

<p>Informazione Regolamentata n. 0240-56-2023</p>	<p>Data/Ora Inizio Diffusione 21 Agosto 2023 07:34:28</p>	<p>Euronext Milan</p>
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Societa' : KME GROUP

Identificativo : 180423

Informazione
Regolamentata

Nome utilizzatore : SMIN02 - Mazza

Tipologia : 3.1

Data/Ora Ricezione : 21 Agosto 2023 07:34:26

Data/Ora Inizio : 21 Agosto 2023 07:34:28

Diffusione

Oggetto : KME SE signs non binding lette of intent for
an equity transacton to the company
CUNOVA

Testo del comunicato

KME SE SIGNS NON BINDING LETTER OF INTENT
FOR AN EQUITY TRANSACTION
RELATING TO THE COMPANY CUNOVA (CURRENTLY HELD BY
45%)



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PRESS RELEASE

**KME SE SIGNS NON BINDING LETTER OF INTENT
FOR AN EQUITY TRANSACTION
RELATING TO THE COMPANY CUNOVA (CURRENTLY HELD BY 45%)**

Milan, 21 August 2023 – KME Group S.p.A. informs that its subsidiary KME SE has signed a non-binding letter of intent relating to the special product business carried out by Cunova GmbH (“**Cunova**”), the control of which (55% of the share capital) was transferred by KME SE to the German investment fund The Paragon Fund III GmbH & Co. geschlossene Investment KG (“**Paragon**”) in January 2022.

KME SE, Paragon and SDCL EDGE Acquisition Corporation (hereinafter “**SDCL EDGE**”), a publicly traded special purpose acquisition company listed on the NYSE, where it raised USD 200 million, signed a non-binding letter of intent (“**LOI**”) for a potential business combination between Cunova and SDCL EDGE (the “**Business Combination**”). The LOI contemplates that at the closing of the Business Combination: (i) a newly-formed UK holding company is expected to be listed on NYSE; (ii) all cash proceeds would be realized by Paragon; and (iii) KME SE would not receive any cash proceeds but would convert its shareholding in Cunova into the listed shares and increase it further through the contribution of its aerospace business, an engineering business, which has many similarities and potential synergies with Cunova’s special product business, as a supplier of the main international private operators in the aerospace sector, with significant expected future growth prospects in line with those of the reference sector.

Pursuant to LOI, at the closing of the Business Combination KME SE is expected to hold a majority stake in the combined entity of around 51% of the share capital listed on the NYSE (and approximately 46% on a fully diluted basis upon the possible exercise of the private and public warrants issued by SDCL EDGE).

The Business Combination has an important strategic value to the KME group, because it allows to reacquire the majority of the special products business, increasing its potential through the contribution of the aerospace activity, with the result of holding control of a business with very significant prospects from a strategic point of view.

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However, the likelihood of completion of the Business Combination is linked to many factors and conditions, among which the successful completion of the full due diligence activities, finalizing terms and executing definitive agreements with respect to the transactions contemplated by the letter of intent, as well as, approval of the relevant regulators and of the entities involved, including the approval of the shareholders of SDCL EDGE and either the shareholders’ holding a significant number of SDCL EDGE shares being dedicated to the Business Combination by electing not to exercise redemption rights or an alternative means of meeting the Consideration required to as a condition to closing the Business Combination. **Therefore, the possibility of the Business Combination completing remains highly aleatory, due to the uncertainties referred to above.**

The communication by KME Group S.p.A. of the signing of this non-binding letter of intent is made in the context of its ongoing full voluntary public tender offer for its ordinary shares, savings shares and warrants that is the object of the offer document published by the issuer on 28 July 2023.

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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.it.

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No assurances can be made that the parties will successfully negotiate and enter into a definitive agreement in respect of the Business Combination, or that the Business Combination will be consummated on the terms or timeframe currently contemplated, or at all. The Business Combination is subject to board and equity holder approval of all companies, regulatory approvals, and other customary conditions.

THE DISSEMINATION, PUBLICATION OR DISTRIBUTION OF THIS COMMUNICATION IS PROHIBITED IN ANY JURISDICTION WHERE IT WOULD CONSTITUTE A VIOLATION OF THE RELEVANT APPLICABLE LAW

This press release does not constitute and is not intended to constitute an offer, invitation or solicitation to buy or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, and no sale, issue or transfer of securities of KME Group S.p.A. will be effected in any country in violation of the legislation applicable there. Any offer of securities of KME Group S.p.A. (the "Offers") shall be made by means of the publication of the related offer document approved by CONSOB. The offer document contains the full description of the terms and conditions of the Offers, including the procedures for adhering. The publication or dissemination of this press release in countries other than Italy could be subject to restrictions based on the applicable law and, therefore, any person subject to the laws of any country other than Italy is required to independently obtain information on any restrictions set forth by the applicable laws and regulations and make sure to comply with them. Any failure to comply with these restrictions could constitute a violation of the applicable law of the relevant country. Within the maximum limits permitted by the applicable legislation, the subjects involved in the Offers must be deemed as exempt from any liability or prejudicial consequence that may arise from the violation of the aforementioned restrictions by the aforementioned persons concerned. This press release has been prepared in compliance with Italian legislation and the information disclosed herein could be different from what would have been disclosed if the press release had been prepared in compliance with the legislation of countries other than Italy. No copy of this press release or any other document relating to the Offers will be, or may be, mailed or otherwise transmitted or distributed in any or from any country where local law provisions may create civil, criminal or regulatory risks, where information concerning the Offers is transmitted or made available to shareholders of KME Group S.p.A. in such country or in other countries where such conduct would constitute a violation of the laws of such country and any person receiving such documents (including in their capacity as custodian, fiduciary subject or trustee) shall not post or otherwise transmit or distribute the same to or from that country.

No Offer or Solicitation

This press release shall not constitute a solicitation of a proxy, consent, or authorization with respect to any securities or in respect of the proposed transaction. This press release shall also not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward-Looking Statements

This press release contains forward-looking statements. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation, statements about the Business Combination, including the likelihood, timing and ability of the parties to successfully consummate the Business Combination, the potential future financings, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "will," "expect," "anticipated," "estimated," "believe," "intend,"

“plan,” “projection,” “outlook” or words of similar meaning. These forward-looking statements are based on KME Group S.p.A.’s expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond KME Group S.p.A.’s control. Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those forward-looking statements are based. There can be no assurance that the data contained herein is reflective of future performance to any degree. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance as projected financial information and other information are based on estimates and assumptions that are inherently subject to various significant risks, uncertainties and other factors, many of which are beyond our control. Forward-looking statements made in this press release relate only to the events or information as of the date on which the statements are made in this press release. Except as required by law, KME Group S.p.A. does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. New uncertainties and risks arise from time to time, and it is impossible for KME Group S.p.A. to predict these events or how they may affect KME Group S.p.A. In light of these risks and uncertainties, investors should keep in mind that results, events or developments discussed in any forward-looking statement made in this communication may not occur. Uncertainties and risk factors that could affect KME Group S.p.A.’s future performance and cause results to differ from the forward-looking statements in this release include, but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the termination of the Business Combination; the outcome of any legal proceedings that may be instituted against KME Group S.p.A. or others following the announcement of the Business Combination; the inability to complete the Business Combination due to the failure to obtain approval of the shareholders of KME Group S.p.A. or to satisfy other conditions to closing; changes to the proposed structure of the Business Combination that may be required or appropriate as a result of applicable laws or regulations; the ability to meet stock exchange listing standards following the consummation of the Business Combination; the risk that the Business Combination disrupts current plans and operations of KME Group S.p.A. as a result of the announcement and consummation of the Business Combination; the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow, retain its management and key employees; costs related to the Business Combination; changes in applicable laws or regulations; and other risks and uncertainties set forth in subsequent filings, including the Form S-4 and the proxy statement/prospectus which forms a part thereof relating to the Business Combination expected to be filed by a newly-formed holding company.

Fine Comunicato n.0240-56

Numero di Pagine: 5