



**Earnings call Q1/ 2023**

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- 1. Q1/ 2023 Result (non Audited)**
2. Update LION Smart Production
3. Update LIGHT Battery
4. Miscellaneous

## Introduction

1. As started with the reporting from last year, LION Group will report results per legal entity as well as consolidated group results
2. Q1 quarter over quarter comparison is made between consolidated LION Group numbers and LION Smart GmbH
  - Effective 01.01.23 all sales of Integration Business (I3 Packs) is handled over the LION Smart Production GmbH
  - LION Smart GmbH will become Sales and R&D Center, both for LION Smart Production as well as for new products like Light Battery
  - Subsequently LION Smart Production will report sales and profit, while LION Smart will report mainly cost
  - Intercompany crosscharge is established to balance
3. Q1/2023 Sales is executed from LION Smart inventory only, Q2/2023 sales is expected to be a mix of inventory and own production
4. Intracompany cross charges are reflected in Q1/2023 numbers

# Q1 / 2023 Results



## Non Audited

Prel. figures in EUR M	LS GmbH Q1/23	LSP GmbH Q1/23	Consol. Q1/23	LS GmbH Q1/22	Cumulative change YoY
External sales	0.27	7.85	8.11	13.20	-5.09
Intercompany sales	1.45	0.00	0.00	0.00	0.00
Total output	1.68	7.85	8.08	13.09	-5.01
Gross margin	1.31	1.71	1.56	1.25	0.31
EBITDA	-1.29	0.88	-0.41	-0.03	-0.39
EBIT	-1.32	0.87	-0.45	-0.06	-0.40
<b>Quarterly result</b>	<b>-1.43</b>	<b>0.77</b>	<b>-0.66</b>	<b>-0.07</b>	<b>-0.59</b>

\*LS GmbH: LION Smart GmbH, Garching

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

1. As stated in *key messages* in the last earnings call, Q1 / 2023 revenue is lower compared to Q1 last year as customers using their own stock
2. Despite lower revenue, gross margin improved
3. Start-up cost for own production in Q1 / 2023 have been absorbed, resulting in a relatively small loss

# Q1 / 2023 Results



## Sales and Income - Non Audited

	LS GmbH	LSP GmbH	Consolidated	Q1/2022
EUR	01.01.2023 - 31.03.2023	01.01.2023 - 31.03.2023	01.01.2023 - 31.03.2023	01.01.2022 - 31.12.2022
Sales	265.590	7.848.752	8.114.341	13.200.596
Intercompany sales	1.453.618	0	0	0
Decrease/ Increase in inventories of finished goods and work in progress	(34.713)	0	(34.713)	(107.149)
Own work capitalized	0	0	0	0
<b>Total output</b>	<b>1.684.494</b>	<b>7.848.752</b>	<b>8.079.628</b>	<b>13.093.447</b>
<b>Cost of materials</b>	<b>(374.628)</b>	<b>(6.140.358)</b>	<b>(6.514.986)</b>	<b>(11.839.085)</b>
<b>Gross profit</b>	<b>1.309.866</b>	<b>1.708.394</b>	<b>1.564.642</b>	<b>1.254.362</b>

- Q1 / 2023 sales lower compared to Q1 / 2022
  - Consolidated sales of EUR 8.1M compared to EUR 13.2M in Q1/2022
  - Some customers still use stock from last year
  - Sales is expected to grow next quarter as customers are expected to call more products from LION Smart Production
- Intercompany sales with EUR 1.5M for services provided from LION Smart to LION Smart Production
- Material rate improved from 90% in Q1 / 2022 to 80% in Q1 / 2023
- Gross profit up from EUR 1.2M in Q1/2022 to EUR 1.6M in Q1/2023 despite lower sales

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

## People Cost and D&A- Non Audited

EUR	01.01.2023 - 31.03.2023	01.01.2023 - 31.03.2023	01.01.2023 - 31.03.2023	01.01.2022 - 31.12.2022
<b>Gross profit</b>	<b>1.309.866</b>	<b>1.708.394</b>	<b>1.564.642</b>	<b>1.254.362</b>
Other operating income	5.600	34.118	39.718	68.776
Personnel expenses	(1.087.962)	(252.835)	(1.340.797)	(868.042)
a.) Wages and salaries	(932.260)	(215.558)	(1.147.818)	(729.050)
b.) social security and pension expense	(155.702)	(37.277)	(192.980)	(138.992)
Other operating expense	(1.518.122)	(613.537)	(678.041)	(483.159)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>(1.290.618)</b>	<b>876.140</b>	<b>(414.478)</b>	<b>(28.064)</b>
Depreciation and amortization of intangible fixed assets and tangible fixed assets	(30.602)	(9.295)	(39.897)	(30.607)
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>(1.321.220)</b>	<b>866.845</b>	<b>(454.375)</b>	<b>(58.670)</b>

LS GmbH: LION Smart GmbH, Garching

LSP GmbH: LION Smart Production GmbH, Hildburghausen

1. Personal expenses up from EUR 0.9M in Q1/ 2022 to EUR 1.3M in Q1/ 2023
  - Higher costs due to additional team in LION Smart Production
  - Higher costs due to additional headcount in R&D in LION Smart
2. Depreciation slightly up compared to previous year
3. Operating expenses in Q1/ 2023 higher compared to Q1/ 2022, mainly due to cost of additional site in Hildburghausen
4. Consolidated EBIT in Q1/ 2023 negative by EUR 0.5M compared to EUR 0.1M loss in 2022

# Q1 / 2023 Results



## EBIT and EBT - Non Audited

	LS GmbH	LSP GmbH	Consolidated	Q1/2022
EUR	01.01.2023 - 31.03.2023	01.01.2023 - 31.03.2023	01.01.2023 - 31.03.2023	01.01.2022 - 31.12.2022
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>(1.321.220)</b>	<b>866.845</b>	<b>(454.375)</b>	<b>(58.670)</b>
Other interest and similar income	23.813	0	23.813	12.675
Interest and similar expenses	(132.126)	(96.865)	(228.992)	(20.168)
Financial result	<b>(108.313)</b>	<b>(96.865)</b>	<b>(205.178)</b>	<b>(7.493)</b>
<b>Earnings before taxes</b>	<b>(1.429.533)</b>	<b>769.979</b>	<b>(659.554)</b>	<b>(66.164)</b>
Taxes on income	0	0	0	0
Other tax	0	(197)	(197)	0
<b>Earnings after tax</b>	<b>(1.429.533)</b>	<b>769.782</b>	<b>(659.751)</b>	<b>(66.164)</b>

LS GmbH: LION Smart GmbH, Garching

LSP GmbH: LION Smart Production GmbH, Hildburghausen

1. Q1/ 2023 financial result lower compared to Q1/ 2022, mainly due to higher interest cost
2. LION Smart reports a consolidated EBT of EUR -0.7M.
  - LION Smart Production reported a positive EBT of EUR 0.8M, however due to use of the carry forward loss only minor tax payments are due
3. Overall earnings after tax in Q1/ 2023 is EUR -0.7M compared to EUR -0.1M in Q1/ 2022

# Balance Sheet and Cash Flow Q1/ 2023



## Assets - Non audited

	LS GmbH	LSP GmbH	Consolidated	LS GmbH	LSP GmbH	Consolidated
EUR	31.03.2023	31.03.2023	31.03.2023	31.12.2022	31.12.2022	31.12.2022
<b>ASSETS</b>						
<b>A. Fixed Assets</b>	<b>8.176.312</b>	<b>3.966.258</b>	<b>12.142.570</b>	<b>8.201.793</b>	<b>1.892.728</b>	<b>10.094.521</b>
I Intangible Assets	3.241.610	33.413	3.275.023	3.248.369	34.412	3.282.781
II Tangible Assets	344.143	3.932.844	4.276.987	362.865	1.858.316	2.221.181
III Financial Assets	4.590.560	0	4.590.560	4.590.560	0	4.590.560
<b>B. Current Assets</b>	<b>6.036.568</b>	<b>9.886.133</b>	<b>11.152.657</b>	<b>11.960.076</b>	<b>9.344.191</b>	<b>13.711.011</b>
I Inventories	55.151	3.881.258	3.936.409	99.466	6.449.225	6.548.692
II Receivables and other assets	5.169.255	4.171.383	4.570.594	10.328.225	1.879.583	4.614.552
III Bank balances, cash and cash equivalents	812.162	1.833.492	2.645.654	1.532.385	1.015.383	2.547.767
<b>C. Prepaid expenses</b>	<b>245.422</b>	<b>16.646</b>	<b>262.068</b>	<b>111.965</b>	<b>9.044</b>	<b>121.009</b>
<b>Total assets</b>	<b>14.458.302</b>	<b>13.869.037</b>	<b>23.557.294</b>	<b>20.273.835</b>	<b>11.245.963</b>	<b>23.926.541</b>

- Overall assets nearly unchanged at 23.6M end of Q1/2023
  - Fixed assets up from EUR 10.0M to EUR 12.1M mainly due to increase in tangible assets (e.g. assets under construction, factory) at LION Smart Production
  - Current assets down from EUR 13.7M in Q1/2022 to EUR 11.2 M in Q1/2023 mainly due to sale of inventory in LION Smart Production

LS GmbH: LION Smart GmbH, Garching

LSP GmbH: LION Smart Production GmbH, Hildburghausen

# Balance Sheet and Cash Flow Q1/ 2023



## Equity and Liabilities - Non audited

	LS GmbH	LSP GmbH	Consolidated	LS GmbH	LSP GmbH	Consolidated
EUR	31.03.2023	31.03.2023	31.03.2023	31.12.2022	31.12.2022	31.12.2022
<b>EQUITY AND LIABILITY</b>						
<b>A. Equity</b>	<b>6.115.918</b>	<b>(743.082)</b>	<b>5.372.836</b>	<b>7.545.451</b>	<b>(1.512.864)</b>	<b>6.032.587</b>
I Subscribed capital	129.500	25.000	154.500	129.500	25.000	154.500
II Capital reserve	9.766.550	0	9.766.550	9.766.550	0	9.766.550
III Accumulated losses brought forward	(2.350.599)	(1.537.864)	(3.888.463)	(4.309.265)	0	(4.309.265)
IV Result for the period	(1.429.533)	769.782	(659.751)	1.958.665	(1.537.864)	420.801
<b>B. Accruals</b>	<b>571.313</b>	<b>137.345</b>	<b>708.658</b>	<b>664.246</b>	<b>73.459</b>	<b>737.705</b>
<b>C. Liabilities</b>	<b>7.771.071</b>	<b>14.474.773</b>	<b>17.475.800</b>	<b>12.064.138</b>	<b>12.685.368</b>	<b>17.156.249</b>
<b>Total equity and liabilities</b>	<b>14.458.302</b>	<b>13.869.037</b>	<b>23.557.294</b>	<b>20.273.835</b>	<b>11.245.963</b>	<b>23.926.541</b>

- Equity down from EUR 6.0M end of 2022 to EUR 5.4M in Q1/2023
  - Accumulated loss of EUR 3.9M in Q1/23 versus EUR 4.3M end of 2022
- Liabilities and accruals nearly unchanged

LS GmbH: LION Smart GmbH, Garching

LSP GmbH: LION Smart Production GmbH, Hildburghausen

# Cash Flow Full year Q1/ 2023



Non audited

EUR	01.01.2023 - 31.03.2023	01.01.2023 - 31.03.2023	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
Result for the period	(1.429.533)	769.782	(659.751)	(66.164)
Cash flow from operating activities	(715.102)	827.707	112.605	749.559
Cash flow from investing activities	(5.121)	(9.597)	(14.718)	(290.480)
Cash flow from financing activities	-	-	-	550.000
Net change in cash and cash equivalents	(720.223)	818.110	97.887	1.009.079

1. Overall cash flow from operations positive by EUR 0.1M in 2022 compared to EUR 0.7M in Q1/ 2022
2. Cash flow from investments lower compared to Q1/2022
3. Cash flow from financing EUR 0M in Q1/2023 as no financing was done.

=> Net change in cash and equivalents of EUR 0.1M in Q1/ 2023 versus EUR 1.0M in Q1/ 2022

# Q1/ 2023 Key Messages



1. Company prepares for growth
  - Production site in Hildburghausen is ready for shipments
2. Q1/2023 sales was coming from LION Smart stock. Deliveries in Q2/2023 will be a mixture of inventory and own production.

1. Q1/2023 Result (non Audited)
- 2. Update LION Smart Production**
3. Update LIGHT Battery
4. Miscellaneous

# Update LION Smart Production

## Plant Hildburghausen

1. Product requalification finished
2. LION Smart will market it's own produced Battery packs under "LION Smart SE09"
3. LION Smart Production has produced SE09 battery packs from its production line, waiting in stock for customer shipment
4. Delivery to customer expected to start week commencing May 8th



LION Smart Production Team celebrates the start of production by signing the first battery

1. Q1/2023 Result (non Audited)
2. Update LION Smart Production
- 3. Update LIGHT Battery**
4. Miscellaneous

1. OEM Project LIGHT Battery Phase 2 is ongoing
  - Assembly of phase 2 LIGHT Battery is scheduled for May
  - Delivery of modules to customer is scheduled for June 2023
  - Customer testing is still expected to be done in Q3/2023

1. FY 2022 Result (non Audited)
2. Update LION Smart Production
3. Update LIGHT Battery
4. **Miscellaneous**

## FY 2022 - Audit Report

1. Financial audit report for FY 2022 is under review by external auditors
  - Final version is expected to be released in May (via separate announcement)

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