

AKASOL: Revenues increase by 67% to EUR 67.9 million for first nine months of 2021

Darmstadt, November 8, 2021 – AKASOL AG (“AKASOL,” the “Company”; ISIN DE000A2JNWZ9), a leading German developer and manufacturer of high-performance and high-energy lithium-ion battery systems for buses, commercial vehicles, rail vehicles, industrial vehicles, ships and boats, as well as a provider of complete solutions, reports on its business performance in the third quarter and on the financial results achieved in the first nine months of 2021 in this Quarterly Statement.

For the AKASOL Group, the months of the second half of 2021 thus far have also been characterized by the dynamic expansion of its business. As announced in July, AKASOL succeeded in concluding a framework agreement with a major Belgian manufacturer of buses and commercial vehicles with a total volume in the mid-double-digit million-euro range. As part of this cooperation, the Company will supply the second and third generation of high-energy battery systems for a new all-electric city bus from this customer from 2021 to 2026.

At the beginning of October, Goldhofer AG, a manufacturer of vehicles for special transport, also presented the »PHOENIX« E aircraft tractor, the first series-produced electrified aircraft tractor. It can be used to move wide-body aircraft with a take-off weight of more than 350 tons. The »PHOENIX« E has already been successfully tested at the airports in Munich and Zurich. With this order, AKASOL is tapping into further attractive potential in the area of supplying major components for series-production vehicle models in the off-highway application field.

AKASOL has signed a strategically important framework agreement with KTEG to supply the high-performance battery system AKASystem OEM PRC. KTEG will equip over 100 KTEG ZE85 small excavators with the battery systems, which will provide significant reductions in both CO₂ emissions and construction site noise. The framework agreement, which was communicated at the end of October, is valid up to and including 2023.

Parallel to the successes on the revenue side, AKASOL is also continuing to develop and expand company structures for the operational implementation of its foreseeable growth. In August, AKASOL’s Gigafactory 1, Europe’s largest factory for commercial vehicle battery systems, was officially opened in Darmstadt with more than 160 guests in attendance, including Tarek Al-Wazir, Hessian Minister of Economics. This state-of-the-art factory has a production capacity of up to 1 GWh in the first expansion stage, which will be successively expanded to 2.5 GWh by the end of 2022.

Strong increase in Revenues of 67% compared to the first nine months of 2020

In the key financial figures of the AKASOL Group, the dynamic growth of the business is reflected in a 67.3% increase in Revenues to EUR 67.9 million for the first nine months of 2021 (9M 2020: EUR 40.6 million). Thus, after three quarters, AKASOL has already nearly reached the Revenue figure for the entire fiscal year 2020 (Group Revenue for the full year 2020: EUR 68.3 million). In the third quarter of 2021, AKASOL generated Revenues of EUR 22.1 million, thus repeating the previous year's Revenue (Q3 2020: EUR 22.3 million), whereby the third quarter of 2020 had clearly benefited from COVID-19-related Revenue catch-up effects from the then first half of the year.

AKASOL's earnings before interest and taxes (EBIT) in the current fiscal year were negatively impacted by the acquisition by BorgWarner and other non-recurring expenses. For the first nine months of 2021, EBIT amounted to EUR –17.8 million (9M 2020: EUR –7.8 million) and EUR –5.8 million for the third quarter (Q3 2020: EUR –0.9 million).

Adjusted for expenses in connection with the acquisition by BorgWarner and non-recurring effects, EBIT for the first nine months of 2021 amounted to EUR –10.3 million and EUR 5.8 million for the third quarter of 2021.

With cash flow from operating activities amounting to EUR –21.3 million and cash flow from investing activities of EUR –18.5 million, AKASOL achieved free cash flow of EUR –39.7 million in the first nine months of 2021 (9M 2020: EUR –27.2 million). The negative operating cash flow is characterized in particular by the EBIT burdened by expenses in connection with the acquisition by BorgWarner and non-recurring effects, as well as by the targeted build-up of inventories in preparation for the realization of its foreseeable continued growth. Cash flow from investing activities is influenced by investments in company structures, such as the construction of the production facilities at Gigafactory 1.

Cash and cash equivalents of the AKASOL Group recognized as of September 30, 2021, amounted to EUR 4.8 million (December 31, 2020: EUR 13.2 million).

A tabular overview of selected key financial figures can be found at the end of this Quarterly Statement.

Personnel change in the Management Board of AKASOL AG

As communicated at the end of September, Jörg Reinhardt was appointed a member of the Management Board and Chief Financial Officer (CFO) as of October 1, 2021. He succeeds Carsten Bovenschen, who resigned from the Management Board of AKASOL AG at his own request on September 30, 2021. For further information, please refer to the press release dated September 30, 2021, which is available in

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German and English on the AKASOL website in the “Investor Relations” section under “Press.”

Amount of cash compensation for merger squeeze-out determined at EUR 119.16

At the beginning of August, the Management Board of AKASOL AG received a request from the main shareholder to carry out a squeeze-out under merger law. For further information, please refer to the ad hoc announcement of AKASOL AG dated August 3, 2021. As published in the ad hoc announcement on October 29, 2021, the cash compensation for the merger squeeze-out was set at EUR 119.16. The Extraordinary General Meeting of AKASOL, which is to adopt a resolution on the transfer of the shares held by the minority shareholders of AKASOL to ABBA BidCo against a payment of this cash compensation, is expected to take place on December 17, 2021.

Selected key financial figures

| | 9M 2021 EUR thousands | 9M 2020 EUR thousands |
|---|-----------------------------|-----------------------------|
| Revenue | 67,866 | 40,555 |
| Cost of materials | 55,477 | 31,654 |
| <i>Adjusted cost of materials ratio⁽¹⁾</i> | <i>76.9%</i> | <i>75.4%</i> |
| Personnel expenses | 20,182 | 13,376 |
| <i>Personnel expense ratio⁽²⁾</i> | <i>29.7%</i> | <i>33.0%</i> |
| Operating result (EBIT) | -17,847 | -7,805 |
| EBIT margin ⁽³⁾ | -26.3% | -19.2% |
| Total comprehensive income | -18,737 | -8,110 |
| Cash flow from operating activities | -21,279 | -12,001 |
| Cash flow from investing activities | -18,454 | -15,181 |
| Cash flow from financing activities | 31,427 | 9,623 |

| | 09/30/2021 EUR thousands | 12/31/2020 EUR thousands |
|--------------------------|--------------------------------|--------------------------------|
| Non-current assets | 114,523 | 99,842 |
| Current assets | 66,697 | 64,340 |
| Total Assets | 181,220 | 164,182 |
| Equity | 64,047 | 82,783 |
| Non-current liabilities | 40,118 | 44,480 |
| Current liabilities | 77,055 | 36,919 |
| Total Liabilities | 181,220 | 164,182 |

⁽¹⁾ Cost of materials adjusted for changes in inventories in relation to Revenue

⁽²⁾ Personnel expenses in relation to Revenue

⁽³⁾ EBIT in % of Revenue

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About AKASOL

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

DISCLAIMER

Statements contained herein could be deemed to constitute what are referred to as "forward-looking statements." Forward-looking statements are identifiable by the use of words such as "could," "will," "should," "plans," "expects," "anticipates," "estimates," "believes," "intends," "envisages," "aims" or the negative form of these terms, or corresponding modifications and comparable terms.

Based on current expectations, forward-looking statements involve a number of known and unknown risks, uncertainties and other factors as a consequence of which actual results, degrees of capacity utilization, developments and successes achieved by the Group, or on the part of the branch of industry in which it operates, might turn out to be materially different from the results contained or implied herein. The faith placed in forward-looking statements should not be unreasonably high. The Group will not update or review any forward-looking statements published herein in light of new information, future events or for any other reason.