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Dear Shareholders,

As a leading player in turbocharging with a nearly century-long track record, we accomplished the spin-off from ABB Group with the listing on the SIX Swiss Stock Exchange on October 3. Accelleron started out with a strong performance in its first quarter of independence and can now look back on a successful financial year 2022.

Strong momentum on revenues and cash flow

Accelleron started out as an independent company with a strong momentum: Year-on-year growth was 3.2% (+11.8% in constant currency), and we closed the year with revenues of USD 781 million. Accelleron recorded increased demand for products and service across marine and energy industries in most relevant geographies. Operational EBITA grew by 2.2% to USD 191.8 million with an operational EBITA margin of 24.6%, despite additional costs resulting from the standalone setup. Net income at USD 129.8 million was 10% lower than the previous year due to one-off costs related to the spin-off. At year-end, free cash flow stood at USD 99.3 million and the free cash flow conversion at 76.5% (up from 39% in H1), against headwinds from the challenging global supply chain situation which resulted in higher inventories. Subject to approval by our shareholders, we plan to pay out our first dividend of CHF 0.73 per share in May 2023.

Both reporting segments contribute to the success

In 2022, the High-Speed segment recorded revenues of USD 213.8 million, +3.9% year-on-year. This is primarily linked to a strong demand related to the gas compression business in the United States and price increases, which spurred the top-line. The Medium & Low Speed segment reported USD 566.7 million, +2.9% year-on-year. This increase mainly results from a further strengthening of the demand in merchant marine and the service demand in the cruise business as well as price increases compared to the prior-year period.

Fresh brand on its way to full independence

Our separation journey was kicked-off in 2021 with initiating the buildup of our standalone functions and systems. A first important milestone was reached with the launch of our new brand "Accelleron" in February 2022.



The next key event was our stock listing on October 3, 2022. We started out as an independent company with a newly composed Board of Directors combining extensive governance and industry expertise. We also complemented our Executive Committee, now forming a fully energized team with deep and extensive know-how and an excellent track record, both from the existing Turbocharging core team and experienced new joiners.

A centerpiece in reaching our full independence is the implementation of our new global service enterprise resource planning (ERP) system, expected by the end of 2023. This new platform will replace 21 different ERPs with one, enabling us to optimize business processes and consequently enhancing efficiency.

The investments for the buildup of our standalone functions and operational systems resulted in one off-costs in financial year 2022 which were lower than anticipated, leading to higher one-off costs in financial year 2023.

Our autonomy provides us with new strategic options. As a well-established yet independent standalone business, we can fully leverage our leading market positions, extensive installed base, service capabilities, and vast network of partnerships with our customers.

What will not change during this journey and beyond is our global operation in 50 countries with a team of experts consisting of more than 80 nationalities, enabling an unrivalled customer intimacy.

Enabling our customers' decarbonization journey – with innovation as a driving force

Supporting the decarbonization journey of marine transportation and energy with products, services and digital solutions will remain our key objective. We are very well prepared for accelerating the energy transition: Ships need engines that can perform better while lowering emissions. We also see potential in our Energy

market segment, which is experiencing fundamental shifts in the energy infrastructure, where turbocharged balancing power has become a crucial element. It helps achieve a successful transition towards and stable operation with a higher share of intermittent renewable energy in the grid. We expect these advantages to be increasingly recognized by governments and industrial companies alike.

Accelleron aims to lead the decarbonization journey in our core markets on a long-term base and by that growing faster than our competitors. Already today, Accelleron is highly successful in turbocharging with transitional fuels such as natural gas which has a 30% lower CO₂ emission versus diesel. Clear proof to this is that Accelleron turbochargers were specified on the vast majority (approx. 85%) of LNG carriers contracted in the year 2022.

We will continue to focus on a strong innovation pipeline with approximately 7% of revenues dedicated to research & development. Our test facilities in Baden, Switzerland, have been recently upgraded to provide enhanced testing using biodiesel and hydrogen in turbocharging as well as fuel cells.

In the application of innovative engine technologies, Accelleron is the partner of choice: Wärtsilä's first methanol-fueled newbuild engines are turbocharged by Accelleron. "Green" methanol is among the potential and most promising future fuel candidates.

We remain confident to reach our mid-term guidance

We maintain our mid-term guidance regarding growth, profitability, cash conversion, and dividend policy, as expressed during our Capital Markets Day, August 2022.

On the way to a decarbonized future, we expect demand to be supported by a strong order backlog in shipyards, shift to LNG and green fuels, and green fuels, as well as growing global trade and power demand.

We would like to extend our sincere thanks to our 2,500 employees for their remarkable performance in 2022, and for their willingness and stamina to go the extra mile. We would also like to thank our shareholders for placing their trust in us – a company with a very long track record in business.

Yours sincerely,



Oliver Riemenschneider
Chairman of the Board
of Directors

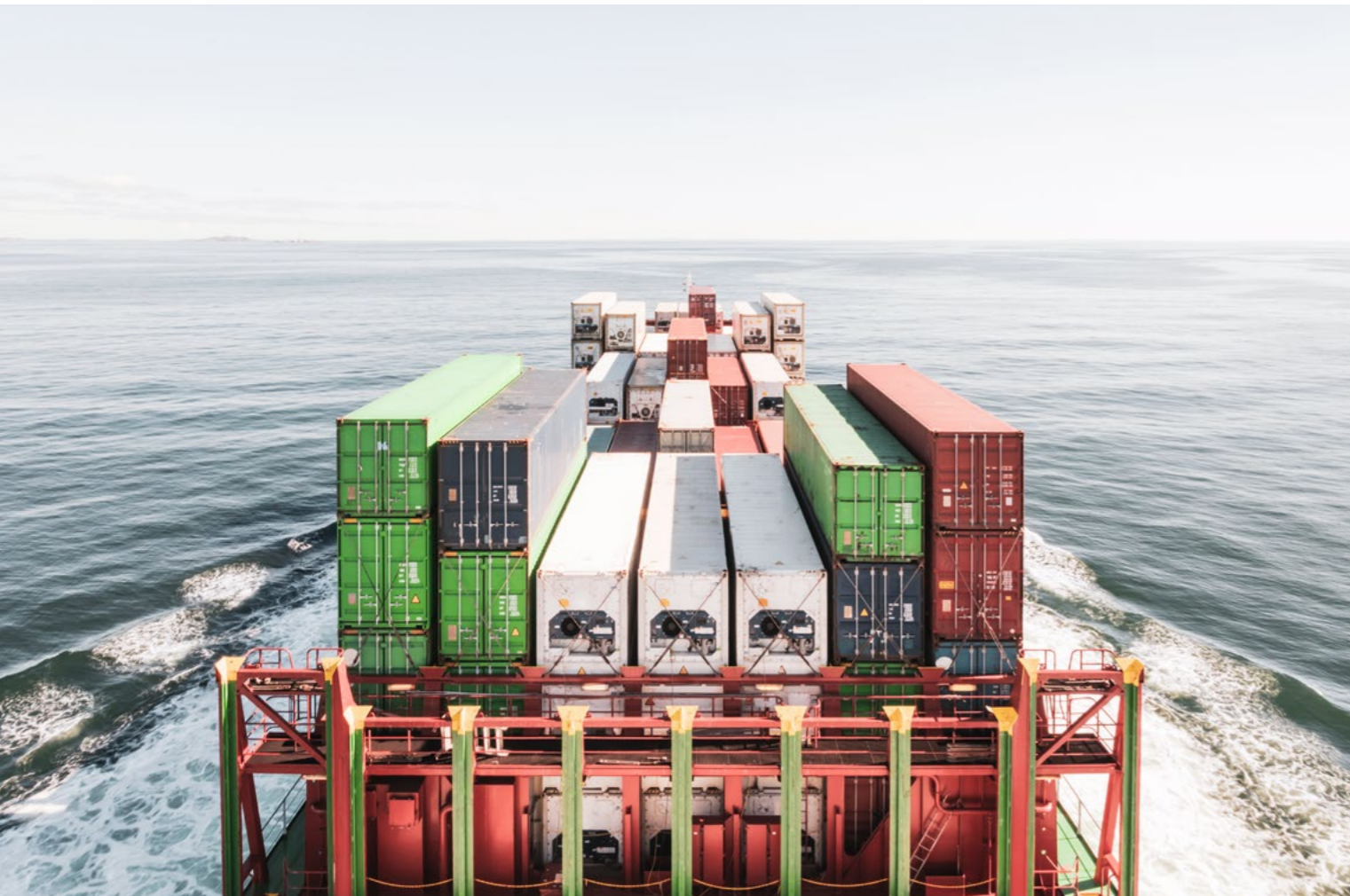


Daniel Bischofberger
Chief Executive Officer



Accelleron at a glance

Accelleron's technology gives engines an extra boost in performance with the main purpose of improving their fuel efficiency and thus reducing their environmental impact by generating fewer emissions. The Company designs, manufactures, sells and services highly customized turbochargers for heavy-duty applications.

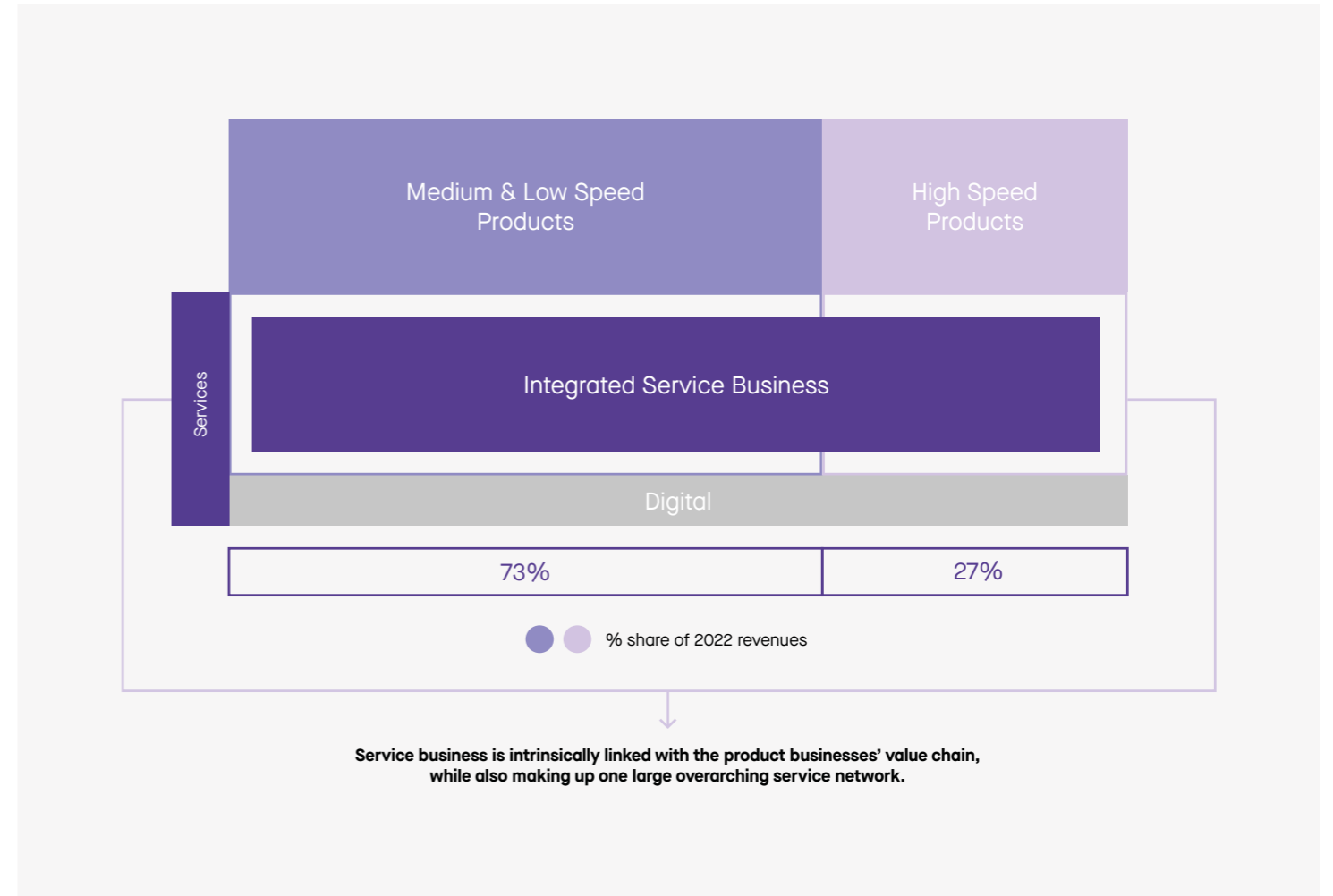


Accelleron reports its business in two segments: Medium & Low Speed and High Speed. They both cover product business as well as the integrated service business. From an operating perspective, the business is organized in four operating divisions: two product divisions, one service division and one digital customer solutions division.

As a focused specialist with a comprehensive product and service range, Accelleron produces heavy-duty turbochargers varying from 100kg to 10 metric tons, from 500 kW to 30,000 kW. All main markets from Marine and Energy to

Off-Highway Vehicles are exposed to the mega-trends of decarbonization and digitalization, both of which provide vast opportunities.

With its products, Accelleron is the undisputed leader in turbocharging mission-critical applications. The Company's operations are based on a foundation of almost a century of making significant and continuous investments in technology, partnerships with original equipment manufacturers (OEMs) and end-users and an unrivalled global service network with a unique service culture that will never let customers down.



Highlights

Q1

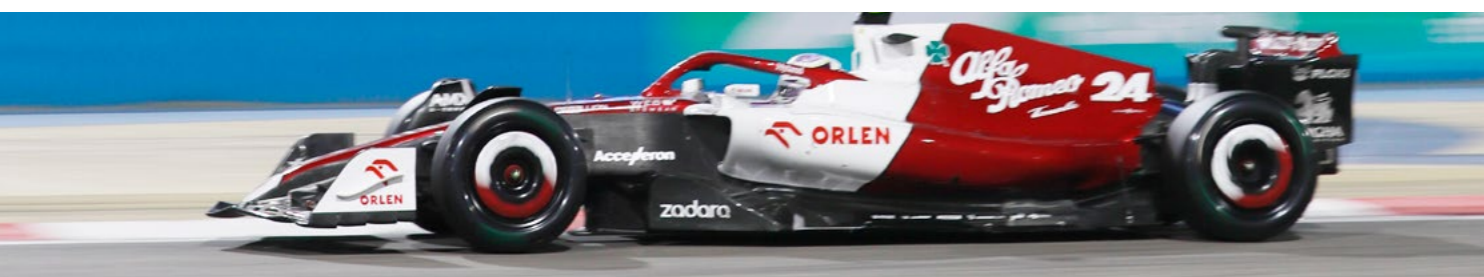
Daniel Bischofberger took over the helm at Accelleron

On March 1, 2022, Daniel Bischofberger was appointed Division President of Accelleron, a position that was transferred to a CEO role on October 3. He previously served as Member of Sulzer's Executive Committee and Division President for Rotating Equipment Services for just under six years.

Partnership with Sauber generated momentum

Accelleron has become a technology partner of both Sauber Technologies and Alfa Romeo F1 Team ORLEN. This new collaborative relationship sees teams from Sauber (based in Hinwil)

Partnership with Sauber generated momentum



and Accelleron's base in nearby Baden work on an initial series of projects under the motto "Get Closer. Move Further." A first in the field of turbocharging, the partnership offers an exciting platform for innovation transfer from one high-performance sector to another and for further research and development (in the likes of simulating and optimizing additive manufacturing processes for Accelleron turbochargers for the marine, power, and oil and gas sectors).

Tekomar XPERT marine

Accelleron has launched Tekomar XPERT marine – a comprehensive digital solution that offers shipowners simplified propulsion efficiency management and emissions reporting. By enabling potential combined emission savings of up to 20%, this product suite can make a significant contribution to the decarbonization of the shipping industry, which is under regulatory pressure to halve its carbon footprint by 2050.

Q2

Brand rollout – Accelleron is fully visible

Accelleron, the new brand, was first revealed on March 1. It refers to the terms "accelerate", "excel", "access", and "on and on". It became fully visible in June, when the new brand design was incorporated on the website, in emails and on buildings.

Posidonia trade fair in Greece

Posidonia is a biennial trade fair held in Athens and is the largest meeting place for the Greek shipping industry and international transportation experts. Accelleron's presence at the show marked the first time it had appeared at an external event with its new branding.

Accelleron: enabling Hyundai and Maersk to use green methanol fuels

Accelleron provided the turbochargers for Hyundai's first-ever methanol-fueled new-build engine, which is installed on Maersk's first-ever green, methanol-fueled container vessel order.

Brand Rollout – Accelleron is fully visible





Capital Markets Day

Q3

Capital Markets Day – Making a hidden champion visible

Accelleron has its first introduction with the global investment community and provides a compelling equity story.

Spin-off approved by shareholders

ABB's shareholders approved the proposed spin-off of its Accelleron Turbocharging division at ABB AG's Extraordinary General Shareholders' Meeting held in Zurich. The Board of Directors' proposal to spin off ABB's market-leading turbocharging business by way of a dividend in kind of Accelleron Industries AG's shares to ABB's shareholders achieved 99.72% support during the vote.

Methanol-fueled wind installation vessel

Accelleron delivered turbochargers for Wärtsilä's first-ever methanol-fueled new-build engine order for a wind installation vessel.

Annika Parkkonen joined the Executive Committee

Annika Parkkonen was appointed Accelleron's Chief Human Resources and Sustainability Officer. Annika has extensive headquarters and business HR experience at Board level in a number of companies, including the Wärtsilä Corporation and the Nordic Morning Group.

Q4

Listed on the Swiss stock exchange

Accelleron completed its successful spin-off from ABB, with its shares admitted for trading on SIX Swiss Exchange.

Global Accelleron Day

At the Global Accelleron Day, Oliver Riemschneider (Chairman) and Daniel Bischofberger (CEO) officially introduced the outlook as an independent, listed company to employees. The Alfa Romeo ORLEN Formula 1 Team joined in the celebrations with Frédéric Vasseur (team principal) and drivers Valtteri Bottas and Zhou Guanyu.

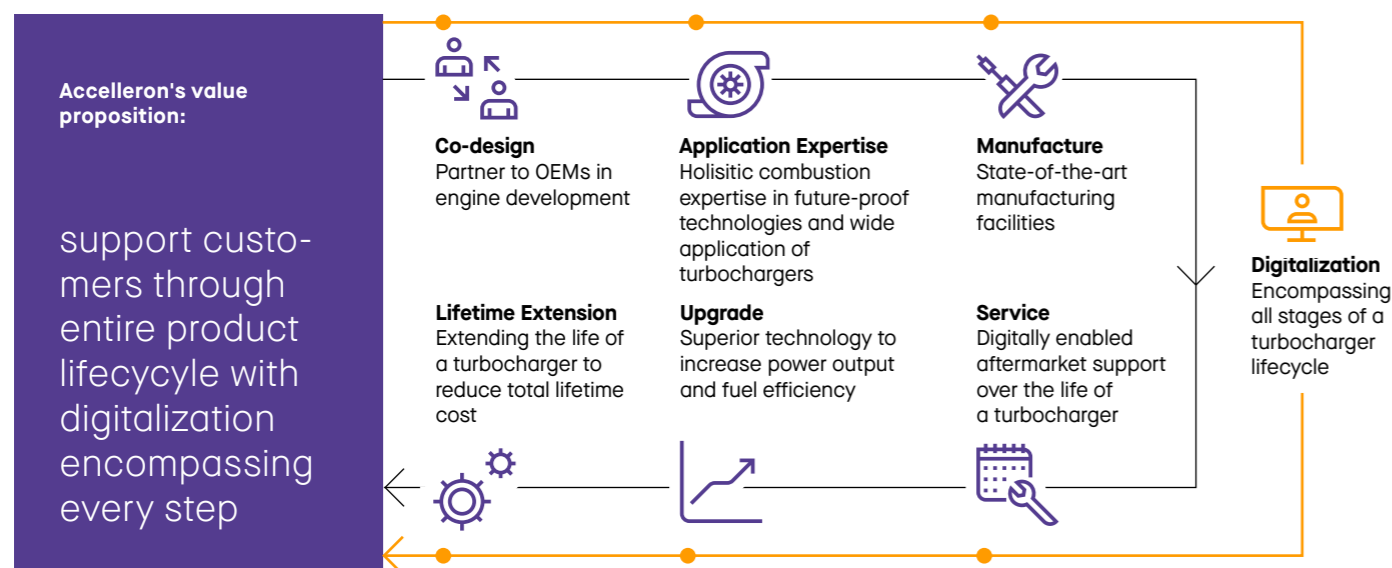


Stock listing Day

Higher efficiency, lower emissions and best power density – across the entire life cycle

Accelleron's success is based on two main pillars: The Company's best-in-class technology and its global service footprint, caring for our customers with the optimal solution 24/7 all-around the world.

Through its technological leadership Accelleron is the preferred partner of internal combustion engine original equipment manufacturers (OEMs). The Company helps them achieve world-class power densities, up to 25% higher compared to the closest peers, an up to 2% better efficiency, lower emissions and highest reliability. Superior R&D capabilities are the key driver for this: every year Accelleron invests around USD 50 million, or about 7% of the annual revenues, in R&D - irrespective of the economic cycle.



Accelleron's value proposition

The second main pillar is the Company's global service network. Every year, Accelleron supports more than 5,000 end customers around the globe by providing more than 500 trained service engineers in over 100 locations. With its strong and growing digital capabilities, Accelleron enables remote monitoring, predictive maintenance and digitally enabled business models.

Accelleron is a truly global player. 36.8% of its revenues come from Europe, 40.6% from Asia, the Middle East and Africa (AMEA), where most of the new ships are built and maintained. In the Americas region, which accounts for 22.6% of its revenues, the major markets are cruise ships, gas compression and power. In the power industry, Accelleron's products are operated in a variety of applications, including base load power for remote locations, balancing power (e.g. to compensate for fluctuating electricity supply generated from renewables) and backup power (for the likes of hospitals and data centers).

The Company's over 100 service centers in more than 50 countries are instrumental in setting Accelleron apart in its business, allowing to offer best-in-class service on 5,000 customers' doorsteps year in, year out. The 24/7 service business ensures spare parts availability within 48 hours at any airport worldwide thanks to Accelleron's unique service and spare parts center in Switzerland.

The largest location in Switzerland covers the key functions that benefit from close cooperation: the global service center, R&D and the European sourcing hub (the main manufacturing site). Accelleron has further production and sourcing sites in China and India.

Accelleron cares for its customers

Service is at the very heart of everything the Company does. It starts out by designing turbochargers in close coordination with engine

OEMs to develop the best-performing combustion engines. Accelleron's application engineering experts also collaborate closely with OEMs to tailor turbocharger specifications to every single installation. And not only that, they also work to optimize end users' cost of ownership by offering upgrades and lifetime extensions. Digitalization encompasses all steps of a turbocharger's life cycle, improving transparency and effectiveness both for Accelleron as well as for its customers.

In the market-leading service business, the Company operates its own global sales and service network, which plays a huge role in setting Accelleron apart from its peers. The mission is to offer turbocharging services and solutions that help the customers be successful in their businesses. Through its own network, Accelleron can provide turbocharger services and spare parts from a single source. This helps Accelleron develop a "full cover" service model for its customers, which includes lifetime service agreements and digital offerings.

Accelerating innovation

The Company's technology and service excellence are all down to 2,500 highly dedicated, skilled, and passionate employees, all of whom have clear and aligned goals - reinforcing the Company's competitive leadership position. Accelleron's technological leadership is further enhanced due to best-in-class R&D capabilities and a portfolio of about 120 patent families.

Four growth pillars

Accelleron's strategy is to outgrow its markets and competitors, leveraging the Company's superior products and technology as well as leading market position and service network, all the while continuing to deliver best-in-class margins, cash conversion, and capital deployment. The strategy is based on four growth pillars:

1. Increasing the Company's market share in the core markets Marine and Energy.
2. Growing service business by increasing the focus on lifetime service contracts and digital offerings.
3. Enabling and supporting its customers in the transitioning to natural gas and green fuels.
4. Expanding organically and inorganically into adjacent areas, where Accelleron could differentiate thanks to the technical

leadership and service network, e.g. software and engine components with high service intensity.

Megatrends creating opportunities for Accelleron

All main markets of Accelleron from Marine to Energy to Off-Highway Vehicles are exposed to the megatrends of decarbonization and digitalization. These megatrends are opening up huge opportunities for Accelleron. Take the Marine sector, for example: If the maritime industry were a country, it would be the world's sixth largest CO₂ emitter, just after Japan and before Germany, generating 1 billion metric tons of CO₂ emissions annually, or 3% of the global CO₂ emissions. Annual fuel consumption is 3 billion barrels of oil equivalent, similar to the aviation industry's annual fuel consumption.

Turbochargers can bring about a mere 10% improvement in large engine efficiency, leading

to gains in both marine propulsion and in the energy industry. This is equivalent to taking at least 40 million cars off the road in terms of CO₂ emissions and thereby creating USD 10 to 20 billion in annual fuel savings. In this context, Accelleron turbochargers boost up to 2% better efficiency than the next best competitor.

To achieve net zero targets in the Company's key markets, using green fuels is a must. Since they cost significantly higher price point, Accelleron's key competitive advantage of higher efficiency will be accentuated even further. Even today, Accelleron has a significantly higher market share in natural gas and is a leader in pilot applications in future fuels such as green methanol and hydrogen.

Digital offerings are a continuous requirement. They also have a significant, positive impact on the Company itself and its customers' business, as they increase the efficiency and transparency of internal business processes and ease customers' interaction with the Company.

Accelleron has introduced LOREKA, a customer portal, where clients receive all the relevant information about their installed turbocharger base and can interact with the Company 24/7. Digitalization reduces customers' equipment lifecycle costs, whether they are incurred for turbochargers or combustion engines. Accelleron's user-friendly Tekomar XPERT platform provides simple recommendations for improving performance and emissions not only of engines, but also of hulls and propellers too.

Accelleron is continuously developing digital twins of its turbochargers based on physical modeling and big data. Thanks to the digital twin and sophisticated data analytics capabilities, the Company can offer its customers paid-by-the-hour service agreements with condition-based and predictive maintenance features, all of which cut life-cycle costs and increase uptime.



Being a catalyst for the transition to a carbon-neutral world

Interview with Daniel Bischofberger,
Chief Executive Officer

What was the decisive factor in you taking on the position as CEO of Accelleron?

It was a once-in-a-lifetime opportunity. I knew that turbochargers were going to be a fantastic business and that Accelleron would be a market leader in high-performance turbochargers for internal combustion engines. It is great to start a new chapter and become part of the Accelleron family. Also, I can contribute my experience to Accelleron's large service business because of my previous work as head of a gas turbine service business with a multi-billion-turnover and my previous position at Sulzer as a member of the Executive Committee and Division President of the service organization.

How have you settled in so far?

The learning curve was steep, but I felt welcomed and supported right away. That quickly got me to

the point where I could support both the company and the people on this exciting journey.

You started your new post in March 2022 amid a geopolitical crisis. How did that affect your start period?

Initially, our focus was on ensuring that our organization was prepared as thoroughly and swiftly as possible for becoming an independent company.

The schedule was quite tight, and the business was and still is performing at a high level. Service is performing strongly overall. Regarding new installations, many ships had been ordered, and power plants were running at full speed, too. Yet we also faced special challenges, such as supply chain issues and the Russian war of aggression against Ukraine.

We decided to withdraw from the Russian market and wind down our business. So, over time, that affected the business, but Russia only accounted for about 1% to 2% of our business. Our presence was minimal, and we had left the market entirely by the end of 2022.

Your predecessor as Division President is now your Chairman. How do the two of you work together?

Especially in the beginning, he helped me get up to speed. A big focus was on visiting our customers. Accelleron has always devoted an impressive amount of time and effort to being close to its customers. Now that our introductory phase is over, my predecessor is clearly focused on his role as Chairman, and I'm focused on the role of CEO. We have an excellent relationship, with clear roles and responsibilities on both sides.

What insights did you gain from these customer visits?

My first impression was how close we are to our customers. We very openly discussed the challenges they face. There is a great deal of uncertainty about what the transition to a carbon-neutral world will look like. We're in a good position to help with our products and our industry know-how.

Does that make us a thought leader?

In this field, we definitely are, but we have to remain humble. The challenge is bigger than just the turbocharger. It starts out with the production of future fuels, transportation, storage, combustion, emissions, and so on. So, it's a broad field, but we definitely have a critical component that will be a huge help.

Accelleron's digital platform Tekomar XPERT, for example, focuses not only on turbochargers but also on engine performance. Aren't you taking over your customers' business?

Not at all. We have a solution that is independent of the engine original equipment manufacturers (OEMs). They have their own proprietary

software, which is probably more accurate for their engines. Some customers need a platform that is independent of the OEM – and that is exactly what we offer them. So, there is no competition; it depends on what the customer needs. If they want an OEM-specific solution, they will choose one from the OEM. On the other hand, if they want a single platform for all the different combustion engines, they will opt for our solution instead.

What is the most important outcome for the customer when using Tekomar XPERT?

Tekomar XPERT is a software as a service platform that is evolving. It started with modules with the engine in focus. The customer can use simple information to figure out how to improve efficiency by saving fuel and reducing CO₂ emissions. As regulations have become ever





more stringent, it is important that the customers understand their CO₂ emissions and how they can influence them. Tekomar XPERT provides good guidance and is a helpful planning tool for this purpose. We are now also developing other modules in our platform, including one to determine the ideal moment for hull and propeller cleaning cycles, which enhances efficiency and enables customers to optimize their planning operations. The idea behind Tekomar XPERT is to give the customer a comprehensive tool that they can use to reduce their CO₂ emissions, while also turning operational cost savings into a reality. Naturally, our core business is and remains component manufacturing. But it's about the customer's entire emissions reduction journey. Reducing emissions is very complex.

Speaking of emissions: what direction do you believe the regulatory environment will develop in?

I think the maritime industry will move in the same direction as the power generation indus-

try. Power generation has set itself a goal of being carbon neutral by 2050. The International Maritime Organization (IMO) is aiming to achieve a 50% reduction by 2050, which definitely isn't ambitious enough. It is also clear that the maritime industry must become carbon neutral by 2050. At present, the shipping industry's CO₂ emissions account for about 3% of global CO₂ emissions. Even though we're just talking about 3% – power generation accounts for one third of global CO₂ emissions-, every single percent counts.

How much does Accelleron's turbocharger contribute to CO₂ emissions?

A combustion engine without a turbocharger generates 10% more CO₂ emissions. The maritime industry emits about 1 billion metric tons of CO₂ in total. Ten percent of this is 100 million metric tons of CO₂ emissions. This is equivalent to the emissions generated by approximately 40 million mid-range passenger cars driving an estimated 20,000 km over a full year. And

Accelleron's turbochargers have the highest efficiency compared to the competition.

The global economy as a whole is in bad shape, and Accelleron is growing at a considerable pace. How would you categorize this scenario?

There is currently high demand for LNG tankers. Not only are they needed for operating power plants in Europe; they are also vital to industry. The U.S. has a large supply of shale gas, and pipelines and transportation capacity are being expanded, creating further demand. In addition, many emergency diesel generators are needed because of the risk of a temporary power shutdown. It will take years to build a global LNG infrastructure and to make up for Europe's previous reliance on and use of Russian pipeline gas.

What has Accelleron learned from the numerous crises that have emerged since 2020?

That we are quite resilient because of our services, which account for around 3 quarter of our business. Services tend to be much more resilient than products. In past recessions, such as the 2008 financial crisis, the service business fluctuated up to 5%. On the other hand, during the extraordinary 2020 COVID-19 pandemic we saw a decline of almost 10%. It was a very unusual crisis because, during a "normal" recession, ships are still being used and power generation is still running. In 2020, most cruise ships were not operational due to the pandemic, and it was sometimes not possible to service other ships and power plants due to the restrictions and quarantine measures in place, and sometimes customers were reluctant to service their equipment.

Do you feel fully independent as Accelleron?

Yes, absolutely. Since the spin-off, ABB is no longer a shareholder, and the Board is completely independent. That being said, we are still dependent on ABB to some extent, because we still use some of ABB's IT systems. But, by the end of 2023, we will have our own IT infrastructure up and running.

How will you develop your culture in future?

We have around 2,500 employees. We've made the transition from a large, global multi-business company to a mid-sized, specialized company. So, we should develop a mid-sized culture. What that means in practice is that we should rethink and simplify our structures and processes as well as be pragmatic in our approach. It's all about being faster, more agile, and learner. We also need to shift more decision-making power to local level. In our around 100 service centers, I consider every manager an entrepreneur.

Do you believe there are further opportunities for expansion of the service network?

Our service network is like a living organism. Normally, we set up a service center when there is a need for one in the region in question. For example, when power plants need on-site service to be operating. However, when power plants are taken out of service, we close them. Overall, the number of locations in our service network has been steadily growing over the last decade to over 100.

Accelleron is still a young brand. What can we expect in terms of the brand's further positioning?

We are already in a strong position with our customers, regardless of the name. Probably every customer who owns or operates a ship knows our products, whether that's under the BBC or ABB name. Our goal is for the Accelleron name to become synonymous with high-performance turbochargers in the maritime industry and power generation. As a name, Accelleron fits in well – both with this ambition and with our business. Accelleron stands for acceleration, access and excellence.

How have you approached the investment community so far?

Our customers are well aware of our product portfolio, and for them, the change from ABB to Accelleron was a minor one. Now, what we need to do is turn the hidden champion when part of the ABB family into the visible champion

for the investment community. Since our listing day, I have met with more than 200 investors to tell them about our superior technology and services. And to explain why we are a key element in the energy transition thanks to our knowledge and products. Investors now understand our business model and know why we will be a firm fixture of this industry for at least another century.

What is Accelleron's ESG track record like, and why didn't it publish its Sustainability Report with its first financial report?

ABB is very strong when it comes to ESG. As a result, we already have a good ESG framework that we now need to develop further and adapt to our needs. An undertaking like that takes time. Our first Sustainability Report will be published end of June 2023.

You are operating in a market with relatively low growth expectations of 1% to 2%. Where will Accelleron's future growth come from?

We are well positioned to generate mid-term growth of 2% to 4%. There is already a clear need for our highly efficient turbochargers today because fossil fuels are becoming more and more expensive. But also because of the deregulation to reduce CO₂ emissions of fossil fuels, our turbochargers are a good solution. The internal combustion engine will remain in the long-term because there is no alternative to combustion engines in areas such as maritime and energy. But it is clear that these internal combustion engines are increasingly being powered by synthetic fuel, which is eight

times more expensive than fossil fuels today. While these costs will come down through economies of scale and technological improvements, it is estimated that synthetic fuels will still be at least two to three times more expensive than today's fossil fuels. So, even in a carbon-free world, turbocharger efficiency plays a major role because it translates into huge cost savings. With our expected higher market share as a result, we will also be able to drive forward our service business. In addition, we also believe there are opportunities to grow in adjacent markets. We can offer customers more solutions to reduce their CO₂ emissions – both in the digital segment and for products or components in a ship's propulsion system.

Why do you think you have the edge over your competitors in this respect?

Because we already have the most efficient turbochargers. In addition, we are investing in developing our technology. In 2022, we invested around USD 50 million in R&D to further develop our technology and products. This ensures we are always one step ahead of our competitors in terms of performance and reliability.

Why do you invest between 6% and 7% of sales into Research & Development?

We see tremendous technological opportunities in dealing with emission-related challenges. Especially because efficiency is becoming increasingly important, it is worth investing in and exploring possibilities in manufacturing, simulation, and new materials.



Exploring the right energy conversion technology for the future

Interview with Dirk Bergmann,
Chief Technology Officer

What was your main motivation in joining Accelleron in November 2020?

I have worked in the maritime and industrial engine industry for most of my professional life. What particularly impresses me with Accelleron is the team spirit. A mere two months after I started at the end of 2020, everyone was put on work from home because of the COVID-19 pandemic. So, I had to get to know my colleagues and settle into my new position from home. I would never have been able to do that without Accelleron's open and supportive culture. People are very open when it comes to sharing information and helping one another. It is even very easy to approach people you don't know. Accessibility and a superb team spirit both form an important part of our culture.

Do you follow a particular process or strategy in terms of implementing innovations?

To some extent, yes. However, it's a different matter when it comes to innovations in a product segment like turbochargers for industrial marine engines. Here, innovation lies more in optimizing details, such as developing a more efficient turbine or improving the flow field inside a turbocharger. On the other hand, if you enter brand-new sectors such as digitalization or turbocharging fuel cells, you can approach innovation in a much more comprehensive way. So different approaches are needed. In this regard, taking part in the introduction of a new management system during my time at an engine OEM helped me a lot. One field that we certainly have room for improvement is entering

into collaborative relationships with external partners. Over the past few decades, we have focused more on improving everything relating to our turbocharging portfolio, but nowadays we need to be able to generate new ideas through external partners. Doing so will help us to broaden our view and increase our opportunities to come up with innovative ideas.

You mentioned both turbocharger and the fuel cell. Would you say that, in the world of turbochargers, we only innovate in a linear way, where disruption per se is no longer possible?

Let me flip that around. I think that, now, we will be able to 3D print parts of the turbocharger, for example, so we can innovate in different ways. This will be disruptive in some areas. If

we can print the turbine and/or the compressor wheel and reduce the mechanical impact after a burst, it would certainly be disruptive to our turbocharger product. We could produce something lighter and at a far lower cost. But, to do that, we naturally need to see further improvements in printing technology. We are currently working with an external partner to turn these improvements into a reality within the next five to ten years. This could prove disruptive for our established products.

Do you also focus on other digital business models, such as using Tekomar XPERT?

We have developed a variety of simulation models for our internal product development. We use them for containment safety certification, among other things in close cooperation





with our testing facilities. With regards to how our products can support our customers, we also have ACTUS – a very comprehensive tool for gearing our turbochargers' application engineering toward our their individual needs and optimize their performance. Based on the digital model and data generated we develop and improve digital offerings for our customers, in turbocharger service contracts as well as with Tekomar XPERT focusing at optimizing performance and reducing emissions of the entire engine and vessel. engine and vessel.

What are the main drivers of innovation in the industry as a whole? I'm talking specifically about the maritime industry, the power generation industry, and, to some degree, the rail industry.

At the moment – and I think this will also be the case in the next decade or two – it's about making the transition from fossil fuels to sustainable renewable energy sources. In the maritime industry, it's about switching from heavy fuel oil to natural gas and other sustainable liquid fuels like green ammonia and methanol. In power generation, it's more about increasing the use of hydrogen. Over the past three decades, our industry has focused on efficiency and productivity of given technical concepts. Today, we have to switch to an exploratory culture to find out which energy source and which energy conversion technology is the right one for both our society and our industry. We can't research the right and most efficient way because it doesn't exist yet. That is why we must explore all the possible ways in which we can reduce our carbon impact. From my point of view, that is the main driver of innovation, and we are in a superb position to support this openness to technical solutions.

Do you believe the turbocharger is a key technology?

Yes. For international shipping, I don't see any real alternative to the combustion engine. And using an internal combustion engine only makes sense if it's turbocharged. The jury is still out there with respect to what will be used as

fuel. As our simulations and experience show, we can handle all the fuel types discussed. Even ammonia doesn't pose us any problems. We can offer our customers specific turbochargers to meet their needs, and our qualified R&D group can help our customers immediately should any issues arise. Combined with our global service network, this provides very good risk mitigation for many of our customers to adopt these new fuels.

Are there any alternatives to the turbocharger in sight, like battery technology?

All the battery technologies I know of have to carry all the chemical components inside them to enable energy storage and conversion. In the internal combustion engine, one component of the reaction – oxygen – is added from the outside and is transported back outside at the end of the reaction. So, in my view, the energy density of chemical energy stored in liquids or gases cannot be achieved with a battery. Batteries have a much lower power density because the reactants have to be kept in the battery. The only thing I can imagine is the fuel cell. And even fuel cells get more efficient when they are turbocharged. Because of this, I do see a need for highly efficient and reliable turbochargers in future.

We are a component manufacturer and, usually, it is the engine manufacturer who innovates. Are we really in a position to change the industry?

In some areas, we are the enabler for engine improvements and the transition to other fuel types. Other technologies such as sensors and control systems naturally play a role too, but, in the end, the turbocharger is a key component. If you don't have a turbocharger to make combustion as efficient as possible, you won't be able to make a new engine run on these future sustainable fuels.

How does R&D translate into customer benefits? How long does it take for something that has been researched to be implemented into a product and to find applications and benefits for end users?

Five to ten years. If mechanical components are involved, we need to use digital solutions that require us to apply our modeling skills and theoretical knowledge. Here, we have to do all the product risk mitigations as part of the classification and certification processes. We need to prove the concept and safety precautions and, in the best-case scenario, also gain experience with front-runners or prototypes operating in the field. This normally lasts five to ten years at least. This time frame is, of course, significantly shorter for digital and service-related products and offerings.

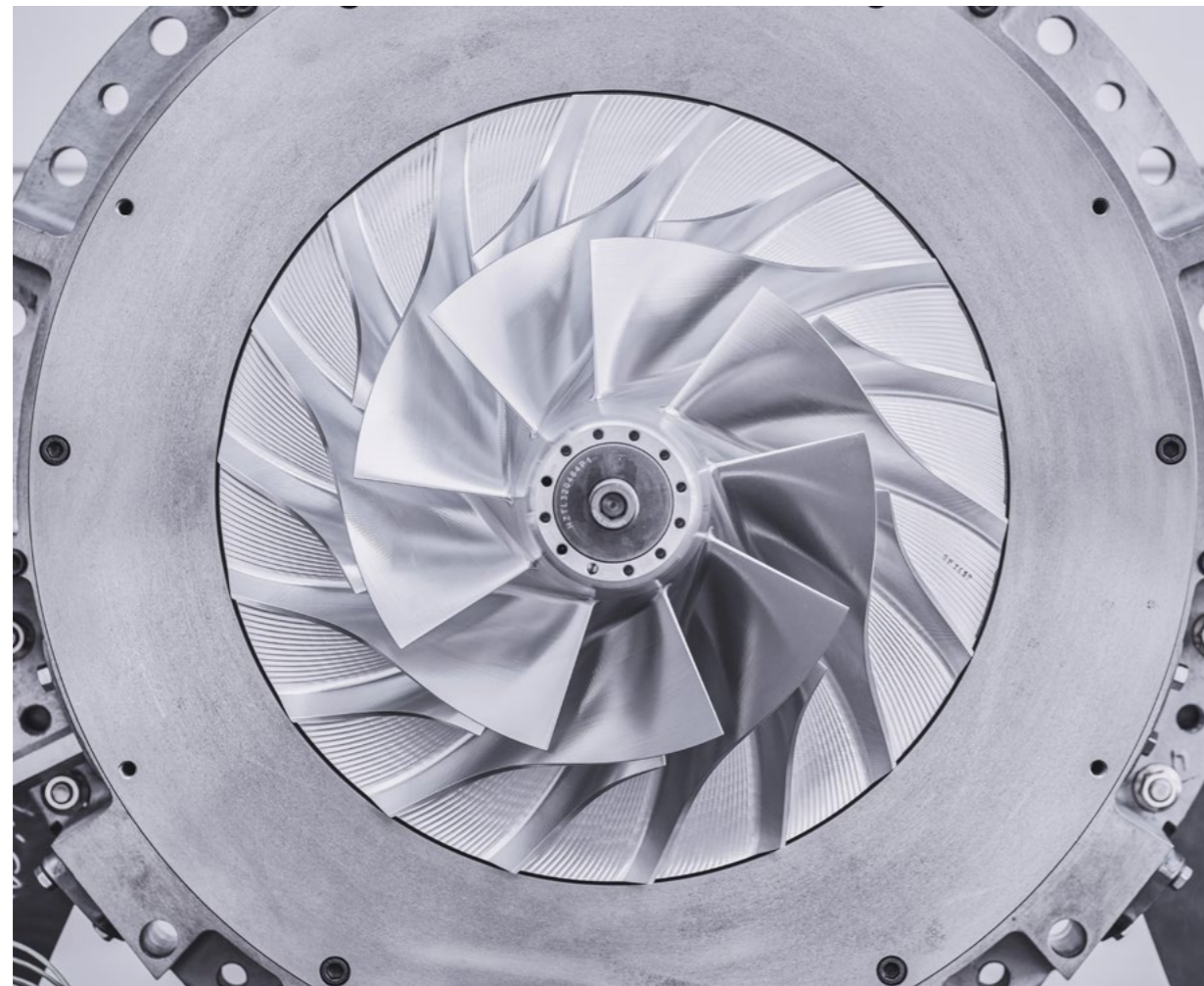
We are currently spending 6% to 7% of our turnover on R&D. Do you intend to maintain that pace of investment?

We are currently still spending most of our R&D efforts on further developing our turbocharger portfolio with a view to adapting it to our customers' needs. We are using some portion for our digital product development operations and for exploring new areas using our turbocharging

knowledge (for the likes of improving fuel cells' performance). To answer your question, 7% of our revenue is a reasonable maximum value for our business and the changes we can expect to see in our market.

We currently have about about 120 patent families in use. What can you say about intellectual property?

In general, we file new patents in all the areas we conducted research and developed new ideas and new technical solutions in. If these areas are just internal in nature, we go more in the direction of holding them as trade or company secrets. The reason we do this is because, sometimes in these cases when you patent them, you are essentially handing the recipe over to a competitor, then they add a little more salt to it, and you've lost your patent protection. For us, the main thing is protecting our turbocharging know-how and safeguarding our R&D investments.



The energy transition: an outstanding opportunity

Accelleron customers are significant contributors to global warming. Energy and Marine – Accelleron's core sectors – account for 34% and 3%, respectively, of annual global CO₂ emissions. These sectors are currently undergoing a full-scale transition to significantly reduced emission levels, which Accelleron is best placed to facilitate. With turbochargers, and digital solutions, Accelleron offers products and services for its customers and their customers to improve their scope 3 emission footprint. Accelleron is in a position to enable both. As a key enabler of decarbonization across end markets, in the medium term we expect alternative fuels such as methanol or ammonia to be ready for widespread use and drive zero-emission shipping. Hydrogen shows significant potential for land-based, carbon-neutral power generation.

For the foreseeable transition period toward a zero-carbon future, Accelleron allows customers using conventional fossil fuels to lower their CO₂ emissions by up to 10% and reduce NOx emissions by up to 60%, all the while increasing power output by up to 300%. Accelleron is a leader in natural gas turbocharging. Natural gas has a lower CO₂ impact.

Battery electric solutions will not be a viable option for the vast majority of oceangoing vessels due to their comparatively high weight and limited storage capabilities. Accelleron empowers its customers to achieve the lowest exhaust emission levels and transition to a more energy-efficient future.