



Lilium Board approves application for self-administration of German subsidiaries

October 24, 2024

- Follows German parliament's Budget Committee not approving a loan guarantee that was a condition precedent to a private fundraise
- Company was also unable to reach an agreement in principle with Bavarian government to guarantee a €50 million loan
- Application for self-administration proceedings driven by insolvency at Lilium subsidiaries in Germany

MUNICH, Oct. 24, 2024 (GLOBE NEWSWIRE) -- Lilium N.V. (Nasdaq: LILM), a leading electric aircraft manufacturer and pioneer in Regional Air Mobility (RAM), today announced that its principal German subsidiaries will apply for self-administration proceedings in the next few days with the competent court in Germany. This follows a lengthy and complex government approval process for a loan from KfW, which failed in the Budget Committee of the German parliament.

Lilium's international competition is receiving grants and loans in the U.S., France, China, Brazil, and the UK. Therefore, German government support was seen by Lilium investors as critical to retain market confidence and potential future investment.

"Our plan was to obtain shareholder investment in a new funding round anchored by a German government backed loan of €100 million," Lilium CEO Klaus Roewe said. "We had already conditionally secured additional private capital to complement the KfW loan. However, the Budget Committee was unable to agree on the loan and Bavaria couldn't do it alone."

German government support of the KfW loan was a closing condition to already committed private funding and without this support Lilium was left with no alternative but to cause the principal German subsidiaries to file for self-administration.

Lilium was also in advanced discussions regarding a French government guarantee of a €219 million loan to finance a battery factory and an assembly line in the Southwest of France. Following the Lilium Jet's planned first flight in early 2025, Lilium anticipated receiving pre-delivery payments and new investment to finance the company into 2026 when the company expected delivery would begin on its current order pipeline consisting of firm orders, reservations, options, and memoranda of understanding for more than 780 Lilium Jets to operators in the U.S., South America, Europe, Asia, and the Middle East.

Supporting the insolvency proceedings is now the top priority for Lilium. Customers, employees and suppliers will be notified by the company as soon as possible.

Self-administration, if and when granted by the court, aims to preserve and continue the business that is the subject of the proceedings. Management would retain control and would continue operating the business under the supervision of a custodian. The procedure is often used to initiate investment by new parties or a process to sell the company's assets and/or business as a whole. In Germany, the procedure is generally perceived as providing an improved chance for a successful in-court business restructuring.

"We deeply regret the insolvency and its consequences for all stakeholders at such a crucial stage of our company's development," CEO Klaus Roewe said. "However, while there is no guarantee for success in insolvency proceedings, we hope that the Lilium Jet will get a chance for a fresh start after the self-administration process is completed."

"We strongly believe that electric flying is our best hope for the decarbonization of aviation," Klaus Roewe added.

Directly impacted by the filing are Lilium GmbH and Lilium eAircraft GmbH. Plans for affected stakeholders and the operational implementation of the necessary measures will be shared in the coming days after the filing and related procedures have been launched.

Lilium Contact information for media:

Rainer Ohler
+49 1724890353
Rainer.ohler@seniorstrategists.com
press@lilium.com

Lilium Contact information for investors:

Rama Bondada
Vice President, Investor Relations
investors@lilium.com

About Lilium

Lilium (NASDAQ: LILM) is creating a sustainable and accessible mode of high-speed, regional transportation for people and goods. Using the Lilium Jet, an all-electric vertical take-off and landing jet, designed to offer leading capacity, low noise, and high performance with zero operating emissions, Lilium is accelerating the decarbonization of air travel. Working with aerospace, technology, and infrastructure leaders, and with announced sales and indications of interest in Europe, the United States, China, Brazil, the UK, the United Arab Emirates, and the Kingdom of Saudi Arabia, Lilium's 1,000+ strong team includes approximately 500 aerospace engineers and a leadership team responsible for delivering some of the most successful aircraft in aviation history. Founded in 2015, Lilium's headquarters and manufacturing facilities are in Munich, Germany, with teams based across Europe and the U.S. To learn more, visit www.lilium.com.

Lilium Forward Looking Statements

This press release contains certain forward-looking statements within the meaning of the federal securities laws, including, but not limited to, statements regarding the ongoing fundraising efforts (including with the German and French governments), expectations regarding the self-administration proceedings in Germany, the markets and industry in which Lilium operates or intends to operate, including the estimated potential future size of the global eVTOL market, and the timing of first flight (and prospective receipt of pre-delivery payment and new investment at that time) and the Lilium Jet's entry into service. . These forward-looking statements generally are identified by the words "anticipate," "believe," "could," "expect," "estimate," "future," "intend," "may," "on track," "plan," "project," "should," "strategy," "will," "would" and similar expressions. Forward-looking statements are predictions, projections, and other statements about future events that are based on management's current expectations with respect to future events and are based on assumptions and are subject to risk and uncertainties that are subject to change at any time. Actual events or results may differ materially from those contained in the forward-looking statements. Factors that could cause actual future events to differ materially from the forward-looking statements in this press release include the risk that appropriate government approvals for the financing will not be obtained, and the risk that definitive documentation for the financing will not be agreed, as well as those risks and uncertainties discussed in Lilium's filings with the U.S. Securities and Exchange Commission (the "SEC"), including in the section titled "Risk Factors" in Exhibit 99.2 of the Report on Form 6-K filed by Lilium with the SEC on July 17, 2024 and similarly titled sections in Lilium's other SEC filings, all of which are available at www.sec.gov. Forward-looking statements speak only as of the date they are made. You are cautioned not to put undue reliance on forward-looking statements, and Lilium assumes no obligation to, and does not intend to, update, or revise these forward-looking statements, whether as a result of new information, future events or otherwise.