



Lucid Announces Third Quarter 2022 Financial Results, On Track for Annual Production Guidance of 6,000 to 7,000 Vehicles

November 8, 2022

- Record quarterly production of 2,282 vehicles, more than triple Q2
- On track for annual production guidance of 6,000 to 7,000 vehicles
- Q3 revenue of \$195.5M driven by customer deliveries of 1,398 vehicles in the quarter
- Strong demand with over 34,000 reservations, representing potential sales of over \$3.2B
- Announced plans to open Project Gravity SUV reservations in early 2023

NEWARK, Calif., Nov. 8, 2022 /PRNewswire/ -- Lucid Group, Inc. (NASDAQ: LCID), setting new standards with the longest-range, fastest-charging electric car on the market, today announced financial results for its third quarter ended September 30, 2022. Lucid reported Q3 revenue of \$195.5 million on deliveries of 1,398 vehicles. The Company reported strong customer demand for Lucid Air with reservations over 34,000, as of November 7, 2022, representing potential sales of over \$3.2 billion. This reservation number does not include the up to 100,000 vehicles under the agreement with the government of Saudi Arabia. Lucid ended the quarter with approximately \$3.85 billion cash, cash equivalents, and investments, which is expected to fund the Company at least into the fourth quarter of 2023.



"I'm delighted to say that we've made significant progress toward achieving our 2022 production target of 6,000-7,000 vehicles. We had record quarterly production of 2,282 vehicles, more than triple Q2, and deliveries of 1,398, which was more than double Q2," said Peter Rawlinson, Lucid's CEO and CTO. "I'm also pleased to announce that we've now proven our ability to produce 300 cars a week, with a visible pathway to our next incremental ramp up."

"We continue to have strong demand with over 34,000 reservations as of November 7, 2022," said Sherry House, Lucid's CFO. "We plan to open reservations for Project Gravity SUV in early 2023, which we believe will unlock a very large and incremental addressable market for us. We remain intently focused on scaling the business and continue to expect to see significant growth in revenue as delivery volumes ramp."

About Lucid Group

Lucid's mission is to inspire the adoption of sustainable energy by creating advanced technologies and the most captivating luxury electric vehicles centered around the human experience. The Company's first car, Lucid Air, is a state-of-the-art luxury sedan with a California-inspired design that features luxurious full-size interior space in a mid-size exterior footprint. The Lucid Air Grand Touring features an official EPA estimated 516 miles of range or 1,050 horsepower. Deliveries of Lucid Air, which is produced at Lucid's factory in Casa Grande, Arizona, are currently underway to U.S. and Canadian customers.

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Forward Looking Statements

This communication 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," "shall," "expect," "anticipate," "believe," "seek," "target," "continue," "could," "may," "might," "possible," "potential," "predict" 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 financial and operating outlook, amount of reservations and related potential sales, future capital expenditures and other operating expenses, expectations and timing related to commercial product launches, including the Project Gravity SUV and the various Air models, production and delivery volumes, the range and performance of Lucid's vehicles, plans and expectations regarding Lucid's software, Lucid's estimate of the length of time its existing cash, cash equivalents and investments will be sufficient to fund planned operations, Lucid's plans and expectations regarding its future capital raises and funding strategy, the timing of deliveries, future manufacturing capabilities and facilities, studio and service center openings, ability to mitigate supply chain and logistics risks, benefits of relocating Lucid's logistics operations center, ability to vertically integrate production processes, future sales channels and strategies, future market launches and international expansion, including Lucid's launch plans for the European market and planned manufacturing facility in Saudi Arabia, the potential success of Lucid's go-to-market strategy and future vehicle programs, and the promise of Lucid's technology. These statements are based on various assumptions, whether or not identified in this communication, and on the current expectations of Lucid's management. These forward-looking statements are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and may differ from these forward-looking statements. Many actual events and circumstances are beyond the control of Lucid. 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, including the ongoing conflict between Russia and Ukraine; risks related to prices and availability of commodities, Lucid's supply chain, logistics, inventory management and quality control, and Lucid's ability to complete the tooling of its manufacturing facilities over time and scale production of the Lucid Air and other vehicles; risks related to the uncertainty of Lucid's projected financial information; risks related to the timing of expected business milestones and commercial product launches; risks related to the expansion of Lucid's manufacturing facility, the construction of new manufacturing facilities and the increase of Lucid's production capacity; Lucid's ability to manage expenses; risks related to future market adoption of Lucid's offerings; the effects of competition and the pace and depth of electric vehicle adoption generally on Lucid's future business; changes in regulatory requirements, governmental incentives and fuel and energy prices; Lucid's ability to rapidly innovate; Lucid's ability to enter into or maintain partnerships with original equipment manufacturers, vendors and technology providers; Lucid's ability to effectively manage its growth and recruit and retain key employees, including its chief executive officer and executive team; risks related to potential vehicle recalls; Lucid's ability to establish and expand its brand and capture additional market share, and the risks associated with negative press or reputational harm; Lucid's ability to effectively utilize zero emission vehicle credits and obtain and utilize certain tax and other incentives; Lucid's ability to issue equity or equity-linked securities in the future; Lucid's ability to pay interest and principal on its indebtedness; future changes to vehicle specifications which may impact performance, pricing and other expectations; the outcome of any potential litigation, government and regulatory proceedings, investigations and inquiries; and the impact of the global COVID-19 pandemic on Lucid's supply chain, projected results of operations, financial performance or other financial metrics, or on any of the foregoing risks; and those factors discussed under the heading "Risk Factors" in Part II, Item 1A of Lucid's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, as well as other documents Lucid has filed or will file with the Securities and Exchange Commission. If any of these risks materialize or Lucid's assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Lucid currently does not know or that Lucid 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 Lucid's expectations, plans or forecasts of future events and views as of the date of this communication. Lucid anticipates that subsequent events and developments will cause Lucid's assessments to change. However, while Lucid may elect to update these forward-looking statements at some point in the future, Lucid specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Lucid's assessments as of any date subsequent to the date of this communication. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Non-GAAP Financial Measures and Key Business Metrics

Condensed consolidated financial information has been presented in accordance with US GAAP ("GAAP") as well as on a non-GAAP basis to supplement our condensed consolidated financial results. Lucid's non-GAAP financial measures include Adjusted EBITDA and Free Cash Flow which are discussed below.

Adjusted EBITDA is defined as net loss before (1) interest expense, (2) interest income, (3) provision for income taxes, (4) depreciation and amortization, (5) change in fair value of forward contracts, (6) change in fair value of convertible preferred stock warrant liability, (7) change in fair value of common stock warrant liability, (8) transaction costs expensed and (9) stock-based compensation. Adjusted EBITDA is a performance measure that Lucid believes provides useful information to Lucid's management and investors about Lucid's profitability. Free Cash Flow is defined as net cash used in operating activities less capital expenditures. Free Cash Flow is a performance measure that Lucid believes provides useful information to Lucid's management and investors about the amount of cash generated by the business after necessary capital expenditures.

These non-GAAP financial measures facilitate management's internal comparisons to Lucid's historical performance. Management believes that it is useful to supplement its GAAP financial statements with this non-GAAP information because management uses such information internally for its operating, budgeting, and financial planning purposes. Management also believes that presentation of the non-GAAP financial measures provides useful information to Lucid's investors regarding measures of our financial condition and results of operations that Lucid uses to run the business and therefore allows investors to better understand Lucid's performance. However, these non-GAAP financial and key performance measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP.

Non-GAAP information is not prepared under a comprehensive set of accounting rules and therefore, should only be read in conjunction with financial information reported under GAAP when understanding Lucid's operating performance. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures and key performance measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures and key performance measures as tools for comparison. A reconciliation between GAAP and non-GAAP financial information is presented below.

	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,264,136	\$ 6,262,905
Short-term investments	2,078,045	—
Accounts receivable, net	2,659	3,148
Inventory	685,321	127,250
Prepaid expenses	57,259	70,346
Other current assets	69,008	43,328
Total current assets	<u>4,156,428</u>	<u>6,506,977</u>
Property, plant and equipment, net	1,954,310	1,182,153
Right-of-use assets	211,844	161,974
Long-term investments	513,735	—
Other noncurrent assets	51,494	30,609
TOTAL ASSETS	<u>\$ 6,887,811</u>	<u>\$ 7,881,713</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 79,781	\$ 41,342
Accrued compensation	49,008	32,364
Finance lease liabilities, current portion	9,780	4,183
Other current liabilities	686,555	318,212
Total current liabilities	<u>825,124</u>	<u>396,101</u>
Finance lease liabilities, net of current portion	79,371	6,083
Common stock warrant liability	396,489	1,394,808
Long-term debt	1,990,571	1,986,791
Other long-term liabilities	365,009	188,575
Total liabilities	<u>3,656,564</u>	<u>3,972,358</u>
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$0.0001; 10,000,000 shares authorized as of September 30, 2022 and December 31, 2021; no shares issued and outstanding as of September 30, 2022 and December 31, 2021	—	—
Common stock, par value \$0.0001; 15,000,000,000 shares authorized as of September 30, 2022 and December 31, 2021; 1,681,005,163 and 1,648,413,415 shares issued and 1,680,147,338 and 1,647,555,590 shares outstanding as of September 30, 2022 and December 31, 2021, respectively	168	165
Additional paid-in capital	10,162,745	9,995,778
Treasury stock, at cost, 857,825 shares at September 30, 2022 and December 31, 2021	(20,716)	(20,716)
Accumulated other comprehensive loss	(13,266)	—
Accumulated deficit	(6,897,684)	(6,065,872)
Total stockholders' equity	<u>3,231,247</u>	<u>3,909,355</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 6,887,811</u>	<u>\$ 7,881,713</u>

LUCID GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS¹
Unaudited
(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 195,457	\$ 232	\$ 350,468	\$ 719
Costs and expenses				
Cost of revenue	492,483	3,320	1,030,795	3,424
Research and development	213,761	242,408	600,218	586,579
Selling, general and administrative	176,736	251,554	563,707	455,478
Total cost and expenses	<u>882,980</u>	<u>497,282</u>	<u>2,194,720</u>	<u>1,045,481</u>
Loss from operations	(687,523)	(497,050)	(1,844,252)	(1,044,762)
Other income (expense), net				
Change in fair value of forward contracts	—	—	—	(454,546)
Change in fair value of convertible preferred stock warrant liability	—	—	—	(6,976)
Change in fair value of common stock warrant liability	140,146	(24,787)	998,319	(24,787)
Transaction costs expensed	—	(2,717)	—	(2,717)

Interest income	24,373	—	27,284	—
Interest expense	(7,613)	(76)	(22,521)	(111)
Other income (expense), net	665	249	9,898	(151)
Total other income (expense), net	157,571	(27,331)	1,012,980	(489,288)
Loss before provision for income taxes	(529,952)	(524,381)	(831,272)	(1,534,050)
Provision for income taxes	149	22	540	31
Net loss	(530,101)	(524,403)	(831,812)	(1,534,081)
Deemed dividend related to the issuance of Series E convertible preferred stock	—	—	—	(2,167,332)
Net loss attributable to common stockholders, basic	(530,101)	(524,403)	(831,812)	(3,701,413)
Change in fair value of dilutive warrants	(140,146)	—	(998,319)	—
Net loss attributable to common stockholders, diluted	\$ (670,247)	\$ (524,403)	\$ (1,830,131)	\$ (3,701,413)

Weighted average shares outstanding used in computing net loss per share attributable to common stockholders, basic	1,676,048,504	1,217,032,285	1,666,693,217	432,654,607
Weighted average shares outstanding used in computing net loss per share attributable to common stockholders, diluted	1,690,963,548	1,217,032,285	1,686,576,589	432,654,607
Net loss per share attributable to common stockholders, basic	\$ (0.32)	\$ (0.43)	\$ (0.50)	\$ (8.56)
Net loss per share attributable to common stockholders, diluted	\$ (0.40)	\$ (0.43)	\$ (1.09)	\$ (8.56)

Other comprehensive loss				
Net unrealized losses on investments, net of tax	\$ (12,575)	\$ —	\$ (13,266)	\$ —
Comprehensive loss	(542,676)	(524,403)	(845,078)	(1,534,081)
Deemed dividend related to the issuance of Series E convertible preferred stock	—	—	—	(2,167,332)
Comprehensive loss attributable to common stockholders	\$ (542,676)	\$ (524,403)	\$ (845,078)	\$ (3,701,413)

LUCID GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS¹
Unaudited
(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Cash flows from operating activities				
Net loss	\$ (530,101)	\$ (524,403)	\$ (831,812)	\$ (1,534,081)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	50,653	14,883	131,343	26,621
Amortization of insurance premium	10,264	4,437	25,188	7,184
Non-cash operating lease cost	5,302	(4,873)	14,254	8,629
Stock-based compensation	83,302	236,956	352,245	366,200
Inventory and firm purchase commitments write-downs	186,496	—	364,553	—
Change in fair value of contingent forward contract liability	—	—	—	454,546
Change in fair value of preferred stock warrant liability	—	—	—	6,976
Change in fair value of common stock warrant liability	(140,146)	24,787	(998,319)	24,787
Other non-cash items	(7,424)	—	(5,020)	56
Changes in operating assets and liabilities:				
Accounts receivable	(1,119)	219	489	(1)
Inventory	(302,202)	(32,931)	(906,054)	(60,112)
Prepaid expenses	(18,560)	(43,514)	(12,101)	(65,697)
Other current assets	(1,063)	10,679	(33,262)	8,299
Other noncurrent assets	(11,526)	(1,991)	(39,082)	(5,861)
Accounts payable	2,620	(2,304)	52,216	(14,175)
Accrued compensation	(6,542)	4,762	16,644	12,752
Operating lease liability	(3,817)	3,226	(10,761)	(4,516)
Other current liabilities	102,001	17,201	281,545	17,834
Other long-term liabilities	12,396	1,269	20,191	5,158
Net cash used in operating activities	(569,466)	(291,597)	(1,577,743)	(745,401)
Cash flows from investing activities:				
Purchases of property, plant and equipment	(290,064)	(92,780)	(784,964)	(299,313)
Proceeds from government grant	97,267	—	97,267	—
Proceeds from sale of property, plant and equipment	—	—	—	19
Purchases of investments	(1,307,454)	—	(2,726,677)	—
Proceeds from maturities of investments	125,353	—	125,353	—
Net cash used in investing activities	(1,374,898)	(92,780)	(3,289,021)	(299,294)
Cash flows from financing activities:				
Payment for short-term insurance financing note	—	(14,072)	(15,330)	(16,819)
Payment for finance lease liabilities	(1,204)	(551)	(3,605)	(1,915)
Proceeds from short-term insurance financing note	—	30,985	—	41,935

Proceeds from borrowings	13,565	—	20,228	—
Repayments for borrowings	(6,653)	—	(6,653)	—
Proceeds from failed sale-leaseback transaction	31,700	—	31,700	—
Repurchase of Series B convertible preferred stock	—	—	—	(3,000)
Proceeds from issuance of Series D convertible preferred stock	—	—	—	3,000
Proceeds from issuance of Series E convertible preferred stock	—	—	—	600,000
Proceeds from exercise of stock options	1,889	761	14,738	6,027
Proceeds from the exercise of public warrants	—	173,273	—	173,273
Proceeds from the reverse capitalization	—	4,439,153	—	4,439,153
Payment of transaction costs related to the reverse recapitalization	—	(4,811)	—	(4,811)
Proceeds from employee stock purchase plan	—	—	12,882	—
Stock repurchases from employees for tax withholdings	(21,654)	—	(212,895)	—
Payment for credit facility issuance costs	—	—	(6,631)	—
Net cash provided by (used in) financing activities	17,643	4,624,738	(165,566)	5,236,843
Net (decrease) increase in cash, cash equivalents, and restricted cash	(1,926,721)	4,240,361	(5,032,330)	4,192,148
Beginning cash, cash equivalents, and restricted cash	3,192,411	592,205	6,298,020	640,418
Ending cash, cash equivalents, and restricted cash	\$ 1,265,690	\$ 4,832,566	\$ 1,265,690	\$ 4,832,566

LUCID GROUP, INC.
Reconciliation of GAAP to Non-GAAP Financials Measures¹
Unaudited
(in thousands)

Adjusted EBITDA

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Net loss (GAAP)	\$ (530,101)	\$ (524,403)	\$ (831,812)	\$ (1,534,081)
Interest expense	7,613	76	22,521	111
Interest income	(24,373)	—	(27,284)	—
Provision for income taxes	149	22	540	31
Depreciation and amortization	50,653	14,883	131,343	26,621
Change in fair value of forward contracts	—	—	—	454,546
Change in fair value of convertible preferred stock warrant liability	—	—	—	6,976
Change in fair value of common stock warrant liability	(140,146)	24,787	(998,319)	24,787
Transaction costs expensed	—	2,717	—	2,717
Stock-based compensation	83,302	236,956	352,245	366,200
Adjusted EBITDA (non-GAAP)	\$ (552,903)	\$ (244,962)	\$ (1,350,766)	\$ (652,092)

Free Cash Flow

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Net cash used in operating activities (GAAP)	\$ (569,466)	\$ (291,597)	\$ (1,577,743)	\$ (745,401)
Capital expenditures	(290,064)	(92,780)	(784,964)	(299,313)
Free cash flow (non-GAAP)	\$ (859,530)	\$ (384,377)	\$ (2,362,707)	\$ (1,044,714)

¹ The business combination (the "Merger") between Lucid Group Inc.'s predecessor, Atieva, Inc. ("Legacy Lucid"), and Churchill Capital Corp IV ("CCIV"), which closed on July 23, 2021, is accounted for as a reverse recapitalization under U.S. GAAP. Under this method of accounting, CCIV has been treated as the acquired company for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of Lucid represent a continuation of the financial statements of Legacy Lucid with the Merger being treated as the equivalent of Legacy Lucid issuing shares for the net assets of CCIV, accompanied by a recapitalization. The net assets of CCIV were recognized as of the closing of the Merger at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Merger are presented as those of Legacy Lucid and the accumulated deficit of Legacy Lucid has been carried forward after the closing of the Merger. All periods prior to the Merger have been retrospectively adjusted using the applicable exchange ratio for the equivalent number of shares outstanding immediately after the closing of the Merger to effect the reverse recapitalization. See our Form 10-Q for the three and nine months ended September 30, 2022 for additional information.

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