Capital Markets Day
August 31, 2022
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Accelleron’s Board comes with extensive governance experience

Oliver Riemenschneider
Chairman
ABB Turbocharging, ex. President
V-ZUG, Chairman

Monika G. Krüsi
Chair AC
Burckhardt Compression, Chair NCC
Repower, Chairwoman

Gabriele Sons
Chair NCC
ElringKlinger, BoD Member
TK Elevator, ex. EC Member

Bo Cerup-Simonsen
Member
Maersk Mc-Kinney Moller Center for Zero Carbon Shipping, CEO

Detlef A. Trefzger
Member
Kuehne+Nagel, ex. CEO

Stefano Pampalonne
Member
CNH Industrial, President Construction
Experienced leadership team with fit for purpose organization

Daniel Bischofberger
Chief Executive Officer

Adrian Grossenbacher
Chief Financial Officer

Christoph Rofka
Head of Medium & Low Speed Products

Herbert Müller
Head of High Speed Products

Roland Schwarz
Head of Turbocharging Service

Dirk Bergmann
Chief Technology Officer

Annika Parkkonen
Chief Human Resource Officer

Source: Company information
## Agenda for the day

<table>
<thead>
<tr>
<th>Time (CET)</th>
<th>Topic</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>11:00 - 12:00</td>
<td>1. Introduction to Accelleron</td>
<td>Daniel Bischofberger (CEO)</td>
</tr>
<tr>
<td></td>
<td>2. Leading position in attractive markets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. The energy transition in our markets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Our technology for the future</td>
<td>Dirk Bergmann (CTO)</td>
</tr>
<tr>
<td>12:00 - 12:30</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>12:30 - 14:00</td>
<td>5. Business strategy</td>
<td>Christoph Rofka (Medium &amp; Low Speed Products)</td>
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<td></td>
<td></td>
<td>Herbert Müller (High Speed Products)</td>
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<td></td>
<td></td>
<td>Roland Schwarz (Turbocharging Service)</td>
</tr>
<tr>
<td></td>
<td>6. Financials</td>
<td>Adrian Grossenbacher (CFO)</td>
</tr>
<tr>
<td></td>
<td>7. Transaction overview and concluding remarks</td>
<td>Daniel Bischofberger (CEO)</td>
</tr>
<tr>
<td>14:00 - 14:30</td>
<td>Q&amp;As</td>
<td></td>
</tr>
<tr>
<td>14:30 - 15:30</td>
<td>Factory tour</td>
<td></td>
</tr>
</tbody>
</table>
01
Introduction to Accelleron
A global leader in high power turbochargers for mission-critical applications

- #1 position across segments
- Industry leading technology offering
- Preferred partner to both OEMs\(^1\) and operators
- >180k turbocharger installed base
- >100 service stations globally
- ~75% recurring service-driven revenues
- Strong cash conversion

Source: Company information, third party analysis and Audited Combined Carve-out Financial Statements

1. OEMs stand for Original Equipment Manufacturers
We are organized into two reporting segments with three operating divisions working hand in hand

Medium & Low Speed reporting segment
- Medium & Low Speed products
- 73% share of 2021 revenues

High Speed reporting segment
- High Speed products
- 27% share of 2021 revenues

Integrated Service business

Service business is intrinsically linked with our product businesses’ value chain

Source: Company information and Audited Combined Carve-out Financial Statements
World requires massive emission reduction and Accelleron provides solutions for hard-to-decarbonize sectors

Accelleron revenues by core end-markets

Other 4%

Energy emissions reduction required by 2050

- Energy 43%
- Marine 53%

Net CO₂ emissions in gigatons (Gt)

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy</th>
<th>Marine</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>12 Gt</td>
<td>17 Gt</td>
<td>0 Gt</td>
<td>29 Gt</td>
</tr>
<tr>
<td>2050</td>
<td>7 Gt</td>
<td>16 Gt</td>
<td>0 Gt</td>
<td>23 Gt</td>
</tr>
</tbody>
</table>

Net CO₂ emissions in million tonnes (Mt)

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy</th>
<th>Marine</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>921 Mt</td>
<td>461 Mt</td>
<td>0 Mt</td>
<td>1382 Mt</td>
</tr>
<tr>
<td>2050</td>
<td>461 Mt</td>
<td>461 Mt</td>
<td>0 Mt</td>
<td>922 Mt</td>
</tr>
</tbody>
</table>

Source: Company information, BloombergNEF and International Maritime Organization

1. Based on net zero 2050 emission targets outlined in Paris agreement
2. Based on IMO targets
Turbocharging technology helps end users achieve key decarbonization and financial KPIs

How does a turbocharger improve engine performance?

Adding a turbocharger to an engine helps to...

- ... increase power by up to 300%
- ... lower fuel consumption and CO₂ emissions by up to 10%
- ... reduce NOₓ emissions by up to 60%
- ... save OpEx of up to ~$3m¹ per annum, being multiple times of the initial outlay

Source: Company information

¹ For a large container vessel; calculated as 250t of fuel per day at $500/t for 250 days of operation per annum and assuming 10% fuel savings. Upside potential from carbon credits
Accelleron has the most comprehensive range of products on the market

**Smallest product: TPX**
- Size
- Weight: 100 kg
- Power: 500kW
- Applications: Diversified end markets

**Largest product: A100 / 200- L**
- Size
- Weight: 10 tons
- Power: 25,000kW
- Applications: Marine end markets

Source: Company information
Accelleron has focused applications with market leading positions

<table>
<thead>
<tr>
<th>Industry³</th>
<th>Medium &amp; Low Speed</th>
<th>High Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Marine</td>
<td>Energy</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>Rail</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average useful life of a TC</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 30 years</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Differentiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly customized</td>
</tr>
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<table>
<thead>
<tr>
<th>Key competitors include</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source: Company information, Company internal estimates, third party analysis and Audited Combined Carve-out Financial Statements

1. Based on 2021 revenues
2. Position in High Speed Gas Engines segment only, excluding High Speed Diesel Engines
3. Main focus industries in black
The overall lifecycle implies long timelines for development and yielding returns.

It takes more than 10 years to build a sizeable installed base which yields returns.

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Objective</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;3 years</td>
<td>Develop industry leading product with key technological differentiation</td>
<td>High upfront investment required</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No immediate returns</td>
</tr>
<tr>
<td>10-15 years</td>
<td>Maximize installed base through leading salesforce and customer relationships</td>
<td>Continuous manufacturing footprint</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investments required</td>
</tr>
<tr>
<td>30+ years</td>
<td>Retain installed base and create a resilient service business with loyal customer base</td>
<td>Continuous service footprint investments required</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Higher returns</td>
</tr>
</tbody>
</table>

Attractive business model with significant scale and high share of recurring service revenues.

Source: Company information
Best-in-class technology enabling leading product and service offering

Best-in-class efficiency (up to 2% above peers) with up to 25% higher power density\(^1\) compared to closest peer

Supporting our OEM customers with industry leading emission reduction competences

Digital capabilities enabling predictive maintenance and remote monitoring / diagnostics

\(~7\%^2\) of annual revenues spent on R&D and 119 patent families with 30 – 50 patents filed per year\(^3\)

Source: Company information and Audited Combined Carve-out Financial Statements

1. Power density refers to power per unit of volume (e.g., W/m\(^3\))
2. Based on 2021
3. 10-year average
Our skills and competence is the basis for our success

- ~2,300\(^1\) people with clear goals
- ~185 R&D employees
- >500 service engineers
- 80 training hours per annum per engineer
- Investing in our local peoples’ training & development to meet exacting Swiss standards
- ~7\% R&D as \% of revenues\(^2\)
- 119 patent families

Source: Company information and Audited Combined Carve-out Financial Statements

1. Includes externals
2. Based on 2021
We serve global markets and operate on a global basis

Revenues breakdown (2021)
- Americas: 19%
- Europe: 41%
- Asia, Middle East & Africa: 40%

Global HQ, Baden (Switzerland)
Engineering and R&D

Production, sourcing and assembly
Baden (Switzerland), Jiangjin (China), Shanghai (China), Vadodara (India)

Source: Company information and Audited Combined Carve-out Financial Statements
Note: FY2021 geographical revenues split

Resilient supply chain
Dual sourcing is in place for key components

Efficient manufacturing & sourcing
4 global hubs
~10,000 turbochargers manufactured per year

Central service center Baden
100,000 orderlines per year

Global service network
>100 service locations globally

Service availability
Assembly of orders 24/7
Parts availability
Within 48 hours at every airport
Our value proposition: support customers through entire product lifecycle with digitalization encompassing every step

- Co-design: Partner to OEMs in engine development
- Application Expertise: Holistic combustion expertise in future-proof technologies and wide application of turbochargers
- Manufacture: State-of-the-art manufacturing facilities
- Lifetime Extension: Extending the life of a turbocharger to reduce total lifetime cost
- Upgrade: Superior technology to increase power output and fuel efficiency
- Service: Digitally enabled aftermarket support over the life of a turbocharger

Digitalization: Encompassing all stages of a TC1 lifecycle

Source: Company information
1. TC = turbocharger
Megatrends are forcing our markets to transition and creating opportunities for Accelleron

<table>
<thead>
<tr>
<th>Now</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decarbonization</strong></td>
<td><strong>If maritime industry was a country, it would be the world’s 6th largest CO\textsubscript{2} polluter</strong></td>
</tr>
<tr>
<td><strong>Trends:</strong> synthetic fuels, fossil fuel decarbonization, bio fuels, blends, increased efficiency</td>
<td><strong>1% reduction in maritime industry fuel use is equivalent to:</strong></td>
</tr>
<tr>
<td><strong>Power:</strong> grid balancing for intermittent renewables</td>
<td>1. \textasciitilde $2bn of annual savings</td>
</tr>
<tr>
<td><strong>Heavy-duty:</strong> carbon neutral fuels where batteries are not a solution</td>
<td>2. CO\textsubscript{2} reduction from taking \textasciitilde 2 million cars off the road</td>
</tr>
</tbody>
</table>

| **Digitalization**                                                  | **Frequent manual data collection**                                      |
| **Device connection & data collection**                             | **Remotely connected engines**                                           |
| **Smart service contracts & monitoring**                           |                                                                        |
| **Shared benefits & risks model**                                  |                                                                        |
| **Operational knowledge drives design**                             |                                                                        |

*Source: Company information*
Sustainability is at the core of our strategy and operations

<table>
<thead>
<tr>
<th>We aim to improve the Environmental impact of...</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>...our own operations:</strong></td>
</tr>
<tr>
<td>✓ Scope 1 &amp; 2 CO₂ emissions reduced by 50% since 2019. Further 60% reduction planned by 2030</td>
</tr>
<tr>
<td>✓ New test facilities to operate with alternative green fuels from 2022 (e.g. H₂)¹</td>
</tr>
<tr>
<td>✓ Transition 80% of test center operations to green fuels by 2030</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>We take Social responsibility for...</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>...our employees:</strong></td>
</tr>
<tr>
<td>✓ Global development opportunities for local talent at one worldwide standard (e.g. &gt;80h of training per year for service engineers)</td>
</tr>
<tr>
<td>✓ Worker safety: LTIFR² of 0.45 in 2021, plan to achieve 0.2 by 2024</td>
</tr>
<tr>
<td>✓ Diversity: 2021/22 Female share of 15% across senior leadership⁴, &gt;20% across new hires. Employees from 80 nationalities in 50 countries</td>
</tr>
</tbody>
</table>

| **...our customers’ operations:**       |
| ✓ Improving customers’ efficiency by reducing their fuel consumption and combustion engine size |
| ✓ Enabling longer usage of customer assets via prioritizing repairs and upgrades over replacements |
| ✓ Helping our customers to decarbonize further by leading the transition to green fuels |

| **...our external stakeholders:**       |
| ✓ Ethical and social supplier due diligence |
| ✓ Support local communities in which we are active, e.g. China, UK, Ecuador, Philippines and India |

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Executive compensation will be linked to environmental and social targets; Support of UN Sustainable Development Goals, to be laid-out in dedicated Sustainability Report

Source: Company information

1. H₂ stands for Hydrogen
2. Lost time injury frequency rate
3. Per 200k hours worked
4. Senior leadership defined as highest graded 4% of employees
We plan to strategically target key areas in order to achieve our goals:

- Increase percentage share in our marine and power core markets
- Expand our business offering into adjacent areas where we can differentiate
- Grow long-term customer engagement through lifetime service offering
- Increase digital scope and facilitate customer energy transition
Attractive financial profile with resilient margins and strong cash flow

2021 revenues
$756m
24.8% operational EBIT margin\(^3,4\)

Mid-term targets\(^1\)

Organic revenues growth\(^2,3\)
2-4% CAGR

Operational EBITA margin\(^3\)
23-26%

Free cash flow conversion\(^3\)
90-100%

2022 organic revenues growth\(^2,3\)
~6%
~24% operational EBITA margin\(^3\)

Source: Company information, Audited Combined Carve-out Financial Statements
1. Referring to mid-term period of 4-5 years
2. At constant currency and adjusted for M&A
3. Non-U.S. GAAP financial metric, as defined on page 106
4. Equivalent to operational EBITA margin, as there has been no acquisition-related amortization in 2021
Leading Position in Attractive Markets
We are positioned in critical applications and the sustaining segment of the turbocharger market.

Use case category

- **Off-Highway**
  - (lower volumes, bespoke design, high performance)
  - Marine
  - Energy
  - **Traction**
  - (Rail, Mining, Agriculture, Other)

- **On-Highway**
  - (high volumes, serial production)
  - **Truck**
  - **Personal vehicles**

Application

- **Engine speed**
  - Low
    - (500-5720 kW/cyl)
  - Medium
    - (90-2100 kW/cyl)
  - High
    - (<200 kW/cyl)

Source: Third party and Company analysis
Product led growth is expected across our markets

Addressable Off-Highway Market:
~$2bn\textsuperscript{1} in 2020

Product
~4% market growth\textsuperscript{1}

- High Speed
  - $200m
- Medium & Low Speed
  - $300m
- Overall market growth
  - ~2%
  - Accelleron’s revenue-weighted market growth\textsuperscript{1}
  - ~2%

Service
~1% market growth\textsuperscript{2}

- High Speed
  - $500m
- Medium & Low Speed
  - $1,000m

Source: Company internal estimates and third party analysis and Audited Combined Carve-out Financial Statements
Note: Traction not included in addressable market size
1. Excluding rail
2. FY20 – FY26E CAGR, excludes inflation and FX impact
Trends in core market segments support the growth trajectory

Accelleron’s revenue by core market segments

- **Energy**: 43%
- **Marine**: 53%
- **Other**: 4%

Energy transition increases turbocharger applications

- Grid balancing from ICE critical with
  - Accelerating shift to renewables
  - Overall electrification trend
- Back-up power ever more important for critical infrastructure (inc. data centers)
- Continuous demand for baseload in emerging markets

Marine: Segment growth increases turbocharger applications

- Strong investment in shipping supported by global trade
- Stricter CO₂ emission regulations for propulsion systems create new technology opportunity
- New propulsion systems and alternative fuels emerging

Share of ICE

- Energy: <5%
- Marine: >80%
- Other: 4%

Source: Third party analysis

1. ICE refers to internal combustion engine
We benefit from new capacity across our core end markets

**Energy**
- Capacity gross additions across energy (GW)
- Market CAGR 2020A-2026E: 3%

<table>
<thead>
<tr>
<th>Year</th>
<th>Medium Speed</th>
<th>High Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>2020A</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>2021E</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>2022E</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>2023E</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>2024E</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>2025E</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>2026E</td>
<td>33</td>
<td></td>
</tr>
</tbody>
</table>

**Stable growth expected within energy transition**

**Marine**
- Capacity gross additions across marine (GW)
- Market CAGR 2020A-2026E: 6%

<table>
<thead>
<tr>
<th>Year</th>
<th>Medium &amp; Low Speed</th>
<th>High Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>2020A</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>2021E</td>
<td>31</td>
<td></td>
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<tr>
<td>2022E</td>
<td>37</td>
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<td>2023E</td>
<td>37</td>
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<td>2024E</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>2025E</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>2026E</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>

**Accelerating growth expected from marine investment cycle**

Source: Third party analysis

1. Capacity gross additions refers to aggregate power of new engines on the market.
Strong share in key products and services, with High Speed providing growth opportunities

Overall addressable off-highway market size ~$2bn\(^1\)

<table>
<thead>
<tr>
<th>Product</th>
<th>Service</th>
<th>Medium &amp; Low speed</th>
<th>High speed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Company internal estimates and third party analysis

1. In 2020, excluding rail
The energy transition in our markets
The energy transition provides us with multiple opportunities

1. **ICE upgrades / retrofits**
   - We reduce emissions across our end markets and expect to do so for many years to come.

2. **Transition fuels**
   - We are a leader in transition fuels and enable gradual decarbonization of installed products through blending with green fuels.

3. **Future technology**
   - Customer focused development of future technologies, including power generation and propulsion systems operating on 100% green fuels and digital offerings that pave the way to “net zero”.

Capital Markets Day
Regulation started the decarbonization trend across our markets with customers now highly focused on their CO₂ footprint.

**Regulation**

- International Maritime Organisation aims to reduce CO₂ emissions by 50% by 2050
- Regulation within energy focuses on achieving Paris Agreement 2015 targets

**Technology**

- Alternative, green fuels emerging
- New technologies for propulsion and power generation with different use cases (e.g. fuel cell)
- Digital solutions increasing engine efficiency further

**Customer Patterns**

- Ship-owners / operators demands more efficient and green technologies due to IMO regulations
- End-customers (e.g. IKEA) are moving to greener transport to reduce Scope 3 CO₂ footprint given heightened focus on ESG

Source: Company information

1. International Maritime Organization
There is a strong use case for ICEs run with green fuels.

Optimal energy storage methods:

- **Liquid or gaseous green fuels**:
  - Large energy and power density supports long-distance travel and prevents power outages.
  - A battery is 40x heavier and 17x larger than a fuel solution for the same energy content.

- **Batteries**:
  - No use case in marine application.

**Available power**:
- 1KW
- 1MW
- 1GW

**Energy consumption**:
- 1 kWh
- MWh
- GWh

**High power output**:
- Fast discharge time

**Low power output**:
- Slow discharge time

Source: Company information
The use of traditional fuels will become more expensive

Owing to increasing CO₂ pricing and economies of scale, green fuel will become competitive vs. fossil fuel

Traditional fossil fuels will be more expensive as carbon prices will increase. EU carbon cost increased by c.800% since 2018. WTI¹ up 80% since May 2019

Alternative zero carbon fuels are 3x more expensive to use than traditional fuels today. In the long-term cost will decrease due to economy of scale

Source: Company information and internal estimates

¹. West Texas Intermediate
Our technology for the future
As an industry leader we shape the energy transition across Accelleron’s markets and segments

- A track record of innovation
- Holistic engine performance expertise
- Partner of choice for OEMs to collaborate on most efficient future system design
- Future-proof technology with applications beyond 2040
Accelleron has industry leading R&D innovation capabilities with a strong track record.

1905
Alfred Buechi invents the world’s first turbocharger and registers patent in Switzerland.

1924
The world’s first two industrially manufactured turbochargers.

1985
New industry standard with smaller and lighter turbochargers.

2004
Accelleron develops TPL-C and TPS-F turbochargers for medium speed engines that meet low emission demands.

2015
Partnership with Wärtsilä to develop the world’s most efficient 4-stroke diesel engine.

2017
Acquisition of Tekomar Group.

2018
World’s largest container ship launched with ABB turbochargers, delivering reduction in CO₂ emissions.

2019
Design of the most advanced mixed-flow turbine with >90% efficiency.

2021+
Accelleron continues to develop digital capabilities and lead industry innovations.

Innovations leading the decarbonization journey.
Accelleron invests in highest turbocharger performance – today and tomorrow

R&D Spend by Category

**Technology**
- Investments in new base technologies
- Significant expense apportioned to new fuels tech
- Turbocharging simulation and modeling

**Product Improvement**
- Product care
- Product cost optimization
- Continuous product improvement

**Product Development**
- Development of new turbocharger generations
- Enhancement of existing product generations
- New product development

**Testing & Infrastructure**
- State of the art turbocharging test centre
- R&D software
- IP management

Source: Company information, Company estimates, third party data and Audited Combined Carve-out Financial Statements
1. Including turbocharger components and advanced technologies
2. 10-year average
3. 2021A spend

2021 R&D spending: 7% of revenue
R&D staff: ~185 FTEs
loyal, with diverse experience, and >90% higher education
Patents filed p.a.²: 30-50
# of Patent families: 119

~$3m of total R&D focused on digital products and offerings
Accelleron’s 119 patent families demonstrate its strong innovation capabilities across the broader turbocharging field.

Most relevant geographies for patent protection include Europe, China, Japan, Korea and USA.

Product Patent Overview

- Compressor side components
- Filter silencer
- Bearing components
- Turbine side components

Patent Families by Type

- Products 78%
- Advanced Technologies 13% e.g. Fuel Cell
- Methods 9% e.g. 3D Printing

Source: Company information
Optimizing core component designs through integrated workflow

**Product Development**
- Machine learning for design optimization
- Simulation of customer’s performance
- Professional test centre for product validation

**Product Reliability & Safety**
- Turbochargers designed for up to 100,000 operating hours (depending on load & application)
- Service and exchange concept over life time
- Containment simulation for classification proven by dedicated tests

Flange-to-flange turbine computational fluid dynamics simulation

Turbine casing penetration after turbine burst, visualised through simulation

Source: Company information
Continuous optimization loop will be driven by Accelleron’s Digital Twin and computer-aided engineering abilities.
Accelleron’s products achieve cost savings through increased turbocharger efficiency

What makes our turbochargers more efficient than competition?

- Superior technology
- Application support
- Service

Higher Efficiency

- ~2% more efficient
  Accelleron’s turbochargers are more efficient than the competition

Fuel Savings

- ~100 tonnes of fuel savings per year per vessel

Cost Savings

- 2x payback from fuel cost of upfront cost over lifetime
- >0.5x from lower emissions cost of upfront cost savings from lower carbon emissions (additional potential)

Source: Company information Capital Markets Day
Collaboration with Wärtsilä: a showcase of partnership development with engine OEMs in the decarbonization megatrend

Cooperation with Wärtsilä over 5 years led to launch of **W31 Engine**

**World’s most efficient 4-stroke diesel engine¹** (2015)

- Serves offshore, power, cruise & ferries and other marine segments
- Operates on a range of fuels, with on average 8% lower consumption

High efficiency gains through best fit between turbocharger and base engine

- Two-stage turbocharging
- High-pressure fuel injection system
- Adjustable valve actuation
- Next-generation engine control system

Broad applications

Source: Company information and internal estimates

¹ Featured in the Guinness World Records
Accelleron are at the forefront of key industry developments with strategic partners.

Large Engine Technology & Fuel Flexibility

- EvoLET project ongoing since 2015; collaboration to shift natural gas engines to hydrogen
- Fuel flexibility crucial in energy transition

3D Printing

- Collaboration on additive manufacturing and computer aided engineering

Institutional Knowledge

- Strong Cooperation Network with Universities and Institutes: Empa, ETH Zürich, EPFL, PSI, DLR
- Industry Associations: CIMAC, SWISSMEM, VDMA, FVV
- Cooperation partnerships with various customers and suppliers

Optimizing manufacturing & inventory

Large Engine Competence Center, Graz

Innio engine

Source: Company information
Market leading 3D-printing technology enhances operational efficiency

**Existing Customer Inventory Management**
- Need to keep number of parts on hand
- Not all parts are frequently required
- Some parts require degree of customization
  - Customer requires spare parts
  - Spare part retrieved from storage
  - Delivered to customer

**Production time for spare parts**
- Traditional production: Months
- 3D printing: Hours

**Positioning for the Future**
- Customer requires spare parts
- Part is 3D printed
- Part delivered to customers with no reduction in lead time

- No inventory storage required for parts not frequently used
- Parts can be customized late in the production process
- Efficient working capital

Source: Company information
Accelleron's core segments will transition to various alternative fuels

<table>
<thead>
<tr>
<th></th>
<th>2030</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine</td>
<td><strong>Liquified natural gas + Green fuel blends</strong></td>
<td><strong>Green liquid fuel</strong></td>
</tr>
<tr>
<td></td>
<td>Fossil diesel</td>
<td>Green gas / fuel gas</td>
</tr>
<tr>
<td>Energy</td>
<td><strong>Natural gas</strong></td>
<td><strong>Green gaseous fuel</strong></td>
</tr>
<tr>
<td></td>
<td>Natural gas + Hydrogen blending</td>
<td>Green liquid fuel</td>
</tr>
</tbody>
</table>

Bold = dominant fuel

Customer and industry focus on moving to a cleaner future

Fossil liquid fuels and natural gas transition to green fuel blends, and ultimately, green fuels

Accelleron’s R&D investment and technological capabilities will lead the transition
Expanding turbocharger applications to fuel cells will be a market shaping innovation.

1. Various Fuels Possible
   - Natural Gas
   - Hydrogen
   - Methanol
   - Ammonia

2. Pressurized air increases fuel efficiency and power density

3. Clean Electricity output across fuels

High temperature fuel cell vs. ICE efficiency

<table>
<thead>
<tr>
<th>ICE</th>
<th>Fuel cell¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standalone</td>
<td>TC</td>
</tr>
<tr>
<td>&gt;10% pts</td>
<td>&gt;10% pts</td>
</tr>
</tbody>
</table>

Source: Third party and Company analysis

1. Data from testing high temperature fuel cells

Opportunity for ships with a high electrical energy demand to replace auxiliary engines with fuel cells.
Accelleron’s continuous R&D efforts support our strong market position

R&D yields clear benefits across our offering

- Superior Performance
- Product Reliability and Uptime
- Decarbonization and Fuel Flexibility
- Digital Offerings Enhancing Products and Operations
05

Business strategy
05.01

Medium & Low Speed
The industries we serve with our Medium & Low Speed products

- Merchant Marine
- Cruise & Ferries
- Offshore
- Power Generation

Source: Company information
Division Medium & Low Speed

Customer overview, competitive position and market segments

**Customers**

- Top-5
- Other top-50
- Other

Customer revenues breakdown: $551m

**Competitive position**

<table>
<thead>
<tr>
<th>Product</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelleron</td>
<td>OEMs</td>
</tr>
</tbody>
</table>

**Market segments**

- Marine (e.g. oil tankers, cargo ships, ferries, cruise ships)
- Energy (e.g. large power plants)
- Railways (e.g. cargo trains)

**Segment size ($ in billions)**

- 2020: ~1.3
- 2026: ~1.5

**Industries**

- Marine
- Energy
- Railways

**Source:** Company information, Company internal estimates, third party analysis and Audited Combined Carve-out Financial Statements

**Note:** Figures include rail

1. 2021 revenues; includes 3rd party service and rail
2. Based on 2020 revenues
3. Includes 3rd party service providers and internal servicing
4. Expected FY20 - FY26 market CAGR
A comprehensive and well-balanced portfolio of products to cover all heavy-duty applications

<table>
<thead>
<tr>
<th>Selected turbochargers</th>
<th>Year of inception¹</th>
<th># units sold²</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>A100/200-L 3,000kW – 28,000kW</td>
<td>2008</td>
<td>&gt;4,000</td>
<td>M</td>
</tr>
<tr>
<td>TPS / TPL 400kW – 12,500kW</td>
<td>1995</td>
<td>&gt;45,000</td>
<td>M E O</td>
</tr>
<tr>
<td>TPR 1,250kW – 4,400kW</td>
<td>2002</td>
<td>&gt;4,000</td>
<td>O</td>
</tr>
<tr>
<td>A100-M 400kW – 10,000kW</td>
<td>2008</td>
<td>&gt;8,500</td>
<td>M E O</td>
</tr>
<tr>
<td>Power2 4,000kW – 6,500kW</td>
<td>2015</td>
<td>&gt;300</td>
<td>M E O</td>
</tr>
<tr>
<td>MXP 600kW – 2,000kW</td>
<td>2021</td>
<td>Trials phase³</td>
<td>M</td>
</tr>
</tbody>
</table>

- **Low Speed**: 3,000kW – 28,000kW
- **Medium Speed**: 400kW – 12,500kW

**Power range (kW)**

- **0** to **10,000**
- **10,000** to **20,000**
- **20,000** to **30,000**

**Applications**
- **Marine**
- **Energy**
- **Other⁴**

**Selected turbochargers**

- **TPS / TPL**: 400kW – 12,500kW
- **TPR**: 1,250kW – 4,400kW
- **A100-M**: 400kW – 10,000kW
- **Power2**: 4,000kW – 6,500kW
- **MXP**: 600kW – 2,000kW

**Applications**

- **Marine**
- **Energy**
- **Other⁴**

**Source**: Company information, Company internal estimates and third party analysis

**Note**: Power range refers to a single turbocharger and both axial and radial setup where applicable

1. Year of 1st release
2. Cumulative volume from date of inception until end of 2021
3. First vessel sea trials done
4. Includes oil and gas offshore, earthmoving, mining equipment and rail
5. OE = original equipment

**Example:**

Wärtsilä W31 with Power2

“Recognized by Guinness World Records as being the world’s most efficient 4-stroke diesel engine”
**Latest product release: MXP, an optimized solution for auxiliary power**

<table>
<thead>
<tr>
<th>Need</th>
<th>Solution</th>
<th>Digital angle</th>
<th>Benefit</th>
</tr>
</thead>
</table>
| - Small bore medium-speed marine auxiliary diesel engine  
- TC solution to fulfill the specific needs of up to a 2MW auxiliary engine in operation, efficiency & maintenance  
- Addressable market of 3-4GW | ✓ Simple, robust and cost-efficient design  
✓ Excellent performance characteristic  
✓ Designed in cooperation with IHI Corporation | + Integration of digital solutions, including self-service app, GS1 code and LOREKA Portal\(^1\)  
+ Easily troubleshoot solutions  
+ Seamlessly order spare parts via digital service support app | ✓ Optimized load response behavior  
✓ IMO II & IMO III Compliance  
✓ Easy maintenance |

\(^1\) LOREKA is a digitally enabled customer platform.
Upcoming product release: CRRMS, tailored solution for local Chinese shipping market

**Opportunity**

- China coast and river Emission Control Areas (ECAs)
  - Aligning with Chinese government’s ambition to *decarbonize domestic shipping*
  - Demand for ~2,000 turbochargers per year
  - *Stringent emission legislation* requires high turbocharger technology
  - Revenues potential of ~$10 m per year

**Product solution**

- CRRMS (release scheduled for 2022)
  - Medium Speed turbocharger for local Chinese shipping applications

**Value proposition elements**

- Robust and cost-efficient design
- Local logistic and supply chain concept
- Supporting high engine power densities
- Enabler to fulfil latest emission regulations
- High parts commonality with existing products
- Dedicated service concept enabled by digital means

*Full development in 1.5 years, thanks to parts commonality with existing products*
Upcoming product release: Next generation axial turbochargers, platform-based solution for (Net)-Zero Carbon Fuel applications

Opportunity

Growth in future (Net-) Zero Carbon fuel solutions

- **Global decarbonization trend** driving demand for (Net-) Zero Carbon fuel solutions such as green Ammonia for Marine and green Hydrogen for Power Generation

- **Need for platform-based and adaptable solutions** in rapidly evolving transition fuel environment

Product solution

Next generation axial turbochargers (release from 2025 onwards)

Low Speed and Large Medium Speed turbochargers for Marine and Energy

Value proposition elements

- **Platform-based** design architecture
- Best-in-class turbocharging **efficiency**
- Benchmark in **compactness and weight**
- **Digitally connected;** easy & fast overhaul
- Easy adaptation to different requirements enabling fuel flexibility & coverage of upcoming (Net)-Zero Carbon Fuels

A 2-year core technology development & platform approach significantly shortens traditional 10-year development & ramp-up phase
Tekomar XPERT provides a strong digital service solution to enhance customer offering

- A leading engine advisory software tool
- OEM agnostic
- Expanding advisory beyond Turbocharger
- Easily extendible with further modules

- 100% subscription model
- Engine optimization, emission prediction and compliance

- Clear visualisations
- 0.2% fuel savings & emission reductions
- Improved service efficiency
- Customer intimacy

- 2,400 vessel installed base
- 25,000 vessel addressable market

Source: Company information, Company internal estimates and third party analysis
Turbo Insights: the key bridge to lifetime digitalization around the Turbocharger

- Standard on all new low speed turbochargers
- Utilizing LOREKA customer portal for clear data visualization
- Gives real-time insights on turbocharger performance ensuring viability
- Easily upgraded to Tekomar XPERT for engine advice and optimization
- Enables Turbo MarineCare post warranty for digitally enabled servicing
- Provides engine data to Accelleron for lifecycle of a Turbocharger

Turbo Insights
Provided free of charge until the end of the warranty period

Turbo MarineCare
Tekomar XPERT
Pressure is rising to decarbonize Accelleron’s core segments...

Corporations are committing to net zero carbon

- Significant cargo users: Amazon, IKEA, Unilever
- Utilities: FirstEnergy, PSEG, Southern Company, TVA, Xcel Energy

Accelleron is the partner of choice...

- For the world’s first carbon neutral liner vessel coming into operation by 2023 and running on green Methanol
- On 1st major container vessel series running on green Methanol for Auxiliary engines
- On 1st newbuild Methanol-fueled Wärtsilä engines for an Offshore Wind Installation Vessel

Accelleron can help customers to achieve their net zero goals through:

- Superior power density
- Fuel efficiency and flexibility
- Engine performance advisory

Source: Company information
... and we are the partner of choice for low carbon fuels to enable this decarbonization.

A segment share ratio of above 1.0 indicates Accelleron’s share in transition fuel engines is greater than its share in the broader market.

Source: Third party analysis and Company information
1. Based on produced engines output
2. 2022 based on Low Speed only
3. Accelleron segment share in transition fuels / total Accelleron segment share
Vision for Medium & Low Speed: Changing industry landscape leading to significant growth opportunity

- 2021 revenues: $551m
  - China Coastal and River introduction
  - Tekomar XPERT ramp-up
  - MXP ramp-up
  - Market uplift (e.g. in Merchant Marine newbuilds and Cruise service)

- Medium-term revenues
  - Next-Gen Axial Turbo introduction
  - Segment share gain in e-fuels

Source: Company information and Audited Combined Carve-out Financial Statements
Note: Medium-term refers to a 4-5 year horizon. Long-term refers to a 5-year+ horizon
Revenues provided include product and service revenues
05.02

High Speed
The industries we serve with our High Speed products

Energy

Gas fuelled applications

Marine

Diesel fuelled applications

Off-Highway
Favorable market drivers

Market growth drivers
- Increasing electricity demand
- Power density increase
- Efficiency increase
- Energy transition to CO₂ neutrality

Impact of Energy Transition
- Increasing demand for balancing power
- Increasing total cost of fuel
- Increasing portfolio of fuels
- Gas as transition fuel

Accelleron is well positioned to deliver solutions for the future
- High pressure ratio to increase power density
  → Reduction of CAPEX / kW
- High efficiency to reduce fuel consumption
  → Reduction of OPEX / kWh
  → Reduction of emissions
- High performance for operational flexibility
  → Fuel flexibility
  → Running CO₂ neutral fuels today

Source: Company information
Division High Speed

Customer overview, competitive position and market segments

**Customers**
- Customer revenues breakdown
  - $206m\(^1\)
- Top-5, Other top-50, Other

**Competitive position**
- Gas: Product, Service
- Diesel: Product, Service
- Accelleron, OEMs, Other\(^3\)

**Segment size ($ in billions)**
- Gas: 2020, 2026
- Diesel: 2020, 2026

**Market segments**
- Predominantly energy
  - (e.g. decentralized power, biogas, combined heat & power (CHP), balancing, gas compression)

**Key customers**
- CAT, Jenbacher, EDL, EDF

**Key competitors**
- Accelleron, Garrett, Holset

**Source:**
- Company information, Company internal estimates, third party analysis and Audited Combined Carve-out Financial Statements
1. 2021 revenues
2. Based on 2020 revenues
3. Includes 3rd party service providers
4. Expected FY20 - FY26 market CAGR
A comprehensive portfolio of products to cover all heavy-duty applications

<table>
<thead>
<tr>
<th>Selected turbochargers</th>
<th>Latest upgrade</th>
<th># units sold</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>TPS</td>
<td>2017</td>
<td>51,600</td>
<td>Marine, Energy, Other</td>
</tr>
<tr>
<td>A100-H</td>
<td>2019</td>
<td>14,300</td>
<td>Marine, Energy, Other</td>
</tr>
<tr>
<td>Power2</td>
<td>2015</td>
<td>900</td>
<td>Energy, Other</td>
</tr>
<tr>
<td>TPX</td>
<td>2020</td>
<td>1,000</td>
<td>Energy, Other</td>
</tr>
</tbody>
</table>

- **Gas**
  - **TPS**: 500kW – 2,000kW
  - Latest upgrade: 2017
  - # units sold: 51,600
    - Applications: Marine, Energy, Other
  - **A100-H**: 800kW – 2,500kW
    - Latest upgrade: 2019
    - # units sold: 14,300
    - Applications: Marine, Energy
  - **Power2**: 2,000kW – 5,000kW
    - Latest upgrade: 2015
    - # units sold: 900
    - Applications: Energy
  - **TPX**: 500kW – 1,000kW
    - Latest upgrade: 2020
    - # units sold: 1,000
    - Applications: Energy

- **Diesel**

**Source:** Company information, Company internal estimates and third party analysis

**Note:** Power range refers to a single turbocharger and both axial and radial setup where applicable

1. Cumulative volume until end of 2021
2. In High Speed Off Highway Market. Includes mining, construction, agriculture and industrial

- Broader and newest gas portfolio in High Speed – largest installed base
- Tailored for specific applications to create maximum value
- Leading in technology and reliability
- Broadest experience in burning CO₂-neutral gases
- Dedicated diesel portfolio with TPX introduced in 2019
# Overview of product pipeline

<table>
<thead>
<tr>
<th>Product</th>
<th>Description / Application</th>
<th>Value Proposition Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Speed Diesel</strong></td>
<td>Current product: TPX</td>
<td>✓ TPX peak pressure ratio ~30% higher than current similar turbochargers</td>
</tr>
<tr>
<td></td>
<td>Mainly used for EPG¹ stand-by applications</td>
<td>✓ 20% increased engine power density – 16% lower space requirement and 30% lower weight</td>
</tr>
<tr>
<td></td>
<td>Future product: A101-R</td>
<td>✓ Lower CAPEX per kW</td>
</tr>
<tr>
<td></td>
<td>For larger multipurpose High Speed diesel engines</td>
<td>✓ Best-in-class performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Dedicated to cyclical diesel applications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Tailored to various applications</td>
</tr>
<tr>
<td><strong>High Speed Gas</strong></td>
<td>Future product: A200-H</td>
<td>✓ At least 5% improvement on competition’s peak pressure ratio and peak efficiency</td>
</tr>
<tr>
<td></td>
<td>Next generation single-stage turbochargers for High Speed gas engines in energy applications</td>
<td>✓ Higher engine power density and lower capex per kW</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Lower fuel consumption per kWh</td>
</tr>
</tbody>
</table>

---

¹: Electrical power generation

Source: Company information

1. Electrical power generation
High Speed Engines running today on future fuels

**Selected applications**

<table>
<thead>
<tr>
<th>High Hydrogen (H₂) Blend</th>
<th>100% Natural Gas - 100% H₂</th>
<th>Biogas</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ 10 years of experience</td>
<td>✓ First 1 MW engine capable to run on 100% H₂</td>
<td>✓ Several thousand engines with Accelleron turbochargers in operations for more than 10 years</td>
</tr>
<tr>
<td>✓ 9 engines with 18 turbochargers</td>
<td>✓ Full flexibility from 0% to 100% H₂</td>
<td>✓ Sources of gas include: organic waste, organic material, wastewater treatment, farms</td>
</tr>
<tr>
<td>✓ 1,600,000 running hours</td>
<td>✓ H₂ blend rate &gt; 50%</td>
<td>✓ Industrial application</td>
</tr>
<tr>
<td>✓ H₂ blend rate &gt; 50%</td>
<td>✓ Reliable operations</td>
<td>✓ Biogas</td>
</tr>
<tr>
<td>✓ Industrial application</td>
<td>✓ Reliability in operations</td>
<td></td>
</tr>
<tr>
<td>✓ Reliable operations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Accelleron is ready for future fuel solutions already today**

- In 2020 Accelleron supplied a turbocharger for the first 100% Hydrogen fuelled MW industrial scale reciprocating engine by INNIO / Jenbacher
- Accelleron has >1,600,000 running hours of experience in working with hydrogen blends beyond 50%
Opportunity to grow our market position in High Speed diesel with a dedicated product portfolio

- The rising total cost of fuel is driving need for efficiency
- Next level turbocharger performance required to keep engines competitive (power density)
- While ICE will continue be prevalent in a fair share of applications, the fuel of choice will expand
- Current turbocharger market players face disruption in their on-highway core market

Accelleron share in High Speed diesel segment

Accelleron deliveries\(^{(1)}\)

Source: Company information
1. Estimates of segment share in Products
Vision for High Speed: We expect to excel in the market with outsized growth through our initiatives

- Leverage gas market growth
- Grow in diesel applications
- Service growing installed base

Source: Company information and Audited Combined Carve-out Financial Statements
Note: Medium-term refers to a 4-5 year horizon. Long-term refers to a 5-year+ horizon
Revenues provided include product and service revenues
05.03
Service
Market leading global service business with highly attractive customer value proposition

- Steadily growing installed base
- Exclusive “full cover” service model
- High customer loyalty with frequent engagement

Recurring revenues demonstrating resilience & predictability
Accelleron provides the best lifecycle support to its customers

There are many opportunities to generate revenues streams with a Turbocharger, from inception, to routine maintenance and upgrades / modifications.

New service business models enabled by digitalization provide further opportunities to entrench Accelleron with the end users and engine builders.

Illustrative Revenues Model of Marine Turbocharger

<table>
<thead>
<tr>
<th>Revenues type and timing</th>
<th>New build</th>
<th>Dry dock 1</th>
<th>Dry dock 2</th>
<th>Dry dock 3</th>
<th>Dry dock 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Sale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spare Parts, Labor and Service Agreements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upgrade / Modernization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Company information
Continuously growing installed base securing service business with further potential for growth

**Development of Accelleron charged power**

- **Assumed lifetime**:  
  - Medium & Low Speed: ~25 years  
  - High Speed: ~15 years

- **Continuous growth of charged power**

- **Accelleron - charged power in GW is expected to grow with a ~1% CAGR**

- **Accelleron Service revenues expected to outperform the market**, benefiting from growth in service agreements

Source: Company information
1. Average turbocharger age by the end of 2021: High Speed = 6-7 years; Medium & Low Speed = 11-12 years
2. 2020 – 2026E
Our proprietary global service network is continually optimized to changing market demands.

We regularly assess suitability of sites based on:

- Customer proximity
- Business opportunities
- Changing markets

- >500 highly trained service engineers
- >200 dedicated service sales experts

2000:
- 45 countries
- 75 locations

2022:
- 53 countries
- 109 locations

Source: Company information
Our service excellence is enhanced by Accelleron Service Center Baden

98% on-time delivery

Shipping statistics yearly:

- 23,000 shipments
- 100,000 orderlines
- 2,100 tons of material sent
- 4,600 same day deliveries

Within 48 hours at every airport

Warehouse & logistics:

- 15,000 components on stock
- 180,000 turbocharger installed base
- ~10,000 different specifications
- On-call team 24/7

Continuous innovation

Investments:

- Automated small parts warehouse
- Additive manufacturing
- Automated order processing
- Further process automation

Reasons for having a central spare parts center in Baden

- Proximity to factory
- Excellent logistics capabilities
- Highly efficient operational set-up
- Constantly moving equipment

Source: Company information
Accelleron’s service evolution from a classic spare parts business to a smartly enabled, “availability as a service” model

**Classic spare parts business**

- **“Parts & labor”**
  - Non-committing
    - Customer responsible for service

**Maintenance management agreements (MMA)**

- **“Contractual servicing”**
  - Easy planning & budgeting supported
  - Non-committing

**Reactive**

**Proactive: from preventive to predictive**

**Expanding service scope**

**Increasing differentiation potential**

**Committed service agreements**

- **“Keep it up and running”**
  - Accelleron responsible for care
  - Customer benefits:
    - Financial predictability
    - Easy budgeting
    - Peace of mind

**Availability as a service**

- **“Smartly Enabled Services”**
  - Turbo SmartCare
  - Turbo MarineCare
    - Individual optimization of turbocharger maintenance, performance and customer experience
    - Customer benefits:
      - Financial predictability
      - Easy budgeting
      - Peace of mind
      - Clarity on real-time equipment health

**Turbo LifecycleCare**

**Turbo UptimeCare**

**Turbo SmartCare**

**Turbo MarineCare**

Source: Company information
Turbo MarineCare provides digitally enhanced service for merchant marine

**Benefits for customers**

- Financial predictability
- Peace of mind
- Ease of doing business
- Real time equipment health clarity

**Benefits for Accelleron**

- Closer customer relationships
- Improved lifetime revenues
- Further digital penetration to unlock
- Deeper insights on operational data

Daily opportunity costs for a shipowner in case of a break-down are $35k-$100k depending on the ship type.1

**Relative lifetime cost of turbocharger ownership with...**

... traditional business model

- Overtime
- Worn parts
- Damaged components
- Eroded parts

... Turbo MarineCare model

- Standard overhaul parts
- Any wear & tear components
- Unplanned events
- Labor, overtime, waiting time

**Source:** Company information

1. Based on a range of charter rates for different size vessels; from mid-sized bulk carrier to large container ships.
Smartly-enabled Engine, Advisory, and Turbocharging Services

Operating data

Accelleron knowledge and expertise

Smartly-enabled services

Tekomar product

Individually optimized maintenance, performance and customer experience

Automated advisory on engine optimization

Source: Company information
1. LOREKA is a customer portal tool covering TC service + Tekomar XPERT enabling enhanced customer experience
Developing the upgrade business to support decarbonization

Key upgrade benefits

- Reduce engine and TC\(^1\) component wear
- Reduce fuel consumption, lower emissions
- Remove load limitation, more power output

Regulatory impact

- Regulatory and social pressure towards decarbonization in shipping industry (CII\(^3\), EEXI\(^4\)) is continuously increasing
- The need for upgrades in the marine industry is increasing, Accelleron is well positioned:
  - Cooperation with OEMs
  - Capability to provide complete solution directly to end user, including certification

Accelleron works with OEMs to provide comprehensive upgrade packages

Tangible real-world benefits - ferry vessel case study\(^2\)

- Investment cost of $800,000 per vessel
- Expected annual fuel savings of $200,000
- 1,400 tons CO\(_2\) reduction per year, equivalent to >22,000 trees planted every year
- Return on investment in less than four years

Source: Company information
1. TC = turbocharger
2. Calculations are based on a normalized fuel price environment
3. CII stands for Carbon Intensity Indicator regulation framework
4. EEXI stands for Energy Efficiency Existing Ships regulation
### Further initiatives to propel Accelleron’s highly profitable service business

<table>
<thead>
<tr>
<th>Increase servicing of non-Accelleron turbochargers</th>
<th>The opportunity: Service of non-Accelleron turbochargers thanks to our extensive service network</th>
<th>The benefits:</th>
<th>Strategy:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>✓ Single point of service for a turbocharger</td>
<td>✓ Focus on loyal customers with mixed fleets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Increase of installed base</td>
<td>✓ Attract further customers with the offering to increase covered installed base</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Utilize our well-established Service organization and well-trained people</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fleet management initiative</th>
<th>The opportunity: Service entire fleets, rather than single turbochargers</th>
<th>The benefits:</th>
<th>Strategy:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt;1,400 ship management companies (SMC) &lt;br&gt; &gt;40,000 vessels</td>
<td>✓ Optimize business communications and reduce administrational efforts for both Accelleron and a customer</td>
<td>✓ Dedicated offering for channel ship management companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Tailored service agreements</td>
<td>✓ Retain and increase market penetration in competitive marine industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Maximize value by combining with other offerings (service of non-Accelleron turbochargers, Tekomar)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Company information
Operational efficiency through implementation of a global ERP system

**Characteristics**
- Global single source of data
- Improved global collaboration
- Productivity and operational excellence
- Management reporting and transparency

**Benefits for customers**
- Process standardization and automation
- Enhanced inventory transparency
- Faster customer order execution and higher service quality

Old model

23 Local ERPs

- CN + CH Manufacturing

New model

2 Global ERPs

- Service Network

ATURB incorporated in standard ERP

Pilot with Benelux started, rollout completed by Q4 2023

Source: Company information
Vision for Service: Steady growth through continually optimized best-in-class service offering

- Service agreements
- Turbo SmartCare & Turbo MarineCare
- Upgrade business
- Servicing of non-Accelleron turbochargers
- Fleet management initiative

+ Further grow market penetration of own and non-Accelleron turbochargers

Source: Company information

Note: Medium-term refers to a 4-5 year horizon. Long-term refers to a 5-year+ horizon
06

Financials
Compelling investment proposition translating into attractive financial profile

Acce/erion

- Market leading position
- Technological & digital leadership
- Enabler of decarbonization
- Recurring service contribution
- Comprehensive product offering

Sustainable revenue growth
Attractive margins
Strong cash generation
Resilient revenues performance with solid acceleration in H2 2021

Revenues and growth

$ m

<table>
<thead>
<tr>
<th>Year</th>
<th>High Speed</th>
<th>Medium &amp; Low Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>595</td>
<td>188</td>
</tr>
<tr>
<td>2020</td>
<td>534</td>
<td>177</td>
</tr>
<tr>
<td>2021</td>
<td>551</td>
<td>206</td>
</tr>
</tbody>
</table>

% YoY growth

- 2020
  - Revenues mainly impacted by pandemic-driven weakness in consumer-facing businesses (e.g. cruise)
  - Low point middle of the year, with first visible recovery towards end of the year as most industries started to pick up

- 2021
  - Continuing recovery, sequentially up
  - Medium & Low Speed: Overall volume improved, cruise business not yet normalized
  - High Speed: Strong gas compression demand, clearly above pre-pandemic level while power generation slightly up
Gross margin recovered to pre-pandemic level already in 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit</th>
<th>% Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>372</td>
<td>47.5%</td>
</tr>
<tr>
<td>2020</td>
<td>305</td>
<td>42.8%</td>
</tr>
<tr>
<td>2021</td>
<td>356</td>
<td>47.0%</td>
</tr>
</tbody>
</table>

### Highlights

**2020**
- Decline driven by lower volume, under absorption of fixed costs and adverse product mix

**2021**
- Operating leverage, leaner cost base and better product mix supporting swift margin recovery to pre-pandemic level
Operational EBIT margin significantly expanded across both segments in 2021

Operational EBIT and margin¹

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group margin</td>
<td>25.9%</td>
<td>20.5%</td>
<td>24.8%</td>
</tr>
<tr>
<td>High Speed</td>
<td>24.8%</td>
<td>21.7%</td>
<td>24.1%</td>
</tr>
<tr>
<td>Medium &amp; Low Speed</td>
<td>26.2%</td>
<td>20.1%</td>
<td>25.1%</td>
</tr>
</tbody>
</table>

Highlights

2020

- Volume decline could only be partially offset by swift implementation of cost measures
- Medium & Low Speed segment during pandemic more heavily impacted than the High Speed one, largely due to cruise business exposure

2021

- Medium & Low Speed: Robust recovery across most industries/businesses
- High Speed: Reaching pre-pandemic level
- Overall SG&A² as % of revenues back to pre-pandemic level, while R&D slightly up in $ to elevate our innovation leadership

Source: Audited Combined Carve-out Financial Statements
Note: Non-U.S. GAAP financial metric, as defined on page 106.
Numbers might not add up due to rounding

1. Equivalent to operational EBITA margin, as there has been no acquisition-related amortization in 2019, 2020 and 2021
2. Referring to Selling, General and Administrative expenses
Strong free cash flow conversion over net income in past 3 years

Free cash flow and conversion over net income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>159</td>
<td>112</td>
<td>144</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>21</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Change in net working capital and other¹</td>
<td>9</td>
<td>16</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>189</td>
<td>151</td>
<td>163</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(23)</td>
<td>(26)</td>
<td>(29)</td>
</tr>
<tr>
<td>Other¹</td>
<td>(5)</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(28)</td>
<td>(25)</td>
<td>(28)</td>
</tr>
<tr>
<td>Total free cash flow</td>
<td>161</td>
<td>126</td>
<td>136</td>
</tr>
<tr>
<td>% conversion over net income</td>
<td>101%</td>
<td>113%</td>
<td>94%</td>
</tr>
</tbody>
</table>

Source: Audited Combined Carve-out Financial Statements
Note: Non-U.S. GAAP financial metric, as defined on page 106. Numbers might not add up due to rounding
1. For detailed breakdown, please refer to the "Statements of cash flows" in the Appendix
2. Related to the Swiss office facility

Highlights

2020
• Increase in capital expenditure mainly resulting from real estate investments²
• Stringent net working capital management in challenging environment

2021
• Real estate investments² main driver for elevated capital expenditure level, project expected to finish in 2022
• Net working capital kept stable in growing scenario, demonstrating strong operational excellence culture
Strong market momentum resulting in positive revenues development in H1 2022

**Revenues and growth**

$ m

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium &amp; Low Speed</td>
<td>268</td>
<td>277</td>
</tr>
<tr>
<td>High Speed</td>
<td>99</td>
<td>106</td>
</tr>
</tbody>
</table>

% YoY growth: 4%

**Highlights**

- In H1 2022, revenues grew strongly as a result of increased customer demand and further recovery from the pandemic (+4% in $ m, +11% on a constant currency basis), combined with favorable pricing dynamics.

- The growth at constant currency was partly offset by a strengthening of the US Dollar against almost all major currencies.

- Medium & Low Speed: Increase mainly related to strong marine demand in merchant and cruise business, latter further recovering from the pandemic.

- High Speed: Strong energy demand related to gas compression business clearly above pre-pandemic levels.
Continuous operational EBIT margin improvement in H1 2022

Operational EBIT and margin\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group margin</td>
<td>23.9%</td>
<td>25.3%</td>
</tr>
<tr>
<td>High Speed</td>
<td>23.4%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Medium &amp; Low Speed</td>
<td>24.1%</td>
<td>26.9%</td>
</tr>
</tbody>
</table>

Note: Non-U.S. GAAP financial metric, as defined on page 106. Numbers might not add up due to rounding

\(^1\) Equivalent to operational EBITA margin, as there has been no acquisition-related amortization in H1 2021 and H1 2022

Highlights

- The operational EBIT margin\(^1\) improved by ~130bps in H1 2022, mainly as a result of operating leverage
- Medium & Low Speed: Favorable product mix with a higher share of service revenues further strengthened the operational EBIT margin
- High Speed: A higher share of product revenues resulted in a temporarily lower operational EBIT margin
- Higher transportation costs and inflation of material costs to a large extent offset by pricing adjustments and productivity improvements

Source: Unaudited Condensed Combined Interim carve-out Financial Statements
Free cash flow conversion in H1 2022 affected by supply chain challenges

### Free cash flow\(^1,^2\) and conversion over net income

<table>
<thead>
<tr>
<th></th>
<th>$ m</th>
<th>H1 2021</th>
<th>H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td><strong>Depreciation &amp; amortization</strong></td>
<td></td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Change in net working capital and other</td>
<td>(10)</td>
<td>(40)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td></td>
<td>72</td>
<td>39</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td></td>
<td>(11)</td>
<td>(16)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities(^2)</strong></td>
<td>(9)</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td><strong>Total free cash flow(^1,^2)</strong></td>
<td></td>
<td>63</td>
<td>26</td>
</tr>
<tr>
<td>% conversion over net income(^1,^2)</td>
<td></td>
<td>93%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: Unaudited Condensed Combined Interim Carve-out Financial Statements

Note: Numbers might not add up due to rounding
1. Non-U.S. GAAP financial metric, as defined on page 106
2. Excluding ‘Changes in financing receivables’

### Highlights

- Inventory build up mainly driven by overall longer conversion cycles due to unplanned longer lead times within supply chain respectively recurrence of missing parts
- Capital expenditure increased by roughly $5m mainly due to investments in the Swiss office facility
- Other free cash flow items were broadly in line with previous half-year
Solid capital structure providing financial flexibility for future growth

**Target leverage at spin-off (x LTM operational EBITDA\(^1\) as of 30 June 2022)**

<table>
<thead>
<tr>
<th>Gross debt</th>
<th>Cash</th>
<th>Net debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>~300</td>
<td>~150</td>
<td>~150</td>
</tr>
</tbody>
</table>

- **Gross leverage:** ~1.4x
- **Net leverage:** ~0.7x

Source: Company information, Audited Combined Carve-out Financial Statements, Unaudited Condensed Combined Interim Carve-out Financial Statements

\(^1\) Corresponding to $218m. Non-U.S. GAAP financial metric, as defined on page 106

---

**Highlights**

- Target net leverage at spin-off intended to provide Accelleron with a solid capital structure, whilst allowing adequate flexibility for future growth

- Net debt defined as interest-bearing liabilities (including finance lease liabilities) net of cash and cash equivalents

- Intention to be externally financed on a standalone basis at spin-off
Selective and disciplined approach

Strategic fit, complementarity to current business and value creation

Conservative net leverage corridor

Maintain a solid financial structure allowing for financial flexibility

Clear R&D focus on efficiency improvements and decarbonization

Maintain capital expenditures largely in line with depreciation level

Committed to attractive dividend policy of 50-70% of reported net income

Payout of up to 100% of reported net income, if net leverage is below 1.0x operational EBITDA\(^1\)

Coherent financial framework to deliver attractive total shareholder return

Dividend returns

Financial framework

Capital structure

Inorganic opportunities

Organic growth
Overview of expected one-off separation and build-up costs and investments

One-off separation & build-up costs

- $95m
- ~40% in 2023
- ~60% in 2022

One-off capital expenditure

- ~$5 - 10m
- ~100% in 2022

Highlights

- Total amount of ~$100 - 105m, ~60% of the one-off costs and ~100% of the one-off investments are expected to be incurred in 2022
- One-off costs and investments to be incurred for:
  - IT infrastructure, applications and services
  - Finance operations
  - HR operations
- The impact of these one-off costs will be excluded from the operational EBITA
## Financial outlook

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>Mid-term&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic revenues growth&lt;sup&gt;2&lt;/sup&gt;</td>
<td>~6%</td>
<td>2-4%</td>
</tr>
<tr>
<td>Operational EBITA margin&lt;sup&gt;3&lt;/sup&gt;</td>
<td>~24%</td>
<td>23-26%</td>
</tr>
<tr>
<td>Operational net income&lt;sup&gt;3,4&lt;/sup&gt;</td>
<td>~$150m</td>
<td></td>
</tr>
<tr>
<td>Free cash flow conversion&lt;sup&gt;3&lt;/sup&gt;</td>
<td>60-70%</td>
<td>90-100%</td>
</tr>
<tr>
<td>Net leverage&lt;sup&gt;3&lt;/sup&gt;</td>
<td>~0.7x&lt;sup&gt;5&lt;/sup&gt;</td>
<td>0.5-1.5x</td>
</tr>
<tr>
<td>Dividend policy</td>
<td>~$75m</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>If net leverage&lt;sup&gt;3&lt;/sup&gt; ≥ 1.0x:</strong> 50-70% of reported net income&lt;sup&gt;6&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>If net leverage&lt;sup&gt;3&lt;/sup&gt; &lt; 1.0x:</strong> Up to 100% of reported net income&lt;sup&gt;6&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Source: Company information, Audited Combined Carve-out Financial Statements, Unaudited Condensed Combined Interim Carve-out Financial Statements

1. Referring to mid-term period of 4-5 years
2. At constant currency and adjusted for MSA
3. Non-U.S. GAAP financial metric, as defined on page 106
4. Non-recurring guidance target
5. Referring to net leverage at spin-off date
6. Barring unforeseen events. The ability to pay dividends remains subject to the availability of sufficient distributable reserves, as well as certain other legal and contractual restrictions applicable
07

Transaction overview and concluding remarks
Key benefits and spin-off transaction structure

**Benefits of the spin-off**
- Unlock unrealized value by allowing Accelleron to reach full potential as a standalone business by taking advantage of its leading market position
- Implementation of Accelleron’s own independent growth strategy with an attractive cash generation profile
- Continuing to expand its R&D capabilities, focusing on digitalization and decarbonizing its end markets
- Empower Accelleron’s employees by offering vast potential for professional development and growth
- Provide investors with pure play exposure to a Swiss industrial champion

**Spin-off transaction structure**
- 100% spin-off transaction in the form of dividend in kind
- 1:20 split, i.e. ABB shareholders will receive one Accelleron share for every 20 ABB shares held
- Subject to ABB shareholder approval at EGM and market conditions
- Preparations for spin-off well advanced

Source: Company information
Indicative transaction timeline

- **July 20, 2022**: Spin-off announcement
- **August 31, 2022**: Capital Markets Day
- **September 7, 2022**: Extraordinary General Meeting
- **September 23, 2022**: Listing prospectus publication
- **October 3, 2022**: Planned spin-off and first trading day of Accelleron at SIX

Source: Company information
Relationship between ABB and Accelleron post spin-off

- Accelleron brand announced on February 15 and in use
- Limited use of the ABB brand during the transition period
  - Inventory, legacy products, etc.

- Accelleron has already been operating on a broadly standalone basis, including its global service network
- TSAs\(^1\) expected in limited areas throughout 2022 and partly 2023, such as IT, finance and HR

- Board of Accelleron will be fully independent from ABB

Source: Company information

1. Transitional Service Agreements
In summary: Why to invest in Accelleron

### Accelleron’s competitive strength
- Market leader
- Global service footprint
- Cutting edge technology
- Operational excellence
- Attractive financial profile with resilient margins and strong cash flow

### Future-proof positioning
- Resilient end markets
- Core enabler of decarbonization
- Leader in fuel transition
- At the forefront of innovation

### Our growth strategy
- Increase segment share in our core markets
- Expand business offering into adjacent areas
- Further grow lifetime service offering
- Increase digital scope and facilitate customer energy transition

Source: Company information
Appendix
Accelleron’s key markets are marine, energy and rail

<table>
<thead>
<tr>
<th>Marine</th>
<th>Energy</th>
<th>Rail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exemplary applications</strong></td>
<td>Engines used for vessel propulsion and on-board electric power supply</td>
<td>Engines used for continuous, standby and backup power sources, as well as well drilling, servicing, pump stations and gas compression</td>
</tr>
</tbody>
</table>
| **Exemplary use cases** | • Container ships  
• Cruise ships  
• Oil & gas rigs | • Local power supply on islands  
• Backup capacity for renewable energies  
• Oil & gas well drilling and transportation pipelines | • Cargo trains  
• Passenger trains |
| **% Accelleron revenue** | ~53% | ~43% | ~2% |

Source: Company information, third party analysis
Note: Revenue percentages do not add up to 100%, as other revenue items are not included
## Marine applications for turbochargers

<table>
<thead>
<tr>
<th>Type</th>
<th>Propulsion</th>
<th>Propulsion and auxiliary power supply</th>
<th>Coastal and inland vessels propulsion</th>
<th>Stationary power supply</th>
<th>Propulsion and auxiliary power supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application description</td>
<td>2-stroke engines directly powering the propeller</td>
<td>3-6 auxiliary engines on cargo vessels</td>
<td>4-stroke diesel-electric engines (propulsion and electric power)</td>
<td>Propulsion of cargo transportation on inland waterways</td>
<td>Propulsion and auxiliary for ships to support, construct, maintain</td>
</tr>
<tr>
<td>Exemplary applications</td>
<td>• Large bulkers • Tankers • Container ships</td>
<td>• Cooling freight • Electric power for machinery equipment like aftertreatment, thrusters, blowers</td>
<td>• Ferries (sea and inland) • Cruise ships • Tugboats • Icebreakers</td>
<td>• River cargo vessels • Cargo vessels in coastal areas/ short sea distance</td>
<td>• Offshore construction vessels • Platform supply vessels</td>
</tr>
<tr>
<td>Single engine size</td>
<td>~8-80 MW • ~2-10 MW • ~3-20 MW • ~2-12 MW • ~2-12 MW • ~3-12 MW • ~3-10 MW • ~3-12 MW • ~2-15 MW • ~2-15 MW • ~0.5-2 MW</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevaling engine type1</td>
<td>L M H L M H L M H L M H L M H L M H L M H L M H L M H L M H</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hours of operation p.a. (utilization)</td>
<td>~8,000 (~90%) • ~4,000-5,000 (~50%) • ~8,000 (~90%) • ~2,500-5,000 (30-50%) • ~7,000 (80%) • ~5,000-8,000 (50-80%) • ~8,000 (~99%) • ~7,000 (~80%)</td>
<td></td>
<td></td>
<td></td>
<td>High variability depending on vessel</td>
</tr>
<tr>
<td>Accelleron's core end markets</td>
<td>Source: Company information, third party analysis</td>
<td>1. Only engine types representing majority of market shown, other engine types possible 2. A cruise ship can have up to ~95MW of engine power installed</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Electrical power generation (EPG) applications for turbochargers

### EPG

<table>
<thead>
<tr>
<th>Distributed baseload power</th>
<th>Grid stability / flexibility</th>
<th>Backup power</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Type

- **Prime/continuous power source**
- **Standby (peak) power source**
- **Emergency power source**

### Application description

- **Baseload power plants**, e.g., in emerging markets with weak energy infrastructure
- **Remote/off-grid power generation**, e.g., on islands, industrial use cases (e.g., mining, partly semi-temporary)
- **Gas power plants to provide electricity** to either support (instable) grid or to provide flexibility as renewables backup during peak demand/when renewables are not able to fully serve
- **Generators guaranteeing uptime** in critical infrastructure and on industrial sites in case of power outages with need for rapid dispatch time
- **Backup power source**, e.g., for data centers, hospitals
- **Peak load stabilization**, in (unstable) grids, e.g., in emerging markets with weak energy infrastructure
- **Backup capacity** for renewable energy, e.g., for wind, solar power plants
- **Backup power source**, e.g., for data centers, hospitals
- **Nuclear power plant backup** for control center, safety mechanisms in case of power failure
- **Small non-stationary gensets**

### Exemplary applications

- Baseload power plants, e.g., in emerging markets with weak energy infrastructure
- Remote/off-grid power generation, e.g., on islands, industrial use cases (e.g., mining, partly semi-temporary)
- Gas power plants to provide electricity to either support (instable) grid or to provide flexibility as renewables backup during peak demand/when renewables are not able to fully serve
- Generators guaranteeing uptime in critical infrastructure and on industrial sites in case of power outages with need for rapid dispatch time
- Backup power source, e.g., for data centers, hospitals
- Nuclear power plant backup for control center, safety mechanisms in case of power failure
- Small non-stationary gensets

### Single engine size

- **~0.5-20 MW**
- **~0.5-20 MW**
- **~0.5-12² MW**

### Prevaling engine type

<table>
<thead>
<tr>
<th>L</th>
<th>M</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>~5,000 (~55-60%)</td>
<td>~2,000 (~20-25%)</td>
<td>&lt;500 (~1.5%)</td>
</tr>
</tbody>
</table>

### Hours of operation p.a. (utilization)

### Accelleron’s core end markets

Source: Company information, third party analysis

1. Only engine types representing majority of market shown, other engine types for use cases possible
2. Nuclear power plants with backup engines up to 12MW; backups for data centers, hospitals in range of ~0.5-2MW
## Other application areas for turbochargers

### Rail

<table>
<thead>
<tr>
<th>Type</th>
<th>Application description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal combustion locomotive</td>
<td>Internal combustion engine within a locomotive producing pulling power (mostly diesel or diesel-electric locomotive)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exemplary applications</th>
<th>Cargo trains</th>
<th>Passenger trains</th>
<th>Light-weight cargo trains</th>
<th>Light-weight passenger trains</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Single engine size</th>
<th>~1-10 MW</th>
<th>~1-3 MW</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Prevailing engine type¹</th>
<th>L</th>
<th>M</th>
<th>H</th>
</tr>
</thead>
</table>

| Hours of operation p.a. (utilization) | ~6,000-7,000 (70-80%) | ~6,000-7,000 (70-80%) |

### Off-highway vehicles

#### Mining & earth moving

#### Construction

#### Agriculture

### ICE powered drive and auxiliary systems

<table>
<thead>
<tr>
<th>4-stroke diesel engines to power drive and enable e.g. heavy alternating operations</th>
<th>4-stroke diesel engines to power drive and auxiliary systems</th>
<th>4-stroke diesel engines to power drive and enable e.g. semi-static operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Haul Trucks</td>
<td>• Excavator</td>
<td>• Tractors</td>
</tr>
<tr>
<td>• Dozers</td>
<td>• Graders</td>
<td>• Harvesters</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exemplary applications</th>
<th>Haul Trucks</th>
<th>Dozers</th>
<th>Excavator</th>
<th>Graders</th>
<th>Tractors</th>
<th>Harvesters</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Single engine size</th>
<th>~0.5-3 MW</th>
<th>~0.5-1.5 MW</th>
<th>~0.5-1 MW</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Prevailing engine type¹</th>
<th>L</th>
<th>M</th>
<th>H</th>
</tr>
</thead>
</table>

| Hours of operation p.a. (utilization) | ~6,000-7,000 (70-80%) | ~6,000-7,000 (70-80%) | ~2,500-6,000 (30-50%) |

### Accelleron’s core end markets

Source: Company information, third party analysis

Only engine types representing majority of market shown, other engine types for use cases possible

1. L: Low; M: Medium; H: High
Basis of preparation of historical financials

General
- Financial year ending December 31
- Prepared in accordance with U.S. GAAP
- Reporting currency is US Dollar
- The presentation contains forward looking statements, subject to change based on known or unknown risks and various other factors

Carve-out
- Historical cost structure does not factor in additional recurring and one-off costs as listed company
- Historical capital and tax structure not indicative for the financial positions going forward
- External debt, including any interest expense, associated with the debt of the parent which is not directly attributable to the business has been excluded from the combined carve-out financial statements of the business
- The equity of the business represents the net investment of the parent in the business, the parent’s historical retained earnings related to the business are included within net parent investment

Financial disclosure
- Historical financial information for the years 2019 to 2021 based on Audited Combined Carve-out Financial Statements
- Half-year financial information for H1 2021 and H1 2022 currently subject to auditor review, and therefore may be subject to change
Non-U.S. GAAP Measures

- Non-U.S. GAAP financial measures and alternative performance measures are presented as they are used by management in monitoring its business.
- Organic revenues growth defined as revenue growth at constant currency and adjusted for M&A.
- Operational EBIT represents income from operations excluding, as applicable, restructuring, related and implementation costs, changes in the amount recorded for obligations related to divested businesses occurring after the divestment date, changes in estimates relating to opening balance sheets of acquired businesses, gains and losses from sale of businesses, acquisition- and divestment-related expenses and integration costs, certain other non-operational items, as well as foreign exchange/commodity timing differences in income from operations.
- Operational EBITA represents Operational EBIT excluding acquisition-related amortization.
  - Operational EBITA corresponds to Operational EBIT for the financial years ended December 31, 2021, 2020 and 2019 and for the six months ended June 30, 2022 and 2021 (i.e. there has not been any acquisition-related amortization).
- Operational EBITDA represents Operational EBIT excluding depreciation and amortization.
- Operational net income represents net income adjusted for, as applicable, acquisition-related amortization, restructuring, related and implementation costs, changes in the amount recorded for obligations related to divested businesses occurring after the divestment date, changes in estimates relating to opening balance sheets of acquired businesses, gains and losses from sale of businesses, acquisition- and divestment-related expenses and integration costs, certain other non-operational items, as well as foreign exchange/commodity timing differences in income from operations.
- Free cash flow is defined as net cash provided by operating activities less net cash used in investing activities. Free cash flow conversion is defined as free cash flow divided by reported net income, expressed as a percentage.
- Net leverage is defined as interest-bearing liabilities (including finance leases) net of cash and cash equivalents, divided by last twelve months operational EBITDA.
Operational EBIT adjustments

Reconciliation between operational EBIT\(^1\) and income from operations

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operational EBIT(^1)</strong></td>
<td>203</td>
<td>146</td>
<td>188</td>
</tr>
<tr>
<td><strong>Employee severance costs</strong></td>
<td>(0)</td>
<td>(8)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Estimated contract settlement, loss order and other costs</strong></td>
<td>(1)</td>
<td>(1)</td>
<td>(0)</td>
</tr>
<tr>
<td><strong>Restructuring and related costs</strong></td>
<td>(2)</td>
<td>(8)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>FX and commodity timing differences</strong></td>
<td>1</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td>201</td>
<td>137</td>
<td>186</td>
</tr>
</tbody>
</table>

Source: Audited Combined Carve-out Financial Statements

Note: Numbers might not add up due to rounding.

1. Equivalent to operational EBITA, as there has been no acquisition-related amortization in 2019, 2020 and 2021

**Highlights**

- Restructuring costs mainly related to:
  - The **Footprint 2020 program**: only affecting 2019, resulting in closing of Klingnau facility and the transfer of its assets and employees to Baden
  - The **OS program**: 2-year program launched in December 2018 in order to simplify Accelleron’s business model and structure
  - The **IATU re-sizing program, 2020**: approved on August 2020 driven by COVID-19 crisis, largely completed end of Q3 2021
- FX and commodity timing differences consist of:
  - Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)
  - Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized
  - Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)
### Income statement

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ m</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>783</td>
<td>711</td>
<td>756</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>(411)</td>
<td>(406)</td>
<td>(401)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>372</td>
<td>305</td>
<td>356</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>(126)</td>
<td>(119)</td>
<td>(121)</td>
</tr>
<tr>
<td>Non-order related research and development expenses</td>
<td>(46)</td>
<td>(48)</td>
<td>(52)</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>1</td>
<td>(1)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td>201</td>
<td>137</td>
<td>186</td>
</tr>
<tr>
<td>Interest and other finance income (expense)</td>
<td>(0)</td>
<td>1</td>
<td>(1)</td>
</tr>
<tr>
<td>Non-operational pension cost</td>
<td>(0)</td>
<td>(0)</td>
<td>(0)</td>
</tr>
<tr>
<td><strong>Income from operations before income taxes</strong></td>
<td>201</td>
<td>137</td>
<td>184</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(42)</td>
<td>(25)</td>
<td>(40)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>159</td>
<td>112</td>
<td>144</td>
</tr>
<tr>
<td>Less: net income attributable to non-controlling interests</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Net income attributable to the Parent</strong></td>
<td>155</td>
<td>107</td>
<td>139</td>
</tr>
</tbody>
</table>

Source: Audited Combined Carve-out Financial Statements
Note: Numbers might not add up due to rounding
## Balance sheet – Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>3</td>
<td>4</td>
<td>73</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>157</td>
<td>156</td>
<td>183</td>
</tr>
<tr>
<td>Contract assets</td>
<td>11</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Inventories</td>
<td>172</td>
<td>164</td>
<td>155</td>
</tr>
<tr>
<td>Other current assets</td>
<td>8</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>350</strong></td>
<td><strong>350</strong></td>
<td><strong>437</strong></td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>133</td>
<td>146</td>
<td>146</td>
</tr>
<tr>
<td>Operating lease right-of-use assets, net</td>
<td>22</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>Goodwill</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Other intangible assets, net</td>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>6</td>
<td>7</td>
<td>61</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>171</strong></td>
<td><strong>194</strong></td>
<td><strong>249</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>521</strong></td>
<td><strong>544</strong></td>
<td><strong>686</strong></td>
</tr>
</tbody>
</table>

*Source: Audited Combined Carve-out Financial Statements*

*Note: Numbers might not add up due to rounding*
## Balance sheet – Liabilities and equity

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable, trade</td>
<td>62</td>
<td>63</td>
<td>77</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>16</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Current operating lease liabilities</td>
<td>6</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Short-term borrowings and current maturities of long-term debt</td>
<td>-</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>Provisions for warranties</td>
<td>24</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Other provisions</td>
<td>5</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>37</td>
<td>36</td>
<td>50</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>58</td>
<td>53</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>208</strong></td>
<td><strong>220</strong></td>
<td><strong>336</strong></td>
</tr>
<tr>
<td>Non-current finance lease liabilities</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Non-current operating lease liabilities</td>
<td>16</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>28</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>10</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>55</strong></td>
<td><strong>50</strong></td>
<td><strong>43</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>263</strong></td>
<td><strong>270</strong></td>
<td><strong>379</strong></td>
</tr>
<tr>
<td>Net parent investment</td>
<td>172</td>
<td>158</td>
<td>199</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>70</td>
<td>95</td>
<td>90</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>16</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>258</strong></td>
<td><strong>274</strong></td>
<td><strong>307</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td><strong>521</strong></td>
<td><strong>544</strong></td>
<td><strong>686</strong></td>
</tr>
</tbody>
</table>

Source: Audited Combined Carve-out Financial Statements

Note: Numbers might not add up due to rounding
### Statement of cash flows

<table>
<thead>
<tr>
<th>$m</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>159</td>
<td>112</td>
<td>144</td>
</tr>
</tbody>
</table>

Adjustments to reconcile net income to net cash provided by operating activities:

- Depreciation and amortization | 21   | 24   | 24   |
- Deferred taxes | 1    | (15) | (0)  |
- Other | (1)  | 1    | (1)  |

Changes in operating assets and liabilities:

- Receivables, net | 15   | (2)  | (26) |
- Contract assets and liabilities | 0    | 3    | 1    |
- Inventories | (16) | 26   | 4    |
- Accounts payable, trade | (15) | (4)  | 15   |
- Accrued liabilities | (0)  | (4)  | 14   |
- Provisions, net | (2)  | 8    | (1)  |
- Income taxes payable and receivable | 25   | 4    | (4)  |
- Other assets and liabilities, net | 0    | (1)  | (7)  |

Net cash provided by operating activities | 189  | 151  | 163  |

**Investing activities:**

- Purchases of property, plant and equipment and intangible assets | (23) | (26) | (29) |
- Proceeds from sales of property, plant and equipment | 0    | 0    | 2    |
- Other investing activities | (5)  | 0    | (1)  |

Net cash used in investing activities | (28) | (25) | (28) |

Source: Audited Combined Carve-out Financial Statements

Note: Numbers might not add up due to rounding
### Statement of cash flows (cont’d)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financing activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in financing receivables</td>
<td>(5)</td>
<td>(3)</td>
<td>(0)</td>
</tr>
<tr>
<td>Net transfers to Parent</td>
<td>(158)</td>
<td>(119)</td>
<td>(154)</td>
</tr>
<tr>
<td>Increase in short-term borrowings and current maturities of long-term debt</td>
<td>-</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>Dividends paid to non-controlling interests</td>
<td>(1)</td>
<td>(2)</td>
<td>(4)</td>
</tr>
<tr>
<td>Other financing activities</td>
<td>(0)</td>
<td>(0)</td>
<td>(0)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(165)</td>
<td>(125)</td>
<td>(66)</td>
</tr>
<tr>
<td>Effects of exchange rate changes on cash and cash equivalents</td>
<td>0</td>
<td>0</td>
<td>(0)</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td>(4)</td>
<td>2</td>
<td>69</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of period</td>
<td>7</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of period</strong></td>
<td>3</td>
<td>4</td>
<td>73</td>
</tr>
</tbody>
</table>

### Supplementary disclosure of cash flow information:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>16</td>
<td>37</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Audited Combined Carve-out Financial Statements

Note: Numbers might not add up due to rounding