Q3 2022 RESULTS

SONO MOTORS

08 December 2022
02:00 pm CET /
08:00 am EST

Earnings Call

SONO MOTORS

TODAY'S PRESENTERS

LAURIN HAHN
CEO & Co-Founder

THOMAS HAUSCH
COO

TORSTEN KIEDEL
CFO

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OUR MISSION

SOLAR ON EVERY VEHICLE

Q3 2022 EARNINGS CALL

Business Update

HIGHLIGHTS

1 year since IPO: delivering on ambitious plans

IPO (NOV 2021)		TODAY[1]
~16,000 B2C RESERVATIONS[2]	30% growth	~21,000 B2C RESERVATIONS[2]
15,250 B2B PRE-ORDERS[3]	44% growth	~22,000 B2B PRE-ORDERS[4]
10 SONO SOLAR CUSTOMERS	130% growth	23 SONO SOLAR CUSTOMERS
10 PATENTS[5] granted or filed	240% growth	34 PATENTS[5] granted or filed
230 employees	82% growth	418 employees[6]
Prototype: GEN II		Latest prototype: Series validation vehicle (GEN III)

1) As of December 1, 2022. 2) With an average down payment of ~€2,000. Reservations are, or will become, cancellable and there is no guarantee that all reservations will actually be converted into orders or sales or that the Company will be able to generate net revenues from all reservations. 3) 10,000 B2B pre-orders + 5,250 pre-orders from FINN 4) LOI for 12,600 pre-orders by FINN and written confirmations for approximately 10,000 other pre-orders received from October 2020 through November 2022. Pre-orders are non-binding and no down payments have been made. 5) In total (including same patents filed in different jurisdictions), 4 patents granted, 30 patents or patent/utility model applications filed as of December 8, 2022. 6) As of December 1, 2022.

BUSINESS UPDATE

Sono Solar

SOLAR CUSTOMER TRACTION

Entered several new markets with strong customers

IPO
November 2021

130% growth

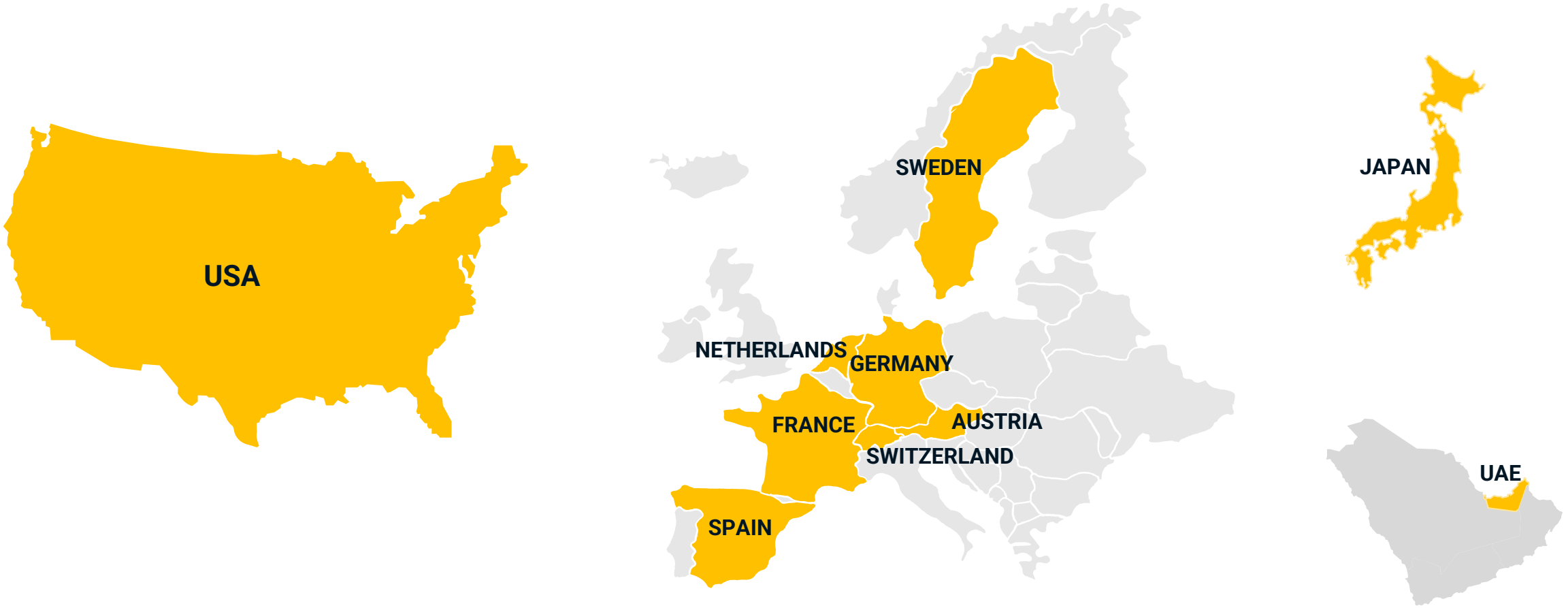
Multiple products **delivered**

Today[3]

1) 9 non-binding LOIs and 3 purchase orders. 2) 12 non-binding LOIs and 16 purchase orders / contracts signed and/or products delivered. 3) As of December 8, 2022.

SONO SOLAR

Solar customers already in 10 countries globally



Note: relates to POs and LOIs

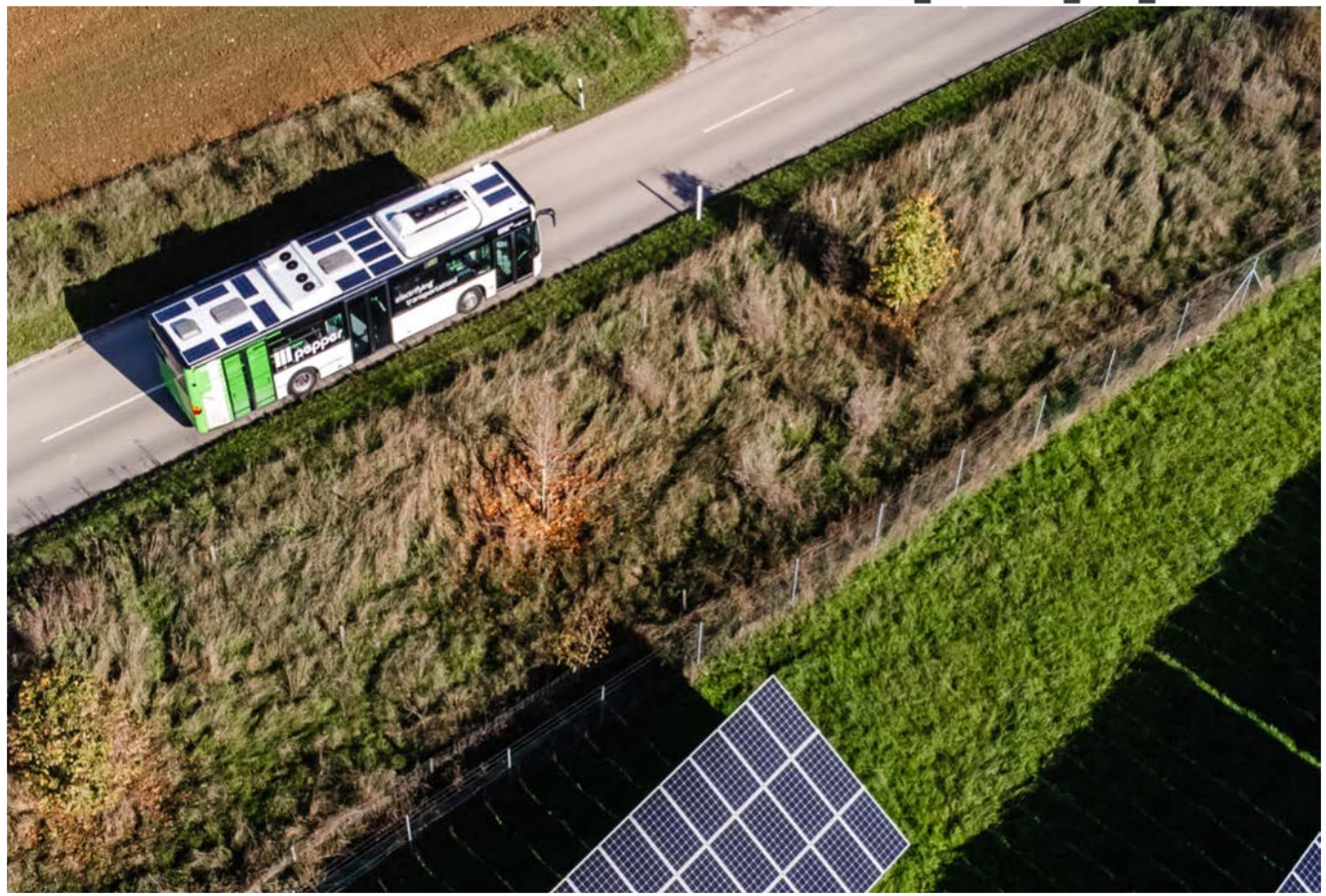
Scania and LLT[1] as new customers

- **6 Scania diesel buses** have been equipped with our innovative solar technology and are already up and running in Sweden
- A customized version of the **Solar Bus Kit,** developed by Sono, is now being **tested in northern climates in real-life conditions**
- According to LLT and Scania, solar technology could be an option for future electric buses
- With **~54,000 employees**, Scania operates in more than **100 countries** and **delivered over 90,000 vehicles** in 2021 alone[2]

1) Public transportation company based in Sweden. 2) Source: https://www.scania.com/group/en/home/about-scania/scania-in-brief/facts-and-figures.html

Pepper introduces electric bus with Sono Motors' solar technology

- **Pepper is the world's first digital OEM** in the automotive industry for repowering and new vehicles[1]
- **First solar integration** by Sono Motors on an E-bus
- **14 semi-flexible solar modules** provide around **1.3 KW peak** to the 24-Volt system of an electrified Mercedes-Benz Citaro

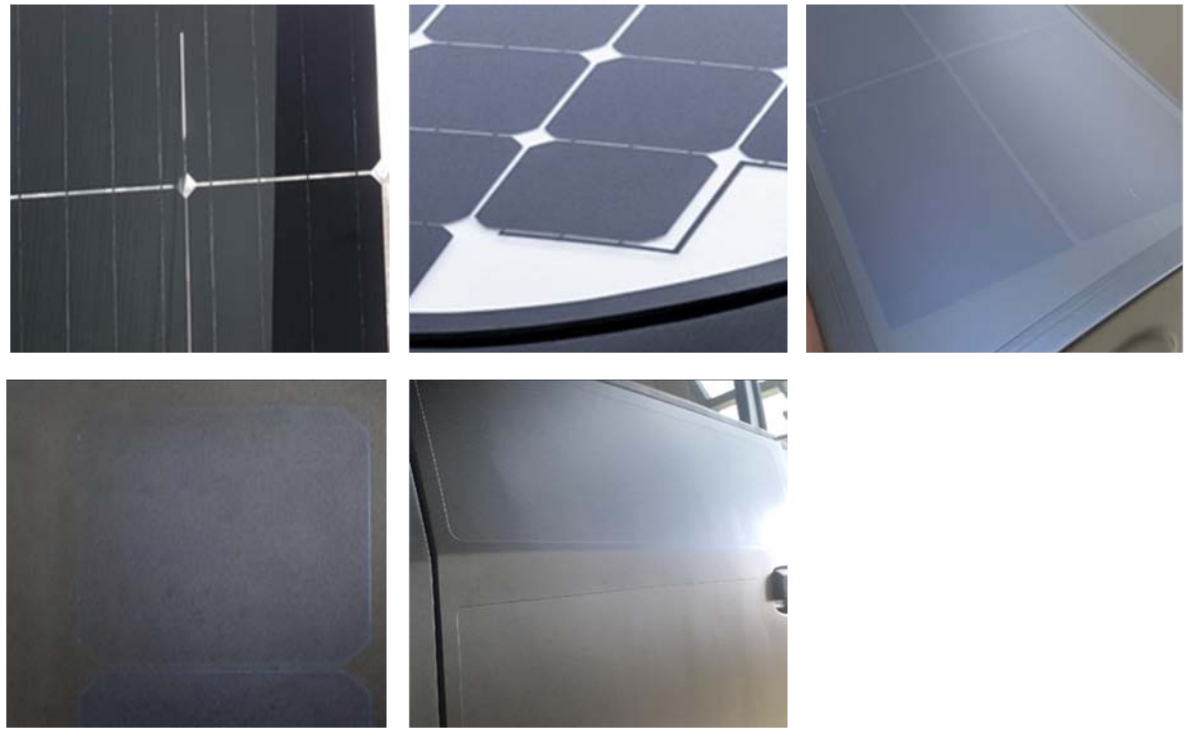


1) Source: https://www.peppermotion.com/en/company/

DISRUPTIVE SOLAR TECHNOLOGY

Progress to seamless solar integration

2016 2017 2018 2022



GENERATION 1-5

GENERATION 6

Purchase order signed with one of the world's largest car manufacturers

- One of the world's **top global passenger car OEMs**[1] **signed a purchase order** with Sono Motors
- Scope of the order:
  delivery of solar body panels
- Together with Sono Motors, the **OEM wants to explore solar integration** into their high-volume vehicle production

1) For confidentiality reasons, we are not allowed to announce the name of this customer.

SOLAR TECHNOLOGY

Why other Car Manufacturers should license our Technology

MAKE (Insource 100%)		LICENSE (from Sono)
Re-engineering effort ✗		Developed technology ✓
Time to market ✗	VS	Ready for large scale production ✓
Patent infringements ✗		Patent usage ✓

BUSINESS UPDATE

The Sion

On track with testing and series validation

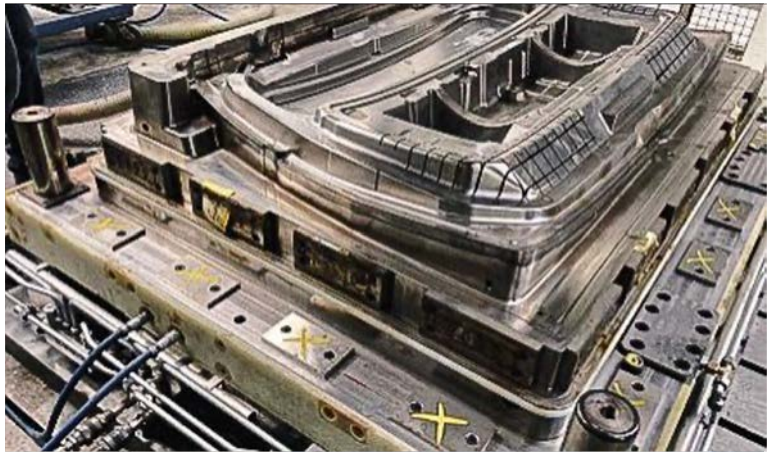
SERIES-VALIDATION FLEET

- **17 vehicles and bodies-in-white assembled**
- Overall 32 complete vehicles and bodies-in-white to be built up in the next weeks
- **Testing in several locations,** including wind tunnel / aerodynamics in Sweden, steering & other driving dynamics in the northern US, consumption & efficiency testing in Spain

DEVELOPMENT

- Entered a release process for series, which **marks completion of core stage of development work**. Series tools are now being ordered.
- **Key functionalities such as charging, discharging, solar yield, driveability, infotainment were successfully tested.** Final validation is ongoing.

SERIES PRODUCTION



- Received (more) **series tools**
- Nominated more **series suppliers**
- Continued detailed alignment with Valmet Automotive regarding manufacturability and next line builder commitments for our body shop / general assembly
- **Reduced funding drives delay of SOP** from 2nd half of 2023 into Q1 2024

Source: Company information

THE SION

Bosch Automotive signed long-term Europe-wide partnership

- **Long-term agreement signed** for servicing and repairing the Sion
- **Completes Sono Motors' three-pronged approach** to allow self-repair, empower independent workshops and create a Europe-wide dedicated partner network
- In the Sion launch phase **50 Bosch Car Service locations in Germany will be trained and qualified.** More locations and European countries to follow in the course of the subsequent rollout
- **Bosch Automotive Aftermarket gives access to over 10,000 workshops** in Europe as one of the world's largest grouping of repair-locations

THE SION

Sono Motors expands partnership with Continental

SONO MOTORS

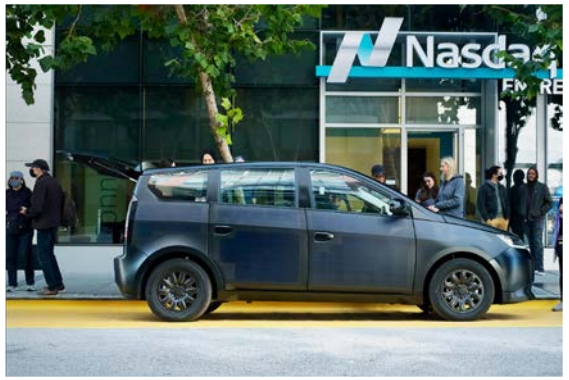
Corporate Update

CORPORATE UPDATE

Multi-city tour across the U.S. to showcase the Sion

- Met investors, analysts, company representatives, members of the media and other interested attendees
- **Interviews** with CNBC, Barron's, CNET, Axios, Boston Globe, among others
- Receiving **broad interest for our Solar EV in the U.S.**

Great interest from all Stakeholders



SONO MOTORS

Further progress in the team composition and protecting our IP

RECRUITMENT

- **>400 employees** by the end of Q3 2022
- 418 employees in December 2022, with **more than 300 engineers**
- ~50% of employees have an international background, with currently 45 nationalities represented at Sono Motors
- **Hiring freeze** since November to control OpEx

NEW PATENTS

- **5 patents** & utility model application filed in Q3 + **3 additional filings** since the end of Q3
- In total[1], **4 patents granted, 30 patents or patent/utility model applications** filed as of December 8, 2022

Source: Company information. 1) Including same patents filed in different jurisdictions.

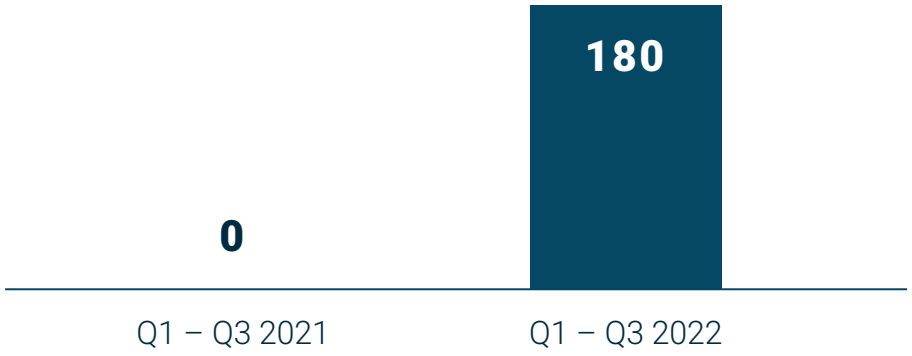
SONO MOTORS

Financial Update

FINANCIAL UPDATE

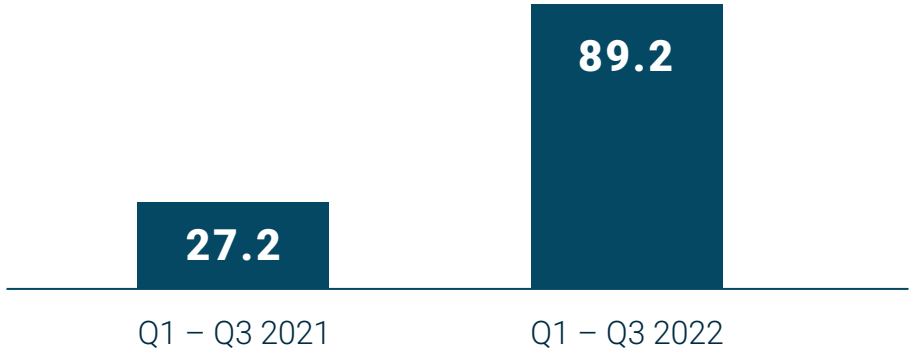
Q1-Q3 2022 results comparison & review

Generating first Sono Solar revenues …



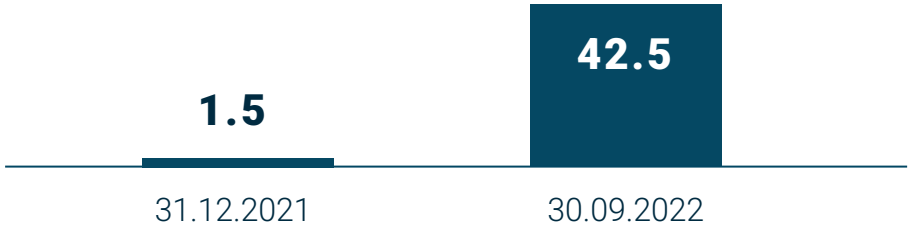
Revenue, €k

amid active R&D investments …



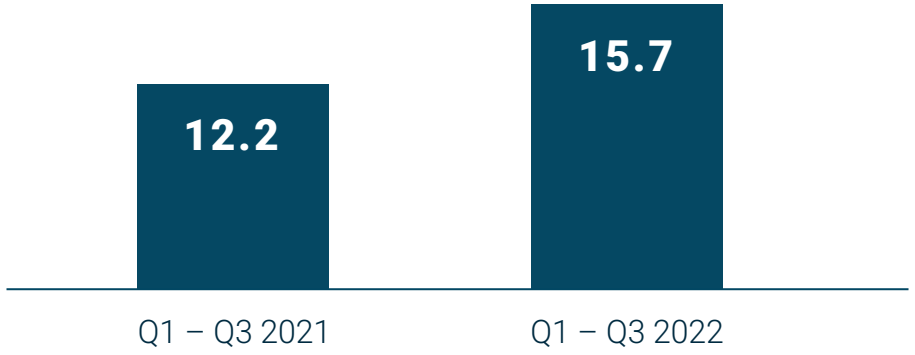
Costs of Research & Development, €m

and purchases of machinery & tooling …



Property, plant and equipment, €m

… while keeping SG&A costs under control



SG&A expenses, €m

FINANCIAL UPDATE

Q3 2022 highlights

INCOME STATEMENT

6x revenue growth in Q3 compared to Q2, resulting in **revenue of €138k** generated by Sono Solar and Sono Digital

BALANCE SHEET

Cash and cash equivalents of €33.4m as of **30 September 2022**

Current and expected liquidity equals €55m and consists of €25m of cash and cash equivalents as of **November 30, 2022**, and a signed financing arrangement of €30m[1]

CASH FLOW STATEMENT

The substantial investments mentioned above combined with SG&A expenses resulted in a **net cash outflow of €56.4m**

1) A binding agreement signed with Yorkville Advisors on 7 December 2022, the receipt of the full amount is subject to conditions.

FINANCIAL UPDATE

Funding history and 2023 milestones

Milestones

	2016	2017	2018/19	2020	2021	2022	2023	2024
Solar Business					Start Solar Bus Kit	Refrigerated Vehicles, E-Vans	Series Contract signed, 200+ Solar Bus Kits sold	
Car Business	Gen 0	Gen I		Gen II		Series-Validation Vehicles (Gen III)	Pre-Series Vehicles (Gen IV)	First Sions delivered

€330m+ raised[1]

€130m needed[2]

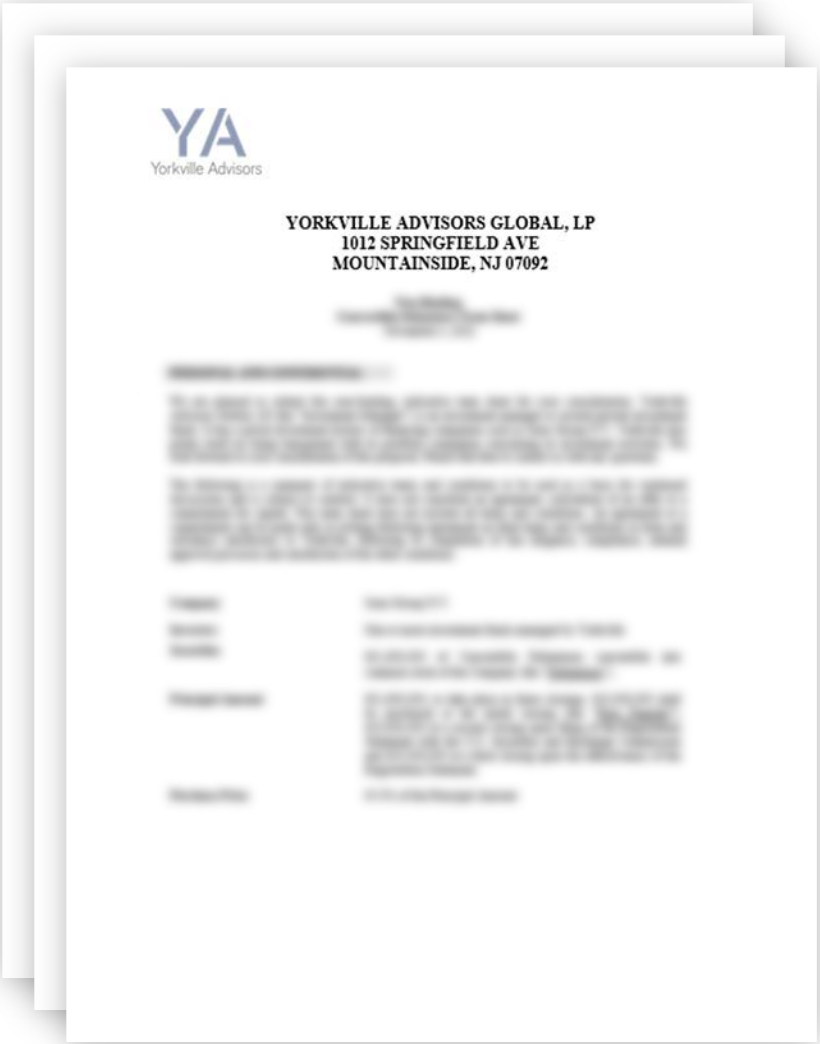
€80m[3]

SOP[4]

1) Angel/Seed:: ~€ 3.3m, Series A: ~€5.6m, Series B / Crowd: €7m, Convertible notes: ~€9.3m, Series C 2020: ~€38m, IPO 2021: ~€142m, Follow on spring 2022: ~€38.5m, CEF as of November 30, 2022: ~€17.2m, Convertible debentures December 2022: €30m (payout pending), Paid reservations as of November 30, 2022 : ~€44m. 2) Current estimate until pre-series vehicle production, further funding needed to ramp-up production 3) Current estimate until the expected start of production. 4) Expected start of production.

CAPITAL RAISED

Convertible Debentures from Yorkville Advisors



CONVERTIBLE DEBENTURES[1]

- Signed and filed in December 2022
- Gross proceeds: **$31.1m,** net proceeds: **$30.0m**
- Interest rate: **4% p.a.; warrants: none**
- Fixed conversion price: **$1.75**
- Variable conversion price: **96.5%** of the lowest daily **VWAP**[2] during 7 prior days
- Conversions below fIxed conversion price are limited to the greater of (a) 20% of the monthly trading volume or (b) $5m per month. Limitations can be waived at Company discretion
- Maturity: **12 months**
- While the debentures are outstanding, the **use of CEF and/or ATM[3] is limited to 2% of daily trading volume**, subject to exceptions for days with high trading volumes.

1) A registration statement on Form F-3 relating to the resale by the investor of the ordinary shares underlying the convertible debentures has been filed with the SEC but has not yet become effective. 2) Volume-weighted average price.
3) Committed Equity Facility / At-the-market Offering.

CAPITAL RAISE

Shelf registration and ATM offering

SHELF REGISTRATION ON FORM F-3

- **Sono** became **shelf eligible December 1st, 2022**
- On December 7th, Sono filed a registration statement on Form F-3 (which has not yet gone effective) allowing Sono to issue multiple securities and multiple offerings going forward all under this one registration statement
- In effect, having a shelf registration statement on file broadens the variety of accessible funding sources and reduces the time required for an offering preparation: hence faster and easier access to capital

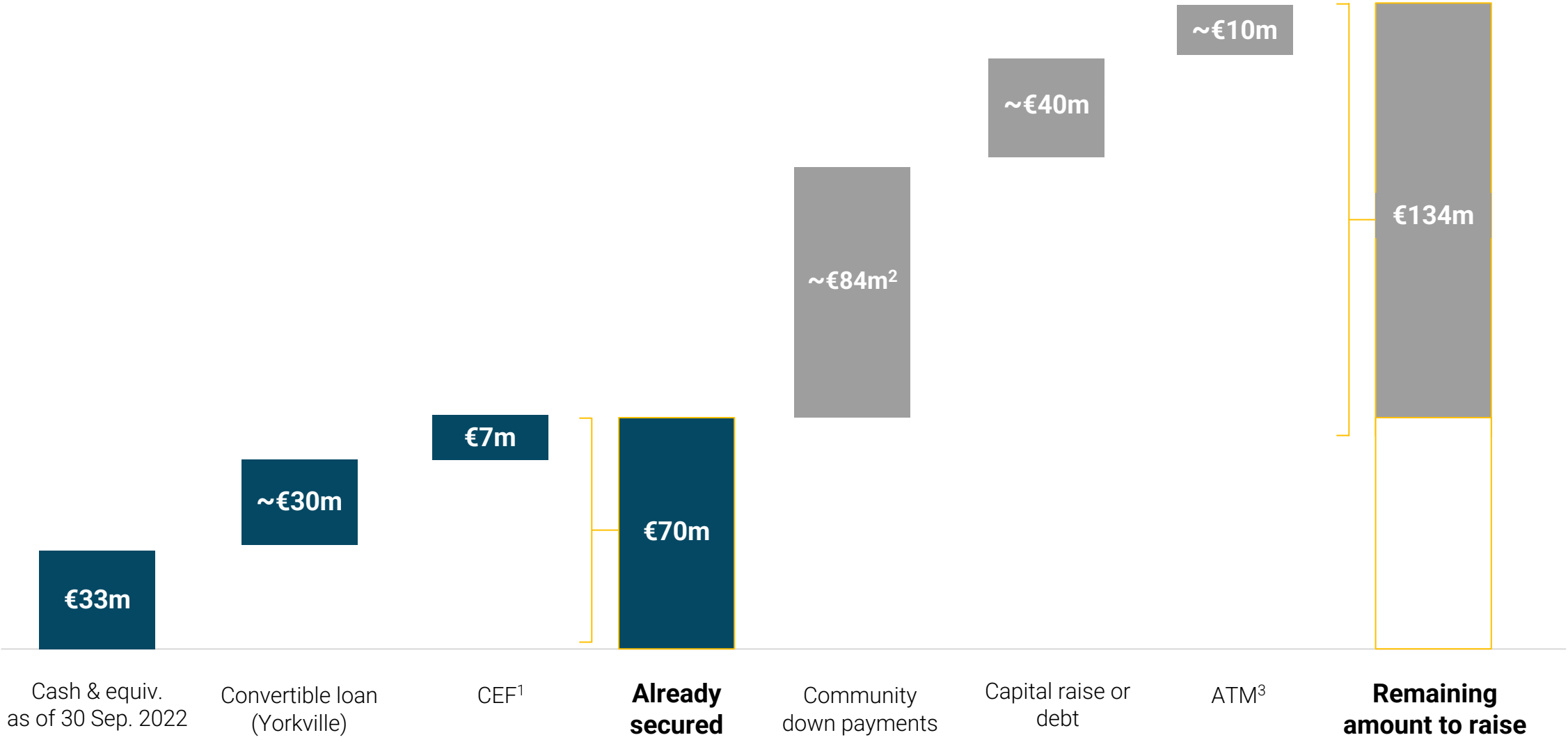
ATM PROGRAM[1]

- In addition to the resale of the shares underlying the **Convertible Debentures,** the shelf registration statement also relates to a potential **ATM offering**
- On December 7, Sono Group entered into an At Market Sales Agreement with B.Riley, Berenberg, and Cantor Fitzgerald, acting as sales agents
- **Size: up to $135m**
- Sales agent **commission: 3%**
- **ATM program replaces CEF** ("Committed Equity Facility") and is meant to increase capacity and access to capital
- Subject to exceptions for days with high trading volumes, **ATM usage is capped at 2% of daily trading volume while Convertible Debenture with Yorkville is still active**

1) The issuance and sale, if any, of ordinary shares by Sono under the ATM program is subject to the effectiveness of Sono's registration statement on Form F-3, filed with the Securities and Exchange Commission on December 7, 2022, which includes a prospectus specifically relating to the offer and sale of ordinary shares by the Company under the ATM program. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein, nor shall there be any offer, solicitation or sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

FINANCIAL UPDATE

Funding strategy for Q4 2022 and 1H 2023



1) Committed Equity Facility, €7m received in October-November 2022. 2) Net of VAT. 3) At-the-market Offering.

SION REVENUE BACKLOG

>€1 billion of potential backlog revenues, >40% with down payment

1) Based on the net price of €21.4k per vehicle underlying the first 16,000 reservations, a net price of €23.9k for all reservations up to 18,500 and a net price of €25.1k for all reservations thereafter. Assuming that all reservations result in sales. As of November 30, 2022. Reservations are cancellable and there is no guarantee that all reservations will actually be converted into orders or sales or that the Company will be able to generate net revenues from all reservations. 2) Non-binding LOI for 12,600 pre-orders by FINN at the current net price of €25,126. Pre-orders reflect "intention to buy over lifecycle". 3) Written confirmations for approximately 10,000 pre-orders received from October 2020 through June 2021. Based on the current net price of €25,126 assuming all pre-orders result in sales. Pre-orders are non-binding and no down payments have been made.

ONE COMMUNITY. 50 DAYS.

3,500 SION

FINANCIAL UPDATE

Our customer Community - an invaluable asset!

STATUS QUO:

- **~ 21,000 B2C customers**[1] reserved the Sion
- Average down payment is ~2,000 € per reservation
- **€463m B2C order backlog**[2]

COMMUNITY ENGAGEMENT:

- Sono plans to ask customers for an upfront payment equivalent of **3,500 Sion full price payments**
- This would lead to **€100m cash-in** (approx. **€84m net of VAT**)
- A **non-dilutive** way of bridging the funding gap
- Marketing campaign planned and will be launched today

1) As of November 30, 2022. 2) Based on the net price of €21.4k per vehicle underlying the first 16,000 reservations, a net price of €23.9k for all reservations up to 18,500 and a net price of €25.1k for all reservations thereafter. Assuming that all reservations result in sales. As of November 30, 2022. Reservations are cancellable and there is no guarantee that all reservations will actually be converted into orders or sales or that the Company will be able to generate net revenues from all reservations.

HOW WE TELL THE STORY

The simple message we give to our community

“21,000 people have reserved the car. The vast majority of these people plan to pay the full price as soon as they expect to get the vehicle.

So now, we ask them to give us some of this money 12-18 months earlier in order to start the production of their car.”

YOU WILL ONLY HAVE TO PAY IF THE CAMPAIGN IS SUCCESSFUL.

FINANCIAL UPDATE

Planned Marketing Activities

- Strong marketing campaign with a clear narrative **#savesion**
- **Transparency** as a key factor of success
  → to give the community transparency
- Sion tour through Germany, Austria, Switzerland and Netherlands planned:
  - 12 cities, ~10,000 people planned to be invited
  - Sion live experience, press, social media
- We give **incentives** for an advance payment
- **50 days**: from December 8th until January 26th

#savesion

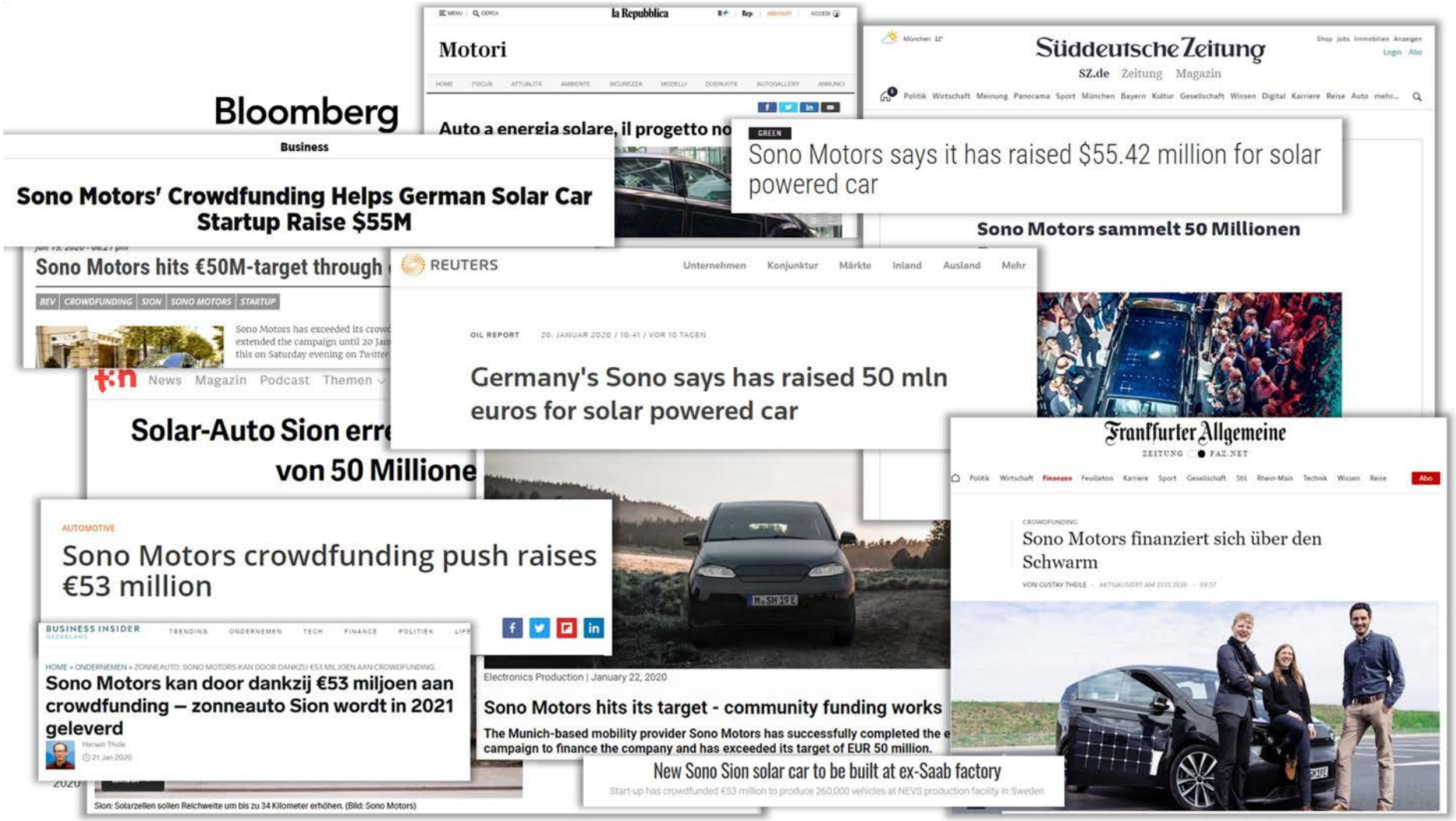
FINANCIAL UPDATE

We have been successfully funded by the Community in the past

CAMPAIGN HIGHLIGHTS:

- Raised **€53m in payment commitments** in 50 days during the previous campaign
- **Pre-payments, loans, donations** → no dilution for equity
- Planned marketing activities:
  - Community Tour: **5 cities** in Germany
  - 21 Videos: commercials, development updates, finance updates, live streams
  - Extensive social media reach
- Challenge: **30 days extended to 50 days**

The public feedback was overwhelmingly positive



2019

CAMPAIGN HIGHLIGHTS

- **approx. 10,600 reservations with down payments**
- **RESULT: €53m in payment commitments**
- **€45m** in net payment commitments (w/o VAT)

2022

CAMPAIGN HIGHLIGHTS

- approx. **21,000 reservations** with down payments
- **GOAL: 3,500 Sion** (~€100m gross)
- **~€84m** in net payment commitments (w/o VAT)

ONE COMMUNITY. 50 DAYS.

3,500 SION

QUESTIONS ANSWERS

IR contacts

CONTACT

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Investor Relations Team

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Website
ir.sonomotors.com

SHARE INFORMATION

Type of shares
Bearer shares

Stock exchange
Nasdaq, US

Ticker
SEV

WKN A3C7QW
ISIN NL0015000N74

REPORTS

Company presentation
https://*ir.sonomotors.com/*

Financial reports
https://ir.sonomotors.com/financial-information

Sustainability report
https://sonomotors.com/en/sustainability

pv magazine AWARD 2021 MANUFACTURING

ollo 2018 preisträger deutscher mobilitätspreis

N FUTURE 50

SOLAR IMPULSE EFFICIENT SOLUTION JULY 2018

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Appendix

Balance Sheet

€k	Q3 2022	FY 2021
ASSETS		
Intangible assets	189	206
Property, plant and equipment	42,490	1,484
Right-of-use assets	3,621	3,018
Other financial assets	148	91
Other non-financial assets	73	89
Noncurrent assets	**46,521**	**4,888**
Work in progress	106	-
Other financial assets	1,525	6,233
Other non financial assets	22,354	3,236
Cash and cash equivalents	33,365	132,939
Current assets	**57,350**	**142,408**
TOTAL ASSETS	**103,871**	**147,296**

€k	Q3 2022	FY 2021
EQUITY AND LIABILITIES		
Subscribed capital	9,592	8,735
Capital reserve	270,719	221,785
Payment of principal portion of lease liabilities	(251,550)	(147,081)
Equity	**28,761**	**83,439**
Advance payments received from customers	48,303	44,756
Financial liabilities	6,788	6,353
Other non financial liabilities	469	-
Non current liabilities	**55,560**	**51,109**
Financial liabilities	820	472
Trade and other payables	15,957	7,867
Other liabilities	2,320	2,207
Provisions	453	2,202
Current liabilities	**19,550**	**12,748**
TOTAL EQUITY AND LIABILITIES	**103,871**	**147,296**

Income Statement

€k	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Revenue	138	-	180	-
Cost of sales	(143)	-	(285)	-
Gross income (loss)	**(5)**	**-**	**(105)**	**-**
Cost of research and development	(36,008)	(14,331)	(89,153)	(27,156)
Selling and distribution costs	(1,353)	(678)	(2,380)	(2,303)
General and administrative expenses	(5,814)	(2,189)	(13,334)	(9,862)
Other operating income/expenses	193	(74)	1,951	297
Impairment loss on financial assets	2	2	6	-
Operating income (loss)	**(42,985)**	**(17,270)**	**(103,015)**	**(39,024)**
Interest and similar income	-		-	-
Interest and similar expense	(532)	(750)	(1,455)	(3,395)
INCOME (LOSS) BEFORE TAX	**(43,517)**	**(18,020)**	**(104,470)**	**(42,419)**

€k	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Tax on income and earnings	-	(18)	-	(60)
Income (loss) after tax	**(43,517)**	**(18,038)**	**(104,470)**	**(42,479)**
Income (loss) for the period	**(43,517)**	**(18,038)**	**(104,470)**	**(42,479)**
Other comprehensive income (loss)	-	138	-	74
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**(43,517)**	**(17,900)**	**(104,470)**	**(42,405)**
Earnings per shares for income (loss) attributable to the ordinary equity holders of the company:				
BASIC/DILUTED EARNINGS (LOSS) PER SHARE IN €	**(0.50/0.50)**	**(0.29/0.29)**	**(1.30/1.30)**	**(0.69/0.69)**

Cash Flow Statement

€k	YTD Q3 2022	YTD Q3 2021
Income (loss) after tax	(104,470)	(42,479)
Depreciation of property, plant and equipment	198	79
Depreciation of right-of-use assets	392	299
Amortization of intangible assets	53	18
Impairment of property, plant and equipment	-	1,965
Expense(+) for share based payment transaction	1,785	1,574
Other non-cash income (-) / expense(+)	(1,707)	74
Interest and similar income	-	-
Interest and similar expense	1,455	3,395
Movements in provisions	(1,749)	(57)
Decrease(+)/increase(-) in advances received from customers	2,329	2,235
Decrease (+)/increase(-) in other assets	(14,566)	(4,397)
Increase(+)/decrease(-) in trade and other payables	7,019	6,681
Interest paid	(97)	(206)
NET CASH USED IN OPERATING ACTIVITIES	**(109,358)**	**(30,819)**

€k	YTD Q3 2022	YTD Q3 2021
Purchase of intangible assets	(36)	(102)
Purchase of property, plant and equipment	(39,867)	(1,203)
Net cash used in investing activities	**(39,903)**	**(1,305)**
Transaction cost on issue of shares	(1,310)	(17)
Proceeds from issue of shares	49,316	1,500
Repayment of borrowings	-	(794)
Payment of principal portion of lease liabilities	(357)	(272)
Net cash flow from financing activities	**47,649**	**417**
Net decrease in cash and cash equivalents	**(101,612)**	**(31,707)**
Effect of currency translation on cash and cash equivalent	**2,038**	**-**
Cash and cash equivalents at the beginning of the period	132,939	43,264
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**33,365**	**11,557**