

Mazaro announces full-year 2023 financial and operational results

In 2023, focus was on the development of an innovative truck transmission for the Indian market and on global business development

March 20, 2024

1. Mazaro's R&D progress

- In 2023, Mazaro has made significant progress in developing RVT (Reversible Variable Transmission) prototypes for two leading Indian truck manufacturers in 2023;
- These prototypes implement its two most recent patents: a more compact mechanical construction, the so-called eccentric hinges and an actuation system with particularly low energy consumption;
- To keep the adjustment process on trucks in India as short as possible, most driving functions are now simulated on Mazaro's test bench;
- To achieve the ambitious performance objectives once in series products, Mazaro invests in the expansion of its R&D facilities. A new test setup is under construction to better map the behavior of all kinds of bearing types in the special operating conditions that may arise;
- In the 4th quarter, Mazaro further develops the software for the RVT370, which will be installed and tested in a customer's 11-ton truck in the spring of 2024. Until then, this prototype will remain on Mazaro's test bench to test all mechanical aspects, perfection where necessary and validate. This prototype serves as 'proof of concept' for the customer;

- This prototype is already delivering spectacular performance on the test bench that simulates the behavior of the fully loaded truck. The transmission keeps the drive motor at exactly the right speed while the truck brakes abruptly and comes to a stop;
- In parallel, the R&D team starts tests to accurately map the behavior of the bearings. These research results will help to optimize the efficiency of new models;
- Also, the calculation models for the latest generation of transmissions are being fine-tuned so that new models can be developed more quickly in future.

2. Business Development

- After a successful feasibility study of the RVT technology for a tractor, the customer postponed the final order until spring 2024;
- There was also a successful feasibility study for a military vehicle. Of the initial 150 possible solutions our customer considered, in the end: three remained. Two of those integrate two Mazaro SVT units per vehicle. The customer plans a final decision at the end of Q2 2024. If selected, development of a transmission for a demo vehicle will start;
- At Busworld Brussels it became clear that a transmission with a comparable specification would also be an attractive proposition for Bus OEMs;
- A trip to the US got the big three OEMs interested in an SVT application in electric light trucks.

3. CLEPA Innovation Award 2023 honours Mazaro's pioneering, high efficiency transmissions

In October, Mazaro won the 'Green Innovation Award' for its SVT for e-vehicles. With this, Mazaro received important recognition for excellent R&D work.

The award was granted by CLEPA, the European Association of Automotive Suppliers.

An international jury of 41 experts from academia, industry and the R&D community assessed the ambition, market impact and implementation of the selected innovative technologies.

4. P&L as at 31/12/2023

P&L € 000	2023				2023
	Q1	Q2	Q3	Q4	FY
Operating income	-	-	8	-	8
Revenue	-	-	8	-	8
Goods for resale, raw materials and consumables	-	-	-	-	-
Gross margin	-	-	8	-	8
<i>Gross margin as a % of operating revenue</i>					
Services and other goods	(147)	(159)	(173)	(179)	(658)
Housing	(5)	(4)	(4)	(3)	(16)
Fleet	(1)	(2)	(3)	(2)	(8)
Office equipment	(2)	(1)	(3)	(5)	(10)
IT & Software	(0)	(0)	(1)	(0)	(2)
Fees and commissions	(87)	(82)	(102)	(89)	(360)
Communication costs	(1)	(0)	(0)	(1)	(2)
Other costs	(8)	(2)	(7)	(0)	(17)
Small material	(1)	(15)	(2)	(4)	(22)
Publicity and representation	(4)	(15)	(4)	(10)	(33)
Sales costs	(0)	(0)	(1)	-	(1)
Directors remuneration	(38)	(37)	(47)	(64)	(186)
Remuneration, social security and pensions	(47)	(17)	(22)	(40)	(126)
Other operating charges	(0)	(0)	(0)	(1)	(2)
Other operating income	3	4	2	19	28
Cash EBITDA	(190)	(173)	(186)	(201)	(750)
Produced fixed assets	-	210	-	202	412
EBITDA	(190)	37	(186)	0	(338)
Depreciation	-	-	-	(522)	(522)
EBIT	(190)	37	(186)	(521)	(860)
Financial charges	(0)	(0)	(0)	(0)	(1)
Financial income	0	0	0	124	124
Profit before taxes	(190)	37	(186)	(397)	(737)
Income taxes	-	-	-	14	14
Profit after taxes	(190)	37	(186)	(384)	(723)

5. Comment on financial year ending 31/12/2023

Operating income:

Services and other goods:

Main costs concern:

1. Paid services from:

- Lawyers

This concerns exceptional costs of services that were provided for almost two years (March 2022 – December 2023); all invoiced in 2023. It concerns organizing all legal aspects of Mazaro entering Euronext Access: legal obligations, formalities towards Euroclear, FSMA, negotiations with domestic and foreign banks, legally required communication, preparation of notarial documents, organizing renewed shareholder

structure, convening formalities, etc. Also putting in place share options (ESOP) for staff and drawing up a contract with an independent business developer.

- Financial advice regarding Mazaro's IPO
- consultancy on global business development (1 part-time) and technical assistance (1 full-time)

2. **publicity and communication costs:** press releases, advertisements, website updates, articles, newsletters

3. **sales costs:** symposia, expo's and travel expenses to promote Mazaro's technology

4. **Produced fixed assets:**

Consist of capitalized cost in view of the research of the prototype. The following costs have been capitalized:

- remuneration cost for 2 company directors and 2 employees
- costs related to services and goods incurred in the context of prototyping
- Financial income: is entirely related to the use of capital grants

The figures of Mazaro result in a loss due to the fact that very limited revenue was generated. The focus of Mazaro is currently on the development of the prototypes.

Every quarter the board comes together to interpret the cashflow status of Mazaro and map the future income/cost in this respect.

6. **Financial agenda and contact data**

Agenda

- End April 2024: Publication Annual Report FY 2023
- First week June 2024: Publication activity report Q1 2024
- June 28 2024 (10 am): General Assembly FY 2023

Contacts

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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, Civil Engineer in Mechanical Engineering (UGent) with over 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.