

AKASOL increases its total output in the first quarter of 2020 and achieves important milestones for the expansion of production capacities

- **Total output increased by 22% compared to the previous year to EUR 12.9 million (Q1 2019: EUR 10.1 million)**
- **Production interruptions by major customers preserve Group revenue in the first quarter at around EUR 8.0 million (Q1 2019: EUR 9.1 million)**
- **EBIT at EUR -2.4 million (Q1 2019: EUR 0.0 million) under conditions of the COVID-19 pandemic within AKASOL's expectations**
- **Significant milestones achieved for significant expansion of production capacity**
- **Total order backlog remains stable at around EUR 2 billion through 2027**

Darmstadt, Germany, May 25, 2020 – AKASOL AG (“AKASOL;” ISIN DE000A2JNWZ9), a leading German developer and manufacturer of high-performance lithium-ion battery systems for buses, commercial vehicles, rail vehicles, industrial vehicles, ships and stationary applications, made further advances on its path to expansion in the first quarter of 2020 and increased total output to EUR 12.9 million in the first quarter of 2020, which was already noticeably affected by the negative impact of the COVID-19 pandemic. Due to the relatively high demand from existing and new customers despite the coronavirus crisis, the order backlog was at a consistently high level of around EUR 2 billion through 2027 as of the March 31, 2020, reporting date. An important element was the placement of the major order with ALSTOM for the supply of battery systems for the Coradia iLint, the world’s first fuel-cell-driven commuter train.

“With ALSTOM’s order, we underscore our extensive expertise in the development of high-performance battery systems which, in addition to their use in all-electric vehicles, are also essential for alternative-drive technologies such as hydrogen drives. We view our partnership with this specialist for railway technology as clear confirmation that we are also an important strategic partner for rail transport in the off-highway sector, offering exactly the battery-system solutions for innovative and sustainable eMobility concepts that the market expects,” according to Sven Schulz, CEO of AKASOL AG. Delivery of a total of 40 so-called powerpacks (steel frame including several battery systems, cooling aggregate and other components) for the Coradia iLint trains can be considered the first step toward tapping the enormous market potential for AKASOL in the field of fuel-cell applications.

In addition to the expansion of fuel-cell drives and the related growth in the order backlog, AKASOL also made necessary progress toward establishing the structures it will take to pave the way for the expected dynamic growth in the first quarter of 2020. In the course of the first quarter, the Company commissioned its second series production line for Li-ion battery systems at its plant in Langen, Germany, six months earlier than originally planned. With implementation of the second production line, AKASOL has expanded its

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maximum annual production capacity in Langen to up to 800 MWh, more than twice the capacity it had there in 2019. Moreover, during the first months of the current year, the Company commissioned the delivery of fully automated production facilities for its Gigafactory 1 at the new location in Darmstadt, Germany, where the new AKASystem AKM CYC ultra-high-energy battery systems will go into production as early as mid-2021. “With up to 5GWh in total capacity at the new Gigafactory 1, we are well positioned to deliver the battery systems our series customers have ordered for the years ahead,” Sven Schulz explains. In conjunction with the series production location in Langen, AKASOL will have by far the greatest capacity in Europe for the production of battery systems for commercial vehicles. This, along with the gradual expansion of the Company’s production lines, underscores the increasing dynamism in the global market for high-performance battery systems. “Thanks to the planned progress in building the Gigafactory and the new headquarters in Darmstadt, in the first quarter we achieved important milestones toward implementing our expansion strategy.”

At EUR 8.0 million, Group revenue in the first three months of the 2020 financial year was lower than in the same quarter of the previous year (Q1 2019: EUR 9.1 million). “Our economic environment was already significantly impacted by the negative effects of the COVID-19 pandemic in the first quarter of 2020, beginning at the end of February. During this time, some of our series customers suspended their operations interrupting production of up to two months to contain the spread of the virus, so that AKASOL was no longer able to deliver ordered systems to the customers for logistical reasons, so no further revenues could be generated in March. Nevertheless, in view of the historical effects of this crisis, we can still look back with satisfaction on the first-quarter results,” Carsten Bovenschen, CFO of AKASOL AG, explains.

Assuming a gradual normalization of the economic environment, the AKASOL Management Board expects to see positive business performance for the remainder of the year and a significant recovery in business during the second half of the year. “Based on the full-year forecasts that were largely confirmed to us when our customers’ operations were suspended, and based on the vehicle orders from our customers as well as the recently concluded development orders, we currently expect to see quite significant catch-up effects after the crisis and especially in the second half of 2020. As a result, we ourselves have not yet called for any interruption in our own production,” Carsten Bovenschen points out. The increase in total output, to EUR 12.9 million in the first quarter of 2020 (Q1 2019: EUR 10.1 million), reflects the inventory production of battery systems. “Against the backdrop of our high order backlog, our customers’ release timelines, and without losing sight of our own working capital, we have, in spite of the challenging framework conditions surrounding the COVID-19 pandemic, done everything in our power to be in a position to quickly supply our customers with our high-performance Li-ion battery systems over the course of the year,” Carsten Bovenschen added.

Earnings before interest and taxes (EBIT) for the first quarter of 2020 totaled to around EUR -2.4 million (Q1 2019: EUR 0.0 million). The decline compared to the prior-year

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quarter is attributable, on the one hand, to the reduced level of revenue. On the other hand, it also reflects a higher cost of materials from the expanded production discernible in the increase in total output, along with higher expenses toward the planned increase in human resources in anticipation of dynamic growth.

While the first steps have been taken in Germany and other European countries in recent weeks to ease the severe lockdown restrictions in place, the current COVID-19 pandemic is unlikely to be over with in the foreseeable future. It may therefore have a significant impact on the business activities of the AKASOL Group in the future and may also be reflected, for example, in production stoppages, a drop in orders and material backlogs within the supply chain. Developments such as these cannot be foreseen at this point in time, but given the very low level of visibility at the moment, it is also not possible to quantify any impacts on AKASOL's net assets, financial position and results of operations, or to make a reliable forecast for the current financial year. AKASOL will promptly present such a forecast as soon as the impact of COVID-19 can be considered with sufficient certainty.

The quarterly report for the first quarter of 2020 is available for download online at <https://www.akasol.com/en/quarterly-reports>.

Contact:

AKASOL AG, Isabel Heinen

Telephone: +49 (0) 6103 48567-26

e-mail: isabel.heinen@akasol.com

About AKASOL

AKASOL is a leading German developer and manufacturer of high-performance lithium-ion battery systems for use in buses, commercial vehicles, rail vehicles and industrial vehicles, and in ships and boats. With nearly 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.

With headquarters in Germany, AKASOL operates a production plant in Langen (in the German state of Hesse), where its production capacity of up to 300 MWh per year is set to expanded to up to 800 MWh by 2020. Based on information available to AKASOL, this is Europe's largest facility to produce lithium-ion battery systems for use in commercial vehicles. From 2020 onwards, each year, it will be able to produce battery systems for up to 3,000 fully electric buses, or for up to 6,000 medium-sized commercial vehicles, depending on the battery size.

AKASOL systems are manufactured to the industry standards of leading OEM customers. Its current customers include two of the world's leading manufacturers of

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commercial vehicles, Alstom, Bombardier, Rolls-Royce Power Systems (MTU Friedrichshafen) and many more. The AKASOL product portfolio is technology independent. This way, working based on individual customer requirements, the Company can use the best battery cells and the best battery chemistry.

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