	8	(18)	(56)
CASH FLOW FROM FINANCING ACTIVITIES		17,586	9,121
NET CASH FLOW FROM THE PERIOD		(2,619)	(5,459)
CASH BALANCE AT THE BEGINNING OF THE PERIOD		13,859	14,167
Exchange rate differences		50	(23)
NET CASH FLOW FROM THE PERIOD		(2,619)	(5,459)
CASH BALANCE AT THE END OF THE PERIOD	9	11,290	8,685

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 31 March 2025 was approved by the Board of Directors of Irce SpA (hereafter also referred to as the “Company” or the “Parent Company”) on 15 May 2025.

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 perimeter of the Irce Group also includes 3 companies which are currently not yet operating and for which the start of operations is expected in a short term: Irce S.r.o. with registered office in Ostrava (Czech Republic), Irce Electromagnetic Wire (Jiangsu) Co. Ltd with registered office in Haian (Cina) and Fine Wire P. Ltd with registered office 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 2024 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 31 March 2025 are consistent with those used for the preparation of the financial statements as at 31 December 2024 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 2025, subsequently summarized.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2025

Accounting standard, Amendment, Interpretation	Issued date	Endorsement date	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15/08/2023	12/11/2024	01/01/2025

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 31 March 2025:

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	335,516,340	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	51,044,093	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 controlled by IRCE through Stable Magnet Wire P.Ltd.

EXCHANGE RATE

The exchange rates used to translate in Euro the balance sheet and the income statement figures of the financial statements of the subsidiaries of the Irce Group as at 31 March 2025 as well as comparative periods (31 December 2024 for the Statement of Financial Position and 31 March 2024 for the Income Statement) are as follows:

Currency	Current period		Previous year		Previous period	
	Average	Spot	Average	Spot	Average	Spot
GBP	0.8356	0.8354	0.8466	0.8293	0.8562	0.8548
CHF	0.9457	0.9534	0.9525	0.9414	0.9494	0.9765
BRL	6.1614	6.2344	5.8275	6.4185	5.3755	5.3964
INR	90.9091	92.5926	90.9091	89.2857	90.1445	90.0909
CNY	7.6511	7.8493	7.7882	7.5873	7.8041	7.8069
PLN	4.1999	4.1824	4.3066	4.2753	4.3324	4.3105
CZK	25.0627	24.9377	25.1256	25.1889	25.0708	25.3050

1. SEGMENT REPORTING

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

- a) 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);
- b) 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;
- c) 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 and 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 31 March 2024, as well as the balance sheet balances of intangible and tangible fixed assets, compared with 31 December 2024:

(Thousand of Euro)	Italy	UE	Extra UE	Consolidation entries	Irce Group
Current period					
Sales revenues	65,339	8,690	32,672	(3,987)	102,714
Ebitda	4,464	(613)	1,438	(14)	5,275
Ebit	3,282	(769)	1,044	(14)	3,544
Financial income/(charge)	-	-	-	-	(481)
Income taxes	-	-	-	-	(1,110)
Net result for the period	-	-	-	-	1,953
Intangible assets	46	-	7	-	53
Tangible assets	28,565	43,663	19,621	-	91,850
Previous period					
Sales revenues	64,134	8,790	30,906	(3,713)	100,117
Ebitda	3,861	(159)	1,332	81	5,115
Ebit	3,043	(323)	807	81	3,608
Financial income/(charge)	-	-	-	-	(127)
Income taxes	-	-	-	-	(1,223)
Net result for the period	-	-	-	-	2,257
Intangible assets	113	-	13	-	126
Tangible assets	31,869	16,083	14,381	-	62,333

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 31 March 2025. 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 31 March 2025:

	Notional amount		Fair value at 31/03/2025		
	Assets (Ton)	Liabilities (Ton)	Current assets (€/000)	Current liabilities (€/000)	Net carrying amount (€/000)
Forward purchase and sale transactions on copper	745	300	106	(17)	89

- Derivative instruments related to currency forward purchase and sale transactions with maturity after 31 March 2025. 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 31 March 2025:

	Notional Value		Fair value al 31/03/2025		
	Assets (Thousand)	Liabilities (Thousand)	Current Assets (€/000)	Current Liabilities (€/000)	Net carrying amount (€/000)
Forward sale transactions on GBP		9,000		(4)	(4)
Forward purchase transactions on USD		1,194		(90)	(90)

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 31 March 2025:

(Thousand of Euro)	Lands	Buildings	Plant and machinery	Equipments	Other tangible assets	Assets under construction and advances	Total
Closing balance - previous period	14,414	10,852	17,798	1,172	559	41,609	86,404
Changes - current period							
Purchase	-	10	2,060	21	5	4,880	6,975
Depreciation	-	(290)	(1,184)	(155)	(63)	-	(1,693)
Reclass	(7)	314	78	-	-	(385)	-
Write off	-	-	-	-	-	(32)	(32)
Disposals	-	-	(166)	-	(22)	-	(188)
Disposals - Depreciation fund	-	-	80	-	22	-	102
Exchange rate differences	(29)	14	36	(2)	3	260	282
Closing balance- current period	14,378	10,900	18,701	1,035	504	46,332	91,850

The Group's increases as at 31 March 2025 amounted to € 6,975 thousand and mainly refer respectively to investments in production plants in the Czech Republic and the People's Republic of China for the category "Assets under construction and payments on account" and to the purchase of production lines by Irce Ltda for the category "Plant and machinery".

4. INVENTORIES

Inventories are broken down as follows:

(Thousand of Euro)	2025 31 March	2024 31 December
Raw materials, ancillary and consumables - grsso value	42,945	31,827
Work in progress and semi-finished goods - gross value	20,719	15,973
Finished products and goods - gross value	56,778	52,878
Provision for write down of raw material	(4,077)	(4,089)
Provision for write down of work in progress and semi-finished goods	(145)	(145)
Provision for write down of finished products and goods	(1,613)	(2,099)
Total inventories	114,607	94,345

The increase in inventories compared to 31 December 2024 is mainly attributable to a quantity effect and, to a lesser extent, to the price effect.

In particular, the average price of the metal on the London Metal Exchange in the first 3 months 2025 was €/kg 8.88 (€/kg 8.45 in the year 2024) while the spot price as at 31 March 2025 was €/kg 8.94 (€/kg 8.38 as at 31 December 2024). However, it should be noted that in April the price of copper had a significant drop.

On the basis of the above and taking into account the recent trend in the price of copper and expectations regarding the realisation time for the stock, the Company, as envisaged by its own policy and in line with the 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 quarter of 2025.

The changes in the provision for write-down of inventories during the first quarter 2025 are as follows:

(Thousand of Euro)	Opening balance	Provision	Utilization	Exchange rate differences	Closing balance
Provision for write down of raw material	(4,089)	(47)	61	(2)	(4,077)
Provision for write down of work in progress	(145)	-	-	-	(145)
Provision for write down of finished products	(2,099)	(19)	503	2	(1,613)
Total	(6,333)	(66)	564	-	(5,835)

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.

5. TRADE RECEIVABLES

The details of trade receivables are as follows:

(Thousand of Euro)	2025 31 March	2024 31 December
Current trade receivables - third parties	69,637	55,204
Current bad debt provision - third parties	(1,099)	(1,121)
Total trade receivables	68,538	54,083

The change in trade receivables is attributable both to the Group's higher turnover in Q1 2025 compared to Q4 2024 and to lower non-recourse sales opened at 31 March 2025 compared to 31 December 2024.

In particular, trade receivables which were sold without recourse and were not yet due as of March 31, 2025 amounted to € 15.2 million, approximately € 11.6 million lower than those of December 31, 2024, equal to € 27.6 million.

6. OTHER CURRENT ASSETS

Below is the item detailed:

(Thousand of Euro)	2025 31 March	2024 31 December
Accrued income and prepaid expenses	746	381
Social securities receivables	-	27
Other current assets	1,333	3,921
VAT receivables	1,861	986
Total other current assets	3,940	5,315

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

The change in "Other current assets" 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 2024.

The increase in "VAT credits" is mainly attributable to Irce Ltda and Irce Electromagnetic Wire.

7. CURRENT FINANCIAL ASSETS

Details of current financial assets are shown below:

(Thousand of Euro)	2025 31 March	2024 31 December
Mark to market gains derivatives on metal	89	-
Guarantees deposits	7	10
Mark to market financial assets	287	287
Mark to market gains derivatives exchange rate	-	115
Total current financial assets	383	412

The items "Mark to market gains derivatives on metal" and "Mark to market gains derivatives exchange rate" refer to the fair value of forward contracts on copper and on currencies entered into by the parent company IRCE S.p.A. and still open at the end of the period. For more details, see paragraph 2.

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

8. SHAREHOLDERS' EQUITY

The item "Shareholders' equity" amounts to € 153.7 million as at 31 March 2025 (€ 150.6 million as of 31 December 2024) and is detailed in the following table:

(Thousand of Euro)	2025 31 March	2024 31 December
Share capital	14,627	14,627
Own share capital	(875)	(871)
Share premium reserve	40,539	40,539
Revaluation reserve	22,328	22,328
Own share premium	(216)	(202)
Legal reserve	2,925	2,925
IAS 19 Reserve	(893)	(891)
Extraordinary reserve	57,714	57,714
Other reserve	23,595	23,595
Profit (losses) of previous years	26,128	19,227
Translation Reserve	(33,837)	(34,967)
Profit (loss) for the period	1,953	6,900
Total shareholders' equity attributable to Parent company	153,986	150,924
Shareholders' equity attributable to Minority interests	(308)	(308)
Total shareholders' equity	153,679	150,616

Share capital

The following table shows the breakdown of the share capital.

(Thousand of Euro)	2025 31 March	2024 31 December
Subscribed share capital	14,627	14,627
Treasury share capital	(875)	(871)
Total share capital	13,752	13,756

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

Treasury share capital as of 31 March 2025 amounted to 1,683,569 corresponding to 5.99% of the share capital. The total number of outstanding shares is then 26,444,431.



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

Outstanding shares	Thousand of shares
Balance as of 31.12.24	26.453
Share buyback	(9)
Sales of treasury shares	-
Balance as of 31.03.25	26.444

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 thousands of Euro, is as follows:

Change in IAS 19 reserve	In Thousands of Euro
Balance at 31.12.24	(891)
Actuarial valuation	(2)
Tax effect	-
Balance at 31.03.25	(893)

Retained earnings/losses carried forward

The change for the period, amounting to € 6,900 thousand, refers to the 2024 result of the Parent Company and its subsidiaries.

Foreign currency translation reserve

The increase in the translation reserve, amounting to € 1,130 thousand, is mainly related to the revaluation of the Brazilian Real against the Euro compared to 31 December 2024.

9. FINANCIAL LIABILITIES

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

(Thousand of Euro)	2025 31 March	2024 31 December
Non current Financial liabilities due to banks	41,627	37,765
Non current Financial liabilities - IFRS 16	240	258
Total non current financial liabilities	41,867	38,023

(Thousand of Euro)	2025 31 March	2024 31 December
Current Financial liabilities due to banks	31,286	17,399
Mark to market losses derivatives on metal	-	146
Current Financial liabilities - IFRS 16	109	124
Other current financial liabilities	13	-
Mark to market losses derivatives exchange rate	94	9
Long term loans- current portion	5,069	5,079
Total current financial liabilities	36,571	22,757



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	31.03.2025	31.12.2024	Due date
Banca di Imola	EUR	Floating	IRCE SpA	361	736	2026
Banca di Imola	EUR	Floating	IRCE SpA	10,000	10.000	2034
Banco Popolare	EUR	Fixed	IRCE SpA	192	380	2026
Banco Popolare	EUR	Floating	IRCE SpA	5,000	-	2033
Deutsche Bank	EUR	Floating	IRCE SpA	2,188	2.625	2027
BPER	EUR	Floating	IRCE SpA	3,751	3.889	2032
BPER	EUR	Floating	IRCE SpA	10,000	10.000	2034
MPS	EUR	Floating	IRCE SpA	10,000	10.000	2034
Credit Suisse	EUR	Fixed	Isomet AG	135	135	2027
Total				41,627	37,765	

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)	2025 31 March	2024 31 December
Cash and cash equivalents	11,290	13,859
Current financial assets	383	412
Cash and cash equivalents	11,673	14,271
Other current financial liabilities	(31,502)	(17,678)
Long term loans - current portion	(5,069)	(5,079)
Current net financial position	(24,898)	(8,486)
Non current financial liabilities third parties	(41,867)	(38,023)
Net financial position	(66,765)	(46,509)

The net financial position amounted to € 66.8 million as of March 31, 2025, approximately € 20.2 million higher than at December 31, 2024, mainly due to the increase in net working capital and the taking out of a new loan that made it possible to finance the construction of the new industrial plant in the People's Republic of China.

As of March 31, 2025, IRCE Group has contractual commitments of approximately € 230 million relating to both the finalization of the 2 new industrial plants in the Czech Republic and the People's Republic of China and the purchase of plant and machinery and copper quotas.

10. PROVISIONS FOR RISKS AND CHARGES

Changes in provisions for non-current and current risks and charges as at 31 March 2025 are shown below:

(Thousands of Euro)	Opening balance	Allocation	Use	Effect of exchange rates	Closing balance
Provision for severance payments to agents – non-current	119	-	(1)	-	118
Other provisions – non-current	439	-	-	(1)	438
Total provision for risks – non-current	558	-	(1)	(1)	556

(Thousands of Euro)	Opening balance	Allocation	Use	Effect of exchange rates	Closing balance
Provision for severance payments to agents – current	8	-	(8)	-	-
Other provisions –current	3,352	379	(1)	-	3,730
Total provision for risks – current	3,360	379	(9)	-	3,730

The provision of € 379 thousand mainly refers to the additional allocation made by the Dutch subsidiary following the agreement reached at the end of the quarter with the union and employees for the closure of the business.

11. TRADE PAYABLES

(Thousand of Euro)	2025 31 March	2024 31 December
Trade payables	40,613	26,010
Total trade payables	40,613	26,010

The change in trade payables, mainly attributable to the Parent Company, is essentially due to the trend in payments associated with copper supplies, impacted by the recording of copper in transit at the end of the period.

12. TAX PAYABLES

(Thousand of Euro)	2025 31 March	2024 31 December
Tax payables due to Aequafin	1,244	644
Tax payables-current	629	633
Total tax payables	1,873	1,277

“Tax payables due to Aequafin” shows the net balance for Italian corporation tax (IRES) of the Parent Company in regard 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.

13. SOCIAL SECURITY CONTRIBUTIONS

(Thousand of Euro)	2025 31 March	2024 31 December
Social security contributions	1,366	2,013
Total social security contributions	1,366	2,013

The item includes payables to INPS and INAIL, as well as contributions allocated to deferred salaries. The change in the period, attributable to the Parent Company, is due to the payment in January 2025 of the social security contributions relating to the thirteenth month and the payment in February 2025 of the INAIL advance.

14. OTHER CURRENT LIABILITIES

(Thousand of Euro)		2025	2024
		31 March	31 December
Payables due to employees		3,898	3,346
Accrued liabilities and deferred income		3,217	3,463
Other payables		559	605
VAT payables		1,142	532
Income taxes withheld on income from employees		287	567
Total other current liabilities		9,103	8,513

"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 in December of the thirteenth month's salary and the greater use of holidays.

The change in "VAT payables" is mainly attributable to the Parent Company and Smit Draad.

The reduction in the item "Payables for employee IRPEF withholdings" refers to IRCE and is due to the payment to the Treasury in January 2025 of IRPEF withholdings on salaries paid in December, which included the 13th month salary in addition to the monthly salary.

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)	2025 31 March	2024 31 March	Change
Sales revenues	102,714	100,117	2,597

Consolidated net sales were € 102.7 million, up 2.6% compared to € 100.1 million in the first quarter of 2024; the increase is due to the higher price of copper (the average LME price in Euro in the first quarter of 2025 was 14.2% higher than that of the same period of 2024), while sales volumes are decreasing.

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	82,462	20,252	102,714	80,293	19,824	100,117
% of total	80.0%	20.0%	100.0%	80.0%	20.0%	100.0%

(Thousand of Euro)	Current period				Previous period			
	Italy	UE	Extra UE	Total	Italy	UE	Extra UE	Total
Revenues	35,287	27,024	40,403	102,714	36,529	28,760	34,828	100,117
% of total	35.0%	26.0%	39.0%	100.0%	36.0%	29.0%	35.0%	100.0%

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

16. OTHER REVENUES AND INCOME

Other revenues and income was broken down as follows:

(Thousand of Euro)	2025 31 March	2024 31 March	Change
Increase in internally generated fixed assets	6	58	(52)
Capital gains on assets disposals	17	48	(32)
Insurance reimbursements	79	4	76
Contingent assets	38	114	(76)
Other revenues	526	140	386
Total other revenues and income	666	364	302

The increase in item "Other revenues " amounting to € 526 thousand is due to the Parent Company and mainly concerns the settlement of a dispute with a service provider as well as the increase in the portion of plant grants relating to the 4.0 tax credit programme following the interconnections of capital goods carried out after Q1 2024.

17. RAW MATERIALS AND CONSUMABLES

Costs for raw material and consumables are detailed as follows:

(Thousand of Euro)	2025 31 March	2024 31 March	Change
Raw materials and consumables	(95,048)	(88,803)	(6,245)
Change in inventory of raw materials and consumables	11,060	10,075	985
Purchasing finished goods	(2,870)	(3,201)	331
Raw materials and consumables - intercompany	(10)	-	(10)
Total raw materials and consumables	(86,868)	(81,929)	(4,939)

The item "Raw materials and consumables", amounting to € 95.0 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 increase compared to March 31, 2024 is about 7% and is mainly due to a higher average copper price and partly to the purchase of larger quantities of copper.

18. COST FOR SERVICES

The "Costs per service" are detailed below:

(Thousand of Euro)	2025 31 March	2024 31 March	Change
External processing	(2,137)	(2,398)	261
Utility expenses	(4,254)	(3,449)	(805)
Maintenance	(965)	(684)	(281)
Transport	(1,483)	(1,492)	9
Payable fees	(72)	(23)	(49)
Statutory auditors compensation	(17)	(17)	-
Other services	(2,088)	(1,614)	(474)
Operating leasing	(87)	(83)	(4)
Total cost for services	(11,103)	(9,760)	(1,343)

The reduction in "External processing" is associated with the lower quantities produced by the Parent Company due to weak market demand.

The increase in "Utility expenses" is due to the increase in the unit cost per KWh of electricity, partly offset by lower energy consumption due to lower quantities produced.

The increase in the item "Maintenance" is essentially attributable to the part of expenses incurred in relation to the extraordinary works for repairing the roof of the Guglionesi plant which don't meet the requirements for their capitalization.

The change in "Payables fees" is related to the hiring of a new foreign agent.

The change in "Other services" is mainly attributable to the Parent Company and mainly concerns the increase in commercial costs and expenses for studies and research.

19. PERSONNEL COSTS

Personnel costs are detailed as follows:

(Thousand of Euro)	2025 31 March	2024 31 March	Change
Salaries and wages	(5,660)	(5,640)	(20)
Social security charges	(1,425)	(1,330)	(95)
Pension costs	(440)	(453)	13
Other personnel costs	(1,068)	(949)	(119)
Total personnel costs	(8,593)	(8,372)	(221)

20. AMORTIZATION/DEPRECIATION AND WRITE DOWNS

Here is the breakdown of depreciation/amortisation:

(Thousand of Euro)	2025 31 March	2024 31 March	Change
Amortization of intangible assets	(20)	(30)	10
Depreciation of tangible assets	(1,659)	(1,633)	(26)
Depreciation of tangible assets - IFRS 16	(20)	(40)	20
Write off intangible assets	-	(4)	4
Write off tangible assets	(32)	-	(32)
Total amortization/depreciation and write-down	(1,731)	(1,707)	(24)

Item "Write-off tangible assets" amounting to € 32 thousand refers to a contract recorded under fixed assets under construction as of December 31, 2024 for which the conditions for capitalization have no longer been met.

21. FINANCIAL INCOME AND CHARGES

Financial income and charges are broken down as follows:

(Thousand of Euro)	2025 31 March	2024 31 March	Change
Financial income	1,081	919	162
Financial charges	(1,215)	(803)	(412)
Foreign exchanges	(347)	(243)	(104)
Total financial income and charges	(481)	(127)	(354)

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

The change in "Financial charges" compared to the first quarter of 2024 is attributable both to higher interest expense paid following the increase in the Group's average debt and to the increase in charges associated with the greater use in the first quarter of 2025 by the Brazilian subsidiary of the non-recourse assignment of trade receivables.

The increase in net foreign exchange losses mainly refers to exchange rate differences realized by the Parent Company.

22. INCOME TAXES

Below is the breakdown of income taxes:

(Thousand of Euro)	2025 31 March	2024 31 March	Change
Current taxes	(1,100)	(1,120)	20
Previous years' taxes	-	12	(12)
Deferred tax assets / liabilities	(10)	(115)	105
Total income tax	(1,110)	(1,223)	113

Current taxes mainly refer to the Parent Company and the Brazilian subsidiary.

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.

	2025 31 March	2024 31 March
Result for the period (Thousand of Euro)	1,953	2,245
Average weighted number of ordinary shares outstanding	26,447,409	26,495,180
Basic earnings/(loss) per Share	0.0738	0.0847
Diluted earnings/(loss) per Share	0.0738	0.0847

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 31 March 2025 is as follows:

(Thousand of Euro)	Campensation for office head	Campensation for other tasks	Total
Directors	65	72	137

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 € 1.2 million deriving from the National Tax Consolidation Agreement.

25. GUARANTEES

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

26. EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have occurred from 31 March 2025 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, Mr. Massimiliano Bacchini, 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, 15 May 2025

Massimiliano Bacchini
Manager responsible for preparing the corporate accounting documents

