



**Global supplier of control systems
and control cables**







INVESTOR PRESENTATION

March 2024



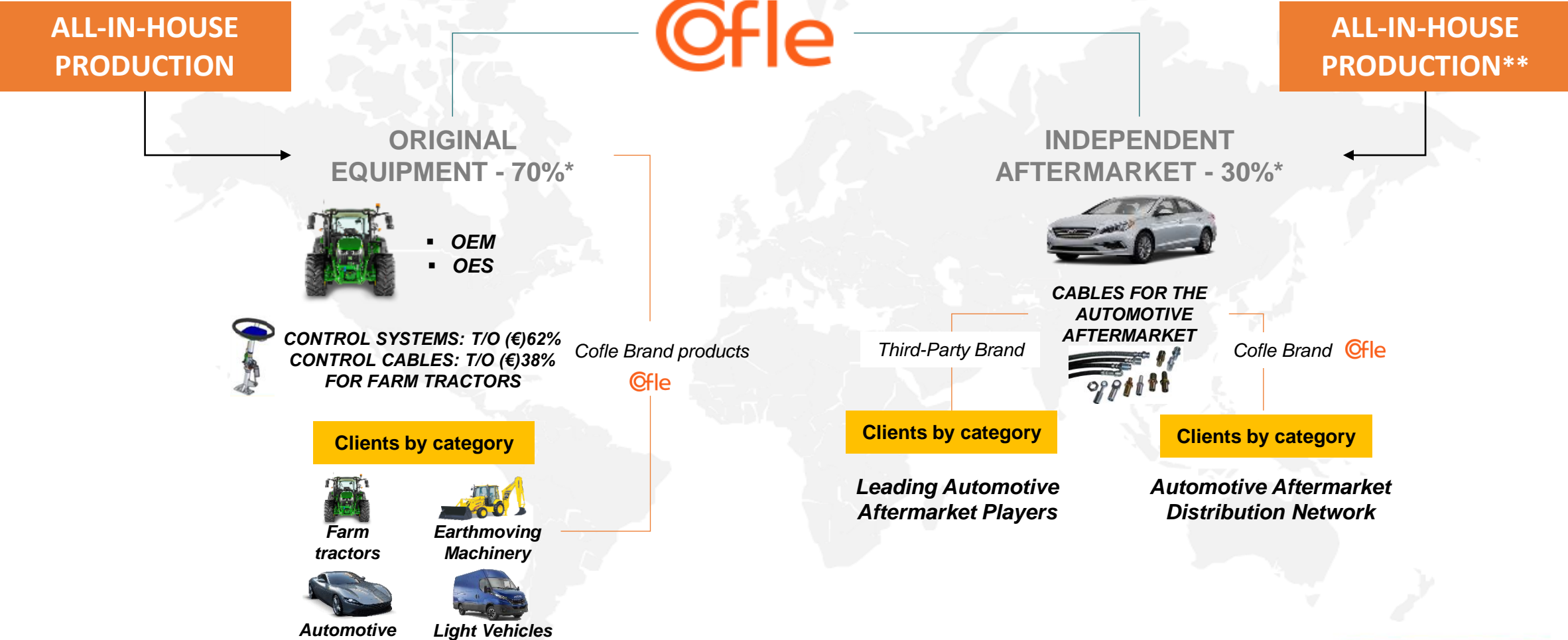
COFLE GROUP

Key Highlights

KEY POINTS	DESCRIPTION
<p>1</p> <p>Growth</p> 	<ul style="list-style-type: none">• Secular trends driving increased total addressable market• Global Farm Tractors Market Forecast to 2031 estimated growing with +5,5% CAGR 2021-2031¹ 
<p>2</p> <p>Global Presence</p> 	<ul style="list-style-type: none">• We are where our customers (Tier 1 players) are• Presence in Europe, Turkey, Brasil and India• Intercompany Supply Chain allows an efficient raw materials supplying with a global coverage 
<p>3</p> <p>Innovation</p> 	<ul style="list-style-type: none">• Development of innovative electronic products that represent an upgrade of the control system for farm tractors and a machinery connectivity for a better use of fertilizers and weedkiller• The global precision farming market size at 9,47 \$ bn in 2022 and is expected to expand with +12,6% CAGR 2023-2030² 

COFLE GROUP: Snapshot

One global player, two divisions: OE and IAM



KEY MILESTONES

Group history since foundation

- **Evolution from the initial workshop setting to a more industrial one**
- At that time, about 15 people worked for the Group, which, among its many products, included clutch and brake cables for the historic cars of those years, such as the Autobianchi A112 and the unforgettable Fiat Giardinetta

- Significant boost in the Aftermarket industry - Cofle clearly part of this trend
- Set up of production activities in Turkey
- Strong commercial growth and new warehouse in Pozzo D'Adda (1996), **conceived and used exclusively for stocking and selling spare cables: starting point for the later creation of the OEM division**

- **The Group aims at expanding further its products offerings, breaking into underpenetrated markets and seizing on M&A opportunities**
- November 11th: Listing

- **Opening of new OE Logistics Plant in Trezzo sull'Adda**

EURONEXT GROWTH



- **Bruno Barbieri founds Cofle**, introducing an innovative way in manufacturing Control Cables for the Automotive Industry
- **First production line for Original Equipment Cables (OEM) for the most important Italian brands**

- **Production of cables for the Aftermarket division**

- Founder Bruno Barbieri decides to leave Cofle's management to his son Walter
- **Established presence in Turkey, China, Brasil, India**

- **Opening of COFLE FRANCE, Beauvais**
- **ITG Turkey launched**

COFLE GROUP TODAY



PRODUCTION PLANT

6 in 4 countries



COMMERCIAL DEPARTMENT

1 (France)



WAREHOUSE

5 in 4 countries
(Italy/Turkey/Brasil/India)



PRODUCTION CAPACITY

> 10 mln units of production capacity per year over approx. 17.000 sqm plants worldwide



ENGINEERING CENTER

2
(Italy/Turkey)



R&D CENTER

2
(Italy/Turkey)



EMPLOYEES

550+

ITALY – HQ & Plant



- Plant description**
- Leased
 - 5.000 sqm
 - production capacity: 2,5 mln units



- Plant description**
- Cofle's real estate property
 - 3.500 sqm
 - Logistic services

ITALY – IAM Logistic Plant



- Plant description**
- Leased
 - 5,800 sqm
 - Logistic services

TURKEY – TK 1 OE Plant



- Plant Description**
- Leased
 - 2.000 sqm
 - Production capacity: 1,1 mln units

ALL-IN-HOUSE PRODUCTION
Pricing power thanks to all production In-House and the delivery capacity

TURKEY – TK 2 OE Plant



- Plant Description**
- Leased
 - 2.000 sqm
 - Production capacity: 1,15 mln units

BRASIL – OE Plant



- Plant description**
- Leased
 - 2.000 sqm
 - Production capacity: 0,45 mln units

COFLE FRANCE Commercial Department



- Plant description**
- Leased
 - Comm. departments IAM and OE
 - 3 Team Managers

INDIA – IAM Plant



- Plant description**
- Leased
 - 1.800 sqm
 - Production capacity: 2,5 mln units

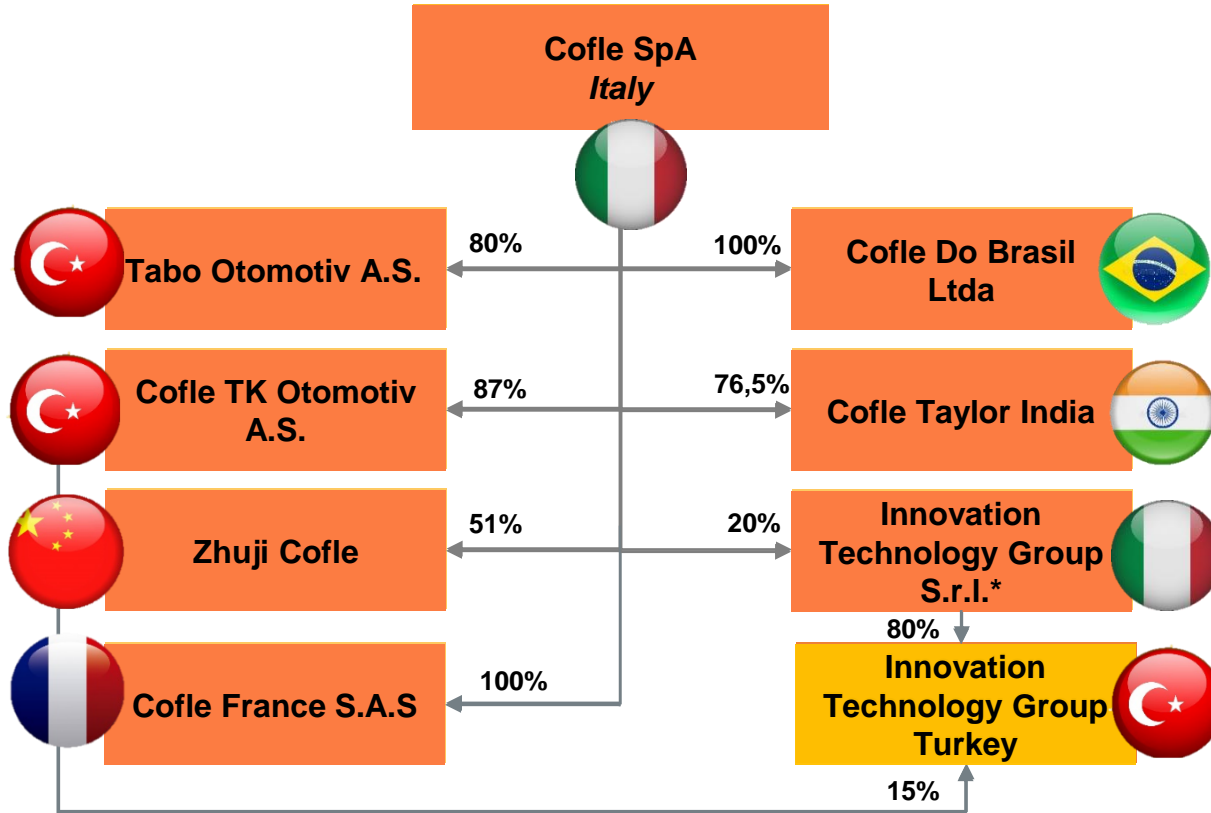
TURKEY – IAM 2 Plant



- Plant Description**
- Leased
 - 4.000 sqm
 - Production capacity: 3,0 mln units



GROUP STRUCTURE & GOVERNANCE



ITG shareholders: Walter Barbieri (15%), Valfin srl (17%), Pierangelo Margutti (~24%), Alessandro Plebani (~24%)
 ITG Turkey minority shareholders: local partner (5%)
 Cofle Taylor India Minority Shareholders - local industrial partner
 Cofle Zhuji Minority Shareholders – local industrial partner
 Tabo Otomotiv AS & Cofle TK Otomotiv AS: local industrial partners and local managers

Board of Directors

Chairman & CEO
Walter Barbieri
 Director
Alessandra Barbieri
 Director
Silvio Benedetti
 Independent Director
Enrico Mambelli
 Director
Sergio Buoncristiano

Statutory Auditors

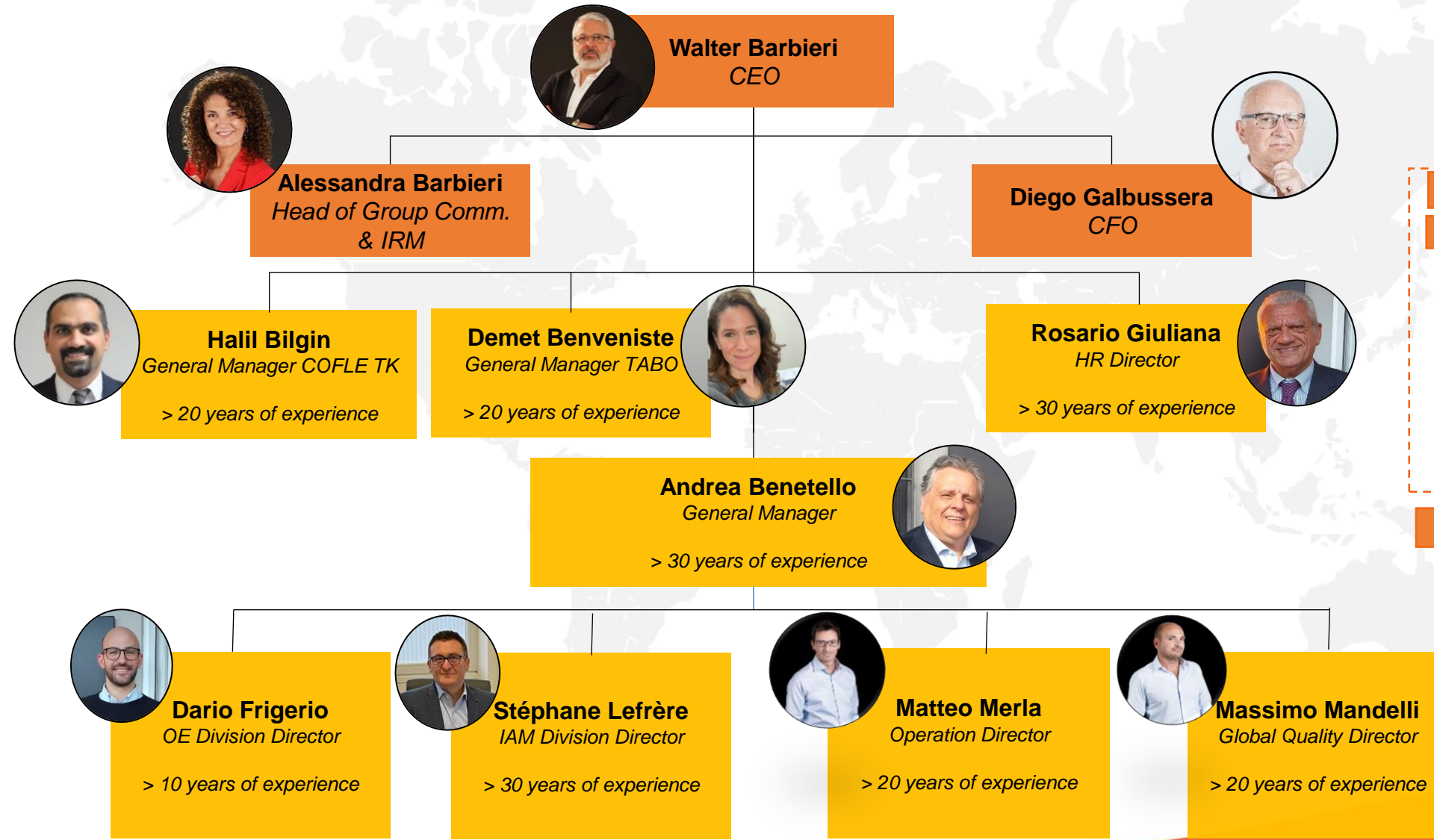
Chairman
Giuseppe Rota
 Auditor
Arturo Carcassola
 Auditor
Ugo Palumbo
 Supplementary Auditor
Pietro Longaretti
 Supplementary Auditor
Luca Perico

Audit Firm



ORGANIZATION CHART

Experienced multinational Management Team



Total Workforce as of 30/06/2023	
Company	Employees
Cofle S.p.A.	148
Tabo Otomotiv	183
Cofle TK Otomotiv	212
Cofle Zhuji	1
Cofle Do Brasil	15
Cofle Taylor India	24
Cofle France	3

Total Employees 586 as of 30/06/2023

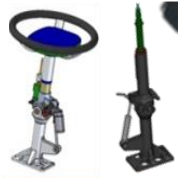


OE DIVISION

All-In-House production

Off-Road Applications

Steering Columns
Fix Hub and
Anti-Dumping
System



P.T.O.
Systems
Control



Brake Levers
Mother Regulation



Cables for all
applications



Gearshift Towers with
Electronics Knobs



Joysticks for Front Loader
(with push buttons
command)



Spool Valve
command

Premium Luxury Brands Applications



Gearshift Lever, Handbrake
and Cables



Gear Unlock DCT System cables



Front and Rear Bonnet
Cables

IAM DIVISION

All-In-House production

Control Cables



Brake Cables



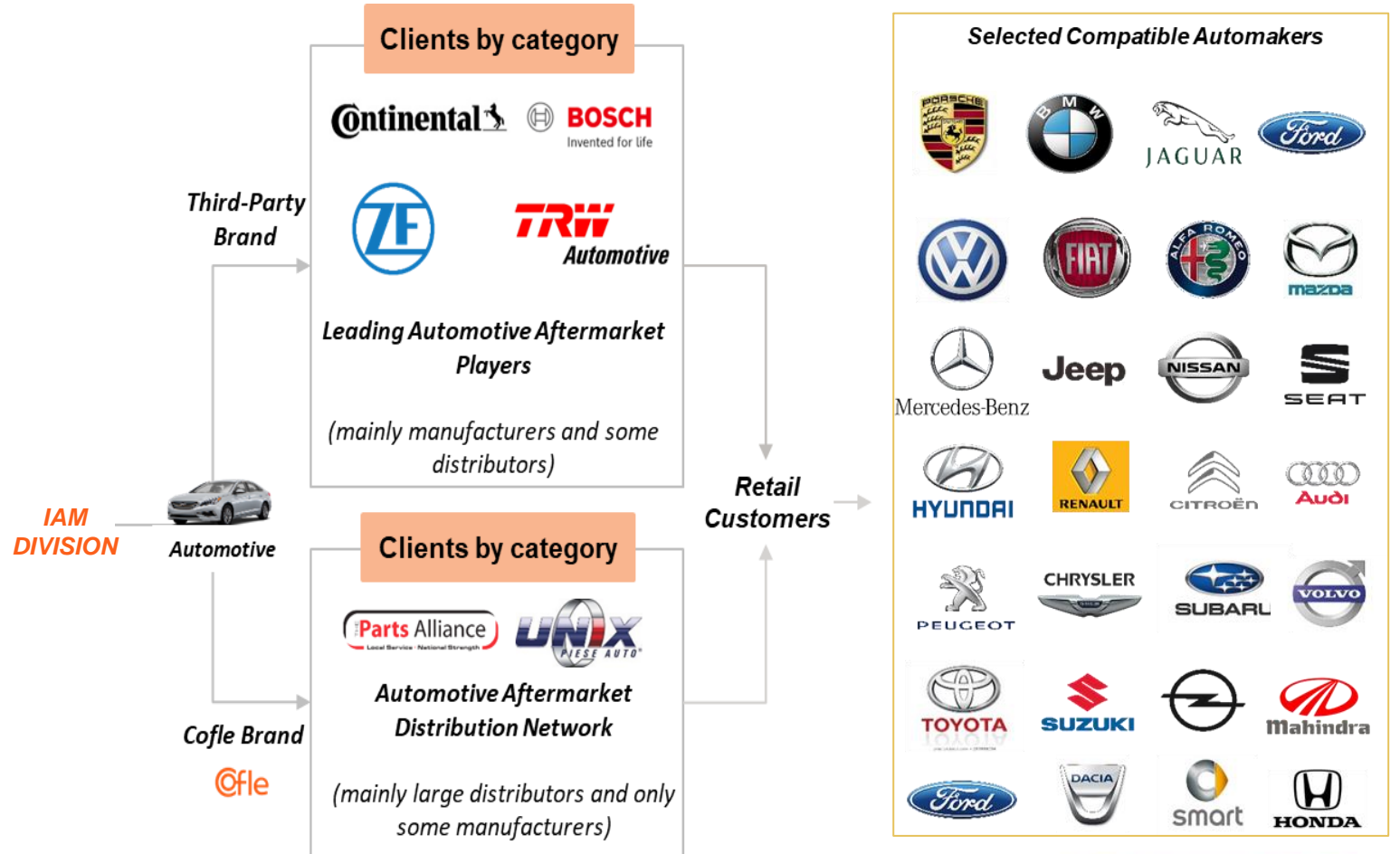
Brake Hoses



Epb Systems



Epb Puller Cables





WHERE ARE WE GOING?

WHERE DOES THE MARKET GO?

BE READY TO CHANGE DIRECTION

NAVIGATING MARKET TRENDS

Overview of Key Sector Trends

- **Aftermarket (AM) Trends:** Observing decline in control/pull cables and an increase in demand for gear shift cables and electronic parking brakes (EPB), as well as brake hoses
- **Original Equipment (OE) Trends:** Observing a gradual decrease in mechanical controls in favor of intelligent electronic systems, reflecting broader industry shifts towards automation and connectivity (especially EU and USA)



KEY INVESTMENT HIGHLIGHTS

A company ready to ride secular trends for a long-term journey

Global Growth Scenario

1 OE: Exceptionally sound path to growth on a global scale

2 IAM: Only at an early stage of international scalability

3 Strategically positioned to boost long term expansion

Excellent Positioning

4 State of Art Credentials OE

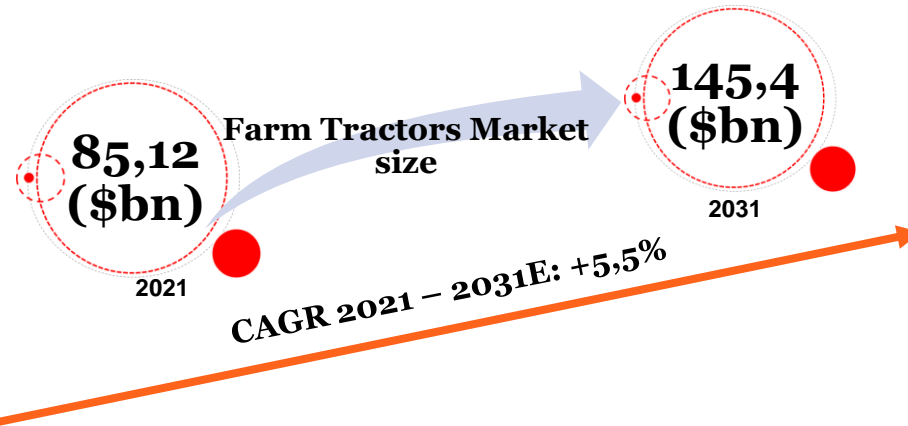
5 State of Art Credentials IAM

6 Focus on innovation to anticipate next future trends

Exceptionally sound path to growth on a global scale catching the wave of a secular trend in population dynamics and food demand, despite the current contraction of the agricultural market.



Global Farm Tractors Market Forecast to 2031



Global Farm Tractors Production 2021

~ 2,1 mln units

Global Farm Tractors Production 2022

~ 2,5 mln units

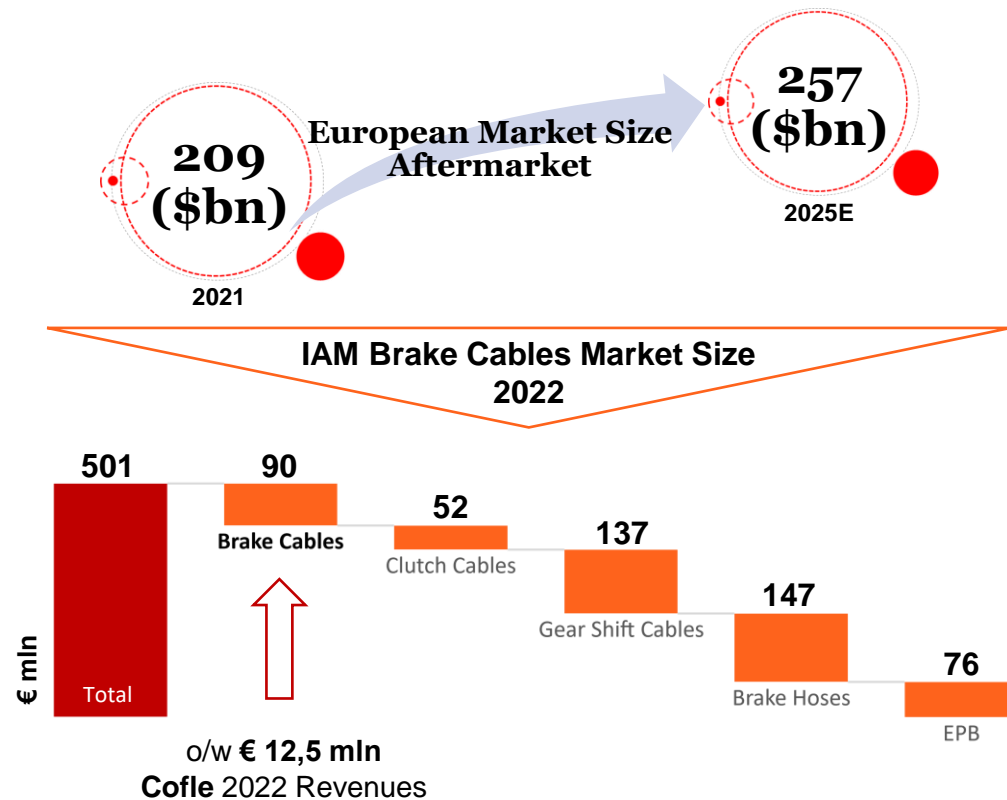
Source: Farm Tractor Market (Engine Power; Propulsion) -Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2022-2031 - Publisher: Farm TractorsMarket ResearchGroup of HNY Research, 2022

Source: Feder Unacoma, 2023

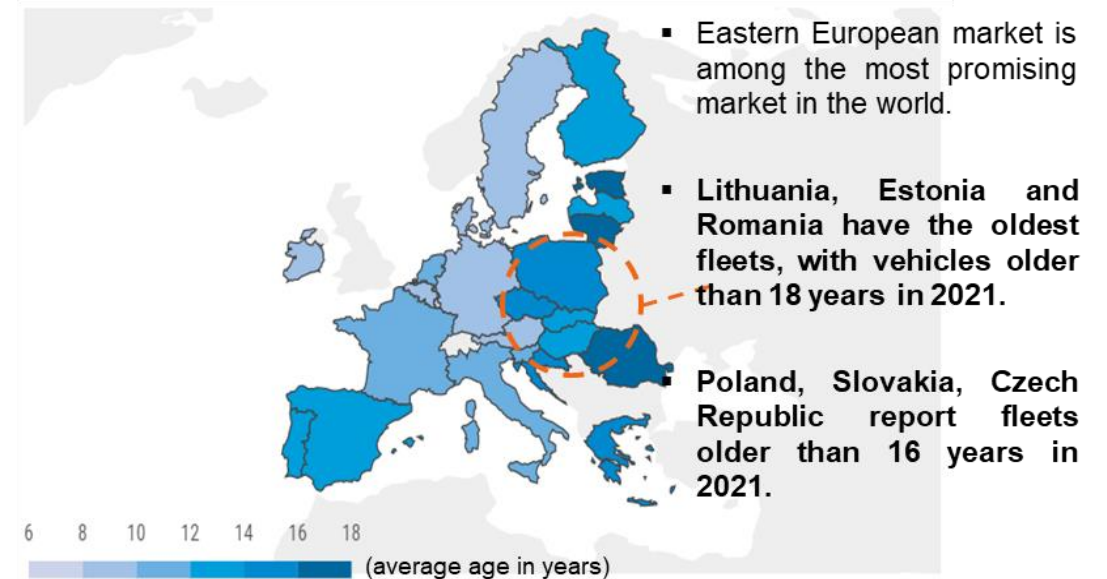
Market Drivers

- 1 Global area harvested to cereals expected to increase by 14 Mha in the coming decade (between the base period 2020 and 2030)
- 2 Technological upgrade of farm tractors especially in developing countries, and introduction of mechatronic innovation in developed countries
- 3 PRECISION FARMING (CAGR 2023-2030 +12,6%): Environmental-friendly farm tractors upgrades imposed by regulation and policy trends all over the world
- 4 Farming support by governments to increase domestic agri-production as strategic policy adopted worldwide

Planning growth in the European underpenetrated automotive Aftermarket



Average Age of the EU vehicle fleet



- 1 Leveraging on Italian and Turkish production plant capacity to serve the most mature western European customers
- 2 Leveraging on Italian and Indian production plant capacity to serve the most promising high-growth Eastern European market and increase market share

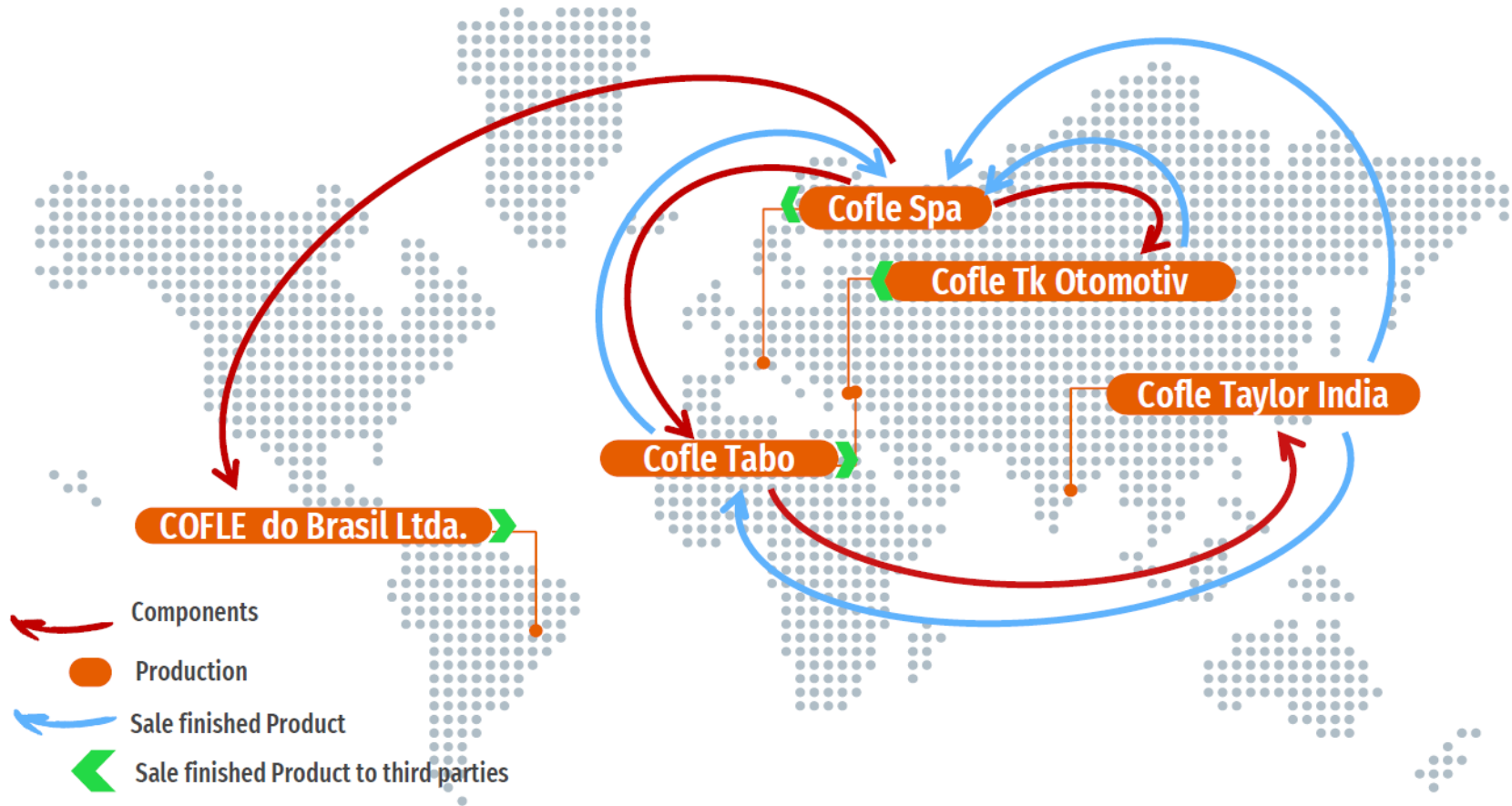
Sources: Acea Auto, «Average age of the EU motor vehicle fleet, by vehicle type» (2021);

The Boston Consulting Group, «At the crossroads: The European Aftermarket in 2030», (2021), IHS, Euromonitor, Bloomberg, «Support the definition of the commercial strategy of Cofle's Aftermarket division» (2023), Roland Berger

3

GLOBAL PRESENCE

Strategically positioned to boost long term expansion
Integrated facilities and platforms in the key areas of the world



- 1 Global integrated facilities to meet multinational customers' needs centered on shifting from overstretched supply chain to **locally based suppliers**
- 2 Key competitive advantage by leveraging on **established local presence** especially in **Turkey** and **India** to lower production costs and boost market share

STATE OF ART CREDENTIALS - OE

A highly prestigious and diversified customer base all over the world

Agriculture



Construction & Industrial



Automotive



- 1 Long term relationship with Top Market Leaders in the world, ranging from CNH to AGCO and John Deere as undisputed proof of leadership. It usually takes at least 2 years to be included in the supplier list
- 2 Traditional niche share of revenues coming from luxury automotive brands (Ferrari & Maserati)
- 3 Traditional niche share of revenues coming from commercial light vehicles brands (IVECO)
- 4 Prototyping of seat supports with an international reality, leader in compaction technologies and in the production of machinery for the compaction of soil, asphalt, and waste.

STATE OF ART CREDENTIALS - IAM

From Top Aftermarket Manufacturers to Top Aftermarket distributors



BOSCH



AKWEL



- 1 Long term relationship with Top Aftermarket Leaders in the world (Continental & Bosch)
- 2 Long term relationship with Top Aftermarket Distributors in the world (Federal Mogul & Unix)
- 3 Launching EPB Range: Set to launch an Electronic Parking Brake (EPB) range by September 2024, coinciding with the Frankfurt Fair. The 1st and 2nd series of EPB must be “ready on the shelf.”

6 FOCUS ON R&D

Innovation to anticipate next future trends

Commitment to launching disruptive solutions to stand out



2

R&D CENTER



28

PEOPLE EMPLOYED IN R&D ACTIVITIES



2

ENGINEERING CENTER



8

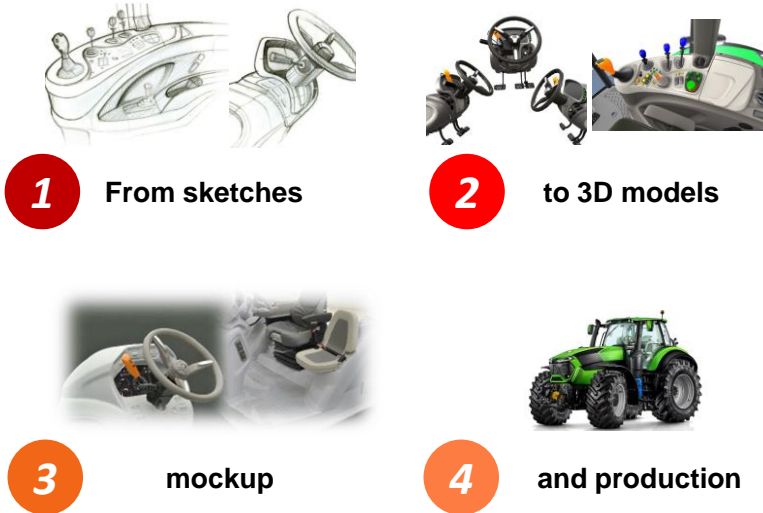
REGISTERED PATENTS IN THE LAST 5 YEARS ACROSS 5 COUNTRIES



1

DEDICATED OEM INNOVATION HUB

HOW WE INNOVATE IN COFLE



READY FOR NEXT AGRICULTURE CHAPTER

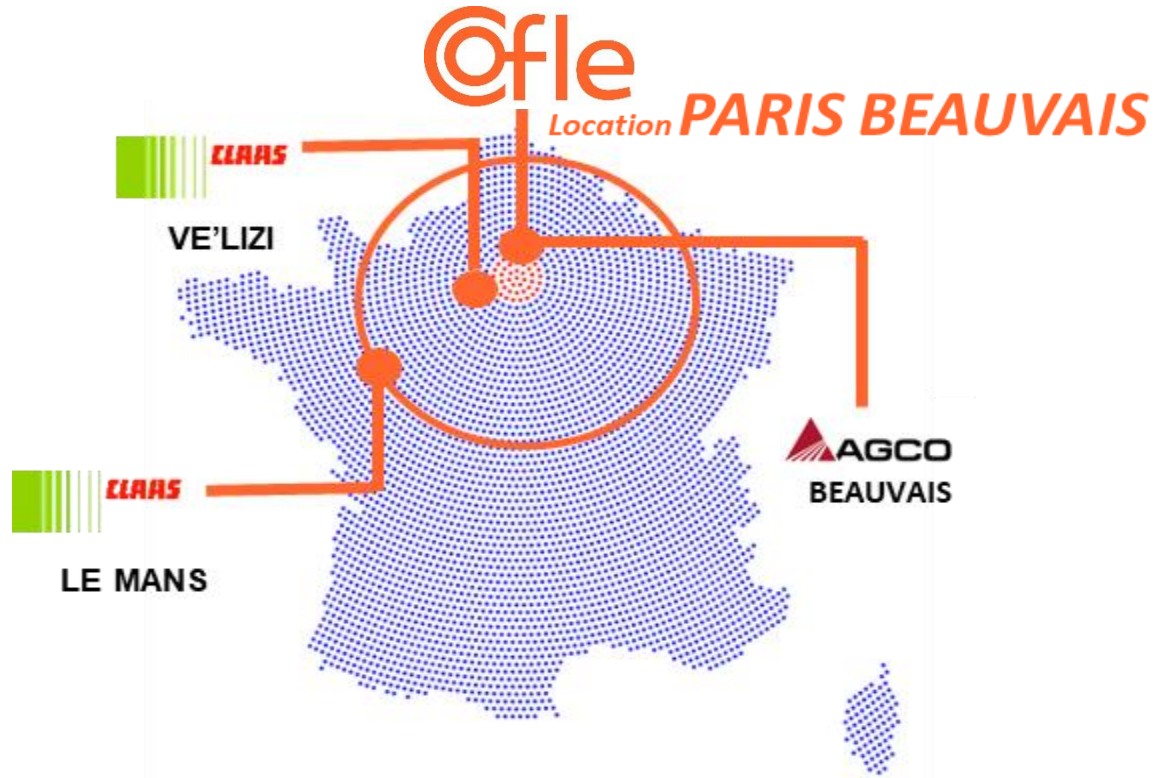
- Automation
- Precision Farming
- Artificial Intelligence



UPDATE

UPDATE

Cofle France s.a.s. - Bureau Commercial



Cofle's aim is to have a direct presence in the French market, an area where Cofle operates since 1980s. From France the rationale is to intensify commercial activities in **Spain, Portugal, Maghreb and Benelux**, areas that present important potential in terms of prospects for our sector

The French subsidiary has recently entered into **two significant commercial agreements**. The first one has been forged with the second-largest European spare parts distribution group, which will resell Cofle's products through its international platform. The second agreement has been signed with a spare parts distributor that is part of a large industrial group in the automotive sector

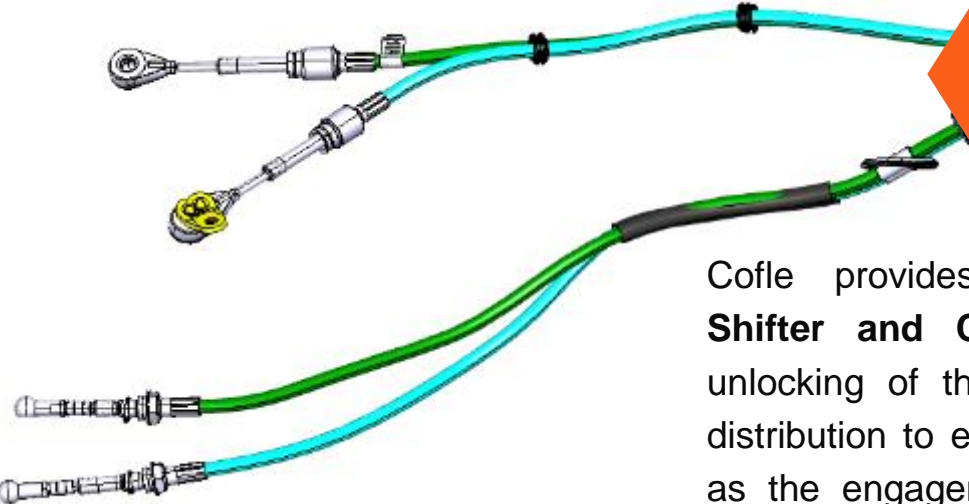
OE NEW PROJECTS UPDATE

INEOS

GRENADIER



The agreement provides that, following the excellent results obtained in the first test phase and the second and final phase of testing in February 2022, the total value of production for Cofle in the two-year period 2023/2024 is equal to **5,5 million euros**



Cofle technology is aboard the new off-road Ineos Grenadier

Cofle provides **Transfer Case Manual Shifter and Cables**, which enables the unlocking of the differential to vary power distribution to each individual wheel, as well as the engagement and disengagement of low gears



OE NEW PROJECTS UPDATE

SOME EXAMPLES OF OUR MECHATRONIC APPLICATIONS

Development of **innovative electronic products** that represent an upgrade of the control system to ride precision farming wave



OE NEW PROJECTS UPDATE

Off Road Products – Some examples of mechatronic & electronic applications

In the Turkish plant, a new production department has recently been added for the manufacturing of electronic components

The new department will be responsible for assembling PCBs and electronic boards designed in-house and produced using 'pick to place' machinery

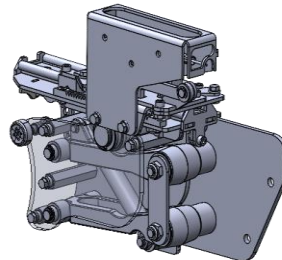
The new area will be dedicated to the assembly of sensors, switches, and mechatronic systems such as manipulators and armrests



SPECIAL SWITCHES



ELECTRICAL WIRE ASSEMBLY



MECHANICAL STRUCTURE



**COMPLEX ARMREST SUPPORT
«ALL IN HOUSE»**



KNOBS AND PCB



ALL EFFECT SENSOR

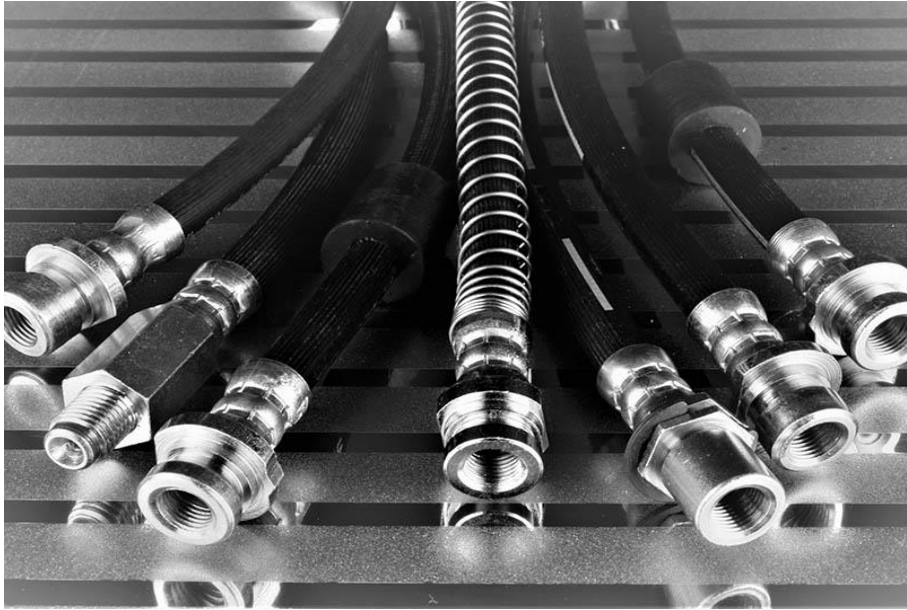


PLASTIC ESTHETICAL TREAMS

IAM NEW PRODUCTS UPDATE

All-In-House production to maintain high margins

BRAKE HOSES

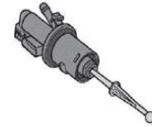


In 2021 there was a big increase brake hoses revenues: € 416 thousands.
Full Year 2022: € 585 thousands

EPB PROJECT

Sensors

Clutch position sender



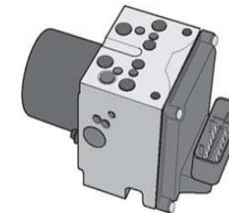
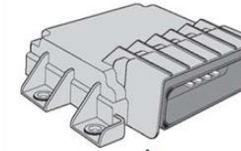
Electromechanical parking brake button



Autohold button



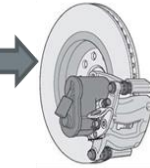
Electromechanical parking control unit



ABS control unit

Actuators

Left / Right brake EPB



Electromechanical parking brake warning light



Brake system warning light



Electromechanical parking brake fault warning lamp



Autohold warning light



NEW LOGISTICS CENTER IN ITALY

Warehouse A

Warehouse B



Around **3.500 sq.m.** just in proximity of Autostrada A4, a few minutes from the Headquarters, between Milano and Bergamo.

Fully operational from **April 2024.** It hosts the **OE Logistic Division**



ESG

ENVIRONMENTAL

- + 2,8% electricity from renewable sources (2022 vs. 2021). Total 47,5% [-29 tCO2e issued]
- - 3,6 % total energy consumption per revenues (2022 vs. 2021)
- 97% Raw materials used by recycling (Aluminium and Zamak) [-230 tCO2e issued]
- 98,7% of the total waste is destined for recovery
- -1.336 tCO2e of total greenhouse gas emissions (scope 1, 2, and 3)
- - 49,2% of packaging used [-857 tCO2e issued]
- Only 2% dangerous waste generated per revenues in 2022

Sustainable Development Goals

ENVIRONMENTAL

7 AFFORDABLE AND CLEAN ENERGY



- Installation of solar panels at the Pozzo d'Adda plant
- Installation of electric vehicle charging stations powered by renewable energy sources

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Study of new packaging to replace the use of plastic for all AM clients
- Replacement of single-use wooden boxes with reusable plastic boxes (66%)

13 CLIMATE ACTION



- Purchase of GO certificates to increase the share of electricity from renewable sources
- Scope 3 greenhouse gas emission inventory and redefinition of reporting perimeter

2024





ESG

SOCIAL

- 100% of employees on permanent contracts
- 43% of hires are under the age of 30.
- +5,7% growth of employees (2022 vs 2021)
- +19.7% average training hours per employee (21.9) (2022 vs 2021)
- Selection and evaluation of suppliers with environmental, ethical and social criteria
- 90% of suppliers from Cofle SpA have certifications.
- - 24.7% reduction in the accident severity index.
- Projects for the sustainability of the territory

Sustainable Development Goals

SOCIAL

3 GOOD HEALTH
AND WELL-BEING



- Pursuing of the prevention project with free medical visits for employees in collaboration with LILT (Italian League for the Fight against Cancer)

5 GENDER
EQUALITY



- Increase in the percentage of female presence in the company (with the opening of the new logistics hub)

2024



Sustainable Development Goals

GOVERNANCE

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



- Study and inclusion of ESG goals in the remuneration systems of Managers

17 PARTNERSHIPS
FOR THE GOALS



- Gradual expansion of the sustainability reporting scope to fully cover the Group consolidation.

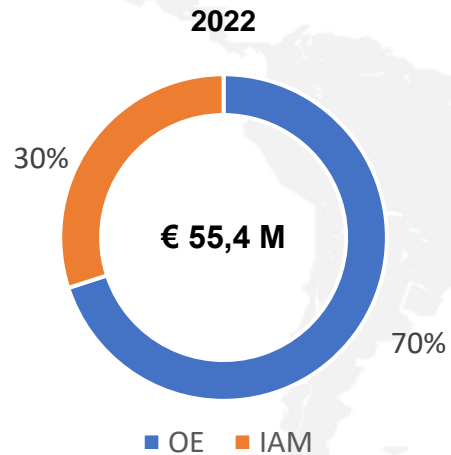
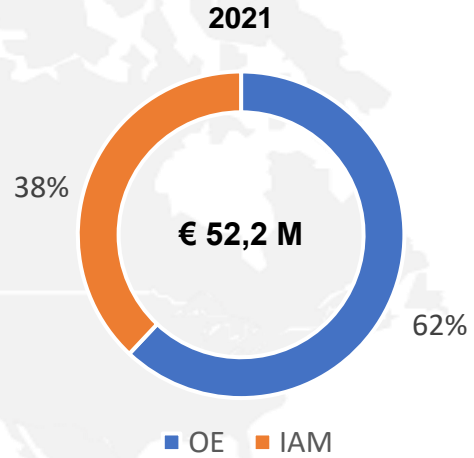
2024



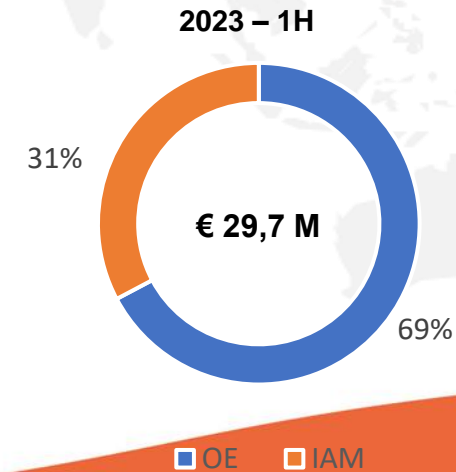
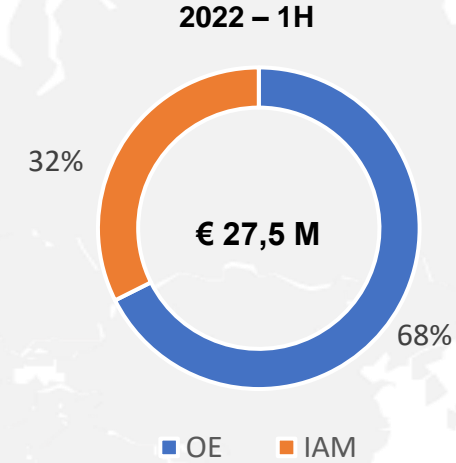
FINANCIAL HIGHLIGHTS

GROUP SALES BY DIVISION – Update 1H 2023

Sales Breakdown by division
(FY 2021 – 2022)

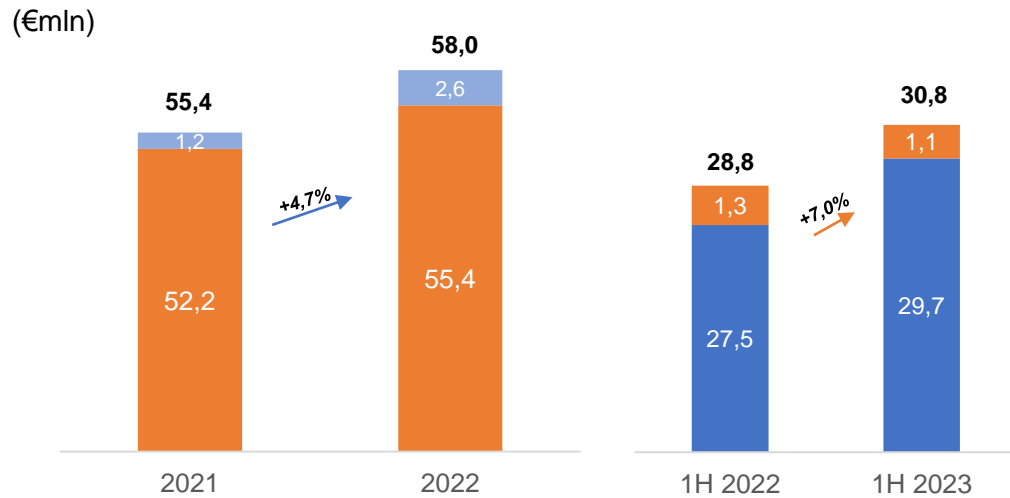


Sales Breakdown by division
(1H 2022 vs 1H 2023)

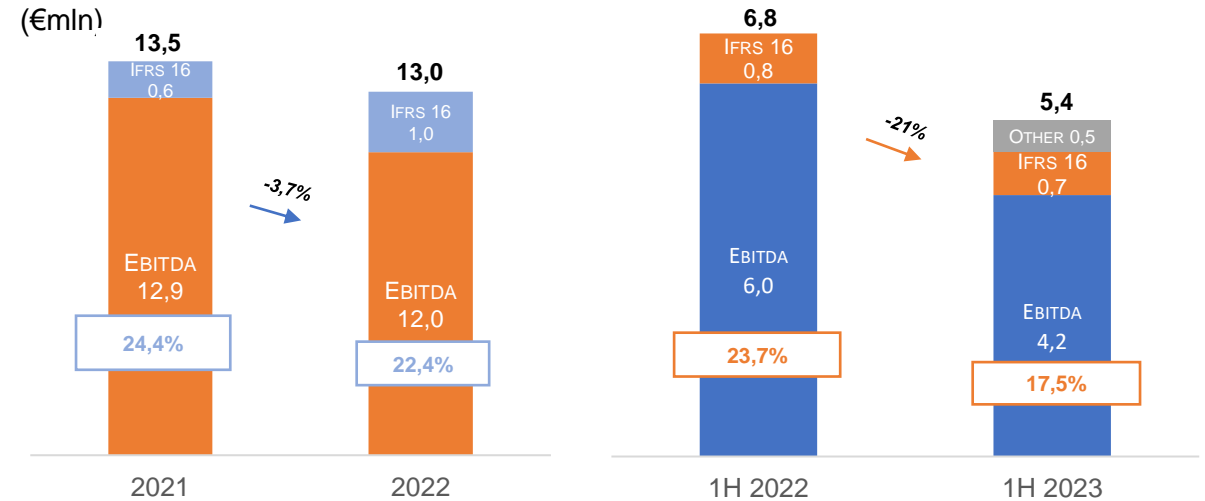


FINANCIAL HIGHLIGHTS

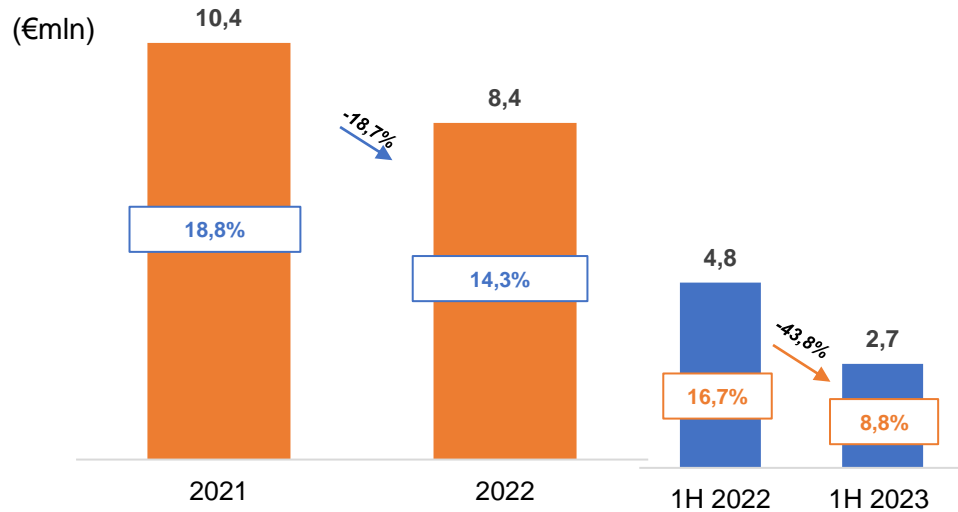
Cofle Total Revenues & Sales



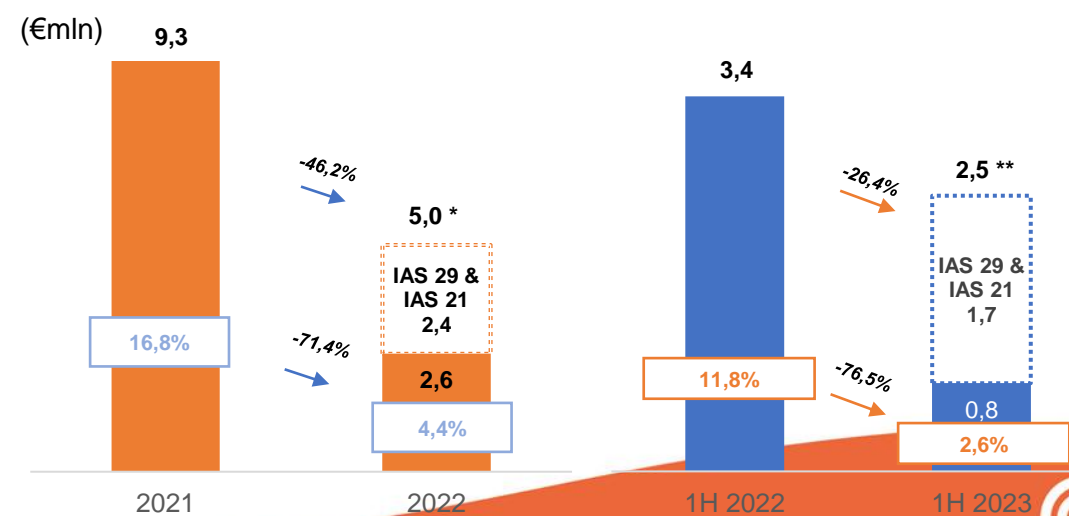
EBITDA IFRS 16 Adj. and EBITDA Margin



EBIT and EBIT Margin

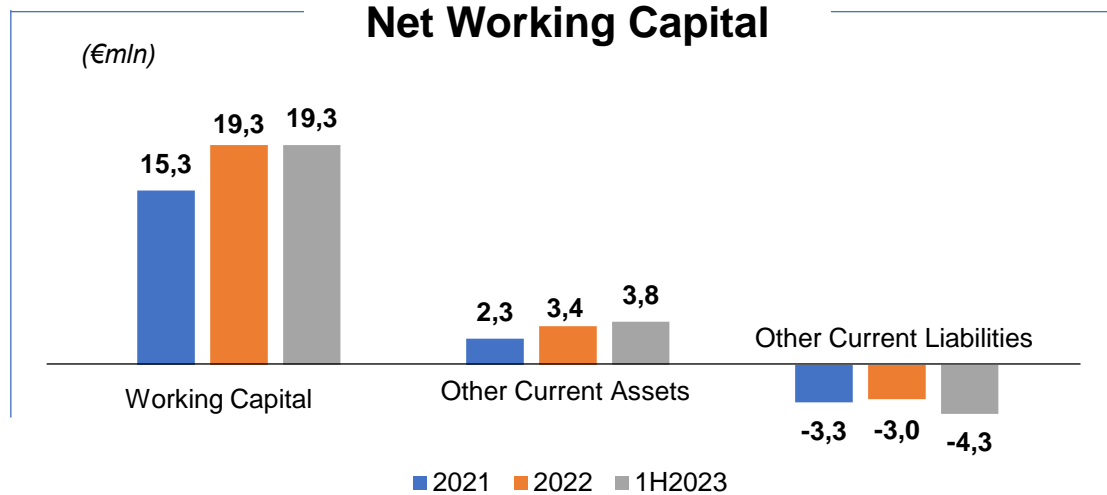


Net Income and Net Income Margin



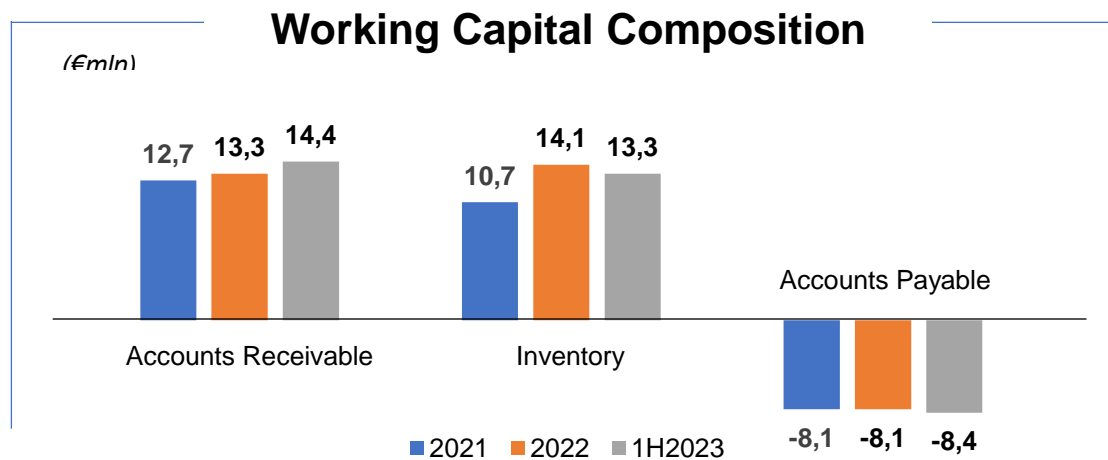
CONSOLIDATED NET WORKING CAPITAL

Net Working Capital Analysis



(€mln)

NWC 2021	NWC 2022	NWC 1H2023
14,4	19,6	18,8

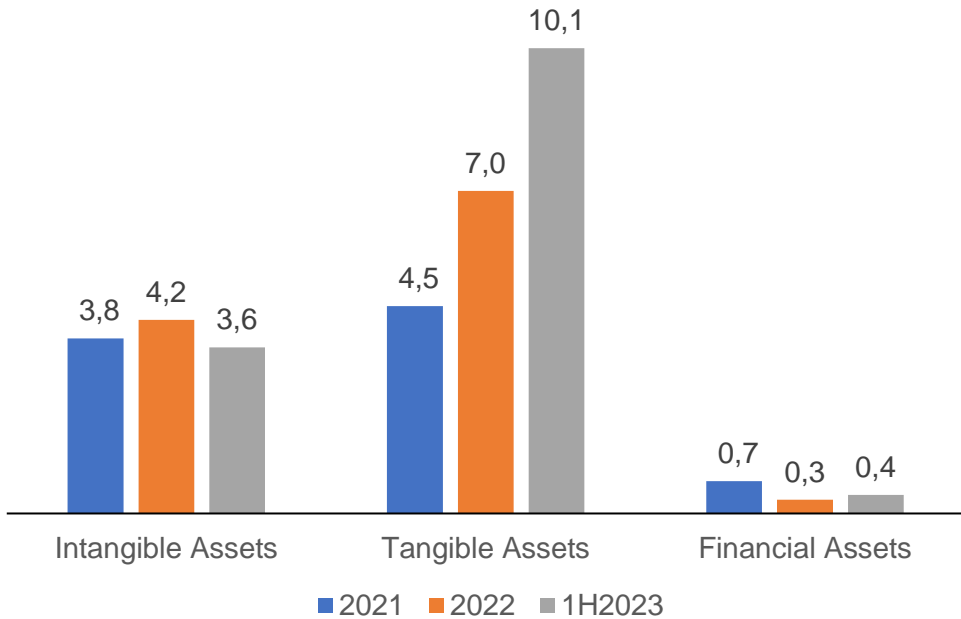


	2021	2022	1H2023
DSO	~83	~86	~85
DIO	~120	~140	~137
DPO	~88	~91	~83

FIXED ASSETS AND CAPEX

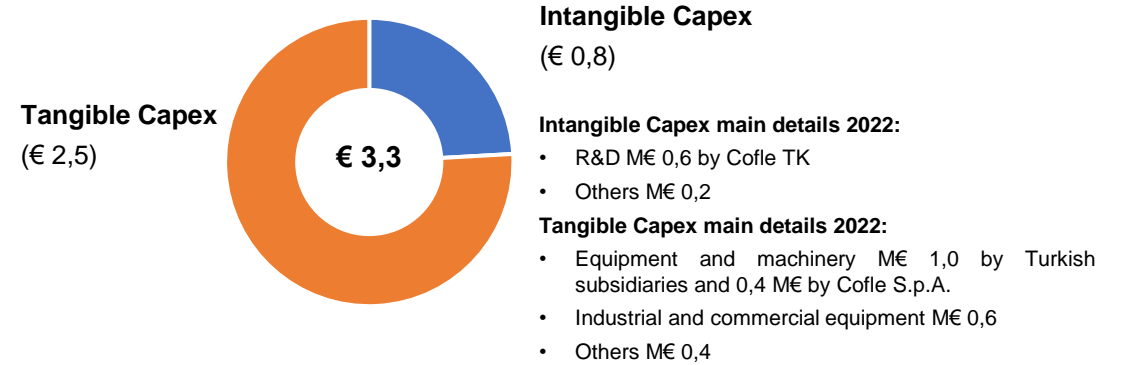
Tangible, Intangible and Financial Assets

Fixed Assets



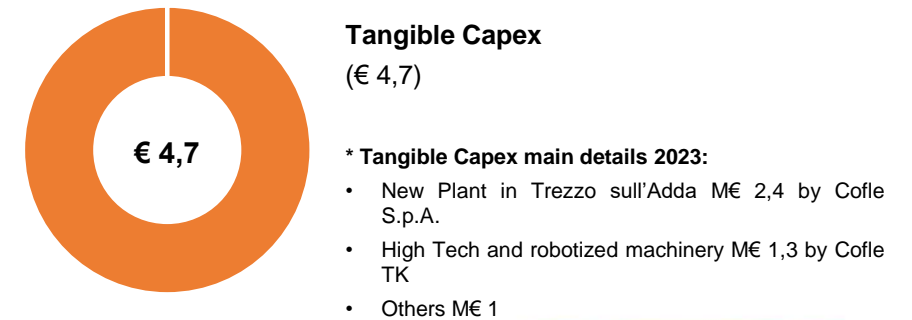
Consolidated Capex 2022

(€mIn)



Consolidated Capex 1H2023

(€mIn)



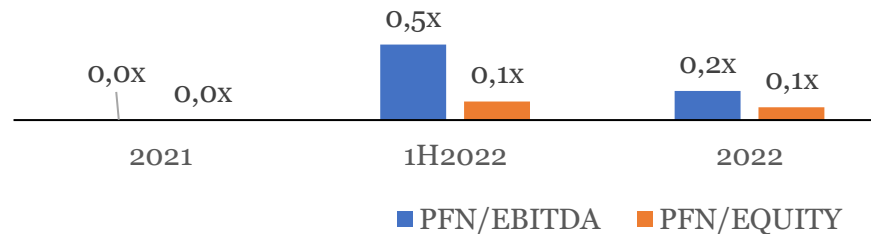
NET FINANCIAL POSITION FY 2021 - 1H 2023

NFP IFRS 16 FY 2019-2022

Composition of Net Financial Position

(€)	2021	1H 2022	2022	1H 2023
Long Term Financial Debts	9.348.695	7.867.844	10.301.703	7.384.983
Short Term Financial Debts	1.299.154	4.621.425	4.269.010	8.304.368
Cash and Cash Equivalents	-15.493.769	-13.509.892	-20.319.815	-17.376.552
Other Current Financial Assets	-	-	-190.960	-281.920
Shareholder Financial Receivable	429.900	-	-	-
Financial debts vs Parent Company	722.500	413.000	255.000	-
Other Financial Debts	58.870	429.900	4.883.811	5.301.922
Net Financial Position ITA GAAP ex Valdiporto	-3.634.650	-177.723	-801.251	3.332.801
Valdiporto Financial Receivable*	-600.000	-50.000	-	-
Net Financial Position ITA GAAP	-4.234.650	-227.723	-801.251	3.332.801
Ifrs 16 Adjustment	4.266.000	3.825.000	3.475.000	5.210.337
Net Financial Position IFRS 16	31.350	3.597.000	2.673.749	8.543.138

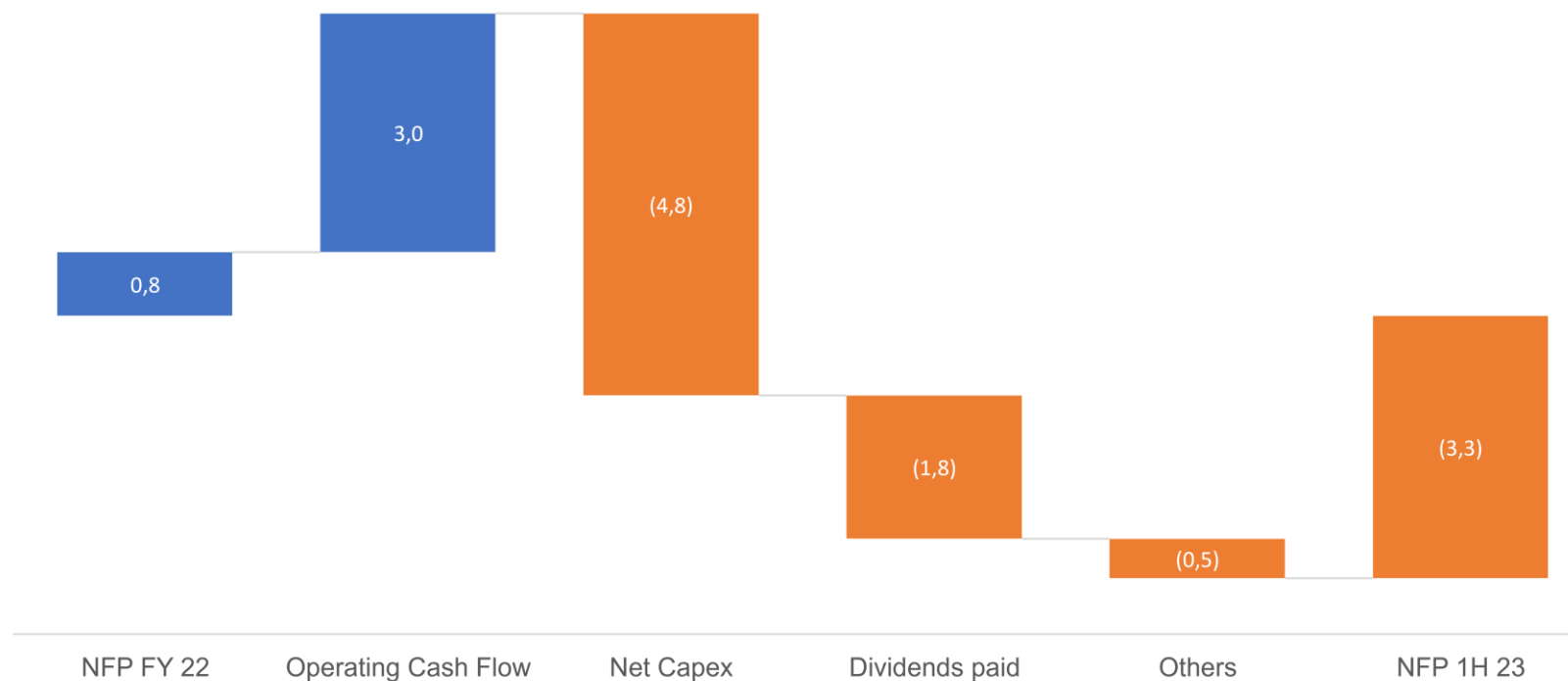
Financial Ratio – IFRS 16



- Other Financial Debts include € 4.852.919 related to a Basket Bond issued in November 2022. Interest rate 5,06%, period end October 2028
- At 30/06/2023, NFP is equal to € 3,3 M.

CASH FLOW

Net Financial Position Bridge FY22 to 1H2023



Cash Outflow of 4,1 M



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Cofle