



APPROVAL OF 2022 SEPARATED AND CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors today has approved the separated and the consolidated 2022 financial statements.

In 2022, IRCE Group (hereinafter also the "Group") recorded a consolidated net profit of € 9.20 million.

Consolidated turnover was € 454.70 million, down 0.5% compared to € 457.14 million in 2021, due to lower volumes, not entirely offset by the increase in prices, both for processing and copper (LME 2022 average price + 5.8% compared to 2021).

The result of the year was adversely affected by the growing costs of raw material, especially those of electricity, which reached their high in the third quarter and then reversed their trend since October. This was accompanied by a slowdown in demand; in the winding wire sector it started in the first quarter and accelerated in the fourth, while in the cable sector, the decline began in the third quarter and intensified in the fourth.

To limit the negative effects of the increasing costs, the Group adopted appropriate pricing policies.

Results are reported in the following table.

Consolidated income statement data (€/million)	Year 2022	Year 2021	Change
Turnover ¹	454.70	457.14	(2.44)
Turnover without metal ²	96.69	92.37	4.32
EBITDA ³	19.37	23.20	(3.83)
EBIT	11.55	14.36	(2.81)
Result before tax	10.30	14.16	(3.86)
Net Result for the year	9.20	9.38	(0.18)
Adjusted EBITDA ⁴	19.93	22.96	(3.03)
Adjusted EBIT ⁴	12.11	14.12	(2.01)

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 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 (€ +0,56 million in 2022 and € -0.24 million in 2021). These are indicators 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.

PRESS RELEASE

Consolidated statement of financial position data (€/million)	As of 31.12.2022	As of 31.12.2021	Change
Net invested capital ⁵	204.69	196.25	8.44
Shareholders' equity	144.79	131.96	12.83
Net financial position ⁶	59.90	64.29	(4.39)

Investments of the Group in 2022 were € 13.64 million, mainly related to IRCE S.p.A., while, as at December 31, 2022 net financial position was € 59.90 million, down from € 64.29 million as at December 31, 2021.

Shareholders' equity increased by € 12.83 million, thanks to the € 4.18 positive change in translation reserve, which benefitted, in particular, from the revaluation of the Brazilian Real that strengthened over the Euro by about 12% since the beginning of 2022.

Sales volumes at the beginning of the year are weak in both business lines; a recovery in demand is expected in the coming months and the pressure of raw material and energy costs on margins should ease. The group continues its strategy of focusing on segments and products with high specialization and margins, which are also less exposed to drop in demand.

The Board of Directors of IRCE S.p.A. approved the "Consolidated non-financial report" which covers environmental, social, personnel-related issues, respect of human rights and the fight against corruption. The declaration was included in the Annual Report in compliance with the legislative decree 254/2016.

The Board of Directors resolved a proposal to distribute a dividend of € 0.06 per share, with dividend date on May 22, 2023, record date May 23, 2023 and day of payment May 24, 2023.

The shareholders meeting is called on April 28, 2023 (first call) and on May 5, 2023 (second call).

The separate and consolidated financial statements as at 31 December 2022 are subject to a legal audit of the accounts by Deloitte & Touche S.p.A., which is in progress.

The "consolidated non-financial report" at 31 December 2022 is subject to limited examination (limited assurance engagement according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touch S.p.A., which is in progress.

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 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.

PRESS RELEASE

The manager responsible for preparing the company's financial reports, Mrs 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, 15th March 2023

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 3 facilities in Italy (Miradolo Terme plant has been sold on 30 June 2022) 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 employed globally 650 employees.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Thousand of Euro)	2022 31 December	2021 31 December
ASSETS		
Non current assets		
Goodwill and Other intangible assets	49	60
Property, plant and machinery	37,961	37,267
Equipments and other tangible assets	1,374	1,445
Assets under constructions and advances	12,278	5,475
Investments	-	111
Non current financial assets	5	5
Deferred tax assets	2,357	2,002
Other non current assets	2,813	-
NON CURRENT ASSETS	56,837	46,365
Current assets		
Inventories	117,988	104,985
Trade receivables	61,586	91,924
Tax receivables	2,676	18
<i>(of which related parties)</i>	2,175	-
Other current assets	5,659	1,680
Current financial assets	490	673
Cash and cash equivalent	5,608	10,678
CURRENT ASSETS	194,007	209,958
TOTAL ASSETS	250,844	256,323

(Thousand of Euro)	2022 31 December	2021 31 December
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	13,802	13,802
Reserves	122,084	109,089
Profit (loss) for the period	9,224	9,376
Shareholders' equity attributable to shareholders of Parent company	145,110	132,267
Shareholders equity attributable to Minority interests	(325)	(305)
TOTAL SHAREHOLDERS' EQUITY	144,785	131,962
Non current liabilities		
Non current financial liabilities	19,777	17,846
Deferred tax liabilities	338	87
Non current provisions for risks and charges	280	167
Non current provisions for post employment obligation	3,449	4,842
NON CURRENT LIABILITIES	23,844	22,942
Current liabilities		
Current financial liabilities	46,224	57,790
Trade payables	27,240	30,402
Current tax payables	555	2,986
<i>(of which related parties)</i>	-	2,163
Social security contributions	2,000	1,897
Other current liabilities	5,939	8,045
Current provisions for risks and charges	257	299
CURRENT LIABILITIES	82,215	101,419
SHAREHOLDERS' EQUITY AND LIABILITIES	250,844	256,323

CONSOLIDATED INCOME STATEMENT

(Thousand of Euro)	2022 31 December	2021 31 December
Sales revenues	454,695	457,140
Other revenues and income	4,864	575
TOTAL REVENUES AND INCOME	459,559	457,715
Raw materials and consumables	(361,748)	(384,214)
Change in inventories of work in progress and finished goods	(86)	17,896
Cost for services	(46,615)	(36,449)
Personnel costs	(30,009)	(30,466)
Amortization /depreciation/write off tangible and intangible assets	(7,234)	(7,597)
Provision and write downs	(589)	(1,243)
Other operating costs	(1,730)	(1,286)
EBIT	11,548	14,356
Financial income / (charges)	(1,250)	(199)
RESULT BEFORE TAX	10,298	14,157
Income taxes	(1,094)	(4,778)
NET RESULT FOR THE PERIOD	9,204	9,379
Net result for the period attributable to non-controlling interests	(20)	3
Net result for the period attributable to the parent company	9,224	9,376

Earnings/(loss) per share (EPS)

- basic EPS for the period attributable to ordinary shareholders of the Parent Company	0.348	0.353
- diluted EPS for the period attributable to ordinary shareholders of the Parent Company	0.348	0.353

CONSOLIDATED STATEMENT OF CASH FLOW
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(Thousand of Euro)	2022 31 December	2021 31 December
OPERATING ACTIVITIES		
Result of the period (Group and Minorities)	9,204	9,379
<i>Adjustments for:</i>		
Deprecitation / Amortization	7,234	7,597
Net change in deferred tax (assets) / liabilities	(305)	(713)
Capital (gains) / losses from disposal of fixed assets	(703)	(57)
Losses / (gains) on unrealised exchange rate differences	(144)	(725)
Provisions for risks	150	100
Income taxes	1,399	5,490
Financial (income) / expenses	276	588
Operating result before changes in working capital	17,111	21,659
Income taxes paid	(6,922)	(3,759)
Financial charges paid	(4,035)	(3,259)
Financial income collected	3,759	2,672
Decrease / (Increase) in inventories	(11,792)	(28,029)
Change in trade receivables	31,646	(17,730)
Change in trade payables	(3,226)	9,134
Net changes in current other assets and liabilities	(1,145)	1,982
Net changes in current other assets and liabilities - related parties	(4,337)	2,007
Net changes in non current other assets and liabilities	(3,400)	(405)
CASH FLOW FROM OPERATING ACTIVITIES	17,659	(15,729)
INVESTING ACTIVITIES		
Investments in intangible assets	(30)	(26)
Investments in tangible assets	(13,609)	(7,673)
Investments in subsidiaries, associates, other entities	113	(2)
Disposals of tangible and intangible assets	743	62
CASH FLOW FROM INVESTING ACTIVITIES	(12,783)	(7,639)
FINANCING ACTIVITIES		
Repayments of loans	(10,176)	(8,887)
Obtainment of loans	12,000	5,395
Net changes of current financial liabilities (include IFRS16)	(11,961)	27,044
Net changes of current financial assets	579	882
Other effects on shareholders' equity	6	-
Dividends paid to shareholders	(1,327)	(797)
Sell/(purchase) of own shares	(3)	(108)
CASH LOW FROM FINANCING ACTIVITIES	(10,882)	23,529
NET CASH FLOW FROM THE PERIOD	(6,006)	161
CASH BALANCE AT THE BEGINNING OF THE PERIOD	10,678	10,260
Exchange rate differences	936	257
NET CASH FLOW FROM THE PERIOD	(6,006)	161
CASH BALANCE AT THE END OF THE PERIOD	5,608	10,678

STATEMENT OF FINANCIAL POSITION

(Unit of Euro)	2022 31 December	2021 31 December
ASSETS		
Non current assets		
Goodwill and Other intangible assets	21,749	25,135
Property, plant and machinery	19,201,657	16,662,501
Equipments and other tangible assets	1,075,722	1,149,518
Assets under constructions and advances	10,225,232	5,263,429
Investments	64,068,433	69,133,433
Non current financial assets	23,204,196	22,083,958
<i>(of which related parties)</i>	23,204,196	22,083,958
Deferred tax assets	2,001,431	1,752,343
NON CURRENT ASSETS	119,798,420	116,070,317
Current assets		
Inventories	78,720,000	76,657,379
Trade receivables	49,960,828	77,328,737
<i>(of which related parties)</i>	9,553,809	8,854,129
Tax receivables	2,658,048	-
<i>(of which related parties)</i>	2,175,190	-
Other current assets	2,003,988	220,481
Current financial assets	416,187	673,118
Cash and cash equivalent	1,431,639	460,975
CURRENT ASSETS	135,190,690	155,340,690
TOTAL ASSETS	254,989,110	271,411,007

PRESS RELEASE

(Unit of Euro)	2022 31 December	2021 31 December
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	13,801,647	13,802,323
Reserves	142,240,118	137,730,148
Profit (loss) for the period	5,788,946	5,551,458
SHAREHOLDERS' EQUITY	161,830,711	157,083,929
Non current liabilities		
Non current financial liabilities	17,909,339	15,422,321
Non current provisions for risks and charges	7,828,306	7,250,938
Non current provisions for post employment obligation	2,978,993	3,749,602
NON CURRENT LIABILITIES	28,716,638	26,422,861
Current liabilities		
Current financial liabilities	38,485,507	51,221,944
Trade payables	20,859,765	26,440,858
<i>(of which related parties)</i>	173,249	169,704
Current tax payables	-	2,586,924
<i>(of which related parties)</i>	-	2,162,510
Social security contributions	1,647,060	1,691,635
Other current liabilities	3,449,429	5,962,856
CURRENT LIABILITIES	64,441,761	87,904,217
SHAREHOLDERS' EQUITY AND LIABILITIES	254,989,110	271,411,007

INCOME STATEMENT

(Unit of Euro)	2022 31 December	2021 31 December
Sales revenues	304,200,697	311,586,436
<i>(of which related parties)</i>	<i>13,166,115</i>	<i>12,950,325</i>
Other revenues and income	1,941,474	513,211
<i>(of which related parties)</i>	<i>144,220</i>	<i>148,147</i>
TOTAL REVENUES	306,142,171	312,099,647
Raw materials and consumables	(238,173,392)	(263,109,725)
<i>(of which related parties)</i>	<i>(1,476,689)</i>	<i>(2,829,164)</i>
Change in inventories of work in progress and finished goods	(1,897,390)	13,502,515
Cost for services	(35,265,243)	(28,038,379)
<i>(of which related parties)</i>	<i>(1,094,640)</i>	<i>(1,060,742)</i>
Personnel costs	(17,284,106)	(18,343,411)
<i>(of which related parties)</i>	<i>(8,614)</i>	<i>-</i>
Amortization /depreciation/write off tangible and intangible assets	(3,602,896)	(3,863,751)
Provision and write downs	(407,289)	(892,783)
Other operating costs	(571,705)	(286,571)
EBIT	8,940,150	11,067,542
Impairment of equity investments	(5,529,000)	(4,402,000)
Financial income / (charges)	2,126,855	1,361,357
<i>(of which related parties)</i>	<i>2,249,529</i>	<i>1,611,851</i>
RESULT BEFORE TAX	5,538,005	8,026,899
Income taxes	250,941	(2,475,441)
NET RESULT FOR THE PERIOD	5,788,946	5,551,458

CASH FLOW STATEMENT

(Unit of Euro)	2022 31 December	2021 31 December
OPERATING ACTIVITIES		
Result of the period	5,788,946	5,551,458
<i>Adjustments for:</i>		
Deprecitation / Amortization	3,602,896	3,863,751
Net change in deferred tax (assets) / liabilities	(340,839)	(378,523)
Capital (gains) / losses from disposal of fixed assets	(703,075)	(7,800)
Losses / (gains) on unrealised exchange rate differences	(263,857)	(633,181)
Expenses / (Income) from investments	3,379,000	2,902,000
Provisions for risks	150,000	-
Income taxes	89,897	2,853,965
Financial (income) / expenses	(203,400)	208,851
Operating result before changes in working capital	11,499,568	14,360,521
Income taxes paid	(5,244,972)	(487,486)
Financial charges paid	(801,905)	(796,676)
Financial income collected	1,005,305	587,824
Decrease / (Increase) in inventories	(2,062,620)	(22,209,189)
Change in trade receivables	28,067,589	(18,883,061)
Change in trade payables	(5,584,638)	8,637,800
Net changes in current other assets and liabilities	170,152	1,717,775
Net changes in current other assets and liabilities - related parties	(5,033,837)	2,927,345
Net changes in non current other assets and liabilities	(427,289)	(343,153)
Net changes in non current other assets and liabilities - related parties	(1,120,238)	(2,217,233)
CASH FLOW FROM OPERATING ACTIVITIES	20,467,115	(16,705,533)
INVESTING ACTIVITIES		
Investments in intangible assets	(25,548)	(23,752)
Investments in tangible assets	(10,984,271)	(5,213,471)
Investments in subsidiaries, associates, other entities	-	(165,112)
Dividends received from investments	2,150,000	1,500,000
Disposals of tangible and intangible assets	718,031	7,800
CASH FLOW FROM INVESTING ACTIVITIES	(8,141,788)	(3,894,535)
FINANCING ACTIVITIES		
Repayments of loans	(9,514,824)	(8,221,968)
Obtainment of loans	12,000,000	3,000,000
Net changes of current financial liabilities	(12,766,405)	25,327,695
Net changes of current financial assets	256,932	1,349,607
Dividends paid to shareholders	(1,327,081)	(797,397)
Sell/(purchase) of own shares	(3,285)	(107,984)
CASH FLOW FROM FINANCING ACTIVITIES	(11,354,663)	20,549,953
NET CASH FLOW FROM THE PERIOD	970,664	(50,115)
CASH BALANCE AT THE BEGINNING OF THE PERIOD	460,975	511,090
NET CASH FLOW FROM THE PERIOD	970,664	(50,115)
CASH BALANCE AT THE END OF THE PERIOD	1,431,639	460,975