



KME Group SpA

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

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

Tax Code and Milan Companies Register no. 00931330583

www.itkgroup.it

PRESS RELEASE

THE BOARD OF DIRECTORS MAKES AN AMENDMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025 REGARDING THE VALUATION OF THE INVESTMENT IN MAGNET (CUNOVA)

Milan, 12 May 2026 – Following discussions and further analysis with the Auditor, the Board of Directors of KME Group SpA today approved to make an amendment of the consolidated financial statements as at 31 December 2025 approved on 27 April, regarding the valuation of the investment in Magnet Joint Venture GmbH (Cunova) – “**Participation Magnet**”.

The value of the Participation Magnet was previously revalued from EUR 0 to EUR 40.7 million in relation to the agreements signed on December 2025 with Paragon and Apollo for the transaction Cunova (for the details, please refer to the press releases dated 23 December 2025, 25 March 2026 and 2 April 2026) – the “**Agreements**” – and which is expected to take place within first half 2026, also following the fact that the required authorization process is now nearly complete. Please note that the entire Cunova transaction is expected to generate benefits for KME in the range of EUR 180-200 million.

The value of the participation has now been adjusted to reflect the proportionate share of the subsidiary’s book equity, and thus to EUR 0, since strict application of IAS 28, the applicable accounting standard, does not allow the recognition of the previously determined valuation, which will instead be recognized upon completion of the transaction. Here attached are the updated consolidated financial statements, compared with those previously published.

The operating results previously reported on 27 April 2026 remain unchanged. They reflect a comprehensive net loss of EUR 34.3 million, before the impact of IFRS measurements of inventories and participation, largely attributable to the parent company’s financial expenses, as the result of industrial activities was essentially at break-even.

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The Annual Financial Report as at 31 December 2025, inclusive of the reports of the Independent Auditors and the Board of Statutory Auditors, 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) in the next few days.

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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) Consolidated Statement of financial position;
- 2) Consolidated Statement of profit or loss and other comprehensive income.

Annex 1) KME Group – Consolidated financial statements as at 31 December 2025

Statement of financial position – Assets

<i>(in EUR thousand)</i>	<i>31-Dec-25 revised</i>	<i>31-Dec-25</i>	<i>31-Dec-24</i>
Property, plant and equipment	570,795	570,795	527,582
Investment property	68,548	68,548	67,182
Goodwill	369,013	369,013	394,445
Intangible assets	57,248	57,248	46,222
Investments in other companies	15,755	15,755	13,937
Equity-accounted investments	5,057	45,758	6,077
Other assets	5,364	5,364	6,413
Financial assets	41,181	41,181	76,589
Deferred tax assets	120,134	120,134	88,224
Total non-current assets	1,253,095	1,293,796	1,226,671
Inventories	447,528	447,528	400,583
Trade receivables	66,971	66,971	59,079
Financial assets	111,852	111,852	79,596
Current tax assets	4,311	4,311	1,167
Other assets	28,536	28,536	19,989
Cash and cash equivalents	97,106	97,106	181,242
Total current assets	756,304	756,304	741,656
Assets classified as held for sale	65,557	65,557	11,947
Total assets	2,074,956	2,115,657	1,980,274

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 2025

Statement of financial position – Liabilities

<i>(in EUR thousand)</i>	<i>31-Dec-25 revised</i>	<i>31-Dec-25</i>	<i>31-Dec-24</i>
Share capital	200,154	200,154	200,154
Share premium reserve	8,942	8,942	8,942
Reserves	59,232	59,232	79,126
Retained earnings (accumulated losses)	(45,901)	(45,901)	(6,066)
Profit/(loss) for the period	(102,608)	(68,082)	(64,882)
Equity attributable to shareholders of the parent company	119,819	154,345	217,274
Non-controlling interests	41,655	47,830	53,056
Total equity	161,474	202,175	270,330
Employee benefits	111,960	111,960	116,674
Deferred tax liabilities	142,168	142,168	106,641
Financial liabilities	539,352	539,352	375,744
Other liabilities	4,077	4,077	2,099
Provisions for risks and charges	3,254	3,254	5,177
Total non-current liabilities	800,811	800,811	606,335
Financial liabilities	239,769	239,769	252,332
Trade payables	737,697	737,697	717,452
Current tax liabilities	4,949	4,949	5,956
Other liabilities	105,308	105,308	116,517
Provisions for risks and charges	13,267	13,267	11,352
Total current liabilities	1,100,990	1,100,990	1,103,609
Liabilities directly related to assets classified as held for sale	11,681	11,681	-
Total equity and liabilities	2,074,956	2,115,657	1,980,274

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

Annex 2) KME Group – Consolidated financial statements as at 31 December 2025

Income statement and statement of comprehensive income

<i>(in EUR thousand)</i>	<i>2025 revised</i>	<i>2025</i>	<i>2024</i>
Revenues	1,928,645	1,928,645	1,540,693
Change in inventories of finished and semi-finished products	(7,135)	(7,135)	(674)
Other income	52,528	93,229	61,679
Purchases and change in inventories of raw materials	(1,471,624)	(1,471,624)	(1,085,922)
Personnel expense	(253,307)	(253,307)	(222,759)
Amortisation, depreciation and impairment losses	(57,360)	(57,360)	(46,650)
Other costs	(254,316)	(254,316)	(229,700)
Operating profit/(loss)	(62,569)	(21,868)	16,667
Financial income	22,853	22,853	23,330
Financial expense	(89,661)	(89,661)	(102,058)
<i>Net financial expense</i>	<i>(66,808)</i>	<i>(66,808)</i>	<i>(78,728)</i>
Share of the result of equity-accounted investments	(1,060)	(1,060)	(10,974)
Profit/(loss) before taxes	(130,437)	(89,736)	(73,035)
Income taxes for the period	15,154	15,154	(1,164)
Net profit (loss) for the period from operating activities	(115,283)	(74,582)	(74,199)
Profit (loss) from discontinued operations	614	614	3,288
Net profit (loss) for the period	(114,669)	(73,968)	(70,911)
Other comprehensive income:			
<i>Measurement of employee defined benefits</i>	<i>9,479</i>	<i>9,479</i>	<i>(2,215)</i>
<i>Equity securities measured at FVOCI - Net change in fair value</i>	<i>7</i>	<i>7</i>	<i>-</i>
<i>Tax effect</i>	<i>(3,301)</i>	<i>(3,301)</i>	<i>(306)</i>
Items that cannot be reclassified to profit or loss for the period	6,185	6,185	(2,521)
<i>Exchange differences arising from the translation of financial statements denominated in currencies other than the euro</i>	<i>(316)</i>	<i>(316)</i>	<i>1,121</i>
<i>Change in cash flow hedge reserve</i>	<i>554</i>	<i>554</i>	<i>(478)</i>
<i>Change in the cash flow hedge reserve reclassified to the Income Statement</i>	<i>(451)</i>	<i>(451)</i>	<i>(44)</i>
<i>Other</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Tax effect</i>	<i>(42)</i>	<i>(42)</i>	<i>58</i>
Items that may be reclassified to profit or loss for the period	(255)	(255)	657
Total other comprehensive income, net of tax effect	5,930	5,930	(1,864)
Total comprehensive income for the period	(108,739)	(68,038)	(72,775)
<i>Net profit (loss) for the period attributable to:</i>			
<i>- non-controlling interests</i>	<i>(12,061)</i>	<i>(5,886)</i>	<i>(6,029)</i>
<i>- the shareholders of the Parent Company</i>	<i>(102,608)</i>	<i>(68,082)</i>	<i>(64,882)</i>
Net profit (loss) for the period	(114,669)	(73,968)	(70,911)
Total comprehensive income attributable to:			
<i>- non-controlling interests</i>	<i>(11,162)</i>	<i>(4,987)</i>	<i>(6,311)</i>
<i>- the shareholders of the Parent Company</i>	<i>(97,577)</i>	<i>(63,051)</i>	<i>(66,464)</i>
Total comprehensive income for the period	(108,739)	(68,038)	(72,775)

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