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hGears IPO: Offer shares multiple times subscribed – issue price set at 26.00 EUR per share

- hGears raises gross proceeds of EUR 62 million
- Offer shares multiple times subscribed at issue price of EUR 26.00 per share
- IPO covered after only a few hours on day one of the bookbuild
- Free float of 64%
- First day of trading of the shares on the regulated market (Prime Standard) at the Frankfurt Stock Exchange expected on 21 May 2021

Schramberg, 18 May 2021. hGears AG ("hGears" or "Company"), a global manufacturer of high-precision gears and components with a focus on products for e-mobility applications, has set the issue price for its initial public offering at EUR 26.00 per share, which corresponds to the middle of the price range.

From Friday, 21 May 2021, a total of 10,400,000 hGears shares will be traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse). This corresponds to a market capitalization of EUR 270 million. The offer comprised 2,400,000 shares from a capital increase, 3,400,000 shares from the holdings of the selling shareholders (1,000,000 thereof from the exercise of an upside option) and a market customary over-allotment of 870,000 shares. This results in a free float of 64%.

Pierluca Sartorello, CEO of hGears: "We are proud to have successfully completed the leap onto the stock market. The high demand of our shares shows the strength of our future-oriented growth strategy and demonstrates the shareholders' confidence in the high quality of our products. During our meetings with investors, we received very positive feedback on our market position and strategy. The opportunities arising for hGears as a supplier of high-precision gears and components for e-bikes and electric and hybrid vehicles in the context of the increasing importance of e-mobility were recognized."

Daniel Basok, CFO of hGears adds: "The books were covered after just a few hours on the first day of the offer period and ultimately subscribed several times. We are very satisfied with the result of the IPO. With the proceeds we are able to further expand the organic growth in our e-mobility business area and will now focus on reaching our medium-term organic growth target of doubling group revenue to EUR 250 million and more than tripling e-mobility business area revenue to EUR 150 million."

The Management Board and certain members of the Supervisory Board have committed to purchase offer shares in the IPO at the Offer Price.

Furthermore, the Company and the Shareholders have agreed to a lock-up period of six months and for the consecutive period of a further six months only with consent of the Sole Global Coordinator. The Management Board has agreed to a lock-up period of twelve months.

The shares will carry the international securities identification number (ISIN) DE000A3CMGN3 and the German securities identification number (WKN) A3CMGN. Delivery of the offered shares to investors will take place on 21 May 2021.

Hauck & Aufhäuser is acting as Sole Global Coordinator and Joint Bookrunner. ABN AMRO (in cooperation with ODDO BHF SCA) is acting as Joint Bookrunner in the IPO.

Allotment rules for the public tender offer to private investors

Due to the oversubscription of the offer, not all purchase offers from private investors could be considered as part of the allocation.

Following allocation, investors will receive a separate securities settlement note from their depositary bank. Investors can also receive additional information on the shares allocated to them from their depositary bank. The allotment to private investors will be in accordance with the "Principles for the Allotment of Share Issues to Private Investors" issued by the German Commission of Stock Exchange Experts at the Federal Ministry of Finance on June 7, 2000.

Contact

cometis AG
Dr. Daniela Diedrich
Unter den Eichen 7
65195 Wiesbaden

T: +49 611 205855 – 22
E: diedrich@cometis.de

About hGears

hGears is a global manufacturer of mission-critical high-precision gears and components with a focus on products for e-mobility applications. The Company's strategic focus is on the e-mobility business area where products include gears, shafts, and other mission-critical components to be used in combustion-free electrical drive applications for e-bikes and electric and hybrid vehicles. In the e-bikes segment, hGears is the European market leader in the supply of high-precision gears and components and its parts are contained in approximately two million of the total 4.6 million e-bikes sold in Europe in 2020. This puts the company in a good position to capitalize on the dynamically growing end-markets for e-bikes and

electric and hybrid vehicles. hGears has three distinct business areas for which it develops and manufactures high-precision components: E-mobility, E-tools, and Conventional (i.e. premium and luxury cars, motorcycles and industrial applications).

hGears combines over 60 years of experience in advanced machined steel metal processing and state-of-the-art powder metal production. It is one of the few companies offering customers both processes worldwide. hGears works together with its customers in a "co-development" role to design components and find technologically optimal solutions to satisfy the customer's specifications. hGears' blue chip customer base includes a number of major suppliers as well as original equipment manufacturers. The company benefits from long, stable and sustainable relationships with its customers, with hGears serving many key customers for over 15 years.

hGears is headquartered in Schramberg, Germany, and operates globally with production facilities in Schramberg, Germany, Padua, Italy and Suzhou, China. On the Internet at: www.hgears.com

Group revenue in 2020 was EUR 126.3 million, with e-mobility business area revenue increased by 59% year on year from 2019.

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