



## Forsee Power announces the approval of its registration document by the French financial markets authority (AMF) for its planned IPO on the regulated market of Euronext Paris

- > A pioneer for the last 10 years in the design and manufacture of smart battery systems for sustainable electromobility
- > Positioned in high value-add markets experiencing rapid growth
- > Technological mastery across the entire value chain, from design to production of complex battery systems
- > Industrial and commercial capabilities that position it to seize growth opportunities: target global production capacity ~1 GWh in 2021 with a target of 2 GWh in 2023 and 10 GWh in 2027
- > Two-year (2023) financial objectives marked by achieving EBITDA breakeven point, with revenue of approximately EUR 180 million. Long-term targets (2027) of approximately EUR 600 million in revenue and an EBITDA margin<sup>1</sup> greater than 15%

Paris, October 4, 2021 — 10:30 am CEST — Forsee Power (the "**Company**"), an expert in smart battery systems for sustainable electromobility, announces the approval of its registration document by the French financial markets authority (*Autorité des marchés financiers* — AMF) under number I.21 – 058 on October 1<sup>st</sup>, 2021.

The approval of the registration document marks the first step in Forsee Power's proposed Initial Public Offering and listing on the regulated market of Euronext Paris, subject to market conditions and AMF approval of the prospectus for the transaction.

**Christophe Gurtner, Founder & Chairman of Forsee Power** said: *"For 10 years, Forsee Power has been developing smart battery systems that rank among the top performers in the electric mobility sector. Our objective is simple: mitigate climate change by promoting the development of sustainable mobility, without emissions, through the rapid expansion of electric vehicles equipped with Forsee Power batteries. We are positioning ourselves in high value-add market segments, where the approach is different from mass markets like the private car market. This planned IPO will allow Forsee Power to strengthen its technological leadership, based on a complete product range and an expanded service offering, accelerate its international expansion, and seize growth opportunities in new market segments".*

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<sup>1</sup> EBITDA/revenue



## Highly favorable market trends supported by public authorities around the world

Forsee Power is positioned in the battery systems market with many applications, particularly in electromobility: Robotics and industrial tech vehicles, light Vehicles (urban and utility), commercial vehicles (buses and trucks) off-highway vehicles (agricultural, construction, industrial), maritime and rail sectors (trains, tramways, ships).

Within this market, Forsee Power focuses primarily on lithium-ion technologies, which represent the majority of the solutions used because of their higher density in terms of both energy and power. This market segment is expected to grow significantly in the coming years to represent EUR 18.1 billion in 2027<sup>2</sup>, up from EUR 3.8 billion in 2020.

Support from public authorities is stimulating this steady growth momentum, as most of the world's major cities are stepping up their rate of adoption of "zero emission" transport in urban areas.

In addition to policies that promote more environmentally friendly transport and tax incentives established by a number of countries, the transition from thermal engines to electric motorization benefits from several growth factors:

- **Maturity of supply and demand:** as batteries become more efficient, range increases and the number of charging stations rises, sales of pure battery electric vehicles now exceed those of rechargeable hybrid electric vehicles.
- **Decrease in the cost of batteries:** in recent years, the unit cost has declined significantly<sup>3</sup> (reduction in manufacturing costs, design of new packs, and improved logistics). This fall, combined with continued improvement to the technology, leads to greater adoption of electric vehicles;
- **Economic parity extended to new markets:** since 2018, electric buses have become the least expensive vehicle option compared with thermal engines<sup>4</sup> thanks to the development of batteries adapted to need. Electric vehicles are expected to become the least expensive option in the next 5 to 10 years for all the other mobility sectors<sup>5</sup>.



## Forsee Power: a pioneer with strategic competitive assets that position it well to be the benchmark partner in the mobility of tomorrow

Since 2011, Forsee Power has designed and manufactured smart battery systems for electromobility. A pioneer in this sector, the Company offers solid expertise in high-energy and high-performance storage solutions for light and heavy mobility. To market its solutions, Forsee Power relies on an international sales force in Europe, Asia and North America serving customers operating in many areas of electromobility.

Therefore, the Company is positioned in the electromobility markets that require complex battery systems with high value-add: Light Vehicles (two-wheelers and three-wheelers, go-karts, small autonomous and robotic vehicles) and Heavy Vehicles (buses, special trucks such as mining or port trucks, off-highway vehicles for construction, agriculture and industry, trains and ships).

Buoyed by structural trends, electromobility is establishing itself as the standard for vehicles sold today. As a core component of electric vehicles, battery systems are therefore at the center of the transformation of the transport segment.

<sup>2</sup> Excluding rail and maritime, the 2018, 2019 and 2020 MarketsandMarkets studies for each of the markets in question are taken into account for the number of vehicle units and the Company's estimates for battery capacities and values; for rail and maritime, the data are taken entirely from the 2018 and 2020 MarketsandMarkets studies respectively.

<sup>3</sup> BloombergNEF, Lithium-ion Battery Price Survey finds prices fell 13 % from 2019 to 2020, December 16, 2020.

<sup>4</sup> McKinsey Energy Insights' Global Energy Perspective, January 2019.

<sup>5</sup> McKinsey Energy Insights' Global Energy Perspective, January 2019.

Benefiting from extensive experience in technological developments and their commercial applications in high-growth markets, Forsee Power holds many assets that increase its technological and commercial leadership:

- 1) **Technological mastery across of the entire value chain**, from design to the production of complex battery systems;
- 2) **Wide range of battery products and systems** suitable for a wide variety of uses and end markets;
- 3) **Focus on markets with high value creation potential** with leadership positions already established;
- 4) **Industrial and commercial capabilities** to capture growth opportunities;
- 5) **Solid track record of shareholding and industrial partnerships and experienced management team** with a strategic vision

**1) Technological mastery across the entire value chain, from design to the production of complex battery systems**

With over 100 engineers and supported by its three R&D centers based in France and China (Paris, Lyon and Zhongshan), Forsee Power's technological solution development, battery manufacturing, and product quality and safety monitoring are all performed in-house.

The Company's development model is based on the design of standardized battery modules in order to reduce production costs and to offer to its customers battery systems that are integrated as simply as possible, not only in different types of vehicles, but also in different parts of these vehicles (chassis, roof, rear) depending on their characteristics.

With solid experience and proven expertise, Forsee Power is also in a position to offer its customers a battery system adapted to their needs and the specific features of their vehicles. Finally, the Company has established relationships with a large number of leading suppliers given its ability to integrate different technologies in the systems offered, based on its customers' needs.

**2) Wide range of battery products and systems suitable for a wide variety of uses and end markets**

Forsee Power has developed several battery system product ranges to meet vehicle energy and/or power needs of vehicles. In the same category of batteries, the Company may offer battery systems based on energy, power or both.



Forsee Power battery systems can therefore be adapted to different types of use (topography, kilometers to be travelled, weather conditions), depending on the type of vehicle and/or the charging infrastructure in place or to be developed. Whether it is a vehicle traveling for a whole day with full range or a vehicle operating by ultra-fast charging on its journey, the Company believes that is able to provide the solution that will suit the vehicle.

Forsee Power also offers a range of batteries for use in different types of hydrogen vehicles.

Finally, the Company provides a complete offering for the rail market (trains, tramways, maintenance locomotives) composed of energy storage systems for catenary-free rail transport, fast-charging systems on-board and on-track, energy recovery systems and power converters and auxiliary converters (CVS).

### **3) Focus on markets with high value creation potential with leadership positions already established**

Forsee Power focuses on markets that combine volume and high value-add, where battery systems cannot be integrated by the manufacturer, in contrast to the mass markets for passenger cars or standard trucks. Thus, the Company is active in the bus market (with customers such as Iveco Heuliez, Wrightbus, and CaetanoBus), the rail market (Alstom), the market for off-highway and special vehicles (mining trucks, excavators, agricultural or industrial construction machines for customers such as Kubota). With large volumes but requiring complex battery systems, the bus market accounts for the majority of the Group's revenues and is estimated by the Company to be the most profitable market.

Forsee Power is also positioned in the Light Vehicles segment that includes scooters (Piaggio, Niu) and urban and utility three-wheeled or four-wheeled vehicles that require complex battery systems, primarily for fleet use (Omega Seiki).

The Company already holds a leading position within these different markets: the European bus segment leader for number of customers, the leading equipment vendor in the growing off-highway vehicle market (agriculture, construction, mines), a partner of Alstom and Socofer in the rail market, or the exclusive supplier of Wrightbus in the market for hydrogen-fueled vehicles. In addition, Forsee Power is a leading player in the light vehicle market in Asia and Europe, benefiting primarily from a triple industrial presence in China, India and Europe.

### **4) Industrial and commercial capabilities to capture growth opportunities**

The Group has an overall production capacity of nearly 1 GWh in 2021 in Europe (France and Poland) and Asia (China and India). This decentralized industrial network allows it to support the growing momentum of electromobility worldwide. Plant production capacity is scalable and versatile, as the location of production is defined according to where the customers are located, providing the most local supply chain possible.

Forsee Power also has a great deal of experience in setting up production units, particularly in France, with the creation of a new plant near Poitiers to begin mass production of battery systems for heavy vehicles and in India, where the Group has set up production lines very quickly for the light vehicle market.

These plants are also sized to allow production capacities to evolve and support growth in demand from the Group's customers, with a target of an installed production base of more than 2 GWh by 2023 and 10 GWh by 2027.

### **5) Solid track record of shareholding and industrial partnerships and experienced management team with a strategic vision**

Since it was created, the Group has had a solid shareholder base and financial partners to accompany it in its development. As a result, Forsee Power was able to implement its development plan as early as 2013 with the Eurazeo acquisition of a stake in the Company. Groupe Dassault, the Japanese conglomerate Mitsui & Co., and Bpifrance have since then become major shareholders of the Company.

The Group's expansion is led by a management team centered around its Chairman and founder, Christophe Gurtner. The Group Executive Committee comprises 10 members with

over 100 years of combined experience in the battery industry and a strong culture of operational excellence, a solid international dimension and recognized experience in the mobility sector.

## **F** **Steady and regular growth in revenue and strong order projections of approximately EUR 1 billion**

In 2020, the Group's consolidated revenue was EUR 62 million, an increase of 23% versus 2019, and it recorded an average compound annual growth rate of 44% over the 2015-2020 period.

The Group's order projections for the period up to December 31, 2027, total EUR 1.0 billion, primarily with certain strategic customers, including Iveco/Heuliez, Piaggio, Wrightbus, CaetanoBus and Alstom<sup>6</sup>.

### **Ambitious financial objectives supported by structural market trends**

With a revenue target of around EUR 71 million in 2021, Forsee Power anticipates solid growth prospects in the short and medium-term.

#### **Forsee Power therefore has the following objectives\*:**

- ✓ **in 2023, revenue of around EUR 180 million and breakeven EBITDA**
- ✓ **in 2027, revenue of around EUR 600 million with an operating margin rate >15%**

*\*On the basis of the assumptions disclosed in the registration document*

## **F** **An innate and already structured Corporate Social Responsibility (CSR) approach**

As a “zero emissions” mobility specialist, the Group believes that this business activity can contribute to mitigating climate change. To do so, the Group has partnered with equipment suppliers from across the globe to supply their battery systems in their goal of transitioning to “zero emission” mobility. For example, in 2020, 24% of CO<sub>2</sub> emissions were generated by the transport market<sup>7</sup>. Forsee Power also aims to support its customers in managing the end of life of the batteries and the recovery of components, such as electrochemical cells or steel, in partnership with operators in the recycling industry (such as Veolia).

Within this context, the Group's Corporate Social Responsibility (CSR) commitment focuses on three areas: (1) the introduction of measures and contributions aimed at limiting climate change, (2) value creation for its employees and communities and (3) the adoption of more responsible consumer behavior. These three objectives are closely tied to the fundamental principle of transparent and strong governance.

This process is characterized by the 10 objectives set for 2025, which are each accompanied by a strategic plan that specifies their development. Moreover, Forsee Power supports the United Nations Sustainable Development Goals and contributes to nine of them. Finally, this

<sup>6</sup> The order backlog contains firm and irrevocable customer orders with a probability of 100% as well as requests for prices or orders in progress in proportions indicated in the registration document. The definition of order backlog used by the Group for operational purposes does not correspond to a standard accounting aggregate that conforms to a single and generally accepted definition. Actual sales could be significantly lower than the order backlog suggests on the date of the registration document. As at 30 June 2021, 4% (i.e., 40,082 thousand euros) of the order book was contracted (firm and irrevocable) with a probability of 100%.

<sup>7</sup> CNRS Intergovernmental Panel on Climate Change 2019.



ambitious strategy was confirmed in July 2021 by Ethifinance's OneTrack rating, for which Forsee Power obtained a score of 72%, placing it in the "advanced+" category.

## **F** A planned IPO to accelerate Forsee Power's growth and support its international expansion

In order to finance the growth of its business, Forsee Power intends to raise approximately 100 million euros in the context of the capital increase that would be realized upon the admission of the Company's shares to the regulated market of Euronext Paris.

As an example, the purpose of this transaction would be to finance innovation and the development of new products (approximately 30 million euros), to accelerate industrial growth on an international level (approximately 30 million euros), to execute opportunistic development operations (approximately 10 million euros), as well as to finance the general needs of Forsee Power (approximately 30 million euros).

### **Availability of the registration document**

Forsee Power's registration document, approved by the AMF on October 1<sup>st</sup>, 2021, under number I.21 – 058 is available on the Forsee Power website ([www.forseepower-finance.com](http://www.forseepower-finance.com)) and the AMF site ([www.amf-france.org](http://www.amf-france.org)), and at no cost on request sent by mail to Forsee Power, 1 boulevard Hippolyte Marqués, 94200 Ivry-sur-Seine or at [forseepower-finance.com](http://forseepower-finance.com). The registration document contains a detailed description of Forsee Power, including its business activity, strategy, financial position and results, as well as the corresponding risk factors.

Forsee Power calls the public's attention to Chapter 3 "Risk Factors" in the registration document approved by the AMF.

### **ABOUT FORSEE POWER**

Forsee Power is a French industrial group specializing in smart battery systems for sustainable electric transport (light vehicles, trucks, buses, trains, ships).

A major operator in Europe, Asia and North America, the Group designs, assembles, and supplies energy management systems based on cells that are among the most robust in the market and provides installation, commissioning and maintenance on site and remotely.

Forsee Power also offers financing solutions (battery leasing) and second-life solutions for transport batteries.

For more information: [www.forseepower.com](http://www.forseepower.com) | @ForseePower

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This announcement is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and the Council of June 14<sup>th</sup>, 2017, as amended (the “Prospectus Regulation”).

The offer will be open solely to the public in France after the delivery by the AMF of its approval on the relevant prospectus.

With respect to the member States of the European Economic Area other than France (each, a “**relevant member State**”) no action has been undertaken or will be undertaken to make an offer to the public of the securities requiring a publication of a prospectus in any relevant member State. As a result, the Shares can only be offered and will only be offered in relevant member States (a) to legal entities that are qualified investors as defined in the Prospectus Regulation or (b) in accordance with the other exemptions of Article 1(4) of the Prospectus Regulation.

For the purposes of this paragraph, the notion of an “**offer to the public of Shares**” in each of the relevant member States, means any communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Shares to be offered, so as to enable an investor to decide to purchase or subscribe for those securities.

This selling restriction comes in addition to the other selling restrictions applicable in the other member States.

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Certain information contained in this press release is forward looking statements and not historical data. These forward looking statements are based on opinions, projections and current assumptions including, but not limited to, assumptions concerning the Group’s current and future strategy and the environment in which the Group is developing. They imply known or unknown risks, uncertainties and other factors, which could result in actual results, performances or achievements, or the results of the sector or other events, differing significantly from those described or suggested by these forward looking statements. These risks and uncertainties include those that are indicated and detailed in Chapter 3 “Risk factors” of the registration document.

These forward looking statements are given only on the date of this press release and the Group expressly declines any obligation or commitment to publish updates or corrections of the forward looking statements included in this press release in order to reflect any change affecting the forecasts or events, conditions or circumstances on which these forward-looking statements are based. The forward looking statements and information do not constitute guarantees of future performances, and are subject to various risks and uncertainties, a large number of which are difficult to predict and generally outside the control of the Group. Actual results may differ significantly from those described, suggested or projected by the forward looking information and statements.