

1 MAZARO update FY 2021 and Q1 2022

1.1 P&L comments

FYE 31/12 - BE GAAP - €k	2018	2019	2020	2021
Net Sales	(15)	121	39	101
Other Revenues	440	458	363	211
Total Revenues	425	579	402	311
COGS	-	-	-	-
Remunerations	49	62	66	85
SG&A	407	392	327	178
EBITDA	(31)	125	10	49
Depreciation & amortization	588	702	672	388
EBIT	(620)	(577)	(662)	(339)
Financial income	231	309	268	365
Financial charges	3	1	1	53
Earnings before tax (EBT)	(391)	(269)	(394)	(27)
Taxes	-	(5)	(3)	(3)
Net income	(391)	(264)	(391)	(24)

Historical sales were limited and mainly consisted of pre-commercial engineering revenues from clients.

Other revenues related to capitalized production (BE GAAP 72), other operating revenues (BE GAAP 74) and exceptional items.

1.2 Balance sheet comments

FYE 31/12 - BE GAAP - €k	2018	2019	2020	2021
Fixed assets	1,547	1,460	1,004	1,047
Intangible assets	1,442	1,334	979	1,028
Tangible assets	1	22	25	19
Financial assets	104	104	-	-
Current assets	1,818	1,175	286	1,300
LT receivables	-	-	-	-
Inventories	-	-	-	-
Accounts receivables	617	414	171	230
Other receivables	671	213	33	25
Cash and equivalents	528	548	82	1,044
Accruals	2	-	-	-
Total assets	3,365	2,636	1,290	2,346
Total equity	1,475	902	(304)	(693)
Equity	(329)	(593)	(984)	(1,008)
Subsidies	1,804	1,494	680	315
Financial debt	1,277	1,268	1,163	1,913
Subordinated debt	1,277	1,268	1,163	1,913
Current liabilities	613	466	431	1,126
Accounts payables	594	430	183	202
Tax, remuneration	19	37	17	17
Other payables (ST portion of shareh. loan)	-	-	231	855
Accruals	-	-	-	52

Long term subordinated debt (€1,913k):

- €1,163k related to shareholders loans from MAZARO's historical shareholders (F. De Mazière, C. De Dijcker and B. Coenraets). Out of this amount, €605k were converted into equity on the occasion of the capital increase of February 11
- An investor, Dalton Invest, has provided an extra €750k in June 2021 as a convertible loan which has been converted, together with capitalized interest (€13k) into equity at the moment of the capital increase on February 11.

Other payables (€855k):

- €625k related to payments from investors on the blocked account that was used for the capital increase
- €230k related to short-term financial debt towards F. De Mazière and C. De Dijcker.

2 First quarter report

2.1 Business development

The Issuer has signed a cooperation agreement with two Tier 1 manufacturers in Europe and Asia, for the production of transmissions for several vehicles including trucks, e-trucks and quads, with the intention to begin producing transmissions in 2023. On December 22, 2019, the Issuer and ANAND, a high standard Indian Group, signed a Memorandum of Understanding and a term sheet. Accordingly, ANAND will produce, sell and distribute the Issuer's transmissions in exclusivity in India and neighbouring countries. Another agreement is made with a European company manufacturing off-highway machinery who has a demo vehicle running on their premises and functioning to their full satisfaction. Negotiations with two other (European) Tier 1 manufacturers for large off-road vehicles are still ongoing. At the moment, having no products on the market yet, the only source of revenues are engineering incomes, with the first royalties expected in 2023. Engineering incomes are registered as other revenues in BE GAAP accounts (below). Several prototypes for vehicles and a feasibility study for wind power energy are ordered by customers. Purpose is to launch series when the tests in their applications are positive. The names of clients cannot be published as they are protected by an NDA.

2.2 R&D activities

- Two new RVT models – one for trucks and one for quads – are being tested on the Mazaro test rig. These are the first models of the new generation 3. Novel about this generation 3 is the application of the 3rd and 4th patent. With the new construction of the 3rd patent, the transmissions become even more compact while the overdrive ratios get higher. The 4th patent offers faster ratio changes in a cost effective construction and in particular an energy consumption of the actuation system as low as 0.17% of the transmitted power (The actuation system of conventional Double Clutch Transmissions consumes about 5%).
- The first test results confirm the above. These 2 models will be fully tested and tuned before being installed in the vehicles. The plan is that these 2 vehicles are driving still this year.
- For the ongoing projects, a customized electronic controller is being developed. This investment will enable MAZARO to offer its systems with their unique benefits and several control options at a sharp price. This controller is a valuable asset that can be used in all MAZARO transmissions.

2.3 Financing

- MAZARO raised a total of €3.7m on the occasion of its IPO project. A first capital increase of €3.0m took place on February 11 with the proceeds of the crowdfunding (€800k) and the private placement (€2.2m). On February 23, the company made an additional capital increase of €700k by making use of the authorized capital.
- Following its IPO, the company started trading on Euronext Brussels on March 8.

2.4 Board composition

Following the capital increase on February 11, MAZARO has appointed Paul Matthijs (permanent representative of ADMODUM) and Steven Waelbers as board members for a 6 years mandate.

2.5 Recruitment

Recruitment on track. Hopefully to be completed before Summer. Two open positions:




- Controls Engineer
- Design Engineer

3 Reminder of financial agenda and contact details

3.1 Agenda

- Next Ordinary General meeting: Friday 24 June 2022 at 10:00am. The General Assembly documentation will be made available by the end of May.
- Beginning of September: Release of activity report on H1 2022
- End of October: Release of activity report on Q3 2022

3.2 Contacts

 Listing sponsor	 IR & Media relations	 General enquiries
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4 About MAZARO

MAZARO designs innovative transmissions that combine exceptionally high internal efficiency with the ability to keep the internal combustion engine or E-engine on its optimal efficiency curve at all times, providing unparalleled energy, emissions and cost savings while optimizing performance and comfort. The benefits of this technology is most impressive in trucks, buses, off-highway vehicles, SUVs, lift trucks and tractors both powered by a combustion engine and electric.

MAZARO is led by ir. Filip De Mazière, a civil engineer in Mechanical Engineering (UGent) with more than 20 years of experience as Chief Design Engineer at leading transmission suppliers HÖRBIGER/TREMEC and DANA. There, he was responsible for numerous successful transmission designs for McLaren, Ferrari, Liebherr and Case New Holland among others. De Mazière was granted 15 international patents; those relating to MAZARO's technology are now owned by the company.

5 About ANAND

In 1961, ANAND started its journey as a shock absorber manufacturer; six decades later, nearly every vehicle on Indian roads and several globally, carry a part of ANAND. With the widest range of solutions, ANAND has gone boldly where few others have ventured, establishing 13 Joint Ventures and 7 Technical Collaborations. While India is their hub of business activity, international OEM customers and a significant Aftermarket presence worldwide, make them a world-class automotive player.

Picture of the RVT380 on the test rig with the compact construction of the actuation system underneath the transmission.

