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25/03/2024 - GBC management interview with Lars Stevenson, CEO of ELARIS AG

"We expect a strong financial year in 2024, as driven by the continued strong growth in the e-mobility market."

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* Catalogue of possible conflicts of interest on page 5

ELARIS AG (ELARIS) is a German company and a provider of fully electric e-vehicles in the fast-growing e-mobility sector. As an automotive manufacturer, ELARIS sources its electric cars from well-known Chinese e-vehicle manufacturers (contract manufacturing) and sells them itself (online sales) and via sales partners under its own ELARIS brand in Germany and a number of other European countries (e.g. Austria). The company has extensive technology, development and manufacturing partnerships with these manufacturing companies (OEMs). In Germany, ELARIS has currently entered into a cooperation with 82 car dealers and 86 Euromaster locations for the sale (including servicing) of ELARIS electric cars and charging stations.

After ELARIS recently announced that the company was planning its initial listing on the m:access of the Munich Stock Exchange on 14 March 2024, we took the opportunity to conduct a management interview with Mr Lars Stevenson, CEO of ELARIS AG. The interview focused in particular on the IPO, the company's current growth strategy, the targets for the current financial year and the company's prospects.

GBC: What were your motives for the IPO?

Mr Stevenson: The IPO will increase our visibility and awareness. It will enable us to significantly expand our market position as an innovative electromobility company and make a contribution to the global energy transition. Needs-based and affordable electric cars are an important factor in the global energy transition. In addition, visibility on the capital market and future financing options will help us with our further growth strategy.

GBC: Could you please briefly explain your business model and what sets you apart from other e-mobility providers (USP) to our investors?

Mr Stevenson: We want to be a driver in making electric mobility suitable for the masses, so that everyone can afford a good electric car. That's why we currently offer a range of six electric car models in German-speaking countries, from subcompact cars to SUVs and saloons to vans. We are focusing on affordable and needs-based electric mobility and are working together with large electric vehicle manufacturers in China. They produce vehicles on our behalf that are customised to the requirements of European customers and the local market. In some cases, we also customise the vehicles ourselves, particularly in the software area. The models are therefore unique. It is important to us to offer electric cars

at fair prices. The cheapest electric car is available for less than 21,000 euros (excluding VAT).

One of our great strengths is our flexibility and speed. We quickly adapt model specifications and ranges to changes in the market and demand. Customers are assured of vehicle repair and maintenance as well as the sale of accessories via ELARIS partner car dealerships. It goes without saying that our electric cars can also be serviced by other garages. Our vehicles are currently sold primarily in Germany, Austria and Switzerland. In addition to our own direct sales, we rely on a partner network of car dealerships, which will be continuously expanded.

In the charging infrastructure division, we also offer charging stations and wallboxes. Consultancy and services in the planning of charging infrastructure solutions are also part of our business model. Our aim is to increasingly leverage cross-selling potential between the areas of electric vehicles and charging infrastructure. We are therefore very diversified in the field of e-mobility.

GBC: How do you see the current market development in the e-mobility sector? What market trends do you see and what future developments do you anticipate?

Mr Stevenson: E-mobility is a strong growth market. This is also confirmed by various studies. For example, since the COVID pandemic, the share of electric vehicles in total vehicle sales in Germany has increased tenfold. Depending on the forecast and study, it is assumed that between 240 million and 250 million electric vehicles will be on the road worldwide by 2030, thus achieving a global share of 10.0% to 30.0%.

According to the International Energy Agency (IEA), manufacturers outside China will need to offer affordable, competitive options in the future to enable mass adoption of electric vehicles. Through our collaboration with Chinese OEMs, we therefore believe we are well positioned.

GBC: You are a fast-growing company: What specific growth strategy are you pursuing with ELARIS?

Mr Stevenson: Among other things, we want to further expand our sales and service channels in order to increase sales, improve customer service and strengthen the brand on the market. In particular, we are focusing on expanding the network of affiliated car dealerships, which are to become sales and service partners for our products. We also want to extend our partnership with service providers for the ELARIS electric car to other European countries so that local distributors of the ELARIS brand abroad can also benefit from this partnership and guarantee their customers a nationwide maintenance network.

We want to continue to raise our profile through targeted marketing activities, e.g. via social media. We also want to open up further European countries as part of our internationalisation strategy. In 2024, we plan to enter the French, Polish and Spanish markets via local distributors. We want to facilitate access to our vehicles through special subscription models.

With the ELARIS mobile phone app, for example, every market participant could become a "car hire company". Our ELARIS World platform takes care of the entire process. The first ELARIS taxi is also on the road in Hamburg.

GBC: What can investors expect from ELARIS in the current financial year? What sales volumes and sales figures are you aiming for in the current financial year? Will 2024 already be a profitable year?

Mr Stevenson: We expect a strong financial year in 2024, driven by the continued strong growth in the e-mobility market. We will launch new attractive models with high availability, a long range and favourable prices on the market in the short term. There will also be an e-scooter from ELARIS in 2024, for example. Overall, we see 2024 as the first year in which we will be able to reap the rewards of the strategic course which we have set in recent years in terms of sales and move into completely new dimensions.

GBC: Will ELARIS continue to strive for the designation or status of a classic (domestic) automobile manufacturer (so-called OEM) in the future?

Mr Stevenson: The ELARIS BEO with the ELARIS VIN number will be available as early as April. We are in the process of switching from OEM to German manufacturer. By the third quarter, we plan to place all vehicles on the market as a German manufacturer.

GBC: What is your general corporate vision? Where do you see ELARIS in three to five years in terms of sales region, turnover level and product portfolio?

Mr Stevenson: ELARIS wants to play a meaningful role in shaping electromobility as a family of values through innovation, customer-oriented models, prices and structures. We combine access to efficient production facilities with an understanding of customer requirements in a wide range of regional markets. Our lean structures and willingness to break new ground make us flexible and fast. ELARIS clearly addresses Europe and the Middle East. Our licence model in particular enables rapid growth. Our products can be flexibly adapted to local markets.

A German brand still has great appeal. The fact that production takes place in China is not really anything new for the market - many established manufacturers produce in China.

In five years' time, our key financial figures should be in line with our claim to be a successful global electromobility company. As a profitable company with very dynamic sales growth, we want our shareholders to participate in the next successful chapters of the ELARIS story.

GBC: Mr Stevenson, thank you very much for talking to us.

APPENDIX

I.

Research under MiFID II

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The analysts responsible for this analysis are

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