

Half-yearly financial report as of 30 June 2025

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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 half year 2025, IRCE Group (hereinafter also the "Group") recorded a net profit of € 3.81 million.

Consolidated turnover amounted to € 204.09 million, down by 2.1% compared to € 208.41 million in the first half year of 2024. This decline was driven by lower sales volumes, only partially offset by an increase in copper prices (the average LME price in euros in the first half of 2025 was 2.7% higher than in the same period of 2024).

Throughout the first half of 2025, market demand remained subdued in both business segment, with sales volumes consistent with those recorded in the first quarter. In the winding wire sector, the decline in sales was due not only to persistent difficulties in the end markets (automotive, household appliances, and electromechanical/electronic equipment), but also to the phased reduction of production at the Dutch subsidiary Smit Draad, which ceased operations in May. The cable sector, where the decline was most significant, was impacted by ongoing difficulties in its traditional markets: construction, and cabling.

In this context, turnover without metal¹ decreased by 9.3%; the winding wires sector fell by 5.0% and the cable sectors by 19.0%.

In detail:

Consolidated turnover without metal ¹ (€/million)	30 June 2025		30 June 2024		Change %
	Value	%	Value	%	
Winding wires	34.26	72.6%	36.05	69.4%	-5.0%
Cables	12.91	27.4%	15.93	30.6%	-19.0%
Total	47.17	100.0%	51.98	100.0%	-9.3%

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

Consolidated income statement data (€/million)	30 June 2025 Value	30 June 2024 Value	Change Value
Turnover ²	204.09	208.41	(4.32)
EBITDA ³	10.82	12.41	(1.59)
EBIT	7.92	8.37	(0.45)
Net result before tax	6.93	7.99	(1.06)
Net result for the period	3.81	4.84	(1.03)
Adjusted EBITDA ⁴	11.73	13.03	(1.30)
Adjusted EBIT ⁴	8.83	8.99	(0.16)

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 (€ +0.91 million in first half of 2025 and € +0.62 million in first half of 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)	30 June 2025 Value	31 December 2024 Value	Change Value
Net capital employed ⁵	218.24	197.13	21.11
Shareholders' equity	152.85	150.62	2.23
Net financial position ⁶	65.39	46.51	18.88

As at 30 June 2025, the net financial position amounted to € 65.39 million, up from € 46.51 million at 31 December 2024. This increase was primarily driven by the expansion of working capital and partially to the investments made in the period.

Investments

The Group's investments in the first half of 2025 amounted to €10.67 million and concerned the subsidiary in Brazil and two new projects in the Czech Republic and China.

Main Risks and Uncertainties

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

Market risk

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

Risk associated with changes in financial and economic variables

- **Exchange rate risk**

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

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

As of June 30, 2025, the spot exchange rate of the Brazilian currency to the euro of 6.43 was in line with that of December 31, 2024, which was 6.41.

- **Interest rate risk**

In the past the Group financed itself in the medium/long term mainly by borrowing at a variable interest rate (connected to the Euribor), thus exposing itself to risk from a rise in interest rates. The Group will assess whether to make hedges on the basis of the terms and conditions offered by the market and the expectations for the trend in interest rates.

Short-term lines of credit are always at variable rates.

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.

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

The main raw material used by the Group is copper. The changes in its price can affect margins as well as financial requirements. In order to mitigate the potential impact of changes in the price of copper on margins, the Group implements a hedging policy using forward contracts on the positions generated by operating activities. However, given falling copper prices, the risk remains of having to measure the final inventories at their expected realisable value, should it be below the average weighted cost for the period, with a negative impact on the result. The average price of copper in the first half of 2025 on the London Metal Exchange was 8.64 €/Kg, up by around 2.2 per cent compared to the price in the previous year of 8.45 €/Kg while the spot price as of June 30 was €8.56/kg, which is 2.1 percent higher than the price of December 31, 2024, which was €8.38/kg.

▪ *Financial risks*

These are risks associated with financial resources.

○ *Credit risk*

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

○ *Liquidity risk*

The financial situation and the credit lines available, together with the Group's high standing which makes it possible to acquire new loans quickly at competitive prices, are such as to rule out difficulties in fulfilling the obligations associated with the liabilities.

Climate change risks

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

In relation to the acute physical risks connected to extreme weather events, it is believed that the presence of a Recovery Plan, on which the procedures to be put in place to ensure continuity in supplies within contractual times, together with the signing of insurance policies with leading insurance companies should contain the negative impacts of adverse weather phenomena in both economic and business terms.

At present, although climate change may lead to an acceleration in investments as well as to an increase in operating costs, it is believed that the expected growth in volumes is more an opportunity for the Group rather than a risk.

For further details, reference should be made to paragraph "Climate change – Impacts on financial statements" of the Notes to the Group's consolidated and separate financial statements.

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

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

Cybersecurity Risks

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

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



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

Intragroup transactions and transactions with Related Parties

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

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

Pursuant to paragraph 8 of Article 5 of the "Related Party Transactions Regulation" adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently integrated and last amended by resolution no. 21624 of 10 December 2020, it is hereby certified that in the first half of 2025 the Company has carried out "major transactions" with its subsidiary Irce S.r.l. for a total of € 7.4 million in order to support the construction of the new industrial plant in the Czech Republic.

Outlook

The high level of uncertainty characterizing the overall economic outlook, fuelled by ongoing trade tensions and international conflicts, makes forecasting very difficult. In this context, however, the Group expects its 2025 results to be in line with those achieved in 2024.

The rationalization process initiated by the group and the medium-long term strategy to growth in sectors related to the energy transition will ensure greater efficiency and higher margins for the Group, with a positive impact on results in the coming years.

The Group's investment projects continue. The Czech Republic plant started the first production tests of the installed machines; the construction of the plant in China will be completed at the end of the year, with production starting in the second half of 2026.

Regarding the Dutch subsidiary Smit Draad, all employment contracts were terminated by the end of July this year, in accordance with the agreement reached with the employees.

Imola, 12 September 2025

On behalf of the Board of Directors

The Chairman

Mr Filippo Casadio



Consolidated statement of financial position

(Thousand of Euro)	Notes	2025 30 June	2024 31 December
ASSETS			
Non current assets			
Goodwill and other intangible assets		58	50
Property, plant and machinery	3	69,625	43,064
Equipments and other tangible assets	3	1,757	1,731
Assets under constructions and advances	3	22,545	41,609
Non current financial assets		7	7
Deferred tax assets		2,580	2,502
Other non current assets non financial	4	251	-
NON CURRENT ASSETS		96,823	88,963
Current assets			
Inventories	5	115,727	94,345
Trade receivables	6	67,853	54,083
Tax receivables		151	114
Other current assets	7	3,809	5,316
Current financial assets	8	653	412
Cash and cash equivalent		9,929	13,859
CURRENT ASSETS		198,122	168,129
TOTAL ASSETS		294,945	257,092



Half-yearly financial report as of 30 June 2025

(Thousand of Euro)	Notes	2025 30 June	2024 31 December
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		13,744	13,756
Reserves		135,589	130,268
Profit (loss) for the period		3,811	6,900
Shareholders' equity attributable to shareholders of Parent company		153,145	150,924
Shareholders equity attributable to Minority interests		(298)	(308)
TOTAL SHAREHOLDERS' EQUITY	9	152,847	150,616
Non current liabilities			
Non current financial liabilities	10	40,716	38,023
Deferred tax liabilities		280	280
Non current provisions for risks and charges	11	553	558
Non current provisions for post employment obligation	12	3,513	3,685
NON CURRENT LIABILITIES		45,062	42,546
Current liabilities			
Current financial liabilities	10	35,258	22,757
Trade payables	13	43,834	26,010
Current tax payables	14	3,251	1,277
<i>(of which related parties)</i>		2,380	644
Social security contributions		2,083	2,013
Other current liabilities	15	12,389	8,513
Current provisions for risks and charges	11	221	3,360
CURRENT LIABILITIES		97,036	63,930
SHAREHOLDERS' EQUITY AND LIABILITIES		294,945	257,092

Consolidated income statement

(Thousand of Euro)	Notes	2025 30 June	2024 30 June
Sales revenues	16	204,086	208,407
Other revenues and income	17	1,308	672
TOTALE REVENUES AND INCOME		205,394	209,079
Raw materials and consumables	18	(164,837)	(170,773)
Change in inventories of work in progress and finished goods		9,005	11,455
Cost for services	19	(20,915)	(19,514)
Personnel costs	20	(17,173)	(16,868)
Amortization /depreciation/write off tangible and intangible assets	21	(3,066)	(3,834)
Provision and write downs	22	164	(200)
Other operating costs	23	(654)	(974)
EBIT		7,918	8,371
Financial income / (charges)	24	(992)	(382)
RESULT BEFORE TAX		6,926	7,989
Income taxes	25	(3,104)	(3,134)
NET RESULT FOR THE PERIOD		3,822	4,855
Net result attributable to non-controlling interests		10	11
Net result attributable to shareholders of the Parent Company		3,812	4,844
EARNINGS/(LOSSES) PER SHARES			
- basic EPS for the period attributable to shareholders of the parent company	26	0.1441	0,1829
- diluted EPS for the period attributable to shareholders of the parent company	26	0.1441	0,1829

Consolidated statement of comprehensive income

(Thousand of Euro)	Notes	2025 30 June	2024 30 June
Net result for the period		3,822	4,855
Translation difference on financial statements of foreign companies	9	(37)	(4,193)
Total items that will be reclassified to net result		(37)	(4,193)
Actuarial gain / (losses) IAS 19		98	(12)
Tax effect		(20)	(2)
Total IAS 19 reserve variance	9	78	(14)
Total items that will not be reclassified to net result		78	(14)
Total comprehensive income for the period		3,863	648
Attributable to shareholders of Parent company		3,853	637
Attributable to Minority interest		10	10

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	1st 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
Dividends	-	-	-	-	-	(1,588)	-	-	(1,588)	-	(1,588)
Sell / (purchase) own shares	(16)	(41)	-	-	-	-	-	-	(56)	-	(56)
Allocation of previous year net result	-	-	-	-	-	8,226	-	(8,226)	-	-	-
Other comprehensive income for the period	-	-	-	-	(14)	-	(4,193)	-	(4,206)	-	(4,206)
Net result for the period	-	-	-	-	-	-	-	4,844	4,844	11	4,855
Total comprehensive income for the period	-	-	-	-	(14)	-	(4,193)	4,844	637	11	648
Closing balance previous period	13,766	40,368	45,923	2,925	(744)	76,941	(31,382)	4,844	152,642	(311)	152,330
Opening balance current year	13,756	40,337	45,923	2,925	(891)	76,941	(34,967)	6,900	150,924	(308)	150,616
Dividends	-	-	-	-	-	(1,586)	-	-	(1,586)	-	(1,586)
Sell / (purchase) own shares	(12)	(34)	-	-	-	-	-	-	(46)	-	(46)
Allocation of previous year net result	-	-	-	-	-	6,900	-	(6,900)	-	-	-
Other comprehensive income for the period	-	-	-	-	78	-	(37)	-	41	-	41
Net result for the period	-	-	-	-	-	-	-	3,811	3,811	10	3,822
Total comprehensive income for the period	-	-	-	-	78	-	(37)	3,811	3,853	10	3,863
Closing balance current period	13,744	40,303	45,923	2,925	(813)	82,255	(35,004)	3,811	153,145	(298)	152,847

Consolidated statement of cash flow

(Thousand of Euro)	Notes	2025 30 June	2024 30 June
OPERATING ACTIVITIES			
Result of the period (Group and Minorities)		3,822	4,855
<i>Adjustments for:</i>			
Depreciation / Amortization	21	3,066	3,834
Net change in deferred tax (assets) / liabilities	25	(98)	(253)
Capital (gains) / losses from disposal of fixed assets	17	(49)	(175)
Losses / (gains) on unrealised exchange rate differences	24	(44)	(301)
Provisions/write down (release/reversal)	22	(164)	200
Income taxes	25	3,203	3,387
Financial (income) / expenses	24	292	304
Operating result before changes in working capital		10,028	11,851
Income taxes paid		(953)	(416)
Financial charges paid		(2,433)	(1,523)
Financial income collected		2,141	1,753
Decrease / (Increase) in inventories		(21,609)	(24,363)
Change in trade receivables		(13,783)	(8,746)
Change in trade payables		17,957	7,702
Net changes in current other assets and liabilities		2,302	1,406
Net changes in current other assets and liabilities - related parties		(27)	1,133
Net changes in non current other assets and liabilities		(333)	(95)
CASH FLOW FROM OPERATING ACTIVITIES		(6,710)	(11,298)
INVESTING ACTIVITIES			
Investments in intangible assets		(22)	(38)
Investments in tangible assets	3	(10,651)	(15,168)
Disposals of tangible and intangible assets		142	194
CASH FLOW FROM INVESTING ACTIVITIES		(10,531)	(15,012)
FINANCING ACTIVITIES			
Repayments of loans		(2,271)	(3,075)
Obtainment of loans	9	5,000	10,000
Net changes of current financial liabilities		12,407	24,965
Net changes of current financial assets		(62)	(250)
Dividends paid to shareholders	9	(1,586)	(1,588)
Sell/(purchase) of own shares	9	(46)	(57)
CASH FLOW FROM FINANCING ACTIVITIES		13,442	29,995
NET CASH FLOW FROM THE PERIOD		(3,799)	3,686
CASH BALANCE AT THE BEGINNING OF THE PERIOD		13,859	14,167
Exchange rate differences		(131)	(227)
NET CASH FLOW FROM THE PERIOD		(3,799)	3,686
CASH BALANCE AT THE END OF THE PERIOD	10	9,929	17,626

Notes to the Interim Report on Operations

GENERAL INFORMATION

The IRCE Group is one of the leading industrial players in the European winding wire industry, as well as in the Italian electrical cable sector.

As of June 30, 2025, production is carried out in 3 plants in Italy (Imola, Guglionesi, and Umbertide) and 5 abroad: Blackburn (U.K), Joinville SC (Brazil), Kochi (India), Kierspe (Germany) and Ostrava (Czech Republic). It should be noted that for the latter during the second quarter 2025 the test production began for testing the installed machines while in May 2025 the plant in Nijmegen (NL), headquarters of Smit Draad Nijmegen BV, ceased its production activities.

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 2 plant currently not operational for which the start of activities is expected within the next fiscal year, namely Irce Electromagnetic Wire (Jiangsu) Co. Ltd based in Haian (China) and Fine Wire P. Ltd. based in Kochi (Kerala - India).

GENERAL DRAFTING CRITERIA

The Half-yearly financial report has been drawn up in compliance with the IAS 34 "Interim Financial Reporting" pursuant to the provisions for the condensed interim financial statements and with article 154 ter of TUF. This interim consolidated financial report doesn't include all information requested by annual consolidated financial statements and should be read jointly with the 31 December 2024 consolidated financial statements.

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

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

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

ACCOUNTING PRINCIPLES

The accounting principles and criteria adopted for the preparation of the Half-yearly financial report as at 30 June 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	Issue 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.

ACCOUNTING PRINCIPLES, AMENDMENTS AND IFRS INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, NOT YET MANDATORY AND NOT EARLY ADOPTED BY THE GROUP AS OF JUNE 30, 2025

Accounting standard, Amendment, Interpretation	Issue date	Endorsement date	Effective date
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	18/12/2024	30/06/2025	01/01/2026
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	30/05/2024	27/05/2025	01/01/2026

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

Accounting standard, Amendment, Interpretation	Issue date	Endorsement date	Effective date
Annual Improvements Volume 11	18/07/2024	09/07/2025	01/01/2026
IFRS 18 Presentation and Disclosure in Financial Statements	09/04/2024	-	01/01/2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	09/05/2024	-	01/01/2027

The Directors are analyzing the potential impacts on the financial statements from the adoption of these standards, amendments and interpretations, particularly from the entry into force of "IFRS 18 Presentation and Disclosure in 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 June 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	493,594,060	line by line
Irce SP.ZO.O	100%	Poland	PLN	200,000	line by line
Isolveco 2 Srl	100%	Italy	EUR	10,000	line by line
Irce Electromagnetic Wire (Jiangsu) Co. Ltd	100%	China	CNY	61,074,522	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 through Stable Magnet Wire P.Ltd.

EXCHANGE RATE

The exchange rates used to translate in Euro the figures of the subsidiaries as at 30 June 2025 as well as comparative periods were as follows:

Currency	Current period		Previous year		Previous period	
	Average	Spot	Average	Spot	Average	Spot
GBP	0,8423	0,8554	0,8466	0,8293	0,8546	0,8461
CHF	0,9412	0,9346	0,9525	0,9414	0,9614	0,9626
BRL	6,2933	6,4309	5,8275	6,4185	5,4937	5,8832
INR	94,3396	101,0101	90,9091	89,2857	89,9694	89,1780
CNY	7,9302	8,4034	7,7882	7,5873	7,7999	7,7674
PLN	4,2319	4,2427	4,3066	4,2753	4,3172	4,3089
CZK	25,0000	24,7525	25,1256	25,1889	25,0149	25,0250

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, Irce SP. ZO.O. and Irce S.r.o.
- Non-EU: FD Sims Ltd, Irce Ltda, Isomet AG, Stable Magnet Wire Ltda, Irce Electromagnetic Wire (Jiangsu), Fine Wire P. Ltd,

Below is the income statement broken down by geographic operating segment, compared with the period 30 June 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	132.241	15.744	65.427	(9.326)	204.086
Ebitda	11.134	(2.557)	2.208	36	10.821
Ebit	9.481	(3.094)	1.496	35	7.918
Financial income/(charge)	-	-	-	-	(992)
Income taxes	-	-	-	-	(3.105)
Net result for the period	-	-	-	-	3.822
Intangible assets	52	-	6	-	58
Tangible assets	28.036	45.319	20.572	-	93.927
Previous period					
Sales revenues	133.511	19.139	65.028	(9.272)	208.407
Ebitda	8.394	(280)	4.356	(65)	12.405
Ebit	5.591	(580)	3.425	(65)	8.371
Financial income/(charge)	-	-	-	-	(382)
Income taxes	-	-	-	-	(3.134)
Net result for the period	-	-	-	-	4.855
Intangible assets	42	-	8	-	50
Tangible assets	29.653	40.584	16.167	-	86.404

2. DERIVATE INSTRUMENTS

The Group uses the following types of derivative instruments:

- Derivative instruments related to metal forward purchase and sale transactions with maturity after 30 June 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 30 June 2025:

	Notional amount		Fair value at 30/06/2025		
	Assets (Ton)	Liabilities (Ton)	Current assets (€/000)	Current liabilities (€/000)	Net carrying amount (€/000)
Forward purchase and sale transactions on copper	900	670	263	(112)	151

- Derivative instruments related to currency forward purchase and sale transactions with maturity after 30 June 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 30 June 2025:

	Notional Value		Fair value al 30/06/2025		
	Assets (Thousand)	Liabilities (Thousand)	Current Assets (€/000)	Current Liabilities (€/000)	Net carrying amount (€/000)
Forward sale transactions on GBP	9,000		194		194

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

3. TANGIBLE ASSETS

The following table shows the breakdown and changes in tangible assets for the period closed as at 30 June 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	1	1.577	3.083	358	70	5.594	10.683
Depreciation	(1)	(606)	(2.025)	(299)	(89)	-	(3.020)
Reclass	1.107	23.300	278	-	0	(24.685)	0
Write off	-	-	-	-	-	(32)	(32)
Disposals	-	-	(165)	(96)	(46)	-	(307)
Disposals - Depreciation fund	-	-	78	89	46	-	213
Exchange rate differences	(120)	163	(109)	(7)	0	59	(14)
Closing balance- current period	15.401	35.286	18.938	1.217	540	22.545	93.927

The Group's investments as of June 30, 2025, amount to €10,682 thousand, of which €32 thousand relate to rights of use, and primarily concerned the subsidiaries Irce Sro, Irce Electromagnetic Wire Co. Ltd, and Irce Ltda.

The item "Reclassification" mainly refers to investments made in previous years or in the current year, initially recorded in the category "Assets under construction and advances" and allocated, once completed, to the specific categories to which they belong. The reclassification as of June 30, 2025, of €24,685 concerns primarily the investment made in the production plant in the Czech Republic, which was completed in February 2025, by the subsidiary Irce Sro, a company that started operations during the second quarter of 2025.

The balance as of June 30, 2025, amounting to Euro 93.927 million, relates for Euro 1.703 million to Smit Draad Nijmegen, a company of the Irce Group which, in line with the decision made by the Parent Company at the end of 2024, ceased production activities in May 2025. Based on the analyses conducted, the Directors believe that the value of the tangible assets of the Dutch subsidiary is recoverable.

The Directors consider the medium/long-term outlook for the Group to be substantially confirmed, as reflected in the 2025-2029 plan used for the preparation of the impairment test at 31 December 2024. Therefore, after analysing the results achieved by the Group in the semester ending June 30, 2025, considering the expected trend during the explicit period of the Plan, and taking into account the reduction of the Group's WACC as of June 30, 2025, they believe there are no indicators of impairment concerning the values recorded in the financial statements relating to tangible and intangible assets and, consequently, have not deemed it necessary to update the impairment test as at 30 June 2025.

4. OTHER NON CURRENT ASSETS

(Thousand of Euro)	2025 30 June	2024 31 December
Other non current assets	251	

The balance refers to the Brazilian subsidiary and concerns the ICMS tax credit that is expected to be realized after 12 months.

5. INVENTORIES

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

(Thousand of Euro)	2025 30 June	2024 31 December
Raw materials, ancillary and consumables	44.062	31.827
Work in progress and semi-finished goods	18.684	15.973
Finished products and goods	58.767	52.878
Provision for write down of raw material	(4.095)	(4.089)
Provision for write down of work in progress and semi-finished goods	(111)	(145)
Provision for write down of finished products and goods	(1.580)	(2.099)
Total inventories	115.727	94.345

The change in the period compared to December 31, 2024, is mainly attributable to a quantity effect, essentially due to the higher volumes of metal in stock.

In relation to the price of copper, it is reported that the average quotation in the first half of 2025 on the London Metal Exchange was €8.64/kg, approximately 2.2 percent higher than the average of the previous fiscal year, which was €8.45/kg, while the spot price as of June 30 was €8.56/kg, which is 2.1 percent higher than the price of December 31, 2024, which was €8.38/kg. In July 2025, the price of copper showed a slight decrease.

On the basis of the above and taking into account the expected trends in the price of copper and the expectations regarding the time of realization of inventories in stock, the Group, as provided for in its policies and in line with IFRS principles, has written down the copper in stock to the estimated realisable value as it is lower than the weighted average cost of the first half of 2025.

The changes in the provision for write-down of inventories during the first half 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)	(76)	67	3	(4.095)
Provision for write down of work in progress and s	(145)	-	34	-	(111)
Provision for write down of finished products and g	(2.099)	-	519	-	(1.580)
Totale	(6.333)	(76)	620	3	(5.786)

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

6. TRADE RECEIVABLES

The details of trade receivables are as follows:

(Thousand of Euro)	2025 30 June	2024 31 December
Current trade receivables	68,760	55,204
Current bad debt provision	(907)	(1,121)
Total trade receivables	67,853	54,083

The change in trade receivables is mainly attributable to the higher turnover of the Group in the 2nd quarter 2025 compared to that of the 4th quarter 2024, as well as to the lower non-recourse assignments not yet due as of June 30, 2025, compared to December 31, 2024.

It should be noted that trade receivables subject to non-recourse assignment not yet due as at 30 June 2025 amount to € 22.2 million, approximately € 5.3 million lower than those assigned at 31 December 2024, equal to € 27.5 million.



The following table highlights the movement of the bad debt provision in the first half of 2025:

(Thousand of Euro)	Opening balance	Provision	Utilization	Exchange rate differences	Closing balance
Bad debt provision - third parties	(1,121)	(5)	210	9	(907)

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.

7. OTHER CURRENT ASSETS

Below is the item detailed:

(Thousand of Euro)	2025 30 June	2024 31 December
Accrued income and prepaid expenses	606	381
Social securities receivables	-	28
Other current assets	1,128	3,921
VAT receivables	2,077	986
Total other current assets	3,809	5,316

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

The change in "Other current assets" is essentially due to the Parent Company and refers in particular to the partial use of the Industry 4.0 tax credit recorded as at 31 December 2024.

The increase in VAT receivables is mainly attributable to Irce Ltda and Irce Electromagnetic Wire Co. Ltd.

8. CURRENT FINANCIAL ASSETS

Details of current financial assets are shown below:

(Thousand of Euro)	2025 30 June	2024 31 December
Mark to market gains derivatives on metal	165	-
Guarantees deposits	7	10
Mark to market financial assets	287	287
Mark to market gains derivatives exchange rate	194	115
Total current financial assets	653	412

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 opened at the end of the period, subscribed by the parent company IRCE S.p.A.. For more details, see paragraph 2.

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



9. SHAREHOLDERS' EQUITY

The item "Shareholders' equity" amounts to €152.8 million as of June 30, 2025 (€150.6 million as of December 31, 2024) and is detailed in the following table.

(Thousand of Euro)	2025 30 June	2024 31 December
Share capital	14,627	14,627
Own share capital	(883)	(871)
Share premium reserve	40,539	40,539
Revaluation reserve	22,328	22,328
Own share premium	(236)	(202)
Legal reserve	2,925	2,925
IAS 19 Reserve	(813)	(891)
Extraordinary reserve	60,748	57,714
Other reserve	23,595	23,595
Profit (losses) of previous years	21,507	19,227
Translation Reserve	(35,004)	(34,967)
Profit (loss) for the period	3,811	6,900
Total shareholders' equity attributable to Parent company	153,145	150,924
Shareholders' equity attributable to Minority interests	(298)	(308)
Total shareholders' equity	152,847	150,616

Share capital

The following table shows the breakdown of the share capital.

(Thousand of Euro)	2025 30 June	2024 31 December
Subscribed share capital	14,627	14,627
Treasury share capital	(883)	(871)
Total share capital	13,744	13,756

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

Treasury share capital as of 30 June 2025 amounted to 1,697,600 corresponding to 6.04% of the share capital. The total number of outstanding shares is then 26,430,400.

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

Outstanding shares	Thousand of shares
Balance as of 31.12.2024	26.453
Share buyback	(23)
Sales of treasury shares	-
Balance as of 30.06.25	26.430

IAS 19 Reserve

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

Changes in IAS 19 Reserve	Thousand of Euro
Balance as of 31.12.2024	(891)
Actuarial valuation	98
Tax effect on actuarial valuation	(20)
Balance as of 30.06.25	(813)

Extraordinary reserve

The extraordinary reserve mainly consists of the Parent Company's retained earnings net of dividends distributed, amounting to € 1,586 thousand in 2025.

10. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

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

(Thousand of Euro)	2025 30 June	2024 31 December
Financial liabilities due to banks	40,495	37,765
Financial liabilities - IFRS 16	221	258
Total non current financial liabilities	40,716	38,023

(Thousand of Euro)	2025 30 June	2024 31 December
Current Financial liabilities due to banks	29,874	16,613
Mark to market losses derivatives on metal	14	146
Current Financial liabilities - IFRS 16	126	124
Other current financial liabilities	103	(1)
Mark to market losses derivatives exchange rate	-	9
Long term loans- current portion	4,931	5,079
Financial accrued expenses liabilities	210	787
Total current financial liabilities	35,258	22,757

The items "Mark to market losses derivatives on metal" and "Mark to market losses derivatives exchange rate " refer to the negative Fair Value of the forward contracts on copper and currencies opened at the end of the period, subscribed by the parent company IRCE S.p.A.. For more details, see paragraph 2.

The reduction of the item 'Financial Accrued expenses liabilities' is due to the settlement in March 2025 of the interest accrued on current accounts as of December 31, 2024.

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	-	736	2026
Banca di Imola	EUR	Floating	IRCE SpA	10,000	10.000	2034
Banco Popolare	EUR	Fixed	IRCE SpA	-	380	2026
Banco Popolare	EUR	Floating	IRCE SpA	5,000	-	2033
Deutsche Bank	EUR	Floating	IRCE SpA	1,750	2.625	2027
BPER	EUR	Floating	IRCE SpA	3,611	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				40,496	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 30 June	2024 31 December
Cash and cash equivalents	9,929	13,859
Current financial assets	653	412
Cash and cash equivalents	10,582	14,271
Other current financial liabilities	(30,327)	(17,678)
Long term loans - current portion	(4,931)	(5,079)
Current net financial position	(24,676)	(8,486)
Non current financial liabilities third parties	(40,716)	(38,023)
Net financial position	(65,392)	(46,509)

The net financial position amounts to € 65.4 million as of June 30, 2025, up from € 46.5 million as of December 31, 2024, due to both the increase in net working capital and the ongoing investments in the Czech Republic and the People's Republic of China.

It should be noted that as of June 30, 2025, the Irce Group has only one loan with financial covenants, the 'testing date' of which is at the end of the year, for which compliance is expected by December 31, 2025.

The Irce Group has contractual commitments of approximately €119 million related to the purchase of copper as well as, to a lesser extent, investments in machinery and the establishment of a new industrial plant in China as of June 30, 2025.

11. PROVISIONS FOR RISKS AND CHARGES

Changes in provisions for non-current and current risks and charges as at 30 June 2025 are shown below:

(Thousand of Euro)	Opening	Provision	Utilization	Exchange rate differences	Closing
Provision for severance payments to agents	119	-	(2)	-	117
Other funds – non current	439	230	(230)	(3)	436
Total provision - non current	558	230	(232)	(3)	553

(Thousand of Euro)	Opening	Reclass	Provision	Utilization	Closing
Provision for severance payments to agents	8	-	-	(8)	-
Other funds - current	3,352	(3,343)	212	-	221

Total provision - current	3,360	(3,343)	212	(8)	221
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With reference to the item 'Other funds - non current', the provision of € 230 thousand relates to an ongoing dispute with a customer for alleged product defects, while the "Utilization" of € 230 thousand refers to the release of the allocation following the removal of the risk of enforcement of a surety by a client.

Regarding the item 'Other funds - current', the provision of € 212 thousand refers to the supplementary allocation made by the subsidiary Smit Draad following the agreement reached with the union and employees during the semester 2025 for the closure of the business, while the 'Reclassification' of €3,343 thousand refers to the same fund allocated as of June 30, 2025, among 'Payables due to employees', as the amount of the liability and the timing of payment have become certain.

12. PROVISION FOR EMPLOYEE DEFINED BENEFITS

The item refers to € 2,582 thousand for the Parent Company, € 782 thousand for Isomet, € 38 thousand for Stable Magnet Wire and € 111 thousand for Isolveco 2.

Below is the changes in the Provision for Employee Defined Benefit in the first half of 2025.

(Thousand of Euro)	Opening	Provision	Net equity effect	Utilization	Exchange rate differences	Closing
Provision for employee defined benefit	3,685	39	(98)	(113)	-	3,513
Total	3,685	39	(98)	(114)	-	3,513

13. TRADE PAYABLES

(Thousand of Euro)	2025 30 June	2024 31 December
Trade payables	43,834	26,010
Total trade payables	43,834	26,010

The change in trade payables compared to 31 December 2024, mainly attributable to the Parent Company and the Brazilian subsidiary, is essentially due to the larger quantities of copper in transit at the end of the semester.

14. TAX PAYABLES

(Thousand of Euro)	2025 30 June	2024 31 December
Tax payables due to Aequafin	2,380	644
Tax payables-current	871	633
Total tax payables	3,251	1,277

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

15. OTHER CURRENT LIABILITIES

	2025	2024
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(Thousand of Euro)	30 June	31 December
Payables due to employees	7,281	3,346
Accrued liabilities and deferred income	3,045	3,463
Other payables	567	605
VAT payables	1,131	532
Income taxes withheld on income from employees	365	567
Total other current liabilities	12,389	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 attributable both to the Dutch subsidiary following the agreement reached with the unions and employees during the semester for the closure of the business, which resulted in the reclassification between 'Liabilities vs employees' of Euro 3,343 thousand from 'Provision for risk and charges' in relation to the remaining liability as of June 30, 2025, and to the Parent Company due to the trend in debt for deferred remuneration, which is lower at the end of the year for the payment of the thirteenth month and for the greater use of vacation days.

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

The increase in "VAT payables" is attributable to the Parent Company and the subsidiary FD Sims.

The reduction of the item 'Income taxes withheld on income from employees' refers to IRCE and is due to the payment to the treasury in January 2025 of the IRPEF withholdings on the salaries paid in December, which included, in addition to the monthly salary, also the 13th month.

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)	2025 30 June	2024 30 June	Change
Sales revenues	204,086	208,407	(4,321)

The consolidated sales revenue was €204.1 million, down 2.1% compared to €208.4 million in the first half of 2024; the decrease was due to lower volumes sold, partially offset by the increase in the price of copper (the average LME price for the first half of 2025 was €8.64/kg, which was 2.7% higher than that of the same period in 2024, which was €8.41/kg).

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	164,236	39,850	204,086	166,834	41,573	208,407
% of total	80.5%	19.5%	100.0%	80.1%	19.9%	100.0%

(Thousand of Euro)	Current period				Previous period			
	Italy	UE	Extra UE	Total	Italy	UE	Extra UE	Total
Revenues	75,236	52,483	76,367	204,086	77,763	54,757	75,887	208,407
% of total	36.9%	25.7%	37.4%	100.0%	37.3%	26.3%	36.4%	100.0%

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

17. OTHER REVENUES AND INCOME

(Thousand of Euro)	2025 30 June	2024 30 June	Change
Increase in internally generated fixed assets	316	92	224
Capital gains on assets disposals	49	176	(127)
Insurance reimbursements	173	5	168
Contingent assets	75	121	(47)
Other revenues	695	278	417
Total other revenues and income	1,308	673	636

The change in the item "Increase in internally generated fixed assets" refers mainly to Irce Sro.

The increase in "Other revenues" amounting to € 695 thousand is mainly attributed to the Parent Company and primarily concerns the settlement of a dispute with a service provider as well as the increase in the share of contributions related to the 4.0 tax credit following the interconnections of capital goods made after the first half of 2024.

18. RAW MATERIALS AND CONSUMABLES

Costs for raw material and consumables are detailed as follows:

(Thousand of Euro)	2025 30 June	2024 30 June	Change
Raw materials and consumables	(171,747)	(176,448)	4,701
Change in inventory of raw materials and consumables	12,605	12,908	(303)
Purchasing finished goods	(5,695)	(7,233)	1,538
Total raw materials and consumables	(164,837)	(170,773)	5,936

The item 'Raw materials and consumables,' amounting to €171.7 million, includes the costs incurred for the purchase of raw materials, among which the most significant are represented by copper and aluminum, insulating materials, and packaging and maintenance materials. The change in the period compared to June 30, 2024, is due to the lower volumes purchased of both metal and insulating raw materials, partly offset by the increase in the average price of copper.

19. COST FOR SERVICES

The "Costs per service" are detailed below:

(Thousand of Euro)	2025 30 June	2024 30 June	Change
External processing	(4,271)	(4,629)	358
Utility expenses	(7,475)	(6,770)	(705)
Maintenance	(1,498)	(1,198)	(300)
Transport of sales	(3,050)	(3,015)	(35)
Payable fees	(199)	(65)	(134)
Statutory auditors compensation	(35)	(35)	-
Other services	(4,196)	(3,634)	(562)
Operating leasing	(191)	(168)	(23)
Total cost for services	(20,915)	(19,514)	(1,401)

The reduction of 'External Processes' is mainly attributable to the lower production scraps reprocessed in the winding conductor sector as well as the reduction in the quantities of cable produced.

The increase in "Utility Expenses" is due to the rise in the unit cost per kWh of electricity, partly offset by lower energy consumption following decreased production quantities.

The increase in the 'Maintenance' item is mainly attributable to the portion of expenses incurred for the repair of 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 rise in "Other services" is mainly attributable to the Parent Company and mainly concerns the increase of expenses for studies and research.



20. PERSONNEL COSTS

Personnel costs are detailed as follows:

(Thousand of Euro)	2025 30 June	2024 30 June	Change
Salaries and wages	(11,785)	(11,485)	(300)
Social security charges	(2,821)	(2,634)	(187)
Pension costs	(898)	(913)	15
Other personnel costs	(1,669)	(1,836)	167
Total personnel costs	(17,173)	(16,868)	(305)

The increase in personnel costs is mainly attributable to the subsidiary Irce Sro, having begun operations during the 2nd quarter.

21. AMORTIZATION/DEPRECIATION AND WRITE DOWNS OF TANGIBLE AND INTANGIBLE ASSETS

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

(Thousand of Euro)	2025 30 June	2024 30 June	Change
Amortization of intangible assets	(14)	(62)	48
Depreciation of tangible assets	(2,968)	(3,682)	714
Depreciation of tangible assets - IFRS 16	(52)	(85)	33
Write off intangible assets	-	(5)	5
Write off tangible assets	(32)	-	(32)
Total amortization/depreciation and write-down	(3,066)	(3,834)	768

The decrease in the item 'Depreciation of tangible assets' is primarily due to the Parent Company and the Brazilian subsidiary, partially offset by the started depreciation of some assets of the subsidiary Irce Sro.

The item 'Write-off of tangible assets' amounting to €32 thousand refers to a contract recorded under assets in progress as of December 31, 2024, for which the conditions for capitalization have ceased to exist.

22. PROVISIONS AND WRITE-DOWNS

Provisions and write-downs are detailed as follows:

(Thousand of Euro)	2025 30 June	2024 30 June	Change
Bad debt provision	164	-	164
Provision for risks	-	(200)	200
Total provisions and write-downs	164	(200)	364

In relation to the item "Provisions for risks", please refer to paragraph 12 "Provision for risks and charges".

**23. OTHER OPERATING COSTS**

	2025	2024	Change
(Thousand of Euro)	30 June	30 June	
Other taxes and indirect taxes	(408)	(481)	73
Other costs	(245)	(412)	167
Contingent liabilities	(1)	(81)	80
Total other operating costs	(654)	(974)	320

The change of the item 'Other costs' as of June 30, 2025, amounting to €245 thousand, is linked to the reduced impact of the contractual penalties charged by clients compared to the half 2024.

24. FINANCIAL INCOME AND CHARGES

Financial income and charges are broken down as follows:

	2025	2024	Change
(Thousand of Euro)	30 June	30 June	
Financial income	2,141	1,753	388
Financial charges	(2,433)	(2,057)	(376)
Foreign exchanges	(700)	(78)	(622)
Total financial income and charges	(992)	(382)	(610)

The increase in 'Financial income' compared to the previous period is mainly attributable to the revenues generated from forward operations on copper.

The change in 'Financial charges' compared to June 30, 2024, is due to the increase in the average net financial debt of the Group compared to the same period of the previous fiscal year, partly offset by the reduction in market interest rates.

The item 'Foreign exchanges' includes negative exchange differences of € 744 thousand realized and positive exchange differences of € 44 thousand unrealized. The change compared to June 30, 2024, is mainly attributable to the Brazilian subsidiary.

25. INCOME TAXES

Below is the breakdown of income taxes:

	2025	2024	Change
(Thousand of Euro)	30 June	30 June	
Current taxes	(3,213)	(3,388)	174
Income taxes related to previous years	11	-	11
Deferred tax	98	253	(155)
Total income tax	(3,104)	(3,134)	30

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

The increase in the tax rate compared to the previous period is due to the greater impact of loss-making subsidiaries on which no deferred taxes are allocated, in the absence of reasonable certainty regarding their recovery.

26. 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 30 June	2024 30 June
Result for the period (Thousand of Euro)	3,812	4,844
Average weighted number of ordinary shares outstanding	26,442,760	26,477,708
Basic earnings/(loss) per Share	0.1441	0.1829
Diluted earnings/(loss) per Share	0.1441	0.1829

27. RELATED PARTY DISCLOSURES

In accordance with the requirements of IAS 24, the remuneration received by the members of the Board of Directors of Irce SpA as at 30 June 2025 is as follows:

(Thousand of Euro)	Compensation for office head	Compensation for other tasks	Total
Directors	130	144	274

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 € 2.4 million deriving from the National Tax Consolidation Agreement.

28. 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.

29. EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events occurred from June 30, 2025, to the date of preparation of this financial statement, except for the sale to third parties of the Miradolo production plant, which has been non-operational since 2023, finalized on July 24, 2025, for Euro 1 million, which generated a capital gain of some Euro 0.9 million.

It is also certified that, as provided for by the agreements made with the union and the employees of Smit Draad, all employment relationships of the Dutch subsidiary ended on July 31, 2025.

Attachment 1 - Certification of the Financial Reporting Officer

Certification of the condensed consolidated interim financial statements as at 30 June 2025 pursuant to Article 154-bis, paragraph 5, of Italian Legislative Decree no. 58 of 24 February 1998:

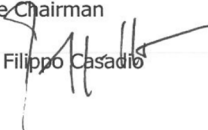
1. The undersigned Dr. Filippo Casadio as President and Dr. Massimiliano Bacchini as Manager responsible for the preparation of the company accounting documents of IRCE S.p.A, certify in accordance with article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
 - the appropriateness of the financial statements in relation to the characteristics of the company, and
 - the effective application of the administrative and accounting procedures in preparing the condensed interim financial statements as of June 30, 2025.
2. In this respect it is noted that no significant matters arose.
3. It is also certified that:
 - 3.1 The condensed consolidated half-year financial statements:
 - a) are prepared in accordance with International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) are consistent with accounting books and records;
 - c) are prepared in accordance with Article 154-ter of the aforesaid Legislative Decree 58/98 and subsequent amendments and integrations and they provide a true and fair view of the financial position and results of operations and cash flows of the Issuer as well as of the group of companies included within the scope of consolidation.
 - 3.2 The directors' interim report on operations provides a reliable analysis of the important events taking place in the first six months of the year and their impact on the condensed consolidated half-year financial statements, together with a description of the key risks and uncertainties for the remaining six months of the year. The directors' interim report on operations also includes a reliable analysis of significant transactions with related parties.

Imola, 12 September 2025

On behalf of the Board of Directors

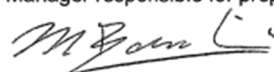
The Chairman

Mr Filippo Casadio



Massimiliano Bacchini

Manager responsible for preparing the corporate accounting documents



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

**To the Shareholders of
Irce S.p.A.**

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Irce S.p.A. and subsidiaries (the “Irce Group”), which comprise the statement of financial position as of June 30, 2025 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the Irce Group as at June 30, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Fruci
Partner

Bologna, Italy
September 12, 2025

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