

INTEK GROUP

Sede Legale: 20121 Milano (MI) Foro Buonaparte, 44
Capitale sociale Euro 335.069.009,80 i.v.
Reg. Imprese Milano - Cod. fiscale 00931330583
www.itkgroup.it

PRESS RELEASE

Agreement with Paragon on the transfer of control of KME Specials Business

Milan, 15th June 2021 – Intek Group S.p.A., company that controls KME group, announces the conclusion of an agreement with Paragon Partners GmbH (hereinafter “**Paragon**”), a German private equity fund that manages funds in the amount of € 1,2 billion, on the transfer of control of the Specials business of KME group.

The agreement, that grants an exclusivity to Paragon for the negotiation of the final sale and purchase agreement pursuant to the terms agreed today, envisages the establishment of a company – owned by Paragon at 55% and by KME at 45% - to which the above-mentioned KME Specials business will be contributed.

The transaction will bring to KME an overall proceeds in the amount of € 260-280 million – of which around € 60-80 million are intended for the reimbursement of intragroup working capital facilities – plus a vendor loan in the amount of € 32 million that will be reimbursed by the newly-established company.

The Specials business of KME, worldwide leader in the production of copper moulds for the global steel industry and products with high corrosion resistance mainly used in the naval and petrochemical sectors, has generated in 2020 revenues equal to around € 260 million and an EBITDA equal to around € 44 million.

The agreement has been reached on the basis of Paragon’s binding offer and is fully funded by own and third parties funds and is subject to the negotiation of the final agreement and to a confirmatory due diligence on legal and tax aspects of minor foreign companies related to the business to be transferred.

The agreement is part of KME group's strategy of concentration on rolled products in copper and its alloys, in which the group is European leader and on which it intends to focus and grow in the future, given the interesting growth rates expected for the main reference markets.

The transaction with Paragon – together with other transactions under review related to other assets and non-core activities – contributes significantly to the group target of a progressive deleveraging. At the same time, KME will be able to participate in the future growth of the Specials business under the new Paragon-led ownership structure.

* * *

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 operated by Spafid Connect SpA at the address: www.emarketstorage.com.