

Q2 2022 EARNINGS

SONO  MOTORS

08 SEPTEMBER 2022
02:00 pm CEST /
08:00 am EST

Earnings Call



TODAY'S PRESENTERS



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COO



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OUR MISSION

SOLAR ON EVERY VEHICLE





Q2 2022 EARNINGS CALL

Company Update

HIGHLIGHTS

We are on track towards our growth targets

Q2 HIGHLIGHTS

- **3 additional solar partner contracts** added in Q2
- **Revenues in H1 2022** are **2.6 times higher** than FY 2021 revenues
- **9 patents** and patent utility models filed in Q2
- **Cash balance** of ~ **€90m** as of 30 June

RECENT UPDATES

- **>20,000 reservations** (B2C) equivalent to a net sales volume of ~€435m¹ by 1 September
- New **12,600** (B2B) **pre-orders for Sion** received, equivalent to **€317m** in net sales², bringing the total number of **B2B pre-orders to over 22,000**³
- **21 solar partner arrangements**⁴ as of 8 September including **Mitsubishi subsidiary. Multiple products delivered**
- **Several solar B2B customers, as well as Sono Solar's own booth**, will be showcased at the IAA Transportation trade fair in September
- **13 new patents filed** YTD 2022, **29 in total** filed or granted
- **Two world premieres:** Sion and Solar Bus Kit
- First **series-validation vehicles fully assembled**

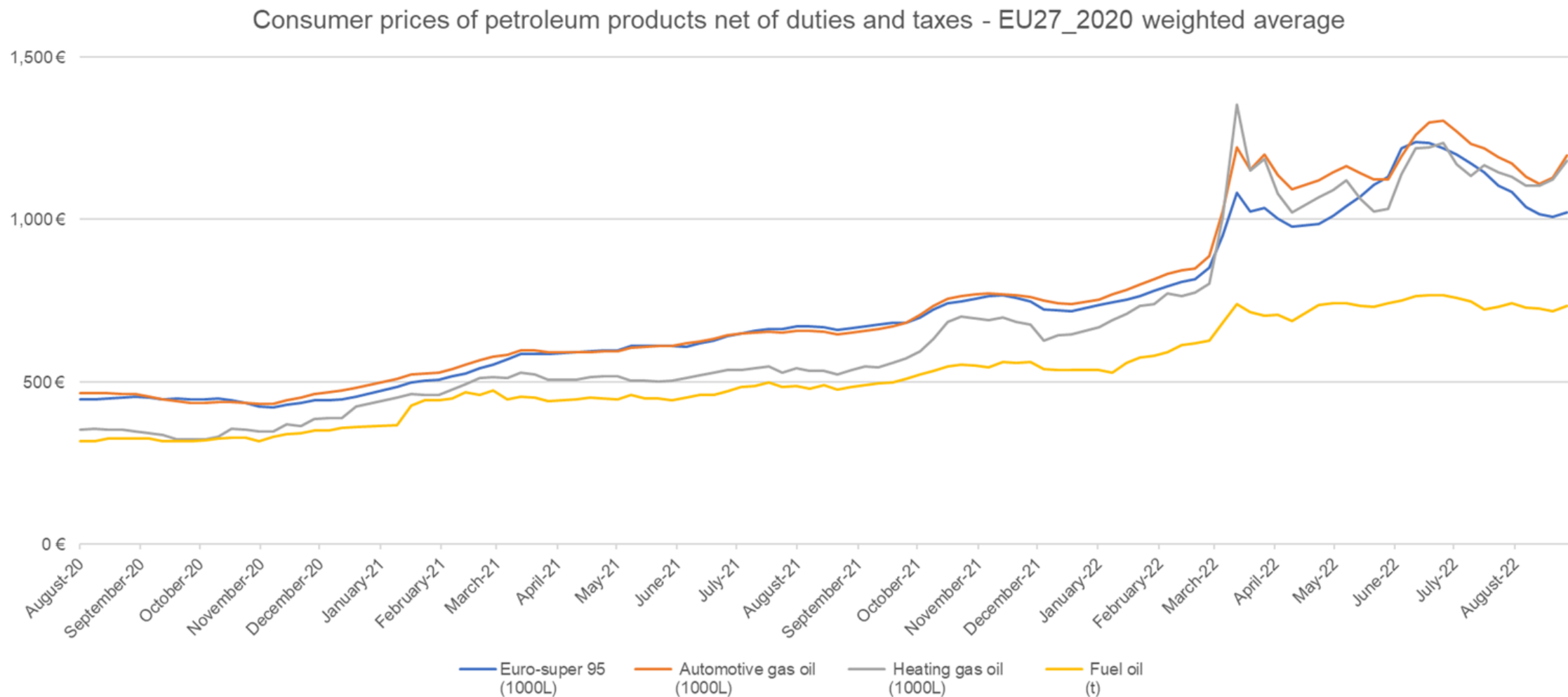
1) Based on the net price of €21.4k per vehicle underlying the first 16,000 reservations and the net price of €23,950 for reservations thereafter up to 18,500 total reservations, and the net price of €25,126 for all reservations thereafter. Assuming that all reservations result in sales. Reservations are cancellable and there is no guarantee that all reservations will actually be converted into orders or sales or that the Company will be able to generate net revenues from all reservations. 2) Assuming the net price of €25,126 and that all pre-orders result in sales. 3) LOI for 12,600 pre-orders with FINN and written or verbal confirmations for approximately 10,000 other pre-orders. Pre-orders are non-binding and no down payments have been made. 4) 13 non-binding LOIs and 13 purchase orders / contracts signed and/or products delivered as of September 8, 2022.



BUSINESS UPDATE
Sono Solar

IT'S ALL ABOUT TIMING

Steep increase in energy prices underlines need for solar integration



SOLAR CUSTOMER TRACTION

Continuous high growth shows massive potential

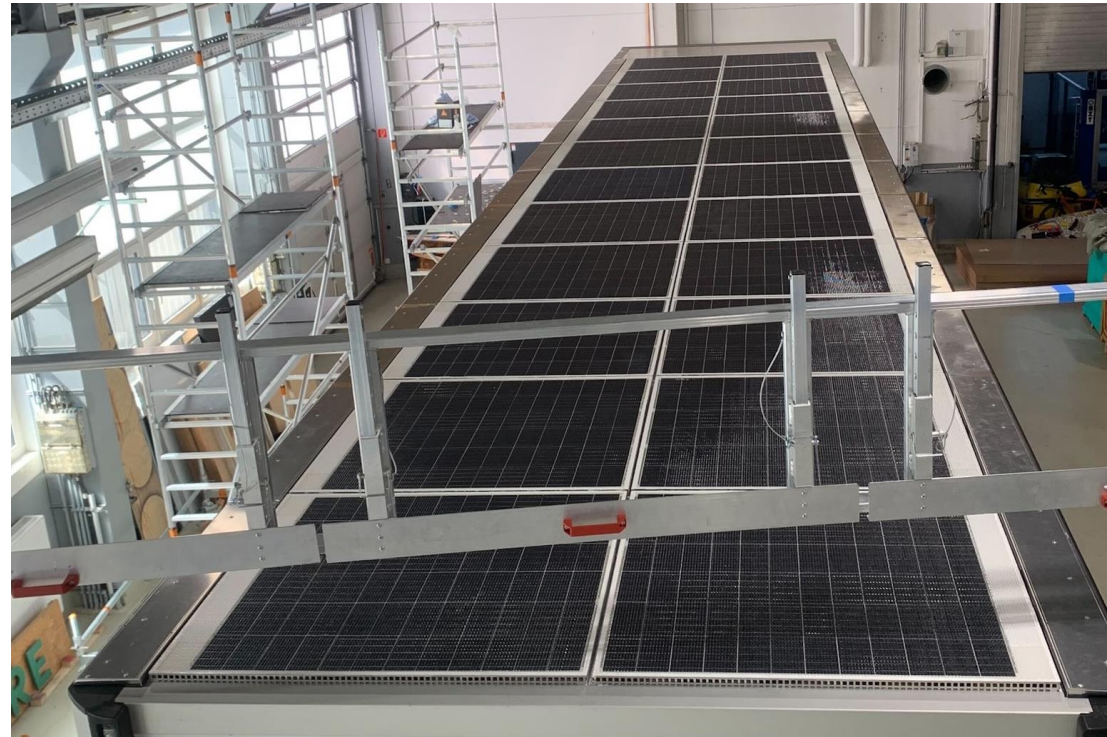


1) 7 LOIs 2) 12 non-binding LOIs and 10 purchase orders from customers 3) 13 non-binding LOIs and 13 purchase orders / contracts signed and/or products delivered 4) As of September 8, 2022

SONO SOLAR

New Customer: Solar trailer delivered to Mitsubishi Corporation

- **Mitsubishi Corporation** is Japan's largest trading company¹, with **annual revenue of ~€90 billion** and 86,000 employees
- Sono Motors has already **delivered a solar reefer trailer** to MTTE, a European subsidiary of Mitsubishi Corporation
- MTTE will **showcase this solar reefer trailer** at IAA Transportation

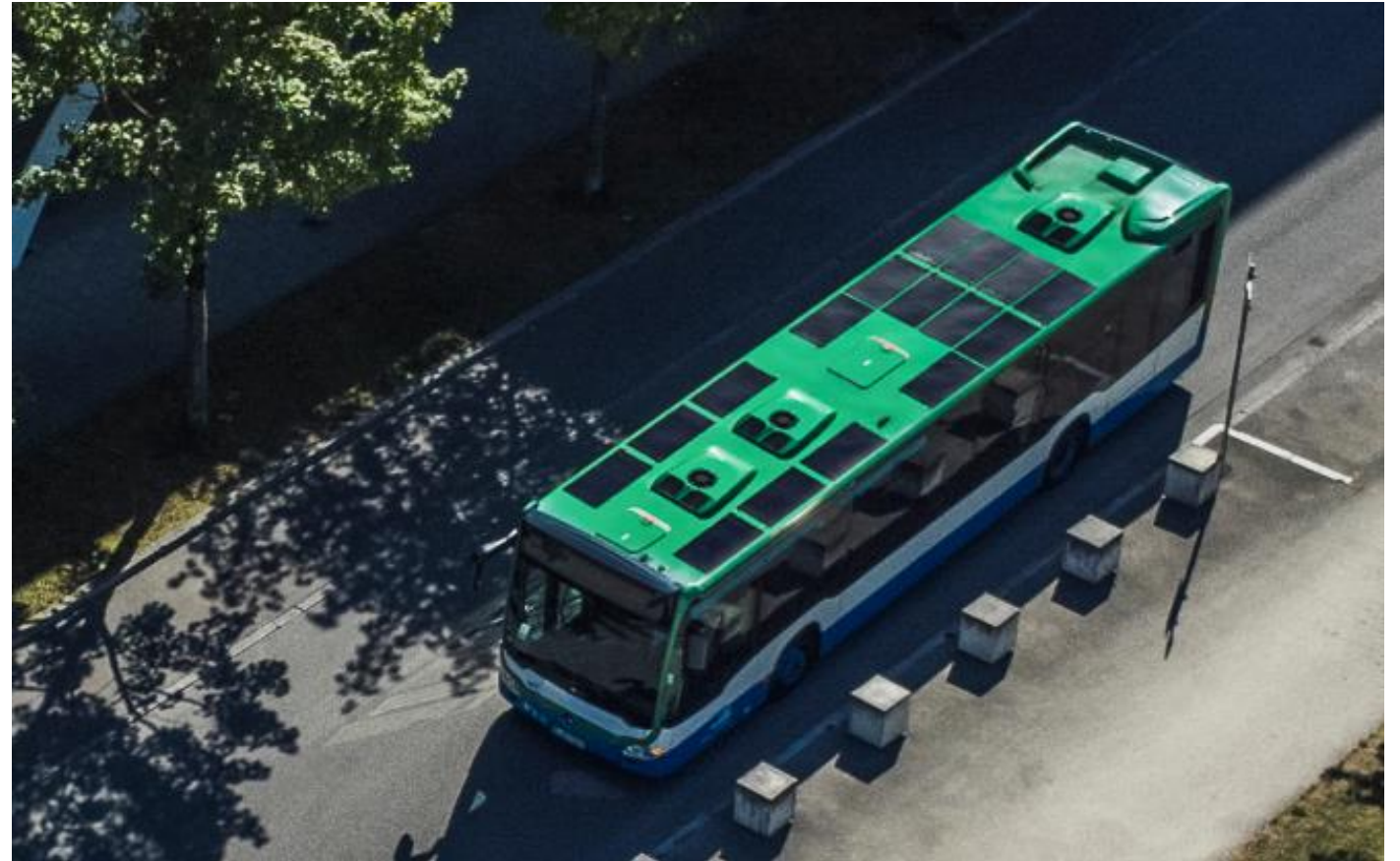


1) By market value, Forbes Global 2000 ranking of 2019

SONO SOLAR BUS KIT

Solar Bus Kit: scale-up phase successfully entered

- **Several bus solutions have been delivered** and are in daily usage
- Potential **payback time of ~3-4 years**, and savings of up to **1,500 liters** of diesel, and up to 4 tonnes of CO₂ per bus per year
- Ready for the most common 12-meter bus types (Mercedes-Benz Citaro, MAN Lion City)



SONO SOLAR

Scalability: new partner for solar retrofit installation

- Sono Motors signed Letter of Intent with **ÖPNV-Service Hagen**
- The new partner is expected to provide **installation, servicing and logistics services across Europe for the Solar Bus Kit**, ensuring the product's scaling potential
- ~ **15 years of experience** as a service provider, performing **4,000** modernizations of commercial vehicles annually¹



1) ÖPNV-Service Hagen website

SONO SOLAR

Four premieres of customer projects at IAA Transportation

- Various **solar products delivered**, installed and in testing
- Customer projects to be **showcased at IAA Transportation** in Hanover, Germany
- **Several new customers:**
 - Chereau
 - Mitsubishi Corporation (MTTE)
 - Kögel
 - Wingliner

**CHEREAU** **MITSUBISHI HEAVY INDUSTRIES**
THERMAL TRANSPORT EUROPE**KÖGEL** **Wingliner®**

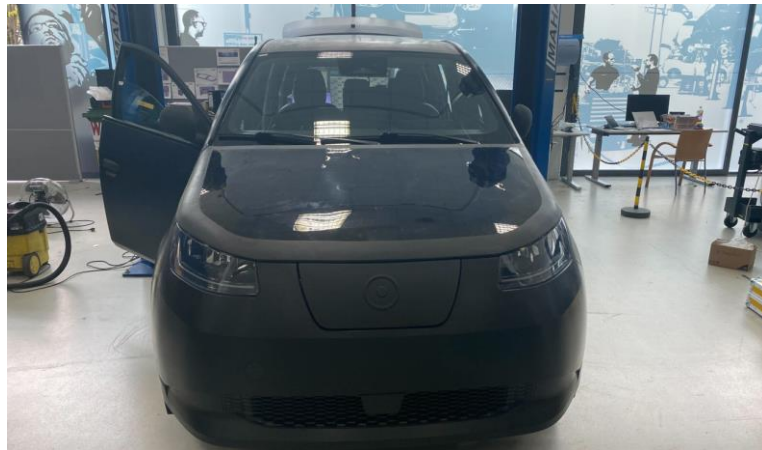


BUSINESS UPDATE

The Sion

THE SION

On track with the Sion program for launch in H2 2023

SERIES-VALIDATION FLEET

- First **series-validation vehicles fully assembled**
- Series-validation vehicle **testing started**
- Ongoing assembly of further vehicles and bodies-in-white with >80,000 parts & components delivered

DEVELOPMENT

- Sono Motors is now **OEM certified** by KBA¹
- Achieved growth goal with **200 engineers** to develop Sion
- Continued cost engineering focus

SERIES PRODUCTION

- **Production plan aligned** with Valmet Automotive
- First **production machines/robots** ordered
- Partner day hosted with over 100 suppliers

1) KBA = Dt. Kraftfahrt-Bundesamt / German Federal Motor Transport Authority, Sono Motors has received a so called "incomplete Type Approval" from KBA, a standard procedure for homologation of a car

THE SION

More Sion customers

RELEASE EVENT

- **Two world premieres:** Sion and Solar Bus Kit
- **>1,500** guests on-site
- + 390% increase in newsletter subscriptions and + 350% increase in reservations (w-o-w)

>20,000 B2C RESERVATIONS

- **>20,000 reservations** by 1 September 2022, average down payment of around €2,000, equivalent to a **net sales volume** of about **€435m¹**
- 12% growth from Q1 2022 to Q2 2022. 17% growth from Q1 to August 31, 2022

1) Based on the net price of €21.4k per vehicle underlying the first 16,000 reservations and the net price of €23,950 for reservations thereafter up to 18,500 total reservations, and the net price of €25,126 for all reservations thereafter. Assuming that all reservations result in sales. Reservations are cancellable and there is no guarantee that all reservations will actually be converted into orders or sales or that the Company will be able to generate net revenues from all reservations.

THE SION

FINN makes 12,600 Sion B2B pre-orders

- Sono and **FINN signed LOI for** the intended purchase of **12.6k Sion** from 2024 through 2029
- Potential deal volume of **€317m in net sales¹**
- **FINN**, Europe's fastest-growing car subscription platform, offers **monthly car subscriptions**
- This cooperation allows Sono to **exceed 22k of B2B pre-orders²** without down payment

FINN



>42,000
reservations
and pre-
orders in total

1) Assuming the net price of €25,126 and that all pre-orders result in sales

2) LOI for 12,600 pre-orders by FINN and written or verbal confirmation for approximately 10,000 other pre-orders. Pre-orders are non-binding and no down payments have been made.

Spacious interior



Purpose-driven exterior



SONO MOTORS

Corporate Update



Continuous strong growth in key areas

RECRUITMENT



- **350 employees** by the end of Q2
- Growth of **+27%** since the end of Q1
- **383 employees in August 2022**
- **Aiming for 420-470 employees** by the end of 2022

NEW PATENTS



- **9 patents** & utility model application filed in Q2 + **3 additional filings** since the end of Q2
- In total, **4 patents granted, 25 patents or patent/utility model applications** filed as of August 2022

SONO MOTORS

Financial Update



FINANCIAL UPDATE

Strong cash position and H1 and Q2 revenues above full-year 2021

**BALANCE SHEET**

- **Cash and cash-equivalents** of **€90m** at the half year-end
- **Increase in PPE by €24m** compared to year-end 2021 to €25m due to prepayments for equipment and tooling, including Valmet

**INCOME STATEMENT**

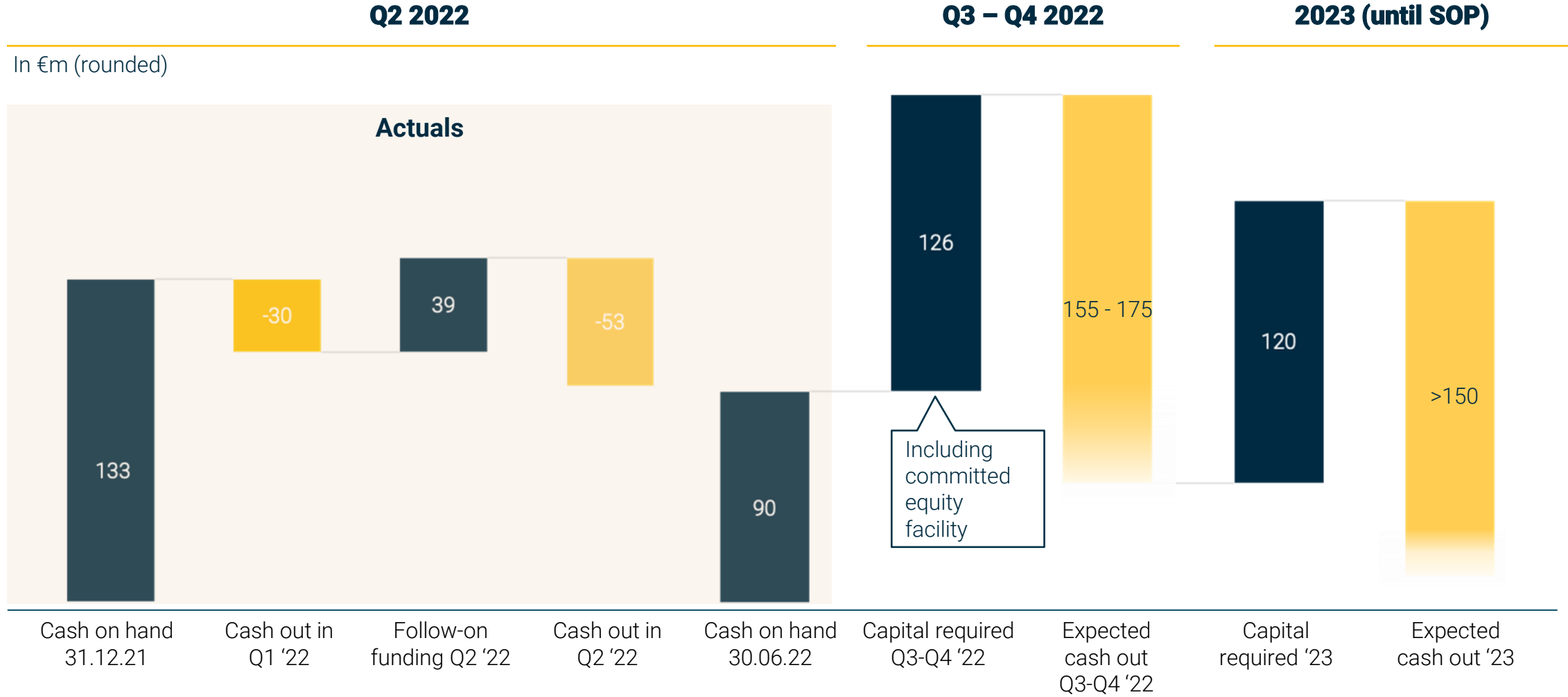
- **Revenues of €42k (H1) / €23k (Q2)** generated from solar projects and Sono Digital
- **Operating expenses increased by €38m (H1) / €20m (Q2)** compared to H1 2021 and Q2 2021 respectively, mainly due to intensified development

**CASH FLOW STATEMENT**

- **Further investments in series-validation vehicles** and operating expenses together with net proceeds from capital raises resulted in total **net cash outflow of €45m in H1**

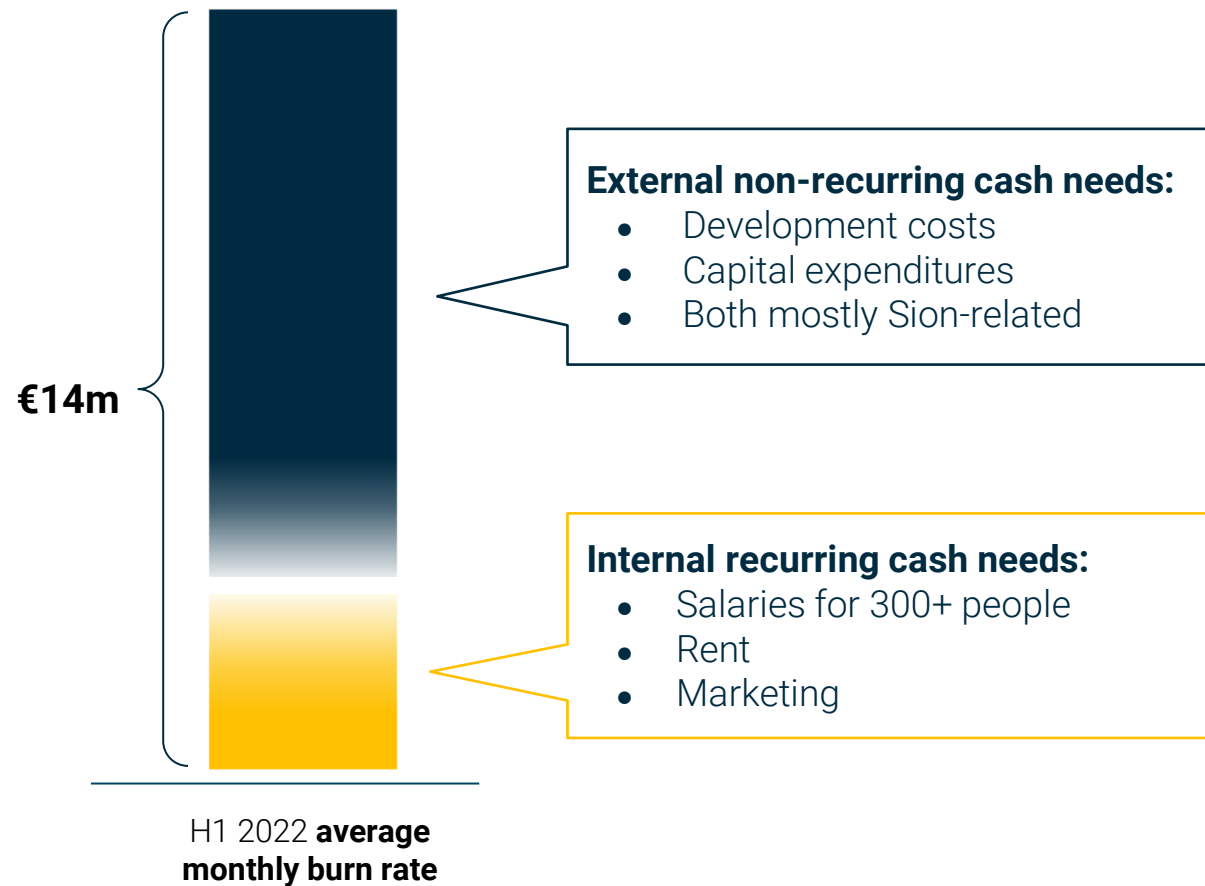
CASH OUTLOOK UNTIL SOP

Progress on funding, further funding options available



H1 CASH OUTFLOW

Moderate cash needs mainly for external investments



MONTHLY CASH NEED COMPOSITION

- **Cash outflow in H1 was ~€83m¹,**
- Most **cash outflow (~€70m) was external**, non-recurring investments and mostly Sion-related
- Once Sion development is completed and manufacturing facility is fully set-up, **non-recurring investments should drop significantly**

1) Including €6m received from Paypal (reflected as "Other current financial assets" in balance sheet before).

Continuing growth and planned execution in 2022

COMMERCIAL

- Growing number of solar contracts and LOIs
- Ongoing assembly of further vehicles and bodies-in-white
- Nomination of all series suppliers by end of Q4

CORPORATE

- Increasing number of patent filings
- Hiring of ~100 new team members and increasing diversity level to achieve target of 420-470 employees by the end of 2022
- Investor outreach meetings planned for Q4 2022

FINANCE

- Execution of further funding activities
- Generation of up to €1m revenue with solar customers
- Expected operating and investing cash outflow in Q3-Q4 2022 of ~€155-175m



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SHARE INFORMATION

Type of shares

Bearer shares

Stock exchange

Nasdaq, US

Ticker

SEV

WKN A3C7QW

ISIN NL0015000N74

REPORTS

Company presentation

<https://ir.sonomotors.com/>

Financial reports

[https://ir.sonomotors.com/
financial-information](https://ir.sonomotors.com/financial-information)

Sustainability report

[https://sonomotors.com/
en/sustainability](https://sonomotors.com/en/sustainability)

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Appendix



Q2 2022 FINANCIALS

Balance Sheet

€k	Q2 2022	FY 2021
ASSETS		
Intangible assets	204	206
Property, plant and equipment	25,359	1,484
Right-of-use assets	2,766	3,018
Other financial assets	93	91
Other non-financial assets	72	89
Noncurrent assets	28,494	4,888
Work in progress	147	-
Other financial assets	963	6,233
Other non financial assets	15,367	3,236
Cash and cash equivalents	89,774	132,939
Current assets	106,251	142,408
TOTAL ASSETS	134,745	147,296

€k	Q2 2022	FY 2021
EQUITY AND LIABILITIES		
Subscribed capital	9,390	8,735
Capital reserve	260,855	221,785
Payment of principal portion of lease liabilities	(208,096)	(147,081)
Equity	62,149	83,439
Advance payments received from customers	46,827	44,756
Financial liabilities	6,146	6,353
Other non financial liabilities	469	-
Non current liabilities	53,442	51,109
Financial liabilities	532	472
Trade and other payables	15,874	7,867
Other liabilities	2,280	2,207
Provisions	468	2,202
Current liabilities	19,154	12,748
TOTAL EQUITY AND LIABILITIES	134,745	147,296

Q2 2022 FINANCIALS

Income Statement

€k	Q2 2022	Q2 2021	H1 2022	H1 2021
Revenue	23	-	42	-
Cost of sales	(123)	-	(142)	-
Gross income (loss)	(100)	-	(100)	-
Cost of research and development	(30,402)	(10,432)	(53,142)	(12,825)
Selling and distribution costs	(524)	(869)	(1,012)	(1,625)
General and administrative expenses	(4,548)	(3,767)	(7,597)	(7,673)
Other operating income/expenses	939	209	1,753	370
Impairment loss on financial assets	8	5	4	(2)
Operating income (loss)	(34,627)	(14,854)	(60,093)	(21,755)
Interest and similar income	-	-	-	-
Interest and similar expense	(526)	(370)	(923)	(2,645)
INCOME (LOSS) BEFORE TAX	(35,153)	(15,224)	(61,016)	(24,400)

€k	Q2 2022	Q2 2021	H1 2022	H1 2021
Tax on income and earnings	-	(41)	-	(41)
Income (loss) after tax	(35,153)	(15,265)	(61,016)	(24,441)
Income (loss) for the period	(35,153)	(15,265)	(61,016)	(24,441)
Other comprehensive income (loss)	-	32	-	(64)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(35,153)	(15,234)	(61,016)	(24,505)
Earnings per shares for income (loss) attributable to the ordinary equity holders of the company:				
BASIC/DILUTED EARNINGS (LOSS) PER SHARE IN €	(0.45/0.45)	(0.47/0.47)	(0.81/0.81)	(0.76/0.76)

Q2 2022 FINANCIALS

Cash Flow Statement

€k	H1 2022	H1 2021
Income (loss) after tax	(61,016)	(24,441)
Depreciation of property, plant and equipment	84	38
Depreciation of right-of-use assets	231	160
Amortization of intangible assets	37	8
Expense(+) for share based payment transaction	1,221	1,165
Other non-cash income (-) / expense(+)	(1,484)	1,838
Interest and similar expense	923	2,645
Movements in provisions	(1,734)	(76)
Decrease(+)/increase(-) in advances received from customers	1,290	915
Decrease (+)/increase(-) in other assets	(6,993)	(3,088)
Increase(+)/decrease(-) in trade and other payables	8,473	3,564
Interest paid	(56)	(67)
NET CASH USED IN OPERATING ACTIVITIES	(59,024)	(17,338)

€k	H1 2022	H1 2021
Purchase of intangible assets	(36)	(149)
Purchase of property, plant and equipment	(23,959)	(798)
Net cash used in investing activities	(23,995)	(947)
Transaction cost on issue of shares	(842)	(17)
Proceeds from issue of shares	39,346	1,500
Repayment of borrowings	-	(185)
Payment of principal portion of lease liabilities	(213)	(144)
Net cash flow from financing activities	38,291	1,154
Net decrease in cash and cash equivalents	(44,727)	(17,131)
Effect of currency translation on cash and cash equivalent	1,561	-
Cash and cash equivalents at the beginning of the period	132,939	43,264
CASH AND CASH EQUIVALENTS AT END OF PERIOD	89,774	26,133