

REE – Q1 2022 Results & Business Update

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Industry and Market Data

In this presentation, REE relies on and refers 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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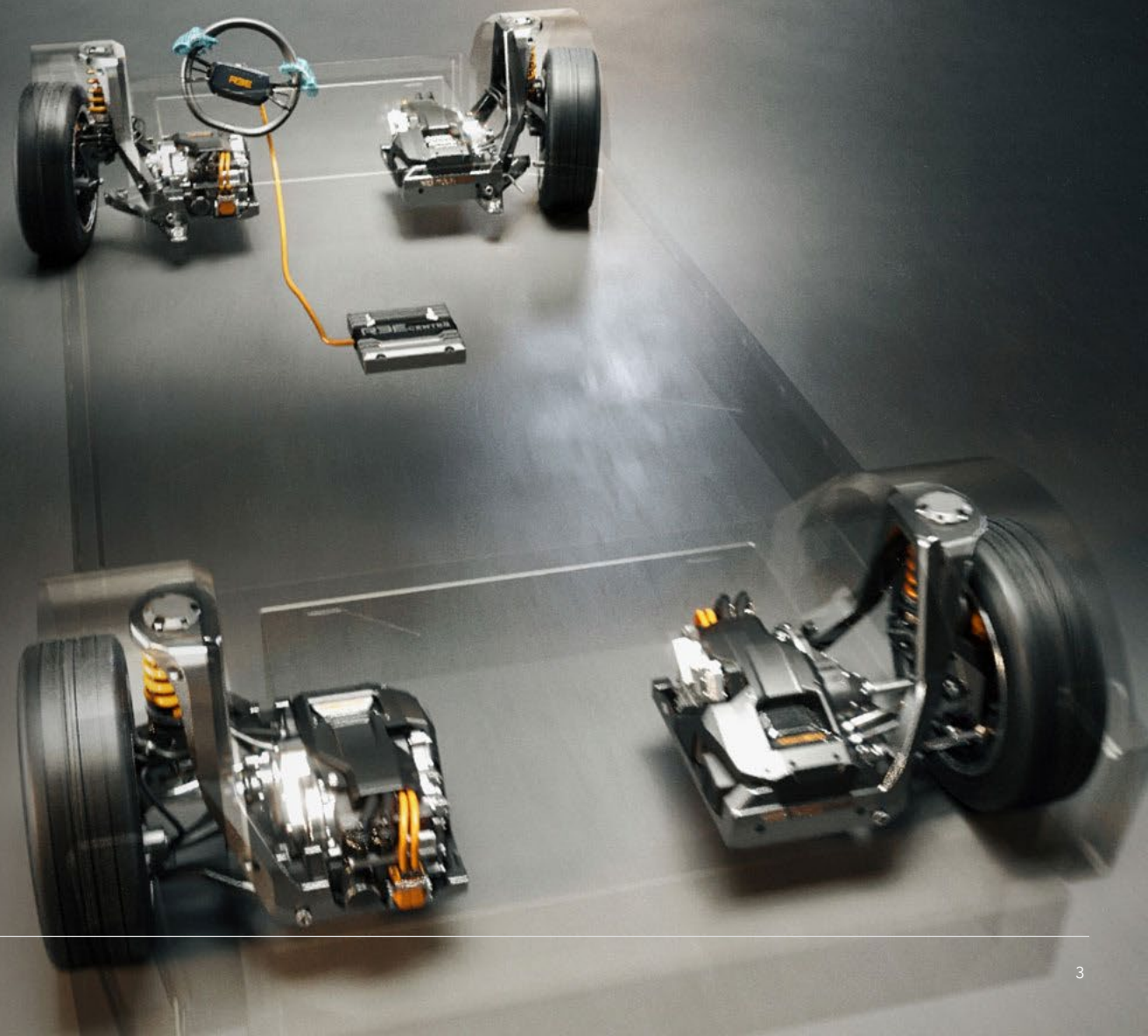
Use of Non-GAAP Financial Measures

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 (i) items excluded from the non-GAAP financial measures will occur in the future or (ii) there will be cash costs associated with items excluded from the non-GAAP financial measures. The Company compensates for these limitations by using 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.

Overview

Delivering on our promises

- Product – customer evaluations of full vehicles
- Production – proven robotic assembly capability
- Discipline - P7 commercialization on track and funded



P7 Platform – Efficiency, Productivity & Design Freedom – Powered by REE

2019
- ✓ Core engineering

2020
- ✓ Supply chain
- ✓ Tech validation

2021
- ✓ Ecosystem partnerships
- ✓ Production commission
- ✓ XBW homologation path
- ✓ Platform evaluation
- ✓ P7 funding

2022
- ✓ Platform testing with driver
- ✓ Robotic assembly capability
- ○ Vehicle customer evaluation
- ○ Hino FlatFormer prototype tests
- ○ Initial 10,000 sets capacity

2023
- ○ Platform homologation
- ○ Full vehicles on public roads
- ○ Test fleets at customers
- ○ Start of production
- ○ Add' l 10,000 sets capacity



Commercialization of P7 Platform Continues on Track



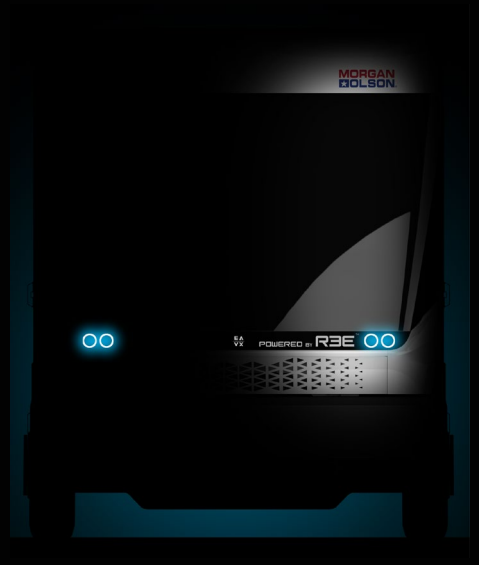
Video: Full x-by-wire platform with driver

Market's First Fully Drive-by-Wire Electric Van

Customer evaluations to begin this summer on private roads in North America

EAVX and REE are jointly approaching customers in North America

First electric van based on EAVX and Morgan Olson's new body design and Powered by REE



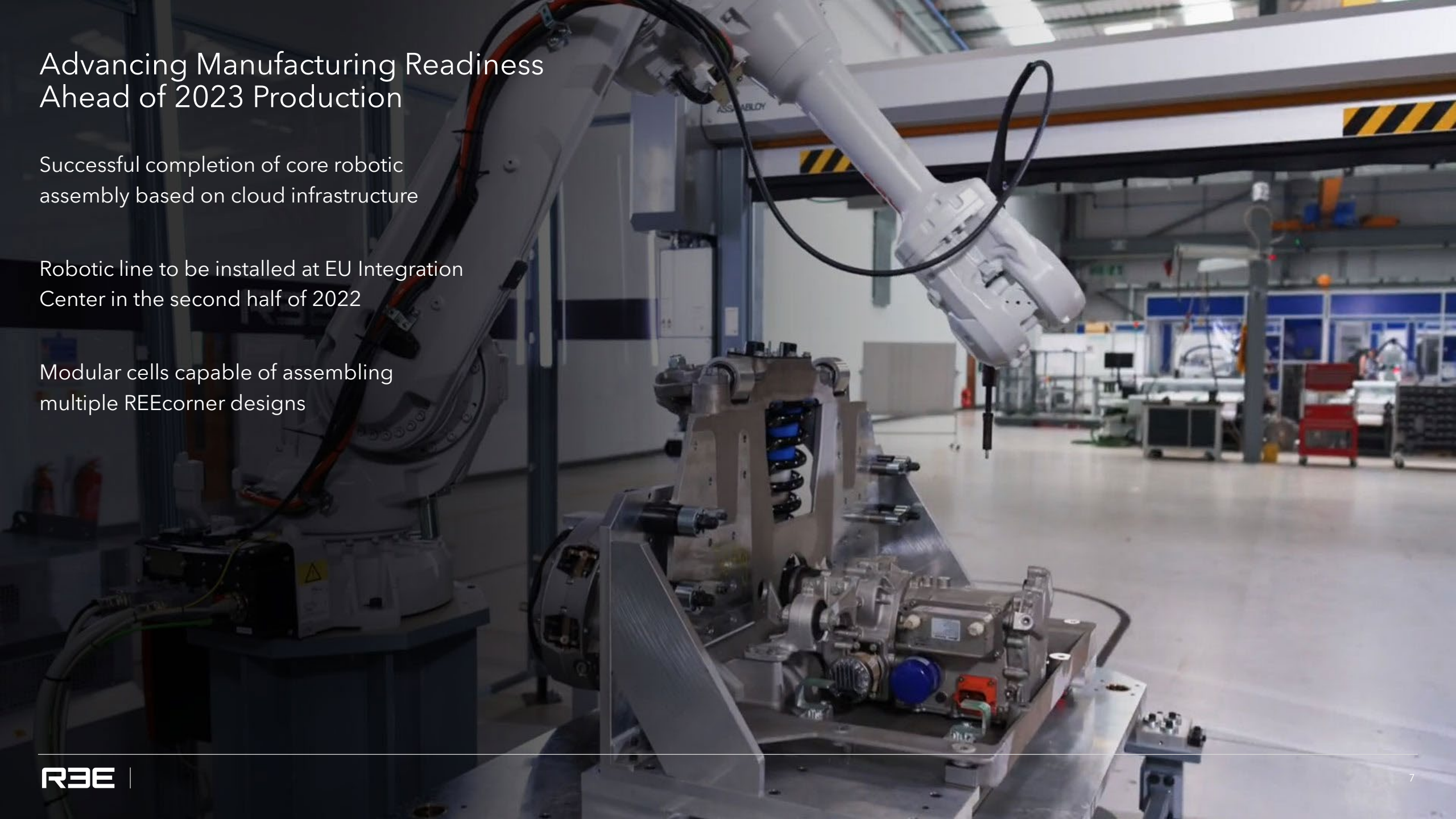


Advancing Manufacturing Readiness Ahead of 2023 Production

Successful completion of core robotic assembly based on cloud infrastructure

Robotic line to be installed at EU Integration Center in the second half of 2022

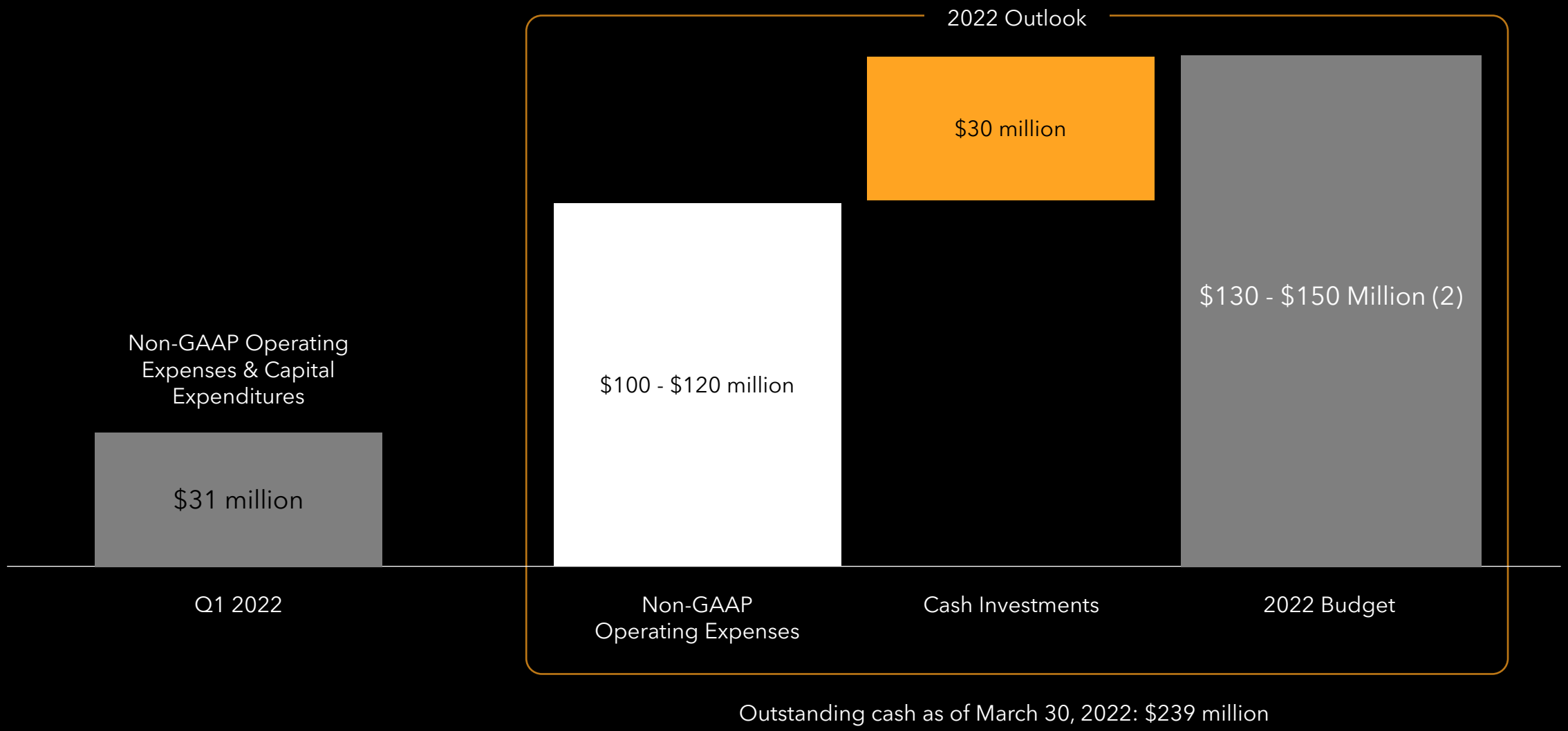
Modular cells capable of assembling multiple REEcorner designs





Video: Robotic assembly process

Reiterating 2022 Financial Outlook (1)



Outstanding cash as of March 30, 2022: $239 million

(1) See appendix for reconciliation between GAAP to non-GAAP measures
(2) 2022 Outlook reflected on cash basis and is inclusive of both expected cash investments for capital and non-GAAP operating expenses

Thank you

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Reconciliation of GAAP to non-GAAP Measures[1]

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

	Three Months Ended		
	Mar 31, 2022	**Dec 31, 2021**	**Mar 31, 2021**
GAAP cost of sales expenses	**$ 538**	**656**	**$ 11**
Inventory write-off	–	(251)	–
Share-based compensation	(70)	(128)	–
Non-GAAP cost of sales expenses	**468**	**277**	**11**
GAAP research and development expenses	**22,397**	**23,292**	**7,149**
Share-based compensation	(3,207)	(5,559)	(1,645)
Non-GAAP research and development expenses	**19,190**	**17,733**	**5,504**
GAAP selling, general, and administrative expenses	**15,288**	**15,538**	**5,448**
Share-based compensation	(5,198)	(8,428)	(2,461)
Non-GAAP selling, general, and administrative expenses	**10,090**	**7,110**	**2,987**
GAAP operating expenses	**37,685**	**38,830**	**12,597**
Share-based compensation	(8,405)	(13,987)	(4,106)
Non-GAAP operating expenses	**29,280**	**24,843**	**8,491**
GAAP net loss	**(23,015)**	**(46,651)**	**(12,598)**
Loss (income) from warrant valuation [(1)]	(15,330)	6,239	–
Share-based compensation	8,475	14,115	4,106
Inventory write-off	–	251	–
Non-GAAP net loss	**$ (29,870)**	**$ (26,046)**	**$ (8,492)**
Non-GAAP basic and diluted net loss per share	**$ (0.10)**	**$ (0.09)**	**$ (0.04)**
Weighted average number of ordinary shares and preferred shares used in computing basic and diluted net loss per share [(2)]	**289,747,646**	**284,294,928**	**193,705,500**

1) *In July 2021, the Company assumed public and private warrants as part of its merger with 10X Capital. For the first quarter of 2022, the change in fair value of the warrants resulted in the Company recording non-cash income of $15.3 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.*

REE's Ecosystem

- Fleet Financing
- Charging Infrastructure
- Platform
- Vehicle Body
- Aftersales & Maintenance
- Data as a Service
- Battery as a Service

FULL TURNKEY SOLUTION FOR COMMERCIAL VEHICLE ELECTRIFICATION CLASS 1 to CLASS 6



Flatformer – REE-Hino Partnership

2022

Prototype build and evaluation



Specifications

- Low, fully flat chassis for classes 2-3
- Customized detachable Mobility Service Module
- L4-L5 autonomy enhanced with DaaS

Value proposition

- Modular detachable service module address a wide variety of current and future applications
- More efficient utilization of customers' business resources.

Go-To-Market

- OEM collaboration HINO

Offering wide range of services for:

- Delivery
- Retail
- School support
- Operational