

## Dear Shareholders,

I am pleased to present a short overview of LION E-Mobility AG's performance in 2023, along with our strategic priorities for 2024. This report aims to highlight our achievements, outline our goals, and reaffirm our commitment to sustainable growth and innovation.

In 2023 and also the current financial year, we have continued to enhance our transparency and reporting practices. This includes the development of quarterly consolidated reports. These efforts ensure higher transparency for our shareholders and align with best practices in corporate governance. Furthermore, we have implemented rigorous compliance measures to adhere to capital market regulations and protect the interests of our investors. This includes regular internal audits, comprehensive risk management frameworks, and stringent adherence to financial disclosure standards.

Additionally, we have deepened our investor relations work by engaging in more proactive and open communication with our shareholders. This involves regular investor briefings, detailed updates on company performance and strategy, and enhanced accessibility to our management team. These initiatives aim to foster trust and ensure that our investors are well-informed and confident in their investment decisions.

## Main Activities of 2023

In 2023, LION E-Mobility AG achieved significant milestones across several key areas:

- **Revenue Growth:** Our revenue for the year reached €56.1 million, reflecting a solid 4% increase from €53.8 million in 2022. This growth was driven by robust demand for our battery packs in electric trucks, buses, and the expanding Behind-The-Meter Commercial and Industrial (BTM-C&I) sector in Europe.
- **Operational Efficiency:** We successfully commenced operations at our state-of-the-art production facility in Hildburghausen, significantly enhancing our manufacturing capabilities. This strategic investment contributed to a positive operating cash flow of €2.8 million, marking a substantial improvement from -€6.8 million in 2022.
- **Strategic Investments:** Investments in technology advancements and strategic partnerships, particularly with SVOLT, have bolstered our market position and diversified our product offerings. These initiatives have strengthened our competitive edge in the rapidly evolving electric mobility market.

We achieved these significant milestones amidst **challenging market conditions**. We successfully navigated financial challenges posed by rising inflation, interest rates, and the ongoing Russia-Ukraine conflict coupled with increased energy costs. These accomplishments underscore our resilience and strategic vision, positioning us strongly for future growth and innovation.

## Main Goals Achieved in 2023

- **Market Expansion:** We successfully penetrated new markets and diversified our customer base, positioning LION E-Mobility AG for sustained growth amidst industry fluctuations. Our strategic initiatives have solidified our presence in key markets and paved the way for future expansion.

- **Operational Excellence:** Through rigorous cost management and operational efficiencies implemented across our production and supply chain operations, we have enhanced our agility and responsiveness to market demands.
- **Financial Performance:** Despite market challenges, we achieved a break-even EBITDA of €0.0 million, a marked improvement from -€0.2 million in 2022. Furthermore, we ended the year with a healthy cash position of €4.4 million in cash and equivalents, up from €3.0 million in 2022. In 2023, operational cash flows rebounded to €2.75 million from a deficit of €6.81 million in 2022. The consolidated statement of cash flows for the year ended 31 December 2023 demonstrates a net increase in cash and cash equivalents to €4.41 million from €3.03 million, driven by positive financing activities and improved operations. Our December 31, 2023 balance sheet shows total assets of €69.34 million (2022: €29.79 million), including €5.22 million in property, plant, and equipment and €11.28 million in intangible assets.

### Strategic Focus for 2024 and Beyond

Looking ahead, our strategic priorities for 2024 and beyond include:

- **Revenue Growth:** Targeting a revenue range of €60 million to €65 million for 2024, supported by continued market expansion, innovative product offerings, and strategic partnerships.
- **Profitability:** Aim to achieve an EBITDA between €0.5 million and €1 million through enhanced operational efficiencies and cost management initiatives.
- **Market Leadership:** Consolidating our position as a leader in advanced battery technology, with a strong emphasis on sustainability and meeting evolving customer needs.
- **Innovation and Sustainability:** Investing in research and development to drive innovation across our product portfolio and uphold our commitment to sustainable practices.

### Conclusion

In conclusion, 2023 was a transformative year for LION E-Mobility AG, characterized by robust financial performance, strategic investments, and operational achievements. As we navigate the dynamic landscape of the electric mobility sector in 2024, we are confident in our ability to capitalize on growth opportunities, mitigate risks, and deliver sustainable value to our shareholders and stakeholders.

Thank you for your continued support and trust in our strategic vision and leadership.

Sincerely,

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Alessio Basteri

Chairman of the Board  
LION E-Mobility AG