

August 8, 2022



## CANOO INC. ANNOUNCES SECOND QUARTER 2022 RESULTS

- Over \$1 billion sales pipeline
- \$300 million Pre-Paid Advance Agreement and \$200 million At-the-Market program which reduce cost of capital and increase both capacity and access to capital
- Walmart signed definitive agreement to purchase 4,500 units, beginning with the Lifestyle Delivery Vehicle (LDV), with an option to purchase up to 10,000 units

JUSTIN, Texas, Aug. 8, 2022 /PRNewswire/ -- Canoo Inc. (Nasdaq: GOEV), a high-tech advanced mobility company, today announced its financial results for the second quarter of 2022.



"We have more than \$1 billion in our sales pipeline which includes our recently announced commercial order. We have successfully completed 90% of our structural crash testing in the quarter and are now moving to the final phase of Federal Motor Vehicle Safety Standard certification," said Tony Aquila, investor, Chairman and CEO at Canoo. "We have navigated a tough global economic backdrop in the first half, and will continue to take a disciplined, long-term, strategic and focused approach to deliver on our announced built in America vehicles, which are for and by America first with the intent of making EV's available to everyone. We have also introduced phase one of our just in time, milestone based approach to accessing the capital markets which aid us as we continue to build on access to non-dilutive capital. We are advancing to Start of Production in Q4 and, our product resonates with the most discerning customers."

### Additional Recent Updates Include:

- Awarded by the U.S. army to supply an electric vehicle for analysis and demonstration
- More than doubled the total number of Gamma properties manufactured to 89

### Second Quarter Business Highlights:

- Launched advanced delivery tuning with Walmart to finalize vehicle configuration in the Dallas Fort Worth metroplex
- Completed over 265 tests related to crash and safety in Gamma program
- Gamma fleet has achieved 153,000 miles across real and simulated driving

## **Second Quarter Financial Highlights:**

- As of June 30, 2022, we had access of up to \$250 million, including approximately \$220 million of unused capacity on our SEPA facility, and cash and cash equivalents of \$33.8 million.
- GAAP net loss and comprehensive loss of \$164.4 million and \$289.8 million for the three and six months ended June 30, 2022, compared to a GAAP net loss and comprehensive loss of \$112.6 million and \$127.8 million for the three and six months ended June 30, 2021. The GAAP net loss and comprehensive loss for the and June 30, 2022 included a gain of \$9.5 million and \$24.9 million on the fair value change of the contingent earnout shares liability, respectively.
- Adjusted EBITDA of \$(149.8) million and \$(267.3) million for the three and six months ended June 30, 2022, compared to \$(76.7) million and \$(126.5) million for the three and six months ended June 30, 2021, respectively.
- Net cash used in operating activities totaled \$237.6 million for the six months ended June 30, 2022, compared to \$108.8 million for the six months ended June 30, 2021.
- Net cash used in investing activities was \$35.0 million during the six months ended June 30, 2022, compared to net cash used in investing activities of \$28.7 million during the six months ended June 30, 2021.

## **Second Half of 2022 Business Outlook**

Based upon our current projections, Canoo expects:

- Operating Expenses (excluding stock-based compensation and depreciation) of: \$200 million to \$245 million
- Capital Expenditures of: \$100 million to \$125 million

## **Conference Call Information**

Canoo will host a conference call to discuss the results today, August 8, 2022, at 5:00 PM ET.

To listen to the conference call via telephone dial (877) 407-9169 (U.S.) and (201) 493-6755 (international callers/U.S. toll) and enter the conference ID number 13728979. To listen to the webcast, please click [here](#). A telephone replay will be available until May 24, 2022, at (877) 660-6853 (U.S.) and (201) 612-7415 (international callers/U.S. toll), with Conference ID number 13728979. To listen to the webcast replay, please click [here](#).

## **About Canoo**

Canoo's mission is to bring EVs to Everyone. The company has developed breakthrough electric vehicles that are reinventing the automotive landscape with bold innovations in design, pioneering technologies, and a unique business model that spans the full lifecycle of the vehicle. Distinguished by its experienced team from leading technology and automotive

companies – Canoo has designed a modular electric platform purpose-built to deliver maximum vehicle interior space that is customizable across all owners in the vehicle lifecycle to support a wide range of vehicle applications for consumers and businesses.

Canoo has teams in California, Texas, Oklahoma and Arkansas. For more information, please visit [www.canoo.com](http://www.canoo.com). For Canoo press materials, including photos, please visit [press.canoo.com](http://press.canoo.com). For investors, please visit [investors.canoo.com](http://investors.canoo.com).

## **Non-GAAP Financial Measures**

### **EBITDA and Adjusted EBITDA**

"EBITDA" is defined as net loss before interest expense, income tax expense or benefit, and depreciation and amortization. "Adjusted EBITDA" is defined as EBITDA adjusted for stock-based compensation, restructuring charges, asset impairments, and other costs associated with exit and disposal activities, acquisition and related costs, changes to the fair value of contingent earnout shares liability, and any other one-time non-recurring transaction amounts impacting the statement of operations during the year. Adjusted EBITDA is intended as a supplemental measure of our performance that is neither required by, nor presented in accordance with, GAAP. We believe Adjusted EBITDA, when combined with net loss, and EBITDA, is beneficial to an investor's complete understanding of our operating performance. We believe that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that when evaluating EBITDA and Adjusted EBITDA we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate EBITDA and Adjusted EBITDA in the same fashion.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We manage our business utilizing EBITDA and Adjusted EBITDA as supplemental performance measures.

**Second Quarter 2022 Financial Results**  
CANOO INC.  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except par values)  
UNAUDITED

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 33,799	\$ 224,721
Restricted cash, current	3,528	2,771
Prepays and other current assets	33,239	63,814
Total current assets	70,566	291,306
Property and equipment, net	275,725	202,314
Restricted cash, non-current	10,250	—
Operating lease right-of-use assets	26,321	14,228
Other assets	14,651	15,226
<b>Total assets</b>	<b>\$ 397,513</b>	<b>\$ 523,074</b>
<b>Liabilities and stockholders' equity</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 93,640	\$ 52,267
Accrued expenses and other current liabilities	86,089	83,925
Total current liabilities	179,729	136,192
Contingent earnout shares liability	4,121	29,057
Operating lease liabilities	25,318	13,826
<b>Total liabilities</b>	<b>209,168</b>	<b>179,075</b>
<b>Stockholders' equity</b>		
Preferred stock, \$0.0001 par value; 10,000 authorized, no shares issued and outstanding at June 30, 2022 and December 31, 2021	—	—
Common stock, \$0.0001 par value; 500,000 authorized; 268,896 and 238,578 issued and outstanding at June 30, 2022 and December 31, 2021, respectively	26	24
Additional paid-in capital	1,170,207	1,036,104
Accumulated deficit	(981,888)	(692,129)
Total stockholders' equity	188,345	343,999
<b>Total liabilities and stockholders' equity</b>	<b>\$ 397,513</b>	<b>\$ 523,074</b>

CANOO INC.  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share values)  
UNAUDITED

	Three months ended June 30, 2022	2021	Six months ended June 30, 2022	2021
<b>Revenue</b>	\$ —	\$ —	—	—
<b>Costs and Operating Expenses</b>				
Cost of revenue, excluding depreciation	—	—	—	—
Research and development expenses, excluding depreciation	115,460	57,638	197,946	96,956
Selling, general and administrative expenses, excluding depreciation	55,152	44,625	110,773	100,252
Depreciation	2,892	2,083	5,570	4,207
Total costs and operating expenses	173,504	104,346	314,289	201,415
<b>Loss from operations</b>	(173,504)	(104,346)	(314,289)	(201,415)
<b>Other income (expense)</b>				
Interest income (expense)	19	34	(9)	46
Gain (loss) on fair value change in contingent earnout shares liability	9,471	(8,157)	24,936	75,402
Loss on fair value change in private placement warrants liability	—	—	—	(1,639)
Other (expense), net	(378)	(85)	(395)	(174)
<b>Loss before income taxes</b>	(164,392)	(112,554)	(289,757)	(127,780)
Provision for income taxes	—	—	—	—
<b>Net loss and comprehensive loss</b>	<b>\$ (164,392)</b>	<b>\$ (112,554)</b>	<b>(289,757)</b>	<b>(127,780)</b>
<b>Per Share Data:</b>				
<b>Net loss per share, basic and diluted</b>	\$ (0.68)	\$ (0.50)	(1.22)	(0.57)
<b>Weighted-average shares outstanding, basic and diluted</b>	242,772	226,928	238,242	225,885

CANOO INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)  
UNAUDITED

	<b>Six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (289,757)	\$ (127,780)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	5,570	4,207
Non-cash operating lease expense	966	235
Non-cash commitment fee under SEPA	582	—
Stock-based compensation	41,453	70,660
Gain on fair value in contingent earnout shares liability	(24,936)	(75,402)
Loss on fair value change in private placement warrants liability	—	1,639
Changes in operating assets and liabilities:		
Prepays and other current assets	136	(7,714)
Other assets	574	256
Accounts payable, accrued expenses and other current liabilities	27,847	25,081
Net cash used in operating activities	(237,565)	(108,818)
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(65,420)	(28,653)
Return of prepayment to VDL Nedcar	30,440	—
Net cash used in investing activities	(34,980)	(28,653)
<b>Cash flows from financing activities:</b>		
Proceeds from exercise of public warrants	—	6,867
Repurchase of unvested shares	(6)	(4)
Payment of offering costs	(250)	(1,306)
Repayment of PPP loan	—	(6,943)
Proceeds from the purchase of shares and warrants by VDL Nedcar	8,400	—
Proceeds from issuance of shares under SEPA Agreement	32,500	—
Proceeds from issuance of shares under PIPE	50,000	—
Proceeds from employee stock purchase plan	1,986	—
Net cash provided by (used in) financing activities	92,630	(1,386)
Net decrease in cash, cash equivalents, and restricted cash	(179,915)	(138,857)
<b>Cash, cash equivalents, and restricted cash</b>		
Cash, cash equivalents, and restricted cash, beginning of period	227,492	702,422
	\$ 47,577	\$ 563,565
Cash, cash equivalents, and restricted cash, end of period		
<b>Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets</b>		
	\$	\$
Cash and cash equivalents at end of period	33,799	563,075
Restricted cash, current at end of period	3,528	490
	\$	\$
Restricted cash, non-current at end of period	10,250	—
<b>Total cash, cash equivalents, and restricted cash at end of period shown in the condensed consolidated statements of cash flows</b>	\$ 47,577	\$ 563,565


CANOO INC.  
ADJUSTED EBITDA RECONCILIATION TABLE  
The following table reconciles Net loss to EBITDA and Adjusted EBITDA:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net loss	\$ (164,392)	\$ (112,554)	\$ (289,757)	\$ (127,780)
Interest (income) expense	(19)	(34)	\$ 9	(46)
Provision for income taxes	—	—	\$ —	\$ —
Depreciation	2,892	2,083	\$ 5,570	\$ 4,207
EBITDA	(161,519)	(110,505)	(284,178)	(123,619)
Adjustments:				
(Gain) loss on fair value change in contingent earnout shares liability	(9,471)	8,157	\$ (24,936)	\$ (75,402)
Loss on fair value change in private placement warrants liability	—	—	\$ —	\$ 1,639
Other expense, net	378	85	\$ 395	\$ 174
Stock-based compensation	20,773	25,514	41,453	70,660
Adjusted EBITDA	<u>\$ (149,839)</u>	<u>\$ (76,749)</u>	<u>\$ (267,266)</u>	<u>\$ (126,548)</u>

## Forward-Looking Statements

The information in this press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "estimate," "plan," "project," "forecast," "intend," "will," "expect," "anticipate," "believe," "seek," "target" or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding access to capital, estimates and forecasts of financial and performance metrics, expectations and timing related to commercial product launches and the achievement of operational milestones, including the ability to meet and/or accelerate anticipated production timelines, Canoo's ability to capitalize on commercial opportunities, current or anticipated customer orders, and expectations regarding the development of facilities. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of Canoo's management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Canoo. These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political and legal conditions; Canoo's ability to continue as a going concern; Canoo's ability to access existing and future sources of capital via debt or equity markets, which will impact execution of its business plans and could require Canoo to terminate or significantly curtail its operations; Canoo's history of losses; Canoo's ability to adequately control the costs associated with its operations; Canoo's ability to successfully build and tool its manufacturing facilities, establish or continue a relationship with a contract manufacturer or failure of operation of Canoo's facilities ; the rollout of Canoo's business and the timing of expected business milestones and commercial launch; future market adoption of Canoo's offerings; risks related to Canoo's go-to-market strategy and manufacturing strategy; the effects of competition on Canoo's future business, and those factors discussed under the

captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Canoo's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the U.S. Securities and Exchange Commission (the "SEC") on March 1, 2022, as well as its past and future Quarterly Reports on Form 10-Q and other filings with the SEC, copies of which may be obtained by visiting Canoo's Investors Relations website at [investors.canoo.com](http://investors.canoo.com) or the SEC's website at [www.sec.gov](http://www.sec.gov). If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Canoo does not presently know or that Canoo currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Canoo's expectations, plans or forecasts of future events and views as of the date of this press release. Canoo anticipates that subsequent events and developments will cause Canoo's assessments to change. However, while Canoo may elect to update these forward-looking statements at some point in the future, Canoo specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Canoo's assessments as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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