

KME Group SpA

Registered Office: 20121 Milan (MI) Foro Buonaparte, 44

Share Capital: Euro 335.069.967,44 fully paid-in

Milan Company Register – Tax I.D. Nr. 00931330583

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PRESS RELEASE

KME signed a Sale and Lease Back Agreement of the Osnabrück Plant with Crescendo

Milan, 26th September 2022 – KME Group S.p.A. announces that today its controlled entities KME Real Estate GmbH & Co. KG, as seller (“**KME RE**” or “**Seller**”), and KME Germany GmbH, as tenant (“**KME Germany**” or “**Tenant**”), have signed a sale and leaseback agreement (“**S&LB Agreement**”) with funds advised by Crescendo Real Estate Advisors LLP (“**Crescendo**”), a principal investing and advisory group with 485 USD million under management. The agreement involves the KME RE’s property based in Osnabrück (“**Property**”), with a site area of more than 570,000 sqm, occupied by an industrial plant and office buildings.

The transaction structure includes the sale of the Property by KME RE to Crescendo and a lease agreement of the whole Property to KME Germany GmbH for a period of 30+10+10 years. The lease agreement is a triple net agreement and Tenant will remain the manager of the site, continuing to run all production facilities in the site as well as the offices. The annual passing rent agreed between the parties is €7,08 million plus VAT and is subject to annual CPI indexation. KME will continue to sublet to its current subtenants the respective areas of the Property already subleased to them for revenues amount to approximately €2,5 million plus VAT.

The closing is subject to certain conditions precedent, which are expected to be fulfilled within 60 days after signing.

The transaction will bring to KME around € 90 million, fully financed in equity by Crescendo. In addition, the agreement grants a call option to the Tenant for the potential buyback of the Property at the end of the year 2026.

The transaction further contributes to the group target of progressive deleveraging, providing also proceeds to support a further growth of the KME core business.

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KME Group S.p.A is the holding company, listed on Milan Stock Exchange, which controls KME, one of the world's largest manufacturers of copper and copper alloy products, focused on rolled products, with a European footprint and worldwide distribution network.

Crescendo was formed by Cabot Lodge and Daniel Quai in 2013 as an independent principal investment and advisory firm. Crescendo has \$485m (31 December 2021) in commitments and invested capital on behalf of institutional investors, asset managers and single-multi-family offices.

Crescendo is focused on 2 main strategies in the UK/Europe:

- *Net lease: provision of net lease finance on strategically important commercial real estate let on a long-term occupation lease to a single credit-worthy tenant.*
- *Real estate debt: provision of senior, mezzanine and preferred equity solutions to small-to-medium sized developers.*

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The press release is available on the Company’s website, www.itkgroup.it. Additional information may be directly requested from the Company (telephone number +39.02.806291; e.mail: info@itk.it) and through the “eMarket STORAGE” system at the address: www.emarketstorage.com.