



KME Group SpA

Registered office: 20121 Milan (MI) - Foro Buonaparte 44

Share capital Euro 200,072,198.28, fully paid-up

Tax Code and Milan Companies Register no. 00931330583

www.itkgroup.it

PRESS RELEASE

THE BOARD OF DIRECTORS OF KME GROUP SPA (FORMERLY INTEK GROUP SPA) HAS APPROVED THE DRAFT OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022.

Separate financial statements

- Profit for the year of Euro 5.2 million (profit of Euro 65.3 million in 2021).
- Equity of Euro 494.3 million (Euro 551.7 million as at 31 December 2021).
- Net financial debt of Euro 117 million (Euro 93.6 million as at 31 December 2021).
- Proposed for the approval of the shareholders the distribution of a dividend of Euro 0.217230 for each savings share, with payment starting from 24 May 2023, ex dividend no. 6 on 22 May 2023 and record date on 23 May 2023.

Consolidated financial statements

The data is comparable with the year 2021 only to a limited extent due to the expansion of the scope of consolidation (Total equity of Euro 569.5 million; Profit for the period of Euro 35.5 million and Net Financial Debt of Euro 267.5 million).

▪ **TREND IN MAIN EQUITY INVESTMENTS:**

- With regard to **KME SE**, also in 2022 and the first few months of 2023, important transactions were carried out aimed to implement the concentration strategy on copper and copper alloy rolled products, in which the group is the European leader and it intends to focus and further develop, given the interesting growth rates expected for the main reference markets. Cash in from extraordinary/M&A activities allowed a significant improvement in the net financial position of KME SE (from Euro 249.5 million as at 31 December 2021 to Euro 102.4 million as at 31 December 2022, of which Euro 90.0 million deriving from the effects of recognition, pursuant to IFRS, of the sale and lease back transaction) and the early repayment of the EURO 300 million KME SE Bond maturing in 2023.

In 2022, the KME SE group's results showed significant growth: revenues from sales amounting to Euro 2,082.5 million (+4.1% compared to 2021 on a like-for-like basis); revenues net of raw materials equal to Euro 437.6 million (+30.6% compared to 2021, again on a like-for-like basis); EBITDA of Euro 112.6 million compared to Euro 95.5 million for the previous year.

- The progress of **CULTI Milano SpA** in its reference markets continues: of particular importance in 2022 was the launch of the revolutionary BAKEL® 3D technology, through the subsidiary Bakel Srl. In 2022, the CULTI Milano group reached, at consolidated level, revenue of Euro 23.1 million and EBITDA of Euro 5.1 million (respectively Euro 20.9 million and Euro 5.0 million in 2021). Negotiations are currently underway for the sale of this equity investment.

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Milan, 28 March 2023 - The Board of Directors of KME Group SpA (formerly Intek Group SpA), a diversified investment holding company, today approved the parent company's draft financial statements as at 31 December 2022, the consolidated financial statements and the Report on corporate governance and ownership structure prepared pursuant to article 123-*bis* of Italy's Consolidated Law on Finance (TUF, Testo Unico della Finanza) and the Report on Remuneration prepared pursuant to article 123-*ter* of the TUF. The Annual Financial Report as at 31 December 2022, inclusive of the above-mentioned reports as well as the reports of the Independent Auditors and the Board of Statutory Auditors, will be made public within legal terms and will be available at the registered office as well as on the website www.itkgroup.it and the authorised storage system "eMarket STORAGE" (www.emarketstorage.it).

Taking into account the launch in 2022 of a new strategic process of concentration of activities on the industrial management of the equity investment in KME SE, in order to ensure better comparability, analysis continues to be focused on the Parent Company, on the individual equity investments and their results, in continuity with the disclosures in previous financial report reports.

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Most significant events occurred in 2022 and the first quarter of 2023

The main events characterising the operations of the KME Group and its investees in 2022 and in the early months of 2023 are described below.

(i) Copper sector

In this area, in the course of 2022 and the early months of 2023, significant transactions were carried out in order to implement the KME SE group's strategy of concentrating in copper and copper alloy rolled products, in which the group is the European leader and in which it intends to focus and further develop in the future, given the attractive growth rates expected for the main reference markets.

In January 2022, the agreement was executed with Paragon Partners GmbH ("**Paragon**"), a German private equity fund, for the transfer of control of the Special Products business. The agreement called for the creation of a company 55% held by Paragon and 45% by KME SE, to which the above-mentioned business was transferred. This transaction enabled KME SE to cash in around Euro 200 million, plus the repayment of around Euro 20 million in intragroup loans, relating to working capital, and after a Euro 32 million loan was granted to the newly-established company;

An additional disposal was completed in February 2022 with the sale of the *Wires business* (cables), which entered into KME portfolio with the acquisition of MKM in 2019. This transaction allowed a cash in of approximately Euro 20 million, in addition to the value of inventory;

In July 2022, the acquisition of part of the flat rolled products (FRP) activities of Aurubis AG was completed. The scope of the transaction includes the FRP plant in Zutphen (Netherlands) and the slitting centres in Birmingham (United Kingdom), Dolný Kubín (Slovakia) and Mortara (Italy). The consideration for the transaction was Euro 8 million, in addition to the repayment to Aurubis of an intercompany loan of Euro 63 million corresponding to the value of the net working capital of the acquired companies.

In December 2022, the contract, signed in September 2022, for the sale and lease back transaction on the Osnabrück plant was executed, which allowed the cash in of Euro 90 million. The related lease agreement, which provides for an annual rent of Euro 7.08 million, has a duration of 30 years, with a 10-year extension that can be exercised twice. A repurchase option is also envisaged at the end of 2026.

Also in December 2022, KME SE signed a contract for the sale of its 50% interest in the KMD joint venture ("KMD (HK) Holdings Limited") and one for the repurchase of 100% of the share capital of KMD Connectors Stolberg GmbH ("**Stolberg**"), which was transferred by KME to the KMD joint venture in 2014. The sale price of 50% of the KMD *joint venture* is approximately USD 50 million and Stolberg's repurchase price is approximately USD 17 million. KME will also cash in the intercompany positions and the shareholder loan currently in place for a total amount of around USD 20 million. The transaction is expected to close in the coming months.

Revenues from sales amounted to Euro 2,082.5 million (+4.1% compared to 2021 on a like-for-like basis), while those net of the value of raw materials totalled Euro 437.6 million (+30.6% compared to 2021, again on a like-for-like basis). This performance allowed for a significant improvement in EBITDA, up to Euro 112.6 million compared to Euro 95.5 million in the previous year.

The cash in of the extraordinary/M&A activities above mentioned enabled a significant improvement in KME SE's net financial position (from Euro 249.5 million as at 31 December 2021 to Euro 102.4 million as at 31 December 2022, of which Euro 90.0 million deriving from the effects of recognition, pursuant to IFRS, of the sale and lease back transaction) and the early redemption of the Euro 300 million KME SE Bond maturing in 2023.

(ii) CULTI Milano SpA

Also in 2022, CULTI Milano and its subsidiaries recorded significant commercial growth, confirming their differentiation and complementary channel strategy. The CULTI Milano group has also been involved with its subsidiary Bakel Srl in the market launch of the revolutionary BAKEL® 3D technology, which allows a much higher absorption than traditional cosmetics.

In 2022, the CULTI Milano group achieved revenues of Euro 23.1 million and an EBITDA of Euro 5.1 million, an improvement compared to the same indicators in 2021, equal to Euro 20.9 million and Euro 5.0 million, respectively.

(iii) Extraordinary finance transactions

During 2022, three public exchange offers were made on the Company's shares; this in light of the fact that it is believed that the new Group structure, also with respect to the expected greater cash generation capacity, requires a lower level of capital and to allow holders of financial instruments to transform their investments into instruments characterized by a lower degree of risk and a value incorporating a premium compared to previous prices.

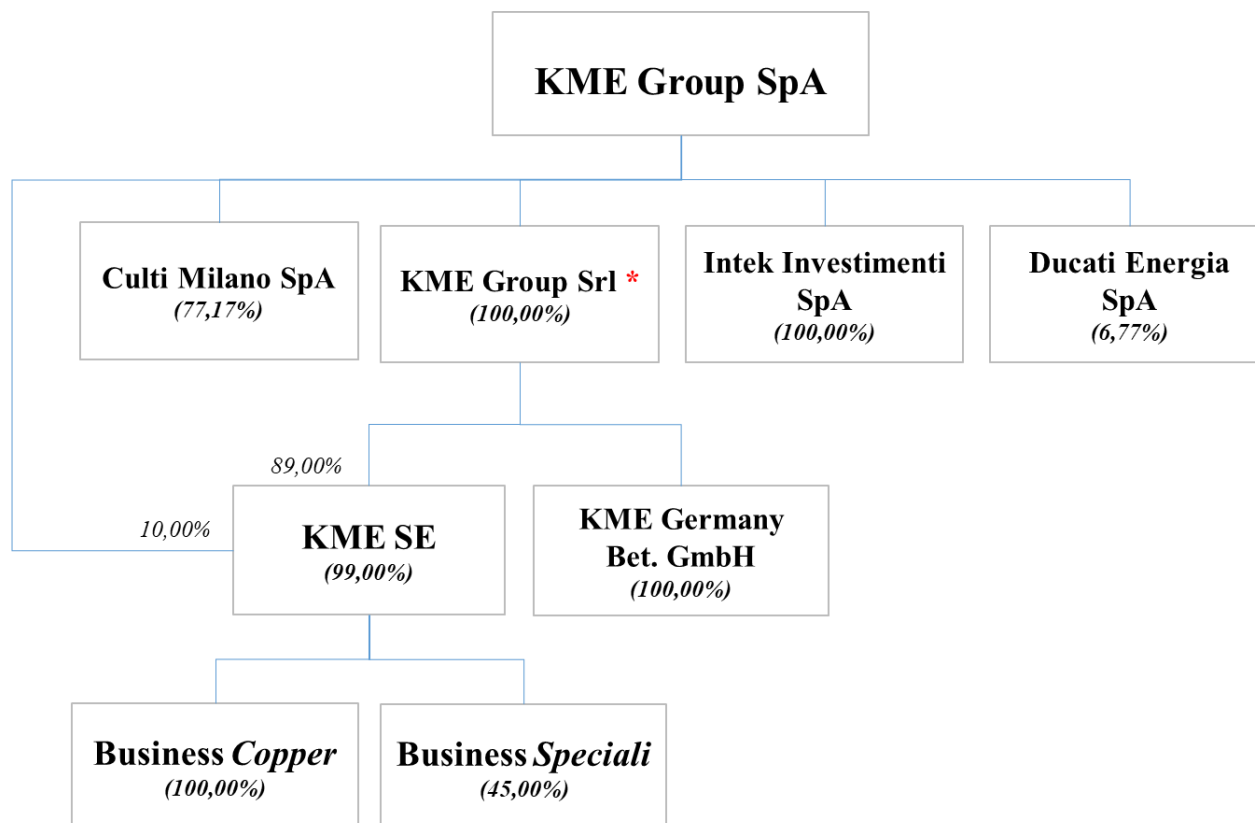
From 25 July 2022 to 13 September 2022, the total public exchange offer on the Intek Group savings shares and the partial public exchange offer on the "*Intek Group SpA 2021-2024 Warrants*" were carried out. On the other hand, the partial public exchange offer on Intek Group ordinary shares was concluded on 16 September 2022.

A total of 1.08 million savings shares (equal to 6.6% of the share capital included in the offer), 20.2 million warrants (equal to 28.1% of the warrants included in the offer) and 82.3 million ordinary shares (equal to 61.6% of the ordinary shares initially included in the relative offer and 48.5% considering the ordinary shares deriving from the claw back mechanism).

Against these subscriptions, as consideration, on 23 September 2022, 63,533,259 "KME Group SpA 2022-2027" bonds were issued, listed on the MOT, for a total value of Euro 63.5 million; on the same date, the Company cancelled ordinary shares, savings shares and warrants, and changed the company name to KME Group SpA.

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Summary of the Group's corporate structure at 31 December 2022



* Oggi **KMH SpA**

KME Group SpA held the following principal shareholdings as at 31 December 2022:

- *KME Group Srl (now KMH SpA)*: newco established in April 2022 to which were transferred - partly through conferment and partly through sale - 89% of the investment in KME SE and 100% of the investment in KME Germany Bet. GmbH. It should be remembered that KME SE is the head of a global leading group in the production and marketing of semi-finished products in copper and its alloys focused on the Copper sector, following the transfer of control of the Special Products business of which it retains 45%.
- *CULTI Milano SpA*: company listed on the EGM market, increasingly geared towards personal well-being, in addition to the consolidation of its traditional business in the environmental fragrance segment;
- *Intek Investimenti SpA*: corporate vehicle in which the investment and private equity activities of the Company have been concentrated in the last few years;
- *Ducati Energia SpA*: a non-controlling equity investment (6.77% of the share capital through all special shares) active in a number of attractive business segments (condensers, industrial power factor correction, railway signalling, measurement tools, sustainable mobility, Intelligent Transportation Systems).

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KME Group SpA financial highlights

KME Group SpA's financial highlights as at 31 December 2022, compared to 31 December 2021, can be summarised as follows:

Condensed separate statement of financial position				
<i>(in thousands of Euro)</i>	<i>31 Dec 2022</i>		<i>31 Dec 2021</i>	
<i>KME SE investment</i>	58,410		578,300	
<i>KME Group Srl investment</i>	480,000		-	
<i>Receivables from KME Group Srl</i>	43,723		-	
<i>KME Germany Bet. GmbH investment</i>	-		1,700	
<i>Other</i>	2,528		1,546	
Total KME	584,661	89.47%	581,546	90.43%
CULTI Milano	37,980	5.81%	28,904	4.49%
Ducati Energia	16,700	2.56%	16,700	2.60%
Intek Investimenti	12,694	1.94%	11,984	1.86%
Other investments	2,070	0.32%	1,995	0.31%
Other assets/liabilities	(660)	-0.10%	1,990	0.31%
Net investments	653,445	100.00%	643,119	100.00%
Outstanding bonds (*)	160,469		95,988	
Net cash	(1,316)		(4,572)	
Holding company net financial debt	159,153	24.36%	91,416	14.21%
Total shareholders' equity	494,292	75.64%	551,703	85.79%

Notes:

- *Investments are expressed net of any financial receivable/payable transactions outstanding with the Company.*
- *It should be noted that the values of the equity investments held by the Company until 22 April 2022, based on the Company's qualification of investment entity, represented equity investments determined according to the fair value method; as a result of the change of status of "investment entity", the fair value method was replaced by the cost method with regard to controlling equity investments.*

(*) *Including accruing interest.*

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Investments

The Net investments held by the Company amounted to Euro 653.4 million as at 31 December 2022 (Euro 643.1 million at the end of 2021), of which around 90% concentrated in KME SE.

Shareholders' Equity

The holding company's equity amounted to Euro 494.2 million, compared to Euro 551.7 million as at 31 December 2021; the most significant change is related to the effects of the Public Exchange Offers (Euro 64.7 million, including transaction costs).

Equity per share was Euro 1.57 (Euro 1.38 at the end of December 2021).

Financial management

Net financial indebtedness of the holding company (excluding intra-group loans and lease liabilities) totalled Euro 159.2 million as at 31 December 2022. The balance as at 31 December 2021 was Euro 91.4 million. The increase is due to the issue of the “KME Group S.p.A. 2022-2027” Bond Loan as part of the Public Exchange Offers.

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Main KME Group subsidiaries

KME SE

The investment in KME SE, which is in turn 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.

<i>(in thousands of Euro)</i>	<i>31 Dec 2022</i>	<i>31 Dec 2021</i>
KME SE investment	58,410	578,300
KME Group Srl investment	480,000	-
Receivables from KME Group Srl	43,723	-
KME Germany Bet. GmbH investment	-	1,700
Other	2,528	1,546
Total KME SE	584,661	581,546

Shown below are the effects of the transfer and sale transactions which involved the transfer of the investment in KME SE for 89% and of the entire equity investment in KME Germany Bet. GmbH to the newly established wholly-owned subsidiary KME Group Srl. Receivables of Euro 43.7 million relate to the deferred payment granted until 30 June 2023 on the occasion of the sale transactions and on the relative interest accrued at a rate of 7%.

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.

In the course of the last few years, the KME SE Group was committed to several strategic transactions with the objective of creating and, as well, consolidating several businesses in a sector that, for some years, 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 in 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. Another fundamental objective of the group is the progressive deleveraging.

In this context, the KME SE Group has finalised also the sale and lease back transactions already above mentioned.

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Revenues from sales amounted to Euro 2,082.5 million (+4.1% compared to 2021 on a like-for-like basis), while those net of the value of raw materials totalled Euro 437.6 million (+30.6% compared to 2021, again on a like-for-like basis).

Gross operating income (**EBITDA**) as at 31 December 2022 came to Euro 112.6 million, 17.9% up compared to the figures in 2021 (Euro 95.5 million), which also included the contribution of the businesses sold.

EBIT in 2022 stood at Euro 73.9 million (Euro 56.8 million in 2021).

The **net financial position** as at 31 December 2022 is significantly improved, from Euro 249.5 million to Euro 102.4 million, including a liability of Euro 90 million linked to the recognition pursuant to IFRS 16 of the sale and lease back transaction on the Osnabrück property.

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CULTI Milano SpA

KME Group holds 77.17% of the share capital of CULTI Milano SpA, a company whose shares have been traded on the Euronext Growth Milan market since July 2017. The shareholding rises to 87.64%, considering the company's share capital net of treasury shares in its portfolio, also as a result of the buy-back transaction it carried out in 2022.

As already announced on 28 February, KME Group is currently negotiating the sale of the entire equity investment held in CULTI Milano SpA.

<i>(in thousands of Euro)</i>	<i>31 Dec 2022</i>	<i>31 Dec 2021</i>
Equity investment CULTI Milano SpA	37,990	28,904
Total CULTI	37,990	28,904

The Group - consisting of CULTI Milano, Bakel, Scent Company and CULTI Milano Asia Ltd - in 2022 recorded a consolidated turnover of Euro 23.1 million and EBITDA of Euro 5.1 million (respectively Euro 21.0 million and Euro 5.0 million in 2021).

The main consolidated indicators can be summarised as follows:

- **total sales:** Euro 23.1 million (Euro 20.9 million in 2021, +10%);
- **sales completed on the domestic market:** Euro 8.4 million (+18% compared to 2021, when they came to Euro 7.1 million);
- **sales achieved on international markets** (equal to 64% of total turnover): Euro 14.7 million (+6% compared to 2021, when they came to Euro 13.8 million);
- **EBITDA** of Euro 5.1 million (Euro 5.0 million in 2021);
- **EBIT** of Euro 4.3 million (Euro 4.6 million in 2021), a decrease of 6% due to significant investments made to support new commercial activities;
- **Net profit:** Euro 2.3 million, down compared to 2021 when it was Euro 2.7 million. The reduction is mainly due to commercial and marketing investments;
- **net financial position:** negative for Euro 2.0 million. This indicator was positive for Euro 5.1 million in 2021 and decreased *(i)* due to the investment relating to the purchase of treasury shares of the parent company CULTI Milano SpA and partially financed for Euro 5.2 million through a specific credit line and *(ii)* for the investments in the new 3D project of the subsidiary Bakel Srl, linked to the product development and its promotion, especially on the American market of significant strategic importance.

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KME Group Consolidated Financial Statements

The new strategic process announced by the Company on 22 April makes the exception to the consolidation set forth in IFRS 10 for investment entities no longer applicable, with the subsequent obligation of line-by-line consolidation of controlling interests, to be carried out prospectively from the date on which the change of status is verified.

The resulting consolidated financial statements which, at income statement and cash flows level, include solely eight months of activities of the consolidated subsidiaries, is not only partially comparable with the values reported in previous financial statements, but also unrepresentative of the operating results of the Parent Company and the consolidated subsidiaries.

The main balances of the consolidated financial statements as at 31 December 2022 are:

- **total assets:** Euro 2,067.4 million;
- **total shareholders' equity** (including the portion pertaining to minority interests): Euro 569.5 million;

- **profit for the period:** Euro 35.5 million;
- **net financial debt:** Euro 267.5 million.

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Approval of the 2022 Consolidated Non-Financial Statement

In compliance with the provisions of Article 5, paragraph 3, letter b of Italian Legislative Decree 254/2016, KME Group has prepared a Consolidated Non-Financial Statement, a separate report on the Group's activities and performance in the area of environmental and social issues, including the governance policies adopted, disclosing the objectives of the Group Sustainability Plan.

The 2022 Consolidated Non-Financial Statement (“NFS 2022”) is prepared “in reference” to the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and is subject to limited audit by Deloitte & Touche SpA.

The 2022 NFS will be published on the Company's website within the legal deadlines.

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Notice of Shareholders' Meeting

The Board of Directors has delegated the Chairman and the Deputy Chairmen, severally, to call the Shareholders' Meeting of the Company for 28 April 2023 in first call and for 3 May 2023 in second call, to decide on the 2022 separate financial statements and the proposal for allocation of profit for the year, which envisages the distribution of a dividend of Euro 0.217230 for each savings share, as well as the report on remuneration pursuant to art. 123-ter of the TUF.

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Verification of independence requirements of Non-executive directors and the Board of Statutory Auditors

In compliance with the provisions of the new Corporate Governance Code in force as of 1 January 2021, the Board of Directors evaluated, in application of the principles and recommendations set forth in article 2 of the Code, the independence of the non-executive directors and members of the control body, confirming the fulfilment of the independence requirements by the directors Francesca Marchetti and Luca Ricciardi and all members of the Board of Statutory Auditors.

The assessment was based on the information received from the Directors and Statutory Auditors in accordance with Article 148, paragraph 3 of Italian Legislative Decree 58/98 and the criteria provided in Article 2, recommendations 7 and 9 of the Corporate Governance Code.

The Company did not use parameters nor quantitative and/or qualitative criteria other than the above.

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The Manager in charge of Financial Reporting, Giuseppe Mazza, hereby declares that, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance (Italian Legislative Decree no. 58/1998), the accounting information contained in this press release corresponds to the company's documents, books, and accounting records.

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The press release is available on the website www.itkgroup.it, where it is possible to request information directly from the Company (phone: +39 02-806291; email: info@itk.it) and on the “eMarket STORAGE” system at www.emarketstorage.it.

Annexes:

- 1) KME Group SpA Statement of financial position;
- 2) KME Group SpA Statement of profit or loss and other comprehensive income;
- 3) Consolidated Statement of financial position;
- 4) Consolidated Statement of profit or loss and other comprehensive income.

Annex 1) KME Group – Separate financial statements as at 31 December 2022

Statement of financial position – Assets

<i>(in Euro)</i>	<i>31-Dec-22</i>	<i>31-Dec-21</i>
Investments in subsidiaries	587,631,631	620,201,471
Investments in other companies	16,922,003	16,922,008
Non-current financial assets	10,641	4,709
Property, plant and equipment	3,251,257	3,492,672
Investment property	32,289	32,289
Intangible assets	9,899	12,033
Other non-current assets	2,961	2,961
Deferred tax assets	2,093,098	2,761,882
Total non-current assets	609,953,779	643,430,025
Current financial assets	67,070,610	26,444,454
Trade receivables	5,421,291	5,039,105
Other current receivables and assets	1,719,379	5,679,530
Cash and cash equivalents	508,479	4,698,297
Total current assets	74,719,759	41,861,386
Total assets	684,673,538	685,291,411

Note As things currently stand, the auditing of the financial statements has not yet been completed.

KME Group – Separate financial statements as at 31 December 2022

Statement of financial position – Liabilities

<i>(in Euro)</i>	<i>31-Dec-22</i>	<i>31-Dec-21</i>
Share capital	200,070,088	335,069,211
Other reserves	288,555,772	97,029,465
Treasury shares	(2,133,266)	(2,133,266)
Retained earnings/(accumulated losses)	-	53,840,132
Stock option reserve	2,624,934	2,591,879
Profit/(loss) for the year	5,173,722	65,306,021
Total shareholders' equity	494,291,250	551,703,442
Employee benefits	428,952	417,892
Deferred tax liabilities	851,870	2,220,870
Non-current financial payables and liabilities	2,026,521	2,445,502
Bonds	155,991,336	92,371,656
Other non-current liabilities	-	113,141
Provisions for risks and charges	-	290,937
Total non-current liabilities	159,298,679	97,859,998
Current financial payables and liabilities	26,555,437	29,676,656
Trade payables	1,989,201	2,238,515
Other current liabilities	2,538,971	3,812,800
Total current liabilities	31,083,609	35,727,971
Total liabilities and shareholders' equity	684,673,538	685,291,411

Note As things currently stand, the auditing of the financial statements has not yet been completed.

Annex 2) KME Group – Separate financial statements as at 31 December 2022

Statement of profit or loss and other comprehensive income

<i>(in Euro)</i>	2022	2021
Net income from management of equity investments	10,090,137	73,388,243
Guarantee fees	862,134	865,210
Other income	5,513,796	1,006,925
Labour costs	(2,129,532)	(1,866,861)
Amortisation, depreciation, impairment and write-downs	(672,941)	(657,504)
Other operating costs	(6,220,592)	(4,801,989)
Operating profit/(loss)	7,443,002	67,934,024
Finance income	2,922,780	291,794
Finance expense	(6,032,253)	(4,375,043)
<i>Net finance expense</i>	<i>(3,109,473)</i>	<i>(4,083,249)</i>
Profit/(loss) before taxes	4,333,529	63,850,775
Current taxes	139,972	1,893,559
Deferred taxes	700,221	(438,313)
Total income taxes	840,193	1,455,246
Profit/(loss) from continuing operations	5,173,722	65,306,021
Profit/(loss) from discontinued operations	-	-
Net profit/(loss) for the year	5,173,722	65,306,021
Other comprehensive income:		
<i>Measurement of employee defined benefits</i>	25,092	(11,825)
<i>Taxes on other comprehensive income</i>	-	-
Items that will not be reclassified to profit or loss	25,092	(11,825)
Items that may be reclassified to profit or loss	-	-
Other comprehensive income:	25,092	(11,825)
Total comprehensive income for the year	5,198,814	65,294,196

Note As things currently stand, the auditing of the financial statements has not yet been completed.

Annex 3) KME Group – Consolidated financial statements as at 31 December 2022

Statement of financial position – Assets

<i>(in thousands of Euro)</i>	<i>31-Dec-22</i>	<i>31-Dec-21</i>
Property, plant and equipment	499,957	3,493
Investment property	68,175	32
Intangible assets	424,064	12
Investments in subsidiaries	23,281	620,201
Equity-accounted investments	76,654	-
Investments in other companies	17,405	16,922
Other non-current assets	3,106	3
Non-current financial assets	3,245	5
Deferred tax assets	88,478	2,762
Total non-current assets	1,204,365	643,430
Inventories	404,903	-
Trade receivables	95,359	5,039
Current financial assets	110,101	26,444
Other current receivables and assets	16,675	5,680
Cash and cash equivalents	128,844	4,698
Total current assets	755,882	41,861
Non-current assets held for sale	107,198	-
Total assets	2,067,455	685,291

Note As things currently stand, the auditing of the financial statements has not yet been completed.

KME Group – Consolidated financial statements as at 31 December 2022

Statement of financial position – Liabilities

<i>(in thousands of Euro)</i>	<i>31-Dec-22</i>	<i>31-Dec-21</i>
Share capital	200,070	335,069
Other reserves	287,267	99,644
Treasury shares	(2,133)	(2,133)
Retained earnings/(accumulated losses)	1,143	53,840
Other comprehensive income reserve	13,188	(23)
Profit/(loss) for the year	35,456	65,306
Shareholders' equity pertaining to shareholders of the Parent Company	534,991	551,703
Non-controlling interests	34,546	-
Total shareholders' equity attributable to owners of the Parent	569,537	551,703
Employee benefits	127,588	418
Deferred tax liabilities	117,752	2,221
Non-current financial payables and liabilities	240,758	2,445
Bonds	155,991	92,372
Other non-current liabilities	482	113
Provisions for risks and charges	3,543	291
Total non-current liabilities	646,114	97,860
Current financial payables and liabilities	109,455	29,677
Trade payables	540,725	2,238
Other current liabilities	129,280	3,813
Provisions for risks and charges	3,865	-
Total current liabilities	783,325	35,728
Liabilities directly associated to assets held for sale	68,469	-
Total liabilities and shareholders' equity	2,067,445	685,291

Note As things currently stand, the auditing of the financial statements has not yet been completed.

Annex 4) KME Group – Consolidated financial statements as at 31 December 2022

Statement of profit or loss and other comprehensive income

<i>(in thousands of Euro)</i>	2022	2021
Revenues from sales and services	1,400,584	-
Change in inventories of finished goods and semi-finished products	53,991	-
Capitalised internal work	373	-
Other income	10,862	1,007
Purchases and change in raw materials	(1,131,320)	-
Labour costs	(123,405)	(1,867)
Amortisation, depreciation, <i>impairment</i> and write-downs	(43,497)	(658)
Other operating costs	(159,010)	(4,801)
Operating profit/(loss)	8,578	(6,319)
Financial income	51,583	1,157
Financial expense	(33,557)	(4,375)
<i>Net finance expense</i>	<i>18,026</i>	<i>(3,218)</i>
Result of equity investments	(195)	73,388
Profit/(loss) before taxes	26,409	63,851
Current taxes	(7,536)	1,893
Deferred taxes	26,846	(438)
Total income taxes	19,310	1,455
Net profit (loss) for the financial year from operating activities	45,719	65,306
Profit/(loss) from discontinued operations	(10,261)	-
Net profit/(loss) for the year	35,458	65,306
Other comprehensive income:		
<i>Measurement of employee defined benefits</i>	<i>16,053</i>	<i>(12)</i>
<i>Tax on other comprehensive income</i>	<i>(4,120)</i>	-
Items that will not be reclassified to profit or loss	11,933	(12)
<i>Foreign currency translation gains/(losses)</i>	<i>1,506</i>	-
<i>Net change in cash flow hedge reserve</i>	<i>694</i>	-
<i>Taxes on other comprehensive income</i>	<i>(149)</i>	-
Items that may be reclassified to profit or loss	2,051	-
Total other comprehensive income, net of tax effect:	13,984	(12)
Total comprehensive income for the year	49,442	65,294
<i>Net profit/(loss) for the year attributable to:</i>		
- non-controlling interests	2	-
- owners of the Parent	35,456	65,306
Net profit/(loss) for the year	35,458	65,306
Total comprehensive income attributable to:		
- non-controlling interests	824	-
- owners of the Parent	48,618	65,294
Total comprehensive income for the year	49,442	65,294

Note As things currently stand, the auditing of the financial statements has not yet been completed.