



comer industries

PRESS RELEASE

COMER INDUSTRIES: ACQUISITION OF WALTERSCHEID POWERTRAIN GROUP COMPLETED

The merger of the two companies gives rise to a Group with a turnover of € 1 billion, listed on Borsa Italiana, and one of the world's leading players in mechanics for the agricultural sector

Storchi: "This major achievement is thanks to all the people who work for our business every day, and to the investors who believed in the project"

Reggiolo (RE), 1 December 2021 – Comer Industries S.p.A., a company whose shares are traded on Borsa Italiana, following the statement released on July 15, 2021, announces that, as all the conditions precedent provided for in the Investment Agreement between the Company, Eagles Oak S.R.L. and WPG Parent B.V. have been met, today saw the completion of the transaction for the acquisition on the part of Comer Industries of 100% of the share capital of WPG Holdco B.V., the holding company controlling Walterscheid Powertrain Group, a leader in the Off-Highway sector (components and drive systems for agricultural, industrial, construction and mining equipment), operating in 75 countries with a turnover of € 396 million in 2020.

Specifically, today saw the closing of the purchase of 19.7% of the share capital against payment of a price of €40,000,000 and the execution of the contribution by WPG Parent B.V. of the stake equal to the remaining 80.3% of the share capital of WPG Holdco B.V., to pay in the 8,029,865 new ordinary shares to be issued as a result of the capital increase approved by the extraordinary shareholders' meeting of the Company on September 14, 2021.

The merger of the two companies gives rise to a Group that is one of the world's leading players in mechanics for the agricultural sector, present of all the most important international markets, with an aggregate turnover of approx. € 1 billion expected for 2021. Please note that this forecast figure has not been subjected to statutory audit, and may be subject to variation when the draft financial statements are approved on 31 December 2021.

Today, the Board of Directors of the Company also met in order to carry out the assessments pursuant to art. 2343-*quater* of the Italian Civil Code, as referred to in art. 2440, paragraph 5 of the Italian Civil Code, and verified that in the period following the reference date of the valuation drawn up, pursuant to article 2343-*ter*, paragraph 2, letter b) of the Italian Civil Code and article 2440 of the Italian Civil Code, by the independent expert Analisi Società di Revisione S.p.A. no significant new facts had occurred that would significantly affect the value of the assets transferred. The Board of Directors also verified the professionalism and independence requirements of the aforementioned expert.

The declaration pursuant to art. 2343-*quater*, paragraph 3, of the Italian Civil Code and the statement pursuant to art. 2444 of the Italian Civil Code were then filed with the competent register of companies. The New Shares will be made available to WPG Parent B.V. following the registration of the declaration, pursuant to art. 2343-*quater*, paragraph 3, of the Italian Civil Code with the Register of Companies.

As a result of the completion of the Transaction, Joseph Patrick Huffsmith and Lee Merle Gardner become members of the Board of Directors effective from today, as approved by the shareholders' meeting on September 14, 2021. Moreover, a shareholders' agreement has been entered into between Eagles Oak S.r.l., WPG Parent B.V. (and the Company for the sole purpose of cooperation for the transfer of the shares owned by WPG Parent) aimed at regulating their relationships as shareholders of Comer Industries with reference to the corporate governance of the latter and the transfer of the New Shares owned by WPG Parent. It should be noted that the shareholders' agreement sets out WPG Parent B.V.'s commitment to maintain ownership of at least 50% of the New Shares until six months after completion of the Transaction.

"This important achievement of our Group is thanks to all the people who work for our business every day, and to the investors who believed in the project," commented Matteo Storchi, President and CEO of Comer Industries. "Today sees the completion of an international transaction that merges two companies with strong values and a sense of belonging".



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“A new chapter in the history of Comer Industries and Walterscheid Powertrain Group begins today”, added Storchi, “in which we will endeavour to bring renewed strength to each other and to provide an even better service to our customers. We will now be a single leading player at international level, continuing to safeguard the values and the long-established corporate culture of both companies, maintaining their identity, brands and human capital”.

Furthermore, Comer Industries and Alantra Capital Markets Sociedad de Valores S.A.U. – Italian Branch, in its capacity as Euronext Growth Advisor, to the extent of their respective competences, today issued to Borsa Italiana S.p.A. the statements required by art. 14 of the Euronext Growth Milan Issuers' Regulations regarding the reverse take-over transaction.

Finally, in connection with the completion of the Transaction, the medium-long term financing agreement entered into with Crédit Agricole Corporate and Investment Bank, Milan Branch and Crédit Agricole Italia S.p.A., as lending banks, aimed at financing part of the price to be paid to WPG Parent and at refinancing the indebtedness of Walterscheid Powertrain Group today also became effective.

Lastly, it should be noted that, as a result of the issue of the New Shares, Comer Industries' share capital amounts to €18,487,338.6, divided into 28,678,090 ordinary shares, with no par value.

Pursuant to art. 25 of the Issuers' Regulations of Euronext Growth Milan, the new composition of the Company's share capital is shown below, following today's filing with the competent Business Registry of Reggio Emilia of the statement pursuant to art. 2444, paragraph 1, of the Italian Civil Code:

	Current share capital			Previous share capital		
	Euros	No. of Shares	Par value per unit	Euros	No. of Shares	Par value per unit
TOTALE	18,487,338.6	28.678.090	N/A	13,348,225	20,648,225	N/A
of which ordinary shares (regular entitlement) (current coupon number: 4) ISIN: IT0005246191	18,487,338.6	28.678.090	N/A	13,348,225	20,648,225	N/A

The table below shows the Company's shareholders as at today's date, with the number of shares held by significant shareholders (holding more than 5% of the Issuer's share capital) and by the market.

Shareholder	No. of shares	% Share capital
Eagles Oak S.r.l.	14.640.089	51.05%
WPG Parent B.V.	8,029,865	28.00%
Finregg S.p.A.	1,700,000	5.93%
Mercato	4,308,136	15.02%
Total	28,678,090	100.00%

The Company's updated Bylaws were filed today with the competent Register of Companies, and are also available on the Company's website: www.comerindustries.com (Section "Governance/ Bylaws").

For further information, please refer to the Information Document made available to the public, pursuant to the AIM Italia Issuers' Regulations, on 15 July 2021, on the Company's website at www.comerindustries.com.

Crédit Agricole Corporate & Investment Bank acted as exclusive financial advisor to Comer Industries. Crédit Agricole Corporate & Investment Bank and Crédit Agricole Italia acted as arranger, bookrunner and underwriter for the financing, while Alantra Capital Markets SV S.A.U. acted as Euronext Growth Advisor. ADVANT Nctm and Nobili RTZ Legal acted as legal advisors to Comer Industries and PricewaterhouseCoopers performed financial and tax due diligence. Freshfields acted as legal advisor to WPG Parent.

This press release is available also on the company web site: www.comerindustries.com



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Comer Industries, headquartered in Reggio (Reggio Emilia) and listed on the AIM Italia of Borsa Italiana, is the leading global player in the design and production of advanced engineering systems and mechatronic solutions for power transmission. The company operates in the agricultural machinery, construction and forestry equipment, energy and industry sectors. Established in 1970 Comer Industries has expanded over the years and now has seven production sites worldwide; in 2020 it recorded an annual turnover of around €400 million and employed 1300 people.

Comer Industries

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