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PRESS RELEASE

COMER INDUSTRIES: The Board of Directors approves the 2020 Financial Statements:

- **Consolidated revenues totaled 396.2 million euros, in line with the previous year (-2.1% at current exchange rates, -0.6% at constant exchange rates);**
- **Margins and financial position improved for the fourth consecutive year;**
- **Adjusted EBITDA at 50.1 million euros (+11.3%), equal to 12.6% of revenues;**
- **EBIT at 30.4 million euros (+9.2%), equal to 7.7% of revenues;**
- **Net profit at 21.8 million euros (+17.6%), equal to 5.5% of revenues;**
- **Consolidated adjusted net financial position is positive at 26.7 million euros, an improvement of around 30 million euros compared to 31 December 2019.**

The first Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 was also approved, the so-called "Sustainability Report" prepared on a voluntary basis as a commitment to a sustainable business model.

The BoD will propose to the Shareholders' Meeting the distribution of a dividend of 0.50 euros per share (0.35 euros per share for the fiscal year 2019).

President and CEO Matteo Storchi: "*Great satisfaction for the results; despite the macroeconomic scenario, the Group reaffirms the development of recent years and continues with investments in innovation and sustainability*".

Reggiolo (RE), 23 March 2021 – The Board of Directors of Comer Industries S.p.A. - a company listed on the AIM segment of the Italian Stock Exchange and head of a Group that is a global player in the design and production of advanced engineering systems and mechatronic solutions for power transmission - met today to examine and approve the parent company's draft financial statements and the Group's consolidated financial statements for the year ending 31 December 2020.

The 2020 results

The results show a consolidation of the Group's development, with volumes in line with the previous year despite the macroeconomic scenario of strong uncertainty and, notwithstanding the continuation of the substantial investment plan in 2020, a marked increase, for the fourth consecutive year, in all profitability margins and the main indicators of equity and financial soundness.

2020 consolidated turnover stood at 396.2 million euros, down only 2.1% at current exchange rates and 0.6% at constant exchange rates compared to fiscal year 2019. 89% of turnover was generated abroad. This is a significant result considering the global economic scenario, due, in particular, to the excellent performance achieved in the industrial sector and in the Asia Pacific markets.

Operating profitability increased both in absolute terms and in relation to the turnover, with adjusted EBITDA reaching 50.1 million euros, up 11.3% and equal to 12.6% of sales, EBIT at 30.4 million euros, up 9.2% and equal to 7.7% of sales, and Net Profit reaching 21.8 million euros, +17.6% compared to 18.5 million euros of the previous year and equal to 5.5% of turnover.

At 31 December 2020, net financial position showed a positive balance of 3.2 million euros, an increase of over 32 million compared to 31 December 2019. The balance at 31 December 2020 includes 26.7 million euros of net cash and 23.5 million euros of financial payables arising from the accounting treatment of leases in accordance with IFRS 16.

Significant events in the financial year and the President's comments

The year 2020 will be remembered for a long time. The pandemic caused a global scenario that affected every enterprise on the planet, not only in terms of operating in an uncertain macro-economic context with an economic slowdown almost everywhere, but also of having to do so with new attention and procedures, in many cases never applied before.

In this context, Comer Industries has faced the situation with promptness, showing an ability to predict and interpret the changes and intervene with precise and scrupulous actions. In particular, the Group has complied with the periods of lockdown decided by the local Authorities in the various Countries in which it operates, responding proactively in the adoption of all the measures needed to safeguard the health of its employees and aimed at mitigating the impact of the emergency. Throughout the year, protocols aimed at protecting workers have been introduced, while the use of social safety nets and other forms of support in favor of workers such as the CIGO (temporary layoff) in Italy were necessary in the months of March, April and May and then ended definitively in June 2020.

Among the various measures implemented in response to the general situation, Comer Industries has prepared an internal efficiency plan aimed at the *footprint re-balancing* of the Italian production sites, which has led to the transfer of the "Planetary Drives" and "Axles" assembly lines from the Cavriago plant to the Reggiolo industrial hub, guaranteeing full employment of all personnel. Thanks to this reorganization, important expertise will be acquired in the Reggiolo plants, which will go towards integrating the local operating center, allowing it to become a center of key importance and strategic value for the Group. This is a choice made with a view to increasing efficiency and optimizing spaces which, through rationalization and continual improvement, has promoted the synergy of resources, activities and production and generated visible benefits already in the second half-year of 2020.

From a social point of view, in 2020 Comer Industries defined its strategy in the area of sustainability and social responsibility, following the presentation in 2019 of the "Our Bright Impact" project. The various activities include:

- The launch of the "Vidya Home" project in Bangalore, India, aimed at giving ten female students the chance to build a future for themselves by accompanying them in a course of study, giving them safe accommodation and a place to cultivate their talent;
- the creation of the "The languages of gears" Atelier at the Loris Malaguzzi International Center in Reggio Emilia, in collaboration with the Reggio Children foundation, to develop a quality educational path in the field of mechanics;
- participation in the "Le Village" project by Crédit Agricole, an incubator aimed at fostering knowledge and interaction between start-ups and financial and industrial organizations.

In terms of Governance, the Board of Directors has appointed a Remuneration Committee consisting of an independent director, appointed Chairman, and two non-executive directors, with the task of presenting proposals on the remuneration of executive directors and monitoring the concrete application of the policy together with the verification of the achievement of performance objectives.

"*Despite the global macroeconomic scenario and the strong uncertainty that has characterized the market throughout 2020* - commented **Matteo Storchi, President and CEO of the Comer Industries Group** - *the results of our Group can only be read with great satisfaction: a consolidated turnover that, in line with the previous year, reaffirms the development of the last few years and further growing profitability with the continuation of the investment plan. We have carefully selected the aspects that we believe to be priorities for our future and the generations to come, with actions that we want to take forward in the next few years.*

"The future will hold many challenges for us, and we are ready and willing to face them - continued Storchi - *fortified by our values and the desire to continue to be protagonists. In this historic moment in which everyone is referring to sustainability, innovation and leadership, we don't want to just talk about them; we prefer facts to words.*

Sustainability Report

As proof of the Comer Industries Group's strong sensitivity towards issues related to sustainability and corporate social responsibility, the Board of Directors of the company approved the first Consolidated Non-Financial Statement pursuant to Leg. Decree 254/2016, the so-called "Sustainability Report".

The document, prepared on a voluntary basis by Comer Industries as a commitment to a sustainable business model, certifies the many concrete initiatives in terms of environmental protection and social responsibility undertaken by the Group, within the "Our Bright Impact" project, during 2020.

Authorization for purchase and disposal of treasury shares

The Shareholders' Meeting convened on 22 April 2021 will be called to approve the authorization for the purchase and disposal of treasury shares, subject to the revocation of the existing authorization approved by the Ordinary Shareholders' Meeting of 22 April 2020. The company currently does not hold treasury shares in its portfolio. The new authorization will expire on October 2022, key points are described below.

The purchase authorization, to be made directly or through intermediaries in accordance to the law, refers to a maximum of 2,040,928 ordinary shares, at a price between € 5.00 (five/00) and € 25.00 (twentyfive/00).

The purchase and disposal for which authorization is sought will be made for the purpose of retention for subsequent uses, including, for instance consideration for extraordinary transactions, including share swaps or disposal of equity investments; investments, directly or through intermediaries, to regularize negotiations trend and support the liquidity of stock on the market, in all cases without prejudice to compliance with current provisions, or for servicing future incentive plans based on financial instruments dedicated to Company's Directors and employees, or for servicing future plans of free allocation of shares to shareholders.

For further information on the proposal for the authorization for purchase and disposal of treasury shares, reference should be made to the Director's Report, which will be published in accordance with terms and manners contemplated under applicable statutory and regulatory provisions.

Procedure for regulating transactions with related parties

As of today, the Board of Directors approved the update of the Procedure for Transactions with Related Parties, after receiving a favorable opinion from the Independent Director and the Board of Statutory Auditors. The Procedure for Transactions with Related Parties is available at the Company's registered office and on the Company's website in the "Governance / Corporate Procedures" section.

Call of the Shareholders' Meeting and proposed allocation of Profit

The Board of Directors resolved to call the Shareholders' Meeting, in a single call in ordinary and extraordinary session, on 22 April 2021 with the following agenda:

- the approval of the financial statements as at 31 December 2020 and the profit allocation for the year;
- the presentation of the consolidated financial statements of Comer Industries Group as at 31 December 2020;
- the presentation of the non-financial statement (Leg. Decree 254/2016);
- the appointment of the Board of Directors;
- the appointment for a nine-year term of office of the entity engaged with the legal audit due to the status as Issuer of widespread financial instruments acquired by the Company as from 1 January 2021;
- authorization to purchase and dispose of own shares;
- the amendment of the Articles of Association in order to adapt them to a number of recent changes and to implement the provisions of the AIM Italy Issuers' Regulations communicated by *Borsa Italiana* (Italian Stock Exchange) in July 2020 through notice no. 17857.

The Board of Directors will propose to the next Shareholders' Meeting to approve the distribution of a dividend, relating to the 2020 financial year, equal to 0.50 euros per share. The dividend, if approved, shall be payable on 28 April 2021 (the so-called payment date) with distribution date 26 April 2021 (the so-called ex-date) and record date 27 April.

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It is hereby disclosed that the full notice of the Shareholders' Meeting and the documents relating to the items on the agenda will be made available to the public in accordance with the terms and manners of the law and will also be available on the "Governance / Shareholders' Meeting" section of the Company's website, as well as on the eMarket Storage mechanism (www.emarketstorage.com).

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Comer Industries, with registered office in Reggiolo (Reggio Emilia) and listed on the AIM Italy market of the Italian Stock Exchange, is the leading global player in the design and production of advanced engineering systems and mechatronic solutions for power transmission. The company is active in the fields of agricultural machinery, construction and forestry equipment, energy and industry. Founded in 1970 and grown over the years, Comer Industries today can boast 7 production plants worldwide, an annual turnover of around 400 million euros and over 1,300 employees.

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Financial statements attached

SUMMARY OF THE RESULTS OF COMER INDUSTRIES GROUP
(data not verified by the Board of Statutory Auditors and the Independent Auditors)

(MLN EUROS)	31/12/2020	31/12/2019	CHANGE IN %
REVENUE FROM SALES	**396.2**	**404.6**	**-2.1%**
EBITDA [adjusted]	**50.1**	**45.0**	**11.3%**
% on sales	12.6%	11.1%	
EBITDA	**48.6**	**45.7**	**6.4%**
% on sales	12.3%	11.3%	
Amortization and Depreciation	(18.2)	(17.9)	2.0%
EBIT	**30.4**	**27.8**	**9.2%**
% on sales	7.7%	6.9%	
NET PROFIT	**21.8**	**18.5**	**17.6%**
% on sales	5.5%	4.6%	
NET PROFIT [adjusted]	**25.9**	**21.6**	**19.8%**
% on sales	6.5%	5.3%	
COMMERCIAL WORKING CAPITAL	**84.7**	**85.1**	**-0.4%**
% on sales	21.4%	21.0%	
INVESTED CAPITAL	**140.2**	**158.2**	**-11.4%**
ROI [EBIT / Invested capital (%)]	**21.7%**	**17.6%**	
NET FINANCIAL DEBT	**3.2**	**(29.1)**	**N.A.**
NET FINANCIAL DEBT [adjusted]	**26.7**	**(2.9)**	**n.a.**
Net financial debt [adjusted] / EBITDA [adjusted]	n.a.	0.06	
EBITDA [adjusted] / Net financial charges	101.2	43.2	
TOTAL CASH FLOW	**29.5**	**33.9**	**-12.8%**
CASH CONVERSION RATE	**76%**	**37.0%**	
CAPEX	**11.7**	**15.9**	**-26.5%**
% on sales	2.9%	3.9%	
EQUITY	**143.4**	**129.1**	**11.0%**
Net financial debt [adjusted] / Equity	n.a.	0.02	
ROE [Net profit adjusted / Equity]	**18.0%**	**16.7%**	
EPS [adjusted] [Net profit adjusted / nr. Share]	**1.27**	**1.06**	**19.8%**
AVERAGE PERSONNEL EMPLOYED IN THE PERIOD	**1,335**	**1,388**	**-3.8%**

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Consolidated Financial Statements 31.12.20 (data not audited by the Board of Statutory Auditors and the Independent Auditors)

ASSETS (THOUSAND EUROS)	31/12/2020	31/12/2019
NON-CURRENT ASSETS		
Tangible fixed assets	76,481	81,486
Intangible fixed assets	3,605	3,976
Tax assets and deferred tax receivables	8,414	8,273
Other long-term debtors	284	313
Total	**88,784**	**94,048**
CURRENT ASSETS		
Stocks	83,254	85,498
Trade receivables	85,701	77,257
Other short-term debtors	1,428	978
Current tax assets	7,903	13,898
Short-term financial derivatives	1,214	0
Cash and cash equivalents	38,177	16,136
Total	**217,677**	**193,767**
TOTAL ASSETS	**306,461**	**287,815**
LIABILITIES AND SHAREHOLDERS' EQUITY (THOUSAND EUROS)	**31/12/2020**	**31/12/2019**
SHARE CAPITAL AND RESERVES		
Issued capital	13,109	13,109
Share premium reserve	27,944	27,944
Other reserves	24,109	15,231
Accumulated profits (losses)	78,213	72,830
Retained earnings	56,448	54,329
Net profit/(Loss)	21,765	18,501
Total	**143,375**	**129,114**
MINORITY INTERESTS	-	-
Total shareholders' equity	**143,375**	**129,114**
NON-CURRENT LIABILITIES		
Financial Long-term loans	-290	4,404
Other Long-term loans	19,771	22,871
Tax liabilities and deferred taxes	1,270	1,092
Post-employment benefits	9,228	9,300
Other long-term creditors	213	3,332
Long-term provisions	3,332	3,465
Total	**33,524**	**44,464**
CURRENT LIABILITIES		
Trade payables	84,209	77,650
Other short-term creditors	16,349	11,676
Current tax liabilities	3,991	3,683
Financial Short-term loans	12,358	13,612
Short-term financial derivatives	255	389
Other Short-term loans	3,691	3,344
Short-term provisions	8,709	3,883
Total	**129,562**	**114,237**
TOTAL LIABILITIES	**306,461**	**287,815**

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CONSOLIDATED INCOME STATEMENT (THOUSAND EUROS)	31/12/2020	31/12/2019
Revenues from contracts with customers	396,207	404,579
Other operating revenues	2,733	3,066
Variation in stock of fin. and semi-fin. goods and work in progress	(2,244)	(7,522)
Cost of purchases	(246,035)	(247,991)
Personnel costs	(67,112)	(72,715)
Other operating charges	(34,967)	(33,739)
Allowance for bad debts and other provisions for risks	(461)	(474)
Depreciation/amortisation	(17,743)	(17,378)
OPERATING PROFIT (EBIT)	**30,378**	**27,826**
Net finance income / (charges)	(980)	(2,191)
Pre-tax profit	**29,398**	**25,635**
Income taxes	(7,632)	(7,134)
NET PROFIT/ (LOSS)	**21,765**	**18,501**
of which pertaining to minority interests	**-**	**-**
of which pertaining to the Group	**21,765**	**18,501**
Earnings/(loss) per share (in euroS)	1.07	0.91
Diluted earnings/(loss) per share (in euroS)	1.07	0.91

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (THOUSAND EUROS)	31/12/2020	31/12/2019
Net profit/(loss)	**21,765**	**18,501**
OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT WHICH WILL SUBSEQUENTLY BE RECLASSIFIED IN PROFIT/LOSS FOR THE PERIOD (net of taxes)		
Net (loss)/gain on cash flow hedges	1,367	63
of which fiscal impact	(328)	(15)
Exchange differences on translating foreign financial statements	(4,112)	374
Total other components in the comprehensive income statement that will subsequently be reclassified in profit(/(loss) for the period net of taxes	**(3,074)**	**422**
OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT WHICH WILL NOT SUBSEQUENTLY BE RECLASSIFIED IN PROFIT/(LOSS) FOR THE PERIOD (net of taxes)		
(Loss)/profit from revaluation of defined benefit plans	(113)	(480)
of which fiscal impact	20	51
Total other components of the comprehensive income statement that will not subsequently be reclassified in profit/(loss) for the period net of taxes	**(93)**	**(429)**
TOTAL COMPREHENSIVE PROFIT /(LOSS) NET OF TAXES	**18,598**	**18,494**

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CASH FLOW STATEMENT (THOUSAND EUROS)	31/12/2020	31/12/2019
A - Opeating activities		
Net profit for the year	21,765	18,501
Reconciliation of net profit to operating cash flows:		
Depr. of tangible assets, am. of intangible assets and depr. of property investments net IFRS 16 impact	14,014	13,633
Other impact from IFRS 2 gross to deferred tax impact	5,389	4,808
Provisions for bad debts, net of uses	263	273
Provisions for employee benefits net of uses	2,654	2,794
Provisions for liabilities and charges net of uses	4,692	3,548
Net change in deferred taxes	37	(1,688)
Effect of conversion on balance sheet	(3,928)	
Changes in working capital		
Stocks	2,244	7,522
Trade receivables	(8,708)	(127)
Tax assets/liabilities	6,318	(5,396)
Other receivables	(421)	903
Trade payables	6,543	(8,421)
Other liabilities	1,554	(354)
Changes in severance indemnity net of provisions	(2,726)	(2,599)
Changes in provisions for risks and charges net of write-downs	0	(800)
A - Cash flow provided by operating activities	49,692	32,594
B - Investing activities		
Net investments in tangible fixed assets	(11,894)	(16,447)
Net investments in intangible fixed assets	(1,240)	(971)
Divestments of tangible fixed assets	1,080	1,196
Divestments of intangible fixed assets	131	174
Effect of conversion of fixed assets	338	(44)
Effect of conversion of equity investments	0	81
B - Net cash flow provided by investing activities	(11,586)	(16,011)
C - Net cash flow from IFRS 16 impact		
Increase IFRS 16	(833)	(1,264)
Impairment assets IFRS 16	0	450
Depreciation on tangible fixed assets IFRS 16	3,729	3,745
Net chareges IFRS 16	(2,754)	(2,247)
Effect of conversion of IFRS 16 investments	51	0
C - Net cash flow from IFRS 16 impact	193	685
D - Financing activities		
Repayments of short-term loans	(8,254)	(15,829)
Repayments of long-term loans	(4,694)	(26,227)
New short-term loans	7,000	6,844
New long-term loans	(1,348)	55
Change in the Fair Value of financial derivatives		30,460
Changes in capital and reserves	(3,164)	(381)
Effect of conversion on balance sheet	3,928	
IFRS 2 impact: IPO costs	(2,583)	(883)
Tax impact on IPO costs		(453)
Changes in capital and reserves from waarant		593
Other changes on reserves: IAS 32		(292)
Dividends paid in the period	(7,143)	(12,210)
D - Net cash flows from financing activities	(16,259)	(18,323)
VARIATION IN CASH AND CASH EQUIVALENTS (A+B+C+D)	22,041	(1,054)
Opening balance of cash and cash equivalents	16,136	17,190
Increase (decrease) in cash and cash equivalents	22,041	(1,054)
Closing balance of cash and cash equivalents	38,177	16,136