

AKASOL AG: Strong growth in Q3 2020 – Revenue at EUR 40.6 million for the nine-month period 2020 and despite Corona crisis almost 30 % above previous year

- **Due to successful trend in Q3, revenue for the current financial year more than doubled to EUR 40.6 million (H1 2020: EUR 18.2 million)**
- **Growth of almost 30 % compared to previous year (Revenue 9M 2019: EUR 31.3 million)**
- **Positive EBITDA of EUR 57 thousand achieved in Q3 2020 (Q3 2019: EUR –2,5 million)**
- **New serial projects in the final stages of contract negotiations**
- **Planned structural and capacity expansion to realize expected future growth**

Darmstadt, Germany, November 16, 2020 – AKASOL AG (“AKASOL” or the “Company”; ISIN DE000A2JNWZ9), a leading German developer and manufacturer of high-performance and high-energy lithium-ion battery systems and a provider of comprehensive solutions, continued the expected and announced upturn in business in the third quarter of 2020, successfully remaining on course for growth. Compared to its revenue of EUR 18.2 million in the first half of the year, the Company generated revenue of EUR 22.3 million during the third quarter alone, achieving more than a doubling of revenue within the current year.

“After our customers lifted their suspension of production and resumed operations, we experienced the expected increase in revenue in the third quarter. In addition, our serial production of the second generation of battery systems was able to start on schedule in August. As a result, with the delivery of almost 500 battery systems in September, we managed to break our previous monthly record for quantity delivered,” Sven Schulz, CEO of AKASOL AG, said. AKASOL had taken steps to ensure delivery capacity for the rapid realization of this catch-up effect partly through suitable inventory production during the first half of the year, but mainly through the massive expansion of production capacities at the Langen plant. From a nine-month point of view, revenue in 2020 is thus EUR 40.6 million, representing an increase of almost 30 % compared to the previous year (9M 2019: EUR 31.3 million). The fact that AKASOL generated more revenue in August and September alone than in the entire first half of the year underlines once again the enormous dynamics of the company despite Corona related challenges, emphasizes CFO Carsten Bovenschen. In this context, the achievement of the EBITDA break-even point for Q3 2020 is particularly satisfying.

“As we can continue to very clearly see, our customers are not calling their projects for the electrification of the commercial vehicle sector into question – not even under the more difficult conditions brought on by COVID-19,” Sven Schulz explained. In autumn 2020, shortly after the successful ramp-up of serial production for the second generation of high-performance battery systems, serial production of the 48V battery system AKARack for a globally operating construction equipment manufacturer also started in

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Gigafactory 1 on the new AKASOL campus in Darmstadt. Battery systems of this type can be used, for example, for the electrification of small excavators or wheel loaders, to run the 48V on-board power supply system in commercial vehicles, and for a multitude of other applications. “We intend to use this new 48V system from our portfolio to expand our customer base and tap into new markets. Beyond the already signed contracts and based on our sales consultations, clear demand potential for this new AKASOL serial product is already making itself felt.”

AKASOL’s project with Alstom, the specialist for railway technology, is also helping to drive further sales potential. “As part of this cooperation arrangement, small-batch production of our power packs for Coradia iLint – the only hydrogen-powered train of its kind in the world – was launched during the third quarter,” reported Carsten Bovenschen, CFO at AKASOL AG. “With the Alstom order, and within the framework of the pilot project for Hyundai Motors, for which 50 fuel-cell vehicles of the type XCIENT Fuel Cell equipped with AKASOL battery systems are on the road in Switzerland, in the first nine months of the current year, we achieved solid progress toward developing market potential in the field of fuel-cell drives and significantly extended our lead over the competition.”

The effort to create the structural conditions for realizing the future growth expected for AKASOL progressed according to plan during the current financial year with the expansion of production capacity at the location in Langen to up to 800 MWh p.a. and with the move to the new headquarters in Darmstadt. Over the course of the year, further milestones for AKASOL’s growth strategy were successfully achieved in North America as well: In spite of strict restrictions on travel to the US, the Company managed to install and successfully commission the serial production line at its US location in Hazel Park, Michigan. With an installed production capacity of up to 400 MWh p.a., second-generation battery systems will be manufactured there for one of AKASOL’s longstanding major customers. All things considered, and as projected, this places more than 1 GWh of production capacity at the Company’s disposal during the 2020 financial year.

For the third quarter, AKASOL achieved a slightly positive EBITDA of 57 thousand EUR, a significant improvement over the previous quarters as well as the corresponding quarter of the previous year (Q2 2020: –3.9 million EUR; Q1 2020: –1.7 million EUR; Q3 2019: –2.5 million EUR). Earnings before interest and taxes (EBIT) for the first nine months of fiscal year 2020 amounted to EUR –7.8 million (9M 2019: EUR –3.0 million). EBIT in the reporting period was mainly influenced by further one-time expenses for structural, organizational and process development to ensure sustainable company growth.

The AKASOL Management Board continues to forecast total revenue of between EUR 60 and 70 million for 2020. The operating EBIT margin is expected to be positive for the second half of 2020, with further improvement expected in net income on the year compared to the value as of September 30, 2020. The trend in revenue and EBIT

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currently forecast by AKASOL assumes no further new significant negative impacts on the global economy in the wake of the COVID-19 pandemic.

The quarterly statement for Q3 2020 is available for download online at <https://www.akasol.com/en/quarterly-reports>.

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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.

The company operates a production plant 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 Europe's largest facility 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, depending on the battery size. With the Gigafactory 1 at the new headquarters in Darmstadt, the company will have additional 2.5 GWh of production capacity available starting next year, which will be expanded to up to 5 GWh in 2023.

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AKASOL systems are manufactured to the industry standards of leading OEM customers. Its current customers include two of the world's leading manufacturers of commercial vehicles, Alstom, Bombardier, Rolls-Royce Power Systems (MTU Friedrichshafen) and many more. The AKASOL product portfolio is technology independent. This way, working on the basis of individual customer requirements, the Company can use the best battery cells and the best battery chemistry.

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