

Lotus Technology Reports Unaudited Second Quarter and First Half 2024 Financial Results

- Robust start in 2024, marking the strongest first half-year performance in the brand's history.
- Balanced global allocation, with strong US deliveries¹ contribution after the brand's re-entry into the market.
- Launched bespoke services and continued growing technology-related income, which are expected to be potential contributors of profit margin in the future.
- Adjusted the annual delivery target due to near-term disruptions from trade uncertainties and tariff hikes.
- Initiated the “Win26” Plan aiming to achieve positive operating cashflow and EBITDA in 2026.

New York – August 28, 2024 – Lotus Technology Inc. (“Lotus Tech” or the “Company”), a leading global intelligent and luxury mobility provider, today announced its unaudited financial results for the second quarter and half year ended June 30, 2024.

Operating Highlights for the First Half of 2024

In the first half of 2024, the Company achieved total deliveries¹ of 4,873 units, representing a 239% year-on-year (YoY) increase. The Company also achieved a balanced global allocation with each region contributing 20-30% of the total deliveries in the first half of 2024, powered by over 200 stores in prime locations worldwide. The US market recorded exceptional growth and contributed 26% of the total deliveries after Lotus' re-entry into the market. The achievements reflect the Company's steady transition from a traditional sportscar maker to an intelligent luxury mobility provider.

Deliveries¹ by Model Type

	1H 2024	1H 2023	%Change (YoY)
Lifestyle SUV and Sedan	2,389	871	174%
Sportscars	2,484	568	337%
Total	4,873	1,439	239%

Deliveries¹ by Region

	1H 2024	1H 2024%	1H 2023	1H 2023 %
Europe	1,459	30%	89	6%
China	1,208	25%	965	67%
North America	1,278	26%	-	-
Rest of the World	928	19%	385	27%
Total	4,873	100%	1,439	100%

In the first half of 2024, technology-related revenue began to scale as the Company started to provide intelligent driving solutions and R&D services to multiple leading automotive brands. As the fleet of models equipped with state-of-the-art hardware continues to expand, paid software subscriptions is a potential growth driver in the future.

The Chapman Bespoke service which provides customer personalization, design customizations, limited collection editions, and one-off models, was also launched to cater to growing demand. Deliveries of bespoke models are expected to further boost the brand's luxury positioning and contribute to the Company's long-term premium gross margin.

After assessment of the evolving market conditions, and uncertainties posed by new tariff policies in US and EU, the Company has revised its delivery target for 2024 to 12,000 units. The Company launched the “Win26” plan,

aiming to achieve positive EBITDA in 2026 by further optimizing its internal processes and structures, implementing overall cost measures, and recalibrating its product plans to cater to globally diversified markets.

Financial Highlights for the First Half of 2024

- **Total revenues** for the first half of 2024 were \$398 million, a 206% YoY increase.
- **Sales of goods** were \$383 million, a 207% YoY increase.
- **Service revenues** were \$15 million, a 194% YoY increase.
- **Gross margin** for the first half was 13%, versus 5% for the first half of 2023, driven by the growth in margin from both sales of goods and service revenues.
- **Gross margin of sales of goods** for the first half of 2024 was 11%, versus 4% for the same period of 2023.
- **Gross margin of service revenues** for the first half of 2024 was 58%, versus 16% for the same period of 2023.
- **Operating loss** was \$438 million for the first half of 2024, a 27% YoY increase.
- **Net loss** was \$460 million for the first half of 2024. Excluding share-based compensation expenses, adjusted net loss (non-GAAP) was \$424 million for the first half of 2024, a 20% YoY increase.
- **Adjusted EBITDA (non-GAAP)** was a loss of \$382 million for the first half of 2024, a 15% YoY increase.

Key Financial Results

The table below summarizes key preliminary financial results for the half year ended June 30, 2024.

(in millions of U.S. dollars, unaudited)

	1H 2024	1H 2023	% Change (YoY)
Revenues	398	130	206%
Cost of revenues	347	124	180%
Gross profit	51	6	731%
Gross margin (%)	13%	5%	-
Operating loss	(438)	(344)	27%
Net loss	(460)	(353)	30%
Adjusted net loss ^(A)	(424)	(353)	20%
Adjusted EBITDA ^(A)	(382)	(333)	15%

(A) Non-GAAP measure. See "Non-GAAP Financial Measures" and "Appendix D – Unaudited Reconciliation of GAAP and Non-GAAP results (Adjusted net loss/Adjusted EBITDA)" for details and a reconciliation of adjusted metrics to the nearest GAAP measure.

Recent Developments

- **Delivery Updates:**
 - Following Southeast Asia deliveries, Eletre (SUV) model started deliveries to new markets such as GCC, New Zealand, India, and Egypt.
 - Production orders for Eletre (SUV) model began for new markets such as Australia, Japan and Korea.
 - Emeya (GT, Sedan) model started deliveries in Europe.
 - Reservations of Emeya (GT, Sedan) model began in the GCC, Japan, Korea and Southeast Asia.
- **Lotus Robotics provides solutions to multiple OEMs:** Lotus Robotics, a subsidiary for intelligent automobility technologies development, licenses several leading automakers to provide them with its intelligent driving technology and solutions, including Lynk&Co and Farizon Auto.
- **Strategic capital raised:** As previously announced, in June 2024, the Company entered into a convertible note purchase agreement with an aggregate principal amount of approximately \$110 million through a private placement from its existing strategic shareholder.
- **Dual Red Dot Awards:** In June 2024, two Red Dot Awards in Product Design were given to the ground-breaking hyper electric vehicles: the Eletre (SUV), and the Emeya (GT, Sedan).
- **Reuters Sustainability Awards 2024 Nomination:** In July 2024, Lotus Tech was nominated as the finalist in the Reuters Sustainability Awards 2024 in the business transformation and Net Zero: operations transformation. Reuters Sustainability Awards are the world's leading awards recognizing leadership in sustainable business.

CEO and CFO comments

"Through our unwavering pursuit to performance and excellence, we made steady progress with continuing operation growth in the first half of 2024," said Mr. Qingfeng Feng, Chief Executive Officer. "In the first half of 2024, the deliveries soared to nearly 4,900 vehicles, up 239% year-on-year. We achieved even more balanced distribution of deliveries in all key markets globally. The US market recorded extraordinary growth after Lotus' re-entry into the market, contributing to 26% of total deliveries. We launched "Win26" plan to increase resilience, strengthen our brand, and strive for sustainable growth. Going forward, we will keep executing our plans, boosting our efficiencies and competitiveness, and remain committed to our customers, investors, and stakeholders."

"We continued delivery of strong topline growth in the first half of 2024, with total revenues and gross profit up by 206% and 731% year-over-year respectively," said Mr. Alexious Lee, Chief Financial Officer. "Gross margin for the first half of 2024 increased by 8 percentage points year-over-year but shrank 2 percentage points compared to year end of 2023 as a result of increased cost of Emira (sportscar) model due to inflation and seasonal variation in product sales mix. Our average selling price (ASP) remained above \$100,000 in the first half of 2024 despite intensified competition. The execution of our "Win26" plan will enable the Company to achieve positive EBITDA and operating cash flow in 2026, to boost our financial performance, strengthen our balance sheet, and deliver our commitments to shareholders."

Operating and Financial Results for the Second Quarter of 2024

- **Total deliveries¹** for the second quarter of 2024 were 2,679 units, a 128% YoY increase.
- **Total revenues** for the second quarter of 2024 were \$225 million, a 103% YoY increase.
- **Gross margin** for the second quarter of 2024 was 9%, versus 5% for the same period of 2023..
- **Net loss** for the second quarter was \$202 million, a 4% YoY increase. Excluding share-based compensation expenses, adjusted net loss (non-GAAP) was \$201 million for the second quarter of 2024.
- **Adjusted EBITDA (non-GAAP)** was a loss of \$177 million for the second quarter of 2024, a 1% YoY decrease.

Deliveries¹ by Model Type

	2Q 2024	2Q 2023	% Change (YoY)
Lifestyle SUV and Sedan	1,342	637	111%
Sportscars	1,337	538	149%
Total	2,679	1,175	128%

Key Financial Results

The table below summarizes key preliminary financial results for the second quarter in 2024.

(in millions of U.S. dollars, unaudited)

	2Q 2024	2Q 2023	%Change (YoY)
Revenues	225	111	103%
Cost of Revenues	204	105	95%
Gross profit	21	6	246%
Gross margin (%)	9%	5%	-
Operating loss	(204)	(183)	12%
Net loss	(202)	(193)	4%
Adjusted net loss ^(A)	(201)	(193)	4%
Adjusted EBITDA ^(A)	(177)	(178)	(1%)

(A) Non-GAAP measure. See "Non-GAAP Financial Measures" and "Appendix D - Unaudited Reconciliation of GAAP and Non-GAAP results (Adjusted net loss/Adjusted EBITDA)" for details and a reconciliation of adjusted metrics to the nearest GAAP measure.

Conference call

Lotus Tech management will host an earnings conference call at 8:00 AM U.S. Eastern Time on Wednesday, August 28, 2024 (14:00 Central European Time / 20:00 China Standard Time on the same day).

There will be a live audio webcast and replay available following completion of the call on the Company's investor relations website at <https://ir.group-lotus.com/>.

For participants who wish to join the call, please complete online registration prior to the scheduled call start time using the link provided below. Upon registration, participants will receive a confirmation email with conference call access information, including dial-in numbers and a unique PIN. Participant online registration link: <https://register.vevent.com/register/BI77b3e952ef684e7bb15b8e522e023f0b>

Note 1: Invoiced deliveries, including commissioned deliveries in US market

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About Lotus Technology Inc.

Lotus Technology Inc. has operations across the UK, the EU and China. The Company is dedicated to delivering luxury lifestyle battery electric vehicles, with a focus on world-class R&D in next-generation automobility technologies such as electrification, digitalisation and more. For more information about Lotus Technology Inc., please visit www.group-lotus.com.

Non-GAAP Financial Measures

The Company uses non-GAAP financial measures, including adjusted net loss and adjusted EBITDA in evaluating its operating results and for financial and operational decision-making purposes. Adjusted net loss represents net loss excluding share-based compensation expenses, and such adjustment has no impact on income tax. Lotus Tech defines adjusted EBITDA as net loss excluding interest income, interest expense, income tax expenses, depreciation of property, equipment and software, and share-based compensation expenses. The Company believes that non-GAAP financial measures help identify underlying trends in its business and enhance the overall understanding of the Company's past performance and future prospects. The Company also believes that non-GAAP financial measures allow for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making.

Non-GAAP financial measures are not presented in accordance with U.S. GAAP and may be different from non-GAAP methods of accounting and reporting used by other companies. Non-GAAP financial measures have limitations as analytical tools and when assessing the Company's operating performance, investors should not consider them in isolation, or as a substitute for financial information prepared in accordance with U.S. GAAP. The Company encourages investors and others to review its financial information in its entirety and not rely on a single financial measure. The Company mitigates these limitations by reconciling non-GAAP financial measures to the most comparable U.S. GAAP performance measures, all of which should be considered when evaluating the Company's performance. For more information on non-GAAP financial measures, please see "Appendix C – Unaudited Reconciliation of GAAP and Non-GAAP Results (Adjusted net loss/Adjusted EBITDA)" set forth at the end of this press release.

Forward-Looking Statements

This press release contains statements that may constitute "forward-looking" statements pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expect", "intend", "will", "estimate", "anticipate", "believe", "predict", "potential", "forecast", "plan", "seek", "future", "propose" or "continue", or the negatives of these terms or variations of them or similar terminology although not all forward-looking statements contain such terminology. Forward-looking statements involve inherent risks and uncertainties, including those identified under the heading

“Risk Factors” in the Company’s filings with the U.S. Securities and Exchange Commission. All information provided in this press release is as of the date of this press release, and Lotus Tech undertakes no obligation to update any forward-looking statement, except as required under applicable law.

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Appendix A

Lotus Technology Inc.

Unaudited Condensed Consolidated Balance Sheets

(All amounts in thousands)

	June 30, 2024	As of December 31, 2023
	US\$	US\$
ASSETS		
Current assets		
Cash	268,781	418,941
Restricted cash	373,887	7,873
Accounts receivable – third parties, net	72,798	76,664
Accounts receivable – related parties, net	19,674	22,430
Inventories	385,200	265,190
Prepayments and other current assets – third parties, net	118,492	63,870
Prepayments and other current assets – related parties, net	40,381	28,744
Total current assets	1,279,213	883,712
Non-current assets		
Restricted cash	1,147	321
Investment securities – related parties	2,168	3,326
Securities pledged to an investor	310,477	-
Loan receivable from a related party	224,042	-
Property, equipment and software, net	345,336	354,617
Intangible assets	116,526	116,360
Operating lease right-of-use assets	158,864	173,103
Other non-current assets – third parties	65,792	50,533
Other non-current assets – related parties	2,689	2,706
Total non-current assets	1,227,041	700,966
Total assets	2,506,254	1,584,678

Lotus Technology Inc.
Unaudited Condensed Consolidated Balance Sheets (Con'd)

(All amounts in thousands)

	As of	
	June 30, 2024	December 31, 2023
	US\$	US\$
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Short-term borrowings – third parties	518,479	226,772
Accounts payable – third parties	58,271	20,123
Accounts payable – related parties	413,779	340,419
Contract liabilities – third parties	50,054	44,184
Operating lease liabilities – third parties	14,526	16,760
Accrued expenses and other current liabilities – third parties	431,223	419,422
Accrued expenses and other current liabilities – related parties	243,024	290,686
Exchangeable notes	-	378,638
Convertible notes - related parties	110,661	-
Convertible notes - third parties	-	20,277
Put option liabilities – related parties	437	-
Total current liabilities	1,840,454	1,757,281
Non-current liabilities		
Contract liabilities – third parties	7,024	6,245
Operating lease liabilities – third parties	81,393	91,929
Operating lease liabilities – related parties	11,314	12,064
Put option liabilities – third parties	175,214	-
Put option liabilities – related parties	-	11,884
Warrant Liabilities	5,549	-
Exchangeable notes	77,087	75,678
Convertible notes - third parties	75,970	81,635
Deferred income	296,489	270,097
Other non-current liabilities – third parties	108,293	103,403
Other non-current liabilities – related parties	1,548	1,634
Total non-current liabilities	839,881	654,569
Total liabilities	2,680,335	2,411,850

Lotus Technology Inc.
Unaudited Condensed Consolidated Balance Sheets (con'd)

(All amounts in thousands)

	As of	
	June 30, 2024	December 31, 2023
	US\$	US\$
MEZZANINE EQUITY		
Series Pre-A Redeemable Convertible Preferred Shares	-	184,509
Series A Redeemable Convertible Preferred Shares	-	199,021
Total mezzanine equity	-	383,530
SHAREHOLDERS' DEFICIT		
Ordinary shares	7	21
Additional paid-in capital	1,855,063	358,187
Accumulated other comprehensive income	25,278	25,267
Accumulated deficit	(2,048,092)	(1,588,773)
Total shareholders' deficit attributable to ordinary shareholders	(167,744)	(1,205,298)
Noncontrolling interests	(6,337)	(5,404)
Total shareholders' deficit	(174,081)	(1,210,702)
Total liabilities, mezzanine equity and shareholders' deficit	2,506,254	1,584,678

Appendix B

Lotus Technology Inc. Unaudited Condensed Consolidated Statements of Comprehensive loss

(All amounts in thousands, except for share and per share/ADS data)

	For the Six Months Ended June 30,	
	2024	2023
	US\$	US\$
Revenues:		
Sales of goods	382,893	124,854
Service revenues	15,222	5,181
Total revenues	398,115	130,035
Cost of revenues:		
Cost of goods sold	(340,882)	(119,557)
Cost of services	(6,321)	(4,351)
Total cost of revenues	(347,203)	(123,908)
Gross profit	50,912	6,127
Operating expenses:		
Research and development expenses	(174,854)	(152,548)
Selling and marketing expenses	(204,274)	(118,236)
General and administrative expenses	(111,978)	(80,417)
Government grants	2,488	662
Total operating expenses	(488,618)	(350,539)
Operating loss	(437,706)	(344,412)
Interest expenses	(11,708)	(3,470)
Interest income	8,658	5,848
Investment income, net	3,496	2,770
Share of results of equity method investments	359	(626)
Foreign currency exchange losses, net	(4,429)	(3,619)
Changes in fair values of mandatorily redeemable noncontrolling interest, exchangeable notes and convertible notes, excluding impact of instrument-specific credit risk	8,801	(12,758)
Changes in fair values of warrant liabilities	6,317	-
Changes in fair values of put option liabilities	(33,685)	3,307
Loss before income taxes	(459,897)	(352,960)
Income tax benefit (expense)	(355)	18
Net loss	(460,252)	(352,942)
Less: Net loss attributable to noncontrolling interests	(933)	(5,779)
Net loss attributable to ordinary shareholders	(459,319)	(347,163)
Accretion of Redeemable Convertible Preferred Shares	(2,979)	(258)
Net loss available to ordinary shareholders	(462,298)	(347,421)
Loss per ordinary share¹		
—Basic and diluted	(0.75)	(0.74)
Weighted average number of ordinary shares outstanding used in computing net loss per ordinary share¹		
—Basic and diluted	616,941,673	474,621,603

¹ Shares outstanding for all periods reflect the adjustment for recapitalization upon the consummation of merger transaction in February 2024.

Lotus Technology Inc.
Unaudited Condensed Consolidated Statements of Comprehensive loss (cont'd)

(All amounts in thousands, except for share and per share/ADS data)

	For the Six Months Ended June 30,	
	2024	2023
	US\$	US\$
Net loss	(460,252)	(352,942)
Other comprehensive income:		
Fair value changes of mandatorily redeemable noncontrolling interest, exchangeable notes and convertible notes due to instrument-specific credit risk, net of nil income taxes	(401)	(1,559)
Foreign currency translation adjustment, net of nil income taxes	412	34,563
Total other comprehensive income	11	33,004
Total comprehensive loss	(460,241)	(319,938)
Less: Total comprehensive loss attributable to noncontrolling interests	(933)	(5,589)
Total comprehensive loss attributable to ordinary shareholders	(459,308)	(314,349)

Appendix C
Lotus Technology Inc.
Unaudited Condensed Consolidated Statements of Comprehensive loss

(All amounts in thousands, except for share and per share/ADS data)

	Three Months Ended	
	June 30, 2024	June 30, 2023
	US\$	US\$
Revenues:		
Sales of goods	222,109	108,371
Service revenues	2,924	2,543
Total revenues	225,033	110,914
Cost of revenues:		
Cost of goods sold	(201,609)	(103,006)
Cost of services	(2,826)	(1,958)
Total cost of revenues	(204,435)	(104,964)
Gross profit	20,598	5,950
Operating expenses:		
Research and development expenses	(70,162)	(87,054)
Selling and marketing expenses	(100,785)	(66,460)
General and administrative expenses	(55,008)	(35,133)
Government grants	969	57
Total operating expenses	(224,986)	(188,590)
Operating loss	(204,388)	(182,640)
Interest expenses	(7,761)	(3,036)
Interest income	6,993	3,079
Investment income, net	4,890	4,933
Share of results of equity method investments	158	(161)
Foreign currency exchange losses, net	2,238	(6,681)
Changes in fair values of mandatorily redeemable noncontrolling interest, exchangeable notes and convertible notes, excluding impact of instrument-specific credit risk	397	(10,223)
Changes in fair values of warrant liabilities	1,464	-
Changes in fair values of put option liabilities	(5,805)	1,433
Loss before income taxes	(201,814)	(193,296)
Income tax expense	(213)	(71)
Net loss	(202,027)	(193,367)
Less: Net loss attributable to noncontrolling interests	(577)	(3,861)
Net loss attributable to ordinary shareholders	(201,450)	(189,506)
Accretion of Redeemable Convertible Preferred Shares	-	6,990
Net loss available to ordinary shareholders	(201,450)	(182,516)
Loss per ordinary share¹		
—Basic and diluted	(0.30)	(0.38)
Weighted average number of ordinary shares outstanding used in computing net loss per ordinary share¹		
—Basic and diluted	675,454,342	474,621,603

¹ Shares outstanding for all periods reflect the adjustment for recapitalization upon the consummation of merger transaction in February 2024.

Lotus Technology Inc.**Unaudited Condensed Consolidated Statements of Comprehensive loss (con'd)**

(All amounts in thousands, except for share and per share/ADS data)

	Three Months Ended	
	June 30, 2024	June 30, 2023
	US\$	US\$
Net loss	(202,027)	(193,367)
Other comprehensive income:		
Fair value changes of mandatorily redeemable noncontrolling interest, exchangeable notes and convertible notes due to instrument-specific credit risk, net of nil income taxes	(226)	(517)
Foreign currency translation adjustment, net of nil income taxes	1,827	41,600
Total other comprehensive income	1,601	41,083
Total comprehensive loss	(200,426)	(152,284)
Less: Total comprehensive loss attributable to noncontrolling interests	(577)	(3,671)
Total comprehensive loss attributable to ordinary shareholders	(199,849)	(148,613)

Appendix D
Lotus Technology Inc.
Unaudited Reconciliation of GAAP and Non-GAAP results (Adjusted net loss/Adjusted EBITDA)

(All amounts in thousands)

	For Six Months Ended	
	June 30, 2024	June 30, 2023
	US\$	US\$
Net loss	(460,252)	(352,942)
Share-based compensation expenses	35,894	-
Adjusted net loss	(424,358)	(352,942)
Net loss	(460,252)	(352,942)
Interest expenses	11,708	3,470
Interest income	(8,658)	(5,848)
Income tax expense (benefit)	355	(18)
Share-based compensation expenses	35,894	-
Depreciation	39,286	22,641
Adjusted EBITDA	(381,667)	(332,697)

	Three Months Ended	
	June 30, 2024	June 30, 2023
	US\$	US\$
Net loss	(202,027)	(193,367)
Share-based compensation expenses	571	-
Adjusted net loss	(201,456)	(193,367)
Net loss	(202,027)	(193,367)
Interest expenses	7,761	3,036
Interest income	(6,993)	(3,079)
Income tax expense	213	71
Share-based compensation expenses	571	-
Depreciation	23,112	15,037
Adjusted EBITDA	(177,363)	(178,302)