

Q3 2022 Results & Business Update

November 16, 2022

POWERED BY **R3E**

Disclaimer

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. The contents hereof should not be construed as investment, legal, tax or other advice and you should consult your own advisers as to legal, business, tax and other related matters concerning an investment in REE.

Trademarks:

This presentation may contain trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to in this presentation may be listed without the TM, SM, © or ® symbols, but REE will assert, to the fullest extent under applicable law, the rights of the applicable owners, if any, to these trademarks, service marks, trade names and copyrights.

Use of Non-GAAP Financial Measures

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



Q3 Highlights

✓ Commercialization

Received orders
From anchor customers in US

Orders for both
P7-B + Proxima
Powered by REE

✓ Industrialization

UK Integration center - assembly equipment installed and in final validation

Commenced Production-intent builds, on track for 2H23 SOP

✓ Execution

Laser-focused on P7 programs

Achieving milestones on time and on budget

✓ Financing

Cash balance of \$185 M - P7 Programs Fully Funded

Reiterating full-year budget guidance

P7 Orders

All P7-based vehicles will have:

- ✓ Data intelligence & connectivity
- ✓ All-wheel drive and all-wheel steer
- ✓ Enhanced maneuverability + stability in adverse conditions
- ✓ REEcorner™ Swaps in less than an hour for minimum downtime and reduced TCO



Proxima Powered by REE (Class 5)

P7 Stripped Chassis + Body by JBPCo's EAVX + Morgan Olson:

- ✓ 56% improved Aerodynamics, 73% better Visibility¹
- ✓ 12" lower load floor for optimal ergonomics



P7-B Box Truck (Class 3)

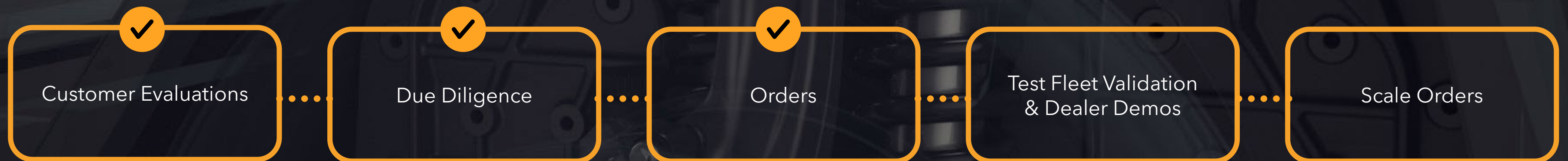
P7 Cab-Chassis + Box:

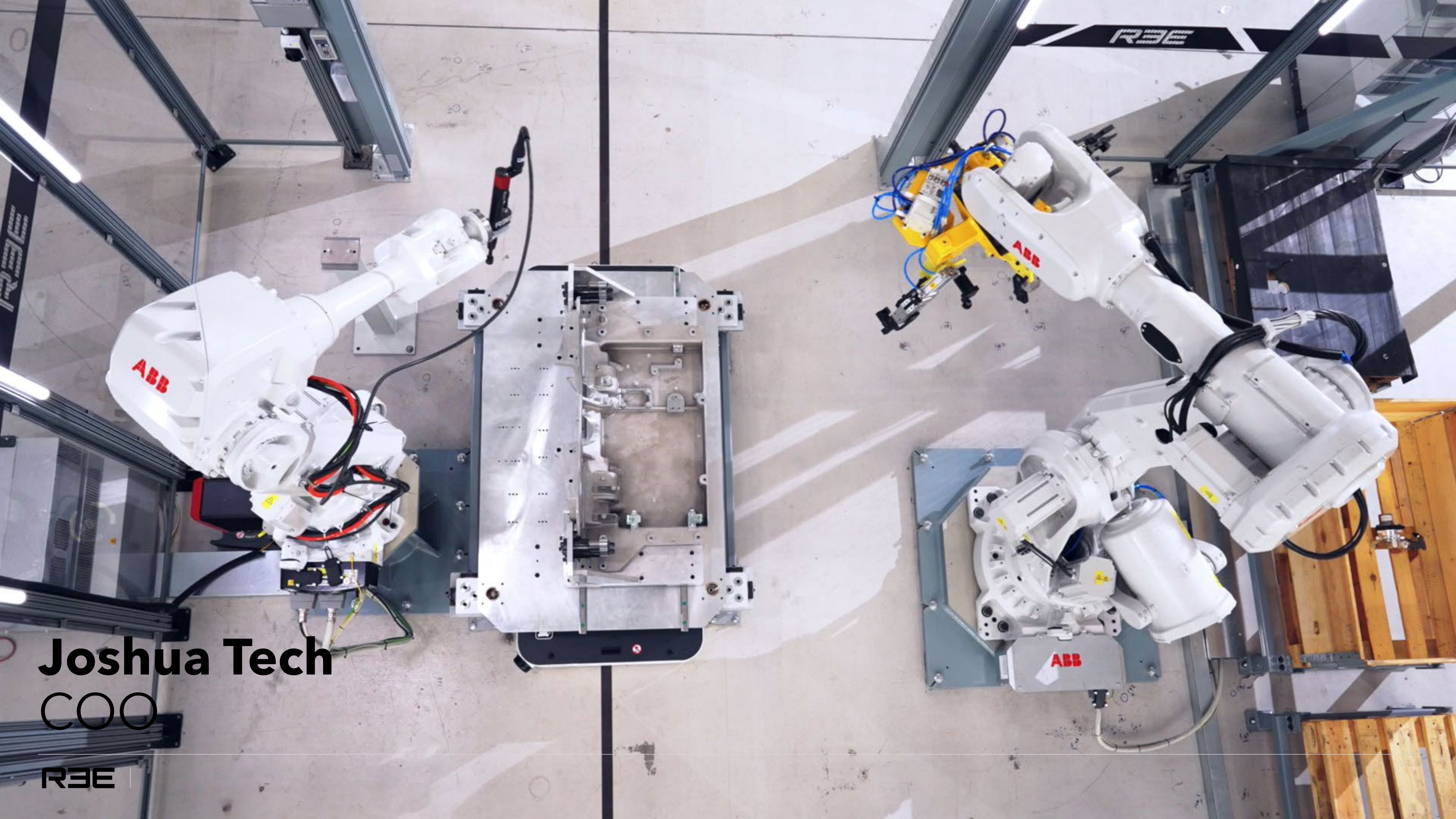
- ✓ 25% more cargo volume for a given footprint
- ✓ Up to 45% lower load floor height than traditional box trucks

Path to Scale Orders, Rapid Adoption

First orders for Proxima Powered by REE class 5 walk-in step vans and P7B class 3 box trucks received, following:

- ✔ Demonstration events held the last quarter in the US and Europe
- ✔ Due diligence by customers
- ✔ Production - intent P7 chassis builds have begun
- ✔ We will deliver fully homologated vehicles for use on public roads in the US; P7-B and, with EAVX, Proxima Powered by REE
- ✔ We believe that these orders will be the first in a series to be announced as discussions continue with multiple delivery, logistics and e-commerce prospective customers.



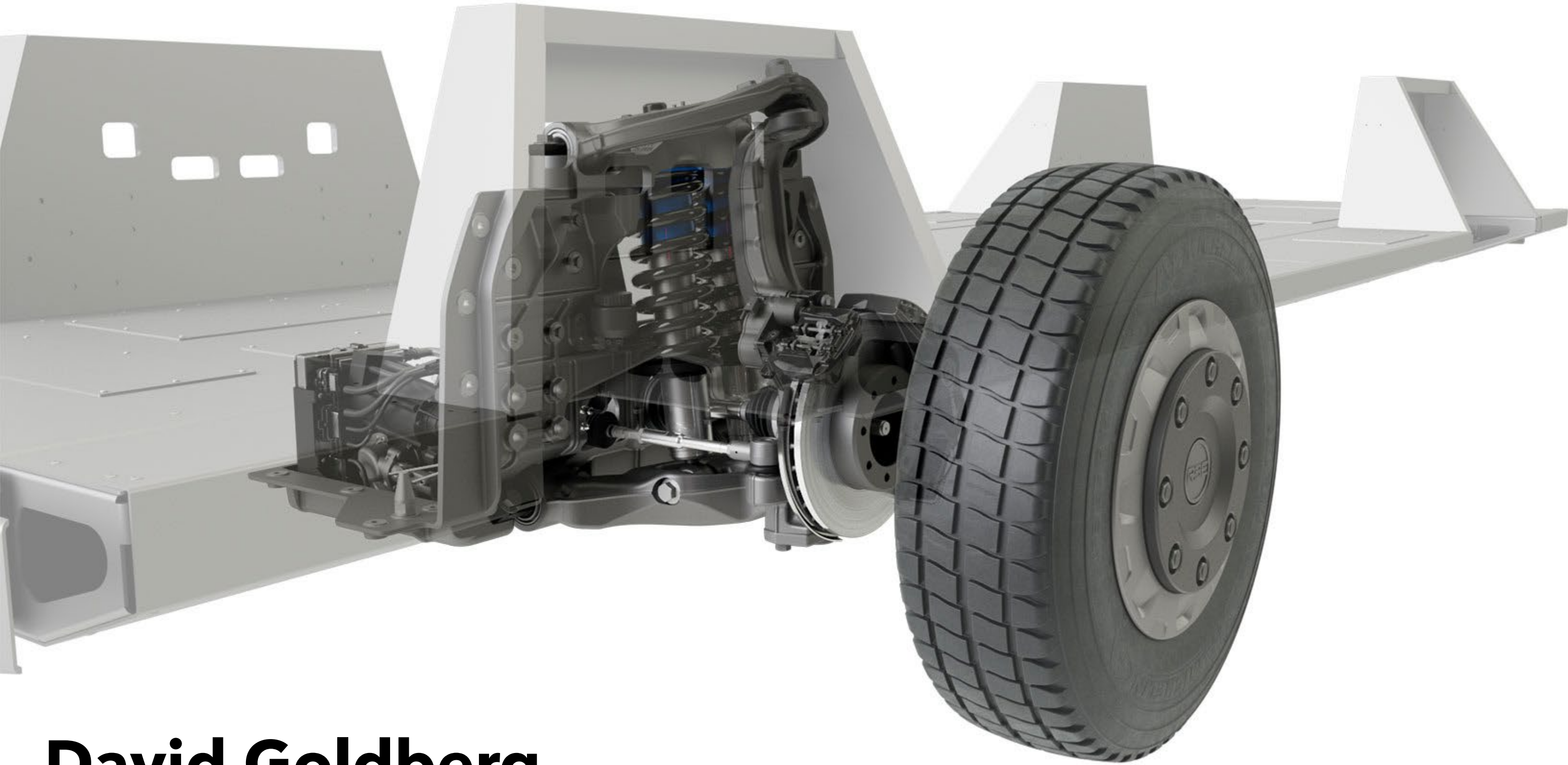


Joshua Tech
COO
R3E

On-Track for 2023 Start of Production

- ✓ UK engineering team + Integration Center is built-out
- ✓ First UK assembly line build in progress, expected to have capacity of 10,000 vehicle sets by 2022 year-end
- ✓ All key product engineering functions are in-house
- ✓ Process management and infrastructure is in-place
- ✓ Verification and validation activities support the commencement of production - intent builds Q4 2022
- ✓ Integration Centers comprised of:
 - ✓ Robotic assembly cells, end-of-line electrical tests, and auto-boxing stations
 - ✓ Greater flexibility and scalability than traditional production lines
 - ✓ Autonomous Guided Vehicles (AGVs) to transport Work-in-progress material between stations
 - ✓ Autonomous Mobile Robots will transport sub-assemblies to the line





David Goldberg
CFO

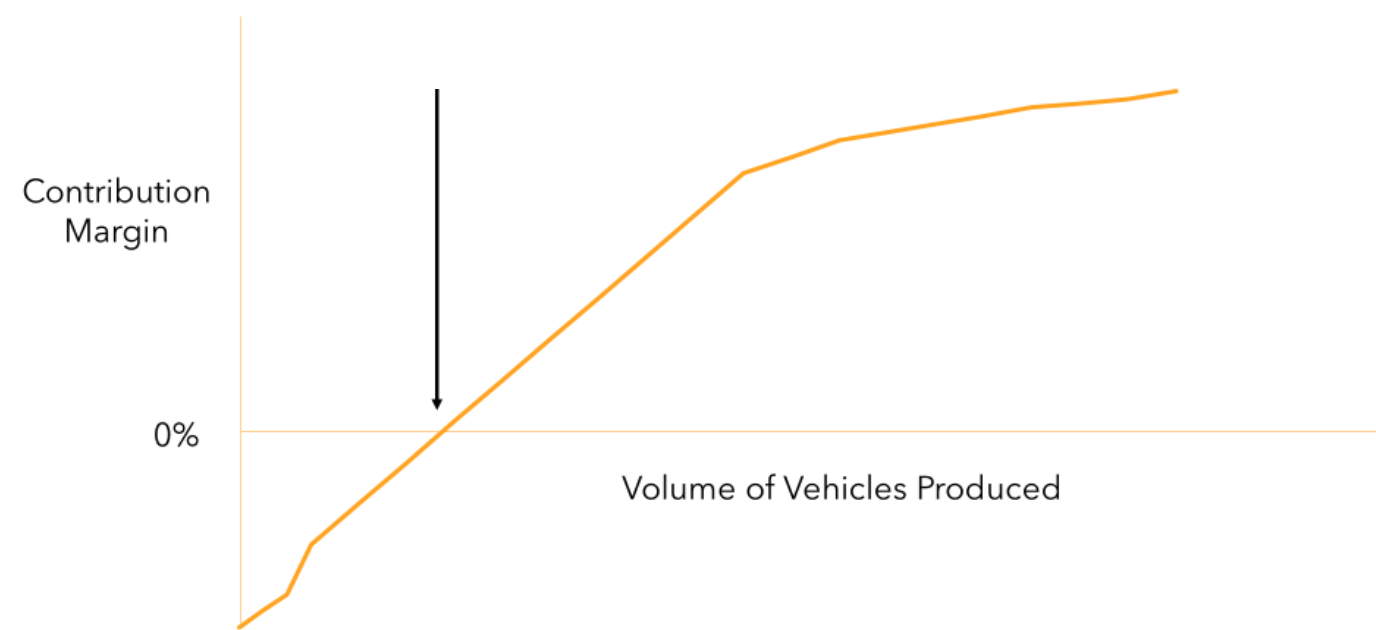
Unit Economics Guidance

Breakeven Contribution Margins at relatively low volumes

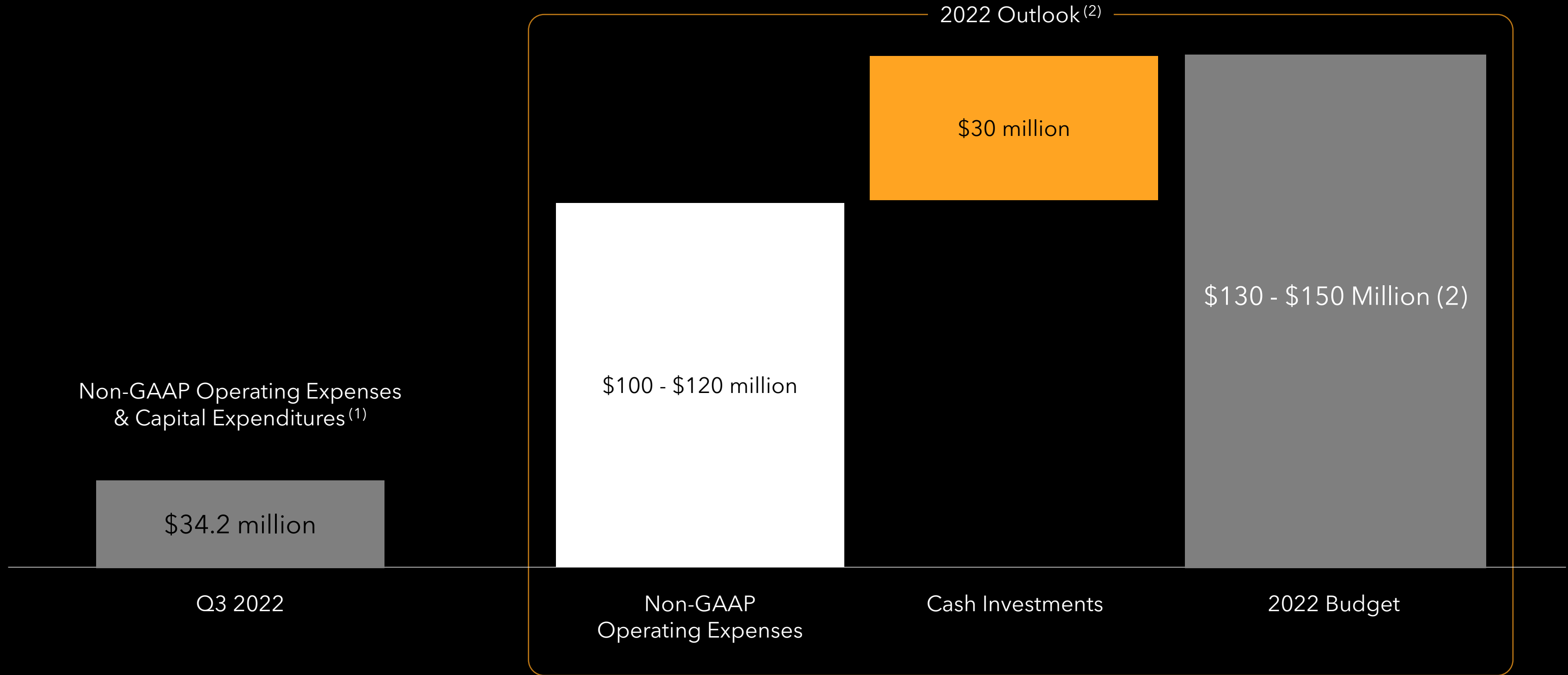
Given:

- ✔ Competitive Pricing for Proxima Powered by REE & P7-B Box Truck
- ✔ Known Input Costs

Breakeven Contribution Margins can be achieved at volumes in the low thousands of units at our UK Integration Center



2022 Financial Outlook



Outstanding cash & short-term investments
as of Sept 30, 2022: \$185.1 million



Q & A

www.ree.auto



Reconciliation of GAAP to non-GAAP Measures¹

	Three Months Ended			Nine Months Ended	
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
GAAP cost of sales expenses	–	9	324	547	339
Share-based compensation	–	(2)	(309)	(72)	(309)
Non-GAAP cost of sales expenses	–	7	15	475	30
GAAP research and development expenses	20,879	18,080	212,438	59,802	229,132
Share-based compensation	(3,664)	(3,390)	(200,194)	(10,261)	(203,376)
Non-GAAP research and development expenses	17,215	14,690	12,244	49,541	25,756
GAAP selling, general, and administrative expenses	13,194	11,330	219,507	39,812	246,545
Transaction costs related to warrants	–	–	(2,887)	–	(2,887)
Share-based compensation	(2,699)	(2,942)	(209,326)	(10,839)	(230,277)
Non-GAAP selling, general, and administrative expenses	10,495	8,388	7,294	28,973	13,381
GAAP operating expenses	34,073	29,410	431,945	99,614	475,677
Transaction costs related to warrants	–	–	(2,887)	–	(2,887)
Share-based compensation	(6,363)	(6,332)	(409,520)	(21,100)	(433,653)
Non-GAAP operating expenses	27,710	23,078	19,538	78,514	39,137
GAAP net loss	(33,452)	(25,248)	(414,905)	(80,161)	(458,679)
Loss (income) from warrant valuation ⁽¹⁾	(182)	(2,417)	(17,263)	(17,929)	(17,263)
Transaction costs related to warrants	–	–	2,887	–	2,887
Share-based compensation	6,363	6,334	409,829	21,172	433,962
Non-GAAP net loss	(27,271)	(21,331)	(19,452)	(76,918)	(39,093)
Weighted average number of ordinary shares and preferred shares used in computing basic and diluted net loss per share ⁽²⁾	294,191,361	292,189,047	264,141,657	292,058,962	219,207,053
Non-GAAP basic and diluted net loss per share	(0.09)	(0.07)	(0.07)	(0.26)	(0.18)

¹Reconciliation of GAAP cost of goods sold to Non-GAAP cost of goods sold; 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

²In July 2021, the Company