



**Earnings call Q2 2023**

**04.08.2023**

## People on the call



### AG and GmbH



Alessio Basteri (Chairman of the Board, LION E-Mobility AG)



Ian Mukherjee (Member of the Board, LION E-Mobility AG)



Winfried Buss (CEO, LION Smart Production GmbH & LION Smart GmbH)

# Agenda



1. **Q2 2023 Result (non audited)**
2. Update LION Smart Production
3. Product strategy

# Q2 2023 Results (non audited)



## Introduction

1. LION Group is reporting results per operating entity LION Smart GmbH & LION Smart Production GmbH. We will generate quarterly consolidated group results in the near future.
2. Q2 quarter over quarter comparison is made between LION Smart (LS) & LION Smart Production (LSP) 2023 numbers compared Q1 2023.
3. In a 1HY 2023 YoY comparison with 1HY 2022, only LION Smart is included in 2022.
4. Q2 sales are a mix of purchased packs, inventory and packs already of our own production with shipping started mid May.

# Q2 2023 Results



Non audited

Prel. Figures EUR M	2023 Q2 LS & LSP	2023 Q1 LS & LSP	2023 1HY LS&LSP	2022 1HY LS	1HY YoY
External sales	11.33	8.11	19.44	24.24	-4.80
Total output	11.61	8.08	19.69	24.34	-4.65
Gross profit	2.56	1.56	4.13	3.58	0.55
EBITDA	0.38	-0.41	-0.04	0.96	-1.03
EBIT	0.33	-0.45	-0.12	0.90	-1.46
<b>Result for the period</b>	<b>0.10</b>	<b>-0.66</b>	<b>-0.56</b>	<b>0.90</b>	<b>-1.46</b>

\*LS: LION Smart GmbH, Garching

\*\*LSP: LION Smart Production GmbH, Hildburghausen

1. Following up the last earnings call, Q2 2023 revenue has increased 40% compared to Q1 this year.
2. Despite lower revenue 1HY 2023 compared YoY 1HY 2022, gross profit improved up to EUR 4.1M.
3. Q2 2023 result turned positive.

# Q2 2023 Results



## Sales and Income - non audited

	2023 Q2	2023 Q1	2023 1 HY	2022 1 HY
EUR	LS & LSP	LS & LSP	LS & LSP	LS
Sales	11.329.422	8.114.341	19.443.763	24.242.219
Intercompany sales	0	0	0	0
Decrease/ Increase in inventories of finished goods and work in progress	0	(34.713)	(34.713)	98.795
Own work capitalized	280.951	0	280.951	0
<b>Total output</b>	<b>11.610.373</b>	<b>8.079.628</b>	<b>19.690.001</b>	<b>24.341.014</b>
<b>Cost of materials</b>	<b>(9.045.795)</b>	<b>(6.514.986)</b>	<b>(15.560.782)</b>	<b>(20.762.388)</b>
<b>Gross profit</b>	<b>2.564.578</b>	<b>1.564.642</b>	<b>4.129.220</b>	<b>3.578.626</b>

LS: LION Smart GmbH, Garching  
LSP: LION Smart Production GmbH, Hildburghausen

1. Q2 2023 sales higher compared to Q1 2023
  - sales of EUR 11.3M compared to EUR 8.1M in Q1 2023
  - some customers still use stock from last year
  - Sales started for products produced by LION Smart Production
2. Material rate stayed the same at 80% compared to Q1 2023
3. Gross profit up to EUR 2.6M in Q2 2023 from EUR 1.6M in Q1 2023

# Q2 2023 Results



## People cost and D&A- non audited

	2023 Q2	2023 Q1	2023 1 HY	2022 1 HY
EUR	LS & LSP	LS & LSP	LS & LSP	LS
<b>Gross profit</b>	<b>2.564.578</b>	<b>1.564.642</b>	<b>4.129.220</b>	<b>3.578.626</b>
Other operating income	68.023	39.718	107.741	140.183
Personnel expenses	(1.341.838)	(1.340.797)	(2.682.635)	(1.846.032)
Other operating expense	(914.980)	(678.041)	(1.593.021)	(909.053)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>375.783</b>	<b>(414.478)</b>	<b>(38.696)</b>	<b>963.723</b>
Depreciation and amortization of intangible fixed assets and tangible fixed assets	(46.140)	(39.897)	(86.037)	(63.459)
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>329.643</b>	<b>(454.375)</b>	<b>(124.733)</b>	<b>900.264</b>

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1. Personal Expense stayed the same at EUR 1.3M
2. Operating Expense in Q2 2023 EUR slightly higher compared to Q1 2023, mainly based on production start
3. Depreciation slightly up compared to previous quarter
4. EBIT in Q2 2023 turned positive to EUR 0.3M compared to EUR -0.5M in Q1 2023

# Q2 2023 Results



## EBIT and EBT - non audited

	2023 Q2	2023 Q1	2023 1 HY	2022 1 HY
EUR	LS & LSP	LS & LSP	LS & LSP	LS
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>329.643</b>	<b>(454.375)</b>	<b>(124.733)</b>	<b>900.264</b>
Other interest and similar income	28.554	23.813	52.367	25.491
Interest and similar expenses	(255.505)	(228.992)	(484.497)	(21.830)
Financial result	<b>(226.951)</b>	<b>(205.178)</b>	<b>(432.130)</b>	<b>3.661</b>
<b>Earnings before taxes</b>	<b>102.691</b>	<b>(659.554)</b>	<b>(556.862)</b>	<b>903.925</b>
Taxes on income	0	0	0	0
Other tax	(10)	(197)	(207)	0
<b>Earnings after tax</b>	<b>102.681</b>	<b>(659.751)</b>	<b>(557.069)</b>	<b>903.925</b>

1. Q2 2023 Financial result lower compared to Q1 2023, mainly due to higher interest paid.
2. No tax costs in Q2 2023.
3. Earnings after tax in Q2 2023 is now positive EUR 0.1M compared to EUR -0.7M in Q1 2023.

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# Balance Sheet and Cash Flow Q2 2023



## Assets - non audited

	LS & LSP	LS & LSP
EUR	30.06.2023	31.03.2023
<b>ASSETS</b>		
<b>A. Fixed Assets</b>	<b>19.744.109</b>	<b>12.142.570</b>
I Intangible Assets	3.550.114	3.275.023
II Tangible Assets	11.603.435	4.276.987
III Financial Assets	4.590.560	4.590.560
<b>B. Current Assets</b>	<b>27.386.427</b>	<b>11.152.657</b>
I Inventories	7.726.337	3.936.409
II Receivables and other assets	11.362.944	4.570.594
III Bank balances, cash and cash equivalents	8.297.146	2.645.654
<b>C. Prepaid expenses</b>	<b>150.563</b>	<b>262.068</b>
<b>Total assets</b>	<b>47.281.099</b>	<b>23.557.294</b>

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In a Q1/Q2 comparison total assets up EUR +24M to EUR 47M due to:

1. Tangible assets increase to EUR 11.6M at LION Smart Production: production line, factory and facilities.
2. Bank up EUR +5.7M to EUR 8.3M mainly based on a EUR 6M loan from parent company

# Balance Sheet and Cash Flow 1HY 2023



## Equity and Liabilities - non audited

	LS & LSP	LS & LSP
EUR	30.06.2023	31.03.2023
<b>EQUITY AND LIABILITY</b>		
<b>A. Equity</b>	<b>5.475.517</b>	<b>5.372.836</b>
<b>I Subscribed capital</b>	154.500	154.500
<b>II Capital reserve</b>	9.766.550	9.766.550
<b>III Accumulated losses brought forward</b>	(3.888.463)	(3.888.463)
<b>IV Result for the period</b>	(557.069)	(659.751)
<b>B. Accruals</b>	<b>716.327</b>	<b>708.658</b>
<b>C. Liabilities</b>	<b>41.089.254</b>	<b>17.475.800</b>
1. Loans, of which convertible	0	0
2. Liabilities to banks	0	0
3. Payments received on account of orders	233.222	674.738
4. Trade payables	20.377.453	4.099.527
6. Payables to affiliated companies	650.979	799.524
7. Payables to companies in which participations are held	16.691.503	10.435.997
8. Other liabilities	3.136.099	1.466.015
<b>Total equity and liabilities</b>	<b>47.281.099</b>	<b>23.557.294</b>

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- Equity up from EUR 5.4M to EUR 5.5M from Q1 to Q2 2023 due to positive Q2 result
- Liabilities increased from EUR 17M to EUR 41M (+EUR 24M) from Q1 to Q2:
  - Trade payables increased by EUR 16M for especially stock purchased to ramp up the production and a license liability.
  - Additional loan from AG in June 2023 of EUR 6M.

# Cash Flow Q2 and 1HY 2023



Non audited

EUR	2023 Q2 LS + LSP	2023 Q1 LS + LSP	2023 1HY LS + LSP
<b>Cash flow from operating activities</b>	<b>258.195</b>	<b>112.605</b>	<b>370.799</b>
<b>Cash flow from investing activities</b>	<b>(606.703)</b>	<b>(14.718)</b>	<b>(621.421)</b>
<b>Cash flow from financing activities</b>	<b>6.000.000</b>	<b>-</b>	<b>6.000.000</b>
<b>Net change in cash and cash equivalents</b>	<b>5.651.492</b>	<b>97.887</b>	<b>5.749.379</b>

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1. Overall cash flow from operations positive by EUR 0.3M in 2023 compared to EUR 0.1M in Q1 2023
2. Cash flow from investments EUR 0.6M higher compared to Q1 2023 due to additional production investments
3. Cash flow from financing shows the EUR 6M loan from parent company in June 2023.
4. Overall net change in cash and equivalents of EUR 5.7M in Q2 2023 versus EUR 0.1M in Q1 2023.

# Q2 2023 Key Messages



1. Company is prepared for growth
  - Production site in Hildburghausen is shipping.
2. Deliveries in Q2 2023 was a mixture of pre-produced packs, inventory and own production from mid May on.
3. Bank funding via AG is established and backs LION's production ramp up and sales strategy.

# Agenda



1. Q2 2023 Result (non audited)
2. **Update LION Smart Production**
3. Product strategy

# Update LION Smart Production



## Hildburghausen plant fully on target

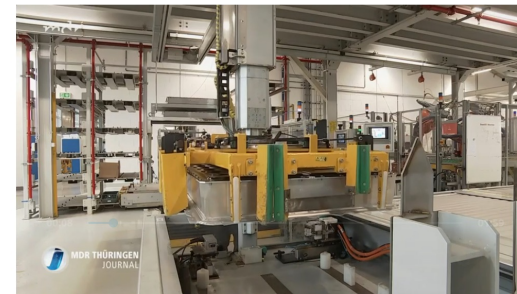


First truck left Hildburghausen plant to customer on May 10<sup>th</sup>

LION Smart made a strong appearance at "The Smarter E Europe 2023" in Munich. On an eye-catching and appealing stand, the company presented a selection of its products: from the LION SE09 Battery Pack to the prototype of a LION LFP module and a high-voltage battery management system (BMS) specially developed for industrial applications.



Official opening of the production plant with the local authorities and the state of Thuringia, which committed to future support. The event was accompanied by the press, including a TV broadcast by MDR (Mitteldeutscher Rundfunk).



### Neues Werk für Batteriefertigung in Hildburghausen

Seit März werden in Hildburghausen vom Unternehmen Lion Smart Module für E-Auto-Batterien gefertigt. Die Produktionsanlage stammt ursprünglich aus dem BMW-Werk in Dingolfing.

MDR THÜRINGEN JOURNAL  
Fr 23.06.2023 19:00 Uhr | 01:59 min  
[Infos zur Sendung](#)

ZEIT ONLINE

### Werk für jährlich bis zu 50.000 Batterien in Südthüringen

23. Juni 2023, 15:15 Uhr / Quelle: dpa Thüringen

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In Thüringen ist eine weitere Batteriefertigung gestartet. Die Lion Smart Productoy GmbH eröffnete am Freitag offiziell eine Fabrik im südthüringischen Hildburghausen. Dort sollen nach Unternehmensangaben künftig jährlich bis zu 50.000 Batteriepacks produziert werden. Sie werden aus Batteriezellen zusammengesetzt. Für die Elektromobilität, aber auch für stationäre Anwendungen.

# Agenda



1. Q2 2023 Result (non audited)
2. Update LION Smart Production
3. **Product strategy**

# Product strategy



## Roadmap

1. LFP and higher energy product:
  - both should be market ready in 2HY 2024
  - We are working already with suppliers on technology
  
2. LIGHT Battery:
  - Sample Battery pack is built and awaits testing at customer



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