ANNUAL REPORT 2020

Group Key Figures at a Glance (IFRS)

€ '000	Jan. 1 to Dec. 31, 020	Jan. 1 to Dec. 31, 2019	Change	Oct. 1 to Dec. 31, 2020	Oct. 1 to Dec. 31, 2019	Change
Revenue	18,135	56,617	-68.0 %	4,843	18,752	-74.2 %
EBITDA	-24,244	-14,388	-68.5 %	-3,277	-8,975	63.5 %
EBITDA margin in %	-133.7	-25.4	n/a	-67.7	-47.9	n/a
Adj. EBITDA[1]	-8,100	-2,183	-73.0 %	12,867	5,413	137.7 %
Adj. EBITDA margin in %	-44.7	-3.9	n/a	265.7	28.9	n/a
EBIT	-38,474	-107,592	64.2 %	-4,654	-96,221	95.2 %
EBIT margin in %	-212.2	-190.0	n/a	-96.1	-513.1	n/a
Consolidated net income	-37,052	-101,924	63.6 %	-2,035	-91,981	97.8 %
Earnings per share in €	-2.34	-6.44	4,10	-0.13	-5.81	5.68
Investments (CAPEX)[2]	5,562	15,438	-64.0 %	-3,013	2,872	n/a
Operating cash flow	3,748	-10,866	n/a	-1,026	1,485	n/a
Free cash flow[3]	-1,815	-26,304	93.1 %	1,986	-1,387	n/a

€ '000	Dec. 31, 2020	Dec. 31, 2019	Change	Dec. 31, 2020	Sep. 31, 2020	Change
Total assets	40,113	89,141	-55.0 %	40,113	55,077	-27.2 %
Equity	15,373	51,824	-70.3 %	15,373	19,962	-23.0 %
Equity ratio in %	38.3	58.1	n/a	38.3	36.2	n/a
Cash and cash equivalents	2,337	5,036	-53.6 %	2,337	745	213.7 %
Net debt/EBITDA	-0.5	-0.7	n/a	-0.5	-1.6	n/a
Net debt[4]	11,487	9,685	18.6 %	11,487	14,157	-18.9 %
Employees[5]	186	191	-2.6 %	186	183	1.6 %

Share

	Dec. 31, 2020	Dec. 31, 2019	Change	Dec. 31, 2020	Sep. 31, 2020	Change
Closing price in Xetra in €	3.77	5.76	-34.5 %	3.77	2.88	30.9 %
Number of shares issued	15,825,000	15,825,000	0,0 %	15,825,000	15,825,000	0.0 %
Market capitalization in € millions	59.7	91.2	-31.5	59.7	45.6	14.1

1 Adjusted for cost of materials for old and discontinued series technologies amounting to € 16,144 thousand (Note (39))

2 CAPEX = investments in property, plant and equipment + investments in intangible assets.

3 Free cash flow = Operating cash flow - investments (CAPEX).

4 Net debt = interest bearing liabilities – Liquid funds.

5 Plus 0 temporary workers as of December 31, 2020 (December 31, 2019: 0; September 30, 2020: 0).

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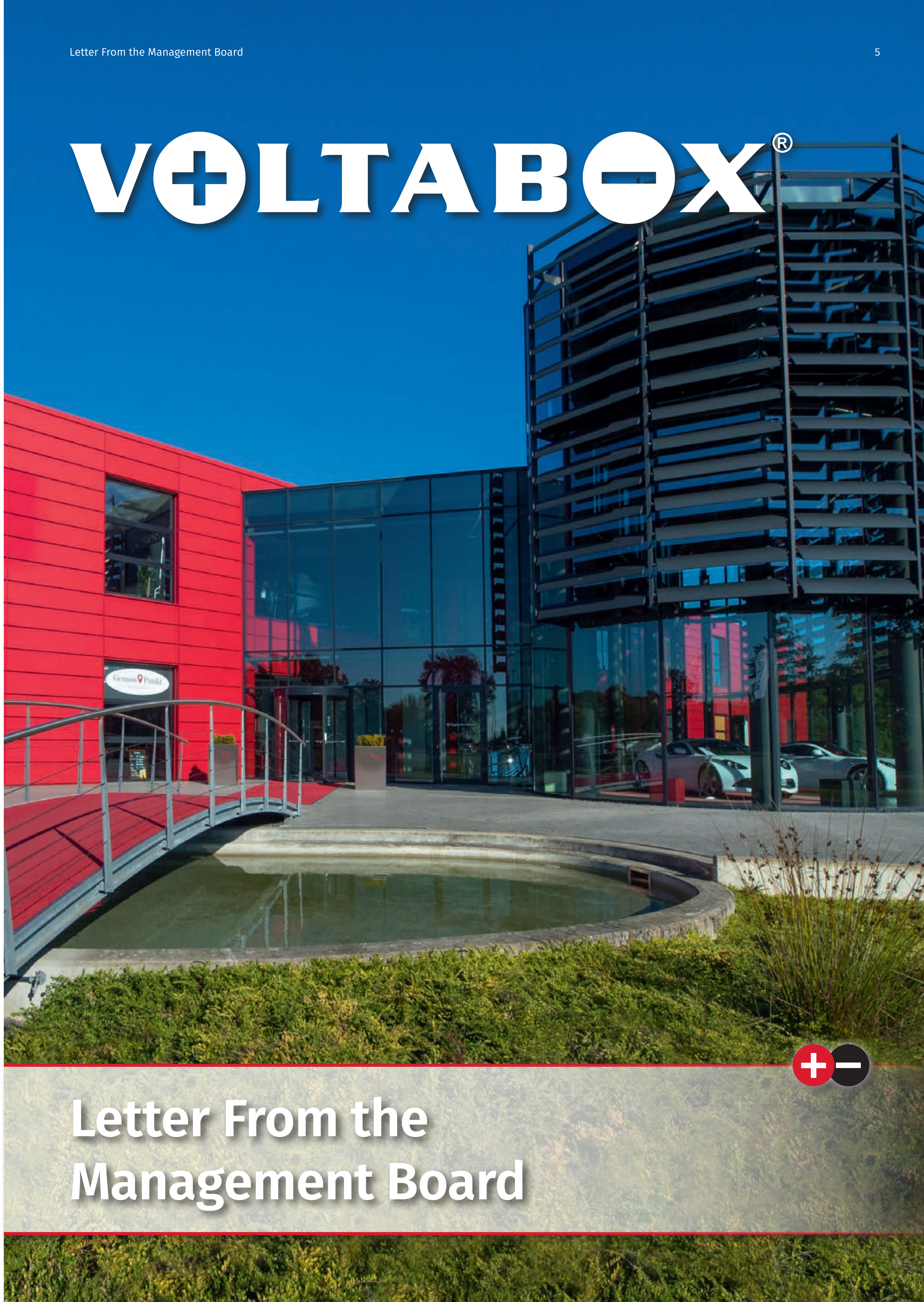


Letter From the Management Board

Dear Shareholders, Customers, Business Partners and Employees,

For more than a year now, we have been torn between restrictions and consideration, between the need to be sensible and the longing for things to return to normal. There's no doubt about it: in addition to the cuts in our private lives, the pandemic has also hit Voltabox with force – and thus made our plans to realign our business activities and pick up speed again much more difficult. The effects are still being felt this year. It is our conviction that Voltabox today has all the capabilities to regain a leading role in industrial electromobility in the future. In fact, Voltabox is now probably better equipped than ever to meet the demands of the market. However, the starting position for directly tapping this potential could not be more challenging. First, we have adjusted the most important parameters for our refocusing. But now it will be a question of being able to exploit these conditions. Secondly, in the midst of the diversification of our customer base, Corona put a massive stop to several postponed series start-ups and continued to block numerous customer projects until recently. In the meantime, however, we are seeing a clear normalization here, particularly in the important bus business. And thirdly, the unresolved question of the new shareholder structure of Voltabox AG is a topic that constantly accompanies us and is obviously of concern to the public, the capital market and, not least, our customers. It is therefore quite possible that the answer to the question of under which umbrella Voltabox will operate in the future could be a knot-tying factor for the further revival of our business.

To this day, however, it remains true that these circumstances and developments have had a noticeable effect on Voltabox's business performance. While Voltabox was not alone in being affected by this in the year of the severe economic impact caused by the Corona crisis, the intensity with which our business was hit over a long period of time is extraordinary. In addition to the high proportion of project business, this is due in particular to the intensified refocusing of our business in 2020, in which we made elementary structural adjustments. In this mixed situation, Voltabox was unable to muster the necessary robustness against an external shock such as the Corona pandemic. Ultimately, we closed the fiscal year in line with our most recent forecasts.

Despite this significant setback for the originally targeted sales and earnings development, we achieved some very important goals in 2020. The most important success bears the name "Voltabox-Flow-Shape-Design®" (FSD). The impact of this innovation for the industry is becoming more and more apparent. A novel design concept based on technical molded foams offers Voltabox and the market a unique opportunity to make batteries lighter, more flexible to use and, last but not least, more cost-effective. The previous standard for the design of battery module and battery system structures and housings essentially only knew the use of sometimes multi-part metal and plastic components and numerous connecting elements. The established Voltabox product range, which is known for its particular robustness and high quality, is based on this as well. However, the assembly process is relatively complex – and the use of metal means in addition to positive properties such as robustness also a considerable impact on weight. Besides the cells, the housing accounts for a significant proportion of the material costs in battery production. The Voltabox-Flow-Shape-Design® will enable us to significantly reduce costs in future. It also opens up a wide range of previously unknown integration possibilities, for example in the outer shell of vehicles, boats or even aircraft. Molded foam can assume virtually any external contour, thus representing perfect utilization of installation space and being compatible with any cell. The formula is: easier full integration equals lower market prices.

In fact, every battery manufacturer has access to the cells available on the market. This means that unique selling propositions do not result from the use of the cells, but from the way in which they are "formed" into a system. This is what makes our innovation so significant. With FSD, we have taken the initiative to address the current challenges in the field of electromobility. We are convinced that we have been able to make a considerable contribution to this.

Since the introduction of the new technology at the end of last year, this thesis has been confirmed on an almost daily basis. The interest is manifold. Also in our offer for licensing. The first collaborations are already underway. In addition, we are developing and validating our own new FSD modules and systems.

From now on, our focus will be purely on business with industrial customers. As part of our refocusing, we have decided to concentrate Voltabox's specific expertise exclusively on this area. We will divest the automotive business. It was only logical that the Voltabox parent company and still main shareholder paragon should continue its business with high-performance starter and traction batteries for cars, trucks and two-wheelers such as motorcycles, based on Voltabox technology, with its specific orientation as a pure automotive supplier in the future. In addition, Voltabox will now focus exclusively on the European core market. We are withdrawing from the difficult US business and have initiated a corresponding sales process.

In fiscal year 2021, we are aiming for a slow but steady recovery of our business. We expect this in the second half of the year, when several series projects will start ramping up as planned and we will be able to introduce our revised product portfolio to the market. The main driver of this development will be the bus business, where we continue to benefit from our many years of expertise in equipping trolleybuses in our established cooperation with Kiepe Electric. In parallel, as is well known, we are building another mainstay in this segment through our close cooperation with e-troFit, a company that has developed an innovative solution for converting conventional diesel buses to a purely electric and thus clean drive system by drawing on our expertise in battery systems. In 2021, the new market segments of mobile and stationary energy storage will also contribute to sales for the first time, as planned. For our business in the agricultural and construction sectors, we expect a solid sales performance, while the relative share of sales generated by the intralogistics market segment will decline compared with the prior year.

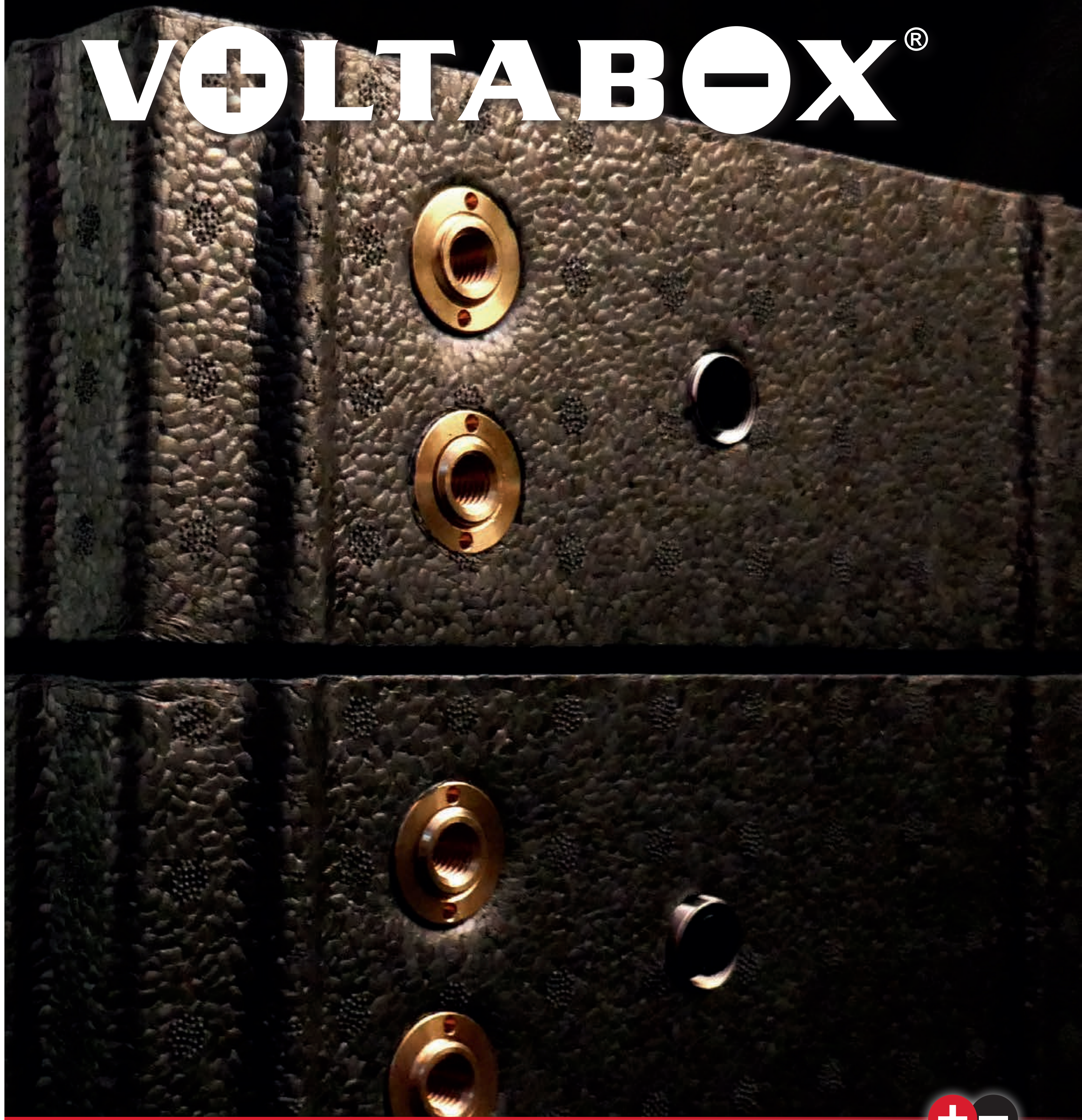
Our employees deserve special thanks. In times like these, their commitment is a source of great encouragement, despite all the distance measures and changed forms of collaboration. Through the phases of short-time working, they have made an extraordinarily important contribution. And at the same time, together we have created innovations in 2020 that have an overarching relevance. For this we say thank you! We also thank you, dear customers and business partners, for your trust, for the constructive exchange and for thinking ahead together and committing to future collaboration. And we hope that we have been able to make it clear to you, dear shareholders, that Voltabox AG is looking firmly into the future. We see the fact that many of you have registered very clearly the potential that our intensive work on the future of the company holds as an important stimulus. Thank you for your loyalty!

Jürgen Pampel

CEO

Patrick Zabel

CFO



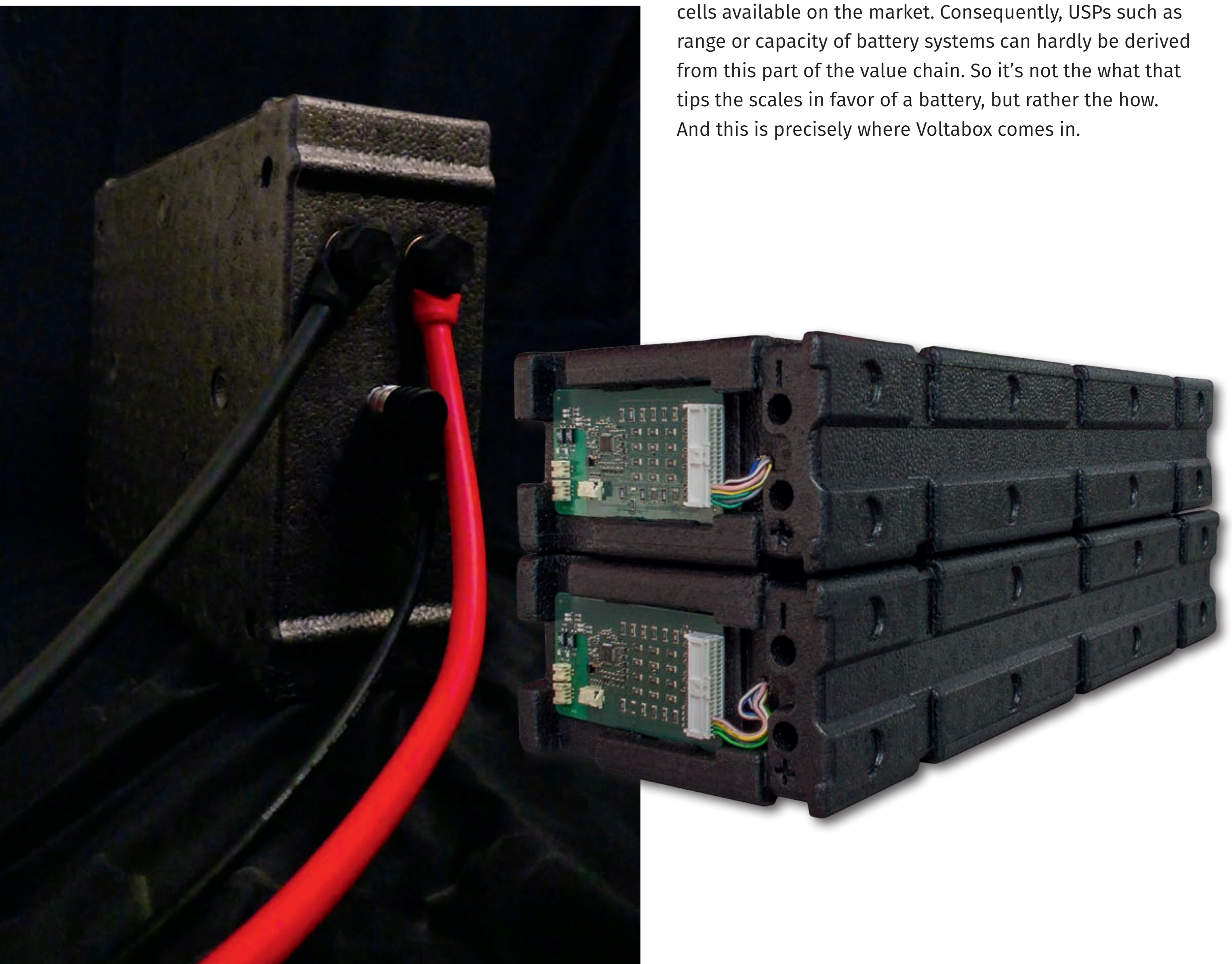
2020 – Year of Innovation

Voltabox has pioneered the field of lithium-ion battery systems for industrial applications with its product portfolio, which has been designed since 2011 and continuously developed from 2014 onwards. As a technological first mover in this field, Voltabox electrified experts, customers and thus entire industrial submarkets. Four years later, the market has changed - significantly. Improved technologies, new names, more competition. Voltabox has responded: with an initiative aimed at significantly strengthening the company's starting position in the technology and price competition. The result is an innovation that offers more than just a perspective for the "new Voltabox". The result is the product of intensive teamwork that has realized real progress with creativity and foresight.

The idea

How can modern batteries still be improved? What challenges does the lithium-ion industry face? And what are Voltabox's strengths? On the way to giving Voltabox a new face to the market and at the same time making the product portfolio profitable in the long term, some fundamental questions had to be answered. While the value-added share at the cell level is firmly in the hands of primarily Asian manufacturers and there are accordingly very few opportunities to exert any influence here, a supplier like Voltabox can demonstrate its added value for customers in particular through application design, prototyping and module production or system assembly.

In general, every battery manufacturer has access to the cells available on the market. Consequently, USPs such as range or capacity of battery systems can hardly be derived from this part of the value chain. So it's not the what that tips the scales in favor of a battery, but rather the how. And this is precisely where Voltabox comes in.



FSD® by Voltabox

FSD creates USPs: **up to 47% lighter** than conventional battery systems, suitable **for any installation space, up to 44% lower costs** than comparable battery systems on the market, potentially **applicable for a variety of integration forms** such as in the outer shell of aircraft or boats. Significantly lower market prices are possible due to the much easier full integration. With the FSD technology, Voltabox is able to realize a price structure that is significantly below the current global market level on a system level.

The approach

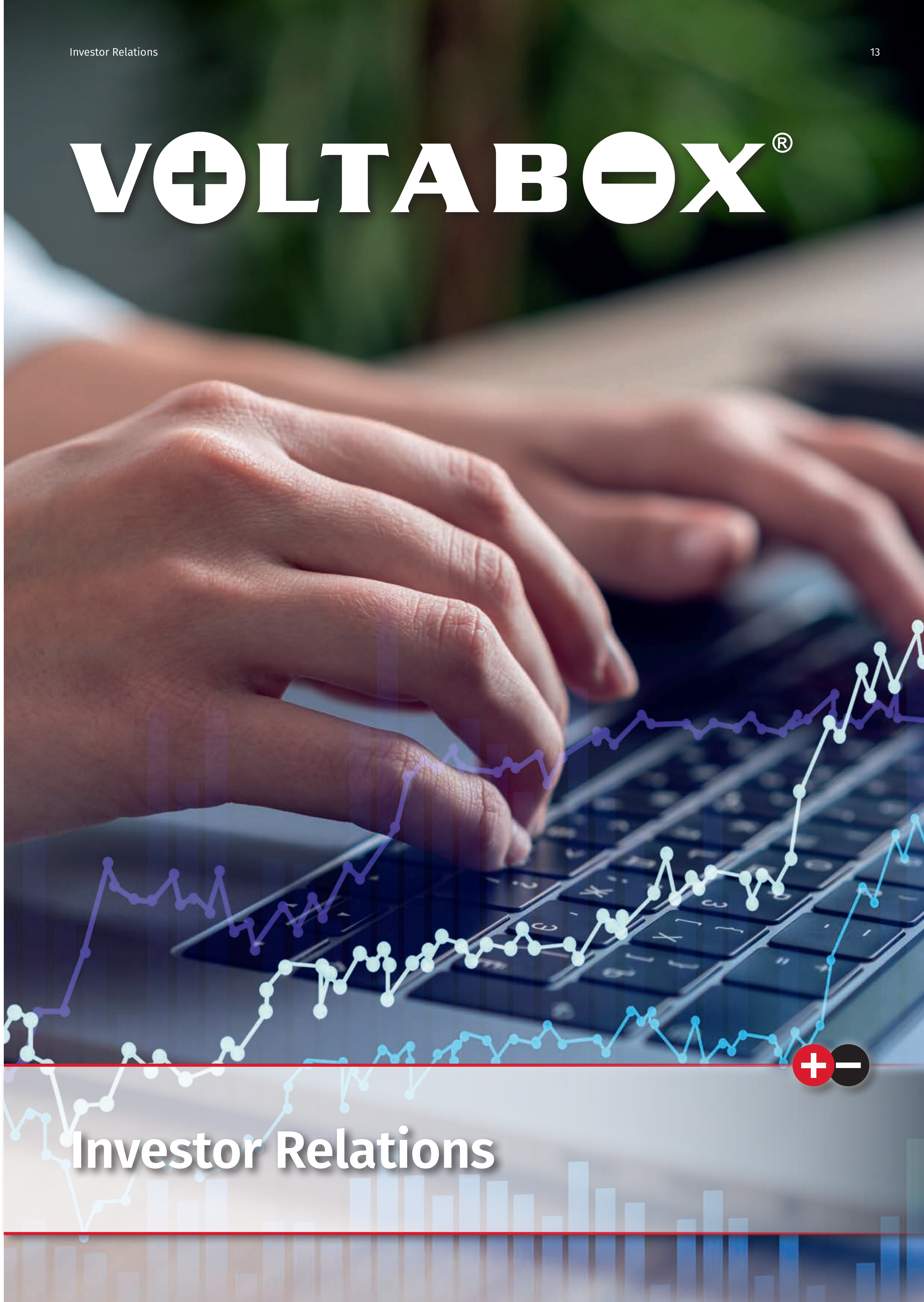
In 2020, an interdisciplinary innovation team consisting of design engineers, application specialists, product managers, and sales experts, up to and including the Management Board, devoted a significant portion of their individual resources to market and customer needs analyses, the preparation of feasibility studies, and the development of concepts. The effectiveness of this work became apparent in several promising approaches.

The result

...is called Voltabox-Flow-Shape-Design®. And the name, abbreviated FSD, says it all. For the first time, Voltabox has made it possible to shape battery housings as desired. True to the product design guiding principle: „form follows function". FSD stands for battery housing made of foamed plastics. The process is protected by extensive industrial property rights - the actual raw materials used, however, remain a secret of Voltabox AG. FSD offers an exciting alternative to conventional battery and module housings for numerous applications. This is because the metal components that have been primarily used up to now are replaced by lightweight but dimensionally stable and robust plastic. This has direct effects on the production process, which can now be accelerated considerably. At the same time, significant weight and cost savings are achieved.

The future

What is the innovative Voltabox flow-shape design technology capable of? According to market experts, patent attorneys and existing and potential customers, the potential is extraordinary. This is because FSD provides solutions to the current challenges of the battery industry: weight, costly production combined with high plant investments, and market prices that are (still) too high relative to conventional drives or technologies. Voltabox has announced that it will make the process available to the open market in return for a license fee. In this way, the company is aiming for an indirect high market penetration without investments in production facilities. The first goal has been achieved: after revising its product portfolio and reorganizing its market development structures in 2019, Voltabox has once again become a topic of conversation with FSD - opening numerous doors. At the forefront, however, is the goal of carefully analyzing the arising opportunities and developing and exploiting them in a sustainable manner. So the "new Voltabox" is also breaking new ground!



Investor Relations

Capital Market Environment

The German stock market continued seamlessly onward from its dynamic year-end spurt in 2019 and built up gradually to a new all-time high in January of this year. This development was fueled by various economic and trade policy signals. At the same time, the news surrounding the spread of the novel corona virus built up a powerful counterweight that increasingly depressed the mood of market participants in the course of the first quarter. According to the Frankfurt Sentiment Index, the bearish camp of institutional investors increased by 20 percentage points in the first half of February, reaching 39 percent. As the spread of the disease reached pandemic proportions, German and U.S. stock markets ultimately responded with dramatic fluctuations. Governments and central banks were compelled to react to the strongly pessimistic mood by announcing extensive countermeasures, which led to a significant recovery in share prices.

In mid-April, however, the sentiment index ultimately fell to -40 points, its lowest level since it was first collected in 2002. The behavior of market participants was determined primarily by the negative outlook for the global economy. This sentiment was supported by Bank of America's "Bull & Bear" Index, which showed a value of 0.0 on a scale of 0 to 10 – in short: extreme pessimism. In the meantime, however, the U.S. Federal Reserve bank had announced its new bond purchase program in the amount of an additional USD 2.3 trillion, thus providing an economic stimulus. The gradual relaxation of restrictions due to the COVID-19 pandemic subsequently served to reassure the markets, and the DAX rallied towards recovery in April and May. The fragility of this trend was shown by the dramatic counter-reaction in mid-June following concerns of a repeated flare-up of the COVID-19 pandemic against the backdrop of increasing infection rates, which led to a temporary 10 percent drop in the index.

Although the sentiment index for both private and institutional investors stood in negative terrain at the end of June, the ostensibly pessimistic mood was moderated when assessed in regard to three- and six-month time horizons. This was particularly the case for institutional investors, whose sentiment index actually registered significantly higher than the three-month average.

Though the development of the COVID-19 crisis also kept the stock markets in suspense at the beginning of the second half of the year, it did not prevent the market from surging. However, a significant number of the national investors surveyed as part of the Frankfurt Sentiment Index did not trust the stable situation on the stock market and remained pessimistic despite the upturn in prices in July and August. Meanwhile, international investors in particular drove the recovery of the leading German indices. The EU special summit on a comprehensive reconstruction package sent an important signal of agreement. This led to an initial noticeable improvement in the outlook of market participants in this country, before pessimism returned in mid-August. In the meantime, the international stock markets became more dynamic once again. In particular, the broad-based S&P 500 index and the Nasdaq technology exchange reached new all-time highs. As a result of the change in strategy by the U.S. Federal Reserve and a strong rise in the euro against the dollar, the market sentiment as depicted by the Frankfurt Sentiment Index improved steadily at the end of August and the beginning of September. The sentiment barometer reached its highest value since March 25. This development was supported by the Bank of America (BofA) fund manager survey, which found that a net 84% of respondents believed in September that global growth would improve over the next twelve months. In addition, a net 40% of the participants – more than ever since the start of the survey – assume there will be a strong surge in growth. Institutional investors with medium-term orientations were also inspired by such assessments. By the end of September, the Frankfurt Sentiment Index had risen to its highest level since March 18 of this year, defying interim setbacks caused by negative news as well as disappointing economic and fiscal stimuli.

From the fourth quarter of the year onwards, the stock markets were dominated by the issues from the U.S. in particular, in addition to the impacts of the COVID-19 pandemic that were once again becoming increasingly severe. According to a survey conducted by Bank of America on October 08, uncertainty over the outcome of the U.S. stimulus package, which lasted several weeks, and the uncertain outcome of the U.S. presidential election were the next risk factors for managers after the COVID-19 situation. However, it was not only the situation in the United States that influenced stock market activity. Discussions about an imminent lockdown in Germany also led to significant sell-offs, particularly of eurozone shares, at the end of October. Hopes associated with a change of power as a result of the U.S. elections fueled expectations of upcoming stock market rallies in the first half of November. The announcements made by the pharmaceutical companies Biontech and Pfizer, and later by the U.S. Biotech company Moderna, regarding a vaccine against the COVID-19 virus also generated high hopes on the stock markets here in Germany. But the stock markets abroad also boomed, with the Dow Jones topping the 30,000-point mark for the first time in its history on 11/24/2020. This generally positive development in vaccines, as well as the associated good prospects for an economically successful year in 2021, also caused the Frankfurt Sentiment Index to rise to +33, its highest level in almost two years. At the beginning of December, the DAX was rather sluggish in contrast to the three major U.S. indices (S&P 500, Dow Jones and Nasdaq). Neither the tough negotiations regarding an agreement on Brexit nor the stalled negotiations on a financial stimulus program in the U.S. and Japan's announced economic stimulus program amounting to the equivalent of USD 700 million were able to have a major impact on German stock market prices. However, this sluggishness also diminished in mid-December with the increasing availability of vaccines, with the result that international investors were very optimistic and local investors optimistic about the development of share prices. Toward the end of the year, the DAX finally reached a new all-time high of 13,790 thanks to the consistently positive mood for shares.

As a result, the most important German stock indices completely compensated for the interim losses in 2020 (DAX 3.55%, SDAX 18.01%, TecDAX 6.56%). The DAXSector Technology, which comprises the technology stocks, closed 2020 with a gain of 45.3%.

Share: Price Performance and Trading Volume

In the same period, as a result of the massive impact of the Corona crisis on the company's very project-oriented business, the Voltabox share performed significantly weaker than the market environment with a loss in value of -34.5%. After an initial price of € 5.76, the Voltabox share was quoted at a Xetra closing price of € 3.77 at the end of the last trading day of the year. The stock market value on this date was around € 59.7 million. Correspondingly, the stock market value loss of the Voltabox share in 2020 amounts to around € -31.5 million.

Most important German share indices closed the first quarter with a significant minus (DAX -25.0%, SDAX -26.1%, TecDAX -13.8%). The DAXsector Technology (CXKH) recorded a loss of -33.6%. In the same period, the Voltabox share fell in value by -33.0%. Starting from an initial price of € 5.76, the Voltabox share was supported by high buying interest in the first trading days of the year and developed positively until the second half of the month. It reached its high for the year of € 8.80 as early as January 20, 2020. In the weeks that followed, the share was also able to maintain this high level in relation to the previous quarter, before the stock markets were characterized by increasing nervousness from the second half of February onwards as a result of the increasing spread of the novel corona virus. The Voltabox share was unable to escape this development. The share reached its low for the first quarter at € 3.09 on March 19, 2020. The closing price at the end of the quarter was € 3.86. Accordingly, Voltabox's stock market value at this time amounted to € 61.1 million, which corresponds to a loss in value of € -30.1 million in the first quarter.

In the second quarter, the most important German share indices were able to partially compensate for the losses of the first quarter (DAX 29.0%, SDAX 27.9%, TecDAX 16.4%, CXKH 58.2%). The Voltabox share also recorded an increase in value, but at 8.2% the gain was significantly lower than that of the major indices. Starting from an initial price of € 3.50, in the first weeks of the quarter the Voltabox share quickly left behind the low of € 3.37 on April 03 and, triggered by recovery effects in the overall market, recovered somewhat from the Corona shock in March. In May, the share price initially moved sideways before gaining momentum again towards the end of the month, reaching a high for the quarter of € 5.90 on June 10, 2020. From the middle of June, however, the share was no longer able to maintain its level and again faced greater pressure, particularly right before the balance sheet date. As a result, the Voltabox share closed the quarter at € 3.79. At that time, Voltabox's stock market value was around € 60.0

million, which corresponds to an increase in value of € 4.6 million in the second quarter.

In the third quarter, the recovery of the most important German share indices was somewhat less pronounced. While the DAX recorded an increase of 4.1% and the TecDAX an increase of 3.6%, it was primarily the stocks in the SDAX (8.0%) and the stocks combined in the DAXsector Technology (11.1%) that felt the upswing. The Voltabox share was unable to benefit from this positive market environment and registered a price decline of -23.7% during the same period. Starting from an initial price of € 3.78, the share rose to its high for the quarter of € 4.51 by mid-July. However, it was hardly able to develop any momentum, particularly in August, and as a consequence the share reached its low for the quarter of € 3.09 on August 28, 2020. The share also presented a similar picture in September, when there was hardly any momentum in stock trading. Accordingly, the share closed at a price of € 2.88 on September 30, 2020.
The market value of Voltabox at this time was € 45.6 million, which corresponds to a loss in value of € 14.2 million in the third quarter.

In the fourth quarter, the main German stock indices once again boosted their performance on the back of positive momentum and a hopeful outlook for the recovery of economic data in the short and medium term. In particular, the SDAX (17.7%) and also the technology stocks (CXKH 21.8%) continued to recover during this phase, while the DAX (7.8%) and TecDAX (3.2%) were somewhat less dynamic. In this environment, the Voltabox share recorded an increase in value of 31.4%. Starting from an initial price of € 2.87, which is also the low for the year as a whole, the share received isolated positive impulses in the second half of October. Momentum finally returned from mid-November, whereupon the share rose to its high of € 5.86 on November 25. By the balance sheet date, however, the Voltabox share was unable to maintain this level, closing at € 3.77 on the last trading day of the year. This corresponds to a stock market value of the company of around € 59.7 million on that date, or an increase in stock market value in the fourth quarter of around € 14.3 million.

Trading volumes developed unevenly over the course of the year. The average monthly trading volume for the year was around 1.275 million shares (prior year: 1.485 million shares). Around 55.7% of this volume was traded on the trading platforms of Deutsche Börse AG (prior year: 59.5%). The proportion of shares traded via so-called dark pools, i.e., internal bank or exchange trading activities, thus increased again in the past fiscal year compared with the prior year.

In the first quarter, the average monthly volume traded was around 1.934 million shares, well above the annual average. In the second quarter, trading activity decreased to around 1.032 million shares per month. The third quarter was characterized by below-average trading activity in August and September, with monthly trading volumes of around 945 thousand shares. In the fourth quarter, the monthly trading volume increased again significantly to 1.387 million shares.

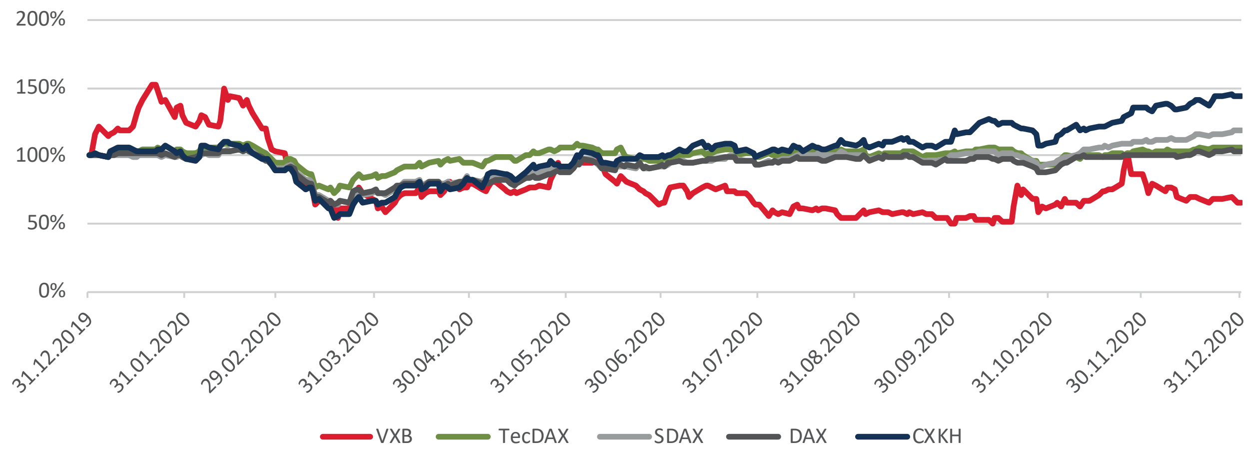
As of the balance sheet date, the German Federal Gazette had been notified of a net short position held by Ennismore Fund Management Limited for the Voltabox share in the amount of 1,67% of the company's share capital.

Financial Communications

Voltabox AG regularly and simultaneously informed all capital market participants about the economic situation of the company, despite the difficult circumstances and the low visibility in the meantime as a result of the Corona crisis. The reporting included the annual report for fiscal year 2019 (published on August 20, 2020), the interim report as of March 31, 2020 - 1st quarter (published on August 20, 2020), the interim report as of June 30, 2020 - 1st half (published on September 04, 2020), and the interim report as of September 30, 2020 - 9 months (published on October 30, 2020), among others. Parallel to these dates, Voltabox AG published corresponding financial notifications, which also included the Management Board's assessment of further business development among other things.

The Management Board's revenue and earnings forecast for fiscal year 2020 from November 13, 2019, has been withdrawn by the Management Board on March 27, 2020, under the impression of the significant impact on Voltabox AG's business as a result of the spread of the COVID-19 pandemic. As part of the publication of

Performance of the Voltabox share:



the Annual Report on August 20, 2020, the Management Board announced its new forecast for fiscal year 2020.

This was explained in the combined Group management report as an interval forecast including the key assumptions on which the forecasts are based. On October 30, 2020, the Management Board specified its sales and earnings expectations for the fiscal year as part of its reporting on the third quarter. After reflecting on further developments in the course of the fourth quarter, the Management Board finally adjusted its forecast for the last time on December 07, 2020.
In the past fiscal year, given the restrictions on direct and personal communication with institutional and private investors, the company made particular efforts to maintain the best possible exchange with capital market stakeholders and to provide transparent information on business developments.

The company plans to significantly expand personal contact with capital market participants again following the restrictions imposed by the current pandemic.

The company understands effective financial communication to mean the targeted reduction of information asymmetry between management and shareholders regarding the current economic situation and the specific future potential of Voltabox AG. Accordingly, great importance is attached to ongoing dialog with professional capital market participants. Furthermore, the company endeavors to provide the general public with current and relevant information on an ongoing basis via various media channels and to be available as a personal contact for private investors.

Supervisory Board Report

Monitoring and Consulting in Continous Dialogue with the Management Board

The Management Board and Supervisory Board of Voltabox AG uphold the obligation highlighted in the German Corporate Governance Code (GCGC) of ensuring the continued viability of the company and its sustained value creation (corporate interests) in conformity with the principles of the "social market economy." There were no conflicts of interest involving individual Management Board members in fiscal year 2020. With regard to conflicts of interest of the respective Supervisory Board members, corresponding disclosures on business transactions have been made in the dependency report and in the notes. A list of all mandates held by the members of the Supervisory Board is included in the notes to the consolidated financial statements (Note (40)).

The Supervisory Board of Voltabox AG fulfilled the consulting and monitoring obligations incumbent upon it according to law, the Articles of Association, German Corporate Governance Code and rules of procedure with great care in fiscal year 2020. Here, the Supervisory Board supervised the Management Board on an ongoing basis and made sure of its legal and regulatory compliance, appropriateness and effectiveness. Furthermore, the Supervisory Board was available to the Management Board for consultation and was involved in discussions and decisions regarding issues of material importance. Thanks to the good cooperation between the Supervisory Board members, even time-sensitive decisions were resolved quickly.

In February 2021, the Management Board and Supervisory Board updated the company's Declaration of Compliance according to Section 161 of the German Stock Corporation Act (AktG) and made it publicly available on the Investor Relations page of the Voltabox AG website. The deviations from the recommendations of the GCGC and additional information on corporate governance at Voltabox AG are also provided here.

The Management Board comprehensively informed the Supervisory Board in written and oral form in the Supervisory Board meetings on all proceedings of material importance, the company's general performance and its current situation. Here, it gave particular priority to the topics of strategy, planning, business development, risk situation and risk management. The Supervisory Board intensively reviewed the Management Board's reports and discussed them at its meetings. In addition to the Supervisory Board meetings and conference calls involving all members of the Management Board and Supervisory Board, the Supervisory Board Chairman and the Management Board discussed important matters when necessary. The Supervisory Board was fully informed about exceptional instances that were of material importance for assessing the year's results.

Composition of the Supervisory Board

The Supervisory Board of Voltabox AG consisted of three members in fiscal year 2020; these were Klaus Dieter Frers (Chairman), Hermann-Josef Börnemeier (Deputy Chairman) and Walter Schäfers in the period from January 01, 2020, to December 31, 2020.
Prof. Dr. Martin Winter resigned as Deputy Chairman and as a member of the Supervisory Board at the end of the fiscal year 2019. At the request of the company, the Paderborn Local Court, as the relevant registration court, appointed Mr. Schäfers, attorney-at-law, as a new member of the Supervisory Board on January 14, 2020.

Supervisory Board Meetings

In fiscal year 2020, the Supervisory Board convened for four ordinary plenary meetings and three extraordinary conference calls. The Supervisory Board was fully present at all meetings.

At the first ordinary meeting on August 20, 2020, the Supervisory Board was briefed by the Management Board on the course of business in fiscal year 2019. In addition, the Supervisory Board was informed about the progress of the audit of the 2019 annual financial statements. The Management Board of Voltabox AG summarized the growth dynamics of recent years and presented the forecast for fiscal year 2020.

The meeting also proposed the auditing firm Baker Tilly GmbH & Co. KG as auditor for the 2020 annual financial statements. This proposal was accepted unanimously. At the second ordinary meeting on September 15, 2020, the Supervisory Board was informed by the Management Board about the business development, order situation and earnings situation in the first quarter of 2020. In addition, the focus was on further preparations for the virtual Annual General Meeting. The Supervisory Board and the Management Board discussed the pension commitment.

In the third ordinary meeting on November 12, 2020, the Management Board presented the business development, order situation and earnings situation of the second quarter of 2020 to the Supervisory Board. The Management Board informed the Supervisory Board about details of the forecast adjustment for the full year 2020 and the cost adjustment measures taken and further targeted.

In the fourth ordinary meeting on December 16, 2020, the Supervisory Board was informed by the Management Board about the business development, order situation and earnings situation in the third quarter of 2020. The Management Board presented the planning for fiscal year 2021, which was approved by the Supervisory Board.

Due to the Corona pandemic, the Supervisory Board agreed on further extraordinary coordination discussions with the Management Board of Voltabox AG.

At an extraordinary Supervisory Board meeting on May 25, Dr. Burkhard Leifhelm and Patrick Zabel were appointed by the Supervisory Board as new members of the Management Board. From then on, the Management Board consisted of Jürgen Pampel (CEO), Dr. Burkhard Leifhelm (CTO) and Patrick Zabel (CFO).

Dr. Burkhard Leifhelm was recalled as Management Board member of Voltabox AG effective April 30, 2021.

Forming Committees

As in the past, the three-member Supervisory Board did not form any committees in fiscal year 2020 and dealt with all issues as a single body.

Audit of the Annual Financial Statements and Consolidated Financial Statements for Fiscal Year 2020

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, was appointed by resolution of the Annual General Meeting on September 16, 2020, as auditor for the fiscal year from January 01 to December 31, 2020, and accordingly commissioned by the Supervisory Board Chairman. The Supervisory Board was provided a statement of independence from the auditor pursuant to Article 6 (2) letter a of Regulation (EU) 537/2014

The scope of the audit included the Voltabox AG annual financial statements prepared by the Management Board pursuant to the provisions of the German Commercial Code (HGB) for the fiscal year from January 01 to December 31, 2020, the consolidated financial statements prepared by the Management Board pursuant to Section 315a HGB and on the basis of the International Finan- cial Reporting Standards (IFRS) for the fiscal year from January 01 to December 31, 2020, the summarized management report for the Voltabox Group and for Voltabox AG and the dependency report.

Upon completion of the audit, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, provided an unqualified audit certificate for the annual financial statements, the consolidated financial statements and the summarized management report for the Voltabox Group and for Voltabox AG.

The auditor also determined that the information and monitoring system established by the Management Board meets the statutory requirements and is suitable for recognizing developments that could endanger the continued existence of the company at an early stage. The auditor made the documents submitted for auditing the annual financial statements, the consolidated financial statements, the summarized management report for the Voltabox Group and for Voltabox AG, the proposal on the appropriation of the net income for the year and the report on the audit available to every member of the Supervisory Board. The audit was reported on and discussed at the Supervisory Board meeting on July 19, 2021. The auditors participated in the discussions on the annual and consolidated financial statements.

They reported on the key audit results and were available to the Supervisory Board to answer any questions and provide additional information. Based on the final outcome of its examinations, the Supervisory Board approved the annual and consolidated financial statements. The annual financial statements are thereby approved.

At its meeting on April 26, 2021, the Supervisory Board also approved the proposal to carry forward the net loss for the year.

A dependency report for fiscal year 2020 was submitted to the Supervisory Board. This report was prepared by the Management Board of Voltabox AG. The auditor issued an audit opinion for this report and reported the key findings of its audit to the Supervisory Board. The Supervisory Board has examined the report and will report on it to the Annual General Meeting and declare that there are no objections to the report of the Management Board.

The Supervisory Board did not exercise its right to inspect the books and records of the company in the past fiscal year.

The Supervisory Board would like to express its thanks and appreciation to the members of the Management Board and the employees of all Group companies for their personal commitment and the work they have performed in 2020 and in 2021 to date.

Delbrück, Germany, July 19, 2021

For the Supervisory Board,

Klaus Dieter Frers

Supervisory Board Chairman

Combined Management Report

Key Facts about the Group

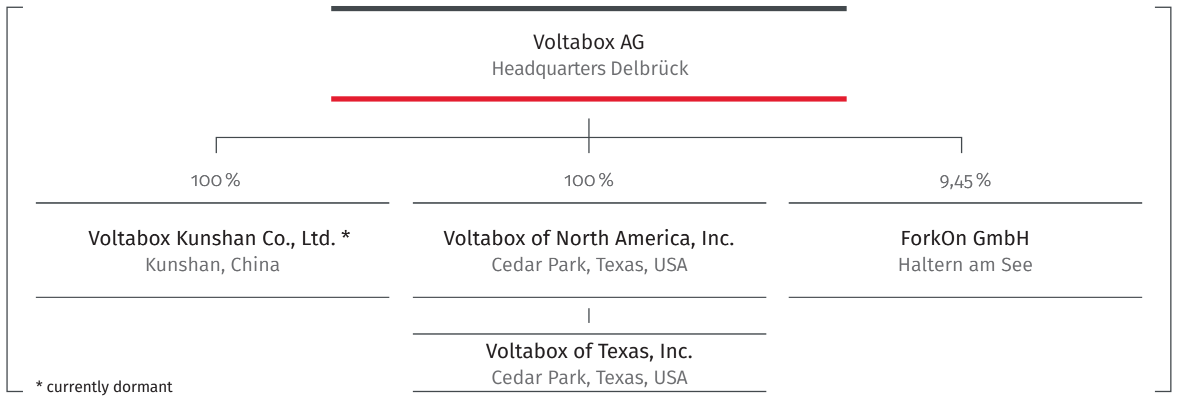
Business Model

The statutory business purpose of Voltabox AG (hereinafter also referred to as the “company” or “Voltabox”) is the development, production and distribution of solutions for electromobility – in particular Li-ion battery systems – and the administration of patents, licenses and utility models. The company may acquire other companies in Germany and abroad or participate in such companies, establish branches, assume the management and representation of other companies and conclude inter-company agreements, as well as take all other measures and undertake all legal transactions that appear suitable to serve the achievement and promotion of the company’s purpose, insofar as they do not require a separate permit.

Hardware, software and manufacturing processes are continuously developed and harmonized to ensure the efficiency, performance and safety of the products. The battery management system, which was developed in-house and is also modular, plays a special role in this context, as it is essential for the performance of the entire battery system.

In addition to its core business, which mainly consists of industrial applications, Voltabox also develops and manufactures high-quality lithium-ion batteries for selected areas in the mass market. Here, the focus is on starter batteries for high-performance motorcycles and sports cars. Here, Voltabox batteries replace conventional lead-acid batteries.

With a view to achieving a sustainable cost structure for the individual product series, the company strives for a high degree of automation and the use



The business model of the Voltabox Group (hereinafter also “Voltabox”) is based on the independent development, distribution and production of highly developed battery systems for use in industrial submarkets as well as in selected mass markets. In this context, Voltabox benefits in particular from its extensive project and application experience as well as the modularization and scalability of the individual components, including the battery management software. The technological modularity of Voltabox battery systems enables the rapid market launch of systems that are at the same time highly tailored to customers’ needs.

of innovative and intelligent manufacturing processes. Voltabox has a module production facility that is automated to a large extent and enables the manufacture of various module sizes and concepts. These modules differ, among other things, in their voltage level and energy content, the cells used and thus also the intended use. In addition, Voltabox aims to expand battery production to include processes for the freely scalable creation of a battery pack or system, which for this purpose, however, no longer rely on a modular design. This approach enables direct integration of the battery into the installation space of the target applications.

Group Structure

Voltabox Aktiengesellschaft (hereinafter “Voltabox AG”) is a joint stock corporation incorporated under German law. The company’s headquarters are at Artegastrasse 1, 33129 Delbrück, Germany. Voltabox AG’s shares are traded on the Frankfurt Stock Exchange in the Prime Standard segment. As of December 31, 2020, around 54,5% of the subscribed capital is owned by paragon GmbH & Co. KGaA, which is also listed on the Frankfurt Stock Exchange in the Prime Standard segment. As such, Voltabox AG is a subgroup of its parent, paragon GmbH & Co. KGaA. On March 03, 2020, paragon GmbH & Co. KGaA announced that it had launched a process with the goal of selling its subsidiary Voltabox.

On December 10, 2020, paragon announced that a letter of intent for the sale of 18% of the share capital of Voltabox AG had been signed with strategic investors. The letter of intent also provides for the possibility for the buyers to gradually increase their stake in Voltabox through various transaction possibilities to around 50 percent. To this extent, as of December 31, 2020, Voltabox AG still represents a subgroup of its parent company, paragon GmbH & Co. KGaA.

The Voltabox Group’s scope of consolidation includes the 100% owned subsidiaries Voltabox of Texas, Inc. (Cedar Park, Texas, U.S.), Voltabox of North America, Inc. (Cedar Park, Texas, U.S.) and the currently inactive Voltabox Kunshan Co., Ltd. (Kunshan, China). Voltabox AG still holds a 9.45% stake in ForkOn GmbH (Haltern am See, Germany).

Corporate Strategy

The strategic focus of Voltabox AG is on successively expanding its market share by winning strategically significant, well-known and medium-sized customers in specific industrial sub-markets of e-mobility within the capital goods market. These include local public transportation (in particular trolley buses and the conversion of diesel buses to electric powertrains), intralogistics (in particular forklifts and automated guided vehicles), agriculture and construction (in particular compact-, wheel- and teleloaders), and mining applications (in particular underground mining vehicles). Voltabox has been active here for several years in select mass markets including starter batteries (especially for motorcycles). Voltabox is addressing individual niches in order to enter the global car mass market, and is starting by supplying selected projects and models with tailormade battery systems.

The industrial sub-markets are characterized by the substitution of lead-acid batteries and diesel backup generators with modern lithium-ion battery systems, as well as by the conversion of conventional combustion engines to electric powertrains in the case of the local public transportation market segment. Voltabox benefits directly from these continuing substitution effects resulting from users’ overall cost consideration (including the ecological advantages) as well as from the increase in regulatory drivers.

While Voltabox has particular experience in the fields of application it has occupied to date, the company is not exclusively committed to these. Thus, especially against the background of the recent expansion and increased flexibility of the product portfolio, the company aims to tap into other relevant electromobility markets in the future. In addition to rail vehicle applications (locomotives) and EV buses, these also include ships and aircraft.

Voltabox has strategically positioned itself as a pioneer in the e-mobility sector for high-performance battery systems. Its market position rests on four major strengths:

- Technology: technologically mature products and high innovation dynamics
- Modularization: quick and cost-efficient development thanks to its modular design approach
- Comprehensive vehicle expertise: optimum system configuration for the application relevant to the customer
- Battery integration: innovative processes for creating cost-efficient battery solutions and innovative integration into given installation space

The competitive strategy of Voltabox can therefore largely be described as a niche strategy. In the medium term, the niche strategy of diversification also offers major sales opportunities in other sub-markets in which similar substitution effects are to be expected or introduced. The high demands of users for performance, safety and reliability of the lithium-ion battery systems developed by Voltabox regularly play a decisive role.

The company has defined three levels contributing to its future growth:

- Expanding the market position in already-occupied end markets (market penetration) as well as developing new end markets (market development)
- Expanding the existing product and service portfolio through increasingly standardized solutions that are easy to integrate for customers (horizontal diversification), as well as actively developing technological innovations with the aim of establishing pioneering solutions that have a disruptive character for electromobility
- Granting technology licenses for indirect market development in segments with traditionally high market entry hurdles

Control System

Alongside a high level of innovation, the organizational structure at Voltabox is characterized by flat hierarchies and fast decision-making. The company also has the character of a medium-sized company while combining a long-term strategic orientation with the integration abilities of a publicly traded company.

The Management Board of Voltabox AG regularly compares its strategy with the actual results achieved by the company. In review meetings, follow-up activities and optimization measures are determined at the management level as well as fundamental changes in direction when necessary.

Voltabox AG has a comprehensive planning and control system for the operational implementation of strategic planning. This includes constant monitoring of monthly and annual plans. Both the Management Board and the Supervisory Board of Voltabox AG receive a detailed report as part of a regular review on business development. These reports document possible deviations from the planned figures in a target/actual comparison and provide the basis for business decisions. Another important control instrument is the regular manager meetings, where current developments and medium to longterm outlooks are discussed in addition to regular project status meetings.

Financial Performance Indicators

The Management Board regularly uses key figures to measure the economic success of the operative implementation of its corporate strategy. The control system takes into account the type and/or amount of one-time or extraordinary effects on the performance indicators, which are based on the development of the business. Due to the dynamic business development or the development of the partly young and dynamically growing customers as well as of the end markets, the internal targets are generally set as bandwidths for measuring and managing operative performance, depending on the respective planning horizon.

The Voltabox Management Board used the financial performance indicators Group revenue, EBITDA margin and free cash flow in fiscal year 2020.

Adjusted key figures are used in some cases as part of the management systems. These are shown as such. The relevant adjustment is explained.

Group Revenue

The revenue contribution of individual product series generally varies during the various phases of its product life cycle. The generally new sub-markets of e-mobility are growing at different speeds. The future annual growth rates of revenue depend on the mix of the respective application area. As such, Group revenue is subject to various influencing factors, a fact which is accounted for with the provision of a target corridor (range) when providing forecasts.

EBITDA Margin

The EBITDA margin is an indicator of the operative profitability of Voltabox AG and also takes the current focus on developing the company's cash flow into consideration. The amount of capitalized development services according to IAS 38 (as an investment in intangible assets) remains a key factor in corporate management. The EBITDA margin is shown as a relative key figure when providing forecasts. The company also reports an adjusted EBITDA in the year under review. This figure also excludes extraordinary impairments of noncurrent and current assets as a consequence of the realignment of the Group. These are shown under impairment losses on current assets and impairment losses on property, plant and equipment and intangible assets. In addition, items resulting from the sale of discontinued materials at less than their carrying amount have been included in the cost of materials. The elimination of these one-time effects provides a better understanding and comparison of the actual operating performance of the company. Adjusted EBITDA was also used for internal management purposes.

Free Cash Flow

Free cash flow (FCF) reflects the internal financing capability of the Voltabox Group, and thus constitutes a decisive performance indicator for the company's success due to the existing expansion goals. In consideration of the parallel development of dynamic customer projects and investments in intangible assets, the Management Board uses a quantitative or relative figure when providing forecast.

Nonfinancial Performance Indicators

As the company is strategically positioned as an innovative provider of technologically sophisticated and high-quality e-mobility solutions, the Management Board also uses nonfinancial performance indicators as part of its corporate management. These are not relevant for the management of the Voltabox Group.

Employees

For the Voltabox Group, positioned in the middle of the e-mobility megatrend, the high demand for specialists from the dynamically growing industry means that it is necessary to win over not only well-trained developers, but also employees who can manage projects, sales and customer proximity.

In fiscal year 2020, a total of 67 employees left the company (prior year: 86 employees). Of these, 14 (prio year: 31 terminations) were attributed to the subsidiary Voltabox of Texas. The fluctuation rate - excluding the elimination of previous positions - fell to 3.26% (prior year: 31.0%). The share of female employees at Voltabox has increased to 23.1% (prior year: 17.3%). At 46.2%, the number of employees with university degrees also fell slightly (prior year: 50.8%). The share of severely disabled employees remained unchanged at 1.0% (prior year: 1.0%). The average age is 39.6 years (prior year: 38.5 years) and the average length of employment increased to 1.8 years (prior year: 1.6 years).

Employee Development in the Voltabox Group:

	Dec. 31, 2020	Dec. 31, 2019	Change
Number of employees	186	191	-2.6 %
Number of those engaged in development	51	71	-28.2 %
Number of temporary employees	0	0	0 %
Number of those engaged in development	0	0	0 %

Personnel expenses totaled € 11.1 million in the reporting period (prior year: € 15.9 million). Of this, € 9.0 million (prior year: € 14 million) was attributable to wage and salary costs, € 2.1 million (prior year: € 2.0 million) to social contributions and pensions, and € 0.0 million (prior year: € 0.8 million due to temporary workers employed over the course of the year) to expenses for temporary workers. Voltabox made extensive use of short-time working in the fiscal year.

Distribution of permanent employees at Group sites:

	Dec. 31, 2020	Dec. 31, 2019	Change
Delbrück (corporate headquarters, North Rhine-Westphalia)	146	134	9.0 %
Aachen (North Rhine-Westphalia)	0	10	-100.0 %
Markgröningen (Baden-Württemberg)	0	7	-100.0 %
Total in Germany	146	151	-3.3 %
Cedar Park (Texas, USA)	39	39	0 %
Kunshan (China)	1	1	0 %
Total abroad	40	40	0 %

Quatlity and the Environment

Voltabox AG has established a management system in accordance with the IATF 16949 and ISO 9001 standards both at its German sites and at Voltabox of Texas, Inc. The Delbrück location has been certified since 2018. Establishing an interactive and process-oriented management system guarantees the Group-wide knowledge management at all levels of product development and realization.

We have integrated environmental protection and occupational health and safety requirements into our management system, making them an integral part of our corporate mission statement. The efficacy of this process is confirmed via an annual audit according to DIN EN ISO 14001.

Other Control Benchmarks

In addition to the most important financial and nonfinancial performance indicators, further control benchmarks are used to manage Voltabox. These other control benchmarks are of subordinate importance compared to the performance indicators.

The Management Board uses activities in research and development, materials management and free liquidity in particular as indicators for controlling and measuring the planned progress of the organization.

Research and Development

In fiscal year 2020, Voltabox capitalized a total of € 4.2 million (prior year: € 7.8 million) for development costs. This corresponds to 23.3% of revenue (prior year: 13.7%). The increase is due to the significant decline in revenue in the reporting year. The ratio of capitalized development costs was approximately 85.0% (prior year: 75.5%) of overall research and development costs. Across the period from 2011 to 2020, the ratio of cumulative capitalized development costs to total development costs was 77.3%. The number of employees engaged in research & development decreased during the reporting year by 28.2% to 51 (prior year: 71). The increased fluctuation contributed to this. This corresponds to a ratio of around 27.4% (prior year: 37.2%) of all Group employees as of the balance sheet date.

Materials Management

In view of the increasing competition on the international procurement markets for important components and elements for assembling battery modules and systems and the resulting need for strategic positioning, as well as against the backdrop of the broadly diversified product portfolio, materials management plays a special role at Voltabox. In the reporting year, the material input ratio (calculated from the ratio of cost of materials to revenue and inventory changes) was 141.2% (prior year: 82.1%). With regard to the reasons for the development of the material input ratio, we refer to the comments in the section on net assets, financial position and results of operations.

Battery cells bought up in great quantities by worldleading cell manufacturers represent the majority of our material costs as intermediates for battery modules. Factors particularly including smaller series deliveries resulted in a high material input ratio due to the fact that scaling effects could not be used to the necessary extent in view of the low revenue. In addition, materials no longer used had to be sold below their carrying amount.

Liquidity

Voltabox AG's growth strategy primarily focuses on the organic expansion of the product and customer portfolio based on the existing product family as well as the development of technologies in order to sustainably position itself as a leading provider in the field of electromobility. Due to the low turnover rate, the business model currently requires an intensive use of capital.

At this point, we refer to the going-concern risk. Cash and cash equivalents developed as of the reporting date as follows:

€ '000	Dec. 31, 2020	Dec. 31, 2019
Cash and cash equivalents	**2,337**	5,036

Financial Management

The financial management of the company does not include an independent target system. Rather, the Management Board uses internal financial management to plan and monitor the implementation of its growth strategy. In this context, comprehensive financial planning is carried out on the basis of revolving sales planning, from which investment and liquidity plans are then derived for the Europe and North America segments. In addition, the subsidiaries are consolidated at Group level on a monthly basis.

Dividend Policy

The Management Board has formulated a dividend policy that is designed to meet the company's strategic goal of profitable growth. On the one hand, this is intended to enable Voltabox shareholders to increase the value of their shares over the medium term through dividend payments to provide an additional incentive for long-term investment decisions. On the other hand, the available liquidity should be invested as profitably as possible, especially in the company's capital-intensive growth phase. The future dividend strategy cannot currently be defined in the long term due to the reorganization and change in the business model. In light of the negative earnings according to the separate financial statements of Voltabox AG pursuant to the German Commercial Code (HGB), the Management Board and the Supervisory Board are refraining from paying a dividend for fiscal year 2020.

Remuneration of the Management Board and Supervisory Board

The company is committed to a high degree of transparency in its reporting. This also applies to the remuneration of the Management Board, which is disclosed and explained in full in the remuneration report, together with all its components and on an individualized basis.

In fiscal year 2021, Voltabox AG will expand the content of the remuneration reports by including a comparative presentation of the annual change in remuneration, the company's earnings performance and the average remuneration of employees considered over the last five fiscal years, the number of shares and stock options granted or promised and the most important conditions for exercising the rights, as well as information on whether and how the option to reclaim variable remuneration components was used.

Management Board Remuneration

The remuneration of the members of the Management Board consists of an annual fixed remuneration, ancillary benefits and a one-year variable remuneration component. In addition to the fixed remuneration and ancillary benefits paid to a former member of the Management Board in the fiscal year, remuneration was paid out for post-employee benefits and was partially accrued in the past fiscal year. A cap (minimum/maximum) is not provided for the variable compensation component. A variable compensation component for multiple years has not been specified.

Finally, the total remuneration still includes a service cost under IAS 19. This is recognized pursuant to the GCGC as part of total remuneration, even though this is not a newly granted contribution in the narrower sense, but a past decision of the Supervisory Board that continues to be effective.

The total remuneration of the Management Board contains salaries and short-term benefits of € 568 thousand (prior year: € 488 thousand) and includes fixed components of € 510 thousand (prior year: € 488 thousand) and variable components of € 20 thousand (prior year: € 0 thousand). The main variable components are based on EBIT as defined by IFRS and the positive development of the company's share price, both as compared with the balance sheet date.

The following table shows the contributions granted to the members of the Management Board in the reporting year:

Contributions granted	**Jürgen Pampel** Chief Executive Officer, CEO; Entry date: Aug. 9, 2017		**Dr. Burkhard Leifhelm** Management Board, CFO; Entry date: May 26, 2020; Leaving date: Jun. 30, 2021		**Patrick Zabel** Management Board, CFO; Entry date: May 26, 2020		**Jörg Dorbandt** Management Board, COO; Entry date: Dec. 1, 2018; Leaving date: Jul. 1, 2019	
€	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Fixed remuneration	**282,350**	210,000	**120,000**	0	**108,000**	0	**0**	85,000
Post-employee benefits	**0**	0		0	**0**	0	**0**	135,000
Ancillary benefits	**22,705**	52,068	**4,243**	0	**0**	0	**0**	5,800
Total	**305,055**	262,068	**124,243**	0	**108,000**	0	**0**	225,800
Annual amount to be included in the multi-year variable remuneration	**20,000**	0	**0**	0	**0**	0	**0**	0
Total remuneration	**305,055**	262,068	**124,243**	0	**108,000**	0	**0**	225,800

The following table shows the contributions paid to the members of the Management Board in the reporting year:

Contributions paid	**Jürgen Pampel** Chief Executive Officer, CEO; Entry date: Aug. 9, 2017		**Dr. Burkhard Leifhelm** Management Board, CFO; Entry date: May 26, 2020; Leaving date: Jun. 30, 2021		**Patrick Zabel** Management Board, CFO; Entry date: May 26, 2020		**Jörg Dorbandt** Management Board, COO; Entry date: Dec. 1, 2018; Leaving date: Jul. 1, 2019	
€	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Fixed remuneration	**282,350**	210,000	**120,000**	0	**108,000**	0	**0**	85,000
Post-employee benefits	**0**	0		0	**0**	0	**0**	135,000
Ancillary benefits	**22,705**	52,068	**4,243**	0	**0**	0	**0**	5,800
Total	**305,055**	262,068	**124,243**	0	**108,000**	0	**0**	225,800
Annual amount to be included in the multi-year variable remuneration	**21,733**	0	**0**	0	**0**	0	**0**	0
Total remuneration	**305,055**	262,068	**124,243**	0	**108,000**	0	**0**	225,800

The members of the Management Board Dr. Burkhard Leifhelm and Patrick Zabel were already employed by the company as employees prior to their appointment to the Management Board. The remuneration stated therefore only relates to the period of service on the Management Board.

In the fiscal year 2020, no benefits were granted to any member of the Management Board for the regular or premature termination of their employment. Dr. Leifhelm was recalled as a member of the Management Board of Voltabox AG effective April 30, 2021. He will leave the company on June 30, 2021.

As a member of the Board of Voltabox North America, Inc. and Voltabox of Texas, Inc., Mr. Jürgen Pampel was paid remuneration of USD 50 thousand in fiscal year 2020 (2019: USD 50 thousand).

As a member of the voluntary Supervisory Board of ForkOn GmbH, Mr. Patrick Zabel does not receive any remuneration.

Voltabox AG recognized a provision of € 119.2 thousand for pension claims against members of the Management Board for the first time in fiscal year 2020. Of this provision, € 43.2 thousand is attributable to Jürgen Pampel, € 40 thousand to Dr. Burkhard Leifhelm and € 36 thousand to Patrick Zabel. The Supervisory Board of Voltabox AG is expected to make a defined contribution commitment. As a result, the company is expected to join a corresponding relief fund in fiscal year 2021 and pay the contributions. As the commitment is not expected to have any effect on the balance sheet, Voltabox AG will not make any corresponding disclosures in the notes in fiscal year 2020 for reasons of materiality. The benefits granted and received were in accordance with the relevant remuneration system.
The members of the Management Board were not granted or paid any remuneration by a third party for their work as members of the Management Board during the fiscal year.

Supervisory Board Remuneration

In accordance with the Articles of Association, the remuneration of the members of the first Supervisory Board is determined by the Annual General Meeting, which decides on the discharge of the members of the first Supervisory Board.

The members of the Supervisory Board receive a fixed remuneration of € 10 thousand, in line with the Articles of Association. The Supervisory Board Chairman receives € 20 thousand, while the Vice-Chairman of the Supervisory Board receives € 15 thousand per fiscal year. If a member is only appointed to the Supervisory Board for part of the fiscal year, the remuneration is recognized pro rata temporis. If the remuneration is subject to withholding tax, the sum of the remuneration is paid minus the withholding tax due.

The company has included the members of the Supervisory Board in a directors' and officers' liability insurance policy to the benefit of the members of the Management Board and Supervisory Board at market conditions.

In addition, the members of the Supervisory Board receive compensation for any reasonable, proven expenses associated with the fulfillment of their duties, as well as for any sales tax allocated to the remuneration received as Supervisory Board members, provided they are autho- rized to invoice the company separately for sales tax and to exercise this right. The members of the Supervisory Board received fixed remuneration totaling € 45 thousand in the year under review.

The following table shows the remuneration of the Supervisory Board members:

In EUR	**Klaus Dieter Frers** Supervisory Board Chairman		**Hermann Börnemeier** Supervisory Board Vice-Chairman/ Supervisory Board Member		**Walter Schäfers** Supervisory Board Member		**Prof. Dr. Martin Winter** Supervisory Board Vice-Chairman, Leaving date: Dec. 31, 2019	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
Fixed remuneration	**20,000**	20.000	**15,000**	10,000	**10,000**	0	**0**	15,000
Total remuneration	**20,000**	20.000	**15,000**	10,000	**10,000**	0	**0**	15,000

As Chairman of the Board of Voltabox of North America, Inc. and Voltabox of Texas, Inc., Mr. Klaus Dieter Frers was granted compensation in the amount of USD 100 thousand in fiscal year 2020 (2019: USD 100 thousand).

Economic Report

Global Economic Conditions

The year 2020 was largely dominated by the COVID-19 pandemic and its associated impact as a result of public health measures to contain the spread of infection. In October 2020, the International Monetary Fund (IMF) noted the difficulties associated with a return to old economic activity during the COVID-19 pandemic in its global economic outlook. The global economy was able to recover somewhat from the impact of the widespread lockdowns in May and June in the wake of the respective countries easing the measures from their initial massive responses. However, the following months saw further substantial, but now more locally focused, measures to limit public contact as a result of a resurgence in infection figures, with corresponding immediate consequences for productivity.

As a result of the interim easing of measures, global economic activity normalized more quickly in the second quarter than the IMF had assumed in its June update of the World Economic Forum. This faster recovery can also be seen as the success of the unprecedented stimulus measures put in place to alleviate the economic slump resulting from the COVID-19 crisis. These economic policy measures included, for example, the European Union's Next Generation recovery fund worth around € 750 billion.

The global economy was estimated to shrink by -3.5% in 2020, the first decline since 2009.[6] In 2019, global economic growth was still 2.8%. Economic growth for developed countries was forecast at -4.9% for 2020 (prior year: 1.6%) and for the developing and emerging countries at -2.4% (prior year: 3.6%). Compared with the global situation, the export-oriented German economy is slightly more affected by the impact of the COVID-19 pandemic, with price-adjusted growth in this country forecast at -4.9% in 2020.[7] With a price-adjusted economic decline of -11.3%, the second quarter was particularly responsible for this development (Q1: -1.8%, Q3: -3.9%, Q4: -2.7%). Compared with Germany, the development of the economy in 2020 was estimated at -3.4% in the USA (prior year: 2.2%), -7.2% in the euro countries (prior year: 1.3%) and 2.3% in China (prior year: 6.0%).[8]

Private consumer spending, which is important for the automotive industry, also took a similar course in 2020, with year-on-year change rates of -1.4% (Q1), -13.0% (Q2), -3.7% (Q3) and -6.5% (Q4).[9]

As a manufacturer of battery systems for industrial applications, Voltabox generated the majority of its revenues in fiscal year 2019 in the bus market segment (especially retrofitting of diesel buses), as well as in the intralogistics market segment (especially forklifts and autonomous guided vehicles). In addition, revenue was also realized mainly from customers in the fields of automotive, agricultural, construction, and mining, among others. Voltabox's activities focused on projects in Germany, the European Union and the USA. Voltabox customers, in turn, sell the vehicles or systems they produce worldwide.

Overall economic development is therefore important for Voltabox in that it affects the sales opportunities for the vehicle and system manufacturers it supplies, and thus also indirectly affects the development of end user demand for Voltabox products.

Market development 2020

In the year under review, the development of the COVID-19 pandemic and its containment played a decisive role not only within the organization of the Voltabox Group. The submarkets occupied by the company and the respective customers were also significantly affected by the effects of the pandemic over a relatively long period of time. In numerous cases, according to feedback from customers and business partners, end-customer investments in the electromobility megatrend and thus in the modernization of the company's own vehicles or

6 https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update

7 Destatis, Pressemitteilung Nr. 081 vom 24. Februar 2021

8 https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update

9 Destatis, Pressemitteilung Nr. 081 vom 24. Februar 2021

fleets were postponed or even canceled.

According to the German Electrical and Electronic Manufacturers' Association (ZVEI), growth in the market volume of lithium-ion batteries in Germany increased eightfold between 2013 and 2019.[10] However, this dynamic development is likely to slow down at least in the short term as a result of the Corona pandemic. Global sales of electric vehicles will decline for the first time ever in 2020 as a result of the COVID-19 pandemic.[11] This assessment is made by the authors of the study "Electric Vehicle Outlook 2020" by BloombergNEF, a market research company specializing in the fields of energy, transportation and industry. The study forecasts the electrification of passenger cars, commercial vehicles, buses and two-wheelers by 2040. According to this, car sales will not recover to pre-crisis levels before 2025, which is a more conservative assumption than the outlook of the German Association of the Automotive Industry (VDA)[12], for example. For the commercial vehicles segment, the experts expect a much faster recovery as early as 2022, driven by increased freight volumes and growth in the emerging markets, among other things. This is in line with the ZVEI's assumption that electromobility and the further expansion of renewable energies in particular will drive demand for electrical energy storage systems.[13]

BloombergNEF also attributes high momentum to the electrification in the bus market. The market research institute predicts more than 67% of the global bus fleet to consist of e-buses by 2040.[14] As part of an analysis of the penetration of electric buses within the German market, the consulting firm Pricewaterhouse Coopers (PwC) has registered a doubling of vehicles in use for the year 2020.[15] This also includes trolleybuses, many of which Voltabox has equipped with modern lithium-ion batteries in recent years. According to PwC's E-Bus Radar, there are now 676 buses with electric drives in the field on Germany's roads.

According to the company's own assessment, the market for retrofitting solutions for buses is dominated by Voltabox customer e-troFit. While the Corona pandemic has led to a massive decline in passenger numbers in local public transport, this development also hit a leading manufacturer as e-troFit in the implementation of its targeted growth in 2020, for which Voltabox, as the sole supplier to date, was to provide the battery system for the retrofitting kits. A conservative market observation by e-troFit from last year sees a market potential of around 8,000 conversions by 2030.[16]

The Materials Handling and Intralogistics Association of the German Engineering Federation (VDMA) has calculated a significant reduction in the production volume of German intralogistics manufacturers for 2020.[17] According to this, production fell by 10 percent. This has also been accompanied by a decline in orders. According to the trade association's estimate, export business even slumped by around 15 percent. In the replacement business, which refers to the equipping of industrial trucks already in the field and which is almost exclusively the area in which Voltabox is active, there was no significant change in market dynamics from the company's point of view.

In line with the considerable worldwide economic slump, global automobile sales also declined significantly in the past fiscal year. The German Association of the Automotive Industry (VDA) puts the decline in global new registrations in 2020 at around 15%.[18]

Accordingly, the European passenger car market experienced a slump of -24% to 12.0 million cars. The most important individual markets all recorded significant declines. While the market in Germany contracted by -19%, sales volumes in France (-25%), Italy (-28%), the United Kingdom (-29%) and Spain (-32%) each fell by more than a quarter year-on-year.

The Agricultural Machinery Association of the German Engineering Federation (VDMA) has registered a 5% increase in production by agricultural machinery and tractor manufacturers producing in Germany in 2020, which represents a sales record.[19] The trade association points out that targeted government investment incentives to promote climate and environmentally friendly production processes have boosted the buying mood of farmers and contractors.

The customer BMW Motorcycle, for which Voltabox manufactures modern and lightweight lithium-ion starter batteries as a single-source supplier, achieved the second-best sales result in history in 2020 with more than 169,000 models sold in the challenging market environment of the Corona pandemic.[20] The OEM is currently successively equipping its model portfolio with the supply option for Li-ion starter batteries from Voltabox.

Business Performance

In fiscal year 2020, the Voltabox Group was unable to achieve the targeted corporate growth. Essentially triggered by the challenging framework conditions as a result of the Corona pandemic, Voltabox was not able to implement its strategy for 2020 with regard to the expansion of cooperation with existing customers, series production or the ramp-up of series, as well as the launch of customer projects on the basis of concluded framework agreements. Sales volumes in the main markets occupied by Voltabox declined or did not materialize according to plan due to the pandemic and the associated restrictions. These include in particular the intralogistics and bus sectors.

Revenue of € 18.1 million (prior year: € 56.6 million) was generated entirely with third parties. With a change of -68.0%, Voltabox showed a decline in revenue development. The largest contribution to revenue generation came from series production and inventory sales of battery modules for intralogistics applications, especially for forklift trucks. Other revenue drivers were battery systems for use in trolley buses, mining vehicles and agricultural vehicles. Voltabox also generated revenue from the sale of battery packs for pedelecs and e-bikes and starter batteries for motorcycles.

The Voltabox Group's EBIT amounted to € -38.5 million (prior year: € 107.6 million), which corresponds to an EBIT margin of -212.2% excluding adjustment effects (prior year: -190.0%).

The unadjusted EBITDA of the Voltabox Group, which does not include planned depreciation of property, plant and equipment and amortization of intangible assets, as well as impairment of current assets, amounted to € -32.4 million (prior year: € -14.4 million). This corresponds to an EBITDA margin of -178.9% (prior year: -25.4%).

EBITDA adjusted for extraordinary impairment losses on noncurrent and current assets amounted to € 24.2 million; this corresponds to an EBITDA margin of 133.7%.

10 https://www.zvei.org/presse-medien/pressebereich/zvei-deutscher-batteriemarkt-waechst-auch-2019-stark

11 BloombergNEF, Electric Vehicle Outlook 2020

12 VDA, press release dated January 19, 2021: European passenger car market to slump by a quarter in 2020

13 https://www.zvei.org/presse-medien/pressebereich/zvei-deutscher-batteriemarkt-waechst-auch-2019-stark

14 BloombergNEF, Electric Vehicle Outlook 2020

15 https://www.pwc.de/de/pressemitteilungen/2021/e-bus-radar-von-pwc-die-flotte-ist-2020-deutlich-gewachsen.html

16 https://www.e-trofit.com/artikel/branchenprimus-e-trofit-gibt-strategischen-ausblick-auf-retrofitting-markt-fuer-stadtbusse

17 https://foerd.vdma.org/viewer/-/v2article/render/61859805

18 VDA, press release dated January 19, 2021: European passenger car market to slump by a quarter in 2020

19 https://lt.vdma.org/viewer/-/v2article/render/61369955

20 https://www.press.bmwgroup.com/deutschland/article/detail/T0324570DE/bmw-motorrad-erzielt-2020-sein-zweitbestes-absatzergebnis-der-geschichte

Key Factors of Business Performance

In the year under review, the Voltabox Group's business development was significantly affected by the spread of the so-called new coronavirus (SARS-CoV-2). In order to protect its own workforce and to contribute to the general containment of the virus, the Voltabox Group has taken comprehensive measures and, in some cases, substantially reorganized its work organization. As a first step, the company's production activity has been drastically scaled down under the impact of customers' and suppliers' reactions (short-time work, plant closures, blocking of supply routes, withdrawal or postponement of orders). As a result, the Management Board ordered extensive short-time working for major parts of the company, such as production, development and administration, in view of the difficult economic conditions and the collapse in capacity utilization. Under this impression, the Management Board withdrew the forecast for the Group it had issued on November 13, 2019, with expected sales of € 85 to 100 million with an EBITDA margin of around 15% and an EBIT margin of between 5% and 7% and a free cash flow in the single-digit positive range, as early as March 27, 2020.

In view of the sudden dramatic increase in uncertainty and the low visibility with regard to the normalization of the situation, Voltabox's management focused unreservedly on stabilizing the earnings and liquidity situation as well as on close coordination with customers and suppliers in order to quickly regain planning security.

In preparation for the resumption of production and other operational processes, the company developed and implemented a comprehensive concept for safety and hygiene measures within a very short time. Business trips that were not absolutely necessary were reduced to a minimum. In addition, where not already in place, the appropriate conditions have been created within the IT infrastructure to enable mobile working and technically ensure digital formats such as video and telephone conferencing. With the flexible use of opportunities to work from the home office, the company has since ensured that contacts within the company are kept to a minimum.

Following the first significant slump in capacity utilization, announcements by customers regarding their call-offs for the second half of the year prompted the Management Board to end short-time working for the Group across the board at the end of June. In the Group management report for fiscal year 2019, which was published on August 20, 2020, the revenue and earnings forecast was explained as an interval forecast, including the key assumptions on which the forecast is based. Due to the significant impact of the economic environment on Voltabox's business, which is predominantly characterized by projects, the company noted a significant downturn in its near-term outlook in fiscal year 2020. Accordingly, at that time, the company expected sales in the amount of € 25 to 45 million for fiscal year 2020 with an EBITDA margin of at most -6%. Furthermore, the Management Board forecast a slightly negative free cash flow. The basis for the sales and earnings forecast were the preceding close consultations and demand inquiries with customers.

By publishing the Q3 report on October 30, 2020, the Management Board further narrowed its revenue and earnings forecast on the basis of slower than expected catch-up effects and customer orders. While revenues at that time were now expected to be at the lower end of the forecast range of € 25 million to € 45 million, the Management Board specified its expectation for the EBITDA margin to be around -60%.

It was not until later in the fourth quarter that the Management Board became aware that the announced call-offs by customers, who were even more cautious than expected, would no longer be realized in the current year. Accordingly, the Management Board lowered its forecast for fiscal year 2020 to revenue of € 17 million at an EBITDA margin of -100 percent. In this situation, the circumstances required the use of existing resources. Therefore, the company forced the sale of goods below carrying amount in the fourth quarter. This resulted in an additional burden on the cost of materials ratio. Furthermore, the company took extraordinary write-offs on projects, which additionally reduced the operating result.

Due to the low level of revenue in the year under review, it was not possible to cover the Group's cost base adequately.

The development of the subsidiary Voltabox of Texas, Inc. was characterized by low capacity utilization. As a consequence, the share of revenues generated by the US subsidiary Voltabox of Texas, Inc. amounted to only 18.9% in the year under review (prior year: 10.9%). In summary, it should be noted that the COVID-19 pandemic and its impact on the economic environment and the overall economy, together with the ongoing comprehensive refocusing of the entire organization, were the main factors driving the negative revenue development of -68.0% in the year under review. Thus, the revenue of the Voltabox Group amounts to € 18.1 million.

Compared to the original forecast for fiscal year 2020, there were significant negative effects on the actual full-year results due to numerous unrealized sales in all product segments and reporting segments. In addition, the earnings situation was significantly impacted by the unplanned sale of old products.

Assets, Financial Position and Earnings

Earnings of the Voltabox Group

The Voltabox Group has continued its recent negative revenue development in 2020 with a 68.0% decline in revenue to around € 18.1 million (prior year: € 56.6 million). The original forecast of November 13, 2019, with revenues of € 85 to 100 million, an EBITDA margin of around 15%, an EBIT margin between 5 and 7%, and a free cash flow in the single-digit positive range, could not be realized. A share of 35.4% of the revenue generated in the reporting year is attributable to the sale of discontinuing, old materials.

Other operating income increased to € 3.2 million (prior year: € 1.8 million), mainly including income from the reversal of allowances for receivables. Inventories of finished goods and work in progress decreased by € 5.3 million, following a reduction of € 1.8 million in the prior year. Other own work capitalized decreased by 45.7% to € 4.2 million (prior year: € 7.8 million) due to short-time working. The cost of materials decreased by 59.6% to € 18.2 million (prior year: € 45.0 million). Due to low purchasing volumes, it was not possible to realize price reductions in cell purchasing. The material input ratio (calculated from the ratio of cost of materials to revenue and inventory changes) increased to 141.2% (prior year: 82.1%), mainly due to the disposal of old inventories below carrying amount. This results in gross profit of € 2.2 million for fiscal year 2020 (prior year: € 19.4 million), corresponding to a gross profit margin of 11.9% (prior year: 34.3%). Personnel expenses fell by 30.5% to € 11.1 million (prior year: € 15.9 million) as a result of the scheduled reduction in personnel and the use of short-time working. Due to the lack of revenue growth, the personnel expense ratio increased to 61.0% (prior year: 28.1%). Other operating expenses decreased to € 15.3 million (prior year: € 17.9 million). Impairments of € 8.2 million (prior year: € 86.9 million) had a significant negative impact on earnings. These comprise impairments on intangible assets and property, plant and equipment of € 4.1 million, on goodwill of € 0.0 million and on current assets of € 4.1 million.

As a result, earnings before interest, taxes, depreciation and amortization (EBITDA) fell to € -24.2 million (prior year: € -14.4 million), corresponding to an EBITDA margin of -133.7% (prior year: -25.4%). The adjusted EBITDA of € -8.1 million (prior year: € -2.2 million) results from the adjustment of cost of materials for discontinued technologies in the amount of € 16.1 million. The adjustment thus contains two main components: The reported impairments on noncurrent and current assets, and items recognized in material expenses for the disposal of discontinued, old materials below carrying amount. After scheduled depreciation and amortization of property, plant and equipment and intangible assets of € 6.0 million (prior year: € 6.3 million), earnings before interest and taxes (EBIT) increased to € -38.5 million (prior year: € -107.6 million). However, the EBIT margin fell to -212.2% (prior year: -190.0%).

As a result of higher financial expenses, the financial result decreased to € -0.8 million (prior year: € -0.2 million). Earnings before taxes (EBT) improved significantly to € -39.2 million (prior year: € -107.8 million). Taking into account income taxes of € 2.2 million (prior year: € 5.9 million) due to deferred tax effects, the Voltabox Group generated a consolidated net income of € -37.1 million in the reporting period (prior year: € -101.9 million). This corresponds to earnings per share of € -2.34.

Segment revenue for the Europe operating segment is € 14.9 million (prior year: € 65.2 million) and segment revenue for the North America operating segment is € 3.4 million (prior year: € 6.2 million). The EBITDA of the

Europe operating segment amounts to € -15.9 million (prior year: € -6.4 million), while the EBIT is € -29.6 million (prior year: € -83.3 million). The North America operating segment reports EBITDA of € -7.4 million (prior year: € -8.6 million), while EBIT amounts to € -8.0 million (prior year: € -25.0 million).

Net-Assets of the Voltabox Group

The assets of the Voltabox Group decreased to € 40.1 million as of the balance sheet date (December 31, 2019: € 89.1 million), mainly due to working capital reductions. Non-current assets declined to € 27.2 million (December 31, 2019: € 31.3 million) following depreciation and amortization. Other assets as of the balance sheet date came down to € 1.6 million (December 31, 2019: € 2.1 million). Property, plant and equipment decreased to € 15.8 million (December 31, 2019: € 17 million) as a result of divestments and depreciation, while financial assets of € 1.4 million were unchanged. Current assets fell to € 12.9 million (December 31, 2019: € 57.9 million). This is mainly due to the decline in receivables as well as inventories and cash and cash equivalents. Cash and cash equivalents amounted to € 2.3 million at the end of the fiscal year (December 31, 2019: € 5.0 million).

Noncurrent provisions and liabilities decreased to € 11.9 million (December 31, 2019: € 15.4 million) due to repayments of lease liabilities. Non-current loans declined to € 0.0 million (December 31, 2019: € 0.3 million), and deferred taxes also decreased to € 0.0 million (December 31, 2018: € 2.5 million).

Inventories were reduced to € 5.8 million (December 31, 2019: € 15.7 million). The value of inventories also decreased due to the disposal of old, discontinuing inventories below carrying amount. Trade receivables were reduced by € 28.5 million to € 2.5 million (December 31, 2019: € 31.1 million) as a result of the repatriation by a customer and lower revenue. Furthermore, receivables from related parties decreased to € 1.3 million (December 31, 2019: € 5.3 million). Other assets increased to € 0.9 million (December 31, 2019: € 0.7 million).

Noncurrent provisions and liabilities came down to € 11.9 million (December 31, 2019: € 15.4 million) due to repayments of leasing liabilities. Noncurrent loans declined to € 0.0 million (December 31, 2019: € 0.3 million), as did deferred taxes to € 0.0 million (December 31, 2018: € 2.5 million).

Current provisions and liabilities were reduced to € 12.9 million (December 31, 2019: € 22.0 million). The main reason for this is the utilization of an impending loss provision and the reduction in trade payables. Income tax liabilities were fully derecognized as of the balance sheet date via a loss carryback, while other current liabilities increased to € 5.7 million (December 31, 2019: € 3.4 million). Likewise, current loans decreased to € 0.05 million (December 31, 2018: € 0.3 million).

The Voltabox Group's equity fell to € 15.4 million (December 31, 2019: € 51.8 million), resulting from the consolidated net income for the 2020 reporting year.

Financial Position of the Voltabox Group

DCash flow from operating activities improved to € 3.7 million in the reporting period (prior year: € -10.9 million). The main reason for this is the significant reduction in trade receivables. In addition, a significant portion is attributable to the disposal of old, discontinued inventories, some of which were sold in the fourth quarter at less than their carrying amount.
Cash flow from investing activities improved to € -5.5 million (prior year: € -8.5 million). Payments for property, plant and equipment of € -2.2 million (prior year: € 6.3 million) and for intangible assets of € -3.3 million (prior year: € 9.1 million) reflect CAPEX investments of € -5.6 million (prior year: € 15.4 million).
Cash flow from financing activities increased to € -0.9 million (prior year: € -3.9 million).
Accordingly, free cash flow amounted to € -1.8 million (prior year: € -26.3 million). The company thus achieved its forecast of a free cash flow that was expected to be "slightly negative".
Cash and cash equivalents decreased to € 2.3 million as of the balance sheet date (prior year: € 5.0 million), which is mainly due to the negative operating results.

General Statement on the Net Assets, Financial Position and Earnings of the Voltabox Group

The net assets, financial position and results of operations of the Voltabox Group in the past fiscal year were dominated by extremely challenging economic conditions as a result of the COVID-19 pandemic. The Voltabox Group's revenue, which was generated primarily from project business, fell significantly in the year under review. This was accompanied by a further burden on earnings as a result of inventory liquidation. The effects of the utilization of inventories of old, discontinued technology also weighed on the Group's earnings. The earnings situation was therefore mainly affected by the underperformance of revenue and impairment losses. The net assets position in the reporting year was characterized in particular by the reduction in working capital. The equity ratio decreased to 38.3% (December 31, 2019: 58.1%).

Earnings of Voltabox AG (Individual Financial Statement)

Voltabox AG did not continue its previous growth momentum in fiscal year 2020 with a 75.6% reduction in revenue in the individual financial statements to around € 15.5 million (prior year: € 63.3 million). Own work capitalized increased to € 0.7 million (prior year: € 1.1 million). Other operating income increased to € 9.7 million (prior year: € 2.6 million), mainly as a result of reversals of allowances for intercompany receivables. The EBIT margin deteriorated to -187.3% (prior year: -173.3%), primarily due to higher cost of materials and an increase in other operating expenses. There was also a significant decline in the EBITDA margin from -133.2% in 2019 to -174% in the 2020 reporting year.

The cost of materials decreased by 76.3% to € 22.1 million (prior year: € 93.0 million). Due to higher prices for parts for the use of old, discontinued technology, the material input ratio (calculated from the ratio of cost of materials to revenue and inventory changes) rose to 230.1% (prior year: 151.5%). Consequently, gross profit for fiscal year 2020 amounts to € -0.8 million (prior year: € -27.9 million), which corresponds to a gross profit margin of -4.9% (prior year: -44.0%).

Given reduced scheduled depreciation and amortization of € -2.0 million (prior year: € -7.8 million), earnings before interest and taxes (EBIT) improved significantly to € -29.0 million (prior year: € -109.7 million). However, the EBIT margin decreased to -281.2% (prior year: -175.6%) due to the reduced revenue. As a consequence of repayments, the financial result remained constant at € 0.3 million (prior year: € 0.3 million), while earnings before taxes (EBT) improved to € -28.7 million (prior year: € -109.4 million). In the period under review, Voltabox AG posted a net income of € -28.9 million (prior year: € -108.8 million).

Net Assets of Voltabox AG

Voltabox AG's assets fell by € 40.4 million to € 21.4 million as of the balance sheet date (December 31, 2019: € 61.8 million), mainly due to a reduction in trade receivables. Non-current assets decreased by € 11.3 million to € 5.7 million (December 31, 2019: € 17.0 million). Financial assets were reduced by € 11.6 million to € 1.4 million (prior year: € 13.0 million), mainly as a result of impairments on loans and investments. Intangible assets remained constant at € 1.4 million (December 31, 2019: € 1.4 million).

Current assets decreased by € 29.2 million to € 15.5 million (December 31, 2019: € 44.7 million). This is primarily due to the reduction in receivables. Cash and cash equivalents now amount to € 2.3 million (December 31, 2019: € 1.4 million). Mainly due to scheduled repayments, trade receivables were reduced by 98.9% to € 0.3 million (December 31, 2019: € 26.1 million). Accruals and deferrals were € 0.3 million as of the balance sheet date (December 31, 2019: € 0.1 million). The increase results from the recognition of an advance rental payment.

On the liabilities side, provisions decreased to € 1.9 million (December 31, 2019: € 4.2 million) due to the reversal of an impending loss provision. Liabilities also declined to € 5.2 million (December 31, 2019: € 14.3 million). In particular, trade payables went down by € 5.2 million to € 4.6 million (December 31, 2019: € 11.4 million), primarily due to shorter payment terms. Other liabilities reduced to € 0.5 million (December 31, 2019: € 1.7 million) because of the decrease in liabilities from other taxes.

The equity of Voltabox AG fell to € 14.4 million (December 31, 2019: € 43.3 million). Against this background, the equity ratio decreased to 67.0% as of the balance sheet date (December 31, 2019: 70.0%).

Financial Position of Voltabox AG

Cash flow from operating activities improved to € 3.7 million in the reporting period (prior year: € -22.8 million). The main reason for this was the reduction in receivables by € 25.8 million.

Cash flow from investing activities increased by € 2.6 million to € -5.5 million in the reporting period (prior year: € -2.9 million). This development is mainly the result of higher R&D costs.

Cash and cash equivalents climbed to € 2.3 million as of the balance sheet date (prior year: € 1.4 million), mainly as a result of the considerable burden on working capital and the loss financing for the current fiscal year. Cash flow from financing activities amounted to € -0.9 million in the reporting year (prior year: € 0.3 million).

General Statement on the Net Assets, Financial Position and Earnings of Voltabox AG

The net assets, financial position and results of operations in the past fiscal year were dominated by a comprehensive refocusing and various individual issues, some of which had a considerable impact. The earnings situation continues to be dominated by the high cost of materials. In addition, the net assets position was affected in particular by working capital measures, and the financial position as of the balance sheet date also changed significantly as a result of the short-term capital lockup.

Opportunity and Risk Report

Voltabox Group has established a comprehensive automated risk management system to identify opportunities and risks in corporate development. The risk management system described below refers both to Voltabox AG and the Voltabox Group. All the operating segments regularly issue risk reports, from which management is informed about the probability of occurrence and possible damages resulting from the risks identified. The risk reports contain an assessment of the risks as well as suggestions for appropriate countermeasures. For information on the risk management objectives and methods with regard to the use of derivative financial instruments, please refer to the notes (note (35)).

Opportunity Report

Opportunities

In its current outlook[21], the International Monetary Fund assumes global economic growth of up to 5.5%. For the Voltabox core markets of Germany and the USA, economic growth of 3.5% and 5.1% respectively is expected. Against this background, there are opportunities for Voltabox to achieve corresponding revenue increases in the Voltapower and Voltaforce product segments in future fiscal years. The Management Board continues to pursue the goal of securing and building on revenue and market share in its defined core markets by seeking orders with major market players. With application-oriented, customer-specific systems developed based on a modular concept and manufactured in large series, exceptional customer benefit and solid economic advantages for the customer are realized.

The Corona crisis initially had a significant effect on economic conditions last year and subsequently also had a massive impact on sales both in the automotive industry and in a large number of other industries for which Voltabox offers solutions. In the course of the return to almost regular production conditions for industry and thus an increase in productivity as well as economic output, concerns about the economic recovery receded into the background. A return to pre-crisis levels is expected in the USA, for example, as early as the current year, while China has already reached this point in the fourth quarter of 2020. The euro zone is developing more slowly in this respect. The crash of the German economy in 2020 turned out to be smaller than feared, which means that the recovery in 2021 will be more moderate.[22] Accordingly, the dynamics of the market development of electromobility is not sustainable influenced, as the market research institute BloombergNEF recently stated in its Electric Vehicle Outlook 2020. The imminent fundamental improvements in terms of costs and technologies in the field of electromobility would ensure that the short-term influences of the pandemic can be compensated for quickly.[23]

The megatrend is continuing both in the consumer market and in the industrial sector. Voltabox is benefiting from this in individual target markets for capital goods, such as buses for local public transport, forklifts used in intralogistics and driverless transport systems in networked production, starter batteries for the automotive and motorcycle market, and in the area of vehicles for agricultural and construction use.

As a result, the following opportunities which the company deems significant, as in the prior year, exist for Voltabox's product segments, especially in the medium-term:

- Voltapower
  In individual submarkets for capital goods, Voltabox has successfully expanded its customer base in recent years and concluded strategically important framework agreements. Some of these should have already contributed to the originally planned sales growth in the reporting year. Due to the uncertainty about the future economic development caused by the Corona pandemic, the vast majority of the planned series ramp-ups or the start of deliveries to customers have been postponed. However, the Management Board of Voltabox AG assumes that customer demand

21 https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update
22 https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update
23 BloombergNEF, Electric Vehicle Outlook 2020

for modern solutions for the electrification of their products will continue to exist and that the agreed forms of cooperation and supply to these customers can be realized in the future with a temporal delay. Accordingly, Voltabox will be able to benefit in the future from the substitution effects that result from the economic and ecological advantages for users compared with, for example, the technology concepts used to date. In these fast-growing submarkets, Voltabox has the opportunity to successively increase its relative market share and thus occupy a leading market position in each case.
Furthermore, with the Voltabox-Flow-Shape-Design® (FSD) innovation presented at the end of the reporting year, the company has realized a significant expansion and future-oriented adaptation of its product portfolio. With the market launch of the FSD technology, the Group expects to be able to respond even more strongly and flexibly to market requirements in the future and thus regain not only technology leadership but also price leadership in the field of lithium-ion battery systems for industrial applications. From the point of view of the Voltabox Management Board, the technology is suitable for almost all forms of application in electromobility and thus significantly expands the application potential of Voltabox products.
Taking additional account of the depth of innovation of the technology as well as the improved integration possibilities in the specific applications and significant material savings, the company considers Voltabox-Flow-Shape-Design® to have a disruptive character that can have an impact on the entire battery industry. Based on this, the company has also introduced a complementary revenue model with the introduction of the technology. Through licensing, the technology will be made available to all market competitors. In the automotive sector, Voltabox will in future work with paragon GmbH & Co. KGaA, Voltabox will switch to a licensing model. This will enable future recurring revenues to be secured without the need for a cost-intensive build-up of the organization.

Voltaforce
The above-mentioned properties of FSD technology offer considerable potential for improvement, particularly in the design of battery systems for use in industrial applications. However, FSD technology also represents a potential field of application for the Voltabox product segment Voltaforce, which essentially addresses mass market applications. At the same time, Voltabox is succeeding in driving market penetration in these sub-segments through sales successes, even with the products currently established in the market. The Voltabox starter battery is thus proving to be a solution that is in high demand within the automotive sector and also in selected industrial sub-segments.

At the beginning of fiscal year 2020, the Management Board of the parent company paragon GmbH & Co. KGaA resolved to fully or partially sell its shares in Voltabox AG. This could potentially result in opportunities for Voltabox. The Management Board of Voltabox AG cannot verify these opportunities until the conclusion of the sale process.

Overall Assessment of Opportunitites

Through the regular and structured monitoring of opportunities within the Voltabox Group and the relevant sales markets as well as the internal, barrier-free communication at the various levels of management, the Management Board is in a good position to identify opportunities for the Group. At the end of fiscal year 2019, both external and internal opportunities were identified. External and internal opportunities from the prior year remain basically unchanged.

The significance of the listed opportunities as well as the resulting positive effects on the financial performance indicators projected for fiscal year 2021 – and thus on the short-term development of the Voltabox Group as a whole – is classified as low. The Management Board therefore expects the development of business described in the forecast.

Risk Report

Risk Management

Voltabox uses a comprehensive automated risk management system as part of its risk-oriented corporate governance.

Risks are defined in the Voltabox Group not only as activities, events and developments endangering the company's existence, but also those affecting its business success. Particular attention is paid to risk concentrations, e.g. dependencies on individual customers, suppliers, products or countries. In the case of material risks, mutual dependencies and impacts are taken into account, since individual risks can mutually reinforce each other or cause compensation effects between them. In addition, opportunities are also subsumed under the risk concept. We understand business success in terms of measurable values, primarily revenue, EBITDA margin and free cash flow. Risks are therefore represented in these figures in the evaluations from the respective process owners. Risk assessment is always based on the risk outcome. A risk is the possibility that a threat exposes a vulnerability and causes damage to or the loss of an object and thereby directly or indirectly results in a negative impact. The aim is also to identify and evaluate these risks in order to be able to select suitable and appropriate countermeasures on this basis.

Strategic Governance and Rsik Management

The aim of risk management is to secure the company's continued existence, i.e., securing its future development and profitability as well as reducing the risks of breaching the confidentiality, integrity and availability of the information or data used or contained in the performance of activities. The task of risk management is also to show deviations from the corporate objectives at an early stage and thereby enable timely countermeasures. Risk guidelines are defined in the risk manual.

Group-wide responsibility for risk management lies with the Management Board. Risk management at the respective sites is adequately covered and secured in regular (roundtable, video and telephone) meetings with the respective senior management. This means that the Management Board is directly informed of the situation; the corresponding risks are continuously monitored and managed by the Management Board. In risk fields where quantification is not possible or useful, work is also done to identify risk factors

Central Risk Management

An important role in the risk management and control process belongs to central risk management. Within its responsibility for the risk situation of the company, the Management Board transfers the task of implementing permanent risk management activities to the central risk management team. Responsibility for central risk management lies directly with the divisional director for Finance of Voltabox AG. Voltabox's central risk management team is responsible for coordinating all decentralized risk management functions, evaluating risk analyses and consolidating them into risk reporting as well as improving and enhancing the risk management system. Working with the Management Board the central risk management team determines the reporting cycles and defines the thresholds for the risks which, when exceeded, require a risk control report to be prepared outside the obligatory reporting requirements. Both the threshold values and the reporting cycles are based on the relevance of the risks.

Central risk management supports the decentralized risk managers in the preparation of risk analyses and checks their returns and plausibility. It summarizes the individual risk profiles in a joint document. This means that interactions between the risks can be analyzed and the overall risk situation at Voltabox can be recorded, evaluated and commented on. This summary is referred to as risk reporting. This task is of particular importance because the objective of an integrated risk management system is the holistic consideration of a company's risk situation. Risk reporting acts as the basis source for the statements on Voltabox AG's risk situation in the combined management report.

The decentralized risk managers are consulted whenever new risk management measures are established or existing measures are adapted.

Decentralized Risk Management

Decentralized risk management at Voltabox is located within the company's individual segments and sites. The area and process managers are responsible for risk management in their respective areas of work as decentralized risk managers. The decentralized risk management team reports on the development of risks in these areas as part of risk control measures. For each quarterly reporting cycle, the decentralized risk managers write up a report on the risks for which they are responsible. The focus here is on the description of the expected development of the risk. With this, measures for future risk management or the improvement of existing measures are developed and included in the risk control report as proposed measures for implementation. The decision on implementation is the responsibility of the Management Board. In addition, the Management Board must be informed without delay of any risks incurred during the entire year (ad-hoc risk reporting).

Risk Monitoring

Risk monitoring is the task of both decentralized and central risk management. The decentralized risk manager defines early warning indicators for critical success factors, which are monitored by central risk management. As soon as the defined thresholds are reached, a risk report is prepared by the decentralized risk managers, i.e. a forecast of the expected effects of the risk event for Voltabox. These forecasts are to be supplemented by scenario analyses, which take into account different data constellations.

Based on this information and the recommendations made by the decentralized risk managers and central risk management, the Management Board decides whether and to what extent measures are to be implemented or whether an adjustment of the company's objectives is necessary.

Risk Reporting

The quarterly report to the Management Board contains all new risks identified in the reporting month as well as those risks that have changed by a degree greater than or equal to 50% from the prior report.

Central risk management is required to provide an ad hoc report to the Management Board in the case of risks with a change of 100% or more as compared to the previous month. The Management Board, in turn, is then obliged to provide a report to the Supervisory Board within 24 hours of being informed about the risk.

The risks continually analyzed by Voltabox as part of risk monitoring can be assigned to the following risk categories, each of which is divided into individual risks:

- Strategic and Environmental Risks
- Market Risks
- Operating Risks
- Financial Risks
- Management and Organizational Risks

At the end of the year under review, the Voltabox Group was exposed to a total of 15 individual risks. In the opinion of Voltabox AG, the liquidity risk and the technical differentiation from the competition endangered the company's continued existence.

Risks

Risks Threatening the Existence of the Group

The Voltabox Group is in the midst of a fundamental restructuring process. As a result of the ongoing implications arising from the Corona pandemic, the discontinuation of a major project in the USA and several months of supply interruptions by the most important cell supplier, sales in fiscal year 2020 are both significantly below the prior year's figure and well below the original expectations. As a result, the liquidity situation remains tight.

In addition, the competitive situation in the field of industrial electromobility has intensified considerably. New market players, most of whom are financially stronger than Voltabox, are offering comparable products at attractive prices. In addition, cooperation agreements between competitors and customers are jeopardizing Voltabox's market position.

Overall, the Management Board classifies this combination of significant financial and market risks as being threatening the existence of the company.

In particular, the company has taken the following measures or will continue to do so in fiscal year 2021 in order to compensate at least in part for the continuing decline in revenue and to maintain solvency:

- Short-time work
- Staff reduction
- Sale of inventories, in some cases well below carrying amount
- Implementation of projects that promise the most reliable revenue contribution possible

In addition, the timely merger with a competitor as the new major shareholder is being accelerated and is expected to be completed by the end of the current fiscal year 2021. Until then, an adjustment of the business model with the following key measures is also planned to restore profitability and refinancing capability:

Voltabox stand-alone:

- Focus on the industrial market (primarily buses, municipal vehicles, agricultural/construction machinery and stationary equipment)
- Licensor for the automotive sector (mainly through flow-shape-design technology)
- Sale or closure of Texas subsidiary and other non-operating investments (ForkOn)

After the merger with a competitor as the new major shareholder, the following further measures are planned:

- Reduction of personnel in redundant departments (especially development, sales, procurement)
- Financial restructuring via capital increases and financing of working capital by the new main shareholder.
- Compensation of the interim liquidity requirements by the previous parent company (paragon GmbH & Co. KGaA).

The company's medium-term earnings and liquidity planning shows sufficient financial resources and lines of credit for a period up to the end of 2022 in order to be able to maintain business operations at the planned, significantly reduced level. The correspondingly secured refinancing was confirmed by the previous main shareholder (paragon GmbH & Co. KGaA) and has become part of its liquidity planning.

Strategic and Environmental Risks

Overall economic development is observed in the risk management system due to its possible influence on patterns of demand in Voltabox AG's major markets (such as local public transport, intralogistics and mining), particularly in Germany and Europe, but also regarding the U.S. market owing to its strategic significance. This can lead to fundamental changes to supply and demand behavior in the procurement and sales markets for Voltabox. As the Voltabox Group has its own production facility in the U.S., and as it has a specific customer/product structure, the Management Board views the impact of the potential risk of protectionist influence on earnings as low.

The outbreak of the coronavirus (SARS-CoV-2) and the associated COVID-19 illnesses represents a macroeconomic risk. The resulting measures to control the virus and the pandemic development have led to a collapse in global economic growth within a very short period of time. Risks exist for the Voltabox Group depending on the effects on the sales development of the main customers, which could have a corresponding direct impact on the earnings and liquidity situation. In fiscal year 2021, it cannot be ruled out that the pandemic will worsen further, driven in particular by mutations of the virus, which may have the potential to significantly set back the efforts of nation states to protect the population through comprehensive vaccination campaigns. Some of the mutations known to date are significantly more contagious than the original variant of the virus. Accordingly, new dynamic developments may occur in individual outbreaks. This could also affect Voltabox's customers, who could be forced to reduce or cease production as a result. In general, a renewed intensification of the pandemic situation could have an impact on the willingness of Voltabox customers to invest. Depending on the development of the pandemic and the associated effects on the productivity of supplier companies, there may be a risk for the procurement of essential materials such as cells in the future. These risks caused by the COVID-19 pandemic are classified in their entirety as a risk to the continued existence of the company.

The announcement by the parent company that it plans to sell all or part of its shares in Voltabox AG may give rise to risks in the area of the strategic environment. The Management Board of Voltabox AG is unable to assess this risk with sufficient reliability at the time this annual report is prepared. However, the Management Board has experienced an inhibition to conclude new framework agreements on the customer side in various situations in the fiscal year 2020 due to the existing uncertainty.

Market Risks

Voltabox is working to reinforce and expand the market position it has achieved in the past as an established and innovative supplier of battery systems for industrial use, increasingly also for major customers in the field of electromobility. In fiscal year 2021, the growth momentum of the submarkets occupied by Voltabox is expected to continue in line with the outlook for the sales market for so-called electric vehicles, as predicted, for example, by the market research institute BloombergNEF[24] or the consulting firm strategy[25]. In addition, catch-up effects will still be observed in isolated cases as a result of the Corona pandemic.

Due to the relatively high concentration on just a few customers in fiscal year 2019, the loss of an important customer could have a significant impact on the assets, financial position and earnings in the medium-term. This risk is counteracted by comprehensive development work on product innovations as well as detailed permanent order backlog analyses focusing on early risk identification, as well as by expanding the customer base with extensive marketing activities in our defined core markets.

Voltabox develops its own, innovative solutions, which are implemented in cooperation with pilot customers and subsequently offered to a wider customer base in carefully selected target markets. However, it cannot be ruled out that a product development may not achieve its expected quantities or that its economic success may be lower or later than originally planned. This could have a negative impact on the Group's revenue and earnings. The Management board estimates the risk as moderate overall.

The competitive situation in the field of (industrial) electromobility is currently subject to various changes. New market participants are appearing, while established participants are entering into cooperative ventures with industrial groups. This results in the risk for Voltabox AG for a reduction of the potential customer base. In addition, there is a risk that competitor companies will be able to achieve an improved price structure with products comparable to those of Voltabox AG due to economies of scale.

Operating Risks

In terms of operating risks, Voltabox is currently focusing on its research and development, materials management, production and information technology activities.

The future economic success of Voltabox will depend on the ability to continuously develop new and innovative products on time and successfully introduce them to the market. Recognizing new technological developments at an early stage and implementing them in partnership with customers is key here. Should Voltabox not be able to, or not quickly enough, recognize and implement new trends, changing customer requirements or future technological advances or to develop new products and adapt existing products in accordance with business principles, this may have a detrimental effect on the company's assets, financial position and earnings.

In addition, development costs may not be recoverable if Voltabox's customers do not subsequently issue serial production orders or if the quantities Voltabox sells are significantly lower than expected. Given the high proportion of capitalized development activities on the balance sheet, a corresponding valuation allowance for intangible assets could have a negative impact on the company's assets, financial position and earnings.

The regular purchasing currency is the euro, whereby the share of purchases made in U.S. dollars was around 64% in the reporting year. The volume of purchases in U.S. dollars will continue to increase as a result of the expected revenue growth Currency risks arise primarily for purchases in U.S. dollars that are intended for the European currency area, as well as for loans issued in euros to the subsidiary in the U.S. Voltabox AG currently estimates the currency risk as moderate. The function IT is still currently covered by paragon and is being sold to Voltabox at standard market prices. With the rapid spread of information technology (IT) and the ubiquitous connectivity provided by the internet, IT risks, such as system failures and unauthorized access to company data and information, are also on the rise. As a service provider for Voltabox AG, paragon has – in cooperation with specialized service companies – established modern security solutions that shall protect its data and IT infrastructure in order to avert possible dangers.

In the wake of the announced intention of paragon GmbH & Co. KGaA to partially or completely sell its stake in Voltabox AG, the Voltabox Group has decided to advance its efforts to establish independent IT. To this end, concepts have been prepared for hardware and software infrastructure and the continuous management thereof.

The parent company's announcement of its intention to sell all or part of its shares in Voltabox AG could additionally lead to operational risks in regard to cooperation with suppliers and customers. Due to the prevailing lack of clarity, the Management Board currently identifies risks that impact the relationship with customers and suppliers.

Financial Risks

In addition to interest rate, liquidity and currency risks, Voltabox also monitors risks associated with the loss of receivables, balance sheet risks and tax risks in the financial risks category. No risks have been estimated at more than € 0.5 million by the company.

Interest rate risks are only of trivial relevance to Voltabox, as only fixed interest rate agreements with out financial covenants are in place.

Basically, the currently unprofitable company faces a risk from the corona virus pandemic in regard to the willingness of lenders to provide growth financing.

Voltabox continues to plan for the entry of a new anchor shareholder. That said, structures have already been implemented to enable a stabilized business model without a new anchor shareholder. To this end, a production cooperation was concluded in the area of project business. This will significantly reduce working capital. In addition, there has been a significant reduction in personnel. The staff reduction was made possible by further focusing.

The company's ability to pay is generally ensured by comprehensive planning and monitoring of liquidity. Voltabox AG carries out comprehensive liquidity planning at Group level in short regular consultations. The extended management is involved in this process. Liquidity planning is carried out in detail at 12-month level and is supplemented by a 24-month forecast. In addition, Voltabox uses short-time work as an instrument to counter fluctuations in capacity utilization. Shortened payment terms are agreed with customers. A growing portion of the receivables is also hedged by means of a commercial credit insurance. An additional possibility for short-term financing exists in the form of factoring agreements. The agreement was terminated by Voltabox AG as of December 31, 2021. Extended payment terms are agreed with suppliers. Voltabox uses a dynamic planning approach with flexible monthly budgeting based on short-term capacity utilization.

The spread of the corona virus and the impact of the pandemic on the global economy have significantly changed the overall risk situation of Voltabox AG Revenue risk has increased due to global risk factors and potential disruptions of production. The Group is working to counteract this by reducing expenses to the minimum level necessary to operate and by increasing the flexibility of costs. The Management Board remains generally confident in the effectiveness of its risk and opportunity management as well as the measures adopted.

The liquidity situation in fiscal year 2020 is strained by the continued stagnation in revenues and significantly too low capacity utilization to cover fixed costs. Voltabox AG only has a small amount of assets that can be liquidated in the short term and is dependent on payments from the owners in fiscal year 2021. At the same time, potential sales growth results in a relatively high upfront financing requirement. The value creation steps tie up working capital in the medium term. Investment projects can currently only be realized to a limited extent. The procurement of preliminary products is generally only possible against advance payments. In order to cover the negative operating cash flows, Voltabox AG is dependent on liquidity being provided by the current main shareholder. These effects could jeopardize the existence of

24 BloombergNEF, Electric Vehicle Outlook 2020

25 https://www.strategyand.pwc.com/de/de/presse/2021/emobilitaet-boomt.html

the company and therefore represent a risk threatening the existence of the company. For this reason, Voltabox AG has ordered short-time work in large parts of the organization with the goal of securing the cost base for fiscal year 2021 and has placed the focus on revenue projects that are as secure as possible. Furthermore, the sale of the US subsidiary and the sale of the investment in ForkOn are planned. For a detailed description of the risks threatening the existence of the company and the measures taken by the company, please refer to the section "Risks threatening the existence of the company" in the risk report. The company monitors potential currency risks on the procurement and sales side by continuously reviewing foreign currency exchange rates. At present, Voltabox does not use financial instruments to hedge currency risks.

Management and Organizational Risks

In this risk category, Voltabox is primarily observing risk factors resulting from the growth strategy. This includes primarily personnel and organizational risks, as well as management and communication risks. Clear assignments and demarcations in the respective areas of responsibility within the system of corporate governance have been laid out in order to prevent cases of lacking interfaces and functional overlaps. Currently, the Management Board does not consider there to be any material risks to Voltabox in this area.

However, the company is fundamentally dependent on attracting and retaining qualified personnel and persons in key positions in the long-term. The future economic success of Voltabox depends to a considerable extent on the continued involvement of its executives, senior employees and employees in key positions.

The company cannot guarantee that it will be able to hold key executives, senior executives and employees in key positions or attract new executives and employees with appropriate qualifications.

If Voltabox is unable to obtain sufficient personnel in the future, the strategic and economic objectives of the company may not be achievable or only achievable at a later date. This could have a detrimental impact on the company's assets, financial position and earnings.

Overall Assessment of the Risk Situation

Voltabox will also hedge itself against general market risks in e-mobility in the future, too. In fiscal year 2019, two customers exceeded the threshold of 10% of revenue in accordance with IFRS 8.34. These customers accounted for revenue of € 6.4 million (35.5%) and € 4.9 million (27.1%), respectively. Both are attributable to the Voltapower product segment.

In 2020, the so-called novel corona virus (SARS-CoV-2) evolved from an epidemiological phenomenon to a globally manifested pandemic. The Voltabox Group's business, which is primarily characterized by projects, was significantly affected by the impact of the spread of the virus as well as by the health policy countermeasures. In order to secure its own operating processes, the company has established a specific safety and hygiene concept for the administrative units as well as for production, so that after the initial drastic curtailment of production due to blocked supply chains and postponed or canceled customer call-offs, no subsequent Corona-related production interruptions were necessary in the further course of the year. Nevertheless, there may still be restrictions in fiscal year 2021 as a result of the ongoing Corona crisis. The dynamics of the pandemic cannot be reliably predicted, particularly due to current developments regarding mutations of the virus. The course of events also depends to a large extent on the success or speed of the national vaccination campaigns. In this respect, there is still a risk, albeit to a significantly lesser extent than in the prior year, that suppliers and customers will have to restrict their production activities. Voltabox AG has analyzed in detail the events and specific effects of the COVID-19 pandemic on the Group in fiscal year 2020 and has taken appropriate measures to protect itself as best as possible against such external effects.

It is currently impossible to predict how long the economy will be affected by the corona virus or what impact the future course of the pandemic will have on the global economy.

Voltabox AG currently classifies two risks as threatening the existence of the company:

a) Voltabox AG will continue to focus heavily on liquidity planning in order to ensure the continued existence of the company. To this end, further progress was made in reducing the workforce, a production cooperation was concluded and further focusing was completed. In addition, the business model was expanded to include an automotive licensing business in cooperation with paragon GmbH & Co. KGaA. As of the time of publication of this report, the risks and its effects are extensive enough to jeopardize the continued existence of the company.
b) The risk of only being able to offer insufficiently innovative products at non-marketable product prices due to the competitive situation also threatens the existence of Voltabox AG.

The potential impact from the various risks on the overall future performance of the Voltabox Group, as well as its financial and nonfinancial performance indicators for fiscal year 2021, are regarded as threatening the existence of the company by the Management Board as a whole. Accordingly, the Management Board expects that the business development described in the forecast will be significantly impacted by the disclosed risks. Voltabox AG classifies the risks within the Group as equivalent.

Description of the Key Characteristics of the Internal Control and Risk Management System

with regard to Group Accounting Process (Section 315 (4) HGB)

Since the internal control and risk management system is not legally defined, Voltabox bases its definition on that of the Institut der Wirtschaftsprüfer in Deutschland e.V., Düsseldorf, Germany, regarding accounting-related internal control systems (IDW PS 261).

An internal control system is therefore understood as the principles, procedures and measures enacted by management that are aimed at the organizational implementation of management's decisions. The objectives are as follows:

a) Ensure the effectiveness and profitability of the business (including the protection of assets and the detection and prevention of asset damages)
b) Ensure the regularity and reliability of internal and external accounting
c) Comply with the legal and statutory regulations applicable to the company

The Group's risk management system includes all organizational regulations and measures for risk identification and handling risks related to entrepreneurial activity.

The Management Board of Voltabox AG bears the over – all responsibility for the internal control and risk management system with regard to the accounting process. The principles, procedural instructions, procedural organization and processes of the accounting-related internal control and risk management system are laid down in organizational instructions that are adapted at regular intervals to current external and internal developments.

In view of the size and complexity of the accounting process, management has determined the scope and design of the control activities and implemented them in this process. Independent controls have also been established. The control activities address those control risks which, in terms of their probability of occurrence and their impact, could have a significant influence on the accounting and overall statement of the consolidated financial statements, including the combined Group management report.

Key principles, procedures, measures and control activities include:

- Identification of the key control risks relevant to the accounting process
- Process-independent controls for monitoring the accounting process and its results at the level of the Management Board of Voltabox AG
- Control activities in the finance department of Voltabox AG, which provide essential information for the preparation of the annual financial statements and combined management report, including the required separation of functions and approval procedures
- Measures that ensure the proper computerized processing of accounting-related information

Risk Reporting in Relation to the Use of Financial Instruments

(Section 315 (2) No. 1 of the German Commercial Code)

The following risks arise from the Voltabox Group's use of financial instruments:

Interest rate risks are only of trivial relevance to Voltabox, as only fixed interest rate agreements without financial covenants are in place.

The company's ability to pay is generally ensured by comprehensive planning and monitoring of liquidity. These plans are prepared on a short, medium and longterm basis. In addition, Voltabox has a rigorous receivables management system to ensure timely cash inflows.

A growing portion of the receivables is also hedged by means of a commercial credit insurance. An additional possibility for short-term financing exists in the form of factoring agreements.

The company monitors possible currency risks on the procurement and sales side by continuously tracking foreign currency exchange rates. At present, Voltabox does not use financial instruments to hedge currency risks. A factoring agreement was concluded in fiscal year 2018. It was used for the first time in 2019. In the context of this dormant factoring, the counterparty risk remains with Voltabox AG.

Forecast

Market Development 2021

The International Monetary Fund (IMF) published its outlook for the global economy during 2021 in October 2020.[26] Overall, following the significant slump in the global economy of -4.4%, a significant increase of 5.2% was expected for 2021. This would represent a marginal 0.6% growth in global productivity compared to 2019. In January 2021, the IMF published an updated forecast[27] that expects the global economy to grow by 5.5% despite emerging challenges in combating the COVID-19 pandemic. The IMF also noted stronger momentum in the second half of 2020, which led to a more optimistic forecast for economic development last year. Instead of the initially calculated decline of -4.4%, the forecast is now -3.5%. For 2022, the models predict growth of 4.2%. The 0.3 percentage point increase in global growth forecasts for 2021 reported in January is driven by expectations of a further recovery in economic activity over the course of the year as a result of positive vaccine developments as well as additional policy support in some major economies.

In this exceptional global situation, the IMF expects a lockstep in the normalization of economic growth with respect to the progress of developed economies (4.3% in 2021 and 3.1% in 2022) and emerging economies (6.3% in 2021 and 5.0% in 2022). Based on the calculations to determine the global economic outlook published January 2020, the IMF specifically assumed that economic development in the U.S. would amount to -5.1% in 2021 and 2.5% in 2022, in the eurozone to 4.2% in 2021 and 3.6% in 2022, in Germany to 3.5% in 2021 and 3.1% in 2022 and in China to 8.1% in 2021 and 5.6% in 2022.

Voltabox is mainly active in industrial sub-markets and select mass markets. These currently primarily include:

- Trolley buses and the conversion of conventional diesel buses from the public transportation sector
- Forklifts and automated guided vehicles in intralogistics and networked production environments
- Underground mining vehicles
- Agricultural and construction vehicles
- Starter batteries for motorcycles
- Pedelecs and e-bikes

The development in these sub-markets is essentially characterized by a substitution process for lead-acid batteries, or diesel generators in the case of trolleybuses and the entire powertrain in the case of diesel buses, with lithium-ion batteries – from which Voltabox benefits with its modular product portfolio. These are trends that have a period of several years and typically show a saturation curve with increasing market penetration. In addition, individual industrial and mass markets are driven by the general trend towards electrification. Due to the continuing uncertainty resulting from the COVID-19 pandemic, it is currently less expedient to rely on market research studies to illustrate the development of the markets addressed by Voltabox, as was done in previous annual reports.

As a result, the following assumptions are particularly important for establishing the Voltabox Group's forecast:

- Extraordinary, temporary influence of the COVID-19 pandemic on the maintenance of the value chains at Voltabox and within the industrial sub-markets as well as on the demand situation and willingness of customers to invest
- Continuing trend towards e-mobility, primarily through the replacement of lead-acid batteries and diesel backup generators with lithium-ion batteries in the sub-markets currently occupied
- Increase in regulatory drivers for sustainable mobility, particularly in the area of local public transport

The Voltabox Group

The Group's corporate planning is based on detailed sales and revenue planning and is broken down by customer to the product level and planned according to a bottomup principle. The main cost components are planned via individual planning models for a period of

26 https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020

27 https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update

several years and are then updated in adjusted proportion to the development of revenue.

Significant parameters, such as price changes in purchasing or sales as well as possible cost increases in personnel or changes in the tax base, are integrated into the planning. The constantly updated risk management system allows the company to identify risks at an early stage and, if necessary, counter them accordingly.

In fiscal year 2020, the Group adapted its planning methodology according to the specific Voltabox business model with under the influence of revenue postponements in the same year. Planning now gives significantly greater consideration to the project character of a number of customer relationships. In line with the originally positive order situation for 2021, the Management Board expected Voltabox to grow sustainably compared to the prior year, thereby taking a major step along the road back to the desired level of profitability. Due to the COVID-19 pandemic, however, the business prospects for the Voltabox Group for the current year have deteriorated significantly. Furthermore, no positive margin effects could be achieved in the course of the fiscal year to date due to the low output volumes. This has resulted in an increasing burden on free liquidity. The forecast of Voltabox AG in the individual and consolidated financial statements is dependent on the further development of the available free liquidity. In the event of a significant increase in free liquidity in the further course of the year, the company expects consolidated revenue of around € 15 million and a consolidated EBITDA margin of -15%. The sales potential exceeds this minimum figure, but requires further refinancing. In the fiscal year 2021, the Management Board classifies the EBITDA target as more important than the revenue target.

In addition to intralogistics, a particular level of focus will be placed on the existing local public transportation market segment (trolleybuses and the conversion of diesel buses). In addition, the new market segments of mobile and stationary energy storage will contribute to revenue for the first time. In general, Voltabox has given particular attention to diversifying its customer base and thus the distribution of revenue in the past fiscal year. Management Board expects a negative free cash flow of € -5 million in the current year, which will be compensated by loan funds from the parent company.

Development of key performance indicators:

€ '000 / as indicated	2019	**2020**	Change in %	2021 Forecast
Financial Performance Indicators				
Group Revenue	56,617	**18,135**	-68.0 %	15 Mio. Euro
EBITDA Margin	-25.4 %	**-133.7 %**	n/a	-15 %
Free cash flow	-26,304	**-1,815**	93.1 %	-5 Mio. Euro

Voltabox AG

Development of Key Performance Indicators:

€ '000 / as indicated	2019	**2020**	Change in %	Forecast 2021
Financial Performance Indicators				
Revenue	63,335	**15,474**	-76.6 %	9 Mio. Euro
EBITDA Margin	-161.0 %	**-174.4 %**	n/a	-20 %
Free cash flow	-26,304	**-1,815**	93.1 %	-4.5 Mio. Euro

General Statement on the Company´s Expected Development

The Management Board of Voltabox AG expects a positive strategic development of the Voltabox Group apart from the financial performance indicators such as revenue and EBITDA. The Management Board sees the fiscal year 2021 as a transition year in the context of the transformation.

Securing and expanding sustainable profitability are at the core of this business orientation. In addition, the further organic development of additional fields for action with regard to portfolio expansion is being pursued – with close proximity to the core business and under tight profitability and investment requirements.

The Management Board has not incorporated the potential effects of the sale process pursued by the parent company into its planning.

Disclosures required under takeover law purusant to sections 289a (1) and 315a (1) HGB

Composition of the Subscribed Capital

Voltabox AG's subscribed capital amounts to € 15,825,000.00 and is divided into 15,825,000 no-par-value shares with a nominal value of € 1.00 each. All shares are entitled to dividends. Each share grants one vote at the Annual General Meeting.

Stock Voting Right and Transfer Restrictions

The Management Board is not aware of any limitations affecting voting rights or the transfer of shares.

Holdings That Exceed 10 percent of the Voting Rights

As of December 31, 2020, paragon GmbH & Co. KGaA, Delbrück, held 8,620,000 shares in the company, corresponding to around 54,5% of the company's subscribed capital.

paragon GmbH & Co. KGaA indicated in a capital market release dated December 10, 2020, that a letter of intent for the sale of shares in Voltabox AG had been signed with an investor. No transfer of shares had taken place in this context by December 31, 2020.

Shares with special Rights of Control

There are no shares that confer special rights of control.

Voting Right Controls for Employees Participating in the Capital

Insofar as employees participate in the capital as shareholders, they cannot derive any special rights from them.

Appointment and Dismissal of Members of the Management Board and Amendments tot he Articles of Association

Regarding the rules for appointing and dismissing the members of the Management Board, reference is made to the statutory provisions of Sections 84 and 85 of the German Stock Corporation Act (AktG).

Regarding the rules for amending the Articles of Association, please refer to the statutory provisions of Sections 133 and 179 AktG.

Authorization of the Management Board to issue Shares

With the resolution of the Annual General Meeting on September 22, 2017, the Management Board is authorized, with the consent of the Supervisory Board, to increase the company's share capital once or several times by up to € 6,675,000.00 until September 21, 2022, via the issue of up to 6,675,000 new no-par-value shares against contribution in cash and/or in kind (Authorized Capital 2017).

Shareholders are entitled to a subscription right. The new shares can also be purchased by one or more banks or any equivalent institution or enterprise pursuant to Section 186 (5) of the German Stock Corporation Act (AktG) under the obligation to offer them to shareholders for subscription. The Management Board is however authorized, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in the cases specified in Item 4.5 of the Articles of Association as updated in October 2017.

A resolution at the Annual General Meeting on September 22, 2017, approved the conditional increase in the subscribed capital by up to € 5,000,000.00, divided into 5,000,000 no-par-value shares (Conditional Capital 2017).

The conditional capital increase will only take place to the extent that the holders or creditors of the respective options or conversion rights or holders of warrant or conversion obligations arising from warrants or convertible bonds issued or guaranteed on the basis of the authorization granted to the Management Board by the Annual General Meeting on September 22, 2017, exercise their option or conversion rights, to the extent that they fulfill their conversion obligations if they are obliged to exercise conversion, and to the extent that no other forms of fulfillment are used to service these rights. As of the start of the fiscal year, the new shares will carry dividend rights for all fiscal years for which no resolution has yet been made by the Annual General Meeting on the distribution of profits. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details regarding the implementation of the conditional capital increase.

Change of Control ad Compensation Agreements

There are no special provisions for a change of control nor are there any compensation agreements for possible takeover offers.

Declaration on Dependency Reporting Pursuant to Section 312 (3) HGB

Pursuant to section 312 (3) AktG, the Management Board declares that Voltabox AG was granted appropriate consideration in accordance with the circumstances known to the Management Board at the time at which the legal transactions were carried out. Voltabox AG has not suffered any unbalanced disadvantage on account of measures which have or have not been implemented. The Management Board of Voltabox AG has submitted this report to the auditor. The auditor issued an audit certificate. The report was subsequently presented to the Supervisory Board for review. The Supervisory Board will report to the Annual General Meeting on the results of its review of the dependent company report.

Sustainability Reporting

Voltabox AG made a sustainability report for fiscal year 2020. The report is not part of the combined management report. The Management Board made this report separately and published it on the company's website (https://ir.voltabox.ag/websites/voltabox/English/0/investor-relations.html).

Voltabox AG includes the legally required components in the report an extends them to further explain as far as it is helpful to understanding. Voltabox AG uses the framework of the German Sustainability Code (DNK) for sustainability reporting.

Corporate Governance Statement Pursuant to Sections 315d in Conjunction with Section 289f (1) of the German Commercial Code (HGB)

The Management Board and the Supervisory Board of the company are committed to the principles of transparent and responsible corporate governance and supervision. They ascribe a high priority to the standards of good corporate governance.
The Corporate Governance Statement pursuant to Section 315d and Section 289f (1) of the German Commercial Code can be accessed at any time on the Voltabox website at https://ir.voltabox.ag. It includes the declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG), relevant information on corporate governance practices and a description of the working methods of the Management Board and Supervisory Board as well as their composition, the targets set pursuant to Section 76 (4) and Section 111 (5) AktG and information on their achievement as well as the measures taken by the company in connection with increasing diversity.

Relevant Disclosures on Corporate Governance Practices

The corporate governance of Voltabox AG as a German stock corporation is determined by the German Stock Corporation Act (AktG), the company's Articles of Association, the voluntary commitment to the requirements of the GCGC as amended from time to time, and the current rules of procedure for the Management Board and Supervisory Board.

For the Management Board and Supervisory Board, the recommendations and suggestions from the Corporate Governance Code, along with the statutory provisions, are an integral part of their daily work. Sustainable economic, environmental and social action, while at the same time complying with legal requirements, is an essential and immutable element of Voltabox's corporate culture. This includes a trusting relationship and mutual respect in our daily interaction with each other.

Voltabox takes strict care not to tolerate any violations of the law. In the event of violations of applicable case law and internal regulations, Voltabox consistently pursues the enforcement of disciplinary measures and regularly reviews civil or criminal consequences. The implementation of these principles is ensured through existing programs and management systems.

Description of the working Methods of the Management Board and Supervisory Board

In accordance with statutory regulations, Voltabox AG has a so-called dual management system. This is characterized by a strict separation of personnel between the Management Board as the management body and the Supervisory Board as the supervisory body. The Management Board and Supervisory Board work closely together in the interests of the company.

Management Board of Voltabox AG

The Management Board manages the company on its own responsibility in accordance with the law, the Articles of Association and its Rules of Procedure. The Rules of Procedure contain, among other things, regulations on the allocation of responsibilities, the decision-making powers of the full Management Board, the rights and duties of the Chairman of the Management Board, and the passing of resolutions and meetings. The duties primarily comprise the management of the Group, the development and reinforcement of the strategic direction and the organization, implementation and continuous monitoring of risk management.

The members of the Management Board lead their areas of responsibility on their own authority. They inform each other on an ongoing basis about all relevant business transactions from their areas of responsibility. The members of the Management Board consult with each other on relevant interdisciplinary matters. The Chief Executive Officer is responsible for coordinating the joint affairs of the areas of responsibility.

Matters of particular importance and scope are decided in consultation between the members of the Management Board.

For special decisions of extraordinary importance to the company, the Rules of Procedure stipulate that the approval of the Supervisory Board must be obtained by the Management Board.

The Management Board of Voltabox AG consisted of three members as of December 31, 2020.

Jürgen Pampel
born on February 08, 1964
first appointment: August 09, 2017
appointed until February 02, 2025

Jürgen Pampel established Voltabox as a business unit within the paragon Group and has headed the company in various function titles since then. He has been Chairman of the Management Board since the company's IPO in 2017.

Dr. Burkhard Leifhelm
born August 06, 1972
first appointment: May 26, 2020
appointed until May 26, 2023 (recalled as Management Board member of Voltabox AG as of April 30, 2020)

Dr. Burkhard Leifhelm took over the function of Divisional Board Member for Purchasing and Production in July 2019. On May 26, 2020, he was appointed to the Management Board in order to strengthen the body and has since acted as Vice Chairman. In this position, he is responsible for the areas of development, purchasing and production.

Dr. Leifhelm was recalled as a member of the Management Board of Voltabox AG effective April 30, 2021. He will leave the company on June 30, 2021.

Patrick Zabel

born September 17, 1989
first appointment: May 26, 2020
appointed until May 26, 2023

Patrick Zabel joined Voltabox AG in November 2018 and was appointed Divisional Director Finance and Human Resources in July 2019. On May 26, 2020, he has been appointed to the Board of Directors to strengthen the body. In this role, he continues to be responsible for Finance and Human Resources.

Supervisory Board of Voltabox AG

The Supervisory Board supervises the Management Board in its management of the company and assists it in an advisory capacity. In order to monitor the activities of the Management Board, the Supervisory Board has information and auditing rights. It is also responsible for implementing the resolutions of the Annual General Meeting. In principle, the members of the Supervisory Board will be appointed in accordance with the rules applicable for a stock corporation. This takes into account the skill profile already implemented, which covers the areas market and technology as well as finance and law. The Supervisory Board appoints and dismisses the members of the Management Board, determines the transactions requiring its approval, decides on the remuneration system for the Management Board and sets its respective total remuneration. It is involved in all decisions of fundamental importance to Voltabox AG that are provided for by the German Stock Corporation Act and the rules of procedure. The principles of the Supervisory Board's cooperation are governed by the Rules of Procedure of the Supervisory Board. In particular, these specify the passing of resolutions and the duty of confidentiality. The Supervisory Board evaluates the efficiency of its work by self-assessment once a year. According to its own assessment, the Supervisory Board works efficiently with its three members as a whole. Due to the small size of the Supervisory Board, no committees were formed.

The Supervisory Board of Voltabox AG fulfilled the consulting and monitoring obligations incumbent upon it according to law, the Articles of Association, the German Corporate Governance Code (GCGC) and Rules of Procedure with great care in fiscal year 2020. Here, the Supervisory Board supervised the Management Board on an ongoing basis and made sure of its legal and regulatory compliance, appropriateness and effectiveness. Furthermore, the Supervisory Board was available to the Management Board for consultation and was involved in discussions and decisions regarding issues of material importance. Thanks to the good cooperation between the Supervisory Board members, even situational time-sensitive decisions were discussed adequately and resolved.

The Management Board comprehensively informed the Supervisory Board in written and oral form in the Supervisory Board meetings on all proceedings of material importance, the company's general performance and its current situation. Here, it gave particular priority to the topics of strategy, planning, business development, the risk situation and risk management. The Supervisory Board intensively reviewed the Management Board's reports and discussed them at its meetings. In addition to the Supervisory Board meetings and conference calls involving both, the Management Board and the Supervisory Board as a whole, the Supervisory Board Chairman and the Management Board Chairman discussed important matters when necessary. The Supervisory Board was fully informed about exceptional instances that were of material importance for assessing the year's results.

The Supervisory Board of Voltabox AG consisted of three members Klaus Dieter Frers (Chairman, member of the Board since August 10, 2017), Hermann Börnemeier (Deputy Chairman, member of the Board since January 01, 2017) and Walter Schäfers (member of the Board since January 14, 2020) in fiscal year 2020. In the year under review, there were no conflicts of interest among the members that would have to have been disclosed to the Supervisory Board.

With regard to services provided personally to the Group by members of the Supervisory Board in fiscal year 2020, the company refers to the disclosures in the consolidated financial statements and combined management report for Voltabox AG and the Voltabox Group.

Diversity and Targets

Voltabox attaches great importance to diversity and inclusion within the Group. The company strives to promote diversity both within its governing bodies and at the employee level. The continuous increase in diversity in the composition of the governing bodies and the workforce is relevant for the company because the Group benefits from the diverse views, lifestyles and personal backgrounds of its employees in an international working environment, thus contributing to an inspiring community that enables personal and corporate success. Voltabox understands diversity comprehensively in various dimensions, including gender, origin and nationality, education level, age and professional experience.

Nevertheless, the company intends to maintain its policy of not focusing on gender when proposing candidates to the Annual General Meeting for election to the Supervisory Board and when appointing members of the Management Board, but rather to continue to base its decisions on the knowledge and professional qualifications of the persons in question, irrespective of gender.

With regard to Section 76 (4) and Section 111 (5) of the German Stock Corporation Act (AktG) as well as items 4.1.5 and 5.1.2 or items B.1 and C.1 of the German Corporate Governance Code (GCGC) in its version of February 07, 2017 on the topic of "Diversity", the Supervisory Board and the Management Board jointly determined target figures in 2018. The current quota of women for Voltabox AG is zero for both bodies. The target figures for both bodies were also set at zero. The share of women at the company's downstream management levels is 20.5% (prior year: 23.8%). This development is attributable to more conservative hiring practices in the reporting year as a result of the very difficult economic conditions for the company and thus the challenges in achieving the prior year's quota following corresponding fluctuation. The current target for the proportion of women is 25%.

Voltabox will continue to adhere to the practice of deciding primarily on the basis of individual qualifications when recruiting and hiring employees as well as when recruiting and promoting candidates for the top management levels. Accordingly, when filling positions in the top management of Voltabox, the Management Board will also assess the suitability of the respective persons on the basis of professional ability as well as the fit for the specific tasks in the respective management role. This means that the decision is made regardless of origin, gender or other non-performance-related characteristics.

Long-term Succession Planning

The Supervisory Board continuously addresses long-term succession planning for the Management Board. In the past year, the Supervisory Board ensured that the Board was rejuvenated by expanding and strengthening the Management Board.

In the future, in the event of a need to supplement or fill a vacant position on the Management Board, the members of the Supervisory Board coordinate closely among themselves and identify suitable candidates, if necessary with the assistance of external consultants. In addition to individual know-how and expertise, their personality and added value for the Management Board and the Group are also taken into account in their evaluation.

Declaration from Voltabox AG on the German Corporate Governance Code

In accordance with Section 161 AktG, the Management Board and Supervisory Board of Voltabox AG declare that the recommendations of the "Government Commission on the German Corporate Governance Code" published in the official section of the Federal Gazette on April 24, 2017, have been complied with since the last declaration of conformity on February 28, 2020, until the entry into force of the comprehensively revised GCGC in the version dated December 16, 2019, (published in the electronic Federal Gazette on March 20, 2020) with the following exceptions:

Code Section 4.1.3:

The GCGC previously recommended that employees be given the opportunity to provide protected information on legal violations within the company in a suitable manner and that this also be made possible for third parties. Accordingly, the Management Board aimed to the establish a compliance management system in accordance with ISO 19600 in 2020.

Code Section 4.2.3:

The GCGC previously recommended termination payment caps in Management Board contracts. No such arrangement has been agreed with the Management Board.

Code Section 5.1.2:

The GCGC has previously recommended that diversity be taken into account in the composition of the Management Board. The Supervisory Board of Voltabox AG was not guided by diversity considerations when appointing the current members of the Management Board.

Code Section 5.3.1 to 5.3.3:

The GCGC previously stipulated that the Supervisory Board should form professionally qualified committees. The Supervisory Board of Voltabox AG has not formed any committees, as this is not considered efficient due to the small size of the three-member body.

Code Section 5.1.2 resp. 5.4.1:

The GCGC previously recommended that an age limit be set for members of the Management Board and Supervisory Board. The bodies of Voltabox AG, on the other hand, give priority to the skill sets of members and therefore refrained from defining a maximum age.

Code Section 7.1.2:

Pursuant to the GCGC, the consolidated financial statements and the Group management report should be publicly accessible within 90 days of the end of the fiscal year and the mandatory interim financial information within 45 days of the end of the reporting period. Voltabox AG always attaches the greatest importance to publishing the annual financial statements and the interim financial reports in accordance with legal requirements and also strives to comply with the deadlines recommended by the Code. However, these periods may be exceeded for organizational reasons.

Voltabox AG has complied with the recommendations of the GCGC as amended on December 16, 2019, (published in the Federal Gazette on March 20, 2020) since March 21, 2020, (the effective date of the new version of the GCGC) and will continue to do so in the future, with the following exceptions:

Recommendation A.2 (Compliance Management System)

The GCGC encourages the establishment of a compliance management system geared to the company's risk situation, which is intended to enable employees and third parties to provide information on legal violations within the company. The Management Board aimed to introduce and activate corresponding structures in 2020. As a result of the comprehensive restructuring process that has been initiated and the corona virus pandemic that occurred at the same time, the Management Board has given the project lower priority and postponed it until 2021. This does not affect the practice of being able to report legal violations in the company confidentially at any time.

Recommendation B.1 (Diversity on the Management Board)

The GCGC recommends that diversity be taken into account in the composition of the Management Board. The Supervisory Board of Voltabox AG was not guided by diversity considerations when appointing the current members of Management Board.

Recommendation B.4 (Early Reappointment of Members of the Management Board)

The GCGC recommends that reappointment prior to one year before the end of the term of appointment with simultaneous termination of the current appointment should only take place in the event of special circumstances. In the course of the initiated sales process of the company, the Supervisory Board secured the important significance of the Chairman of the Management Board for the company by his early reappointment.

Recommendations B.5 (Age Limit for Management Board Members) and C.2 (Age Limit for Supervisory Board Members)

The GCGC recommends that an age limit be set for members of the Management Board and Supervisory Board. The bodies of Voltabox AG, on the other hand, give priority to the skill sets of members and therefore refrained from defining a maximum age.

Recommendations C.1 (Number of independent Shareholder Representatives) and C.9 (Independence from the controlling Shareholder)

According to the GCGC, information on the number of independent shareholder representatives on the Supervisory Board deemed appropriate by the shareholder representatives and the names of these members shall be provided in the corporate governance statement. In addition, in the case of a Supervisory Board with six or fewer members, at least one shareholder representative shall be independent of the controlling shareholder. Since the Chairman of the Supervisory Board is the representative of the largest shareholder and, in view of the size of the company, a three-member Supervisory Board is considered sufficient, higher priority is given to the correspondence of the competences "Finance" and "Legal".

Recommendations C.14 (Provision of Resumes and Overview of Activities of Supervisory Board Members)

The GCGC recommends that the resumes, relevant knowledge, skills and professional experience, significant activities and Supervisory Board mandate should be made available on the company's website and updated annual. The company did this during fiscal year 2020.

Recommendation D.1 (Publication of Rules of Procedure for the Supervisory Board)

The GCGC recommends that the rules of procedure for the Supervisory Board be made available on the company's website. Voltabox AG did this during fiscal year 2020.

Recommendations D.2 to D.5 (Forming Committees)

Pursuant to Principle 14 and Nos. D.2 to D.5, the Supervisory Board should establish committees to enhance the effectiveness of the Board's work. The Supervisory Board of Voltabox AG has not formed any committees, as this is not considered efficient due to the small size of the three-member body.

Recommendation D.7 (Meeting without the Management Board)

According to the GCGC, the Supervisory Board should also meet regularly without the Management Board. In view of the dynamic situation of the Corona pandemic, the Supervisory Board called in the Management Board almost regularly in fiscal year 2020 in order to obtain a reliable picture of the company's situation.

Recommendation F.2 (Deadlines for Consolidated Financial Statements and Interim Reports)

Voltabox AG always attaches the greatest importance to publishing the annual financial statements and the interim financial reports in accordance with legal requirements and also strives to comply with the deadlines recommended by the Code. For organizational reasons, however, the deadlines recommended by the GCGC for the publication of the consolidated financial statements and the Group management report within 90 days of the end of the fiscal year and the publication of the mandatory interim financial information within 45 days of the end of the reporting period may be exceeded.

Recommendation G.4 (Ratio of Management Board Remuneration)

In order to assess customary practice within the company, the GCGC recommends that the Supervisory Board should take into account the ratio of the remuneration of the Board of Management to the remuneration of senior management and the workforce as a whole, and also the development of this ratio over time. This recommendation is not complied with due to the small size of the company.

Recommendation G.10 (Vesting period for Long-term variable Compensation Amounts)

The GCGC recommends that members of the Management Board should not be able to dispose of the long-term variable grant amounts before a period of four years has elapsed. In the previous and currently valid Management Board employment contracts, this period is specified as two years.

Recommendation G.11 (Retention Clause for variable Remuneration)

According to the GCGC, the Supervisory Board shall have the possibility to take into account extraordinary developments within an appropriate framework. In justified cases, it should be possible to withhold or demand the return of variable compensation. The existing and currently valid Management Board employment contracts do not provide for this.

Recommendation G.12 (Payment of outstanding variable Compensation Components upon Termination of Contract)

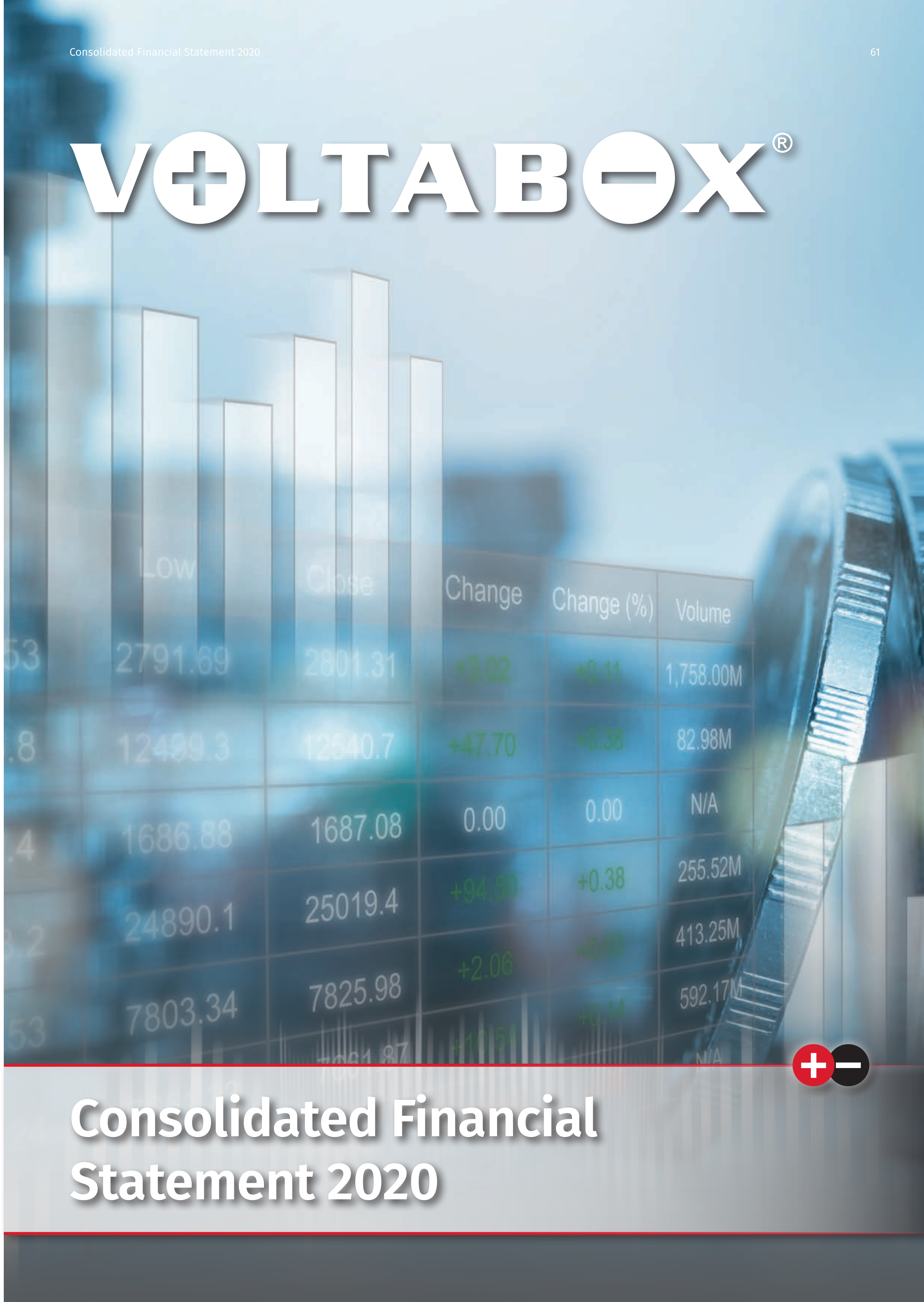
In the event of termination of a Management Board contract, according to the GCGC the payment of outstanding variable compensation components attributable to the period up to termination of the contract should be made in accordance with the originally agreed targets and comparison parameters and in accordance with the due dates or holding periods specified in the contract. The existing and currently valid Management Board employment contracts do not provide for this.

Recommendation G.13 (Severance Cap)

The GCGC recommends that payments to a member of the Management Board on premature termination of his contract should not exceed the value of two years' compensation (severance payment cap) and should not compensate more than the remaining term of the contract. In the event of a post-contractual restraint on competition, the severance payment is to be offset against the waiting allowance. The existing and currently valid Management Board employment contracts do not provide for this.

Delbrück, July 2021

Management Board Supervisory Board



Consolidated Financial Statement 2020

Consolidated income statement

€ '000	Notes	Jan, 1 to Dec, 31, 2020	Jan, 1 to Dec, 31, 2019
Revenue	10, 39	**18,135**	56,617
Other operating income	11	**3,241**	1,808
Increase or decrease in inventory of finished goods and work in progress		**-5,271**	-1,764
Other own work capitalized	12	**4,225**	7,778
Total operating performance		**20,330**	64,439
Cost of material	13	**-18,169**	-45,020
Gross profit		**2,161**	19,419
Personnel expenses	14	**-11,058**	-15,917
Depreciation of property, plant and equipment and amortization of intangible assets	16	**-6,028**	-6,271
Impairment of current assets		**-4,082**	-55,409
Impairment of goodwill		**0**	-9,757
Impairment of property, plant and equipment and intangible assets		**-4,120**	-21,767
Other operating expenses	15	**-15,347**	-17,890
Earnings before interest and taxes (EBIT)		**-38,474**	-107,592
Financial income	17	**11**	9
Financial expenses	17	**-786**	-224
Financial result		**-775**	-215
Earnings before taxes (EBT)		**-39,249**	-107,807
Income taxes	18	**2,197**	5,883
Consolidated net income		**-37,052**	-101,924
Earnings per share in € (basic)	19	**-2,34**	-6,44
Earnings per share in € (diluted)	19	**-2,34**	-6,44
Average number of shares outstanding (basic)	19	**15,825,000**	15,825,000
Average number of shares outstanding (diluted)	19	**15,825,000**	15,825,000

Consolidated statement of comprehensive income

€ '000	Notes	Jan. 1 to Dec. 31, 2020	Jan. 1 to Dec. 31, 2019
Consolidated net income		-37,052	-101,924
Currency translation reserve	29	601	-260
Total comprehensive income		-36,451	-102,184

Consolidated balance sheet

€ '000	Notes	Dec. 31, 2020	Dec. 31, 2019
ASSETS			
Noncurrent Assets			
Intangible Assets	20, 37	**8,458**	10,725
Goodwill	21, 37	**0**	0
Property, Plant and Equipment	22, 23	**15,787**	16,956
Financial Assets	24	**1,400**	1,400
Other assets	24	**1,590**	2,051
Deferred taxes	18	**0**	146
		27,235	31,278
Current assets			
Inventories	25	**5,750**	15,674
Trade receivables	26	**2,547**	31,085
Receivables from related parties	34, 41	**1,314**	5,327
Income tax assets	18	**0**	0
Other assets	27	**930**	741
Cash and cash equivalents	28	**2,337**	5,036
		12,878	57,863
Total assets		**40,113**	89,141

€ '000	Notes	Dec. 31, 2020	Dec. 31, 2019
LIABILITIES AND EQUITY			
Equity			
Subscribed capital	29	**15,825**	15,825
Capital reserve	29	**20,229**	20,229
Revaluation reserve		**0**	0
Retained earnings	29	**-21.496**	15.556
Currency translation differences	29	**815**	214
		15,373	51,824
Noncurrent provisions and liabilities			
Noncurrent leasing liabilities	30	**11,876**	12,553
Noncurrent loans	31	**0**	274
Deferred taxes	18	**0**	2,531
		11,876	15,358
Current provisions and liabilities			
Current leasing liabilities	30	**1,902**	1,625
Current loans and current portion of noncurrent loans	31	**46**	269
Trade payables		**4,209**	12,418
Liabilities to related parties		**0**	472
Other provisions	33	**1,055**	3,796
Income tax liabilities	18	**0**	0
Other current liabilities	32	**5,652**	3,379
		12,864	21,959
Total equity and liabilities		**40.113**	89.141

Consolidated cash flow statement

€ '000	Notes	Jan. 1 to Dec. 31, 2020	Jan. 1 to Dec. 31, 2019
Earnings before taxes (EBT)		**-39,249**	-107,807
Depreciation/amortization of noncurrent assets		**6,028**	6,271
Financial result		**775**	215
Gains (-) / losses (+) from the disposal of property, plant and equipment and financial assets		**0**	2,394
Increase (+) / decrease (-) in other provisions		**-2,741**	3,329
Other non-cash income and expenses		**-1,498**	211
Increase (-) / decrease (+) in trade receivables, other receivables, and other assets		**32,823**	39,973
Impairments of goodwill and intangible assets		**4,120**	31,523
Increase (-) / decrease (+) in inventories		**9,924**	47,689
Non-cash expenses from amortization		**0**	-36,135
Increase (+) / decrease (-) in trade payables and other liabilities		**-6,408**	1,694
Interest paid		**161**	-224
Income taxes paid		**-187**	0
Cash flow from operating activities	38	**3,748**	-10,866
Cash receipts from disposals of property, plant and equipment		**1**	7,275
Cash receipts from the sale of intangible assets		**0**	1,092
Cash payments for investments in property, plant and equipment		**-2,219**	-6,336
Cash payments for investments in intangible assets		**-3,343**	-9,102
Cash payments for investments in financial assets		**0**	-1,400
Cash payments for the acquisition of subsidiaries, less acquired cash and cash equivalents		**0**	0
Interest received		**11**	9
Cash flow from investing activities	38	**-5,550**	-8,462
Distributions to shareholders		**0**	-475
Cash payments for loan repayments		**-497**	-3,737
Amounts paid on insolvency ratio		**1,484**	964
Cash payments for finance lease liabilities		**-1,884**	-621
Cash flow from financing activities	38	**-897**	-3,869
Changes in cash and cash equivalents		**-2,699**	-23,198
Cash and cash equivalents at beginning of period		**5,036**	28,234
Cash and cash equivalents at end of period	38, 28	**2,337**	5,036

Statement of changes in equity

€ '000	Subscribed capital	Capital reserve	Revaluation reserve	Currency translation reserve	Retained earnings	Total
January 1, 2020	**15,825**	**20,229**	**0**	**214**	**15,556**	**51,824**
Consolidated net income					-37,052	-37,052
Currency Translation				601		601
Other comprehensive income				601		601
Total comprehensive income				601	-37,052	-36,451
Capital increase						
Release of capital reserves						
Distribution						
December 31, 2020	**15,825**	**20,229**	**0**	**815**	**-21,496**	**15,373**

€ '000	Subscribed capital	Capital reserve	Revaluation reserve	Currency translation reserve	Retained earnings	Total
January 1, 2019	**15,825**	**127,992**	**0**	**474**	**10,193**	**154,484**
Effects from first-time application of IFRS 15 and IFRS 9						
Consolidated net income					-101,925	-101,924
Currency Translation				-260		-260
Other comprehensive income				-260		-260
Total comprehensive income				-260	-101,925	-102,184
Capital increase						
Release of capital reserves		-107,763			107,763	0
Distribution					-475	-475
December 31, 2019	**15,825**	**20,229**		**214**	**15,556**	**51,824**

Notes to the Consolidated Financial Statements 2020

1 General information

Voltabox Aktiengesellschaft (hereafter “Voltabox AG” or “Voltabox”) is a joint stock corporation in corporated under German law. The company’s headquarters are at Artegastrasse 1, Delbrück, Germany. Voltabox AG is entered in the commercial register of the district court of Paderborn (HRB 12895). Voltabox develops and produces battery systems for use in the field of electromobility.

The Management Board of Voltabox AG authorized the consolidated financial statements as of December 31, 2020, and the combined management report for the period from January 01 to December 31, 2020, for submission to the Supervisory Board on May 26, 2021.

The consolidated financial statements and the combined management report of Voltabox AG for the period from January 01 to December 31, 2020, are published in the electronic Federal Gazette and are available as part of the Annual Report on the company’s website (www.voltabox.ag). The annual report has also been submitted to the German Federal Gazette in XBRL format.

The parent company of the Group is paragon GmbH & Co. KGaA, Delbrück, Germany. paragon GmbH & Co. KGaA, as the Group parent company, prepares the consolidated financial statements for the largest group of consolidated companies. These financial statements are submitted to the electronic Federal Gazette and are available on the company’s website (www.paragon.ag) as part of the annual report.

2 Application of International Financial Reporting Standards (IFRS)

The consolidated financial statements of Voltabox AG as of December 31, 2020, have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as adopted by the European Union (EU) and applicable on the reporting date, and in accordance with the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRSIC).

3 Accounting Principles Due to New or Changed Standards

The effects of new and changed accounting principles whose scope is relevant to the activities of Voltabox AG are listed below. For reasons of materiality, Voltabox AG refrains from presenting changes in accounting policies that have no effect on the company.

Status	Standard	Content	Impact
Discussion Paper	IFRS 3	This is a discussion paper on business combinations under common control. Depending on the transaction, the IASB proposes different accounting methods.	Due to the early stage of the discussion, no concrete effects for Voltabox AG can be identified.
Draft	IFRS 16	The draft amendment to IFRS 16 in connection with sale and leaseback transactions addresses variable lease payments and leaseback accounting.	There are currently no discernible effects for Voltabox AG.
Preliminary agenda decision	IAS 1 and IAS 7	The preliminary agenda decision deals with the accounting treatment of reverse factoring. Only to the extent that the nature and function correspond to the character of a trade liability is a corresponding disclosure to be made in this balance sheet item. To the extent necessary for an understanding of the net assets and financial position, a separate disclosure is therefore to be made in deviating cases. This is followed by the presentation in the cash flow statement.	There is no impact for Voltabox AG for fiscal year 2020. However, the Group plans to use reverse factoring as a working capital measure, so that an immaterial impact is expected in subsequent reports.
Amendment IFRS Standard	IFRS 16	The amendment to IFRS 16 introduces an option to account for COVID-19-related lease concessions as a change in a lease in subsequent measurement and to dispense with the disclosures required by IAS 8.28 f. The amendment is effective from January 01, 2020.	Voltabox AG only deferred lease payments to a very small extent in fiscal year 2020. For this reason, in accordance with the amendment to IFRS 16, there is no reassessment of the lease in question.
Amendment IFRS Standard	IFRS 3	The amendment to IFRS 3 addresses the definition of a business. According to this, a substantial process is always required in addition to economic resources. The amendment is effective from January 01, 2020.	The amendment to the standard did not have any impact on Voltabox AG in fiscal year 2020.
Amendment IFRS Standard	IAS 1 and IAS 8	The amendment to IAS 1 and IAS 8 standardizes the definition of “material”. Accordingly, information is material if its omission would normally distort or obscure the presentation. The amendment is effective from January 01, 2020.	The amendment to the standard did not have any impact on Voltabox AG in fiscal year 2020.
Amendment IFRS Standard	IFRS 9, IAS 39, IFRS 7	A reform of the reference interest rates is being carried out as part of an IASB project. The amendment is to be applied from January 01, 2020.	The amendment to the standard did not have any impact on Voltabox AG in fiscal year 2020.
Amendment to IFRS Standard - Endorsement pending	IFRS 9, IAS 39, IFRS 7	A further reform of the reference interest rates is being carried out as part of an IASB project. In addition, various simplifications are being introduced. The amendment is effective from January 01, 2021.	Voltabox AG does not expect the amendment to the standard to have any essential impact.
Amendment to IFRS Standard - Endorsement pending	IFRS 3	The amendment to IFRS 3 addresses the recognition of liabilities in business combinations that would not have been recognized under IAS 37 or IFRIC 21 due to a lack of recognition criteria. The amendment is effective from January 01, 2022.	Voltabox AG does not expect the amendment to the standard to have any essential impact.
Amendment to IFRS Standard - Endorsement pending	IAS 16	The amendment to IAS 16 addresses the recognition in profit or loss of income from the trial operation as part of the commissioning of property, plant and equipment. The amendment is effective from Jan. 1, 2022.	Voltabox AG does not expect the amendment to the standard to have any essential impact.
Amendment to IFRS Standard - Endorsement pending	IAS 37	The amendment to IAS 37 specifies the costs of fulfilling onerous contracts by indirect directly attributable costs. The amendment is effective from January 01, 2022.	Voltabox AG does not expect the amendment to the standard to have any essential impact.

Amendment to IFRS Standard - Endorsement pending	IFRS 1, IFRS 9, IFRS 16	As part of the Annual Improvements to IFRSs (2018 - 2020 cycle), there is an amendment to IFRS 1 regarding the accounting treatment of new non-IFRS subsidiaries, according to which carrying amounts can be recognized as they were at the time of the parent company's IFRS transition. The amendment to IFRS 9 deals with a modification of the 10% test. The amendment to IFRS 16 deals with an example case included in the standard. The amendment is effective from January 01, 2022.	Voltabox AG does not expect the amendment to the standard to have any essential impact.
New IFRS Standard - Endorsement pending	IFRS 17	The standard addresses the accounting for insurance contracts. The amendment is effective from January 01, 2023.	Voltabox AG does not expect the amendment to the standard to have any essential impact.
Amendment to IFRS Standard - Endorsement pending	IAS 1	The amendment to IAS 1 on the classification of liabilities as current or noncurrent reporting items is mandatory from January 01, 2023. Unless the reporting entity has a substantive right to defer a liability for at least 12 months after the reporting date, or rights to defer are subject to unmet conditions, current presentation shall be chosen.	As of the balance sheet date, Voltabox AG does not have any loan relationships with credit terms, so that the classic application case is not relevant.

4 Going Concern

The consolidated financial statements for fiscal year 2020 have been prepared under the going concern assumption. The carrying amounts of assets and liabilities were therefore determined on the basis of going concern values. However, at the time of preparing the financial statements, there is considerable uncertainty about the future economic development of the Group due to the tight liquidity situation, continued customer restraint in the current fiscal year 2021 and a significantly tougher competitive situation. Key conditions for the continuation of the Group as a going concern include the merger with a competitor as the new major shareholder and the maintenance of financing by the previous parent company (paragon GmbH & Co. KGaA). The Management Board classifies these risks overall as threatening to the existence of the company. Further details can be found in the section „Risks threatening the existence of the company“ in the combined management report.

5 Events after the Reporting Period

The consolidated financial statements are prepared on the basis of the circumstances existing as of the reporting date. In accordance with IAS 10.7, events after the reporting period include all events up to the date the consolidated financial statements are authorized for issue. The consolidated financial statements as of December 31, 2020, were authorized by the Management Board and submitted to the Supervisory Board for approval on July 19, 2021. All information available up to that date with regard to the circumstances applying on the reporting date must be taken into account.

Dr. Leifhelm was recalled as a member of the Management Board of Voltabox AG effective April 30, 2021. He will leave the company on June 30, 2021.

6 Scope of Consolidation

In addition to the parent company Voltabox AG, Delbrück, the subsidiaries Voltabox of Texas, Inc., Voltabox of North America, Inc. and the currently inactive Voltabox Kunshan Co., Ltd. are fully consolidated. The reporting date for all companies is December 31. The consolidated financial statements are based on the separate financial statements of the companies included in the Group, which were prepared using uniform accounting policies under IFRS as of December 31, 2020. In addition, debt consolidation was carried out, as was consolidation of income and expenses. The differences arising from currency translation were offset through profit or loss. Assets arising from intercompany deliveries that are recognized in noncurrent assets and inventories are adjusted for interim profit and loss.

As of December 31, 2020, the scope of consolidation is as follows:

Company name and location	Shareholdings	Consolidation	Currency	Sales in local currency (before consolidation)
Voltabox of Texas, Inc. (Texas)	100%	Consolidated subsidiary	USD	3,902,612
Voltabox of North America, Inc. (Texas)	100%	Consolidated subsidiary	USD	0
Voltabox Kunshan Co., Ltd. (Kunshan)	100%	Consolidated subsidiary	RMB	0

Voltabox AG has a direct 100% interest in each of the listed subsidiaries.

As of the balance sheet date, Voltabox AG also held the following investments in which it did not exercise control in accordance with IFRS 10:

Company name and location	Shareholdings	Consolidation	Investment amount in € '000
ForkOn GmbH (Haltern am See)	9.45%	Investment	1,400

The investment is recognized at fair value through profit or loss. The fair value at the end of fiscal year 2020 corresponds to the carrying amount.

7 Currency Translation

In Voltabox AG's consolidated financial statements, receivables and liabilities denominated in foreign currencies are measured at the transaction rate in effect at the date they are initially recognized, and subsequently adjusted to the exchange rate applicable as of the reporting date. Exchange rate gains and losses are recognized in profit and loss within other operating income or other operating expenses.

Exchange rate losses arising on operating activities of € 650 thousand (prior year: € 333 thousand) and exchange rate gains of € 370 thousand (prior year: € 701 thousand) are recognized in the consolidated statement of comprehensive income. These exchange rate differences are reported within other operating expenses and other operating income, respectively.

The exchange rates of the currencies of significance to Voltabox AG developed as follows:

Foreign currency for € 1	Balance sheet average exchange rate on **Dec. 31, 2020**	Income statement average price **2020**	Balance sheet average exchange rate on Dec. 31, 2019	Income statement average price 2019
US-Dollar (USD)	1.2265	1.2169	1.1216	1.1108
Chinesischer Renminbi Yuan (RMB)	8.0121	7.9589	7.8151	7.1438

8 Description of Accounting Policies and Measurement Methods

The consolidated financial statements were prepared in euros (€). The reporting currency is the euro. Unless stated otherwise, all amounts are stated in thousands of euros (€ thousand). The reporting period for Voltabox AG in these financial statements extends from January 01 to December 31, 2020. Individual items in the consolidated statement of financial position and the consolidated statement of comprehensive income have been combined in order to provide better clarity and transparency. Where this has occurred, the items are explained individually in the notes to the financial statements. The consolidated statement of comprehensive income is presented using the nature of expense method, as in previous periods. Assets and liabilities are classified into noncurrent and current assets and liabilities in the statement of financial position; further details on their maturity are presented in the notes. Assets and liabilities are recognized as current if they mature within twelve months.

The consolidated financial statements comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the notes to the consolidated financial statements, the consolidated cash flow statement and the consolidated statement of changes in equity. A combined Group management report has been prepared as a supplement to the above statements.

Recognition of Acquisitions

Goodwill is recognized in the Group's statement of financial position as a result of acquisitions. When an acquisition is initially consolidated, all identifiable assets, liabilities and contingent liabilities are recognized at fair value as of the acquisition date. One of the most significant estimates relates to determining the fair values of these assets and liabilities as of the acquisition date. Property, buildings and office equipment are generally valued on the basis of independent expert opinions, while marketable securities are valued at the stock exchange price. If intangible assets are identified, the fair value is determined internally using an appropriate measurement technique, which is usually based on the estimate of total expected future cash flows. These valuations are closely

linked to the assumptions made by management regarding the future performance of the respective assets and to the assumed changes in the discount rate to be applied.

Intangible Assets

Intangible assets acquired for monetary consideration are recognized in the statement of financial position at their acquisition cost, taking into account ancillary costs and any purchase price reductions.

Research costs are recognized as expenses in the period in which they are incurred. Costs incurred in connection with the development of patents and customer-specific solutions are only recognized as intangible assets at their production cost when the costs are clearly attributable to the asset as required by IAS 38, the technical feasibility and marketability or use is assured, and when the anticipated realization of future economic benefits has been demonstrated. The costs of production comprise all costs that are directly or indirectly attributable to the development process, as well as a proportionate share of necessary project-related overhead costs. If the asset recognition requirements are not fulfilled, development costs are directly expensed in profit or loss within other operating expenses in the year in which they are incurred. Subsequent to initial recognition, development costs are reported in the statement of financial position at cost less cumulative amortization and cumulative impairment losses. With regard to the realization of revenue, IAS 38.3 (i) has priority.

Intangible assets that have limited useful lives are amortized on a straight-line basis over their useful economic lifetimes. Amortization starts as soon as the asset is available for use, i.e., when it is at the location and condition necessary for it to be capable of operating in the manner intended by management. Intangible assets with indefinite useful lives are subject to annual impairment tests. As of each reporting date, the carrying amounts of such intangible assets are examined in order to determine whether there are indications that the value of the asset may be impaired. An impairment test pursuant to IAS 36 was performed where there were such indicators. The residual values, useful lives and amortization methods are reviewed at the end of each fiscal year and amended as necessary.

The useful lives for internal development costs correspond to the expected product life cycles and are regularly between four and seven years. Voltabox AG makes an individual assessment of the product life and reviews the useful life annually. The useful lives for licenses, patents and software range from three to ten years.
Goodwill is carried at acquisition cost and tested for impairment each year and, additionally, at other dates when there are any indications of potential impairment. Impairment losses are recognized under impairments of property, plant and equipment and intangible assets.

Property, Plant and Equipment

Additions to property, plant and equipment are measured at cost plus incidental acquisition costs and less any purchase price reductions received. If the cost of individual components of an item of property, plant and equipment is significant when measured against the item's total purchase cost, then such components are recorded as separate assets and depreciated individually. Depreciation is generally recorded on a straight-line basis. The useful life for depreciation purposes ranges from 20 to 33 years for buildings, five to ten years for technical plants, and three to ten years for other plants, operating and office equipment.

Fully depreciated noncurrent assets are presented under cost and accumulated depreciation until the asset is retired. Amortized cost and accumulated depreciation are deducted from the sales proceeds generated on disposal. Gains and losses generated on disposal (disposal proceeds less residual carrying amounts) are shown in the consolidated statement of comprehensive income within other operating income or other operating expenses. All residual values, useful lives and depreciation methods are reviewed annually and amended as necessary. At each reporting date, the carrying amounts of property, plant and equipment (which are depreciated in accordance with their useful lives) are examined in order to determine whether there are indications that the value of the asset may be impaired. If such indicators exist, an impairment test is performed.

Leases

Voltabox AG assesses at the beginning of each lease whether the contract creates or contains a lease. This is the case when the contract gives the right to control the use of an identified asset for a specified period of time in return for the payment of a fee. In the event of contract amendments, Voltabox AG reassesses whether a contract constitutes a lease.

The Group has decided to make use of the right to vote and not to recognize leases if the lease agreement has a term of up to 12 months or the determined right of use does not exceed a value of € 5,000. In these cases, the expense from the lease is recognized on a straight-line basis over its specific term.

The individual leasing components and non-leasing components are accounted for separately. If a lease exists, the contract is allocated to the individual leasing components on the basis of the contractually agreed relative individual selling prices of the leasing components and the aggregated individual selling prices of the non-leasing components. In doing so, Voltabox AG determines the relative individual selling price with reference to the price that a lessor or similar supplier of Voltabox AG would charge separately for these or similar components. Where no observable market exists, Voltabox AG makes use of estimates.

When determining the term of the lease, Voltabox AG takes the non-terminable basic term and an optional extension period as a basis, insofar as the company is sufficiently certain that it will exercise this option. If there is a termination option, this is taken into account accordingly when determining the term, provided that the exercise of the option is sufficiently certain. Voltabox AG regularly checks whether the use of an option is reasonably certain.

On the provision date, Voltabox AG recognizes an asset for the right of use and a lease liability. On the provision date, the right of use is valued at the acquisition costs. The acquisition costs comprise:

- Present value of lease payments not yet made on the provision date
- Lease payments made on or before provision
- Initial direct costs
- Estimated costs for dismantling and removal

The lease liability comprises the lease payments not yet made as of the provision date. Discounting is calculated on the basis of the underlying constant interest rate. If this is not available, Voltabox AG uses an incremental borrowing rate of interest that is used as a basis for alternative lease financing. Lease payments not yet made comprise

- all fixed payments less lease incentives received,
- variable lease payments,
- amounts expected to be paid at the end of the lease term under residual value guarantees,
- the exercise price of a call option, provided that the exercise is sufficiently certain and
- penalties for termination, provided that it is reasonably certain that they will be exercised.

The right of use is amortized on a straight-line basis and adjusted for revaluation of the lease liability. Voltabox AG records an impairment loss in accordance with IAS 36.

The carrying amount of the leasing liability is increased by the interest expense and reduced by the payments made after provision on the reporting date. A remeasurement of the leasing liability is immediately taken into account.

Rights of use are not shown as separate items in the statement of financial position of Voltabox AG. For this reason, a separate listing is provided in the notes. Leasing liabilities are shown as separate items in the statement of financial position.

If sale and leaseback transactions exist, Voltabox AG assesses whether the transaction of the asset subsequently leased back meets the criteria of a sale under IFRS 15. The Group bases this on the transfer of control of the underlying asset. If the transaction enables the lessor to determine the use of the underlying asset and derive all the remaining economic benefits from it substantially, the transaction is a sale under IFRS 15. In this case, Voltabox AG recognizes the disposal of the underlying asset and realizes the sales profit to the extent that it relates to rights to use the asset actually transferred to the lessor. A right of use is recorded for the remaining share. If there is no sale under IFRS 15, the transaction is recorded as a loan.

Voltabox AG is taking advantage of relief under lease concessions in the COVID-19 pandemic for leases.

Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred. They are capitalized if they fulfill the requirements of a qualifying asset in accordance with IAS 23 Borrowing Costs. The capitalization of borrowing costs is based on a weighted average of the borrowing costs for such company loans.

Impairment of Nonfinancial Assets

At each balance sheet date, an assessment takes place to ascertain whether there are any indications that the value of nonfinancial assets (in particular intangible assets with definite useful lives) are impaired. If there are indications of impairment, a determination of the recoverable amount of the relevant asset is made. In accordance with IAS 36.6, the recoverable amount reflects the higher of fair value less cost to sell and value in use of the asset or an identifiable group of assets that represent a cash-generating unit (CGU). If the carrying amount of an asset or a CGU exceeds the recoverable amount, the asset is impaired and written down to its recoverable amount.

For property, plant and equipment and intangible assets other than goodwill, an assessment is made at each balance sheet date to establish whether there is any indication that a previously recognized impairment loss no longer exists or has decreased. If there are such indications, an estimate of the recoverable amount of the asset or the CGU is made. A previously recognized impairment loss is reversed only if the assumptions used in determining the recoverable amount have changed since the last impairment loss was recognized. The reversal of the impairment loss is limited in that the carrying amount of an asset may not exceed its recoverable amount or the carrying amount that would have resulted after taking depreciation and amortization into account if no impairment loss had been recorded for the asset in earlier years.

Inventories are regularly assessed for impairment. The effects are recognized separately as a corresponding impairment loss.

Financial Instruments

Financial instruments are contracts which generate a financial asset for one party and a financial liability or an equity instrument for the other party. Voltabox AG's primary financial instruments include, in particular, trade receivables, lending, cash and cash equivalents, financial liabilities and trade payables. Its other financial assets and other financial liabilities likewise exclusively comprise financial instruments.

Primary financial instruments are recognized as of the settlement date in case of a regular way purchase or sale. Receivables and liabilities denominated in foreign currency are measured at their reporting date exchange rates. Financial assets and financial liabilities are reported gross at Voltabox AG. They will only be offset in case of an enforceable netting option in respect of the respective amounts at the present moment in time and an intention to settle on a net basis.

Financial assets are classified in terms of the following categories for accounting and measurement purposes:

- measured at amortized cost (AC),
- measured at fair value through profit or loss (FVTPL),
- fair value through other comprehensive income (FVOCI).

The following categories were established for the accounting and measurement of financial liabilities:

- measured at amortized cost (AC),
- measured at fair value through profit or loss (FVTPL).

Voltabox AG allocates financial assets and financial liabilities to these categories as of the date of their addition and regularly reviews whether the criteria for their classification are complied with.

Voltabox AG derecognizes financial assets where the contractual rights to the cash flows from an asset expire or it transfers the rights to receive these cash flows in a transaction through which all material risks and opportunities associated with the ownership of this financial asset are likewise transferred. Derecognition also occurs in cases where Voltabox AG has neither transferred nor retained all of the material risks and opportunities associated with ownership and it does not retain the power of disposal over the transferred asset. Any portion of such transferred financial assets that accrue or remain with Voltabox AG is accounted for as a separate asset or separate liability. Financial liabilities are derecognized if the contractual obligations have been fulfilled or canceled or have expired. Valuation allowances for financial assets which are measured at amortized cost and for contractual assets resulting from agreements with customers are implemented on the basis of a future-oriented model, taking expected loan losses into consideration.

Allowances for trade receivables, contractual assets, and lease receivables are determined using the simplified approach with lifetime expected credit loss.

With the exception of financial assets measured at fair value through profit or loss, financial assets are tested for possible indications of impairment on each reporting date. Financial assets are considered to be impaired if there is an objective indication of a negative change in the expected future cash flows for financial instruments due to one or more events occurring following the initial recognition of the asset in question. Various facts such as defaults over a specific period of time, the initiation of coercive measures, the risk of insolvency or overindebtedness, the application for or the initiation of insolvency proceedings or the failure of restructuring measures may constitute objective indications of impairment.

Financial assets are measured at amortized cost where the business model envisages the holding of a financial asset for the collection of the contractual cash flows and the contractual terms of the instrument will exclusively result in cash flows which comprise interest and principal repayments.

Upon initial recognition, financial instruments in the AC category are recognized at fair value plus directly attributable transaction costs.

As part of the subsequent measurement, financial assets measured at amortized cost are measured using the effective interest method. Where the effective interest method is used, all directly allocable fees, charges paid or received, transaction costs and other premiums or discounts included in the calculation of the effective interest rate are amortized over the expected term of the financial instrument.

Interest revenue and expenses resulting from application of the effective interest method are recognized through profit or loss under interest revenue or interest expenses from financial instruments.

Non-interest bearing and low-interest receivables with a term of more than twelve months are discounted at the interest rate which is appropriate for the respective term.

Cash and cash equivalents comprise cash on hand as well as current account balances with banks and other financial institutions. They are only reported under cash and cash equivalents if they may be converted at any time into cash amounts which may be determined in advance, are only subject to slight fluctuation risks, and have a remaining term of not more than three months from the date of acquisition.

Where the business model envisages the holding and sale of the financial asset and the contractual terms for the instrument will exclusively result in cash flows which comprise interest and principal repayments, the financial asset is reported at fair value, with value adjustments recognized in other comprehensive income (FVOCI).

Financial assets which are exclusively held for trading purposes are recognized at fair value through profit or loss, with changes in value reported through profit or loss (FVTPL). Derivatives are included in this category. There is also an option to measure financial instruments recognized at amortized cost at fair value through profit or loss by means of the fair value option if this will significantly reduce or prevent inconsistency in their measurement or recognition. Voltabox AG does not make use of the fair value option.

Voltabox AG has been using factoring for a certain portion of its trade receivables since fiscal year 2019. Significant portions of trade receivables from third parties are sold. The delcredere risk is transferred to the factor. As a result, the receivables no longer have to be reported in the balance sheet.

Equity instruments are always measured at fair value. At initial recognition, there is an irrevocable option to report realized and non-realized changes in value in the statement of comprehensive income instead of the income statement, provided that the equity instrument is not held for trading purposes. Amounts recognized in comprehensive income may not be reclassified to the income statement at a later point in time.

Current and noncurrent financial liabilities to banks, trade payables and other liabilities are measured as financial liabilities at amortized cost, with the exception of derivative financial instruments. Noncurrent liabilities are measured on the basis of the effective interest method less directly attributable transaction costs.

They are initially recognized at fair value less the directly attributable transaction costs.

Interest revenue and expenses resulting from application of the effective interest method are recognized through profit or loss under interest revenue or interest expenses from financial instruments.

A financial liability is measured at fair value through profit or loss where it is held for trading purposes or is thus designated upon initial recognition. Financial liabilities are classified as held for trading purposes where they are acquired for the purpose of disposal in the near future. Directly attributable transaction costs are recognized in profit or loss as soon as they are incurred.

Fair Value Valuation

The measurement at fair value is based upon a three-level hierarchy, in accordance with the proximity of the measurement factors used to an active market. A market is said to be “active” if the quoted prices are easily and regularly available and these prices are based on actual, regularly occurring market transactions at arm’s length.

Level 1: prices for identical assets and liabilities quoted on active markets (which are used unchanged).
Level 2: input data observable either directly or indirectly for the asset or liability not considered Level 1 quoted prices. The fair values of the Level 2 financial instruments are calculated on the basis of the terms in effect on the balance sheet date using recognized models, e.g. the discounted cash flow model.
Level 3: input data used for the measurement of the asset and the liability which is not based upon observable market data (non-observable input data).

The fair values were determined based on the market conditions available on the reporting date by means of financial mathematics valuation methods. They correspond to the prices received between independent market participants for the sale of an asset or for the transfer of a liability.

Reclassifications between the levels of the fair value hierarchy are taken into consideration as of the respective reporting dates. In fiscal years 2019 and 2018, no reclassifications were implemented between Level 1, Level 2 or Level 3.

Income Taxes

Income taxes contain both taxes that are payable on income and deferred taxes.

Income taxes payable for current and earlier periods are measured at the amount at which a refund from or payment to fiscal authorities is anticipated. The calculation of that amount is based on the current status of tax legislation and therefore on the tax rates that are in effect or that have been announced as of the reporting date. Deferred taxes are recognized using the statement of financial position liability method in accordance with IAS 12. Deferred tax assets and liabilities are recognized to reflect temporary differences between the carrying amount of a specific item in the statement of financial position in the IFRS consolidated financial statements and its tax base (temporary concept). Deferred taxes are also recognized for future tax refund claims.

Deferred tax assets on deductible temporary differences and tax refund claims are recognized to the extent it can be assumed that they can be expected to be used in future periods, based on the availability of adequate taxable income.

The calculation of current and deferred taxes is based on judgments and estimates. If actual events deviate from these estimates, this could have a positive or negative impact on assets, financial position and earnings. A deciding factor for the recoverability of deferred tax assets is the estimate of the probability of reversal of measurement differences or the usability of the tax loss carryforwards or tax benefits that led to recognition of the deferred tax assets. This is in turn dependent on the generation of future taxable profits during the period in which the tax loss carryforwards can be used. Deferred taxes are measured using the tax rates applicable at the time of realization based on the current legal situation as of the reporting date.

Current income tax assets and liabilities and deferred income tax assets and liabilities are only offset if it is legally permissible to do so and the deferred tax assets and liabilities relate to income taxes that have been levied by the same tax authority and if there is a legally enforceable right to offset current tax refund claims against current tax liabilities. Deferred taxes are reported as noncurrent in accordance with IAS 1.70.

Inventories

Inventories are measured at cost or at lower net realizable value. In accordance with IAS 2, the costs of conversion include all costs directly related to the units of production as well as a systematic allocation of fixed and variable production overheads. In addition to direct materials and direct labor, they therefore also contain proportional indirect materials and overheads. Administration and social welfare expenses are taken into account provided they can be attributed to production.

Financing costs are not recognized as part of the cost of acquisition or conversion because the assets do not meet qualification criteria. Inventory risks resulting from the storage period and reduced usability are taken into account during the calculation of the net realizable value by applying appropriate write-downs. Lower values at year-end resulting from reduced selling prices are also taken into account. Raw materials, consumables and supplies as well as merchandise are primarily measured using the moving average method.

Trade Receivables and Other Current Assets

Trade receivables are classified as loans and receivables and measured at amortized cost less any necessary write-downs. Write-downs in the form of specific valuation allowances take sufficient account of the expected default risks. Specific defaults lead to the derecognition of the receivables concerned. The calculation of write-downs for doubtful receivables is primarily based on estimates and evaluations of the creditworthiness and solvency of the respective customer.

Other current assets are measured at amortized cost, taking into account necessary write-downs sufficient to cover the expected default risks. If recourse to the courts is made for the collection of these receivables, Voltabox AG firmly expects that the amounts recognized in the statement of financial position will be fully enforceable. Where these represent financial assets (financial instruments), they are classified as loans and receivables.

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances with original maturities of up to three months. They are measured at nominal value. The total of cash and cash equivalents reported in the cash flow statement corresponds to the cash and cash equivalents stated in the statement of financial position (cash and bank balances). The Group does not engage in cash pooling.

Other Provisions

Other provisions are recognized in accordance with IAS 37 when Voltabox has a legal or constructive present obligation to third parties as a result of a past event that is likely to lead to an outflow of resources. Provisions are measured based on a best estimate of the expenditure needed to discharge the liability. Reimbursement claims are not offset against these amounts. Each situation is evaluated separately to determine the probability that pending proceedings will be successful, or to qualify the possible amount of the payment obligations. In each case, the most probable settlement amount has been taken into account. Noncurrent provisions have been measured at their discounted settlement amount as of the reporting date.

Due to the uncertainty associated with these evaluations, the actual settlement obligation or the actual outflow of resources may deviate from the original estimates and, accordingly, from the amounts of the provisions made. In

addition, estimates may change based on subsequent new information, which may have a substantial impact on the future earnings position.

In fiscal year 2020, a provision of € 100 thousand was recognized for an one-time payment in favor of Management Board member Jürgen Pampel, of € 50 thousand for Dr. Burkhard Leifhelm, and of € 50 thousand for Patrick Zabel. The amounts are not included in the table above, as the disposition is linked to conditions that have not yet occurred.

Recognition of Income and Expenses

Voltabox AG recognizes revenue when performance obligations to customers are fulfilled by the transfer of a promised good or service. The transaction price is the consideration that the entity expects to receive for transferring the goods and services to a customer. Variable transaction price components such as rebates, discounts, contractual penalties or customer bonuses reduce revenues. Voltabox AG recognizes revenue from services on a time and period basis. Revenue over the period is either realized in the amount of the costs incurred in the period to the estimated total costs or recognized in the amount that the company is allowed to invoice. Simplification according to IFRS 15.B16 is not used. Costs for initiating a contract with a customer are capitalized as an asset if Voltabox AG assumes that it will recover these costs and these costs are directly attributable. For the liquidation of the asset, Voltabox AG compares the fulfilled performance obligations with the total of the performance obligations of the respective contract with customers.

In the case of sales with return rights, revenue is recognized in the amount that corresponds to the company's expectations. The expense items associated with revenue are adjusted accordingly. Voltabox AG recognizes an asset for the right to return and a refund liability for the unrealized revenue rather than a reduction in trade receivables.

Government Grants

In the period from March until December 2020, reduced working hours were used to compensate for the pandemic-related drop in revenue. Following the implementation of reduced working hours, the employees of the Voltabox Group received short-time working benefits from the Federal Employment Agency in the amount of € 143 thousand. Making use of short-time working benefits in favor of the employees did not lead to any investment grants. The reduction in work volume is reflected in the reduced personnel expenses in the income statement. The sum mentioned above includes investment grants reported in profit or loss in accordance with IAS 20 for the reimbursement of short-time working benefits (employer's contribution) in the amount of € 121 thousand.

9 Use of Estimates, Assumptions and Judgments

The preparation of the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made that impact the assets and liabilities recorded, the disclosure of contingent liabilities as of the reporting date and the presentation of income and expenses during the period under review. If actual events deviate from these estimates, this could have a positive or negative impact on the assets, financial position and earnings.

In particular due to the COVID-19 pandemic, the Management Board of Voltabox AG makes significant discretionary decisions in the context of corporate planning. This affects the evaluation of the recoverability of assets. The increased uncertainty in estimates results from the fact that medium- and long-term corporate planning is currently affected overall due to volatile market developments.

Voltabox AG does not perform a general sensitivity analysis in accordance with IAS 1.129 in fiscal year 2020 in relation to carrying amounts whose recoverability is affected by discretionary decisions in the context of the COVID-19 pandemic, as no goodwill was recognized as of the reporting date. A sensitivity analysis is performed as part of the assessment of the recoverability of own work capitalized in note (20).

When applying the accounting policies, the following estimates and assumptions were made that significantly influenced the amounts contained in the financial statements.

Summary of Cash-Generating Units

The assessment of whether several assets are to be combined in a single cash-generating unit is subject to a discretionary decision by the Group.

Measurement of the Fair Values of the Assets Acquired and Liabilities Assumed in Business Combinations

The fair values as well as the allocation of acquisition costs to the assets acquired and liabilities assumed were determined on the basis of experience and estimates regarding future cash inflows.

The actual cash inflows may differ from the estimated amounts.

Goodwill

As described in the accounting principles, the Group tests goodwill for impairment once a year and when there are any indications that the value of goodwill may be impaired. This involves estimating the recoverable amount of the cash generating unit. This corresponds to the higher of fair value less costs of disposal and value in use. When determining the value in use, adjustments and estimates have to be made concerning the forecast and discounting of future cash flows. Although the Management Board believes that the assumptions used to determine the recoverable amount are appropriate, unforeseeable changes in these assumptions could lead to an impairment loss that could have a sustained negative influence on assets, financial position and earnings.

Capitalized Development Costs

In order to measure capitalized development costs, assumptions have been made about the amount of anticipated future cash flows from assets, about the discount rates to be used and about the period of time during which these assets will generate anticipated future cash flows. The assumptions made regarding the timing and amount of future cash flows are based on expectations of the future development of the order backlog from those customers with whom development projects are being conducted. The period of normal use corresponds to the estimated economic life. Since fiscal year 2019, the company has been using future revenue figures, which take into account a discount for the probability of occurrence, for the impairment test of IAS 38 projects.

Transfer of Assets and Leasing Objects

The question of when all the significant risks and rewards of ownership of financial assets and leased assets are essentially transferred to other companies is regularly subject to discretionary decisions.

Leases

Voltabox AG accounts for individual leasing components and non-leasing components separately. If a lease exists, the contract is allocated to the individual leasing components on the basis of the contractually agreed relative individual selling prices of the leasing components and the aggregated individual selling prices of the non-leasing components. In doing so, Voltabox AG determines the relative individual selling price with reference to the price that a lessor or similar supplier of Voltabox AG would charge separately for these or similar components. Where no observable market exists, Voltabox AG makes use of estimates.

Voltabox AG makes assumptions about the incremental borrowing rate in the context of the replacement approach to leases and bases this on an easily observable interest rate based on the same payment profile as that of the lease.

Otherwise, it is discounted at the lessee’s incremental borrowing rate, i.e. the rate of interest that would be payable by the lessee if they had to borrow funds to acquire, in a similar economic environment, an asset of similar value for a similar term with comparable security and under similar conditions.

Wherever possible, financing arrangements entered into with third parties by the individual lessee are used as a starting point. Where necessary, these are adjusted to take into account changes in conditions since receipt of the financing. If there are no recent borrowings from third parties, the Group uses a risk-free interest rate as a starting point and adjusts it to the credit risk of the lessee. Other adjustments also relate to those for the term of the lease, the economic environment, the currency of the lease and collateralization.

Inventories

In specific cases, inventories are measured based on anticipated revenue less the estimated costs to completion and the estimated selling costs required. Actual revenue and the actual costs to completion may deviate from anticipated amounts. Information about the measurement discounts can be found in the comments on inventories in the previous section.

Other Assets and Liabilities

Assumptions and estimates are also necessarily made when calculating allowances for doubtful receivables, for expected credit losses in accordance with IFRS 9, when estimating contingent liabilities and other provisions, and when determining the fair value of long-lived assets included in property, plant and equipment and intangible assets.

In individual cases, actual values may deviate from the assumptions and estimates made, requiring an adjustment of the carrying amounts of the assets or liabilities concerned.

Deferred Tax Assets

The amount of deferred tax assets in excess of deferred tax liabilities of the same taxable entity and the same tax authority is recognized only to the extent that a positive taxable result is expected in future periods and its realization appears sufficiently certain. In addition, there are estimation uncertainties regarding the reversal effects under IAS 12.29 (ii). The actual taxable income situation in future periods may deviate from the estimate made at the time the deferred tax assets were recognized.

Other Provisions

The recognition and measurement of other provisions was based on the estimated probability of the future outflow of benefits and on experience values, and on the facts and circumstances known as of the reporting date. The subsequent actual outflow of benefits may therefore differ from the amount recorded within other provisions as of the reporting date.

Contingent Liabilities

The recognition of an identified contingent liability within the scope of a purchase price allocation is based on assumptions that the Management Board arrives at on the basis of the information available as of the date of acquisition.

Legal Risks

From time to time, Voltabox Group companies may become parties to legal disputes. Management regularly analyzes the latest information available for these cases and, where necessary, recognizes provisions to cover probable obligations, including the estimated amount of associated legal costs. External attorneys are consulted in the process of making these assessments. In determining the need for provisions, the Management Board accounts for the probability of an unfavorable outcome and whether the obligation can be measured with sufficient reliability. The filing of a lawsuit, the formal assertion of a claim or the presence of a disclosure for legal dispute in the notes does not automatically mean that a provision for the respective risk is appropriate.

Revenue

The Management Board makes discretionary decisions regarding the classification of the transaction price to performance obligations. The transaction prices are allocated to performance obligations on the basis of the relative individual sale prices.

For revenue with return rights, the company estimates the probability that the customer will make the return.

10 Revenue

Revenue consists of the proceeds from sales of products, materials, distribution rights, and services less any sales deductions.

Revenue is classified on the basis of product segments. Voltabox AG had the product segments Voltapower and Voltaforce in fiscal year 2020. In addition, there is separate reporting by region. To date, the Group recognizes revenue solely at a certain point in time.

€ '000 – **2020**	Voltapower	Voltaforce	Consolidation	Total
Domestic	7,097	2,177	0	9,274
EU	256	136	0	392
Rest of the world	8,621	14	-165	8,469
Total for geographical territories	15,974	2,327	-165	18,135
Total for product segments	15,974	2,327	-165	18,135
Product revenue	15,910	2,264	-165	18,009
Service revenue	63	62	0	126
Total for revenue types	15,974	2,327	-165	18,135

In fiscal year 2019, revenue was distributed as follows:

€ '000 – **2019**	Voltapower	Voltaforce	Voltamotion	Consolidation	Total
Domestic	38,306	5,102	0	0	43,408
EU	0	1,090	343	0	1,433
Rest of the world	26,564	0	0	-14,788	11,776
Total for geographical territories	64,870	6,192	343	-14,788	56,617
Total for product segments	64,870	6,192	343	-14,788	56,617
Product revenue	64,817	6,187	343	-14,788	56,559
Service revenue	53	5	0	0	58
Total for revenue types	64,870	6,192	343	-14,788	56,617

The Voltapower product segment manufactures complex lithium-ion battery systems for demanding industrial applications. Revenue in this operating segment was realized in the fiscal year on a certain point at time. Revenue is recognized upon delivery and transfer of control to the customer. Payment terms customary in the industry without a significant financing component are used. Variable consideration does not occur regularly.

The Voltaforce product segment comprises the development and production of standardized lithium-ion batteries for selected segments of the mass market. Revenue is recognized at the time of sale. Realization takes place upon delivery of the goods. The contracts with customers contain payment terms customary in the industry without significant financing components. Variable consideration does not occur regularly. Contracts with customers in this operating segment contain functional guarantees relating to the intended use.

In the previous year, activities in the third product segment Voltamotion were terminated as part of the focusing strategy.

As of December 31, 2020, there were trade receivables of € 2,547 thousand (prior year: € 31,085 thousand) and contractual assets of € 0 thousand (prior year: € 0 thousand).

No reductions for revenue from contracts with rights of return were recognized in the fiscal year (prior year: € 7,345 thousand).

11 Other Operating Income

In fiscal year 2019, other operating income mainly includes the following items:

€ '000	**Jan. 1 to Dec. 31, 2020**	Jan. 1 to Dec. 31, 2019
Income from the reversal of valuation allowances on receivables	**1,503**	0
Income from loan cancellation	**675**	0
Income from currency translation	**370**	701
Income from the provision of motor vehicles to employees	**98**	137
Income from electricity charging stations	**0**	22
Remaining other operating income	**595**	948
Total other operating income	**3,241**	1,808

12 Other Own Work Capitalized

For development projects that meet the requirements of IAS 38.21 and IAS 38.57 in the reporting period and for which project-related development costs have been capitalized, the capitalized development costs have been recognized in other own work capitalized. The amounts capitalized are recognized under intangible assets. Other own work capitalized also includes costs incurred in manufacturing test equipment.

€ '000	**Jan. 1 to Dec. 31, 2020**	Jan. 1 to Dec. 31, 2019
Project-related development costs	**4,225**	6,686
Production costs of test equipment	**0**	1,092
Other own work capitalized	**4,225**	7,778

In fiscal year 2020, there were R&D expenses of € 4,970 thousand (prior year: € 10,923 thousand).

13 Cost of materials

€ '000	Jan. 1 to Dec. 31, 2020	Jan. 1 to Dec. 31, 2019
Raw materials, consumables and supplies	**17,588**	42,974
Expenses for purchased services	**581**	2,046
Cost of materials	**18,169**	45,020

The cost of materials is mainly influenced by the utilization of old, discontinued products.

14 Personnel Expenses

Personnel expenses amounted to € 11,058 thousand in the reporting period (prior year: € 15,917 thousand) and consist of the following:

€ '000	Jan. 1 to Dec. 31, 2020	Jan. 1 to Dec. 31, 2019
Wages and salaries	**8,969**	13,981
Social contributions/pensions	**2,089**	1,936
Personnel Expenses	**11,058**	15,917

The average number of employees has changed as follows in comparison to the prior year:

€ '000	Jan. 1 to Dec. 31, 2020	Jan. 1 to Dec. 31, 2019
Salaried employees	**143**	131
Hourly-paid employees	**43**	60
Number of employees	**186**	191

Personnel expenses in the 2020 reporting year include short-time working benefits from the Federal Employment Agency in the amount of € 143 thousand (prior year: € 0 thousand) which were recognized as grants in profit or loss (employer's contribution). The sum mentioned above includes investment grants reported in profit or loss in accordance with IAS 20 for the reimbursement of short-time working benefits (employer's contribution) in the amount of € 121 thousand.

15 Other Operating Expenses

Other operating expenses comprise the following items:

€ '000	Jan. 1 to Dec. 31, 2020	Jan. 1 to Dec. 31, 2019
Expenses for Group costs and integrated services	**1,967**	1,271
Expenses for external services for development costs and prototype material	**1,031**	2,546
Expenses for purchased services and IT	**964**	2,416
Expenses from exchange rate losses	**650**	0
Expenses for freight and packaging	**457**	655
Expenses for motor vehicles, advertising and travel costs	**329**	1,002
Expenses for buildings and rent	**309**	284
Expenses for insurance policies	**278**	632
Expenses for warranties	**5**	18
Remaining other operating expenses	**9,357**	9,066
Total other operating expenses	**15,347**	17,890

16 Depreciation and Amortization

A breakdown of depreciation of property, plant and equipment and amortization of intangible assets can be found in the consolidated statement of fixed assets. Depreciation includes extraordinary depreciation in the amount of € 4.1 million (prior year: € 31.5 million). Detailed information on this is provided in the chapters on intangible assets, property, plant and equipment and financial assets.

17 Financial Result

€ '000	Jan. 1 to Dec. 31, 2020	Jan. 1 to Dec. 31, 2019
Financial income	**11**	9
Interest revenue	**11**	9
Financial expenses	**-786**	-224
Other financial and interest expenses	**-786**	-224
Financial result	**-775**	-215

Other financial and interest expenses include interest expenses to banks of € 161 thousand (prior year: € 224 thousand).

Financial assets and liabilities are measured at amortized cost. The carrying amounts for the measurement categories are indicated in section (35).

18 Income Taxes

Domestic deferred taxes were calculated as of December 31, 2020, at an unchanged combined income tax rate of 30% (prior year: 30%). This includes a corporate tax rate of 15% and a solidarity surcharge of 5.5%. The income tax rate also reflects trade taxes, taking into account the breakdown of the trade tax assessment rates among the municipalities in which the company's branches are located. Foreign deferred taxes were calculated as of December 31, 2020, at a combined income tax rate of 27.6% (prior year: 27.6%). The Group tax rate amounts to 28.8% (prior year: 28.8%).

The income tax expense in fiscal year 2020 is shown in the following table:

€ '000	**Jan. 1 to Dec. 31, 2020**	Jan. 1 to Dec. 31, 2019
Current taxes	**187**	-618
Current taxes in Germany	**187**	-618
Deferred tax liabilities	**-2,384**	-5,265
Deferred taxes in Germany	**-2,384**	-5,091
Deferred taxes in foreign countries	**0**	-174
Income taxes	**-2,197**	-5,883

As of the end of the reporting period, of deferred tax assets in the amount of € 0 thousand (prior year: € 4,246 thousand), € 0 thousand (prior year: € 4,246 thousand) relates to Germany and € 0 thousand (prior year: € 0 thousand) relates to other countries. As of the end of the reporting period, of deferred tax liabilities in the amount of € 2,380 thousand (prior year: € 6,630 thousand), € 2,380 thousand (prior year: € 5,304 thousand) relates to Germany and € 0 thousand (prior year: € 1,326 thousand) relates to other countries.

Deferred tax assets and liabilities were recognized for the following items:

	Dec. 31, 2020		**Dec. 31, 2019**	
€ '000	**Deferred tax assets**	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Intangible assets	**0**	**2,357**	0	1,670
Property, plant and equipment and rights of use	**3,942**	**3,742**	4,246	4,099
Receivables and other assets	**2,157**	**0**	0	861
Deferred tax assets and liabilities before offsetting	**6,099**	**6,099**	4,246	6,630
Offsetting	**-6,099**	**-6,099**	-4,099	-4,099
Deferred tax assets and liabilities after offsetting	**0**	**0**	147	2,531

Tax losses in Germany can be carried forward and used for an indefinite period of time, subject to minimum taxation rules. Foreign tax losses carried forward relate to Voltabox of Texas, Inc., and their use is limited to a period of 20 years. Tax losses carried forward from Voltabox of Texas, Inc., that have arisen since fiscal year 2019 can be carried forward indefinitely. In the previous year, the conditions for offsetting deferred tax assets and liabilities were not given.

Deferred taxes on losses carried forward were not recognized in Germany for a total amount of € 144,828 thousand (prior year: € 109,205 thousand) and in other countries of € 0 thousand (prior year: € 0 thousand).

The following table shows the tax losses carried forward following the year in which they arose and the year in which their usability ends:

Year of origin	**Amount (€'000)**	End of usability
2014	**1,761**	2034
2015	**2,916**	2035
2016	**3,155**	2036
2017	**5,115**	2037
2018	**5,946**	unlimited
2019	**109,205**	unlimited
2020	**144,828**	unlimited

In accordance with IAS 12.81 (c), the actual tax expense must be compared to the tax expense calculated by applying the tax rates to be recognized to the reported earnings before taxes. The following table shows a reconciliation between the actual tax expense and the expected tax expense.

€ '000	**Jan. 1 to Dec. 31, 2020**	Jan. 1 to Dec. 31, 2019
Earnings before taxes	**-39,249**	-107,807
Calculated tax expense at a tax rate of 28.8 % (prior year: 28.8 %)	**-11,304**	-31,048
Non-recognition of deferred taxes	**9,107**	23,700
Goodwill-Impairments	**0**	2,927
Loss from merger in separate financial statements	**0**	-1,462
Current tax expense	**-2,197**	-5,883

19 Earnings per Share

Basic earnings per share are calculated by dividing the result for the reporting period by the weighted average number of shares issued. The weighted average number of shares issued in the reporting period was 15,825,000 (prior year: 15,825,000).

Based on the result for the period of € -37,052 thousand (prior year: € -101,924 thousand), the basic earnings per share amount to € -2.34 per share (prior year: € -6.44).

Stock option plans generally result in a potential dilution of earnings per share. As in the prior year, there were no share option rights to acquire outstanding Voltabox AG shares during the fiscal year from January 01 to December 31, 2020.

20 Intangible Assets

The changes in and analysis of intangible assets, property, plant and equipment, as well as financial assets, is shown in the consolidated statement of noncurrent assets. A description of investments made can be found in the combined management report.

Capitalized Development Costs

Intangible assets included capitalized development costs of € 4,225 thousand (prior year: € 8,044 thousand) in the year under review. Internal development costs of € 3,888 thousand (prior year: € 5,155 thousand) were capitalized as intangible assets in the reporting period. With regard to the development expenses of the fiscal year, please refer to the section “Other Performance Indicators” in the combined management report.

Depreciation and amortization in the reporting period amounted to € 240 thousand (prior year: € 1,582 thousand). The depreciation period for development projects depends on the expected period of use and begins upon completion.

The capitalized development costs were subject to an impairment test in accordance with IAS 36. The impairment loss in accordance with IAS 36 totaled € 3,302 thousand in the reporting period (prior year: € 12,021 thousand).

The recoverable amount of internally generated intangible assets is determined based on the calculation of the value-in-use using estimated cash flows, which are in turn derived from revenue forecasts adopted by the Management Board. The revenue forecasts cover a period of five years. A growth rate is determined for each product based on market analyses. A risk-adjusted discount factor of 9.69% (prior year: 6.63%) is applied to the estimated cash flows. The borrowing rate used in fiscal year 2020 is 4.0% (prior year: 4.0%).

The recoverability of own work capitalized is closely related to discretionary estimates based on medium- and long-term corporate planning. Due to the COVID-19 pandemic, these estimates are subject to particular uncertainty.

21 Goodwill

In accordance with IFRS 3 (Business Combinations) and the two standards revised in this respect, namely IAS 36 (Impairment of Assets) and IAS 38 (Intangible Assets), goodwill and internally generated intangible assets whose production is not yet complete are subject to regular impairment tests.

This involves goodwill and internally generated intangible assets whose production is not yet complete being tested for potential impairment once a year. In addition, the impairment test is also to be performed more frequently should any events or changes in circumstances indicate that a potential impairment has occurred.

The impairment tests performed at the Voltabox Group involve comparing the residual carrying amounts of individual cash generating units (CGUs) with their respective recoverable amounts, i.e., the higher of their fair value less costs to sell and their value in use. Where the carrying amount of the cash-generating unit is higher than its recoverable amount, an impairment loss is recognized in the amount of the respective difference. The recoverable amount is determined by calculating the value in use by means of the discounted cash flow method. The cash flows used to calculate the value in use are determined on the basis of management’s medium-term planning. These budgets are based on past experience and on expectations as to future market developments, taking account of strategic and operative measures already initiated to manage the respective business field. The detailed planning period is usually a period of five years.

The cost of capital is calculated as the weighted average of equity and debt capital costs (weighted average cost of capital – WACC). Equity costs are derived from a peer group analysis of the relevant market sector, i.e., information that can be obtained from capital markets. The weighted average cost of capital, i.e., WACC before taxes used to discount cash flows, amounted to 9.69% (prior year: 9.89%) for the cash generating unit (CGU) Europe and 9.63% (prior year: 9.86%) for North America. The growth assumption following the detailed planning period is 0.50% (prior year: 2.03%).

Goodwill has already been fully amortized in fiscal year 2019.

22 Property, Plant and Equipment

Depreciation and amortization in the reporting period amounted to € 1,097 thousand (prior year: € 1,266 thousand).

Certain items of movable noncurrent assets are financed by leases. Generally, these leases have terms of four to five years. The corresponding payment obligations for future lease installments are recognized as liabilities. The net carrying amount of assets capitalized under leases amounted to € 13,778 thousand as of December 31, 2020 (prior year: € 14,799 thousand). The corresponding payment obligations for future lease installments amounted to € 13,778 thousand (prior year: € 14,799 thousand) and are recognized as liabilities at their present value. The capitalized assets under leases wholly relate to technical plants and machinery. The majority of these lease arrangements provide for the transfer of ownership without further payments after full settlement of all obligations during the basic lease period (full amortization). No firm agreements have been entered into concerning the further use of the leased assets following expiry of the basic lease period. Nevertheless, Voltabox AG assumes that the leased assets can be acquired at a favorable price after the basic lease period has expired or may continue to be used at a favorable lease rate.

Advance payments for machinery and equipment amounting to € 164 thousand were made in the reporting year (prior year: € 19 thousand).

Income from disposal of property, plant and equipment amounted to € 1 thousand (prior year: € 7,275 thousand).

23 Leases

As of the balance sheet date, the leases recognized can be reconciled to the rights of use and lease liabilities as follows:

€ '000 – **Dec. 31, 2020**	Right of Use	Current lease liability	Noncurrent lease liability
Buildings	11,008	678	10,663
Technical equipment and machinery	1,403	953	538
Operating and office equipment	93	69	30

€ '000 – **Dec. 31, 2019**	Right of Use	Current lease liability	Noncurrent lease liability
Buildings	10,836	433	10,406
Technical equipment and machinery	2,636	986	1,731
Operating and office equipment	192	97	101

The Group rents or leases various office and warehouse buildings, equipment and vehicles. These contracts are usually concluded for fixed periods of six to 180 months.

The access amount and depreciable amount, and the residual carrying amount for the rights of use, can be found in section (38). The interest expense of leasing liabilities amounted to € 625 thousand (prior year: € 226 thousand) in fiscal year 2020.

Expenses for short-term leases not recognized in the balance sheet amounted to € 0 thousand (prior year: € 887 thousand in fiscal year 2020.

In fiscal year 2020, there was no expense for variable lease payments that was not included in the measurement of the lease liability and no income from a sublease.

The cash outflows from leases amounted to € 1,884 thousand (prior year: € 621 thousand) in the fiscal year.
In fiscal year 2020, no extension or termination options were exercised that would have an effect on future cash outflows. There are no residual value guarantees or leases that have not commenced that will have a material effect on future cash outflows.

In fiscal year 2020, fees were partially deferred under a lease for a rental building. Voltabox AG does not remeasure the lease.

24a Financial Assets

Financial assets relate to the investment in ForkOn GmbH of € 1,400 thousand (prior year: € 1,400 thousand).

24b Other Noncurrent Assets

As of December 31, 2020, other noncurrent assets include a deposit payment of € 1,590 thousand for a leased building in the USA.

In the previous year (€ 2,051 thousand) a rental prepayment for this building was recognized here.

25 Inventories

Inventories consist of the following:

€ '000	Dec. 31, 2020	Dec. 31, 2019
Raw materials, consumables and supplies	**4,457**	9,162
Work in progress and finished goods and services	**1,227**	6,498
Advance payments for inventories	**66**	13
Inventories	**5,750**	15,674

In addition, no reversals were recognized in the reporting period, as in the prior year. Inventories were written down in the reporting period with a volume of € 4,082 thousand (prior year: € 48,033 thousand). As in the prior year, no inventories served as collateral for liabilities on the reporting date.

26 Trade Receivables

The carrying amount of trade receivables is derived as follows:

€ '000	Dec. 31, 2020	Dec. 31, 2019
Gross trade receivables	**2,578**	31,116
Less value adjustments	**31**	31
Trade receivables	**2,547**	31,085

Receivables of € 25 thousand (prior year: € 13,640 thousand) were derecognized in fiscal year 2020.

Trade receivables are assigned as part of factoring, if possible and intended by the Management Board. As of the reporting date, there are no receivables whose assignment will be made in the following reporting year as part of factoring. Therefore, trade receivables are assigned to the valuation category AC according to IFRS 9.
Within the scope of factoring, the default risk is transferred to the factoring provider.

The maturity structure of trade receivables for which no impairment allowances have been recorded as of the reporting date is as follows:

€ '000	Carrying amount	of which neither impaired nor overdue	thereof past due as follows but not impaired			
Dec. 31, 2020			0 – 30 days	30 – 60 days	60 – 90 days	> 90 days
Trade receivables	**2,578**	2,063	75	107	130	202
Impairment recognized	**31**	0	0	0	0	31
Net amount	**2,547**	2,063	75	107	130	171
Dec. 31, 2019			0 – 30 days	30 – 60 days	60 – 90 days	> 90 days
Trade receivables	**31,116**	28,668	779	932	69	668
Impairment recognized	**31**	0	0	0	0	31
Net amount	**31,085**	28,668	779	932	69	637

There were no indications as of the reporting date that debtors with receivables that are neither impaired nor overdue will fail to meet their payment obligations.

27 Other Current Assets

Other current assets were as follows:

€ '000	Dec. 31, 2020			Dec. 31, 2019
	AC	FVPL	FVOCI	
Blocked account for validity guarantee	162	0	0	93
Deferrals	254	0	0	136
Other assets	514	0	0	512
Other current assets	**930**	**0**	**0**	741

Voltabox AG is pledging a sight deposit in favor of the factoring bank as part of factoring. This account safeguards Voltabox AG's validity guarantee for sold receivables. In the event of insolvency, other account balances with credit institutions can be offset against any balances and liabilities between the respective counterparties.

The overdue amounts included in other current assets as of the reporting date were as follows:

€ '000	Carrying amount	of which neither impaired nor overdue	thereof past due as follows but not impaired			
31.12.2020			0 – 30 days	30 – 60 days	60 – 90 days	> 90 days
Other current assets	**930**	930	0	0	0	0
31.12.2019			0 – 30 days	30 – 60 days	60 – 90 days	> 90 days
Other current assets	**741**	741	0	0	0	0

As of December 31, 2020, there were no indications that significant amounts included in other current assets would not be collectable.

28 Cash and Cash Equivalents

Cash on hand and bank deposits are recognized at their nominal amounts. Cash and cash equivalents include € 1 thousand (prior year: € 2 thousand) in cash on hand and € 2,336 thousand (prior year: € 5,034 thousand) in bank deposits.

Voltabox AG does not engage in cash pooling with group companies and the parent company.

29 Equity

The changes in the individual components of equity for the reporting period from January 01 to December 31, 2020, are presented in the consolidated statement of changes in equity.

Subscribed Capital

Voltabox AG's subscribed capital as of the reporting date amounted to € 15,825 thousand (prior year: € 15,825 thousand) and is divided into 15,825,000 no-par-value shares with a notional share in the share capital of € 1.00 each. The company actively monitors whether the share capital has been depleted in accordance with Section 92 (1) of the German Stock Corporation Act (AktG).

Currency Translation Reserve

Loans granted by Voltabox AG to Voltabox of Texas, Inc. represent a net investment in a foreign operation. Resulting currency translation effects are recognized directly in equity in the currency translation reserve. This item is also affected by currency conversion rate differences from the reporting date translation of the annual financial statements of Voltabox of Texas, which is included in the consolidated financial statements. The currency translation reserve amounted to € 815 thousand (prior year: € 214 thousand) as of December 31, 2020.

Retained earnings

Retained earnings are composed as follows:

€ '000	**Dec. 31, 2020**	Dec. 31, 2019
Profit / Loss carried forward	**15,556**	10,196
Release of capital reserve	**0**	107,763
Dividend payout	**0**	-475
Consolidated net income	**-37,052**	-101,925
Retained earnings	**-21,496**	15,556

30 Leasing Liabilities

The initial recognition of the lease liability comprises the lease payments not yet made at the present value of the lease payments as of the provision date. Discounting is calculated on the basis of the underlying constant interest rate. If this is not available, Voltabox AG uses an incremental borrowing rate of interest that is used as a basis for comparable lease financing. Lease payments not yet made comprise

- all fixed payments less lease incentives received,
- variable lease payments,
- amounts expected to be paid at the end of the lease term under residual value guarantees, • the exercise price of a purchase option if exercise is reasonably certain and
- penalties for termination if exercise is reasonably certain.

The carrying amount of the leasing liability is increased by the interest expense and reduced by the payments made after provision on the reporting date. A remeasurement of the leasing liability is immediately recognized.

€ '000	Remaining term < 1 year	Remaining term between 1 and 5 years	Remaining term > 5 years	31.12.2020
Minimum lease payments	2,426	5,125	9,735	**17,286**
Future interest payments	-524	-1,491	-1,493	**-3,508**
Liabilities from leases (repayment portion)	1,902	3,634	8,242	**13,778**
Thereof reported under noncurrent liabilities				**11,876**
Thereof reported under current liabilities				**1,902**

€ '000	Remaining term < 1 year	Remaining term between 1 and 5 years	Remaining term > 5 years	31.12.2019
Minimum lease payments	2,094	5,593	12,446	**20,132**
Future interest payments	-469	-1,609	-3,877	**-5,954**
Liabilities from leases (repayment portion)	1,625	3,984	8,569	**14,178**
Thereof reported under noncurrent liabilities				**12,553**
Thereof reported under current liabilities				**1,625**

31 Liabilities to Banks

Current and noncurrent liabilities to banks totaled € 46 thousand (prior year: € 544 thousand), and collateral for liabilities to banks was provided in the amount of € 46 thousand (prior year: € 544 thousand).

Liabilities to banks are secured by charges over property, plant and equipment of € 46 thousand (prior year: € 543 thousand).

Liabilities to banks have a maturity of less than one year.

The liabilities have been assigned to the IFRS 9 measurement category AC.

32 Other Liabilities

Other liabilities were as follows:

€ '000	Dec. 31, 2020	Dec. 31, 2019
Miscellaneous other liabilities	**5,164**	634
Liabilities from other taxes	**488**	2,745
Other liabilities	**5,652**	3,379

Other liabilities mainly include personnel obligations from outstanding vacation entitlements, as well as employee bonuses and profit sharing.

Other liabilities have a maturity of less than one year.

The other liabilities have been assigned to the IFRS 9 measurement category AC.

33 Other Provisions

Other provisions are all due within one year. The movements on the provisions were as follows:

€ '000	Jan. 1, 2020	Utilization	Release	Allocation	Dec. 31, 2020
Other provisions	3,796	3,023	0	282	**1,055**

Other provisions mainly include provisions for warranties and guarantees of € 884 thousand (prior year: € 743 thousand) and € 52 thousand (prior year: € 37 thousand) for take-back obligations for old batteries and other provisions. The impending loss provision of € 3,015 thousand recognized the previous year was utilized in the reporting year. A return rate of 70% and a recyclability of 75% of the returned batteries was assumed for the determination of the provision in the context of the take-back obligations for old batteries. Due to possible future income from the utilization of raw materials, a range was determined for the provision to be formed. The provision is measured in the annual financial statements on the basis of the discounted disposal costs likely to be incurred.

34 Additional Disclosures on Financial Instruments

This section provides an overview of financial instruments in use at Voltabox AG. The carrying amounts of the financial instruments included in the consolidated financial statements in accordance with the IFRS measurement categories are summarized below:

€ '000	Dec. 31, 2020	Dec. 31, 2019
Financial assets		
Measured at amortized cost	**8,717**	44,240
Measured at fair value through profit or loss	**1,400**	1,400
	10,117	45,640
Financial liabilities		
Measured at amortized cost	**23,688**	30,991
	23,688	30,991

Voltabox AG has not implemented any reclassification between these categories in fiscal year 2020.

As of the reporting date, the carrying amounts and the fair values of the current and noncurrent financial assets are as follows:

Dec. 31, 2020	AC		FVPL		FVOCI	
€ '000	BW	**FV**	BW	**FV**	BW	**FV**
ASSETS						
Cash and cash equivalents	2,337	2,337	0	0	0	0
Trade receivables	2,547	2,547	0	0	0	0
Receivables from related parties	1,314	1,314	0	0	0	0
Investments	0	0	1,400	1,400	0	0
Other assets	2,520	2,520	0	0	0	0
Total assets	**8,718**	**8,718**	**1,400**	**1,400**	**0**	**0**
LIABILITIES AND EQUITY						
Liabilities to banks	46	46	0	0	0	0
Trade payables	4,209	4,209	0	0	0	0
Leasing liabilities	13,778	13,778	0	0	0	0
Other liabilities	5,652	5,652	0	0	0	0
Total equity and liabilities	**23,685**	**23,685**	**0**	**0**	**0**	**0**

Dec. 31, 2019	AC		FVPL		FVOCI	
€ '000	BW	**FV**	BW	**FV**	BW	**FV**
ASSETS						
Cash and cash equivalents	5,036	5,036	0	0	0	0
Trade receivables	31,085	31,085	0	0	0	0
Receivables from related parties	5,327	5,327	0	0	0	0
Investments	0	0	1,400	1,400	0	0
Other assets	2,792	2,792	0	0	0	0
Total assets	**44,240**	**44,240**	**1,400**	**1,400**	**0**	**0**
LIABILITIES AND EQUITY						
Liabilities to banks	544	544	0	0	0	0
Trade payables	12,418	12,418	0	0	0	0
Leasing liabilities	14,178	14,178	0	0	0	0
Other liabilities	3,851	3,851	0	0	0	0
Total equity and liabilities	**30,991**	**30,911**	**0**	**0**	**0**	**0**

Voltabox AG does not hold any cash collateral and does not implement any offsetting in the balance sheet. Balances and liabilities to banks are reported gross in the consolidated balance sheet.

Voltabox AG is pledging a sight deposit in favor of the factoring bank as part of factoring. This account safeguards Voltabox AG's validity guarantee for sold receivables. In the event of insolvency, other account balances with credit institutions can be offset against any balances and liabilities between the respective counterparties. At the present time, Voltabox AG neither has a legal right of set-off nor intends to settle on a net basis.

Voltabox AG has not provided any financial assets as collateral for financial liabilities. Voltabox AG does not hold any collateral in relation to financial assets.

Voltabox distinguishes between collectable and doubtful or non-performing and uncollectable financial assets. For recoverable financial assets, depreciation takes place after the expected twelve-month credit loss. For doubtful or defaulted financial assets, a depreciation is made in the amount of the credit loss expected to maturity. Uncollectable receivables are recorded as disposals. A receivable is considered to be non-performing (definition of default) when there is a strong indication that a debtor will not fulfill its payment obligations to Voltabox AG.

The following overview summarizes the credit quality and the maximum default risk of the financial assets valuated at amortized cost according to the aforementioned categories:

Dec. 31, 2020 € '000	Credit quality	Treatment	Gross carrying amount	Valuation allowance	Net carrying amount
Other assets	collectable	12-month ECL	2,520	0	2,520
			2,520	**0**	**2,520**
Trade Receivables	collectable	simplified approach	2,578	31	2,547
			2,578	**31**	**2,547**
Receivables from related parties	collectable	12-month ECL	1,314	0	1,314
			1,314	**0**	**1,314**
Cash and Cash Equivalents	collectable	12-month ECL	2,337	0	2,337
			2,337	**0**	**2,337**

Dec. 31, 2019 € '000	Credit quality	Treatment	Gross carrying amount	Valuation allowance	Net carrying amount
Other assets	collectable	12-month ECL	2,792	0	2,792
			2,792	**0**	**2,792**
Trade Receivables	collectable	simplified approach	31,116	31	31,085
			31,116	**31**	**31,085**
Receivables from related parties	collectable	12-month ECL	5,327	0	5,327
			5,327	**0**	**5,327**
Cash and Cash Equivalents	collectable	12-month ECL	5,036	0	5,036
			5,036	**0**	**5,036**

Voltabox recognizes valuation allowances for loans and other receivables while taking into consideration past events and expectations regarding the future development of credit risk. There has been no change in the methods used to measure valuation allowances since the prior year.

The balance from valuation allowances has increased by € 31 thousand due to the revaluation of receivables. Cash and cash equivalents consist of cash on hand and bank balances. The Voltabox Group only deposits cash and cash equivalents with the highest creditworthiness and default probabilities close to zero.

In accordance with the simplified approach under IFRS 9.5.5.15, valuation allowances on trade receivables are measured consistently on the basis of the lifetime expected credit losses.

For the calculation of the valuation allowance, the receivables are divided up into risk categories and assigned different loss rates. Receivables are written off where a debtor is in serious financial difficulties and there is no prospect of collection.

The companies of the Voltabox Group determine the risk of default on the basis of individual methods, taking into consideration risks specific to the particular operating segment. The companies use data from Schufa, historical default rates and customer-specific future-oriented credit risk analyses, inter alia. Voltabox AG has no significant holdings of past due assets.

35 Management of Risks Associated with Financial Instruments

The following section explains the Group's positions with regard to financial risks and how these may affect the Group's net assets, financial position and results of operations in the future.

The risks from financial instruments, their effects and their management are presented below:

Risk	Risks from	Measurement	Management
Market price fluctuations	Future transactions	Estimated cash flows	Market and value analysis of the products
Foreign currency risks	Future transactions	Estimated cash flows and sensitivity analysis	Currency forwards and currency options
Liquidity risks	Lack of refinancing of business activities and profitability	Rolling liquidity management	Acquisition of loan funds and credit lines
Credit Risks	Cash, receivables and other assets	Age structure analysis and credit rating	Diversification strategy for bank deposits, trade credit insurance

The risks listed can have a considerable impact on the cash flow, profitability and financial situation of Voltabox AG.

The Voltabox Group has implemented an internal sensitivity analysis system based on a variety of risk analysis and risk management methods. The use of sensitivity analyses enables the Group to identify risk positions within the segments. Sensitivity analyses quantify the risks that can arise within given assumptions when certain parameters are changed in a defined range. They include the following assumptions:

- An appreciation of the euro against all foreign currencies by 10 percentage points
- A parallel shift in interest rate curves of 100 basis points (one percentage point)

The potential effects of the sensitivity analysis are estimates and are based on the assumption that the supposed negative market changes will occur. The actual effects may differ significantly if market developments deviate from assumptions made.

Market Price Fluctuations

Market price fluctuations can involve substantial cash flow and profit risks for Voltabox. Voltabox AG regularly conducts market analyses to monitor the market price risk. To ensure competitiveness, value analyses are carried out as part of the development of new products.

Foreign Currency Risks

Due to the international nature of its operations, Voltabox AG's ongoing business operations are exposed to foreign currency risk. Exchange rate fluctuations can lead to undesirable earnings and liquidity fluctuations. For Voltabox AG, the risk arises on foreign currency positions and possible changes in the relevant exchange rates. The uncertainty involved in future trends is referred to as exchange rate risk. Relevant risk variables are generally all non-functional currencies in which Voltabox enters into financial instruments. Voltabox AG limits risk by settling purchases and sales of goods and services mainly in the local currency.

The sensitivity to potential fluctuations in foreign currency exchange rates is determined by aggregating the net currency positions of the operating business that are not denominated in the Group's functional currency. Sensitivity is calculated by simulating a 10% depreciation of the euro in relation to all major foreign currencies. The simulated appreciation of the euro would have resulted in a change in future payment inflows in the amount of € 165 thousand as of December 31, 2020 (prior year: € 401 thousand). To the extent that future purchases are not hedged against currency exchange risks, a depreciation of the euro against other currencies would have a negative effect on the financial position and earnings as the Group's purchases in foreign currencies exceed its foreign currency cash inflows.

The following table provides an overview of the net foreign currency exchange risk by currency as of December 31, 2020. The periodic effects are determined by relating the hypothetical changes in risk variables to the portfolio of financial instruments at the end of the reporting period. It is assumed that the portfolio as of the reporting date is representative for the year as a whole.

	Dec. 31, 2020		Dec. 31, 2019	
€ '000	**USD**	**Other**	USD	Other
Transaction-related foreign currency risk				
Foreign currency risk from balance sheet items	**1,477**	**243**	21,388	1
	1,477	**243**	21,388	1
Net exposure – foreign currency positions	**1,477**	**243**	21,388	1
Change in foreign currency positions due to 10 % appreciation of the euro	**121**	**2**	1,910	0

Interest Rate Risks

Interest rate risk refers to any change in interest rates that impacts earnings or equity. Interest rate risks result from changes in market interest rates, especially for medium and long-term variable-interest assets and liabilities. The interest-bearing financial liabilities mainly have fixed interest rates. There are no significant interest rate risks.

Liquidity Risks

Liquidity risk, i.e., the risk that the Voltabox Group might not be able to meet its payment obligations as they fall due, is managed by means of flexible cash management. As of December 31, 2020, Voltabox had cash and cash equivalents of € 2,337 thousand (prior year: € 5,036 thousand) at its disposal.

€ '000	Dec. 31, 2020	Dec. 31, 2019
Cash and cash equivalents	2,337	5,036
Total liquidity	2,337	5,036
Current financial liabilities and portions of noncurrent financial liabilities due in the short term	1,948	1,894
Noncurrent financial liabilities	11,876	12,827
Total financial liabilities	13,824	14,721
Net debt	-11,487	-9,685

The net liquidity and net borrowing are derived from the sum of cash and cash equivalents less liabilities to banks and liabilities from leases as shown in the statement of financial position. Negative debt is bolstered by appropriate working capital management and the provision of financial resources by the parent company.

In addition to the instruments providing assurance of liquidity described above, the Group follows developments on financial markets on an ongoing basis in order to take advantage of attractive financing opportunities as they become available.

The following table shows payments for redemptions, repayments and interest from recognized financial liabilities as of December 31, 2020:

€ '000	2021	2022 – 2026	2027 und danach
Non-derivative financial liabilities			
Liabilities to banks	46	0	0
Liabilities from leases	1,902	3,634	8,242
Trade payables	4,209	0	0
Other financial liabilities	5,652	0	0
Non-derivative financial liabilities	11,809	3,634	8,242

€ '000	2020	2021 – 2025	2026 und danach
Non-derivative financial liabilities			
Liabilities to banks	269	274	0
Liabilities from leases	1,625	3,984	8,569
Trade payables	12,418	0	0
Liabilities to related parties	472	0	0
Other financial liabilities	3,379	0	0
Non-derivative financial liabilities	18,163	4,258	8,569

There were no defaults on interest and principal payments in the reporting period. It is not expected that significant actual liabilities and thus significant cash flows will arise for liabilities from contingent liabilities for which no provisions have yet been formed.

Credit Risks

Credit risk is defined as the financial loss that arises when a contract partner fails to meet its payment obligations. The maximum risk of default is therefore equal to the positive fair value of the respective interest rate instruments. The effective supervision and control of credit risk is a core task of the risk management system. Voltabox performs credit checks on all customers requiring credit limits that exceed defined amounts. The Group monitors credit risk on an ongoing basis. To control the credit risk, Voltabox AG has set up various credit assessment instruments.

Before accepting an order, a credit check is carried out on the basis of creditworthiness data available for the customer. Credit risk classes and credit limits are determined from the results of the credit assessment. If the credit limits are exceeded, further transactions require the express approval of the Management Board. As a rule, such transactions are only carried out against advance payment or after additional collateral, such as bank guarantees, has been deposited.

Voltabox AG also uses trade credit insurance to reduce default risks.

36 Commitments, Contingent Assets, Contingent Liabilities and Other Financial Obligations

There were no commitments or off-balance sheet contingent assets or contingent liabilities as of December 31, 2020. Other financial liabilities are as follows:

€ '000	Remaining term < 1 year	Remaining term between 1 and 5 years	Remaining term > 5 years	Dec. 31, 2020	Dec. 31, 2019
Order commitments	13,743	0	0	13,743	13,684
Tenancy obligations	0	0	0	0	385
Other financial obligations	13,743	0	0	13,743	14,069

In the previous year, the off-balance sheet tenancy obligations resulted in particular from rental agreements with a remaining term of less than 12 months at the time of transition to IFRS 16.

The purchase commitment includes purchase order items from noncurrent assets and inventories.

37 Consolidated Statement of Movements on Noncurrent Assets

Consolidated Statement of Movements on Noncurrent Assets as of December 31, 2020

	Acquisition costs						Depreciation and amortization						Carrying Amount
€ '000	Jan. 1, 2020	Exchange rate changes	Additions	Outflows	Transfers	**31.12.2020**	Jan. 1, 2020	Exchange rate change	Additions	Impairment according to IAS36/38	Outflows	Dec. 31, 2020	**Dec. 31, 2020**
Intangible assets													
Industrial property rights and similar rights and assets as well as licenses to such rights and assets	14,157	-47	237	0	0	**14,347**	12,189	0	437	0	0	12,626	**1,721**
Goodwill	9,706	0	0	0	0	**9,706**	9,706	0	0	0	0	9,706	**0**
Capitalized development costs	28,059	-306	4,225	0	0	**31,978**	19,302	0	1,818	4,120	0	25,240	**6,738**
Total intangible assets	51,922	-353	4,462	0	0	**56,031**	41,197	0	2,255	4,120	0	47,572	**8,459**
Rights of use													
Properties and buildings	10,861	31	1,484	0	0	**12,377**	25	0	1,344	0	0	1,369	**11,008**
Technical equipment and machinery	3,658	0	0	0	0	**3,658**	1,022	0	1,233	0	0	2,255	**1,403**
Other plant, office furniture and equipment	280	0	0	0	0	**280**	88	0	99	0	0	187	**93**
Total rights of use	14,799	31	1,484	0	0	**16,315**	1,135	0	2,676	0	0	3,811	**12,504**
Property, plant and equipment													
Properties and buildings	468	0	0	0	0	**468**	468	0	0	0	0	468	**0**
Technical equipment and machinery	4,505	376	296	0	0	**5,177**	2,945	0	584	0	0	3,529	**1,649**
Other plant, office furniture and equipment	3,744	-22	293	0	0	**4,015**	2,032	0	513	0	0	2,545	**1,470**
Advance payments	19	0	145	0	0	**164**	0	0	0	0	0	0	**164**
Total property, plant and equipment	8,736	354	735	0	0	**9,825**	5,445	0	1,097	0	0	6,542	**3,283**
Grand total	75,457	32	6,681	0	0	**82,170**	47,777	0	6,028	4,120	0	57,924	**24,246**

Consolidated Statement of Movements on Noncurrent Assets as of December 31, 2019

Acquisition costs

€ '000	Jan. 1, 2019	IFRS 16 initial recognition	Exchange rate change	Additions	Outflows	Transfers	Dec. 31, 2019
Intangible assets							
Industrial property rights and similar rights and assets as well as licenses to such rights and assets	13,099	0	0	1,058	0	0	**14,157**
Goodwill	9,706	0	0	0	0	0	**9,706**
Capitalized development costs	20,015	0	0	8,044	0	0	**28,059**
Total intangible assets	42,820	0	0	9,102	0	0	**51,922**
Rights of use							
Properties and buildings	0	10,861	0	0	0	0	**10,861**
Technical equipment and machinery	0	3,658	0	0	0	0	**3,658**
Other plant, office furniture and equipment	0	280	0	0	0	0	**280**
Total rights of use	0	14,799	0	0	0	0	**14,799**
Property, plant and equipment							
Properties and buildings	6,507	0	0	3,228	9,267	0	**468**
Technical equipment and machinery	3,477	0	0	1,028	0	0	**4,505**
Other plant, office furniture and equipment	2,967	0	0	844	66	0	**3,744**
Advance payments	355	0	0	806	1,143	0	**19**
Total property, plant and equipment	13,306	0	0	5,906	10,476	0	**8,736**
Grand total	56,126	14,799	0	15,008	10,476	0	**75,457**

Depreciation and amortization / Carrying Amount

€ '000	Jan. 1, 2019	Exchange rate change	Additions	Impairment according to IAS36/38	Outflows	Dec. 31, 2019	Carrying Amount Dec. 31, 2019
Intangible assets							
Industrial property rights and similar rights and assets as well as licenses to such rights and assets	1,369	-154	10,974	0	0	**12,189**	1,968
Goodwill	0	-51	9,757	0	0	**9,706**	0
Capitalized development costs	3,754	-615	16,163	0	0	**19,302**	8,757
Total intangible assets	5,123	-820	36,894	0	0	**41,197**	10,725
Rights of use							
Properties and buildings	0	0	25	0	0	**25**	10,836
Technical equipment and machinery	0	0	1,022	0	0	**1,022**	2,636
Other plant, office furniture and equipment	0	0	88	0	0	**88**	192
Total rights of use	0	0	1,135	0	0	**1,135**	13,664
Property, plant and equipment							
Properties and buildings	468	0	135	135	0	**468**	0
Technical equipment and machinery	2,202	48	695	0	0	**2,945**	1,561
Other plant, office furniture and equipment	1,456	139	437	0	0	**2,032**	1,713
Advance payments	0	0	0	0	0	**0**	19
Total property, plant and equipment	4,126	187	1,266	135	0	**5,444**	3,292
Grand total	9,249	-633	39,295	135	0	**47,776**	27,681

38 Notes to the Consolidated Cash Flow Statement

The consolidated cash flow statement shows the cash flows within a given fiscal year in order to present information about movements in the company's cash and cash equivalents in accordance with IAS 7 (Statement of Cash Flows). The consolidated cash flow statement has been prepared pursuant to the indirect method as defined in IAS 7.18 (b). Cash flows are classified separately as cash flows from operating activities, cash flows from investing activities and cash flows from financing activities.

The cash and cash equivalents shown in the consolidated cash flow statement include all cash and cash equivalents reported in the balance sheet that are available for use at short notice.

€ '000	**Dec. 31, 2020**	Dec. 31, 2019
Bank balances	**2,336**	5,034
Cash on hand	**1**	2
Cash and cash equivalents	**2,337**	5,036

Net liabilities changed as follows in the fiscal year:

	Liabilities from financing activities			
€ '000	Loans	Leasing	Cash and cash equivalents	**Total**
Net liability as of January 1, 2019	3,680	42	28,234	**24,512**
Retrospective adjustment IFRS 16	0	14,799	0	**-14,799**
Cash flows	-2,773	-621	-23,198	**-19,804**
Change in fair value	0	0	0	**0**
Currency translation effects	-364	-42	0	**406**
Net liability as of December 31, 2019	543	14,178	5,036	**-9,685**
Cash flows	-497	-400	-2,699	**-1,802**
Change in fair value	0	0	0	**0**
Currency translation effects	862	0	0	**-862**
Net liability as of December 31, 2020	908	13,778	2,337	**-12,349**

39 Segment Reporting

The Group Steering Committee consists of the Chief Executive Officer of Voltabox AG and the Chief Executive Officer of Voltabox of Texas. They represent the Group's key decision makers and they review the results. In contrast to the sales-oriented product segments, Voltabox AG has identified the following reportable segments in accordance with IFRS 8:

- The Europe operating segment comprises the design, development, production and sale of high-performance lithium-ion-based battery systems for the European market. This operating segment serves the Voltapower and Voltaforce product areas. Until the end of fiscal year 2019, this also included the Voltamotion product area, which has since been relinquished.

- In the Voltapower product segment, the company develops, manufactures and sells high-performance battery solutions for particularly demanding applications in industrial sub-markets. These primarily include the sectors of intralogistics (mainly forklifts, industrial trucks), mining (mainly mining vehicles) and agriculture and construction (mainly wheel loaders). In addition, Voltabox develops and produces battery systems for local public transportation applications.

  Under the brand name Voltaforce, Voltabox develops, manufactures and sells standard batteries in the low-voltage range that are used in various segments of the mass battery market. In these particular applications, lightweight batteries are particularly advantageous for improved driving dynamics as well as in terms of their efficiency and are therefore accordingly in demand. This demand will be enhanced as a result of increasing market penetration and awareness. Starter batteries for motorcycles represent one example of such applications. Voltaforce batteries are increasingly replacing existing lead-acid batteries.

  Under the Voltamotion brand name, Voltabox developed e-drive components, such as power electronics, that enable the complete electrification of high-performance vehicles. This made it possible for Voltabox to address individual markets with its products, such as inverters, chargers, DC-to-DC converters, electric motors and other comparable powertrain elements. The Voltamotion products were developed to an advanced stage of development. Following the failed sale of the product segment, Voltabox discontinued its activities in this area.

- The North America operating segment comprises the conception, development, production and distribution for the North American Market in a separate organization. In this segment, the company develops, manufactures and sells high-performance battery solutions for particularly demanding applications in industrial sub-markets. In the North America operating segment, these are primarily mining (mainly mining vehicles) and local public transportation (mainly trolleybuses and e-buses) and (mobile) stationary storage systems. The customers in this product segment include Komatsu Mining Corp. (mining) and the system integrator Kiepe Electric (local public transportation). The battery systems used in these fields are all for high-voltage applications.

  Management is the responsibility of the segment manager and CEO of Voltabox of North America, Inc.

Segment reporting is based on directly attributable transactions. An allocation is therefore not necessary. The Steering Committee assesses the profitability of the operating segment on the basis of Group revenue, EBITDA margin and investments. It incorporates information on the assets of the Group on a monthly basis. Revenue between the operating segments is shown in the section of the consolidation column indicated.

The EBIT and the adjusted EBIT constitute alternative performance measures (APMs) that are not defined by the International Financial Reporting Standards. These are explained in the following.

Profitability in the Europe and North America segments is measured using the segment EBITDA. This is calculated by deducting material and personnel expenses, other operating expenses and impairments from revenue and other operating income. Interest and other financing costs or income are taken into consideration in the financial result.

In fiscal year 2020, EBITDA was adjusted by cost of materials of old, discontinued cells in the amount of € 16,144 thousand. This mainly relates to material for use in modules with single-size cells. This results in an adjusted EBITDA of € -8,100 thousand (prior year: € -2,183 thousand). EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) and adjusted EBITDA are also APMs. To derive EBITDA, depreciation, amortization and impairment losses are added back to EBIT. Adjusted EBITDA reflects the Group's operating developments, as it eliminates non-operating one-time effects. This elimination makes the information on operating results more reliable and allows more accurate comparisons.

The adjusted key figures will not be subject to the same influences in fiscal year 2021, since the impairments were one-off and thus very different.

Jan. 1, 2020 – Dec. 31, 2020 € '000	Europe	North America	Consolidation	Group
Revenue from third parties	14,873	3,428	-165	18,135
Operating segment revenue	14,873	3,428	-165	18,135
Changes in inventories, other operating income and own work capitalized	2,705	1,080	-1,591	2,194
Overall operating segment performance	17,577	4,508	-1,756	20,329
Material and personnel expenses, other operating expenses	-33,519	-11,914	859	-44,574
Operating segment EBITDA	-15,942	-7,406	-897	-24,245
Depreciation (incl. impairment)	-13,638	-591	0	-14,230
Operating segment EBIT	-29,580	-7,997	-897	-38,474
Financial result				-775
Tax expense				2,197
Fiscal year profit				-37,052
Operating segment EBIT	-29,580	-7,997	-897	-38,474
Impairment effects without regular expected credit loss	0	0	0	0
Impending loss provision	0	0	0	0
Reversal of sale of Voltamotion intangible assets	0	0	0	0
Adjusted EBIT	-29,580	-7,997	-897	-38,474

Jan. 1, 2019 – Dec. 31, 2019 € '000	Europe	North America	Consolidation	Group
Revenue from third parties	65,208	6,197	-14,788	56,617
Operating segment revenue	65,208	6,197	-14,788	56,617
Changes in inventories, other operating income and own work capitalized	22,150	3,948	-2,895	23,204
Overall operating segment performance	87,358	10,145	-17,683	79,821
Material and personnel expenses, other operating expenses	-93,798	-18,758	18,346	-94,210
Operating segment EBITDA	-6,440	-8,613	663	-14,389
Depreciation (incl. impairment)	-76,815	-16,388	0	-93,203
Operating segment EBIT	-83,255	-25,000	663	-107,592
Financial result				-215
Tax expense				5,883
Fiscal year profit				-101,925

The following overview shows the assets and investments made in the reporting year.

2020 € ’000	Europe	North America	Consolidation	Group
Assets	64,811	19,290	-43,988	40,133
Investments	5,018	2,766		7,784

2019 € ’000	Europe	North America	Consolidation	Group
Assets	116,019	36,198	-63,075	89,142
Investments	24,289	4,722	0	29,011

For reasons of materiality, revenue is not broken down by products and services for each individual segment.

Geographical Territories

The following table provides information on the Group’s revenues with external customers by geographical territories. The allocation is based on the location of the external customer.

2020 € ’000	Germany	EU	Third country	Total
Sales before consolidation	14,480	392	3,428	18,301

2019 € ’000	Germany	EU	Third country	Total
Sales before consolidation	65,208	0	6,197	71,405

Key Transactions with Customers

In fiscal year 2020, two customers exceeded the threshold of 10% of revenue in accordance with IFRS 8.34. These customers accounted for revenue of € 6.4 million (35.5%) and € 4.9 million (27.1%), respectively. Both are attributable to the Voltapower product segment.

40 Directors and Officers

In the reporting year, the Management Board of Voltabox AG comprised CEO Jürgen Pampel, Divisional Board Member for Purchasing and Production Dr. Burkhard Leifhelm, and Divisional Board Member for Finance and Human Resources Patrick Zabel. Dr. Leifhelm was recalled as Management Board member of Voltabox AG effective April 30, 2021.

The following persons are members of the Supervisory Board:

Name	Occupation
Klaus Dieter Frers Chairman	Chairman of Management of paragon GmbH, the General Partner of paragon GmbH & Co. KGaA, Managing Director of Artega GmbH, Managing Limited Partner of Frers Grundstücksverwaltungs-GmbH & Co. KG
Walter Schäfers Vice-Chairman	Rechtsanwalt, Partner Societät Schäfers, Rechtsanwälte und Notare
Hermann Börnemeier	Diplom Finanzwirt (financial manager) und tax consultant, Managing Director of Treu-Union Treuhandgesellschaft mbH

41 Information on Related Companies and Persons

Related parties as defined in IAS 24 (Related Party Disclosures) include members of the Management Board, the Supervisory Board and their immediate families as well as affiliated companies of Voltabox AG.

Klaus Dieter Frers is Managing Director of paragon GmbH, the general partner of paragon GmbH & Co. KGaA, managing partner of Artega GmbH, and the managing limited partner of Frers Grundtücksverwaltungs-GmbH & Co. KG. paragon GmbH & Co. KGaA is the parent company of Voltabox AG. Klaus Dieter Frers is thus the ultimate controlling entity as defined by IAS 24.13.

The outstanding balances for affiliated persons as of the reporting date are as follows:

Trade receivables from related companies in the amount of € 1,314 thousand (prior year: € 5,327 thousand) are essentially attributable to Nordhagen Immobilien GmbH.

Trade receivables from paragon electronic GmbH amount to € 96 thousand. Receivables from paragon movasys GmbH amount to € 3 thousand (prior year: € 171 thousand). There are receivables from paragon electrodrive GmbH in the amount of € 1 thousand (prior year: € 1,416 thousand).

Voltabox AG has concluded a lease agreement with Frers Grundstücksverwaltungs GmbH & Co. KG for a developed plot of land. In fiscal year 2020, this resulted in rental payments of € 115 thousand.

Under a lease agreement with paragon GmbH & Co. KGaA, a right of use in the amount of € 781 thousand and a corresponding lease liability in the amount of € 801 thousand were capitalized and recognized, respectively, in the fiscal year. Depreciation and interest amount to € 191 thousand and € 45 thousand, respectively, in 2020.
Trade payables to related parties amount to € 0 thousand (prior year: € 472 thousand).

Hermann Börnemeier provided tax consulting services in the amount of € 38 thousand (prior year: € 37 thousand).

42 Auditor's Fee

Expenses of € 273 thousand (prior year: € 163 thousand) were recognized in the period under report from January 01 to December 31, 2020, as fees for the audit of Voltabox AG's separate financial statements prepared in accordance with German commercial law, and for the audit of Voltabox AG's consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, which were conducted by Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft.

43 Risk Management

The company's risk management is described in the combined management report.

44 Declaration Pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG)

Voting Right Notifications

In the year under review, the company received no notifications pursuant to Section 26 (1) of the German Securities Trading Act (WpHG) that require disclosure in accordance with Section 160 (1) No. 8 of the German Stock Corporation Act (AktG).

Directors' Dealings

The company did not receive any reports on proprietary transactions by executives in accordance with Art. 19 of the EU regulation No 596/2014 (MAR) on market abuse (market abuse regulation) during the reporting period.

Corporate Governance Declaration

The Declaration of Conformity with the German Corporate Governance Code (GCGC) required under Section 161 of the German Stock Corporation Act (AktG) was most recently submitted in February 2021 and is available to shareholders on a permanent basis on the company's website (www.voltabox.ag).

Delbrück, July 19, 2021

Voltabox AG

Management Board

Jürgen Pampel	Patrick Zabel
CEO	CFO

Independent Auditor's Report

To Voltabox AG, Delbrück

Report on the audit of the consolidated financial statement and the combined management report

Audit opinions

We have audited the consolidated financial statements of Voltabox AG and its subsidiaries (the Group), which comprises the consolidated balance sheet as of December 31, 2020, the consolidated statement of comprehensive income (including the consolidated profit and loss account), the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from January 01 to December 31, 2020, as well as the notes to the consolidated financial statements, including a summary of important accounting policies. Furthermore, we have audited the combined management report of Voltabox AG for the fiscal year from January 01 to December 31, 2020.

In our opinion, based on the findings of our audit,

- the enclosed consolidated financial statements comply with IFRS as adopted by the EU and the additional requirements pursuant to Section 315e (1) of the German Commercial Code (HGB), and provide a true and fair view of the net assets and financial position of the Group as of December 31, 2020, as well as its earnings for the fiscal year starting January 01 and ending December 31, 2020, in accordance with these requirements.

- The enclosed combined management report provides a suitable view of the Group's position. The combined management report is consistent with the consolidated financial statements, complies with all statutory regulations and suitably presents the opportunities and risks of future development.

Our audit opinion on the combined management report does not cover the content of the corporate governance statement pursuant to § 315d in conjunction with § 289f (2) and (5) HGB or the declaration of conformity with the German Corporate Governance Code pursuant to § 161 AktG.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the consolidated financial statements and the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (no. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities according to those requirements are further described in the "Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Combined Management Report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of European law and German commercial law and professional rules of conduct, and we have fulfilled our other German professional responsibilities in compliance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided any non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the combined management report.

Material Uncertainty in Connection with the Continuation of Business Operations (at the same time particularly important audit matter)

We initially refer to the disclosures in the section "Going Concern" in the notes and in the "Risk Report" section of the combined management report under "Risks threatening the existence of the company," in which the legal representatives describe that the company or the Group is undergoing a far-reaching restructuring process and that the liquidity situation remains tight, also due to the ongoing consequences of the Corona pandemic. The funds required to secure medium-term financing are to be provided by a new major shareholder and, until then, by the parent company (paragon GmbH & Co. KGaA). As discussed in the aforementioned sections of the notes and combined management report, these events and circumstances, together with other matters discussed therein, indicate the existence of material uncertainty that could cast significant doubt on the Group's ability to continue as a going concern and which represents a risk threatening the existence of the company within the meaning of Section 322 (2) sentence 3 HGB. Our audit opinions have not been altered in respect to this matter.

The consolidated financial statements of Voltabox AG have been prepared under the going concern assumption. As explained in the previous section, circumstances exist that could jeopardize the continued existence of the Voltabox Group and Voltabox AG. Due to the significance for the consolidated financial statements and the combined management report, and due to the existing uncertainty about the occurrence of the assumptions and conditions underlying the medium-term Group planning, the assessment of the appropriateness of the going concern assumption was a particularly important audit matter for us in the context of our audit.

Key Audit Matters in the Audit of the Consolidated Financial Statements

On the basis of the medium-term earnings and liquidity planning presented, we have assessed whether the Management Board's assessment of the Voltabox Group's ability to continue as a going concern is appropriate. To this end, we first checked the planning for formal consistency (arithmetical correctness, correct implementation of the underlying assumptions). We also compared the revenue forecasts (in particular the appropriateness of the revenue forecast) with existing (framework) agreements with customers and checked the plausibility of the forecasts for the main types of costs. In addition, we assessed the progress of the ongoing process of changing the main shareholder and the possibilities of providing the necessary financial resources by paragon GmbH & Co. KGaA. Based on the results of our audit, we consider the going concern assumption made by the legal representatives to be appropriate.

Other particularly important audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements and of the combined management report for the fiscal year from January 01 to December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In addition to the matters described in the section "Material Uncertainty in Connection with the Continuation of Business Operations", we have identified the issue described below as the most significant matter to be disclosed in our audit report.

Recognition and measurement of capitalized development work

Our presentation of these key audit matters has the following structure:

1) Specific matter and problem
2) Audit approach and findings
3) Further information

1) As of December 31, 2020, the company reported capitalized development costs of € 6,738 thousand (prior year: € 8,757 thousand) under intangible assets in its balance sheet. Development projects are only capitalized at cost where these projects fulfill the criteria laid down in IAS 38 and this involves the development of marketable specific customer and product solutions. As a rule, no direct customer orders have been received for this development work. In the company's consolidated financial statements, this balance sheet item in the amount of € 6,738 thousand now accounts for around 17% (prior year: around 9%) of the balance sheet total. Own work capitalized in connection with development projects amounted to € 7,778 thousand in fiscal year 2019 (prior year: € 3,005 thousand). Capitalized development expenses have thus had a significant effect on the value of the company's financial performance indicators. In view of the amount of the total capitalized development costs and the complexity of the accounting and measurement of the capitalized development costs due to considerable estimation uncertainties, particularly due to the significant decline in project revenues, this matter was particularly important for the purpose of our audit.

2) Within the scope of our audit of development work capitalized, on a test basis we conducted disclosure-related audit activities in order to review the recognition, measurement and reporting of capitalized development work. We reviewed the methodological approach applied in the measurement of development expenses capitalized and evaluated this calculation in terms of its amount. For this purpose, for the selected samples the project documentation was analyzed, discussions were held with the responsible controller and the project managers, and the related planned profit contribution calculation was analyzed. The amortization method for completed development projects was reviewed on a test basis. Our audit did not give rise to any objections to the recognition of own work capitalized in the balance sheet.

3) The company's disclosures concerning the effects of own work capitalized are included in the notes, mainly in the following sections: "(8) Description of Accounting Policies and Measurement Methods – Intangible Assets," "(9) Use of Estimates and Assumptions – Capitalized Development Costs," "(12) Other Own Work Capitalized" and "(20) Intangible Assets."

Other information

The company's legal representatives and the Supervisory Board are responsible for the other information. Other information includes the information provided in the section "Corporate Governance Statement pursuant to Section 315d in conjunction with Section 289f (1) HGB" and the declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) contained in the section " Declaration from Voltabox AG on the German Corporate Governance Code" of the combined management report. This other information likewise includes the remaining parts of the Annual Report, with the exception of the audited consolidated financial statements, the audited combined management report and our auditor's report, and also the assurance provided by the company's legal representatives under Section 264 (2) sentence 3 HGB concerning the consolidated financial statements and the assurance under Section 289 (1) sentence 5 HGB regarding the combined management report, and following sections of the Annual Report of Voltabox AG, Delbrück, for the fiscal year ending December 31, 2020, which did not require auditing:

- Letter from the Management
- 2020 – Year of innovation
- Investor Relations
- Supervisory Board Report

Our audit opinions on the consolidated financial statements and the combined management report do not cover this other information, and consequently we do not express an audit opinion or any other form of audit conclusion thereon.

In connection with our audit, our responsibility is to read this other information and, in so doing, to consider whether this other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibility of the Company's Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The company's legal representatives are responsible for the preparation of the consolidated financial statements that comply with the IFRS as adopted by the EU as well as the German supplementary statutory regulations applicable under Section 315e (1) HGB in all significant respects and for ensuring that the consolidated financial statements provide a true and fair view of the net assets, financial position and earnings of the Group in accordance with these provisions. In addition, the company's legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the company's legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the company's legal representatives are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the company's legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the combined management report.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German generally accepted standards for the audit of financial statements promulgated by IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the consolidated financial statements and the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting policies used by the company's legal representatives and the reasonableness of estimates made by the company's legal representatives and related disclosures.

- draw conclusions regarding the appropriateness of the company's legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events such that the consolidated financial statements give a true and fair view of the net assets, financial position and earnings of the Group in compliance with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and the combined management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinions.

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law and the view of the Group's position that it provides.

- perform audit procedures regarding the prospective information presented by the company's legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the company's legal representatives as a basis for the prospective information, and evaluate whether this prospective information has been properly derived from these assumptions. We do not express a separate audit opinion on this prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We discuss with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and discuss with them any relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

On the basis of the matters discussed with the persons charged with governance, we determine the matters that were of most significance in the audit of the consolidated financial statements for the current period under review and are therefore the key audit matters. We describe these matters in our auditor's report unless any law or other regulation precludes public disclosure of this matter.

Other legal and regulatory requirements

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and the Combined Management Report Prepared for the Purpose of Disclosure in Accordance with § 317 (3b) HGB

Audit Opinion

In accordance with § 317 (3b) HGB, we have performed a reasonable assurance audit to determine whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as "ESEF documents") contained in the attached file „voltabox_191519.zip" (SHA256-hash value: 2C93666ED3C57DA58A8FAA3A845AEB776F4CEEC6283F9DDF5401155C6DD4A405) and prepared for disclosure purposes comply in all material respects with the requirements of § 328 (1) HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the combined management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned attached file and prepared for disclosure purposes comply, in all material respects, with the electronic reporting format requirements of § 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and the accompanying combined management report for the fiscal year from January 01 to December 31, 2020, included in the preceding "Report on the audit of the consolidated financial statements and the combined management report", we do not express any audit opinion on the information contained in these reproductions or on the other information included in the above-mentioned file.

Basis for the audit opinions

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the above-mentioned attached file in accordance with § 317 (3b) HGB and in compliance with the draft IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purposes of Disclosure pursuant to § 317 (3b) HGB (IDW EPS 410). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDfW QS 1) applied.

Responsibility of the Legal Representative and the Supervisory Board for the ESEF Documents

The company's management is responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the award of the consolidated financial statements in accordance with § 328 (1) sentence 4 no. 2 HGB.

Furthermore, the legal representatives are responsible for the internal control features that they have determined to be necessary to facilitate the preparation of the ESEF documents that are free from infringements of the requirements of § 328 (1) HGB regarding the electronic reporting format, whether due to fraud or error.

The legal representatives of the company are also responsible for submitting the ESEF documents together with the auditor's report and the accompanying audited consolidated financial statements and audited Group management report as well as other disclosable documents to the operator of the Bundesanzeiger.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material infringements, whether due to fraud or error, with the requirements of § 328 (1) HGB. During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- we identify and assess the risks of material infringements with the requirements of § 328 (1) HGB, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- we obtain an understanding of internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.

- we assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation complies with the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, regarding the technical specification for that file.

- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited combined management report.

Further Information Pursuant to Article 10 of the EU Audited Regulation

We were elected as group auditor by the annual general meeting on September 16, 2020. We were engaged by the supervisory board on January 04, 2021. We have been the group auditor of the Voltabox AG without interruption since fiscal year 2017.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Supervisory Board pursuant to Article 11 of the EU Audit Regulation (longform audit report).

German public accountant responsible for the audit

The German public accountant responsible for the audit is Thomas Gloth.

Düsseldorf, July 19, 2021

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Düsseldorf)

Patrick Helsper	Thomas Gloth
German Public Accountant	German Public Accountant

Declaration by the Legal Representatives

We declare that to the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, financial position and earnings of the Group, and that the combined Group management report presents the development of business, including the business results and the position of the Group, in such a way that a true and fair view is conveyed and the significant opportunities and risks of the Group's foreseeable development are described.

Jürgen Pampel

CEO

Patrick Zabel

CFO

Financial Calendar 2021

July 20, 2021	Annual Report – Consolidated Financial Statements 2020
July 20, 2021	Interim Group Report as of March 31, 2021 – 1st quarter
August 24, 2021	Interim Group Report as of June 30, 2021 – 1st half-year
September 1, 2021	Annual General Meeting, Delbrück / virtual
October 29, 2021	Interim Group Report as of September 30, 2021 – Nine months
November 22–24, 2021	Equity Forum, Frankfurt am Main / virtual

Imprint

Voltabox AG
Artegastraße 1
33129 Delbrück / Germany

Phone: +49 5250 9930– 0
Fax: +49 5250 9930– 901
E-Mail: investor@voltabox.ag

www.voltabox.ag

Voltabox AG
Artegastraße 1
33129 Delbrück / Germany

www.voltabox.ag