

EUROGROUP LAMINATIONS SPA SIGNS A PRELIMINARY MoU FOR A PARTNERSHIP AGREEMENT WITH HIXIH RUBBER INDUSTRY GROUP FOR A BREAKTHROUGH IN THE CHINESE ECOSYSTEM AND ACCELERATE GROWTH IN THE LOCAL ELECTRIC VEHICLE MARKET

Rome, August 1, 2024 - EuroGroup Laminations S.p.A. (“**EuroGroup**” or the “**Company**” or “**EGLA**”), announces that, following the Italian government's institutional visit to China and as part of the framework agreements on the electric car signed between Italy and China, Knight of Labour Sergio Iori, Chairman of the Company, signed a preliminary Memorandum of Understanding (“MoU”) for a strategic partnership with Mr. Niu Yishun, Founder of Hixih Rubber Industry Group (“**Hixih**”), a leading company in the Chinese automotive components market. The signing took place in Rome at the headquarters of the Ministry of Enterprise and Made in Italy with the presence of Minister Adolfo Urso, with Mr. Niu Yishun connected via videoconference.

The preliminary memorandum of understanding commits the parties to develop an industrial partnership, based on a Joint-Venture under the control of EGLA, to further stimulate growth in the Chinese market, in order to increase the commercial penetration in the market, in particular with Chinese manufacturers of electric cars.

In the details, the terms of the preliminary MoU intend to favor a quantum leap in the commercial and industrial ecosystem for EGLA's EV & Automotive segment in China, based on important pillars, including:

- the establishment of a new R&D center for innovative technologies located in the Hixih Group's industrial area in Shandong, to protect intellectual property and to support all co-development activities and partnerships with local customers;
- a new high-tech industrial plant dedicated to the production of motor cores for manufacturers of New Energy Vehicles, integrated in the same plant, with investments which will also be supported by dedicated incentive programs;

This new hub will offer the opportunity to integrate in a single site those distinctive processes in the value chain of stator and rotor production necessary to differentiate in the Chinese electric vehicle market.

To date, EGLA operates in China with two production facilities dedicated to the two business units EV & Automotive and Industrial, and reported total revenues of approximately € 23 million in the first quarter of 2024, almost three times those of the first quarter of 2023. More specifically, the order book for the EV traction segment amounts to about €1 billion to be executed by February 2030 for 2 Chinese OEMs plus circa 10 international OEMs and Tier 1s.

Currently China is the world's most advanced market for the electric car, where penetration of New Electric Vehicles is steadily above 40 percent, with a further strong growth envisaged for the future.

Adolfo Urso, Italian Ministry of Enterprises and of Made in Italy, commented: *“The agreement between EuroGroup Laminations and Hixih is fully in line with our government goals in the field of green technology and electric mobility. Others will follow in the coming days to mark the new course outlined by the Three-Year Action Plan and the cooperation agreement between the two ministries, signed during the Prime Minister's mission to China”.*

Sergio Iori, Chairman of EuroGroup Laminations S.p.A., commented: *“We are proud to sign this important agreement that represents a decisive step forward in the world's most important and potential market for electric cars. This partnership will enable us to further strengthen and expand our footprint in China, where we have been operating since 2016. Jointly with the excellence and strength of Hixih Rubber Industry Group, we want to accelerate growth and achieve the market leadership we already have in Europe and North America. Through this agreement we will increase our penetration of Chinese OEMs and Tier 1 customers. Finally, we would like to thank the Italian government for the initiative that led to the signing of the agreements between Italy and China and for their valuable support in achieving this milestone.*

Mr Niu Teng, Chairman of Hixih Rubber Industry Group, commented: *“We are pleased to sign a strategic partnership agreement with EuroGroup Laminations. China's electric vehicle market has huge potential and unlimited opportunities. Expanding investment and accelerating development in China fully reflects the vision of the senior management of EGLA. China is opening to the outside world and attracting foreign investment, creating good opportunities for the development of bilateral cooperation. In the next step, we will use the experience and influence accumulated over the years in the Chinese market to fully support the development of EGLA in Hixih industrial park and China. We hope that EGLA will introduce the most advanced technology and the most high-end products into the joint venture company, and through our close cooperation and joint efforts, seize the development opportunities of China's electric vehicles, seize more market share, create greater value for global customers and shareholders, and achieve common growth and development! I am confident that there will be bright prospects for our cooperation”.*



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ABOUT EGLA

EuroGroup Laminations is a world leader in the design, production and distribution of the motor core (stators and rotors) for electric motors and generators. The Group's business is organized along two segments: (i) EV & AUTOMOTIVE, which designs and produces the motor core of electric motors used in electric vehicle traction, as well as a wide range of non-traction automotive applications; and (ii) INDUSTRIAL, which designs and manufactures products used in various applications including among others industrial applications, home automation, HVAC equipment, wind energy, logistics and pumps. With registered office in Baranzate (MI), EuroGroup Laminations recorded revenues of approximately € 836 million in 2023, currently has a workforce of approximately 3,000 employees, 8 production plants in Italy and 6 abroad (2 in Mexico, 2 in China, 1 in the United States and 1 in Tunisia) and an Order Book for the EV & AUTOMOTIVE segment with an estimated value of approximately € 6.1 billion, and a pipeline of orders under discussion at approximately € 5.5 billion.

ABOUT HIXIH RUBBER INDUSTRY GROUP

Hixih Rubber Industry Group was founded in 1989 and over the years has developed into a diversified and innovation-oriented international business group, a leader in the rubber industry and also involved in the fields of power generation, new energies, metal products, bioengineering, real estate development, healthcare, capital operations, etc.

Hixih has built joint ventures with the world's top international companies, including Pirelli and Continental.

As an international manufacturer of high-performance tyres and a high-end conveyor belt enterprise, the Hixih Group is committed to providing a comfortable and safe driving experience to high-end car users and professional material handling system solutions to global customers. Following an innovation-driven development strategy, the Hixih Group has built an open innovation system with university-industry cooperation, upstream and downstream integration and domestic and overseas linkage.