

AKASOL drives dynamic growth in the US and places follow-up order for delivery of fully automated production plant for the US site in Hazel Park

- **Cooperation agreement extended with Manz, an experienced high-tech mechanical engineering company from Reutlingen, Germany**
- **Delivery of the first equipment for the production of high-energy battery modules for the new Gigafactory 2 in Hazel Park in mid-2021**
- **Production and delivery of the first battery systems to customers in North America in the second half of 2021**
- **Important USMCA and BAA regulations are met for the US market**

Darmstadt/Hazel Park, August 20, 2020 – AKASOL AG (hereinafter “AKASOL”; the “Company”; ISIN DE000A2JNWZ9) – a leading German developer and manufacturer of high-performance and high-energy lithium-ion battery systems as well as a supplier of Turnkey Solutions – is once again expanding its production capacity at the US location in Hazel Park from 400 MWh to around 2 GWh. The background is long-term supply contracts with a global commercial-vehicle manufacturer that will outfit its US brands and vehicle types with the new high-energy battery systems from AKASOL in 2021. Following the previous positive course of the project in the development of the production equipment for the AKASOL “Gigafactory 1” in Darmstadt, the Company has now awarded the follow-up order already announced for identical production equipment for its “Gigafactory 2” in the US to Manz, the global high-tech mechanical-engineering company. In February this year, the two companies signed a cooperation agreement with a total order volume of up to EUR 20 million.

In the first half of the year, the subsidiary, AKASOL Inc. in Hazel Park, had begun construction of the first North American production facility as scheduled, covering 5,000 sqm with an annual capacity of up to 400 MWh. The second generation of AKASystem OEM PRC is now set for series production in the second half of the year. During commissioning in the second quarter, the Company had to struggle with difficult conditions when setting up the production line due to entry restrictions for AKASOL specialists who were supposed to accompany the start of production. As part of the continual digitalization of the business processes and in response to these circumstances, the American employees used augmented reality glasses on site. This, coupled with the real-time support of colleagues from Germany, made nearly smooth construction of the production facilities – and their successful commissioning – possible.

With long-term supply agreements concluded in the past year with a global commercial-vehicle manufacturer that intends to equip its North American brands and vehicle types with AKASOL’s new high-energy battery systems from 2021 onwards, the Company is consistently advancing its production capacities at its US site in the Greater Detroit area. Beginning in late 2021, for instance, AKASOL will commission its Gigafactory 2 in Hazel Park with gradual expansion to an annual total capacity of approx. 2 GWh planned by 2023. Starting next year, the third generation of AKASOL battery systems – the AKASystem AKM CYC ultra-high energy system – will go into series production in Hazel Park as well, about six months after the start of production in Darmstadt. The new product generation is impressive for its very high energy

density of up to 200 Wh/kg at the system level; which can deliver twice the amount of energy, in the same installation space compared to the current conventional commercial vehicle battery systems.

As Sven Schulz, CEO at AKASOL AG, pointed out: “We have established ourselves as one of the leading manufacturers of high-performance and high-energy battery systems for discerning customers in the bus and commercial vehicle sector. This allows us to continually gain market share even in an overall difficult economic environment. With the Gigafactory 2 in Hazel Park, we will continue to build upon our strong position, tap into new markets and drive our global expansion as planned. This provides a massive boost for our production capacities and sets another milestone in the evolution and series production of the third generation of battery systems for the bus and commercial vehicle markets in the US and North America.” A further focus will be the tapping of additional sales channels, the expansion of an ever-growing sales network and the increase in brand awareness in the US.

The success of the cooperation with Manz is an important building block in AKASOL’s global growth process. Sven Schulz adds: “We are pleased to partner with Manz, which has not only a broad technology portfolio but particularly extensive expertise in automated battery, cell and module production systems.” He is very satisfied with the progress of the project with the high-tech machine manufacturer from Reutlingen, which always met AKASOL’s high standards of quality during the development and design phases for the production line for Gigafactory 1 and leveraged its expertise to contribute to innovative improvements during processes to produce the key components of the battery systems.

“Given the rapid progress of the project, we are confident we can complete the planned expansion in production capacity by 2021. We are continuing to pursue final acceptance of the new production line for Gigafactory 1 in Darmstadt at the beginning of next year,” Sven Schulz explained. The follow-up order for the Gigafactory 2 in Hazel Park includes delivery of a nearly identical production line for modules. Final acceptance of the production equipment is planned for the end of 2021. On the basis of a three-shift operation five days a week, the production facility is expected to be able to produce a total of 38,000 modules per year. The battery systems are intended for use in commercial vehicles and buses manufactured in North America. This means that AKASOL will also meet the important USMCA (United States Mexico Canada Agreement and BAA (Buy America Act) regulations for the share of value added locally in the manufacture of battery systems. This factor itself is of essential importance to makers of commercial vehicles in North America, so there are no punitive tariffs imposed on battery systems.

“The facility in Hazel Park is part of our path to international success and expansion. We are proud to have been able to commission the production facility on schedule despite the difficult conditions brought about by the COVID-19 pandemic. The consistent expansion of production capacities creates the ideal basis for further local growth,” according to Carsten Bovenschen, CFO of AKASOL AG. Bovenschen also noted that Hazel Park offers ideal production conditions for industrial firms: “The employees are highly qualified, production costs are competitive and we are very close to key sales markets and key customers.” AKASOL is currently seeing a lot of interest in the North American market for electrified commercial vehicles and buses. In order to satisfy existing and future orders and to meet the commercial

law requirements for local added value, further expansion in the production capacities at the US location is necessary and makes absolute sense.



Gigafactory 2: With the expansion of further production capacities, AKASOL is driving the dynamic growth in the USA



Martin Drasch, CEO of Manz AG (left) and Sven Schulz, CEO of AKASOL AG (right) at the signing of the cooperation agreement.

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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 as well. 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.

In addition to its head office in Darmstadt, AKASOL operates a series-production location in Langen (in the German state of Hesse) with a production capacity of up to 800 MWh per year. Based on information available to AKASOL, this is currently Europe's largest location for the production of 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. AKASOL systems are manufactured to the industry standards of leading OEM customers. Its current customers include Daimler and another of the world's leading manufacturers of commercial vehicles, Alstom, Bombardier, Rolls-Royce Power Systems (MTU Friedrichshafen) and many more. AKASOL has a technology-independent product portfolio that can be integrated into a very wide range of eMobility applications. In this effort, the Company relies on the most suitable and best battery cells from internationally leading manufacturers to meet the high and demanding customer requirements in the best way possible.

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