

TEK Investment Group

December 2022

Company Profile



TEK Investment Group Ltd. (the “Company”) is a direct supplier of original equipment for 60 car manufacturers around the world for tire repair systems and battery chargers for vehicles. The Company is a global leader in its markets with the Fix &Go[®] brand. The Company produces and distributes products suitable for all vehicle categories from motorcycles, passenger vehicles, commercial vehicles, to large trucks.

Founded in 1995 in Pesaro, Italy, the holding company is now based in London, UK, and has its headquarters in Switzerland. The company controls subsidiaries in Italy, USA, China, India, Japan, Malaysia, Poland, South Korea and has commercial offices in France, Germany, Canada, Brazil, Turkey, Russia, Saudi Arabia, United Arab Emirates, Thailand.

Key Figures

Turnover: 2019: USD 33.8M, 2023e: USD 45M.

Volume: 2019: 1.8M units, 2023e: 3.5M units.

Gross Margin: 38%

Production capacity: 9M units/year.

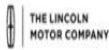
Number of employees: 400.

Industrial property: Over 35 patents and 2 brands.

Key Clients



NAFTA



EMEA



APAC





Our Products

Company's designers and engineers have come up with 4 product lines guaranteed to provide the best and most effective solution for different vehicle categories: Scooters/Motorbikes/Quads, Cars, Motorhomes/Commercial Vehicles and Lorries/Busses. Fix&Go (www.fixandgo.com) is the Proprietary Brand covered by Patent owned by TEK Automotive group.





Fix&Go MICROAIR is the lightest and most compact emergency tire repair kit of the entire range. Perfect for making quick and easy repairs to scooters, motorcycles, quads and ATVs tires.

Fix&Go SENSOR is the top tire repair kit system of the line. Especially designed for cars, in a simple gesture it can fix flat tire of city cars, sedans, supercar, SUVs, RVs and commercial vehicles.

Fix&Go SENSOR 2 is a new tire repair kit that can repair and inflate a flat tire in minutes. Design, exclusive functions, and matchless performance for a product devised specifically for motorhomes, caravans and commercial vehicles.

Fix&Go PRO is the innovative solution designed for truck tire repairs that, using the air tank of the vehicle, will significantly reduce the waiting time while repairing the damaged tire.



Actual Market Figures and Potential

| 2022 CY LIGHT VEHICLES PRODUCTION FORECAST* | | | |
|---|--------------------|-------------------|------------|
| EMEA | EUROPE | 16.334.306 | 18.560.569 |
| | MIDDLE EAST/AFRICA | 2.226.263 | |
| | APAC | 24.919.429 | |
| APAC | CHINA | 11.202.991 | 44.764.722 |
| | JAPAN/KOREA | 8.642.302 | |
| | SOUTH ASIA | 14.702.531 | |
| NAFTA | NORTH-AMERICA | 2.798.705 | 17.501.236 |
| | SOUTH-AMERICA | | |
| WORLDWIDE | | 80.826.527 | |

*Source: S&P Global Mobility

| | TEK | | |
|------------------------|------------------|------------------|------------------|
| | 2022 | 2023 | 2024 |
| EMEA | 910.809 | 925.173 | 1.049.689 |
| APAC | 1.317.650 | 1.509.166 | 1.941.395 |
| NAFTA | 307.586 | 529.821 | 614.722 |
| TOTAL | 2.536.045 | 2.964.160 | 3.605.806 |
| Delta vs Previous Year | | 16,88% | 21,65% |

| TIRE MOBILITY KIT** ADOPTION | WORLDWIDE | | | TEK | | | TOP 5 COMPETITORS | | |
|------------------------------|------------|------------|-----------------|-----------|-----------|-----------------|-------------------|-----------|-----------------|
| | 2022 | 2023 | delta 2022-2023 | 2022 | 2023 | delta 2022-2023 | 2022 | 2023 | delta 2022-2023 |
| EMEA | 5.560.809 | 6.575.173 | 18,24% | 910.809 | 925.173 | 1,58% | 4.650.000 | 5.650.000 | 21,51% |
| APAC | 4.297.650 | 4.639.166 | 7,95% | 1.317.650 | 1.509.166 | 14,53% | 2.980.000 | 3.130.000 | 5,03% |
| NAFTA | 757.586 | 979.821 | 29,33% | 307.586 | 529.821 | 72,25% | 450.000 | 450.000 | 0,00% |
| TOTAL | 10.616.045 | 12.194.160 | 14,87% | 2.536.045 | 2.964.160 | 16,88% | 8.080.000 | 9.230.000 | 14,23% |
| Market Share | | | | 24% | 24% | | 76% | 76% | |

**Source: TEK internal

The tire mobility kit market is expected to grow by 15% in 2023 with TEK growing 17% and holding a 24% global market share.

China is already the leading market for light vehicles in 2022, with growth prospects in the coming years and focus on electric vehicles. APAC is the leading region to produce light vehicles, with EMEA and NAFTA strongly separated and very close to each other in terms of volumes.

Tire repair kit penetration vs. total global production is still low with great potential to grow. In 2023 the expected penetration is seen increasing to 15% from 13%.



The Opportunity

The Company's 2022-2023 growth has been approx. 16% and is expected to reach approx. 21% in 2023-2024 primarily driven by APAC (which in turn is lead by China), followed by NAFTA and EMEA markets. TEK has undisputed market leadership in China with a market share over 50%. The company is expected to outperform its top 5 competitors' average growth by approx. 3% in 2023 with a market share estimated in 2023 at approx. 24% vs. average of the top 5 competitors of about 15%.

We believe the future market for tire repair kits will be driven by electric vehicles adoption. Hence the need to reduce weight in order to increase the autonomy of the vehicle's battery will be the focal point in the commercial battle between car manufacturers.

For the average motorist, the addition of the battery pack has created a problem in terms of cargo space reduction. The Fix&Go tire repair Kit is providing the solution to reduce space by replacing the spare tire.



In light of the above, the repair kit generally has a 100% absorption on electric vehicles, i.e., unlike other types of vehicles, the spare wheel option is no longer considered since this would have a substantial and unsustainable impact on the key points identified above.

As a yardstick, just think that on standard vehicles the penetration of the kit vs. spare tire averages 5% in NAFTA, 10% in APAC, 30% in EMEA.



Proposed Debt Transaction

TEK Automotive Cell Notes 29.12.2025 is an Asset-Backed Notes (ABN) issued by **TEK Automotive Cell**, a cell of **Premier SCC**, a Securitization Cell Company established in Malta as a Special Purpose Vehicle for the issue of asset-backed securities, under the terms of Regulation 22 of the Securitisation Cell Company Regulations LN 411, 2014 of the Laws of Malta.

The Company is issuing an asset backed bond for up to CHF 10 million. The Note is structured accordingly with the typical securitization scheme in order to provide investors with the highest level of security: a double layer of guarantee offered by the Company's balance sheet together with the direct pledges on some of its most valuable assets.

The Originator will utilise the proceeds of the Secured Loan Facility to finance the internal and external growth of the organisation, including possible acquisitions of companies and/or assets in the international market.



TEK AUTOMOTIVE CELL

9.50% NOTES UP TO CHF 10 M MATURITY 29.12.2025

GENERAL TERMS**TEK AUTOMOTIVE CELL NOTES**

| | |
|---------------------------|---|
| Issuer | PREMIER SCC (Malta) in respect of TEK Automotive Cell |
| ISIN Code | CH1108675732 |
| Swiss Valor Number | 110867573 |
| Target Bond Size | Up to CHF 10,000,000 |
| Minimum Ticket | CHF 100,000 |
| Issue Price | 100% |
| Coupon | 9.50% per annum |
| Denomination | CHF 10,000 |
| Issue Date | 29.12.2022 |
| Maturity Date | 29.12.2025 |
| Early Redemption | 1.7.2024 at 103%; 30.12.2024 at 102%; 30.6.2025 at 101% |
| Collateral | Secured Loan to the Originator guaranteed by 1) pledge on 100% of TEK Group S.a.g.l. shares; 2) pledge on 100% of the TEK Automotive (Shangai) Co. Ltd. shares; 3) pledge on 100% of the TEK System (Shangai) Co. Ltd.; 4) pledge on 100% of the TEK Automotive Malaysia (Johor Bahru - Malaysia) shares; |
| Use of funds | The Originator will utilise the proceeds of the Secured Loan Facility to finance the internal and external growth of its organisation, including possible acquisitions of companies and/or assets in the international market. |
| Originator | TEK Automotive Group Ltd. (UK) |
| Bloomberg Ticker | TBD |
| Auditor | Deloitte (Malta) |
| Administrator | Fexserv Fund Services (Malta) Limited |
| Common Depository | SIX SIS (AG) (Switzerland) |
| Paying Agent | ISP Securities AG (Switzerland) |
| Account Bank | HSBC UK Bank PLC (UK) |
| Listing | Vienna MTF – Qualified Investor Segment (Austria) |



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