



Control Cables & Systems

Press Release

COFLE NOTIFIES THE ADMISSION APPLICATION FOR THE LISTING ON EURONEXT GROWTH MILAN SMART CAPITAL AND PALLADIO CORNERSTONE INVESTORS IN THE IPO

Trezzo sull'Adda (MI), October 26, 2021 – **Cofle S.p.A.** (the “**Company**” o “**Cofle**”) - leading company in the design, production and worldwide sale of control systems and control cables for the off-road vehicles, automotive and after market automotive sectors - announces that today it has presented the admission notice to Borsa Italiana, necessary for the listing of its shares on the Euronext Growth Milan market, managed by Borsa Italiana SpA (“EGM”) and dedicated to SMEs with high growth potential.

Walter Barbieri, President and CEO of Cofle, commented: *“Today we are entering the heart of the listing process on Euronext Growth Milan, a path we have taken to accelerate the growth of the Group. Over the years we have expanded and diversified our production with considerable investments in research and development and started an important internalization process, to become a recognized and appreciated reality in the world”*.

Smart Capital S.p.A. (“**Smart Capital**”), holding company with permanent capital specialized in Private Equity and Private Investments in Public Equity - through a newly established vehicle called **Smart Agri S.r.l.**, which is also participated by some of its shareholders - and **PFH Palladio Holding**, an independent holding company with permanent capital, the 28th October 2021 have signed a binding investment commitment as part of the institutional placement necessary for the admission to trading on Euronext Growth Milan of the ordinary shares of the Company. This investment, with a 12-month lock-up commitments for the investors, is an expression of their will to support the Company over time in the implementation of an ambitious growth and diversification plan, both organically and through some targeted acquisitions.

Andrea Costantini, President, and Andrea Faraggiana, Managing Partner of Smart Capital, commented: *“We are very happy to announce this important agreement with the Barbieri family for a long-term partnership to support Cofle's growth projects. For a long time we have been looking for Italian excellence in the manufacturing sector, and which was close to our territory of origin, Brianza. Cofle is in fact a pocket-sized multinational, with important consolidation ambitions and which focuses heavily on innovation. The investment fits perfectly with Smart Capital's strategy to invest in an industry, such as that of sustainable agriculture, which will be able to greatly accelerate the development of emerging technologies such as the IoT, data analysis and Blockchain in the so-called “AgriTech”*.

Nicola Iorio, General Manager and Elia Kuhnreich, Portfolio Manager of Palladio Holding, also declare: *“We are very happy to be able to give our contribution, alongside Smart Capital, in accelerating the growth path of Cofle, an Italian excellence operating in sectors which we believe will be at the center of technological innovation in the coming years. We believe that Cofle can benefit greatly from listing on the stock exchange, which could be an accelerator to the company's international growth process”*.

Founded in 1964, today Cofle is a global group present in four countries with six modern and efficient production plants, two design and co-engineering departments and over 500 employees.

The Group operates through two distinct business lines: the OEM business line, which produces cables and control systems for the agricultural, earthmoving machinery, commercial vehicles and premium automotive sectors on a global scale; and the After Market (AM) business line, specialized in the production of spare parts for the automotive sector on a global scale. The latter counts more than 7,000 products covering the entire European car fleet.



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For more than 50 years, Cofle has been seeking the best for its customers by combining the well known Italian craftsmanship with a modern industrial system and the unique ability to work side by side with its customers. Today, Cofle supplies the most important companies operating in the agricultural and earthmoving machinery sectors, such as CNH, AGCO, CLAAS, SDF, Yaris, Tafe, Mahindra, Argo Tractors as well as groups active in the luxury automotive and commercial vehicles sectors such as Ferrari, Maserati, Lotus, INEOS Automotive, IVECO.

As of December 31, 2021, the Group reported a consolidated Value of Production of approximately 38.0 million euros, of which 81% is attributable to exports. In the same period, the consolidated adjusted IFRS 16 EBITDA was equal to 8 million euros and the EBITDA Margin to 21.1%. At 1H 2021, the consolidated Value of Production was approximately € 28.7 million with an adjusted IFRS 16 consolidated EBITDA of approximately € 7.8 million (EBITDA Margin of approximately 27.1%) and Consolidated shareholders' equity of € 11.8 million.

The price range was set between a minimum and a maximum of 13 euros and 17 euros per share; the Company's pre-money capitalization will therefore range between 65 million euros and 85 million euros, with a capital increase offer equal to a maximum of 15 million euros.

The transaction includes the assignment of warrants in favor of those who have subscribed or purchased shares in the IPO (in the ratio of 1 warrant for every 4 shares) and in favor of selected directors, employees and / or collaborators of the Company and / or of its controlled companies.

The company's Shareholders are expected to grant the Global Coordinator an option to purchase shares up to a maximum equivalent value of € 2.25 million, corresponding to approximately 15% of the number of Shares subject to the Private Placement, in order to cover the repayment obligation arising from the Over Allotment Option in the context of the Private Placement (the "Greenshoe Option"). This option may be exercised, in whole or in part, within 30 days following the first date of trading.

The Company's shareholders have allocated 15% of ordinary shares held pre-IPO to the service of a Price Adjustment Share mechanism in the event the Company will not reach a fixed threshold relative to the company's Adjusted EBITDA for the year 2021 and equal to 13 million euros (EBITDA TARGET).

In the listing process, Cofle is assisted by **Banca Profilo S.p.A.**, as Euronext Growth Advisor, Global Coordinator and Specialist, by **Thymos Business & Consulting S.r.l.** as Financial Advisor, by **TP ICAP Midcap** and **Banca Intermobiliare S.p.A.** as Joint Lead Manager, by **Grimaldi Studio Legale** as Legal Consultant, by **BDO Italia S.p.A.** as Auditing Firm, by **Studio Facchin Assi S.a.s.** as Consultant for labor law and social security issues, by **BDO Tax S.r.l. Stp** as Tax Advisor, by **CDR Communication S.r.l** as a Media Relation Consultant and by **Benedetti & Co S.r.l.** as the Group's Strategic Consultant.

About Cofle

Cofle Group, founded in 1964, is a multinational company specialized in the design, production and worldwide trading of cables and remote control systems for the off-road vehicles, automotive and automotive after market sectors. It closed 2020 with a Value of Production of 38.07 million. In the manufacturing of its products, the Company uses 6 factories located in Italy (1), Turkey (3), India (1) and Brazil (1). Cofle sells its products in 38 countries to approximately 294 customers.



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About Smart Capital

Smart Capital is a permanent capital holding company specializing in Private Equity and Private Investments in Public Equity, with an active management approach and a focus on listed, unlisted, small and medium-sized enterprises in pre-IPO stage and / or interested in a future listing.

Smart Capital seeks investment opportunities in leading companies in market niches, with a strong track-record management and sustainable development plans. Thanks to its "evergreen" connotation, it is a long-term investor, which aims to contribute to the increase in value of investee companies over time, supporting entrepreneurs in the implementation of successful strategies also through the active management of shareholdings.

About PFH

PFH Palladio Holding S.p.A. is an independent holding company with permanent capital that has been investing in development projects for over 40 years. PFH can count on a stable shareholder base that integrates financial and industrial culture, thanks also to a wide network of relationships at national and international level. Thanks to its specialized investment team, PFH aims to support the development of investee companies in the long term, accelerating growth, performance and innovation by supporting the management of the company.

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