

## **hGears AG Group announces successful signing of debt refinancing on improved terms and conditions**

**Schramberg, 22 December 2021.** hGears AG ("hGears" or "Company"), a global manufacturer of high-precision gears and components with a focus on products for e-mobility applications, today announces that it has entered into a new credit facilities agreement with a consortium of banks for an amount of EUR 60 million in total.

The new facilities agreement comprises a term loan of EUR 15 million and a revolving credit facility of EUR 45 million. The agreement is for a term of 5 years, providing more than a 3-year extension to the current EUR 32 million facilities agreement.

The new agreement will be used to refinance the Group's existing debt of EUR 20 million, maturing in September 2023. Whilst the revolving credit facility will be used for growth CAPEX in line with future capacity utilisation and ramp-up of new projects.

Under the terms of the agreement, the refinancing will considerably reduce debt costs by approximately 255bps, from ~3.50% to ~0.95% per year. As agreed with the consortium banks, up to EUR 20 million of the new credit agreement shall be converted during 2022 into a favourable Government-approved ESG loan.

The refinancing is expected to complete in January 2022.

Daniel Basok, CFO of hGears, adds: "hGears has received strong support from a group of three international banks, confirming the Group's strengthened financial position achieved since the Company's initial public offering in May 2021. The new facilities agreement has a considerably lower interest rate, which will immediately benefit the Company's cash flow and profitability and underpins our sound financial profile into the new year."

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### **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 meet its customers' 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 partners and has worked with 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. Visit hGears on the Internet at [www.hgears.com](http://www.hgears.com)