

Forsee Power reports 2023 half-year results in line with financial targets

- > **Very strong business momentum, with half-year sales growth of +58% compared with H1 2022**
- > **Already 730 buses fitted this year with Forsee Power battery systems: in line with the annual target of 1,000 buses**
- > **Significant improvement in adjusted EBITDA¹: +38% compared with H1 2022**
- > **Solid financial structure: liquidity position of €56.7 million at the end of June 2023²**
- > **Continued deployment of the strategic plan and confirmation of short-and medium-term financial targets**

Paris, September 14, 2023 - 5:45 p.m. CEST - Forsee Power (FR0014005SB3 - FORSE - the "**Company**"), an expert in smart battery systems for sustainable electromobility, today announced its half-year results 2023, as approved by the Board of Directors on September 14, 2023.

Christophe Gurtner, Founder & CEO of Forsee Power states: *"During this first half of 2023, we have reported strong sales momentum coupled with good cost control and an improvement in our adjusted EBITDA margin in line with the trajectory announced at the time of our capital increase last spring. Our business has continued to grow since the start of the H2, with already 730 electric buses fitted with Forsee Power batteries at the end of August, out of the target of 1,000 for 2023. These good commercial performances, combined with the successful execution of our strategic plan and our solid financial structure, show that we are fully in line with our financial targets, both in the short and long term, with our first objective being to achieve sales of more than €160 million in 2023 and a significant improvement in our adjusted EBITDA."*

¹ The Group considers Adjusted EBITDA, a non-GAAP measure, to be a performance measure. It corresponds to operating income before amortization and impairment of intangible assets, amortization of rights of use on property, plant and equipment, depreciation and amortization of property, plant and equipment and net impairment of assets. It is also restated 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. The reconciliation of this aggregate with the IFRS financial statements is presented on page 2 of this press release.

² The liquidity position is equal to available cash plus available undrawn credit lines.

Key figures from the consolidated financial statements

<i>In €m - IFRS standards</i>	H1 2023	H1 2022	Change (%)
Sales figures	78.8	49.7	+58%
Heavy vehicles	65.4	38.5	+70%
Light vehicles	13.3	11.2	+18%
Adjusted EBITDA	(3.8)	(6.2)	+38%
Adjusted EBITDA margin	(5)%	(12)%	+7pts
Current operating income	(12.3)	(12.2)	-1%
Operating margin	(15.6)%	(24.5)%	+9pts
Financial result	(3.8)	2.5	NA
Consolidated net income	(16.0)	(9.8)	-63%

A limited review of the 2023 consolidated financial statements was carried out and the certification report will be issued following approval of the half-year activity report.

The reconciliation of this aggregate with the IFRS accounts is presented in the table below:

<i>In €m – IFRS standards</i>	H1 2023	H1 2022
Current operating income	(12.3)	(12.2)
Amortization and impairment of intangible assets	1.7	1.5
Amortization of rights of use on property, plant and equipment	1.0	0.6
Amortization and impairment of property, plant and equipment	1.8	1.2
Net impairment losses	3.3	0.7
Share-based compensation expenses	0.7	2.0
Employer's contribution to share-based compensation	0.0	0.0
Adjusted EBITDA	(3.8)	(6.2)

2023 half-year results

In H1 2023, the Company posted sales of €78.8 million, up +58% compared with H1 2022. This very good sales performance is the result of strong momentum in the heavy vehicle market (+70% vs. H1 2022) and continued growth in the light vehicle segment (+18% vs. H1 2022).

Thanks to this strong growth in sales combined with tight control of its operating costs, Forsee Power posted a marked improvement in adjusted EBITDA (+38% vs H1 2022). As a percentage of sales, the Group's adjusted EBITDA margin was -5%, compared with -12% for the same period a year earlier.

Current operating income for H1 2023 amounted to (€12.3 million): while stable in absolute value compared with H2 2022, it now represents only (16%) of sales.

The difference between Adjusted EBITDA and Current Operating Profit is mainly due to Depreciation & Amortization of €7.8 million, up 95% compared with the first half of 2022, impacted mainly by a €2.5 million increase in net write-downs on inventories & receivables, in particular following the write-down of obsolete product and component inventories at our Chasseneuil du Poitou plant.

Net financial result amounted to €3.8 million, compared with €2.5 million in H1 2022. This change is mainly due to the variation in the fair value of the BSA BEI Warrant A and BSA BEI Warrant C derivatives (-€5.0m) and the increase in bank charges and commissions (€0.4m), mainly linked to the increase in factoring volumes.

All in all, after taking the above items into account, the net loss for the first half of 2023 amounts to -€16.0m.

Balance sheet

<i>In €m - IFRS standards</i>	30.06.2023	31.12.2022
Non-current assets	52.1	49.5
Current assets	124.8	97.0
Total assets	176.9	146.5
Shareholders' equity	71.0	39.7
Non-current liabilities	66.8	67.4
Current liabilities	39.1	39.4
Total liabilities	176.9	146.5

Consolidated cash flow of the Group

<i>In €m</i>	H1 2023	H1 2022	Change
Cash flow from operating activities	(20.4)	(15.2)	-4.7
Cash flow from investing activities	(6.4)	(5.7)	-0.7
Cash flow from financing activities	42.5	(3.5)	+45.5
Impact of conversion rates	(0.1)	0.0	
Change in cash and cash equivalents	15.6	(24.4)	+40.0

A solid balance sheet with a good cash position

During the first half of 2023, Forsee Power continued to optimize the components of its working capital requirement, with the balance now representing 55% of half-year sales, compared with 62% a year earlier.

At the same time, capital expenditure (excluding the impact of IFRS 16) over the past six months amounted to €2.6 million, or 3% of sales, a lower level than last year (4%).

At 30 June 2023, the Group's cash position amounted to €46.7m, compared with €31.0m at 31 December 2022. This increase was mainly due to the capital increase carried out on 9 May 2023. The liquidity position stood at €56.7m.

Gross financial debt was relatively stable at €58.0m at 30 June 2023, compared with €60.2m at 31 December 2022.

At 30 June 2023, the Company had a solid balance sheet, with shareholders' equity of €71.0m, compared with €39.7m at 31 December 2022.

Continued deployment of the strategic plan and confirmation of short- and medium-term financial targets

In the second half of 2023, Forsee Power intends to maintain its high growth rate by transforming its order book into sales in its priority high value-added markets: buses, off-highway vehicles (agricultural, site and industrial vehicles), rail and light vehicles.

At the same time, Forsee Power will continue to roll out its strategic plan, with priority given to:

- setting up its production unit in the United States, with the aim of marketing its first products as early as 2024;
- continuing to build up its order book, while continuing to benefit from its strategic positioning in its priority markets;
- continue to expand its product and service offering.

On the strength of improvements in its business indicators and adjusted EBITDA margin, the successful deployment of its strategic plan and its solid financial structure, Forsee Power confirms all its short- and medium-term financial targets:

- 2023: Sales above €160m and significant improvement in adjusted EBITDA
- 2024: Sales above €235m and breakeven³ point achieved
- 2028: Sales above €850m and an adjusted EBITDA margin of 15%.

Next financial publication: Q3 2023 sales, on 9 November 2023 before the opening of the stock market.

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

About Forsee Power

Forsee Power is a French industrial group specializing in intelligent battery systems for sustainable electric transport (light vehicles, trucks, buses, trains, ships). A major player in Europe, Asia and North America, the Group designs, assembles and supplies energy management systems based on some of the most robust cells on the market and provides installation, commissioning and maintenance on site or remotely. Nearly 2,500 buses and 100,000 light electric vehicles are equipped with Forsee Power batteries. The Group also offers financing solutions (battery leasing) and second life solutions for transport batteries. Forsee Power and its 650 employees are committed to sustainable development; the Group has been awarded the Gold Medal by the international rating agency EcoVadis. For more information: www.forseepower.com | @ForseePower

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³ Adjusted EBITDA greater or equal to zero

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Forward-looking statements

This press release contains forward-looking statements about Forsee Power and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, or future performance. Forward-looking statements are generally identified by the words "expects," "anticipates," "believes," "intends," "estimates," "forecasts," "projects," "seeks," "strives," "aims," "hopes," "plans," "may," "goal," "objective," "projection," "outlook" and other similar expressions. Although Forsee Power's management believes that these forward-looking statements are reasonable, investors and shareholders of the Group are cautioned that forward-looking statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of Forsee Power, that could cause actual results and events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in public documents approved by the Autorité des marchés financiers, including those listed in Chapter 3 "Risk Factors" of Forsee Power's 2022 universal registration document approved by the Autorité des marchés financiers on April 25, 2023 under number R.23-016 and in section 2.9 "Description of the main risks and uncertainties for the remaining six months" of the 2022 half-year financial report. These forward-looking statements are made only as of the date of this press release and Forsee Power undertakes no obligation to update any forward-looking information or statements included in this press release to reflect any change in expectations or events, conditions or circumstances on which any such forward-looking statement is based. Any information regarding past performance contained in this press release should not be construed as a guarantee of future performance. Nothing in this press release should be construed as an investment recommendation or legal, tax, investment or accounting advice.