



**Earnings call, 24.03.2023**

**Full year 2022**

## People on the call



Alessio Basteri



Ian Mukherjee



Winfried Buss

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

# Full Year 2022 Result (non Audited)



## Background

1. Full year 2022 numbers will be reported for the 2 legal entities
  - LION Smart GmbH, Garching
  - LION Smart Production GmbH, Hildburghausen
  - Consolidated both entities
2. Revenue in 2022 was realized by LION Smart GmbH while LION Smart Production GmbH expensed start-up costs during 2022
3. True-up of both German companies by 31.12.2022
4. Comparison is done between 2021 LION Smart GmbH and 2022 consolidated figures of LION Smart companies, however both companies are shown separately

# Full year 2022 Results



## Non Audited

Preliminary figures in EUR million	LS GmbH* 2022	LSP GmbH** 2022	Consolidated 2022	Consolidated 2021	Cumulative change YoY
External Sales	53.76	0.00	53.76	29.61	+24.15
Intercompany sales	7.59	0.00	0.00	0.00	0.00
Total output	61.69	0.00	54.10	30.08	+24.0
EBITDA	2.12	-1.65	0.47	-0.70	+1.17
Annual result	2.06	-1.70	0.36	-1.00	+1.36

\*LS GmbH: LION Smart GmbH, Garching

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

1. Revenue Guidance was met with prox. EUR 54M Sales in 2022
2. Integration business with sale of battery packs is the main driver for the growth
3. In 2022 LION Smart & LION Smart Production could achieve a consolidated positive EBIT despite significant start-up cost for LION Smart Production GmbH

# Full year 2022 Results



## Sales and Income - Non Audited

	LS GmbH	LSP GmbH	Consolidated	2021
EUR	01.01.2022 - 31.12.2022	01.01.2022 - 31.12.2022	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Sales	53.759.969	0	53.759.969	29.608.747
Intercompany sales	7.593.256	0	0	0
De- / Increase in inventories of finished goods and work in progress	(316.286)	0	(316.286)	144.360
Own work capitalized	654.193	0	654.193	330.556
<b>Total output</b>	<b>61.691.132</b>	<b>0</b>	<b>54.097.876</b>	<b>30.083.663</b>
Cost of materials	(52.917.692)	(3.762)	(46.472.228)	(25.939.911)
<b>Gross profit</b>	<b>8.773.440</b>	<b>(3.762)</b>	<b>7.625.648</b>	<b>4.143.752</b>

LS GmbH: LION Smart GmbH, Garching

LSP GmbH: LION Smart Production GmbH, Hildburghausen

1. Fully year 2022 Sales higher compared to 2021
  - Sales up from EUR 29.6M in 2021 to EUR 53.8M in 2022
  - Result in line with EUR 50-55M full year guidance given in last announcement
2. Intercompany sales with EUR 6.4M for transfer of Inventory from LION Smart to LION Smart Production and EUR 1.1M for intercompany services; these intercompany sales are consolidated with cost of materials sold and operating costs at LS. At LSP, these goods purchased are in inventory and the intercompany services at operating costs.
3. Material Rate with prox. 86% (2022) remains nearly unchanged to 2021
4. Gross Profit of EUR 7.6M in 2022 compared to EUR 4.1M in 2021

# Full year 2022 Results



## People Cost and D&A- Non Audited

	LS GmbH	LSP GmbH	Consolidated	2021
EUR	01.01.2022 - 31.12.2022	01.01.2022 - 31.12.2022	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
<b>Gross profit</b>	<b>8.773.440</b>	<b>(3.762)</b>	<b>7.625.648</b>	<b>4.143.752</b>
Other operating income	418.473	30.079	448.552	364.432
Personnel expenses	(3.561.396)	(312.322)	(3.873.718)	(3.020.126)
a.) Wages and salaries	(3.000.811)	(258.460)	(3.259.272)	(2.510.703)
b.) social security and pension expense	(560.585)	(53.862)	(614.447)	(509.423)
Depreciation and amortization of intangible fixed assets and tangible fixed assets	(134.376)	(7.226)	(141.602)	(330.848)
Other operating expense	(3.510.373)	(1.366.671)	(3.733.013)	(2.189.934)
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>1.985.768</b>	<b>(1.659.902)</b>	<b>325.866</b>	<b>(1.032.724)</b>

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

1. Personal Expense up from EUR 3.0M in 2021 to EUR 3.9M in 2022
  - Higher Cost due to additional team in LION Smart Production
  - Higher cost due to additional Headcount in R&D in Lion Smart
2. Depreciation slightly lower compared to previous year
3. Operating Expense in 2022 higher compared to previous year, mainly due to consulting work in LION Smart as well as additional site in Hildburghausen
4. Consolidated EBIT in 2022 positive by EUR 0.3M compared to EUR 1.0M loss in 2021

# Full year 2022 Results



## EBIT and EBT - Non Audited

	LS GmbH	LSP GmbH	Consolidated	2021
EUR	01.01.2022 - 31.12.2022	01.01.2022 - 31.12.2022	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
<b>Earnings before Interest and Taxes (EBIT)</b>	<b>1.985.768</b>	<b>(1.659.902)</b>	<b>325.866</b>	<b>(1.032.724)</b>
Other interest and similar income	167.394	0	167.394	56.303
Interest and similar expenses	(55.163)	(40.884)	(96.047)	(26.871)
Financial result	<b>112.232</b>	<b>(40.884)</b>	<b>71.348</b>	<b>29.432</b>
<b>Earnings before taxes</b>	<b>2.097.999</b>	<b>(1.700.786)</b>	<b>397.214</b>	<b>(1.003.292)</b>
Taxes on income	(34.662)	0	(34.662)	0
Other tax	(648)	(645)	(1.293)	(684)
<b>Earnings after tax</b>	<b>2.062.689</b>	<b>(1.701.431)</b>	<b>361.259</b>	<b>(1.003.976)</b>

LS GmbH: LION Smart GmbH, Garching

LSP GmbH: LION Smart Production GmbH, Hildburghausen

1. 2022 Financial result slightly higher compared to 2021, mainly due to higher interest received
2. LION Smart reports an EBT of EUR 0.4M, however due to use of the carry forward loss only minor tax payments are due
3. Overall Earnings after tax in 2022 is EUR 0.4M compared to EUR -1.0M in 2021

# Balance Sheet and Cash Flow Full year 2022



## Assets - Non audited

	LS GmbH	LSP GmbH	Consolidated	2021
EUR	31.12.2022	31.12.2022	31.12.2022	31.12.2021
<b>ASSETS</b>				
<b>A. Fixed Assets</b>	<b>8.097.765</b>	<b>1.729.161</b>	<b>9.826.926</b>	<b>7.434.350</b>
I Intangible Assets	3.144.340	2.536	3.146.876	2.488.073
II Tangible Assets	362.865	1.726.625	2.089.490	355.718
III Financial Assets	4.590.560	-	4.590.560	4.590.560
<b>B. Current Assets</b>	<b>12.200.714</b>	<b>9.311.294</b>	<b>13.918.752</b>	<b>5.966.175</b>
I Inventories	418.985	6.471.225	6.890.211	508.088
II Receivables and other assets	10.249.344	1.824.686	4.480.774	4.332.357
III Bank balances, cash and cash equivalents	1.532.385	1.015.383	2.547.767	1.125.730
<b>C. Prepaid expenses</b>	<b>111.965</b>	<b>9.044</b>	<b>121.009</b>	<b>79.840</b>
<b>Total assets</b>	<b>20.410.444</b>	<b>11.049.499</b>	<b>23.866.687</b>	<b>13.480.366</b>

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

1. Overall Increase from EUR 13.5M end of 2021 to EUR 23.9M in 2022

- Fixed assets up from EUR 7.4M to EUR 9.8M mainly due to capitalisation of R&D work as well as assets under construction in LION Smart Production
- Current assets up from EUR 6.0M in 2021 to EUR 13.9M in 2022 mainly due to higher inventory in LION Smart Production as well as cash and cash equivalents

# Balance Sheet and Cash Flow Full year 2022



## Equity and Liabilities - Non audited

EUR	31.12.2022	31.12.2022	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITY</b>				
<b>A. Equity</b>	<b>7.649.475</b>	<b>(1.676.431)</b>	<b>5.973.044</b>	<b>5.586.785</b>
I Subscribed capital	129.500	25.000	154.500	129.500
II Capital reserve	9.766.550	-	9.766.550	9.766.550
III Accumulated losses brought forward	(4.309.265)	0	(4.309.265)	(3.305.289)
IV Result for the period	2.062.689	(1.701.431)	361.259	- 1.003.976
<b>B. Accruals</b>	<b>664.246</b>	<b>73.459</b>	<b>737.705</b>	<b>432.037</b>
<b>C. Liabilities</b>	<b>12.096.723</b>	<b>12.652.471</b>	<b>17.155.937</b>	<b>7.461.543</b>
<b>Total equity and liabilities</b>	<b>20.410.444</b>	<b>11.049.499</b>	<b>23.866.687</b>	<b>13.480.366</b>

1. Equity up to EUR 6.0M compared to EUR 5.6M in 2021

- Subscribed capital higher due to equity of LION Smart Production GmbH
- Accumulated loss brought forward up by prox. EUR 1M from 2021 to 2022
- Liabilities increased from EUR 7.5M to EUR 17.1M mainly due to increase of payables to affiliated companies

# Cash Flow Full year 2022



## Non audited

	LS GmbH	LSP GmbH	Consolidated	2021
EUR	01.01.2022 - 31.12.2022	01.01.2022 - 31.12.2022	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
<b>Result for the period</b>	<b>2.062.689</b>	<b>(1.701.431)</b>	<b>361.259</b>	<b>(1.003.976)</b>
<b>Cash flow from operating activities</b>	<b>(3.072.356)</b>	<b>(2.795.288)</b>	<b>(5.867.644)</b>	<b>386.724</b>
<b>Cash flow from investing activities</b>	<b>(1.070.990)</b>	<b>(914.329)</b>	<b>(1.985.319)</b>	<b>(485.660)</b>
<b>Cash flow from financing activities</b>	<b>4.550.000</b>	<b>4.725.000</b>	<b>9.275.000</b>	<b>710.000</b>
<b>Net change in cash and cash equivalents</b>	<b>406.654</b>	<b>1.015.383</b>	<b>1.422.037</b>	<b>611.064</b>

1. Overall Cash Flow from operations negative by EUR 5.9M in 2022 compared to EUR 0.4M in 2021
  - Financing of inventory for production transfer period
2. Cash Flow from investments higher compared to 2021, mainly due to capitalisation of R&D Work as well as invest in LION Smart Production
3. Cash Flow from Financing higher due to financing of inventory as well as invests in LION Smart Production

=> Net change in Cash and Equivalents up from EUR 0.6M in 2021 to EUR 1.4M in 2022

# 2022 Key Messages



1. Company continues on its growth path
  - Revenue for 2022 Significantly up compared to 2021 , so growth momentum remains solid
  - Previous given guidance of EUR 50-55M for 2022 was met
  - Overall LION Smart companies delivered a consolidated positive full year 2022 EBIT
2. Q4/2022 Sales was coming from LION Smart Stock. Deliveries in the first half of 2023 will be a mixture of inventory and own production.
3. As customers also have built-up own stock in parallel, LION Smart Sales in the first half of 2023 is expected to be lower compared to second half of 2023

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

# Update LION Smart Production



## Plant Hildburghausen

1. Relocation of production line and installation completed
2. Product Requalification ongoing
3. Deliveries to customers planned 2nd half of April 2023
4. Official opening ceremony is expected to be held end of Q2/ 2023



**LION Smart**  
PRODUCTION 

**START OF PRODUCTION**

**2023**



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

# Update LIGHT Battery



## Customer prototype Project

1. OEM Project LIGHT Battery Phase 2 was re-scheduled due to lessons learned and optimization of LIGHT Battery from Phase 1
  - Improvements for Phase 2 LIGHT battery sample will be implemented in April
  - Assembly of Phase 2 LIGHT battery is now scheduled for May
  - Delivery of modules to customer is scheduled for May/ June 2023
  - Customer testing is expected to be done in Q3/2023

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

# Welcome to our new Global Head of Sales



## Michael Reich



Michael has many years of experience as Sales Manager, Head of Sales and Head of Program Management at OSRAM Group.

Most recently, he was Head of Sales and Program Management at OSRAM Continental and Plastic Omnium Lighting for BMW and ZKW. Prior to that, Michael led the OSRAM Automotive sales team from Asia, and he had responsibility for the OEM business in APAC. Before this, he was Global Key Account Manager responsible for the business with the customer Continental Automotive, representing all business units of OSRAM at this customer. Michael started his career in application engineering and product marketing at OSRAM Opto Semiconductors.

Michael holds a degree in business administration from the Cooperative State University Stuttgart, and a master's degree in electrical engineering from the Technical University of Hamburg-Harburg.

Michael is 47 years old, married and has two children.

2018-2023	Head of Sales and Program Management, OSRAM Continental GmbH, et al., Germany
2015-2017	Head of Sales, Automotive, OSRAM Asia Ltd., Singapore
2012-2015	Key Account Management, Automotive, OSRAM GmbH, Germany
2006-2011	Several Positions at OSRAM Opto Semiconductors GmbH, Germany

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