

Voltabox Continues Rapid Growth Pace in the First Nine Months

- Group sales up 137.8 percent to € 16.3 million (prior year: € 6.9 million)
- Core business with batteries for forklifts growing strongly
- First revenues from starter batteries in Voltaforce operating segment
- EBIT adjusted for foreign currency effects improved to € -0.2 million (prior year: € -3.0 million)
- Revenue forecast of approximately € 25 million with positive EBIT for the full year confirmed

Delbrück, Germany, November 13, 2017 – Voltabox AG [ISIN DE000A2E4LE9] published its results for the first nine months of the current fiscal year today and confirmed its forecast for the current fiscal year.

In the first nine months of this year, the company generated Group sales of € 16,321 thousand (prior year: € 6,862 thousand). Rapid dynamic growth resulted from the very good operating performance of the Voltapower operating segment, which constitutes the core business of Voltabox. The advanced battery systems for industrial applications are used in forklifts, mining vehicles, trolleybuses for local public transportation and automated guided vehicles. Voltabox is increasingly benefiting directly from substitution effects here.

Business Performance

Business was dominated by the increasingly automated serial production of ready-to-use battery modules for forklifts and automated guided vehicles. At the same time, the company pushed ahead with the construction of another prototype for a large, newly designed Komatsu underground mining vehicle. This battery system is based on innovative pouch cells and weighs approx. 8.5 tons with an energy content of about 800 kWh.

In addition, initial revenue was posted in the Voltaforce operating segment. In this segment, Voltabox develops and produces high-quality lithium-ion batteries for select mass-markets. The segment focuses in particular on starter batteries, which are replacing conventional lead-acid batteries, for high-performance motorcycles and sports cars. Serial production of 5Ah starter batteries for motorcycles

began in the third quarter. In the future, this segment will also produce battery systems for 48-volt mild hybrid applications.

Since the second quarter of 2017, the newest Voltamotion operating segment has been represented by the research and development center in Aachen. With the most modern power electronics and efficient electric motors, Voltabox is gradually developing into a full-service supplier for the electrification of vehicles. This development expands upon the high-performance battery systems from Voltabox's core business. The Voltamotion products are still under development and are expected to be launched starting in 2018.

"With our consistent focus on very sophisticated industrial applications, we have already secured for ourselves a very strong position in the rapidly growing e-mobility market," says Jürgen Pampel, Chief Executive Officer of Voltabox AG. "We will continue to build on this growth, for example, with the upcoming entry into drivetrain technology."

Financial Performance

Despite dynamic revenue growth, the cost of materials only increased by a disproportionately low rate of 51.4 percent to € 10,766 thousand, due to increasingly automated serial production (prior year: € 7,112 thousand). Accordingly, the material input ratio decreased significantly to 66.0 percent (prior year: 103.6 percent). This resulted in a gross profit of € 9,165 thousand for the reporting period (prior year: € 3,564 thousand), which corresponds to a gross profit margin of 56.2 percent (prior year: 51.9 percent).

"The gradual expansion of the product portfolio with highly automated serial production at both the Delbrück and Austin sites will continue to improve the financial performance of the Voltabox subgroup," says Andres Klasing, Chief Financial Officer. "Therefore, we already expect a slightly positive operating result in the current fiscal year."

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the reporting period amounted to € -252 thousand (prior year: € -1,615 thousand). In the paragon subgroup Voltabox AG, foreign currency effects from the loan granted by the parent, paragon AG, to Voltabox of Texas Inc. are included in profit or loss for the reporting period. At the Group level, paragon AG reports these directly included in equity. Adjusted for these foreign currency effects, the EBITDA comes to € 1,256 thousand

(prior year: € -1,847 thousand), which corresponds to an EBITDA margin of 7.7 percent (prior year: -26.9 percent). For the sake of consistent measurement between the Group and the subgroup, Voltabox AG will also report foreign currency effects in equity for the fourth quarter of 2017, so that no corresponding adjusted key figures need to be published.

Following planned increases in personnel expenses of € 4,456 thousand (prior year: € 3,063 thousand) and depreciation and amortization of € 1,502 thousand (prior year: € 1,137 thousand), earnings before interest and taxes (EBIT) improved to € -1,754 thousand (prior year: € -2,752 thousand). Accordingly, EBIT adjusted for the foreign currency effects from the loan granted by the parent, paragon AG, increased to € -246 thousand (prior year: € -2,984 thousand). Taking into account the increase in revenue, the adjusted EBIT margin improved significantly to -1.5 percent (prior year: -43.5 percent).

Given the higher net finance costs of € 471 thousand (prior year: € 182 thousand) and higher income taxes of € 689 thousand (prior year: € -331 thousand), the Voltabox subgroup generated significantly improved Group earnings of € -1,536 thousand (prior year: € -3,265 thousand). This corresponds to earnings per share of € -0.24 (prior year: € -0.52).

Net Assets and Financial Position

As of September 30, 2017, total assets increased to € 44,634 thousand (December 31, 2016: € 39,025 thousand), which was primarily attributable to a further increase in intangible assets as well as an increase in trade receivables.

The equity of Voltabox AG rose due to the premarket increase in issued capital to € 14,687 thousand (December 31, 2016: € 5,453 thousand). Accordingly, the equity ratio increased to 32.9 percent as of the reporting date (December 31, 2016: 14.0 percent).

The cash flow from operating activities decreased significantly in the reporting period, despite the improvement in earnings before income taxes, to € -6,381 thousand (prior year: € 3,757 thousand). This development was particularly attributable to the increase in trade receivables of € 3,136 thousand, while a decrease of € 7,289 thousand was posted in the prior year.

Cash flow from investment activity decreased slightly in the reporting period to € -3,173 thousand (prior year: € -3,738 thousand). Expenses for research and development increased slightly to € 2,620 thousand (prior year: € 2,434 thousand).

Cash and cash equivalents totaled € 762 thousand as of the reporting date (December 31, 2016: € 940 thousand).

Initial Public Offering

On September 11, the Management Board of the parent, paragon AG, approved the IPO of the company, and, on September 25, it approved the price range for a public offering of Voltabox shares. In the period from September 26 to October 10, a total of up to 6.325 million Voltabox shares were offered at a price of € 20.00 to € 24.00 per share. The offer comprised five million new shares plus a greenshoe option of 0.825 million additional new shares from a capital increase by Voltabox AG as well as a sale of 0.5 million shares by paragon AG.

The placement volume amounted to € 151.8 million, of which Voltabox AG received € 139.8 million in gross proceeds from the issue. paragon AG received € 12.0 million from the sale of its 0.5 million shares. In addition to the targeted further development of its products, the increase in production capacity and the repayment of a shareholder loan from paragon AG, the issue proceeds are primarily intended to increase the flexibility of Voltabox AG as it also seeks to grow through value-enhancing acquisitions.

Voltabox AG was listed on the Frankfurt Stock Exchange (Prime Standard) on October 13 with the symbol VBX, the ISIN DE000A2E4LE9 and the WKN A2E4LE at an initial listing price of € 30.00 per share. Voltabox AG's market capitalization at that time was therefore € 474.75 million. paragon AG now holds 60 percent of Voltabox AG, while the remaining share capital is in free float. paragon AG also intends to remain the majority shareholder of Voltabox in the long term.

The IPO was accompanied by Bankhaus Lampe KG as sole global coordinator and joint bookrunner together with Hauck & Aufhäuser Privatbankiers AG.

Forecast

Based on the results of the first nine months of the year and plans for the fourth quarter, the Management Board confirms its revenue and earnings forecast for the current fiscal year. Accordingly,

Group sales are expected to grow to approximately € 25 million in the current fiscal year. A slightly positive EBIT (earnings before interest and taxes) is also expected.

The Management Board expects to see an investment volume of around € 7 million in the current year. The planned investment portfolio will consist of own work capitalized (€ 5 million) and new/replacement investments in machinery (€ 2 million).

Condensed Group interim financial statements:
 Consolidated statement of comprehensive income of Voltabox AG, Delbrück,
 for the period of January 1 to September 30, 2017 (IFRS)

| In € thousands | Jan. 1 - Sep. 30, 2017 | Jan. 1 - Sep. 30, 2016 | Jul. 1 - Sep. 30, 2017 | Jul. 1 - Sep. 30, 2016 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue | 16,321 | 6,862 | 5,727 | 2,349 |
| Other operating income | 118 | -9 | 47 | -142 |
| Increase or decrease in inventory of finished goods and work in progress | 425 | 713 | -420 | -34 |
| Other own work capitalized | 3,067 | 3,110 | 1,008 | 1,397 |
| Total operating performance | 19,931 | 10,676 | 6,362 | 3,570 |
| Cost of materials | -10,766 | -7,112 | -3,475 | -2,518 |
| Gross profit | 9,165 | 3,564 | 2,887 | 1,052 |
| Personnel expenses | -4,456 | -3,063 | -1,653 | -1,272 |
| Depreciation of property, plant and equipment and amortization of intangible assets | -1,502 | -1,137 | -557 | -379 |
| Impairment of property, plant and equipment and intangible assets | 0 | 0 | 0 | 0 |
| Other operating expenses | -4,961 | -2,116 | -1,684 | -609 |
| Earnings before interest and taxes (EBIT) | -1,754 | -2,752 | -1,007 | -1,208 |
| Financial income | 0 | 0 | 0 | 0 |
| Financial expenses | -471 | -182 | -213 | -45 |
| Financial result | -471 | -182 | -213 | -45 |
| Earnings before taxes (EBT) | -2,225 | -2,934 | -1,220 | -1,253 |
| Income taxes | 689 | -331 | 314 | -176 |
| Group result | -1,536 | -3,265 | -906 | -1,429 |
| Earnings per share in € (basic) | -0.24 | -0.52 | -0.14 | -0.23 |
| Earnings per share in € (diluted) | -0.24 | -0.52 | -0.14 | -0.23 |
| Average number of shares outstanding (basic) | 6,325,000 | 6,325,000 | 6,325,000 | 6,325,000 |
| Average number of shares outstanding (diluted) | 6,325,000 | 6,325,000 | 6,325,000 | 6,325,000 |
| Other result | | | | |
| Currency translation reserve | 349 | 0 | 274 | 0 |
| Total comprehensive result | -1,187 | -3,265 | -632 | -1,429 |

Condensed Group interim financial statements:
Consolidated balance sheet of Voltabox AG, Delbrück, as of September 30,
2017 (IFRS)

| In € thousands | Sep. 30, 2017 | Dec. 31, 2016 |
|---|---------------|---------------|
| ASSETS | | |
| Noncurrent assets | | |
| Intangible assets | 15,024 | 12,908 |
| Goodwill | 3,187 | 3,187 |
| Property, plant and equipment | 8,017 | 9,377 |
| | 26,228 | 25,472 |
| Current assets | | |
| Inventories | 5,784 | 3,955 |
| Trade receivables | 8,136 | 5,776 |
| Receivables from related parties | 2,664 | 2,539 |
| Income tax assets | 22 | 0 |
| Other assets | 1,038 | 343 |
| Liquid funds | 762 | 940 |
| | 18,406 | 13,553 |
| Total assets | 44,634 | 39,025 |
| In € thousands | 30.09.2017 | 31.12.2016 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Subscribed share capital | 10,000 | 100 |
| Capital reserve | 1,244 | 1,244 |
| Profit/loss carried forward | 4,630 | 4,337 |
| Group result | -1,536 | -228 |
| Currency translation differences | 349 | 0 |
| | 14,687 | 5,453 |
| Noncurrent provisions and liabilities | | |
| Noncurrent liabilities from Finance Lease | 46 | 107 |
| Noncurrent loans | 3,673 | 4,539 |
| Deferred income tax liabilities | 696 | 1,385 |
| | 4,415 | 6,031 |
| Current provisions and liabilities | | |
| Current liabilities from Finance Lease | 16 | 39 |
| Current loans and current portion of noncurrent loans | 607 | 651 |
| Trade payables | 3,653 | 3,361 |
| Liabilities to related parties | 20,426 | 22,671 |
| Other provisions | 64 | 6 |
| Other current liabilities | 766 | 813 |
| | 25,532 | 27,541 |
| Total equity and liabilities | 44,634 | 39,025 |

Condensed Group interim financial statements:
Consolidated cash flow statement of Voltabox AG, Delbrück, for the period
from January 1 to September 30, 2017 (IFRS)

| In € thousands | Jan. 1 - Sep. 30, 2017 | Jan. 1 - Sep. 30, 2016 |
|---|---------------------------|---------------------------|
| Earnings before taxes | -2,225 | -2,932 |
| Depreciation/amortization of noncurrent fixed assets | 1,502 | 1,137 |
| Financial result | 471 | 182 |
| Gains (-), losses (+) from the disposal of property, plant and equipment and financial assets | -7 | 197 |
| Increase (+), decrease (-) in other provisions and pension provisions | 12 | -23 |
| Other non-cash income and expenses | 855 | -1,063 |
| Increase (-), decrease (+) in trade receivables, other receivables, and other assets | -3,136 | 7,289 |
| Increase (-), decrease (+) in inventories | -1,829 | -1,850 |
| Increase (+), decrease (-) in trade payables and other liabilities | -1,530 | 1,003 |
| Interest paid | -471 | -182 |
| Income taxes | -23 | 0 |
| Cash flow from operating activities | -6,381 | 3,757 |
| Cash receipts from the disposal of property, plant and equipment | 351 | 0 |
| Cash payments for investments in property, plant and equipment | -328 | -716 |
| Cash payments for investments in intangible assets | -3,196 | -3,022 |
| Cash flow from investment activities | -3,173 | -3,738 |
| Loan repayments | -493 | -1,326 |
| Repayments of liabilities from Finance Lease | -31 | -31 |
| Cash inflow from equity contributions | 9,900 | 0 |
| Cash flow from financing activities | 9,376 | -265 |
| Changes in cash and cash equivalents | -178 | -246 |
| Cash and cash equivalents at the beginning of the period | 940 | 771 |
| Cash and cash equivalents at the end of the period | 762 | 525 |

Financial Calendar

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|-------------------|--|
| March 27, 2018 | Annual Report – Consolidated Financial Statements 2017 |
| May 9, 2018 | Interim Release as of March 31, 2018 – 1 st Quarter |
| May 9, 2018 | Annual General Meeting, Delbrück |
| August 21, 2018 | Interim Report as of June 30, 2018 – First Six Months |
| November 13, 2018 | Interim Release as of September 30, 2018 – 9 Months |

The interim release with the condensed Group interim financial statement as of September 30, 2017 is available for download at www.ir.voltabox.ag.

About Voltabox AG

Voltabox is a high-growth e-mobility system provider for industrial applications. Its core business lies in intrinsically safe, highly developed high-performance lithium-ion batteries that are modular and in serial production. The battery systems are used in buses for public transportation, forklifts, automated guided vehicles and mining vehicles. The company also develops and produces high-quality lithium-ion batteries for selected mass market applications, such as high performance motorcycles. Voltabox has production sites at its headquarters in Delbrück, Germany, and in Austin, Texas, as well as a development site in Aachen, Germany. Additional information about Voltabox can be found at www.voltabox.ag/en/.

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