



QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021

The Board of Directors has today approved the consolidated financial statements as at September 30th 2021.

The consolidated financial statements of IRCE Group (hereinafter also the "Group") for the first nine months of 2021 (hereinafter also the "Group") closed with a profit of € 8.88 million.

Consolidated turnover was € 341.13 million, up 65.6% compared to € 205.95 million in the first nine months of 2020, thanks to the increase in sales volumes and the price of copper (LME average price in euros for the first nine months of 2021 +48.24% on the same period of 2020).

In the first nine months, both business areas, winding wires and energy cable, confirm the recovery of demand that has further strengthened in the last quarter, bringing sales volumes to pre-covid levels.

Since the beginning of the year, we have recorded a strong and continuous increase in the cost of raw materials, which to date shows no slowing down signals. Starting from the third quarter, the marked increase in the cost of electricity has been also added. To limit the negative impact on results, we started to pass the cost increases to the market.

Results are reported in the following table.

Consolidated income statement data (€/million)	9 months 2021	9 months 2020	Change
Turnover ¹	341.13	205.95	135.18
Turnover without metal ²	69.66	48.18	21.48
EBITDA ³	21.73	6.16	15.57
EBIT	14.29	(0.24)	14.53
Result before taxes	13.15	1.41	11.74
Result of the period	8.88	0.65	8.23
Adjusted EBITDA ⁴	20.59	7.35	13.24
Adjusted EBIT ⁴	13.15	0.95	12.20

Consolidated statement of financial position data (€/million)	As of 30.09.2021	As of 31.12.2020	Change
Net invested capital	196.54	162.36	34.18
Shareholders' Equity	131.57	122.62	8.95
Net financial debt ⁵	64.97	39.74	25.23

¹ The item "Turnover" represents the "Revenues" reported in the income statement

² Turnover without metal corresponds to the total turnover less the metal component

³ EBITDA is a performance indicator used by the Management of the Group in order to assess the operating performance of the company and is not identified as an accounting item within IFRS; it is calculated by IRCE S.p.A. by adding amortisation/depreciation, allocations and write-downs to EBIT

⁴ Adjusted EBITDA and EBIT are respectively calculated as the sum of EBITDA and EBIT and the income/charges from operations on copper and electricity derivatives transactions (€ -1.14 million in nine months 2021 and € +1.19 million in nine months 2020). These indicators are used by the Management of the Group in order to monitor and assess the operational performance of the Group and are not identified as accounting items within IFRS. Given that the composition of these measures is not regulated by the reference accounting standards, the criterion used by the Group could potentially not be consistent with that adopted by others and therefore not be comparable

⁵ The methods for measuring the net financial position as defined by Consob's Notice no. 5/21 of 29 April 2021, which incorporates the ESMA Guideline published on 4 March 2021.

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Net financial debt at 30 September 2021 was € 64.97 million, up from € 39.74 million at 31 December 2020, but down from € 72.75 million at 30 June 2021, consistently with changes in working capital.

The Group's investments, in first nine months of 2021, were € 3.11 million.

With reference to the upcoming months, we foresee demand to stabilize at the good levels achieved, and we expect positive results also in the last quarter, despite the increase in raw material and electricity costs.

The manager responsible for preparing the company's financial reports, Elena Casadio, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance that the accounting information contained in this press release corresponds to our books and accounting records.

Imola, 12th November 2021

IRCE SPA

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IRCE Group is an important player in the winding wires and electric cable sector. The production is deployed in 4 facilities in Italy and 5 facilities abroad: Nijmegen (NI), Blackburn (UK), Joinville SC (Brazil), Kochi (India) and Kierspe (Germany). The Group includes also 5 commercial companies; four of them are located outside Italy (Germany, Spain, Switzerland, Poland) and two companies currently inoperative (China and Czech Republic). The Group employs 726 employees.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unit of Euro)	2021 30 September	2020 31 December
ASSETS		
NON CURRENT ASSETS		
Goodwill and Other intangible assets	84,009	133,008
Property, plant and machinery	36,802,600	40,862,438
Equipments and other tangible assets	1,388,858	1,542,621
Assets under constructions and advances	2,765,344	971,478
Investments	107,926	102,137
Non current financial assets	5,300	124,882
Deferred tax assets	1,432,213	1,386,848
NON CURRENT ASSETS	42,586,250	45,123,412
CURRENT ASSETS		
Inventories	99,951,135	76,230,890
Trade receivables	98,817,103	73,906,499
Tax receivables	11,407	7,236
Other current assets	1,739,729	1,935,970
Current financial assets	397,186	1,903,141
Cash and cash equivalent	4,751,510	10,259,995
CURRENT ASSETS	205,668,070	164,243,731
TOTAL ASSETS	248,254,320	209,367,143

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(Unit of Euro)	2021 30 September	2020 31 December
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	13,802,323	13,821,563
Reserves	109,190,932	106,384,781
Profit (loss) for the period	8,879,927	2,725,715
Shareholders' equity attributable to shareholders of Parent company	131,873,182	122,932,059
Shareholders equity attributable to Minority interests	(302,784)	(308,043)
TOTAL SHAREHOLDERS' EQUITY	131,570,398	122,624,016
NON CURRENT LIABILITIES		
Non current financial liabilities	24,661,407	21,311,962
Deferred tax liabilities	106,024	181,882
Non current provisions for risks and charges	796,083	309,344
Non current provisions for post employment obligation	4,679,511	4,990,269
NON CURRENT LIABILITIES	30,243,025	26,793,457
CURRENT LIABILITIES		
Current financial liabilities	45,452,543	30,594,634
Trade payables	28,798,142	21,200,554
Current tax payables	2,704,855	594,843
<i>(of which related parties)</i>	<i>1,808,226</i>	<i>225,605</i>
Social security contributions	1,674,462	1,950,195
Other current liabilities	7,571,326	5,414,449
Current provisions for risks and charges	239,569	194,995
CURRENT LIABILITIES	86,440,897	59,949,670
SHAREHOLDERS' EQUITY AND LIABILITIES	248,254,320	209,367,143

CONSOLIDATED INCOME STATEMENTS

(Unit of Euro)	2021 30 September	2020 30 September
Sales revenues	341,125,397	205,953,771
Other revenues and income	416,038	614,007
TOTAL REVENUES	341,541,435	206,567,778
Raw materials and consumables	(286,946,159)	(160,616,684)
Change in inventories of work in progress and finished goods	15,049,642	(1,001,820)
Cost for services	(24,238,246)	(16,934,989)
Personnel costs	(22,603,011)	(20,879,212)
Amortization /depreciation/write off tangible and intangible assets	(5,918,886)	(5,746,961)
Provision and write downs	(1,517,618)	(643,391)
Other operating costs	(1,078,319)	(979,473)
EBIT	14,288,838	(234,752)
Financial income / (charges)	(1,142,808)	1,641,620
RESULT BEFORE TAX	13,146,030	1,406,868
Income taxes	(4,260,844)	(717,388)
NET RESULT FOR THE PERIOD	8,885,186	689,480
Net result for the period attributable to non-controlling interests	5,259	39,114
Net result for the period attributable to the parent company	8,879,927	650,366

Earnings/(loss) per share (EPS)

- basic EPS for the period attributable to ordinary shareholders of the Parent Company	0.3345	0.0245
- diluted EPS for the period attributable to ordinary shareholders of the Parent Company	0.3345	0.0245

CONSOLIDATED STATEMENT OF CASH FLOW

(Thousand of Euro)	2021 30 September	2020 30 September
OPERATING ACTIVITIES		
Result of the period (Group and Minorities)	8,885	689
<i>Adjustments for:</i>		
Deprecitation / Amortization	5,919	5,747
Net change in deferred tax (assets) / liabilities	(162)	(110)
Capital (gains) / losses from disposal of fixed assets	(7)	-
Losses / (gains) on unrealised exchange rate differences	(395)	747
Provisions for risks	500	320
Income taxes	4,423	828
Financial (income) / expenses	1,193	(1,282)
Operating result before changes in working capital	20,356	6,939
Income taxes paid	(862)	(329)
Financial charges paid	(2,931)	(623)
Financial income collected	1,738	1,905
Decrease / (Increase) in inventories	(23,368)	4,431
Change in trade receivables	(24,521)	(14,544)
Change in trade payables	7,584	7,532
Net changes in current other assets and liabilities	(728)	1,259
Net changes in current other assets and liabilities - related parties	1,654	-
Net changes in non current other assets and liabilities	(121)	(572)
CASH FLOW FROM OPERATING ACTIVITIES	(21,199)	5,998
INVESTING ACTIVITIES		
Investments in intangible assets	(23)	(4)
Investments in tangible assets	(3,090)	(1,238)
Investments in subsidiaries, associates, other entities	(1)	-
Disposals of tangible and intangible assets	12	-
CASH FLOW FROM INVESTING ACTIVITIES	(3,102)	(1,242)
FINANCING ACTIVITIES		
Repayments of loans	(6,572)	(1,950)
Obtainment of loans	10,000	15,498
Net changes of current financial liabilities	14,756	(18,248)
Net changes of current financial assets	1,347	(2,307)
Other effects on shareholders' equity	-	-
Dividends paid to shareholders	(797)	-
Sell/(purchase) of own shares	(108)	(14)
CASH LOW FROM FINANCING ACTIVITIES	18,626	(7,021)
NET CASH FLOW FROM THE PERIOD	(5,675)	(2,265)
CASH BALANCE AT THE BEGINNING OF THE PERIOD	10,260	8,632
Exchange rate differences	167	(587)
NET CASH FLOW FROM THE PERIOD	(5,676)	(2,266)
CASH BALANCE AT THE END OF THE PERIOD	4,752	5,778