

Earnings Call – FY2023



Thomas Speidel (CEO)
Wolfgang Breme (CFO)
02.05.2024

Disclaimer

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This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “may,” “might,” “will,” “would,” “could,” “should,” “forecast,” “intend,” “seek,” “target,” “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Forward-looking statements are based on our current expectations, estimates, projections, targets, opinions and/or beliefs or, when applicable, of one or more third-party sources. No representation or warranty is made with respect to the reasonableness of any estimates, forecasts, illustrations, prospects or returns, which should be regarded as illustrative only. Such forward-looking statements, which include estimated financial information, involve known and unknown risks, uncertainties and other factors. These forward looking statements include, but are not limited to, express or implied statements regarding our future financial performance, revenues and capital expenditures, our expectation of acceleration in our business due to factors including a re-opening economy and increased EV adoption and expectations related to the effective deployment of chargers. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, without limitation: changes or developments in the broader general market; ongoing impact from COVID-19 on our business, customers, and suppliers; macro political, economic, and business conditions; our limited operating history as a public company; our dependence on widespread adoption of EVs and increased installation of charging stations; mechanisms surrounding energy and non-energy costs for our charging products; the impact of governmental support and mandates that could reduce, modify, or eliminate financial incentives, rebates, and tax credits; our current dependence on sales to a limited number of customers; supply chain interruptions; impediments to our expansion plans; the need to attract additional customers; the effects of competition; and risks that our technology could have undetected defects or errors.

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Agenda

1. Review FY2023 and Outlook to 2024
2. Market Trends and Challenges
3. Strategy and USPs
4. Financial Highlights



Review FY2023 and Outlook 2024

Thomas Speidel (CEO)



Review FY2023 and Outlook 2024

- Revenue projection of >100 m EUR/2023 achieved
- Adjusted EBITDA positive in Q4/23
- Confirmation of 200 m EUR target in revenue for 2024
- Increasing number of blue-chip clients
- More than 1,500 battery-buffered DCFC charging points installed
- More than 2,500 charging points shipped and delivered
- Exceeding customer expectations at sites with very high utilization
- Focusing on our core competencies and sustainable growth



Market Trends and Challenges

Thomas Speidel (CEO)



Assessing current market trends and challenges.

Germany – grid costs until 2045 (est.)

- 300 billion EUR for transmission grids and power lines
- 150 billion EUR for regional distribution grids

Source: focus.de / 3rd of Feb 2024

The energy transition is not possible by simply expanding the grid!



The New York Times

Energy Dept. Pours Billions Into Power Grids but Warns It's Not Enough

America's electric grids may need to expand by two-thirds by 2035 to handle future growth in clean energy, the agency said. The nation isn't on track.

Share full article 162



The Guardian

Global electricity grid must be upgraded urgently to hit climate goals, says IEA

Investment needs to double to more than \$600bn a year by 2030 after 'decade of stagnation', says agency



Energie

Das deutsche Stromnetz gerät an seine Belastungsgrenze

Mit dem Fall Oranienburg ist eine Frage in den Fokus gerückt: Ist die Stromversorgung gefährdet? Die Herausforderungen sind immens. Es drohen Verzögerungen – und steigende Rechnungen.

Klaus Stratmann, Kathrin Witsch, Catiana Krapp und Laura Thalmeyer
24.04.2024, 00:32 Uhr

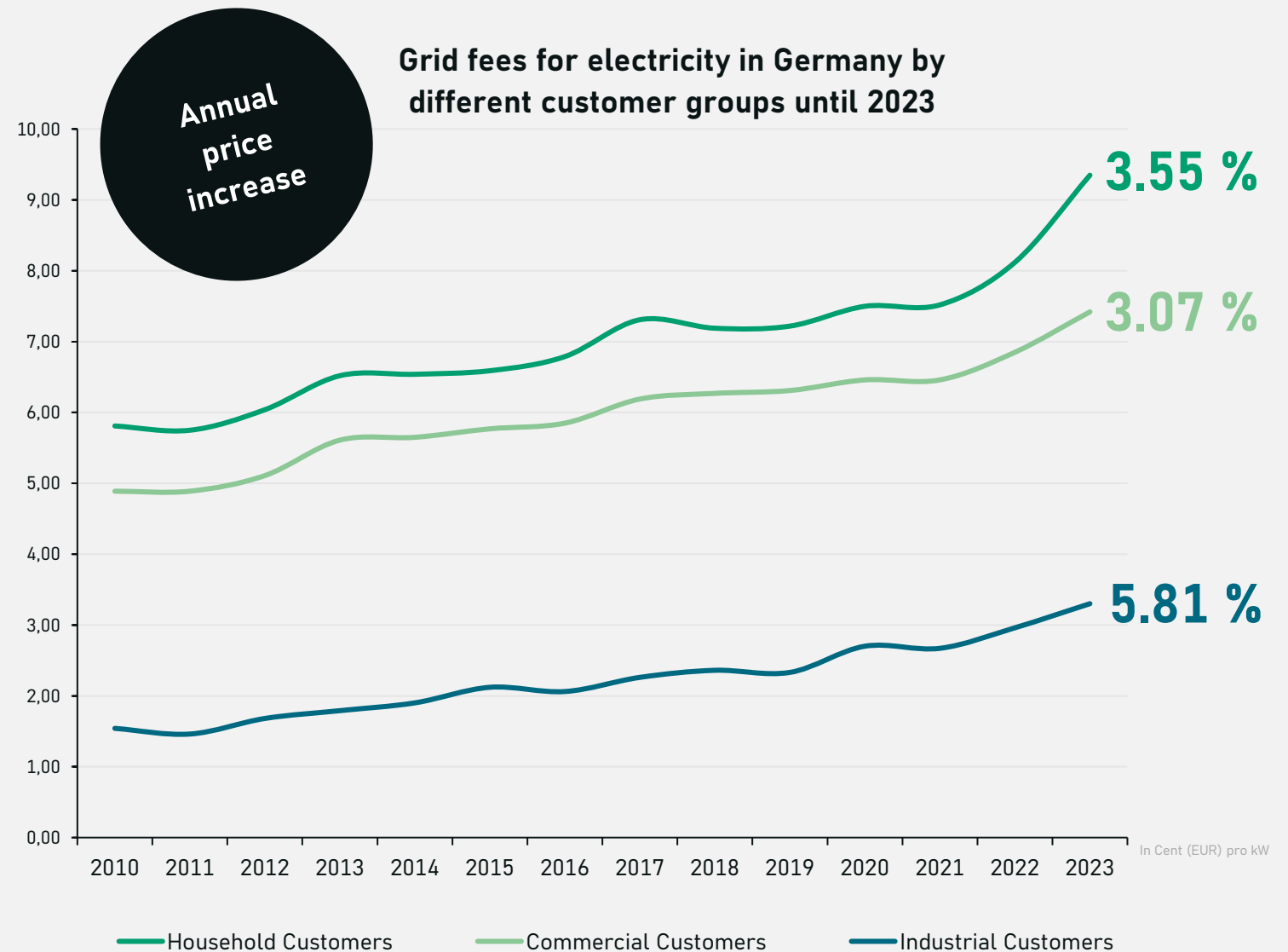
Energie

Netzagentur fordert schnelle Lösung für Engpass in Oranienburg

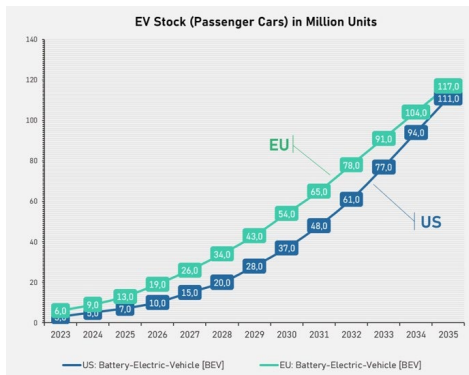
Handelsblatt

Grid fees have already been continuously increasing for the last 14 years.

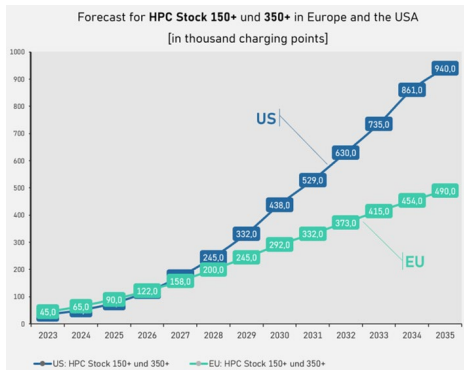
We must even expect significantly higher grid charges in the future if the forecast grid investments are taken into account



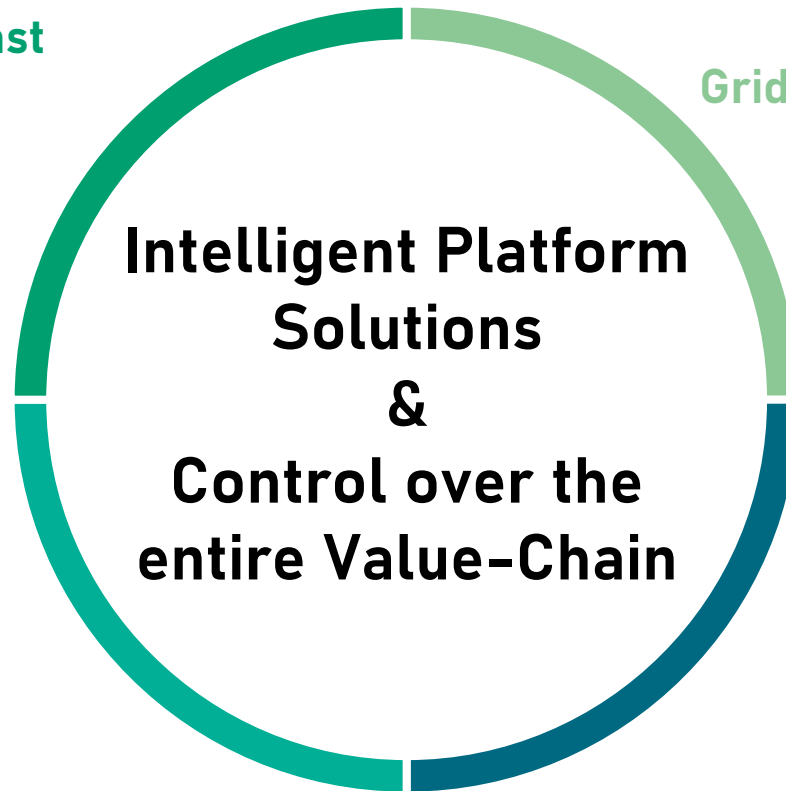
Despite these challenges and dynamic market developments, ADS-TEC Energy's strategy succeeds.



EV Forecast
EU/US



HPC Forecast
EU/US



Bottleneck
Grid Expansion



Flexibility &
Profitability

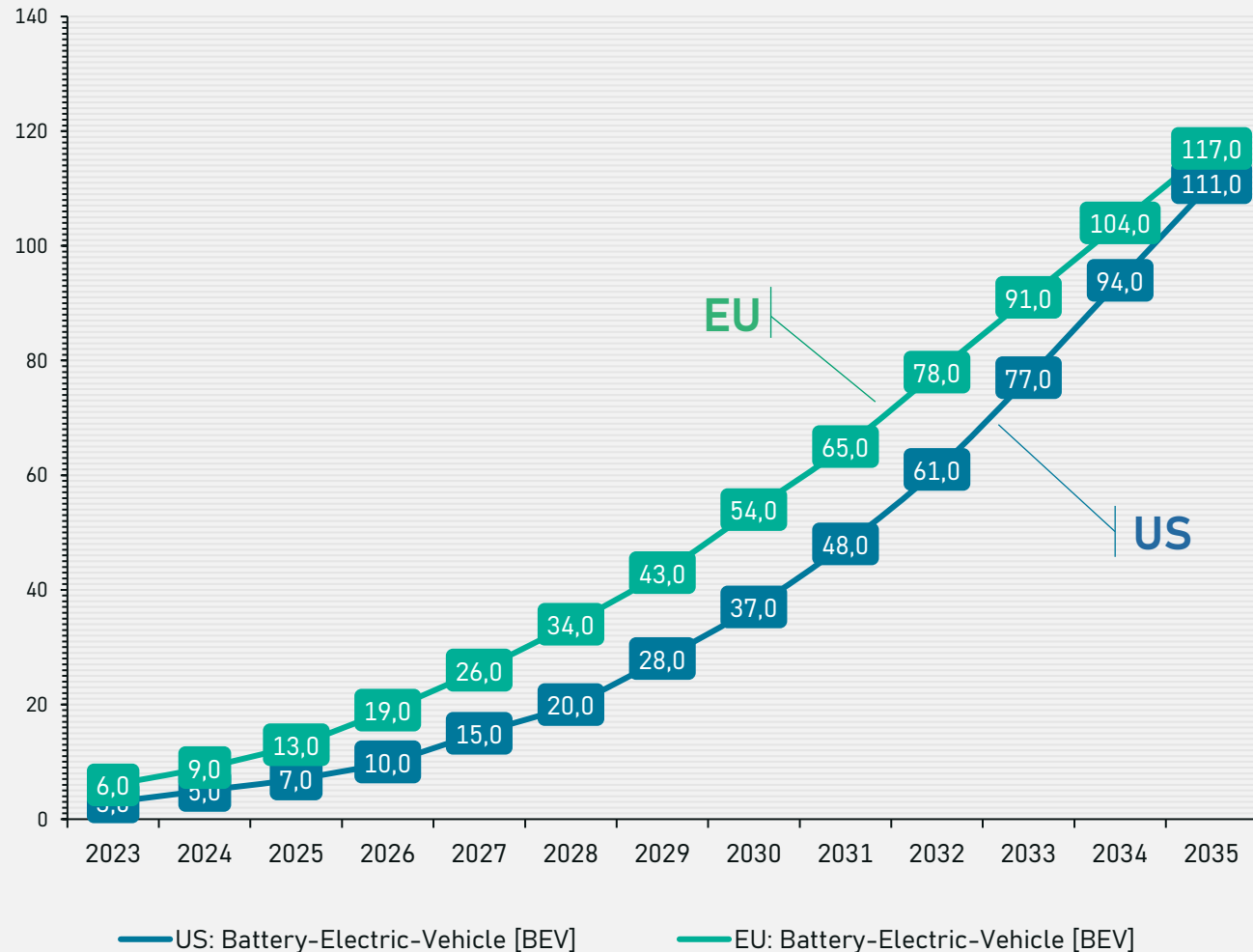


Electric cars are the future!

Public acceptance of e-mobility is growing steadily.

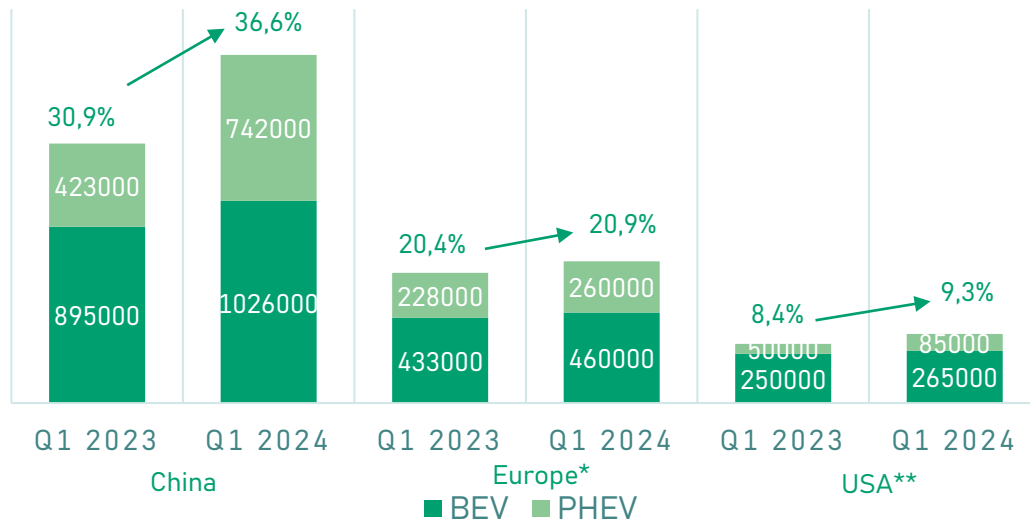
- **Decreasing sales prices** of electric vehicles
- Savings due to **better TCO** compared to **ICE vehicles**
- **Increasing** number of **charging points** within the countries
- CO2 reduction plans

EV Stock (Passenger Cars) in Million Units



EV registration figures are subdued but in line with the forecast trend and are rising in many European countries or core regions.

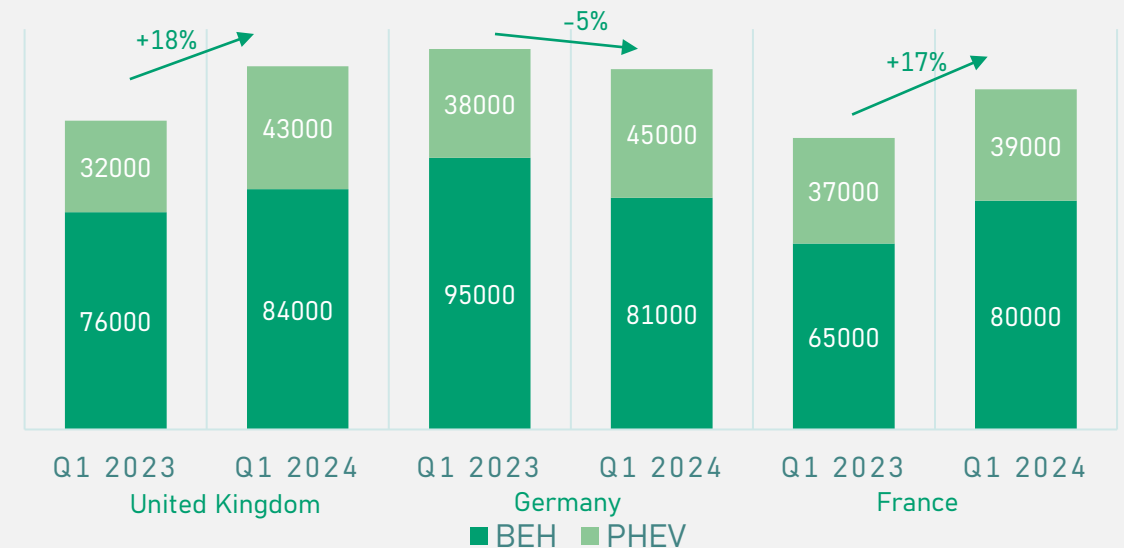
NEW EV REGISTRATIONS AND MARKET SHARES
IN THE CORE REGIONS Q1 2023/2024



Source: Center of Automotive Management (CAM)

Developments in Germany are bucking the trend, mainly due to the end of purchase subsidies for EVs and a strong automotive lobby.

EV REGISTRATIONS AND SHARES IN SELECTED
EUROPEAN MARKETS Q1 2023/2024



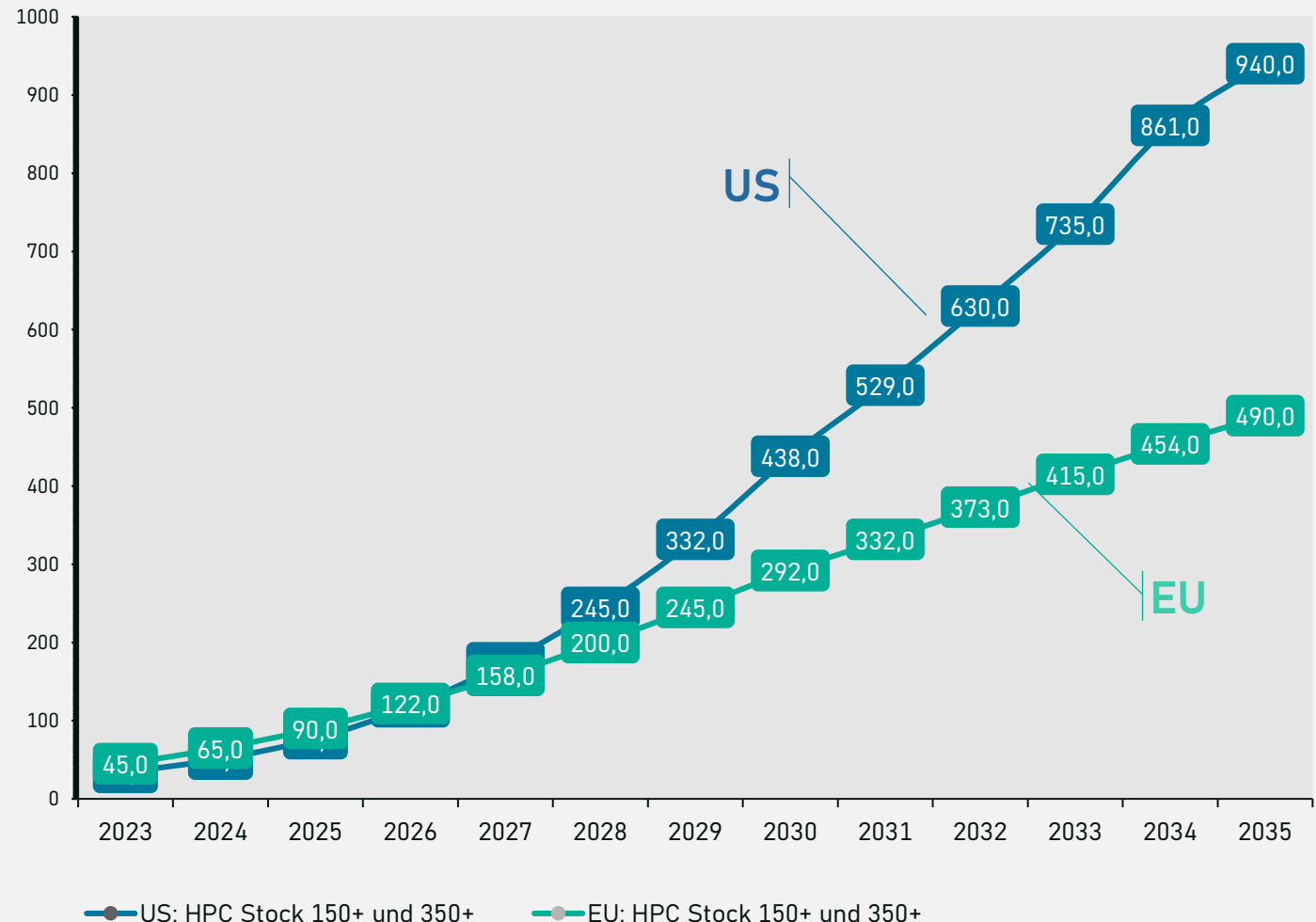
Source: Center of Automotive Management (CAM)

Enormous need for investment in charging infrastructure – as well as demand-oriented installation

The build-up charging infrastructure is insufficient due to the costly and time-consuming grid network expansion.

- Extremely volatile market conditions in terms of regulation and standardization
- Many of standard DC chargers waiting for grid expansion
- **Battery storage** systems offer the necessary **flexibility, speed and financial benefits**

Forecast for HPC Stock 150+ und 350+ in Europe and the USA
[in thousand charging points]



Strategy and USPs

Thomas Speidel (CEO)



ADS-TEC Energy is focusing on its core competencies and sustainable growth of the company.

100% Ability to Act

Service Partner with broad range of services

Blue-Chip Customers

Intelligent Platform Solutions

Europe

ADS-TEC Energy will expand its role and leadership in the battery-buffered ultra-fast charging segment

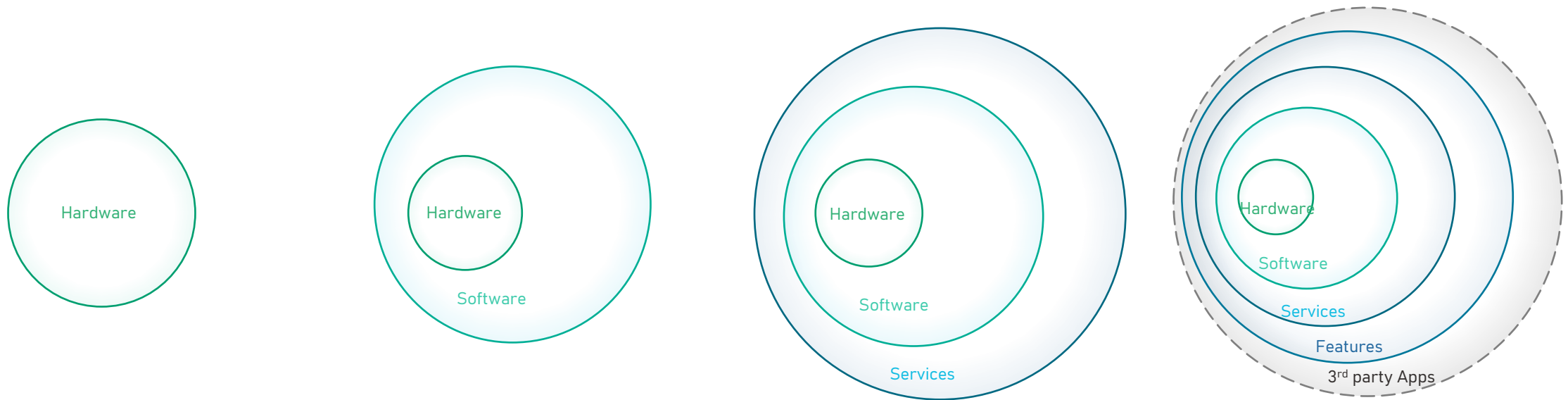
- Experienced strong momentum in onboarding new blue-chip clients, with the potential for future growth, leading to recurring service revenue becoming increasingly significant as a percentage of sales and profits
- Geographical expansion gaining momentum, with activity in 15+ countries after growth primarily driven by Germany
- Strong and new partners such as Caverion, Greenman Energy and Paragon
- Sustainable growth and risk-minimized acting

North America

Focus on location in Auburn (AL) incl. new management expertise for growth in line with demand in NAR

- Indications of adoption in the US market with increasing interest in ADS-TEC products.
- Renato Gross – SVP Operations US
- Michael Spurr – Governmental Affairs US/EU
- Formed strong new partnerships with companies such as Nouria, Alabama Power and Ford dealerships
- Focusing on perfect market-fits – for example in the multi-family segment (Marina Palms Florida)

Our intelligent platform solutions offer the flexibility needed to achieve the energy transition in a cost-optimized way.



Hardware

Battery-based products developed and engineered in Germany

Software

Software solutions for the efficient use of the hardware

Services

Broad range of services. Optimized TCO and multi revenue business models

Features by ADS-TEC Energy & 3rd Party

APIs and functions enabling the integration of our platform into third party energy management and trading systems

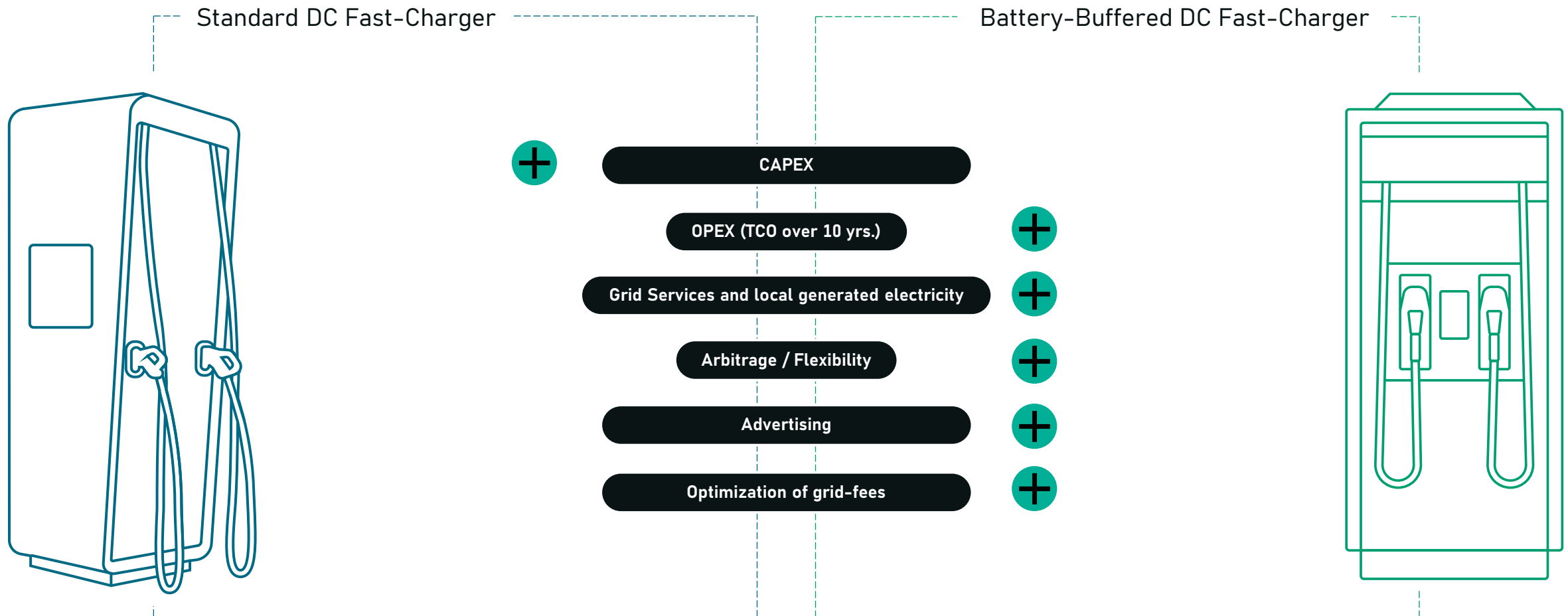
Flexibility & profitability are the key to a successful transition!

A decentralized energy system will only be possible if **energy storage systems** are integrated.

These energy storage systems not only enable the integration of renewables, but also offer local operators the implementation of **multi-use applications**.

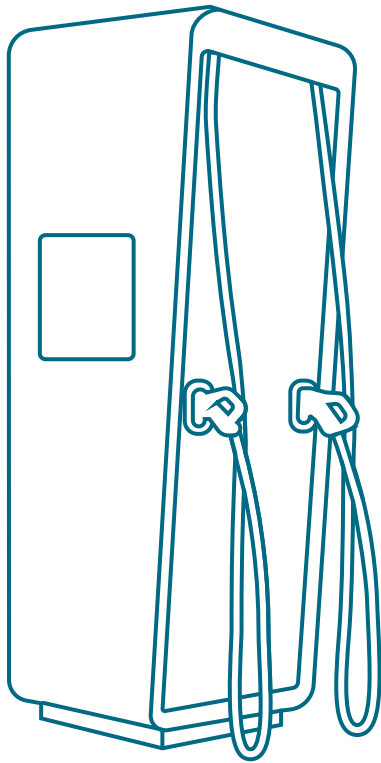


For example: A charging point operator can optimize the business case "EV charging" only by using a battery-buffered solution.

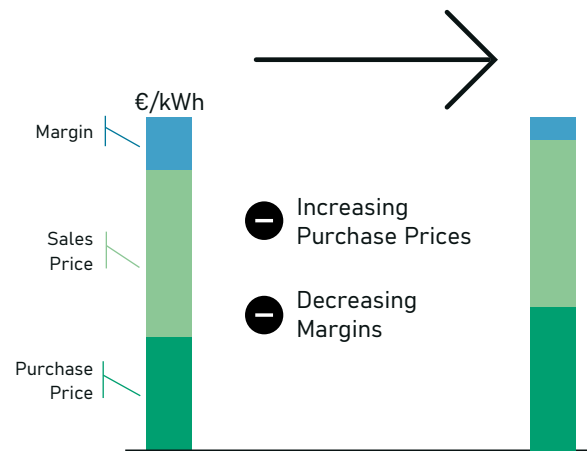


Even in the pure charging application, we enable the operator to achieve a better business case.

Standard DC Fast-Charger



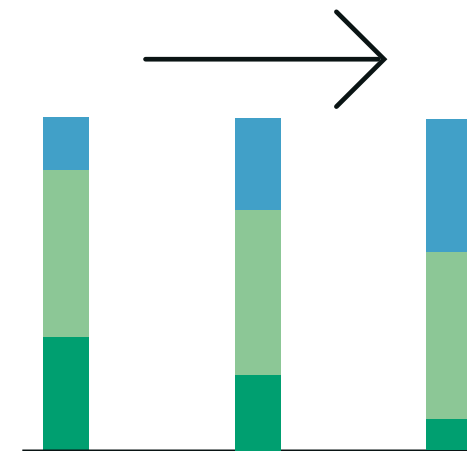
- The CPO cannot escape the rising costs and would have to pass them on to the end customer
- For operators, this ends with falling margins while the sales price would remain the same
- 100% depending on utilization



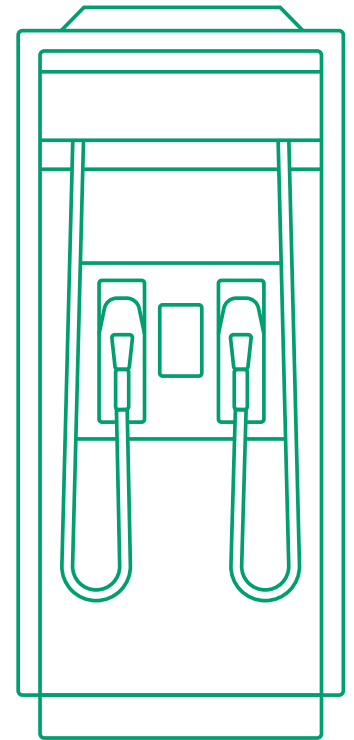
Mid to long term development of the electricity costs for the CPO

Battery-Buffered DC Fast-Charger

- ⊕ Integration of own generated electricity (PV)
- ⊕ Arbitrage/using negative costs for electricity
- ⊕ Decreasing Purchase Prices
- ⊕ Increasing Margins

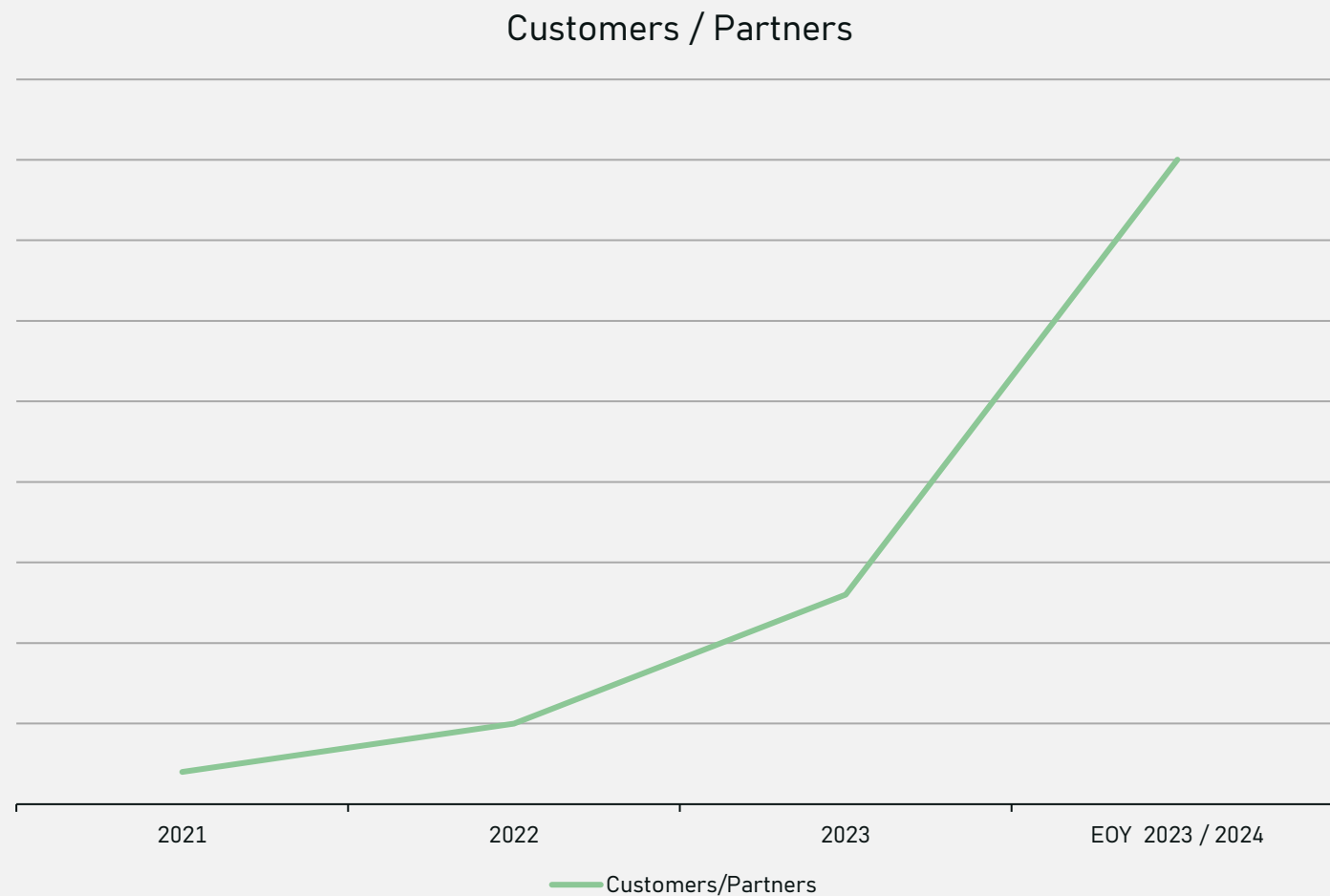


Optimization of the electricity costs for the CPO due to the battery-buffer

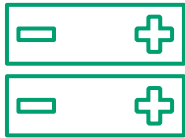


Development of our customer / partner base

- We started with a blue-chip automotive customer and less others
- New customers / partners came in and followed the business model
- Exponential growth of new customers / partners over the last years
- All of our partners plan to scale their business

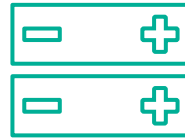


ADS-TEC Energy is the partner with **100 % ability to act**



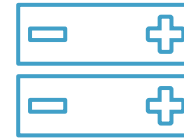
TCO & Multi Revenues

We are enabling optimized TCO through availability and multi revenue business solutions.



Broad scope of services

We are enabling remote maintenance, over-the-air updates, security patches, long-term spare part supply, high availability, etc..



Market Specifics

We are enabling the adaptation to new business models and flexibility markets.



IT Interfaces and APIs

We are enabling the adaptation to partners' individual IT systems.



We do not supply components, but the basis for orchestrating future business models in sector coupling. Fast charging is one application, but not the only one.



Financial Highlights

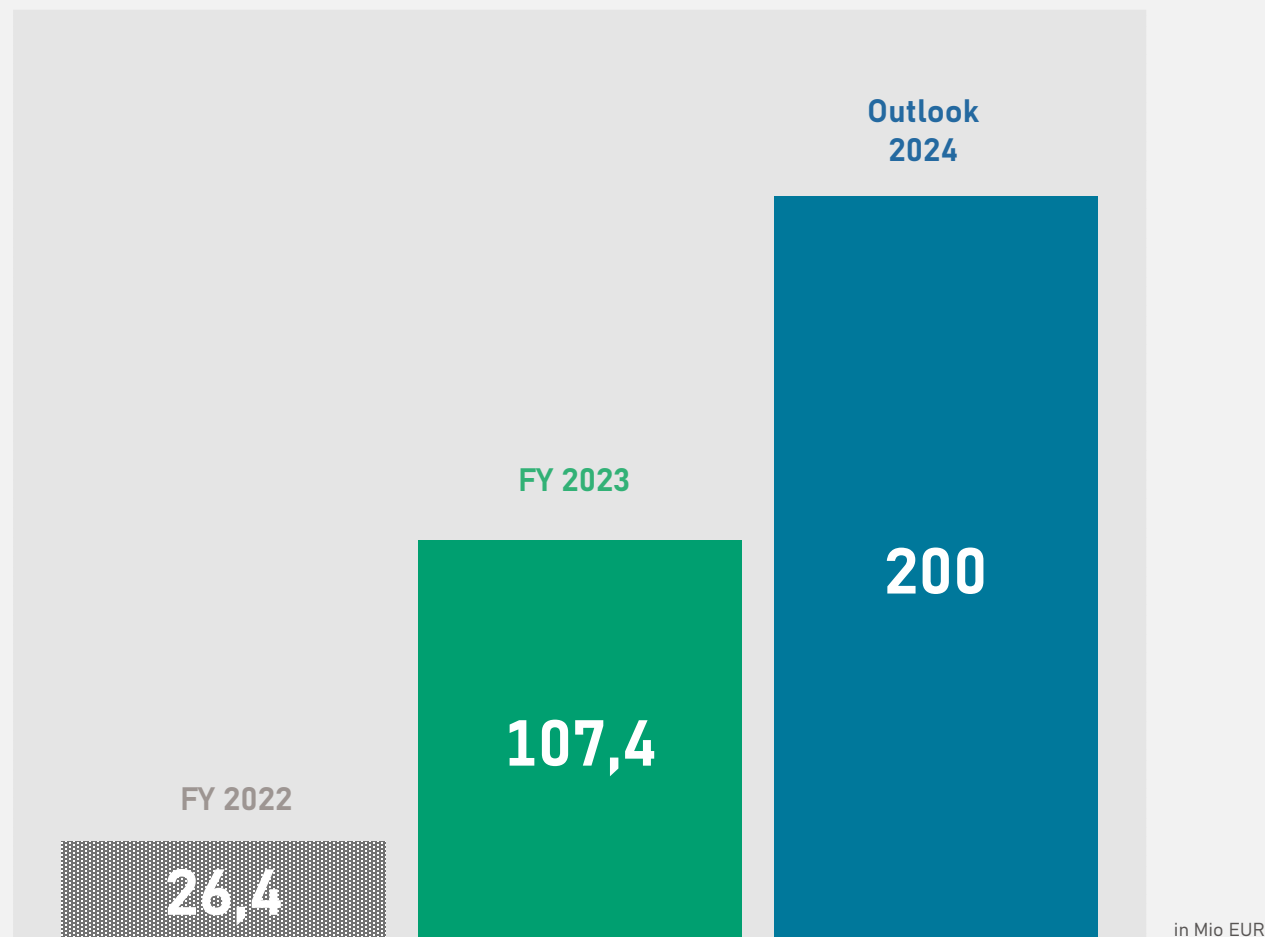
Wolfgang Breme (CFO)

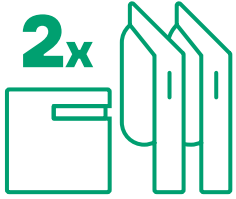


Financial Highlights 2023

- **FY 2023** revenue of **EUR 107.4m**, representing **306% growth** over FY 2022 and exceeding stated guidance of EUR 100m
- **FY 2023** Adjusted **EBITDA** of **EUR -16.6m**, compared to EUR -29.4m in FY 2022
- **Ended FY2023** with **EUR 29.2m** in cash
- **Fourth quarter** 2023 revenue of **EUR 50.3m**
- **Fourth quarter Adjusted EBITDA** of **EUR 4.6m**, representing the Company's **first profitable quarter**
- Confirmation of 200 m EUR in revenue for 2024

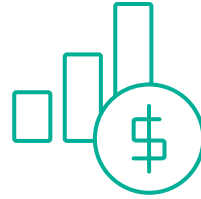
Revenue FY 2022, 2023 and 2024 Outlook





Best-in-Class

- More than 1,500 battery-based DCFC charging points installed
- More than 2,500 battery-based DCFC charging points shipped and delivered
- ChargeBox and ChargePost have been proven by real operating data from clients
- Exceeding customer's expectations at sites with very high utilization
- Technology has been developed for more than 1 decade



Fullfillment & Growth

- Revenue target of >EUR 100m in 2023 achieved
- Confirmation of revenue target of at least EUR 200m for 2024
- Increasing number of blue-chip clients
- Demand-driven activities in North America with new management expertise



Margin Improvements

- Adjusted EBITDA positive in Q4/2023
- Expect to be Adjusted EBITDA positive in FY 2024
- Incremental margin improvements driven by high added value for clients
- Service revenue growth started following our platform strategy
- Volume impact

Thank You



Thomas Speidel (CEO)
Wolfgang Breme (CFO)

02.05.2024

Consolidated statements of profit or loss and comprehensive income (loss)

kEUR	2023	2022
Continuing operations		
Revenue	107,384	26,430
Cost of sales	-110,270	-30,904
Gross profit (loss)	-2,886	-4,474
Research and development expenses	-2,832	-1,701
Selling and general administrative expenses	-27,823	-31,319
Impairment gain (losses) on trade receivables, contract assets, and other investments	104	-228
Other income	667	2,383
Other expenses	-11,755	-1,084
Operating result	-44,525	-36,423
Finance income	190	20,515
Finance expenses	-13,887	-427
Net finance result	-13,697	20,089
Result before tax	-58,221	-16,335
Income tax benefits (expenses)	3,141	-2,572
Result for the period	-55,081	-18,906
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations – foreign currency translation differences	61	46
Other comprehensive income (loss) for the period, net of tax	61	46
Total comprehensive income (loss) for the period	-55,020	-18,860

Earnings (loss) per share (in EUR)		
Diluted	-1.13	-0.39
Basic	-1.13	-0.39

Consolidated statements of profit or loss and comprehensive income (loss)

Q4 2023 vs FY 2023

kEUR	Q4 2023	2023
Continuing operations		
Revenue	50,344	107,384
Cost of sales	-49,474	-110,270
Gross profit (loss)	870	-2,886
Research and development expenses	-523	-2,832
Selling and general administrative expenses	-7,869	-27,823
Impairment gain (losses) on trade receivables, contract assets, and other investments	786	104
Other income	-2,849	667
Other expenses	-7,304	-11,755
Operating result	-16,590	-44,525
Finance income	-1,133	190
Finance expenses	434	-13,887
Net finance result	-699	-13,697
Result before tax	-17,289	-58,221
Income tax benefits (expenses)	1,116	3,141
Result for the period	-16,173	-55,081
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations – foreign currency translation differences	98	61
Other comprehensive income (loss) for the period, net of tax	98	61
Total comprehensive income (loss) for the period	-16,075	-55,020

Proforma adjusted EBITDA

2023 and Q4

kEUR	Q4 2023	2023	2022
Net income (loss)	-16,173	-55,081	-18,906
Depreciation	1,673	4,850	4,336
Net finance result	699	13,697	-20,089
Income tax benefits (expenses)	-1,116	-3,141	2,572
EBITDA	-14,917	-39,674	-32,087
Adjustments:			
Stock-based compensation	771	1,561	2,767
Provision onerous contracts	10,973	10,973	-
Write-down on inventories	4,883	8,093	-78
Reclassification R&D Funding	2,877	2,877	
Proforma adjusted EBITDA	4,587	-16,281	-29,398

Consolidated statements of financial position

ASSETS		
kEUR	Dec. 31, 2023	Dec. 31, 2022
Intangible assets	25,041	22,059
Right-of-use assets	3,286	3,366
Property, plant, and equipment	6,391	5,389
Other investments and other assets	179	3,373
Trade and other receivables (non-current)	4	4
Deferred tax assets	-	-
Non-current assets	34,900	34,192
Inventories	39,119	53,137
Contract assets	-	6
Trade and other receivables (current)	21,227	17,666
Cash and cash equivalents	29,162	34,441
Current assets	89,509	105,250
Total assets	124,408	139,442

EQUITY AND LIABILITIES		
kEUR	Dec. 31, 2023	Dec. 31, 2022
Share capital	4	4
Capital reserves	225,007	216,815
Other equity	106	45
Retained earnings	-136,117	-117,211
Profit (loss)	-55,081	-18,906
Equity attributable to owners of the Company	33,919	80,747
Non-controlling interests	-	-
Total equity	33,919	80,747
Lease liabilities (non-current)	2,580	2,635
Warrant liabilities (non-current)	21,626	2,439
Trade and other payables (non-current)	169	150
Contract liabilities (non-current)	65	138
Other provisions (non-current)	4,513	6,719
Deferred tax liabilities	1,189	4,241
Non-current liabilities	30,142	16,322
Lease liabilities (current)	853	842
Loans and borrowings (current)	13,908	-
Trade and other payables (current)	22,021	15,702
Contract liabilities (current)	7,454	23,583
Income tax liabilities (current)	-102	189
Other provisions (current)	16,212	2,056
Current liabilities	60,347	42,373
Total liabilities	90,489	58,695
Total equity and liabilities	124,408	139,442

Consolidated statements of cash flows

kEUR	2023	2022
Result for the period	-55,081	-18,906
Depreciation and amortization	4,850	4,336
Finance income excluding foreign currency (gains) losses	-187	-10,587
Finance expense	13,886	427
Share listing expense	-	-
Non-cash effective foreign currency gains	-35	-9,928
Stock compensation	1,451	2,767
Gain (loss) on disposal of property, plant, and equipment	5	21
Change in trade receivables not attributable to investing or financing activities	-1,616	-6,716
Change in inventories	5,382	-40,195
Change in write-downs on inventories	8,093	-
Change in trade payables	6,117	3,689
Change in contract assets	6	967
Change in contract liabilities	-16,185	17,387
Change in other investments and other assets	3,190	-872
Change in other provisions	11,928	-845
Change in other liabilities	692	651
Income tax expenses	-3,141	-
Interest received	187	-
Income taxes paid	-203	-
Cash flow from operating activities	-20,659	-57,805

Consolidated statements of cash flows

kEUR	2023	2022
Purchase of property, plant, and equipment	-2,297	-3,484
Investments in intangible assets, including internally generated intangible asset	-7,623	-7,586
Interest received	-	196
Cash flow from investing activities	-9,920	-10,874
Proceeds from borrowings, shareholder contribution, and loans	12,033	-
Proceeds from issue of shares and other equity securities	6,741	-
Proceeds from the issue of warrants presented as financial liabilities	8,592	-
Repayment of loans and borrowings	-703	-7,522
Repayment of lease liabilities	-912	-706
Interest paid	-259	-427
Cash flow from financing activities	25,492	-8,655
Net decrease (-) / increase in cash and cash equivalents	-5,087	-77,334
Net cash and cash equivalents at the beginning of the period	34,441	101,813
FX effects	-192	9,962
Net cash and cash equivalents at the end of the period	29,162	34,441