

## **Forsee Power announces its 2021 results: Business momentum accelerated, industrial plan rolled out and financial capacity strengthened**

- > **Outperforming the 2021 revenue target at €72.4 million (+17%)**
- > **Roll-out of the business roadmap**
  - Prospecting process initiated in the United States, with the start of activity planned by the end of 2022
  - Expansion of the product range and service offering
  - Development plans for the off-road and rail vehicle markets
- > **Strengthening of the financial structure thanks to the success of the IPO: cash position of €70.8 million at the end of December 2021**
- > **Confirmation of the long-term financial objectives presented at the IPO**

**Paris, April 6<sup>th</sup>, 2022 – 5:45 pm CEST – Forsee Power** (FR0014005SB3 – FORSE – the « **Company** »), the expert in smart battery systems for sustainable electromobility, announces today its 2021 financial results, approved by the Board of Directors on April 6, 2022.

**Christophe Gurtner, Chairman and Chief Executive Officer of Forsee Power** comments: « *The 2021 fiscal year illustrated the growth potential of the electromobility market, in which we are positioned as a pioneer. Indeed, in addition to the support of public authorities and the "zero-emission" transportation policies implemented by many cities, manufacturers are increasingly concerned about limiting their environmental footprint, with transportation accounting for more than 30% of greenhouse gas emission<sup>1</sup>. Year after year, Forsee Power has established itself as the leading partner for the supply of intelligent battery systems applicable in many market segments. The past year has thus enabled the Company to accelerate its commercial development through the signing of numerous partnerships with blue-chip players, as well as to roll out its industrial plan presented on the occasion of its IPO. In 2022, thanks to its strengthened human and financial resources, Forsee Power will continue to develop its innovative, efficient and sustainable technologies in order to enhance its technological leadership and meet the challenges of its customers. At the same time, the development of an industrial base in the United States is one of the challenges of the current year* ».

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<sup>1</sup> Source: Ademe – March 2020

## Key figures from the consolidated yearly statement

<i>In €m - IFRS standards</i>	2021	2020*	Change	Change (%)
<b>Sales</b>	<b>72.4</b>	62.1	<b>+10.4</b>	<b>+17%</b>
<b>EBITDA<sup>2</sup></b>	<b>(21.1)</b>	(12.7)	<b>-8.4</b>	<b>-66%</b>
<b>EBITDA margin</b>	(29.1)%	(20.5)%		
<b>Adjusted EBITDA<sup>3</sup></b>	<b>(14.4)</b>	(12.0)	<b>-2.3</b>	<b>-19%</b>
<b>Adjusted EBITDA margin</b>	(19.8)%	(19.4)%		
<b>Underlying operating income</b>	(26.0)	(20.0)	-5.9	-30%
<b>Operating income</b>	(26.8)	(20.0)	-6.7	-34%
<b>Financial result</b>	(11.2)	(6.3)	-4.9	-77%
<b>Net consolidated income</b>	<b>(38.1)</b>	(30.1)	<b>-8.0</b>	<b>-27%</b>
<b>Cash at the end of the year</b>	<b>70.8</b>	11.3	<b>+59.5</b>	

The audit procedures on the consolidated accounts have been performed. The accounts were approved by the Board of Directors on April 6, 2022.

\*The comparative consolidated financial statements at December 31, 2020 have been restated from the published consolidated financial statements at December 31, 2020.

### 2021 annual results

In 2021, the growth of Forsee Power's business resulted in a 17% increase in sales to €72.4 million, exceeding the target set at the time of the IPO (€71 million). This good performance is all the more noticeable in that it was achieved in an environment marked by strong pressure on supplies.

The heavy vehicles activity segment, which is up by +6% compared with 2020, represents 70% of the revenues generated in 2021 compared with 77% in 2020.

The recovery in activity post COVID-19 was faster in the light vehicle segment, which has a shorter commercial cycle than heavy vehicles. This market has grown by 51% compared to 2020 and represents 30% of 2021 revenues compared to 21% in 2020.

The commercial momentum is still going strong, since at January 31, 2022, the amount of orders booked for the current year was already higher than the revenues generated in 2021.

The Group has also maintained an adjusted EBITDA margin comparable to that of FY 2020 at (20)%. The change in value of adjusted EBITDA between 2020 and 2021 is mainly due to:

- lower sales in 2021 of non-recurring engineering costs (€-2.2m) ;
- the effect of the net income from the research tax credit (€1.9m);
- the integration of the operating costs of the Holiwatt activity (€-0.6m);
- other effects (positive volume impact, purchase price increase) generating a negative net impact (€-1.4 m).

As a result, Operating Income in 2021 was (€-26.8m), down from the Operating Income recorded in 2020 (€-20.0m).

In 2021, the Financial Result is negative at (€-11.2m) compared to (€-6.3m) in 2020.

Overall and after taking into account a tax charge of €0.1m, the net loss in 2021 amounts to (€-38.1m) compared to (€-30.1m). This loss includes non-recurring items of €9.9m mainly due to the granting of stock options and free shares (€-6.7 m) and to exceptional financial expenses (€-3.1 m), the impact of the granting of stock options and free shares is significant for fiscal year 2021, it will be partially recurrent in future years.

<sup>2</sup> The EBITDA metric corresponds to operating income before amortization and impairment of intangible assets, amortization of rights of use on property, plant and equipment, depreciation and impairment of property, plant and equipment and net impairment of assets. This indicator is detailed in paragraph 2.1.3 of the annual financial report.

<sup>3</sup> In addition to EBITDA, the Group also monitors adjusted EBITDA. This alternative performance metric corresponds to EBITDA adjusted for share-based compensation expenses. The Group considers that these expenses do not reflect its current operating performance, in particular for equity-settled compensation plans, as they do not have a direct impact on cash. This indicator is detailed in paragraph 2.1.3 of the annual financial report.

## Group consolidated cash flow

<i>In €m</i>	2021	2020	Change
<b>Free cash flow from operations</b>	<b>(18,3)</b>	(21,9)	<b>+3,6</b>
<b>Free cash flow from investing</b>	<b>(10,2)</b>	(10,0)	<b>-0,2</b>
<b>Free cash flow from financing</b>	87,9	40,3	<b>47,6</b>
<b>Change in cash</b>	<b>59,5</b>	8,4	<b>+51,1</b>

## A solid and strengthened balance sheet

The Group has further optimized its WCR (Working Capital Requirement) since the balance of the latter represents 31% of sales in 2021 compared to 38% in 2020, in line with its objective (WCR below 50% of sales in 2021).

In addition, CAPEX (excluding the impact of IFRS 16) in 2021 amounted to €4.7m, or 6% of revenues, in line with the target announced (less than 10% of 2021 sales).

As of December 31, 2021, the Company had a strong balance sheet, with shareholders' equity of €69.2 million, compared with €32.9 million as of December 31, 2020. This increase is related to the success of the €100 million capital increase completed in November 2021.

The increase in cash flow from financing activities is mainly attributable to (i) the capital increase, (ii) the increase in repayments of existing financing and (iii) the decrease in loan issues.

All in all, cash and cash equivalents at December 31, 2021 amounted to €70.8m, compared with €11.3m at the end of December 2020.

Gross financial debt amounted to €53.7m at December 31, 2021, compared with €92.3m at December 31, 2020, a sharp decrease of €38.6m, mainly due to the conversion of convertible bonds and the repayment of the EIB loan.

At the end of 2021, the Group had €37.5m in confirmed credit lines.

## Latest events

### Business development

- Renewal of the technological partnership with LG Energy Solution for the launch of ZEN 42 high-energy battery systems;
- Renewal of the partnership signed in 2013 with IVECO France for the supply of batteries for electric buses.

### Innovation and development of new products:

- Launch of ZEN PLUS, a new offer of ultra-modular heavy-duty battery systems with ultra-high energy density;
- Launch of PULSE 0.5, an ultra high power battery for 48V off-highway hybrid systems;
- Obtained DNV certification for its Pulse 2.5 'marine' battery.

### Impacts of Covid-19

- The first quarter of 2022 was affected by the increase in Covid-19 infections in China, particularly in Shanghai, which exposed the Group to pandemic risk due to the presence in China of one of its production sites and some of its suppliers.

### Conflict en Ukraine

- The Group is not subject to the restrictions imposed on Russia, since Forsee Power has no employees, customers or suppliers in that country. On the other hand, there are logistical impacts and increases in material costs linked to the situation in Ukraine, but the Group is not in a position to quantify them at this time.

## Strategy and outlook: launch of activity in the United States by the end of 2022 and expansion of the range - Confirmation of long-term financial objectives

As announced at the time of the 2021 sales release, Forsee Power will continue to deploy its strategic plan in 2022, as unveiled at the time of its IPO. In a favorable environment, benefiting from the Biden climate plan and exponential demand for electric mobility solutions in the United States, Forsee Power is currently involved in an active prospecting process to establish its industrial base in the United States with a view to starting operations by the end of 2022. The setting up of an industrial site in the United States will enable the Group to have a total production capacity of around 10 GWh, of which 1 GWh will be produced locally by 2027.

At the same time, the Company is pursuing its projects in the high-value-added off-highway and rail markets as well as its R&D initiatives to consolidate its technological leadership and expand its product and service offering.

The Company is rolling out its sustainable development roadmap in accordance with the announced plan and in line with its mission statement: to contribute to the climate change mitigation effort by offering the most comprehensive range of batteries and services to enable sustainable electromobility. Forsee Power will publish its extra-financial performance statement in the coming weeks, including a section on the European taxonomy.

Given the uncertainties linked to the Covid-19 crisis in China, where the Group operates one of its four production sites, the indirect impacts of the conflict in Ukraine (logistical impact between Asia and Europe, increase in the price of raw materials) and the context of tension on the supply of certain electronic components, the Company is suspending its objective of reaching break-even in 2023. As soon as the situation normalizes, the Company will inform the financial markets of the date on which it expects to reach operating breakeven.

However, Forsee Power confirms all of its financial objectives for 2027, namely to achieve revenues of approximately €600 million and EBITDA and adjusted EBITDA margins both above 15%.

**Next financial communication:** Q1 2022 sales on May 11, 2022 before market opening.

The annual financial report will be available on the Company's website, in the investor section: <https://www.forseepower-finance.com/index.php/en/documentation>

### About Forsee Power

Forsee Power is a French industrial group specializing in smart battery systems for sustainable electric transport (light vehicles, off-highway vehicles, buses, trains and ships), A major player 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, The Group recorded revenue from sales of EUR 72,4 million in 2021 and has more than 600 employees, For more information: [www.forseepower.com](http://www.forseepower.com) | @ForseePower

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