

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

### **AKASOL prepares for initial public offering**

- E-mobility industry pioneer paves the way for strong growth in high performance battery systems for e-buses and commercial On- and Off-Highway applications
- Order backlog of EUR 1.45 bn with Daimler, Alstom, Bombardier, Rolls-Royce Power Systems, a Swedish bus and truck manufacturer and other European blue chip clients
- Net proceeds from the offering intended to drive organic growth, to maintain and expand a technologically leading position in e-mobility and to fund targeted M&A
- The listing is planned on the regulated market (Prime Standard) of the Frankfurt Stock Exchange

**Darmstadt, June 5, 2018 – Akasol GmbH, which is to be transformed into a stock corporation under the legal name AKASOL AG soon (“AKASOL”; the “Company”), a leading European developer, manufacturer and distributor of highly-engineered high-performance lithium-ion (“Li-Ion”) battery systems for buses, commercial vehicles, rail vehicles, marine, industrial vehicles and stationary applications, is preparing for an initial public offering (“IPO”) and the listing of its shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange.**

Global trends such as population growth, urbanization, emission regulation and consumer demand for environmentally friendly transportation result in a need for electrically powered buses and commercial vehicles. In Germany, regulatory measures to restrict the use of diesel-powered vehicles could become more common. This is illustrated by the first driving ban on older diesel vehicles imposed by the German city of Hamburg at the end of May 2018 and by media reports that cities such as Stuttgart and Berlin do not rule out driving bans for their air pollution control plans. Additionally, parity of total cost of ownership between diesel vehicles and electric buses and commercial vehicles is approaching soon, making the purchase of electrically powered vehicles increasingly attractive – there are early use-cases where TCO parity has already been achieved today. Leading European original equipment manufacturers (“OEMs”) of electric buses and commercial vehicles such as Daimler and a globally acting Swedish bus and truck manufacturer are already among AKASOL’s clients. The expected start of serial production at AKASOL’s plant in Langen, Germany, in the third quarter of 2018 underpins the promising market environment for battery system manufacturers. By 2020, AKASOL plans to double its production capacity in Langen from 300 MWh to 600 MWh annually and as part of the Company’s international expansion, AKASOL intends to open a production facility in Michigan, USA, with an annual capacity of 300 MWh in 2019.

## CORPORATE NEWS

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

Sven Schulz, CEO and co-founder of AKASOL, comments: *“The opportunities of electromobility have been discussed for a long time. From our perspective, the market for high-performance battery systems, especially for buses and commercial vehicles, is now on the threshold towards significant growth in the coming years. AKASOL’s business is situated in the sweet spot of the high-performance battery value chain, between cell manufacturers and the e-mobility OEM sector, and we see excellent growth prospects for our company. As of March 31, 2018, our order backlog through 2024 amounted to EUR 1.45 billion.”*

AKASOL sees itself as a pure play industry pioneer in electric powertrain battery systems technology with nearly 30 years of experience in this field. The roots of the Company go back to a not-for-profit organization named AKASOL e.V. founded by professors and students of the Technical University of Darmstadt in Germany in 1990. In 2008, the Company was incorporated as Akasol Engineering GmbH. AKASOL is part of the Schulz Group, which has supported the Company’s development and helped AKASOL to start up its business rapidly.

AKASOL still maintains strong relationships with academic research institutions, especially with the Technical University of Darmstadt. The Company is headquartered in Darmstadt, Germany, and operates its central production facility in Langen, Germany. As of March 31, 2018, AKASOL’s headcount amounted to more than 110 employees.

### **Key Highlights:**

#### **Mega trends drive demand for high-performance batteries in e-mobility applications**

AKASOL believes that the changing demographic landscape in combination with a higher concentration of people within cities will perpetuate the need for new clean and noise-reduced mobility solutions.

AKASOL is convinced that electrifying commercial vehicles and buses is an important step towards helping countries to meet emission targets while declining battery cell costs are a strong factor in achieving total cost of ownership parity between electric powertrains and conventional internal combustion engine powertrains.

Consumers are also becoming increasingly aware of the environmental impact of depleting traditionally used fossil fuels and the climate change resulting from CO<sub>2</sub> emissions, and are increasingly adopting energy efficient and sustainable alternatives.

Based on the trends described above, a strong pull for high-performance e-mobility applications from transportation authorities and fleet managers is expected. Media

## CORPORATE NEWS

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

reports on the procurement plans for electric buses for major German cities such as Hamburg, Munich, Cologne or Frankfurt as well as internationally for cities such as Paris, Madrid or San Francisco show how concretely the responsible authorities are already dealing with the switch to electric mobility in local public transport.

### **Serial production at the Langen site expected to start in Q3 2018**

One of the Company's most important selling points is its flexibility in terms of battery chemistry and battery cell format. AKASOL can provide a variety of battery system solutions for demanding applications as a result of its modular approach that enables the Company to use different kinds of battery cell formats and battery chemistry in accordance with clients' needs. In 2017, the Company inaugurated its first serial production facility in Langen, Germany, with a total annual capacity of up to 300 MWh. Following several years of working closely with the OEMs on developing prototypes, AKASOL has won contracts for serial production from Daimler and a Swedish bus and truck manufacturer which is expected to start at the Langen site in the third quarter of 2018.

### **Leading European OEMs among AKASOL's clients**

AKASOL conducts its business operations through two business segments, On-Highway and Off-Highway.

In the On-Highway segment, the Company supplies Li-Ion battery systems to manufacturers of buses and commercial vehicles. The clients in this segment are mostly large OEMs, Daimler and a Swedish bus and truck manufacturer, for example.

In the Off-Highway segment, AKASOL supplies OEMs or tier 1 suppliers of rail vehicles, industrial vehicles (including construction vehicles, mining vehicles and logistic vehicles), marine applications (including boats, ships, ferries and submarines) as well as stationary applications for residential and professional installations. As of today, the main clients in this segment are Alstom, Bombardier, Rolls-Royce Power Systems (MTU Friedrichshafen) and Medatech.

### **International growth strategy: Utilizing established relationships with OEMs**

AKASOL intends to organically grow its international footprint. The planned market entry into North America will increase sales of AKASOL's battery systems and AKASOL plans to leverage already established relationships with European clients, particularly leading global bus and truck OEMs.

## CORPORATE NEWS

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

AKASOL also is considering selectively acquiring companies with a focus on related business areas or possibly companies involved in business areas complementary to AKASOL's, in order to diversify the business vertically along the value chain.

### **Order backlog of EUR 1.45 billion through 2024 supports growth course**

In 2017, AKASOL's revenues amounted to EUR 14.5 million and EBIT reached EUR 1.1 million, corresponding to an EBIT margin of 7.7%.

In the first quarter of 2018, AKASOL achieved revenues of EUR 4.5 million, growing 102.0% year-on-year (Q1 2017: EUR 2.2 million). Profitability increased further in the first three months of 2018, with an adjusted EBIT margin (adjusted for IPO costs) of 13.3%.

From 2015 to 2017, AKASOL achieved a positive EBIT each year: EUR 410 thousand in 2015, EUR 1,326 thousand in 2016 and EUR 1,117 thousand in 2017. The EBIT margin rose from 4.7% in 2015 to 7.7% in 2017. With an EBIT of EUR 448 thousand (not adjusted for IPO costs), which corresponds to an EBIT margin of 9.9%, this trend continued in the first quarter of 2018.

In 2018, AKASOL expects revenues of between EUR 22 million and EUR 24 million and an adjusted EBIT margin of approximately 7%.

In the next four to five years, the Company aims to achieve revenue above EUR 300 million with an improvement in the EBIT margin.

Dr. Curt Philipp Lorber, CFO of AKASOL, comments: *“Even in the first growth phase and despite preparations for the start of serial production, the company has operated profitably over the past three years. Based on strong sales growth, an asset-light business model and stringent cost management aiming at an efficient organizational structure, we want to deliver attractive returns to investors.”*

### **Overview of the planned IPO**

The offering consists of newly issued ordinary bearer shares with no-par value from a capital increase against contributions in cash. It also includes a minor placement of existing shares from the holdings of Schulz Group GmbH, Felix von Borck, Stephen Raiser and Björn Eberleh (the “Selling Shareholders”). Sven Schulz (CEO of AKASOL and owner, directly and indirectly, of 100% of the shares in Schulz Group GmbH), Felix von Borck and Dr. Björn Eberleh founded Akasol Engineering GmbH in 2008. Stephen Raiser joined the Company in 2009.

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

Today, Schulz Group GmbH holds a participation of 76% in AKASOL. Upon completion of the offering, Schulz Group GmbH will remain the majority shareholder of the Company.

Further ordinary shares will be made available by the selling shareholders pursuant to an over-allotment option. The listing is planned on the regulated market (Prime Standard) of the Frankfurt Stock Exchange.

The Company intends to use the net proceeds resulting from the sale of the new shares to fund its organic growth by expansion of its production footprint in Germany and the US, to fund investments into research and development activities and for potential targeted M&A.

Citigroup and COMMERZBANK are acting as Joint Global Coordinators and together with Bankhaus Lampe as Joint Bookrunners. Lazard is acting as financial adviser to AKASOL.

### **Contact**

cometis AG, Georg Grießmann

Phone: +49 – (0)611 – 20 58 55 61 | E-Mail: griessmann@cometis.de

### **DISCLAIMER:**

*This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.*

*In the United Kingdom, this communication is directed only at persons who: (i) are qualified investors within the meaning of the Financial Services and Markets Act 2000 (as amended) and any relevant implementing measures and/or (ii) are outside the United Kingdom or (iii) have professional experience in matters relating to investments and fall within the definition of "investment professionals" contained in article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or are persons falling within article 49 (2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order, or fall within another exemption to the Order (all such persons referred to in (i) to (iii) above together being referred to as "Relevant Persons"). Any person who is not a Relevant Person must not act or rely on this communication or any of its contents. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.*

*This publication is an advertisement.*

## CORPORATE NEWS

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

*This communication constitutes neither an offer to sell nor a solicitation to buy securities. The public offering (in Germany and Luxembourg) will be made solely by means of, and on the basis of, a securities prospectus which is to be published. An investment decision regarding the publicly offered securities of AKASOL AG should only be made on the basis of the securities prospectus. The securities prospectus will be published promptly upon approval by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and notification to the Commission de Surveillance du Secteur Financier (CSSF) and will be available free of charge from AKASOL AG, Landwehrstraße 55, 64293 Darmstadt, Germany or on <https://www.akasol.com/investor-relations>.*

*Statements contained herein may constitute "forward-looking statements." Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate," "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology.*

*Forward-looking statements are based on current expectations and involve a number of known and unknown risks, uncertainties and other factors that could cause the Group's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. You should not place undue reliance on forward-looking statements and the Group does not undertake publicly to update or revise any forward-looking statement that may be made herein, whether as a result of new information, future events or otherwise.*