



Control Cables & Systems

Press Release

COFLE: CONSOLIDATED REVENUE FOR THE FIRST 9 MONTHS OF 2023 AMOUNTS TO 46.8 MILLION EUROS, AN INCREASE OF 17.9% COMPARED TO THE SAME PERIOD IN 2022

PROPOSAL TO THE ASSEMBLY FOR AUTHORIZATION TO PURCHASE AND DISPOSE OF OWN SHARES

CALL OF THE ORDINARY ASSEMBLY

Trezzo sull'Adda (MI), 25th October 2023 – The Board of Directors of Cofle S.p.A. (the "Company" or "Cofle") - leading company in the design, production and worldwide marketing of control systems and control cables for the off-road, automotive and aftermarket automotive sectors – meeting yesterday late at evening, reviewed the **consolidated revenue as of September 30, 2023**, which has not been subject to legal audit and is without the impact of accounting principles related to Turkish hyperinflation. Therefore, the revenue, recorded using the same accounting principles as of 30/09/22, **amounts to 46.8 MLN Euros** (39.7 MLN Euros in the same period of the previous year).

Breaking down the performance in detail of both of the Group's Business lines, it is highlighted:

- The OE Business line, which manufactures cables and control systems in the agricultural sector, earth-moving machinery, commercial vehicles, and the premium automotive sector, has recorded a **+16.7% compared to the same period in 2022**, driven by the increasing demand for new agricultural machinery, in response to the growing need for food security in European countries and the new sustainability and safety regulations.
- The IAM Business line, specialized in the production of spare parts in the automotive sector, marked a **+20.3% compared to the first nine months of 2022**, thanks to new commercial strategies that have become effective in both the Eurozone and Eastern European markets.

Below is the breakdown of total revenues by business unit as of September 30, 2023, compared to the same period of the previous year:

Cofle's Group Consolidated Turnover	9M-2023	9M-2022	Var %
OEM Division	31,4 Mil.	26,9 Mil.	+ 16,7 %
AM Division	15,4 Mil.	12,8 Mil.	+ 20,3 %
	46,8 MLN	39,7 MLN	+17,9 %

Walter Barbieri, Cofle's Chairman and CEO, commented:

"We are extremely pleased with the results of the third quarter of 2023, which show a significant double-digit increase in revenue. This clearly demonstrates our effectiveness in penetrating the markets in which we operate. Both of our business lines have delivered remarkable performances: Business OE has seen a 16.7% increase, driven by the positive trend in the agricultural machinery sector, while Business IAM has experienced a growth of 20.3%, thanks to the new implemented commercial strategies. These results confirm the success of our corporate strategies."



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Looking ahead, we will continue to seek growth opportunities and strengthen our leadership position in the industry. As previously communicated, the recent opening of our French subsidiary, COFLE FRANCE, which has successfully concluded a commercial agreement with the second-largest European spare parts distribution group, coupled with increased orders from our long-standing customers and ongoing negotiations, will contribute to an annual revenue increase of approximately 2 million euros for the Cofle Group's Independent Aftermarket division."

PROPOSAL TO THE ASSEMBLY FOR AUTHORIZATION TO PURCHASE AND DISPOSE OF OWN SHARES

The Board of Directors has also decided to propose to the Shareholders' Meeting the adoption of a plan to purchase and dispose of own shares in accordance with articles 2357 and following of the Civil Code, as well as art. 132 of the legislative decree 24 February 1998, n. 58 (the "TUF") and article 144-bis of the Consob regulation n. 11971 of 14 May 1999 (the "Consob Issuers Regulation"), in light of the reasons and according to the methods and terms outlined below.

Reasons for the authorization request

The request for authorization to carry out purchase and disposal operations of own shares is aimed at allowing the Company to acquire and dispose of the Company's ordinary shares, in compliance with current European and national regulations and recognized permitted market practices, of the Company's ordinary shares without nominal value, for the following purposes:

- (a) to incentivize and retain the Company's employees, collaborators, directors, any subsidiaries, and/or other categories of individuals chosen at the discretion of the Board of Directors (within the framework of share incentive plans, however structured e.g. stock options, stock grants, or work-for-equity plans);
- (b) to use the shares as consideration in extraordinary transactions, including share exchanges, with other entities, to be realized through exchange, contribution, or other act of disposal and/or use, including the allocation for convertible bond loans into the Company's shares or bond loans with warrants;
- (c) to carry out liquidity support activities for the shares, in order to facilitate the regular execution of transactions and prevent price movements not in line with market trends, in accordance with the permitted market practices in force from time to time;
- (d) to possibly dispose of, where deemed strategic for the Company, investment or divestment opportunities also in relation to available liquidity, all within the limits and in the ways that will eventually be decided by the competent corporate bodies

Maximum number, category, and nominal value of the shares to which the authorization refers

The authorization is requested for the purchase, in one or more tranches, even on a revolving basis, of the Company's ordinary shares without nominal value, up to a maximum number that, taking into account the Company's ordinary shares held in the portfolio by the Company and its subsidiaries from time to time, is not collectively greater than 20% (twenty percent) of the Company's share capital, pursuant to Art. 25-bis of the Euronext Growth Milan Issuer Regulation or any different maximum amount provided for by the legislation in force at the time.



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In any case, it is proposed to set at Euro 1,000,000.00, to be charged to the reserves available for this purpose, the amount to be used for the purchase of own shares.

Duration of the Shareholders' Meeting Authorization

The authorization for the purchase of own shares is requested for the maximum duration provided for by the applicable regulations, currently set by Article 2357, paragraph 2, of the Civil Code, at 18 months from the date of the shareholders' meeting resolution approving the proposal.

Within the validity period of the possibly granted authorization, the Company may carry out repeated and subsequent purchases and, without any time constraints, sales (or other acts of disposition) of its own shares, at any time, even on a revolving basis, and even for fractions of the maximum authorized quantity, as deemed appropriate in the Company's interest. However, ensuring that, at all times, the number of shares proposed for purchase and owned by the Company does not exceed the limits set by the law and the shareholders' meeting authorization, and in accordance with the applicable legislative and regulatory provisions in force from time to time.

On the other hand, the authorization for the disposition of any acquired own shares is requested without time constraints, due to the absence of time limits under current provisions and the opportunity to allow the Board of Directors to benefit from maximum flexibility, even in terms of time, to carry out the disposition acts of the shares.

Minimum and Maximum Consideration

The Board of Directors has proposed that the purchase price of the shares be determined from time to time, taking into account the method chosen for carrying out the transaction and in compliance with any regulatory prescriptions or accepted market practices (potentially applicable to the Company or usable by it). In any case, the price should neither be lower nor higher by more than 15% (fifteen percent) compared to the official stock exchange price of the shares recorded by Borsa Italiana S.p.A. in the session preceding each individual transaction – except in cases where the shares are subject to exchange, contribution, assignment, or other non-cash dispositions, in which the economic terms of the transaction will be determined, in compliance with current regulations, based on the nature and characteristics of the transaction – and always in accordance with the terms and conditions established by the Delegated Regulation (EU) no. 1052 of March 8, 2016 (the "Delegated Regulation") and any other applicable regulation (also of a European or supranational nature) and the aforementioned accepted practices (where applicable), and in particular, in accordance with the provisions of art. 3, paragraphs 2 and 3, of the Delegated Regulation.

The Board of Directors proposes to be authorized to sell, dispose of, and/or use, pursuant to art. 2357-ter of the Civil Code, under any title and at any time, in whole or in part, in one or more instances, the own shares purchased under the authorization possibly granted by the Assembly, for the purposes mentioned above, according to methods, terms, and conditions determined from time to time by the Board of Directors, considering the actual methods employed, the performance of Cofle's stock prices in the period preceding the operation, and the best interest of the Company. It is understood that the proceeds from any disposition of own shares can be used for further purchases of shares, until the expiration of the requested assembly authorization, within the limits set by it and the current regulations



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Methods of Execution of Operations

Considering the various objectives that can be pursued through transactions on own shares, the Board of Directors proposes that the authorization be granted for the execution of purchases, in compliance with the principle of equal treatment of shareholders as stipulated by art. 25-bis of the Euronext Growth Milan Issuers Regulation, by art. 132 of the TUF, by any of the methods mentioned in article 144-bis of the Consob Issuers Regulation (also through controlled companies), to be identified, from time to time, at the discretion of the Board itself.

Furthermore, the purchase of shares can also be carried out using the methods provided by art. 3 of the Delegated Regulation in order to benefit, where the conditions exist, from the exemption set out in article 5, paragraph 1, of the MAR related to market abuses with reference to the abuse of insider information and market manipulation.

Regarding the disposal operations, the Board of Directors proposes that the disposals of shares can be made, in one or more instances, even before exhausting the quantity of own shares that can be purchased. The disposals can be executed using any method deemed appropriate for achieving the interest of the Company and the aforementioned objectives, to be carried out either directly or through intermediaries, in compliance with current legal and regulatory provisions.

In particular, concerning the operational methods of disposal, they could be implemented, among other ways, by selling own shares on the market, in blocks or otherwise off-market, accelerated bookbuilding, or by exchange or loan of securities or free assignment, granting the Board of Directors (or its delegate) the power to establish, in accordance with legal and regulatory provisions, the terms, methods, and conditions of the act of disposal and/or use of own shares deemed most appropriate in the interest of the Company. Shares for the service of stock incentive plans will be assigned in the manner and terms indicated by the regulations of the respective plans in force from time to time.

Information on the Instrumentality of the Purchase to Reduce Share Capital

It should be noted that the purchase of own shares, which is the subject of this authorization request, is not instrumental to the reduction of share capital by canceling the purchased own shares. Nevertheless, it remains for the Company, should a reduction in share capital be approved by the Assembly in the future, the right to execute it also by canceling the own shares held in the portfolio.

CALL FOR THE ORDINARY ASSEMBLY

The Board of Directors also resolved to convene the ordinary shareholders' meeting of the Company for November 16, 2023, in first call, and if necessary, for November 17, 2023, in second call. They have mandated the Chairman to proceed with the convening, with full power to determine the time and place of the meeting, to deliberate on the aforementioned proposal for authorization to purchase and dispose of own shares.



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The notice of the meeting and the related documentation required by current legislation will be made available to the public, within the legal terms, at the registered office (Via del Ghezzo, 54 – Trezzo sull'Adda MI) as well as by publishing on the institutional website www.cofle.com and on the authorized storage mechanism eMarket Storage (www.emarketstorage.com).

This press release is available in the Investor Relations section of the website <https://www.cofle.com/it/>. It is also announced that, for the dissemination and storage of regulated information, the Company uses the eMarket STORAGE system managed by Spafid Connect S.p.A.

About Cofle

The Cofle's Group, founded in 1964, is a multinational company specializing in the design, production and worldwide marketing of cables and remote control systems for the off-road vehicles, automotive and automotive aftermarket sectors. It closed 2022 with a Production Value of 58 million. To manufacture 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. From 11 November 2021, Cofle has been listed on the Euronext Growth Milan market organized and managed by Borsa Italiana S.p.A ..

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