



Earnings call, 05.08.2022

Q2/2022

Panellists



Winfried Buss

- General Manager of LION Smart GmbH



Frank Schönrock

- Investor Relations

1. Q2/2022 Result (non Audited)
2. Status BMW Licence

Q2/ 2022 Results - Overview



Non Audited

Preliminary figures in Mio. EUR	Q2 2022	Q2 2021	Variance YoY cumulative
Sales	11.042	6.463	+4.579
Operational revenue	11.248	6.514	+4.734
EBITDA	0.992	-0.677	+1.669
Quarterly earnings	0.970	-0.760	+1.730

1. Good Sales in Q2/ 2022 with over 11 Mio€, despite global supply chain challenges
2. Integration business is main driver for the increase in revenue
3. In Q2 /2022 LION Smart could achieve a strong positive EBITDA as well as quarterly result

Sales and Income - Non Audited

EUR	01.04.- 30.06.2022	01.01.-31.03.2022
Sales	11.041.623	13.200.596
Decrease/ Increase in inventories of finished goods and work in progress	205.944	-107.149
Own work capitalized	0	0
Total output	11.247.567	13.093.447
Other operating income	71.407	68.776
Cost of materials	8.923.303	11.839.085
Gross profit	2.395.671	1.323.138

1. Q2 Sales slightly lower than Q1

- Supply chain issues lead to volatile delivery situation and is expected to continue throughout 2022
- Inventory/ WIP up by 0,313 Mio. € based on project delivery preparation
- Q3 Sales is expected to be stronger than Q2
- Quarterly result still in line with full year guidance 50-60 Mio€ given in last call

2. Cost of Material is better ratio than Q1 (79% in Q2 compared to 90% in Q1)

- Improved Product Mix
- Project Revenues

3. Gross Profit of 2.395 Mio€

People Cost and D&A- Non Audited

EUR	01.04.- 30.06.2022	01.01.- 31.03.2022
Gross profit	2.395.671	1.323.138
Personnel expenses	977.991	868.042
Depreciation and amortization on intangible fixed assets and tangible fixed assets	32.853	30.607
Other operating expense	425.670	483.159
Earnings before Interest and Taxes (EBIT)	959.159	-58.670

1. Personal Expense up from 0,868 Mio. € to 0,977
 - Increase of workforce from average 50 people to average 54 People (44 Fulltime/ 10 Working Students) in Q2/2022
 - Increase in personal cost mainly due to building accruals for Overtime/ Vacation
2. Depreciation nearly unchanged compared to previous quarter
3. Operating Expense slightly lower compared to previous quarter

EBIT and EBT - Non Audited

EUR	01.04.- 30.06.2022	01.01.- 31.03.2022
Earnings before Interest and Taxes (EBIT)	959.159	-58.670
Other interest and similar income	12.816	12.675
Interest and similar expenses	1.662	20.168
Financial result	11.154	-7.493
Earnings before tax	970.313	-66.164
Taxes on income	0	0
Earnings after tax	<u>970.313</u>	<u>-66.164</u>

1. In Q2/2022 LION Smart received Interest of 0.013 Mio. €
2. Despite positive EBIT, no tax payment is assumed due to loss carried forward

Balance Sheet and Cash Flow Q2/ 2022



Activa - Non audited

EUR	30.06.2022	31.03.2022
ASSETS		
Fixed Assets	7.428.311	7.421.024
Intangible Assets	2.486.867	2.491.693
Tangible Assets	350.885	338.771
Financial Assets	4.590.560	4.590.560
Current Assets	14.845.673	12.347.146
Inventories	4.112.910	2.136.228
Receivables and other assets	9.652.051	8.076.108
Bank balances, cash and cash equivalents	1.080.712	2.134.809
Prepaid expenses	174.528	238.152
Total assets	22.448.512	20.006.322

1. Overall Increase from 20,006 Mio. € in Q1/2022 to 22,449 Mio. € in Q2/2022
 - Fixed assets remain nearly unchanged
 - Current assets up mainly due to higher inventory and receivables, resulting in lower cash

Balance Sheet and Cash Flow Q2/ 2022



Passiva - Non audited

EUR	30.06.2022	31.03.2022
EQUITY AND LIABILITY		
Equity	7.040.935	6.070.622
Subscribed capital	129.500	129.500
Capital reserve	10.316.550	10.316.550
Accumulated losses brought forward	-4.375.428	-4.309.265
Result for the period	970.313	-66.164
Accruals	437.633	348.286
Liabilities	14.969.944	13.587.414
Total equity and liabilities	22.448.512	20.006.322

1. Equity up by 0,970 Mio. €
 - No additional Financing done
 - 0,970 Mio€ finance result added to balance sheet
- Accruals up from 0,348 Mio. € to 0,437 Mio. € mainly due to HR related accruals like overtime, vacation, etc.
- Liabilities increased from 13.587 Mio. € to 14.970 Mio. € mainly due to higher inventory

Non audited

EUR	01.04.- 30.06.2022	01.01.- 31.03.2022
Cash flow from operating activities	-1.058.232	749.559
Cash flow from investing activities	4.134	-290.480
Cash flow from financing activities	0	550.000
Net change in cash and cash equivalents	-1.054.098	1.009.079

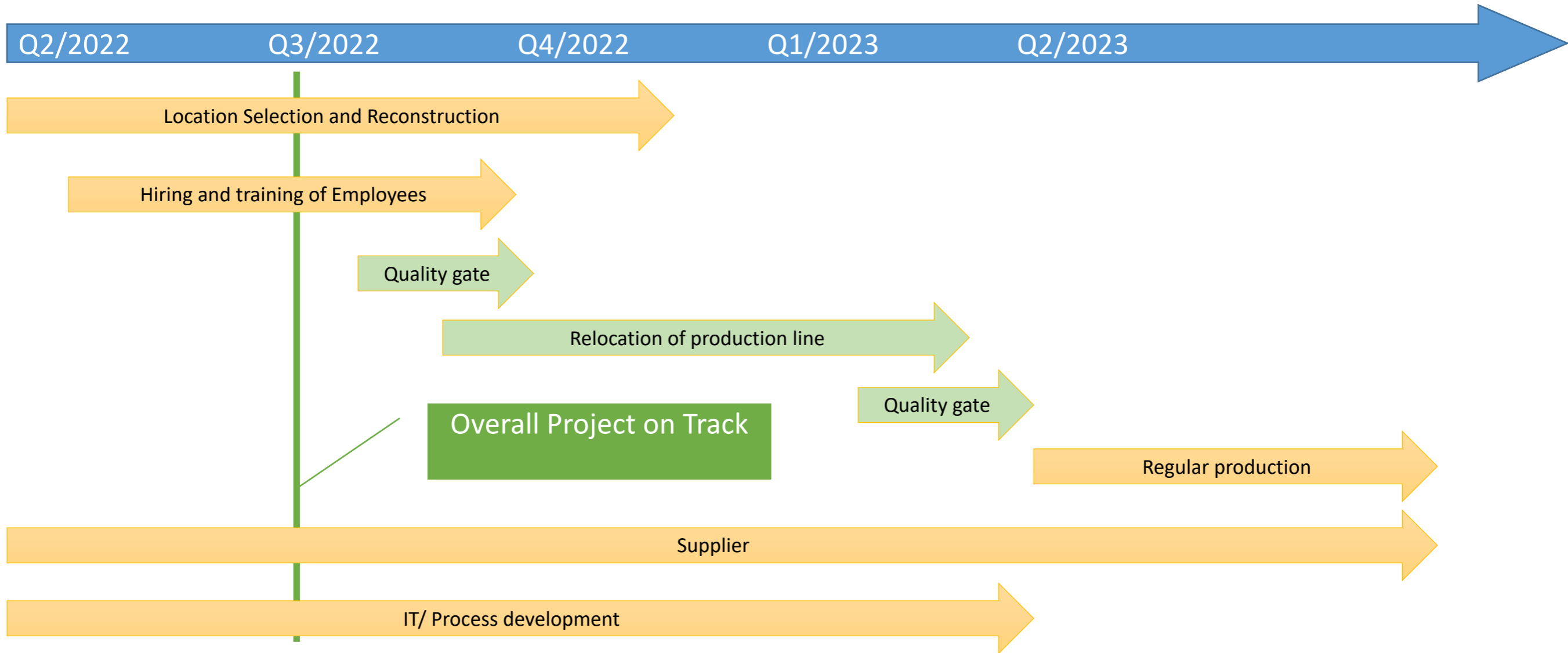
1. Overall Cash Flow negative by 1,054 Mio. € in Q2/2022
 - Cash flow from Operating Activities down from 0,749 Mio€ to -1.058 Mio€ mainly due to increase in Inventory
 - Very little Cash Flow from investments
 - Cash flow from financing activities down from 0,550 Mio. € to 0 as no financing was done in Q2
- ⇒ Overall cash flow negative 1,054 Mio. €

1. Overall Business Model of LION Smart is working, company continues on it's growth path
 - Revenue for Q2/2022 is in line with full year expectation
 - Company could defend it's margin in Q2 by passing raw material increases to it's customers
 - Previous given guidance of 50-60 Mio. € for full year can be reconfirmed
2. Volatility of Prices and availability of material remain the highest threat to our business
3. BMW Licence takeover on track

1. Q2/2022 Result (non Audited)
2. Status BMW Licence

Project Planning

Timing and overall work packages



Location Selection and Reconstruction

1. LION Smart Production GmbH has selected a production site in southern Thuringia

Location:

Hildburghausen, Kaltenbronner Weg 4

Equipment hall:

- Production hall approx. 2600m²
- Warehouse with 1425m²
- Office wing 500m²

2. Previous owner has left the production hall

3. Reconstruction of site

- Reconstruction is ongoing for items like
 - Fire alarm system
 - Sprinkler system
 - General modernisation



Hiring and training of Employees

1. Hiring of key staff members is completed

- Hiring of operations team including the plant manager is completed
 - Assembly Leaders
 - Mechatronics Specialist
 - Logistics Specialist
 - Leading Shift Manager
 - Work Scheduling Manager
 - Purchasing Director / Manager
 -
- **Complete workforce is on-site for taking production line**

2. Trainings Phase

- Key People are currently trained at BMW (Dingolfing) before moving of the assembly



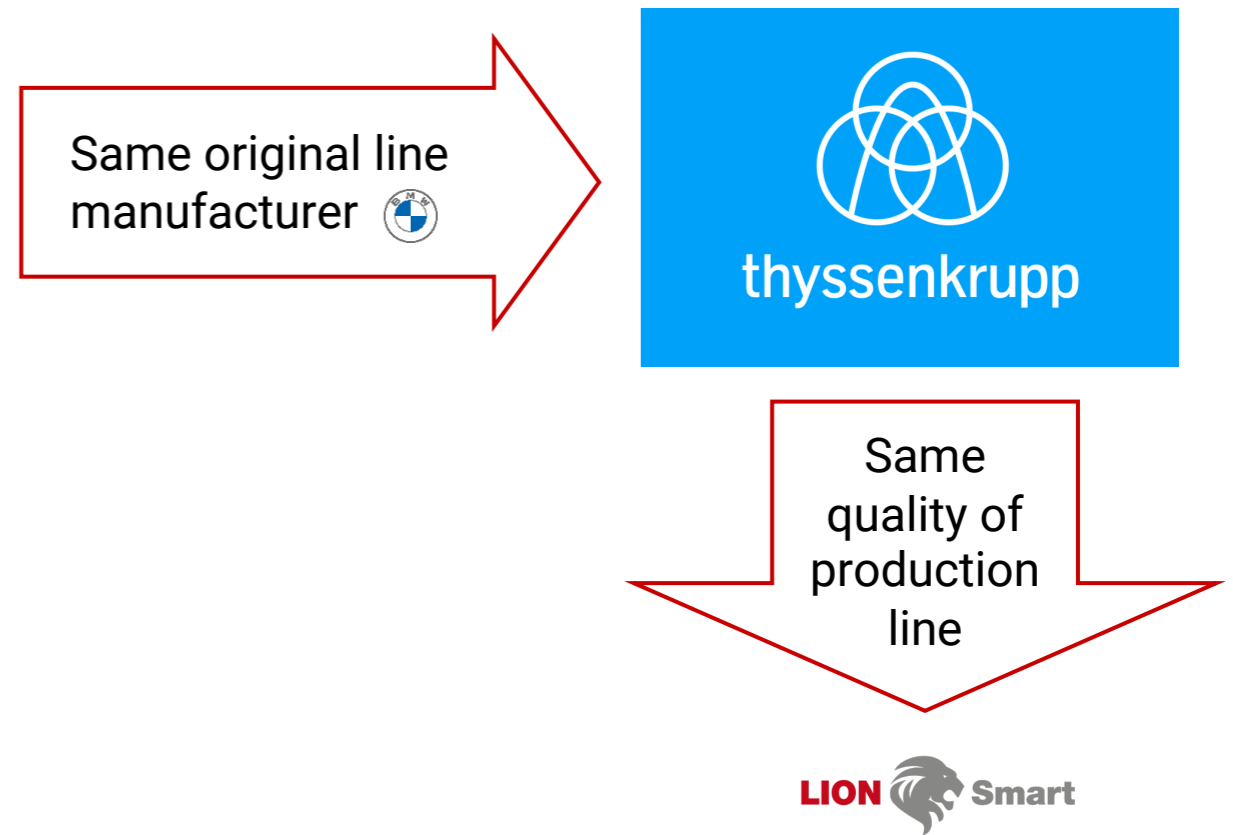
Relocation of production line

1. Relocation of production line is done from original line manufacturer of BMW Thyssenkrupp in the following steps

- Quality gate prior to production stop
- Disassembling of line
- Moving of line
- Installation of line in new building
- Quality gate before handover

⇒ Keeping the quality in production is key to success

⇒ Start of regular production is planned for 02/2023



This presentation contains forward-looking statements that involve a number of risks and uncertainties, including statements that relate to, among other things, the Company's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to currency rates and creditworthiness of customers); Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; changes in laws and regulations; legal and regulatory proceedings; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; and the ability to execute strategic plans. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, except as required by law.