



**Earnings call, 25.03.2022**

**Q4/2021- Full year 2021- outlook 2022**

## Panellists



**Winfried Buss**

- General Manager of LION Smart GmbH



**Frank Schönrock**

- Investor Relations

1. Q2/2021 Result (non Audited)
2. 2021 Full year result (non Audited)
3. Status Update BMW Licence

# Q4 /2021 Results



Non Audited

<b>Preliminary figures in EUR million</b>	<b>Q4 2021</b>	<b>Q4 2020</b>
Sales	10.856	5.242
Total Output	11.157	5.570
EBITDA	0.483	-0.848
Quarterly Result	0.410	-0.897

1. Strong Sales in Q4/ 2021 with close to 11 Mio€, despite global supply chain challenges
2. Sales more than doubled compared to same Period in 2020
3. Integration business is main driver for the increase in revenue
4. In Q4/2021 LION Smart could achieve a positive EBITDA as well as quarterly result

## Sales and Income - Non Audited

EUR	01.01.- 31.12.2021	01.01.- 31.12.2020
Sales	29.608.747	17.281.248
Decrease/ Increase in inventories of finished goods and work in progress	144.360	-29.468
<b>Total output</b>	<b>30.083.663</b>	<b>17.265.690</b>
Other operating income	364.432	237.789

1. Full year Sales more than 70% up from 17,281 Mio. € to 29,608 Mio. €
  - Strong Q4 numbers backs-up yearly performance
  - Supply chain issues lead to volatile delivery situation and is expected to continue throughout 2022
  - Final result in line with guidance 28-30 Mio€ given throughout the last year
2. Inventory of finished goods up from -0,023 Mio. € in 2020 to 0,144 Mio. € in 2021 due to ongoing projects
3. Other operating income slightly up due to release of accruals in HR as well as intercompany cross charge of cost to AG

## Material Cost and Gross Margin- Non Audited

EUR	01.01.- 31.12.2021	01.01.- 31.12.2020
<b>Total output</b>	<b>30.083.663</b>	<b>17.265.690</b>
Other operating income	364.432	237.789
Cost of materials	25.540.902	14.027.471
<b>Gross profit</b>	<b>4.542.761</b>	<b>3.238.219</b>

1. Cost of Material up from 14,027 Mio. € to 25,540 Mio. €
  - Increase is driven by higher product sales of “Integration business
  - Product mix is driver for
    - Integration Business: High Material rates, low people cost
    - Light Battery/ BMS: Low Material rates, High People cost

=> With shift to higher portion of “Integration Business”, material rate is increasing
2. Gross Profit up from 3,238 Mio. € in 2020 to 4,542 Mio. € in 2021
  - Additional Sales can be converted into gross profit
  - Business set-up of “Integration Business” is positively contributing to gross profit

## People Cost and D&A- Non Audited

EUR	01.01.- 31.12.2021	01.01.- 31.12.2020
<b>Gross profit</b>	<b>4.542.761</b>	<b>3.238.219</b>
Personnel expenses	3.020.126	2.337.869
Depreciation and amortization	310.642	212.122
Other operating expense	1.857.318	1.997.436

1. Personal Expense up from 2.337 Mio. € to 3.020 Mio. €
  - Increase of workforce from average 37 people in 2020 to average 43 people in 2021
  - Change in employment structure resulting in more FTE, less working students
  - Hiring especially in Sales and R&D Department
    - ⇒ Win additional customers for Integration Business
    - ⇒ Promote light Battery to customers
    - ⇒ Improve maturity of Light Battery Business
    - ⇒ Outlook 2022: Strengthen Sales in NA by hiring additional dedicated sales force for this region.
2. D&A slightly higher in 2021
3. Operating Expense slightly reduced

## EBIT and EBT - Non Audited

EUR	01.01.- 31.12.2021	01.01.- 31.12.2020
<b>Earnings before Interest and Taxes (EBIT) before special effects</b>	<b>-280.893</b>	<b>-1.071.418</b>
One-time special effects	751.830	0
<b>Earnings before Interest and Taxes (EBIT) after special effects</b>	<b>-1.032.723</b>	<b>-1.071.418</b>
Other interest and similar income	56.303	60.141
Interest and similar expenses	26.871	40.516
Financial result	29.432	19.625
<b>Earnings before taxes (EBT) before special effects</b>	<b>-251.461</b>	<b>-1.051.793</b>
<b>Earnings before taxes (EBT) after special effects</b>	<b>-1.003.291</b>	<b>-1.051.793</b>

1. One time special effects in 2021 of 0,75 Mio.€ (Pls. see Q3/2021)

- Rework of TIER 1 Project: 0,30 Mio. €
- Expansion of Integ. Business 0,18 Mio. €
- BMW Due diligence Cost 0,17 Mio. €
- Other misc. cost like moving office, TISAX Audit, etc. 0,10 Mio.€

2. Overall EBIT similar to last year

3. Financial result slightly higher due to less interest payment



# Balance Sheet and Cash Flow



## Activa - Non audited

EUR	31.12.2021	31.12.2020
<b>ASSETS</b>		
<b>Fixed Assets</b>	<b>7.434.350</b>	<b>7.489.438</b>
Intangible Assets	2.488.073	2.175.431
Tangible Assets	355.718	513.447
Financial Assets	4.590.560	4.800.560
<b>Current Assets</b>	<b>5.966.175</b>	<b>3.842.113</b>
Inventories	508.088	338.493
Receivables and other assets	4.332.357	2.988.953
Bank balances, cash and cash equivalents	1.125.730	514.667
<b>Prepaid expenses</b>	<b>79.840</b>	<b>83.705</b>
<b>Total assets</b>	<b>13.480.366</b>	<b>11.415.256</b>

1. Overall Increase from 11,415 Mio. € to 13,480 Mio. €

- Intangible assets are increased by prox. 0,3 Mio. € due to activation of R&D Cost
- Finance Assets are reduced by 0,21 Mio. € due to payback of loan from TÜV Süd JV in Q4/2021
- Receivables and other assets up from 2,988 Mio. € to 4,332 Mio. € mainly due to increase in Revenue
- Cash Balance up by 0,611 Mio. € positive cash-flow in 2021

# Balance Sheet and Cash Flow



## Passiva - Non audited

EUR	31.12.2021	31.12.2020
<b>EQUITY AND LIABILITY</b>		
<b>Equity</b>	<b>5.586.785</b>	<b>6.090.761</b>
Subscribed capital	129.500	129.500
Capital reserve	9.766.550	9.266.550
Accumulated losses brought forward	-3.305.289	-2.253.496
Result for the period/ Net loss for the year	-1.003.976	-1.051.793
<b>Accruals</b>	<b>432.037</b>	<b>566.516</b>
<b>Liabilities</b>	<b>7.461.543</b>	<b>4.757.979</b>
<b>Total equity and liabilities</b>	<b>13.480.366</b>	<b>11.415.256</b>

1. Overall Increase from 11,415 Mio. € to 13,480 Mio. €
  - Capital reserve increased by 0,5 Mio. € to 9,77 Mio. € due to injection of equity by Lion Mobility AG
  - Accumulated loss increased to 3,31 Mio due Loss of 1,051 Mio€ coming from P&L in 2020
  - Liabilities increased to 7,46 Mio. € mainly due to higher revenue

## Non audited

EUR	01.01.- 31.12.2021	01.01.- 31.12.2020
<b>Result for the period/ Result for the year</b>	<b>-1.003.976</b>	<b>-1.051.793</b>
<b>Cash flow from operating activities</b>	<b>386.724</b>	<b>-384.055</b>
<b>Cash flow from investing activities</b>	<b>-485.660</b>	<b>-708.466</b>
<b>Cash flow from financing activities</b>	<b>710.000</b>	<b>1.313.982</b>
<b>Net change in cash and cash equivalents</b>	<b>611.064</b>	<b>221.460</b>
Cash and cash equivalents Beginning of the year	514.667	293.206
Cash and cash equivalents at the measurement date	1.125.730	514.667

- Overall Cash Flow positive by 0,611 Mio. € in 2021
    - Cash flow from Operating Activities up by 0,770 Mio. € from -0,384 Mio. € to 0,386 Mio. €
    - Cash Flow from investments up from -0,708 Mio. € previous year to -0,485 Mio. € mainly due to increase in intangible assets and less invest
    - Cash flow from financing activities down from 1,313 Mio. € previous year to 0,710 Mio. € mainly due to Lower equity raise and payback of loan from TÜV Süd JV
- ⇒ Overall cash flow positive 0,611 Mio. € in 2021
- ⇒ Year End cash and cash equivalent up to 1,125 Mio. €

1. Overall Business Model of LION Smart is working
  - Growing market size expected, resulting in growing demand for Integrated Business
  - Taking over BMW Battery business is expected to improve LION Smart's ability to facilitate further grows
  
2. Higher sales lead to higher gross profit
  - LION Smart is investing additional money in people to
    - Increase Sales Activities for Integration business as well as Light Battery
    - Improve Maturity of „Light Battery“ and „Battery Management System“, by adding additional resources
  
3. Revenue for 2021 is expected to be not qualified

## 1. Guidance for 2022

- Revenue in the Ball park of 50-60 Mio. € (growth rates between 70-100% compared to 2021)
  - Current existing orders are higher as above guidance, but due to limitation on supply chain management cannot project higher
  - Projections may vary with volatility in supply chain as well as Q3 ending of BMW production thus missing volumes cannot be recovered in 2nd. half of 2022
- EBIT is expected to stay negative in 2022 due to investment activities in LION Smart Production ramp-up and further invest in Product lines „Light Battery“ and „Battery Management Systems“

# Status Update BMW Licence



Update to Feb. 2022

- Plan remains unchanged to finalize as soon as BMW gives us firm handover date
- Regular communication with BMW
- Market will be informed as soon as signing is completed
- Pre-signing activities continue as described during last call - where it makes sense
- Management stays positive to close deal

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