REE – Q4 2021 Results

POWERED BY REE

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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

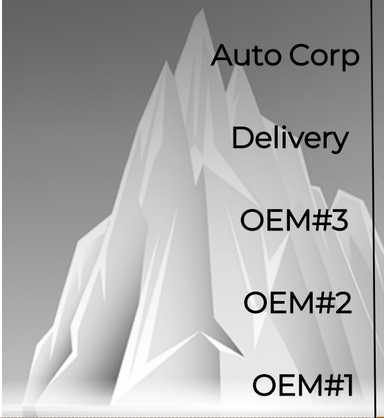
The Company has disclosed financial measurements in this press release that present financial information considered to be non-GAAP financial measures. These measurements are not a substitute for GAAP measurements, although the Company’s management uses these measurements as an aid in monitoring the 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.

Next Generation Mobility

Powered by REE

We strive to be the cornerstone on top of which mobility players can build their dreams of future services, unbound by legacy thinking, as we carry the next generation of electric and autonomous vehicles on a truly modular and scalable platform.

Executing REE's Business Plan towards Firm Orders and Start of Production



Go-to-Market collaborations

Fleet Financing

Data-as-a-Service

Body builder

Contact Manufacturer

AD MaaS

Auto Corp

Delivery

OEM#3

OEM#2

OEM#1

Business plan Execution

Supply chain

UNDISCLOSED FLEET FINANCING PARTNER

HITACHI Inspire the Next

EAVX JB POINDEXTER & CO

MAGNA

navya Prototype evaluation

Mitsubishi Corporation

UNDISCLOSED GLOBAL LOGISTICS COMPANY

UNDISCLOSED LEADING COMMERCIAL VEHICLE OEM

Mahindra Rise.

HINO

HINO Business Alliance

MUSASHI

IOCHPE-MAXION

brembo

KYB

AAM Supplier nomination

2019

2020

2021

2022

2023

- Validated REE's technology
- Established REE's supply chain

- Built REE's ecosystem

Goals:

- Private roads customer validation (full vehicle)
- P7 firm orders
- FlatFormer prototype build
- Initial production capacity of 10k vehicle sets

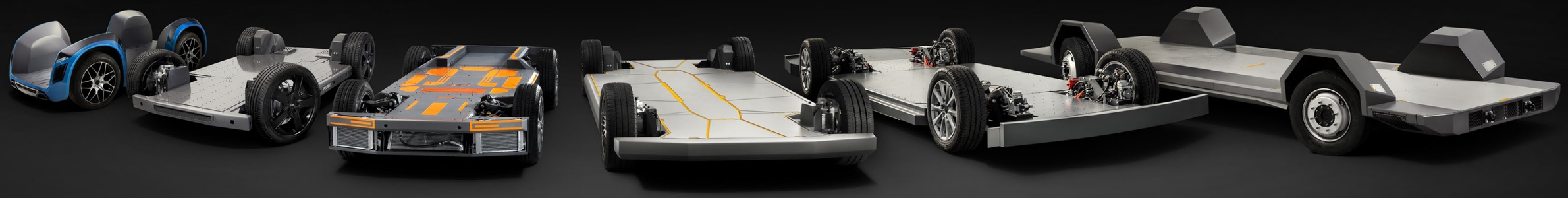
Goals:

- Public roads customer validations
- P7 purchase orders
- Total production capacity of 20k vehicle sets

REE's Ecosystem

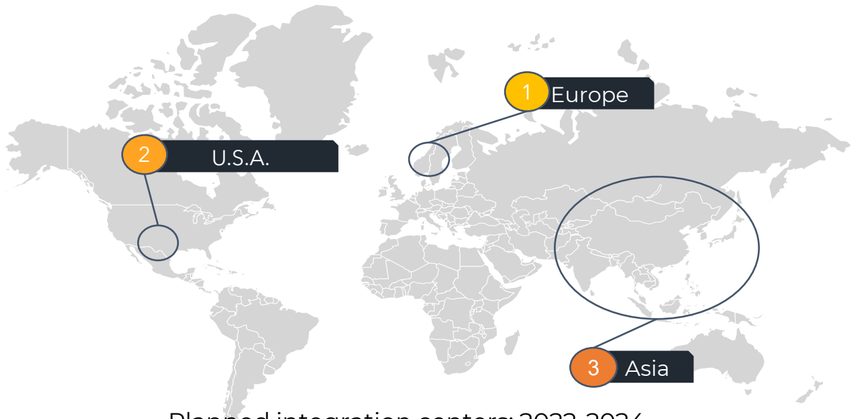
- Fleet Financing
- Charging Infrastructure
- Platform
- TopHat
- After-sale & Maintenance
- Data as a Service
- Battery as a Service

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



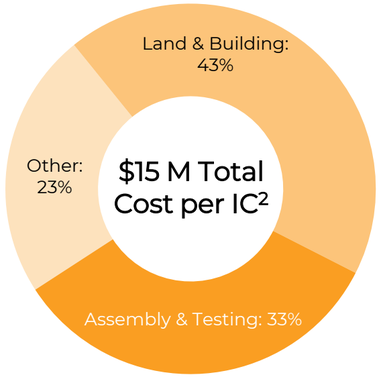
POWERED BY REE

REE's Strategic Integration Centers[1]

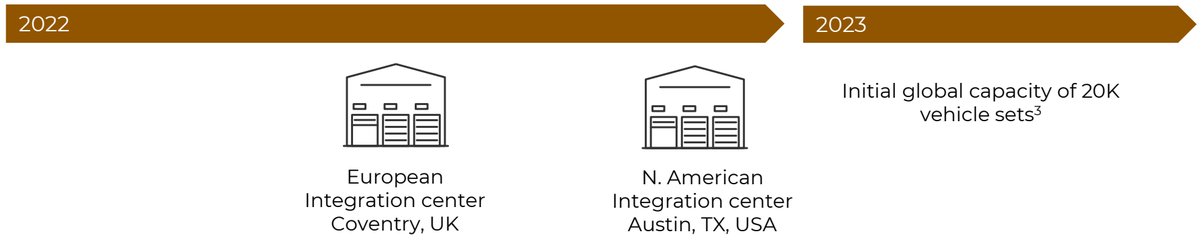


Planned integration centers: 2022-2024

- CapEx light and flexible manufacturing approach, using Tier-1s excess capacity
- REE will assemble components at its integration centers, thus reducing Capex requirements



Establishing production capabilities:



(1) Cost, timing and locations represent management expectation and are subject to change. These projections are for illustrative purposes only and actual outcomes may differ materially.
(2) Includes Capex for machinery and tooling, R&D engineering centers, replacement and refurbishment, and other
(3) A vehicle set equals 4xREEcorners™

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

2022

2023

Platform trial → Prototype validation (full vehicle) on nonpublic roads → Initial firm orders → Validation on public roads → Purchase orders → Production

Specifications

- Low, fully flat chassis for classes 3-5
- Up to 370-mile range
- Up to 8,800 lbs payload
- Up to 400kW
- Flexible configuration: all/front/rear wheel drive & all/front wheel steer

Value proposition

- Full design freedom: full vehicle solutions/stripped chassis/cab-chassis
- Ideal for Bus/Delivery/Walk-in-van/Food trucks
- 35% more cargo space
- Optimized TCO
- Fast time to market

Selected programs

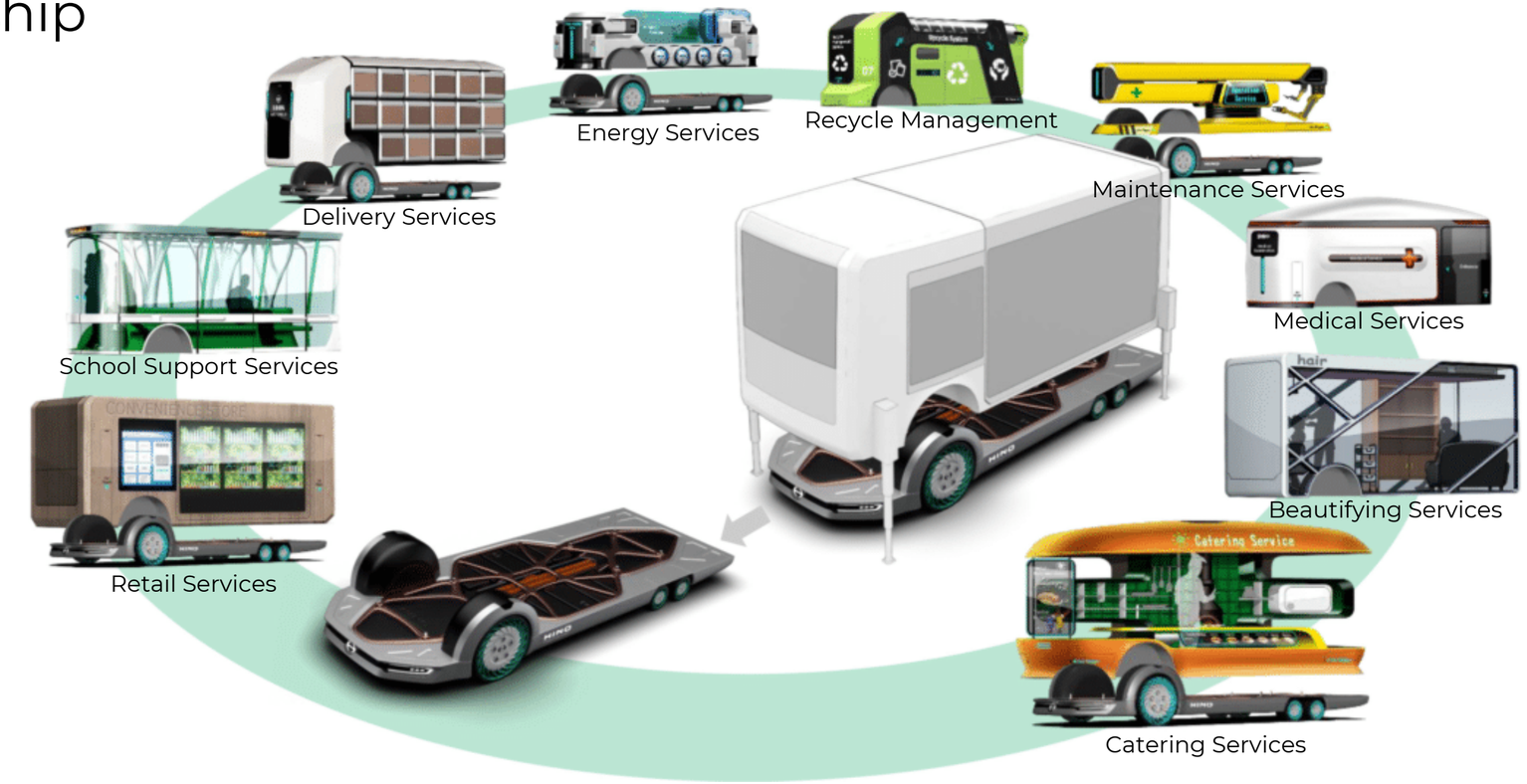
- Delivery truck with a leading Logistics Company
- Class 3&5 walk in can with J.B. Pointdexter
- Class 4 truck with a global commercial vehicles OEM
- Autonomous shuttle with Navya

(1) Cost, timing and locations represent management expectation and are subject to change. These projections are for illustrative purposes only and actual outcomes may differ materially.

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

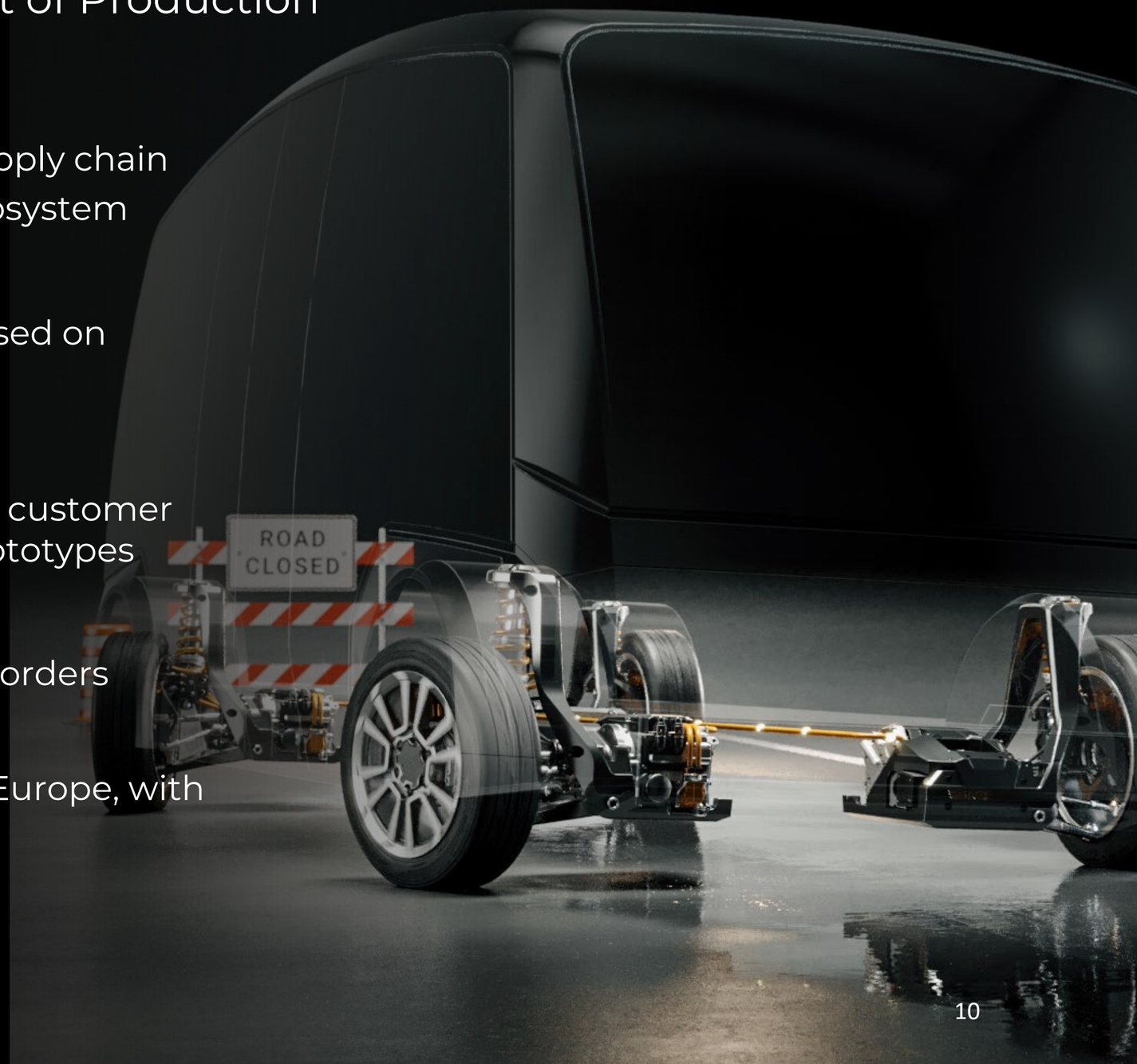
2022 Outlook [1]

Outstanding cash as of December 31, 2021: $275.8 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

On Track towards Firm Orders and Start of Production

- Strong foundation of technology validation, supply chain capacity and comprehensive electrification ecosystem
- Continued customer pipeline development based on technological leadership and differentiation
- Focused on prototype delivery and on track for customer validation of multiple variants of full vehicle prototypes
- Successful validations expected to lead to firm orders
- Production plans to serve demand in U.S. and Europe, with flexibility to ramp up capacity



Thank you

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Appendix – 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			Twelve months ended	
	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
GAAP cost of sales expenses	$ 656	$ 324	$ 78	$ 995	$ 647
Inventory write-off	(251)	—	—	(251)	—
Share-based compensation	(128)	(309)	—	(437)	—
Non-GAAP cost of sales expenses	277	15	78	307	647
GAAP research and development expenses	23,292	212,438	4,971	252,424	29,589
Share-based compensation (1)	(5,559)	(200,194)	(1,845)	(208,935)	(21,419)
Non-GAAP research and development expenses	17,733	12,244	3,126	43,489	8,170
GAAP selling, general, and administrative expenses	15,538	219,507	5,730	262,083	38,250
Transaction costs related to warrants	—	(2,887)	—	(2,887)	—
Share-based compensation (1) (2)	(8,428)	(209,326)	(2,878)	(238,705)	(31,344)
Non-GAAP selling, general, and administrative expenses	7,110	7,294	2,852	20,491	6,906
GAAP operating expenses	38,830	431,945	10,701	514,507	67,839
Transaction costs related to warrants	—	(2,887)	—	(2,887)	—
Share-based compensation (1) (2)	(13,987)	(409,520)	(4,723)	(447,640)	(52,763)
Non-GAAP operating expenses	24,843	19,538	5,978	63,980	15,076
GAAP net loss	(46,651)	(414,905)	(10,719)	(505,330)	(67,713)
Transaction costs related to warrants	—	2,887	—	2,887	—
Loss (income) from warrant valuation (3)	6,239	(17,263)	—	(11,024)	—
Share-based compensation	14,115	409,829	4,723	448,077	52,763
Inventory write-off	251	—	—	251	—
Non-GAAP net loss	$ (26,046)	$ (19,452)	$ (5,996)	$ (65,139)	$ (14,950)
Non-GAAP basic and diluted net loss per share	$ (0.09)	$ (0.07)	$ (0.04)	$ (0.28)	$ (0.10)
Weighted average number of ordinary shares and preferred shares used in computing basic and diluted net loss per share	284,294,928	264,141,657	166,465,604	235,612,764	155,930,380

1) *As disclosed in the Company's 20-F form filed on July 28, 2021, perform ance-based options were granted to founders prior to the merger with 10X Capital and were vested at the time of closing. As a result, the Company recorded non-cash share-based compensation expenses in the amount of $194.2 million and $194.2 million in rese arch and developmen expenses and in selling, general and administrative expenses, respectively for the third quarter of 2021.*
2) *In June and August 2021, the Company issued ordinary shares to a strategic partner. For the second and third quarte of 2021, the Company recorded non-cash share-based compensation expenses in the amount of $15.9 million and $3.(million in selling, general and administrative expenses, respectively.*
3) *In July 2021, the Company assumed public and private warrants as part of its merger with 10X Capital. For the fourt quarter of 2021, the change in fair value of the warrants resulted in the Company recording non-cash expense of $6.2 million.*

(1) See REE's Q4 2021 6-K (EX 99.1)