

POWERED BY **R3E**

# Q2 2022 Results & Business Update

August 16, 2022



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This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plan,” “projects,” “believes,” “views,” “estimates”, “future”, “allow”, “aims”, “strives” “endeavors” and similar expressions are used to identify these forward-looking statements. These statements include, among other things, the Company’s statements about the Company’s strategic and business plans, relationship or outlook, the impact of trends on and interest in its business, intellectual property product and future results. These forward-looking statements are based on REE’s expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond REE’s control. Forward-looking statements in this or any other REE communication are only as of the date made and REE undertakes no obligation to update its forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. In light of these risks and uncertainties, investors should keep in mind that results, events or developments discussed in any forward-looking statement made in this communication may not occur. Uncertainties and risk factors that could affect REE’s future performance and cause results to differ from the forward-looking statements in this release include, but are not limited to: REE’s ability to commercialize its strategic plan; REE’s ability to maintain and advance relationships with current Tier 1 suppliers and strategic partners; development of REE’s advanced prototypes into marketable products; REE’s ability to grow and scale manufacturing capacity through relationships with Tier 1 suppliers; REE’s estimates of unit sales, expenses and profitability and underlying assumptions; REE’s reliance on its UK Engineering Center of Excellence for the design, validation, verification, testing and homologation of its products; REE’s limited operating history; risks associated with REE’s plans for initial commercial production; the ability of raw materials and other critical components including semiconductor microchips; REE’s dependence on potential suppliers, some of which will be single or limited source; development of the market for commercial EVs; intense competition in the e-mobility space, including with competitors who have significantly more resources; risks related to the fact that the Company is incorporated in Israel and governed by Israeli law; REE’s ability to make continued investments in its platform; the impact of the ongoing COVID-19 pandemic and any other worldwide health epidemics or outbreaks that may arise, including any impacts on supply chain in the automotive industry; macroeconomic factors such as inflation; the need to attract, train and retain highly-skilled technical workforce; changes in laws and regulations that impact REE; REE’s ability to enforce, protect and maintain intellectual property rights; REE’s ability to retain engineers and other highly qualified employees to further its goals; and other risks and uncertainties set forth in the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in REE’s Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 28, 2022 and in subsequent filings with the SEC.

### Industry and Market Data

In this presentation, REE may rely on and refer to publicly available information and statistics regarding market participants in the sectors in which REE competes and other industry data. Any comparison of REE to the industry or to any of its competitors is based on this publicly available information and statistics and such comparisons assume the reliability of the information available to REE. REE obtained this information and statistics from third-party sources, including reports by market research firms and company filings. While REE believes such third-party information is reliable, there can be no assurance as to the accuracy or completeness of the indicated information. REE has not independently verified the information provided by third-party sources.

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The Company has disclosed financial measurements in this press release that present financial information considered to be non-GAAP financial measures. These measurements are not a substitute for GAAP measurements, although the Company’s management uses these measurements as an aid in monitoring the Company’s on-going financial performance. Non-GAAP research and development, non-GAAP selling, general and administrative expenses and non-GAAP operating expenses exclude the impact of stock-based compensation. Non-GAAP net loss and non-GAAP loss per share also exclude non-recurring or unusual items that are considered by management to be outside the Company’s standard operations and certain non-cash items. Adjusted EBITDA is a non-GAAP financial measurement that is considered by management to be useful in comparing the profitability among companies by reflecting operating results of the Company excluding such items. There are limitations associated with the use of non-GAAP financial measures, including that such measures may not be comparable to similarly titled measures used by other companies due to potential differences among calculation methodologies. Thus, there can be no assurance whether items excluded from the non-GAAP financial measures will occur in the future or there will be cash costs associated with items excluded from the non-GAAP financial measures. The Company uses these non-GAAP financial measures as supplements to GAAP financial measures and by providing the reconciliations for the non-GAAP financial measures to their most comparable GAAP financial measures. Investors should consider adjusted measures in addition to, and not as a substitute for, or superior to, financial performance measures prepared in accordance with GAAP.



**Daniel Barel**  
Co-Founder & CEO

# Executing On Time and On Budget

## 2019

- ✔ Core engineering
- ✔ Out of stealth mode after 6 years

## 2020

- ✔ Supply chain
- ✔ Tech validation

## 2021

- ✔ Ecosystem partnerships
- ✔ Production readiness
- ✔ XBW homologation path
- ✔ Platform evaluation
- ✔ P7 funding

## 2022

- ✔ Platform testing with driver
- ✔ Robotic assembly capability
- ✔ **Customer evaluations of Proxima Powered by REE**
- ✔ **Customer evaluations of REE's P7-B box truck**
- ✔ Initial 10,000 sets capacity
- ✔ Hino FlatFormer prototype tests

## 2023E

- ✔ Platform homologation
- ✔ Full vehicles on public roads
- ✔ Test fleets at customers
- ✔ Start of production
- ✔ 20,000 sets capacity



# Unveiled Two New Vehicles Powered by REE's P-7 platform

- ✔ Positive feedback and strong interest from leading commercial fleet operators and owners in North America and Europe
- ✔ Expect to receive firm orders for multiple test fleets in the coming months

REE's P7-B  
Class 3 box truck



Proxima Powered by REE  
Class 5 walk-in van,



# Proxima Powered by REE

## Proxima body by JBPCO's EAVX/Morgan Olson

- ✓ EAVX: design, engineering, integration, collaboration
- ✓ Morgan Olson: brand-new van body, manufacturing
- ✓ Decades of step-van body manufacturing
- ✓ Strong customer base and knowledge of fleet needs

## P7 chassis by REE

- ✓ REEcorner / x-by-wire tech
- ✓ Low & flat stripped chassis
- ✓ Data intelligence & connectivity
- ✓ Fast time to market
- ✓ All-wheel drive and all-wheel steer



## Proxima and P7 together yields lower TCO:

- ✓ **Faster delivery times:** all-wheel steer maneuverability; low, flat floor
- ✓ **Energy efficiency:** 56% improved aerodynamics, AWD for 2x regen and optimized power consumption
- ✓ **Improved safety:** 73% better visibility, smaller turning radius, enhanced maneuverability, stability in adverse conditions
- ✓ **Low, flat floor:** easier driver access, faster deliveries
- ✓ **Minimal down time:** OTA updates, 1-hour REEcorner swap
- ✓ **Digital infrastructure:** data intelligence for operational savings and connectivity



## Taking Proxima Powered by REE to Market

Successful customer evaluations with excellent feedback

REE expects to receive firm orders for test fleets from multiple customers

REE expects to receive larger orders after customers collect validating data and positive driver feedback

Partnership with EAVX and Morgan Olson, the leading CV body manufacturer in North America, provides competitive advantage

Homologation activities are progressing on track at both the component and system level

Core control system software and functional safety development progressing according to plan

# Positive and encouraging Customer Evaluations on REE's P7-B, a Class 3 Box Truck

## Designed and built by REE

- ✓ All-by-wire electric truck based on REE's P7 modular chassis
- ✓ Built in response to market needs to electrify class 3, one of the fastest growing commercial EV segments
- ✓ Customer feedback: 'drives like a sedan but built to deliver under the harshest commercial duty cycle'
- ✓ On track for 2023 commercial production



## P7-B: top performance & maneuverability, lower TCO

- ✓ **Delivery efficiency<sup>1</sup>:** all-wheel steer maneuverability for 17% reduction in turning radius, low flat floor
- ✓ **Energy efficiency:** optimal underbody aerodynamics and highly efficient power management system & drive units
- ✓ **Driver centric cabin:** improved visibility, large instrument cluster with advanced and informative interface
- ✓ **Minimal down time:** OTA updates and 1-hour REEcorner swaps
- ✓ **Flexible configurations** available to best suit customer needs



# REE's P7 Paths to Market as MOR Class 3-6

## Stripped Chassis

Partnership with body upfitters



Proxima Powered by REE



## Target Customers + Products

- ✓ Delivery - Walk in Vans
- ✓ Cargo van
- ✓ Mobility as a Service

## Cab Chassis

Full vehicle built by REE



P7-B



- ✓ Box Trucks
- ✓ Public Transit
- ✓ Recreational Vehicles
- ✓ Vocational Upfits

**Joshua Tech**  
COO

# On-Track for 2023 Start of Production

- ✔ UK engineering team built out
- ✔ All key engineering functions are in-house
- ✔ Process management and infrastructure in place
- ✔ Verification and validation activities progressing towards production of design intent builds in Q4 22
- ✔ First assembly line build in progress, expected to have capacity of 10,000 vehicle sets by 2022 year-end
- ✔ Fit out underway in Austin, Texas with the shell of the integration center built.



# Production – R3E Smart Factory

## Advantages

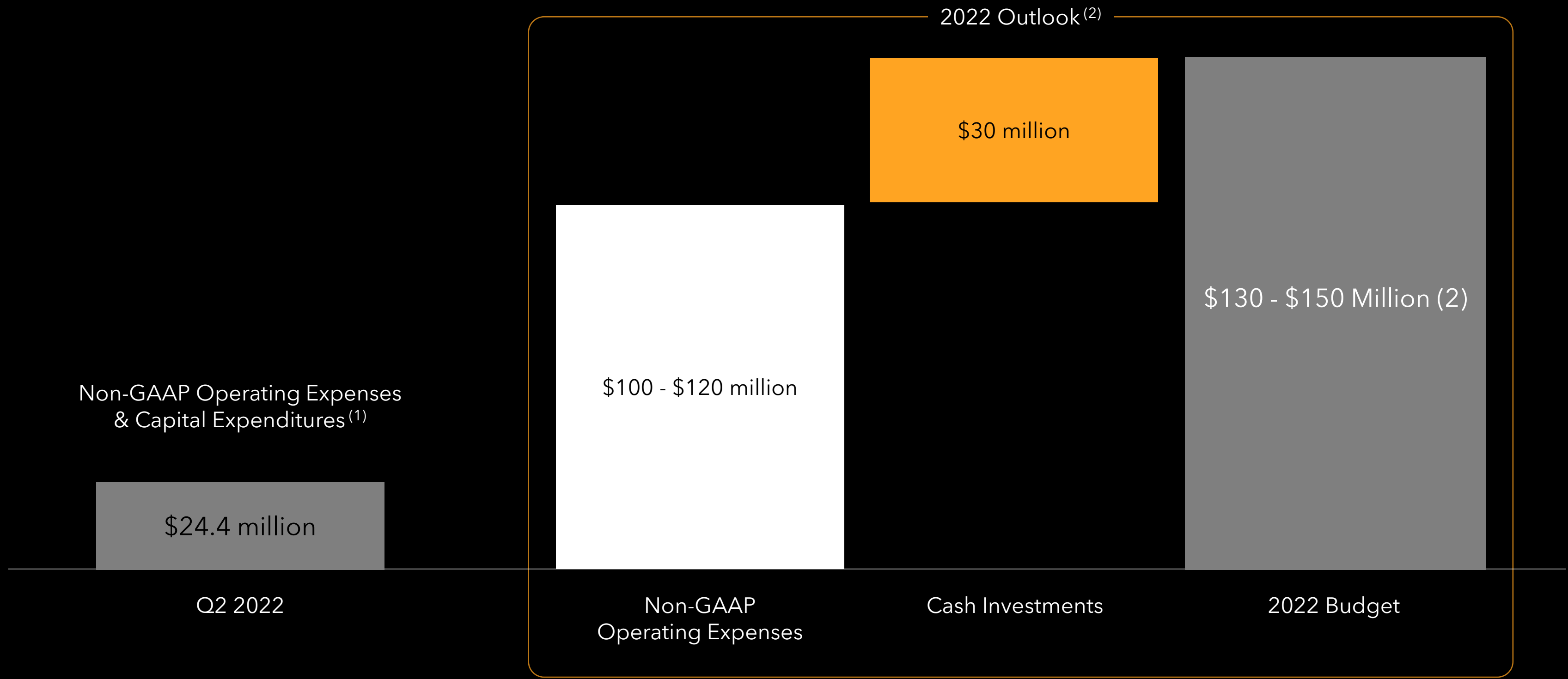
- ✔ **Automated and Connected Manufacturing System**
- ✔ **CapEx light**  
Component assembly at integration centers without complex manufacturing
- ✔ **Globally Standardized**  
Eases scalability across geographic locations
- ✔ **Intellectual Vision System**  
No faults forward approach with integrated QC mechanism throughout
- ✔ **Remote Line Control**  
From anywhere in the world (single source of truth)
- ✔ **Station Modularity**  
Highly agile to respond to volume requirements, commonality across corners enables single line for complete vehicle sets
- ✔ **Industry Leading Business Systems**  
Manage operations seamlessly from order through delivery





**David Goldberg**  
CFO

# 2022 Financial Outlook



Outstanding cash & short-term investments  
as of June 30, 2022: \$206.8 million

# Thank you

[www.ree.auto](http://www.ree.auto)



# Reconciliation of GAAP to non-GAAP Measures<sup>1</sup>

Reconciliation of GAAP research and development expenses to Non-GAAP research and development expenses; GAAP selling, general, and administrative expenses to Non-GAAP selling, general, and administrative expenses; GAAP operating expenses to Non-GAAP operating expenses; GAAP net loss to Non-GAAP net loss, and GAAP net loss per Share, basic and diluted to Non-GAAP net loss per Share, basic and diluted

- 1) In July 2021, the Company assumed public and private warrants as part of its merger with 10X Capital. For the second quarter of 2022, the change in fair value of the warrants resulted in the Company recording non-cash income of \$2.4 million.
- 2) Prior period results have been retroactively adjusted to reflect the 1:26.7017 stock split and the changes in par value from 0.01 NIS to no par value effected on July 22, 2021.
- 3) Prior period results in our Statement of comprehensive loss for the three-month period ended March 31, 2022, related to "research and development expenses, net", have been reduced by approximately \$1.5 million. This adjustment was to correct our accrual for non-recurring engineering projects.

	Three Months Ended (dollars thousands, excepts EPS)		
	June 30, 2022	March 31, 2022	June 30, 2021
GAAP cost of sales expenses	\$9	\$ 538	\$ 4
Share-based compensation	(2)	(70)	–
Non-GAAP cost of sales expenses	7	468	4
GAAP research and development expenses	18,080	20,843	9,545
Share-based compensation	(3,390)	(3,207)	(1,537)
Non-GAAP research and development expenses	14,690	17,636	5,008
GAAP selling, general, and administrative expenses	11,330	15,288	21,590
Share-based compensation	(2,942)	(5,198)	(18,490)
Non-GAAP selling, general, and administrative expenses	8,388	10,090	3,100
GAAP operating expenses	29,410	36,131	31,135
Share-based compensation	(6,332)	(8,405)	(20,027)
Non-GAAP operating expenses	23,078	27,726	11,108
GAAP net loss	(25,248)	(21,461)	(31,176)
Loss (income) from warrant valuation <sup>(1)</sup>	(2,417)	(15,330)	–
Share-based compensation	6,334	8,475	20,027
Inventory write-off	–	–	–
Non-GAAP net loss	\$ (21,331)	\$ (28,316)	\$ (11,149)
Non-GAAP basic and diluted net loss per share	\$ (0.07)	\$ (0.10)	\$ (0.06)
Weighted average number of ordinary shares and preferred shares used in computing basic and diluted net loss per share <sup>(2)</sup>	292,189,047	289,747,646	198,999,979



# John Poindexter, Chairman & CEO

JB Poindexter and CO

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Parent company of EAVX and Morgan Olson,  
leading producer of walk-in step van bodies

[Watch the video](#) 

R3E

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Hi, I'm Dr Peter Dow,