

LION INVESTOR CALL CHAIRMAN MESSAGE, JUNE 25th, 2020

Dear Shareholders,

It's been a long and very busy year for Lion since we last met at the AGM in 2019. Just to recall: Investors were not happy back then and asked for governance changes, to make Lion a best-in-class company.

Back then, we have not had an independent board. It was compromised with the executives of the company, without proper external shareholder representation.

The AGM changed that. Now we have a balanced board, with an independent chairman and substantial shareholder interest on the board with Mr Ian Mukherjee as a director. Funding was also an issue, but the company has had adequate cash flow over the last year to invest in battery development and general growth of the company.

We also have executed numerous internal changes, to put us in the best position for our business going forward. Mr Thomas Hetmann took up the seat of General Manager a few months ago and has already been instrumental in pushing the business forward with his many years of experience not just in management and accounting, but also in the automotive industry.

A year ago, investors told us we needed an 'Industrial deal', a partnership with someone who could help us with industrial scale production and also with the acquisition of customers – we believed that too. We signed a deal in March 2020 with Sogefi S.p.a., despite Covid shutting down most of Europe, and have been working behind the scenes to get the two teams working together. As we have said before Sogefi opens up a large potential global customer base to us – more quickly than we would be able to do by hiring our own big sales force. An additional benefit is R&D, especially on the cooling side, which is a special area of expertise for Sogefi. Unfortunately, due to the Covid Lockdown, we have been slower off the start than we wanted, but we are definitely moving forward on customer acquisition and this should accelerate as we come out of lockdown.

The integrator business, as we call it, has got off to a great start. We acquired our first customer in December and recently we have raised our shipment forecast – this year revenues should be 7 to 9 times of the corresponding number for 2019, and that is only with the business we have visibility for! Our hope is that we will acquire more customers in the second half of this year, as economies will open again and we can work more aggressively with Sogefi, as well as with our own sales leads. That really puts us on the map and we are working hard to bring in the next customers. Unlike the light battery business, which will require a few years of prototyping before series production, the integrator battery business provides an instant solution for those customers who need electrification. It is our strong belief that as we come out of the lockdown, the climate agenda and thus electrification of mobility will step up gear in roll-out. Bus and truck companies as well as last mile delivery will likely demand fast conversion to electric to remove heavy polluting vehicles from our city's streets. In this field, we want to play an increasingly important role.

Our internal goal is to become a 20-plus-million Euro revenue company as we move into 2021, with both integrator business as well as Light battery orders. And we want to do this profitably – it was a happy moment for us to report our first profitable quarter in Q1. I hope there will be many more. We will also definitely continue with regular calls and updates for investors as well as announcements on key pieces of business. I wish you all well – look forward to speaking with many of you in person over the next year, and I hope that we have seen the worst of Covid for all our sakes.

Best Wishes,

Alessio Basteri
Chairman