

## **AKASOL AG finishes 2019 with strong growth - confident of an unbroken dynamic business development**

- Consolidated revenues increased significantly by around 120% to EUR 47.6 million (2018: EUR 21.6 million)
- Adjusted EBIT of EUR -2.4 million in line with expectations
- Order book massively increased to EUR 2 billion until 2027 as of the reporting date
- Measures for significant expansion in production capacity accelerated and implemented successfully
- Equity ratio remains very solid at 63.4%
- Demand from new and existing customers relatively high despite the coronavirus crisis

**Darmstadt, April 30, 2020 - AKASOL AG ("AKASOL"; ISIN DE000A2JNWZ9), a leading German developer and manufacturer of high-performance lithium ion battery systems for buses, commercial vehicles, trains, industrial vehicles, ships and stationary applications, once again posted strong growth in 2019: revenues more than doubled compared to the previous year, climbing by around 120% to EUR 47.6 million (2018: EUR 21.6 million). Along with a sharp increase in order backlog to EUR 2 billion and the fact that customer demand for innovative energy storage solutions has remained stable so far despite the coronavirus crisis, this result underscores the fact that the company is continuing to grow at a dynamic pace. AKASOL's consolidated revenues in the past financial year slightly exceeded the revenue forecast, which was EUR 43 to 46 million in November 2019.**

Due to one-off expenses and the early, targeted expenditure for further company growth, the adjusted EBIT of the AKASOL Group was within the range of the corrected expectations at EUR -2.4 million and thus corresponds to an adjusted EBIT margin of -5.1 % to revenues (unadjusted EBIT 2019: EUR -5.3 million; 2018: EUR -1.0 million). The main reason for the negative result was the short-term reduction in the quantities purchased by two serial customers in the fourth quarter, some of which were postponed until fiscal year 2020. The Management Board had already announced this in the context of the adjusted forecast at the end of 2019.

Due to the six-month earlier commissioning of the second serial production line at the Langen site in the second half of 2019, the Management Board decided to seek out technical project support as well as organizational and process consultants for the rapid further development of the Company. EBIT thus amounted to EUR -5.3 million (2018: EUR -5.0 million).

Personnel expenses rose by 91.5 % to EUR 13.5 million (2018: EUR 7.1 million), despite the fact that the workforce was built up more quickly than originally planned. The build-

up of essential personnel needed to enable further growth continued as planned in 2019. The personnel expense ratio (personnel expenses in relation to revenues) decreased by 4.4 percent points from 2018, to 28.4% (2018: 32.8%).

The unadjusted EBITDA of AKASOL AG was EUR -3.2 million in 2019 due to the factors cited above (2018: EUR -0.2 million). The Management Board considers the financial position of the AKASOL Group stable. A high equity ratio of a solid 63.4% (2018: 88.4%) and the available liquid funds and credit lines from financial partners form a reliable basis for further positive development beyond the current financial year and into 2021.

Sven Schulz, the CEO of AKASOL AG, summarized the situation as follows: "In our first full year as a publicly traded company, we made significant strides in terms of organizational, structural and process development. In addition to doubling our consolidated revenues, we were able to lay decisive groundwork for ongoing growth. Moreover, follow-up orders from global customers underline our role as a strategically critical partner and technology leader in the area of high-performance lithium ion battery systems for electrification of buses and commercial vehicles." With the framework agreement signed with ALSTOM for the supply of battery systems for the world's first fuel cell operated trains, AKASOL was able to successfully enter the serial production market in the rail segment while, at the same time, expanding its customer base in the area of fuel cell drives. Sven Schulz also pointed out that promising collaborations with manufacturers of hybrid and fully electric construction machinery and hydrogen-powered trucks and ships, which currently exist within the bounds of development and fleet projects, form an additional solid basis for further successful business development in the serial and limited series production markets.

"In our view, these encouraging developments confirm AKASOL's position as a market leader and confirm our strategic direction with regard to the continuing development and optimization of our innovative product portfolio. Our capacity for the production of this portfolio will now be built up much faster than originally planned," Sven Schulz continued. He noted that, in order to satisfy growing customer demand for high-performance battery systems, the second production line at AKASOL's Langen production site was installed in December 2019, six months earlier than had been announced during the initial public offering, and it went online a few months later. The addition of this production line more than doubled the company's maximum annual production capacity relative to 2019, to as high as 800 MWh. In mid-2019, AKASOL also began construction of Gigafactory 1 at its new headquarters in Darmstadt, where serial production of the new ultra-high energy AKASystem CYC battery system is set to begin in mid-2021. "With an annual total capacity at the new Gigafactory 1 expected to increase as high as 5 GWh through 2022, AKASOL will become Europe's largest producer of battery systems for commercial vehicles," Schulz said. He pointed out that the planned expansion in the US will contribute to this development. To this end, AKASOL began creating the structural and

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organizational conditions for its first North American production site in Hazel Park, Michigan, in 2019. "The new production line at this site will go online in the second half of 2020, with an annual capacity of 400 MWh. The capacity will be gradually increased to more than 1 GWh per year."

Carsten Bovenschen, CFO of AKASOL AG: "2019 was an exciting and eventful year for AKASOL in many respects. Thanks to brisk orders and the large order backlog with which the company started the year, revenues were up by around 120% in 2019, to EUR 47.6 million. We were able to further increase our pace of growth in the past financial year and took structural measures to prepare for the company's continued growth in the future, which contributed in part to the negative earnings. This includes expenses for process and organizational optimization which will benefit us in the long run." He noted that AKASOL is in a very solid position due to its high equity ratio which enables the financing of ongoing investments to implement our growth strategy. The CFO described the situation as follows: "We are very confident that the investments we have made will gradually pay off and that they will have a noticeable positive impact on the development of our business. Overall, we are confident about 2020, despite the problems created by COVID-19."

As announced at the IPO, some of these investments will be funded as planned using the capital raised from the 2018 IPO. "Particularly for investments in fixed assets, AKASOL will rely on the additional lines of credit agreed upon in 2019," Bovenschen added. The tenders for production equipment and for testing and validation equipment began on schedule in the 2019 financial year. In addition to investments in infrastructure, AKASOL is investing in improvements to its product portfolio. For example, considerable progress was made in the past financial year in the development of the AKASystem AKM CYC ultra-high energy battery system, designed to meet the most demanding requirements with regard to operating range. Development of the 48V AKARack solution also proceeded as planned, and starting in mid-2020 AKARack is slated for use by a major customer in two serial projects focusing on construction machinery and maritime applications. At the end of 2019, AKASOL was also able to successfully complete the development and prototyping of battery-supported fast-charging stations for a large German passenger and commercial vehicle manufacturer, with delivery completed at the end of the year.

The "lockdowns" imposed in key economies all over the world as a means of curbing the spread of the COVID-19 pandemic are expected to have a considerable negative impact on economic performance in 2020. However, the management of the AKASOL Group, based on the order backlog as of the reporting date, sees basically good development prospects which should allow AKASOL to achieve further significant revenue growth and positive EBIT in the coming years. Furthermore, major customers have not revised their order forecasts in spite of the production stoppages. To AKASOL's management, this indicates that AKASOL's customers are not questioning their strategy of continuing electrification of buses, trains and commercial vehicles even in the current situation.

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Assuming that economic conditions recover, AKASOL currently expects a positive business development in the remainder of the year and a strong second half.

Nevertheless, the current COVID-19 pandemic can have a significant impact on the business activities of the AKASOL Group, resulting in production stoppages, declining orders and difficulties in the supply chain. While no such difficulties are foreseeable at the moment, events are very difficult to predict right now. This makes it impossible to quantify potential effects on AKASOL's financial, earnings and liquidity position or to make a reliable forecast for the current financial year. AKASOL will present a forecast as soon as the impact of COVID-19 can be evaluated to an adequate degree of certainty.

The 2019 annual report is available for download from the website „<https://www.akasol.com/en/annual-reports>”.

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### **About AKASOL**

AKASOL is a leading German manufacturer of high-performance lithium-ion battery systems for buses, commercial vehicles, rail vehicles, industrial vehicles, ships and boats. With almost 30 years of experience, AKASOL is a pioneer in the development and manufacture of lithium-ion battery systems for commercial applications. AKASOL AG's shares have been traded on the Prime Standard segment of the Frankfurt Stock Exchange since 29 June 2018.

Based in Germany, AKASOL operates a production facility in Langen (Hesse) with an annual production capacity of up to 300 MWh, which will be expanded to 800 MWh by 2020. According to AKASOL, this is Europe's largest lithium-ion battery system production plant for commercial vehicles, which can produce battery systems for up to 3,000 fully electric buses or for up to 6,000 medium-sized commercial vehicles per year from 2020, depending on battery size. AKASOL systems are manufactured according to the requirements of the industry standards of leading OEM customers. Current customers include two of the world's leading commercial vehicle manufacturers, Alstom, Bombardier, Rolls-Royce Power Systems (MTU Friedrichshafen) and several more. AKASOL has a technology-independent product portfolio. This allows the Company to use the best battery cells and battery chemistry according to the clients' individual needs.

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