



(Translation from the Italian original which remains the definitive version)

INTERIM FINANCIAL REPORT

30 JUNE 2026

(1ST HALF 2026)

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

Board of Directors
of 30 September 2026

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 Companies
Register No. 00931330583
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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
	Maria Serena Porcari
	Luca Ricciardi ^{A, C, D}

* With the exception of Alessandra Pizzuti, who was appointed by the shareholders' meeting of 15 May 2025

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)

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 S.p.A.

Common Representative of Savings Shareholders

(appointed by the special shareholders' meeting of 22 April 2024)

Andrea Santarelli

Common Representative of the

"KME Group S.p.A. 2022– 2027" Bond Holders

Matteo Rescigno

Common Representative of the

"KME Group S.p.A. 2024– 2029" Bond Holders

Rossano Bortolotti

Report on operations

Main events in the half

During the first half, KME Group S.p.A. (“KME” or the “Company”) and its subsidiaries (the “KME Group” or the “Group”) finalised two extraordinary corporate finance transactions launched last year.

Cunova

On 10 July 2026, the subsidiary KME SE, following receipt of the necessary authorisations from the competent authorities, executed the contracts signed on 25 March and 2 April 2026 respectively by the company itself and its subsidiaries with some funds managed by an affiliate of Apollo Capital Management Ltd, global *alternative asset manager* (hereinafter “Apollo”) and with The Paragon Fund III GmbH & Co. geschlossene Investment KG (hereinafter “Paragon”), concerning Cunova GmbH (hereinafter, together with its affiliates, “Cunova”).

The finalisation of the aforementioned transactions (the “Transactions”) involved the repurchase of the equity investment held by Paragon in Cunova, in which KME already held a 45% stake, the transfer to Cunova of the *aerospace business* and foundry activities of the subsidiary KME Germany GmbH and the refinancing of the *secured senior* debt of Cunova for approximately Euro 170 million.

The agreement with Paragon entailed a consideration of Euro 43.5 million paid in cash upon closing and another Euro 40.0 million through the issue of preferred equity with a minimum repurchase price of Euro 52.0 million in the event of sale.

The funds managed by Apollo provided Euro 300 million in the form of: a) a five-year term loan of Euro 150 million and b) Euro 150 million of preferred equity and warrants issued by Cunova.

The Transactions are aimed at creating a fully integrated industrial leader in the sector of "mission-critical" special copper products, also including the aerospace business recently developed by KME.

The new combined entity, characterised by a more solid financial and capital structure and an integrated industrial structure, has the opportunity to pursue various strategic alternatives aimed at supporting its development, which include extraordinary finance transactions such as international joint venture agreements, mergers and acquisitions and listing on the financial markets.

In this regard, in light of the current strong interest on the stock exchange markets by international investors for companies specialised in high value-added and strategically important products, with a significant presence in rapidly expanding markets such as aerospace and defence and in the critical materials sector (such as copper alloys), an IPO process was launched, supported by two leading financial operators to list the new combined entity on the Frankfurt Stock Exchange. The authorisation process is expected to be completed by the end of October with the potential start of listing at the beginning of November which could lead, if carried out, to a further significant value creation.

At 30 June 2026, all the conditions envisaged for the completion of the Transactions were substantially met, with the exception of the authorisation of the *Committee on Foreign Investment in the United States (CFIUS)*. Before 30 June, the Group had received confirmation of the positive completion of the investigation by the CFIUS, which formally issued its clearance on 1 July.

The closing of the Transactions was carried out, as already indicated, on 10 July 2026 and this did not allow them to be recognised for accounting purposes in the first half of 2026.

In light of the progress of the Transactions at 30 June 2026, and in order to provide the market with a complete operating representation of the overall economic and financial effects of the most significant transaction of the half year, this report includes specific reclassified schedules prepared on a management accounts basis that reflect the impacts of the Transactions calculated at current values compared to IFRS carrying amounts.

The Transactions showed an overall gain of Euro 195.8 million in the management’s assessment of the equity investment in the new combined entity of Cunova pertaining to KME compared to the

carrying amounts previously recorded. This differential was estimated from the valuations recognised by Paragon and Apollo as part of the agreements governing the Transactions. The completion of the Transactions has already generated a cash in of Euro 78.5 million.

At the date of approval of this Interim Financial Report, the analyses aimed at defining the IFRS accounting treatment of the Transactions and the allocation of the values to the various equity elements involved in the Transactions and the affected parties are still in progress. Consequently, the subsequent accounting, with the application of the IFRS Accounting Standards to the complex transaction, will not necessarily fully reflect these values and the accounting results may differ from the management results.

Culti Milano

On 23 April 2026, following the fulfilment of the conditions precedent set forth in the contract, the sale agreement signed with Berger International SAS (“Berger”) on 19 December 2025 of the investment held by KME Group in CULTI Milano SpA (“CULTI”) was executed, consisting of a total of 2,388,750 shares, representing 77.17% of the company’s share capital. CULTI’s shares were admitted to trading on *Euronext Growth Milan* (“EGM”), organised and managed by Borsa Italiana SpA. At the sale date, CULTI had 369,750 treasury shares in its portfolio, accounting for 11.94% of its share capital.

As a result of the sale, KME received a total consideration of Euro 45.8 million, of which Euro 7.5 million was invested in Berger’s preferred equity, which makes provision for an annual return of 12%. The transaction generated, at consolidated level, a gain of Euro 6.9 million.

The agreed sale price was Euro 19.16 per share. This price reflected a premium of 42.5% over the official price of CULTI shares recorded on 18 December 2025 (the last trading day prior to the date of signing the agreement) as well as a premium of 31.8% and 33.0%, respectively, compared to the weighted average price of CULTI shares over the six and twelve months preceding said date.

The transaction is part of the process to rationalise the Group’s portfolio of equity investments and KME’s strategy to focus its industrial holding company activities on the management of KME SE, which concentrates on the rolled copper sector, and made a significant contribution to the available financial resources.

Operating performance

In the first half of 2026, the macroeconomic scenario was characterised by elevated geopolitical uncertainty and significant market volatility, also as a result of the tensions recorded in the Middle East, which pushed up energy prices.

During the second quarter of 2026, there was a slowdown in expected growth of the global economy (GDP growth in the second quarter of 2026 was +2.2% compared to +2.7% in the first quarter of the year), mainly due to the protracted conflict in the Middle East and high energy prices.

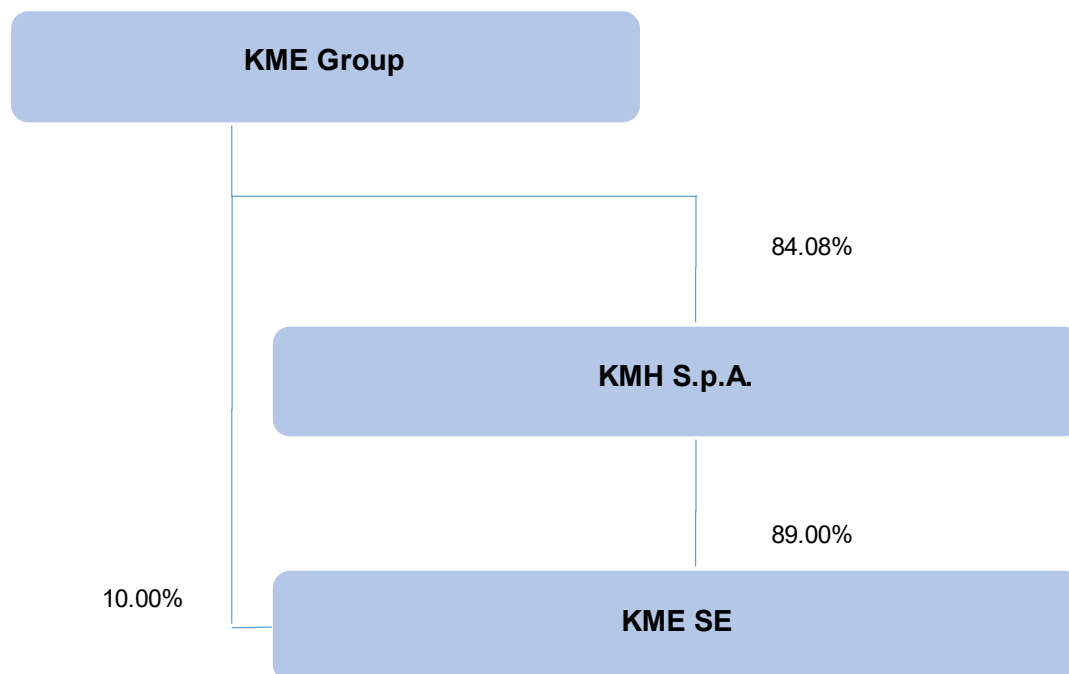
This climate of uncertainty and the price trend had a negative effect on operating results: revenue net of raw material costs amounted to Euro 269.6 million compared to Euro 297.1 million in the first half of 2025¹, with a decrease of 9.3%. EBITDA amounted to Euro 32.4 million compared to Euro 50.8 million in the first half of 2025.

The consolidated operating profit for the period, which also includes the economic effects attributable to the transaction linked to Cunova, based on the management valuations outlined in this report, amounted to Euro 91.3 million compared to a loss of Euro 31.1 million in the first half of 2025. The IFRS consolidated loss, on the other hand, amounts to Euro 34.7 million.

¹ The income statement figures for the first half of 2025 have been restated by including those relating to the Culti Milano Group under “Profit from discontinued operations”.

Summary of the corporate structure at 30 June 2026

The Group structure at 30 June 2026 can be illustrated as follows:



The KME Group occupies a leading position in the global market for the production of semi-finished products in copper and copper alloys (excluding conductors and wires), and is also active in the special high-tech components segment through Cunova GmbH. The transaction was completed on 10 July 2026, which led to the repurchase of the 55% stake previously owned by Paragon, and the creation of a new integrated industrial entity focused on special copper products.

* * *

Macroeconomic conditions

During the first half of 2026, the macroeconomic context was characterised by a high level of uncertainty exacerbated by the outbreak of the war in the Middle East and by renewed pressures on energy and raw material prices. In the “*World Economic Outlook*” of April 2026, the IMF predicted global growth of 3.1% in 2026 in its reference forecast, based on information available until 1 April 2026. The IMF also stated that the outlook was dominated by downside risks, related in particular to commodity prices, inflation expectations and the tightening of financial conditions.

With regard to the European economy, the European Commission’s spring 2026 economic forecasts, published in May 2026, predicted a slowdown in activity following the new energy shock linked to the conflict in the Middle East. The Commission has forecast EU GDP growth of 1.1% in 2026 and 1.5% in 2027, as well as euro area GDP growth of 0.9% in 2026 and 1.2% in 2027. The same forecasts indicated inflation in the euro area of 3.0% in 2026 and 2.3% in 2027, revised upwards with respect to the autumn 2025 forecasts.

In this context, on 11 June 2026, the ECB took the decision to raise its three benchmark interest rates by 25 basis points. Starting from 17 June 2026, the deposit facility rate, the main refinancing operations rate and the marginal lending facility rate were therefore increased to 2.25%, 2.40% and 2.65%, respectively. In its monetary policy decision, the ECB stated that the war in the Middle East was

generating inflationary pressures and that the outlook remained uncertain, with upside risks for inflation and downside risks for economic growth.

The industrial indicators available at 30 June 2026 showed a contrasting trend. Eurostat reported that industrial production in the euro area increased by 0.3% on a monthly basis in April 2026, while it fell by 0.2% on a monthly basis in May 2026; compared to May 2025, industrial production in the euro area was down by 1.2%. In the May 2026 figure, the production of intermediate goods increased by 1.2% on an annual basis and that of capital goods rose by 2.6%, while durable consumer goods decreased by 3.0% and non-durable goods were down by 10.7%.

Survey data on the manufacturing sector remained above the expansion threshold of 50.0 at the end of the first half of 2026. The S&P Global Eurozone manufacturing PMI stood at 51.4 in June 2026, compared to 51.6 in May, while the related production index rose to 51.7 from 51.3. The June statement indicated that manufacturing production continued to grow moderately and that cost and producer price inflation eased compared to May.

The data on producer prices showed the persistence of cost pressures linked to the energy sector. Eurostat reported that industrial producer prices in the euro area increased by 0.2% on a monthly basis in May 2026 and by 5.9% on an annual basis. In the same press release, producer prices in the energy sector were 14.0% higher than a year earlier, while prices in the industry in general, excluding the energy sector, rose by 2.8% on an annual basis.

Energy market conditions remained volatile during the second quarter of 2026. In its June 2026 report on the oil market, the International Energy Agency (IEA) predicted that global oil demand will decrease by 1.1 million barrels per day on an annual basis in 2026, while global oil supply will fall by 3.9 million barrels per day, standing at 102.4 million barrels per day. The IEA also reported that *North Sea Dated* crude oil prices fell by more than USD 40 per barrel, standing at around USD 82 per barrel between May and mid-June, following the sharp increases recorded earlier in the conflict period.

On the whole, the official institutional data and publications available at 30 June 2026 indicated a macroeconomic context characterised by limited growth momentum, energy-related inflationary pressures, higher producer prices and divergent sector trends.

* * *

Group results

The 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. The APIs are financial indicators of financial performance, financial position or cash flows that are not defined or specified by the IFRS Accounting Standards endorsed by the European Union. 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 Group believes that the APIs provide useful additional information to help understand the Group's financial position and financial performance. The APIs used are applied with consistent criteria over time and, with respect to previous years, no changes were made to the related definitions or calculation methods.

Performance

The reclassified performance for the first half of 30 June 2026, compared with that for the first half of 2025 for the reclassified income statement figures and with that as at 31 December 2025 for the reclassified statement of financial position data, is shown below.

Owing to the reasons described in the previous paragraph dedicated to the Cunova transaction, the reclassified figures also include the economic effects stemming from the valuations attributed by Apollo and Paragon as part of the Transactions. These valuations show a difference for a total of Euro 195.8 million compared to the previously recognised carrying amounts. It should be noted that, for management reporting purposes, in the financial statements at 31 December 2025 a positive effect of Euro 40.7 million had already been considered, relating to the higher reclassified value of the equity investment in Cunova already held and, therefore, the effect of the Transactions on the operating performance for the first half of 2026 amounted to Euro 155.1 million.

The reclassified figures are also adjusted by Euro 42.4 million, net of Euro 13.3 million relating to the effects of the application at 31 December 2025 of the hedge accounting requirements to non-financial items. These requirements were applied at the level of primary financial statements starting from 1 January 2026.

The income statement figures relating to the CULTI Milano Group, consolidated up to the date of sale, were classified under the item "Profit from discontinued operations", also restating the data relating to the first half of 2025 in order to allow a comparison between the two years. The item "Profit from discontinued operations" also includes the gain deriving from the sale of the majority shareholding in the CULTI Milano Group equal, at consolidated level, to Euro 6.9 million, and is included in the item "Non-recurring (charges)/income".

For comments on the performance of the first half of 2026, please refer to the information provided below for the copper sector.

Invested Capital

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

Consolidated net invested capital		
<i>(in Euro thousand)</i>	<i>30-Jun-26</i>	<i>31-Dec-25</i>
Net non-current assets	1,288,819	1,128,404
Net working capital	(317,486)	(246,460)
Net deferred taxes	(37,223)	(22,034)
Provisions	(133,367)	(128,481)
Net invested capital	800,743	731,429
Total equity	321,316	202,175
Reclassified net financial debt	320,964	331,562
IFRS 16/Financial instruments measured at fair value	158,463	197,692
Funding sources	800,743	731,429

"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 and non-current financial assets, net of other non-current liabilities;
- "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 "Employee benefits" and "Provisions for risks and charges".

The reconciliation for the balances as at 30 June 2026 and 31 December 2025 is as follows:

<i>(in Euro thousand)</i>	<i>30-Jun-26</i>			<i>31-Dec-25</i>		
	<i>IFRS</i>	<i>Adjustments</i>	<i>Reclass.</i>	<i>IFRS</i>	<i>Adjustments</i>	<i>Reclass.</i>
Net non-current assets	1,093,035	195,784	1,288,819	1,087,703	40,701	1,128,404
Net working capital	(317,486)	-	(317,486)	(246,460)	-	(246,460)
Net deferred taxes	(37,223)	-	(37,223)	(22,034)	-	(22,034)
Provisions	(133,367)	-	(133,367)	(128,481)	-	(128,481)
Net invested capital	604,959	195,784	800,743	690,728	40,701	731,429
Total equity	125,532	195,784	321,316	161,474	40,701	202,175
Reclassified net financial debt	320,964	-	320,964	331,562	-	331,562
IFRS 16/Financial instruments measured at fair value	158,463	-	158,463	197,692	-	197,692
Funding sources	604,959	195,784	800,743	690,728	40,701	731,429

The adjustments do not represent accounting effects, but reflect the economic valuations recognised by Apollo and Paragon as part of the Cunova Transactions. The determination of the definitive accounting treatment of the transaction and of the values to be attributed to the equity elements concerned is still being analysed and may lead to different results from those included in this management representation.

Reclassified management Income Statement

In order to provide a more significant representation of the performance, 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 prepared according to management reporting criteria that, owing to certain measurement and presentation aspects, differ from those envisaged by the IFRS Accounting Standards. The main components are reported below.

1. In order to eliminate the impact of fluctuations in raw material prices, revenue is 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 the IFRS Accounting Standards, on the other hand, inventories are measured at the lower between the FIFO cost and the net realisable value. The IFRS Accounting Standards also require forward sales and purchase contracts as well as hedging contracts traded on the LME to be separately identified and recognised 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, the IFRS Accounting Standards 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 comparison with the first half of the previous year is as follows:

Reclassified consolidated management income statement				
<i>(in Euro million)</i>	<i>1st half of 2026 Reclassified</i>		<i>1st half of 2025 Reclassified</i>	
Sales revenue	1,086.9		1,012.4	
Cost of raw materials	(817.3)		(715.3)	
Revenue, net of raw material cost	269.6	100.0%	297.1	100.0%
Personnel expense	(116.8)		(113.4)	
Other consumption and costs	(120.4)		(132.9)	
Gross Operating Profit (EBITDA) (*)	32.4	12.0%	50.8	17.1%
Depreciation/Amortisation	(24.8)		(22.9)	
Net Operating Profit (EBIT)	7.6	2.8%	27.9	9.4%
Net financial expense	(41.4)		(32.2)	
Gross loss before non-recurring items	(33.8)	-12.5%	(4.3)	-1.4%
Non-recurring (expenses)/income	132.9		(32.2)	
Current taxes	(4.6)		(7.2)	
Deferred taxes	(3.1)		12.1	
Profit/(loss) before IFRS measurement of inventories, forward contracts and equity-accounted investments	91.4	33.9%	(31.6)	-10.6%
IFRS effect on the measurement of inventories and forward contracts	(0.4)		2.2	
Tax effect of the IFRS measurement of inventories and forward contracts	0.3		(0.6)	
Loss from equity-accounted investments	-		(1.1)	
Profit (loss)	91.3	33.9%	(31.1)	-10.5%
Loss attributable to non-controlling interests	(3.7)		(2.3)	
Profit (loss) attributable to the owners of the Parent	95.0	35.2%	(28.8)	-9.7%
Other comprehensive income	1.2		2.8	
Comprehensive income/(expense)	92.5	34.3%	(28.3)	-9.5%
of which attributable to the owners of the Parent	76.9		(26.5)	
of which attributable to non-controlling interests	15.6		(1.8)	

The table below shows the effects on the first half of 2026 of the different measurement and presentation methods used.

Reconciliation of Reclassified income statement				
<i>(in Euro million)</i>	<i>1st half of 2026 IFRS</i>	<i>Reclassifications</i>	<i>Adjustments</i>	<i>1st half of 2026 Reclassified</i>
Sales revenue	1,086.9	-	-	1,086.9
Cost of raw materials	-	(817.30)	-	(817.3)
Revenues, net of raw material cost	-		-	269.6
Personnel expense	(126.8)	10.00	-	(116.8)
Other consumption and costs	(912.5)	792.10	-	(120.4)
Gross Operating Profit (EBITDA) (*)	47.6	(15.20)	-	32.4
Depreciation/Amortisation	(27.3)	2.50	-	(24.8)
Net Operating Profit (EBIT)	20.3	(12.70)	-	7.6
Net financial expense	(41.9)	0.50	-	(41.4)
Gross loss before non-recurring items	(21.6)	(12.20)	-	(33.8)
Non-recurring income	7.1	(29.30)	155.10	132.9
Current taxes	(4.6)	-	-	(4.6)
Deferred taxes	(15.6)	12.50	-	(3.1)
Profit/(loss) before IFRS measurement of inventories, forward contracts and equity-accounted investments	(34.7)	(29.00)	155.10	91.4
IFRS effect on the measurement of inventories and forward contracts	-	42.00	(42.4)	(0.4)
Tax effect of the IFRS measurement of inventories and forward contracts	-	(13.00)	13.30	0.3
Consolidated profit (loss)	(34.7)	-	126.00	91.3
Loss attributable to non-controlling interests	(3.7)	-	-	(3.7)
Profit (loss) attributable to the owners of the Parent	(31.0)	-	126.00	95.0
Other comprehensive income	1.2	-	-	1.2
Comprehensive income/(expense)	(33.5)	-	126.00	92.5
of which attributable to the owners of the Parent	(30.0)	-	106.89	76.9
of which attributable to non-controlling interests	(3.5)	-	19.11	15.6

The adjustments do not represent accounting effects, but reflect the economic valuations recognised by Apollo and Paragon as part of the Cunova Transactions. The determination of the definitive accounting treatment of the transaction and of the values to be attributed to the equity elements concerned is still being analysed and may lead to different results from those included in this management representation.

Net financial debt

At 30 June 2026, the Group's Reclassified Net Financial Debt amounted to Euro 321.0 million, compared to Euro 331.6 million at 31 December 2025. 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 Net Financial Debt and Net Financial Debt is provided below:

Reconciliation of Reclassified Net Financial Debt		
<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>
Reclassified Net Financial Debt	320,964	331,562
Financial liabilities pursuant to IFRS 16	139,246	127,144
Financial instruments measured at fair value	19,217	70,548
Non-current financial assets	39,442	41,181
<i>of which relating to leases</i>	<i>21,197</i>	<i>22,128</i>
	197,905	238,873
Net financial debt	518,869	570,435

The Reclassified Net Financial Debt represents an alternative performance indicator used by management to monitor the Group's financial structure. This indicator should not be considered a substitute for the Net Financial Debt determined according to the ESMA Guidelines, but is presented as it is considered useful in better understanding the Group's financial dynamics.

Financial instruments measured at fair value mainly include hedging derivatives relating to the management of metal price risk and exchange rate risk.

The Consolidated Net Financial Debt at 30 June 2026, 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 2025 can be summarised as follows:

Net financial debt		
<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>
A Cash	85,428	97,106
B Cash equivalents	-	-
C Other financial assets	113,524	111,580
D Cash and cash equivalents (A + B + C)	198,952	208,686
E Current financial debt	107,284	199,180
F Current portion of non-current financial debt	128,164	40,589
G Current financial debt (E + F)	235,448	239,769
H Net current financial debt (G - D)	36,496	31,083
I Non-current financial debt	193,572	206,210
J Debt instruments	288,801	333,142
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I + J + K)	482,373	539,352
M Net financial debt (H + L)	518,869	570,435

The net financial debt includes a liability of Euro 139.2 million at 30 June 2026 (Euro 127.0 million at 31 December 2025) linked to the accounting of lease transactions pursuant to IFRS 16.

IFRS results

The **Income Statement** can be summarised as follows:

Income Statement		
<i>(in Euro thousand)</i>	<i>1st half of 2026 IFRS</i>	<i>1st half of 2025 IFRS</i>
Revenue from sales and services	1,086,877	1,012,387
Change in inventories of finished and semi-finished products	329	889
Other income	15,100	15,184
Purchases and change in raw materials	(799,371)	(738,315)
Personnel expense	(126,799)	(131,157)
Amortisation, depreciation and impairment losses	(27,309)	(26,694)
Other operating costs	(128,542)	(135,628)
Operating profit/(loss)	20,285	(3,334)
Financial income	7,920	28,776
Financial expense	(49,785)	(61,021)
<i>Net financial expense</i>	<i>(41,865)</i>	<i>(32,245)</i>
<i>Share of the profit/(loss) of equity-accounted investments</i>	-	<i>(1,060)</i>
Loss before taxes	(21,580)	(36,639)
Income taxes	(20,154)	4,759
Loss for the period	(41,734)	(31,880)
Profit from discontinued operations	7,065	741
Loss for the period	(34,669)	(31,139)
- non-controlling interests	(3,664)	(2,271)
- owners of the parent	(31,005)	(28,868)
Comprehensive income/(expense)	1,172	(2,827)
Comprehensive income pertaining to non-controlling interests	(3,484)	(1,842)
Comprehensive income of the owners of the Parent	(30,013)	(26,470)

* * *

Statement of financial position

The statements of financial position are as follows:

Assets		
<i>(in Euro thousand)</i>	<i>30-Jun-26</i>	<i>31-Dec-25</i>
Property, plant and equipment	567,156	570,795
Investment property	68,719	68,548
Goodwill	369,013	369,013
Intangible assets	53,995	57,248
Investments in other companies	26,731	15,755
Equity-accounted investments	5,057	5,057
Other non-current assets	5,573	5,364
Non-current financial assets	39,442	41,181
Deferred tax assets	108,555	120,134
Total non-current assets	1,244,241	1,253,095
Inventories	498,636	447,528
Trade receivables	85,981	66,971
Financial assets	113,796	111,852
Current tax assets	3,375	4,311
Other assets	24,984	28,536
Cash and cash equivalents	85,428	97,106
Total current assets	812,200	756,304
Non-current assets held for sale	11,947	65,557
Total Assets	2,068,388	2,074,956

Liabilities		
<i>(in Euro thousand)</i>	<i>30-Jun-26</i>	<i>31-Dec-25</i>
Share capital	200,154	200,154
Reserves and loss for the period	(110,208)	(80,335)
Equity attributable to owners of the parent	89,946	119,819
Non-controlling interests	35,586	41,655
Total equity	125,532	161,474
Employee benefits	106,492	111,960
Deferred tax liabilities	145,778	142,168
Financial liabilities	482,373	539,352
Other liabilities	3,209	4,077
Provisions for risks and charges	3,272	3,254
Total non-current liabilities	741,124	800,811
Financial liabilities	235,448	239,769
Trade payables	814,650	737,697
Current tax liabilities	2,657	4,949
Other liabilities	125,374	105,308
Provisions for risks and charges	23,603	13,267
Total current liabilities	1,201,732	1,100,990
Liabilities directly associated with assets held for sale	-	11,681
Total liabilities and equity	2,068,388	2,074,956

Financial position and results of operations of the Parent Company

The Parent Company's financial highlights at 30 June 2026, compared to 31 December 2025, are summarised below.

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>		<i>31 Dec 2025</i>	
<i>KME SE investment</i>	<i>58,410</i>		<i>58,410</i>	
<i>KMH investment</i>	<i>480,000</i>		<i>480,000</i>	
<i>Other</i>	<i>1,438</i>		<i>1,780</i>	
Total KME	539,848	99.58%	540,190	94.63%
Culti Milano	-	0.00%	37,959	6.65%
Other investments	8,286	1.53%	894	0.16%
Other assets/liabilities	(6,001)	-1.11%	(8,212)	-1.44%
Net investments	542,133	100.00%	570,831	100.00%
Outstanding bonds (*)	265,838		258,223	
IPO financing	159,363		150,224	
Net cash	(100,110)		(63,696)	
Holding company net financial debt	325,091	59.97%	344,751	60.39%
Total equity	217,042	40.03%	226,080	39.61%

Notes:

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

Net investments

Net investments pertaining to the Company amounted to Euro 542.1 million at 30 June 2026 (Euro 570.8 million at the end of 2025) which, following the sale of the investment in CULTI Milano, are almost completely concentrated in KME SE, also through the KMH sub-holding.

Equity

The Company's equity amounted to Euro 217.0 million, compared to Euro 226.1 million at 31 December 2025; the decrease for the current period (Euro 9.1 million), deriving for the most part from net financial expense (Euro 14.5 million), which was partly offset by the gain of Euro 7.8 million, deriving from the sale of CULTI Milano, contributed almost exclusively to the reduction.

At 30 June 2026, 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 2026, including up until the date of preparation of this report.

Financial management

Net Financial Debt of the holding company to third parties (excluding intra-group loans and lease liabilities recognised under IFRS 16) totalled Euro 325.1 million at 30 June 2026. Said balance at 31 December 2025 was Euro 344.8 million.

The Parent Company's financial debt (*) at 30 June 2026, compared to 31 December 2025, can instead be broken down as follows:

Financial debt		
	<i>(in Euro thousand)</i>	
	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>
A Cash	3,090	2,311
B Cash equivalents	-	-
C Other financial assets	99,422	63,397
D Cash and cash equivalents (A + B + C)	102,512	65,708
E Current financial debt	13,224	6,122
F Current portion of non-current financial debt	1,012	1,017
G Current financial debt (E + F)	14,236	7,139
H Net current financial position (G - D)	(88,276)	(58,569)
I Non-current financial debt	165,455	156,573
J Debt instruments	253,255	252,747
K Trade payables and other non-current liabilities	-	-
L Non-current financial debt (I + J + K)	418,710	409,320
M Net financial debt (H + L)	330,434	350,751

(*) 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 the Parent Financial Debt is provided below:

Reconciliation of Net financial debt		
	<i>(in Euro thousand)</i>	
	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>
Net financial debt	330,434	350,751
Current loans to subsidiaries	1,999	1,740
Financial assets held for trading	272	272
Financial liabilities to subsidiaries	(510)	(646)
Non-current lease liabilities	(6,092)	(6,349)
Current lease liabilities	(1,012)	(1,017)
Net financial debt of the holding company to third parties	325,091	344,751

Cash flows

The cash flows for the first half of 2026, compared with those of the first half of 2025, can be summarised as follows:

Statement of cash flows – indirect method			
	<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
(A) Cash and cash equivalents at the beginning of the period		2,311	27,356
Loss before tax		(9,515)	(15,821)
Amortisation/depreciation and impairment losses		518	519
Changes in pension funds, post-employment benefits (Italian TFR) and stock options		79	50
Change in provisions for risks and charges		21	(40)
Losses/(Gains) on non-current assets		(7,779)	-
Net financial expense		14,723	13,072
Cash flows used in operating activities		(1,953)	(2,220)
(Increase)/decrease in current assets		(1,299)	(1,127)
Increase/(decrease) in current liabilities		37	(1,694)
Cash flows from/(used by) net working capital		(1,262)	
Taxes during the year		-	551
(B) Total cash flows used by operating activities		(3,215)	(4,490)
Purchases of non-current property, plant and equipment and intangible assets		(40)	(169)
Sale of non-current property, plant and equipment and intangible assets		-	341
(Increase)/decrease in equity investments and other financial investments		38,260	-
Change in other non-current assets/liabilities		68	-
(C) Cash flows from investing activities		38,288	172
Payment of interest		(256)	(2,372)
Increases in current and non-current financial liabilities		277	21,968
Decreases in current and non-current financial liabilities		(399)	(53,072)
Increases in current and non-current financial assets		(33,916)	-
Decreases in current and non-current financial assets		-	11,625
(D) Cash flows used in financing activities		(34,294)	(21,851)
		(B) +	
(E) Change in cash and cash equivalents		(C) +	779
		(D) +	(26,169)
(G) Cash and cash equivalents at the end of the period		(E) +	3,090
		(F)	1,187

Reclassified income statement

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

Reclassified income statement		
<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Fair value changes and other gains/losses from investment management	8,203	349
Investment management costs	(68)	(76)
Gross profit from investments	8,135	273
Commission income on guarantees given (a)	394	418
Net operating costs (b)	(2,442)	(2,431)
<i>Overheads (a) - (b)</i>	<i>(2,048)</i>	<i>(2,013)</i>
Reclassified operating profit (loss)	6,087	(1,740)
Net financial expense	(14,497)	(12,872)
Loss before tax and non-recurring items	(8,410)	(14,612)
Non-recurring expense	(1,105)	(1,209)
Loss before tax	(9,515)	(15,821)
Taxes for the period	410	627
Loss for the period	(9,105)	(15,194)

The gain deriving from the sale of the equity investment in CULTI Milano, equal to Euro 7.8 million, only partially offset the impact of net financial expense, partially attributable to the outstanding bond loans and loans taken out to support the takeover bid transactions, whose cost increased due to higher interest rates.

"Non-recurring expenses" includes the depreciation of the right-of-use assets 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 profit/(loss) from the management of investments net of overheads and excludes net financial expense, non-recurring income/(expense) and taxes for the period.

* * *

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 and the Group as a whole to benefit from the development of non-core activities in the copper sector, through disposal. If realised, these disposals could have a positive impact on the Group's debt.

* * *

Performance of investees and operating segments

Following the sale of the equity investment in CULTI Milano SpA, the Group's activities are concentrated solely on the Copper operating segment, for which detailed information is provided on the operating performance.

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.

At strategic level, the first half of 2026 was characterised by the transaction that involved Cunova, the aerospace activities and those relating to the Osnabrück foundry, already illustrated above and whose closing was formalised on 10 July.

Operating performance

KME SE has the European region as its main reference market for sales activities and therefore all macroeconomic, political and strategic developments occurring in the region have a direct impact on KME's business, as well as on those of its competitors, customers and other stakeholders.

The second quarter of 2026 recorded similar trends to those of the first quarter. Sales volumes remained strong, even taking into account the inconsistent performance of the various sectors and product groups. The trend in sales revenue in the sector also remained solid, while the unit price remained high and greater than expected. During this period, similar to the first quarter of the year, there was substantial demand for rolled products and bars. The latter also recorded growing demand from US-based customers, driven by the increase in investments in data centres and new projects in the energy and data transmission sector.

The definitive market data relating to the first two quarters of 2026 are not yet available, but the preliminary data (relating to the first quarter only) indicate growth of between 1% and 2% in the main reference market of KME.

The overall development of industry and construction in the second quarter of 2026 showed a rather mixed trend. Actual industrial production fluctuated from month to month, despite the fact that the overall manufacturing PMI remained substantially above the 50.0 point threshold, indicating growth. The construction sector continued to perform weakly, and the high and volatile price of copper on the LME had a negative impact on KME's sales in product segments such as tubes, roofing and architectural products.

On the other hand, demand remained robust in the aerospace, defence, data and energy transmission sectors. Despite the high US tariffs still in force, KME customers based in the United States, particularly in the engine cooling and data centre sectors, began to express their desire to expand their collaboration with KME in the second quarter of the year, as well as to grow for the rest of 2026. The automotive and mechanical engineering sectors also recorded good results.

In the first part of 2026, KME implemented or continued to implement the following initiatives:

- continuous analysis and targeted adjustments to the sales measures introduced in 2025 and in the first quarter of 2026;
- constant attention to achieving the unit value added and EBITDA objectives at Group level;
- continuation of efforts to assess and optimise the various cost components at the various sites, together with their relationship with unit value added and profitability.

Preparations were then completed for the introduction of a new sales organisation structure, which will enable the Group to focus on industrial sectors rather than on the geographical distribution of the sales force.

In addition, the Group continued to implement cost optimisation initiatives at various industrial sites.

Copper price trends

In the second quarter of 2026, the average price of copper rose over the same period of the previous year, by 39.96% in US dollars (from USD 9,525/ton to USD 13,331/ton) and by 36.46% in Euro (from Euro 8,400/ton to Euro 11,463/ton).

In terms of performance, average copper prices increased by 3.77% in US dollars compared to the first quarter of 2026 (from USD 12,846/ton to USD 13,331/ton) and by 4.45% in Euro (from Euro 10,975 /ton to Euro 11,463/tonne).

Compared to the 2025 average, there was an increase of 34.03% in US dollars (from USD 9,946/ton to USD 13,331/ton) and 30.24% in Euro (from Euro 8,801/ton to Euro 11,463/ton).

The main operating results of KME SE for the first half of 2026, compared to the same period of the previous year, can be summarised as follows:

Key operating results of the copper sector					
<i>(in Euro million)</i>	<i>1st half of 2026</i>		<i>1st half of 2025</i>		<i>Change</i>
Revenue	1,086.9		1,012.4		7.4%
Revenue (net of raw materials)	269.6	100.0%	297.1	100.0%	-9.3%
EBITDA	34.4	12.8%	52.6	17.7%	-34.6%
EBIT	9.8	3.6%	30.0	10.1%	-67.3%
(Profit)/loss before non-recurring items	(16.6)	-6.2%	10.7	3.6%	-255.1%
Net non-recurring income/(expense)	128.7		(29.7)		)
Profit/(loss) after taxes before IFRS measurement of inventories	103.7		(14.9)		
Profit (loss) from equity-accounted investments	-		(1.1)		
Consolidated profit (loss)	103.4		(14.4)		
Other comprehensive income	1.2		2.8		
Comprehensive income/(expense)	104.6		(11.6)		
Net debt*	18.3		9.6		
Equity attributable to owners of the Parent *	306.9		202.7		

Consolidated Revenue for the first half of 2026 amounted to a total of Euro 1,086.9 million, marking an increase of 7.4% compared to the first half of 2025.

Net of the value of raw materials, revenue instead fell by 9.3% from Euro 297.1 million for the first half of 2025 to Euro 269.6 million for the first half of 2026.

Gross operating profit (**EBITDA**) for the first half of 2026 stood at Euro 34.4 million, compared to Euro 52.6 million in the first half of 2025, therefore down by 34.6%.

Operating profit (**EBIT**) amounted to Euro 9.8 million, compared with Euro 30.0 million in the first half of 2025, marking a decrease of 67.3%.

(Profit)/loss **before non-recurring items** came to Euro 16.6 million (profit of Euro 10.7 million in the first half of 2025).

The loss for the first half of 2026 was heavily influenced by **positive net non-recurring items** of Euro 128.7 million (negative for Euro 29.7 million in the first half of 2025). Net operating income of Euro 155.1 million was recognised for the Cunova transaction, already described above. A further positive Euro 8.8 million stems from the sale of the Serravalle Scrivia property. On the other hand, charges of Euro 31.7 million were recorded, referring to restructuring operations already initiated or recently approved and relating to activities in Germany and the Netherlands.

The **Consolidated Profit** amounted to Euro 103.4 million (compared with a loss of Euro 14.4 million in the first half of 2025).

Comprehensive income amounted to Euro 104.6 million (compared with a loss of Euro 11.6 million in the first half of 2025).

Financial management

The **Reclassified Net Financial Debt** as at 30 June 2026, excluding lease liabilities and sale & leaseback transactions under IFRS 16 and the fair value measurement of financial instruments, amounted to Euro 18.3 million, compared with Euro 9.6 million at the end of December 2025.

Net Financial Debt is equal to approximately Euro 148.2 million, compared to Euro 178.3 million at the end of 2025. This reduction is mainly due to the change in the fair value of financial instruments, which decreased from Euro 70.5 million at 31 December 2025 to Euro 19.2 million at 30 June 2026.

It should be noted that, at the end of November 2025, the pooled bank loan was extended until November 2026, with the possibility of a further one-year extension with the consent of the pool participants, for Euro 460.0 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 through letters of credit for payments to metal suppliers for Euro 438.6 million (Euro 463.2 million at 31 December 2025). The related payables to suppliers are still indicated under trade payables and other payables.

The following guarantees are in place against the pooled loan:

- a pledge, with reservation of voting rights, on the shares of KME Italy SpA and on 45% of the shares of JV Magnet GmbH;
- a mortgage on the properties of KME Grundstuecksgesellschaft SE & Co. KG and on the plant equipment and machinery of KME Mansfeld 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 2025, the non-recourse and – in part – the recourse factoring facilities with FactoFrance were renewed and extended until November 2026, 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 roughly Euro 75 million, used mainly by German companies) and International Factors Italia SpA (non-recourse and – in part – the recourse factoring facilities up to around Euro 75 million).

Most factoring facilities described above include an automatic extension mechanism if the facility granted by the banking consortium or other factoring facilities are extended. The FactoFrance and Targobank credit facilities have a built-in option to transfer the commitment from one facility to another if necessary.

The liabilities due to the factoring company deriving from recourse factoring amounted to Euro 7.5 million (Euro 2.7 million at 31 December 2025).

The loans mentioned above contain similar financial covenants, subject to quarterly verification. At 30 June 2026, the KME SE group had fully respected all covenants.

At 30 June 2026, operating **equity** was Euro 306.9 million.

Total investments amounted to Euro 15.0 million (Euro 22.7 million in the first half of 2025).

The number of **Employees** at 30 June 2026 was 3,231 (3,293 at the end of 2025).

* * *

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 9 June 2026 approved the Board of Directors' report on operations and the separate financial statements at 31 December 2025, resolving to cover the loss for the year of Euro 33,401,452 through partial use of an equal amount of the Extraordinary Reserve.

The Shareholders' Meeting also resolved in favour of the Report on the remuneration paid in 2025 drawn up pursuant to Art. 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.

Share capital

In the first six months of 2026 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

At 30 June 2026, 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 the 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 Quattrodue SpA, with registered office in Milan – Foro Buonaparte 44.

At 30 June 2026, Quattrodue SpA 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, Quattrodue SpA held a percentage of voting rights equal to 77.78% at 30 June 2026.

KME Group S.p.A. holds no shares of the parent company and during 2026 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 2025 pursuant to article 123-bis of Italian Legislative Decree 58/98, which is included in the 2025 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 2026, there were no transactions that could be qualified as significant pursuant to the "Procedure applicable to related party transactions".

The breakdown of transactions with related parties is included in the Notes to the condensed interim consolidated 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, brought 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 to 3 November 2026.

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

Personnel

The number of employees of the Group at 30 June 2026 is 3,244 (3,376 at 31 December 2025, also including the Culti Group employees).

The Parent Company had a total of 11 employees at 30 June 2026, of whom 1 was a manager and 10 were office workers/junior managers.

Compliance with Section VI of the Markets Regulation – Consob Resolution 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 Quattrodue SpA, 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 cash pooling arrangement operated by the parent Quattrodue SpA or any other subsidiary;
- 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.

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 interim consolidated financial statements.

* * *

Events after the reporting date

No noteworthy events occurred after the reporting date, other than those set forth above, particularly with regard to the completion of the transaction concerning Cunova.



KME Group SpA

**Condensed interim consolidated financial statements
as at and for the six months ended 30 June 2026**

KME Group SpA
Registered and Administrative Office:
20121 Milan - Foro Buonaparte 44
Share Capital Euro 200,154,177.66 fully paid up
Tax Code and Milan Companies
Register No. 00931330583
www.itkgroup.it

KME Group S.p.A. – Condensed interim consolidated financial statements as at and for the six months ended 30 June 2026

Statement of financial position – Assets

<i>(in Euro thousand)</i>	<i>Ref. Note</i>	<i>30-Jun-26</i>		<i>31-Dec-25</i>	
			<i>of which related parties</i>		<i>of which related parties</i>
Property, plant and equipment	5.1	567,156		570,795	
Investment property		68,719		68,548	
Goodwill	5.2	369,013		369,013	
Intangible assets	5.3	53,995		57,248	
Equity investments in other companies	5.4	26,731	16,659	15,755	14,185
Equity-accounted investments	5.4	5,057	5,057	5,057	5,057
Other assets		5,573		5,364	
Financial assets		39,442	11,622	41,181	14,087
Deferred tax assets	5.14	108,555		120,134	
Total non-current assets		1,244,241		1,253,095	
Inventories	5.5	498,636		447,528	
Trade receivables	5.6	85,981	37,069	66,971	47,746
Financial assets	5.7	113,796	71,885	111,852	69,743
Current tax assets		3,375		4,311	
Other assets		24,984	378	28,536	43
Cash and cash equivalents	5.8	85,428		97,106	
Total current assets		812,200		756,304	
Assets classified as held for sale	5.9	11,947		65,557	
Total assets		2,068,388		2,074,956	

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

Details of related party transactions are disclosed in the notes to the individual financial statements items.

KME Group S.p.A. – Condensed interim consolidated financial statements as at and for the six months ended 30 June 2026

Statement of financial position – Equity and Liabilities

<i>(in Euro thousand)</i>		30-Jun-26		31-Dec-25	
	<i>Ref. Note</i>		<i>of which related parties</i>		<i>of which related parties</i>
Share capital		200,154		200,154	
Share premium reserve		8,942		8,942	
Reserves		26,904		59,232	
Losses carried forward		(115,049)		(45,901)	
Loss for the period		(31,005)		(102,608)	
Equity attributable to owners of the parent		89,946		119,819	
Non-controlling interests		35,586		41,655	
Total equity	5.10	125,532		161,474	
Employee benefits	5.11	106,492		111,960	
Deferred tax liabilities	5.14	145,778		142,168	
Financial liabilities	5.12	482,373		539,352	-
Other liabilities		3,209		4,077	
Provisions for risks and charges	5.13	3,272		3,254	
Total non-current liabilities		741,124		800,811	
Financial liabilities	5.12	235,448	1,316	239,769	1,477
Trade payables	5.15	814,650	33,912	737,697	40,159
Current tax liabilities		2,657		4,949	
Other liabilities	5.16	125,374	13,644	105,308	13,944
Provisions for risks and charges	5.13	23,603		13,267	
Total current liabilities		1,201,732		1,100,990	
Liabilities directly associated with assets held for sale	5.9	-		11,681	
Total equity and liabilities		2,068,388		2,074,956	

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

Details of related party transactions are disclosed in the notes to the individual financial statements items.

KME Group S.p.A. – Condensed interim consolidated financial statements as at and for the six months ended 30 June 2026

Statement of profit or loss and other comprehensive income

<i>(in Euro thousand)</i>	<i>Ref. Note</i>	<i>1st half of 2026</i>		<i>1st half of 2025 (*)</i>	
			<i>of which related parties</i>		<i>of which related parties</i>
Revenue	6.1	1,086,877	68,114	1,012,387	77,309
Change in inventories of finished and semi-finished products		329		889	
Other income	6.2	15,100	2,067	15,184	2,327
Purchases and change in inventories of raw materials		(799,371)	(37,581)	(738,315)	(36,150)
Personnel expense	6.3	(126,799)	(324)	(131,157)	(351)
Amortisation, depreciation and impairment losses		(27,309)		(26,694)	
Other costs	6.4	(128,542)	(1,114)	(135,628)	(1,419)
Operating profit/(loss)		20,285		(3,334)	
Financial income		7,920	3,436	28,776	3,399
Financial expense		(49,785)	(50)	(61,021)	(39)
<i>Net financial expense</i>	6.5	<i>(41,865)</i>		<i>(32,245)</i>	
Share of profits/(losses) of equity-accounted investees		-	-	(1,060)	(1,060)
Loss before taxes		(21,580)		(36,639)	
Income taxes	6.6	(20,154)		4,759	
Loss for the period from continuing operations		(41,734)		(31,880)	
Profit from discontinued operations	6.7	7,065		741	
Loss for the period		(34,669)		(31,139)	
Other comprehensive income:					
<i>Measurement of employee defined benefits</i>		<i>1,357</i>		<i>4,351</i>	
<i>Tax effect</i>		<i>(12)</i>		<i>(1,544)</i>	
Items that will not be reclassified to profit or loss		1,345		2,807	
<i>Exchange differences arising from the translation of financial statements denominated in currencies other than the euro</i>		<i>(32)</i>		<i>(186)</i>	
<i>Net change in the hedging reserve</i>		<i>(199)</i>		<i>301</i>	
<i>Tax effect</i>		<i>58</i>		<i>(95)</i>	
Items that may be reclassified subsequently to profit or loss		(173)		20	
Other comprehensive income, net of tax effect		1,172		2,827	
Total comprehensive expense for the period		(33,497)		(28,312)	
<i>Loss for the period attributable to:</i>					
<i>- non-controlling interests</i>		<i>(3,664)</i>		<i>(2,271)</i>	
<i>- owners of the Parent</i>		<i>(31,005)</i>		<i>(28,868)</i>	
Loss for the period		(34,669)		(31,139)	
<i>Total comprehensive expense attributable to:</i>					
<i>- non-controlling interests</i>		<i>(3,484)</i>		<i>(1,842)</i>	
<i>- owners of the Parent</i>		<i>(30,013)</i>		<i>(26,470)</i>	
Total comprehensive expense for the period		(33,497)		(28,312)	
Earnings (Loss) per share (in Euro)					
Basic loss per share		(0.1341)		(0.1249)	
Diluted loss per share		(0.1341)		(0.1249)	

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

Details of related party transactions are disclosed in the notes to the individual financial statements items.

(*) The financial statements data of Culti Milano Group for 2025 have been reclassified to the item "Profit from discontinued operations".

KME Group S.p.A. – Condensed interim consolidated financial statements as at and for the six months ended 30 June 2026

Statement of changes in equity for the six months ended 30 June 2026

<i>(in Euro thousand)</i>	<i>Ref. Note</i>	<i>Share capital</i>	<i>Share premium reserve</i>	<i>Other reserves</i>	<i>Treasury shares</i>	<i>Fair value reserve – financial instruments</i>	<i>Reserve for actuarial gains/(losses) on post- employment benefits</i>	<i>Reserve for exchange differences</i>	<i>Total reserves</i>	<i>Losses carried forward</i>	<i>Loss for the year/period</i>	<i>Total equity attributable to owners of the Parent</i>	<i>Non- controlling interests</i>	<i>Total equity</i>
Equity as at 31 December 2025		200,154	8,942	104,833	(48,439)	(9,586)	12,331	93	59,232	(45,901)	(102,608)	119,819	41,655	161,474
Allocation of prior year's loss	5.10	-	-	(33,401)	-	-	-	-	(33,401)	(69,207)	102,608	-	-	-
Change in scope of consolidation	5.10	-	-	-	-	-	-	-	-	-	-	-	(2,438)	(2,438)
Payment of dividends	5.10	-	-	-	-	-	-	-	-	-	-	-	(161)	(161)
<i>Management Warrant</i>	5.10	-	-	65	-	-	-	-	65	-	-	65	-	65
Other movements	5.10	-	-	-	-	-	-	-	-	75	-	75	14	89
Other comprehensive income	5.10	-	-	-	-	(119)	1,142	(15)	1,008	(16)	-	992	180	1,172
Loss for the period	5.10	-	-	-	-	-	-	-	-	-	(31,005)	(31,005)	(3,664)	(34,669)
Comprehensive expense	5.10	-	-	-	-	(119)	1,142	(15)	1,008	(16)	(31,005)	(30,013)	(3,484)	(33,497)
Equity as at 30 June 2026		200,154	8,942	71,497	(48,439)	(9,705)	13,473	78	26,904	(115,049)	(31,005)	89,946	35,586	125,532

At 30 June 2026, the Parent directly held 53,243,219 ordinary shares.

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

KME Group S.p.A. – Condensed interim consolidated financial statements as at and for the six months ended 30 June 2025

Statement of changes in equity for the six months ended 30 June 2025

<i>(in Euro thousand)</i>	<i>Share capital</i>	<i>Share premium reserve</i>	<i>Other reserves</i>	<i>Treasury shares</i>	<i>Fair value reserve – financial instruments</i>	<i>Reserve for actuarial gains/(losses) on post-employment benefits</i>	<i>Reserve for exchange differences</i>	<i>Total reserves</i>	<i>Losses carried forward</i>	<i>Loss) for the year/period</i>	<i>Total equity pertaining to the owners of the Parent</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
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 loss	-	-	(25,059)	-	-	-	-	(25,059)	(39,823)	64,882	-	(34)	(34)
Management Warrant	-	-	67	-	-	-	-	67	--	-	67	-	67
Other movements	-	-	-	-	-	-	-	-	(5)-	-	(5)	(1)	(6)
Other comprehensive income	-	-	(6)	-	175	2,381	(152)	2,398	-	-	2,398	429	2,827
Loss for the period	-	-	-	-	-	-	-	-	-	(28,868)	(28,868)	(2,271)	(31,139)
Comprehensive expense	-	-	(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

At 30 June 2025, the Parent directly held 53,243,219 ordinary shares.

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

KME Group S.p.A. – Condensed interim consolidated financial statements as at and for the six months ended 30 June 2026

Consolidated statement of cash flows – indirect method

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025 (*)</i>
Loss before tax	(21,580)	(36,639)
Amortisation, depreciation and impairment losses	27,309	26,694
Change in provisions for personnel, risks and charges	6,242	5,544
Changes in fair value of derivatives	(48,137)	9,801
Share of profits/(losses) of equity-accounted investees	-	1,060
Net financial expense (net of exchange differences and fair value gains and losses)	40,637	35,176
Other non-monetary changes	(12,381)	909
Cash flows generated by operating activities	(7,910)	42,545
(Increases)/Decreases in inventories	(50,984)	18,603
(Increases)/Decreases in trade receivables	(18,035)	(30,181)
(Increases)/Decreases in trade payables	75,980	(15,813)
(Increases)/Decreases in assets and liabilities	23,829	(16,725)
Cash flows generated/(used) by net working capital	30,790	(44,116)
Income taxes paid	(6,514)	(4,009)
Cash flows generated/(used) by operating activities	16,366	(5,580)
Purchases of non-current property, plant and equipment and intangible assets	(14,956)	(22,870)
Sale of non-current property, plant and equipment and intangible assets	18,817	13,523
Change in other non-current assets/liabilities	(342)	707
Purchase of subsidiaries, net of acquired liquidity	-	(41,000)
Disposal of subsidiary, net of liquidity transferred	45,760	-
(Increases) decreases in other equity investments	(11,204)	(3,756)
Interest collected	3,541	4,543
Dividends received	126	-
Cash flows generated (used) by investing activities	41,742	(48,853)
Dividends paid	(161)	-
Proceeds from financial liabilities	-	69,568
Reimbursements of financial liabilities	(27,962)	(48,929)
Disbursements of current and non-current financial assets	-	(25,601)
Collections of current and non-current financial assets	(4,076)	-
Interest paid	(23,937)	(25,383)
Other financial payments	(13,793)	(12,193)
Cash flows used by financing activities	(69,929)	(42,538)
Cash and cash equivalents at the beginning of the period	97,106	181,242
Change in cash and cash equivalents	(11,821)	(96,971)
Change due to company acquisitions and Reclassification to IFRS 5	108	21,792
Exchange rate-related changes in cash and cash equivalents	35	(102)
Cash and cash equivalents at the end of the period	85,428	105,961

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

(*) The figures for the first half of the year have been restated as a result of the classification of Gruppo Culti Milano SpA under discontinued operations.

KME Group S.p.A. – Condensed interim consolidated financial statements as at and for the six months ended 30 June 2026

Notes to the Condensed interim consolidated financial statements as at and for the six months ended 30 June 2026

The condensed interim consolidated financial statements of KME Group S.p.A. (the “Company” or the “Parent”) as at and for the six months ended 30 June 2026 were approved by the Board of Directors on 30 September 2026, 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.

It should be noted that, up until 23 April 2026, the Group produced and distributed 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), through the group of the company CULTI Milano SpA. On that date, KME Group sold its entire investment in the subsidiary Culti Milano to Berger International SA, thus losing control.

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

2.1. Basis of preparation

The condensed interim consolidated financial statements at 30 June 2026 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 the IFRS Accounting Standards in the preparation of the annual financial statements and shall therefore be read together with the consolidated financial statements at 31 December 2025, prepared in compliance with the International Financial Reporting Standards (“IFRS Accounting Standards”) 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, profit or loss and other comprehensive income, changes in equity and cash flows are drafted in extended form.

The notes to the condensed interim consolidated financial statements below, on the other hand, are presented in a condensed 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 items of the statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows whose breakdown or change, in terms of amount, nature or because unusual, is considered essential for the purposes of understanding the financial position, performance and cash flows of the Group.

2.2. Basis of presentation

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 items making up the loss for the period directly in the statement of profit or loss and other comprehensive income. The aforementioned statement therefore includes, in addition to the items comprising the loss for the period, income and expenses that, on the basis of the IFRS Accounting Standards, are not recognised in the statement of profit or loss for the period. The format adopted provides for the classification of costs by nature. The economic data of the Culti Milano Group for the first half of 2025 have been restated under the item “*Profit from discontinued operations*” to make the data comparable with those of the first half of 2026.

The Statement of changes in equity includes not only total profits/losses for the period, but also the amounts of transactions with the owners of the Parent 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 revenue or costs related to cash flows deriving from investing or financing activities. Also in this case, the cash flows for the first half of 2025 relating to the Culti Group were restated.

The condensed interim consolidated 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 interim consolidated 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 and the main subsidiaries.

These condensed interim 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 extraordinary finance transactions, the cash flows forecast in the business plan for the copper sector approved for the period 2026 to 2030, plus possible disposals of other non-strategic assets. 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 conflicts 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 judgements*

The preparation of the condensed interim consolidated financial statements requires the Management to make estimates and assumptions that have an effect on the carrying amounts of revenue, 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 judgements, 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 measurement processes, in particular the more complex ones, such as the determination of any impairment losses on 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 significant changes to the carrying amount 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 amounts (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 on financial assets measured at amortised cost (e.g. trade receivables and financial assets);
- estimate of the net realisable value of inventories;
- fair value measurement of investment property if this measurement is based on significant unobservable inputs;
- estimate of provisions for risks and charges;
- measurement, using actuarial methods, of the net obligation for defined benefit plans;
- estimate of income taxes taking into account uncertain tax treatments and measurement 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, observable market data. Based on the inputs 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: inputs other than quoted prices included 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: inputs for 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 accounting policies used in the preparation of the condensed interim consolidated financial statements

The accounting policies adopted for the preparation of the condensed interim consolidated financial statements are consistent with those used for the preparation of the consolidated financial statements of KME Group SpA at 31 December 2025, with the exception of

- the application of the hedge accounting requirements envisaged by Chapter 6 of IFRS 9 to non-financial items and

- the adoption of the new standards, amendments and interpretations, approved by the IASB and endorsed for adoption in Europe, whose adoption is mandatory for accounting periods starting from 1 January 2026.

3.1. Hedge accounting requirements for non-financial items

Starting from 1 January 2026, the Group has applied, prospectively, the hedge accounting requirement envisaged by Chapter 6 of IFRS 9 to non-financial items, when the component can be reliably identified and measured. For the effects of the application of the new standard, see paragraph 5.5.

The main impact of the application of this standard refers to a part of its physical copper stocks identified as an element subject to hedging at fair value pursuant to IFRS 9, in which the hedged risk is represented by the “copper price” component and the hedging instrument is represented by firm commitments (LME contracts and forward contracts) to reflect the “commercial reality” of the hedging of non-financial items.

Based on the requirements of IFRS 9, the fair value hedging accounting model applied requires that: (i) the derivative be recognised in profit or loss and (ii) the carrying amount of the hedged item be adjusted for changes in fair value attributable to the hedged risk, with the corresponding impact recognised in profit or loss.

3.2. Newly applied accounting standards

The following amendments to the IFRS Accounting Standards were applied by the Group for the first time as of 1 January 2026:

- Amendments to IFRS 9 and IFRS 7: “Amendments to the Classification and Measurement of Financial Instruments” (May 2024).
- Amendments to IFRS 9 and IFRS 7: “Contracts Referencing Nature-dependent Electricity” (December 2024).

The amendments and interpretations relate to:

- the classification and measurement of financial instruments and clarify the requirements for derecognition for financial assets and liabilities, including a new exception for certain liabilities settled through electronic payment systems; they also provide further guidelines on the assessment of the characteristics of contractual cash flows, including those linked to ESG criteria.
- the improvement of companies' reporting of the financial effects of nature-dependent electricity supply contracts (Power Purchase Agreements). To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 and IFRS 7, in particular:
 - a) clarifying the application of 'own use' requirements;
 - b) allowing hedge accounting if these contracts are used as hedging instruments;
 - c) adding new disclosure requirements to allow investors to understand the effect of these contracts on financial performance and cash flows.

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

3.3. Accounting standards, amendments and interpretations effective from 1 January 2027

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

- IFRS 18: “Presentation and Disclosure in Financial Statements” (April 2024) – whose entry into force is expected for the reporting periods beginning on or after 1 January 2027. The Group is evaluating the effects of its introduction and has decided not to exercise the option of early adoption.

3.4. Accounting standards, amendments and interpretations not yet endorsed

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

- IFRS 19: “Subsidiaries without Public Accountability: Disclosures” (May 2024). The amendments apply to the reporting periods beginning on or after 1 January 2027.
- IAS 21: “*Translation to a Hyperinflationary Presentation Currency*” (November 2025). The amendments apply to the reporting periods beginning on or after 1 January 2027.
- IFRS 20: “*Regulatory Assets and Regulatory Liabilities*” (May 2026). The new standard will apply to the reporting periods beginning on or after 1 January 2029.

IFRS 19 is not applicable to the consolidated financial statements, while the interpretations and amendments of IAS 21 and the introduction of IFRS 20 are not expected to have significant impacts on the consolidated financial statements.

4. Scope of consolidation

At 30 June 2026, the condensed interim consolidated financial statements of KME Group S.p.A. include the Parent and 37 subsidiaries.

Changes in the scope of consolidation stem from:

- the aforementioned sale of the Culti Milano Group, finalised on 23 April 2026, which resulted in the deconsolidation of the following companies: Culti Milano SpA, Scent Company Srl, CULTI Milano Asia Ltd and CULTI Milano China Ltd;
- the establishment by KME SE of three new companies: KME Group Special GmbH, CAM Lux topCo and CAM Lux MidCo, a German holding company and two Luxembourg companies, which were included in the scope of consolidation and consolidated on a line-by-line basis starting from 1 January 2026. These companies were established as part of the transaction with the funds managed by Apollo and with The Paragon Fund III GmbH & Co. geschlossene Investment KG described in the section covering subsequent events.

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

	<i>Spot rate</i>		<i>Average rate</i>	
	<i>30/06/2026</i>	<i>31/12/2025</i>	<i>1st half 2026</i>	<i>1st half 2025</i>
GBP - Pound sterling	0.8615	0.8730	0.8627	0.8424
USD - US dollar	1.1394	1.1757	1.166	1.0934
RMB - Chinese yuan	-	8.3970	-	7.9238
HKD - Hong Kong dollar	-	9.1464	-	9.2001

5. Notes to the main items of the statement of financial position

5.1. *Property, plant and equipment*

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Land and buildings	268,840	266,354	2,486
Plant and equipment	231,682	240,271	(8,589)
Other assets	32,392	34,279	(1,887)
Advances and assets under construction	34,242	29,891	4,351
Property, plant and equipment	567,156	570,795	(3,639)

The breakdown between owned and leased assets is provided below.

<i>(in Euro thousand)</i>	<i>Owned</i>	<i>Leased</i>	<i>Total</i>
Land and buildings	198,025	70,815	268,840
Plant and equipment	230,941	741	231,682
Other assets	26,213	6,179	32,392
Advances and assets under construction	34,242	-	34,242
Property, plant and equipment	489,421	77,735	567,156

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 and also used by other Group entities.

The change in owned assets for the first half of 2026 is shown below:

<i>(in Euro thousand)</i>	<i>Land and buildings</i>	<i>Plant and equipment</i>	<i>Other assets</i>	<i>Advances and assets under construction</i>	<i>Total</i>
Historical cost	297,301	842,715	101,876	29,891	1,271,783
Accumulated depreciation and impairment losses	90,397	603,265	74,296	-	767,958
Total owned assets as at 31 December 2025	206,904	239,450	27,580	29,891	503,825
Historical cost as at 31 December 2025	297,301	842,715	101,876	29,891	1,271,783
Investments	165	1,399	672	11,799	14,035
Reclassifications	2,318	4,911	219	(7,448)	-
Changes due to exchange differences	29	4	14	-	47
Divestments	(32,432)	(4,617)	(450)	-	(37,499)
Historical cost as at 30 June 2026	267,381	844,412	102,331	34,242	1,248,366
Accumulated depreciation and impairment losses as at 31 December 2025	90,397	603,265	74,296	-	767,958
Depreciation and impairment losses	3,489	13,663	2,216	-	19,368
Changes due to exchange differences	29	53	(46)	-	36
Divestments	(24,559)	(3,510)	(348)	-	(28,417)
Accumulated depreciation and impairment losses as at 30 June 2026	69,356	613,471	76,118	-	758,945
Historical cost	267,381	844,412	102,331	34,242	1,248,366
Accumulated depreciation and impairment losses	69,356	613,471	76,118	-	758,945
Total owned assets as at 30 June 2026	198,025	230,941	26,213	34,242	489,421

The items “Divestments” of *Land and Buildings* include the effect of the sale of land and buildings located in the municipality of Serravalle Scrivia, which generated a net gain of Euro 8.8 million, recorded under the item “Other income”, to which reference should be made in note 6.2.

Part of the property, plant and equipment, with a carrying amount of Euro 45,004 thousand (Euro 39,421 thousand as at 31 December 2025), are pledged as collateral for financial liabilities. Secured financial liabilities amount to Euro 438,660 thousand (previous year: Euro 463,156 thousand); at the date of this report, Euro 438,660 thousand (previous year: Euro 463,156 thousand) of liabilities relating to trade payables are covered by letters of credit. The letters of credit are issued by the Group’s banking syndicate. These trade payables relate to metal purchases.

Leased assets changed as follows:

<i>(in Euro thousand)</i>	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Other assets</i>	<i>Total</i>
Historical cost	68,742	3,698	25,715	98,155
Accumulated depreciation and impairment losses	9,292	2,877	19,016	31,185
Total leased assets as at 31 December 2025	59,450	821	6,699	66,970
Historical cost as at 31 December 2025	68,742	3,698	25,715	98,155
Investments	10,307	-	1,537	11,844
Revaluations	7,271	-	-	7,271
Translation differences	(21)	-	(11)	(32)
Decreases	(227)	-	(376)	(603)
Historical cost as at 30 June 2026	86,072	3,698	26,865	116,635
Accumulated depreciation and impairment losses as at 31 December 2025	9,292	2,877	19,016	31,185
Revaluations	4,103	-	-	4,103
Depreciation and impairment losses	1,929	80	1,851	3,860
Translation differences	(21)	-	(6)	(27)
Decreases	(46)	-	(175)	(221)
Accumulated depreciation and impairment losses as at June 2026	15,257	2,957	20,686	38,900
Gross amount	86,072	3,698	26,865	116,635
Accumulated depreciation	15,257	2,957	20,686	38,900
Total leased assets as at 30 June 2026	70,815	741	6,179	77,735

The rise is mainly due to the increase in the right-of-use assets of some leases for approximately Euro 12 million.

5.2. Goodwill

The following table shows the allocation of goodwill by CGU:

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Copper Cash Generating Unit	369,013	369,013	-
Goodwill	369,013	369,013	-

In accordance with IAS 36, goodwill is allocated to the cash-generating unit (CGU) 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. Following the sale of the Culti Milano Group, a single CGU was identified at 30 June 2026.

In the first half of 2026, there were no changes in the value of goodwill.

In line with the financial statements at 31 December 2025, goodwill recognised relating to the Copper CGU, 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).

The impairment test was carried out using the 2026-2030 Business Plan of KME SE (the “Plan”) as the reporting basis, which the administrative bodies of the subsidiary KME SE updated on 30 September 2026.

With respect to the one already used for the impairment test at 31 December 2025, the Plan was amended in order to take into account the effects deriving from the performance of the first half of 2026, the announced renovation operations of the plants located in Osnabruck and the Netherlands and the expected deconsolidation of CAM GmbH following the transfer of the aerospace activities and the Osnabruck foundry.

The terminal value was calculated by assuming the long-term EBITDA equal to the average of the Plan's EBITDA (explicit period, 1 January 2027 – 31 December 2030), with a level of amortisation corresponding to the investments, using a long-term growth rate “g” equal to zero and a WACC of 10.53% (10.12% at 31 December 2025), 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 amount higher than the carrying amount.

5.3. Intangible assets

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Software, patents, licences	51,445	55,145	(3,700)
Advances and assets under development	2,544	2,097	447
Other	6	6	-
Intangible assets	53,995	57,248	(3,253)

The changes during the first half of 2026 are analysed below:

<i>(in Euro thousand)</i>	<i>Software, patents, licences</i>	<i>Assets under development</i>	<i>Other</i>	<i>Total</i>
Historical cost	97,373	2,097	17	99,487
Accumulated amortisation and impairment losses	42,228	-	11	42,239
Total as at 31 December 2025	55,145	2,097	6	57,248
Historical cost as at 31 December 2025	97,373	2,097	17	99,487
Investments	180	641	2	823
Reclassifications	194	(194)	-	-
Decreases	(29)	-	-	(29)
Historical cost as at 30 June 2026	97,718	2,544	19	100,281
Accumulated amortisation and impairment losses as at 31 December 2025	42,228	-	11	42,239
Amortisation, impairment and write-downs	4,079	-	2	4,081
Decreases	(34)	-	-	(34)
Accumulated depreciation and impairment losses as at 30 June 2026	46,273	-	13	46,286
Historical cost	97,718	2,544	19	100,281
Accumulated depreciation and impairment losses	46,273	-	13	46,286
Total as at 30 June 2026	51,445	2,544	6	53,995

Intangible assets have a finite useful life and are represented by the cost net of accumulated amortisation. At 30 June 2026, the item recorded no impairment losses.

5.4. Equity investments

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Investments in other companies	26,731	15,755	10,976
Equity-accounted investments	5,057	5,057	-
Equity investments	31,788	20,812	10,976

The changes in the items are shown below:

<i>(in Euro thousand)</i>	<i>Investments in other companies</i>	<i>Equity-accounted investments</i>	<i>Total</i>
Total as at 31 December 2025	15,755	5,057	20,812
Acquisitions	7,500	-	7,500
Increases	3,705	-	3,705
Decreases	(165)	-	(165)
Adjustments	(64)	-	(64)
Total as at 30 June 2026	26,731	5,057	31,788

There were no changes in companies consolidated using the equity method. The item “Acquisitions” refers to the investment in preferred shares of Berger International SA, which provide for an annual return of 12%.

The increases relate to additional investments in non-consolidated subsidiaries, in particular OASI Agricola and OASI Foodco.

5.5. Inventories

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Raw materials, work in progress and finished products	471,205	423,342	47,863
Supplies and consumables	27,431	24,186	3,245
Inventories	498,636	447,528	51,108

The item includes the balances of the copper sector, relating to metal stocks, in particular copper, aluminium, nickel, zinc, tin, scrap and other metals. Note that 43 thousand tonnes of metal stocks are pledged as collateral for financial liabilities. From 1 January 2026, the Fair Value Hedge Accounting standard envisaged by IFRS 9 was applied to part of the inventories, which had an impact of approximately Euro 9.6 million in the period under review.

5.6. Trade receivables

(in Euro thousand)	30 Jun 2026	31 Dec 2025	Change
Due from third parties	48,444	18,677	29,767
Due from equity-accounted investees	35,319	46,222	(10,903)
Due from non-consolidated subsidiaries	1,741	1,524	217
Non-performing amounts relating to former lease receivables	468	548	(80)
Due from the Parent	9	-	9
Trade receivables	85,981	66,971	19,010

“Due from third parties” refer exclusively to the KME SE group. The increase is due in particular to the increase in the price of copper.

As at 30 June 2026, the loss allowance amounted to Euro 7.8 million.

The reduction in amounts due from equity-accounted investees is attributable to the group’s operations with Magnet Joint Venture GmbH.

5.7. Current financial assets

(in Euro thousand)	30 Jun 2026	31 Dec 2025	Change
Loans to related parties	71,885	69,743	2,142
Amounts due from factoring companies	30,696	18,874	11,822
Derivative financial instruments	9,005	15,542	(6,537)
Investments in securities	272	272	-
Other current financial assets	1,938	7,421	(5,483)
Current financial assets	113,796	111,852	1,944

“Loans to related parties” are mainly related to amounts due from non-consolidated Group companies and equity-accounted investees.

“Amounts due from factoring companies” relate to the KME SE group and, in particular, to the trade receivables transferred as part of non-recourse factoring transactions. This amount refers to trade receivables for goods and services already sold and still not collected 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 2026	31 Dec 2025	Change
Cash and cash equivalents	85,428	97,106	(11,678)

“Cash and cash equivalents” consist essentially of bank deposits and cash on hand; as at 30 June 2026, Euro 12 million was pledged as collateral (unchanged amount with respect to 31 December 2025). 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 commercial activities and financial commitments for the next 12 months.

5.9. Assets classified as held for sale and liabilities directly associated with assets held for sale

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Assets held for sale	-	53,610	(53,610)
Plants held for sale	11,947	11,947	-
Assets held for sale	11,947	65,557	(53,610)

As at 30 June 2026, “*Assets classified as held for sale*” refer only to the residual value of property, plant and equipment acquired together with the business unit relating to the rolled products of S.A. Eredi Gnutti Metalli S.p.A.

The decrease compared to 31 December 2025 is due to the sale of the Culti Milano Group.

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Liabilities directly associated with assets held for sale	-	11,681	(11,681)

As at 31 December 2025, “*Liabilities directly associated with assets held for sale*” referred to the liabilities of Culti Milano Group, which were eliminated in the first half of 2026 following the sale of the aforementioned group.

5.10. Equity

The “Share Capital” as at 30 June 2026 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 equity, reference should be made to the “*Statement of changes in equity for the six months ended 30 June 2026*”.

The changes in equity include not only the loss for the period but primarily the following effects:

- reduction of third-party assets due to the deconsolidation of Culti Milano Group;
- the allocation of the Parent's Euro 33,401 thousand loss for 2025 as a decrease in the extraordinary reserve, as approved by the Shareholders' Meeting of 9 June 2026;
- the allocation to a reserve of costs on Management Warrants in application of the provisions of IFRS 2. These costs are included in the item “Other operating costs”;
- the increase in comprehensive income items for Euro 1.1 million attributable, for a positive Euro 1.2 million, to the effects of the actuarial valuation of pension funds, partly offset by the negative effects, for Euro 0.1 million, of fair value changes in financial instruments.

Information on treasury shares

As at 30 June 2026, the Group 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 2025.

5.11. 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:

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Employee benefits	106,492	111,960	(5,468)

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. The change is mainly due to payments made during the half-year of Euro 6.1 million.

5.12. *Current and non-current financial liabilities*

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

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>		<i>31 Dec 2025</i>	
	<i>Current</i>	<i>Non-current</i>	<i>Current</i>	<i>Non-current</i>
Due to banks	52,821	55,996	54,183	81,339
Derivative financial instruments	28,222	-	86,090	-
Amounts due to related companies	1,316	-	1,477	-
Bonds issued	88,196	288,801	36,233	333,142
Factoring	9,165	-	5,147	-
Lease liabilities	14,895	124,351	11,264	115,880
Other financial liabilities	40,833	13,225	45,375	8,991
Financial liabilities	235,448	482,373	239,769	539,352

KME SE has a syndicated bank loan of Euro 465.5 million, secured by collateral that can be used on a revolving basis, currently maturing on 30 November 2026, 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 438.6 million (Euro 463.2 million as at 31 December 2025), the liabilities on which are recorded under trade payables and other liabilities. At the date of these condensed interim consolidated financial statements, discussions regarding the extension of the credit facility have already been initiated and no critical issues are expected concerning their success.

With regard to bonds issued, where the short-term portion also includes maturing coupons, it should be noted that during the first half of 2026 the expected repayments of Euro 30 million of the bond issued by the subsidiary KMH SpA were deferred, with a view to redefining the loan as a whole.

“*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 Net Financial Debt as at 30 June 2026, 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 2025 can be summarised as follows:

Financial debt

Net financial debt			
	<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>
A	Cash and cash equivalents	85,428	97,106
C	Other financial assets	113,524	111,580
D	Liquidity (A + B + C)	198,952	208,686
E	Current financial debt	107,284	164,897
F	Current portion of non-current financial debt	128,164	74,872
G	Current financial debt (E + F)	235,448	239,769
H	Net current financial debt (G - D)	36,496	31,083
I	Non-current financial debt	193,572	206,210
J	Debt instruments	288,801	333,142
L	Non-current financial debt (I + J + K)	482,373	539,352
M	Net financial debt (H + L)	518,869	570,435

5.13. Provisions for risks and charges

	<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
	Provisions for non-current risks and charges	3,272	3,254	18
	Provisions for current risks and charges	23,603	13,267	10,336
	Provisions for risks and charges	26,875	16,521	10,354

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

<i>(in Euro thousand)</i>	<i>Provisions for restructuring</i>	<i>Provisions for guarantee risks</i>	<i>Other provisions</i>	<i>Total</i>
Balance as at 31 December 2025	9,171	977	6,373	16,521
Uses	(7,653)	-	(464)	(8,117)
Releases	-	-	(320)	(320)
Accruals	18,204	-	587	18,791
Balance as at 30 June 2026	19,722	977	6,176	26,875
<i>Non-current</i>	<i>-</i>	<i>-</i>	<i>3,272</i>	<i>3,272</i>
<i>Current</i>	<i>19,722</i>	<i>977</i>	<i>2,904</i>	<i>23,603</i>

“Other provisions” mainly comprise accruals 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 accrual net of uses for the period relating to closure of tubes production in Givet announced by Tréfinmétaux in February 2022, and the accruals for the restructuring operations relating to KME Germany and KME Netherlands BV, defined and announced in the first half of 2026.

5.14. Deferred tax assets and liabilities

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Deferred tax assets	108,555	120,134	(11,579)
Deferred tax liabilities	(145,778)	(142,168)	(3,610)
Net deferred tax liabilities	(37,223)	(22,034)	(15,189)

Deferred tax assets and liabilities can be broken down by financial statements item as follows:

<i>(in Euro thousand)</i>	<i>Deferred tax assets</i>		<i>Deferred tax liabilities</i>	
	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>
<i>Temporary differences</i>				
Property, plant and equipment	1,336	1,319	(74,632)	(73,964)
Investment property	4,935	1,051	(2,985)	(2,985)
Intangible assets	1,698	1,129	(12,533)	(13,293)
Equity investments	539	680	(1,743)	(1,566)
Other non-current assets	-	406	-	-
Non-current financial assets	-	-	(7,441)	(5,977)
Inventories	267	263	(58,763)	(46,298)
Trade receivables	1,630	1,731	(64)	(292)
Current financial assets	5	10	(2,677)	(5,351)
Other current assets	26	102	-	-
Assets classified as held for sale	-	-	(2,075)	(2,075)
Employee benefits	9,714	8,142	(31)	(29)
Non-current financial liabilities	11,005	9,785	(1,692)	(4,256)
Other non-current liabilities	29	98	(62)	(40)
Provisions for risks and charges	4,588	598	-	-
Current financial liabilities	11,035	27,291	-	-
Trade payables	993	11	(15)	(450)
Other current liabilities	1,584	1,447	(1,688)	(6,215)
Deferred taxes on tax losses carried forward	79,794	86,694	-	-
Total	129,178	140,757	(166,401)	(162,791)
Adjustments	(20,623)	(20,623)	20,623	20,623
Total deferred tax assets (liabilities)	108,555	120,134	(145,778)	(142,168)

The Directors believe that the recognised deferred tax assets are recoverable based on expected future results, as indicated in the Group's business plans for the period 2026 to 2030, also considering the effects of the tax consolidation agreements in place between certain Group companies and the recognised deferred tax liabilities.

5.15. Trade payables

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Trade payables – third parties	780,738	697,538	83,200
Trade payables – non-consolidated subsidiaries	570	355	215
Trade payables – equity-accounted investees	33,291	39,691	(6,400)
Trade payables – other related parties	51	113	(62)
Trade payables	814,650	737,697	76,953

The increase in the item is mainly due to the higher amounts due to third-party suppliers, following the rise in the price of copper.

5.16. Other current liabilities

Details of the item are provided below:

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>	<i>31 Dec 2025</i>	<i>Change</i>
Due to personnel and employees	24,840	19,273	5,567
Due to social security institutions	4,097	5,106	(1,009)
Tax liabilities	18,772	6,945	11,827
Due to related companies	13,644	13,944	(300)
Due to customers	48,867	36,566	12,301
Other liabilities	15,154	23,474	(8,320)
Other current liabilities	125,374	105,308	20,066

6. Note to the main items of the 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. Revenue

The breakdown of the item is as follows:

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Europe	920,176	820,938
Asia	35,959	25,865
America	94,836	133,336
Other countries	35,906	32,248
Revenue	1,086,877	1,012,387

Revenue derives from the sale of copper and copper alloy products.

Revenue was 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, revenue from related parties amounted to Euro 68,114 thousand:

- Euro 67,978 thousand from equity-accounted investees;
- Euro 136 thousand from non-consolidated subsidiaries.

6.2. Other income

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Gains on disposals of non-current assets	9,256	98
Lease income from related companies	2,030	2,287
Reimbursement of energy costs	1,499	7,621
Internal work capitalised	659	1,395
Income from “special situations“	409	-
Lease income	264	475
Insurance claims	247	213
Contributions received by the group	51	257
Provision of services to related companies	37	47
Other	648	2,791
Other income	15,100	15,184

“Lease income” mainly includes income from the lease of investment property. The gains on disposal of non-current assets include Euro 8.8 million deriving from the sale of the properties located in Serravalle Scrivia.

6.3. Personnel expense

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Wages and salaries	(100,486)	(103,779)
Social security contributions	(22,413)	(22,958)
Other personnel expense	(3,900)	(4,420)
Personnel expense	(126,799)	(131,157)

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 expense” mainly includes costs for pensions and severance payments.

6.4. Other costs

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Directors' and Statutory Auditors' fees	(2,082)	(2,079)
Professional services	(8,358)	(7,350)
Transportation	(15,541)	(18,408)
Costs for services provided to employees	(464)	(969)
Advertising and other commercial costs	(890)	(1,007)
Electricity, heating, postal and telephone costs	(32,824)	(40,916)
Production and sales costs	(6,811)	(6,162)
Commissions	(5,877)	(6,752)
Insurance premiums	(7,402)	(7,326)
Lease expenses	(2,573)	(2,307)
Maintenance	(15,322)	(14,346)
Other taxes	(1,750)	(1,858)
Membership fees	(186)	(126)
Other costs	(8,508)	(8,594)
Bank service charges	(612)	(586)
Losses on disposal of properties	(3)	(246)
Release of provisions	-	40
Accrual to provisions for risks	(19,241)	(16,569)
Charges on Management Warrants	(67)	(67)
Credit losses	(31)	-
Other operating costs	(128,542)	(135,628)

The decrease in the item from Euro 135.6 million in the first half of 2025 to Euro 128.5 million in the first half of 2026 mainly refers to the reduction in costs for utilities (Euro 32.8 million in the first half of 2026, Euro 40.9 million in the first half of 2025) linked to lower consumption also stemming from the effects of restructuring operations.

6.5. Net financial expense

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Interest income from related parties	3,436	895
Interest income	878	3,931
Gains from currencies and derivatives	3,381	23,838
Other financial income	225	112
Total financial income	7,920	28,776
Interest expense to related parties	(50)	(37)
Interest expense to third parties	(15,331)	(15,643)
Interest expense on bonds	(16,340)	(13,529)
Fees and commission expense on guarantees and loans	(13,169)	(11,713)
Losses on currencies and derivatives	(4,609)	(19,961)
Impairment losses on financial instruments	(142)	(117)
Losses on disposal of financial instruments	(4)	-
Other financial expense	(140)	(21)
Total financial expense	(49,785)	(61,021)
Net financial expense	(41,865)	(32,245)

The increase in net financial expense is mainly due to the effect of exchange rate changes.

6.6. Current and deferred taxes

The breakdown of the item is as follows:

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Current taxes	(4,522)	(7,236)
Deferred taxes	(15,632)	11,995
Current and deferred taxes	(20,154)	4,759

6.7. Profit from discontinued operations

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Revenue	6,119	10,503
Change in inventories of finished and semi-finished products	41	929
Other income	1,044	140
Purchases and change in inventories of raw materials	(1,366)	(2,798)
Personnel expense	(1,475)	(1,742)
Amortisation/depreciation and impairment losses	(391)	(636)
Other costs	(3,559)	(5,020)
Operating profit	413	1,376
Financial income	25	(58)
Financial expense	(28)	(80)
<i>Net financial expense</i>	<i>(3)</i>	<i>(138)</i>
Profit before taxes	410	1,238
Income taxes for the period	(194)	(497)
Profit from discontinued operations	216	741
Gain on the sale of Culti Milano	6,950	-
Related tax effect	(101)	-
Profit (loss) from discontinued operations	7,065	-

The item includes costs and revenue of the Culti Milano Group and the gain deriving from the sale carried out on 23 April 2026.

7. Additional information

7.1. Financial instruments by category

(in Euro thousand)	30-Jun-26					
	Financial assets at FVTPL	Financial assets at FVTOCI	Amortised cost	TOTAL	Other assets/liabilities	Financial statements item
Investments	7,629	-	-	7,629	24,159	31,788
Non-current financial assets	-	-	39,442	39,442	-	39,442
Other non-current assets	-	-	5,573	5,573	-	5,573
Trade receivables	-	-	85,981	85,981	-	85,981
Current financial assets	9,177	-	104,619	113,796	-	113,796
Other current assets	-	-	5,032	5,032	19,952	24,984
Cash and cash equivalents	-	-	85,428	85,428	-	85,428
Total financial assets	16,806	-	326,075	342,881	44,111	386,992
Non-current financial liabilities	-	-	(482,373)	(482,373)	-	(482,373)
Current financial liabilities	(28,222)	-	(207,226)	(235,448)	-	(235,448)
Trade payables	-	-	(814,650)	(814,650)	-	(814,650)
Other current liabilities	-	-	(64,377)	(64,377)	(60,997)	(125,374)
Total financial liabilities	(28,222)	-	(1,568,626)	(1,596,848)	(60,997)	(1,657,845)

(in Euro thousand)	31-Dec-25					
	Financial assets at FVTPL	Financial assets at FVTOCI	Amortised cost	TOTAL	Other assets/liabilities	Financial statements item
Investments	7,636	-	-	7,636	13,176	20,812
Non-current financial assets	-	-	41,181	41,181	-	41,181
Other non-current assets	-	-	5,364	5,364	-	5,364
Trade receivables	-	-	66,971	66,971	-	66,971
Current financial assets	15,714	-	96,138	111,852	-	111,852
Other current assets	-	-	11,182	11,182	17,354	28,536
Cash and cash equivalents	-	-	97,106	97,106	-	97,106
Total financial assets	23,350	-	317,942	341,292	30,530	371,822
Non-current financial liabilities	-	-	(539,352)	(539,352)	-	(539,352)
Current financial liabilities	(86,090)	-	(153,679)	(239,769)	-	(239,769)
Trade payables	-	-	(737,697)	(737,697)	-	(737,697)
Other current liabilities	-	-	(65,597)	(65,597)	(39,711)	(105,308)
Total financial liabilities	(86,090)	-	(1,496,325)	(1,582,415)	(39,711)	(1,622,126)

7.2. Financial instruments by financial statements item

A summary of financial instruments is provided below along with a reconciliation with financial statements items at 30 June 2026:

<i>(in Euro thousand)</i>		<i>Measurement method</i>				Fair Value
<i>30 June 2026</i>	Carrying amount	<i>Cost</i>	<i>FVTPL</i>	<i>FVTOCI</i>	<i>Outside the scope of IFRS 7</i>	
Investments	7,629	-	7,629	-	-	7,629
Other non-current assets	5,573	5,573	-	-	-	5,573
Non-current financial assets	39,442	39,442	-	-	-	39,442
Trade receivables	85,981	85,981	-	-	-	85,981
Current financial assets	113,796	104,619	9,177	-	-	113,796
Other current assets	24,984	5,032	-	-	19,952	5,032
Cash and cash equivalents	85,428	85,428	-	-	-	85,428
Total financial assets	362,833	326,075	16,806	-	19,952	342,881
Non-current financial liabilities	(482,373)	(482,373)	-	-	-	(482,373)
Current financial liabilities	(235,448)	(207,226)	(28,222)	-	-	(235,448)
Trade payables	(814,650)	(814,650)	-	-	-	(814,650)
Other current liabilities	(76,507)	(64,377)	-	-	(12,130)	(64,377)
Total financial liabilities	(1,608,978)	(1,568,626)	(28,222)	-	(12,130)	(1,596,848)

<i>(in Euro thousand)</i>		<i>Measurement method</i>				Fair Value
<i>31 December 2025</i>	Carrying amount	<i>Cost</i>	<i>FVTPL</i>	<i>FVTOCI</i>	<i>Outside the scope of IFRS 7</i>	
Investments	7,636	-	7,636	-	-	7,636
Other non-current assets	5,364	5,364	-	-	-	5,364
Non-current financial assets	41,181	41,181	-	-	-	41,181
Trade receivables	66,971	66,971	-	-	-	66,971
Current financial assets	111,852	96,138	15,714	-	-	111,852
Other current assets	28,536	11,182	-	-	17,354	11,432
Cash and cash equivalents	97,106	97,106	-	-	-	97,106
Total financial assets	358,646	317,942	23,350	-	17,354	341,292
Non-current financial liabilities	(539,352)	(539,352)	-	-	-	(539,352)
Current financial liabilities	(239,769)	(153,679)	(86,090)	-	-	(239,769)
Trade payables	(737,697)	(737,697)	-	-	-	(737,697)
Other current liabilities	(68,742)	(65,597)	-	-	(3,145)	(65,597)
Total financial liabilities	(1,585,560)	(1,496,325)	(86,090)	-	(3,145)	(1,582,415)

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

<i>(in Euro thousand)</i>	<i>Fair Value as at 30/06/2026</i>	<i>Fair Value levels</i>		
		<i>1</i>	<i>2</i>	<i>3</i>
Investments	7,629	-	7,629	-
Non-current financial assets	-	-	-	-
Current financial assets	9,177	-	9,005	172
Total financial assets	16,806	-	16,634	172
Non-current financial liabilities	-	-	-	-
Current financial liabilities	28,222	-	28,222	-
Total financial liabilities	28,222	-	28,222	-

<i>(in Euro thousand)</i>	<i>Fair Value as at 31/12/2025</i>	<i>Fair Value levels</i>		
		<i>1</i>	<i>2</i>	<i>3</i>
Investments	7,636	-	7,636	-
Non-current financial assets	-	-	-	-
Current financial assets	15,714	-	15,542	172
Total financial assets	23,350	-	23,178	172
Non-current financial liabilities	-	-	-	-
Current financial liabilities	86,090	-	86,090	-
Total financial liabilities	86,090	-	86,090	-

At 30 June 2026, 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 currency 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. 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.

Accruals to the loss allowance are made specifically on credit positions that present non-standard risk elements. On the credit positions that do not have these characteristics, accruals 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 impairment losses.

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. Currency risk exposure

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

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.

The currency risk mainly relates 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 cash flows can thus be absorbed; the Group's liabilities are mainly due 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 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. Segment reporting

8.1. Information on reportable segments

(in Euro thousand)	Reportable segments					
	Copper		Holding (*)		TOTAL	
	1st half of 2026	1st half of 2025	1st half of 2026	1st half of 2025	1st half of 2026	1st half of 2025
Loss before tax for reportable segments	(1,065)	(17,885)	(10,428)	(16,190)	(11,493)	(34,075)
Revenue from third-party customers	1,086,877	1,012,387	-	-	1,086,877	1,012,387
Inter-segment revenue	33	15	-	-	33	15

(*) The *Holding* segment refers to the profit/(loss) of KME Group S.p.A. and KMH SpA.

8.2. Reconciliation of the loss before tax for reportable segments

<i>(in Euro thousand)</i>	<i>1st half of 2026</i>	<i>1st half of 2025</i>
Loss before tax for reportable segments	(11,493)	(34,075)
Derecognition of inter-segment revenue	(7,808)	(293)
<i>of which of the Copper Segment</i>	825	72
<i>of which of the Holding Company</i>	(8,633)	(365)
Unallocated amounts:		
PPA amortisation	(2,279)	(2,271)
Loss from continuing operations	(21,580)	(36,639)

9. Commitments and guarantees given

9.1. Commitments

As at 30 June 2026, the Group has no significant commitments.

9.2. Guarantees given

During the first half of 2026, Dynamo Camp ETS (formerly the Dynamo Association) repaid the residual liability of the mortgage loan for an original Euro 5 million (guaranteed by KME Group) thanks to the disbursement of a new mortgage loan for a nominal amount of Euro 3.6 million. KME Group issued a surety to guarantee the repayment of the new mortgage loan.

The new mortgage loan is also secured by other collateral; as at 30 June 2026, the residual liability of the mortgage loan amounted to Euro 3.5 million.

In addition, it should also be noted that Immobiliare Picta issued a guarantee to secure a loan granted to Dynamo Camp ETS, with a residual value of Euro 1.7 million as at 30 June 2026.

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 2026, there were no transactions that could be qualified as of greater importance pursuant to the "Procedure applicable to related party transactions".

11. Events after the reporting period

On 10 July 2026, following receipt of the authorisations from the competent authorities, the transactions set out in the agreements signed by the Group's subsidiary KME SE ("KME") and affiliates in March and April with some funds managed by Apollo and The Paragon Fund III GmbH & Co. geschlossene Investment KG (hereinafter "Paragon") were executed and completed, concerning Cunova GmbH (hereinafter, together with its affiliates, "Cunova"). The completion of the aforementioned transactions (the "Transactions") involved Paragon's repurchase of the indirect stake of 55% in Cunova, in which KME already held a 45% stake, as well as the transfer to Cunova of the aerospace business unit and foundry activities of the subsidiary KME SE, KME Germany GmbH, and the refinancing of the secured senior debt of Cunova for approximately Euro 170 million. Apollo supported the transaction through a loan of Euro 150 million and the subscription of preferred shares and warrants for Euro 150 million.

At the date of approval of this Interim Financial Report, the analyses aimed at defining the accounting treatment of the Transaction and the attribution of the values to the various equity elements involved in the Transactions are still in progress.

The new combined entity, with a stronger equity structure and an integrated business structure as a strategically independent entity, is currently evaluating potential short-term strategic alternatives to support its growth, including international joint ventures, mergers and acquisitions, and listing on the financial markets.

In this regard, in light of the current strong interest on the stock exchange markets by international investors for companies specialised in high value-added and strategically important products, with a significant presence

in rapidly expanding markets such as aerospace and defence and in the critical materials sector (such as copper alloys), an IPO process was launched, supported by two leading financial operators to list the new combined entity on the Frankfurt Stock Exchange. The authorisation process is expected to be completed by the end of October with the potential start of listing at the beginning of November which could lead, if carried out, to a further significant creation of value.

12. Disclosure on 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 2026, there were no transactions that could be qualified as significant pursuant to the "Procedure applicable to related party transactions".

	<i>Non-current financial assets</i>	<i>Current financial assets</i>	<i>Trade receivables</i>	<i>Current assets</i>	<i>Current financial liabilities</i>	<i>Suppliers</i>	<i>Other current liabilities</i>
Parent	-	6,852	9	-	-	-	-
Non-consolidated subsidiaries	11,622	26,849	1,384	338	(1,316)	(570)	(649)
Equity-accounted investees	-	38,184	35,319	-	-	(33,291)	-
Other related parties	-	-	357	40	-	(51)	(12,995)
	11,622	71,885	37,069	378	(1,316)	(33,912)	(13,644)

	<i>Revenue from sales and services</i>	<i>Other operating income</i>	<i>Purchases and change in raw materials</i>	<i>Personnel expense and other operating costs</i>	<i>Financial income</i>	<i>Financial expense</i>
Parent	-	7		-	186	-
Non-consolidated subsidiaries	136	79	-	-	1,133	(38)
Equity-accounted investees	67,978	1,958	(37,581)	(9)	2,067	-
Other related parties		23		(1,429)	50	(12)
	68,114	2,067	(37,581)	(1,438)	3,436	(50)

Annexes to the notes:

Reconciliation of the loss and equity of the Parent KME Group S.p.A. and the consolidated loss and equity for the first half of 2026:

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>
Parent's equity (including loss for the period)	217,042
Equity of consolidated companies	626,748
Derecognition of carrying amount of investments consolidated on a line-by-line basis	(1,048,788)
Difference between the equity of consolidated companies and their carrying amount	342,893
Consolidation entries (PPA and consolidation adjustments)	7,710
Share of equity of consolidated companies attributable to non-controlling interests	(55,659)
Equity attributable to the owners of the Parent	89,946

<i>(in Euro thousand)</i>	<i>30 Jun 2026</i>
Loss) as per the separate financial statements of the Parent	(9,105)
Loss of companies consolidated on a line-by-line basis	(22,973)
Other consolidation entries	(858)
Cancellation of effect of IFRS 16 on intra-group transactions	2
Cancellation of effect of IFRS 9 on intra-group transactions	17
Consolidation entries (PPA)	(1,752)
Consolidated loss	(34,669)
<i>of which loss for the period attributable to non-controlling interests</i>	<i>(3,664)</i>
<i>of which loss for the period attributable to the owners of the Parent</i>	<i>(31,005)</i>

**CERTIFICATION OF THE CONDENSED INTERIM CONSOLIDATED 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 that the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements at 30 June 2026:
 - are adequate considering the characteristics of the Company and have been effectively applied.
2. No material findings emerged in this regard.
3. Moreover, they certify that:
 - 3.1. the condensed interim consolidated 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) are consistent with the balances recorded in the accounting books and records;
 - c) give a true and fair view of the financial position and financial performance of the issuer and the undertakings included in the scope of consolidation taken as a whole;
 - 3.2 the report on operations includes a reliable analysis of references to the major events that took place in the first six months of the year and their impact on the condensed interim consolidated financial statements, along with a description of the main risks and uncertainties for the remaining six months of the year. The report on operations also includes a reliable analysis of the information on significant transactions with related parties.

Milan, 30 September 2026

The Chairwoman

signed Diva Moriani

The Manager in charge of Financial
Reporting

signed Giuseppe Mazza



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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 2026, 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.



KME Group

Report on review of condensed interim consolidated financial statements

30 June 2026

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 2026 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.

Milan, 6 October 2026

KPMG S.p.A.

(signed on the original)

Riccardo Cecchi
Director