

# Elevating Champions

INVESTOR & ANALYST CONFERENCE CALL  
BACKGROUND ON THE SALE OF PALAS

November 29, 2022

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# Key highlights of the Palas sale



**Continuous interest from strategic as well as financial investors from day 1 after acquisition of Palas in 2018**



**Strong operational development of Palas under the roof of Brockhaus Technologies, doubling nearly all its financial KPIs**



**Strategic valuation of €100 million underlining the attractiveness of Palas as well as proving the fundamental value of Brockhaus Technologies**



**Targeted “Cash Compounding Modus” reached, after high value realization of €59 million at closing plus an additional earn-out of potentially up to €17 million**



**Forecast 2022 solely adjusted due to deconsolidation of Palas**





# High value realization through sale of Palas after successful further development under the roof of Brockhaus Technologies

## Development since acquisition by BKHT in Dec. 2018



Almost doubling of revenues (~€12m to ~€21m), EBITDA (~€3m to ~€7m) and EBIT (~€3m to ~€6m) from 2018 to 2021



Successful international expansion with market entry and strong expansion in Asia

founding subsidiaries in Hong Kong and Shanghai as well as establishing a local team of ~10 employees



Setup of scalable structures for further growth e.g. by expanding the management

including hiring a CSO and CFO as well as establishing an advisory board consisting of industry experts from the BKHT network

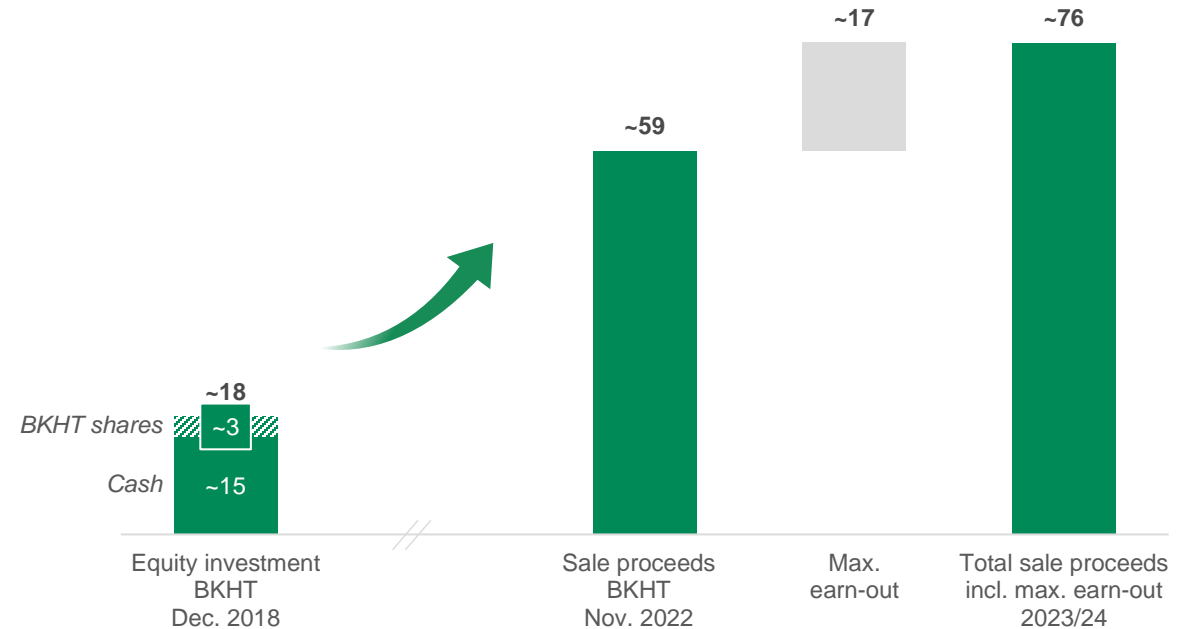


Implementation of a targeted growth strategy into new markets and applications

e.g. in the unregulated market or through the proprietary-developed data platform for air quality monitoring my-atmosphere.net

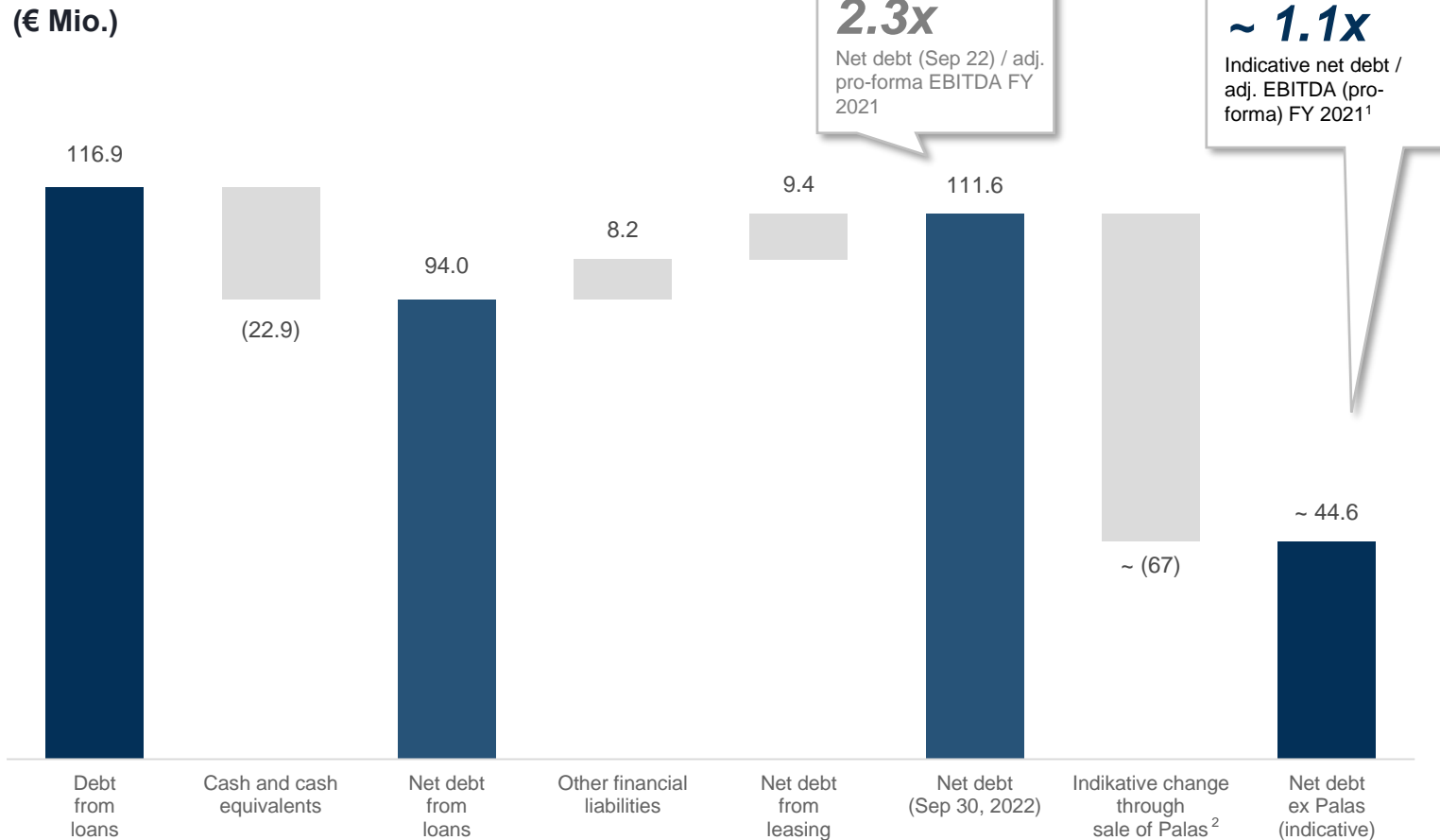
## Value realization through sale of Palas

(€ million)



# Effect on group leverage

## Indicative net debt ex Palas



## Highlights



Available financing capacity driven by significant deleveraging allows for future growth through new acquisitions



Very conservative leverage ratio of indicative ~1.1x EBITDA 2021 (target value of ~2.5x)



High balance sheet quality underlining resilience of our business

# Effect on group P&L

## Illustrative depiction of the consolidated statement of comprehensive income

€ million	2022	2021
<b>Revenue</b>	<b>xx.x</b>	<b>xx.x</b>
Change in finished goods and WIP	(x.x)	(x.x)
Other own work capitalized	x.x	x.x
<b>Total output</b>	<b>xx.x</b>	<b>xx.x</b>
Cost of materials	(xx.x)	(xx.x)
■	■	■
■	■	■
■	■	■
<b>Profit of continuing operations</b>	<b>xx.x</b>	<b>xx.x</b>
Profit of discontinued operations	xx.x	xx.x
<b>Net profit</b>	<b>xx.x</b>	<b>xx.x</b>
thereof: non-controlling interests	xx.x	xx.x
thereof: BKHT shareholders	xx.x	xx.x
thereof: continuing operations	xx.x	xx.x
thereof: discontinued operations	xx.x	xx.x

**Ex post reclassification** of Palas and presentation in one line item

Therefore, **retrospective reduction** of revenue etc.

**2021:** Palas net income contribution

**2022:** Palas net income **plus** BKHT income from selling Palas

## Comments

Palas' revenue, other income and cost contribution is to be excluded retrospectively from the P&L's line items (IFRS 5).

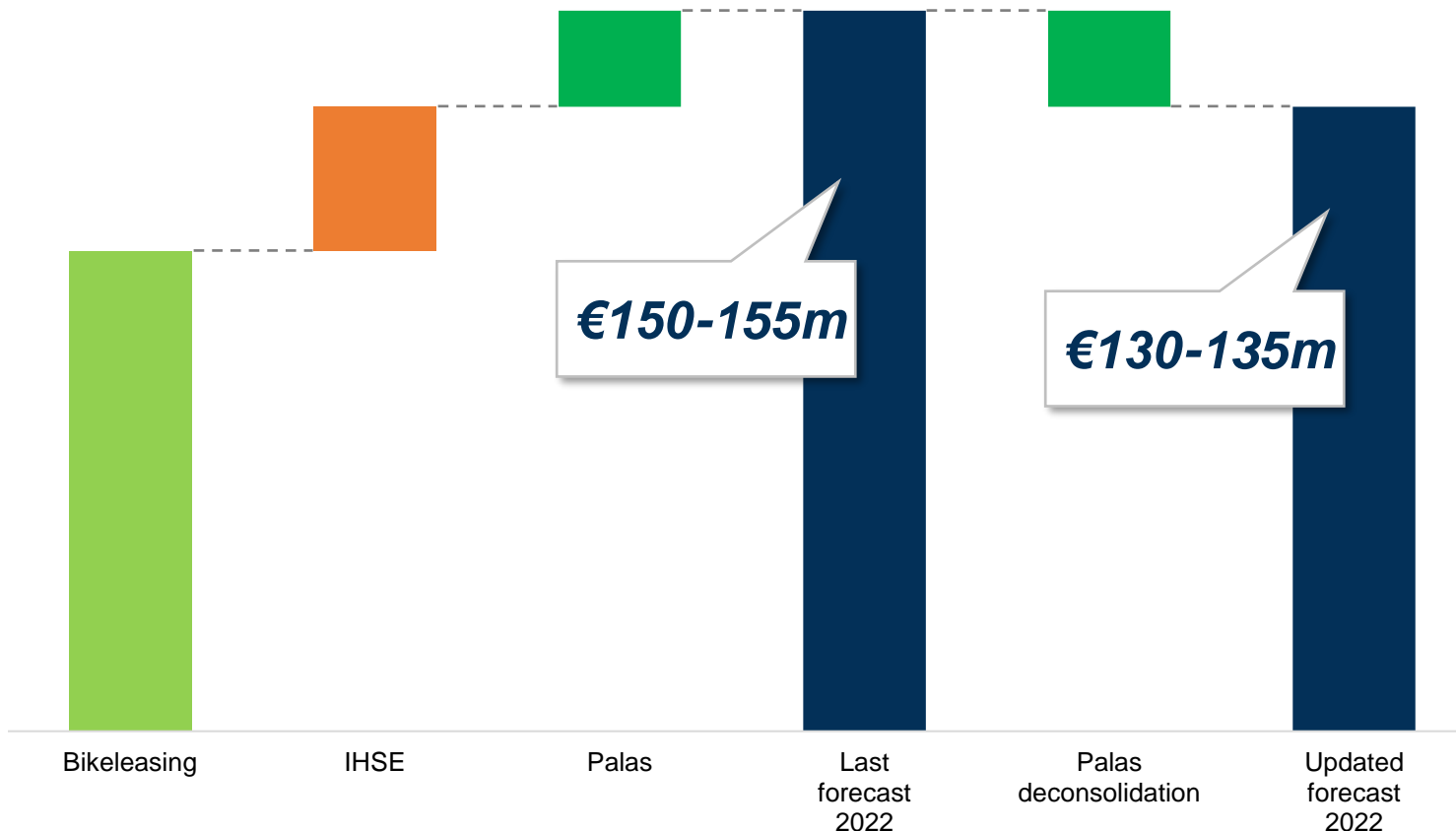
Both Palas' net income and the BKHT's net gain from the sale need to be presented as a separate line item "profit of discontinued operations".

The composition of that line item will be disclosed in detail in the Notes to the Consolidated Financial Statements.

# Implication on or forecast

## Effect on revenue forecast

(Indicative depiction of revenue forecast 2022)



## Comments

Forecast adjusted solely due to the deconsolidation of Palas.

Without the sale of Palas, the previous forecast would have still been valid.

With respect to the adjusted EBITDA margin Brockhaus Technologies confirms the previous forecast of 35%. This forecast remains unchanged because Palas' expected adjusted EBITDA margin for the full year of 35% corresponds to the group forecast.

# Group forecast FY 2022 adjusted

solely due to  
deconsolidation of Palas

*Well on track building one of  
Germany's leading technology  
groups*

Revenue  
before PPA

**€130m - €135m**

(2021: €105m | +24 to +28%)

(Forecast pre Palas deconsolidation: €150m - 155m)

Adj. EBITDA margin

**35%**

(2021: 39%)

(Forecast pre Palas deconsolidation: 35%)

corresponding  
Adj. EBITDA

**€46m - €47m**

(2021: €41m | +11 to +16%)

(Forecast pre Palas deconsolidation €53m - 54m)



**Q&A**

**Happy to answer  
your questions**

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