INTERIM FINANCIAL REPORT
AS AT 30 JUNE 2025
(1ST HALF 2025)

Drafted pursuant to art. 154-ter of the Consolidated Law on Finance (TUF)

Board of Directors
of 17 September 2025

KME Group S.p.A.
Registered and Administrative Office:
20121 Milan - Foro Buonaparte 44
Share Capital Euro 200,154,177.66 fully paid up
Tax Code and Milan Business
Register no. 00931330583
www.itkgroup.it

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Company Bodies

Board of Directors *(appointed by the shareholders' meeting of 22 May 2024)*

Chairwoman	Diva Moriani [B]
Deputy Chairman	Vincenzo Manes [B]
Directors	Marcello Gallo
	James Macdonald
	Ruggero Magnoni
	Francesca Marchetti [A, C, D]
	Massimiliano Picardi [A, D]
	Alessandra Pizzuti [C, E]
	Maria Serena Porcari
	Luca Ricciardi [A, C, D]

A. Independent Director
B. Executive Director
C. Member of the Control, Risk and Sustainability Committee *(Chairman: Luca Ricciardi)*
D. Member of the Related Party Transactions Committee *(Chairman: Luca Ricciardi)*
E: Appointed by the Shareholders' Meeting of 15 May 2025

Board of Statutory Auditors *(appointed by the shareholders' meeting of 22 May 2024)*

Chairman	Gianluca Cinti
Standing Auditors	Giovanna Villa
	Alberto Villani
Alternate Auditors	Daniele Beretta
	Elena Beretta
Manager in charge of Financial Reporting	Giuseppe Mazza
Independent Auditors *(appointed by the shareholders' meeting of 17 December 2024)*	KPMG SpA
Common Representative of Savings Shareholders *(appointed by the special shareholders' meeting of 22 April 2024)*	Andrea Santarelli
Common Representative of the "KME Group SpA 2022– 2027" Bond Holders	Rossano Bortolotti
Common Representative of the "KME Group SpA 2024- 2029" Bond Holders	Rossano Bortolotti

Interim report on operations

The first half of 2025 was characterised by a heightened uncertainty that affected the entire global economy. The tensions caused by the situations of conflict and international tension in Ukraine and in the Middle East, which have been going on for some time now, have compounded those stemming from the protectionist policy announced by the US government.

However, the global economy managed to contain the impacts related to geopolitical uncertainties and trade tensions, although signs of a slowdown emerged in the second quarter of 2025, with global GDP growing by +2.6%, compared to +2.9% in the first quarter of 2025.

During the first half, KME Group SpA ("KME" or the "Company") and its subsidiaries (the "KME Group" or the "Group") benefited from this recovery, recording a positive trend in order intake in the first quarter of 2025, a trend that continued in the second quarter.

The Group continued its policy aimed at strengthening its market positioning with the acquisition of Sundwiger Messingwerk GmbH (European leader in the rolled bronze semi-finished products sector as well as a manufacturer of rolled brass semi-finished products), finalised in January, and the continuous monitoring and fine-tuning of sales actions and initiatives. The Group also continues to adopt a careful cost reduction and rationalisation policy, including by means of restructuring actions. In this regard, in February 2025, the plan to close the Stolberg production plant was announced. Production is expected to cease by the end of September 2025 and around 130 employees will leave.

With regard to operating results, revenues net of raw material costs amounted to Euro 307.6 million, compared to Euro 277.8 million in the first half of 2024, marking an increase of 10.7%. EBITDA amounted to Euro 53.3 million compared to Euro 54.4 million in the first half of 2024.

The gross result before non-recurring items, affected by the financial expenses of the Parent Company, was negative for only Euro 2.6 million, compared to a loss of Euro 12.6 million in the first half of 2024.

Main events in the first half of 2025

Acquisition of Sundwiger Messingwerk GmbH

On 6 January 2025, the subsidiary KME SE finalised the acquisition of 100% of the shares of Blackhawk Holding GmbH, a German holding company that holds 100% of Sundwiger Messingwerk GmbH ("SMW"), European leader in the rolled bronze semi-finished products sector and a manufacturer of rolled brass semi-finished products.

With around 320 employees in Hemer (Rhineland), where the headquarters and the main plant are located, in 2024 SMW achieved a turnover of roughly Euro 182 million and EBITDA of around Euro 13 million. Historically part of the Diehl Group, SMW was acquired about three years ago by a group of investors gathered in the company Blackhawk Holding GmbH, the acquisition target entity.

The acquisition price was approximately Euro 76 million (including the metal stock) of which Euro 41 million paid at closing, Euro 20.8 million with a three-year interest-free vendor loan, with the remainder of Euro 13.8 million deferred to the medium/long-term.

The closing of the acquisition, whose contract was signed in February 2024, took place after the completion of the authorisation process by the German and Austrian antitrust authorities.

KMH bond loan remodelling

On 11 April 2025, amending agreements were signed for the Bond issued by the subsidiary KMH ("*KMH S.p.A. Up to Euro 135,100,000.00 Senior Guaranteed and Secured Fixed Rate Notes due 31 December 2025*") for an amount of Euro 110.8 million.

The final maturity date of the bond (already set for 31 December 2025) was deferred until 31 December 2027, by making provision for repayments of Euro 15.0 million in September 2025 and March 2026, Euro 45.0 million in March 2027 and a final instalment of Euro 35.8 million. There were no changes in the interest rate which, as from 1 March 2025, is equal to 15%. With the signing of the amending agreements – which involved the payment of a fee of Euro 1.7 million – the financial terms envisaged by the contract were also revised.

Reopening of the issue of the "KME Group SpA 2024-2029" Bond

On 9 May 2025, the bond called "KME Group SpA 2024 - 2029" with ISIN code IT0005597874 (the "Bonds") was reopened for an amount of Euro 21.2 million, through the issue of 21,195,959 bonds (the "Additional Bonds"), with regular entitlement, gross annual nominal fixed rate of 5.75% and unit nominal value of Euro 1.00.

With the issue of the Additional Bonds (representing 15.3% of the 138,804,041 Bonds outstanding at the time), the total number of Bonds issued became 160,000,000, equal to a total nominal value of Euro 160 million.

The placement price of the Additional Bonds was equal to 100% of nominal value and settlement, including payment of accrued interest, took place on 14 May 2025.

The Additional Bonds were subscribed by qualified investors and were automatically admitted to trading on the MOT, in line with the other Bonds, without the need to publish a public offering and/or listing prospectus, by virtue of the exemptions provided for under applicable regulations.

As a result of the interest expressed by qualified investors with the reopening in May 2025, the subsequent trend in market prices and trading volumes, the Board of Directors weighed up the opportunity to also allow the public to participate in a new placement of the Bonds.

At the meeting of 17 September 2025, a transaction was therefore resolved that provides for the offer to the public of 25,000,000 Bonds, for an amount of Euro 25.0 million (the "Offer"). The Bonds forming the object of the Offer will have the same characteristics as those already outstanding.

The Offer will be promoted only on the MOT (Electronic Bond Market organised and managed by Borsa Italiana S.p.A.) with expected start by the end of September.

The Bonds forming the object of the Offer will be automatically admitted to trading on the MOT, pursuant to the Stock Exchange Regulations, in the same way as the Bonds already outstanding at the date of the Offer.

If all the Bonds forming the object of the Offer were subscribed, the total Bonds would be equal to 185 million and the newly issued bonds would account for 28.87% of the 160 million Bonds currently outstanding and therefore, over a period of 12 months, less than 30% of the number of Bonds already admitted to trading on the same regulated market; consequently, pursuant to article 1, paragraph 4, letter d-*bis*) and paragraph 5, letter a) of the Prospectus Regulation, there is no obligation to publish a prospectus for the performance of the Offer and for the admission to trading of the Bonds forming the object of the Offer, while an information document will be prepared according to the format set out in Annex IX of the Prospectus Regulation.

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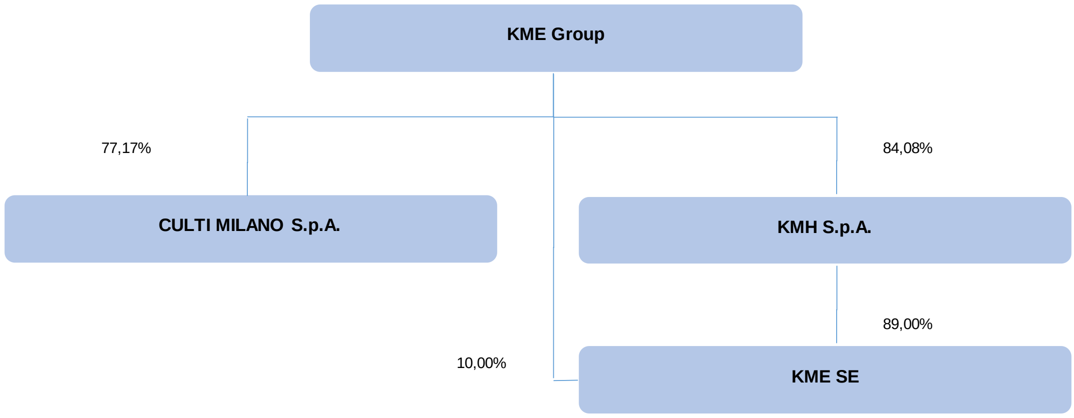
Summary of the corporate structure as at 30 June 2025

The Group structure as at 30 June 2025 can be illustrated as follows:



KME SE is at the head of a global leading group in the production and marketing of semi-finished products in copper and its alloys focused on the Copper sector, following the transfer of control of the special products business (now headed up by the company cunova GmbH), in which it retains a 45% interest.

Culti Milano S.p.A., a company whose shares are listed on the Euronext Growth Milan market, is increasingly geared towards personal well-being, in addition to the consolidation of its traditional business in the environmental fragrance segment.

* * *

Economic situation

The war in Ukraine continues to be one of the main challenges for the European economic and macroeconomic context. During the first six months of this year, it became clear that Russia had little interest in reaching peace agreements and that the war would continue in the near future. Even the constant intervention of the United States has not been able to put an end to the hostilities. It has also become evident that this war will most likely continue until the end of the year and even beyond, until 2026. This is compounded by other situations of political tension, like the one in the Middle East.

The announcement and implementation of the first wave of new tariffs on exports to the US market led to additional potential challenges for the overall macroeconomic and business context in Europe and the rest of the world. Copper was initially excluded from these tariffs, but a new 50% customs duty on semi-finished copper products was announced on 1 August. Trade tensions and global uncertainty are clouding the prospects for the Eurozone economy, but spending on defence and infrastructure and the increase in household incomes should support growth in the medium-term. Real GDP in the EU is expected to grow by 0.9% in 2025, 1.1% in 2026 and 1.3% in 2027.

German GDP is expected to grow between 0.2 and 0.3%, much lower than the 1.1% previously forecast. This is due to ongoing political issues, such as the collapse of the previous government at the end of 2024, as well as economic challenges, including the new US tariffs. Germany is the main market for semi-finished copper products in Europe.

According to the latest IMF analysis, global growth is expected at 3.0% for 2025 and 3.1% for 2026, with an upward revision with respect to the World Economic Outlook of April 2025. This is a better figure than the previous estimate of around 2.8% for this year.

Overall inflation should remain in line with the medium-term target, even though it could temporarily fall below it, driven by the trend in energy prices. Inflation is expected to average 2.0% in 2025 and then 1.6% in 2026, before returning to 2.0% in 2027.

The average quarterly inflation rate in the EU in the first half was 2.1%, slightly higher than the ECB's target. However, it was lower than 2.4% in the first quarter and, as indicated above, it is expected to reach 2% by the end of the year. This annual forecast is lower than the 2.2% rate previously expected by the European Commission. The IMF estimates that the global inflation rate will fall to around 4.0% this year, compared to 5.7% in 2024.

The quarterly GDP growth rate in the main EU countries was as follows: Germany -0.3%, Italy -0.1%, France +0.3%, Spain +0.7%. Germany and Italy are the main markets for semi-finished copper products in Europe.

In terms of industrial sectors, most sectors continued to remain stable (such as intermediate goods, capital goods, construction, durable consumer goods, etc.), but defence, energy production, non-durable consumer goods and other sectors recorded an increase.

In most cases, these forecasts were made after the announcement of the new tariffs by the US administration, but the real implications for global macroeconomic trends have yet to be understood.

The ECB started to reduce the interest rate in 2024 and, in April 2025, had brought it to 2.25%. Intervention on interest rates aim to align them with the inflation target of 2% in 2025. The ECB is therefore expected to continue its monetary easing strategy, with the goal of reducing its policy rate to 2% in 2025.

These recent forecasts and inflation and interest rate developments will hopefully help boost business confidence across Europe.

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Group results [1]

The consolidated results as at 30 June 2025, compared with those of the first half of 2024 for the income statement and cash flow statement data and with those as at 31 December 2024 for the balance sheet data, are shown below.

For comments on the operating performance of the first half of 2025, please refer to what is indicated for the individual business sectors and, in particular, for the copper sector, which accounts for approximately 99% of Group revenues.

Invested Capital

The **Consolidated net invested capital** was as follows:

Consolidated net invested capital		
(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*
Net non-current assets	1,171,832	1,136,348
Net working capital	(246,773)	(346,888)
Net deferred taxes	(18,025)	(18,417)
Provisions	(147,516)	(133,203)
Net invested capital	**759,518**	**637,840**
Total equity	242,045	270,330
Net financial debt	517,473	367,510
Funding sources	**759,518**	**637,840**

"Net invested capital" is a financial indicator which is not defined by IFRS and should not be considered an alternative to the indicators defined by IFRS. Its components are given here below:

- *"Net non-current assets" consist of the sum of non-current assets except for deferred tax assets.*
- *"Net working capital" consists of the sum of the items "Trade receivables" net of "Trade payables" and "Other current assets/liabilities", except for items considered in the definition of "Net financial debt".*
- *"Provisions" include the items "Retirement benefits" and "Provisions for risks and charges".*

[1] *The interim report on operations uses certain indicators identified as "Alternative Performance Indicators" ("APIs") pursuant to the CONSOB communication of 3 December 2015, which incorporated the "ESMA" ("European Securities and Markets Authority") Guidelines of 5 October 2015. APIs are financial indicators of financial performance, financial position or historical or future cash flows other than the financial indicators defined or specified in the applicable rules on financial reporting. APIs are calculated by adding or subtracting amounts from the data presented in the financial statements drafted in compliance with the rules applicable to financial reporting. The APIs have remained consistent over time and were not redefined compared to preceding years.*

Income Statement

The **consolidated income statement** can be summarised as follows:

(in Euro thousand)	*1st half 2025*	*1st half 2024*
Revenues	1,022,858	795,105
Change in inventories of finished and semi-finished products	1,818	4,157
Own work capitalised	-	934
Other income	15,317	7,527
Purchases and change in inventories of raw materials	(741,113)	(541,884)
Personnel expense	(132,899)	(120,009)
Amortisation, depreciation and impairment losses	(27,330)	(26,966)
Other costs	(140,609)	(115,367)
Operating profit/(loss)	**(1,958)**	**3,497**
Financial income	28,718	6,728
Financial expense	(61,101)	(46,706)
Net financial expense	*(32,383)*	*(39,978)*
Share of the result of equity-accounted investments	*(1,060)*	*(3,258)*
Profit/(loss) before taxes	**(35,401)**	**(39,739)**
Income taxes for the period	4,262	8,533
Net profit (loss) for the period from operating activities	**(31,139)**	**(31,206)**
Profit (loss) from discontinued operations	-	-
Net profit (loss) for the year	**(31,139)**	**(31,206)**
- non-controlling interests	(2,271)	(2,390)
- shareholders of the parent company	(28,868)	(28,816)
Comprehensive income items	**2,827**	**224**
Comprehensive income pertaining to non-controlling interests	(1,842)	(2,357)
Comprehensive income of the shareholders of the Parent Company	(26,470)	(28,625)
Total comprehensive income	**(28,312)**	**(30,982)**

Reclassified Income Statement

In order to provide a more significant representation of the operating results, a reclassified income statement is also presented which uses, at an interim level, economic and financial information taken from the Group's management systems and based on accounting standards that differ from IFRS, mainly in terms of measurement and presentation. The main components are reported below.

1. In order to eliminate the impact of fluctuations in raw material prices, revenues are also presented net of raw material costs.
2. The cost of the base-stock component (i.e., inventories that will not be sold to customers) of year-end inventories in the copper and copper-alloy semi-finished products sector is determined on a LIFO basis. The stock that will be sold, on the other hand, is measured at its contractual selling price, which is deemed to be its realisable value. Under IFRS, on the other hand,

inventories are required to be measured at the lower between the FIFO cost and the net realisable value. IFRS also require forward sales and purchase contracts as well as hedging contracts traded on the LME to be separately identified and reported in the financial statements at their fair values, as if they were financial instruments. By not permitting the LIFO measurement of year-end inventories that is used internally for management control purposes, IFRS introduced an external component, the variability of which makes a consistent comparison of data for different periods impossible, as well as giving an accurate picture of the results of operations.

3. Non-recurring items are reported under EBITDA/EBIT.

The table below shows the effects on the first half of 2025 of the different measurement and presentation methods used.

(in Euro million)	*1st half of 2025 IFRS*	*Reclassifications*	*1st half of 2025 Reclassified*
Sales revenues	1,022.90	-	1,022.90
Cost of raw materials	-	(715.30)	(715.30)
Revenues, net of raw material cost	**-**		**307.60**
Personnel cost	(132.90)	17.80	(115.10)
Other consumption and costs	(864.50)	725.30	(139.20)
Gross Operating Income (EBITDA) (*)	**25.50**	**27.80**	**53.30**
Depreciation/Amortisation	(27.30)	3.80	(23.50)
Net Operating Income (EBIT)	**(1.80)**	**31.60**	**29.80**
Net financial expense	(32.40)	-	(32.40)
Gross profit (loss) before non-recurring items	**(34.20)**	**31.60**	**(2.60)**
Non-recurring (expenses)/income	-	(33.30)	(33.30)
Current taxes	3.90	-	3.90
Deferred taxes	0.40	0.10	0.50
Result before IFRS valuation of inventories, forward contracts and equity-accounted investments	**(29.90)**	**(1.60)**	**(31.50)**
IFRS effect on the valuation of inventories and forward contracts	-	2.20	2.20
Tax effect of the IFRS valuation of inventories and forward contracts	-	(0.60)	(0.60)
Profit (loss) from equity-accounted investments	(1.10)	-	(1.10)
Consolidated net profit (loss)	**(31.00)**	**0.00**	**(31.00)**
Profit (loss) attributable to non-controlling interests	(2.30)		(2.30)
Net profit (loss) attributable to the shareholders of the Parent Company	**(28.70)**	**0.00**	**(28.70)**
Comprehensive income items	2.80	-	2.80
Comprehensive income	**(28.20)**	**0.00**	**(28.20)**
of which attributable to the shareholders of the Parent Company	(26.50)		(26.50)
of which attributable to non-controlling interests	(1.80)		(1.80)

The comparison with the first half of the previous year is as follows:

(in Euro million)	*1st half of 2025 Reclassified*		*1st half of 2024 Reclassified*	
Sales revenues	1,022.9		795.1	
Cost of raw materials	(715.3)		(517.3)	
Revenues, net of raw material cost	**307.6**	**100.0%**	**277.8**	**100.0%**
Personnel cost	(115.1)		(116.9)	
Other consumption and costs	(139.2)		(106.5)	
Gross Operating Income (EBITDA) (*)	**53.3**	**17.3%**	**54.4**	**19.6%**
Depreciation/Amortisation	(23.5)		(27.0)	
Net Operating Income (EBIT)	**29.8**	**9.7%**	**27.4**	**9.9%**
Net financial expense	(32.4)		(40.1)	
Gross profit (loss) before non-recurring items	**(2.6)**	**-0.8%**	**(12.7)**	**-4.6%**
Non-recurring (expenses)/income	(33.3)		(5.4)	
Current taxes	3.8		7.8	
Deferred taxes	0.5		(4.1)	
Result before IFRS valuation of inventories, forward contracts and equity-accounted investments	**(31.6)**	**-10.3%**	**(14.4)**	**-5.2%**
IFRS effect on the valuation of inventories and forward contracts	2.2		(18.5)	
Tax effect of the IFRS valuation of inventories and forward contracts	(0.6)		4.8	
Profit (loss) from equity-accounted investments	(1.1)		(3.3)	
Consolidated net profit (loss)	**(31.1)**	**-10.1%**	**(31.4)**	**-11.3%**
Profit (loss) attributable to non-controlling interests	(2.3)		(2.4)	
Net profit (loss) attributable to the shareholders of the Parent Company	**(28.8)**	**-9.4%**	**(29.0)**	**-10.4%**
Comprehensive income items	2.8		0.2	
Comprehensive income	**(28.3)**	**-9.2%**	**(31.2)**	**-11.2%**
of which attributable to the shareholders of the Parent Company	(26.5)		(2.4)	
of which attributable to non-controlling interests	(1.8)		(28.8)	

Consolidated financial debt

As at 30 June 2025, the Group posted a Reclassified Consolidated Financial Position of Euro 323.4 million, compared to Euro 260.5 million as at 31 December 2024. This figure does not consider financial liabilities pursuant to IFRS 16, including those deriving from sale and leaseback transactions and financial instruments measured at fair value and instead includes non-current financial assets.

The reconciliation between the Reclassified Consolidated Financial Position and Consolidated Net Financial Debt is provided below:

Reconciliation of Reclassified Net Financial Position		
(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*
Reclassified Net Financial Position	**323,487**	**260,546**
Net financial liabilities pursuant to IFRS 16	107,655	70,045
Financial instruments measured at fair value	10,234	(17,148)
Non-current financial assets	76,097	54,067
	193,986	***106,964***
Total financial debt	**517,473**	**367,510**

The consolidated net financial debt as at 30 June 2025, determined in compliance with the provisions of ESMA Document 32-382-1138 of 4 March 2021 − Guidelines regarding disclosure obligations pursuant to the prospectus regulation, as highlighted in CONSOB warning notice 5/21 of 29 April 2021, compared to 31 December 2024 can be summarised as follows:

	Net financial debt		
	(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*
A	Cash	105,961	181,242
B	Cash equivalents	-	-
C	Other financial assets	87,193	79,324
D	**Cash and cash equivalents (A + B + C)**	**193,154**	**260,566**
E	Current financial debt	56,004	39,103
F	Current portion of non-current financial debt	82,676	213,229
G	**Current financial debt (E + F)**	**138,680**	**252,332**
H	**Net current financial debt (G - D)**	**(54,474)**	**(8,234)**
I	Non-current financial debt	272,402	176,790
J	Debt instruments	299,545	198,954
K	Trade payables and other non-current payables	-	-

L	**Non-current financial debt (I + J + K)**	**571,947**	**375,744**
M	**Total financial debt (H + L)**	**517,473**	**367,510**

The total financial debt includes a liability of Euro 129 million linked to the accounting of leasing pursuant to IFRS 16.

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Financial position and results of operations of the Parent Company

The Parent Company's financial highlights as at 30 June 2025, compared to 31 December 2024, are summarised below.

Condensed separate statement of financial position				
(in Euro thousand)	*30 Jun 2025*		*31 Dec 2024*	
KME SE investment	*58,410*		*58,410*	
KMH investment	*480,000*		*480,000*	
Other	*2,434*		*2,965*	
Total KME	540,844	94.15%	541,375	94.61%
Culti Milano	37,990	6.61%	37,981	6.64%
Intek Investimenti	-	0.00%	-	0.00%
Other investments	1,383	0.24%	1,574	0.28%
Other assets/liabilities	(5,795)	-1.01%	(8,705)	-1.52%
Net investments	**574,422**	**100.00%**	**572,225**	**100.00%**
Outstanding bonds (*)	230,170		257,852	
IPO financing	140,958		132,401	
Net cash	(40,920)		(77,367)	
Holding company net financial debt	**330,208**	**57.49%**	**312,886**	**54.68%**
Total equity	**244,214**	**42.51%**	**259,339**	**45.32%**

Notes:

- *Investments are expressed net of any financial receivable/payable transactions outstanding with the Company.*
- *(*) Including accruing interest.*

Net investments

The net investments held by the Company amounted to Euro 574.4 million as at 30 June 2025 (Euro 572.2 million at the end of 2024), of which around 94% concentrated in KME SE through the sub-holding KMH.

Equity

The equity of the holding company amounted to Euro 244.0 million, compared to Euro 259.0 million as at 31 December 2024; the loss for the current period (Euro 15.2 million), deriving mostly from financial components, contributed almost exclusively to the reduction.

As at 30 June 2025, the share capital amounted to Euro 200,154,177.66 and was divided into 284,442,812 shares, of which 270,231,550 were ordinary shares and 14,211,262 savings shares. The 53,243,219 ordinary shares held in the portfolio represent 19.70% of the ordinary share capital.

There were no changes in the share capital and/or in the number of shares during the first half of 2025, including up until the date of preparation of this report.

Financial management

The Net Financial Debt of the holding company (excluding intra-group loans and lease liabilities) totalled Euro 330.2 million as at 30 June 2025. Said balance as at 31 December 2024 came to Euro 312.9 million.

The Parent Company's financial debt (*) as at 30 June 2025, compared to 31 December 2024, can instead be broken down as follows:

Financial debt			
	(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*
A	Cash	1,187	27,356
B	Cash equivalents	-	-
C	Other financial assets	43,061	53,821
D	**Cash and cash equivalents (A + B + C)**	**44,248**	**81,177**
E	Current financial debt	11,470	6,781
F	Current portion of non-current financial debt	1,010	53,704
G	**Current financial debt (E + F)**	**12,480**	**60,485**
H	**Net current financial debt (G - D)**	**(31,768)**	**(20,692)**
I	Non-current financial debt	147,549	139,495
J	Debt instruments	219,365	198,954
K	Trade payables and other non-current payables	-	-
L	**Non-current financial debt (I + J + K)**	**366,914**	**338,449**
M	**Total financial debt (H + L)**	**335,146**	**317,757**

(*) Determined in compliance with the provisions of ESMA document 32-382-1138 of 4 March 2021 – Guidelines on disclosure obligations under the prospectus regulation, as highlighted in CONSOB warning notice 5/21 of 29 April 2021.

The reconciliation between the Holding Company Net Financial Debt and Parent company Financial Debt is provided below:

Reconciliation of Net financial position		
(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*
Net financial debt of the holding company to third parties	**335,146**	**317,757**
Current financial receivables from subsidiaries	3,056	3,538
Financial assets held for trading	272	272
Financial payables to subsidiaries	(665)	(563)
Long-term financial payables for leases	(6,591)	(7,094)
Short-term financial payables for leases	(1,010)	(1,024)
Net financial debt	**330,208**	**312,886**

Cash flows

The cash flows for the first half of 2025, compared with those of the first half of 2024, can be summarised as follows:

(in Euro thousand)		*1st half 2025*	*1st half 2024*
(A) Cash and cash equivalents at the beginning of the year		**27,356**	**3,214**
Profit (loss) before tax		(15,821)	(13,065)
Depreciation and amortisation		519	449
Changes in pension funds, post-employment benefits (TFR) and stock options		50	79
Change in provisions for risks and charges		(40)	19
(Increase)/decrease in investments		-	11,200
Net financial expense		13,072	13,065
(Increase)/decrease in current receivables		(1,127)	(1,937)
Increase/(decrease) in current payables		(1,694)	(915)
Taxes during the year		551	-
(B) Cash flow from operating activities		**(4,490)**	**8,895**
(Increases) in non-current property, plant and equipment and intangible assets		(169)	(10,722)
Decreases in non-current property, plant and equipment and intangible assets		341	1,791
(C) Cash flow from investing activities		**172**	**(8,931)**
Paid capital increase (Warrant exercise)		-	1,838
Payment of interest		(2,372)	(4,176)
Increases in current and non-current financial payables		21,968	7,974
Decreases in current and non-current financial payables		(53,072)	(8,175)
Decreases in current and non-current financial receivables		11,625	1,073
(D) Cash flow from financing activities		**(21,851)**	**(1,466)**
(E) Change in cash and cash equivalents	**(B) + (C) + (D)**	**(26,169)**	**(1,502)**
(G) Cash and cash equivalents at the end of the period	**(E) + (F)**	**1,187**	**1,712**

Reclassified income statement

The reclassified income statement, in a format including sub-totals, shows the formation of net profit (loss) for the year by indicating the figures commonly used to provide a summary representation of business results.

Reclassified income statement		
(in Euro thousand)	*1st half 2025*	*1st half 2024*
Fair value changes and other gains/losses from investment management	349	1,381
Investment management costs	(76)	(36)
Gross profit/(loss) from investments	**273**	**1,345**
Commission income on guarantees given (a)	418	433
Net operating costs (b)	(2,431)	(2,691)
Overheads (a) - (b)	*(2,013)*	*(2,258)*
Reclassified operating profit (loss)	**(1,740)**	**(913)**
Net financial expense	**(12,872)**	**(11,325)**
Profit before tax and non-recurring items	**(14,612)**	**(12,238)**
Non-recurring income/(expenses)	(1,209)	(827)
Profit (loss) before tax	**(15,821)**	**(13,065)**
Taxes for the year	627	635
Net profit (loss) for the year	**(15,194)**	**(12,430)**

In the absence of significant income from investments, the economic performance for the year was negatively affected by financial expense relating to both outstanding bonds and borrowings from subsidiaries, in particular KMH SpA.

The item "*Fair value changes and other gains/losses from investment management*" in the first half of 2024 included income from the sale of the subsidiary Intek investments SpA.

"*Non-recurring income/(expenses)*" include the depreciation of lease-related rights of use linked primarily to the Milan property at Foro Buonaparte 44, the registered office of the Company and of other investees.

"*Reclassified operating profit/(loss)*" is defined as the result from the management of investments net of overheads and excludes net financial expense, non-recurring income/(expenses) and taxes for the year.

* * *

Business outlook

The business outlook will be correlated to the demand trend in KME SE's reference sectors and therefore will also relate to the wider macro-economic dynamics.

There also remains a possibility for the Parent Company and the Group as a whole to benefit from the development of other investments or non-core activities in the copper sector, through disposal. If realised, these disposals could have a positive impact on the Group's debt.

* * *

Trend in investments and operating segments

In continuity with the previous reports, detailed information is provided below on the main investments of the Company, in particular KME SE and CULTI Milano S.p.A., respectively responsible for the Copper and Perfumes and Cosmetics operating segments.

KME SE

KME SE, the holding company of a group that is a global leader in the production and marketing of semi-finished products in copper and copper alloys, has for years now, as detailed previously, represented the Group’s biggest industrial investment.

The KME SE group boasts a vast range of copper and copper-alloy products, as well as a highly structured and complex global organisational and production structure.

Over the last few years, the KME SE group has been involved in various strategic transactions (acquisition of MKM, transfer of control of the special products business, sale of the Wires business, purchase of part of the flat rolled products segment of Aurubis AG and that of S.A. Eredi Gnutti SpA, acquisition of control of Azienda Metalli Laminati SpA), with the objective of both creating and consolidating several businesses in a sector which for some years now has been affected by a process of rationalisation and concentration of the various markets undertaken by major global players.

In particular, the KME SE group's strategy is to concentrate on copper and copper-alloy rolled products, in which the group is the European leader and intends to focus its energy and future growth, given the appealing growth rates expected for the main reference markets.

As already indicated previously, a contract was signed in early January 2025 for the acquisition of 100% of the shares of Blackhawk Holding GmbH, a German holding company that holds 100% of Sundwiger Messingwerk GmbH, European leader in the semi-finished bronze products sector and a manufacturer of semi-finished rolled brass products.

At the beginning of February 2025, the plan to close the Stolberg production plant was announced in order to further optimise the Group's production structure. Production is expected to cease by the end of September 2025 and around 130 employees will leave.

Operating performance

Europe is the main reference market of KME SE and, therefore, all macroeconomic, political and other developments affecting this market directly influence its business.

After two years of significant declines in demand in 2023 and 2024, mainly due destocking, demand for semi-finished copper products was expected to increase by between 3% and 5% in 2025. The KME Group benefited from this recovery, recording a positive trend in order intake in the first quarter of 2025, a trend that continued into the second quarter.

The KME Group managed to get close to its targeted volume, while remaining above the forecast average unit price in the first half of the year. This occurred despite the fact that the construction, machinery manufacturing and *automotive* (particularly electric vehicles) sectors showed no improvement in activity in the second quarter of 2025, continuing instead to record trends similar to those of the first quarter of 2025.

The list of commercial transformation actions undertaken by KME in the first half of 2025 is provided below:

- continuous monitoring and fine-tuning of commercial actions and initiatives introduced from the end of 2024;
- continuous analysis of the cost elements in certain locations and their impact on sales prices;
- constant focus on achieving the unit value-added and EBITDA targets at Group level, for the entire group of products and customers;
- commercial integration of Sundwiger Messingwerk GmbH, acquired in January 2025.

In addition, the Group initiated actions for the implementation of cost optimisation projects at various industrial sites.

Copper price trends

In the second quarter of 2025, the average price of copper decreased compared to the same period of the previous year, by 2.35% in US dollars (from USD 9,754/ton to USD 9,525/ton) and by 7.28% in Euro (from Euro 9,060/ton to Euro 8,400/ton).

In trend terms, average copper prices increased by 3.60% in US dollars compared to the fourth quarter of 2024 (from USD 9,194/ton to USD 9,525) and fell by 2.38% in Euro (from Euro 8,605/ton to Euro 8,400/ton).

Compared to the 2024 average, the price of copper increased by 4.12% in US dollars (from USD 9,148/ton to USD 9,525/ton) and decreased by 0.64% in Euro (from Euro 8,454/ton to Euro 8,400/ton).

The main results of KME SE for the first half of 2025, compared to the same period of the previous year, can be summarised as follows:

Key results of the copper sector					
(in Euro million)	*1st half 2025*		*1st half 2024*		*Change*
	Amount	Incidence on revenues	Amount	Incidence on revenues	
Revenues	1,012.4		783.1		29.3%
Revenues (net of raw materials)	297.1	100.0%	265.8	100.0%	11.8%
EBITDA	52.6	17.7%	55.6	20.9%	-5.4%
EBIT	30.0	10.1%	32.1	12.1%	-6.5%
Profit (loss) before non-recurring items	10.7	3.6%	4.5	1.7%	137.8%
Non-recurring income/(expenses)	(29.7)		(4.4)		
Result net of taxes before the IFRS measurement of inventories and equity-accounted investments	(14.9)		3.2		
Effect of IFRS measurement of inventories	1.6		(13.7)		
Profit (loss) from equity-accounted investments	(1.1)		(3.7)		
Consolidated net profit (loss)	(14.4)		(14.3)		
Comprehensive income items	2.8		0.2		
Comprehensive income	(11.6)		(14.1)		
Net debt *	105.0		(27.2)		
Group equity *	204.3		192.7		

Consolidated revenues as at 30 June 2025, including those of the newly acquired Sundwiger, amounted to Euro 1,012.4 million, up 29.3% compared to the first half of 2024.

Net of the value of raw materials, revenues increased from Euro 265.8 million as at 30 June 2024 to Euro 297.1 million as at 30 June 2025 (+11.8%).

Gross operating profit (**EBITDA**) as at 30 June 2025 stood at Euro 52.6 million, compared to Euro 55.6 million in the first half of 2024, therefore down by 5.4%.

Net operating profit (**EBIT**) amounted to Euro 30.0 million, compared with Euro 32.1 million in the first half of 2024, a decrease of 6.5%.

Profit before non-recurring items amounted to Euro 10.7 million (Euro 4.5 million in the first half of 2024), an increase of 137.8%.

The valuation of inventories and forward contracts net of taxes had a positive impact of Euro 1.6 million, compared to a negative impact of Euro 13.7 million recorded in the first half of 2024.

The result for the first half of 2025 was negatively affected by non-recurring costs of Euro 29.7 million (Euro 4.4 million in the first half of 2024), of which around Euro 26 million related to ongoing restructuring measures, mainly in Germany at the Stolberg and Osnabrück plants, and Euro 1.5 million to consultancy costs.

The **Consolidated Net Loss** amounted to Euro 14.4 million (compared with a loss of Euro 14.3 million in the first half of 2024).

The **Group Comprehensive Loss** amounted to Euro 11.6 million (compared with a loss of Euro 14.1 million in the first half of 2024).

Financial management

The **Reclassified Net Financial Position** as at 30 June 2025, excluding lease liabilities and sale & leaseback transactions under IFRS 16 and the fair value measurement of financial instruments, was positive at Euro 3.4 million, compared with Euro 71.0 million at the end of December 2024. The consolidation of the newly acquired Sundwiger had a negative impact, including the purchase price, of around Euro 55.8 million (including a preliminary price adjustment of Euro 13.8 million) while the sale & leaseback transaction of KME Netherlands' properties, completed in February 2025, had a positive impact of Euro 20.0 million.

Net Financial Debt amounted to around Euro 105.0 million, compared to a positive position of around Euro 27.2 million at the end of 2024. This change was impacted for Euro 21.0 million by the effects of IFRS 16 on the activities of the newly acquired Sundwiger and for Euro 20.2 million for the sale & lease-back of KME Netherlands' properties.

In February 2025, KME SE signed a four-year loan agreement for Euro 40 million, secured by SACE and by the pledge on the shares of Blackhawk Holding GmbH and SMW. The loan is expected to be repaid in equal instalments starting from the first quarter of 2026 until the first quarter of 2029.

It should be noted that, at the end of November 2023, the banks pool loan was extended until 30 November 2025, with the option for a further one-year extension with lenders consent, for a total of up to Euro 460 million. In May 2024, with the entry of Bank of China (UK) Limited, the banking consortium was increased to Euro 485.0 million.

The credit facility was used by letters of credit for payments to metal suppliers for Euro 470.2 million (Euro 479.2 million as at 31 December 2024). The related payables to suppliers are still indicated under trade payables and other payables.

The following guarantees are in place against the banks pool:

- a pledge, with reservation of voting rights, on the shares of KME Italy S.p.A.;
- a mortgage on the properties of KME Grundstuecksgesellschaft SE & Co. KG and on part of the plant equipment and machinery of KME Mansfeld GmbH and KM Copper Bars GmbH in Hettstedt;
- a pledge on the inventory and part of the non-factored trade receivables and short-term receivables of the European industrial companies;
- pledge on a number of factoring and insurance contracts.

On 28 November 2023, the non-recourse and – in part – the recourse factoring facilities with Factofrance were renewed and extended until November 2025, for up to Euro 150 million intended for the Group's foreign companies and automatic one-year extension if the bank consortia/other factoring structures are extended, with Intesa Sanpaolo S.p.A. (non-recourse factoring facility and – in part – recourse factoring facility for up to approximately Euro 126.5 million, used mainly by Italian and French companies) and with TARGOBANK (non-recourse factoring facility for up to approximately Euro 100 million used mainly by German companies).

The liabilities due to the factoring company deriving from recourse factoring amounted to Euro 5.7 million (Euro 7.2 million as at 31 December 2024).

The loans mentioned above contain similar financial covenants, subject to quarterly verification. As at 30 June 2025, the KME SE group had fully respected all covenants.

As at 30 June 2025, **equity** was Euro 192.7 million.

Total investments amounted to Euro 22.7 million (Euro 14.1 million in the first half of 2024).

The number of **Employees** as at 30 June 2025 was 3,435 (3,159 at the end of 2024).

* * *

CULTI Milano S.p.A.

The Group holds 77.17% of the share capital of CULTI Milano S.p.A. (hereinafter also "CULTI"), a company whose shares have been traded on the Euronext Growth Milan (EGM) market since July 2017. The investment has not changed compared to last year. It should be noted that CULTI holds 369,750 treasury shares. The percentage held by KME is 87.64%, net of treasury shares held by CULTI.

CULTI's business is focused domestically and internationally on the manufacture and distribution of high-end environmental fragrances, a specific luxury market segment, with particular attention to personal well-being: from fragrance for environments (home, car, boats, etc.) to personal products (perfumes, personal hygiene, cosmetics).

After the sale of the majority stake of Bakel SpA in 2024, the CULTI Group is comprised not only of the parent company, but also CULTI Asia Ltd (60% owned), CULTI Milano China Ltd (100% owned by CULTI Asia Ltd) and SCENT Company Srl. The acquisition of 100% of the joint venture CULTI Asia Ltd is nearing completion, with the possibility of accelerating the process of expansion of the brand in the Asian market.

The first half of 2025 was marked by growth for the parent company CULTI Milano, with the other Group companies also performing well in spite of the global economic and social context. Naturally, issues related to US tariffs and the European geopolitical situation slowed some commercial developments in these areas; nevertheless, the Group companies were able to rely on a solid foundation for growth.

In response to the challenges of the global economic and social framework, the decision was taken to implement a robust policy of tactical and structural investments linked above all to consolidating and boosting the commercial performance of the Group. Therefore, significant investments were made in human resources and communication.

CULTI Milano and its subsidiaries will continue to pursue their long-term strategy of commercial and earnings growth, while seizing every opportunity to boost global brand awareness.

With reference to the listing process of the investee company Bakel SpA (subsidiary of the Group until December 2024), in light of the recent tensions on the financial markets, an agreement was reached on postponing, by the end of the year, the process of valuing the investment, in order to optimise its returns. The related activities were therefore temporarily suspended.

The prospects of the CULTI Group for the remainder of the 2025 financial year remain positive, with commercial expansion plans continuing, through the strengthening of the Italian market, and the development of European markets, especially with a focus on the department store channel.

The main consolidated indicators of the CULTI Group for the first half of 2025 (the comparative data for best reading are shown net of the results of the then subsidiary Bakel) can be summarised as follows:

- total group sales: Euro 10.5 million (Euro 10.1 million in the first half of 2024), marking growth of 3.9%, due to the increase in turnover recorded by the parent company and the subsidiary SCENT Company Srl. The increase in sales on the domestic market (from Euro 2.7 million to Euro 3.6 million, up 33%), more than offset the reduction recorded on foreign markets (Euro 6.9 million compared to Euro 7.4 million in the first half of 2024, marking a decrease of 7%), which reflected the critical issues related to US tariffs and the European geopolitical situation;
- EBITDA of Euro 2.08 million (Euro 2.1 million in the first half of 2024), showing a slight decline of 1.6% compared to the previous period. It should be noted that the ratio between EBITDA and turnover was 19.49%, compared to 20.43% in the corresponding period of the previous year, due to the costs related to the aforementioned investments in communication and new professionals;
- EBIT stood at Euro 1.8 million (Euro 1.85 million in the first half of 2024);
- Net Financial Position: negative for Euro 0.3 million (positive for Euro 0.2 million as at 31 December 2024).

* * *

Governance Updates

It should be noted that due to the economic trend and the acquisitions carried out, it was considered preferable to postpone the completion of the delisting process started in 2023, therefore postponing the procedure relating to the reverse merger of KME Group SpA into the unlisted subsidiary KMH SpA, which would have absorbed financial resources due to the exercise of the right of withdrawal.

Shareholders' Meeting

In line with the approach adopted in previous years, for the presentation of the interim financial report the Company deems it appropriate to update its disclosure on corporate governance.

The Shareholders' Meeting of 15 May 2025 approved the Board of Directors' report on operations and the financial statements as at 31 December 2024, resolving to cover the entire loss for the year of Euro 25,058,741 through partial use of an equal amount of the Extraordinary Reserve.

At the proposal of the shareholder Quattroduedue SpA (holder of 65.80% of the ordinary shares of the Company), the Shareholders' Meeting appointed Alessandra Pizzuti as Director, confirming the number of members of the Board of Directors at 10, as resolved by the shareholders' meeting of 22 May 2024.

The Shareholders' Meeting also resolved to approve the 2025-2026 Report on Remuneration policy and on remuneration paid in 2024, drawn up pursuant to article 123-ter of Italian Legislative Decree 58/98.

Finally, the Shareholders' Meeting resolved to authorise the purchase, for a period of 18 months, of ordinary treasury shares and savings shares.

Bondholders' Meeting of the "KME Group SpA 2022-2027" Bond

For the purpose of renewal the office of common representative of the bondholders of the "KME Group SpA 2022-2027" Bond, the Bondholders' Meeting of this Bond was called on 28, 29 and 30 July 2025.

The Bondholders' Meeting was not quorate in all three meetings, and as a result of this, a request will be submitted to the competent authorities for the appointment of the new representative. In the meantime, the office of the current representative will be extended.

Share capital

In the first six months of 2025 and up to the date of this report, there were no changes in the amount of the share capital or in its composition.

The share capital amounted to Euro 200,154,177.66 and was divided into 284,442,812 shares, of which 270,231,550 were ordinary shares and 14,211,262 savings shares.

* * *

Additional information

Treasury shares

As at 30 June 2025, the Company held 53,243,219 ordinary treasury shares representing 19.70% of the ordinary share capital. This number is unchanged compared to the end of the previous year.

Lastly, note that, as partial consideration for purchase of the total 37,500,000 Management Warrants, 5,650,000 ordinary treasury shares must be delivered.

Parent company and ownership structure

The Company is controlled by Quattroduedue S.p.A., with registered office in Milan – Foro Buonaparte 44.

As at 30 June 2025, Quattroduedue S.p.A. held 177,813,368 ordinary shares of the Company (65.80% of the Company's voting share capital) and 1,424,032 savings shares (10.02% of the shares in this category). There were no changes with respect to the previous year.

Due to the increase in voting rights, Quattroduedue SpA held a percentage of voting rights equal to 77.78% as at 30 June 2025.

KME Group S.p.A. holds no shares of the parent company and during 2025 it made no purchases or sales of such shares.

For any other information regarding the ownership structure, the Company's governance and the fulfilment of any other obligations, refer to the specific report prepared for 2024 pursuant to article 123-bis of Italian Legislative Decree 58/98, which is included in the 2024 financial statements.

Related party transactions

Related party transactions, including intra-group transactions, were neither atypical nor unusual, in that they were part of the Group companies' day-to-day business and were all conducted on an arm's length basis or according to standard criteria or normal market conditions.

In the first half of 2025, there were no transactions that could be qualified as of greater importance pursuant to the "Procedure applicable to related party transactions".

The breakdown of transactions with related parties is included in the Notes to the condensed consolidated interim financial statements.

Disputes

Below is an update on the most significant disputes involving KME Group.

A civil suit is pending at the Court of Messina, currently in the preliminary phase, introduced by the Bazia Gardens bankruptcy against Futura Funds Sicav PLC, Demetrio Porcino and Fabio Porcino, where the integration of the joint consultation process was requested and obtained in respect of the KME Group and Immobiliare Pictea as parties to a credit transfer that would have been the basis of the sale of the property (under the proceedings) located in Taormina between the defendants Porcino and Futura Funds, and of which the Bankruptcy plaintiff asks for annulment by simulation/declaration of ineffectiveness by revocation. In the aforementioned proceedings, no direct questions were formulated against KME Group and/or Immobiliare Pictea. The case was suspended due to the death of the defendant in default, Demetrio Porcino, and was then resumed by the bankruptcy plaintiff, with a resumption hearing set for 18 February 2025. During this hearing, the Judge adjourned the case to the hearing of 23 September 2025, for the specification of the pleadings and for oral discussion pursuant to article 281-sexies of the Italian Code of Civil Procedure, subsequently postponed further to 3 March 2026.

At Group level, there are no pending disputes that could have significant effects on the Group's equity and economic results.

Personnel

The number of employees of the Group as at 30 June 2025, also including the KME SE group and the CULTI Milano group, is 3,509 (3,239 as at 31 December 2024). The acquisition of Sundwiger resulted in an increase of 351 units.

The Parent Company had 13 employees as at 30 June 2025, of which 2 executives and 11 white-collar employees/middle managers, of which one person hired on a fixed-term contract, replacing an employee on maternity leave.

Compliance with Section VI of the Markets Regulation – CONSOB Regulation no. 16191/2007

With reference to the provisions of articles 36, 37 and 38 of the Regulation in question, it should be noted that the Company:

- in relation to the provisions of article 36 of the Markets Regulation, does not hold significant investments, pursuant to article 151 of the Consob Issuers' Regulation, in non-EU Countries;
- though a subsidiary of Quattroduedue S.p.A., considers itself not subject to management and coordination as defined in article 2497 et seq. of the Italian Civil Code and article 37 of the Markets Regulation, as:
  - it has autonomous powers of negotiation with respect to contractual arrangements with customers and suppliers;
  - it does not participate in any centralised treasury arrangements operated by the parent Quattroduedue S.p.A. or any other company under the parent's control;
- it does not fall within the scope of application of the provisions of article 38 of the Markets Regulation, as its corporate purpose does not exclusively envisage equity investment activity in accordance with predetermined limitations.

* * *

The Company's Board of Directors, at its meeting of 14 September 2012, decided, among other things, to apply the exception envisaged in article 70, paragraph VIII, and article 71-*bis* of the Issuers' Regulation, which exempts the Company from publishing an Information Document in the case of significant mergers, demergers, share capital increases through transfers in kind, acquisitions and sales.

* * *

Risk Management

In its position as a dynamic investment holding company, the Parent Company has always been directly exposed to risks connected with investments and disinvestments. The Company's financial results mainly depend on these transactions and on any dividends distributed by its investees, and therefore ultimately reflect not only the financial performance, but the investment and dividend distribution policies of the latter.

Corporate equity investments are by their nature investments that carry a certain level of risk. Indeed, these types of investments offer no certainty that the invested capital will be refunded in full or they could produce cash flows that are insufficient for remuneration of the capital investment or in any case could result in performance that trails behind market performance.

Furthermore, the disinvestment process could require more time than expected and/or be carried out on the basis of terms and conditions that are not fully satisfactory or remunerative. In particular, regarding investments in unlisted companies, held directly or indirectly, the absence of risks connected mainly to the marketability of these investments and their valuation cannot be guaranteed, in consideration of: (a) the possible absence in these companies of control systems similar to those required of companies with listed shares, and consequently potential unavailability of information flows that are at least equal, in quantity and quality terms, to those available from companies with listed shares; and (b) the difficulties inherent in carrying out independent audits of the companies and therefore assessing the completeness and accuracy of the information they provide. For non-controlling investments, whether in listed or unlisted companies, the possibility of influencing management of the investments in order to promote their growth, including through relations with the management and shareholders of the investee, could be limited.

The gradual shift in focus to the industrial activity of KME SE has seen the Company more directly subject to the risks associated with KME SE business activities.

For an examination of the Group's risks, please refer to the notes to the condensed consolidated interim financial statements.

* * *

Significant events after 30 June 2025

No noteworthy events occurred after the reporting date, other than those stated above.

KME Group S.p.A.

Condensed consolidated interim financial statements as at 30 June 2025

KME Group S.p.A.
Registered and Administrative Office:
20121 Milan - Foro Buonaparte 44
Share Capital Euro 200,154,177.66 fully paid up
Tax Code and Milan Business
Register no. 00931330583
www.itkgroup.it

KME Group S.p.A. – Condensed consolidated interim financial statements as at 30 June 2025

Consolidated statement of financial position – Assets

(in Euro thousand)	*Ref. Note*	*30-Jun-25*	*of which related parties*	*31-Dec-24*	*of which related parties*
Property, plant and equipment	*5.1*	551,292		527,582	
Investment property		68,706		67,182	
Goodwill	*5.2*	405,558		394,445	
Intangible assets	*5.3*	43,962		46,222	
Investments in other companies	*5.4*	17,593	*13,573*	13,937	*9,023*
Equity-accounted investments	*5.4*	5,017	*5,017*	6,077	*6,077*
Other assets		6,479		6,413	
Financial assets		76,097	*51,018*	76,589	*51,018*
Deferred tax assets	*5.13*	105,479		88,224	
Total non-current assets		**1,280,183**		**1,226,671**	
Inventories	*5.5*	452,999		400,583	
Trade receivables	*5.6*	96,786	*38,769*	59,079	*23,224*
Financial assets	*5.7*	87,465	*31,247*	79,596	*30,140*
Current tax assets		825		1,167	
Other assets		33,830	*77*	19,989	*87*
Cash and cash equivalents	*5.8*	105,961		181,242	
Total current assets		**777,866**		**741,656**	
Assets classified as held for sale		11,947		11,947	
Total assets		**2,069,996**		**1,980,274**	

The notes are an integral part of these condensed consolidated interim financial statements.

Details of related party transactions are disclosed in the comments of the individual items of the explanatory notes.

KME Group S.p.A. – Condensed consolidated interim financial statements as at 30 June 2025

Consolidated statement of financial position – Equity and Liabilities

(in Euro thousand)	*Ref. Note*	*30-Jun-25*	*of which related parties*	*31-Dec-24*	*of which related parties*
Share capital		200,154		200,154	
Share premium reserve		8,942		8,942	
Reserves		56,532		79,126	
Retained earnings (accumulated losses)		(45,894)		(6,066)	
Profit/(loss) for the period		(28,868)		(64,882)	
Equity attributable to shareholders of the parent company		**190,866**		**217,274**	
Non-controlling interests		51,179		53,056	
Total equity	***5.9***	**242,045**		**270,330**	
Employee benefits	*5.10*	122,222		116,674	
Deferred tax liabilities	*5.13*	123,504		106,641	
Financial liabilities	*5.11*	571,947	-	375,744	-
Other liabilities		2,872		2,099	
Provisions for risks and charges	*5.12*	3,510		5,177	
Total non-current liabilities		**824,055**		**606,335**	
Financial liabilities	*5.11*	138,680	*1,478*	252,332	*563*
Trade payables		715,553	*35,994*	717,452	*35,350*
Current tax liabilities		9,050		5,956	
Other liabilities		118,829	*14,402*	116,517	*14,616*
Provisions for risks and charges	*5.12*	21,784		11,352	
Total current liabilities		**1,003,896**		**1,103,609**	
Liabilities directly related to assets classified as held for sale		-		-	
Total equity and liabilities		**2,069,996**		**1,980,274**	

The notes are an integral part of these condensed consolidated interim financial statements.

Details of related party transactions are disclosed in the comments of the individual items of the explanatory notes.

KME Group S.p.A. – Condensed consolidated interim financial statements as at 30 June 2025

Consolidated statement of profit or loss and other comprehensive income

(in Euro thousand)	*Ref. Note*	*1st half 2025*	*of which related parties*	*1st half 2024*	*of which related parties*
Revenues	*6.1*	1,022,858	*77,309*	795,105	*2*
Change in inventories of finished and semi-finished products		1,818		4,157	
Other income	*6.2*	15,317	*2,327*	8,461	*70*
Purchases of raw materials and change in inventories		(741,113)	*(36,150)*	(541,884)	-
Personnel expense	*6.3*	(132,899)	*(351)*	(120,009)	*(823)*
Amortisation, depreciation and impairment losses		(27,330)		(26,966)	
Other costs	*6.4*	(140,609)	*(1,419)*	(115,367)	*(2,589)*
Operating profit/(loss)		**(1,958)**		**3,497**	
Financial income		28,718	*3,399*	6,728	*2,766*
Financial expense		(61,101)	*(39)*	(46,706)	*(49)*
Net financial expense	*6.5*	*(32,383)*		*(39,978)*	
Results of companies accounted for using the equity method		(1,060)	*(1,060)*	(3,258)	*(10,034)*
Profit/(loss) before taxes		**(35,401)**		**(39,739)**	
Income taxes	*6.6*	4,262		8,533	
Net profit (loss) for the period from operating activities		**(31,139)**		**(31,206)**	
Profit (loss) from discontinued operations		-		-	
Net profit (loss) for the period		**(31,139)**		**(31,206)**	
Other comprehensive income:					
Measurement of employee defined benefits		*4,351*		*1,352*	
Tax effect		*(1,544)*		*(955)*	
Items that cannot be reclassified to profit or loss for the period		**2,807**		**397**	
Exchange differences arising from the translation of financial statements denominated in currencies other than the euro		*(186)*		*133*	
Net change in cash flow hedge reserve		*301*		*(346)*	
Tax effect		*(95)*		*40*	
Items that may be reclassified to profit or loss for the period		**20**		**(173)**	
Total other comprehensive income, net of tax effect		**2,827**		**224**	
Total comprehensive income for the period		**(28,312)**		**(30,982)**	
Net profit (loss) for the period attributable to:					
- non-controlling interests		*(2,271)*		*(2,390)*	
- the shareholders of the Parent Company		*(28,868)*		*(28,816)*	
Net profit (loss) for the period		**(31,139)**		**(31,206)**	
Total comprehensive income attributable to:					
- non-controlling interests		*(1,842)*		*(2,357)*	
- the shareholders of the Parent Company		*(26,470)*		*(28,625)*	
Total comprehensive income for the period		**(28,312)**		**(30,982)**	
Earnings per share (in Euro)					
Basic earnings/(loss) per share		(0.1249)		(0.1351)	
Diluted earnings/(loss) per share		(0.1249)		(0.1351)	

The notes are an integral part of these condensed consolidated interim financial statements.

Details of related party transactions are disclosed in the comments of the individual items of the explanatory notes.

KME Group S.p.A. – Condensed consolidated interim financial statements as at 30 June 2025

Consolidated statement of changes in equity as at 30 June 2025

(in Euro thousand)	*Ref. Note*	*Share capital*	*Share premium reserve*	*Other reserves*	*Treasury shares*	*Fair value reserve – financial instruments*	*Reserve for actuarial gains/(losses) on post-employment benefits*	*Reserve for exchange rate differences*	*Total Reserves*	*Retained earnings (accumulated losses)*	*Profit/(loss) for the period*	***Total equity pertaining to the shareholders of the Parent Company***	*Non-controlling interests*	***Total Group equity***
Equity as at 31 December 2024		**200,154**	**8,942**	**129,737**	**(48,439)**	**(9,641)**	**7,090**	**379**	**79,126**	**(6,066)**	**(64,882)**	**217,274**	**53,056**	**270,330**
Allocation of prior year's result	*5.9*	-	-	(25,059)	-			-	**(25,059)**	(39,823)	64,882	**-**	(34)	**(34)**
Warrant management	*5.9*	-	-	67	-	-	-	-	**67**	-	-	**67**	-	**67**
Other movements	*5.9*	-	-	-	-	-	-	-	**-**	(5)	-	**(5)**	(1)	**(6)**
Comprehensive income items	*5.9*	-	-	(6)	-	175	2,381	(152)	**2,398**	-	-	**2,398**	429	**2,827**
Profit/(loss) for the period	*5.9*	-	-	-	-	-	-	-	**-**	-	(28,868)	**(28,868)**	(2,271)	**(31,139)**
Total comprehensive income	***5.9***	**-**	-	**(6)**	**-**	**175**	**2,381**	**(152)**	**2,398**	**-**	**(28,868)**	**(26,470)**	**(1,842)**	**(28,312)**
Equity as at 30 June 2025		**200,154**	**8,942**	**104,739**	**(48,439)**	**(9,466)**	**9,471**	**227**	**56,532**	**(45,894)**	**(28,868)**	**190,866**	**51,179**	**242,045**

As at 30 June 2025, the Parent Company directly held 53,243,219 ordinary shares.

The notes are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity as at 30 June 2024

(in Euro thousand)	*Share capital*	*Share premium reserve*	*Other reserves*	*Treasury shares*	*Fair value reserve – financial instruments*	*Reserve for actuarial gains/(losses) on post-employment benefits*	*Reserve for exchange rate differences*	*Total Reserves*	*Retained earnings (accumulated losses)*	*Profit/(loss) for the period*	***Total equity pertaining to the shareholders of the Parent Company***	*Non-controlling interests*	***Total Group equity***
Equity as at 31 December 2023	**200,105**	**5,553**	**238,734**	**(126,834)**	**(9,249)**	**9,228**	**(593)**	**111,286**	**20,069**	**(40,335)**	**296,678**	**62,137**	**358,815**
Allocation of prior year's result	-	-	(14,644)	-	-	-	-	**(14,644)**	(25,725)	40,335	**(34)**	-	**(34)**
Purchase of treasury shares and warrants	-	-	(16,850)	-	-	-	-	**(16,850)**	-		**(16,850)**	-	**(16,850)**
Assignment of shares vs warrants post-PEO	-	-	(33,281)	33,281	-	-	-	**-**	-		**-**	-	**-**
Cancellation of savings treasury shares and warrants	-	-	(45,114)	45,114	-	-	-	**-**	-		**-**	-	**-**
Exercise of Parent Company Warrants	18	1,820	-	-	-	-	-	**-**	-	-	**1,838**	-	**1,838**
Warrant management	-	-	273	-	-	-	-	**273**	-		**273**	-	**273**
Other movements	-	-	982	-	-	-	-	**982**	(1,162)		**(180)**	(2,601)	**(2,781)**
Comprehensive income items	-	-	(15)	-	(261)	339	128	**191**	-	-	**191**	33	**224**
Profit (loss) for the period	-	-	-	-	-	-	-	**-**	-	(28,816)	**(28,816)**	(2,390)	**(31,206)**
Total comprehensive income	**-**	**-**	**(15)**	**-**	**(261)**	**339**	**128**	**191**	**-**	**(28,816)**	**(28,625)**	**(2,357)**	**(30,982)**
Equity as at 30 June 2024	**200,123**	**7,373**	**130,085**	**(48,439)**	**(9,510)**	**9,567**	**(465)**	**81,238**	**(6,818)**	**(28,816)**	**253,100**	**57,179**	**310,279**

As at 30 June 2024, the Parent Company directly held 53,243,219 ordinary shares. The decrease compared to 31 December 2023 is due to the allocation of 33,280,700 treasury shares to holders of warrants who took part in the public exchange offer on ordinary shares and KME Group 2021-2024 warrants and the cancellation of 45,114,520 ordinary shares carried out in compliance with resolutions of the extraordinary shareholders' meeting of 12 June 2023 and the extraordinary shareholders' meeting of 22 May 2024, which partly amended its content.

The notes are an integral part of these condensed consolidated interim financial statements.

KME Group S.p.A. – Condensed consolidated interim financial statements as at 30 June 2025

Consolidated statement of cash flows – indirect method

(in Euro thousand)	*1st half 2025*	*1st half 2024*
Profit (loss) before tax	(35,401)	(39,739)
Amortisation, depreciation and impairment losses	27,330	26,966
Change in provisions for personnel, provisions for risks and charges	4,619	(9,933)
Changes in fair value of derivatives	9,801	7,913
Share of the result of equity-accounted investments	1,060	3,678
Financial result (net of currency and fair value effects)	35,176	28,450
Other non-monetary changes	948	(362)
Flows generated by income management	*43,533*	*16,973*
(Increases)/Decreases in inventories	17,527	(86,554)
(Increases)/Decreases in trade receivables	(30,502)	(25,234)
(Increases)/Decreases in trade payables	(15,722)	53,438
(Increases)/Decreases in assets and liabilities	(16,012)	111,734
Cash flows generated/(absorbed) by net working capital	*(44,709)*	*53,384*
Income taxes paid	(4,569)	(7,407)
Cash flows generated/(absorbed) by operating activities	**(5,745)**	**62,950**
Purchases of non-current property, plant and equipment and intangible assets	(23,106)	(12,888)
Sale of non-current property, plant and equipment and intangible assets	13,536	-
Change in other non-current assets/liabilities	707	29
Purchase of subsidiaries, net of acquired liquidity	(44,756)	-
(Increases) decreases in other investments	-	(1,450)
Interest collected	4,543	5,105
Dividends received	-	420
Cash flows generated/absorbed by investing activities	**(49,076)**	**(8,784)**
Collections for share issues (*exercise of warrants*)	-	1,838
Dividends paid	(34)	(34)
Collections from financial liabilities	69,568	4,834
Reimbursements of financial liabilities	(50,206)	-
Disbursements of current and non-current financial receivables	(25,601)	(21,620)
Interest payments	(25,383)	(33,597)
Other financial payments	(12,193)	(11,571)
Cash flows generated/absorbed by financing activities	**(43,849)**	**(60,150)**
Cash and cash equivalents at the beginning of the period	**181,242**	**118,609**
Change in cash and cash equivalents	**(98,670)**	**(5,984)**
Changes in consolidated scope	23,491	108
Exchange rate-related changes in cash and cash equivalents	(102)	41
Cash and cash equivalents at the end of the period	**105,961**	**112,774**

The notes are an integral part of these condensed consolidated interim financial statements.

KME Group S.p.A. – Condensed consolidated interim financial statements as at 30 June 2025

Notes to the Condensed consolidated interim financial statements as at 30 June 2025

The condensed consolidated interim financial statements as at 30 June 2025 of KME Group S.p.A. (the "Company" or the "Parent Company") were approved by the Board of Directors on 17 September 2025, which authorised their disclosure through the press release on the same date containing the main elements of the financial statements.

1. *General disclosure*

KME Group S.p.A. is registered in Italy with the Milan Companies Register under no. 00931330583 and its shares are listed on the Euronext Milan market organised and managed by Borsa Italiana S.p.A.

KME Group S.p.A. is at the head of a group (the "Group") which is primarily active in the production and marketing of products in copper and copper alloys. The main subsidiary is KME SE, with registered office in Germany, which heads up an industrial Group (KME SE Group), composed of several production sites in Germany, Italy, France, the Netherlands and Spain and is also represented worldwide by a vast network of commercial companies, agents and service centres to meet the needs of customers in the main industrial sectors.

In addition, through the subsidiary CULTI Milano SpA and its subsidiaries, it produces and distributes high-end environmental fragrances, a specific luxury market segment, with particular attention to personal well-being: from fragrance for environments (home, car, boats, etc.) to personal products (perfumes, personal hygiene, cosmetics).

2. *Standards used for the preparation of the condensed consolidated interim financial statements*

2.1. *Reference accounting standards*

The condensed consolidated interim financial statements as at 30 June 2025 were prepared in compliance with the provisions of article 154-ter of Italian Legislative Decree no. 58 of 24 February 1998 (TUF – Consolidated Law on Finance) as subsequently amended and supplemented, and in compliance with IAS 34 "Interim Financial Reporting". They do not include all the information required by IFRS in the preparation of the annual financial statements and shall therefore be read together with the consolidated financial statements as at 31 December 2024, prepared in compliance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. IFRS also means all revised international accounting standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

It should be noted that the statements of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows are drafted in extended form.

The notes to the condensed consolidated interim financial statements below, on the other hand, are presented in summary form and therefore do not include all the information required for the annual financial statements. In particular, it should be noted that, as required by IAS 34, in order to avoid the duplication of information already published, the notes refer exclusively to those components of the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows whose breakdown or change, in terms of amount, nature or because unusual, is considered essential for the purposes of understanding the economic and financial position of the Group.

2.2. *Financial statements formats*

In the statement of financial position, assets and liabilities are distinguished as "current" and "non-current". An asset and a liability are classified as "current" if they are realised/settled in the normal operating cycle or in any case within 12 months of the end of the year, are held for trading purposes, are assets consisting of cash and cash equivalents or they are liabilities for which the Group has no right to defer their settlement for at least 12 months from the reporting date.

The Group opted to present the components of the result for the period directly in the consolidated statement of profit and loss and other comprehensive income. The aforementioned statement therefore includes, in addition to the components of the result for the period, income and expenses that, on the basis of IFRS, are not recognised in the statement of profit and loss for the half-year. The format adopted provides for the classification of costs by nature.

The Statement of changes in equity includes not only total profits/losses for the period, but also the amounts of transactions with the holders of capital and the changes in reserves during the period.

In the Statement of cash flows, the cash flows deriving from operating activities are presented using the indirect method, according to which the profit or loss for the period is adjusted by the effects of non-monetary transactions, by any deferral or provision of previous or future collections or operating payments, and by elements of revenues or costs related to cash flows deriving from investing activities or financial activities.

For a better presentation of the financial statements, their formats have been subject to some changes with respect to those adopted as at 31 December 2024, related solely to the grouping of some items or to their greater detail, also as a result of their changed significance with respect to the past. The comparative values have also been restated accordingly.

In particular:

- for the Statement of financial position:
    - the item “investments in subsidiaries” was aggregated in the item “other investments”;
    - the item “Current tax assets” is indicated in the section "current assets", (in the financial statements of previous years the item was included in the item “Other assets”);
    - the reserves in equity were aggregated in a single item, except for the “share premium reserve”; the details are indicated in the statements regarding changes in equity;
    - the item “bonds” was classified under non-current “Financial liabilities”;
    - current liabilities include current tax liabilities (in previous years the item was included in “Other liabilities”);
- for the statement of profit/(loss) for the half-year:
    - the item “Capitalised internal work” was included in the item “Other income”;
    - current and deferred taxes have been aggregated; details are provided in the notes;
- for the statement of cash flows:
    - the item “cash flows generated/absorbed by operating activities” includes the “flows generated by income management” and the cash flows generated/(absorbed) by net working capital”;
    - the purchases/sales of non-current assets and the collections and reimbursements of financial assets were made explicit.

The condensed consolidated interim financial statements are presented in thousands of Euro as are, unless otherwise indicated, the figures contained in the notes.

2.3. Measurement criteria

The condensed consolidated interim financial statements are prepared on the basis of the cost principle, with the exception of derivative financial instruments, properties held for investment and financial assets whose measurement is carried out on the basis of the fair value principle.

The presentation currency is the Euro, the functional currency of the Parent Company and the main subsidiaries.

These Consolidated Financial Statements were prepared on a going concern basis, in accordance with IAS 1, in compliance with the financial covenants, in consideration of the financial commitments of the Group, which may be covered by resources deriving from the possible disposal of investments and other non-strategic assets in the copper sector, in addition to the cash flows provided for in the business plan for the copper sector approved for the period 2025 to 2029, reinforced by further initiatives already implemented in the first few months of 2025. When assessing the applicability of the going concern assumption, the Directors also considered the uncertainties related to the achievement of the expected results in the current macroeconomic and political scenario influenced by the ongoing conflict between Russia and Ukraine, the Arab-Israeli conflict in the Middle East and other international tensions, also stemming from trade policies introduced by the US administration, which continue to impact global economic prospects.

2.4. Use of estimates and assumptions

The preparation of the condensed consolidated interim financial statements requires the Management to make estimates and assumptions that have an effect on the values of revenues, costs, assets and liabilities in the financial statements and on the disclosure relating to contingent assets and liabilities.

If in the future these estimates and assumptions, which are based on the best assessment by the Management, should differ from the actual circumstances, they will be modified accordingly in the period in which the circumstances change.

It should also be noted that certain valuation processes, in particular the more complex ones, such as the determination of any impairment of non-current assets, are generally carried out in a complete manner only when preparing the annual financial statements, when all the information that may be necessary is available, except in cases where there are indicators of impairment that require an immediate assessment of any impairment losses.

Assumptions and uncertainties in estimates

At the end of the period, the assumptions and uncertainties in the estimates with a significant risk of causing material changes to the book value of the assets and liabilities in the subsequent financial statements refer to the following aspects:

- estimate of the useful lives of property, plant and equipment and intangible assets;
- estimate of the recoverable values (impairment test) of non-financial assets (property, plant and equipment, intangible assets and goodwill) and investments accounted for using the equity method;
- estimate of expected credit losses of financial assets designated at amortised cost (e.g. trade and financial receivables);
- estimate of the net realisable value of inventories;
- fair value measurement of investment property if this measurement is based on significant non-observable input data;
- estimate of provisions for risks and charges;
- valuation, using actuarial methods, of the net obligation for defined benefits plans;
- estimate of income taxes taking into account uncertain tax treatments and valuation of deferred tax assets on the basis of the availability of future taxable income.

Fair value measurement

Certain accounting policies adopted by the Group require the fair value measurement of assets and liabilities. To measure the fair value, the Group uses, where possible, input data observable on the market. Based on the input data used in the measurement techniques, the fair value is classified into different levels of the fair value hierarchy.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: input data other than quoted prices considered in Level 1, but which nevertheless are observable for similar assets or liabilities, directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: input data relating to assets or liabilities that are not based on observable market data.

2.5. Impact of climate change issues

Climate change also increases the risks and potential impacts on production in the countries and areas where the Group carries out its activities. In this context, it is essential to increase the resilience of the corporate business model in order to prevent and mitigate risks. Emission reduction strategies and technological innovations for environmental sustainability are equally important in seizing the opportunities of the ecological transition and strengthening corporate competitiveness. To help achieve climate neutrality and mitigate the effects of climate change, the Group develops strategies for reducing emissions and decarbonising industrial processes, in line with the objectives of the 2015 Paris Agreement and the European Union's "Net Zero" target.

The KME Group's commitment is structured on several levels:

- reduction of direct emissions (scope 1) generated by its industrial activities;
- increase in energy efficiency;
- reduction of indirect emissions related to electricity consumption (scope 2), with an increase in the use of renewable energy;
- reduction of indirect emissions in the value chain (scope 3), further increasing the use of secondary raw materials for its productions, recycling as much waste as possible, and selecting suppliers based on environmental criteria;
- investments and innovative technologies;
- resilience of the business model;
- adaptation measures for risk prevention and mitigation;
- *partnerships and shared initiatives.*

3. Summary of the main relevant accounting standards used in the preparation of the condensed consolidated interim financial statements

The accounting standards adopted for the preparation of the consolidated interim financial statements are consistent with those used for the preparation of the consolidated financial statements of KME Group S.p.A. as at 31 December 2024, with the exception of the adoption of the new standards, amendments and interpretations, approved by the IASB and endorsed for adoption in Europe, the adoption of which is mandatory for the accounting periods starting from 1 January 2025, listed in the paragraph below.

3.1. Newly applied accounting standards

The following IFRS accounting standards, amendments and interpretations were applied by the Group for the first time as of 1 January 2025.

- Amendment to IAS 21: "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability" (August 2023).

Its adoption did not have significant effects on the consolidated interim financial statements.

3.2. Accounting standards, amendments and interpretations effective from 1 January 2025

As at the date of preparation of this document, the competent bodies of the European Union had concluded the approval process required for adoption of the following accounting standards and amendments.

- Amendment to IFRS 9 and IFRS 7: "Classification and Measurement of Financial Instruments" (May 2024). The amendments apply for years beginning on or after 1 January 2026.
- Annual improvements to IFRS Accounting Standards – Volume 11 – Amendments to IAS 7 and IFRS 1, 7, 9, 10 – (July 2024). The amendments apply for years beginning on or after 1 January 2026.
- Amendment to IFRS 9 and IFRS 7: "Contracts Referencing Nature-dependent Electricity" (December 2024). The amendments apply for years beginning on or after 1 January 2026.

With reference to the applicable standards, the Group has decided not to exercise the option that provides for early adoption where envisaged.

3.3. IFRS accounting standards, amendments and interpretations not yet endorsed

As at the reference date of this financial report, the competent bodies of the European Union had not yet concluded the approval process required for adoption of the amendments and the standards described below.

- IFRS 18: "Presentation and Disclosure in Financial Statements" (April 2024). The amendments apply for years beginning on or after 1 January 2027.

- IFRS 19: “Subsidiaries without Public Accountability: Disclosures” (May 2024). The amendments apply for years beginning on or after 1 January 2027.

The Group is currently assessing the possible effects of the application of IFRS 18, while IFRS 19 is not applicable to the consolidated financial statements.

4. Scope of consolidation

As at 30 June 2025, the condensed consolidated interim financial statements of KME Group S.p.A. include the Parent Company and 39 subsidiaries.

The only change in the scope of consolidation is the result of the acquisition, finalised on 6 January 2025, of 100% of the shares of Blackhawk Holding GmbH, a German holding company that holds 100% of Sundwiger Messingwerk GmbH, European leader in the semi-finished rolled bronze product sector and a manufacturer of semi-finished rolled brass products (hereinafter also “Sundwiger”).

The purchase price is approximately Euro 75.6 million (including the metal inventory) and was paid: Euro 41.0 million at closing, Euro 20.8 million through a three-year non-interest-bearing vendor loan and the residual amount to be paid on a medium/long-term basis. Considering the net assets acquired (approximately Euro 64.5 million), goodwill of Euro 11.1 million was recognised. At the date of these condensed consolidated interim financial statements, the Purchase Price Allocation (PPA), including the valuation of the consideration transferred, is still provisional.

The assets and liabilities recognised as at 1 January 2025, are as follows:

(in Euro thousand)	
Property, plant and equipment	24,256
Intangible assets	449
Investments in other companies	54
Non-current financial assets	311
Deferred tax assets	7,429
Inventories	70,226
Trade receivables	7,197
Current financial assets	2,920
Current tax assets	50
Other receivables and current assets	1,591
Cash and cash equivalents	23,383
Total Assets	**137,866**
Employee benefits	13,551
Deferred tax liabilities	17,181
Non-current financial liabilities	19,499
Current financial liabilities	2,473
Trade payables	13,727
Provisions for risks and charges	493
Other current liabilities	5,841
Current tax liabilities	566
Total Liabilities	**73,331**
Net Assets (Liabilities)	**64,535**

The exchange rates used for foreign currency translation are as follows:

	Spot rate		*Average rate*	
	30/06/2025	*31/12/2024*	*1st half 2025*	*1st half 2024*
GBP - Pound sterling	0.8553	0.8293	0.8424	0.8466
RMB - Chinese yuan	8.3970	7.8097	7.9238	7.8039
HKD - Hong Kong dollar	8.5168	8.3945	9.2001	8.4536
USD - US dollar	1.1725	1.0394	1.0934	1.0821

5. *Comment on the main items of the consolidated statement of financial position*

5.1. Property, plant and equipment

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Land and buildings	263,638	243,590	20,048
Plant and equipment	216,937	220,271	(3,334)
Other assets	33,349	29,953	3,396
Advances and assets under construction	37,368	33,768	3,600
Property, plant and equipment	**551,292**	**527,582**	**23,710**

The breakdown between owned and leased assets is provided below.

(in Euro thousand)	*Owned*	*Leased*	*Total*
Land and buildings	201,248	62,390	263,638
Plant and equipment	216,010	927	216,937
Other assets	27,405	5,944	33,349
Advances and assets under development	37,368	-	37,368
Property, plant and equipment	**482,031**	**69,261**	**551,292**

The land and buildings recorded in this item are those owned and used by the entities of the Group; these include the production plants in the copper sector (including Osnabrück, Mansfeld and Fornaci di Barga) and the building located in Foro Buonaparte 44, Milan, the headquarters of the Parent Company.

The change in owned assets for the first half of 2025 is shown below:

(in Euro thousand)	*Land and buildings*	*Plant and equipment*	*Other assets*	*Advances and PP&E under construction*	*Total*
Gross amount	308,820	738,073	81,822	33,768	1,162,483
Accumulated depreciation	88,556	518,826	57,660	-	665,042
Total as at 31 December 2024	**220,264**	**219,247**	**24,162**	**33,768**	**497,441**
Gross amount as at 31 December 2024	**308,820**	**738,073**	**81,822**	**33,768**	**1,162,483**
Purchases in the period	1,161	769	1,344	17,241	20,515
Reclassifications	5,822	8,506	895	(15,223)	-
Change in scope of consolidation (cost)	683	86,734	18,846	1,676	107,939
Increases in cost due to foreign exchange differences	-	(6)	2	-	(4)
Disposals (cost)	(25,526)	(1,421)	(660)	(94)	(27,701)
Gross amount as at 30 June 2025	**290,960**	**832,655**	**102,249**	**37,368**	**1,263,232**
Accumulated amortisation as at 31 December 2024	**88,556**	**518,826**	**57,660**	**-**	**665,042**
Reclassifications	-	53	(53)	-	-
Change in scope of consolidation (acc. dep.)	40	85,066	14,790	-	99,896
Depreciation, impairment and write-downs	3,550	13,838	3,129	-	20,517
Incr. in depreciation due to foreign exchange diff.	(1)	52	(58)	-	(7)
Disposals (accumulated depreciation)	(2,433)	(1,190)	(624)	-	(4,247)
Accumulated depreciation as at 30 June 2025	**89,712**	**616,645**	**74,844**	**-**	**781,201**
Gross amount	290,960	832,655	102,249	37,368	1,263,232
Accumulated depreciation	89,712	616,645	74,844	-	781,201
Total as at 30 June 2025	**201,248**	**216,010**	**27,405**	**37,368**	**482,031**

Leased assets changed as follows:

(in Euro thousand)	*Land and buildings*	*Plant and equipment*	*Other assets*	*Total*
Gross amount	30,711	3,828	22,101	56,640
Accumulated depreciation	7,385	2,804	16,310	26,499
Total as at 31 December 2024	**23,326**	**1,024**	**5,791**	**30,141**
Gross amount as at 31 December 2024	**30,711**	**3,828**	**22,101**	**56,640**
Purchases in the period	24,791	-	1,632	26,423
Change in scope of consolidation (cost)	16,042	-	167	16,209
Increases in cost due to foreign exchange differences	(18)	-	(6)	(24)
Disposals (cost)	(234)	-	(777)	(1,011)
Gross amount as at 30 June 2025	**71,292**	**3,828**	**23,117**	**98,237**
Accumulated depreciation as at 31 December 2024	**7,385**	**2,804**	**16,310**	**26,499**
Depreciation, impairment and write-downs	1,767	97	1,516	3,380
Increases in depreciation due to foreign exchange differences	(16)	-	-	(16)
Disposals (accumulated depreciation)	(234)	-	(653)	(887)
Accumulated depreciation as at 30 June 2025	**8,902**	**2,901**	**17,173**	**28,976**
Gross amount	71,292	3,828	23,117	98,237
Accumulated depreciation	8,902	2,901	17,173	28,976
Total as at 30 June 2025	**62,390**	**927**	**5,944**	**69,261**

The item “Changes in scope of consolidation” represents the values of the assets consolidated following the acquisition of Sundwiger.

The item “disposals” of land and buildings mainly includes the effect of the sale and lease-back transaction carried out by the subsidiary KME Netherlands BV, which entailed the derecognition of the net book value of the plant (Euro 22,729 thousand) and the recognition of the right of use of said plant (Euro 22,280 thousand).

5.2. Goodwill

The following table shows the allocation of goodwill by CGU:

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Copper Cash Generating Unit	380,126	369,013	11,113
Perfumes and Cosmetics Cash Generating Unit	25,432	25,432	-
Goodwill	**405,558**	**394,445**	**11,113**

In accordance with IAS 36, goodwill is allocated to various cash-generating units (CGUs) and subject to an Impairment test at least once a year. Cash-generating units are identified with the minimum level at which goodwill is monitored for internal management purposes. The breakdown of the Group's assets into CGUs and the criteria for their identification have not changed with respect to the financial statements for the year ended 31 December 2024, despite the fact that the Copper CGU was updated following the acquisition of Sundwiger.

The increase recorded in the first half of 2025 derives solely from the acquisition of Sundwiger.

In line with the financial statements as at 31 December 2024, goodwill recognised has been tested for impairment, as required by IAS 36, using the Unlevered Discounted Cash Flow (UDCF) method, discounting the operating cash flows generated by the assets themselves (net of tax effect).

- *Copper CGU*

With regard to the Copper CGU, the impairment test was carried out using the 2025-2029 Business Plan of KME SE (the “Plan”) as the reporting basis, which the administrative bodies of the subsidiary KME SE updated on 16 September 2025. The Plan was amended from the one used for the impairment test as at 31 December 2024, to take into account the effects of the acquisition of Sundwiger and the planned closure of the Stolberg site.

The terminal value was calculated by assuming the long-term EBITDA equal to the average of the Plan's EBITDA (explicit period, 1 January 2025 – 31 December 2029), with a level of amortisation corresponding to the investments, using a long-term growth rate "g" equal to zero and a WACC of 9.70% (9.74% as at 31 December 2024), taking into account the historical data recorded.

The results of the impairment test ascertained that there were no impairment losses on the Copper CGU, with a post-testing recoverable value of the CGU higher than the carrying amount for an amount in line with that as at 31 December 2024.

In accordance with the methodological indications provided by accounting standard IAS 36, a sensitivity analysis was also carried out in order to understand how the recoverable amount may vary following changes in the value of EBITDA (decreases of 5% and 10%) on the terminal value. Moreover, in order to better appreciate the sensitivity of the results of the impairment test with respect to the changes in the basic assumptions, at the same growth rate (equal to zero), a sensitivity analysis was also carried out for the purpose of calculating the value in use with respect to the overall WACC discount rate (an increase of 0.5% and 1.0%) used to calculate the terminal value. Both in the base case and in the case of a joint worsening of the EBITDA and WACC indicators, within the limits described above, the impairment test carried out has ascertained that there are no impairment losses on the Copper CGU.

- *Perfumes and Cosmetics CGU*

For the Perfumes and Cosmetics CGU, the impairment test was based on the 2025-2029 plans approved by the competent administrative bodies and already used in the financial statements as at 31 December 2024.

The cash flows envisaged by these plans have been updated to consider the final data for the first half of 2025.

The recoverable amount of the CGU was determined by applying the Sum of Parts method, considering the values of CULTI Milano S.p.A. and the companies belonging to its group.

For each party (entity), the terminal value was calculated on the basis of the related historical EBITDA and considering the forecast data (explicit period, 1 January 2025 – 31 December 2029), using a long-term growth rate "g" equal to zero and a specific WACC for each party; taking into account the contribution of each country to the EBITDA Terminal Value. The weighted average discount rate applied to the impairment test of the Perfumes and Cosmetics CGU was 9.69% (10.04% as at 31 December 2024).

The results of the impairment test ascertained that there were no impairment losses on the Perfumes and Cosmetics CGU, with a post-testing recoverable value of the CGU higher than the carrying amount for an amount in line with that as at 31 December 2024.

In accordance with the methodological indications provided by accounting standard IAS 36, a sensitivity analysis was also carried out in order to understand how the recoverable amount may vary following changes in the value of EBITDA (decreases of 5% and 10%) on the terminal value. Moreover, in order to better appreciate the sensitivity of the results of the impairment test with respect to the changes in the basic assumptions, at the same growth rate (equal to zero), a sensitivity analysis was also carried out for the purpose of calculating the value in use with respect to the overall WACC discount rate (an increase of 0.5% and 1.0%) used to calculate the terminal value. Both in the base case and in the case of a joint worsening of the EBITDA and WACC indicators, the impairment test carried out has ascertained that there are no impairment losses on the Perfumes and Cosmetics CGU.

5.3. Intangible assets

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Software, patents, licences	22,282	23,561	(1,279)
Advances and assets under development	1,223	727	496
Other	20,457	21,934	(1,477)
Intangible assets	**43,962**	**46,222**	**(2,260)**

The changes during the first half of 2025 are analysed below:

(in Euro thousand)	*Software, patents and licences*	*Intangible assets under development*	*Other*	***Total***
Gross amount	50,041	727	30,269	81,037
Accumulated amortisation	26,480	-	8,335	34,815
Total as at 31 December 2024	**23,561**	**727**	**21,934**	**46,222**
Gross amount as at 31 December 2024	**50,041**	**727**	**30,269**	**81,037**
Purchases in the period	74	604	52	730
Reclassifications	193	(183)	-	10
Change in scope of consolidation (cost)	2,216	75	-	2,291
Decreases (cost)	(25)	-	(18)	(43)
Gross amount as at 30 June 2025	**52,499**	**1,223**	**30,303**	**84,025**
Accumulated amortisation as at 31 December 2024	**26,480**	**-**	**8,335**	**34,815**
Changes in scope of consolidation (provision)	1,842	-	-	1,842
Amortisation, impairment and write-downs	1,902	-	1,520	3,422
Reclassifications	12	-	-	12
Increases in amortisation due to foreign exchange differences	(19)	-	-	(19)
Decreases (accumulated amortisation)	-	-	(9)	(9)
Accumulated amortisation as at 30 June 2025	**30,217**	**-**	**9,846**	**40,063**
Gross amount	52,499	1,223	30,303	84,025
Accumulated amortisation	30,217	-	9,846	40,063
Total as at 30 June 2025	**22,282**	**1,223**	**20,457**	**43,962**

Intangible assets have a finite useful life and are represented by the cost net of accrued amortisation. As at 30 June 2025, the item recorded no reductions in value.

The item "Changes in scope of consolidation" represents the values of the intangible assets consolidated following the acquisition of Sundwiger.

5.4. Investments

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*
Investments in other companies	17,593	13,937
Equity-accounted investments	5,017	6,077
Investments	**22,610**	**20,014**

The changes in the items are shown below:

(in Euro thousand)	*Investments in other companies*	*Equity-accounted investments*	*Total*
Total as at 31 December 2024	**13,937**	**6,077**	**20,014**
Increases	3,754	-	3,754
Acquisitions	96	-	96
Decreases	(194)	-	(194)
Share of profits/losses in the income statement	-	(1,060)	(1,060)
Total as at 30 June 2025	**17,593**	**5,017**	**22,610**

There were no changes in companies consolidated using the equity method. The acquisitions refer to minor investments held by the company Sundwiger.

The increases relate to additional investments in companies already held, in particular OASI Agricola and OASI Foodco. The decreases refer to capital distributions received.

The decrease in the share of profit/loss in the income statement from equity-accounted investments refers to Magnet Joint Venture GmbH.

5.5. Inventories

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Raw materials, consumables and supplies	394,055	349,370	44,685
Work in progress and semi-finished products	29,118	20,764	8,354
Finished goods and merchandise	29,826	30,449	(623)
Inventories	**452,999**	**400,583**	**52,416**

The item mainly includes the balances of the copper sector (Euro 446 million), relating mainly to metal stocks, in particular copper, aluminium, nickel, zinc, tin, scrap and other metals; the remainder relates to the CULTI group (Euro 7 million). Note that 43 thousand tonnes of metal stocks are pledged as collateral for financial liabilities.

The increase in inventories includes the change of Euro 70.2 million following the acquisition of Sundwiger.

During the period under review, write-backs on metal stocks were recognised for an amount of Euro 3.8 million.

5.6. Trade receivables

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Receivables – third parties	57,194	34,848	22,346
Receivables – leases/factoring	823	1,007	(184)
Receivables – parent company	9	-	9
Receivables – non consolidated subsidiaries	1,533	1,894	(361)
Receivables – equity-accounted entities	37,227	21,330	15,897
Trade receivables	**96,786**	**59,079**	**37,707**

"*Receivables – third parties*" refer for roughly Euro 52.6 million (Euro 30.6 million as at 31 December 2024) to the KME SE group and for Euro 4.6 million (Euro 4.3 million as at 31 December 2024) to the CULTI Group. As at 30 June 2025, the bad debt provision amounted to Euro 8.5 million.

The "*Receivables – leases/factoring*" relate to the net value of non-performing loans belonging to the Parent Company from the business previously handled by Fime Leasing and Fime Factoring. Their change is determined by collections for the period and the discounting effect on the basis of expected recovery of the related cash flows.

The increase in payables to equity-accounted entities is attributable to the group's operations with Magnet Joint Venture GmbH.

5.7. Current financial assets

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Financial receivables due from related parties	31,247	30,140	1,107
Receivables due from factoring companies	38,121	15,684	22,437
Derivative financial instruments	8,916	23,687	(14,771)
Investments in securities	272	272	-
Other current financial assets	8,909	9,813	(904)
Current financial assets	**87,465**	**79,596**	**7,869**

"*Financial receivables due from related parties*" are mainly related to receivables from unconsolidated Group companies. The increase is attributable to interest accrued during the period.

"*Receivables due from factoring companies*" relate to the KME SE group and, in particular, to the amount of trade receivables transferred as part of factoring transactions with non-recourse. This amount refers to trade receivables for goods and services already sold and not paid and is pledged to guarantee credit lines received from the KME SE Group.

"*Derivative financial instruments*" include the fair value of derivatives held by the KME SE group and include the valuation of commitments to sell and purchase LME (London Metal Exchange) contracts and forward exchange contracts.

5.8. Cash and cash equivalents

The item consists of bank deposits and cash on hand.

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Cash and cash equivalents	**105,961**	**181,242**	**(75,281)**

"*Cash and cash equivalents*" consist essentially of bank deposits and cash on hand. As at 30 June 2025, Euro 12 million was pledged (amount unchanged with respect to 31 December 2024). For details of the cash generated and absorbed during the period, please refer to the consolidated statement of cash flows.

The cash and cash equivalents are deemed sufficient for the Group's commercial and financial commitment activities for the next 12 months.

5.9. Group equity

The "Share Capital" as at 30 June 2025 amounted to Euro 200,154,177.66 divided into 270,231,550 ordinary shares (95.00% of the share capital) and 14,211,262 savings shares (5% of the share capital). None of the shares has a par value.

For an analysis of the changes in consolidated equity, reference should be made to the "*Consolidated statement of changes in equity as at 30 June 2025*". The changes in equity include not only the result for the period but primarily the following effects:

- the allocation of the Parent Company's Euro 25,059 thousand loss for 2024 as a decrease in the extraordinary reserve, as approved by the Shareholders' Meeting of 15 May 2025;
- the allocation to a reserve of costs on Management Warrants carried out in application of the provisions of IFRS 2. These costs are included in the item "Other operating costs";
- the positive change in comprehensive income items for Euro 2.4 million attributable to the combined effect of Euro 0.3 million for changes in the fair value of financial instruments, a negative Euro 0.2 million relating to the translation to Euro of foreign financial statements, a positive Euro 3.9 million for actuarial changes on pension funds and a negative tax effect of Euro 1.6 million.

<u>Information on treasury shares</u>

As at 30 June 2025, the Company held 53,243,219 ordinary treasury shares representing 19.70% of the ordinary share capital (18.72% of the total share capital), unchanged from 31 December 2024.

5.10. Employee benefits

The item relates to "*Post-employment benefits*" and other forms of post-employment plans for employees. This amount, determined on the basis of the vested benefits at the end of the period under review, in compliance with law, employment contracts and IAS 19, is as follows:

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Employee benefits	**122,222**	**116,674**	**5,548**

The Group has employees in Italy and abroad, mostly in Germany and the United Kingdom; most employees in the KME Group have retirement benefits, with the form of disbursement varying from country to country according to the national legal, economic and tax regulations. Pension plans in the Group include both defined contribution and defined benefit plans.

Post-employment plans in Germany

In Germany executive employees are entitled to an individually determined benefit payment which either becomes due on age of 65 or earlier, depending on possibilities provided for by the statutory pension insurance fund. Starting in 2017 executive employees will only be entitled to defined contribution pension plans in Germany.

For a large proportion of other employees there are defined benefit plans depending on when they commenced work at the company in accordance with the employment agreement, the amount of which is calculated as a percentage of the pensionable salary for each qualifying year of service.

From 1 January 2018, employees will instead receive a contribution supplement for salary conversion as part of a defined contribution plan.

Post-employment plans in the United Kingdom

Defined benefit plans exist for employees in United Kingdom and provide for a pension payment after the age of 65. The plan involves a statutory requirement to cover the obligations with financial assets of an equivalent amount. The plan assets are invested in fund shares, fixed-interest securities, property and bank deposits. The decision-making body is in any event a "Board of Directors".

Post-employment plans in Italy

The provision for post-employment benefits (TFR) of the Italian companies was considered a defined benefit plan until 31 December 2006. The regulations of this provision were amended by Law no. 296 of 27 December 2006 (“2007 Finance Act”) and subsequent Decrees and Regulations issued in early 2007. In light of these amendments, and in particular with reference to companies with at least 50 employees, this arrangement is to be considered a defined benefits plan exclusively for the portions accrued before 1 January 2007 (and not yet paid at the reporting date), while after that date it is similar to a defined contribution plan.

Risks associated with defined benefit plans

The main risk other than normal actuarial risk – including longevity risk and foreign exchange risk – relates to financial risk associated with plan assets. On the pension liability side, this mostly means inflation risk on plans with salary-linked benefits; a marked rise in pay would increase the obligation under these plans. In the Group, plans of this kind exist only on a small scale and are largely closed to new entrants.

Regarding increases to currently paid pensions there is no pension arrangement within the Group that carries an obligation to increase the benefit amount in excess of inflation or in excess of the surplus generated on plan assets.

5.11. Current and non-current financial payables and liabilities

The details of current and non-current financial payables and liabilities are shown below:

(in Euro thousand)	*30 Jun 2025*		*31 Dec 2024*	
	Current	*Non-current*	*Current*	*Non-current*
Payables due to banks	48,961	105,369	52,444	88,285
Derivative financial instruments	19,169	-	6,539	-
Financial payables to related companies	1,478	-	563	-
Payables on bonds issued	41,436	299,545	170,835	198,954
Factoring payables	10,725	-	9,057	-
Lease liabilities	5,859	123,226	4,747	87,820
Other financial liabilities	11,052	43,807	8,147	685
Financial payables and liabilities	**138,680**	**571,947**	**252,332**	**375,744**

Payables to banks include a new 4-year loan, taken out in February 2025, for an amount of Euro 40 million. The loan is repaid in equal quarterly instalments from the first quarter of 2026 until the third quarter of 2029. The loan is backed by a SACE guarantee and a pledge on the shares of Blackhawk Holding GmbH and Sundwiger Messingwerk GmbH.

It should be noted that KME SE has a pooled bank loan of Euro 485 million, secured by collateral that can be used on a revolving basis, currently maturing on 30 November 2025, plus an option for a 1-year extension subject to consent from the lenders. The credit facility was used with letters of credit for payments to metal suppliers in the amount of Euro 478.7 million (Euro 479.1 million as at 31 December 2024), the liabilities on which are recorded under trade payables and other payables. At the date of these consolidated financial statements, the management of KME SE has already initiated contacts with the pool of banks for the renewal of the credit line and there are no critical issues regarding its successful outcome.

With regard to payables for bonds issued, in which the short-term portion also includes coupons being accrued, it should be noted that:

- in February, the residual debt for the 2020-2025 KME Group Bond for a nominal amount of Euro 52.7 million was repaid on the maturity date;
- the repayment dates of the bond issued by the subsidiary KMH S.p.A. were also rescheduled in April 2025. The repayment deadline was extended from 31 December 2025 to 31 December 2027 and an instalment of a nominal amount equal to Euro 15.0 million is expected to mature in September 2025, with the payment of an additional instalment for an equal amount expected in March 2026;
- in May, an additional tranche of the KME Group 2024-2029 Bond was issued, intended for qualified investors. Bonds for a nominal value of Euro 21.2 million were placed at par value.

As regards "*Lease liabilities*", the consolidation of Sundwiger entailed the recognition of liabilities of Euro 21.0 million in relation to property lease agreements. In addition, in February 2025, a *Sale & Lease-back* transaction was signed relating to the Zupthen property, which resulted in the recognition of a financial liability of Euro 20 million.

The increase in "*Other financial payable*" is mainly due to the loan granted to KME SE ("*Vendor Loan*") following the acquisition of Blackhawk Holding GmbH, 100% owner of Sundwiger Messingwerk GmbH (Euro 34.7 thousand), and the first-time consolidation of Sundwiger (Euro 4.2 million).

"*Derivative financial instruments*" mainly refer to the fair value of derivatives held by the KME SE group and include commitments to sell and purchase LME (London Metal Exchange) contracts.

The consolidated net financial debt as at 30 June 2025, determined in compliance with the provisions of ESMA Document 32-382-1138 of 4 March 2021 – Guidelines regarding disclosure obligations pursuant to the prospectus regulation, as highlighted in CONSOB warning notice 5/21 of 29 April 2021, compared to 31 December 2024 can be summarised as follows:

Financial debt

Consolidated financial debt			
	(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*
A	Cash and cash equivalents	105,961	181,242
C	Other financial assets	87,193	79,324
D	**Cash and cash equivalents (A + B + C)**	**193,154**	**260,566**
E	Current financial debt	56,004	39,103
F	Current portion of non-current financial debt	82,676	213,229
G	**Current financial debt (E + F)**	**138,680**	**252,332**
H	**Net current financial debt (G - D)**	**(54,474)**	**(8,234)**
I	Non-current financial debt	272,402	176,790
J	Debt instruments	299,545	198,954
L	**Non-current financial debt (I + J + K)**	**571,947**	**375,744**
M	**Total financial debt (H + L)**	**517,473**	**367,510**

5.12. Provisions for risks and charges

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Provisions for non-current risks and charges	3,510	5,177	(1.667)
Provisions for current risks and charges	21,784	11,352	10,432
Provisions for risks and charges	**25,294**	**16,529**	**8,765**

Changes in the provisions for risks and charges can be summarised as follows:

(in Euro thousand)	*Provisions for restructuring*	*Provisions for guarantee risks*	*Other provisions*	***Total***
Balance as at 31 December 2024	**7,564**	**1,028**	**7,937**	**16,529**
Change in scope of consolidation	-	-	493	493
Uses	(5,929)	-	(1,923)	(7,852)
Releases	-	-	(228)	(228)
Allocations	15,804	-	548	16,352
Balance as at 30 June 2025	**17,439**	**1,028**	**6,827**	**25,294**
Non-current	***-***	***-***	***3,510***	***3,510***
Current	***17,439***	***1,028***	***3,317***	***21,784***

The "*Other provisions*" mainly comprise provisions for severance payments on termination of the employment relationship and/or on retirement in accordance with French law and for warranties requested by customers.

The "*Provisions for restructuring*" include the provision net of uses for the period relating to closure of tubes production in Givet announced by Tréfimétaux in February 2022, and the allocations for the closure of the Stolberg facility in February 2025.

5.13. Deferred tax assets and liabilities

(in Euro thousand)	*30 Jun 2025*	*31 Dec 2024*	*Change*
Deferred tax assets	105,479	88,224	17,255
Deferred tax liabilities	(123,504)	(106,641)	(16,863)
Net deferred tax assets (liabilities)	**(18,025)**	**(18,417)**	**392**

Deferred tax assets and liabilities can be broken down by financial statement items as follows:

(in Euro thousand)	*Deferred tax assets*		*Deferred tax liabilities*	
	30 Jun 2025	*31 Dec 2024*	*30 Jun 2025*	*31 Dec 2024*
Temporary differences				
Property, plant and equipment	406	1,163	(71,770)	(73,324)
Investment property	-	-	(3,379)	(4,176)
Intangible assets	1,785	1,814	(8,552)	(9,155)
Investments	502	502	(2,110)	(496)
Non-current financial assets	-	-	(6,976)	(5)
Inventories	923	621	(44,842)	(34,434)
Trade receivables	1,980	1,782	(1,375)	(317)
Current financial assets	7	21	(798)	(2,021)
Other current assets	90	377	(56)	-
Assets classified as held for sale	-	-	(2,075)	(2,075)
Employee benefits	11,278	11,002	(25)	(6)
Non-current financial liabilities	10,952	694	(181)	-
Other non-current liabilities	63	709	(15)	(5)
Provisions for risks and charges	1,225	1,529	-	-
Current financial liabilities	3,293	1,097	-	-
Trade payables	-	713	(1,406)	(121)
Other current liabilities	1,398	1,450	(567)	(157)
Deferred taxes on tax loss carried forward	92,200	84,401	-	-
Total	**126,102**	**107,875**	**(144,127)**	**(126,292)**
Adjustments	(20,623)	(19,651)	20,623	19,651
Total deferred tax assets (liabilities)	**105,479**	**88,224**	**(123,504)**	**(106,641)**

The increase in deferred tax assets on “non-current financial liabilities” is due to the acquisition of Sundwiger and the sale and lease-back transaction carried out by the subsidiary KME Netherlands BV.

The increase in deferred tax liabilities on “inventories” is almost exclusively due to the acquisition of Sundwiger.

Lastly, the estimate of greater recoverability of tax losses over a reasonable time horizon allowed for the higher recognition of deferred tax assets in the consolidation.

6. *Comment on the main items of the consolidated statement of profit or loss and other comprehensive income*

Pursuant to CONSOB Communication no. 6064293/06, note that the Group did not carry out any "atypical and/or unusual transactions" in the period under review.

6.1. Revenues

The breakdown of the item is as follows:

(in Euro thousand)	*1st half 2025*	*1st half 2024*
Europe	826,471	671,865
Asia	29,416	23,327
America	134,097	68,764
Other countries	32,874	31,149
Revenues	**1,022,858**	**795,105**

Revenues derive mainly from the sale of copper and copper alloy products.

Revenues were broken down by customer location.

During the current and previous periods, the Group did not generate sales of more than 10% of Group sales with any customer.

In the first half of the year, revenues from related parties amounted to Euro 77.309 thousand:

- Euro 77,171 thousand from equity-accounted companies;
- Euro 138 thousand from non-consolidated subsidiaries.

6.2. Other income

(in Euro thousand)	*1st half 2025*	*1st half 2024*
Lease receivables	2,762	3,804
Provision of services to related companies	40	38
Own work capitalised	1,395	934
Other	11,120	3,685
Other income	**15,317**	**8,461**

"*Lease receivables*" mainly include rental income from investment property.

The item "*Other*" includes charge-backs/reimbursements for energy charges for Euro 7.6 million (up Euro 7 million compared to the same period of 2024), capital gains on disposals of fixed assets for Euro 0.7 million, recoveries on receivables for Euro 0.3 million, public grants for Euro 0.3 million and insurance reimbursements for Euro 0.2 million.

6.3. Personnel expense

(in Euro thousand)	*1st half 2025*	*1st half 2024*
Wages and salaries	(105,005)	(95,682)
Social security contributions	(23,315)	(19,814)
Other personnel expenses	(4,579)	(4,513)
Personnel expense	**(132,899)**	**(120,009)**

The majority of personnel expense relates to remuneration, which comprises wages, salaries, allowances and all other remuneration for work performed by Group employees in the period. The mandatory statutory contributions to be borne by the Group, including in particular social security contributions, are reported under "*Social security contributions*".

"*Other personnel expenses*" mainly include costs for pensions and severance payments.

6.4. Other costs

The increase in the item from Euro 115.3 million to Euro 140.6 million refers for Euro 16.5 million to allocations to provisions for risks already described in the corresponding item of the statement of financial position.

6.5. Net financial expense

Financial income increased from Euro 6.7 million to Euro 28.7 million, mainly due to the positive change in income on exchange rates and derivatives (Euro 21.7 million). A similar trend was recorded for financial expense, which showed a net increase of Euro 14.4 million due to the change in losses on exchange rates and derivatives for Euro 18.5 million, partly absorbed by the reduction in interest expense.

As a result of the trends described above, net financial expense decreased by Euro 7.4 million.

6.6. Current and deferred taxes

(in Euro thousand)	*1st half 2025*	*1st half 2024*
Current taxes	3,857	7,839
Deferred taxes	405	694
Current and deferred taxes	**4,262**	**8,533**

Italian Legislative Decree no. 209 of 27 December 2023 transposed Directive no. 2022/EU/2523 on the "Global Minimum Tax", with the explicit aim of ensuring from 1 January 2024 a minimum level of taxation for groups with revenues exceeding Euro 750 million. The regulation, commonly referred to as "Pillar II", originates from the rules formulated by the OECD and are designed to ensure that multinational groups with consolidated revenues of Euro 750 million or more are subject to an Effective Tax Rate (ETR) of no less than 15% in each jurisdiction in which they operate; if the ETR calculated according to the Pillar II rules for a jurisdiction is less than 15%, the group is required to pay a supplementary tax (the "top-up tax") to reach the minimum tax threshold.

The Pillar II rules also provide for a transitional period during which groups subject to the aforementioned regulation may be exempt from complex calculations for determining the ETR by performing certain tests, known as "Transitional CbCR Safe Harbors" ("TCSH"), applicable in the first three tax periods following the entry into force of the regulation. It is sufficient that at least one of the TCSH is met for the jurisdiction in which the group operates for the supplementary tax due for that jurisdiction to be zero.

As required by IAS 12 (in particular as a result of the "Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar II model Rules"), for the purposes of the financial statements for the year ended 31 December 2024, with the support of an external consultant, the Group carried out an analysis to identify the scope of application and assess the potential exposure to the top-up tax.

This assessment was based on the financial reporting packages used to prepare the 2024 consolidated financial statements and the preliminary figures for the other companies within the Group.

Based on the results of the TCSH calculation for the 2024 tax period, each jurisdiction passed at least one of the tests and, therefore, it was possible to conclude that the Group is not exposed to any top-up tax.

It is believed that this assessment is still valid also for the current year, also following the inclusion of Sundwiger within the scope of consolidation.

7. ***Additional information***

7.1. Financial instruments by category

(in Euro thousand)	*30-Jun-25*					
	Financial assets at FVTPL	Financial assets at FVTOCI	Amortised cost	**TOTAL**	Other assets/liabilities	**TOTAL**
Investments	*1,248*	*2,772*	-	4,020	*18,590*	**22,610**
Non-current financial assets	-	*7*	*76,090*	76,097	-	**76,097**
Other non-current assets	-	-	*6,479*	6,479	-	**6,479**
Trade receivables	-	-	*96,786*	96,786	-	**96,786**
Current financial assets	*9,088*	-	*78,377*	87,465	-	**87,465**
Other current assets	-	-	*13,888*	13,888	*19,942*	**33,830**
Cash and cash equivalents	-	-	*105,961*	105,961	-	**105,961**
Total financial assets	***10,336***	***2,779***	***377,581***	**390,696**	***38,532***	**429,228**
Non-current financial liabilities	-	-	*(571,947)*	(571,947)	-	**(571,947)**
Current financial liabilities	*(19,169)*	-	*(119,511)*	(138,680)	-	**(138,680)**
Trade payables	-	-	*(715,553)*	(715,553)	-	**(715,553)**
Other current liabilities	-	-	*(66,710)*	(66,710)	*(52,119)*	**(118,829)**
Total financial liabilities	***(19,169)***	***-***	***(1,473,721)***	**(1,492,890)**	***(52,119)***	**(1,545,009)**

(in Euro thousand)	*31-Dec-24*					
	Financial assets at FVTPL	Financial assets at FVTOCI	Amortised cost	**TOTAL**	Other assets/liabilities	**Financial statements item**
Investments	1,248	3,666	-	4,914	15,100	**20,014**
Non-current financial assets	-	21	76,568	76,589	-	**76,589**
Other non-current assets	-	-	6,413	6,413	-	**6,413**
Trade receivables	-	-	59,079	59,079	-	**59,079**
Current financial assets	23,859	-	55,737	79,596	-	**79,596**
Other current assets	-	-	5,522	5,522	14,467	**19,989**
Cash and cash equivalents	-	-	181,242	181,242	-	**181,242**
Total financial assets	**25,107**	**3,687**	**384,561**	**413,355**	**29,567**	**442,922**
Non-current financial liabilities	-	-	(375,744)	(375,744)	-	**(375,744)**
Current financial liabilities	(6,539)	-	(245,793)	(252,332)	-	**(252,332)**
Trade payables	-	-	(717,452)	(717,452)	-	**(717,452)**
Other current liabilities	-	-	(67,204)	(67,204)	(49,313)	**(116,517)**
Total financial liabilities	**(6,539)**	**-**	**(1,406,193)**	**(1,412,732)**	**(49,313)**	**(1,462,045)**

7.2. *Financial instruments by financial statements item*

A summary of financial instruments is provided below along with a reconciliation with financial statements items as at 30 June 2025:

(in Euro thousand)		*Measurement method*				Fair Value
Values as at 30 June 2025	Carrying amount	*Cost*	*FVTPL*	*FVTOCI*	*Outside the scope of IFRS 7*	
Investments	9,037	-	*1,248*	*2,772*	*5,017*	4,020
Other non-current assets	6,479	*6,479*	-	-	-	6,479
Non-current financial assets	76,097	*76,090*	-	*7*	-	76,097
Trade receivables	96,786	*96,786*	-	-	-	96,786
Current financial assets	87,465	*78,377*	*9,088*	-	-	87,465
Other current assets	33,830	*13,888*	-	-	*19,942*	13,888
Cash and cash equivalents	105,961	*105,961*	-	-	-	105,961
Total financial assets	**415,655**	***377,581***	***10,336***	***2,779***	***24,959***	**390,696**
Non-current financial liabilities	(571,947)	*(571,947)*	-	-	-	(571,947)
Current financial liabilities	(138,680)	*(119,511)*	*(19,169)*	-	-	(138,680)
Trade payables	(715,553)	*(715,553)*	-	-	-	(715,553)
Other current liabilities	(81,544)	*(66,710)*	-	-	*(14,834)*	(66,710)
Total financial liabilities	**(1,507,724)**	***(1,473,721)***	***(19,169)***	***-***	***(14,834)***	**(1,492,890)**

(in Euro thousand)		*Measurement method*				Fair Value
Values as at 31 December 2024	Carrying amount	*Cost*	*FVTPL*	*FVTOCI*	*Outside the scope of IFRS 7*	
Investments	10,991	-	*1,248*	*3,666*	*6,077*	4,914
Other non-current assets	6,413	*6,413*	-	-	-	6,413
Non-current financial assets	76,589	*76,568*	-	*21*	-	76,589
Trade receivables	59,079	*59,079*	-	-	-	59,079
Current financial assets	79,596	*55,737*	*23,859*	-	-	79,596
Other current assets	19,989	*5,522*	-	-	*14,467*	5,522
Cash and cash equivalents	181,242	*181,242*	-	-	-	181,242
Total financial assets	**433,899**	**384,561**	**25,107**	**3,687**	***21,002***	**413,355**
Non-current financial liabilities	(375,744)	*(375,744)*	-	-	-	(381,100)
Current financial liabilities	(252,322)	*(245,793)*	*(6,539)*	-	-	(252,322)
Trade payables	(717,452)	*(717,452)*	-	-	-	(717,452)
Other current liabilities	(80,505)	*(67,204)*	-	-	*(13,301)*	(67,204)
Total financial liabilities	**(1,426,033)**	***(1,406,193)***	***(6,539)***	***-***	***(13,301)***	**(1,418,078)**

The analysis of financial assets and liabilities by fair value level is as follows:

(in Euro thousand)	*Fair Value as at 30/06/2025*	*Fair Value levels*		
		1	*2*	*3*
Investments	4,020	-	-	4,020
Non-current financial assets	7	-	7	-
Current financial assets	9,088	-	8,916	172
Total financial assets	**13,115**	**-**	**8,923**	**4,192**
Non-current financial payables and liabilities	-	-	-	-
Current financial payables and liabilities	19,169	-	19,169	-
Total financial liabilities	**19,169**	**-**	**19,169**	**-**

(in Euro thousand)	Fair *Value as at 31/12/2024*	*Fair Value levels*		
		1	*2*	*3*
Investments	4,914	-	-	4,914
Non-current financial assets	21	-	21	-
Current financial assets	23,859	-	23,687	172
Total financial assets	**28,794**	**-**	**23,708**	**5,086**
Non-current financial payables and liabilities	-	-	-	-
Current financial payables and liabilities	5,179	-	5,179	-
Total financial liabilities	**5,179**	**-**	**5,179**	**-**

As at 30 June 2025, there were no transfers between the levels mentioned.

7.3. Notional value of financial instruments and derivatives

The Group uses a series of derivative financial instruments to manage its exposure to interest rate and exchange rate risk. Such instruments include forward exchange transactions, currency swaps, interest rate swaps and interest rate caps.

7.4. Credit risk exposure

The Group's exposure to credit risks mainly arises from its operating business (in particular the Copper sector). Credit risk represents the Group's exposure to potential losses deriving from the non-fulfilment of obligations assumed by both commercial and financial counterparties. This risk mainly derives from economic-financial factors, or from the possibility of a default situation of a counterparty, or from more strictly technical-commercial factors.

The maximum theoretical exposure to credit risk for the Group is represented by the carrying amount of financial assets and receivables. Note that certain credit positions are secured (i.e. for trade receivables much of the risk is secured by factoring).

The credit risk concentration in trade receivables is limited due to the broad and diversified customer base.

Allocations to the bad debt provision are made specifically on credit positions that present non-standard risk elements. On the credit positions that do not have these characteristics, allocations are instead made based on the average collectability estimated on the basis of statistical indicators: the assessment is carried out through customer portfolios on the basis of past experience, shares and/or financial information, as well as credit facilities and write-downs.

With regard to credit risk relating to assets as well as derivative financial instruments, the solvency risk is limited by the fact that the related contracts are only entered into with counterparties and/or credit institutions with a reliable rating.

7.5. Foreign exchange risk exposure

The Group operates internationally and has conducted its transactions in various currencies. During these transactions, revenues are generated in currencies other than the functional currency of the Parent Company.

The Group's policy is to monitor and, if necessary, hedge the aforementioned risks using derivative financial instruments such as cross currency swaps and forward contracts.

Foreign exchange risks mainly relate to the dollar.

7.6. Exposure to the risk of fluctuations in share value

The carrying amount of financial assets is the Group's maximum exposure to this risk.

7.7. Liquidity risk exposure

Liquidity risk can arise from difficulties in raising finance to support operating activities as and when required.

Sufficient supply of liquidity for the Group is guaranteed by the Group cash flow as well as by the banks with the short-term and long-term credit facilities. Fluctuations in the cash flow development can thus be absorbed; the Group's liabilities are mainly maturing after one year and are distributed as follows:

- derivative liabilities: time horizon within 3 months;
- financial liabilities other than derivative financial instruments: time horizon from 1 to 5 years.

Note that there are three bonds outstanding, two of the Parent Company and one of the subsidiary KMH S.p.A.:

- *KME Group S.p.A. 2022-2027*, issued in September 2022 and outstanding for a nominal amount of Euro 63,533 thousand, with a fixed rate of 5.0% (annual coupon);
- KME Group S.p.A. 2024-2029*, issued in the second half of 2024, for a nominal amount of Euro 160 million, with a fixed rate of 5.75% (annual coupon);*
- *KMH S.p.A. Up to Euro 135,100,000.00 Senior Guaranteed and Secured Fixed Rate Notes due 31 December 2025*, issued in the fourth quarter of 2023 for a nominal amount of Euro 110.8 million, with quarterly coupons at a fixed rate of 15%, maturing 31 December 2027.

8. Disclosure on operating segments

8.1. Information on the sectors subject to reporting

(in Euro thousand)	*Sectors subject to reporting*							
	Copper		*Air fresheners*		*Holding*		TOTAL	
	1st half 2025	*1st half 2024*	*1st half 2025*	*1st half 2024*	*1st half 2025*	*1st half 2024*	*1st half 2025*	*1st half 2024*
Profit (loss) before tax of the sectors	**(17,885)**	(22,121)	**1,464**	2,129	**(16,190)**	(14,508)	**(32,611)**	(34,500)
Revenues from third-party customers	1,012,355	783,080	10,503	12,025	-	-	1,022,858	795,105
Inter-sector revenues	47	63	-	3	-	-	47	66

8.2. Reconciliation of profit/(loss) before tax of the sectors subject to reporting

(in Euro thousand)	*1st half 2025*	*1st half 2024*
Profit (loss) before tax of the sectors	**(32,611)**	(34,500)
Derecognition of inter-sector results	(293)	(2,743)
Unallocated amounts:		
PPA amortisation	(2,497)	(2,496)
Consolidated loss from continuing operations	**(35,401)**	(39,739)

9. ***Commitments and guarantees given***

9.1. Commitments

As at 30 June 2025, the Group has no significant commitments.

9.2. Guarantees given

In December 2015, KME Group S.p.A. indicated its willingness to issue a guarantee of up to Euro 5.0 million for Dynamo Camp ETS (formerly Associazione Dynamo) for the granting of a mortgage loan for the restructuring of certain properties located in Limestre. This mortgage is also secured by other collateral; as at 30 June 2025, the residual debt amounted to Euro 1.2 million.

In addition, it should also be noted that Immobiliare Pictea issued a guarantee to secure a loan granted to Dynamo Camp ETS, with a residual value of Euro 1.78 million as at 30 June 2025.

10. ***Additional information***

10.1. Related party transactions

Related party transactions, including intra-group transactions, were neither atypical nor unusual, in that they were part of the Group companies' day-to-day business and were all conducted on an arm's length basis or according to standard criteria or normal market conditions. In the first half of 2024, there were no transactions that could be qualified as of greater importance pursuant to the "Procedure applicable to related party transactions".

11. ***Significant events after 30 June 2025***

On 17 September 2025, the Board of Directors of KME Group S.p.A. resolved to promote a new public offering for the subscription of bonds under the “KME Group S.p.A. 2024 – 2029” bond loan (the “Bonds”) by reopening the issue for a maximum amount of Euro 25 million (the “New Bonds”).

The New Bonds will have the same characteristics as those already issued and therefore, among other things, will accrue interest at a rate of 5.75% on an annual basis, will be traded on the MOT and will be offered at a subscription price equal to their nominal value.

The Offer will run from 25 September 2025 to 3 October 2025, with settlement scheduled for 7 October 2025.

Annexes to the notes:

Statement of reconciliation of the profit/(loss) and equity of the Parent Company KME Group S.p.A. and the consolidated profit/(loss) and equity for the first half of 2025

(in Euro thousand)	*30 Jun 2025*
Parent Company's equity (including profit/(loss) for the period)	**244,213**
Equity of consolidated companies	722,658
Derecognition of carrying amount of fully consolidated investments	(1,086,770)
Difference between the equity of consolidated companies and their carrying amount	365,260
Consolidation entries (PPA and consolidation adjustments)	927
Share of equity of consolidated companies attributable to minority interests	(55,422)
Equity attributable to the shareholders of the Parent Company	**190,866**

(in Euro thousand)	*30 Jun 2025*
Profit/(loss) in the separate financial statements of the Parent Company	**(15,194)**
Profit/(loss) of fully consolidated companies	(13,879)
Elimination of dividends received	(239)
Other consolidation entries	(28)
Cancellation of effect of IFRS 16 on intra-group transactions	6
Cancellation of effect of IFRS 9 on intra-group transactions	(6)
Consolidation entries (PPA)	(1,799)
Consolidated net profit (loss)	**(31,139)**
of which Profit/(loss) for the period attributable to non-controlling interests	*(2,271)*
of which Profit/(loss) for the period attributable to the shareholders of the Parent Company	*(28,868)*

CERTIFICATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 5, OF ITALIAN LEGISLATIVE DECREE 58/98 AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

1. Having regard to the requirements of article 154-*bis*, paragraphs 3 and 4, Italian Legislative Decree no. 58 of 24 February 1998, the undersigned Diva Moriani, Chairwoman, and Giuseppe Mazza, Manager in charge of Financial Reporting of KME Group S.p.A., hereby certify:
   - the adequacy with respect to the characteristics of the Company and
   - the effective application

   of the administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements in the period from 1 January 2025 to 30 June 2025.

2. No material findings emerged in this regard.

3. Moreover, they certify that:

   3.1. the condensed consolidated interim financial statements:

   a) were prepared in accordance with the applicable set of international accounting standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

   b) reflect the balances recorded in the accounting books and records;

   c) give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation scope taken as a whole;

   3.2 the Interim report on operations includes a reliable analysis of references to the important events that took place in the first six months of the year and their impact on the condensed consolidated interim financial statements, along with a description of the main risks and uncertainties for the remaining six months of the year. The Interim report on operations also includes a reliable analysis of the information on significant transactions with related parties.

Milan, 17 September 2025

The Chairwoman	The Manager in charge of Financial Reporting
signed Diva Moriani	*signed Giuseppe Mazza*

KPMG

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

To the shareholders of
KME Group S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the KME Group, comprising the statement of financial position as at 30 June 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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 on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the KME Group as at and for the six months ended 30 June 2025 have not been prepared, in all material respects, in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union.

Other matters

The 2024 annual and condensed interim consolidated financial statements were respectively audited and reviewed by other auditors, who expressed an unmodified opinion and an unmodified conclusion thereon on 24 April 2025 and 30 September 2024, respectively.

Milan, 22 September 2025

KPMG S.p.A.

(signed on the original)

Riccardo Cecchi
Director