



KME Group SpA

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

Share Capital Euro 200,154,177.66 (fully paid up)

Tax Code and Milan Companies Register no. 00931330583

www.itkgroup.it

PRESS RELEASE

- **THE DRAFT FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 HAVE BEEN APPROVED.**
- **CONSOLIDATED RESULTS:**
 - **REVENUES DOWN BY 17% (EURO 1,565.4 MILLION, A DECREASE OF EURO 315.1 MILLION COMPARED TO 2023) DUE TO A REDUCTION IN VOLUMES OF 24.5%.**
 - **DESPITE THE DECREASE IN VOLUMES, EBITDA AMOUNTED TO EURO 99.7 MILLION (DOWN BY EURO 34.8 MILLION), CONFIRMING THE VALIDITY OF THE COMMERCIAL STRATEGY IN PLACE SINCE LAST YEAR.**
 - **POSITIVE EBIT OF EURO 54.0 MILLION (POSITIVE FOR A TOTAL OF EURO 79.3 MILLION IN 2023).**
 - **THE NET LOSS BEFORE IFRS IMPACT AND WRITE-DOWNS CAME TO EURO 30.6 MILLION: ENTIRELY ATTRIBUTABLE TO THE FINANCIAL EXPENSE OF THE PARENT COMPANY AS THE RESULT OF INDUSTRIAL ACTIVITIES AT BREAK-EVEN DESPITE THE HIGH REDUCTION IN VOLUMES (THE IFRS NET LOSS WAS EURO 70.9 MILLION DUE TO THE EFFECT OF THE IFRS MEASUREMENTS OF INVENTORIES AND EQUITY ACCOUNTED INVESTMENTS).**
 - **CONSOLIDATED EQUITY OF EURO 270.3 MILLION (EURO 358.8 MILLION AS AT 31 DECEMBER 2023) AND A RECLASSIFIED NET FINANCIAL POSITION OF EURO 260.5 MILLION (IN LINE WITH THE PREVIOUS YEAR).**
 - **AGREEMENT REACHED WITH LYNSTONE SSF HOLDINGS II SÀRL FOR THE EXTENSION UNTIL DECEMBER 2027 OF THE MATURITY OF THE BOND OF THE SUBSIDIARY KMH FOR EURO 110.8 MILLION.**
- **PROPOSAL FOR THE APPROVAL OF THE SHAREHOLDERS TO COVER THE LOSS FOR THE YEAR BY USING THE EXTRAORDINARY RESERVE IN THE SAME AMOUNT.**
- **MANDATE TO THE CHAIRWOMAN AND DEPUTY CHAIRMAN TO CALL THE SHAREHOLDERS' MEETING IN ORDINARY SESSION, FOR 15 AND 16 MAY 2025.**

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Milan, 14 April 2025 - The Board of Directors of KME Group SpA today approved the parent company's draft financial statements as at 31 December 2024, 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 sulla Finanza) and the Report on the Remuneration policy and fees paid pursuant to Article 123-ter of the TUF.

In compliance with the provisions of Italian Legislative Decree No. 125/2024, the Board of Directors also examined and approved the Consolidated Sustainability Report contained in the Directors' Report.

The Annual Financial Report as at 31 December 2024, 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).

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Group performance

The reduction in demand in the reference sectors continued during 2024, whose first signs of deceleration had been detected starting from the fourth quarter of 2022 and which had progressively increased in the first few months of the second half of 2023.

This reduction clearly had an impact on the economic results of KME Group SpA (“KME” or the “Company”) and its subsidiaries (the “KME Group” or the “Group”).

The Group managed to reduce the negative effects of this economic trend thanks to the strategic actions taken in the past to bolster its market positioning.

In line with the Group strategy, management focused on new acquisitions that were also instrumental in recovering sales volumes. This led to the acquisition of Sundwiger Messingwerk GmbH (European leader in the semi-finished rolled bronze products sector as well as manufacturer of semi-finished rolled brass products), finalised in January 2025, and that of 75.76% of the share capital of Azienda Metalli Laminati SpA of which the Group already held 24.24%, finalised in July 2024.

The Group has also launched a careful cost containment and rationalisation policy, including by means of restructuring actions.

The operating results were penalised by market performance. Revenues net of raw material costs amounted to Euro 523.7 million, compared to Euro 608.1 million in the previous year, a decrease of 13.9%. Despite the significant reduction in sales, thanks to the profitability achieved, the EBITDA level was equal to Euro 99.7 million compared to Euro 134.5 million in the previous year, a drop of 26%.

The net loss before write-downs and IFRS impact was Euro 30.6 million. This result was affected by the Parent Company’s financial expense, while industrial activities broke even. The aforementioned break-even result, despite a 24.5% reduction in quantities sold, confirms the validity of the commercial strategy in place since last year.

From a financial standpoint, there was also a move to increase the average maturity of the Group's debt. During 2024, through two public exchange offers and two public subscription offers, the new “KME Group SpA 2024-2029” bond, with a rate of 5.75%, was placed for a total of Euro 138.8 million; this replaced the previous one maturing in February 2025. The repayment dates of the bond issued by the subsidiary KMH SpA have also been rescheduled: the repayment deadline has been moved from 31 December 2025 to 31 December 2027, and in 2025 an instalment of Euro 15.0 million is expected to mature in September.

As at 31 December 2024, the Group had a Reclassified Consolidated Financial Position of Euro 260.5 million, in line with the previous year. 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.

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.

Considering the persistence of the climate of uncertainty with regard to the economic trend, a further lengthening of the timescales of the merger, already deferred to the second half year of 2025, is expected.

The delisting is considered by the Company as functional to the objective of concentrating its activities in the industrial management of the KME SE Group and to offering the Company greater flexibility in the pursuit of strategies aimed at strengthening its market position, also through external growth, taking into account that the market listing does not adequately reflect the value of the KME Group.

Indeed, in recent years the Company’s activities focused on managing the shareholding in KME SE and its subsidiaries, through several acquisitions and disposal operations that have created a new strategic configuration of the copper sector, focused mainly on the rolled copper segment (“Copper”).

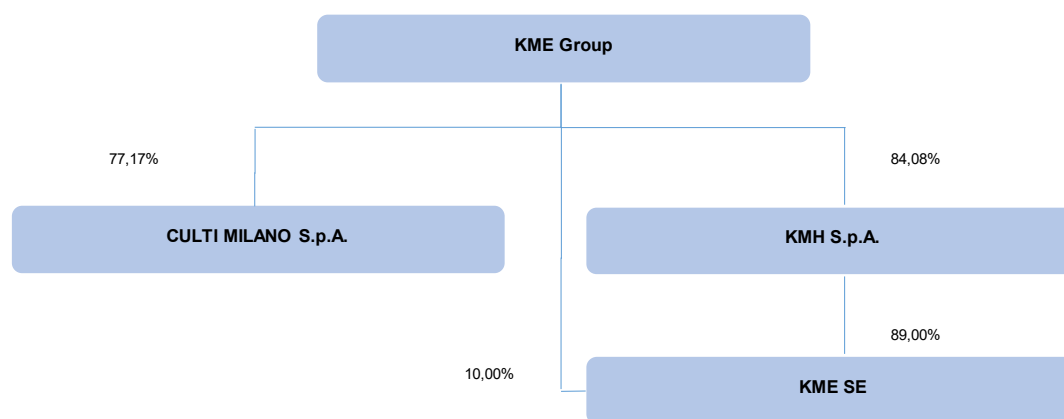
The Copper sector offers interesting development prospects, both in terms of profitability and cash generation, reinforced by the increased competitive positioning of KME SE, in line with the expectations of most relevant markets.

Furthermore, the Company believes that the delisting, in addition to representing a corporate simplification with related cost savings, may make it possible to more effectively implement any opportunities for reorganisation and strengthening of the KME Group, more easily pursued as an unlisted company.

With reference to the macroeconomic context of the period, the Group is monitoring the evolution of the general political and economic situation, also in relation to the effects of the evolution of the conflict in Ukraine and other situations of conflict and international tension.

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Summary of the Group's corporate structure as at 31 December 2024



KME Group SpA held the following main shareholdings as at 31 December 2024:

- *KMH SpA*: holding company that directly holds an 89% stake in KME SE;
- *KME SE*: company heading a global leading group in the production and marketing of semi-finished products in copper and its alloys focused on the Copper sector, following the transfer of control of the special products business (now headed by the company *cunova GmbH*), in which it retains a 45% stake;
- *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.

It should be noted that, continuing the corporate rationalisation process and the Parent Company's progressive focus on Copper business operations, during 2024 the Company sold its interest in *Intek Investimenti SpA* to its subsidiary *KME SE*.

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Performance of the individual segments

(i) Copper sector

Europe is KME SE's main reference market and therefore all macroeconomic, political and other developments affecting this market directly affect its business.

After the 16% reduction in demand for rolled semi-finished products recorded in 2023, independent market research institutes indicated a further drop in demand of around 10-12% in 2024. Although the final figures are, currently, not known, it is clear that this ongoing trend has had a significant impact on the development of KME's volumes.

The drop affected practically all sectors in which the Group operates, but in particular the automotive, machinery and fittings, construction and export sectors (especially for customers based in Germany). The defence sector, on the other hand, had better performance.

Despite the drop in quantities sold (-24.5% compared to 2023), KME SE managed to keep the value of revenues per ton in line.

As part of its commercial transformation projects, KME SE carried out the following activities during 2024:

- continuous monitoring and fine-tuning of commercial actions and initiatives introduced in this period;
- continuous analysis of the cost elements in certain locations and their impact on sales prices;
- constant focus on achieving the unit value-added and EBITDA targets at Group level, for the entire group of products and customers;
- proactive approach to initiating negotiations with customers with the aim of guaranteeing profitable volumes for 2025;
- commercial integration of Azienda Metalli Laminati SpA (AML) acquired in July 2024.

In addition to the commercial actions mentioned above, cost optimisation projects were also enhanced at all Group plants. As part of these initiatives, the plan to end production at the Stolberg plant was announced in February 2025, to further optimise the Group's production footprint.

The main results of KME SE for the year 2024, compared to the previous year, can be summarised as follows:

Key results of the copper sector					
<i>(in Euro million)</i>	<i>2024</i>		<i>2023</i>		<i>Change</i>
Revenues	1,540.8		1,858.0		-17.1%
Revenues (net of raw materials)	499.0	100.0%	585.6	100.0%	-14.8%
EBITDA	97.8	19.6%	135.5	23.1%	-27.8%
EBIT	54.3	10.9%	86.9	14.8%	-37.5%
Profit (loss) before non-recurring items	(0.3)	-0.1%	34.5	5.9%	-100.9%
Non-recurring income/(expenses)	8.4		(26.6)		
Result net of current tax payables before the IFRS measurement of inventories, deferred taxes and equity accounted investments	0.4		(0.4)		
Effect of IFRS measurement of inventories	(25.2)		(7.6)		
Profit (loss) from equity-accounted investments	(11.0)		(8.4)		
Deferred taxes	(5.0)		0.8		
Consolidated net profit (loss)	(40.9)		(21.6)		
Comprehensive income items	(1.8)		(4.5)		
Comprehensive income	(42.7)		(26.1)		
Net debt*	(27.2)		72.7		
Group equity*	204.3		250.6		

Consolidated revenues in the year 2024 amounted to a total of Euro 1,540.8 million, a decrease of 17.1% compared to 2023 (Euro 1,858.0 million).

Net of the value of raw materials, revenues fell from Euro 585.6 million to Euro 499.0 million (-14.8%).

Gross operating income (**EBITDA**) amounted to Euro 97.8 million, down by 27.8% compared to the 2023 figures (Euro 135.5 million).

Net operating income (**EBIT**) stood at Euro 54.3 million (Euro 86.9 million in 2023).

The **Loss before non-recurring items** came to Euro 0.3 million (profit of Euro 34.5 million in 2023).

The result for 2024 was positively affected by non-recurring income of Euro 8.4 million (costs of Euro 26.6 million in 2023). At the end of December 2024, as a result of the early waiver of the possible exercise of the buyback option included in the Osnabrück Sale and Lease Back contract, the Group recorded income of Euro 32.8 million. By contrast, the result for 2023 was penalised by non-recurring expenses relating to: restructuring projects (Euro 10.9 million), M&A transactions (Euro 7.9 million) - mainly linked to consulting costs, and the write-down of a number of working capital assets for Euro 3.4 million - and, finally, expenses of Euro 2.4 million deriving from the additional expenses necessary for the management of the supply of material following the shutdown of a plant, following the fatal accident on 24 May 2024 at the Fornaci di Barga plant.

The **Profit net of current tax payables before the IFRS measurement of inventories, deferred taxes and equity accounted investments** came to Euro 0.4 million (loss of Euro 0.4 million in 2023).

The **Net consolidated loss** amounted to Euro 40.9 million (loss of Euro 21.6 million in 2023).

The measurement of inventories and forward contracts net of taxes had a negative impact of Euro 25.2 million, compared to a negative impact of Euro 7.6 million recorded in 2023.

The **Group Comprehensive Consolidated Loss** was Euro 42.7 million (loss of Euro 26.1 million in 2023).

The **Reclassified Net Financial Position** as at 31 December 2024, excluding lease liabilities based on IFRS 16, the fair value measurement of financial instruments and the IFRS financial liability originating from the sale & leaseback transaction, carried out in December 2022 with reference to the Osnabrück properties, was positive for Euro 70.9 million compared to a positive Euro 35.2 million at the end of December 2023. The AML consolidation had a negative impact of Euro 22.2 million, of which Euro 7.5 million related to the purchase price of the investment.

Net Financial Debt shows a credit balance of approximately Euro 27.2 million compared to a negative balance of Euro 72.7 million as at 31 December 2023.

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(ii) CULTI Milano S.p.A.

Despite a complex reference framework, the year ended 31 December 2024 was positive for the CULTI Milano group both in terms of growth in core turnover and in terms of excellent profitability.

Of particular importance, in December 2024, was the sale by CULTI of a part of its investment in the subsidiary BAKEL SpA (hereinafter also “Bakel”) - in the meantime transformed from an Srl (Italian limited liability concern) into an SpA (Italian joint-stock company) - for a number of shares equal to 25.11% of its capital, essentially at the carrying amounts of the parent company CULTI and therefore for a total of Euro 1.26 million (the “Sale”). At the same time, Bakel launched the EGM market listing project, which is expected to be finalised in the first half of 2025 and the results of which may also benefit CULTI in relation to the investment sold. The Sale was carried out in two tranches, the first for a holding equal to 0.21% of the share capital of Bakel, with immediate payment of the consideration, and the second for a holding equal to 24.90% of the share capital of Bakel, with payment of the consideration by June 2028. The agreement envisages that the price of the second holding will increase to take into account the IPO value, as soon as it is known. Following the Sale, CULTI holds 24.90% of the share capital of Bakel, with 10.59% of the voting rights.

Following the loss of the majority holding in Bakel, the CULTI Milano group is made up, in addition to the parent company, of CULTI Asia Ltd and SCENT Company Srl.

The following are the main indicators of the CULTI Milano group (the income statement balances of the Bakel group, which is no longer part of the Group as at 31 December 2024, are not included):

- total sales: Euro 20.8 million (Euro 19.1 million in 2023), recording growth of 8.9%;
- sales achieved on the domestic market: Euro 5.7 million (Euro 5.2 million in 2023), registering an increase of 10%;
- sales achieved on international markets (equal to 72% of total turnover): these reached Euro 15.1 million (Euro 13.9 million in 2023), recording an increase of 8%;

- EBITDA of Euro 4.7 million (Euro 4.2 million in 2023), registering an increase of 11.9%;
- EBIT of Euro 4.2 million (Euro 3.7 million in 2023), up due to the rise in sales;
- consolidated net profit: Euro 4.0 million (Euro 1.6 million in 2023);
- net financial position: positive for Euro 0.2 million (negative for Euro 3.2 million as at 31 December 2023), improving mainly as a result of the deconsolidation of Bakel - which, as at 31 December 2023, had a negative net financial position for Euro 2.7 million - in addition to the increased gross operating margin of the CULTI Milano group.

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(iii) Extension to December 2027 of the final maturity of the Euro 110.8 million KMH Bond

An agreement was entered into with the bondholder Lynstone SSF Holdings II Sàrl for the extension of the final maturity of the KMH SpA Bond (“*KMH SpA Up to Euro 135,100,000.00 Senior Guaranteed and Secured Fixed Rate Notes due 31 December 2025*”) amounting to Euro 110.8 million and which, as at 31 December 2024, envisaged maturities of Euro 73.9 million as at 28 February 2025 and Euro 36.9 million as at 31 December 2025. By virtue of this agreement, the final maturity date of the bond was deferred until 31 December 2027, envisaging repayments of Euro 15.0 million in September 2025 and March 2026, Euro 45.0 million in March 2027 and a final instalment of Euro 35.8 million. There were no changes in the interest rate which, as from 1 March 2025, is equal to 15%. With the signing of the amending agreements - which involved the payment of a fee of Euro 1.7 million - the financial terms envisaged by the contract were also revised.

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Group results

The consolidated results as at 31 December 2024 are fully comparable with those of the last financial year, including both the income and cash flow statements of the consolidated companies for all twelve months. Therefore, we were able to overcome the limited comparability affecting the Group's financial statements following the launch of the new strategic approach announced by the Company on 22 April 2022, which had rendered the IFRS 10 consolidation exception for investment entities no longer applicable, with the subsequent obligation of line-by-line consolidation of controlling interests to be adopted prospectively from the date on which the change of status occurred.

The consolidated net invested capital can be analysed as follows:

Consolidated net invested capital		
<i>(in Euro thousand)</i>	<i>31 Dec 2024</i>	<i>31 Dec 2023</i>
Net non-current assets	1,136,348	1,080,728
Net working capital	(346,888)	(178,949)
Net deferred taxes	(18,417)	(24,745)
Provisions	(133,203)	(148,928)
Net invested capital	637,840	728,106
Total equity	270,330	358,815
Net financial debt	367,510	369,291
Funding sources	637,840	728,106

As at 31 December 2024, the Group had a Reclassified Consolidated Financial Position of Euro 260.5 million, compared to Euro 258.2 million as at 31 December 2023. 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.

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

Reconciliation of Reclassified Net Financial Position		
<i>(in Euro thousand)</i>	<i>31 Dec 2024</i>	<i>31 Dec 2023</i>
Reclassified Net Financial Position	260,546	258,191
Financial liabilities for Sales and Lease Back	7,415	94,638
Net financial liabilities pursuant to IFRS 16	62,630	12,944
Financial instruments measured at fair value	(17,148)	351
Non-current financial assets	54,067	3,167
	106,964	111,100
Total financial debt	367,510	369,291

The net financial debt (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) of the Group as at 31 December 2024 compared to 31 December 2023 can be summarised as follows:

Net financial debt		
<i>(in Euro thousand)</i>	<i>31 Dec 2024</i>	<i>31 Dec 2023</i>
A Cash and cash equivalents	181,242	118,609
B Cash equivalents	-	-
C Other financial assets	79,324	94,012
D Cash and cash equivalents (A+B+C)	260,566	212,621
E Current financial debt	39,103	67,820
F Current portion of non-current financial debt	213,229	59,466
G Current financial debt (E+F)	252,332	127,286
H Net current financial debt (G-D)	(8,234)	(85,335)
I Non-current financial debt	176,790	223,916
J Debt instruments	198,954	230,710
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I + J + K)	375,744	454,626
M Total financial debt (H + L)	367,510	369,291

It should be noted that the “*Current portion of non-current financial debt*”, equal to Euro 213 million, includes a total of Euro 166.7 million represented:

- for Euro 54.8 million, by the principal amount and the accruing coupons of the KME Group 2020-2025 Bond, which was repaid on maturity (18 February 2025);
- for Euro 111.9 million, by the principal amount and the accruing coupons of the Bond issued by the subsidiary KMH, whose final maturity was subsequently postponed from 31 December 2025 to 31 December 2027, as mentioned above.

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KME Group SpA financial highlights

KME Group SpA's financial highlights as at 31 December 2024, compared to 31 December 2023, can be summarised as follows:

Condensed separate statement of financial position				
<i>(in Euro thousand)</i>	<i>31 Dec 2024</i>		<i>31 Dec 2023</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>2,965</i>		<i>(141)</i>	
Total KME	541,375	94.61%	538,269	91.07%
Culti Milano	37,981	6.64%	37,988	6.43%
Intek Investimenti	-	0.00%	13,518	2.29%
Other investments	1,574	0.28%	1,774	0.30%
Other assets/liabilities	(8,705)	-1.52%	(468)	-0.08%
Net investments	572,225	100.00%	591,081	100.00%
Outstanding bonds (*)	257,852		160,616	
IPO financing	132,401		115,186	
Net cash	(77,367)		17,701	
Holding company net financial debt	312,886	54.68%	293,503	49.66%
Total equity	259,339	45.32%	297,578	50.34%

Notes:

- *Investments are expressed net of any outstanding Company's financial receivables/payables.*

() Including accruing interest.*

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Investments

The net investments held by the Company amounted to Euro 572.2 million as at 31 December 2024 (Euro 591.1 million at the end of 2023), of which more than approximately 94% concentrated in KME SE.

Equity

The holding company's equity amounted to Euro 259.3 million, compared to Euro 297.6 million as at 31 December 2023; the most significant change is related to the result for the year and the effects of the share and warrant purchase transactions.

Debt

The Parent Company's financial debt as at 31 December 2024, compared to 31 December 2023, can be broken down as follows:

Financial debt		
<i>(in Euro thousand)</i>	<i>31 Dec 2024</i>	<i>31 Dec 2023</i>
A Cash and cash equivalents	27,356	3,214
B Cash equivalents	-	-
C Other financial assets	53,821	24,803
D Cash and cash equivalents (A+B+C)	81,177	28,017
E Current financial debt	6,781	37,749
F Current portion of non-current financial debt	53,704	10,521
G Current financial debt (E+F)	60,485	48,270
H Net current financial debt (G-D)	(20,692)	20,253
I Non-current financial debt	139,495	117,423
J Debt instruments	198,954	156,139
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I + J + K)	338,449	273,562
M Total financial debt (H + L)	317,757	293,815

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

Reclassified income statement		
<i>(in Euro thousand)</i>	<i>2024</i>	<i>2023</i>
Fair value changes and other gains/losses from investment management	1,475	796
Investment management costs	(83)	(177)
Gross profit/(loss) from investments	1,392	619
Commission income on guarantees given (a)	866	859
Net operating costs (b)	(6,138)	(5,675)
<i>Overheads (a) - (b)</i>	<i>(5,272)</i>	<i>(4,816)</i>
Reclassified operating profit (loss)	(3,880)	(4,197)
Net financial expense	(22,067)	(8,524)
Profit before tax and non-recurring items	(25,947)	(12,721)
Non-recurring income/(expenses)	(2,240)	(3,653)
Profit (loss) before tax	(28,187)	(16,374)
Taxes for the year	3,128	1,826
Net profit (loss) for the period	(25,059)	(14,548)

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Business outlook

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

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

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Notice of Shareholders' Meeting

The Board of Directors has delegated the Chairperson and the Deputy Chairperson, severally, to call the ordinary Shareholders' Meeting of the Company for 15 May 2025 in first call and for 16 May 2025 in second call, to resolve on the 2024 financial statements and the proposal for the allocation of the profit (loss) for the year, as well as on the report on remuneration pursuant to Article 123-ter of the Consolidated Law on Finance (TUF), the appointment of a Director and the authorisation for the purchase of treasury shares.

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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, Luca Ricciardi and Massimiliano Picardi 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 (TUF, 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 Income statement and statement of comprehensive income;
- 3) KME Group SpA Statement of Cash Flows;
- 4) Consolidated Statement of financial position;
- 5) Consolidated income statement and statement of comprehensive income;
- 6) Consolidated Statement of Cash Flows.

Annex 1) KME Group – Separate financial statements as at 31 December 2024

Statement of financial position - Assets

<i>(in Euro)</i>	<i>31-Dec-24</i>	<i>31-Dec-23</i>
Investments in subsidiaries	576,425,631	587,631,631
Investments in other companies	222,003	222,003
Non-current financial assets	10,887	640,555
Property, plant and equipment	11,361,620	3,011,306
Investment property	32,289	32,289
Intangible assets	6,657	8,184
Other non-current assets	2,961	2,961
Deferred tax assets	2,054,238	2,022,730
Total non-current assets	590,116,659	593,571,659
Current financial assets	54,593,224	25,625,718
Trade receivables	1,108,866	1,971,170
Other receivables and current assets	4,793,130	2,747,390
Cash and cash equivalents	27,355,523	3,213,973
Total current assets	87,850,743	33,558,251
Total Assets	677,967,029	627,129,910

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 2024

Statement of financial position – Liabilities

<i>(in Euro)</i>	<i>31-Dec-24</i>	<i>31-Dec-23</i>
Share capital	200,154,178	200,104,709
Other reserves	127,069,054	233,581,491
Treasury shares	(48,439,174)	(126,834,394)
Retained earnings	1,603,038	1,603,038
Stock option reserve	4,010,417	3,670,921
Profit/(loss) for the year	(25,058,741)	(14,547,728)
Total equity	259,338,772	297,578,037
Retirement benefits	276,251	454,969
Deferred tax liabilities	634,428	694,363
Non-current financial payables and liabilities	139,494,536	117,422,629
Bonds	198,953,914	156,139,064
Provisions for risks and charges	757,793	768,821
Total non-current liabilities	340,116,922	275,479,846
Current financial payables and liabilities	61,257,250	49,092,603
Trade payables	1,707,871	3,263,966
Other current liabilities	15,546,214	1,715,458
Total current liabilities	78,511,335	54,072,027
Total liabilities and equity	677,967,029	627,129,910

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 2024

Income statement and statement of comprehensive income

<i>(in Euro)</i>	<i>2024</i>	<i>2023</i>
Net income from management of investments	1,199,978	238,872
Commissions on guarantees issued	866,250	859,038
Other income	829,516	1,031,842
Labour cost	(2,158,174)	(2,527,533)
Depreciation, amortisation, impairment and write-downs	(997,224)	(659,008)
Other operating costs	(5,536,348)	(6,679,536)
Operating profit/(loss)	(5,796,002)	(7,736,325)
Financial income	2,712,326	4,457,823
Financial expense	(25,102,584)	(13,095,717)
<i>Net financial expense</i>	<i>(22,390,258)</i>	<i>(8,637,894)</i>
Profit/(loss) before taxes	(28,186,260)	(16,374,219)
Current taxes	3,036,076	1,739,350
Deferred taxes	91,443	87,141
Total income taxes	3,127,519	1,826,491
Profit/(loss) from continuing operations	(25,058,741)	(14,547,728)
Profit /(loss) from discontinued operations	-	-
Net profit/(loss) for the year	(25,058,741)	(14,547,728)
Other comprehensive income:		
<i>Measurement of employee defined benefits</i>	5,997	6,849
<i>Fair value result</i>	-	(9,700,000)
<i>Taxes on other comprehensive income</i>	-	-
Items that will not be reclassified to profit or loss	5,997	(9,693,151)
Items that may be reclassified to profit or loss	-	-
Other comprehensive income:	5,997	(9,693,151)
Total comprehensive income for the year	(25,052,744)	(24,240,879)

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

Annex 3) KME Group – Separate financial statements as at 31 December 2024

Statement of cash flows – indirect method

<i>(in Euro thousand)</i>	2024	2023
(A) Cash and cash equivalents at the beginning of the year	3,214	508
Profit (loss) before tax	(28,186)	(16,374)
Depreciation and amortisation	996	659
Change in pension funds, post-employment benefits (TFR) and stock options	167	1,079
Change in provisions for risks and charges	(11)	769
Change in investments	11,206	7,000
Change in current receivables	1,854	4,162
Change in current payables	(3,090)	451
(B) Cash flow from operating activities	(17,064)	(2,254)
(Increases) in non-current tangible and intangible assets	(11,548)	(426)
Decreases in non-current tangible and intangible assets	2,202	9
(C) Cash flow from investing activities	(9,346)	(418)
(Purchase) sale of treasury shares	-	(171,731)
Dividend distribution	-	(3,312)
Exercise of warrants	1,838	1,524
Change in current and non-current financial payables	77,630	138,082
Change in current and non-current financial receivables	(28,916)	40,815
(D) Cash flow from financing activities	50,552	5,378
(E) Change in cash and cash equivalents	(B) + (C) + (D)	24,142
(G) Cash and cash equivalents at the end of the period	(E) + (F)	27,356
		3,214

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 2024

Statement of financial position - Assets

<i>(in Euro thousand)</i>	<i>31-Dec-24</i>	<i>31-Dec-23</i>
Property, plant and equipment	527,582	529,206
Investment property	67,182	66,724
Goodwill	394,445	394,833
Intangible assets	46,222	50,430
Investments in subsidiaries	9,023	18,126
Equity-accounted investments	6,077	13,977
Investments in other companies	4,914	884
Other non-current assets	6,413	4,870
Non-current financial assets	76,589	3,167
Deferred tax assets	88,224	82,751
Total non-current assets	1,226,671	1,164,968
Inventories	400,583	374,179
Trade receivables	59,079	55,158
Current financial assets	79,596	94,284
Other receivables and current assets	21,156	26,465
Cash and cash equivalents	181,242	118,609
Total current assets	741,656	668,695
Non-current assets held for sale	11,947	11,947
Total Assets	1,980,274	1,845,610

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 2024

Statement of financial position – Liabilities

<i>(in Euro thousand)</i>	<i>31-Dec-24</i>	<i>31-Dec-23</i>
Share capital	200,154	200,105
Profit/(loss) for the period	17,120	96,573
Group equity	217,274	296,678
Non-controlling interests	53,056	62,137
Total equity	270,330	358,815
Retirement benefits	116,674	126,639
Deferred tax liabilities	106,641	107,496
Non-current financial payables and liabilities	176,790	223,916
Bonds	198,954	230,710
Other non-current liabilities	2,099	1,489
Provisions for risks and charges	5,177	6,168
Total non-current liabilities	606,335	696,418
Current financial payables and liabilities	252,332	127,286
Trade payables	717,452	551,180
Other current liabilities	122,473	95,790
Provisions for risks and charges	11,352	16,121
Total current liabilities	1,103,609	790,377
Non-current assets held for sale	-	-
Total liabilities and equity	1,980,274	1,845,610

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

Annex 5) KME Group – Consolidated financial statements as at 31 December 2024

Income statement and statement of comprehensive income

<i>(in Euro thousand)</i>	2024	2023
Revenues from sales and services	1,565,438	1,880,532
Change in inventories of finished and semi-finished products	338	(876)
Own work capitalised	2,171	1,463
Other income	60,917	25,411
Purchases and change in raw materials	(1,092,501)	(1,317,919)
Labour cost	(226,788)	(234,083)
Depreciation, amortisation, impairment and write-downs	(48,254)	(57,562)
Other operating costs	(240,340)	(264,124)
Operating profit/(loss)	20,981	32,842
Financial income	23,074	14,698
Financial expense	(102,487)	(85,649)
<i>Net financial expense</i>	<i>(79,413)</i>	<i>(70,951)</i>
Result of investments	(10,454)	(8,388)
Profit/(loss) before taxes	(68,886)	(46,497)
Current taxes	(5,526)	(7,384)
Deferred taxes	3,501	7,402
Total income taxes	(2,025)	18
Net profit (loss) for the period from operating activities	(70,911)	(46,479)
Profit (loss) from discontinued operations	-	-
Net profit (loss) for the period	(70,911)	(46,479)
Other comprehensive income:		
<i>Measurement of employee defined benefits</i>	<i>(2,215)</i>	<i>(4,734)</i>
<i>Taxes on other comprehensive income</i>	<i>(306)</i>	<i>1,752</i>
<i>Fair value measurements</i>	<i>-</i>	<i>(9,700)</i>
Items that cannot be reclassified to profit or loss for the period	(2,521)	(12,682)
<i>Foreign currency translation gains/(losses)</i>	<i>1,121</i>	<i>(1,572)</i>
<i>Net change in cash flow hedge reserve</i>	<i>(522)</i>	<i>(151)</i>
<i>Taxes on other comprehensive income</i>	<i>58</i>	<i>64</i>
Items that may be reclassified to profit or loss for the period	657	(1,659)
Total other comprehensive income, net of tax effect	(1,864)	(14,341)
Total comprehensive income for the period	(72,775)	(60,820)
<i>Net profit (loss) for the period attributable to:</i>		
<i>- non-controlling interests</i>	<i>(6,029)</i>	<i>(6,144)</i>
<i>- shareholders of the parent company</i>	<i>(64,882)</i>	<i>(40,335)</i>
Net profit (loss) for the period	(70,911)	(46,479)
Total comprehensive income attributable to:		
<i>- non-controlling interests</i>	<i>(6,311)</i>	<i>(6,677)</i>
<i>- shareholders of the parent company</i>	<i>(66,464)</i>	<i>(54,143)</i>
Total comprehensive income for the period	(72,775)	(60,820)

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

Annex 6) KME Group – Consolidated financial statements as at 31 December 2024

Consolidated statement of cash flows – indirect method

<i>(in Euro thousand)</i>	2024	2023
(A) Cash and cash equivalents at the beginning of the period	118,609	128,844
Profit (loss) before tax	(68,886)	(46,497)
Amortisation, depreciation, impairment and write-downs	48,254	57,562
Change in inventories	(19,766)	75,443
Change in trade receivables	3,218	26,694
Change in trade payables	88,561	(132,440)
Change in provisions for personnel, provisions for risks and charges	(20,279)	(9,329)
Change in other assets and liabilities	92,713	59,481
Changes in fair value of derivatives	(7,801)	(1,697)
Result from equity accounted investments	10,974	8,388
Financial result (without currency and fair value effects)	57,734	56,539
Income taxes	(13,672)	(13,184)
Other non-monetary changes	(32,390)	5,623
(B) Cash flow from operating activities	138,660	86,583
(Increases) in non-current tangible and intangible assets	(11,634)	(1,077)
Decreases in non-current tangible and intangible assets	(26,983)	(28,773)
Change in other non-current assets/liabilities	(1,100)	19
Change in investments	(14,373)	34,766
Interest received	9,406	6,631
Dividends received	420	-
(C) Cash flow from investing activities	(44,264)	11,566
Changes in equity against payment	1,838	(115,897)
Dividends paid	(34)	(3,346)
Change in current and non-current financial payables	117,038	102,980
Change in current and non-current financial receivables	(63,611)	(14,090)
Interest payments	(65,023)	(42,381)
Other financial payments	(23,934)	(37,569)
(D) Cash flow from financing activities	(33,726)	(110,303)
(E) Change in cash and cash equivalents	60,670	(12,154)
(F) Changes in consolidated group and reclassification from IFRS 5	1,866	1,888
(G) Exchange rate-related changes in cash and cash equivalents	97	31
(H) Cash and cash equivalents at the end of the year	181,242	118,609

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