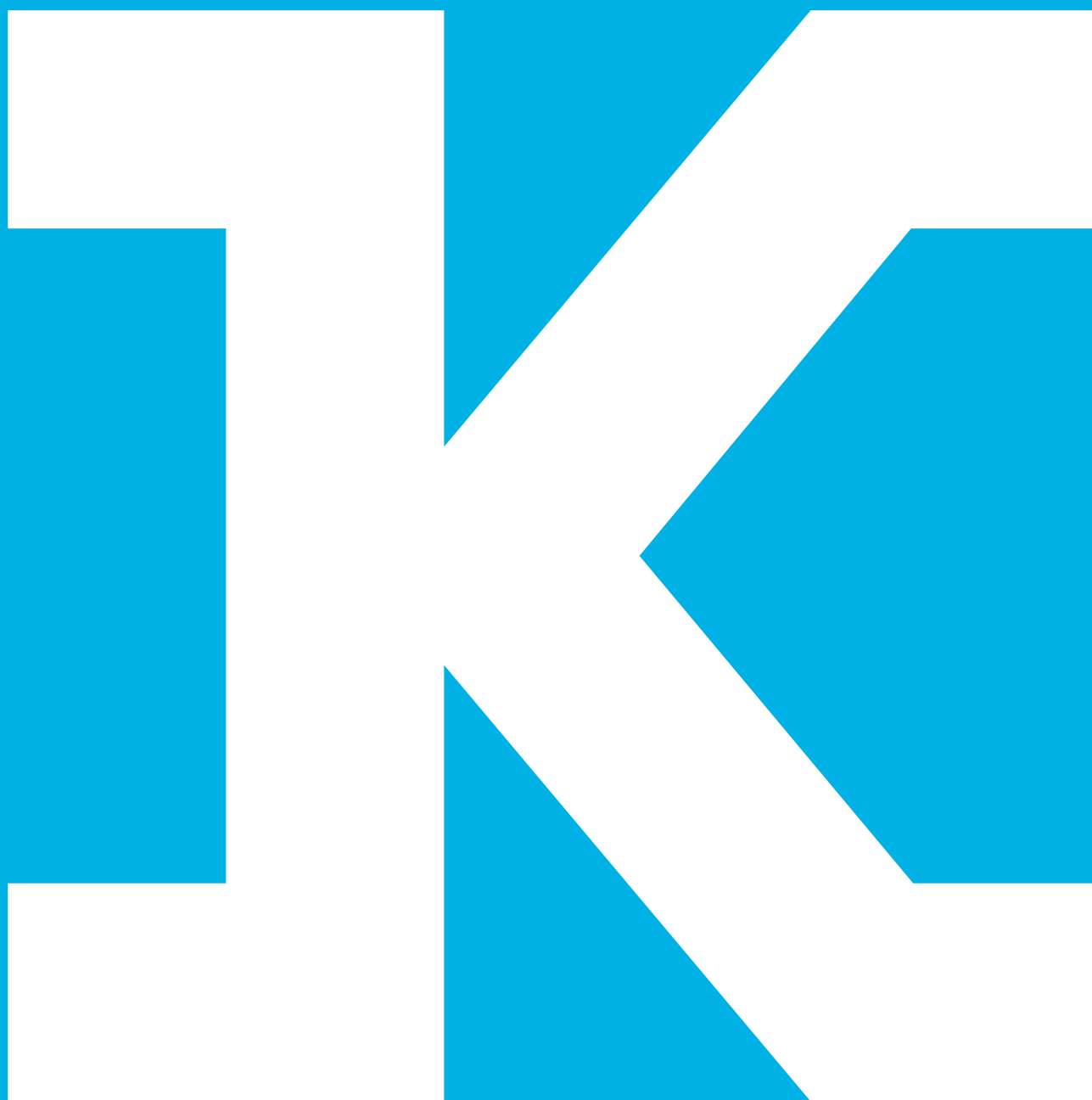


KATEK

Lead the category

MEMBER OF PRIMEPULSE

Quarterly Statement Q3
As at 30 September 2022



At a Glance

Group key figures (in kEUR)

	YTD Sep/2022	YTD Sep/2021
Revenue	495,732	401,965
Gross profit	134,531	117,660
EBITDA	12,190	19,816
EBIT	- 4,036	4,532
EBITDA adj.	21,200	21,076
Marge EBITDA (adj.)*	4.2%	5.2%
Net profit or loss of the Group	- 4,980	5,184
	30 Sep 2022	31 Dec 2021
Total Assets	503,175	393,941
Equity	147,962	151,799
Equity ratio	29.4%	38.5%

* in % of total operating performance

KATEK Highlights:

37.3% growth in Q3/22, operating earnings YTD at prior year level - Management confirms the forecast for 2022 and announces the acquisition of a high-tech electronics company in the USA

1. Revenue

Growth in the third quarter further accelerated to plus 37.3% in comparison to Q3/21, resulting in an accumulated plus of 23.3% (Q3 YTD compared to the previous year period) or EUR 495.7 million in sales. Consequently, KATEK already achieved EUR 500 million revenues in the first week of October - a figure that was only reached in December last year. Strongest growth Q3/22 YTD again in Solar/Renewables (plus 131.8%) and TeleCare (plus 170.6%). Weakest performance in Automotive (excluding eMobility/Charging) only at prior year level. All indications point to a continued strong organic growth with a book-to-bill ratio of 1.1 and an order backlog for the next twelve months already at the level of current annual sales.

2. Operating earnings

Gross profit and EBITDA are under pressure, due to the overall economic situation not all cost increases in the areas of energy, materials and personnel can be passed on to all customers at the same time and in its full amount. The extensive countermeasures on the cost and price side nevertheless lead to EBITDA adj. at the previous year's level of EUR 21.2 million in the first three quarters of 2022. The increase in inventories (adjusted for the inventories of SigmaPoint in Canada acquired in August) could be slowed down considerably to EUR 236.1 million (Q2/22 EUR 215 million), whereby EUR 21.4 million could be made cash-neutral through customer advance payments.

3. Forecast

Based on the Q3 and nine-month figures for 2022, despite the uncertainties in the current environment, the KATEK management continues to expect a revenue of more than EUR 635.0 million including the SigmaPoint consolidation. EBITDA adj. is still expected to be at least 10.0% above the previous year and more than EUR 33.4 million. This is supported by three considerations:

- a) Order backlogs remain very high with first signs of easing the material shortages situation
- b) Seasonally very strong Q4 at KATEK as in previous years
- c) Sum of current bottom-up forecasts of the operating units

4. M&A

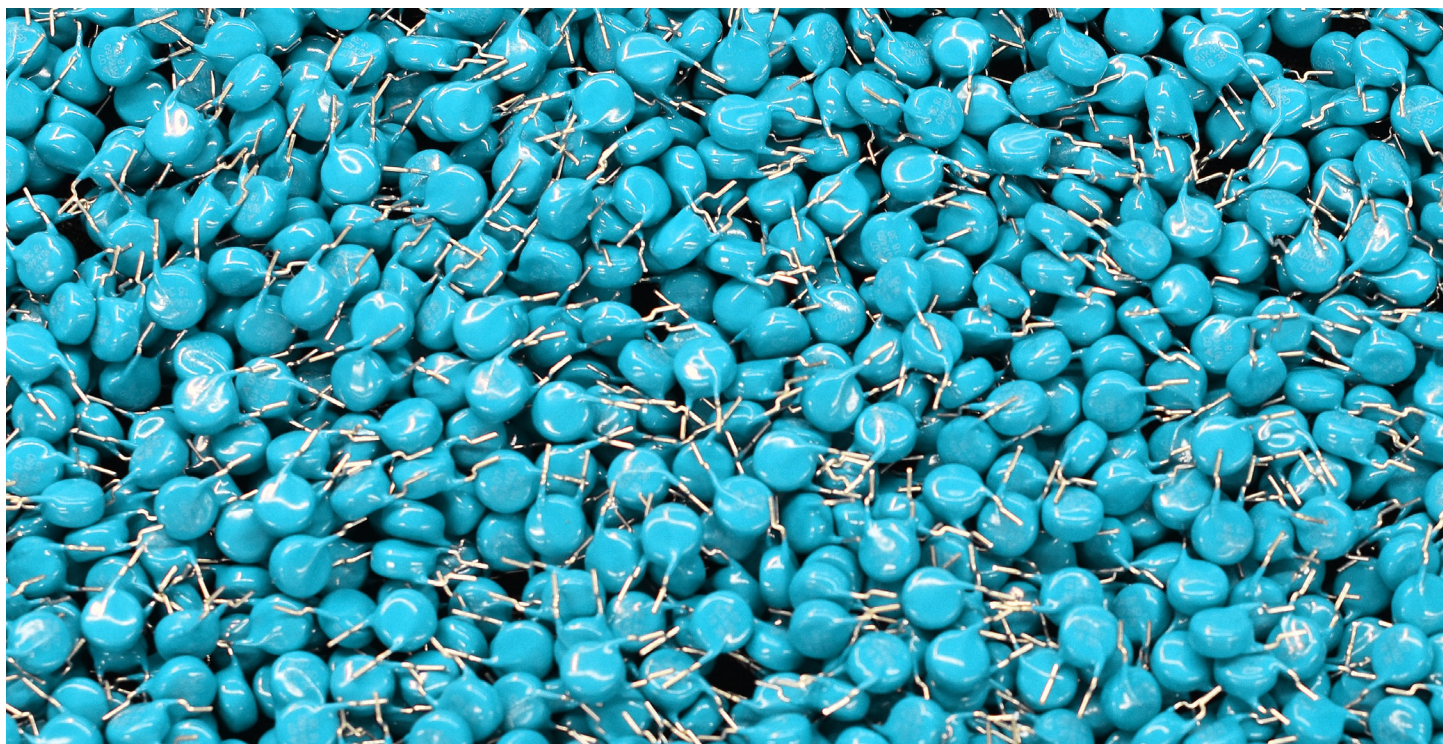
As a result of two recent acquisitions in Canada (SigmaPoint, Closing August 22) and USA (Nextek, Signing Nov 22), KATEK is now very well represented in the key market of North America. This means that all European customers with international business can now be fully served in North America, and the North American customers of SigmaPoint and Nextek can access all of KATEK's services in Europe and Malaysia.

5. Management Team

KATEK expands its management team with two top managers, each of them with impressive track records, to take advantage of opportunities in the current crises and to continue its strong growth. Thus, Petra Becker started as Chief Transformation Officer (CTRO) as of 1 November 2022, while Klauspeter Bader will take over the newly created position of Chief Sales Officer (CSO) as of January 2023.

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3. Quarter 2022

Report of the Management Board

Operational business development

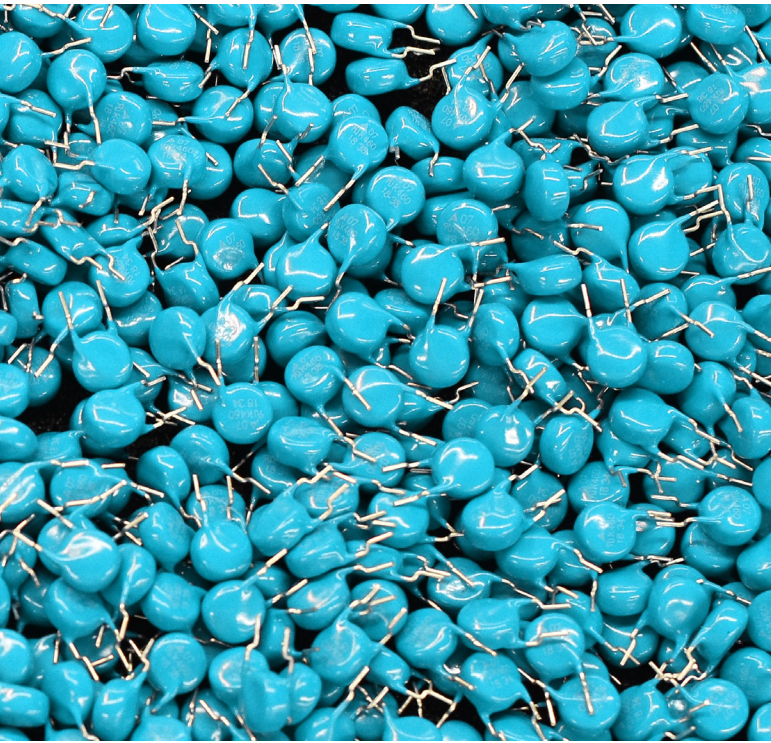
In the third quarter of 2022, the KATEK Group was able to successfully continue its growth course or even accelerate it. At almost EUR 180.0 million revenue, Q3/22 is around 37.3% higher than the same quarter of the previous year, and cumulative revenues of EUR 495.7 million are around 23.3% higher than the previous year. Significant growth impulses were again organically achieved: The strongest growth Q3/22 YTD is once more delivered by the Solar/Renewables business (+131.8% compared to previous year period, followed by TeleCare (+170.6%). The eMobility business grew by only around 10.9% due to supply chain challenges faced by our customers. The weakest development was in Automotive (excluding eMobility), where volumes were only at prior year level due to various challenges faced by our customers. Overall, all indicators point to continued strong organic growth. SigmaPoint has contributed with a revenue of EUR 4.9 million to the KATEK Group since its first consolidation.

Meanwhile, a look at the earnings situation clearly shows the traces of the current macroeconomic challenges. However, extensive countermeasures on the

cost and price side enabled EBITDA adj. of EUR 21.2 million to be realized, which is thus on a par with the previous year. Based on the current order backlog and concrete customer orders, KATEK expects a strong year-end quarter in 2022 as in the previous year.

As already reported in the past, KATEK had decided in response to the so-called supply chain crisis to build up strategically inventories (buffer stock) in coordination with its customers in order to ensure the ability to supply its customers. This inventory increase was not continued to that extent in the third quarter of 2022: An increase in inventories to now EUR 236.1 million (+9.5% vs. EUR 215.6 million Q2/22; adjusted for the inventories of SigmaPoint in Canada acquired in August 2022) has been offset by an increase in advance payments received from customers of EUR 8.8 million in Q2/22 to EUR 21.4 million in Q3/22. In the upcoming periods, we will work on reducing inventories depending on an improvement in the availability of required materials.

Irrespective of the working capital situation described above, KATEK only reports a net bank debt of EUR 62.4 million as of the balance sheet date,



of which EUR 12.9 million is attributable to SigmaPoint.

Overall, KATEK's management is sticking to its forecast for fiscal year 2022 despite the overall economic uncertainty.

M&A

M&A activities continued successfully in Q3/22. The transactions in detail:

- Following the closing of the 100% acquisition of SigmaPoint in Ontario/Canada in August 2022, the post-merger integration to leverage the first synergies in the areas of purchasing, sales/marketing and operations is already running at full speed. (www.sigmapoint.com)
- Last week KATEK signed the contract for the 100% acquisition of the US-based Nextek Inc, Madison, Alabama (Signing). Nextek specializes in technologically complex electronics in the areas of fast prototyping and high mix, low volume (www.nextekinc.com) and is an ideal complement to Canada's SigmaPoint, which can cover high-volume projects with its award-winning lean manufacturing.

These acquisitions in Canada and the USA mean that KATEK is now very well represented in the key market of North America. This opens up strategic growth potential: All European customers with inter-

national business can now also be fully served in North America, and the North American customers of SigmaPoint and Nextek can access all of KATEK's services in Europe and Malaysia. The know-how and customer portfolio of both companies will also enable KATEK to make significant inroads into the defense and aerospace sectors, which are currently gaining in importance. KATEK's North American business therefore has a potential of more than USD 100 million in 2023, assuming that the market continues to develop well.

In the opinion of the management, the current economic conditions will lead to further attractive opportunities.

Management Team

KATEK expands its management team by two top managers with impressive track records to take advantage of the opportunities in the current crises and to continue its strong growth.

The current Managing Director of KATEK Memmingen, Klauspeter Bader, will assume the newly created position of Chief Sales Officer (CSO) on January 1, 2023. Following the impressive growth trajectory of his previous area of responsibility, he will in future bundle all go-to-market issues of the group and drive them forward together with the operating units. In particular, the entire company will be focused on continuing the strong organic growth profitably.

Petra Becker took up her role as Chief Transformation Officer (CTRO) as of November 1, 2022, with the aim of bundling all ongoing activities in the Group, selectively reducing strategic inventories as the situation on the components market eases, and coordinating all margin protection measures. Petra Becker was, among other management positions, most recently Vice President Supply Chain Management at a listed automotive supplier.

In our perception, the third quarter of 2022 was characterized by an environment in which macroeconomic factors and short-term challenges were increasingly the focus of attention. Especially in such an environment, it is important to note that we will continue the long-term growth plan for KATEK with unchanged confidence. We see many medium and long-term opportunities, which we are consistently pursuing. In this sense: The best is yet to come.

Munich, November 2022

KATEK SE

Rainer Koppitz
CEO

Dr. Johannes Fues
CFO





■
Rainer Koppitz
CEO KATEK SE



■
Dr. Johannes Fues
CFO KATEK SE

Consolidated Statement of Comprehensive Income

in kEUR	01 Jul 2022 - 30 Sep 2022	01 Jul 2021 - 30 Sep 2021	01 Jan 2022 - 30 Sep 2022	01 Jan 2021 - 30 Sep 2021
Revenue	179,851	130,960	495,732	401,965
Change in finished goods/WIP	7,478	3,760	10,753	323
Own work capitalized	1,656	33	4,225	98
Total operating performance	188,985	134,753	510,710	402,386
Cost of materials	-143,537	-97,949	-376,179	-284,726
Gross profit	45,448	36,804	134,531	117,660
Other operating income	749	1,093	6,053	15,786
Personnel expenses	-28,498	-24,519	-84,832	-80,495
Other operating expenses	-16,572	-11,299	-43,562	-33,135
EBITDA	1,127	2,080	12,190	19,816
Depreciation and amortisation	-5,583	-5,500	-16,226	-15,284
Earnings before interest and taxes (EBIT)	-4,456	-3,421	-4,036	4,532
Financial income	16	8	60	27
Finance costs	-1,142	-639	-2,715	-2,159
Exchange differences	2,181	15	-300	600
Earnings before income taxes	-3,400	-4,037	-6,990	3,000
Income taxes	978	1,407	2,010	2,184
Net profit or loss of the Group	-2,422	-2,630	-4,980	5,184
thereof attributable to non-controlling interests	134	61	-429	-79
thereof attributable to shareholders of KATEK SE	-2,288	-2,569	-4,551	5,263
Number of shares (weighted average)	13,241,880	13,241,880	13,241,880	11,679,152
Earnings per share (EUR), basic and diluted	-0.18	-0.20	-0.34	0.45
Comparable number of shares (assumption)	13,241,880	13,241,880	13,241,880	13,241,880
Earnings per share (unchanged), basic and diluted	-0.18	-0.20	-0.34	0.40

* Due to rounding, sums may differ from the exact result of adding the individual figures.

in kEUR	01 Jul 2022 - 30 Sep 2022	01 Jul 2021 - 30 Sep 2021	01 Jul 2022 - 30 Sep 2022	01 Jul 2021 - 30 Sep 2021
Net profit or loss of the Group	- 2,422	- 2,630	- 4,980	5,184
Other comprehensive income				
Items that may be subsequently recycled through profit or loss				
Exchange differences arising from currency translation during the financial year	243	- 2	320	125
	243	- 2	320	125
Items that may not subsequently recycled through profit or loss				
Changes in actuarial gains/losses from pensions	- 0	- 19	1,130	115
Deferred taxes from changes in actuarial gains/losses from pensions provisions	0	6	- 307	- 34
	- 0	- 13	823	81
Other comprehensive income after tax	243	- 15	1,143	206
Total comprehensive income	- 2,179	- 2,645	- 3,837	5,390
thereof attributable to non-controlling interests	- 134	- 61	- 430	- 80
thereof attributable to shareholders of KATEK SE	- 2,045	- 2,584	- 3,407	5,470

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Financial Position

Assets

in kEUR	30 Sep 2022	31 Dec 2021
Non-current assets		
Property, plant and equipment	97,995	90,722
Goodwill	15,053	8,964
Other intangible assets	20,935	12,671
Financial assets	1,824	1,824
Employee benefits	210	206
Other financial assets	73	72
Deferred tax assets	11,391	10,691
Total non-current assets	147,480	125,150
Current assets		
Inventories	271,636	188,799
Trade receivables	53,349	24,573
Other financial assets	9,937	10,144
Income tax receivables	1,582	91
Other assets and prepaid expenses	5,284	2,980
Cash and cash equivalents	13,906	42,203
Total current assets	355,694	268,791
Total Assets	503,175	393,941

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Equity and liabilities

	30 Sep 2022	31 Dec 2021
Equity		
Issued capital	13,242	13,242
Capital reserve	111,784	111,784
Revenue reserves	21,590	24,997
Equity of the owners of the parent company	146,615	150,023
Non-controlling interests	1,347	1,777
Total equity	147,962	151,799
Non-current liabilities		
Non-current loans	28,238	32,565
Employee benefit liability	1,911	2,730
Other provisions	691	565
Other financial liabilities	75,446	54,281
Other liabilities	557	560
Deferred tax liabilities	3,940	2,080
Total non-current liabilities	110,784	92,782
Current liabilities		
Current loans	48,037	21,832
Other provisions	7,706	4,843
Trade payables	130,024	80,737
Advance payments received	21,432	6,098
Other financial liabilities	14,946	12,273
Income tax liabilities	0	2,359
Other liabilities and deferred income	22,284	21,217
Total current liabilities	244,429	149,359
Total liabilities	355,213	242,141
Total equity and liabilities	503,175	393,941

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Cash Flows

in kEUR	01 Jan 2022 - 30 Sep 2022	01 Jan 2021 - 30 Sep 2021
Cash flows from operating activities		
Net profit or loss of the Group	- 4,980	5,184
Income tax expense/(income)	- 2,010	- 2,184
Interest expense/(income)	2,512	2,132
Amortization of intangible assets and financial assets, depreciation of property, plant and equipment	16,226	15,284
Other non-cash effective expenses/(income)	- 1,315	- 11,813
(Gain)/loss on disposal of non-current assets	165	- 117
Increase/(decrease) of provisions	2,420	- 3,576
(Increase)/decrease in inventories, trade receivables and other assets	- 65,416	- 61,401
Increase/(decrease) in trade payables and other liabilities	40,873	33,354
Cash (outflow)/inflow from operating activities	- 11,525	- 23,135
Interest received	37	27
Income tax reimbursements (payments)	- 2,124	- 478
Net cash (outflow)/inflow from operating activities	- 13,612	- 23,587

* Due to rounding, sums may differ from the exact result of adding the individual figures.

in kEUR	01 Jan 2022 - 30 Sep 2022	01 Jan 2021 - 30 Sep 2021
Cash flows from investing activities		
Cash received from the disposal of intangible assets	1	85
Cash paid for intangible assets	- 5,030	- 334
Cash received from the disposal of property, plant and equipment	282	11,019
Cash paid for property, plant and equipment	- 13,515	- 10,092
Cash paid for additions to the consolidated group less cash and cash equivalents acquired	- 14,035	- 8,334
Net cash (outflow)/inflow from investing activities	- 32,297	- 7,656

* Due to rounding, sums may differ from the exact result of adding the individual figures.

in kEUR	01 Jan 2022 - 30 Sep 2022	01 Jan 2021 - 30 Sep 2021
Cash flows from financing activities		
Cash received from capital increases	0	75,234
Cash received from borrowing	15,720	8,416
Cash repayment of loans and lease liabilities	- 14,869	- 17,478
Cash received from subsidies/grants	31	19
Repayment of liabilities to current and former shareholders	0	- 7,674
Cash paid for interest	- 2,489	- 3,355
Net cash (outflow)/inflow from financing activities	- 1,607	55,162
Net increase/(decrease) in cash and cash equivalents	- 47,515	23,919
Cash and cash equivalents at the beginning of the reporting period	33,909	3,582
Changes in cash and cash equivalents due to exchange rates and changes in valuation	- 1,172	- 447
Cash and cash equivalents at the end of the reporting period	- 14,778	27,054
thereof: Cash at banks and on hand	13,906	31,306
thereof: Liabilities to banks	28,684	4,252

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Changes in Equity

in kEUR	Issued capital	Capital reserve	Retained reserves			Thereof attributable to shareholders of the parent company	Non controlling interests	Total
			Reserve for actuarial gains/ losses	Foreign currency translation reserve (OCI)	Other			
01 Jan 2021	146	48,854	- 111	- 139	16,343	65,093	0	65,093
Net profit or loss of the Group	0	0	0	0	5,263	5,263	- 79	5,184
Other comprehensive income	0	0	81	126	0	207	0	206
Total comprehensive income	0	0	81	126	5,263	5,470	- 79	5,390
Capital increase from shareholders	3,433	71,801	0	0	0	75,234	0	75,234
Capital increase from company funds	9,662	- 9,662	0	0	0	0	0	0
Effects from changes in the scope of consolidation	0	0	0	0	0	0	818	818
30 Sep 2021	13,242	110,992	- 30	- 14	21,606	145,797	739	146,536

* Due to rounding, sums may differ from the exact result of adding the individual figures.

in kEUR	Issued capital	Capital reserve	Retained reserves			Thereof attributable to shareholders of the parent company	Non controlling interests	Total
			Reserve for actuarial gains/ losses	Foreign currency translation reserve (OCI)	Other			
01 Jan 2022	13,242	111,784	41	160	24,797	150,023	1,777	151,799
Net profit or loss of the Group	0	0	0	0	-4,551	-4,551	-429	-4,980
Other comprehensive income	0	0	823	322	0	1,145	-1	1,143
Total comprehensive income	0	0	823	322	-4,551	-3,407	-430	-3,837
30 Sep 2022	13,242	111,784	864	481	20,246	146,616	1,347	147,963

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Significant Events and Business Transactions



SigmaPoint Technologies Inc. in Cornwall, Canada, was included in the consolidated financial statements of the KATEK Group for the first time as of September 30, 2022. Due to the proximity of the final acquisition of control and the reporting date, only a preliminary purchase price allocation or derivation of goodwill was performed as of September 30, 2022.

Shortly before the publication of this quarterly statement, KATEK SE signed the Share Purchase Agreement for the acquisition of all shares in the US company Nextek Inc. in Madison, Alabama. Nextek specializes in technologically complex electronics in the field of fast prototyping and high mix, low volume (www.nextekinc.com) and is an ideal complement to the Canadian SigmaPoint.

Imprint

KATEK SE

Promenadeplatz 12
80333 Munich

Phone: +49 89 24881-4280
E-Mail: ir@katek-group.com

Management Board: Rainer Koppitz (CEO), Dr. Johannes Fues (CFO)
Chairman of the Supervisory Board: Klaus Weinmann

Register Court: Amtsgericht München
Registration number: HRB 245284
VAT ID: DE321470978

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